

## EQUITY RESEARCH

### DOXEE FEEDBACK CONFERENCE

**BUY**

**TP 12.6€**

Up/Downside: 37%

### The Increasingly European Innovator

**R&D and M&A investments peaked in 2022 at €6.3m and €8.3m respectively; this forms the basis for a new cycle of strong growth expected in Europe.**

2022 revenue recorded double-digit growth of +22%, the group's three divisions: dX, iX and pX recorded growth of +24%, +18% and +36% respectively.

Reportlinker estimated a CAGR of 11.3% for the customer communication management (dX) market through 2027, Markets and Markets estimated a CAGR of 11.8% through 2025 for the digital customer experience (iX) market, and Billentis estimated a CAGR of +17.1% in Europe for the digital invoicing market in 2022 thanks to an expected increase in momentum from different countries across the world.

In terms of development strategy, Doxee will focus on three main pillars:

- **Market consolidation:** regulatory technology market for the pX division, cross-selling of iX services to historical customers, consolidation of the public administration as a client, and expansion of dX component offerings through the acquisition of Infinica.
- **Entry into new markets:** development of a standard product for SME customers, Salesforce market entry (thanks to the partnership of Infinica), SAP and PowerCloud (very present in the target sectors), entry into the European digital agency market, and expansion of the iX service into new sectors and towards SMEs.
- **M&A:** taking advantage of the ongoing consolidation of the CCM market in Europe, becoming a global player, developing potential high synergy partnerships aimed at expanding or developing the product portfolio, marketing and sales activities. It is important that the target has started a relationship with its customers focused on digitisation.

The joint development program in the Dach region 2023-2025 is being prepared as well as brand integration. Considering the company's growth potential in the relevant market environment, we reiterate both our Buy rating and TP of €12.6.

#### Key data

Price (€)	9.2
Industry	Packaged Software
Ticker	DOX-IT
Shares Out (m)	8.618
Market Cap (m €)	79.3
Average trading volumes (k shares / day)	1.000

#### Ownership (%)

P&S Srl	67.4
Ipoc 5 Srl	5.2
Eiffel Investment Group	8.4
Free float	19.0

#### EPS (€)

	12/23e	12/24e	12/25e
Estimates	0.27	0.42	0.61
Change vs previous estimates (%)	0.00	0.00	0.00

#### Performance (%)

	1D	1M	YTD
Price Perf	0.0	1.1	-8.0
Rel FTSE Italy	-0.8	1.2	-20.1



TP ICAP Midcap Estimates	12/22	12/23e	12/24e	12/25e	Valuation Ratio	12/23e	12/24e	12/25e
Sales (m €)	28.7	37.4	43.4	49.9	EV/Sales	2.3	1.9	1.6
Current Op Inc (m €)	4.9	8.5	11.3	14.6	EV/EBITDA	10.2	7.4	5.4
Current op. Margin (%)	17.2	22.7	25.9	29.2	EV/EBIT	10.2	7.4	5.4
EPS (€)	0.02	0.27	0.42	0.61	PE	34.7	21.9	15.0
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-1.8	2.8	3.6	4.7				

Consensus FactSet - Analysts:na	12/23e	12/24e	12/25e
Sales	43.6	49.7	na
EBIT	9.0	10.6	na
Net income	2.4	3.2	na

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## FINANCIAL DATA

<b>Income Statement</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23e</b>	<b>12/24e</b>	<b>12/25e</b>
Sales	22.0	26.1	28.7	37.4	43.4	49.9
Changes (%)	5.3	18.8	10.0	30.2	16.0	15.0
Gross profit	21.4	25.7	28.3	36.8	42.6	49.0
% of Sales	97.5	98.5	98.3	98.2	98.2	98.2
<b>EBITDA</b>	<b>4.9</b>	<b>5.3</b>	<b>4.9</b>	<b>8.5</b>	<b>11.3</b>	<b>14.6</b>
% of Sales	22.4	20.4	17.2	22.7	25.9	29.2
<b>Current operating profit</b>	<b>4.9</b>	<b>5.3</b>	<b>4.9</b>	<b>8.5</b>	<b>11.3</b>	<b>14.6</b>
% of Sales	22.4	20.4	17.2	22.7	25.9	29.2
Non-recurring items	0.0	0.1	0.0	0.0	0.0	0.0
EBIT	2.2	1.7	1.8	3.6	5.7	8.1
Net financial result	0.6	-0.1	0.2	0.5	0.7	0.8
Income Tax	0.6	0.2	0.4	0.9	1.4	2.0
Tax rate (%)	38.8	9.9	23.3	27.9	27.9	27.9
<b>Net profit, group share</b>	<b>0.9</b>	<b>1.7</b>	<b>1.2</b>	<b>2.3</b>	<b>3.6</b>	<b>5.3</b>
EPS	0.11	0.03	0.02	0.27	0.42	0.61
<b>Financial Statement</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23e</b>	<b>12/24e</b>	<b>12/25e</b>
Goodwill	0.0	0.0	13.3	13.3	13.3	13.3
Tangible and intangible assets	10.7	12.1	15.2	13.6	12.2	11.1
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.2	0.2	0.0	0.0	0.0	0.0
Working capital	0.6	1.8	1.8	2.9	4.3	6.0
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Assets</b>	<b>11.5</b>	<b>14.1</b>	<b>30.3</b>	<b>29.8</b>	<b>29.8</b>	<b>30.4</b>
Shareholders equity group	6.7	10.4	13.5	17.8	21.4	26.7
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.9	2.1	2.1	2.1	2.1	2.1
Net debt	2.5	1.3	14.0	7.2	3.6	-1.1
Other liabilities	0.3	0.3	0.7	2.7	2.7	2.7
<b>Liabilities</b>	<b>11.5</b>	<b>14.1</b>	<b>30.3</b>	<b>29.8</b>	<b>29.8</b>	<b>30.4</b>
Net debt excl. IFRS 16	2.5	1.3	14.0	7.2	3.6	-1.1
Gearing net	0.4	0.1	1.0	0.4	0.2	-0.0
Leverage	0.5	0.2	2.8	0.8	0.3	-0.1
<b>Cash flow statement</b>	<b>12/20</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23e</b>	<b>12/24e</b>	<b>12/25e</b>
CF after elimination of net borrowing costs and taxes	3.9	4.7	4.4	7.1	9.2	11.7
$\Delta$ WCR	-0.1	-1.6	0.0	-1.1	-1.4	-1.7
Operating cash flow	3.8	3.1	4.4	6.1	7.8	10.0
Net capex	-3.8	-4.1	-6.2	-3.2	-4.2	-5.3
FCF	-0.0	-1.0	-1.8	2.8	3.6	4.7
Acquisitions/Disposals of subsidiaries	-0.1	0.0	0.2	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	-0.5	1.3	8.9	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
Equity Transaction	-0.0	2.4	1.8	2.0	0.0	0.0
Others	0.0	-0.0	0.0	0.0	0.0	0.0
Change in net cash over the year	-0.5	2.6	9.1	4.8	3.6	4.7
ROA (%)	8.1%	11.7%	4.1%	7.7%	12.2%	17.4%
ROE (%)	13.8%	15.8%	9.3%	12.9%	16.9%	19.8%
ROCE (%)	13.8%	15.8%	9.3%	12.9%	16.9%	19.8%

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### Analyst certifications

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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 between TP ICAP Midcap and the Issuer

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	82%	65%
Hold	17%	40%
Sell	1%	0%
Under review	1%	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>.

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