

Doxee: Interactive and Digital Stock!

ADD | Fair Value: €8.30 | Current Price: €6.50 | Upside: 28%

€ Million	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E
Total Revenues	14.5	17.0	19.2	21.9	25.7	29.7	34.1
EBITDA	3.1	5.0	5.6	6.7	8.5	10.0	11.9
margin	21.7%	29.4%	29.2%	30.6%	32.9%	33.8%	34.8%
Net Profit	0.6	1.7	1.6	2.6	3.4	4.0	4.7
margin	4.2%	10.0%	8.5%	11.9%	13.4%	13.6%	13.9%
EPS	n.a.	0.24	0.23	0.36	0.48	0.56	0.66

Source: Company Data, KT&Partners' Elaboration

Overview. Doxee is a tech-vendor operating in digital transformation field, offering its products – dx, px and ix – through Doxee cloud-native platform. Doxee helps companies: i) to innovate their client communication processes (dx); ii) to digitize the invoice management and the archiving of documents (px); iii) to set up personalized and interactive communications with their customers (ix). The company leverages on state-of-the-art technologies – developed thanks to intense R&D investments – and is now expanding towards new industries, new client segments and new countries.

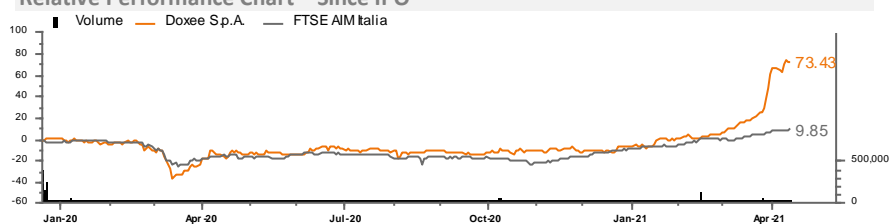
Market overview. According to Statista, the digital transformation market amounted \$1,300bn in 2020 and is expected to grow to \$2,300bn by 2023, a CAGR of 18.2%. Doxee's reference markets segments – Customer Communication Management, E-invoicing, and Digital Customer Experience – are all expected to grow by double digits in the next years with a CAGR of 11%, 38% and 12% respectively. The company enjoys a unique positioning with respect to its competitors, being active in all three markets and offering cloud-based products bringing notable advantages to its clients.

Group historical figures. Doxee grew at a CAGR 2018-20 of 14% reaching €17.7mn revenues in 2020, of which 74% were recurring, associated with its SaaS offering. Company growth was mainly the result of the: i) development of ix products that also allowed the expansion of customer base capturing new sectors, such as Public Sector and Insurance; ii) acquisition of new customers with the introduction of e-invoicing in B2B/B2C market. EBITDA grew more than revenues, +33% CAGR 2018-20, reaching €5.6mn in 2020, with a margin of 29.2% and Net income experienced a +64% CAGR 2018-20, reaching €1.6mn. 2020 NFP stood at €2.5mn, basically in line with respect to previous years, despite the pandemic.

Future estimates. We expect revenues to reach €32.5mn in 2024 growing at a CAGR 20-24E of 16%, mainly driven by: i) px product line expansion, thanks to new regulatory requirements and expansion towards new client segments (SME/SMB); ii) ix product line growth due to increasing requests and need of communication digitalization and LittleSea contribution. We forecast EBITDA growing at a CAGR 20-24E of 21%, reaching €11.9mn in 2024 and an EBITDA margin of 34.8%, thanks to a more profitable product mix following the growth of ix and px product lines. Net income is expected to reach €4.7mn in 2024 (+30% CAGR20-24E).

Valuation. Our valuation – based on both market multiples and DCF method – returns an average equity value of €59.7mn or a fair value of €8.30ps, showing a potential upside of 28% on current market price.

Relative Performance Chart – Since IPO



Initiation of Coverage

April 15, 2021 – h 7.00

Equity Research Update
connect@ktepartners.com

Mauro IACCINO
miaccino@ktepartners.com

Federica FIORENZA
ffiorenza@ktepartners.com

Market Data

Main Shareholders	
P&S Srl	76.7%
Mkt Cap (€ mn)	46.8
EV (€ mn)	49.3
Shares out.	7.2
Free Float	23.3%

Market multiples	2020	2021	2022
EV/EBITDA			
Doxee	8.8x	7.4x	5.8x
Comps average	15.8x	9.7x	7.8x
Doxee vs average	-44%	-24%	-26%
P/E			
Doxee	28.6x	18.0x	13.6x
Comps average	28.3x	23.8x	16.3x
Doxee vs average	1%	-24%	-16%

Stock Data

52 Wk High (€)	6.80
52 Wk Low (€)	3.01
Avg. Daily Trading 90d	14,889
Price Change 1w (%)	4.0
Price Change 1m (%)	49.8
Price Change YTD (%)	85.7

Key Figures – Doxee S.p.A.

	Current price (€)	Fair Value (€)	Sector				Free Float (%)
	6.50	8.30	Digital Transformation				23.3%
Per Share Data	2018A	2019A	2020A	2021E	2022E	2023E	2024E
Total shares outstanding (mn)	n.m.	7.19	7.20	7.20	7.20	7.20	7.20
EPS	n.m.	0.24	0.23	0.36	0.48	0.56	0.66
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)	2018A	2019A	2020A	2021E	2022E	2023E	2024E
Revenues	14.5	17.0	19.2	21.9	25.7	29.7	34.1
EBITDA	3.1	5.0	5.6	6.7	8.5	10.0	11.9
EBIT	1.0	2.3	2.9	3.7	4.9	5.7	6.7
EBT	1.0	2.1	2.3	3.6	4.8	5.6	6.6
Taxes	(0.4)	(0.4)	(0.7)	(1.0)	(1.3)	(1.6)	(1.8)
Tax rate	40%	19%	30%	28%	28%	28%	28%
Net Income	0.6	1.7	1.6	2.6	3.4	4.0	4.7
Balance Sheet (EUR million)	2018A	2019A	2020A	2021E	2022E	2023E	2024E
Total fixed assets	7.4	8.6	10.5	11.5	12.4	13.1	13.5
Net Working Capital (NWC)	1.4	1.7	1.9	2.6	3.1	3.4	3.8
Provisions	(1.0)	(1.5)	(1.3)	(1.5)	(1.6)	(1.8)	(2.0)
Total Net capital employed	7.7	8.8	11.0	12.6	13.9	14.7	15.4
Net financial position/(Cash)	7.3	2.3	2.5	1.5	(0.7)	(3.9)	(8.0)
Total Shareholder's Equity	0.4	6.5	8.5	11.1	14.6	18.6	23.3
Cash Flow (EUR million)	2018A	2019A	2020A	2021E	2022E	2023E	2024E
Net operating cash flow	2.7	4.6	4.7	5.7	7.1	8.4	10.0
Change in NWC	(0.5)	(0.4)	(0.1)	(0.8)	(0.5)	(0.3)	(0.4)
Capital expenditure	(2.4)	(3.9)	(4.4)	(4.0)	(4.5)	(5.0)	(5.6)
Other cash items/Uses of funds	0.1	0.5	0.1	0.2	0.2	0.2	0.2
Free cash flow	(0.1)	0.8	0.3	1.1	2.2	3.3	4.2
Enterprise Value (EUR million)	2018A	2019A	2020A	2021E	2022E	2023E	2024E
Market Cap	n.a.	27.2	25.2	46.8	46.8	46.8	46.8
Minorities	-	-	0	-	-	-	-
Net financial position/(Cash)	7.3	2.3	2.5	1.5	(0.7)	(3.9)	(8.0)
Enterprise value	n.a.	29	28	48	46	43	39
Ratios (%)	2018A	2019A	2020A	2021E	2022E	2023E	2024E
EBITDA margin	21.7%	29.4%	29.2%	30.6%	32.9%	33.8%	34.8%
EBIT margin	7.2%	13.3%	15.4%	17.0%	18.9%	19.2%	19.6%
Gearing - Debt/equity	1718.5%	35.4%	29.5%	13.5%	-4.6%	-20.8%	-34.2%
Interest cover on EBIT	1.8%	7.2%	21.5%	2.4%	1.8%	1.6%	1.3%
NFP/EBITDA	232.8%	46.1%	44.8%	22.5%	-8.0%	-38.6%	-67.2%
ROCE	13.4%	25.7%	26.8%	29.4%	35.1%	38.8%	43.5%
ROE	141.5%	26.0%	19.2%	23.5%	23.6%	21.8%	20.3%
EV/Sales	3.4x	2.9x	2.6x	2.3x	1.9x	1.7x	1.4x
EV/EBITDA	15.7x	9.8x	8.8x	7.4x	5.8x	4.9x	4.2x
P/E	77.6x	27.6x	28.6x	18.0x	13.6x	11.6x	9.9x
Free cash flow yield	0%	2%	1%	2%	5%	7%	8%
Growth Rates (%)	2018A	2019A	2020A	2021E	2022E	2023E	2024E
Sales	n.m.	17.5%	12.6%	14.0%	17.6%	15.4%	14.9%
EBITDA	n.m.	59.4%	12.0%	19.2%	26.4%	18.7%	18.1%
EBIT	n.m.	118.4%	29.9%	25.9%	31.1%	17.3%	17.0%
Net Income	n.m.	110.1%	-4.4%	60.8%	31.9%	17.6%	17.3%

Source: Company Data, KT&Partners' Elaboration

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Investment Case

Proprietary Cloud-Native Platform. Doxee internally developed a cloud-native platform that helps companies in the digitization of mission-critical customer communications processes and in the automatic production, distribution and archiving of documents. Through the platform the company offers three integrated product lines strongly increasing both potential customer acquisition and cross-selling opportunities. On the other hand, clients benefit from the cloud-based platform which ensure a simplified adoption, higher control on costs and a better customer management through operation innovation and automatization.

Continuous R&D Investments. Doxee leverages on more than 20 years of experience and know-how in technology innovation for communication processes in the Enterprise market. A long history of continuous R&D investments – an average of more than 13% of value of production since 2010 – enabled Doxee to enjoy a great competitive positioning in its reference markets. The company also constantly collaborates with important Italian universities and provides funds for research laboratories and observatories. Doxee technological innovation is validated by both the main worldwide IT analysts, such as Forrester, Aspire, Celent and Gartner, and by the five patents obtained for its proprietary technology. Since 2019 Doxee certified as an innovative SME, with consequent tax incentives for investors.

Markets' Opportunities. The company's reference markets – CCM, E-invoicing, DCX – are all expected to grow by double digits – 11%, 38% and 12% respectively – in the coming years. Doxee's organization enjoys a great competitive positioning, being the only company that operates in both Customer Communication Management (CCM), E-invoicing (Reg-Tech), and Digital Customer Experience (DCX). Thanks to this favorable climate and its great positioning, Doxee aims to expand its business, entering new markets in Europe (mainly in Reg-Tech market), LATAM and EMEA, and new sectors like Healthcare and Insurance. Another goal concerns the expansion towards SME and SMB segments offering dedicated products.

Customer Base. Doxee has built long-lasting relationships with its clients – mainly top multinational companies such as Fastweb, Sky, Enel, Eni, Unicredit – resulting in a very low churn rate – 2.6% on revenues – and in high recurring revenues – more than 70% each year (ca. 74% in 2020). Furthermore, the company also serves local and central public administrations – among which, the Municipality of Milan, Regione Lombardia, Provincia Autonoma di Trento, Regione Campania – leveraging the wave of the PA digitization, further pushed by the COVID-19 breakout. Serving its clients, Doxee has become the market leader in Italy for the Reg-Tech sector, handling 19% of total national invoices volume.

Brilliant Economic Results. The effort in technological innovation and in developing a strong business model led to great financials: in 2020 the group reached €17.7mn of sales revenues, with a remarkable growth, +14% CAGR over 2018-20, and a high profitability with EBITDA margin at 29.2%. Furthermore, the company usually enters multi-year contracts, ensuring strong visibility on future revenues: at the end of the year, it has already factored in more than 60% and more than 40% of revenues for one year and two years after, respectively.

Statement of Risk. Doxee's commercial success has generated a growing brand awareness and has enabled the brand to spread to different markets. The uniqueness of company's products, even though allowed to serve a very large number of industries, has created over the years a big concentration risk in a small number of customers. In 2020, more than 70% of revenues is attributable to top ten clients, with the first client (belonging to Telco market) accounting for 33% of revenues. We can reasonably assume that this risk is going to decrease significantly, following the company's growth towards new markets and industries. Indeed, the first client's incidence decreased from 40% in 2018 to 37% in 2019 and 33% in 2020, mitigating concentration risk.

Company Overview

Doxee S.p.A.

Headquartered in Modena, Doxee is a tech-vendor offering its proprietary digital transformation products. The company services are provided through the Doxee cloud-native Doxee Platform® launched in 2012 and based on a cloud architecture which allows the company to: i) manage high data volumes while ensuring ii) an easier adoption and integration, when compared to non-cloud architecture and iii) cost savings for Doxee clients thanks to a centralized automation.

Through Doxee Platform® the company provides integrated, flexible and scalable products. Doxee's offering includes three product lines that can be sold either stand-alone or combining two or all three together. This flexibility fits a broad range of customer needs allowing both a wider potential customer base and stronger cross-selling opportunities. Doxee products are:

- i) **document experience (dx)**: for production, distribution, and digital archiving of documents. dx enable companies to innovate their Customer Communication Management (CCM);
- ii) **paperless experience (px)**: allows the digitalization of invoice management and the digital storage of documents compliant to legal standards;
- iii) **interactive experience (ix)**: production of personalized micro-sites and videos, allowing Doxee clients to personalize communication for each single end customer empowering the digital customer experience.

The integrated offering through a single platform makes Doxee the only company in Italy operating simultaneously in these markets, while direct competitors are based outside Italy.

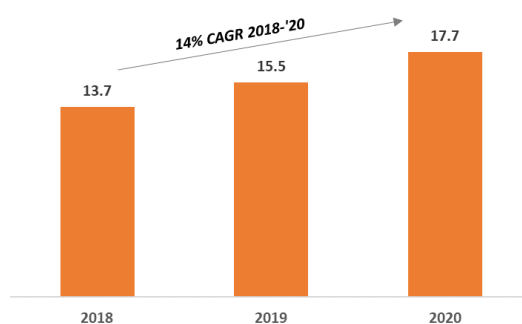
The company also offers Professional Services, provided for specific customer requests and for the start-up phase to manage integrations between Doxee products and clients' systems.

Doxee products are delivered mostly through SaaS mode (93%), but also in PaaS (2%) and On-premise – license – mode (5%). The business model coupled with the high quality-level of the services ensures a strong customer retention with a small churn rate of 2.6% on revenues. Indeed, 71.8% of FY20 revenues coming from clients with a relationship of more than 3 years with the company.

Doxee went listed on AIM Italia on December 19th, 2019, with €5mn of capital raised (greenshoe option included). Thanks to IPO, the company can leverage greater visibility in terms of higher brand awareness and an easier access to new customers and markets.

Doxee strengths are fully reflected in its growth path: 2020 revenues reached €17.7mn experiencing a +14% CAGR 2018-'20. The 90% of 2020 revenues were generated in Italy and the remaining 10% were generated in markets where the company is currently expanding.

Revenues 2018-2020 (€/mn)



Source: Company Data

R&D Investment

Doxee is committed to offering its customers constant innovation through its products. Doxee developed the platform internally and holds intellectual property on its products: this ensures autonomy and full control of technology. To enable this, a key element is the continuous investment in research and development: Doxee has been investing more than 13% of its production value in R&D since 2010. This path towards innovation is also the result of partnerships established over the years with several universities – such as the University of Modena and Reggio-Emilia, the University of Bologna, the University of Milano-Bicocca, and the University of Calabria – and with key technological players.

Between 2018 and 2020, the company received important recognitions from IT analysts as one of the leading providers of video technologies and advanced cloud solutions. Among these, Celent included Doxee in its Customer Communication Management Report 2020, dedicated to banking and insurance; Forrester included the company in Tech Tide report dedicated to B2B video platforms that enhance the experience of customers and employees, and in Now Tech report, pointing Doxee out as one of the best providers of CCM.

Strategic Partnership

Doxee established consolidated commercial and technological partnerships with key players in the industry. The partnerships enabled Doxee to:

- **enter new markets:** through the partnership with RGI, which integrated part of dx and ix products in its platform, enabling the sales of these products within the Insurance industry.
- **expand its positioning in markets where it has already a presence.** For the Central Public Administration (PAC) segment Doxee signed a partnership with Postel, a company of Poste Italiane group. Doxee is training the entire Postel/Poste sales force (approximately 500 Sales Executives) on ix products to enable sales of interactive experience products. Another important partnership is the one with Amazon Web Services (AWS): a technological partnership dedicated to business development in cloud and AI fields. Doxee has been the first AWS Advanced Technology Partner in Italy.
- **expand in foreign countries.** The partnership with Zuora, a company focused on the management of payment processes related to subscriptions, enables Doxee to widen its ix and px offer at a global level. Furthermore, the commercial and technological partnership with FCI and Ayesa gave Doxee the chance to distribute and promote its products in India, APAC, Spain, Portugal, while Bantotal (one of the leading LATAM system integrators in Finance) is offering and distributing ix.

Doxee Strategic Partnership



Source: Company Presentation

Group's History

Since its foundation in 2001, Doxee has experienced considerable growth thanks to continuous investment for innovation, and helping companies in digitally transforming their operations and their customer communication management.

Doxee history runs through the following steps:

Foundation of Ebilling SpA

- In 2001 Paolo Cavicchioli and Sergio Muratori Casali founded Ebilling S.p.A.; the company was born with the aim of providing digital and customer communication services. From its foundation to 2009 Ebilling continued to expand its position in the market launching new products: after entering the Italian legal electronic archiving market to serve Enterprise customers, Ebilling launched BCPortal, the first version of its technology platform.

Strategic acquisition in foreign countries

- In 2009 Ebilling started its expansion: it first moved its platform to the cloud, creating a significant advantage over competitors. Then, in 2010, the company acquired PrintSoft CZ and PrintSoft SK, and it opened its first foreign offices in the US. They were later renamed as Doxee Czech, Doxee Slovak, and Doxee USA Inc..

Launch of Doxee Platform and new product offer

- In 2012 Ebilling changed his name to Doxee and launched the Doxee Platform®. Thereafter, the company started offering, in SaaS mode, two of its three main products: document experience and paperless experience. In 2016 Doxee integrated its offer with a new digital service line, called interactive experience and, in addition to SaaS offer, it launched PaaS offering.

In 2017 Doxee S.p.A. were present in 17 countries directly, through its branches and subsidiaries, or indirectly, thanks to its partnerships.

Doxee went listed on AIM

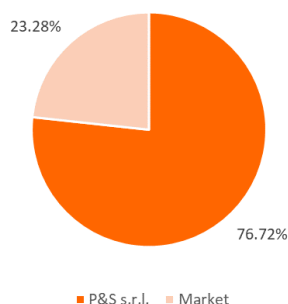
- In order to accelerate its growth, on December 19th, 2019, Doxee went public on AIM Italia market having raised €5mn of capital. Moreover, in 2019 the company, having become a reference player in its target market, decided to innovate its identity: a complete re-design for the Doxee brand and a new website with new contents.

LittleSea S.r.l. acquisition

- Recently, on July 1st, 2020, the company made the strategic acquisition of a 91.07% stake of LittleSea S.r.l., for a total amount of €0.3mn. LittleSea S.r.l. developed a platform that enables the automatic production of interactive customized videos, thanks to a very intuitive interface that does not require specialist knowledge. This acquisition will allow Doxee to enter sectors such as media and publishing, advertising, and retail.

Ownership and Group Structure

Doxee Shareholders



Source: Company Data

Doxee's main shareholder is P&S S.r.l. with a 76.7% stake and owned by Doxee's founding members, Paolo Cavicchioli and Sergio Muratori Casali. The remaining 23.3% is held by the market.

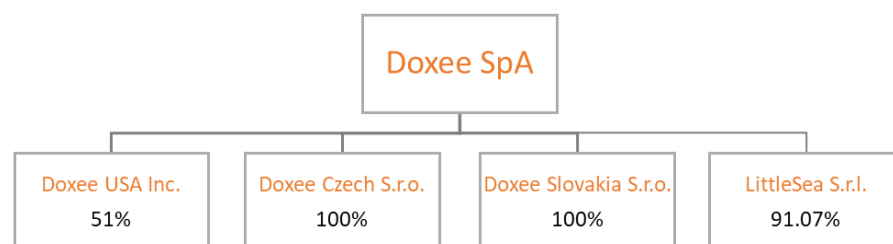
At the IPO date, Doxee issued 7,191,500 warrants, exercisable in December 2020, 2021 and 2022. Moreover, in the 30 days following the start of trading, the greenshoe option concerning 175,000 shares was fully exercised.

Headquartered in Modena, Doxee has other branches in Italy: Rome where sales offices are located and Catanzaro where technical offices are established. The company has also a presence abroad: Fort Lauderdale (US), Bratislava (Slovakia) and Prague (Czech Republic).

Doxee S.p.A. is the holding company of the group, owning stakes in:

- **Doxee USA Inc.**, in which Doxee has a stake of 51%. The company has been part of the Doxee group since 2011, (fully operational in 2012). Doxee USA is focused mainly on the development of PaaS model, to support the group's internationalization strategy; it also provides Professional Services to develop international projects, especially in the LATAM market. The remaining 49% of share capital is held by the company Simest S.p.A., that Doxee has signed an agreement with, whereby the companies mutually acknowledge that they hold a put/call option on the 49% stake held by Simest S.p.A., which is exercisable by the parties as of June 30th, 2021.
- **Doxee Czech S.r.o.**, 100% owned by Doxee S.p.A. The company is part of Doxee group since 2010, after the acquisition of Printsoft Czech Republic. It operates in both the CCM market – offering dx products to the Enterprise market (especially in utilities and financial sector) – and in the e-invoicing market, offering px products. In both cases services are based mainly on SaaS model.
- **Doxee Slovak S.r.o.**, 100% held by Doxee S.p.A. The company has been part of the Doxee group since 2010, after the acquisition of the Slovak business unit Printsoft Slovak. This branch operates in the CCM market and has several important customers, especially in the financial sector. In this branch dx is offered through On-premise mode.
- **LittleSea S.r.l.**, in which Doxee has a stake of 91.07% acquired in July 2020. The company is a leader in the video automation sector, developing a patented technology to automatically transform data and insights into highly dynamic and personalized videos. It operates through its platform, Babelee, which automatically produces multiple dynamic videos based on customer-selected information.

Doxee Group Structure



Source: Company Data

Management Team

Doxee is run by professionals with long-lived experience and a with an attitude in favor of continuous innovation.

Paolo Cavicchioli – Founder and President



In 2001 Paolo co-founded Ebilling S.p.A. – later rebranded as Doxee. From 1996 to 2001 he held the position of Chief Operating Officer at Venturini Group S.p.A., a leading company in the field of typography and industrial printing. Since 2011 he has held various institutional roles; in particular he is a member of the Technical and Scientific Council of the E. Fermi Technical Institute of Modena, a member of the Board of Directors of Unimore, a member of the Board of Directors of Confindustria di Modena, of Confindustria Digitale Regionale and of the Business University Commission. He graduated in Computer Engineering from Unimore.

Sergio Muratori Casali – Founder & CEO



In 2001 Sergio co-founded Ebilling S.p.A. – later rebranded as Doxee – becoming its strategic leader, guiding the company towards expansion into new markets. He began his career by covering various roles in the sales and marketing departments of Venturini Group S.p.A., a leading company in industrial printing sector, becoming in 1996 Chief Commercial Officer of the Services Division. He graduated in Economics from Unimore.

Guido Spagnoli – CFO



CFO of Doxee since 2011, Guido has more than 20 years of experience, having worked in multinational companies primarily in the IT sector, where he has held several roles in accounting, finance, budgeting, and credit management. He graduated in Economics from the University of Bologna and has a Master's degree in Finance.

Enrico Celotto – Chief Marketing Officer



Enrico joined Doxee in 2018, as Global Marketing Director. Since 2006 he has held various roles in the Marketing and Digital area of different multinational companies. Enrico has extensive experience in the design, management, and implementation of B2B and B2C marketing programs, as well as in Brand Strategy, e-Commerce, Digital Advertising, and Product Marketing Management. He graduated in Political Science, and in 2006 he obtained a Master in Communications and Marketing for the web and new media at the Business School Ateneo Impresa.

Andrea Rampoldi – COO



Andrea joined Doxee in 2013 in the role of Service Desk Manager. He contributed to the organizational review of the area, while respecting the strategic business decisions that centralize the provision of all application services in the new proprietary platform "Doxee Platform". His professional career began as a consultant in SAP Italy in 1998. In 2001 he joined the Application Operations group of Omnitel Vodafone. After that he covered many other roles of increasing responsibility at Vodafone Italia.

Robert Dosen – CTO



Robert joined the team 10 years ago and since then he has covered several roles of growing responsibility in many technical areas of work. Today he is responsible for the management of the agile development teams and drives technological innovation in the challenging context of Doxee. A cloud evangelist with a strong passion for technology, Robert has extensive experience in IT architecture, networking and operating systems as well. He has gained relevant technical certifications over time.

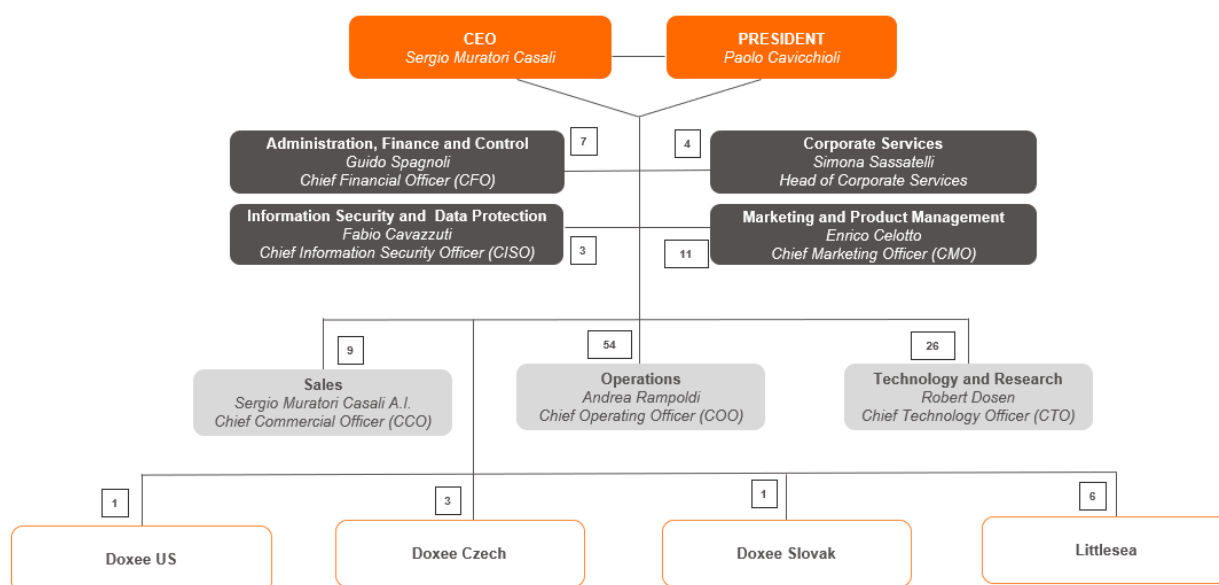
Group Organization and Talents

At the end of 2020, Doxee employed 127 qualified professionals of which 6 are executives and 14 managers. The average age of employees is 36, and many of them have a degree as a qualification.

In Doxee, human capital is one of the most important assets: the company constantly invests in training and its benefits program for employees. Furthermore, it collaborates with several universities in Italy. In Emilia-Romagna, for instance, Doxee provides funds for research laboratories and observatories, and develops post-graduate employment pathways for students.

The company enjoys a great employee retention with an average of more than 6 years relationship with employees and a very low turnover rate (10.8% on average).

Group Organization



Source: Company Presentation

Business Model

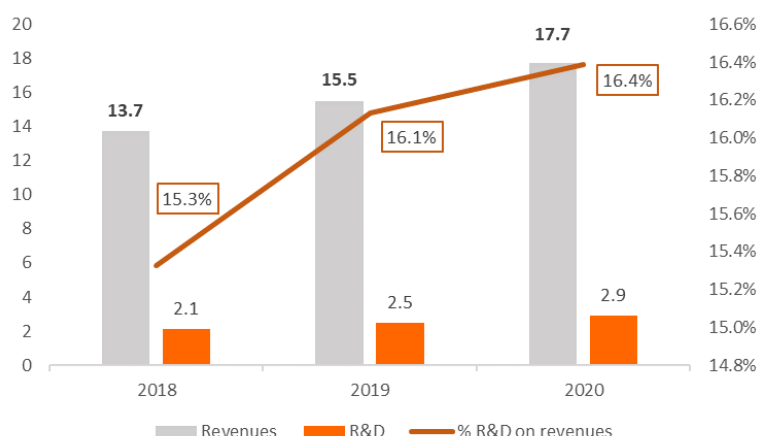
Doxee supports companies in the digitalization of mission-critical processes in customer management and in automatic production and distribution of communications. The company offer its own proprietary technologies – developed thanks to intensive R&D activities carried out through the years – and gained the trust of multinational top companies which choose to entrust to Doxee their digital transformation processes.

R&D

Doxee believes that investment in research and development is a key element for success. For more than 10 years the company has invested more than 13% of value of production in R&D (more than 16% of sales revenues) to insure technological excellence and reliability. If we consider also an extraordinary part of direct costs attributable to personnel, in 2020 R&D expenditure touched 19.2% of sales revenues, amounting to €3.4mn

In May 2020 Doxee was the only company operating in the IT sector to receive Emilia-Romagna regional grants which promote technological innovation initiatives that impact the production chain and increase employment in the region.

% R&D Costs on Revenues 2018-2020



Source: Company Data

Over the years, Doxee has always been committed in innovating its products in order to offer state-of-the-art solutions to its customers.

Looking at recent developments, Doxee, following the introduction in 2019 of new regulatory obligations of electronic ordering for public entities, invested in the potential of a specific product capable to respond to this new market demand.

Furthermore, it is noticed that the company develops new projects each year. In the last three years Doxee invested:






- ca. €0.8mn for the development of Doxee document platform (2018);
- ca. €0.3mn for improvements of the Legal Electronic Archiving platform (2018);
- ca. €0.2mn for a new Digital Archiving 3.0 platform (2018);
- almost €3mn towards substantial improvements to the Doxee document platform (2019);
- about €0.3mn for the study and development of innovative solutions and marketing costs for website projects (2019).

In 2020, R&D expenditure – ca. €3.4mn – were mainly related to the launch of the last release of the Doxee Platform, completely based on a multi-cloud architecture. Through the last release, Doxee offers omni-channel products to its clients and facilitates integration between the platform and clients' systems, thanks to the new API program. Furthermore,

the company developed a new platform dedicated to the management of order processing and e-invoices in line with the expansion strategy in B2B, SMB and SME market segments.

R&D Patents

As regards intellectual property, Doxee applied for and obtained two Italian patents for its proprietary technologies. To date, Doxee has one Italian patent application and two European patents applications in progress.

PATENT NUMBER	PATENT TITLE	FILING DATE	REQUEST STATUS
102016000015420	System and method for generating personalised digital audiovisual content with speech synthesis	16/2/2016	
102016000022200	System and method for reproduction of digital audiovisual content including at least one animation.	3/3/2016	
102015902342294	System and method for the automatic generation of audiovisual content from non-visual information	19/7/2017	
102018000006260	System and method for generating customised digital audiovisual content with pre-recorded human voice component.	30/6/2018	
EP19179631	System and method for generating customized digital audiovisual content with prerecorded human speech component.	12/06/2019	

Source: Company Presentation

Certifications

Doxee obtained several certifications over years that prove the company's willingness not only to offer innovative solutions, but also to keep in line with Italian and European regulations.



AgID Accreditation

Doxee is certified for digital preservation of documents in full compliance with regulations and is included in the list of accredited conservatories.

ISO/IEC 27001



"Design, supply, installation, development, and implementation of solutions and provision of services managed in SaaS and PaaS mode in the areas of Customer Communications Management, Customer Experience Management, Electronic Invoicing, Standard Digital Storage, and Long Term Storage". Required by AgID.

ISO 9001



"Consistently providing the design of products and provision of managed services in the field of Customer Communications Management and Dematerialization." Voluntary certification undertaken by Doxee for quality control.

ISO 14001:2015



"Design, supply, installation, development and implementation of services managed with own or Cloud infrastructure in SaaS, BPaaS and PaaS mode in the field of Customer Communications Management, Customer Experience Management, Electronic Invoicing, Standard Digital Storage, and Long Term Storage". Voluntary certification undertaken by Doxee for environmental management.

Access Point Provider



Doxee operates as an intermediary through the PEPPOL communication channel, assuming the roles of Access Point (AP) and Service Metadata Publisher (SMP), accredited both on AgID (Peppol Authority for Italy) and on the NSO.

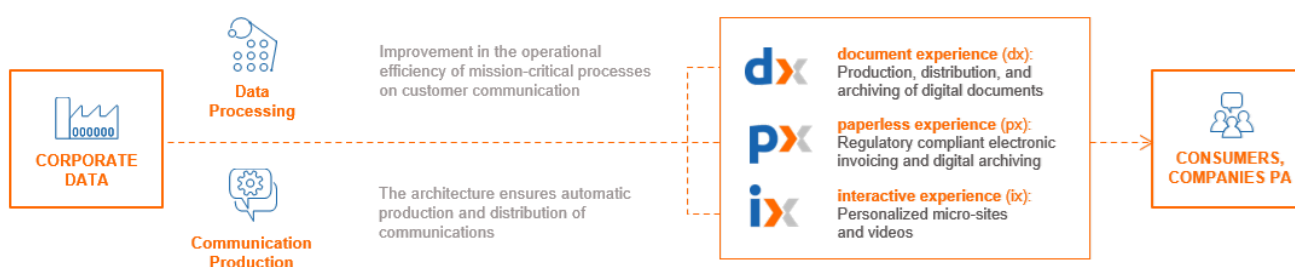
Source: Company Data

Doxee Offer

Doxee's offer consists of three integrated products delivered through the Doxee Platform; the cloud architecture allows to the bypass of physical infrastructure costs, while increasing the possibility to manage high volumes of data. The product lines are provided as:

- **Software-as-a-Service (SaaS):** delivering the product as a standard service in the cloud. Customers pay a fixed subscription and a fee that changes according to usage.
- **Platform-as-a-Service (PaaS):** providing the product as a software platform in the cloud used by companies as a basis for the implementation and delivery of SaaS services. Customers pay a fixed subscription and a fee that varies according to usage.
- **On-Premise:** it consists of the transfer of rights to use Doxee technologies through the granting of a license. Customers pay according to the features activated on the product provided and based on the capacity of the platform.

Doxee Platform



Source: Company Presentation

The three main products are Document experience (dx), Paperless Experience (px) and Interactive Experience (ix).



dx – document experience

document experience (dx) allows the digitization of processes for production, distribution, and archiving of documents, helping Doxee clients in their Custom Communication Management (CCM). dx enables companies to improve the efficiency of their communication processes, for invoicing, billing, reporting, payment reminders, or for promotional and customer service initiatives. Doxee was the first company in its field to offer a completely dx cloud-based service, while other companies still tend to offer the service in on-premise mode, a model that Doxee is gradually leaving. The clear advantage of offering a cloud-based platform is the reduction of Capex for service buyers, while offering a service with constant technological innovation included. dx is the historical portfolio of products with which Doxee gained the market share that accounted in 2020 for €3.5mn of sales revenues.



px – paperless experience

paperless experience is related to electronic invoicing and digital document storage compliant to legal standards. This Doxee service meets the common needs of companies to dematerialize and simplify their business processes, to meet regulatory compliance obligations. It is divided into three main products:

- **Electronic invoicing**, addressed to enterprises that need to submit electronic invoices to private or public entities or businesses, or to businesses that want to integrate the sorting of passive invoices received from third parties.
- **Digital preservation**, a product dedicated to long-term preservation of fiscal, legal, health and similar documents, and which is addressed to both private entities and public administration.
- **Electronic ordering**, addressed to all companies that as quality suppliers of public administration need to receive purchase orders in a digital form, in accordance with regulations.

At the end of 2019, with its paperless experience service, the company processed almost 20% of total invoices exchanged in Italy.



ix – interactive experience

interactive experience is the service dedicated to Digital Customer Experience (DCX) producing interactive and personalized micro-sites and videos, to be delivered to final customers. This product line – launched in 2016 – exploits the intrinsic value of enterprises' customer data, transforming it into interactive communications. With this service, the company becomes more than a technology vendor, acting as a partner in the design of the DCX that companies intend to offer to their own customers.

The major advantages of ix are related to: i) a wider service integration for customers, with a subsequent increase in the cross-selling strategy; ii) entering a new sector with low document volumes such as Public Administration, Retail, Automotive, Insurance and Travel.

The ix product is based on two different tools:

- **Doxee PWeb®**, dedicated to the production and distribution of micro-sites which are customized starting from customer data. This can be done through a dedicated link, i.e. a unique path (url) for each client, that can be delivered through sms, social media, mail, push notifications or within a dedicated area on websites, for a nearly infinite number of communication channels.
- **Doxee PVideo®**, dedicated to the production and distribution of individual, personalized, and interactive video content. Doxee video, being based on product user's data, differs from the usual video experiences offered by streaming portals.

ix products allow a more effective solution by tailoring it to each customer's need: the services provided registered a satisfaction rate of about 80%, with 78% of customers watching the video from start to the end, and a click through rate of around 20% (the main digital advertising methods usually have a 2-5% rate).

During COVID-19, Doxee helped many companies to solve the problem of physical payments, made difficult by repeated lockdown: through ix the company implemented the possibility of online payment to make it easier for the consumer to pay. The purpose is to create a two-way interaction with the customer – instead of the old one-way communications – turning what was a cost item into a positive business line.

Professional Services

All services described can be also offered as **Professional Services**. Professional Services deals with the sale of customized services provided on the basis of specific customer requests. This product line has been expanding over the years, weighing for about 18% of sales revenues in 2020.

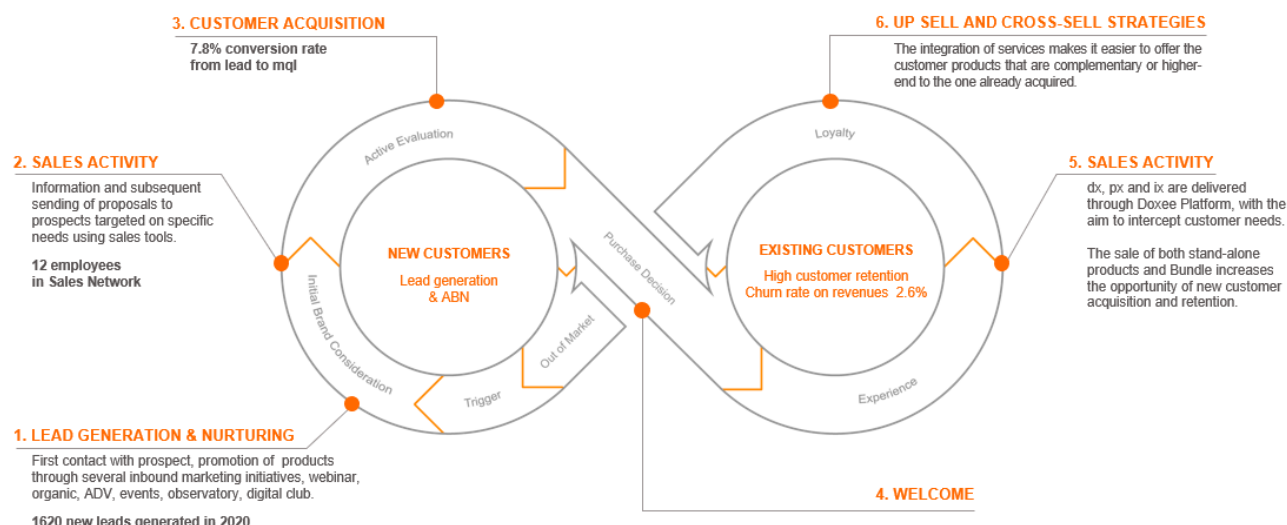
Doxee Clients

Doxee leverages on a structured customer management, starting from the acquisition of new customers through the offering of its products and maintaining a strong relationship thanks to high-quality services and integrated offering.

Search and Acquisition of New Customer

Doxee generated in 2020 ca. 1600 new leads of which ca. 80% coming from digital channels and ca. 20% coming from events organization and participation. In 2020, due to the COVID-19 pandemic, the company focused even more on the digital channel considering the reduced possibility of organizing and participating in events. After a lead has been generated, the sales activity involves the definition of customer's needs through targeted information and subsequent sending of proposals: the company counts 12 employees in the Sales Network. Each lead generated is associated to a specific member of the sales team and is constantly monitored thanks to an internal sales platform. The company reached a conversion rate of ca. 2% in 2020.

Sales and Customer Cycle



Source: Company Presentation

Retention of Existing Customers

After becoming one of Doxee's established customers, the client is offered integrated products (dx, px, and ix), is delivered through Doxee Platform with the aim to intercept customer needs in a scalable way, covering all touchpoints along the customer journey. The flexibility of the sale offer – products can be sold either as stand-alone or in combination – also increases the opportunity to acquire new customers. Once the customer is signed up, Doxee implements up-selling strategies, and cross-selling strategies, to introduce complementary products. For example, among SME, usually the first service requested is the ix one, and then the offer is expanded to px or dx with a cross-selling strategy.

Current Customer Base

Doxee is a key supplier to companies that are engaged in the digital transformation of their processes. The company serves more than 170 clients among which we found several top companies operating in different sectors such as:

Telco and Media



Utilities



Banking and Insurance

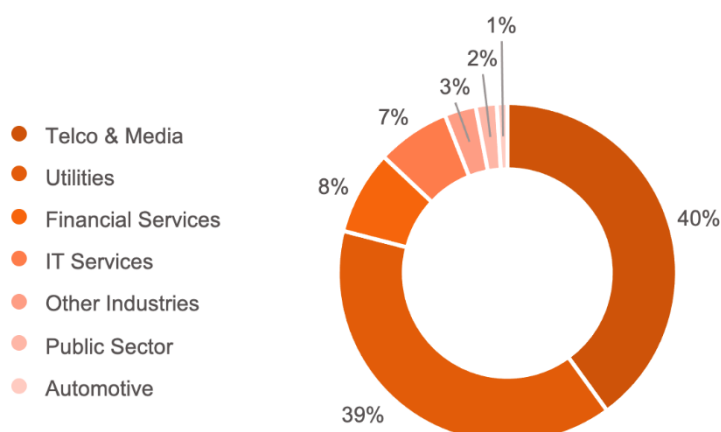


Public Administrations



Among the end-market served, Telco accounts for about 40% of revenues, followed by the Utilities market with a 39.4% stake. The graph below shows the most relevant end-markets in 2020.

2020 End-Market Served



Source: Company Data

Doxee shows a high client concentration with the first client (belonging to Telco market) accounting for 33% of FY20 revenues, while the top ten clients altogether account for 72% of revenues (€12.7mn). To combat concentration risk, the company's aim is to expand its customer base, diversifying the markets in which it operates. For example, the share of first client passed from 40% in 2018 to 33% in 2020. Furthermore, thanks to its products, the company is entering new markets such as Public Sector, Healthcare, and Insurance. The two last-mentioned still have a low weight, but they are sectors with a high growth rate and strong potential.

2020 Top Ten Clients' Concentration

CLIENTS	End-market	Revenues 2020	2020%
1°	Telco	5,926	33%
2°	Utilities	1,536	9%
3°	Utilities	1,084	6%
4°	Telco	796	4%
5°	Utilities	765	4%
6°	Utilities	747	4%
7°	Financial services	609	3%
8°	Utilities	491	3%
9°	Financial services	388	2%
10°	Utilities	323	2%
Total Revenues 10 Clients		12,664	72%
Total Revenues		17,706	100%

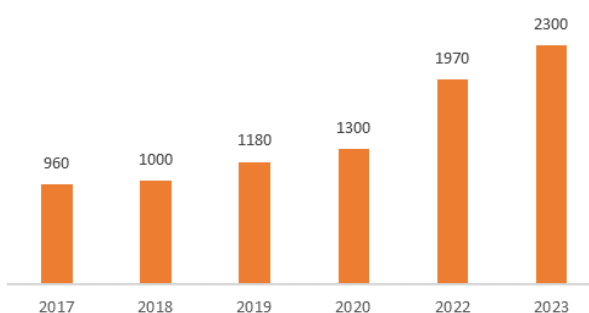
Source: Company Data

Market Overview

Digital transformation is rethinking the way the company does its business, not only simplifying existing processes, but also innovating them.

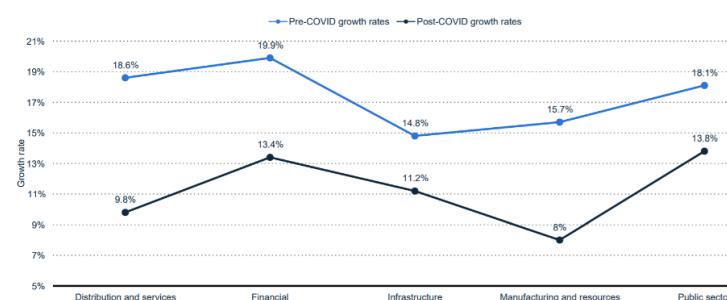
According to Statista¹ the global digital transformation spending was \$1,180bn in 2019, and is expected to grow to \$2,300bn by 2023, growing at a CAGR of 18.2%. The amount of spending in digital transformation for 2020 is foreseen at \$1,300bn, despite the challenges presented by the COVID-19 pandemic. The graphs below show global spending on digital transformation from 2017, with forecasts up to 2023, and digital transformation spending growth estimates worldwide by sector in 2020, before and after COVID-19.

Digital Transformation Spending 2017-2023 (in \$bn)



Source: Statista

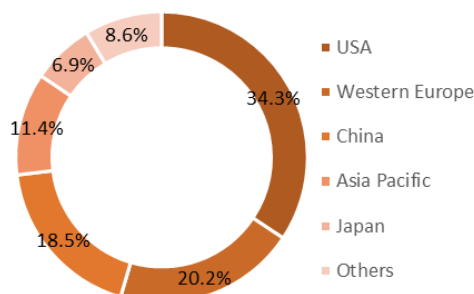
Digital Transformation Growth Estimates



Source: Statista

In 2019, the main share of digital transformation market was held by the United States, with a 34.3% stake, followed by Western Europe with 20.2%.

Digital Transformation Market Divided by Countries and Regions



Source: Statista

¹ Digital transformation, Statista, 2020

With its three product lines, Doxee is active in the digital transformation market, focusing on:

- CCM market – with document experience (dx)
- E-invoicing and digital storage market – with paperless experience (px)
- DCX market – with interactive experience (ix)

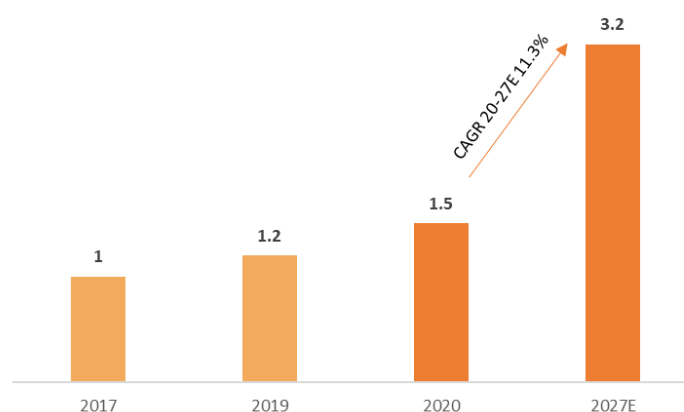
Customer Communications Management Market

According to the definition provided by Gartner the CCM is a “strategy to improve the creation, delivery, storage and retrieval of outbound communications”. In recent years, this sector has been affected by a deep revolution, connected to the spread of technologies that have changed the expectations of customer interaction. This situation has led companies to review their communication methods and channels, for example by moving services to the cloud (rather than the on-premise mode). In this sense, as mentioned above, Doxee has been a pioneer, as it is one of the few offering its CCM services almost entirely in the cloud.

CCM market in 2017 had a value of \$1bn in 2017, grown to \$1.2bn in 2019².

Reportlinker³ published research in September 2020, according to which the global CCM market is estimated at \$1.5bn in 2020, set to grow to \$3.2billion by 2027, considering revised estimates after COVID-19, growing at a CAGR of 11.3% over the period 2020-2027. Leading countries in terms of growth will be China and the USA, but Japan, Canada and Germany show very promising CAGR levels, too.

CCM Market Performance and Trends (in \$bn)



Source: IDC, Reportlinker

E-invoicing and Digital Storage Market

The key drivers of e-invoicing and digital storage market's growth are primarily the extension of regulatory compliance by national institutions and the digitalization of business processes.

According to recent research by Billentis⁴, 2020 has been characterized by a global downturn in the e-Invoicing sector. In particular, countries most negatively affected have been those where COVID-19 has spread more widely, like Italy, or where there are many businesses operating in critical sectors like tourism, leisure and hospitality, which have been affected by lockdown, or where, due to the uncertain situation, new regulatory obligations on digitalization have been postponed. On the other hand, there has been an increase in electronic invoicing in those countries that implemented a soft lockdown, or that have accelerated the entry into force of new mandates, like China or India.

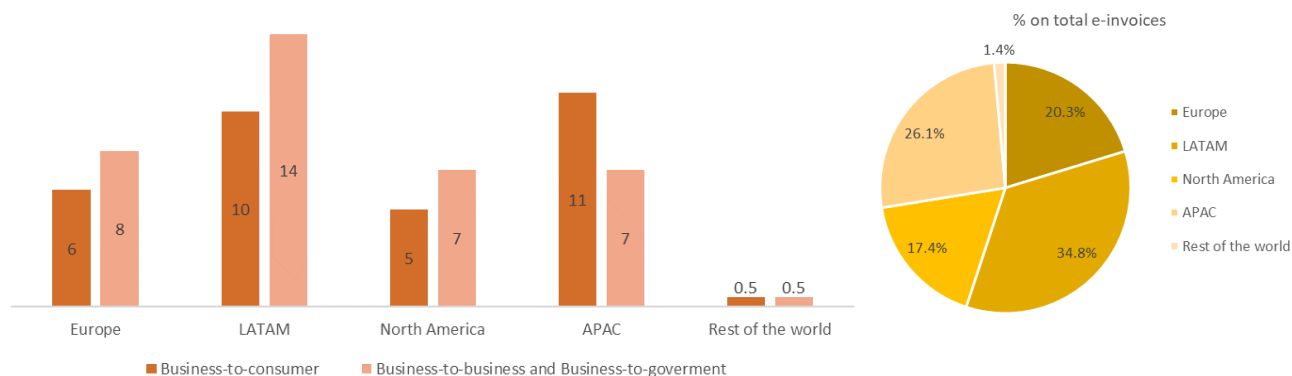
² Source: IDC, 2020

³ Source: Global Customer Communication Management (CCM) industry, Reportlink, September 2020

⁴ Source: "International market overview and forecast", Billentis, February 2021

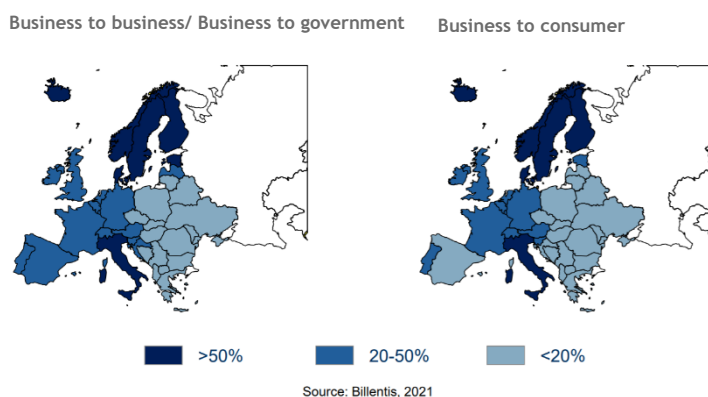
The research foresees a global growth for 2021; the first set of tables below shows the global forecast of e-invoices volume divided by countries and regions (also by percentage). The last figure shows the e-invoicing share by volume for European countries.

E-invoices Market Volumes 2021 Forecasts (in bn)



Source: Billentis, 2021

E-invoicing Share by Volume in European Countries

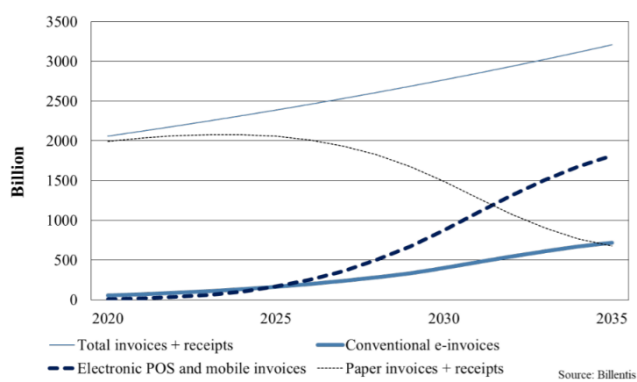


Source: Billentis, 2021

Source: Billentis, 2021

The table below⁵ shows the expected evolution of the digital invoicing market between 2020 and 2035. It shows a strong reduction in paper invoices, in favor of traditional digital invoices, and above all electronic POS and mobile invoices. In fact, in the future is expected to see an innovation in payment methods, that will increasingly require customer identification, which will often occur through mobile phones.

Evolution of e-invoicing Market 2020-2035



Source: Billentis, 2021

⁵ Source: The e-invoicing journey 2019-2025", Billentis, September 2019

In 2019 Billentis estimated that the size of the global e-invoicing was \$4.3bn and that in 2025 it will have reached approximately \$20.5bn

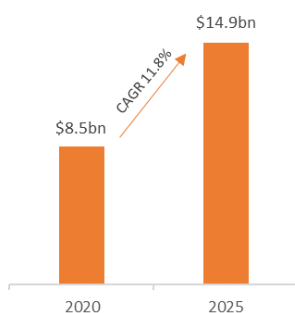
According to a more recent research led by Technavio, e-invoicing global market will grow by \$6.93bn in the period 2020-2024, with a CAGR of over 19%, and Europe will contribute for 44% of market growth.

Digital Customer Experience Market

In recent years the Digital Customer Experience market has been facing an important development. According to KPMG⁶, in a world where customer expectations are constantly increasing, companies need to adopt a structured model of customer experience management. However, to be successful, it is not enough to have great technological skills, but the human component is also essential. PwC⁷, in a 2018 survey, shows how customers are willing to purchase and to pay more for a product if the company provides a great customer experience. Furthermore, 63% of US consumers said they would gladly share their personal data with a company that insures great experience.

2020 research by MarketsandMarkets⁸ reveals that the Customer Experience Management Market is projected to grow from \$8.5bn in 2020 to \$14.9bn by 2025, with a CAGR of 11.8%. On average the COVID-19 crisis impacted this sector less than other ones. In some sectors such as healthcare, there has been an increase in the use of CX resulting from the increase in the number of users. The market in North America is estimated to hold the largest market share in the coming years, due to the rapid adoption of advanced technologies.

Digital Customer Experience Market Trends (in \$bn)



Source: MarketsandMarkets

Digital customer experience helps businesses to reduce consumer churn rate, i.e. the annual percentage rate at which customers stop buying a product or a service; indeed high churn rate is usually related to poor customer support services. Customer experience enables companies to retain customers and at the same time to promote up-selling and cross-selling programs to support companies ARPU.

⁶ Source: "L'eccellenza nella customer experience", KPMG, 2019

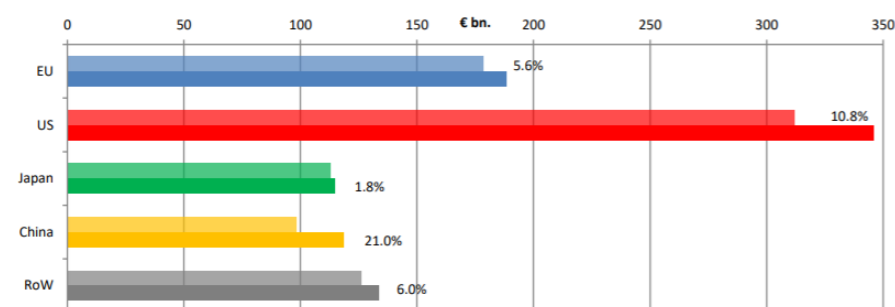
⁷ Source: "Future of customer experience", PwC, 2018

⁸ Source: "Customer Experience Management Market by Component (Solutions, Services) Touchpoint, Deployment Type, Organization Size, Vertical (IT and Telecom, BFSI, Retail, Healthcare, Media and Entertainment), and Region – Global Forecast to 2025", MarketsandMarkets, 2020

R&D Investment Global Trends

Digital transformation markets and R&D investments are strictly connected, with R&D policies influencing both the quality offered and actual digitalization carried out by the companies. The “2020 EU industrial R&D investment scoreboard”⁹, shows that EU companies’ investment in R&D increased by 5.6% in 2019, reaching €188.9bn, while worldwide the rate of growth was 8.9% over the previous year (the tenth consecutive year of significant increase) reaching €904.2bn. The paper analyses the 2500 companies that invested the largest sums into R&D worldwide in 2019. Particularly, in Italy we have a 2019 rate of growth of 5.5%, in line with the European growth rate. The following graph shows R&D investments divided by region/country.

R&D Investments by Geographical Area (in €bn)



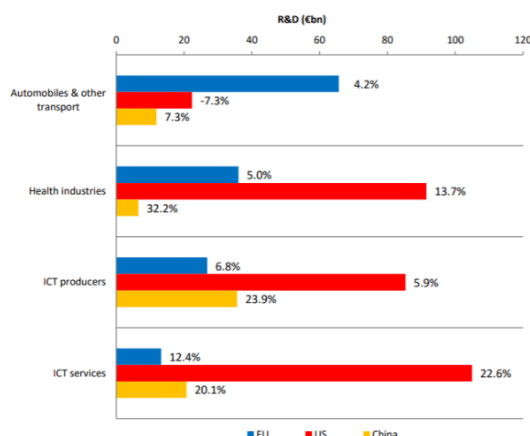
Note: Pale colours refer to the year 2018, and dark colours refer to the year 2019.

Percentage figures indicate the one-year R&D growth of the sector.

Source: “The 2020 EU Industrial R&D Investment Scoreboard”, European Commission, 2020

Industrial R&D is extremely concentrated, with the top four sectors contributing 77% of the total R&D: ICT producers (23.0%), health industries (20.5%), ICT services (16.9%), and the automotive industry (16.3%). The following table shows R&D investment divided by country and relevant sectors. Note that in Italy the three main sectors in terms of R&D investment are Other, Aerospace and defense, and ICT services.

R&D Investments by Industries



Note: Percentage in the figure indicate the one-year R&D growth of the sector.

Source: The 2020 Industrial R&D Investment Scoreboard, European Commission

⁹ Source: “The 2020 EU Industrial R&D Investment Scoreboard”, European Commission, 2020

Italian Digital Market Outlook

In Italy, as well as in most countries, investments in digital technology are essential to enable businesses to compete for a leading position in the market. According to a market survey conducted in the last months of 2020¹⁰, forecasts predict a drop in digital demand of -2% in 2020, a much smaller drop compared to the national economy. This is because in these months of widespread lockdown, the most innovative technologies such as cloud, artificial intelligence, mobile computing, and big data, have been essential to ensure business continuity. For example, in ICT services we will have a situation of substantial stability, thanks to the double-digit growth of cloud services (+16%).

The 2021-2022 estimates take into account the government's expected moves in drawing up the Recovery Plan, which would have to allocate €40bn to investments in the country's digital transition. NetConsulting cube estimates for the coming years are: +3.4% in 2021 for €73bn, +3.3% in 2022 for €75bn, growth driven by infrastructure innovation projects and the recovery of consumer purchases.

Competitive Arena

Doxee operates in a highly competitive market, subject to frequent technological changes due to the evolution of customer needs. In the national context, the company is the only player that operates at the same time in the three different markets of CCM, e-invoicing and DCX, with its line of integrated products. According to Doxee:

The dx market is featured by a limited number of competitors, that offer mainly On-premise services; by contrast, Doxee offers its CCM products almost entirely in the cloud, moving companies expenses from Capex to Opex, offering clear growth flexibility and unlimited scalability thanks to a SaaS business model.

The px market is characterized by many national competitors, each of whom offer services with different functionalities: in this sector Doxee is the main national leader in managing enterprises' e-invoicing.

Finally, for the ix market the competitors are mainly abroad, offering customized video products. Doxee is distinguished by its ability to integrate typical product features with a creative component.

¹⁰ Source: Report "Digitale per crescere" by Anitec-Assinform, in partnership with NetConsulting cube, November 2020

Historical Financials

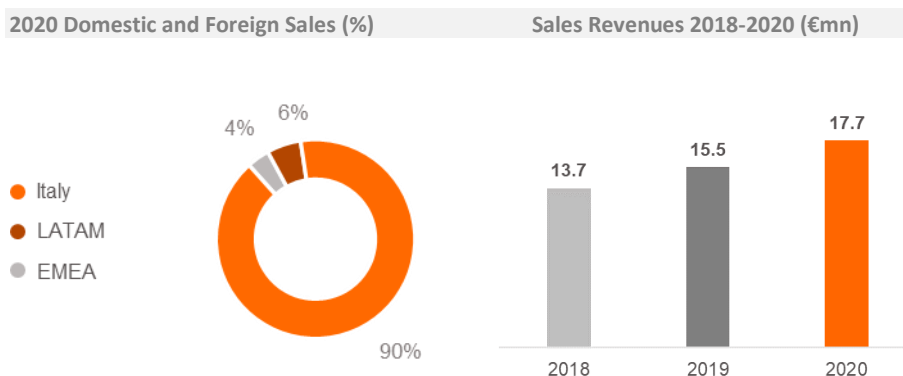
The key financials of 2020 are the following:

- Sales revenues at €17.7mn vs €15.5mn in FY 2019, +14% YoY;
- EBITDA at €5.6mn (+11% YoY) with EBITDA margin at 29.2%;
- EBIT at €2.9mn, +30% YoY;
- Net income at €1.6mn, -4% YoY;
- Net Financial Position at €2.5mn in line with 2019 (€2.3mn).

Revenues Breakdown

Over the 2018-2020 period Doxee has experienced a remarkable growth, with its revenues showing a +14% CAGR 2018-20 reaching €17.7mn in 2020, of which 74% are recurring. Company growth was mainly associated with: 1) the development of the ix product line that led to the expansion of customer base and entry to new markets not covered before; 2) the acquisition of new customer thanks either to the expansion of e-invoicing products into the SME/SMB market and new regulatory obligations; 3) the progressive digitalization of the dx product, leading to a high-value-added offer, associated with digital document productions.

Doxee 2020 revenues came mainly from Italy (ca. 90%) while the remainder came from countries where the company is currently expanding.



Source: Company Data

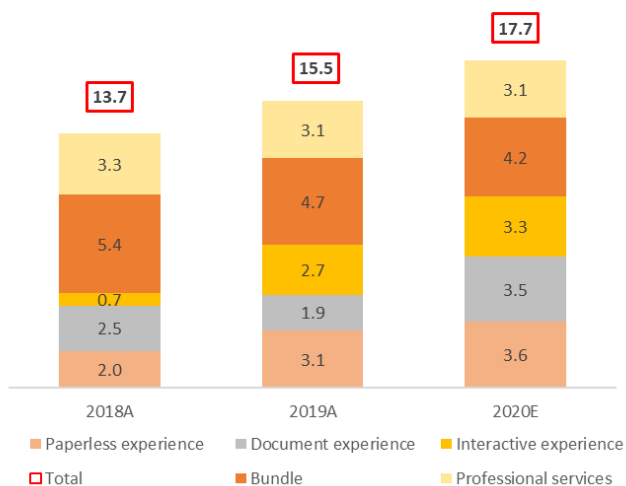
Doxee's business is based on multiple revenues streams:

- **paperless experience** – e-invoice, e-storage, e-ordering – accounted for €3.6mn of sales revenues in 2020 (+34% CAGR 2018-20). The increase is mainly due to investments and expansion of Reg-Tech market into SMEs and SMBs. A boost was also given by the introduction of new regulatory obligations.
- **document experience** – digital production and distribution of documents – is the historical product with which Doxee entered the market. In 2020 it accounted for €3.5mn of sales revenues (+20% CAGR 2018-20). The slowdown experienced in 2018 and in 2019 stems from the progressive digitization of processes that Doxee has implemented, changing the service mix, and aiming at higher value-added products. This has led to a reduction in the print and delivery component (high volume but low added value), offset by a growth in the more profitable digital production.
- **interactive experience** – dedicated to production of micro-site and videos – in 2020 amounted to €3.3mn (+120% CAGR 2018-20). This important increase is given by the progressive digitization of two-way communication channels within the customer journey (particularly during COVID-19 emergency), and by the development of partnerships and extensions into new sectors (also thanks to LittleSea acquisition).
- **Bundle** – the sale of a mix of the three services provided by Doxee, accounted in 2020 for €4.2mn, with a -11% CAGR 2018-20. The reduction is attributed to a reorganization of the Doxee offer: the company is now selling each product in a separate offer, even to the same customers. As a result, Bundle line is expected to decrease over time following contracts extinction, as the other lines catch up new orders, with the

integrated multi-product offering that will be the simple sum of the individual product lines (dx, px and ix).

- **Professional Services** – the provision of customized services based on specific requests from customers (with a focus on mission-critical process areas, especially in the utility sector), is equal to €3.1mn (-2% CAGR 2018-20).

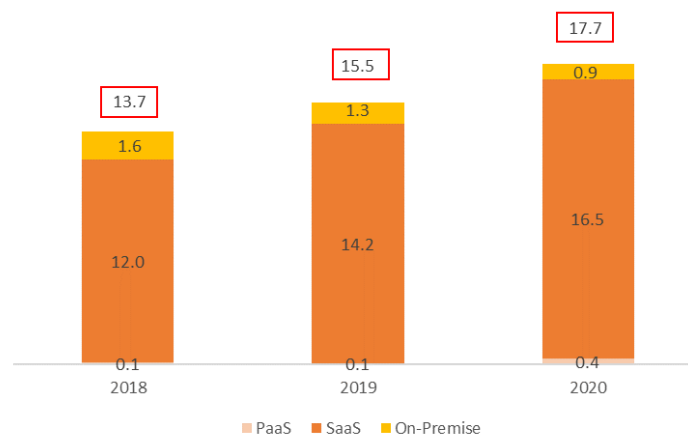
2018-2020 Revenue Breakdown by Product Line (in €mn)



Source: Company Data

Breaking down sales revenues by business model, we note that the majority of revenues come from SaaS model, the standard service in the cloud, followed by the On-premise mode and finally the PaaS model. SaaS revenues represented always more than 85% of sales revenues over the period 2018-2020 (reaching 92.8% in 2020).

2018-2020 Revenue Breakdown by Business Model (in €mn)



Source: Company Data

Profitability Analysis

Coupled with a doubled-digit revenue growth, Doxee enjoys a great profitability, with Gross Profit reaching €9.9mn in 2020, experiencing a CAGR 2018-20 of 24%. Gross Profit grew more than revenues thanks to a better product mix – associated with a reduction in direct costs thanks to an increasing digitalization of the Doxee offer – and an enhancement of operating efficiency.

R&D costs (which include costs of technical staff and costs of third-party professional services for R&D projects) grew from €2.5mn in 2018 to €2.9mn in 2020 following company

expansion, with a CAGR 2018-20 of 17%. If we also take into account the extraordinary proportion of direct costs attributable to personnel, 2020 R&D costs amounted to €3.4mn.

2020 EBITDA reached €5.6mn, recording a CAGR of 34% over the period 2018-20, mainly thanks to the contribution of the more profitable product lines and improved operating efficiency. EBITDA margin grew from 21.7% in 2018 to 29.2% in 2020, with an increase of 7.5pp.

FY 2020 EBIT reached €2.9mn (+68 CAGR 2018-20, mainly due to investments in technological development), with an EBIT margin equal to 15.4% (+8.2pp compared to 2018)

Net income stood at €1.6mn, with a CAGR of 64% over the period 2018-20, thanks to a significant increase in margins and efficient financial management.

2018-2020 Consolidated Income Statement

€ Millions	FY18A	FY19A	FY20A	CAGR 2018-20
Paperless experience	2.0	3.1	3.6	34%
Document experience	2.5	1.9	3.5	20%
Interactive experience	0.7	2.7	3.3	120%
Bundle	5.4	4.7	4.2	-11%
Professional services	3.3	3.1	3.1	-2%
Sales Revenues	13.7	15.5	17.7	14%
Growth %	24.3%	12.8%	14.3%	
Other Revenues	0.8	1.6	1.5	
Total Revenues	14.5	17.0	19.2	15%
Growth %	22.9%	17.5%	12.6%	-26%
Direct Costs	(8.1)	(8.3)	(9.3)	
Gross Profit	6.5	8.8	9.9	24%
Gross Margin	44.5%	51.5%	51.4%	
Indirect Costs	(3.5)	(5.1)	(4.9)	
Capex	2.2	3.8	3.6	
R&D	(2.1)	(2.5)	(2.9)	
Other Operating Expenses	-	-	-	
EBITDA	3.1	5.0	5.6	34%
EBITDA margin	21.7%	29.4%	29.2%	
Growth %		59.4%	12.0%	
D&A and Provisions	(2.1)	(2.7)	(2.7)	
EBIT	1.0	2.3	2.9	68%
EBIT margin	7.2%	13.3%	15.4%	
Growth %		118.4%	29.9%	
Financial Income and Expenses	(0.0)	(0.2)	(0.6)	
Extraordinary items	(0.0)	-	-	
EBT	1.0	2.1	2.3	52%
Taxes	(0.4)	(0.4)	(0.7)	
Tax Rate	39.8%	19.4%	29.9%	
Net Income	0.6	1.7	1.6	64%
Net margin	4.2%	10.0%	8.5%	
Growth %		181.3%	-4.4%	
Minorities	-	-	(0.0)	
Net Income attributable to the Group	0.6	1.7	1.6	65%
Net margin	4.2%	10.0%	8.5%	
Growth %		181.3%	-3.5%	

Source: Company Data

Doxee Capital Structure

2020 fixed assets stood at €10.5mn, mainly composed of intangible assets – reflecting the technological investments of the company throughout the years. Among intangibles the most meaningful are development costs (from €4mn in 2019 to €3.5mn in 2020) and assets under construction and advances (concerning new projects), from €3.2mn to €5.2mn in 2020.

Net working capital increased over 2018-20 from €1.4mn to €1.9mn, following company growth.

Doxee shows a net financial debt of €2.5mn, an improvement of €4.8mn compared with FY18 NFP (€7.3mn). This is mainly thanks to €3.6 of capital increase from IPO (€5mn of capital raised overall).

2018-2020 Consolidated Balance Sheet

€ Millions	FY18A	FY19A	FY20A
Intangible	6.5	8.1	10.0
Tangible	0.5	0.4	0.4
Other LT Assets	0.4	0.0	0.2
Fixed Assets	7.4	8.6	10.5
Trade receivables	6.4	6.3	7.6
Inventory	-	-	-
Trade Payables	(4.5)	(4.6)	(5.4)
Trade Working Capital	1.9	1.7	2.1
Other assets and liabilities	(0.5)	0.0	(0.3)
Net Working Capital	1.4	1.7	1.9
Other Provisions	(1.0)	(1.5)	(1.3)
Net Capital Employed	7.7	8.8	11.0
Group shareholders' equity	0.4	6.5	8.5
Minority shareholders' equity	-	-	(0.0)
Total shareholders' equity	0.4	6.5	8.5
Short-term debt / Cash (-)	4.0	(0.3)	(0.5)
Long-term liabilities	3.3	2.7	3.0
Net Financial Position	7.3	2.3	2.5
Sources	7.7	8.8	11.0

Source: Company Data

Group Strategy

Doxee is surfing the wave of digitalization process of both the Enterprise market and of SME and SMB markets. In 2021 the company is aiming to keep investing in digital communications and is expected to strengthen the R&D team to support the tech development of its offer.

Doxee's growth strategy is based on the following pillars:

Entry into new sectors and markets

- Market entry in Italy in the Digital Experience Agency Market, offering consultancy and implementation of services related to digital transformation.
- Open to SME market with the development of a new paperless product.
- Expansion of markets for ix products to sectors not currently covered, by promoting the development of e-commerce channels, including to SME/SMB markets.
- Market entry in Retail, Automotive and Digital Agency; for this purpose, Doxee aims to launch a new Partner Program, opening to companies operating in these sectors.

Consolidating position in existing markets

- Developing synergistic solutions among product lines, to implement up-sell and cross-sell strategy. For instance, cross-sell paperless products to complement ix product offering and vice versa.
- Consolidate its position in Regulatory Technology market as a paperless player.

Internationalization

- Market entry in single European countries' Electronic markets with e-invoicing products (B2B, B2C, B2G).
- Market activity expansion in LATAM market, mainly in Telco and Utilities sector.
- Market entry in Europe (DACH) in the Digital Experience Agency in the Enterprise sector.

Last but not least, Doxee is launching new initiatives aimed at ESG projects, in line with its objectives of corporate social responsibility. Doxee indeed approved, on a voluntary basis, its first sustainability report this year, highlighting a series of GRI sustainability reporting standards.

Future Financials

Deconstructing Forecasts

Our financial projections over the 2021-24 period consider Doxee's business model and strategy, as well as growth expectations in the markets in which the company operates. No impact from potential future M&As has been taken into account.

Starting from the top line, we forecast sales revenues growing at a CAGR20A-24E of 16%, reaching €32.5mn in FY24. Growth will be mainly driven by:

i) **ix product line expansion**, thanks to the increasing digitization of processes, which will also be helped by the LittleSea acquisition. Particularly, Doxee expects a more significant contribution of the acquired company starting from 2021, and even higher in 2022. Doxee aims to develop a standard ix product to enter SME and SMB markets and to enter Enterprise markets not currently covered. For example, the company forecasts the launch of an international strategy on the ix offer by using Doxee Pvideo® product, aimed at the Publishing and Digital Agency Sectors. It is worth highlighting that the DCX market is expected to grow at a CAGR20-25E of 12%, reaching \$14.9bn in 2025.

ii) **px product line expansion**, thanks to an increase in regulatory requirements and Doxee's expansion towards new markets. In fact, Doxee aims to expand in the SME market with a new paperless product, as well as in EMEA countries. In addition, the company intends to consolidate its presence in the Reg-Tech market in countries in which it operates as one of the main paperless players. We also considered that the e-invoicing market is expected to grow by \$6.93bn, at a CAGR20-24E of over 19%, and that Europe will account for 44% of market growth.

iii) **dx product line** also has great potential for growth, as its target market, the CCM market, is expected to grow at CAGR20-27E of 11%, amounting to \$3.2bn in 2027. We have also to consider that the spread of technologies in recent years led companies to review their communication channels, preferring services offered on cloud rather than On-premise, as per Doxee's offer.

Looking at the gross profit, we expect that in FY21 and in the following years it will constantly improve, reaching €18.4mn in 2024 (+17% CAGR20A-24E) with gross margin from 2020 to 2024 increasing by 2.4pp, amounting to 53.8% in 2024. This is mainly a consequence of i) a more profitable product mix following the growth of px and ix, with the latter boosted also by the contribution of LittleSea; ii) reduction in direct costs incidence, thanks to offering standardisation, automation of supply process and related costs optimisation, and a progressive reduction in printing and delivery costs due to document digitisation.

At EBITDA level, we expect that indirect costs will decrease slightly as a percentage of revenues, and investments in Capex (increases in fixed assets for internal work), are expected to slightly decrease as a percentage of value of production, although they are expected to increase in absolute value. As a consequence, the established trend of investments in R&D (amounting to 12-14% of the value of production) leads us to estimate an increase in absolute value, with a slightly reduction in proportion of value of production for the coming years.

We expect EBITDA to grow at a CAGR20A-24E of 21%, amounting to €11.9mn in FY24, with an increase in EBITDA margin from 29.2% in 2020 to 34.8% in 2024, mainly thanks to economy of scale in infrastructural costs.

We expect EBIT to grow at a +23% CAGR20-24E, estimating the D&A incidence taking into account: i) the begin of depreciation of assets starting in 2021, considering the completion of their development; ii) a growth less than proportional in R&D investments carried out by the company.

Looking at the bottom line, we projected FY21 net income to reach €2.6mn, with a margin of 11.9%. At the end of 2024 we foresee net income for €4.7mn growing at a CAGR20-24E of 30%.

2018A-2024E Consolidated Income Statement

€ Millions	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E	CAGR 20A-24E
Sales Revenues	13.7	15.5	17.7	20.8	24.5	28.3	32.5	16%
Growth %	24.3%	12.8%	14.3%	17.7%	17.6%	15.4%	14.9%	
Other Revenues	0.8	1.6	1.5	1.0	1.2	1.4	1.6	2%
Total Revenues	14.5	17.0	19.2	21.9	25.7	29.7	34.1	15%
Growth %	22.9%	17.5%	12.6%	14.0%	17.6%	15.4%	14.9%	
Direct Costs	(8.1)	(8.3)	(9.3)	(10.6)	(12.1)	(13.9)	(15.8)	14%
Gross Profit	6.5	8.8	9.9	11.3	13.6	15.8	18.4	17%
Gross Margin	44.5%	51.5%	51.4%	51.5%	52.9%	53.3%	53.8%	
Indirect Costs	(3.5)	(5.1)	(4.9)	(5.4)	(6.1)	(6.9)	(7.8)	
Capex	2.2	3.8	3.6	3.9	4.4	4.9	5.5	
R&D	(2.1)	(2.5)	(2.9)	(3.0)	(3.4)	(3.8)	(4.2)	
Other Operating Expenses	-	-	-	-	-	-	-	
EBITDA	3.1	5.0	5.6	6.7	8.5	10.0	11.9	21%
EBITDA margin	21.7%	29.4%	29.2%	30.6%	32.9%	33.8%	34.8%	
Growth %		59.4%	12.0%	19.2%	26.4%	18.7%	18.1%	
D&A and Provisions	(2.1)	(2.7)	(2.7)	(3.0)	(3.6)	(4.3)	(5.2)	
EBIT	1.0	2.3	2.9	3.7	4.9	5.7	6.7	23%
EBIT margin	7.2%	13.3%	15.4%	17.0%	18.9%	19.2%	19.6%	
Growth %		118.4%	29.9%	25.9%	31.1%	17.3%	17.0%	
Financial Income and Expenses	(0.0)	(0.2)	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	
Extraordinary items	(0.0)	-	-	-	-	-	-	
EBT	1.0	2.1	2.3	3.6	4.8	5.6	6.6	30%
Taxes	(0.4)	(0.4)	(0.7)	(1.0)	(1.3)	(1.6)	(1.8)	
Tax Rate	39.8%	19.4%	29.9%	28.0%	28.0%	28.0%	28.0%	
Net Income	0.6	1.7	1.6	2.6	3.4	4.0	4.7	31%
Net margin	4.2%	10.0%	8.5%	11.9%	13.4%	13.6%	13.9%	
Growth %		181.3%	-4.4%	60.8%	31.9%	17.6%	17.3%	
Minorities	-	-	(0.0)	-	-	-	-	
Net Income attributable to the Group	0.6	1.7	1.6	2.6	3.4	4.0	4.7	30%
Net margin	4.2%	10.0%	8.5%	11.9%	13.4%	13.6%	13.9%	
Growth %		181.3%	-3.5%	59.4%	31.9%	17.6%	17.3%	

Source: Company Data, KT&Partners' Elaboration

As for the balance sheet, we expect NWC to increase from €1.9mn in 2020 to €3.8mn in 2024, mainly due to an increase in receivables.

We foresee an increase in fixed assets, particularly in intangibles, mainly thanks to the company's continuous investments in technological assets, reaching €13mn in 2024. Consequently, we also expect a relative increase in Capex.

We expect NFP to progressively improve over the 2020-24 period, going from a NFP of €2.5mn in FY20 to a net cash position of €8mn in FY24.

2018A-2024E Balance Sheet

€ Millions	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E
Intangible	6.5	8.1	10.0	10.9	11.8	12.6	13.0
Tangible	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Other LT Assets	0.4	0.0	0.2	0.2	0.2	0.2	0.2
Fixed Assets	7.4	8.6	10.5	11.5	12.4	13.1	13.5
Trade receivables	6.4	6.3	7.6	8.7	9.8	10.8	11.9
Inventory	-	-	-	-	-	-	-
Trade Payables	(4.5)	(4.6)	(5.4)	(5.8)	(6.4)	(7.1)	(7.9)
Trade Working Capital	1.9	1.7	2.1	2.9	3.4	3.7	4.1
Other assets and liabilities	(0.5)	0.0	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Net Working Capital	1.4	1.7	1.9	2.6	3.1	3.4	3.8
Other Provisions	(1.0)	(1.5)	(1.3)	(1.5)	(1.6)	(1.8)	(2.0)
Net Capital Employed	7.7	8.8	11.0	12.6	13.9	14.7	15.4
Group shareholders' equity	0.4	6.5	8.5	11.1	14.6	18.6	23.3
Minority shareholders' equity	-	-	(0.0)	-	-	-	-
Total shareholders' equity	0.4	6.5	8.5	11.1	14.6	18.6	23.3
Short-term debt / Cash (-)	4.0	(0.3)	(0.5)	(1.5)	(3.7)	(6.9)	(11.0)
Long-term liabilities	3.3	2.7	3.0	3.0	3.0	3.0	3.0
Net Financial Position	7.3	2.3	2.5	1.5	(0.7)	(3.9)	(8.0)
Sources	7.7	8.8	11.0	12.6	13.9	14.7	15.4

Source: Company Data, KT&Partners' Elaboration

Valuation

Following the projections of Doxee's future financials, we carried out the valuations of the company by applying the DCF and market multiples methods:

1. EV/EBITDA and P/E multiple which returns a value of €8.48ps;
2. DCF analysis, based on WACC of 8.2% and 2% perpetual growth, returns a value of 8.11ps.

The average of the two methods yields a fair value of €8.30ps or an equity value of €59.7mn.

Valuation Recap

	Equity Value €mn	Value per share €
EV/EBITDA	63.1	8.78
P/E	58.9	8.19
Average - multiples	61.0	8.48
DCF	58.3	8.11
Average	59.7	8.30

Source: FactSet, KT&Partners' Elaboration

Peer Comparison

In order to define Doxee's peer sample, we carried out an in-depth analysis of listed companies active in digital transformation market. In selecting potential peers, we consider Doxee's offering, business model, growth, and profitability profile.

For peer analysis, we built an eight-company sample which includes:

- **Heeros Oyj (HEEROS-FI):** listed on OMX Helsinki stock exchange with a market capitalization of €31mn, Heeros Oyj provides cloud-based financial management solutions. It offers fully automated solutions for purchase invoice workflow, invoice OCR processing, e-invoicing, e-archiving, SEPA payments, payable and receivable ledgers, general ledger accounting, and mobile app. In FY20, Heeros Oyj reached €8.7mn of sales revenues.
- **Quadient SA (QDT-FR):** listed on Euronext Paris stock exchange with a market capitalization of €753mn, Quadient helps companies build powerful connections with their customers, engaging in the provision of customer experience management, business process automation, mail-related solutions, and parcel locker solutions. Quadient supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence. In FY20 Quadient revenues amounted to €1.1bn.
- **Relatech S.p.A. (RLT-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €86mn, Relatech is active in the digital innovation field, leveraging Big Data, AI, and IoT technologies through its internally developed cloud-based platform, called "RePlatform". The company offers vertical solutions ranging from digital customer experience, insight-driven, decision-making, proximity marketing, supply-chain efficiency and industrial automation. In FY20 Relatech sales revenues amounted to €25mn.
- **Maps S.p.A. (MAPS-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €28mn, Maps is one of the main Italian digital transformation enablers focused on big data software solutions. It operates through the following business streams: Large Enterprise (focused on data integration solutions, semantic and predictive analysis and data cloud sharing system), Healthcare

Industry (offering software for patient care and support); and Gzoom (specialized in developing software for PA). In FY20 Maps reached €18mn of sales revenues.

- **Digital Value S.p.A (DGV-IT):** listed on Borsa Italiana stock exchange with a market capitalization of €486mn, Digital Value is an Information Technology solutions provider. The group supports the digital transformation of its customers through an offer of customized solutions and services. It offers data center and hybrid cloud computing, networking and intelligence network, infrastructural Enterprise software, information and communication technology security and cyber security, and digital business transformation. In FY20 Digital Value revenues amounted to €441mn.
- **MailUp (MAIL-IT):** listed on Borsa Italiana stock exchange with a market capitalization of €64mn, MailUp engages in the provision of a digital platform for the professional management and sending of large quantities of electronic mail, professional newsletters, short message service, and fax without the need for software or hardware installment. It operates through the following business areas: E-mail sending, Text message sending and BEE Plugin and Other services. In FY20 MailUp revenues amounted to €65mn.
- **Neosperience S.p.A (NSP-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €46mn, Neosperience provides digital customers with experience services through its cloud-based platform named “Neosperience Cloud”. The company offers AI proprietary models to enhance brand and product experience. In FY20, Neosperience reached €16mn of sales revenues.
- **Piteco (PITE-IT):** listed on Borsa Italiana stock exchange with a market capitalization of €214mn, Piteco involves in providing proprietary software for treasury, finance, and financial planning management. It focuses on large and mid-enterprises operating in all industries except for public administration. It operates through the following segments: Corporate treasury and Financial planning, Digital payments and Clearing house, and IT solutions for Risk management. In FY20 Piteco reached €24mn of revenues.

Secondly, we compared the peers’ historical marginalities with Doxee’s historical financials.

The peer companies have a level of marginality which is much lower than Doxee’s 2020 results: average peer’s EBITDA margin for FY20 was 17.5%, compared with Doxee EBITDA margin equal to 29.2%. Average peer’s EBIT margin for FY20 was 12.6%, compared with Doxee EBIT margin of 15.4%. Finally, Doxee in FY20 outperformed its competitors for 0.8pp, with a net margin of 8.5%.

Peer Comparison – EBITDA Margin, EBIT Margin and Net Margin

Company Name	EBITDA Margin				EBIT margin				Net margin				
	2019	2020	2021	2022	2019	2020	2021	2022	2018	2019	2020	2021	2022
Heeros Oyj	neg	2.7%	23.0%	26.1%	neg	2.3%	9.7%	8.9%	neg	neg	0.2%	8.5%	13.7%
Quadient SA	25.2%	n.a.	24.3%	24.7%	14.6%	14.8%	14.9%	14.5%	7.6%	0.5%	3.9%	8.0%	8.4%
Relatech S.p.A.	21.6%	16.0%	24.8%	26.2%	18.0%	6.2%	19.7%	17.0%	11.8%	14.1%	14.0%	11.8%	12.6%
Maps S.p.A.	19.6%	18.5%	24.3%	25.3%	10.4%	6.6%	13.6%	11.6%	10.4%	10.5%	5.7%	8.9%	10.1%
Digital Value SpA	8.8%	9.1%	10.2%	10.4%	7.5%	6.8%	7.6%	6.7%	5.0%	5.2%	5.3%	5.3%	5.4%
MailUp SpA	7.9%	7.8%	7.3%	9.2%	3.0%	2.1%	2.4%	2.1%	3.1%	1.9%	0.9%	1.6%	3.3%
Neosperience SpA	25.6%	27.5%	26.2%	30.1%	8.0%	5.0%	7.5%	13.8%	4.9%	6.6%	2.5%	4.2%	9.2%
PITECO SpA	43.3%	41.1%	48.3%	49.1%	30.4%	56.9%	37.1%	34.6%	27.2%	13.2%	29.4%	29.8%	31.7%
Peers Average	21.7%	17.5%	23.5%	25.1%	13.1%	12.6%	14.1%	13.6%	10.0%	7.4%	7.7%	9.8%	11.8%
Doxee	29.4%	29.2%	30.6%	32.9%	13.3%	15.4%	17.0%	18.9%	4.2%	10.0%	8.5%	11.9%	13.4%

Source: FactSet, KT&Partners’ Elaboration

Market Multiples Valuation

Following the comparables analysis, we proceeded with the definition of market multiples for each peer group, focusing on 2020-2022 data.

Peer Comparison – Market Multiples 2020-2022

Company Name	Exchange	Market Cap	EV/SALES 2020	EV/SALES 2021	EV/SALES 2022	EV/EBITDA 2020	EV/EBITDA 2021	EV/EBITDA 2022	EV/EBIT 2020	EV/EBIT 2021	EV/EBIT 2022	P/E 2020	P/E 2021	P/E 2022
Heeros Oyj	OMX Helsinki	31	3.7x	3.5x	3.2x	n.m	15.2x	12.3x	n.m	36.1x	36.1x	n.m	39.7x	22.3x
Quadient SA	Euronext Paris	753	1.2x	1.2x	1.2x	n.a.	5.1x	4.9x	8.3x	8.4x	8.4x	23.4x	9.4x	8.5x
Relatech S.p.A.	Milan	86	4.4x	2.6x	2.2x	27.5x	10.3x	8.4x	n.m	13.0x	13.0x	33.9x	19.9x	16.0x
Maps S.p.A.	Milan	28	1.8x	1.3x	1.1x	9.5x	5.5x	4.5x	26.8x	9.9x	9.9x	27.2x	12.7x	9.7x
Digital Value SpA	Milan	486	1.1x	0.9x	0.8x	11.8x	8.8x	7.5x	15.8x	11.8x	11.8x	24.0x	17.4x	14.9x
MailUp SpA	Milan	64	0.9x	0.8x	0.7x	12.1x	11.3x	7.7x	n.m	34.2x	34.2x	n.m	n.m	23.6x
Neosperience SpA	Milan	46	3.1x	2.3x	1.7x	11.1x	8.8x	5.8x	n.m	30.6x	12.6x	n.m	47.2x	17.5x
PITECO SpA	Milan	214	9.4x	6.1x	5.7x	22.8x	12.6x	11.6x	16.5x	16.5x	16.5x	33.2x	20.0x	17.6x
Average peer group		214	3.2x	2.3x	2.1x	15.8x	9.7x	7.8x	16.8x	20.0x	17.8x	28.3x	23.8x	16.3x
Median peer group		75	2.4x	1.8x	1.5x	12.0x	9.5x	7.6x	16.1x	14.7x	12.8x	27.2x	19.9x	16.8x
Doxee	Milan	47	2.8x	2.4x	2.0x	8.8x	7.4x	5.8x	16.7x	13.3x	10.1x	28.6x	18.0x	13.6x

Source: FactSet, KT&Partners' Elaboration

We based our evaluation upon 2021 and 2022 EV/EBITDA and P/E multiples and our estimates of Doxee's EBITDA and net income for 2021-2022

EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E
EV/EBITDA Comps	9.7x	7.8x
Doxee EBITDA	6.7	8.5
Enterprise value	64.9	66.3
Doxee FY20 Net Debt	2.5	2.5
Equity Value	62.4	63.8
Average Equity Value	63.1	
Size/Liquidity Discount	0%	
Equity Value Post-Discount	63.1	
Number of shares (mn)	7.2	
Value per Share €	8.78	

Source: FactSet, KT&Partners' Elaboration

P/E Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E
P/E Comps	23.8x	16.3x
Doxee Net Income	2.6	3.4
Equity Value	62.0	55.9
Average Equity Value	58.9	
Size/Liquidity Discount	0%	
Equity Value Post-Discount	58.9	
Number of shares (mn)	7.2	
Value per Share €	8.19	

Source: FactSet, KT&Partners' Elaboration

DCF Valuation

We have also conducted our valuation using a five-year DCF model, based on 8.6% cost of equity, 1.5% cost of debt and a D/E ratio of 6.6% (Damodaran for Software, System and Applications). The cost of equity is a function of the risk-free rate of 0.69% (Italian 10y BTP), 5.39% equity risk premium (Damodaran for a mature market – June 2020) and a premium for size and liquidity of 2.8% (source: Duff&Phelps). We, therefore, obtained 8.2% WACC.

We discounted 2021E-24E annual cash flows and considered a terminal growth rate of 2%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation

€ Thousand	2021E	2022E	2023E	2024E
EBIT	3.7	4.9	5.7	6.7
Taxes	(1.0)	(1.4)	(1.6)	(1.9)
D&A	3.0	3.6	4.3	5.2
Change in Net Working Capital	(0.8)	(0.5)	(0.3)	(0.4)
Change in Funds	0.2	0.2	0.2	0.2
Net Operating Cash Flow	5.0	6.8	8.3	9.8
Capex	(4.0)	(4.5)	(5.0)	(5.6)
FCFO	1.1	2.2	3.3	4.2
g	2.0%			
Wacc	8.2%			
FCFO (discounted)	1.1	2.0	2.6	3.1
Discounted Cumulated FCFO	8.8			
TV	69.7			
TV (discounted)	52.1			
Enterprise Value	60.8			
NFP FY2020	2.5			
Equity Value	58.3			

Current number of shares (k) 7.2

Value per share (€) **8.11**

Source: Company Data, KT&Partners' Elaboration

Sensitivity analysis

€ thousand		WACC				
Terminal growth Rate		8.7%	8.4%	8.2%	7.9%	7.7%
	1.5%	49.9	51.9	54.1	56.4	59.0
	1.8%	51.6	53.7	56.1	58.6	61.4
	2.0%	53.4	55.7	58.3	61.0	64.0
	2.3%	55.4	57.9	60.6	63.6	66.8
	2.5%	57.5	60.2	63.2	66.4	69.9

Source: Company Data, KT&Partners' Elaboration

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IN THIS STUDY DCF AND MULTIPLE VALUATION MODELS HAVE BEEN USED. RECOMMENDATIONS FOLLOW THE FOLLOWING RULES:

- ADD – FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD – FOR A FAIR VALUE < 15% o > -15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE < -15% ON CURRENT PRICE



Via della Posta, 10 – Piazza Affari, 20123 Milano – Italy
Tel: +39.02.83424007 Fax: +39.02.83424011
segreteria@ktepartners.com