

## EQUITY RESEARCH

### DOXEE RESULTS REVIEW

**BUY**

**TP 6.6€** (vs 7.0€)  
Up/Downside: 273%

### The execution of the strategic plan is progressing.

Doxee closed the first half of 2024 with growing revenues of €12.5m (vs €12.1m YoY), an EBITDA of €0.5m (vs -€0.5m YoY), and a net debt decrease to €17m (vs €21.6m), primarily thanks to the €5.8m raised through a capital increase. These are the first signs of the end of the turnaround period, and H2 2024 will be crucial for sending a strong recovery signal to the market.

The execution of the strategic plan is progressing, as expected. Doxee published its H1 2024 results, highlighting a moderate revenue growth of €12.5m (vs €12.1m YoY), slightly below our expectations of €12.8m, as well as a breakeven at the EBITDA level with €0.5m (vs -€0.5m), also slightly below our forecast of €1m.

These results show that the company's efforts in cost reduction are paying off, with an EBITDA increase of approximately €1m compared to last year, despite a revenue growth of €0.4m. Thanks to the capital increase finalized at the end of June, the company recorded a net debt decrease to €17m (vs €21.6m), thereby absorbing about €1.2m of operating cash flow during the reporting period, a figure that is certainly interesting and leaves us hopeful for a promising second half. We now expect an annual EBITDA of €3.5m (vs €4m previously) for this period and anticipate a return to generating operating cash flow of about €1.2m, primarily due to cost reductions.

On one hand, these data would highlight a NFP/EBITDA ratio of 4.5x expected by year-end, but on the other hand, this would be achieved with only 2.5% organic revenue growth. We believe that 2025 could be the year of actual recovery for the company, with an expected growth of 17% (+€4.5m). In this context, the company's EBITDA could reach €6.9m (vs €7.5m previously estimated), a figure that could mark the end of the turnaround period, closely linked to the company's growth capacity.

The One Platform project has made significant progress, enabling the launch of the first release of the Doxee Platform, which integrates the document design and process workflow components acquired from Infinica. The One Company project has led to a rationalization of personnel and an optimization of workloads. The One Value Proposition project positions the company's offering on a unique and transversal Go to Market path concerning geography, with a strong focus on the enterprise market. The renewal rate for multi-year contracts stands at 98%. The acquisition of new customers across different geographies, particularly in the DACH region, gives us good reason to hope for a recovery. TP €6.6 (vs €7 previously).

#### Key data

|  |                   |
|--|-------------------|
| Price (€)                                | 1.8               |
| Industry                                 | Packaged Software |
| Ticker                                   | DOX-IT            |
| Shares Out (m)                           | 11.490            |
| Market Cap (m €)                         | 20.3              |
| Average trading volumes (k shares / day) | 1.000             |

Source: FactSet

#### Ownership (%)

|                         |      |
|-------------------------|------|
| P&S Srl                 | 72.8 |
| Ipoc 5 Srl              | 5.2  |
| Eiffel Investment Group | 5.0  |
| Free float              | 17.0 |

Source: TPICAP Midcap estimates

#### EPS (€)

|                                  | 12/24e | 12/25e | 12/26e |
|----------------------------------|--------|--------|--------|
| Estimates                        | -0.34  | 0.02   | 0.22   |
| Change vs previous estimates (%) | na     | -56.29 | -11.73 |

Source: TPICAP Midcap estimates

#### Performance (%)

|                | 1D  | 1M   | YTD   |
|----------------|-----|------|-------|
| Price Perf     | 3.5 | -2.7 | -52.2 |
| Rel FTSE Italy | 5.3 | -2.3 | -58.4 |



Source: FactSet

| TP ICAP Midcap Estimates | 12/23 | 12/24e | 12/25e | 12/26e | Valuation Ratio       | 12/24e | 12/25e | 12/26e |
|--------------------------|-------|--------|--------|--------|-----------------------|--------|--------|--------|
| Sales (m €)              | 25.8  | 26.5   | 31.0   | 35.0   | EV/Sales              | 1.4    | 1.1    | 0.8    |
| Current Op Inc (m €)     | -4.5  | -2.2   | 1.1    | 3.5    | EV/EBITDA             | 10.3   | 4.8    | 3.0    |
| Current op. Margin (%)   | na    | na     | 3.5    | 9.9    | EV/EBIT               | na     | 30.5   | 8.2    |
| EPS (€)                  | -0.59 | -0.34  | 0.02   | 0.22   | PE                    | na     | 78.1   | 7.9    |
| DPS (€)                  | 0.00  | 0.00   | 0.00   | 0.00   | Source: TPICAP Midcap |        |        |        |
| Yield (%)                | 0.0   | 0.0    | 0.0    | 0.0    |                       |        |        |        |
| FCF (m €)                | -5.8  | -0.2   | 3.1    | 4.6    |                       |        |        |        |

| Consensus FactSet - Analysts:na | 12/24e | 12/25e | 12/26e |
|---------------------------------|--------|--------|--------|
| Sales                           | 26.5   | 31.0   | 35.0   |
| EBIT                            | -2.2   | 1.1    | 3.5    |
| Net income                      | -3.0   | 0.2    | 1.9    |

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## FINANCIAL DATA

| <b>Income Statement</b>                               | <b>12/21</b> | <b>12/22</b> | <b>12/23</b> | <b>12/24e</b> | <b>12/25e</b> | <b>12/26e</b> |
|---|--------------|--------------|--------------|---------------|---------------|---------------|
| Sales   | 20.8         | 23.8         | 25.8         | 26.5          | 31.0          | 35.0          |
| Changes (%)   | 17.7         | 14.3         | 8.5          | 2.5           | 17.0          | 13.0          |
| Gross profit  | 20.4         | 23.8         | 25.8         | 26.4          | 30.9          | 34.9          |
| % of Sales  | 98.1         | 100.0        | 100.0        | 99.7          | 99.8          | 99.8          |
| <b>EBITDA</b>   | <b>5.5</b>   | <b>4.1</b>   | <b>-0.2</b>  | <b>3.5</b>    | <b>6.9</b>    | <b>9.4</b>    |
| % of Sales  | 26.3         | 17.0         | -0.8         | 13.2          | 22.2          | 26.8          |
| <b>Current operating profit</b>                       | <b>1.9</b>   | <b>0.8</b>   | <b>-4.5</b>  | <b>-2.2</b>   | <b>1.1</b>    | <b>3.5</b>    |
| % of Sales  | 9.3          | 3.4          | -17.6        | -8.2          | 3.5           | 9.9           |
| Non-recurring items                                   | 0.0          | 0.0          | 0.0          | 0.0           | 0.0           | 0.0           |
| EBIT  | 1.9          | 0.8          | -4.5         | -2.2          | 1.1           | 3.5           |
| Net financial result                                  | 0.1          | -0.2         | -1.1         | -1.0          | -0.8          | -0.8          |
| Income Tax  | -0.2         | -0.1         | 0.5          | 0.2           | -0.1          | -0.7          |
| Tax rate (%)  | 11.3         | 22.2         | 9.3          | 7.0           | 27.9          | 27.9          |
| <b>Net profit, group share</b>                        | <b>1.8</b>   | <b>0.5</b>   | <b>-5.1</b>  | <b>-3.0</b>   | <b>0.2</b>    | <b>1.9</b>    |
| EPS   | 0.03         | 0.03         | na           | na            | 0.02          | 0.22          |
| <b>Financial Statement</b>                            | <b>12/21</b> | <b>12/22</b> | <b>12/23</b> | <b>12/24e</b> | <b>12/25e</b> | <b>12/26e</b> |
| Goodwill  | 0.0          | 7.7          | 7.8          | 7.8           | 7.8           | 7.8           |
| Tangible and intangible assets                        | 12.4         | 21.8         | 24.9         | 22.2          | 19.3          | 16.6          |
| Right of Use  | 0.0          | 0.0          | 0.0          | 0.0           | 0.0           | 0.0           |
| Financial assets                                      | 0.0          | 0.0          | 0.0          | 0.0           | 0.0           | 0.0           |
| Working capital                                       | 3.2          | 1.2          | 0.6          | 0.8           | 1.1           | 1.4           |
| Other Assets  | 0.6          | 1.0          | 1.3          | 1.3           | 1.3           | 1.3           |
| <b>Assets</b>   | <b>16.2</b>  | <b>31.8</b>  | <b>34.7</b>  | <b>32.2</b>   | <b>29.5</b>   | <b>27.2</b>   |
| Shareholders equity group                             | 8.8          | 11.6         | 6.5          | 9.5           | 9.7           | 11.6          |
| Minorities  | 0.0          | 0.0          | 0.0          | 0.0           | 0.0           | 0.0           |
| LT & ST provisions and others                         | 4.1          | 4.2          | 5.2          | 5.5           | 5.8           | 6.1           |
| Net debt  | 3.3          | 14.5         | 21.5         | 15.8          | 12.7          | 8.1           |
| Other liabilities                                     | 0.0          | 1.5          | 1.4          | 1.4           | 1.4           | 1.4           |
| <b>Liabilities</b>                                    | <b>16.2</b>  | <b>31.8</b>  | <b>34.7</b>  | <b>32.2</b>   | <b>29.5</b>   | <b>27.2</b>   |
| Net debt excl. IFRS 16                                | 3.3          | 14.5         | 21.5         | 15.8          | 12.7          | 8.1           |
| Gearing net   | 0.4          | 1.2          | 3.3          | 1.7           | 1.3           | 0.7           |
| Leverage  | 0.6          | 3.6          | -107.3       | 4.5           | 1.8           | 0.9           |
| <b>Cash flow statement</b>                            | <b>12/21</b> | <b>12/22</b> | <b>12/23</b> | <b>12/24e</b> | <b>12/25e</b> | <b>12/26e</b> |
| CF after elimination of net borrowing costs and taxes | 5.3          | 4.5          | 1.1          | 3.0           | 6.3           | 8.1           |
| $\Delta$ WCR  | -1.6         | 0.0          | 0.6          | -0.2          | -0.3          | -0.3          |
| Operating cash flow                                   | 3.7          | 4.5          | 1.6          | 2.8           | 6.0           | 7.8           |
| Net capex   | -4.1         | -6.8         | -7.4         | -3.0          | -2.9          | -3.2          |
| FCF   | -0.4         | -2.3         | -5.8         | -0.2          | 3.1           | 4.6           |
| Acquisitions/Disposals of subsidiaries                | 0.0          | -7.5         | -0.0         | 0.0           | 0.0           | 0.0           |
| Other investments                                     | 0.0          | 0.0          | 0.0          | 0.0           | 0.0           | 0.0           |
| Change in borrowings                                  | 1.4          | 5.1          | 5.0          | 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                                    | 2.4          | 2.3          | -0.2         | 5.5           | -0.7          | -1.0          |
| Others  | -0.6         | -0.6         | -0.4         | 0.0           | 0.0           | 0.0           |
| Change in net cash over the year                      | 3.0          | -3.0         | -2.0         | 5.3           | 2.4           | 4.6           |
| ROA (%)   | 10.8%        | 1.5%         | na           | na            | 0.7%          | 7.1%          |
| ROE (%)   | 20.0%        | 4.2%         | na           | na            | 2.0%          | 16.6%         |
| ROCE (%)  | 20.0%        | 4.2%         | na           | na            | 2.0%          | 16.6%         |

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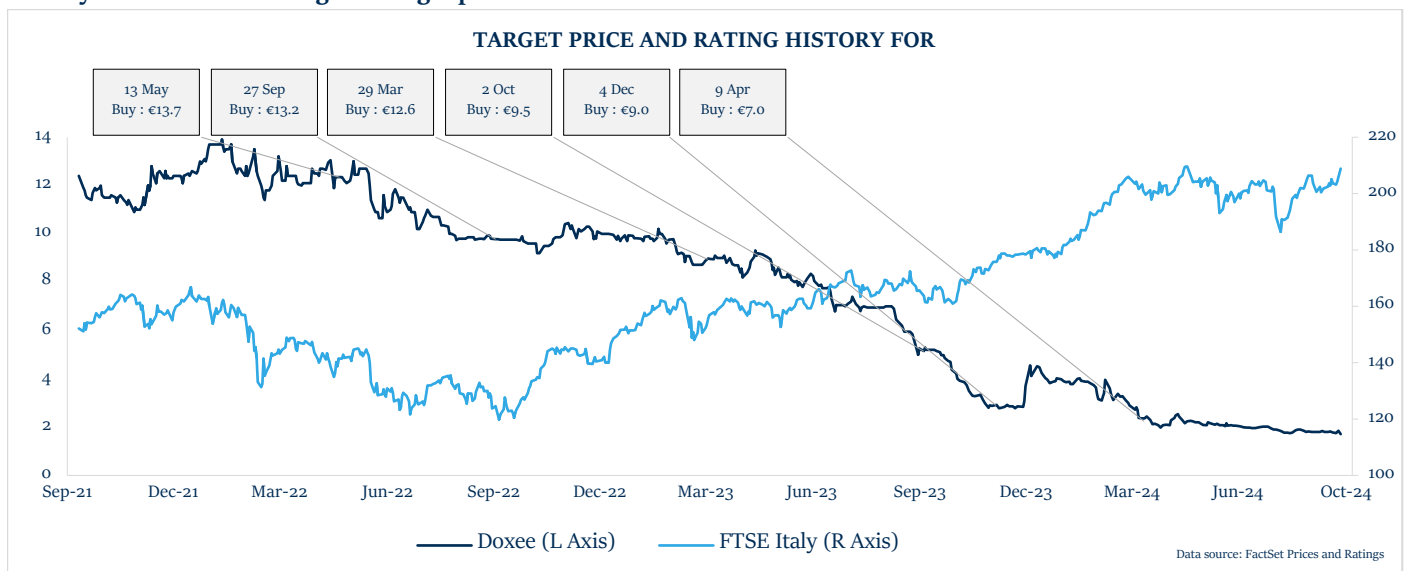
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### History of investment rating and target price – Doxee



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| Rating       | Recommendation Universe* | Portion of these provided with investment banking services** |
|--------------|--------------------------|--|
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| Hold         | 18%                      | 66%  |
| Sell         | 2%                       | 0%   |
| Under review | 1%                       | 100%   |

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