

Review: Buy**Target price: EUR 35****DR. KALLIWODA SDG: *)
Rating: A**

*) Dr. Kalliwoda Social Development Goals Rating

Industry: It Services & Software
Country: Germany
ISIN: DE000A0Z1JH9
Reuters: PSAGn.DE
Bloomberg: PSAN GR
Website: www.psi.de

Last price: 23.15
High **Low**
Price 52 W.: 35.55 20.75
Market cap. (EURm) 362.78
Number of shares (m) 15.67

Shareholders

innogy SE 17.77%
Harvinder Singh 8.10%
Invest. f. Ig. Inv. TGV 20.65%
Employees 9.35%
Management 1.16%
Own Shares 1.18%
Baden-Württ. 5.23%
Free float 36.56%

Performance

4 weeks 0.00%
26 weeks -20.50%
52 weeks 1.10%
5 years 48.40%

Dividend

	in EUR	in %
2015	0.00	0.00%
2016	0.21	1.72%
2017	0.22	1.19%
2018	0.25	1.60%
2019	0.05	0.24%
2020	0.30	1.23%
2021	0.40	0.86%
2022	0.40	1.78%

**PSI Software SE: We expect strong 4th
Quarter 2023 results**

■ In Q3 2023, PSI experienced a substantial surge in order intake, marking a 25.5% increase to €69 million. This surge was primarily driven by the robust performance of the electricity network business. Year-to-date, there was an impressive 16.1% increase in order intake, reaching a total of €238 million.

■ Revenue for the first three quarters of 2023 (EUR 184.5 million) showed a modest 2.7% increase compared to the same period in the previous year.

■ However, EBIT for the first three quarters of 2023 took a hit, dropping from EUR 14.3 million in the same period of 2022 to a deficit of EUR -2.7 million. This decline was primarily attributed to exceptional costs related to changes in management, expenses from Redispatch 2.0 projects, and adjustments in legacy projects in the electrical grids sector.

■ Despite the challenges faced in the initial nine months of the year, management remains committed to their full-year guidance. They anticipate an EBIT of €5-7 million and expect a 10% rise in both sales and order intake.

■ We stick to our updated valuation model 5 weeks ago and recommend share as a “BUY”, with a 12-month target price of EUR 35.

■ Dr. Kalliwoda’s Sustainability Rating : 5 Trees (maximum).

in EURm	2019	2020	2021	2022	2023e	2024e	2025e	2026e
Net sales	225.18	217.80	248.39	247.94	269.76	289.99	314.74	341.43
EBITDA	28.04	27.17	36.86	34.00	21.08	44.03	47.69	54.85
EBIT	17.21	14.95	23.81	20.19	6.58	29.38	32.89	39.91
Net income	14.26	10.28	15.84	16.75	4.05	19.18	21.48	26.15
EPS	0.91	0.66	1.01	0.62	0.26	1.22	1.37	1.67
BVPS	6.03	6.40	7.32	7.63	7.70	8.27	8.87	9.52
RoE	15.74%	10.25%	13.81%	14.07%	3.35%	14.80%	15.45%	17.54%
EBIT margin	7.64 %	6.86 %	9.59 %	8.14 %	2.44 %	10.13 %	10.45 %	11.69 %
P/E	19.78	30.51	19.80	32.20	77.41	16.34	14.59	11.99
P/BVPS	2.98x	3.13x	2.73x	2.62x	2.60x	2.42x	2.26x	2.10x

Source: Dr. Kalliwoda Research GmbH © 2023 & PSI Software SE

DR. KALLIWODA RESEARCH on Bloomberg

Page: KALL

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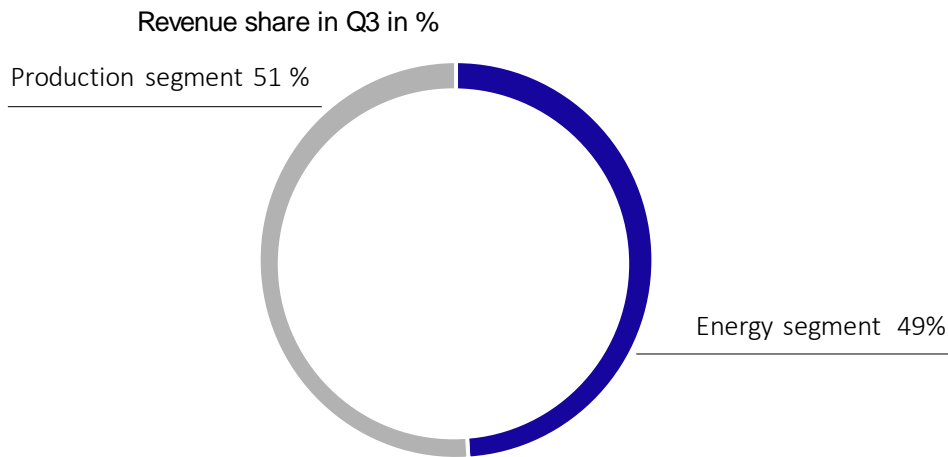
1. Our Q4 2023 Earnings and Sales estimates forecasts

TEUR	Q1	Q2	Q3	Q4e	2023
Revenue	58,230.00	61,037.00	65,192.00	85,297.00	269,756.00
Energy sector	30,228	29,125.00	34,746.00	38,481.00	132,580.00
Production sector	33,548	37,584.00	36,098.00	51,805.00	159,035.00
Transition	-5,546.00	-5,672.00	-5,652.00	-4,989.00	-21,859.00
EBIT	4,008.00	-9,371.00	2,649.00	9,293.00	6,579.00
Energy sector	687.00	-8,934.00	768.00	-3,275.00	-10,754.00
Production sector	3,850.00	4,296.00	2,995.00	13,253.00	24,394.00
Transition	-529.00	-4,733.00	-1,114.00	-685.00	-7,061.00

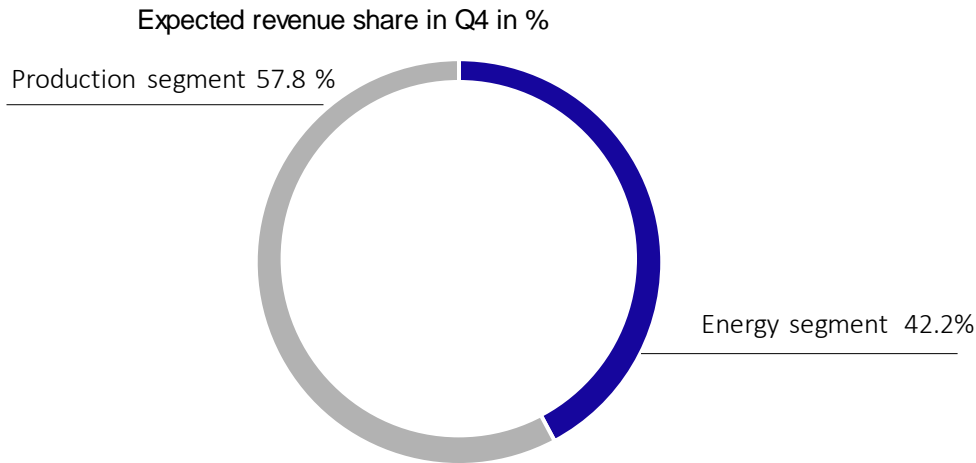
Source: PSI Software SE, DR. KALLIWODA RESEARCH GmbH © 2023 Estimates Q4

The new CEO of PSI is positive about the further development and continues to expect sales for the full year of approximately 270 million euros. Despite the negative EBIT of -2.7 million euros in the first nine months of 2023, the company is sticking to an EBIT of 5-7 million euros for the full year. The production management segment experienced a slight drop in both revenue and EBIT. This was attributed to delayed booking of substantial licenses and increased material costs.

Despite these challenges, PSI managed to turn the tide in Q3 2023, achieving a positive EBIT of EUR 2.65 million. The company remains optimistic, attributing the difficulties to temporary and one-off factors. The Production Management segment is expected to continue to develop positively, so that dynamic growth can be expected for the end of the year. We currently expect EBIT of 9.3 million euros in Q4.



Please note: In addition to the operating segments, a reconciliation is also integrated in the financial statements. This includes consolidation effects or elimination of intercompany profits and non-recurring effects (Transition). We have estimated these effects for Q4 2023. This can be seen in the table above and is also taken into account in the Q3 and Q4 revenue breakdown charts.



2. Company Profile

PSI Software SE develops and sells software systems and products for the energy supply, production, infrastructure, software technology, internet applications, and business consultancy sectors worldwide. The company operates in two segments, **Energy Management** and **Production Management**. The Energy Management segment provides intelligent solutions for utility companies in the electricity, gas, oil, and water sectors, as well as for the district heating sector. It develops control systems for electrical grids, cross-sector control systems, and gas and pipeline management systems; and products for energy trading, energy distribution, smart grids, power plant optimization, public transport system, and gas industry planning. The Production Management segment offers software products and solutions for planning and controlling production processes in metals production, logistics, mechanical engineering, and automotive manufacturing. The company also offers a range of data processing services; sells electronic equipment; and operates data processing systems. PSI Software SE was founded in 1969 and is headquartered in Berlin, Germany.

PSI History

2021	Release of one of the first app stores for Industrial software
2021	Effective 1 July 2021, Gunnar Glöckner has been appointed to the Management Board of PSI Software SE as Chief Financial Officer
2020	Takeover of Swiss network planning software developer NEPLAN
2020	Takeover of Prognos Energy - a forecasting software specialist
2019	Takeover of smart grid units of Top 5 German player BTC AG
2018	Takeover of Moveo Software AG broadening presence in public transport solutions
2014	Takeover of the strongest competitor in the metals industry, Broner Metals.
2013	PSI subsidiary founded in Brazil.
2012	Strengthening of the energy business with the acquisition of the Time-steps AG.
2011	PSI subsidiary founded in North America.
2010	PSI develops the first integrated mining control system.
2009	PSI celebrates its 40th anniversary. Since 1969, PSI develops and integrates software solutions and complete systems for utilities, manufacturers, logistics and infrastructure providers.
2008	Formation of a subsidiary and a joint venture in Russia. International expansion in the metals, production and energy industry.

2007	Process control system for efficient raw materials production; market entry into the Russian steel and electricity industry.
2006	Opening of a representative office in Russia; new sales partnerships in Eastern Europe and Asia.
2005	First major orders from the Chinese steel industry and expansion of the logistics division to Russia.
2004	PSI subsidiaries founded in Poland and China.
2003	PSI develops the first integrated control system for controlling complex manufacturing processes.
2002	Generation shift in top management; Restructure of PSI into an integrated control system enterprise.
2000	PSI acquires the gas management system division from debis Systems and starts internationalization of its energy business.
1998	Initial public offering (IPO) on August 31.
1996	Development of the first object-oriented ERP system PSIpenta.
1994	The company is converted into a joint-stock corporation.
1986	Market launch of PIUSS-O, the company's first standard software product for production planning (PPS).
1976	The company wins its first large order from the energy supply sector.
1974	PSI is the first German company to introduce an employee stock option plan.
1969	PSI Gesellschaft für Prozesssteuerungs- und Informationssysteme GmbH is founded in Berlin. First order from the steel industry.

Source: The Company

3. SWOT Analysis

Strengths

- **PSI's focus on process control:** The Group has decades of experience. It also bolsters its innovation and strength with a highly specialized workforce. These experiences, as well as the endowed skills of its workforce, are important pillars of the Group's key competitive advantage, which creates a barrier entry to rivals. PSI still has an edge in many important related sectors and enjoys a first mover advantage in many of its key growth areas. For example, providing continuous innovation in energy smart grid infrastructure, mining, metals, oil & gas.
- **PSI project approach:** One of the key aspects of its success is that the company performs research and development at the location where the company intends to enter a new market. This has the virtue of developing quick customer relationships as well as gaining sector knowledge. Additionally, this creates lower market entry risk and mitigates financial risk.

Opportunities

- **Energy segment:** The energy sector gives PSI an outstanding potential to achieve scale effects. The Group can dynamically shift its existing product portfolio from high voltage systems to lower network levels. In addition, there is a growing demand for software solutions such as volatility and resource software components. Within gas network control systems and software solutions demand remain relatively elevated.
- **Increasingly digital business:** Reliance on smart solutions increases data availability. This has the potentials to open up new markets for the Group and to expand its software solutions business segment.
- **International growth potential:** PSI focuses on growing in the North American and European market and should be able to take profit from the shift towards renewable energies driven by lower prices for solar power and wind energy. A positive effect besides larger revenues and scale effects is the diversification away from sole dependency on the German market.

Weaknesses

- **Bargaining power of buyers:** PSI's main customers are in capital intensive sectors, which naturally consist of only a few large players. With PSI being itself, a medium sized player may put the Group in unfavorable negotiating position when doing business deals. However, resulting pricing power of its customer is lessened by the fact that software expenditures should resemble a smaller portion of PSI customers overall budget.
- **Business cycle risk:** PSI customers are prone to business cycles and cyclicality. Nevertheless, the risk of such exposure to business cycles is relatively mitigated due to the Group being active in developing products that focus on efficiency and cost cutting.

Threats

- **Increasing rivalry:** Consolidation in the Energy market sector continues to build conglomerates in the hardware supplier business and thus creating more intense competition for PSI in the pre-mentioned business area. It is also likely that newly formed bigger rivals, upon achieving several acquisitions in the field, will try to gain control of the energy software business.
- **Constrains in talent & qualified staff:** This is likely to stem from the current structural shortage of supply in the software labour. PSI is continuously investing in the training of its employees and is collaborating with universities to mitigate such a risk. Additionally, The Group is actively looking for talent in Eastern Europe and Malaysia. The Group can also benefit from recent acquisitions to add qualified personnel.

4. Dr. Kalliwoda's Sustainability Rating : Max. 5 Trees



Picture taken from company website

PSI Software SE

- Company name: PSI Software SE (PSAN.DE)
- Headquartered: Berlin, Deutschland
- Market capitalisation: € 445.02 million (as of July 28th 2023)
- Kalliwoda Sustainability Ranking: **A**

PSI Software SE (PSAN) has achieved an **A** grade in the Dr. Kalliwoda Sustainability Ranking in pursuing the United Nations Sustainable Development Goals. This grade implies that **the company is very sustainable**. Most significant contributions have been noticed in eight out of seventeen categories. Moreover, the company has received negative points in none of the categories.



Picture taken from un.org

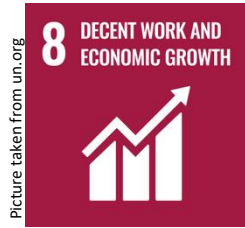
PSI's products contribute indirectly to the reduction of harmful emissions. One the one hand, that happens through a better integration of renewable energy into the energy supply mix and on the other hand through the development of solutions for the expansion of e-mobility, like the integration of charging infrastructure into municipal power grids and depots. There exist programmes for health promotion and health protection, as well as a certified occupational health and safety management system for PSI's employees.



Picture taken from un.org

The grid control systems, which are developed and produced by PSI are continuously being expanded to include functions for the intelligent management of the feed-in of renewable resources. The company is committed to developing the intelligent energy supply infrastructure of the future, including products for smart microgrids and charging infrastructures. Through its gas management systems, PSI supports the integration of higher

proportions of hydrogen into the existing gas grid in order to be able to store surplus wind power as “green hydrogen”.



Picture taken from un.org

PSI adheres to the legally guaranteed principles of freedoms of association, the prohibition of discrimination and employee diversity and participation. PSI has no activities in countries with sensitive human rights situations. As employees are of particular importance for the further development of the

company, PSI determines the Employee Commitment Index to measure its own performance.

Additionally, by using industrial artificial intelligence, the company's products improve the efficiency of production and logistics processes.



Picture taken from un.org

PSI commits to resilient infrastructures by offering products whose solutions ensure the even and gentle use of the infrastructure and contribute to the avoidance of failures through the use of industrial artificial intelligence methods. In the field of emission-free local public transport, PSI software takes into account and optimises all important

influencing factors, such as charging infrastructure on the route, the number of passengers, the outside temperature, etc. Generally speaking, PSI software products ensure increased efficiency and the responsible use of energy, raw materials and manpower.



Picture taken from un.org

The company contributes to sustainable cities and communities by offering public transport solutions for efficient local transport networks and depots, with a strong focus on depot management, as the charging infrastructure for electric buses is integrated and controlled there. In the logistics and transport sector, PSI has developed new solutions for the

dynamic control and operation of optimised logistic networks. The company's traffic flow optimisation programme takes into account collective and ecological goals in addition to individual mobility goals of road users and strategic goals for road operators.



Picture taken from un.org

PSI's production line for the manufacturing industry supports new types of production methods, characterised by flexible, decentralised manufacturing methods and enables the sustainable productions of smaller quantities of innovative products. Moreover, the company's software

solutions help to save transport costs and emissions, thus contributing to sustainable consumption.



Picture taken from un.org

As mentioned beforehand, the company's software solutions contribute to the careful and sustainable use of energy, raw materials and labour in the energy industry and the production sector. In addition to that, PSI has been participating in the Carbon Disclosure Project (CDP) since 2011 and has

significantly improved its score since then. The company uses green IT equipment, exclusively buys electricity generated through hydropower and conducted an energy audit in accordance with DIN EN 16247-1 recently.



Picture taken from un.org

In order to achieve business and sustainability goals, PSI relies on strong partnerships, especially on an international level. Potential business partners have to implement and meet the company's demands for quality and performance. They have to comply with legal standards on dignified

work, the protection of natural resources, fair business practices and the protection of intellectual property.

Dr. Kalliwoda SDG Rating (KSR) - PSI Software AG									Pts.	MAX
1	No Poverty	-3	-2	-1	0	1	2	3	2	3
2	Zero Hunger	-3	-2	-1	0	1	2	3	1	3
3	Good Health and Well-Being	-3	-2	-1	0	1	2	3	3	3
4	Quality Education	-3	-2	-1	0	1	2	3	2	3
5	Gender Equality	-3	-2	-1	0	1	2	3	2	3
6	Clean Water and Sanitation	-3	-2	-1	0	1	2	3	2	3
7	Affordable and Clean Energy	-3	-2	-1	0	1	2	3	3	3
8	Decent Work and Economic Growth	-3	-2	-1	0	1	2	3	3	3
9	Industry, Innovation and Infrastructure	-3	-2	-1	0	1	2	3	3	3
10	Reduced Inequalities	-3	-2	-1	0	1	2	3	2	3
11	Sustainable Cities and Communities	-3	-2	-1	0	1	2	3	3	3
12	Responsible Consumption and Production	-3	-2	-1	0	1	2	3	3	3
13	Climate Action	-3	-2	-1	0	1	2	3	3	3
14	Life Below Water	-3	-2	-1	0	1	2	3	1	3
15	Life on Land	-3	-2	-1	0	1	2	3	2	3
16	Peace, Justice and Strong Institutions	-3	-2	-1	0	1	2	3	1	3
17	Partnerships for the Goals	-3	-2	-1	0	1	2	3	3	3
Summe									39	51
									76,5%	

DR. KALLIWODA SDG RATING	< 0%	0%-25%	26%-50%	51%-75%	76%-100%
	E	D	C	B	A

A	Very sustainable
B	Promotes the transition to sustainability
C	On the way to sustainability
D	Less sustainable, but less negative impact
E	Not sustainable

3	The company has increased the goal
2	
1	
0	The company does not reduce nor increase the goal
-1	
-2	
-3	The company has severe negative impacts on the goal

5. Valuation

To value PSI, we used a traditional DCF model, which derives a 12-months target price for the stock of **€35**. Compared to the current market level, this corresponds to an upside of around 51.1%.

DCF Valuation Model

Free Cash Flow Calculation												Phase II	
Discount Period	0	0	0	1	2	3	4	5	6	7	8	9	10
All figures in EUR'000	2018	2019	2020	2021	2022	2023E	2024E	2025e	2026e	2027e	2028e	2029e	2030e
Net sales	199,156.0	225,180.0	217,795.0	245,493.0	247,938.0	269,756.5	289,988.3	314,737.4	341,434.3	370,480.5	402,082.8	437,466.1	475,963.1
(y-o-y change)	7.0%	13.1%	-3.3%	12.7%	1.0%	8.8%	7.5%	8.5%	8.5%	8.5%	8.5%	8.8%	8.8%
EBIT	15,450.0	17,205.0	14,948.0	24,955.0	20,186.0	6,579.1	29,377.9	32,893.6	39,909.3	52,524.1	59,793.9	68,011.9	77,035.8
(EBIT margin)	7.8%	7.6%	6.9%	10.2%	8.1%	2.4%	10.1%	10.5%	11.7%	14.2%	14.9%	15.5%	16.2%
Tax rate	-37.2%	-15.3%	-21.0%	-28.7%	-28.7%	-28.7%	-28.7%	-28.7%	-28.7%	-28.7%	-28.7%	-28.7%	-28.7%
NOPLAT	9,702	14,578	11,809	17,795	14,394	4,691	20,949	23,456	28,459	37,455	42,639	48,499	54,934
+ Depreciation & amortisation	4,611.0	10,832.0	12,220.0	12,981.0	13,814.0	14,504.7	14,649.7	14,796.2	14,944.2	15,093.6	15,244.6	15,397.0	15,551.0
= Net operating cash flow	14,313.0	25,409.6	24,028.9	30,776.2	28,208.5	19,196.2	35,598.9	38,252.4	43,403.2	52,548.2	57,883.2	63,895.8	70,484.7
- Total investments (Capex and WC)	-3,917.7	-57,887.2	-12,591.0	-6,043.7	-28,809.9	-15,379.6	-15,212.2	-15,063.2	-14,932.6	-14,820.8	-14,727.8	-14,654.0	-14,599.7
Capital expenditure	-6,148.7	-41,874.2	-20,021.0	-11,623.5	-12,038.1	-13,727.1	-13,491.7	-13,271.1	-13,065.4	-12,874.5	-12,698.3	-12,536.8	-12,390.2
Working capital	2,231.0	-16,013.0	7,430.0	5,579.8	-16,771.8	-1,652.5	-1,720.6	-1,792.1	-1,867.2	-1,946.3	-2,029.5	-2,117.2	-2,209.5
= Free cash flow (FCF)	10,395.4	-32,477.7	11,437.9	24,732.5	-601.5	3,816.5	20,386.7	23,189.2	28,470.6	37,727.4	43,155.4	49,241.8	55,885.0
Free cash flow margin	5.2%	-14.4%	5.3%	10.1%	-0.2%	1.4%	7.0%	7.4%	8.3%	10.2%	10.7%	11.3%	11.7%
PV of FCFs			13,082.1	28,287.7	-639.9	3,776.6	18,764.3	19,852.9	22,671.8	27,944.6	29,732.3	31,555.8	33,311.3

Valuation box

All figures in EUR'000	
PV of FCFs in explicit period	187,609.6
Residual free cash flow	35,174.3
FV Residual period CFs in last year explicit period	558,382.5
PV of FCFs in terminal period	332,834.7
Terminal sales growth	1.2%
Terminal EBIT margin	13.0%
Terminal tax rate	34.0%
Terminal incremental investment rate	-5.3%
Implied Enterprise value (EV)	520,444.2
+ Net cash / - net debt	-10,412
+ investments / - minorities	0
Shareholder value	510,032.2
Number of shares outstanding (m)	15,680.0
Fair value per share in € (today)	32.5
Fair value per share in € (in 12 months)	35.0

Source: Dr. Kalliwoda Research GmbH © 2023 & PSI Software SE

WACC assumptions

Growth assumptions

Long-term growth rate	1,2%
Assimilation phase (from 2019)	5 years
Sales growth at the beginning	-

Equity

Risk-free rate	3,5%
Market risk premium	8%
Beta	1,19

Equity costs

Equity costs	12,4%
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Debt costs

Debt costs (before tax)	6%
Tax rate on interest	30%
Debt costs (after tax)	4,4%

Equity	39%
Debt	61%
Gearing	158,6%
WACC	7,51%

Source: Dr. Kalliwoda Research GmbH © 2023

Q3/2023 Results and comparisons to previous quarters are shown in the following tables & graphs:

Q3 2023 vs Q3 2022

in EURm	Q3 2023	Q3 2022	change yoy
Net sales	65.19	58.47	11.49%
EBITDA in Mio Euro	6.26	7.02	-10.79%
EBITDA margin	9.60%	12.00%	-19.99%
EBIT in Mio Euro	2.65	3.70	-28.34%
EBIT margin	4.1%	6.3%	-35.73%
Net income in Mio Euro	1.61	1.88	-14.18%
Net income margin	2.5%	3.2%	-23.03%

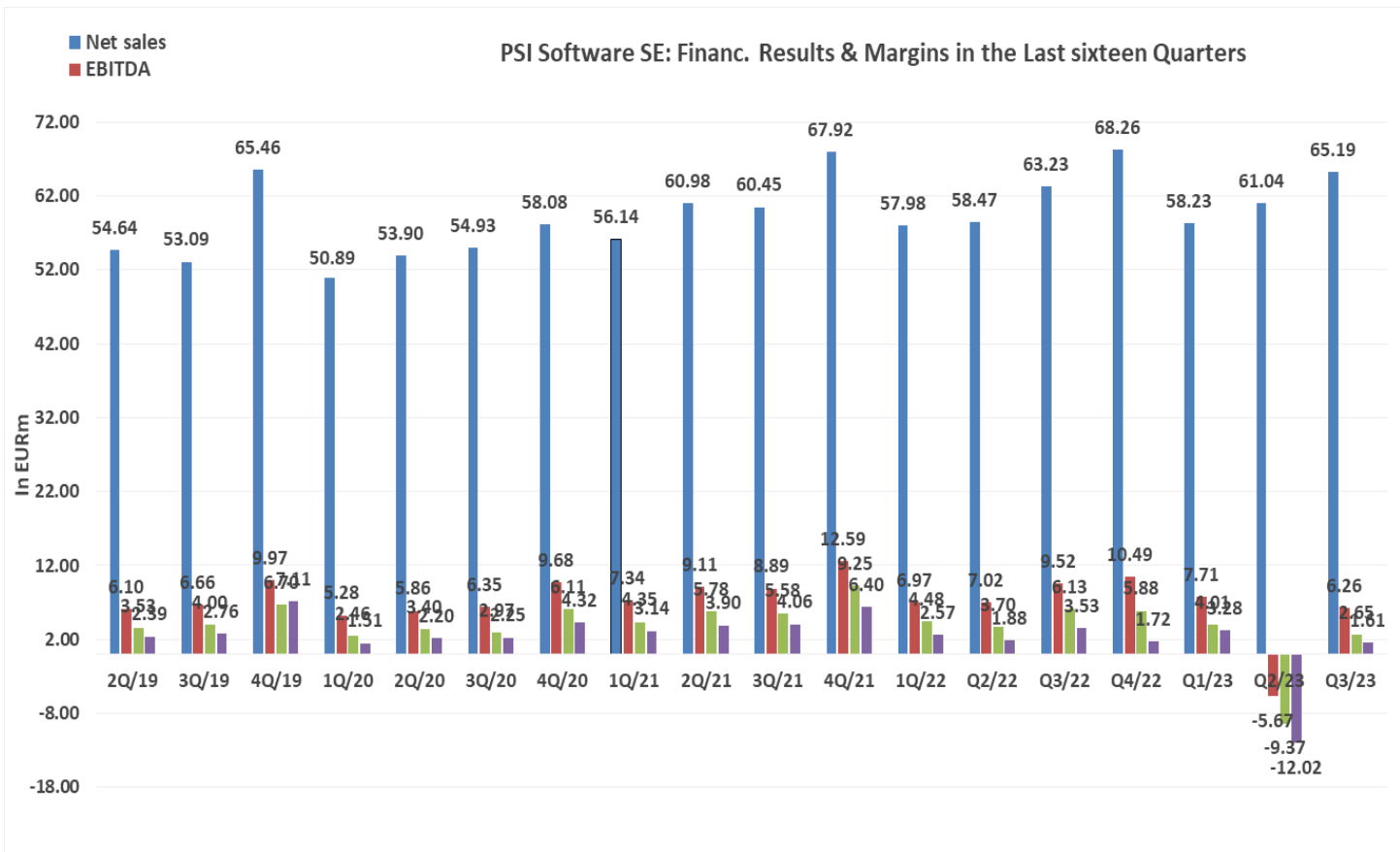
Source: Dr. Kalliwoda Research GmbH © 2023

Financial Results & Margins

in EURm	1Q/21	2Q/21	3Q/21	4Q/21	1Q/22	2Q/22	3Q/22	Q4/22	Q1/23	Q2/23	Q3/23
Net sales	56.14	60.98	60.45	67.92	57.98	58.47	63.23	68.26	58.23	61.04	65.19
EBITDA	7.34	9.11	8.89	12.59	6.97	7.02	9.52	10.49	7.71	-5.67	6.26
EBIT (Operating Profit)	4.35	5.78	5.58	9.25	4.48	3.70	6.13	5.88	4.01	-9.37	2.65
Net income	3.14	3.90	4.06	6.40	2.57	1.88	3.53	0.00	3.28	-12.02	1.61
EBITDA margin	13.1%	14.9%	14.7%	18.5%	12.0%	12.0%	15.1%	15.4%	13.2%	-9.3%	9.6%
EBIT margin	7.8%	9.5%	9.2%	13.6%	7.7%	6.3%	9.7%	8.6%	6.9%	-15.4%	4.1%
Net margin	5.6%	6.4%	6.7%	9.4%	4.4%	3.2%	5.6%	0.0%	5.6%	-19.7%	2.5%

Source:

Dr. Kalliwoda Research GmbH
©2023



Source: Dr. Kalliwoda Research GmbH © 2023, PSI Software SE

6. Outlook

For the full year 2023, the PSI management remains confident in achieving the planned increases of 10% in order intake and revenue compared to the previous year. This demonstrates PSI's ambition to further expand its market presence and indicates the sustained demand for its products and services.

Regarding the operating result, the outlook is adjusted to account for one-time expenses, with the expected range between 5 and 7 million euros. Despite the challenges faced in the first half of 2023, PSI continues to strive for a solid business performance. The Production Management segment is projected to slightly exceed its annual target, achieving an operating result of 18 million euros, reflecting positive developments and effective business management.

The management reaffirms its long-term growth strategy for the PSI Group. This strategy aims to position the company successfully in the market and capitalize on potential growth opportunities in the years to come.

Overall, the outlook for the year 2023 presents a positive perspective for the PSI Group. With a focus on innovation, customer satisfaction, and strong management, the company aims to further solidify its position as a leading provider of solutions in the fields of Energy Management and Production Management. Despite potential challenges, the management maintains its optimistic outlook, anticipating sustainable growth for PSI in the long term. For 2024 and 2025 we estimate revenues of 219 and 314 million euros while the EBIT for the respective years is expected to be 29 and 33 million euros.

Our updated valuation model points to the **share as a “BUY”, with a 12-month target price of EUR 35 (previously 49.10) due to lower EBIT estimates and due to an estimated increase of pre-tax debt rate from 4% to 6.4%.**

7. Profit & Loss

Profit and loss statement - PSI Software AG													
in EURm	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Sales split													
Energy management	99.71	115.76	120.00	138.07	130.41	146.52	159.49	173.11	187.79	203.76	221.15	240.61	261.78
Production management	99.45	109.43	97.79	107.43	114.80	122.74	130.49	141.63	153.65	166.72	180.94	196.86	214.18
Net sales	199.16	225.18	217.80	245.49	245.21	269.26	289.99	314.74	341.43	370.48	402.08	437.47	475.96
Cost of goods sold	-28.92	-32.26	-29.73	-35.76	-36.30	-50.69	-44.12	-48.13	-52.47	-57.22	-62.42	-68.25	-74.63
Gross profit	170.24	194.82	186.11	210.83	212.91	218.98	245.78	266.53	288.88	313.18	339.59	369.14	401.26
Other operating income	5.90	6.60	6.75	9.06	13.63	14.83	15.95	17.31	18.77	20.37	22.11	24.05	26.17
Personnel costs	-121.28	-137.80	-141.38	-158.71	-161.55	-181.61	-186.27	-204.39	-220.73	-233.54	-253.94	-276.74	-301.46
Depreciation & Amortization	-4.61	-10.83	-12.22	-13.05	-13.81	-14.50	-14.65	-14.80	-14.94	-15.09	-15.24	-15.40	-15.55
Other operating expenses	-34.80	-33.69	-26.27	-26.12	-29.72	-31.20	-31.52	-31.83	-32.15	-32.47	-32.80	-33.12	-33.45
EBIT	15.45	17.21	14.95	23.81	20.19	6.58	29.38	32.89	39.91	52.52	59.79	68.01	77.04
Net financial results	-0.93	-0.77	-1.29	-0.54	-0.26	-0.63	-1.20	-1.33	-1.48	-1.64	-1.82	-2.02	-2.25
EBT	14.52	16.44	13.66	23.27	19.92	5.95	28.18	31.56	38.43	50.88	57.97	65.99	74.79
Income taxes	-3.94	-2.18	-3.38	-7.43	-3.18	-1.90	-9.00	-10.08	-12.27	-16.25	-18.51	-21.07	-23.89
Result after income taxes from con	10.59	14.26	10.28	15.84	16.75	4.05	19.18	21.48	26.16	34.64	39.46	44.92	50.91
EPS	0.68	0.91	0.66	1.01	0.62	0.26	1.22	1.37	1.67	2.21	2.52	2.86	3.25
DPS	0.25	0.05	0.30	0.40	0.40	0.09	0.40	0.45	0.55	0.73	0.83	0.95	1.07
Change y-o-y													
Net sales	7.02%	13.07%	-3.28%	12.72%	-0.12%	9.81%	7.70%	8.53%	8.48%	8.51%	8.53%	8.80%	8.80%
Cost of goods sold	6.21%	11.55%	-7.83%	20.27%	1.51%	39.64%	-12.96%	9.08%	9.03%	9.05%	9.07%	9.35%	9.35%
Gross profit	7.16%	14.44%	-4.47%	13.28%	0.99%	2.85%	12.24%	8.44%	8.39%	8.41%	8.43%	8.70%	8.70%
Other operating income	40.29%	11.84%	2.24%	34.23%	50.49%	8.80%	7.50%	8.53%	8.48%	8.51%	8.53%	8.80%	8.80%
Personnel costs	7.95%	13.62%	2.60%	12.26%	1.79%	12.42%	2.56%	9.73%	7.99%	5.80%	8.74%	8.98%	8.93%
Depreciation & Amortization	5.98%	134.92%	12.81%	6.77%	5.88%	5.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other operating expenses	5.40%	-3.19%	-22.04%	-0.54%	13.77%	5.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
EBIT	15.60%	11.36%	-13.12%	59.28%	-15.22%	-67.41%	346.54%	11.97%	21.33%	31.61%	13.84%	13.74%	13.27%
Net financial results	10.23%	-17.48%	68.10%	-57.93%	-51.57%	140.00%	91.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
EBT	15.96%	13.20%	-16.90%	70.31%	-14.37%	-70.14%	373.54%	12.01%	21.76%	32.40%	13.93%	13.83%	13.34%
Income taxes	30.10%	-44.69%	55.28%	119.72%	-57.22%	-40.22%	373.54%	12.01%	21.76%	32.40%	13.93%	13.83%	13.34%
Result after income taxes from cont	11.46%	34.74%	-27.92%	54.06%	5.73%	-75.81%	373.47%	12.01%	21.77%	32.40%	13.93%	13.83%	13.34%
EPS	11.25%	34.73%	-27.96%	54.08%	-38.51%	-58.41%	373.61%	12.00%	21.76%	32.39%	13.92%	13.82%	13.33%
DPS	8.70%	-80.00%	500.00%	33.33%	0.00%	-78.68%	373.61%	12.00%	21.76%	32.39%	13.92%	13.82%	13.33%
Share in total sales													
Total Output	100.00%	100.84%	99.10%	99.28%	100.52%	99.97%	99.97%	99.97%	99.98%	99.98%	99.98%	99.98%	99.98%
Cost of goods sold	14.52%	14.33%	13.65%	14.57%	14.80%	18.83%	15.22%	15.29%	15.37%	15.45%	15.52%	15.60%	15.68%
Gross profit	85.48%	86.52%	85.45%	85.88%	86.83%	81.33%	84.76%	84.68%	84.61%	84.53%	84.46%	84.38%	84.30%
Other operating income	2.96%	2.93%	3.10%	3.69%	5.56%	5.51%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Personnel costs	60.90%	61.19%	64.91%	64.65%	65.88%	67.45%	64.23%	64.94%	64.65%	63.04%	63.16%	63.26%	63.34%
Depreciation & Amortization	2.32%	4.81%	5.61%	5.31%	5.63%	5.39%	5.05%	4.70%	4.38%	4.07%	3.79%	3.52%	3.27%
Other operating expenses	17.47%	14.96%	12.06%	10.64%	12.12%	11.59%	10.87%	10.11%	9.42%	8.76%	8.16%	7.57%	7.03%
EBIT	7.76%	7.64%	6.86%	9.70%	8.23%	2.44%	10.13%	10.45%	11.69%	14.18%	14.87%	15.55%	16.19%
Net financial results	0.47%	0.34%	0.59%	0.22%	0.11%	0.23%	0.41%	0.42%	0.43%	0.44%	0.45%	0.46%	0.47%
EBT	7.29%	7.30%	6.27%	9.48%	8.13%	2.21%	9.72%	10.03%	11.26%	13.73%	14.42%	15.08%	15.71%
Income taxes	1.98%	0.97%	1.55%	3.03%	1.30%	0.71%	3.10%	3.20%	3.59%	4.39%	4.60%	4.82%	5.02%
Result after income taxes from cont	5.31%	6.33%	4.72%	6.45%	6.83%	1.50%	6.61%	6.83%	7.66%	9.35%	9.81%	10.27%	10.70%

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8. Balance Sheet

Balance sheet - PSI Software AG													
in EURm	2018	2019	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Assets													
Cash and cash equivalents	44.58	38.66	40.48	67.48	45.44	49.99	54.99	60.49	66.53	73.19	80.51	88.56	97.41
Inventories	8.71	10.61	8.66	6.86	8.14	8.06	7.98	7.90	7.82	7.74	7.66	7.59	7.51
Trade accounts and notes receivables	34.41	38.46	29.21	35.18	42.03	42.87	43.73	44.60	45.50	46.41	47.33	48.28	49.25
Receivables from long-term manufacturing	34.37	40.73	47.71	48.44	49.92	50.66	51.42	52.20	52.98	53.77	54.58	55.40	56.23
Other current assets	5.72	7.86	8.57	6.39	8.71	9.31	9.97	10.66	11.41	12.21	13.06	13.98	14.96
Current assets	127.79	136.31	134.62	164.35	154.23	160.89	168.08	175.84	184.24	193.31	203.15	213.80	225.35
Property, plant and equipment	13.59	37.04	38.93	38.03	37.89	39.79	41.78	43.86	46.06	48.36	50.78	53.32	55.98
Goodwill and intangibles assets	58.89	64.42	70.20	70.02	73.19	62.65	63.27	63.91	64.54	65.19	65.84	66.50	67.17
Shares in associated companies	0.44	0.44	0.44	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.69	0.45	0.45
Deferred tax assets	7.97	10.63	15.21	10.29	6.59	6.79	6.99	7.20	7.42	7.64	7.87	8.10	8.35
Non-current assets	80.88	112.53	124.78	119.04	118.37	109.91	112.73	115.66	118.71	121.88	125.18	128.37	131.94
Total assets	208.67	248.84	259.40	283.39	272.60	270.81	280.82	291.51	302.95	315.20	328.33	342.17	357.30
Liabilities													
Trade payables	16.44	17.45	17.98	21.70	23.40	23.52	23.63	23.75	23.87	23.99	24.11	24.23	24.35
Other liabilities	31.19	33.32	34.61	29.44	23.59	23.71	23.83	23.94	24.06	24.18	24.31	24.43	24.55
Liabilities from long-term manufacturing	16.53	17.21	13.93	23.69	22.98	23.21	23.44	23.68	23.92	24.16	24.40	24.64	24.89
Financial liabilities	1.80	1.11	0.07	0.86	4.67	4.48	4.30	4.13	3.96	3.81	3.65	3.51	3.37
Provisions	0.00	0.00	0.00	2.03	2.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current liabilities	65.96	69.10	66.58	77.72	76.95	74.92	75.21	75.50	75.81	76.14	76.47	76.81	77.15
Long-term bank debt	0.00	22.52	21.85	21.57	18.44	18.71	18.99	19.28	19.57	19.86	20.16	20.46	20.77
Pension provisions	51.28	54.74	56.42	55.46	44.27	44.94	45.61	46.29	46.99	47.69	48.41	49.14	49.87
Deferred tax liabilities	4.80	6.33	8.73	8.55	4.89	4.97	5.04	5.12	5.19	5.27	5.35	5.43	5.51
Long-term liabilities	56.08	83.59	87.00	85.58	67.60	68.61	69.64	70.69	71.75	72.82	73.92	75.02	76.15
Total liabilities	122.04	152.69	153.58	163.30	144.55	143.53	144.85	146.19	147.56	148.96	150.38	151.83	153.30
Shareholders equity	86.63	96.15	105.82	120.09	128.05	127.28	135.97	145.32	155.39	166.24	177.95	190.34	203.99
Total equity and liabilities	208.67	248.84	259.40	283.39	272.60	270.81	280.82	291.51	302.95	315.20	328.33	342.17	357.30

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9. Financial Ratios

Fiscal year	2020	2021	2022	2023e	2024e	2025e	2026e	2027e	2028e
Gross margin	86.2%	85.5%	85.4%	81.2%	84.8%	84.7%	84.6%	84.6%	84.5%
EBITDA margin	12.5%	14.8%	13.7%	7.8%	15.2%	15.2%	16.1%	18.3%	18.7%
EBIT margin	6.9%	9.7%	8.1%	2.4%	10.1%	10.5%	11.7%	14.2%	14.9%
Net margin	4.7%	6.5%	6.8%	1.5%	6.6%	6.8%	7.7%	9.3%	9.8%
Return on equity (ROE)	10.2%	13.8%	14.1%	3.4%	14.8%	15.5%	17.5%	21.6%	23.0%
Return on assets (ROA)	4.0%	5.6%	6.1%	1.5%	6.8%	7.4%	8.6%	11.0%	12.0%
Net debt (in EURm)	37.85	10.41	21.93	18.14	13.92	9.21	3.98	-1.83	-8.29
Net gearing	37.7%	9.1%	18.4%	15.0%	10.7%	6.6%	2.7%	-1.1%	-4.8%
Equity ratio	38.7%	40.4%	43.7%	44.6%	46.1%	47.7%	49.2%	50.8%	52.4%
Current ratio	1.87	1.96	1.79	1.98	2.06	2.15	2.25	2.35	2.46
Quick ratio	1.09	1.30	1.12	1.25	1.33	1.41	1.50	1.60	1.71
Net interest cover	11.62	44.01	77.05	10.46	24.46	24.67	26.97	31.98	32.80
Net debt/EBITDA	1.39	0.28	0.65	0.86	0.32	0.19	0.07	-0.03	-0.11
Capex/Sales	9.2%	4.7%	4.9%	5.1%	4.7%	4.2%	3.8%	3.5%	3.2%
Working capital/Sales	12.7%	8.9%	15.7%	15.0%	14.5%	14.0%	13.4%	12.9%	12.4%
P/E	30.51	19.80	32.20	77.41	16.34	14.59	11.99	9.05	7.95

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Date of first publication of this document: 13th of November 2023.

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