

## EQUITY RESEARCH

### DOXEE RESULTS REVIEW

**BUY, TP 13.2€**  
Up/Downside: 35%

### Doxee Confirmed as the Emerging Leader in CCM

**Doxee's proprietary platform is growing organically, externally and enabling the group to generate more and more revenue.**

Last week Doxee acquired 90% of Infica GmbH (for €9.5m) and yesterday after market, the group presented its H1 results.

The company reported a VoP of €14.7m (vs. €11.6m), EBITDA of €1.6m (vs. €1.5m) with a slightly lower EBITDA margin on value of 10.9% (vs. 12.9%).

The group's three BUs, interactive experience, document experience and paperless experience, grew by 36.9%, 20.4% and 11.2% respectively, generating €1.8m, €7.2m and €2m of revenue. Recurring SaaS revenue represented 70% of the total.

More than €3m was invested in R&D (vs. €1.9m the previous year), or about 20.5% of revenue, which shows how organic growth is considered strategic. The company aims to become a "digital experience platform" with an even more varied and sophisticated offer.

NFP increased to 1.9m (from 1.6m), mainly due to significant R&D investments.

Despite the imminent closing of the acquisition of Infica GmbH (for €9.6m), we believe that Doxee still has many opportunities to make acquisitions, in particular, the target country has been identified as the Iberian Peninsula. Working capital improved to €0.6m (vs. €1.2m), which is an attractive value in terms of cash generation. Short-term debt increased slightly, while long-term debt decreased by €0.9m.

We think the publication is very positive, apart from the net income which decreased slightly to €0.1m (vs. €0.3m). Doxee can afford to invest more than 20% of its revenue in R&D.

Due to the strong organic growth potential, abundant synergies with the recently acquired company (Infica GmbH) and the imminent arrival of the Italian NRRP digitisation funds, we reiterate our Buy rating, with a TP of €13.2 (vs €13.7). The rating downgrade is solely due to inflation and rates, which have risen sharply in recent months, and not to the company's core business.

#### Key data

Price (€)	9.8
Industry	Packaged Software
Ticker	DOX-IT
Shares Out (m)	7.201
Market Cap (m €)	70.4
Average trading volumes (k shares / day)	1.000

#### Ownership (%)

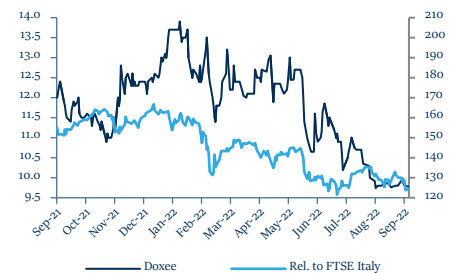
P&S Srl	69.3
Doxee Spa	0.7
Free float	30.1

#### EPS (€)

	12/22e	12/23e	12/24e
Estimates	0.18	0.47	0.72
Change vs previous estimates (%)	0.00	0.00	0.00

#### Performance (%)

	1D	1M	YTD
Price Perf	0.0	-0.2	-21.1
Rel FTSE Italy	-0.7	3.4	2.4



TP ICAP Midcap Estimates	12/21	12/22e	12/23e	12/24e	Valuation Ratio	12/22e	12/23e	12/24e
Sales (m €)	26.1	30.6	43.6	49.7	EV/Sales	2.3	1.7	1.4
Current Op Inc (m €)	5.3	6.3	9.0	10.6	EV/EBITDA	11.4	8.0	6.6
Current op. Margin (%)	20.4	20.5	20.6	21.4	EV/EBIT	11.4	8.0	6.6
EPS (€)	0.23	0.18	0.47	0.72	PE	54.1	20.7	13.5
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-1.0	0.1	-0.8	1.6				

Consensus FactSet - Analysts:na	12/22e	12/23e	12/24e
Sales	30.6	41.1	46.8
EBIT	6.3	8.5	10.0
Net income	1.5	2.3	3.0

**Analyst**  
Davide Longo  
davide.longo@tpicap.com



## FINANCIAL DATA

<b>Income Statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
Sales	20.9	22.0	26.1	30.6	43.6	49.7
Changes (%)	24.7	5.3	18.8	17.0	42.6	14.0
Gross profit	20.6	21.4	25.7	30.1	42.9	49.0
% of Sales	98.6	97.5	98.5	98.5	98.5	98.5
<b>EBITDA</b>	<b>5.0</b>	<b>4.9</b>	<b>5.3</b>	<b>6.3</b>	<b>9.0</b>	<b>10.6</b>
% of Sales	24.0	22.4	20.4	20.5	20.6	21.4
<b>Current operating profit</b>	<b>5.0</b>	<b>4.9</b>	<b>5.3</b>	<b>6.3</b>	<b>9.0</b>	<b>10.6</b>
% of Sales	24.0	22.4	20.4	20.5	20.6	21.4
Non-recurring items	0.4	0.0	0.1	0.1	0.1	0.1
EBIT	2.3	2.2	1.7	2.2	3.5	4.6
Net financial result	0.2	0.6	-0.1	0.3	0.4	0.5
Income Tax	0.4	0.6	0.2	0.4	0.7	0.9
Tax rate (%)	19.4	38.8	9.9	22.0	22.0	22.0
<b>Net profit, group share</b>	<b>1.7</b>	<b>0.9</b>	<b>1.7</b>	<b>1.5</b>	<b>2.4</b>	<b>3.2</b>
EPS	0.24	0.23	0.23	0.18	0.47	0.72
<b>Financial Statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Tangible and intangible assets	8.6	10.7	12.1	12.5	13.1	13.4
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	0.2	0.2	0.2	0.2	0.2
Working capital	3.3	3.8	5.3	6.2	8.9	10.1
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Assets</b>	<b>11.8</b>	<b>14.7</b>	<b>17.6</b>	<b>18.9</b>	<b>22.1</b>	<b>23.6</b>
Shareholders equity group	6.5	6.7	10.4	11.9	14.2	17.4
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	3.0	3.0	3.3	3.3	3.3	3.3
Net debt	2.3	2.4	1.2	1.1	1.9	0.2
Other liabilities	0.0	2.6	2.7	2.7	2.7	2.7
<b>Liabilities</b>	<b>11.8</b>	<b>14.7</b>	<b>17.6</b>	<b>18.9</b>	<b>22.1</b>	<b>23.6</b>
Net debt excl. IFRS 16	2.3	2.4	1.2	1.1	1.9	0.2
Gearing net	0.4	0.4	0.1	0.1	0.1	0.0
Leverage	0.5	0.5	0.2	0.2	0.2	0.0
<b>Cash flow statement</b>	<b>12/19</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22e</b>	<b>12/23e</b>	<b>12/24e</b>
CF after elimination of net borrowing costs and taxes	3.9	3.9	4.7	5.5	7.8	9.2
$\Delta$ WCR	0.0	-0.1	-1.6	-0.9	-2.6	-1.2
Operating cash flow	3.9	3.8	3.1	4.6	5.1	7.9
Net capex	-3.4	-3.8	-4.1	-4.5	-5.9	-6.3
FCF	0.5	-0.0	-1.0	0.1	-0.8	1.6
Acquisitions/Disposals of subsidiaries	0.4	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	-0.1	0.0	0.0	0.0	0.0
Change in borrowings	-1.8	-0.5	1.3	0.0	0.0	0.0
Dividends paid	0.0	0.0	-0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Others	4.1	0.0	2.3	0.0	0.0	0.0
Changes in exchange rates	-0.0	0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	9.2	7.4	10.8	9.1	11.1	14.2
ROA (%)	14.4%	6.3%	9.4%	7.7%	10.8%	13.5%
ROE (%)	26.1%	13.8%	15.8%	12.3%	16.8%	18.3%
ROCE (%)	26.1%	13.8%	15.8%	12.3%	16.8%	18.3%

## DISCLAIMER

### Analyst certifications

This research report (the “Report”) has been approved by Midcap, a business division of TP ICAP (Europe) SA (“Midcap”), an Investment Services Provider authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (“ACPR”). By issuing this Report, each Midcap analyst and associate whose name appears within this Report hereby certifies that (i) the recommendations and opinions expressed in the Report accurately reflect the research analyst’s and associate’s personal views about any and all of the subject securities or issuers discussed herein and (ii) no part of the research analyst's or associate’s compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst or associate in the Report.

### Methodology

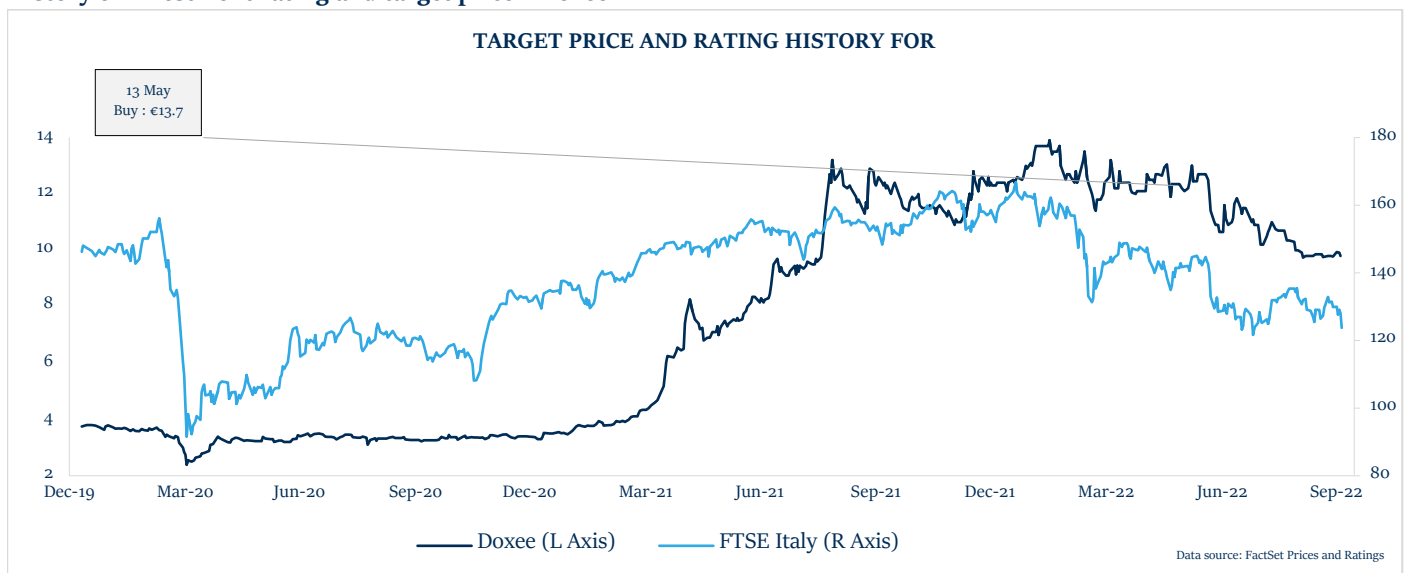
This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

### Conflict of Interests

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Doxee

### History of investment rating and target price – Doxee



## Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	87%	63%
Hold	13%	35%
Sell	1%	0%
Under review	0%	

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

## General Disclaimer

This Report is published for information purposes only and does not constitute a solicitation or an offer to buy or sell any of the securities mentioned herein. The information contained in this Report has been obtained from sources believed to be reliable, Midcap makes no representation as to its accuracy or completeness. The reference prices used in this Report are closing prices of the day before the publication unless otherwise stated. All opinions expressed in this Report reflect our judgement at the date of the documents and are subject to change without notice. The securities discussed in this Report may not be suitable for all investors and are not intended to recommend specific securities, financial instruments, or strategies to particular clients. Investors should make their own investment decisions based on their financial situation and investment objectives. The value of the income from your investment may vary due to changes in interest rates, changes in the financial and operating conditions of companies and other factors. Investors should be aware that the market price of the securities discussed in this Report may be volatile. Due to the risk and volatility of the industry, the company, and the market in general, at the current price of the securities, our investment rating may not correspond to the stated price target. Additional information regarding the securities mentioned in this Report is available on request.

This Report is not intended for distribution or use by any entity who is a citizen or resident of, or an entity located in any locality, territory, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to or limited by law or regulation. Entity or entities in possession of this Report must inform themselves about and comply with any such restrictions, including MIFID II. Midcap has adopted effective administrative and organizational arrangements, including "information barriers", to prevent and avoid conflicts of interest regarding investment recommendations. The remuneration of financial analysts who participate in the preparation of the recommendation is not linked to the corporate finance activity.