

CENIT AG*5a,6a,7,11

Rating: BUY

Target price: €19.75
(previously: €19.75)

Current share price: 12.45
10/07/2023 / XETRA /
5:36 pm

Currency: EUR

Key data:

ISIN: DE0005407100
WKN: 540710
Ticker symbol: CSH

Number of shares³: 8,368
Market cap³: 104.19
Enterprise Value³: 103.47
³in million / in EUR million

Free float: 56.0%

Transparency level:
Prime Standard

Market segment:
Regulated market

Accounting:
IFRS

Financial year: 31.12.

Analysts:

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* catalogue of potential conflicts of interest on page 5

Date (time) of completion:
11/07/2023 (10:54 am)

Date (Time) first distribution:
11/07/2023 (12:00 pm)

Target price valid until:
max. 31/12/2023

Company Profile

Sector: Software

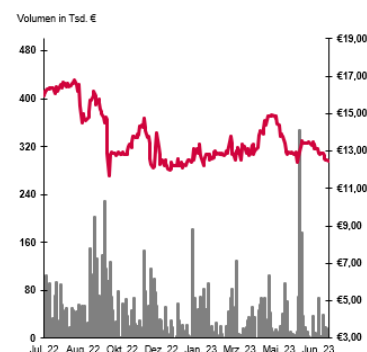
Specialty: Consulting and software specialist

Employees: 854 Status: 31.03.2023

Foundation: 1998

Head office: Stuttgart

Board of Directors: Peter Schneck, Axelle Mazé



For over 33 years, CENIT has been successfully active as a leading consulting and software specialist for the optimisation of business processes in the fields of Digital Factory, Product Lifecycle Management (PLM), SAP PLM, Enterprise Information Management (EIM) and Application Management Services (AMS). Standard solutions from strategic partners such as DASSAULT SYSTEMES, SAP and IBM are supplemented by CENIT's own established software developments. These include the FASTSUITE product family for software solutions in the digital factory sector, cenitCONNECT for processes around SAP PLM, cenitSPIN as a powerful PLM desktop, CENIT ECLISO for efficient information management and ECM Systemmonitor for monitoring IBM ECM applications. The company is represented worldwide at 26 locations in nine countries with over 850 employees. They work for customers in the automotive, aerospace, mechanical engineering, tool and mould making, financial services, trade and consumer goods sectors, among others.

P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	162.15	181.61	208.85	233.91
EBITDA	11.94	16.55	21.85	26.19
EBIT	6.30	9.80	15.35	19.79
Net profit	6.28	5.75	9.47	12.44

Key figures in EUR				
Earnings per share	0.75	0.69	1.13	1.49
Dividend per share	0.50	0.50	0.75	1.00

Key figures				
EV/Revenue	0.64	0.57	0.50	0.44
EV/EBITDA	8.67	6.48	4.73	3.95
EV/EBIT	16.41	11.23	6.74	5.23
P/E-ratio	16.58	19.53	11.00	8.37
Book-value per share	2.33			

Financial dates
01.08.2023: Semi-Annual Report 2023
02.11.2023: Q3 figures 2023

**last research published by GBC:
Date: Publication / Target Price in EUR / Rating
12.05.2023: RS / 19.75 / BUY
06.04.2023: RS / 19.75 / BUY
06.02.2023: RS / 18.20 / BUY
28.11.2022: RS / 18.20 / BUY
** the research reports can be found on our website www.gbc-ag.de or can be requested at GBC AG, Halderstr. 27, D-86150 Augsburg

Note on research as a "minor non-monetary benefit" according to the MiFID II regulation: This research meets the requirements for being classified as a "minor non-monetary benefit". For more information, see the disclosure under "I. Research under MiFID II"

Inorganic growth continues with the second acquisition in 2023; price target and rating unchanged

With the announcement of 06.07.2023, CENIT AG is continuing its inorganic growth course with the acquisition of Berlin-based PI Informatik GmbH. The company, which has been in existence since 1996, is a full service provider in the field of conception and consulting of SAP landscapes and also acts as a managed service provider of IT infrastructures. In addition, the company is also active in the field of industrial software development. PI Informatik GmbH's clientele includes not only industrial customers but also public institutions and authorities.

In our view, the development of new clientele, in particular the public sector, is likely to be a key factor in the acquisition of PI Informatik. With the new customer access, CENIT AG could, for example, offer EIM solutions, for which the public sector is predestined as a customer. In addition, CENIT AG could address the Berlin area more strongly. Conversely, the addition of the new company should also strengthen CENIT AG's SAP expertise, software development and IT infrastructure management.

Information on the purchase price or the operating figures of PI Informatik GmbH were not published in the company news. According to the most recently published annual financial statements as of 31 December 2021 in the ebundesanzeiger, the acquired company has a balance sheet total of € 3.20 million, equity capital of € 2.23 million and liquidity of € 1.92 million. In addition, it can be seen that a balance sheet profit of € 0.29 million was allocated in the 2021 financial year. Judging by these figures, we assume that PI Informatik GmbH should report a turnover level in the mid single-digit million range (approx. € 4 - 5 million). The purchase price should even be below this level.

After the acquisition of mip Management Informations Partner GmbH in January 2023, which is comparable in size to PI Informatik, this is the second acquisition of the current financial year. This is to be seen as a further step towards strengthening the SAP segment, which is to be expanded as planned to a turnover volume of € 50 million. In addition, in accordance with the "CENIT 2025" agenda, the company plans to achieve a sales level of approximately € 300 million and an EBIT margin of 8% to 10% by the 2025 business year. An important part of this is inorganic growth, which should amount to more than € 50 million according to our forecasts. Accordingly, further acquisitions are expected for the current and coming financial year.

Due to the low sales and earnings impact of PI Informatik GmbH, which will also only have a minor impact on the income statement for the current fiscal year 2023 due to the initial consolidation date of 1 July 2023, CENIT AG has not made any changes to its forecast. We are also maintaining our previous forecasts (see study dated 12 May 2023) unchanged. With an unchanged target price of € 19.75, we continue to assign a BUY rating.

ANNEX

I.

Research under MiFID II

1. There is a contract between the research company GBC AG and the issuer regarding the independent preparation and publication of this research report on the issuer. GBC AG is remunerated for this by the issuer.
2. The research report is simultaneously made available to all interested investment services companies.

II.

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The recommendations/ classifications/ ratings are linked to the following expectations:

BUY	The expected return, based on the derived target price, incl. dividend payments within the relevant time horizon is $\geq + 10\%$.
HOLD	The expected return, based on the derived target price, incl. dividend payments within the relevant time horizon is $> - 10\%$ and $< + 10\%$.
SELL	The expected return, based on the calculated target price, incl. dividend payments within the relevant time horizon, is $\leq - 10\%$.

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The analysts responsible for this analysis are:

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Other person involved in this study:

Jörg Grunwald, Board of Directors

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