

## Innovating with the Doxee Platform 3.0

HOLD | Fair Value: €12.78 (€10.14) | Current Price: €12.00 | Upside: 6.5%

## Research Update

September 29, 2021 – h 7.00

€ 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	8.4	10.0	11.8
margin	21.7%	29.4%	29.2%	30.4%	32.7%	33.7%	34.7%
Net Profit	0.6	1.7	1.6	2.6	3.4	4.0	4.7
margin	4.2%	10.0%	8.5%	11.7%	13.1%	13.3%	13.7%
EPS	n.a.	0.24	0.23	0.35	0.47	0.55	0.65

Source: Company data, KT&amp;Partners' elaboration

**A liquid stock running on the market.** For Doxee's stocks – listed on AIM Italia market since December 2019 – 2021 was a record year. The stock achieved a remarkable +242% YTD vs a +48% recorded by the AIM Italia index on the same period. The strong stock performance enabled Doxee to be ranked as the 4<sup>th</sup> company for 8M21 return among the companies listed on AIM market.

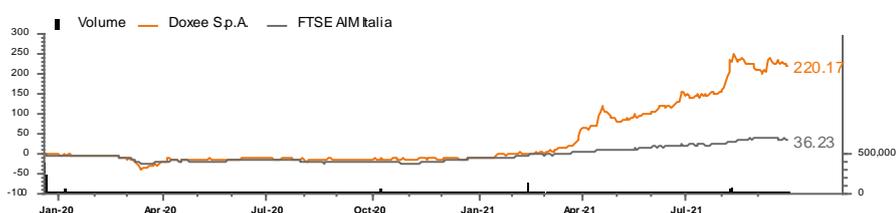
**Seizing new market and customers opportunities.** As a result of significant investment in research and development and thanks to the extensive expertise of its in-house team, Doxee released a set of new features for Doxee Platform®, enhanced by the integration of third-party solutions. These components are expected to become effective in 2H21, increasing the range of the company's product offering and becoming more appealing for new potential customers. Doxee is also aiming at an external international growth: that's why the company's looking for deal opportunities in DACH and Iberian regions, markets with great potential especially for px and ix solutions.

**1H21 results.** Doxee 1H21 revenues grew by +18.5% YoY (and +2.2% on our estimates) amounting to €9.1mn – of which more than 70% recurring, associated with Doxee's SaaS offering. Company growth is mainly the result of the: i) the boost in dx line (that achieved a +28% YoY) following the dematerialization process of a growing number of companies and ii) acquisition of new customers and consolidation of existing ones. EBITDA came in at €1.5mn (-6.3% YoY and in line with our forecasts) mainly factoring in a higher incidence of indirect costs (€3.0mn) and R&D costs which amounted at €1.9mn, for ca. 21% of sales revenues. EBITDA margin decreased to 16.6% following company investments on both commercial and administrative structures and R&D activities, also associated to the release of some Doxee Platform® 3.0 new features. Finally, net income amounted to €0.3mn, and net debt improved to €1.5mn.

**Change in estimates.** On the back of the higher-than-expected 1H21 results, we left unchanged our top-line estimates, with revenues growing at a CAGR20-24 of 15.5%. We slightly revised downward our previous estimates on EBITDA, now achieving a +20.5% CAGR20-24, and on EBITDA margin, which is expected to reach 34.7pp in 2024. Finally, we anticipate FY21 net income at €2.6mn, growing at a 30.3% CAGR20-24 and NFP to turn positive in FY22, reaching a net cash position of €8.5mn in 2024.

**Valuation.** Our valuation – based on both market multiples and DCF method – returns an average equity value of €92.1mn or a fair value of €12.78ps, showing a potential upside of 6.5% on current market price.

## Relative Performance Chart – Since IPO



## Equity Research Team

[connect@ktepartners.com](mailto:connect@ktepartners.com)

## Mauro IACCINO

[miaccino@ktepartners.com](mailto:miaccino@ktepartners.com)

## Federica FIORENZA

[ffiorenza@ktepartners.com](mailto:ffiorenza@ktepartners.com)

## Market Data

Main Shareholders	
P&S Srl	76.7%
Mkt Cap (€ mn)	86.4
EV (€ mn)	88.9
Shares out.	7.2
Free Float	23.3%

Market multiples	2020	2021	2022
EV/EBITDA			
Doxee	15.8x	13.4x	10.6x
Comps average	18.3x	11.2x	8.9x
Doxee vs average	-13%	19%	19%
P/E			
Doxee	52.8x	33.8x	25.7x
Comps average	34.2x	32.4x	19.3x
Doxee vs average	54%	4%	34%

## Stock Data

52 Wk High (€)	13.60
52 Wk Low (€)	3.12
Avg. Daily Trading 90d	11,250
Price Change 1w (%)	-4.8
Price Change 1m (%)	-1.6
Price Change YTD (%)	242.9

## Key Figures – Doxee S.p.A.

	Current price (€)	Fair Value (€)	Sector					Free Float (%)	
	12.00	12.78	Digital Transformation					23.3%	
<b>Per Share Data</b>			<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
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	0.35	0.47	0.55	0.65
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.
<b>Profit and Loss (EUR million)</b>			<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Revenues			14.5	17.0	19.2	21.9	25.7	29.7	34.1
EBITDA			3.1	5.0	5.6	6.7	8.4	10.0	11.8
EBIT			1.0	2.3	2.9	3.6	4.7	5.6	6.6
EBT			1.0	2.1	2.3	3.6	4.7	5.5	6.5
Taxes			(0.4)	(0.4)	(0.7)	(1.0)	(1.3)	(1.5)	(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
<b>Balance Sheet (EUR million)</b>			<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Total fixed assets			7.4	8.6	10.5	11.8	12.7	13.4	13.5
Net Working Capital (NWC)			1.4	1.7	1.9	2.2	2.7	2.9	3.0
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	13.8	14.5	14.6
Net financial position/(Cash)			7.3	2.3	2.5	1.5	(0.6)	(3.9)	(8.5)
Total Shareholder's Equity			0.4	6.5	8.5	11.1	14.4	18.4	23.1
<b>Cash Flow (EUR million)</b>			<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Net operating cash flow			2.7	4.6	4.7	5.6	7.1	8.4	10.0
Change in NWC			(0.5)	(0.4)	(0.1)	(0.4)	(0.5)	(0.2)	(0.1)
Capital expenditure			(2.4)	(3.9)	(4.4)	(4.4)	(4.6)	(5.1)	(5.4)
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	4.6
<b>Enterprise Value (EUR million)</b>			<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Market Cap			n.a.	27.2	25.2	86.4	86.4	86.4	86.4
Minorities			-	-	0	-	-	-	-
Net financial position/(Cash)			7.3	2.3	2.5	1.5	(0.6)	(3.9)	(8.5)
Enterprise value			n.a.	29	28	88	86	83	78
<b>Ratios (%)</b>			<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
EBITDA margin			21.7%	29.4%	29.2%	30.4%	32.7%	33.7%	34.7%
EBIT margin			7.2%	13.3%	15.4%	16.6%	18.4%	18.8%	19.2%
Gearing - Debt/equity			1718.5%	35.4%	29.5%	13.6%	-4.5%	-21.0%	-36.6%
Interest cover on EBIT			1.8%	7.2%	21.5%	2.3%	1.6%	1.1%	0.8%
NFP/EBITDA			232.8%	46.1%	44.8%	22.6%	-7.7%	-38.5%	-71.5%
ROCE			13.4%	25.7%	26.8%	28.9%	34.4%	38.3%	44.9%
ROE			141.5%	26.0%	19.2%	23.1%	23.3%	21.6%	20.3%
EV/Sales			6.1x	5.2x	4.6x	4.1x	3.5x	3.0x	2.6x
EV/EBITDA			28.3x	17.7x	15.8x	13.4x	10.6x	8.9x	7.5x
P/E			143.3x	51.0x	52.8x	33.8x	25.7x	21.8x	18.5x
Free cash flow yield			0%	1%	0%	1%	2%	4%	5%
<b>Growth Rates (%)</b>			<b>2018A</b>	<b>2019A</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Sales			n.m.	17.5%	12.6%	14.1%	17.6%	15.4%	14.9%
EBITDA			n.m.	59.4%	12.0%	18.6%	26.5%	18.8%	18.2%
EBIT			n.m.	118.4%	29.9%	23.3%	30.5%	17.4%	17.7%
Net Income			n.m.	110.1%	-4.4%	57.6%	31.4%	18.0%	18.1%

Source: Company data, KT&amp;Partners' elaboration

## 1H21 Financial Results

### Company profile

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).

In the first half of the year, Doxee kept offering its proprietary solutions expanding its presence in the reference markets. Company's 1H21 revenues hit €9.1mn (+2.2% above our estimates), achieving a considerable +18.5% YoY. Doxee's revenues – of which more than 70% were recurring, thanks to the SaaS business mode, have been driven by:

- i) the document experience line (€6mn, +28% YoY), following the dematerialization process that involved a growing number of companies, Doxee's management expects a major increase in the number of digital documents generated, from ca. 3mn of 2020 to 5-6mn in 2021;
- ii) the consolidation of the existing customer base thanks to up-selling and cross-selling activities;
- iii) the acquisition of new customers in the Utility and Finance sectors, also expanding on both the enterprise and SME markets.

Looking at the other business line, Interactive experience gained a +13% YoY, amounting to €1.3mn, while Paperless experience (px) slightly decreased by 2% YoY, at €1.8mn. The revenue reduction of px is mainly associated to a reduction in set-up activities, while the contractualized services remained stable.

Business growth supported an increase in Gross profit, that amounted to €4.1mn, with a gross margin quite stable with respect to previous year despite the higher investments. EBITDA came in at €1.5mn (-6.3% YoY and in line with our estimates), factoring in an increase of indirect costs (from €2.3mn in 1H20 to €3mn in 1H21), mainly associated to an increase in investments to strengthen marketing and administrative team. We noticed that the company is still pursuing its ambitious R&D investment plan, with €1.9mn (or 21% of turnover) already invested in the first half of the year, connected with an acceleration in Doxee Platform 3.0 release with additional features. Therefore, the company recorded an EBITDA margin 3.4pp below 1H20 (fully in line with our forecasts), at 16.6%.

Finally, net income stood at €0.3mn (-7.1% YoY and in line with our estimates) and Net Financial Position decreased to €1.5mn (from €2.5mn at the end of 2020), mainly thanks to a better NWC management and a consequent increase in cash liquidity that more than offset the greater investments made.

### 1H21 Consolidated Income Statement

€ million	1H19	1H20	1H21	YoY %	1H21E	A vs E %
Sales Revenues	7.0	7.7	9.1	18%	8.9	2.2%
<i>Growth %</i>						
Other Revenues	0.2	0.5	0.1		0.2	
<b>Total Revenues</b>	<b>7.3</b>	<b>8.2</b>	<b>9.3</b>	<b>13%</b>	<b>9.2</b>	<b>1%</b>
Direct Costs	(4.2)	(4.6)	(5.2)		(5.3)	
<b>Gross Profit</b>	<b>3.1</b>	<b>3.6</b>	<b>4.1</b>	<b>12%</b>	<b>3.9</b>	<b>5%</b>
<i>Gross Margin</i>	<i>42.4%</i>	<i>44.1%</i>	<i>44.0%</i>		<i>42.2%</i>	
Indirect Costs	(2.0)	(2.3)	(3.0)		(2.5)	
Capex	1.5	1.4	2.3		1.5	
R&D	(1.3)	(1.1)	(1.9)		(1.3)	
Other Operating Expenses						
<b>EBITDA</b>	<b>1.3</b>	<b>1.6</b>	<b>1.5</b>	<b>-6%</b>	<b>1.5</b>	<b>1%</b>
<i>EBITDA margin</i>	<i>18.0%</i>	<i>20.0%</i>	<i>16.6%</i>		<i>16.7%</i>	
D&A and Provisions	(1.0)	(1.1)	(1.3)		(1.1)	
<b>EBIT</b>	<b>0.3</b>	<b>0.5</b>	<b>0.3</b>	<b>-53%</b>	<b>0.4</b>	<b>-37%</b>
<i>EBIT margin</i>	<i>4.8%</i>	<i>6.5%</i>	<i>2.7%</i>		<i>4.3%</i>	
Financial Income and Expenses	(0.1)	(0.1)	0.0		(0.0)	
Extraordinary items						
<b>EBT</b>	<b>0.2</b>	<b>0.4</b>	<b>0.3</b>	<b>-31%</b>	<b>0.4</b>	<b>-24%</b>
Taxes	(0.1)	(0.1)	(0.0)		(0.1)	
<i>Tax Rate</i>	<i>37.2%</i>	<i>30.1%</i>	<i>10.4%</i>		<i>28.0%</i>	
<b>Net Income</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>-11%</b>	<b>0.3</b>	<b>-6%</b>
<i>Net margin</i>	<i>1.9%</i>	<i>3.4%</i>	<i>2.7%</i>			
Minorities			(0.0)			
<b>Net Income attributable to the Group</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>-7%</b>	<b>0.3</b>	<b>-1%</b>
<i>Net margin</i>	<i>1.9%</i>	<i>3.4%</i>	<i>2.8%</i>			

Source: Company data, KT&P's Elaborations.

Note: Revenues 1H20 restated according to the new reclassification system adopted in 2021, which provides for a redistribution of revenues attributable to bundle (the sale of three solutions provided) and professional services (customized services provided on the basis of specific customer requests) in the dx and px lines.

Looking at the 12 months ending June 2021, Doxee's sales revenues amounted to €19.1mn, up by 18% compared with €16.2 sales revenues in the prior 12 months (and in line with our estimates).

As for the group's profitability, LTM gross profit stood at €10.3mn (+10% YoY), and the last 12 months EBITDA amounted to €5.5mn, with a margin 2.5pp below prior 12 months. We note that, despite 1H21 EBITDA decreased by 6.3% YoY, the LTM EBITDA experienced a +3% YoY. Finally, the net result decreased by 12% YoY, entering at €1.6mn.

#### LTM (Last Twelve Months) Income Statement

€ million	1H20 LTM	1H21 LTM	YoY %	1H21E LTM	A vs E %
<b>Sales Revenues</b>	<b>16.2</b>	<b>19.1</b>	<b>18%</b>	<b>18.9</b>	<b>1%</b>
Other Revenues	1.8	1.1	-39%	1.2	-9%
<b>Total Revenues</b>	<b>18.0</b>	<b>20.2</b>	<b>12%</b>	<b>20.1</b>	<b>0%</b>
Direct Costs	(8.7)	(9.9)	14%	(10.0)	-1%
<b>Gross Profit</b>	<b>9.3</b>	<b>10.3</b>	<b>10%</b>	<b>10.1</b>	<b>2%</b>
<i>Gross Margin</i>	<i>51.8%</i>	<i>50.9%</i>	<i>-1%</i>	<i>50.2%</i>	<i>1%</i>
Indirect Costs	(5.4)	(5.6)	3%	(5.2)	8%
Capex	3.8	4.4	18%	3.7	21%
R&D	(2.3)	(3.6)	57%	(3.1)	18%
Other Operating Expenses	-	-		-	
<b>EBITDA</b>	<b>5.4</b>	<b>5.5</b>	<b>3%</b>	<b>5.5</b>	<b>0%</b>
<i>EBITDA margin</i>	<i>29.7%</i>	<i>27.2%</i>	<i>-2%</i>	<i>27.3%</i>	<i>0%</i>
D&A and Provisions	(2.9)	(2.8)	-2%	(2.7)	6%
<b>EBIT</b>	<b>2.5</b>	<b>2.7</b>	<b>9%</b>	<b>2.8</b>	<b>-5%</b>
<i>EBIT margin</i>	<i>13.6%</i>	<i>13.2%</i>	<i>0%</i>	<i>14.0%</i>	<i>-1%</i>
Financial Income and Expenses	(0.2)	(0.5)	181%	(0.5)	-11%
Extraordinary items				-	
<b>EBT</b>	<b>2.3</b>	<b>2.2</b>	<b>-4%</b>	<b>2.3</b>	<b>-4%</b>
Taxes	(0.4)	(0.6)	34%	(0.7)	-11%
<i>Tax Rate</i>	<i>19.6%</i>	<i>27.4%</i>		<i>29.6%</i>	<i>-2%</i>
<b>Net Income</b>	<b>1.8</b>	<b>1.6</b>	<b>-13%</b>	<b>1.6</b>	<b>-1%</b>
<i>Net margin</i>	<i>10.2%</i>	<i>7.9%</i>	<i>-2%</i>	<i>8.0%</i>	<i>0%</i>
Minorities		(0.0)		(0.0)	
<b>Net Income attributable to the Group</b>	<b>1.8</b>	<b>1.6</b>	<b>-12%</b>	<b>1.6</b>	<b>0%</b>
<i>Net margin</i>	<i>10.2%</i>	<i>8.0%</i>	<i>-2%</i>	<i>8.0%</i>	<i>0%</i>

Source: Company data, KT&P's Elaborations.

## Change in estimates

We left unchanged our top-line estimates, anticipating FY21 revenues at €21.9mn, (CAGR20-24 of 15.5%) that are expected to reach €34.1mn in 2024. Our estimates are also supported by i) higher-than-expected 1H21 results, ii) the seasonality of revenues in favor of second half of the year, and iii) an expected expansion toward SME segment for px line. Furthermore, thanks to several investments on the Doxee Platform, the company accelerated the onboarding integration phase for the sale of new services making it possible to improve the efficiency of service delivery and to speed up project releases. This is expected to result in an increasing number of projects to be delivered and a consequent acceleration of revenues.

We slightly revised downward our EBITDA estimates, that is now expected to grow at a CAGR20-24 20.5%, reaching €6.7mn in 2021. We forecast a lower EBITDA margin, which is expected to reach 34.7pp in 2024.

We also revised our EBIT and bottom-line estimates, factoring in higher D&A costs for greater expected investments: we anticipate a FY21 net income at €2.6mn, growing at a CAGR20-24 of 30.3%.

Finally, we foresee a FY21 net debt at €1.5mn, in line with 1H21 results following a better NWC management that is expected to offset the acceleration of investments. We expect NFP to turn positive in FY22, reaching €8.5mn of cash in FY24.

### Change in Estimates

€ Millions	2019A	2020A	Change	2021E	2021E	Change	2022E	2022E	Change	2023E	2023E	Change	2024E	2024E	Change	CAGR
		Actual		Old	New		Old	New		Old	New		Old	New		2020-24
Revenues	17.0	19.2	12.6%	21.9	21.9	0.0%	25.7	25.7	0.0%	29.7	29.7	0.0%	34.1	34.1	0.0%	15.5%
YoY Change (%)	17.5%	12.6%		14.0%	14.1%		17.5%	17.6%		15.3%	15.4%		14.9%	14.9%		
EBITDA	5.0	5.6	12.0%	6.7	6.7	-0.5%	8.5	8.4	-0.4%	10.0	10.0	-0.4%	11.9	11.8	-0.3%	20.5%
YoY Change (%)	59.4%	12.0%		19.2%	18.6%		27.1%	26.5%		19.2%	18.8%		18.6%	18.2%		
EBITDA Margin	29.4%	29.2%		30.6%	30.4%		32.9%	32.7%		33.8%	33.7%		34.8%	34.7%		
EBIT	2.3	2.9	29.9%	3.7	3.6	-2.1%	4.9	4.7	-2.5%	5.7	5.6	-2.4%	6.7	6.6	-1.8%	22.1%
YoY Change (%)	118.4%	29.9%		25.9%	23.3%		33.9%	30.5%		20.3%	17.4%		19.9%	17.7%		
Net Income	1.7	1.6	-4.4%	2.6	2.6	-2.0%	3.4	3.4	-2.3%	4.0	4.0	-2.0%	4.7	4.7	-1.3%	30.3%
YoY Change (%)	181.3%	-4.4%		60.8%	57.6%		34.5%	31.4%		20.4%	18.0%		19.7%	18.1%		
NFP	2.3	2.5		1.5	1.5	-0.1%	(0.7)	(0.6)	-4.3%	(3.9)	(3.9)	-0.5%	(8.0)	(8.5)	6.0%	
YoY Change (%)		8.8%		-40.23%	-40.3%		-145%	-143.1%		473%	495.7%		106%	119.4%		

Source: Company data, KT&P's Elaborations.

## Valuation

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

1. EV/EBITDA and P/E multiple, which returns a value of €10.59ps;
2. DCF analysis, based on WACC of 6% and 2% perpetual growth, which returns a value of 14.97ps.

The average of the two methods yields a fair value of €12.78ps or an equity value of €92.1mn.

### Valuation Recap

	Equity Value €mn	Value per share €
EV/EBITDA	76.4	10.61
P/E	76.1	10.57
<b>Average - multiples</b>	<b>76.3</b>	<b>10.59</b>
DCF	107.8	14.97
<b>Average</b>	<b>92.1</b>	<b>12.78</b>

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 2021–23 data.

### Peer Comparison – Market Multiples 2021–23

Company Name	Exchange	Market Cap	EV/SALES	EV/SALES	EV/SALES	EV/EBITDA	EV/EBITDA	EV/EBITDA	EV/EBIT	EV/EBIT	EV/EBIT	P/E	P/E	P/E
			2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Heeros Oyj	OMX Helsinki	24	2.8x	2.5x	2.3x	13.2x	9.8x	8.5x	37.2x	18.5x	14.0x	40.9x	17.9x	14.1x
Quadiant SA	Euronext Paris	821	1.3x	1.3x	1.2x	5.4x	5.2x	5.1x	9.0x	8.5x	8.2x	10.2x	9.1x	8.2x
Relatech S.p.A.	Milan	105	2.8x	2.3x	1.9x	11.4x	8.9x	7.1x	16.3x	12.2x	9.8x	20.5x	16.3x	12.8x
Maps S.p.A.	Milan	48	2.0x	1.6x	1.4x	7.9x	6.0x	5.1x	13.6x	10.2x	7.4x	18.4x	16.3x	10.3x
Digital Value SpA	Milan	857	1.5x	1.3x	1.1x	14.9x	12.0x	9.6x	20.1x	16.0x	11.5x	28.7x	22.7x	16.3x
Growens S.p.A.	Milan	67	0.9x	0.8x	0.7x	11.9x	9.0x	7.3x	39.4x	19.8x	13.4x	66.6x	32.5x	21.1x
Neosperience SpA	Milan	49	2.6x	2.0x	1.5x	9.9x	6.5x	4.4x	34.6x	14.2x	6.8x	49.8x	18.5x	8.8x
PITECO SpA	Milan	231	7.1x	6.6x	6.1x	14.9x	13.6x	12.4x	23.4x	23.4x	23.4x	24.3x	20.7x	19.7x
Average peer group		275	2.6x	2.3x	2.0x	11.2x	8.9x	7.4x	24.2x	15.3x	11.8x	32.4x	19.3x	13.9x
Median peer group		86	2.3x	1.8x	1.4x	11.7x	9.0x	7.2x	21.8x	15.1x	10.7x	26.5x	18.2x	13.5x
Doxee	Milan	86	4.2x	3.6x	3.1x	13.4x	10.6x	8.9x	24.5x	18.7x	16.0x	33.8x	25.7x	21.8x

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 2021–22.

### EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E
EV/EBITDA Comps	11.7x	9.0x
Doxee EBITDA	6.7	8.4
<b>Enterprise value</b>	<b>79.3</b>	<b>76.5</b>
Doxee 1H21 Net Debt	1.5	1.5
<b>Equity Value</b>	<b>77.9</b>	<b>75.0</b>
Average Equity Value	<b>76.4</b>	
Size/Liquidity Discount	0%	
<b>Equity Value Post-Discout</b>	<b>76.4</b>	
Number of shares (mn)	7.2	
<b>Value per Share €</b>	<b>10.61</b>	

Source: FactSet, KT&Partners' elaboration

### P/E Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E
P/E Comps	32.4x	19.3x
Doxee Net Income	2.6	3.4
<b>Equity Value</b>	<b>85.8</b>	<b>66.4</b>
Average Equity Value	<b>76.1</b>	
Size/Liquidity Discount	0%	
<b>Equity Value Post-Discout</b>	<b>76.1</b>	
Number of shares (mn)	7.2	
<b>Value per Share €</b>	<b>10.57</b>	

## DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 6.3% cost of equity, 1% 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 0.7% (Italian 10y BTP), 4.6% equity risk premium (Damodaran for a mature market), and a premium for size and liquidity of 2.05% (source: Duff&Phelps). We, therefore, obtained 6% 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				
€ million	2021E	2022E	2023E	2024E
<b>EBIT</b>	<b>3.6</b>	<b>4.7</b>	<b>5.6</b>	<b>6.6</b>
Taxes	(1.0)	(1.3)	(1.6)	(1.8)
D&A	3.0	3.7	4.4	5.3
Change in Net Working Capital	(0.4)	(0.5)	(0.2)	(0.1)
Change in Funds	0.2	0.2	0.2	0.2
<b>Net Operating Cash Flow</b>	<b>5.4</b>	<b>6.8</b>	<b>8.4</b>	<b>10.0</b>
Capex	(4.4)	(4.6)	(5.1)	(5.4)
<b>FCFO</b>	<b>1.1</b>	<b>2.2</b>	<b>3.3</b>	<b>4.6</b>
<b>g</b>	<b>2.0%</b>			
<b>Wacc</b>	<b>6.0%</b>			
FCFO (discounted)	1.1	2.0	2.9	3.8
Discounted Cumulated FCFO	9.8			
TV	121.4			
TV (discounted)	100.5			
<b>Enterprise Value</b>	<b>110.3</b>			
NFP FY2020	2.5			
<b>Equity Value</b>	<b>107.8</b>			

Current number of shares (mn) 7.2

**Value per share (€) 14.97**

Source: Company data, KT&Partners' elaboration

### Sensitivity analysis

€ million	WACC				
	6.5%	6.2%	6.0%	5.7%	5.5%
Terminal growth Rate 1.5%	85.6	90.5	96.0	102.1	109.0
1.8%	90.0	95.5	101.5	108.4	116.2
2.0%	95.0	101.0	107.8	115.6	124.5
2.3%	100.5	107.3	115.0	123.8	134.1
2.5%	106.7	114.4	123.2	133.4	145.4

Source: Company data, KT&Partners' elaboration

## Appendix

### Peer Comparison

In order to define Doxee's peer sample, we carried out an in-depth analysis of listed companies active in the 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 the OMX Helsinki stock exchange with a market capitalization of €24mn, 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 a mobile app. In FY20, Heeros Oyj reached €8.7mn of sales revenues.
- **Quadient SA (QDT-FR):** listed on the Euronext Paris stock exchange with a market capitalization of €821mn, 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 its quest to create relevant, personalized connections and achieve customer experience excellence. In FY20, Quadient's revenues amounted to €1.1bn.
- **Relatech S.p.A. (RLT-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €105mn, 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's sales revenues amounted to €25mn.
- **Maps S.p.A. (MAPS-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €48mn, 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 systems), the 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 the Borsa Italiana stock exchange with a market capitalization of €857mn, 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 networks, infrastructural enterprise software, information and communication technology security and cyber security, and digital business transformation. In FY20, Digital Value revenues amounted to €441mn.
- **Growens SpA (GROW-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €67mn, Growens engages in the provision of a digital platform for the professional management and sending of large quantities of electronic mail, professional newsletters, a short message service, and fax without the need for software or hardware instalment. It operates through the following business areas:

e-mail sending, text message sending and BEE Plugin and Other services. In FY20, Growens' revenues amounted to €65mn.

- **Neosperience S.p.A (NSP-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €49mn, 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 the Borsa Italiana stock exchange with a market capitalization of €231mn, Piteco provides proprietary software for treasury, finance, and financial planning management. It focuses on large and mid-sized 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 that is much lower than Doxee's 2020 results: the average peer's EBITDA margin for FY20 was 18.4%, compared with Doxee's EBITDA margin equal to 29.2%. The average peer's EBIT margin for FY20 was 11.1%, compared with Doxee's EBIT margin of 15.4%. Finally, Doxee in FY20 outperformed its competitors by 0.9pp, 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	2019	2020	2021	2022
Heeros Oyj	neg	2.7%	21.0%	25.8%	neg	2.3%	7.4%	13.8%	neg	0.2%	6.5%	13.8%
Quadiant SA	25.2%	24.2%	23.8%	24.1%	14.6%	13.1%	14.3%	14.8%	0.5%	3.1%	7.4%	7.9%
Relatech S.p.A.	21.6%	16.0%	24.5%	25.4%	18.0%	6.2%	17.2%	18.5%	14.1%	14.0%	10.9%	11.0%
Maps S.p.A.	19.6%	18.5%	25.8%	26.2%	10.4%	6.6%	14.9%	15.5%	10.5%	5.7%	11.1%	10.7%
Digital Value SpA	8.8%	9.1%	10.2%	10.6%	7.5%	6.8%	7.6%	8.0%	5.2%	5.3%	5.4%	5.7%
Growens S.p.A.	7.9%	7.8%	7.9%	9.3%	3.0%	2.1%	2.4%	4.3%	1.9%	0.9%	1.5%	2.7%
Neosperience SpA	11.5%	27.5%	26.2%	30.1%	neg	5.0%	7.5%	13.8%	6.6%	2.5%	4.2%	9.2%
PITECO SpA	43.3%	41.1%	47.5%	48.4%	30.4%	46.8%	30.3%	28.2%	13.2%	29.4%	25.2%	27.7%
<b>Peers Average</b>	<b>19.6%</b>	<b>18.5%</b>	<b>23.1%</b>	<b>24.6%</b>	<b>13.7%</b>	<b>11.2%</b>	<b>12.8%</b>	<b>14.5%</b>	<b>7.7%</b>	<b>7.9%</b>	<b>9.2%</b>	<b>11.1%</b>
<b>Doxee</b>	<b>29.4%</b>	<b>29.2%</b>	<b>30.4%</b>	<b>32.7%</b>	<b>13.3%</b>	<b>15.4%</b>	<b>16.6%</b>	<b>18.4%</b>	<b>10.0%</b>	<b>8.5%</b>	<b>11.7%</b>	<b>13.1%</b>

Source: FactSet, KT&Partners' elaboration

## DISCLAIMER

THIS DOCUMENT WAS PREPARED BY MAURO IACCINO – SENIOR ANALYST – AND FEDERICA FIORENZA – SENIOR ANALYST – ON BEHALF OF KT&PARTNERS S.R.L., WITH REGISTERED OFFICE AT VIA DELLA POSTA 10, MILAN, ITALY, MILAN COMPANY REGISTER NO. 1926922, SPECIALIZING IN FINANCIAL RESEARCH AND ANALYSIS (HEREINAFTER, “KT&PARTNERS”).

NO OTHER PEOPLE OR COMPANY CONTRIBUTED TO THE RESEARCH. NEITHER THE MEMBERS OF THE RESEARCH TEAM, NOR ANY PERSON CLOSELY ASSOCIATED WITH THEM HAVE ANY RELATIONSHIPS OR ARE INVOLVED IN CIRCUMSTANCES THAT MAY REASONABLY BE EXPECTED TO IMPAIR THE OBJECTIVITY OF THE RESEARCH, INCLUDING INTERESTS OR CONFLICTS OF INTEREST, ON THEIR PART OR ON THE PART OF ANY NATURAL OR LEGAL PERSON WORKING FOR THEM, WHO WAS INVOLVED IN PRODUCING THE RESEARCH.

FOR THIS PURPOSE, THE MEMBERS OF THE RESEARCH TEAM CERTIFY THAT: (I) THEY HAVE NOT RECEIVED AND WILL NOT RECEIVE ANY DIRECT OR INDIRECT COMPENSATION IN EXCHANGE FOR ANY VIEWS EXPRESSED IN THE RESEARCH; (II) THEY DO NOT OWN ANY SECURITIES AND/OR ANY OTHER FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY OR ANY FINANCIAL INSTRUMENT WHICH THE PRICE DEPENDS ON, OR IS LINKED TO ANY SECURITIES AND/OR ANY FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY; (III) NEITHER THE ANALYSTS NOR ANY MEMBER OF THE ANALYST’S HOUSEHOLD SERVE AS AN OFFICER, DIRECTOR OR ADVISORY BOARD MEMBER OF THE COMPANY.

KT&PARTNERS HAS IN PLACE AN EQUITY RESEARCH POLICY, IN ORDER TO RULE RESEARCH SERVICES IN COMPLIANCE WITH PARLIAMENT REGULATION (EU) NO.596/2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 958/2016 ON MARKET ABUSE. IN THIS POLICY, THERE ARE ALSO DESCRIBED THE ORGANIZATIONAL MECHANISMS ADOPTED BY KT&PARTNERS TO PREVENT AND PROFESSIONALLY MANAGE CONFLICTS OF INTEREST THAT MAY BE ARISE DURING THE PERFORMANCE OF THE RESEARCH. IN ANY CASE, CHINESE WALLS AND OTHER INFORMATION BARRIERS ARE IN PLACE TO AVOID THE EXCHANGE OF CONFIDENTIAL INFORMATION BETWEEN THE EQUITY RESEARCH DEPARTMENT AND OTHER SERVICES AREAS.

KT&PARTNERS S.R.L. SIGNED AN AGREEMENT WITH DOXEE S.P.A. TO SUPPORT THE COMPANY IN ITS INVESTOR RELATION ACTIVITIES. ANY PRIVILEGED INFORMATION IS ACCURATELY MAINTAINED RESERVED AND IS NOT AVAILABLE FOR THE RESEARCH TEAM WHICH PREPARED THIS DOCUMENT.

KT&PARTNERS PREPARED THIS DOCUMENT ON BEHALF OF DOXEE S.P.A. ACCORDING TO AN AGREEMENT ENTERED WITH THE SAME AND ON THE BASIS OF THE DATA AND PUBLIC INFORMATION PROVIDED BY THE SAME OR DERIVED FROM SOURCES DEEMED SERIOUS AND RELIABLE ON THE FINANCIAL MARKET BUT WHOSE ABSOLUTE TRUSTWORTHINESS, COMPLETENESS, AND ACCURACY CANNOT BE GUARANTEED. THE FEES AGREED FOR THIS RESEARCH DO NOT DEPEND ON THE RESULTS OF THE RESEARCH.

KT&PARTNERS PUBLISHED A REPORT ON DOXEE ON AUGUST 4, 2021 WITH A FAIR VALUE OF €10.14 PER SHARE.

THIS DOCUMENT IS A SOURCE OF INFORMATION ONLY, AND IS NOT PART OF, AND IN NO WAY MUST BE CONSIDERED AN OFFER TO SELL, SUBSCRIBE OR TRADE, OR A SOLICITATION TO PURCHASE, SUBSCRIBE OR TRADE, FINANCIAL INSTRUMENTS/PRODUCTS, OR IN GENERAL TO INVEST, NOR MUST IT BE CONSIDERED ANY FORM OF CONSULTING FOR AN INVESTMENT IN FINANCIAL INSTRUMENTS.

THE INFORMATION PROVIDED IN THIS DOCUMENT MUST NOT BE UNDERSTOOD AS A REQUEST OR SUGGESTION TO CONDUCT OR CARRY OUT A SPECIFIC TRANSACTION.

EACH INVESTOR MUST FORM HIS/HER OWN OPINION BASED EXCLUSIVELY ON HIS/HER ASSESSMENT OF THE ADVISABILITY OF INVESTING. ANY INVESTMENT DECISION MADE ON THE BASIS OF THE INFORMATION AND ANALYSES IN THIS DOCUMENT IS THE EXCLUSIVE RESPONSIBILITY OF THE RECIPIENTS OF THIS DOCUMENT, WHO MUST CONSIDER THIS DOCUMENT MERELY AS A SOURCE OF INFORMATION AND ANALYSIS TO SUPPORT SUCH DECISION.

ANY OPINIONS, FORECAST OR ESTIMATES CONTAINED HEREIN CONSTITUTE A JUDGEMENT AS AT THE DATE OF THIS DOCUMENT, AND THERE CAN BE NO ASSURANCE THAT THE FUTURE RESULTS OF THE COMPANY AND/OR ANY FUTURE EVENTS WILL BE CONSISTENT WITH ANY OF SUCH OPINIONS, FORECAST OR ESTIMATES.

KT&PARTNERS MAKES NO EXPLICIT OR IMPLICIT GUARANTEE WITH RESPECT TO PERFORMANCE OR THE OUTCOME OF ANY INVESTMENT OR PROJECTIONS MADE.

THEREFORE, KT&PARTNERS, ITS REPRESENTATIVES AND/OR EMPLOYEES WILL NOT BE LIABLE FOR ANY EFFECT DERIVING FROM THE USE OF THIS DOCUMENT, AND HEREBY DECLINE ALL LIABILITY FOR ANY DIRECT OR INDIRECT DAMAGES, FINANCIAL OR OTHERWISE, DERIVING FROM ANY USE OF THE INFORMATION IT CONTAINS.

KT&PARTNERS AIMS TO PROVIDE CONTINUOUS COVERAGE OF THE COMPANY IN CONJUNCTION WITH ANY EXCEPTIONAL EVENT THAT OCCURS AFFECTING THE ISSUER'S SPHERE OF OPERATIONS AND IN ANY CASE AT LEAST TWICE PER YEAR.

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% or > -15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE < -15% ON CURRENT PRICE

KT&PARTNERS

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