

<b>Buy</b> <b>EUR 19.00</b> (EUR 18.00)  Price <b>EUR 13.30</b> <b>Upside 42.9 %</b>	<b>Value Indicators:</b> EUR DCF: 19.20 FCF-Value Potential 24e: 19.00 Peer group 24e: 16.90	<b>Warburg ESG Risk Score: 3.0</b> ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.0	<b>Description:</b> PLM and EIM specialist; worldwide biggest Dassault partner
	<b>Market Snapshot:</b> EUR m Market cap: 111.3 No. of shares (m): 8.4 EV: 114.8 Freefloat MC: 80.1 Ø Trad. Vol. (30d): 35.72 th	<b>Shareholders:</b> Freefloat 71.93 % Primepulse 28.07 %	<b>Key Figures (WRE):</b> 2023e Beta: 1.2 Price / Book: 2.5 x Equity Ratio: 35 % Net Fin. Debt / EBITDA: 0.0 x Net Debt / EBITDA: 0.1 x

**Promising outlook as portfolio diversification continues**

<b>Stated Figures Q4/2022:</b> in EUR m	<table border="1"> <thead> <tr> <th></th> <th>Q4/22</th> <th>Q4/22e</th> <th>Q4/21</th> <th>yoy</th> <th>2022</th> <th>2022e</th> <th>2021</th> <th>yoy</th> <th>Guidance</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>46.3</td> <td>48.1</td> <td>42.1</td> <td>9.9%</td> <td>162.2</td> <td>164.0</td> <td>146.1</td> <td>11.0%</td> <td>162-166</td> </tr> <tr> <td>EBIT</td> <td>3.7</td> <td>3.9</td> <td>3.8</td> <td>-1.8%</td> <td>6.3</td> <td>6.4</td> <td>6.2</td> <td>1.2%</td> <td>6.2-6.8</td> </tr> <tr> <td>margin</td> <td>8.1%</td> <td>8.0%</td> <td>9.0%</td> <td></td> <td>3.9%</td> <td>3.9%</td> <td>4.3%</td> <td></td> <td></td> </tr> <tr> <td>EPS in EUR</td> <td>0.60</td> <td>0.30</td> <td>0.31</td> <td>93.5%</td> <td>0.75</td> <td>0.45</td> <td>0.51</td> <td>47.1%</td> <td></td> </tr> <tr> <td>PLM</td> <td>36.5</td> <td>36.6</td> <td>35.8</td> <td>2.0%</td> <td>134.5</td> <td>134.55</td> <td>130.0</td> <td>3.4%</td> <td></td> </tr> <tr> <td>EIM</td> <td>9.8</td> <td>7.8</td> <td>6.3</td> <td>55.0%</td> <td>27.6</td> <td>25.69</td> <td>16.0</td> <td>72.4%</td> <td></td> </tr> </tbody> </table>		Q4/22	Q4/22e	Q4/21	yoy	2022	2022e	2021	yoy	Guidance	Sales	46.3	48.1	42.1	9.9%	162.2	164.0	146.1	11.0%	162-166	EBIT	3.7	3.9	3.8	-1.8%	6.3	6.4	6.2	1.2%	6.2-6.8	margin	8.1%	8.0%	9.0%		3.9%	3.9%	4.3%			EPS in EUR	0.60	0.30	0.31	93.5%	0.75	0.45	0.51	47.1%		PLM	36.5	36.6	35.8	2.0%	134.5	134.55	130.0	3.4%		EIM	9.8	7.8	6.3	55.0%	27.6	25.69	16.0	72.4%		<b>Comment on Figures:</b> <ul style="list-style-type: none"> <li>As expected, Q4 sales were rather slow due to cautious sentiment regarding IT investments.</li> <li>Profitability was impacted by temporary effects such as changes in the personnel structure and costs related to M&amp;A.</li> <li>EIM segment growth was driven by ISR. PLM segment growth was mostly driven by the Digital Factory Solutions and 3DS segments.</li> <li>Revaluation of financial instruments related to ISR boosted EPS growth.</li> </ul>
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Cenit published FY22 figures and the outlook for FY23. **ISR was a driver of both revenue and EBIT** as there was solid demand for the "Buildsimple" platform and several promising projects were signed in Q4 22. Sales growth of proprietary software was flat in FY22 due to lower demand for SAP solutions and restructuring efforts in the Digital Factory Solutions segment. Profitability was impacted by changes in the personnel structure, higher travel expenses and costs related to M&A. Management proposed a dividend of EUR 0.50. The implied net income pay-out ratio of 67% represents a normalisation after high pay-out ratios during the Covid years. Moreover, Cenit announced the sale of its Japanese subsidiary to Argo Graphics Inc – a Japanese Dassault partner. The company will act as a master reseller of Cenit's Fastsuite E2 software. The deal is expected to **improve Cenit's exposure to Japan and the broader Asian market** through Argo Graphic's local network of industrial customers.

Cenit enters 2023 with a **strong order backlog** as first effects of increased cross-selling efforts materialized in late 2022. The share of large customers in the customer-mix has increased which offers **potential for cross-selling and upselling**. For 2023, we expect sales growth of 11% driven by the EIM segment and proprietary software sales. Profitability is expected to increase based on **cost savings and improved operational efficiency** as well as a more favourable product mix.

<b>Changes in Estimates:</b> FY End: 31.12. in EUR m	<table border="1"> <thead> <tr> <th></th> <th>2023e (old)</th> <th>+ / -</th> <th>2024e (old)</th> <th>+ / -</th> <th>2025e (old)</th> <th>+ / -</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>180.0</td> <td>0.0 %</td> <td>191.0</td> <td>0.0 %</td> <td>198.6</td> <td>0.0 %</td> </tr> <tr> <td>EBIT</td> <td>8.9</td> <td>5.1 %</td> <td>10.5</td> <td>20.3 %</td> <td>11.7</td> <td>18.7 %</td> </tr> <tr> <td>EPS</td> <td>0.63</td> <td>1.6 %</td> <td>0.76</td> <td>19.7 %</td> <td>0.86</td> <td>17.4 %</td> </tr> </tbody> </table>		2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -	Sales	180.0	0.0 %	191.0	0.0 %	198.6	0.0 %	EBIT	8.9	5.1 %	10.5	20.3 %	11.7	18.7 %	EPS	0.63	1.6 %	0.76	19.7 %	0.86	17.4 %	<b>Comment on Changes:</b> <ul style="list-style-type: none"> <li>EBIT estimates raised due to expected cost savings and promising developments regarding cross-selling.</li> <li>Increased focus on higher-margin products should serve as a tailwind for profitability going forward.</li> </ul>
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**Rel. Performance vs CDAX:**

1 month:	3.4 %
6 months:	-19.0 %
Year to date:	-3.0 %
Trailing 12 months:	1.3 %

**Company events:**

11.05.23	Q1
17.05.23	AGM
01.08.23	Q2
02.11.23	Q3

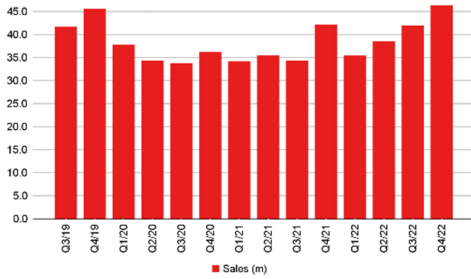
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	7.0 %	171.7	142.1	146.1	162.2	180.0	191.0	198.6
Change Sales yoy		1.0 %	-17.2 %	2.8 %	11.0 %	11.0 %	6.1 %	4.0 %
Gross profit margin		49.8 %	50.6 %	53.0 %	55.9 %	56.0 %	56.3 %	55.8 %
EBITDA	22.9 %	15.2	9.6	11.3	11.9	18.0	21.0	22.2
Margin		8.9 %	6.8 %	7.7 %	7.4 %	10.0 %	11.0 %	11.2 %
EBIT	30.1 %	9.2	3.6	6.2	6.3	9.3	12.7	13.9
Margin		5.4 %	2.6 %	4.3 %	3.9 %	5.2 %	6.6 %	7.0 %
Net income	10.4 %	6.9	2.3	4.3	6.3	5.4	7.6	8.5
EPS	10.4 %	0.82	0.28	0.51	0.75	0.64	0.91	1.01
EPS adj.	10.4 %	0.82	0.28	0.51	0.75	0.64	0.91	1.01
DPS	6.3 %	0.00	0.47	0.75	0.50	0.50	0.55	0.60
Dividend Yield		n.a.	4.2 %	5.3 %	3.5 %	3.8 %	4.1 %	4.5 %
FCFPS		0.70	0.95	0.51	0.79	0.85	1.17	1.34
FCF / Market cap		5.1 %	8.4 %	3.6 %	5.5 %	6.4 %	8.8 %	10.1 %
EV / Sales		0.6 x	0.5 x	0.7 x	0.8 x	0.6 x	0.6 x	0.5 x
EV / EBITDA		6.4 x	7.5 x	8.5 x	10.5 x	6.4 x	5.2 x	4.7 x
EV / EBIT		10.7 x	19.9 x	15.3 x	19.8 x	12.3 x	8.6 x	7.5 x
P / E		16.5 x	40.4 x	27.8 x	19.0 x	20.8 x	14.6 x	13.2 x
P / E adj.		16.5 x	40.4 x	27.8 x	19.0 x	20.8 x	14.6 x	13.2 x
FCF Potential Yield		13.1 %	11.2 %	5.8 %	4.3 %	9.8 %	11.9 %	13.5 %
Net Debt		-17.0	-24.5	-25.0	3.9	1.5	-3.5	-9.6
ROCE (NOPAT)		31.9 %	11.5 %	22.6 %	13.4 %	13.6 %	19.1 %	21.8 %
Guidance:		2023: sales EUR 180m; EBIT EUR >9.5m.						

The company has announced efforts to reduce its cost base and improve efficiency by aligning all units with the company's strategic goals. This includes changes to the bonus system, reorganisation of the marketing department and synergies arising from past acquisitions. Management expects the EBIT impact of these measures to amount to EUR 3m in 2023.

Moreover, Cenit aims to improve the profitability of the low-margin Digital Factory Solutions and 3DS segments to reach the 8-10% group EBIT-margin target by 2025. Management plans to reach this target by focusing on higher-margin customers. After achieving 14% of revenue with proprietary software in 2022, Cenit has increased the 2025 target share of proprietary software from 10% to 20%. The expansion is expected to be driven by growth in the current proprietary software portfolio as well as acquisitions. For 2023, management is planning two to three further smaller acquisitions with a focus on SAP services. The increasing share of proprietary software should provide **further tailwind for profitability**.

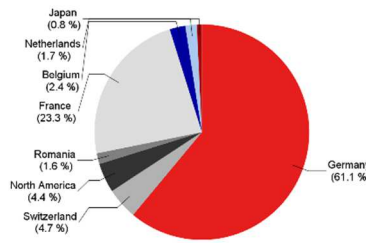
We have adjusted our estimates to reflect the most recent information. The model was already rolled forward earlier this year. Given the upside to our PT of EUR 18, we reiterate the Buy rating.

**Sales development**  
in EUR m



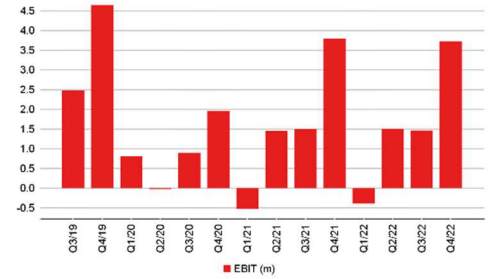
Source: Warburg Research

**Sales by regions**  
2022; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

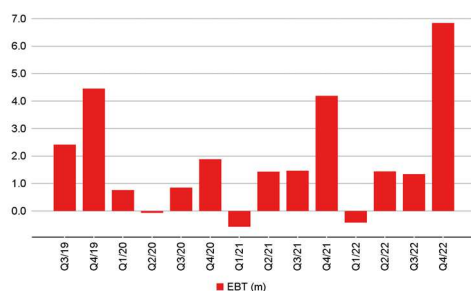
**Company Background**

- Cenit has evolved from an independent value-added software reseller to a system integrator providing complementary IT services and proprietary software.
- The business activities are divided into two segments: Product Lifecycle Management (PLM) and Enterprise Information Management (EIM).
- In the PLM segment, Cenit operates in the three business fields Dassault reselling and system integration, SAP-Dassault integration solutions and the proprietary software solution FastSuite.
- In the Enterprise Information Management (EIM) segment, Cenit implements document management and analytics software from IBM in addition to its add-on solutions.
- Cenit's fifth business field Digital Business Services provides application managed services, improving operational performance.

**Competitive Quality**

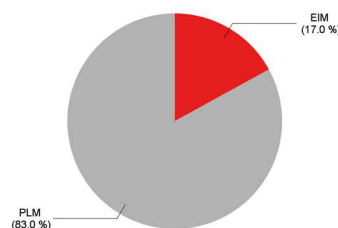
- Cenit is Dassault's biggest partner worldwide.
- Dassault's dominant market position in the PLM software market is reflected in its market share north of 30%, which lays the foundation for Cenit's competitive quality.
- Proprietary add-on software refines off-the-shelf products and provides bridges to industry standard software such as SAP S/4 HANA.
- The high level of industry expertise in verticals such as aerospace, discrete manufacturing and automotive underlines Cenit's reputation built up over 30 years.
- Cenit's M&A strategy is supported by the strong buy-and-build experience of CEO Peter Schneck and the extensive network of active anchor investor Primepulse.

**EBT development**  
in EUR m



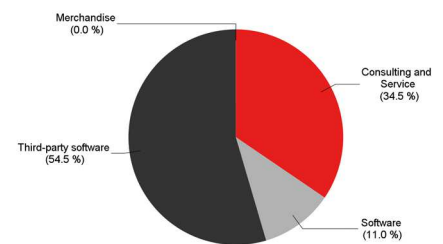
Source: Warburg Research

**Sales by segments**  
2022; in %



Source: Warburg Research

**Revenue types**  
2022



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	180.0	191.0	198.6	206.6	214.2	221.7	229.0	236.1	242.8	249.1	255.0	260.7	265.9	
Sales change	11.0 %	6.1 %	4.0 %	4.0 %	3.7 %	3.5 %	3.3 %	3.1 %	2.8 %	2.6 %	2.4 %	2.2 %	2.0 %	2.0 %
EBIT	9.3	12.7	13.9	14.9	15.4	16.2	16.7	17.5	18.0	18.4	18.9	19.5	19.9	
EBIT-margin	5.2 %	6.6 %	7.0 %	7.2 %	7.2 %	7.3 %	7.3 %	7.4 %	7.4 %	7.4 %	7.4 %	7.5 %	7.5 %	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	32.0 %	
NOPAT	6.5	8.9	9.7	10.1	10.5	11.0	11.4	11.9	12.2	12.5	12.8	13.3	13.6	
Depreciation	8.7	8.3	8.3	7.9	8.1	8.0	7.8	8.0	8.3	8.5	8.7	8.9	9.0	
in % of Sales	4.8 %	4.3 %	4.2 %	3.8 %	3.8 %	3.6 %	3.4 %	3.4 %	3.4 %	3.4 %	3.4 %	3.4 %	3.4 %	
Changes in provisions	0.0	0.0	0.0	1.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Change in Liquidity from														
- Working Capital	1.8	1.2	0.7	1.0	0.7	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.4	
- Capex	2.1	2.0	1.9	2.1	2.6	3.1	3.2	4.3	4.4	5.0	5.1	6.3	6.4	
Capex in % of Sales	1.2 %	1.0 %	1.0 %	1.0 %	1.2 %	1.4 %	1.4 %	1.8 %	1.8 %	2.0 %	2.0 %	2.4 %	2.4 %	
- Other	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	
Free Cash Flow (WACC Model)	7.9	10.6	12.0	12.7	12.1	11.9	12.0	11.7	12.2	12.1	12.6	12.1	12.4	13
PV of FCF	7.9	9.8	10.2	10.0	8.8	8.0	7.4	6.7	6.5	5.9	5.7	5.0	4.8	78
share of PVs	15.99 %			39.38 %										44.64 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	1.20
Cost of debt (after tax)	3.2 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	1.30
Risk free rate	2.75 %	Transparency	1.10
		Others	1.30
<b>WACC</b>	<b>8.29 %</b>	<b>Beta</b>	<b>1.24</b>

Valuation (m)

Present values 2035e	97		
Terminal Value	78		
Financial liabilities	23		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	10		
Market val. of investments	0		
Liquidity	20	No. of shares (m)	8.4
<b>Equity Value</b>	<b>161</b>	<b>Value per share (EUR)</b>	<b>19.21</b>

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.47	9.3 %	15.88	16.09	16.32	16.56	16.81	17.09	17.38	1.47	9.3 %	12.83	14.07	15.31	16.56	17.80	19.04	20.28
1.35	8.8 %	16.97	17.22	17.49	17.78	18.10	18.43	18.80	1.35	8.8 %	13.80	15.13	16.46	17.78	19.11	20.44	21.77
1.30	8.5 %	17.57	17.85	18.15	18.47	18.82	19.19	19.60	1.30	8.5 %	14.33	15.71	17.09	18.47	19.85	21.23	22.60
1.24	8.3 %	18.21	18.52	18.85	19.21	19.59	20.01	20.47	1.24	8.3 %	14.91	16.34	17.78	19.21	20.64	22.07	23.50
1.18	8.0 %	18.90	19.24	19.61	20.00	20.44	20.91	21.42	1.18	8.0 %	15.54	17.03	18.52	20.00	21.49	22.98	24.47
1.13	7.8 %	19.64	20.02	20.43	20.87	21.35	21.88	22.47	1.13	7.8 %	16.22	17.77	19.32	20.87	22.42	23.97	25.52
1.01	7.3 %	21.31	21.78	22.29	22.85	23.46	24.14	24.90	1.01	7.3 %	17.77	19.47	21.16	22.85	24.54	26.23	27.92

- We expect Cenit to increase margins going forward.
- The higher depreciation expense from leased objects in the detailed forecast period is adjusted for in Other.

## Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2019	2020	2021	2022	2023e	2024e	2025e	
Net Income before minorities	7.0	2.3	4.4	6.6	5.9	8.3	9.1	
+ Depreciation + Amortisation	6.0	6.0	5.0	5.6	8.7	8.3	8.3	
- Net Interest Income	-0.3	-0.2	0.3	2.9	-0.9	-0.9	-0.9	
- Maintenance Capex	0.4	0.4	0.2	0.5	0.9	0.8	0.7	
+ Other	0.0	0.0	-3.4	-3.5	-3.3	-3.6	-3.6	
<b>= Free Cash Flow Potential</b>	<b>12.9</b>	<b>8.1</b>	<b>5.6</b>	<b>5.3</b>	<b>11.3</b>	<b>13.0</b>	<b>13.9</b>	
FCF Potential Yield (on market EV)	13.1 %	11.2 %	5.8 %	4.3 %	9.8 %	11.9 %	13.5 %	
WACC	8.29 %	8.29 %	8.29 %	8.29 %	8.29 %	8.29 %	8.29 %	
<b>= Enterprise Value (EV)</b>	<b>98.2</b>	<b>72.2</b>	<b>95.6</b>	<b>125.1</b>	<b>114.8</b>	<b>109.7</b>	<b>103.6</b>	
<b>= Fair Enterprise Value</b>	<b>155.2</b>	<b>97.4</b>	<b>67.4</b>	<b>64.5</b>	<b>136.2</b>	<b>157.1</b>	<b>168.2</b>	
- Net Debt (Cash)	3.1	3.1	3.1	3.1	0.7	-4.4	-10.5	
- Pension Liabilities	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>= Fair Market Capitalisation</b>	<b>149.3</b>	<b>91.5</b>	<b>61.5</b>	<b>58.6</b>	<b>132.7</b>	<b>158.7</b>	<b>175.9</b>	
Number of shares, average	8.4	8.4	8.4	8.4	8.4	8.4	8.4	
<b>= Fair value per share (EUR)</b>	<b>17.84</b>	<b>10.94</b>	<b>7.35</b>	<b>7.00</b>	<b>15.86</b>	<b>18.97</b>	<b>21.02</b>	
premium (-) / discount (+) in %					19.3 %	42.6 %	58.0 %	
<b>Sensitivity Fair value per Share (EUR)</b>								
	11.29 %	12.91	7.84	5.21	4.95	11.54	13.98	15.68
	10.29 %	14.23	8.67	5.78	5.50	12.70	15.32	17.11
	9.29 %	15.84	9.68	6.48	6.17	14.11	16.95	18.86
WACC	<b>8.29 %</b>	<b>17.84</b>	<b>10.94</b>	<b>7.35</b>	<b>7.00</b>	<b>15.86</b>	<b>18.97</b>	<b>21.02</b>
	7.29 %	20.38	12.54	8.45	8.06	18.10	21.55	23.78
	6.29 %	23.74	14.64	9.91	9.45	21.04	24.94	27.42
	5.29 %	28.36	17.55	11.92	11.37	25.10	29.63	32.43

- Business model with low capex requirements and high FCF...
- ...provides scope for acquisitions and a shareholder-friendly dividend policy.
- FCF-Value-CAGR 2019-2025e: 3%

Peer Group										
Company	Price	EV / Sales		EV / EBITDA		EV / EBIT		P / E		EPS CAGR (22-25e)
		23e	24e	23e	24e	23e	24e	23e	24e	
Prices in local currency										
adesso	150.80	1.1	9.6	8.1	16.9	13.3	23.7	19.1	20.4 %	
All for One Group SE	41.40	0.4	4.1	3.4	7.7	6.0	13.1	10.6	-	
ATOS SE	11.50	0.3	2.9	2.7	7.1	6.0	5.2	3.7	296.6 %	
DATAGROUP	68.70	1.3	8.1	7.0	13.5	11.5	16.8	14.9	19.9 %	
Mensch und Maschine	51.20	2.9	15.6	13.7	19.1	16.5	30.1	25.9	13.4 %	
Visiativ SA	30.50	0.6	5.6	4.8	7.7	6.6	9.4	8.3	16.1 %	
Average		1.1	7.6	6.6	12.0	10.0	16.4	13.7	73.3 %	
Median		0.8	6.8	5.9	10.6	9.0	14.9	12.7	19.9 %	
<b>CENIT</b>	<b>13.30</b>	<b>0.6</b>	<b>6.4</b>	<b>5.2</b>	<b>12.3</b>	<b>8.6</b>	<b>20.8</b>	<b>14.6</b>	<b>10.4 %</b>	
Delta to median		-24.3 %	-6.9 %	-11.9 %	16.3 %	-4.0 %	39.2 %	14.7 %	-47.7 %	

Valuation								
	2019	2020	2021	2022	2023e	2024e	2025e	
Price / Book	2.8 x	2.3 x	2.8 x	2.8 x	2.5 x	2.4 x	2.2 x	
Book value per share ex intangibles	3.30	3.70	3.90	0.62	1.12	1.88	2.70	
EV / Sales	0.6 x	0.5 x	0.7 x	0.8 x	0.6 x	0.6 x	0.5 x	
EV / EBITDA	6.4 x	7.5 x	8.5 x	10.5 x	6.4 x	5.2 x	4.7 x	
EV / EBIT	10.7 x	19.9 x	15.3 x	19.8 x	12.3 x	8.6 x	7.5 x	
EV / EBIT adj.*	10.7 x	19.9 x	15.3 x	19.8 x	9.0 x	7.0 x	6.1 x	
P / FCF	19.5 x	11.9 x	27.6 x	18.1 x	15.6 x	11.4 x	9.9 x	
P / E	16.5 x	40.4 x	27.8 x	19.0 x	20.8 x	14.6 x	13.2 x	
P / E adj.*	16.5 x	40.4 x	27.8 x	19.0 x	20.8 x	14.6 x	13.2 x	
Dividend Yield	n.a.	4.2 %	5.3 %	3.5 %	3.8 %	4.1 %	4.5 %	
FCF Potential Yield (on market EV)	13.1 %	11.2 %	5.8 %	4.3 %	9.8 %	11.9 %	13.5 %	

\*Adjustments made for: -

Company Specific Items							
	2019	2020	2021	2022	2023e	2024e	2025e
Consulting and Service	49.5	38.5	39.8	55.7	70.0	72.1	74.3
Software	16.5	15.9	17.7	17.7	19.5	23.0	27.1
Third-party software	105.6	87.4	88.5	88.1	90.3	91.3	92.3
Merchandise	0.2	0.3	0.0	0.0	0.0	0.0	0.0

**Consolidated profit & loss**

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
<b>Sales</b>	<b>171.7</b>	<b>142.1</b>	<b>146.1</b>	<b>162.2</b>	<b>180.0</b>	<b>191.0</b>	<b>198.6</b>
Change Sales yoy	1.0 %	-17.2 %	2.8 %	11.0 %	11.0 %	6.1 %	4.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Sales</b>	<b>171.7</b>	<b>142.1</b>	<b>146.1</b>	<b>162.2</b>	<b>180.0</b>	<b>191.0</b>	<b>198.6</b>
Material expenses	86.3	70.3	68.6	71.5	79.2	83.5	87.8
<b>Gross profit</b>	<b>85.5</b>	<b>71.9</b>	<b>77.5</b>	<b>90.6</b>	<b>100.8</b>	<b>107.5</b>	<b>110.8</b>
<i>Gross profit margin</i>	<i>49.8 %</i>	<i>50.6 %</i>	<i>53.0 %</i>	<i>55.9 %</i>	<i>56.0 %</i>	<i>56.3 %</i>	<i>55.8 %</i>
Personnel expenses	60.3	54.8	59.7	67.3	71.3	74.6	77.2
Other operating income	1.3	1.2	2.3	1.4	1.4	1.5	1.5
Other operating expenses	11.3	8.6	8.8	12.8	12.9	13.4	13.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>15.2</b>	<b>9.6</b>	<b>11.3</b>	<b>11.9</b>	<b>18.0</b>	<b>21.0</b>	<b>22.2</b>
<i>Margin</i>	<i>8.9 %</i>	<i>6.8 %</i>	<i>7.7 %</i>	<i>7.4 %</i>	<i>10.0 %</i>	<i>11.0 %</i>	<i>11.2 %</i>
Depreciation of fixed assets	4.3	4.4	4.1	4.3	4.5	4.5	4.5
<b>EBITA</b>	<b>11.0</b>	<b>5.2</b>	<b>7.2</b>	<b>7.7</b>	<b>13.5</b>	<b>16.5</b>	<b>17.7</b>
Amortisation of intangible assets	1.8	1.6	1.0	1.4	4.2	3.8	3.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>9.2</b>	<b>3.6</b>	<b>6.2</b>	<b>6.3</b>	<b>9.3</b>	<b>12.7</b>	<b>13.9</b>
<i>Margin</i>	<i>5.4 %</i>	<i>2.6 %</i>	<i>4.3 %</i>	<i>3.9 %</i>	<i>5.2 %</i>	<i>6.6 %</i>	<i>7.0 %</i>
<b>EBIT adj.</b>	<b>9.2</b>	<b>3.6</b>	<b>6.2</b>	<b>6.3</b>	<b>12.7</b>	<b>15.7</b>	<b>16.9</b>
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.3	0.2	0.2	0.4	0.9	0.9	0.9
Other financial income (loss)	0.0	0.0	0.4	3.3	0.0	0.0	0.0
<b>EBT</b>	<b>8.9</b>	<b>3.4</b>	<b>6.5</b>	<b>9.2</b>	<b>8.5</b>	<b>11.8</b>	<b>13.0</b>
<i>Margin</i>	<i>5.2 %</i>	<i>2.4 %</i>	<i>4.5 %</i>	<i>5.7 %</i>	<i>4.7 %</i>	<i>6.2 %</i>	<i>6.6 %</i>
Total taxes	1.9	1.1	2.2	2.6	2.5	3.6	3.9
<b>Net income from continuing operations</b>	<b>7.0</b>	<b>2.3</b>	<b>4.4</b>	<b>6.6</b>	<b>5.9</b>	<b>8.3</b>	<b>9.1</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>7.0</b>	<b>2.3</b>	<b>4.4</b>	<b>6.6</b>	<b>5.9</b>	<b>8.3</b>	<b>9.1</b>
Minority interest	0.1	0.0	0.1	0.3	0.6	0.7	0.7
<b>Net income</b>	<b>6.9</b>	<b>2.3</b>	<b>4.3</b>	<b>6.3</b>	<b>5.4</b>	<b>7.6</b>	<b>8.5</b>
<i>Margin</i>	<i>4.0 %</i>	<i>1.6 %</i>	<i>2.9 %</i>	<i>3.9 %</i>	<i>3.0 %</i>	<i>4.0 %</i>	<i>4.3 %</i>
Number of shares, average	8.4	8.4	8.4	8.4	8.4	8.4	8.4
<b>EPS</b>	<b>0.82</b>	<b>0.28</b>	<b>0.51</b>	<b>0.75</b>	<b>0.64</b>	<b>0.91</b>	<b>1.01</b>
EPS adj.	0.82	0.28	0.51	0.75	0.64	0.91	1.01

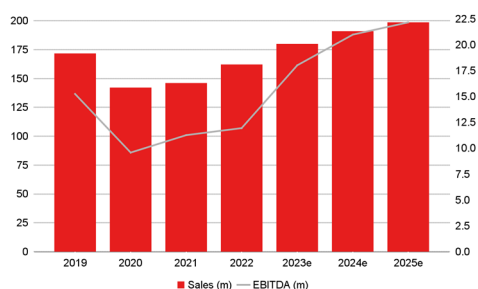
\*Adjustments made for:

**Guidance: 2023: sales EUR 180m; EBIT EUR >9.5m.**

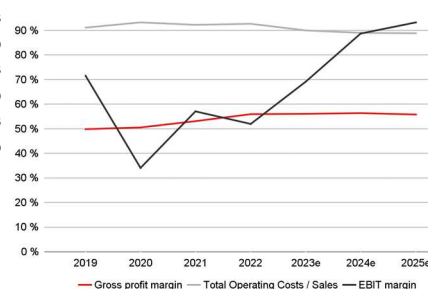
**Financial Ratios**

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	91.1 %	93.2 %	92.3 %	92.6 %	90.0 %	89.0 %	88.8 %
Operating Leverage	1.8 x	3.5 x	25.8 x	0.1 x	4.3 x	5.9 x	2.3 x
EBITDA / Interest expenses	51.1 x	47.5 x	70.0 x	31.9 x	21.1 x	24.6 x	26.0 x
Tax rate (EBT)	21.8 %	33.2 %	33.2 %	28.2 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	0.0 %	171.6 %	144.1 %	63.3 %	70.6 %	55.5 %	55.1 %
Sales per Employee	232,986	199,900	213,242	181,989	198,895	208,288	216,619

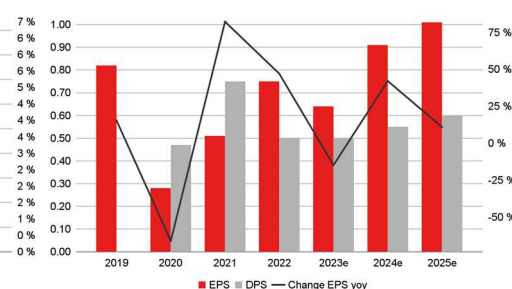
**Sales, EBITDA**  
in EUR m



**Operating Performance**  
in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

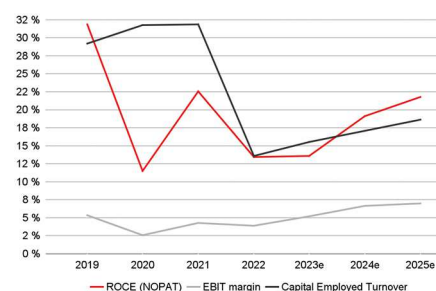
**Consolidated balance sheet**

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
<b>Assets</b>							
Goodwill and other intangible assets	12.2	11.1	10.3	37.6	34.4	31.5	28.5
thereof other intangible assets	1.3	0.9	0.6	3.7	3.9	4.0	4.0
thereof Goodwill	6.6	6.6	6.6	27.8	27.8	27.8	27.8
Property, plant and equipment	2.4	1.8	1.4	2.0	2.0	2.0	2.0
Financial assets	2.7	2.6	3.2	10.0	10.0	10.0	10.0
Other long-term assets	14.1	11.9	10.5	11.3	11.8	12.2	12.7
<b>Fixed assets</b>	<b>31.4</b>	<b>27.3</b>	<b>25.4</b>	<b>61.0</b>	<b>58.3</b>	<b>55.9</b>	<b>53.4</b>
Inventories	0.3	0.0	0.0	0.1	0.1	0.1	0.1
Accounts receivable	24.1	17.0	26.8	27.7	30.7	32.6	33.9
Liquid assets	18.5	26.1	26.4	19.9	22.3	27.4	33.5
Other short-term assets	15.1	13.0	14.2	18.3	18.3	18.3	18.3
<b>Current assets</b>	<b>58.0</b>	<b>56.1</b>	<b>67.4</b>	<b>66.0</b>	<b>71.4</b>	<b>78.4</b>	<b>85.8</b>
<b>Total Assets</b>	<b>89.3</b>	<b>83.4</b>	<b>92.8</b>	<b>127.0</b>	<b>129.7</b>	<b>134.3</b>	<b>139.2</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Capital reserve	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Retained earnings	14.2	14.2	14.5	14.2	15.4	18.8	22.7
Other equity components	16.2	18.4	19.0	19.2	19.0	19.0	19.0
Shareholders' equity	39.8	42.1	42.9	42.8	43.8	47.3	51.1
Minority interest	1.1	0.7	0.8	2.0	2.0	2.0	2.0
<b>Total equity</b>	<b>40.9</b>	<b>42.7</b>	<b>43.6</b>	<b>44.8</b>	<b>45.8</b>	<b>49.2</b>	<b>53.1</b>
Provisions	1.9	2.8	2.0	1.5	1.5	1.5	1.5
thereof provisions for pensions and similar obligations	1.5	1.6	1.4	0.8	0.8	0.8	0.8
Financial liabilities (total)	0.0	0.0	0.0	23.0	23.0	23.0	23.0
Short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	6.0	3.3	6.0	11.2	12.4	13.1	13.7
Other liabilities	40.5	34.7	41.2	46.6	47.0	47.5	48.0
<b>Liabilities</b>	<b>48.4</b>	<b>40.7</b>	<b>49.2</b>	<b>82.3</b>	<b>83.9</b>	<b>85.1</b>	<b>86.2</b>
<b>Total liabilities and shareholders' equity</b>	<b>89.3</b>	<b>83.4</b>	<b>92.8</b>	<b>127.0</b>	<b>129.7</b>	<b>134.3</b>	<b>139.2</b>

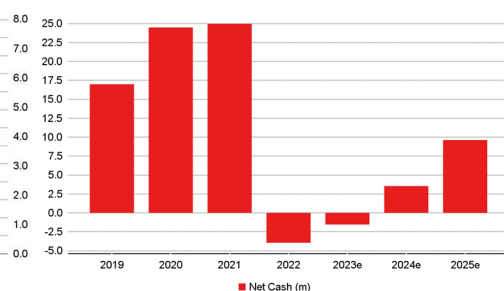
**Financial Ratios**

	2019	2020	2021	2022	2023e	2024e	2025e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	9.0 x	10.9 x	7.7 x	10.8 x	10.7 x	10.6 x	10.6 x
Capital Employed Turnover	7.2 x	7.8 x	7.8 x	3.3 x	3.8 x	4.2 x	4.6 x
ROA	21.9 %	8.5 %	16.7 %	10.3 %	9.2 %	13.7 %	15.9 %
<b>Return on Capital</b>							
ROCE (NOPAT)	31.9 %	11.5 %	22.6 %	13.4 %	13.6 %	19.1 %	21.8 %
ROE	17.7 %	5.7 %	10.0 %	14.7 %	12.4 %	16.8 %	17.2 %
Adj. ROE	17.7 %	5.7 %	10.0 %	14.7 %	12.4 %	16.8 %	17.2 %
<b>Balance sheet quality</b>							
Net Debt	-17.0	-24.5	-25.0	3.9	1.5	-3.5	-9.6
Net Financial Debt	-18.5	-26.1	-26.4	3.1	0.7	-4.4	-10.5
Net Gearing	-41.5 %	-57.3 %	-57.2 %	8.8 %	3.4 %	-7.2 %	-18.1 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	26.0 %	3.8 %	n.a.	n.a.
Book Value / Share	4.8	5.0	5.1	5.1	5.2	5.6	6.1
Book value per share ex intangibles	3.3	3.7	3.9	0.6	1.1	1.9	2.7

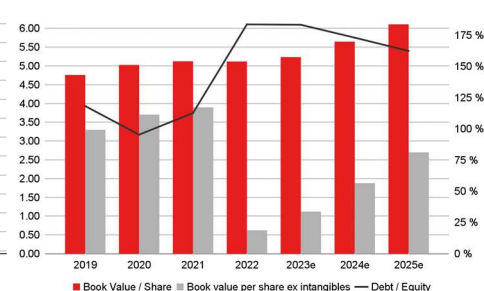
**ROCE Development**



**Net cash in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research



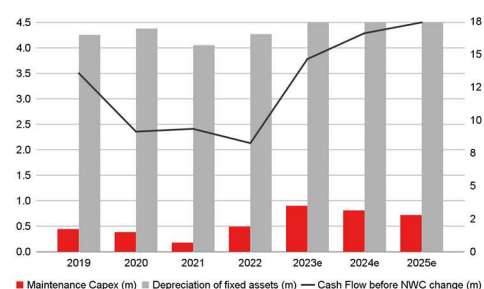
**Consolidated cash flow statement**

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	7.0	2.3	4.4	6.6	5.9	8.3	9.1
Depreciation of fixed assets	4.3	4.4	4.1	4.3	4.5	4.5	4.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.8	1.6	1.0	1.4	4.2	3.8	3.8
Increase/decrease in long-term provisions	0.7	0.0	0.3	-0.2	0.0	0.0	0.0
Other non-cash income and expenses	-0.2	0.9	-0.4	-3.8	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>13.5</b>	<b>9.1</b>	<b>9.3</b>	<b>8.3</b>	<b>14.6</b>	<b>16.6</b>	<b>17.4</b>
Increase / decrease in inventory	-0.2	0.2	0.0	-0.1	0.0	0.0	0.0
Increase / decrease in accounts receivable	3.0	9.0	-11.4	-0.1	-3.0	-1.9	-1.3
Increase / decrease in accounts payable	-4.6	-6.0	10.3	3.4	1.2	0.7	0.6
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-1.9	3.2	-1.1	3.2	-1.8	-1.2	-0.7
<b>Net cash provided by operating activities [1]</b>	<b>11.7</b>	<b>12.3</b>	<b>8.2</b>	<b>11.5</b>	<b>12.8</b>	<b>15.4</b>	<b>16.7</b>
Investments in intangible assets	-0.5	-0.4	-0.2	-0.5	-1.0	-0.9	-0.8
Investments in property, plant and equipment	-2.0	-0.4	-0.4	-0.7	-1.1	-1.1	-1.1
Payments for acquisitions	-0.1	-0.1	0.0	-27.9	0.0	0.0	0.0
Financial investments	0.1	0.0	0.3	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>-2.8</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-29.2</b>	<b>-2.1</b>	<b>-2.0</b>	<b>-1.9</b>
Change in financial liabilities	0.0	0.0	0.0	21.4	0.0	0.0	0.0
Dividends paid	-5.0	0.0	-3.9	-6.3	-4.2	-4.2	-4.6
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-3.6	-3.7	-3.3	-4.1	-4.1	-4.1	-4.1
<b>Net cash provided by financing activities [3]</b>	<b>-8.6</b>	<b>-3.7</b>	<b>-7.2</b>	<b>10.9</b>	<b>-8.3</b>	<b>-8.3</b>	<b>-8.7</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>0.3</b>	<b>7.7</b>	<b>0.1</b>	<b>-6.8</b>	<b>2.4</b>	<b>5.1</b>	<b>6.1</b>
Effects of exchange-rate changes on cash	0.1	-0.1	0.2	0.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	18.5	26.1	26.4	19.9	22.3	27.4	33.5

**Financial Ratios**

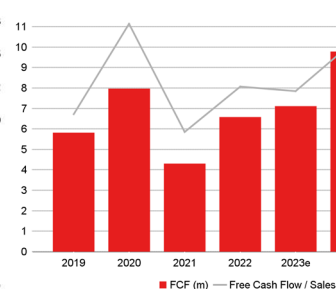
	2019	2020	2021	2022	2023e	2024e	2025e
<b>Cash Flow</b>							
FCF	5.8	8.0	4.3	6.6	7.1	9.8	11.2
Free Cash Flow / Sales	3.4 %	5.6 %	2.9 %	4.1 %	4.0 %	5.1 %	5.6 %
Free Cash Flow Potential	12.9	8.1	5.6	5.3	11.3	13.0	13.9
Free Cash Flow / Net Profit	84.6 %	343.7 %	101.2 %	104.7 %	132.8 %	128.2 %	132.5 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	n.a.	16100.0 %	3.3 %	3.7 %	3.7 %	3.7 %
<b>Management of Funds</b>							
Investment ratio	1.5 %	0.6 %	0.4 %	0.8 %	1.2 %	1.0 %	1.0 %
Maint. Capex / Sales	0.3 %	0.3 %	0.1 %	0.3 %	0.5 %	0.4 %	0.4 %
Capex / Dep	41.5 %	13.4 %	12.8 %	22.4 %	24.1 %	24.1 %	22.9 %
Avg. Working Capital / Sales	9.1 %	9.8 %	9.9 %	9.4 %	7.7 %	8.1 %	8.2 %
Trade Debtors / Trade Creditors	404.5 %	520.8 %	444.2 %	247.9 %	247.6 %	248.9 %	247.4 %
Inventory Turnover	334.3 x	5855.7 x	4573.0 x	993.3 x	910.3 x	959.4 x	1009.2 x
Receivables collection period (days)	51	44	67	62	62	62	62
Payables payment period (days)	25	17	32	57	57	57	57
Cash conversion cycle (Days)	19	14	18	-13	-11	-10	-9

**CAPEX and Cash Flow**  
in EUR m



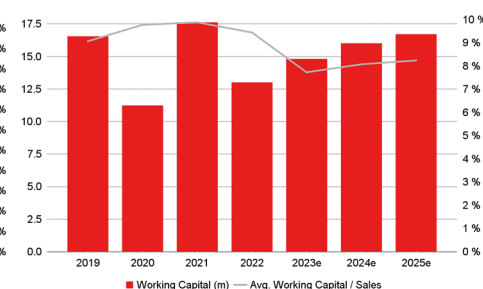
Source: Warburg Research

**Free Cash Flow Generation**



Source: Warburg Research

**Working Capital**



Source: Warburg Research

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-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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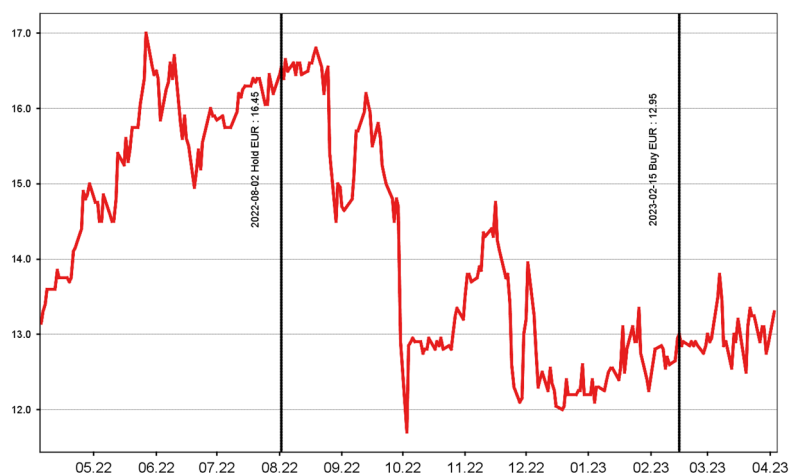
Rating	Number of stocks	% of Universe
Buy	159	74
Hold	46	21
Sell	7	3
Rating suspended	3	1
<b>Total</b>	<b>215</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	44	86
Hold	6	12
Sell	0	0
Rating suspended	1	2
<b>Total</b>	<b>51</b>	<b>100</b>

**PRICE AND RATING HISTORY CENIT AS OF 04.04.2023**



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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