

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

Rating: BUY
Target price: €20.90
(previously: €20.90)

Current share price: 13.35
 15/01/2024 / XETRA /
 5:36 pm

Currency: EUR

Key data:

ISIN: DE0005407100
 WKN: 540710
 Ticker symbol: CSH

Number of shares³: 8,368
 Market cap³: 111.71
 Enterprise value³: 122.77
³in million / in EUR million

Free float: 56.0%

Transparency level:
 Prime Standard

Market segment:
 Regulated market

Accounting:
 IFRS

Financial year: 31.12.

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* catalogue of potential conflicts of interest on page 4

Date (time) of completion:
 16/01/24 (08:04 am)

Date (time) first distribution:
 16/01/24 (10:00 am)

Target price valid until:
 max. 31/12/2024

Company Profile

Sector: Software

Specialty: Consulting and software specialist

Employees: 899 (30.09.2023)

Foundation: 1998

Head office: Stuttgart

Board of Directors: Peter Schneck, Axel Otto



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	15.93	21.85	26.19
EBIT	6.30	9.55	15.35	19.79
Net profit	6.28	5.24	8.70	11.69

Key figures in EUR				
Earnings per share	0.75	0.63	1.04	1.40
Dividend per share	0.50	0.50	0.75	1.00

Key figures				
EV/revenue	0.76	0.68	0.59	0.52
EV/EBITDA	10.28	7.71	5.62	4.69
EV/EBIT	19.47	12.86	8.00	6.20
P/E-ratio	17.78	21.33	12.84	9.56
Book-value per share	2.49			

Financial dates
02.04.2024: Annual Report 2023
14.05.2024: Q1 report 2024
06.06.2024: General meeting

*last research published by GBC:
Date: Publication / Target Price in EUR / Rating
03.11.2023: RS / 20.90 / BUY
03.08.2023: RS / 21.00 / BUY
11.07.2023: RS / 19.75 / BUY
12.05.2023: RS / 19.75 / 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

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First acquisition of 2024 strengthens the 3DS Solutions division; forecasts and target price unchanged

As expected, CENIT AG is continuing the high level of acquisition activity implemented since the 2022 financial year in the 2024 financial year. As the company announced in the second calendar week of the still young year, CCE b:digital GmbH & Co. KG (CCE for short) was acquired with effect from 1 January 2024. CCE offers consulting, implementation and software development in the business areas of Digital Services, PLM Services and Application Services. Similar to CENIT's "3DS Solutions" business segment, CCE's offering is based on Dassault Systèmes solutions, with a particular focus on the CATIA products and the 3DEXPERIENCE PLM platform. This shows a high degree of congruence with the PLM business field of CENIT AG.

CENIT AG emphasises that CCE has special expertise in the migration and introduction of Dassault standard software. For this purpose, concepts have been developed that are specially tailored to medium-sized and smaller customers. In addition, the acquisition of CCE will expand the local presence in the Ostwestfalen Lippe region. Finally, company acquisitions have proven to be an effective strategy for expanding the Group's workforce against the backdrop of challenging personnel recruitment. The acquisition of CCE will expand the CENIT team by 16 employees. In addition, CENIT's position as one of Dassault Systèmes' most important Platinum Partners worldwide will be further strengthened. This is already a declared goal of CENIT AG.

No further details on the size of CCE or the purchase price are known. The Federal Gazette only contains a balance sheet as of 31 December 2021, which shows that the company is relatively small at this point in time. With total assets of € 1.72 million, CCE had equity of € 0.19 million and cash and cash equivalents of € 1.15 million. Based on this information, we assume a purchase price in the low single-digit million range.

The CCE acquisition should be seen as a further step towards achieving the medium-term goals of CENIT AG. The aim is to achieve sales of € 300 million and an EBIT margin of 8-10% by the end of the 2025 financial year. As part of this strategy, all five business divisions are expected to grow organically and inorganically. In the 3DS Solutions division, sales are to be increased from the current level of around € 100 million to € 150 million.

Due to what we consider to be the low impact on the CENIT Group's sales and earnings, we are maintaining our estimates compared to our last research study (see study dated 03 November 2023). We therefore confirm our price target of € 20.90 and continue to rate the share as BUY.

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.

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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 $< + 10\%$.
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Jörg Grunwald, Board of Directors

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