

Strong investments for future scalability

HOLD | Fair Value: €13.55 (€12.78) | Current Price: €12.15 | Upside: 12%

€ Million	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Total Revenues	17.0	18.4	21.5	25.7	29.7	34.1	39.5
EBITDA	5.0	4.9	5.3	6.0	8.8	12.0	15.3
margin	29.4%	26.8%	24.8%	23.3%	29.7%	35.1%	38.8%
Net Profit	1.7	0.9	1.7	1.8	3.4	5.1	7.6
margin	10.0%	5.1%	7.8%	6.9%	11.3%	15.1%	19.1%
EPS	0.24	0.13	0.21	0.22	0.42	0.65	0.95
NFP/(Cash)	2.3	2.9	1.6	0.3	(2.0)	(6.4)	(13.2)

Source: Company data, KT&Partners' elaboration

A challenging roadmap to be prepared for M&A integrations... In 2021 the company experienced an acceleration in its development roadmap that resulted in i) a strengthened workforce and Sales, Service Operations and R&D structure, by hiring ca. 30 new talents and ii) a boost in R&D investments (more than 20% on revenues vs an historical average of ca. 15%). The company is currently looking for M&A deals in DACH and Iberian areas: investments are expected to accelerate future integrations in turn to fully exploit incoming synergies with target companies, also with expected benefits on market scalability.

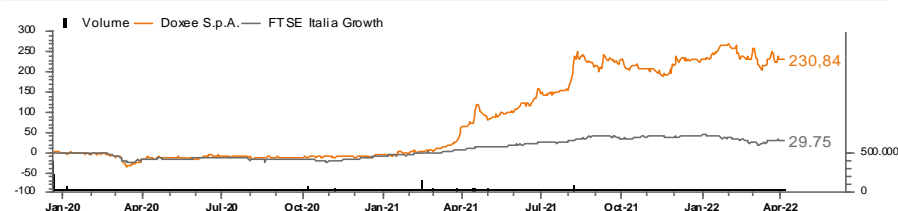
... pursuing the digitalization path. Company's commitment on digital awareness has been recognized by several public subsidies, among which i) €836k from Emilia-Romagna region for a safe digital document storage on the cloud, as part of the digitization journey of SMEs and ii) €300k from SIMEST, to enhance Doxee's international presence with the launch of an e-commerce platform dedicated to ix solutions.

FY21 financial results. Doxee FY21 revenues grew by +18% YoY (in line with our estimates) amounting to €20.9mn, of which more than 70% recurring thanks to Doxee's SaaS business model. Company's growth was mainly the result of i) the boost in dx line at €13.1mn (+28% YoY) and ii) the acquisition of new customers in PA segment while consolidating existing ones in Utilities and Finance. EBITDA came in at €5.3mn, with EBITDA margin decreased to 24.8% mainly following i) new hirings to be prepared for business growth and mitigate high-skilled personal shortage risk and ii) higher R&D investments to support the development of Doxee Platform 3.0, ensuring shorter processing times and higher cost synergies. Finally, net income stood at €1.6mn, and net debt improved to €1.6mn from €2.9mn, also benefiting from €2.8mn of cash-in following warrant exercise.

Change in estimates. On the back of FY21 results and company's aim to keep going on its accelerated development plan, we revised our previous estimates. We confirm our top-line estimates, anticipating FY22 sales revenues at €25.7mn (CAGR21-24 of 16.7%), supported by the boost in the number of projects to be processed following the release of Doxee Platform 3.0 (already factored in our previous estimates). We revised downward our profitability estimates, following an expected higher incidence of indirect cost and R&D investments to cope with company's structure strengthening. We now expect an EBITDA margin at 23.3% in FY22 (vs our prior estimate at 32.7%), with profitability gradually improving from FY23, reaching 38.8% in FY25. As a result, we expect a FY22 EBITDA at €6mn (from the previous seen at €8.4mn) growing at a CAGR21-24 30.9%. Finally, we anticipate FY22 Net income at €1.8mn, with a NFP turning positive in FY23, reaching a net cash position of €6.4mn in FY24.

Valuation. Our valuation – based on both market multiples and DCF method, considering 8mn of shares after warrant exercise – returns an average equity value of €108mn or a fair value of €13.55ps, showing a potential upside of 12% on current market price.

Relative Performance Chart – Since IPO



Research Update

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Market Data			
Main Shareholders			
P&S Srl			71.2%
Ipoc 5 Srl			5.7%
Eiffel Investment Group Srl			5.0%
Mkt Cap (€ mn)			96.9
EV (€ mn)			98.5
Shares out.			8.0
Free Float			18.1%
Market multiples			
	2021	2022	2023
EV/EBITDA			
Doxee	18.5x	16.4x	11.1x
Comps average	22.2x	14.5x	12.0x
Doxee vs average	-17%	13%	-7%
P/E			
Doxee	58.1x	54.6x	28.8x
Comps average	39.4x	30.9x	23.5x
Doxee vs average	47%	77%	22%
Stock Data			
52 Wk High (€)			14.20
52 Wk Low (€)			5.90
Avg. Daily Trading 90d			3,662
Price Change 1w (%)			-5.1
Price Change 1m (%)			-2.0
Price Change YTD (%)			247.1

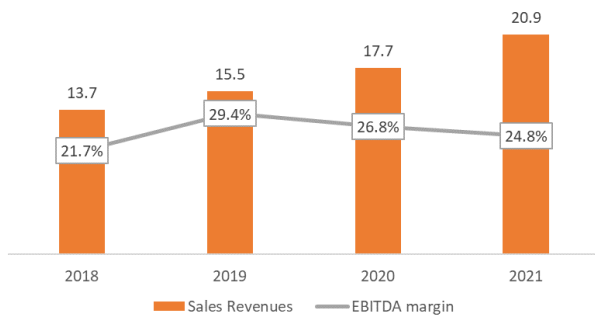
Key Figures – Doxee S.p.A.

	Current price (€)	Fair Value (€)	Sector						Free Float (%)
	12.15	13.55	Digital Transformation						18.1%
Per Share Data		2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Total shares outstanding (mn)		n.m.	7.19	7.20	7.97	7.97	7.97	7.97	7.97
EPS		n.m.	0.24	0.13	0.21	0.22	0.42	0.65	0.95
Dividend per share (ord)		n.a.	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.	n.a.
Profit and Loss (EUR million)		2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Revenues		14.5	17.0	18.4	21.5	25.7	29.7	34.1	39.5
EBITDA		3.1	5.0	4.9	5.3	6.0	8.8	12.0	15.3
EBIT		1.0	2.3	2.2	1.7	2.6	4.8	7.3	10.6
EBT		1.0	2.1	1.5	1.8	2.5	4.7	7.1	10.5
Taxes		(0.4)	(0.4)	(0.6)	(0.2)	(0.7)	(1.3)	(2.0)	(2.9)
Tax rate		40%	19%	39%	10%	28%	28%	28%	28%
Net Income		0.6	1.7	0.9	1.6	1.8	3.4	5.1	7.6
Balance Sheet (EUR million)		2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Total fixed assets		7.4	8.6	10.9	12.3	13.4	14.2	14.6	15.0
Net Working Capital (NWC)		1.4	1.7	0.1	1.3	0.8	1.2	1.8	2.3
Provisions		(1.0)	(1.5)	(1.3)	(1.5)	(1.7)	(1.9)	(2.1)	(2.3)
Total Net capital employed		7.7	8.8	9.6	12.0	12.5	13.5	14.3	15.0
Net financial position/(Cash)		7.3	2.3	2.9	1.6	0.3	(2.0)	(6.4)	(13.2)
Total Shareholder's Equity		0.4	6.5	6.7	10.4	12.2	15.5	20.7	28.2
Cash Flow (EUR million)		2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Net operating cash flow		2.7	4.6	4.1	5.2	5.3	7.5	9.9	12.3
Change in NWC		(0.5)	(0.4)	1.7	(1.2)	0.5	(0.4)	(0.7)	(0.5)
Capital expenditure		(2.4)	(3.9)	(4.9)	(4.9)	(4.6)	(4.8)	(5.1)	(5.1)
Other cash items/Uses of funds		0.1	0.5	0.1	0.2	0.2	0.2	0.2	0.2
Free cash flow		(0.1)	0.8	1.0	(0.8)	1.4	2.4	4.4	7.0
Enterprise Value (EUR million)		2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Market Cap		n.a.	27.2	25.2	98.9	96.9	96.9	96.9	96.9
Minorities		-	-	0	0	-	-	-	-
Net financial position/(Cash)		7.3	2.3	2.9	1.6	0.3	(2.0)	(6.4)	(13.2)
Enterprise value		n.a.	29	28	100	97	95	91	84
Ratios (%)		2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
EBITDA margin		21.7%	29.4%	26.8%	24.8%	23.3%	29.7%	35.1%	38.8%
EBIT margin		7.2%	13.3%	11.7%	8.0%	10.1%	16.2%	21.3%	26.9%
Gearing - Debt/equity		1718.5%	35.4%	42.7%	15.4%	2.6%	-13.1%	-30.7%	-46.9%
Interest cover on EBIT		1.8%	7.2%	29.8%	-6.2%	5.0%	2.5%	1.6%	1.1%
NFP/EBITDA		232.8%	46.1%	58.0%	30.0%	5.2%	-23.0%	-53.1%	-86.4%
ROCE		13.4%	25.7%	22.5%	14.3%	20.8%	35.5%	50.7%	70.7%
ROE		141.5%	26.0%	14.0%	16.1%	14.6%	21.7%	24.9%	26.8%
EV/Sales		6.8x	5.8x	5.3x	4.6x	3.8x	3.3x	2.9x	2.5x
EV/EBITDA		31.3x	19.6x	20.0x	18.5x	16.4x	11.1x	8.2x	6.4x
P/E		160.7x	57.1x	103.1x	58.1x	54.6x	28.8x	18.8x	12.8x
Free cash flow yield		0%	1%	1%	-1%	1%	2%	4%	7%
Growth Rates (%)		2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Sales		n.m.	17.5%	8.1%	16.6%	19.8%	15.4%	14.9%	15.7%
EBITDA		n.m.	59.4%	-1.6%	8.1%	12.6%	47.1%	35.5%	27.9%
EBIT		n.m.	118.4%	-5.0%	-20.2%	50.9%	84.8%	51.4%	46.1%
Net Income		n.m.	110.1%	-45.4%	77.9%	7.8%	89.6%	52.8%	46.8%

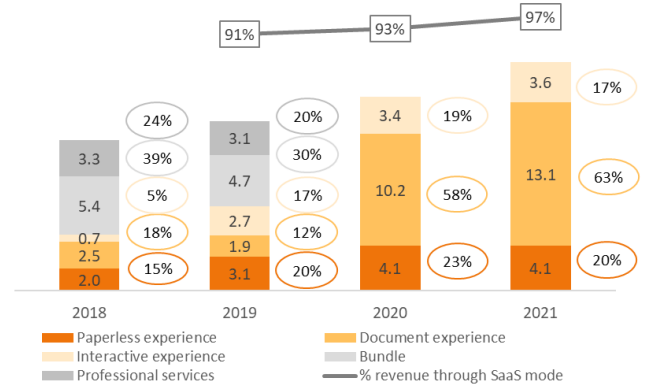
Source: Company data, KT&Partners' elaboration

Key charts

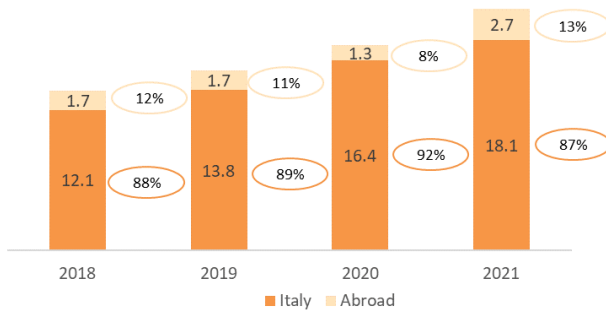
Sales Revenues and EBITDA margin¹ (€mn)



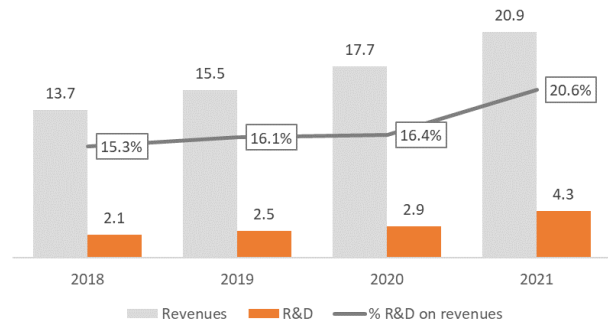
Sales Revenues by solution (€mn, %)



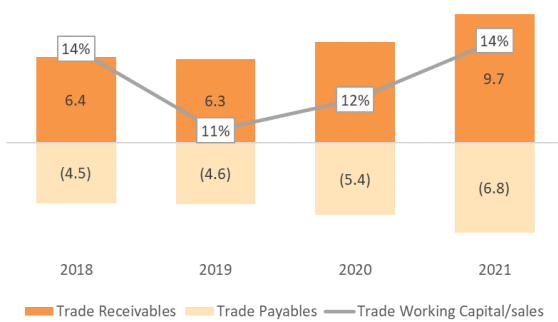
Sales Revenues by geographical area (€mn, %)



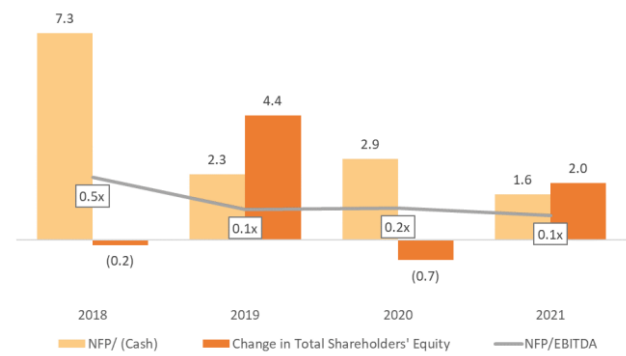
R&D investments on revenues (€mn, %)



Trade Working Capital (€mn,%)



NFP and NFP/EBITDA (€mn)



¹ EBITDA Margin is calculated on Total Revenues

Overview

Company description

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

Doxee went listed on Euronext Growth Milan (EGM) on December 19th, 2019, with €5mn of capital raised (greenshoe option included). Thanks to IPO, the company could leverage on greater visibility in terms of higher brand awareness and an easier access to new customers and markets. The company recorded an outstanding stock performance since IPO (+313% at the end of FY21) with a +254% YoY registered only in FY21, that enabled Doxee to rank as the 2nd company for FY21 return among the companies listed on EGM market. To date, company's stock still registered an upside of +305% since the IPO date.

The Group aims to strengthen and widen its offer through i) the entry in new sectors and markets such as the Digital Experience Agency Market in Italy or the SME Market through the development of new paperless products, ii) consolidation of its positioning on existing markets leveraging on up and cross-selling strategies and iii) internationalization, expanding its presence in both European markets with e-invoicing products and LATAM market, mainly in Telco and Utilities sector.

Investment case

- **Proprietary Cloud-Native Platform** to help companies in the digitization of mission-critical customer communications processes and in the automatic production, distribution and archiving of documents.
- **Three integrated product lines** to increase potential customer acquisition and cross-selling opportunities.
- **3700+ new leads** in 2021, of which ca. 76% coming from digital channels and ca. 24% coming from events organization and participation
- **20+ years** of experience and know-how in technology innovation in the Enterprise market.
- **More than 13%** of value of production invested in research and development since 2010.
- **Internationally validated** by the main worldwide IT analysts such as Forrester, Aspire, Celent, Gartner and Quadrant and **five patents** owned.
- **Long-lasting relationships** with its customer base (serving 200+ clients), resulting in very low churn rate – 2.3% on revenues – and in high recurring revenues – more than 70% each year.
- **Market leader in Italy for Reg-Tech sector**, handling 19% of total national invoices volume.

Recent developments

- New **Doxee Platform® 3.0** release, with a set of new features enhanced by the integration of third-party solutions.
- On July, 28th the company obtained the **Benefit Company status** taking another step ahead on the Corporate Social Responsibility path

FY21 Financial Results

In line with our estimates, in FY21 Doxee sales revenues amounted to €20.9mn, of which more than 70% were recurring, supported by the increased provision through SaaS business model (from 93% to 97%). Revenues' remarkable growth of +18% YoY has been mainly driven by:

- i) the document experience line (€13.1mn, +28% YoY), following the dematerialization process that involved a growing number of large and medium enterprises that adopted multichannel communication strategy;
- ii) the acquisition of new customers in the PA segment, (with segment revenues increased by +17% YoY) thanks to the boost given by PNRR Recovery Plan funds and the award of key tenders;
- iii) the consolidation of the existing customer base in Utilities and Finance sectors, (with segment revenues increased by 26% and 9% YoY respectively).

Looking at the other business line, interactive experience gained a +7% YoY, amounting to €3.6mn, while paperless experience reached €4.1mn in line with FY20. According to the company, the lack of growth in px is mainly attributable to the current absence of new regulatory requirements in terms of dematerialization.

We note that comparison between company's financial results and our expectation could be misleading, as the company incurred in a restatement process (for both 2021 and 2020), converging revenues to three business line (dx, px, and ix) instead of the previous five (which included Bundle and Professional Services). Moreover, our estimates did not take into account Doxee's decision to adopt i) the accounting of financial leasing operations with the financial method (as advised by OIC 17), which provides for a registration of lease and rental costs among financial liabilities (thus not impacting on EBITDA but on D&A costs) and ii) a multi-year distribution of some R&D and public grants, aligning the recognition of revenues with the incurring of corresponding costs.

Business growth coupled with higher cost synergies supported an increase in Gross profit, that amounted to €11.4mn (in line with our expectations and +25% YoY), with an improvement by 3.4pp in gross margin, at 52.8%.

EBITDA came in at €5.3mn (+8% YoY but 20% below our estimates). Indeed, following a growing awareness and interest among potential clients in Doxee solutions – in Italy and abroad – the company faced a natural acceleration in its development roadmap. The new development project also follows company's aim to cope with future M&A integrations, as the company is searching for M&A opportunities in DACH and Iberia area. For this reason, the company experienced:

- an increase in indirect costs (from €4.9mn in FY20 to €6.4mn in FY21), mainly associated to the strengthening of the Sales, Service Operations and R&D teams, and a massive recruitment plan (30+ employees hired in FY21) to cope with company's expansion plan and at the same time mitigate tech personal shortage risk;
- higher than expected R&D investments, at €4.3mn (ca. 21% of sales revenues) also connected with the acceleration in Doxee Platform 3.0 release with additional features - that enabled some operational efficiencies with a strong reduction in processing times - but whose main benefits are expected in the coming years.

As results of the investments, the company recorded an EBITDA margin at 24.8%, 2pp below FY20 profitability and 5.8pp below our expectations. However, these investments are a must to enable the full exploitation of synergies expected from the future potential M&As, which – according to the Management – will be reflected in a boost in scalability and profitability in the coming years.

Net income attributable to the Group stood at €1.6mn (+78% YoY and -36% compared to our estimates), also following a lower taxation (connected to tax credit resulting from Patent Box incentives and a tax advance payment) that more than offset the higher-than-expected D&As

due to the new accounting method of financial leasing operations and the higher-than-expected investments. Finally, Net Financial Position decreased to €1.6mn (from €2.5mn at the end of 2020 and in line with our estimates), benefitting from €2.8mn of cash-in following the exercise of 3.9mn of warrant (that led to 774k of newly issued shares).

FY21 Consolidated Income Statement

€ million	FY20	FY21	YoY %	FY21E	A vs E %
Paperless experience	4.1	4.1	0%	4.9	
Document experience	10.2	13.1	28%	4.5	
Interactive experience	3.4	3.6	7%	4.5	
Bundle	-	-		3.8	
Professional services	-	-		3.6	
Sales Revenues	17.7	20.9	18%	21.2	-2%
Other Revenues	0.7	0.6	-13%	0.7	-10%
Total Revenues	18.4	21.5	17%	21.9	-2%
Direct Costs	(9.3)	(10.1)		(10.4)	
Gross Profit	9.1	11.4	25%	11.5	-1%
<i>Gross Margin</i>	<i>49.4%</i>	<i>52.8%</i>		<i>52.6%</i>	
Indirect Costs	(4.9)	(6.4)		(5.7)	
Capex	3.6	4.7		4.3	
R&D	(2.9)	(4.3)		(3.4)	
EBITDA	4.9	5.3	8%	6.7	-20%
<i>EBITDA margin</i>	<i>26.8%</i>	<i>24.8%</i>		<i>30.4%</i>	
<i>Growth %</i>					
D&A and Provisions	(2.8)	(3.6)		(3.0)	
EBIT	2.2	1.7	-20%	3.6	-53%
<i>EBIT margin</i>	<i>11.7%</i>	<i>8.0%</i>		<i>16.6%</i>	
Financial Income and Expenses	(0.6)	0.1		(0.1)	
Extraordinary items	-	-			
EBT	1.5	1.8	21%	3.6	-49%
Taxes	(0.6)	(0.2)		(1.0)	
<i>Tax Rate</i>	<i>38.8%</i>	<i>9.9%</i>		<i>28.0%</i>	
Net Income attributable to the Group	0.9	1.6	78%	2.6	-36%
<i>Net margin</i>	<i>5.0%</i>	<i>7.7%</i>		<i>11.7%</i>	
Minorities	(0.01)	(0.02)			
Net Income	0.9	1.7	78%	2.6	-35%
<i>Net margin</i>	<i>5.1%</i>	<i>7.8%</i>		<i>11.7%</i>	
NFP/ (Cash)	2.9	1.6		1.5	

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

Note: FY20 and FY21 Revenues are restated according to the new reclassification adopted in 2021, which provides for a redistribution of revenues attributed to bundle (the sale of the solutions combined) and professional services (customized services provided on the basis of specific customer requests) in the dx and px lines.

Change in estimates

On the back of FY21 results and also considering the accelerated investment plan to cope with company's aim to be prepared for the integration and the exploitation of synergies of potential target companies, we updated our estimates.

On one hand, we left unchanged our top-line estimates, anticipating FY22 revenues at €25.7mn, (CAGR21-24 of 16.7%) that are expected to reach €34.1mn in 2024. Our estimates are supported by the several investments made for the Doxee Platform 3.0 release, resulting in the acceleration on 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, however already factored in our previous forecast.

On the other hand, we revised downward our EBITDA estimates for FY22 and FY23, that is now expected to grow at a CAGR21-24 of 30.9%, reaching €6mn in 2022 with an EBITDA margin at 23.3% (vs €8.4mn and 32.7%), following a higher incidence of R&D investments and indirect costs, in line with the purpose of the company to further strengthen its structure. Starting from 2023, the expected increase of cost synergies is expected to result in a progressive boost in Doxee's profitability, exceeding our previous estimates in FY24 (35.1% of EBITDA margin) and an expected FY25 profitability at 38.8%.

We now anticipate FY22 net income at €1.8mn, growing at a CAGR21-24 of 46.2%, reaching €5.1mn in FY24.

Finally, we foresee a FY22 net debt at €0.3mn, improving from FY21 following an expected better NWC management (with an NWC/Sales ratio decreasing by ca. 3pp to 3.1% in 2022) that is expected to partially offset the acceleration of investments. We thus expect NFP to turn positive in FY23, reaching €6.4mn of cash in FY24.

Change in Estimates

€ Millions	2020A	2021A	Change	2022E	2022E	Change	2023E	2023E	Change	2024E	2024E	Change	CAGR	
		Actual		Old	New		Old	New		Old	New		2021-24 Old	2021-24 New
Revenues	18.4	21.5	16.6%	25.7	25.7	0.0%	29.7	29.7	0.0%	34.1	34.1	0.0%	16.7%	16.7%
YoY Change (%)	27.1%	16.6%		19.8%	19.8%		15.4%	15.4%		14.9%	14.9%			
EBITDA	4.9	5.3	8.1%	8.4	6.0	-28.7%	10.0	8.8	-11.7%	11.8	12.0	1.3%	30.4%	30.9%
YoY Change (%)	56.9%	8.1%		57.9%	12.6%		18.8%	47.1%		18.2%	35.5%			
EBITDA Margin	26.8%	24.8%		32.7%	23.3%		33.7%	29.7%		34.7%	35.1%			
EBIT	2.2	1.7	-20.2%	4.7	2.6	-45.3%	5.6	4.8	-13.8%	6.6	7.3	10.8%	56.2%	61.6%
YoY Change (%)	107.5%	-20.2%		175.6%	50.9%		17.4%	84.8%		17.7%	51.4%			
Net Income	0.9	1.6	77.9%	3.4	1.8	-47.1%	4.0	3.4	-15.0%	4.7	5.1	10.0%	41.6%	46.2%
YoY Change (%)	53.6%	77.9%		104.0%	7.8%		18.0%	89.6%		18.1%	52.8%			
NFP	2.9	1.6	(1.3)	(0.6)	0.3	1.0	(3.9)	(2.0)	1.8	(8.5)	(6.4)	2.1		

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. We note that our valuation now considers 8mn of shares (instead of the previous 7.4mn) following the exercise of 3.9mn of warrants and the consequent issue of 774k new ordinary shares.

1. EV/EBITDA and P/E multiple, which returns a value of €11.99ps;
2. DCF analysis, based on WACC of 7.1% and 2% perpetual growth, which returns a value of €15.10ps.

The average of the two methods yields a fair value of €13.55ps or an equity value of €108mn.

Valuation Recap

	Equity Value €mn	Value per share €
EV/EBITDA	103.7	13.00
P/E	87.6	10.98
Average - multiples	95.7	11.99
DCF	120.4	15.10
Average	108.0	13.55

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 2021–24 data.

Peer Comparison – Market Multiples 2021–24

Company Name	Exchange	Market Cap	EV/SALES				EV/EBITDA				EV/EBIT				P/E			
			2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Heeros Oyj	OMX Helsinki	24	2.8x	2.2x	2.0x	1.8x	35.3x	10.6x	8.8x	7.1x	35.6x	32.6x	21.0x	13.6x	43.2x	26.6x	19.3x	13.9x
Esker SA	Euronext Paris	1,002	7.1x	6.1x	5.2x	4.4x	35.7x	30.9x	25.7x	21.2x	n.m	48.6x	38.7x	31.5x	69.8x	61.3x	50.5x	41.7x
D4H Solutions plc	London	122	3.5x	3.2x	2.9x	n.a.	28.7x	16.9x	12.3x	n.a.	31.3x	18.1x	13.1x	n.a.	45.0x	25.7x	18.9x	n.a.
Maps S.p.A.	Milan	39	1.7x	1.3x	1.2x	1.1x	8.0x	5.0x	4.3x	3.8x	16.5x	n.a.	n.a.	n.a.	17.0x	12.6x	11.3x	10.6x
Digital Value SpA	Milan	913	1.6x	1.3x	1.1x	1.0x	15.6x	12.5x	10.5x	9.0x	19.9x	15.7x	12.7x	10.6x	30.3x	23.8x	19.2x	15.9x
Growens S.p.A.	Milan	76	1.0x	1.0x	0.8x	0.8x	14.3x	10.9x	8.9x	8.5x	n.m	31.7x	19.9x	14.9x	n.m	45.2x	29.0x	24.4x
Neosperience SpA	Milan	43	2.5x	1.8x	1.4x	1.3x	8.5x	6.1x	4.7x	4.2x	30.4x	13.9x	8.4x	7.1x	55.3x	19.2x	11.2x	9.8x
PITECO SpA	Milan	178	5.6x	5.1x	4.7x	4.4x	11.7x	11.0x	9.7x	8.9x	17.3x	16.5x	15.0x	13.4x	15.5x	17.5x	15.4x	13.8x
Ansarada Group Ltd.	ASX	135	6.0x	3.7x	3.2x	2.6x	34.5x	20.9x	17.1x	13.0x	n.m	n.m	n.m	n.m	n.m	n.m	n.m	63.4x
WIIT SpA	Milan	782	11.5x	7.5x	7.0x	6.4x	30.0x	20.8x	18.1x	16.4x	n.m	37.1x	29.6x	26.4x	n.m	46.2x	37.1x	31.5x
Average peer group		331	4.3x	3.3x	2.9x	2.6x	22.2x	14.5x	12.0x	10.2x	25.2x	26.8x	19.8x	16.8x	39.4x	30.9x	23.5x	25.0x
Median peer group		128	3.2x	2.7x	2.4x	1.8x	22.2x	11.7x	10.1x	8.9x	25.2x	24.9x	17.4x	13.6x	43.2x	25.7x	19.2x	15.9x
Doxee	Milan	97	4.7x	4.0x	3.4x	3.0x	18.5x	16.4x	11.1x	8.2x	n.m	37.9x	20.5x	13.6x	58.1x	54.6x	28.8x	18.8x

Source: FactSet, KT&Partners' elaboration

We based our evaluation upon 2022, 2023 and 2024 EV/EBITDA and P/E multiples and our estimates of Doxee's EBITDA and net income for 2022–24.

EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2022E	2023E	2024E
EV/EBITDA Comps	14.5x	12.0x	10.2x
Doxee EBITDA	6.0	8.8	12.0
Enterprise value	87.4	106.1	122.4
Doxee FY21 Net Debt	1.6	1.6	1.6
Equity Value	85.8	104.5	120.8
Average Equity Value	103.7		
Size/Liquidity Discount	0%		
Equity Value Post-Discourt	103.7		
Number of shares (mn)	8.0		
Value per Share €	13.00		

Source: FactSet, KT&Partners' elaboration

P/E Multiple Valuation

Multiple Valuation (€mn)	2022E	2023E	2024E
P/E Comps	30.9x	23.5x	25.0x
Doxee Net Income	1.8	3.4	5.1
Equity Value	54.9	79.3	128.6
Average Equity Value	87.6		
Size/Liquidity Discount	0%		
Equity Value Post-Discourt	87.6		
Number of shares (mn)	8.0		
Value per Share €	10.98		

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 7.5% 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 2.4% (Italian 10y BTP), 4.6% equity risk premium (Damodaran for a mature market), and a premium for size and liquidity of 1.9% (source: Duff&Phelps). We, therefore, obtained 7.1% 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	2022E	2023E	2024E	2025E
EBIT	2.6	4.8	7.3	10.6
Taxes	(0.7)	(1.3)	(2.0)	(3.0)
D&A	3.4	4.0	4.7	4.7
Change in Net Working Capital	0.5	(0.4)	(0.7)	(0.5)
Change in Funds	0.2	0.2	0.2	0.2
Net Operating Cash Flow	6.0	7.3	9.5	12.1
Capex	(4.6)	(4.8)	(5.1)	(5.1)
FCFO	1.4	2.4	4.4	7.0
g	2.0%			
Wacc	7.1%			
FCFO (discounted)	1.4	2.2	3.7	5.4
Discounted Cumulated FCFO	12.6			
TV	141.3			
TV (discounted)	109.4			
Enterprise Value	122.0			
NFP FY2021	1.6			
Equity Value	120.4			

Current number of shares (mn) 8.0

Value per share (€) 15.10

Source: Company data, KT&Partners' elaboration

Sensitivity analysis

€ million	Terminal growth Rate	WACC				
		7.6%	7.3%	7.1%	6.8%	6.6%
	1.5%	100.1	104.8	110.0	115.7	121.9
	1.8%	104.2	109.3	115.0	121.2	128.0
	2.0%	108.6	114.2	120.4	127.2	134.8
	2.3%	113.5	119.6	126.4	133.9	142.3
	2.5%	118.9	125.6	133.1	141.4	150.8

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 ten-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 FY21, Heeros Oyj reached €9mn of sales revenues.
- **Esker SA (ALESK-FR):** listed on the Euronext Paris stock exchange with a market capitalization of €1bn, Esker SA operates a cloud platform for finance and customer service professionals. It offers a cloud platform that helps to strengthen the relationship between suppliers and customers, by bringing value and visibility at work for finance and customer service professionals. The platform's artificial intelligence enables back-office departments to work with better visibility of all business operations, fostering collaboration between employees, customers and suppliers. In FY21, the company reached €134mn of revenues.
- **D4t4 Solutions Plc (D4T4-GB):** listed on London Stock Exchange with a market capitalization of €122mn, D4t4 Solutions Plc provides data solutions through its Celebrus suite of products and services. It operates through the Product-Owned IP, Product-3rd Party, Delivery Services and Support & Maintenance segments. The Product-Owned IP segment creates, author, markets and sell a software product, Celebrus, focused on the capture of customer data from all digital channels. The Product-3rd Party segment delivers data management using public and private cloud infrastructure. The Support & Maintenance segment consists of hosting, support services and maintenance. In FY20, the company reached €26mn.
- **Maps S.p.A. (MAPS-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €39mn, 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 FY21, Maps reached €22mn of sales revenues.
- **Digital Value S.p.A (DGV-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €913mn, 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 FY21, Digital Value revenues amounted to €556mn.
- **Growens SpA (GROW-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €76mn, 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 FY21, Growens' revenues amounted to €71mn.

- **Neosperience S.p.A (NSP-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €43mn, 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 €178mn, 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.
- **Ansarada Group Ltd (AND-AU):** listed on Australia Stock Exchange with a market capitalization of €135mn, Ansarada Group Ltd. provides cloud-based software. The firm offers workflow, collaboration, project management and secure file sharing solutions. It provides services to the legal accounting firms, corporate and financial advisers, financial instructions and listed or multinational companies. In FY20, the company reached €20mn of sales revenues.
- **WIIT SpA (WIIT-IT):** listed on Borsa Italiana stock exchange with a market capitalization of €782mn, WIIT SpA is a holding company, which engages in the provision of hosted private and hybrid cloud services. It offers cloud computing, critical applications, business continuity and disaster recovery, cyber security, technology migrations, service desk, and digital transformation solutions. In FY20, WIIT's revenues amounted to €52mn.

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

The peer companies have a level of historical and expected profitability that is much lower than Doxee's results and projections: the average peer's EBITDA margin for FY21 was 21.1%, compared with Doxee's EBITDA margin equal to 24.8%. The expected average EBITDA margin in FY24 is seen at 26.1% vs Doxee's forecasts at 35.1%.

Peer Comparison – EBITDA Margin, EBIT Margin and Net Margin

Company Name	EBITDA Margin						EBIT margin					Net margin						
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
Heeros Oyj	neg	2.7%	7.9%	20.6%	22.3%	24.8%	neg	2.3%	7.8%	6.7%	9.3%	12.9%	neg	0.2%	5.4%	5.1%	7.7%	10.3%
Esker SA	19.2%	19.5%	19.9%	19.6%	20.1%	20.8%	11.9%	12.1%	12.4%	12.5%	13.4%	14.0%	9.4%	10.3%	10.7%	10.3%	10.8%	11.2%
D4t4 Solutions plc	23.8%	19.6%	12.3%	18.9%	23.3%	n.a.	21.2%	16.6%	11.3%	17.6%	21.9%	n.a.	20.4%	12.1%	10.3%	14.8%	18.3%	n.a.
Maps S.p.A.	19.6%	14.9%	21.3%	27.1%	27.8%	28.5%	10.4%	4.4%	10.4%	n.a.	n.a.	n.a.	10.5%	5.0%	10.6%	11.4%	11.0%	10.9%
Digital Value SpA	8.8%	10.1%	10.2%	10.2%	10.4%	10.6%	7.5%	7.7%	8.0%	8.1%	8.6%	9.0%	5.2%	5.5%	5.4%	5.5%	5.8%	6.2%
Growens S.p.A.	7.9%	7.8%	7.3%	8.7%	9.5%	8.9%	3.0%	2.1%	1.6%	3.0%	4.3%	5.1%	1.9%	0.9%	0.5%	1.8%	2.7%	3.3%
Neosperience SpA	11.5%	23.3%	29.0%	29.8%	30.7%	32.1%	neg	neg	8.1%	13.1%	17.3%	18.7%	6.6%	1.6%	4.4%	8.2%	11.2%	11.5%
PITECO SpA	43.3%	32.3%	47.6%	46.3%	48.6%	49.4%	30.4%	17.3%	32.2%	30.8%	31.5%	32.6%	13.2%	30.2%	32.1%	25.9%	26.9%	28.2%
Ansarada Group Ltd.	neg	neg	17.5%	17.6%	18.7%	20.4%	neg	neg	neg	neg	neg	4.8%	neg	neg	1.9%	neg	neg	4.6%
WIIT SpA	35.7%	31.0%	38.4%	36.1%	38.4%	39.2%	15.5%	9.7%	19.4%	20.3%	23.5%	24.4%	14.8%	3.1%	2.0%	12.2%	14.8%	16.5%
Peers Average	21.2%	17.9%	21.1%	23.5%	25.0%	26.1%	14.3%	9.0%	12.4%	14.0%	16.2%	15.2%	10.3%	7.7%	8.3%	10.6%	12.1%	11.4%
Doxee	29.4%	26.8%	24.8%	23.3%	29.7%	35.1%	13.3%	11.7%	8.0%	10.1%	16.2%	21.3%	10.0%	5.0%	7.7%	6.9%	11.3%	15.1%

Source: FactSet, KT&Partners' elaboration

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