Investment case

ABOUT ALL FOR ONE GROUP SE

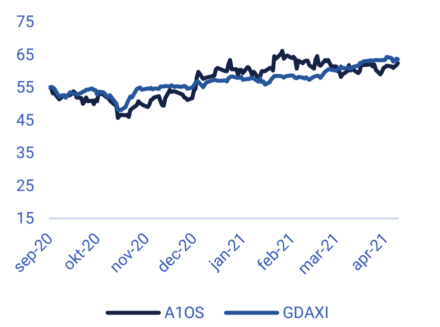
All for One Group SE; with its predecessor AC-Automation Center founded in 1959, is a strategic consulting and IT group implementing software solutions mainly on the SAP ERP platforms. All for One Group SE includes Microsoft and some IBM solutions in their offering.

STRENGTH, OPPORTUNITIES AND RISKS

- All for One Group SE is via UnitedVARs (see below) one of ten Platinum partners to SAP and the only in Germany. This gives the company a beneficial position when providing competitive IT software solutions.
- The company has a strong market position in the German-speaking mid-size industrial client segment, where none of these make up more than 2.5 percent of total revenues.
- The conversion process from the old SAP R3 platform to the new S4/HANA is huge, since all new clients should be transformed by 2027. It will be a massive workload for the company expected to peak in 2023-2024.
- Recurring revenue streams assignable to software and cloud services has increased over time to currently represent 52 percent of total group revenues.
- Beside the SAP and Microsoft cloud subscriptions and software licenses, All for One Group SE is offering their clients services in Cyber Security, Internet of Things, and own IP.

- Given the current business environment with the Covid-19 pandemic it is difficult to raise prices.
- Revenue growth will probably be relatively low in 2021 and 2022. We will have to wait to 2023-2024 until the transformation work has loaded up to its maximum and higher revenue growth can be attained. Improved EBIT margins and earnings will follow as revenue growth then should take off.

SHARE PRICE GRAPH



Source: Thomson Reuters Eikon

CARLSQUARE EQUITY RESEARCH

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The SAP S4/HANA conversion to last until 2027

We see great possibilities for All for One Group to increase its revenues as the S4/HANA conversion projects materialize at a higher pace from 2022. There is a 22 percent share price potential for the stock up to our Base case of EUR 75.3.

Market leader in the DACH region for SAP solutions

With some 2,500 clients in Germany, Austria, and Switzerland out of which some 1,000 are core SAP licenses driven, and a fourth market in Poland on its way, All for One Groups challenge now is to migrate its SAP customers from the old SAP R3 to the new S4/HANA platform. If successful, this project will guarantee a high occupancy rate for All for One Group´s consultants with a work peak anticipated in 2023 and 2024.

New offerings to top All for One Group´s revenue growth

All for One Group has developed four lines of business offerings (segment: LOB) and three further CORE segments offerings, all offerings provide customers with add-on services. An increasing amount of data is being collected and processed out of data from customers´ operations. These seven offerings add revenue streams and earnings to All for One Group.

Alliance provides an opportunity to serve clients around the world

To deliver its services on a global basis, All for One Group has been co-founder and part of the United VARs alliance since 2006. It includes 50 SAP partners in 100 countries. This means that All for One Group obtains global on-site support to implement SAP ERP systems at its German industrial companies' worldwide factories, for example. This is good as ERP systems are often locally adapted.

An increased share of recurring revenue justifies a higher valuation

All for One Group´s recurring revenue has increased by 12 percent per year since 2012/13 to make up 52 percent of total income in 2019/20. The largest growth is found in Cloud Services & Support, which have seen a 14 percent CAGR since 2012/13. An increased share of recurring revenues also provides higher predictability and thereby justifies a higher valuation of All for One Group.

Covid restrictions extend decisions to convert to SAP S4/HANA

With the Covid pandemic ongoing, we see that industrial customer need more time to make the decision to invest digitalized business models. The goal of completing the S4/HANA conversion has been postponed by SAP from 2025 to 2027. Customer segments that have benefited from the pandemic, such as e-commerce and the packaging industry, have been more eager to invest in enhanced IT solutions.

Valuation of the All for One Group stock in three scenarios

We value All for One Group in our base case-scenario to EUR 75.3 per share by combining a DCF valuation model and a multiple valuation model. This corresponds to a 21 percent share price potential. In our bear- and bull-scenarios, the value per share is EUR 61.3 and EUR 89.3, respectively.

Financials, EURm

	2018/19	2019/20	2020/21E	2021/22E	2022/23E
Sales revenues	359	355	362	380	415
EBITDA	26,6	42,2	41,4	45,7	54,2
EBIT	12,6	19,3	19,5	23,0	29,7
EPS	2,05	2,55	2,53	2,99	3,93
DPS	1,20	1,20	1,25	1,30	1,35
Revenue growth	8,1%	-1,1%	1,9%	5,0%	9,2%
EPS growth	-42%	25%	-1%	18%	31%
EBITDA-margin	7,4%	11,9%	11,4%	12,0%	13,1%
EBIT-margin	3,5%	5,4%	5,4%	6,0%	7,2%
EV/Sales	0,5x	0,7x	0,8x	0,7x	0,6x
EV/EBITDA	3,6x	5,3x	6,6x	5,8x	4,6x
Net Cash	5	21	32	43	59
P/E	19,8x	21,1x	24,7x	20,9x	15,9x
EBITDA-margin	7,4%	11,9%	11,4%	12,0%	13,1%

Sources: Company information and Carlsquare estimates

Investment case

The All for One Group SE (All for One Group or the company) enjoys (via United VARs) a strong position as one of ten Platinum partners for SAP in the German-speaking region (Germany, Switzerland, and Austria). With the planned acquisition of SNP Poland, a S/4HANA conversion center and a fourth market will be added. We are in the beginning of a major transformation phase when the SAP R3 system is to be converted to SAP S4/HANA. We foresee the company´s revenues and earnings to gradually increase with a peak in 2023-2024.

Strong demand for digitalized business models

The All for One Group was founded in 1959 as an IT services outsourcing company.

The All for One Group´s history goes back to 1959 when the Wettingen in Switzerland-based AC-Automation Center AG was founded. This company emerged from the spin-off of the AMAG Group´s IT services. They offered data processing services to companies without their own IT systems as part of the outsourcing. The company later expanded as AC-Service GmbH to Germany and Austria.

A management buy-out of the company took place in 1994. The company, originally as AC-Service AG, has been quoted since 30 November 1998, first on the German new market and today on the German Stock Exchange.

As part of the realignment of the AC Group to become a full-service SAP provider in German-speaking countries, AC-Service AG and the All for One Midmarket Solutions & Services GmbH were merged to form All for One Midmarket AG. Some year later the group was renamed to All for One Steeb AG, since 2020 to All for One Group SE

Today, All for One Group´s HQ is in Filderstadt in south-western Germany (near Stuttgart, Baden-Würtemberg). The company had about 1840 employees as of 31 December 2020.

Since the financial year 2009/10, the company´s recurring revenues have increased by a factor of six, total revenues by factor five and EBIT by factor eight. It has been achieved with a business concept of being an SAP full-service provider for the mid-market segment in the German language region (Germany, Austria, and Switzerland), with a focus on a few core industries. The revenue distribution in FY 2019/20 was 86 percent in Germany, six percent in Austria, four percent in Switzerland and four percent in other countries.

Following the planned acquisition of SNP Poland, Poland will become the second largest market for All for One Group- slightly larger than Austria. A rather significant part of SNP Poland's customer base is made up of local German subsidiaries in the engineering sector.

In total, All for One Group has a customer base of some 2,500 industrial enterprises predominately in the mid-sized to upper mid-sized industrial companies. Large customer segments are Machinery, Automotive parts, Supplier parts and Consumer Goods.

All for One Group provides the following SAP Services:

- Business Processes and IT Consulting
- Implementation and Software Integration
- Software maintenance
- Cloud-, Outsourcing-/Managed Services, Application Management
- Business process outsourcing for human resource management.
- SAP on Microsoft Azure operations

The company provides end-to-end solutions across the entire IT value chain, from SAP Industry solutions, originally for small- and mid-sized businesses now migrated to also include the upper mid-market, to outsourcing and application management. Mid-sized companies are defined as having annual revenues from EUR 50m to EUR 2bn. Meanwhile the upper mid-market segment, which All for One Group has just started marketing towards, comprises companies with a turnover of EUR 3-5bn.

The market leading SAP ERP system has until now been built on the R3 platform. The process has just started to convert this into the new S4/HANA platform, which was launched in 2015 and constitutes the fourth generation of SAP ERP backbone. All for One Group must negotiate and sign contracts with all its customers regarding this conversion and has therefore developed a unique subscription model (CONVERSION/4) based on SNP technology (Bluefield), Microsoft (Azure) and SAP to provide customers with transformation and innovation on a fixed price monthly fee. During pandemic, customers usually postpone decisions on such major changes. This is since they need to be convinced of the improvements that the new system entails. But it also matters that customers need to get involved in an upgrade, as well as the company must invest to implement the change.

Having closed these agreements with customers, it adds an opportunity for All for One Group to market and sell additional software and services to further digitize its customers operations. All for One Group has as a core move developed a portfolio of seven new offerings. These are Employee Experience, Data and Business Analytics, Customer Experience, Strategy & Transformation (all belonging to LOB segment), as well as Cybersecurity & Compliance, IoT & Machine Learning and New Work & Collaboration to further strengthen its SAP S/4HANA based CORE Segment. These new offerings are linked to the launch of the S4/HANA as well as to SAP's "Cloud first" strategy to provide customers with a digital core for business transformation towards an intelligent enterprise. With the broadening of its portfolio from only one segment as late as 2005-2006 to now two segments, CORE and LOB (Lines of Business) today, All for One Group has taken the same path as SAP itself. This also includes the strategy of "born in the cloud" products and solutions to acquire rather than to develop (SAP: i.e., Successfactors, Hybris, Concur; All for One Group: i.e., b4b solutions, talentchamp, CDE). New alliances with i.e., Microsoft (Azure cloud platform) have also been entered into for this purpose.

Almost half of All for One´s client is pure SAP-driven

Some 1,000 out of a total 2,500 All for One Group clients are core SAP license driven (licence / maintenance agreement via All for One Group), while the other clients demand a mix of mainly SAP, Microsoft and IBM based services. None of the customer's account for more than 2,5 percent of the Group's revenues.

All for One Group has followed its clients to their factories around the world with the help of partners in the United VARs Alliance, consisting of 50 international partner companies in more than 100 countries. This seem to be a good arrangement, since the IT implementation process often include local customizations.

An improvement of business confidence in Germany could accelerate the pace of customer´s IT investments.

SAP reported their figures for Q1 2021 on April 13th. Sales of software licenses increased by 11 percent, which was 22 percent better than the market expectations. IT services for cloud solutions had a growth of 13 percent compared to Q1 2020, which was just below expectations of a growth of 14.7 percent. The order book was enlarged by 14.8 percent compared with last year. It was in line with expectations, which was 15.2 percent. SAP´s surprisingly strong Q1 2021 results are positive news for All for One Group. This is since the company´s operations live in a symbiosis with the sales development for SAP´s products. All for One Group submits its Q2 2020/21 update on 7 May.

Motivated value of EUR 75.3 per share

While the All for One Group share is traded slightly above our estimated DCF value, the discount on EV/Sales- and EV/EBITDA-multiples against peers' amount to 55-60 percent. In our valuation model we apply a 30 percent discount on those multiples. Using a combined DCF and peer valuation model we then arrive at a motivated value for the All for One Group share of EUR 75.3 This motivated value varies from EUR 61.3 per share in our bear case to EUR 89.3 per share in our bull case.

The All for One Group share is traded at a significant discount to our DCF value.

SAP system conversion and digitalization drives business

A strong presence and a unique understanding of its mid-sized industrial clients means that the All for One Group can expand by adding new digitalization software tools to its business portfolio.

Industrial clients with a focus on SAP solutions

All for One Group has a solid knowledge of the implementation and service of SAP´s business system, but also complementary IT systems and consulting to some 2,500 clients in total.

The All for One Group has a client base of around 2,500 mainly mid-sized industrial and machinery companies. Out of these, some 1,000 have (All for One Group contracted) SAP ERP systems integrated in their business processes. This makes All for One Group to one of the largest SAP implementation partners in the German-speaking region of Germany, Austria, and Switzerland. The Group attained a 16 percent revenue CAGR from 2011/12 to 2019/20.

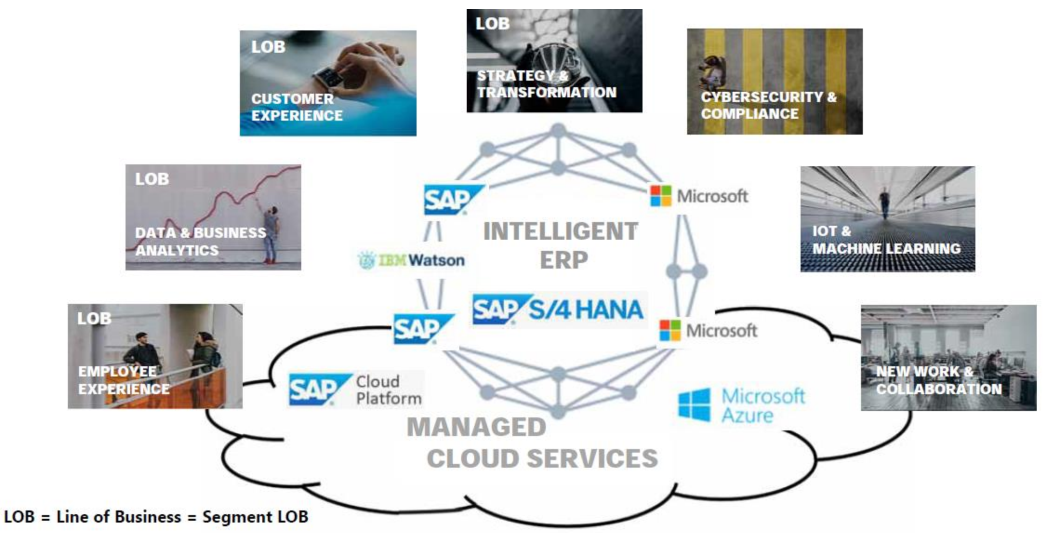
The bulk of business is derived from implementing and supporting the SAP R3, and since 2015 the new S4/HANA systems, at its clients. However, so far only a few of the clients have converted to the S4/HANA. This means that on average 150 of the customers should run through the conversion process each year until 2027.

Today, only ten of All for One Group's customers have signed contracts for conversion to S4/HANA, since the CONVERSION/4 subscription package was launched in August 2020. Negotiations are under way for another 70 or so. In such processes of changing data bases and systems during a pandemic, customers tend to be cautious to decide to change and invest in something new. For All One for One Group, it has become an advantage that only a few customers have converted so far. This is since the company themselves are on a learning curve (SNP bluefield technology) to execute the conversion to S4/HANA semi-automatic in the most efficient way.

The All for One Group also offers several add-on services linked to a further digitalization of the client's business models. The seven new offerings in the All for One Group business portfolio are illustrated in the chart below. Today, 15-20 percent of All for One Group's sales revenues derive from the LOB segment. These solutions are typically purchased by other managers in the company (e.g., HR, Marketing, Sales or CFO for analytics) than have usually been buying SAP ERP applications. These new client executives have their own IT budgets. They purchase these LOB services on a Cloud based subscription model, which will affect All for One Group figures in a positive and predictable way.

As of 2005-2006, All for One Group was a one-segment company. Now there are two segments: CORE and LOB (Lines of business). SAP shows a similar development, and it is the cloud-based applications that are growing the most.

The All for One Group's enhanced business portfolio with LOBs



Source: Company information.

Until now, All for One Group has targeted companies in the German-speaking region with a turnover from EUR 50m to EUR 1bn. In the next step with a diversification of a larger digitalization concept, the company are moving towards the Upper Mid-Market, where customers have had EUR 3-5 bn in turnover.

All for One Group's view is that the German SAP market is large enough to provide the conditions for continued good revenue growth. This is especially true when considering the upper customer segment that the company is now addressing. But the company face competition from players such as IBM and Accenture, as well as niche players such as Salesforce in CRM. This will be increasingly so when All for One Group enters the upper mid-market segments.

Staff recruiting and partnership alliances

When studying All for One Group's income statement and the different types of costs, it becomes obvious that this is a project and service company with relatively large staff costs.

A challenge to recruit skilled IT consultants

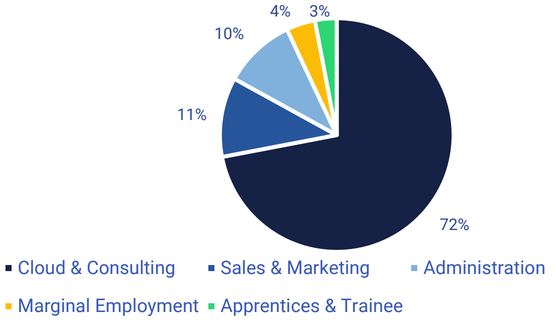
The composition of the All for One Group´s workforce reveals the profile of the services offered. By far the largest group in terms of number of employees are IT consultants with 72 percent, while Sales & Marketing and Administrative personal constitute 11 and 10 percent each of the total workforce. Recruiting enough new knowledgeable IT-consultants in the German-speaking region has proven to be a challenge. Finding companies and partnerships in Eastern Europe, but also Turkey (with a community with people that often previously have lived in Germany and therefore are familiar with the language) has proven to be a good complement.

With the acquisition of SNP Poland planned to be executed in 2021, the Group will add an additional 400 employees in a company that also is an experienced SAP implementation partner. Out of these some 70 works at a digital S4/HANA conversion center. As salaries are lower in Poland compared to Germany, this means that All for One Group will become slightly more competitive in its future quotes.

SNP Poland reported revenues of Euro 29 million in FY 2020, which means that roughly 8 percent of revenues in All for One Group following the acquisition will come from Poland. The clients here are like All for One Group's existing customers with quite a few German industrial subsidiaries.

With the SNP Poland included in the All for One Group family, the pace of the implementation process for SAP S4/HANA is anticipated to increase. In the first manual processes, it took All for One Group ten months to complete the conversion of its internal SAP R3 landscape to SAP S4/HANA. In the most recent CONVERSION/4 based processes powered by SNP Bluefield technology, the lead time had decreased to around two months. The process has become more automated to achieve this faster lead time. The delay in the S4/HANA implementation process that has occurred due to the Covid 19 restrictions came at the right time. In the meantime, the All for One Group consultants have advanced in its learning curve related to the conversion process.

All for One Group- Number of employees by function, FY 2019/20



Source: Company information.

An alliance to reach out globally

To serve its customers globally, for example in their factory in Brazil, All for One Group is co-founder of a global alliance with about 50 SAP partners called United VARs that recently will turn 15 years. However, All for One Group will make a living selling software worldwide also to these foreign subsidiaries. This is since the corporate headquarters in Germany is typically the ultimate software purchaser for the entire Group.

The United Vars Alliance serves All for One Group´s clients outside the DACH region

Source: Company information.

Market overview

All for One Group has a strong position as the leading local SAP VAR on the German speaking markets and been successfully entering the Microsoft market (Azure, Office 365). These strong partner positions mean an advantage to expand in the German-speaking region, but it gives no exclusive right to the customers. Challenging competition might be coming from the traditional SAP ERP peers such as Oracle (Fusin, Netsuite), Inuit, and Epicor but also from more cloud-native niche suppliers such as Salesforce and Tableau. When the All for One Group is approaching the upper mid-market segment in the DACH region for further growth they will face increasing competition from global SAP partners such as IBM, Accenture, Deloitte, and Capgemini.

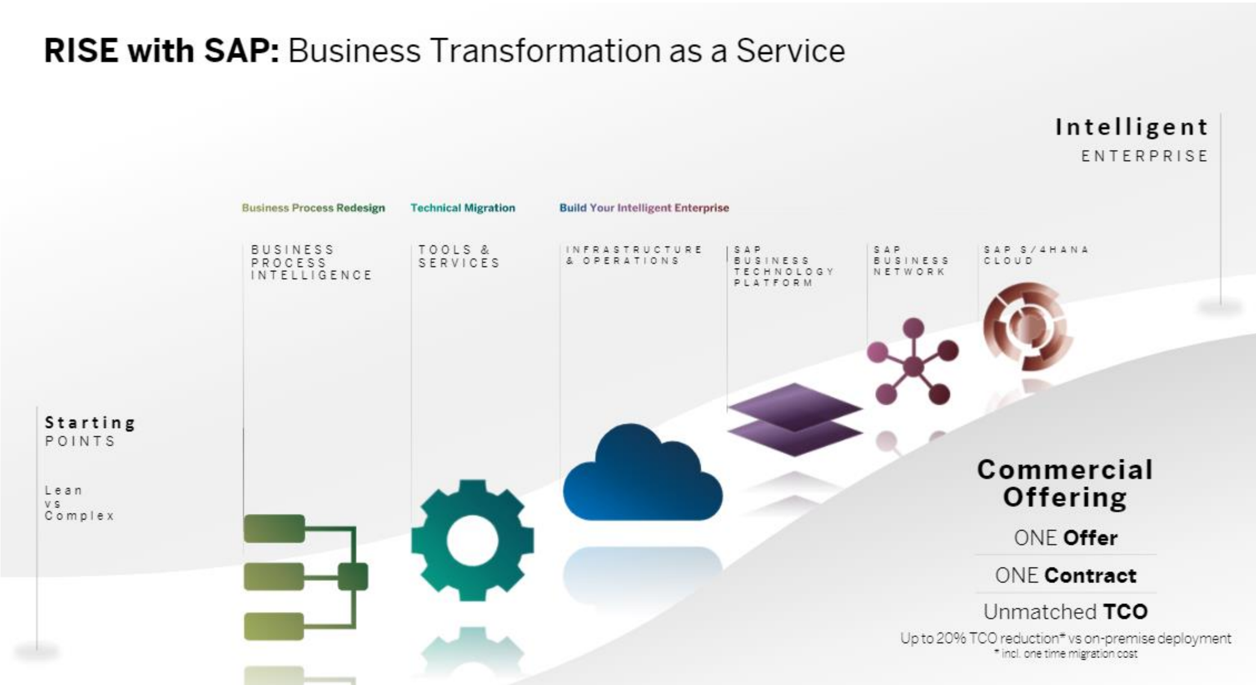
The ERP market is going to the cloud

Enterprise Resource Planning (ERP) software suits and applications has been heavily deployed since the mid-1990s to support the management of business process within corporate organization. The system solutions typically involve a wide variety of software modules that reflects the key operational processes. The market of ERP solutions is fragmented with a handful of large suppliers such as SAP, Oracle, and Intuit as well as a plentiful of smaller solution providers such as Epicor, Adobe, Infor, Epic and Visma. SAP is the leading supplier with a global market share of approximately 5 percent but with a very strong foothold in Germany and other German speaking countries.

In recent years, the traditional ERP suppliers are facing competition from innovative and more cloud-centric suppliers typically targeting niche applications within the traditional ERP suit. Such players include for instance Salesforce (CRM), Tableau (Analytics) and Workday (finance).

The cloud-centric newcomers have pushed the traditional ERP suppliers to transform and with the S/4HANA solution release, which was its fourth application generation, introduced in 2015 SAP opened for cloud implementation. SAP announced partnerships with Apple and Google in 2016 and 2017, respectively.

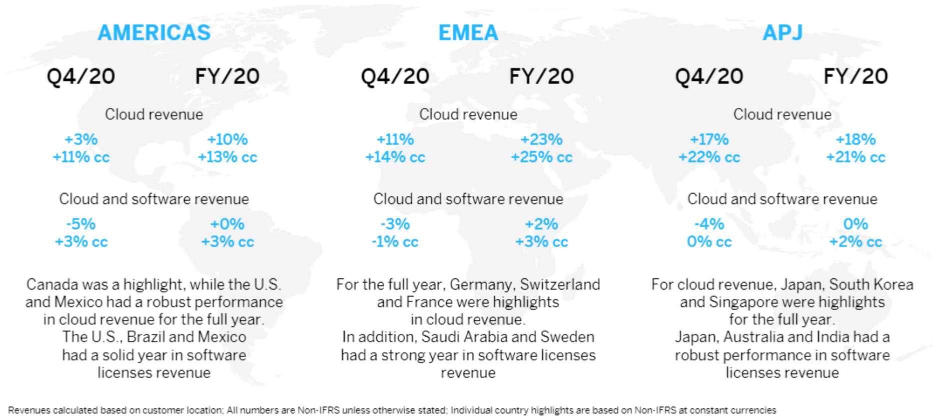
New offering - SAP CRM as-a-Service for cloud implementation



Source: Company information.

Today roughly 30 percent of the SAP revenues comes from cloud implementations, which is also representing nearly 100 percent of the business growth.

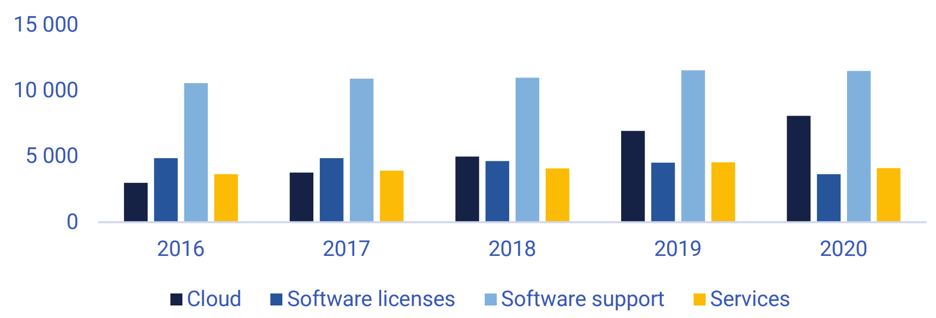
SAP Cloud revenue growth



Source: Company information.

More corporate clients request and get their software products migrated into cloud solutions. This trend becomes obvious when looking at the SAP Group Five-Year Revenue summary per business segment below.

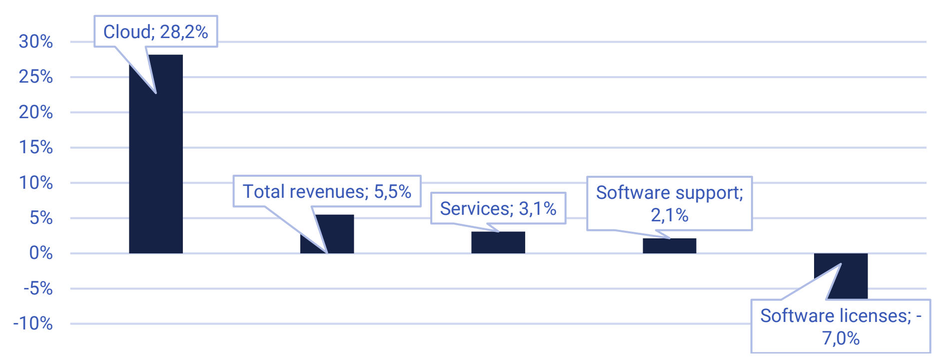
SAP – Revenues by product segment 2016-2020 (EURm)



Source: Company information.

We have calculated the Compound Average Growth Rate (CAGR) in revenues between 2016 and 2020 for these four segments within the SAP Group and ranked them from highest to lowest in the graph below. As can be seen Cloud enjoys the by far highest growth.

SAP business segments, ranked by CAGR 2016-2020



Source: Company information, Carlsquare.

An overview of the SAP product portfolio

Microsoft partnership makes the new SAP S4/HANA product mobile.

SAP and Microsoft have entered a partnership to facilitate remote collaboration and enable the frictionless enterprise. The co-operation gives a possibility to migrate clients from SAP R3 on site solutions to S4/HANA in the cloud. The first use cases will be executed in Q2 2021.

Some main products and platforms offered by the SAP group are:

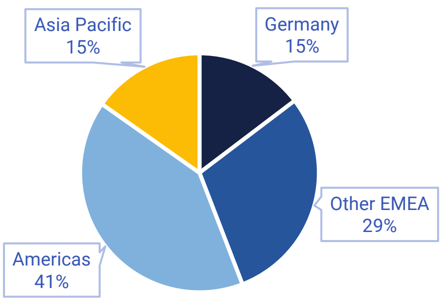
- SAP S4/HANA (ERP system, i.e., Enterprise Resource Planning).
- SAP Business ByDesign (SME Cloud ERP)
- SAP Business One (Small enterprise ERP)
- SAP CRM (Customer Relationship Management)
- SAP ERP R3
- SAP PLM (Product Lifecycle Management)
- SAP SCM (Supply Chain Management)
- SAP SRM (Supplier Relationship Management)

As can be seen the product portfolio is very much adopted to industrial companies and its work- and product flow. This industry group, the so called Mittelstand, is typical in the German corporate landscape, where for the machinery and automotive enjoy a particular strong market position. Germany had an export of around USD 2trn in 2019, with the United States, France, China, Netherlands, United Kingdom, and Italy being its six most important export markets. The German industry also has a large share of subsidiaries and subcontractors in northern Eastern Europe (Poland, the Czech Republic, and Slovakia).

SAP is a market leader in enterprise application software with some 425,000 clients in 180 countries. 77 percent of the world's transaction revenues touches and SAP® system. The SAP machine learning, IoT and advanced analytics technologies are powerful tools that help customers to receive and use more information about conditions of everything from its equipment and machinery to its staff and other functions. This improves business results via a more efficient use of resources. In total, SAP serve 25 industries globally and have a global network of 22 000 partners.

SAP has 15 percent of its revenues in Germany, while 4.3 percent of global GDP is attained in Germany. This would support estimates of SAP having a 20 to 25 percent market share for ERP systems in Germany. This is given that IT digitalization tools probably is used slightly more per GDP/capita in the German market compared to the rest of the world.

SAP, Revenue by country and region 2020



Source: Company information.

In recent Q1 2021 report SAP saw a sharp acceleration in new cloud business across its cloud portfolio. SAP's strong new cloud business performance is expected to reaccelerate cloud revenue growth. SAP software licenses increased by 11 percent, thereby outperforming the stock market's expectations by 22 percent. While total SAP revenues decreased by three percent, Cloud revenues increased by seven percent when comparing Q1 2021 with Q1 2020.

SAP has an initiative “Rise with SAP” which is driving the customers transformation of its business into the cloud. Current cloud backlog was up 19 percent in constant currency value in Q1 2021. The share of predictable revenues for the SAP Group grew by some 2 percentage points to around 78 percent in Q1 2021. SAP raised its full-year 2021 outlook prospects, where cloud revenues are anticipated to grow by 14 to 18 percent compared to FY 2020. The company also expects more predictable revenues to increase from 72 percent in 2020 to approximately 75 percent in 2021. All this is also good news for All for One Group, since both companies live in close symbiosis with each other.

Legacy transformation

Despite growing revenues related to cloud implementations of S/4HANA SAP has not shown an overall business growth in recent years. The S/4HANA release represent a major solution upgrade. The process of migrating legacy customers to the new release may become a slow process that is spread out of long-time window.

Competitors and peers

Below we have listed All for One Groups sector peer companies with a business description attached to each of them. There are local German IT and Software companies, but also some of the global companies in the sector.

In general, the IT consulting industry in Germany is very competitive. All for One Group´s strong position is explained by the connection to SAP’s business system. All for One Group’s main competitors in the upper customer market segment are IBM and Accenture. To that Salesforce, working in the CRM segment, can be added. Other than that, All for One Group is facing competition from for example the previously Danish company Navision, acquired by Microsoft since 2002, or PSI Group, which is a software company from Berlin.

International Business Machines Corporation (IBM) is a technology company. The Company operates through five segments: Cloud & Cognitive Software, Global Business Services, Global Technology Services, Systems and Global Financing. The Cloud & Cognitive Software Solutions segment delivers integrated and secure cloud, data, and artificial intelligence (AI) solutions to its clients. It comprises three business areas: cognitive applications, cloud & data platforms, and transaction processing platforms. Global Business Services segment provides consulting, business process and application management services. Its Global Technology Services segment provides information technology (IT) infrastructure and platform services. The Systems segment provides infrastructure platforms to help meet the requirements of multi-cloud and enterprise AI workloads. Its Global Financing segment is engaged in financing, which is primarily conducted through IBM Credit LLC, and remanufacturing and remarketing.

Accenture plc is a professional services company. It provides management and technology consulting services. Its segments include Communications, Media, and Technology; Financial Services; Health and Public Service; Products, and Resources. The Communications, Media & Technology segment serves communications, electronics, technology, media, and entertainment industries. The Financial Services segment serves banking, capital markets and insurance industries. The Health & Public service segment serves healthcare payers and providers, and government departments and agencies, public service organizations, educational institutions, and non-profit organizations. The Resources segment serves chemicals, energy, forestry products, metals and mining, utilities, and related industries. It offers digital advertising services. It also provides companies with a comprehensive offering across content creation production and distribution. It provides managed security and cyber defence services (MSS).

DXC Technology Company is engaged in providing digital information technology (IT) services and solutions. The Company focuses on IT modernization including on-premises and cloud, data-driven operations, and workplace modernization. It helps customers manage their IT estate with the scope and scale of services. The Company's services include analytics, application services, business process services, cloud and platform services, consulting services, enterprise and cloud apps, IT outsourcing, modern workplace, and security. The Company offers its services to industries such as insurance, travel, transportation and hospitality, banking and capital markets, aerospace and defence, consumer and retail, manufacturing and automotive, energy, utilities, oil and gas, technology, media and telecommunications and public sector. DXC Technology was founded in 2017 when the Hewlett Packard Enterprise Company (HPE) spun off its Enterprise Services business and merged it with Computer Sciences Corporation (CSC).

Tata Consultancy Services Limited (TCS) is engaged in providing information technology (IT) services, digital and business solutions. The Company's segments include banking, finance, and insurance services (BFSI); manufacturing; retail and consumer packaged goods (CPG); telecom, media and entertainment, and others, such as energy, resources, and utilities, hi-tech, life science and healthcare, s-Governance, travel, transportation and hospitality, and other products. Its services portfolio consists of IT and assurance services, business intelligence and performance management, business process services, cloud services, connected marketing solutions, consulting, engineering and industrial services, enterprise solutions, IT infrastructure services, mobility products and services and platform solutions. Its software offerings include Digital Software and Solutions, TCS BaNCS, and TCS MasterCraft, among others. It serves industries, including insurance, healthcare, retail, telecom, and others.

Infosys Limited is engaged in consulting, technology, outsourcing and next-generation services. The Company, along with its subsidiaries, provides business information technology services comprising application development and maintenance, independent validation, infrastructure management, engineering services comprising product engineering and life cycle solutions and business process management; consulting and systems integration services comprising consulting, enterprise solutions, systems integration and advanced technologies; products, business platforms and solutions to accelerate intellectual property-led innovation, including Finacle, its banking solution, and offerings in the areas of Analytics, Cloud and Digital Transformation. Its segments are Financial Services and Insurance (FSI), Manufacturing and Hi-tech (MFG & Hi-TECH), Energy & utilities, Communication and Services (ECS), Retail, Consumer packaged goods and Logistics (RCL), and Life Sciences and Healthcare (LSH).

Wipro Limited (Wipro) is a global information technology (IT), consulting and business services provider. It operates through two segments: IT Services and IT Products. The Company's IT Services business provides a range of IT and IT-enabled services, which include digital strategy advisory, customer centric design, technology consulting, IT consulting, custom application design, development, re-engineering and maintenance, systems integration, package implementation, global infrastructure services, analytics services, business process services, research and development and hardware and software design. The IT Products segment provides a range of third-party IT products, which allows it to offer IT system integration services. Its products include computing, Platforms and Storage, Networking Solutions, Enterprise Information Security, and software products, including databases and operating systems. It is a reseller of third-party enterprise products through its direct sales force.

Capgemini SE is a France-based company specialized in consulting, technology services and digital transformation. It operates through four segments: Application services, Technology and Engineering services, Consulting services and Other Managed services. Application services designs and develops technological solutions and help customers optimize their applications, among others. Technology and Engineering services assists and supports internal information technology (IT) and engineering teams within client companies. Consulting focuses on strategy, technology, data science, and creative design to support customers in creating new models and new products and services within the digital economy. Other Managed services integrates, manages, and/or develops clients' IT infrastructure systems, among others.

Microsoft Corporation is a technology company. The Company develops, licenses, and supports a range of software products, services, and devices. The Company's segments include Productivity and Business Processes, Intelligent Cloud and More Personal Computing. The Company's products include operating systems; cross-device productivity applications; server applications; business solution applications; desktop and server management tools; software development tools; video games, and training and certification of computer system integrators and developers. It also designs, manufactures, and sells devices, including personal computers (PCs), tablets, gaming and entertainment consoles, phones, other intelligent devices, and related accessories, that integrate with its cloud-based offerings. It offers an array of services, including cloud-based solutions that provide customers with software, services, platforms, and content, and it provides solution support and consulting services. In 2002, Microsoft acquired Navision through a public takeover bid.

Salesforce.com, Inc. is a provider of enterprise software, delivered through the cloud, with a focus on customer relationship management (CRM). The Company focuses on cloud, mobile, social, Internet of Things (IoT) and artificial intelligence technologies. The Company's service offerings are configured and integrated with other platforms and enterprise applications. The Company delivers its service offerings via Internet browsers and on mobile devices. Its Customer Success Platform is a portfolio of service offerings providing sales force automation, customer service and support, marketing automation, digital commerce, community management, analytics, application development, IoT integration, collaborative productivity tools and its professional cloud services. Its cloud service offerings include Sales Cloud, Service Cloud, Marketing Cloud, Commerce Cloud, Community Cloud, Analytics Cloud, Salesforce Quip and Salesforce Platform.

PSI Software AG is a Germany-based company that develops and integrates software for energy suppliers, manufacturers, and infrastructure operators. It operates through three segments. The Energy Management segment serves utility companies in the electricity, gas, oil, water, district heating and combined energy sectors, and focuses on solutions for grid management, energy storage, energy trading and virtual power plants. The Production Management segment provides software for production planning, production control and logistics for the metal industry, machinery and plant engineering, the automotive industry and logistics. The Infrastructure Management segment develops control system software for the operation of infrastructure in the areas of rail and road transport and public safety with focus on operation-control technology, depot management and safety and telematics.

Cancom SE is a German provider of Information Technology infrastructure and services. The company diversifies its activities into two business segments: Cloud Solutions and IT Solutions. The Cloud Solutions business segment comprises CANCOM Pironet AG & Co, Pironet AG and Synaix Services GmbH, among others. It mainly comprises the Company´s Group cloud and shared managed services, including project-related cloud hardware, software, and services. The IT Solutions business segment includes CANCOM GmbH, CANCOM ICT Service GmbH and CANCOM SCS GmbH, among others. It offers IT infrastructure and applications support. The range of services provided by the Company´s IT Solutions segments includes IT strategy advice, project planning and implementation, system integration, maintenance, training, and other IT services, including operation of entire IT departments. The company is active primarily in Germany and Austria.

RIB Software SE is a Germany-based provider of technical Enterprise Resource Planning (ERP) software solutions. Its core activities comprise the development and sale of software, as well as the provision of consulting and training services for implementation projects. It offers software solutions for costing and scheduling, an e-commerce platform for the building and construction industry, cost estimating, tendering and project control. It divides its activities into the segments Software License and Maintenance, Software as a Service/Cloud, Professional Services and Research and Development. The Company organizes the distribution of its products in German-speaking markets via its subsidiaries, RIB Engineering GmbH, RIB Deutschland GmbH and SAA Software Engineering GmbH; in Spanish-speaking markets via its wholly owned subsidiary, Soft SA; and international sales under the umbrella of RIB Limited, Hong Kong via subsidiaries in Asia, the Middle East, and the United States.

Datagroup SE is Germany-based information technology (IT) service provider. Its service and product portfolio includes IT Consultation, which includes IT landscape transformation and IT landscape consulting; System Integration, such as mobile solutions, software development and interactive voice response language portals; Systems, Applications and Product (SAP) solutions, including SAP application lifecycle management, SAP business solutions, SAP Hana, and SAP landscape transformation, as well as training and workshops. The Company offers CORBOX, a modul-based solution for IT outsourcing, including data canter services, network services, end user services, application management services, SAP services, printing services, communication and collaboration services, big data services, service desk, security services, monitoring services, robotic process automation and continuity services.

GFT Technologies SE is a Germany-based parent company of the GFT Group, an international supplier of information technology (IT) solutions. The Company divides its activities into two divisions: GFT (formerly GFT Solutions) and Emagine. The Company specializes in designing and implementing IT solutions for the financial services industry. It is engaged in the design, delivery, and maintenance of customized Information Technology solutions. The Company also designs business models to optimize and mobilize banking processes for the financial sector. In addition, it is engaged in the provision of sourcing IT specialists and consultancy services for companies in various sectors. In addition, the Company manages external Information Technology service providers for its clients. The Company's subsidiaries are present in Brazil, Germany, France, Italy, the United Kingdom, Spain, Switzerland, and the United States.

SNP Schneider Neureither & Partner SE is a Germany-based company specialized in the Information Technology (IT) Services. The Company has two operational segments: Professional Services, which offers consultancy and training services and Software that provides sale of software and maintenance contracts. It offers software and software-related services for the transformation of IT systems, as well as the optimization of service and support processes. The transformation platform is based on the experience of the more than 1,500 projects. The Company’s core products include SNP Business Landscape Management (BLM SNP), which structures the consultation process with standardized modules; SNP Dragoman that automates and simplifies the entire translation process; SNP Transformation Backbone that supports SAP System Transformation, as well as Business Landscape Transformation (BLT). The Company provides services to globally operating corporations in the fields of industry, finance, and service.

Financial development and forecasts

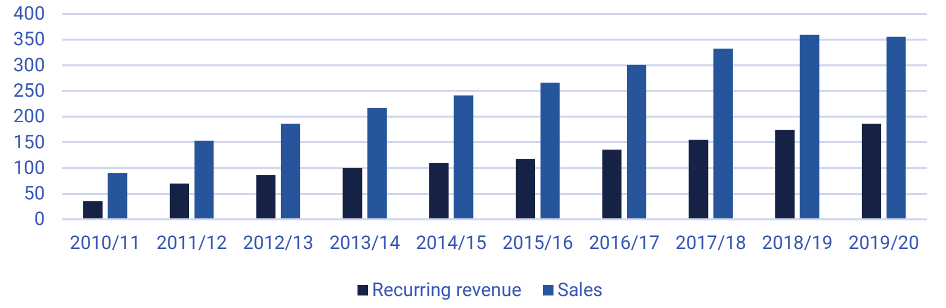
All for One Group has an impressing track-record of good revenue growth, but also an increasing share of recurring revenues. The latter is like SAP and a proof of a sustainable business model.

Total revenues

That the All for One Group SE has a robust business model is proven by the growing share of recurring revenue. This is illustrated in a historical ten-year graph below, where the share of recurring revenue out of total sales has increased from 39 percent in FY 2010/11 to 49 percent in FY 2019/20. This recurring revenue are assignable to Cloud Services & Support or Software Support.

This figure could be compared with SAP itself, which has managed to grow its predictable revenues from 61 percent in FY 2016 to 72 percent of its total revenues in FY 2020. On average there are an upgrade of some SAP programmes or system launched each quarter.

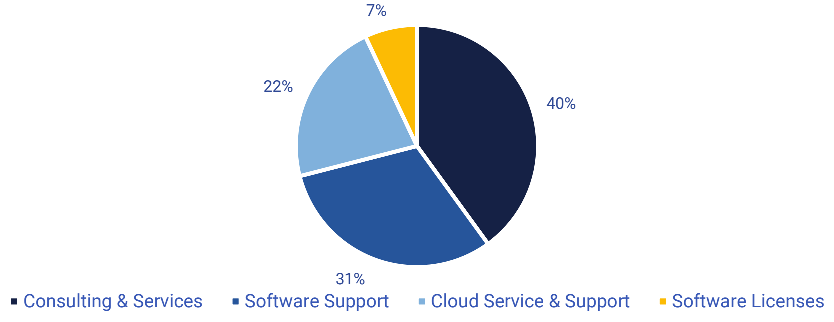
All for One Group, Increased share of recurring revenue 2010/11-2019/20



Source: Company information.

Below there is a graph illustrating the split of revenues for the All for One Group in FY 2019/20 between the different categories. As can been Consulting & Services make up 40 percent of the Groups revenues, while Software Support and Licenses add up to 38 per-cent and the remaining 22 percent comes from Cloud Services & Support.

All for One Group- Revenue distribution by category, FY 2019/20



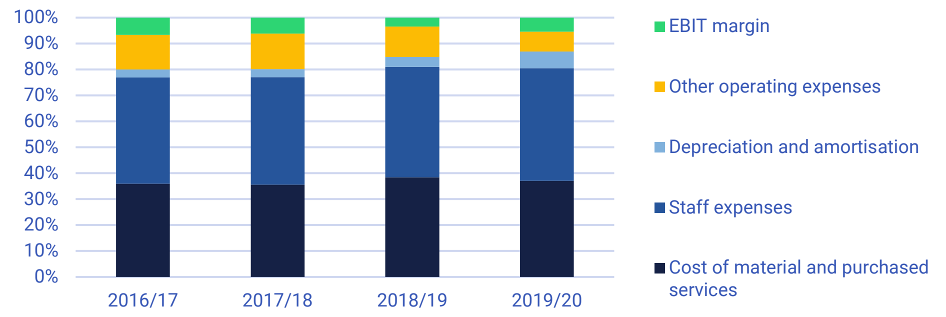
Source: Company information.

Cost structure

When we study All for One Group with its revenue and cost structure, we see that the company has attained a 62-64 percent gross margin in the four last fiscal years 2016/17-2019/20. This is since costs for the purchase of goods and services amount to 36-38 percent of revenues. It is mainly linked to sold software licenses, software support and cloud subscriptions.

Staff costs make up 41-43 percent of corporate revenues over the last four fiscal years. Other operating expenses have amounted to between 8 and 14 percent of group revenues. Depreciation and amortisation equal between 3 and 6 percent of total revenues.

The share of the various costs to All for One Group's revenues 2016/17-2019/20

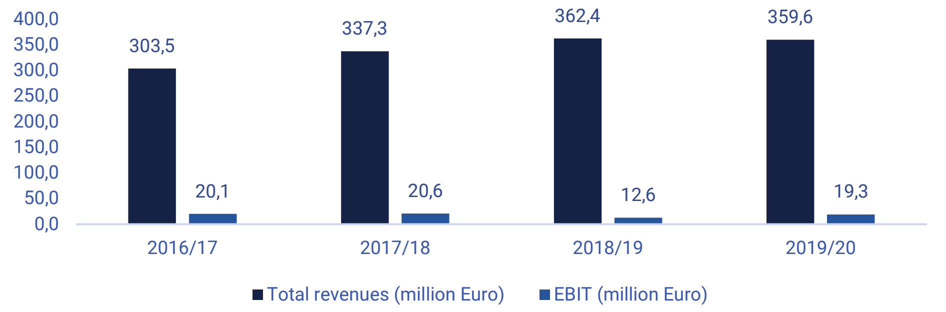


Source: Company Information.

Revenue and EBITDA outcome 2016/17-2019/20

During last four fiscal years (2016/17-2019/20), All for One Group has attained a 6 percent compound average revenue growth rate. Meanwhile the adjusted EBIT margin has varied from 3.5 percent in FY 2018/19 ("Strategy 22". 7 Mio. EUR one-off costs included) to 6.6 percent in 2016/17.

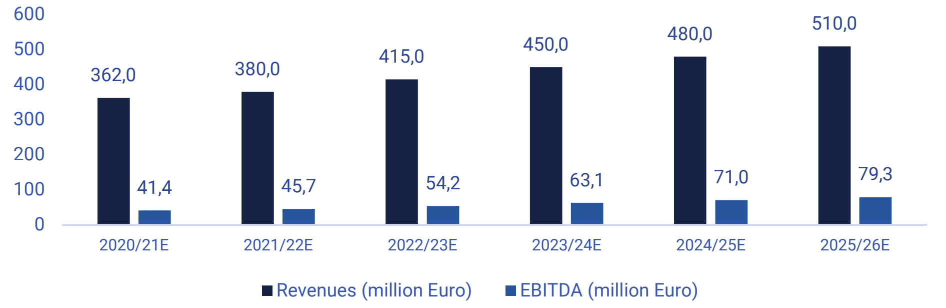
All for One Group, Revenue and EBITDA Outcome 2016/17-2019/20 (million Euro)



Source: Company Information.

We foresee a solid growth for All for One Group over the next four years, with good EBITDA margins. This is illustrated in the graph below. Revenues and earnings related to the S4/HANA conversion projects should not be of any significant size until FY 2022/23.

All for One Group, Revenue and EBITDA Forecasts 2020/21-2025/26 (EURm)



Source: Carlsquare.

All for One Group's acquisition strategy

In addition to organic growth, All for One Group are making strategic acquisitions. The company previously acquired local SAP resellers in the German speaking-market but has stopped doing so since a few years. The company estimates that the German SAP consulting market will be consolidated anyway, due to increased investment needs for the industry's players in the coming years.

The acquisition of SNP Poland is an example of the new All for One Group strategy, where a faster execution capability of the conversion to S4/HANA is one of the goals. This purchase adds new and competent employees, but also an automation/conversion center for S4/HANA. This acquisition means that All for One Group is adding a new geographic market (Poland). However, the company has not expressed any interest in establishing itself in the SAP markets in, for example, France and the United Kingdom.

Valuation

By combining our DCF-valuation model with a peer valuation model we calculate a motivated value per share of EUR 75.3 in our base case. This motivated value the varies from EUR 61.3 per share in our Bear-scenario to EUR 89.3 per share in our Bull-scenario.

DCF-valuation, base case: EUR 57.8 per share

To calculate a justified Market value of All for One Group, we have used a DCF model as one of two parameters. In the model we calculate expected future cash flows with an annual discount rate of 11.6 percent. Given these assumptions we arrive at a justified enterprise value for All for One Group of EUR 270.6 million or 54.3 Euro per share. Our revenue forecasts correspond to a CAGR of 6.2 percent for the period 2019/20-2025/26 and a long-term sustainable EBITDA-margin of 15.5 percent.

The required return on equity is calculated using the CAPM model. In the model, we have set a risk-free interest of zero percent assignable to a ten-year German government bond and a beta value for the All for One Group share of 0.9x. The market risk premium is anticipated to be 7.7 percent in line with PwC´s "Risk premium on the Swedish stock market" from June 2020. To the market risk premium, we have added a small cap premium of 2.0 percent. This corresponds to the interpolated small company premium for a company with a market value of SEK 2bn (EUR 200m) – in line with PWC's risk premium study. We have assumed that All for One Group finances itself with 100 percent equity. The annual discount rate is thus calculated with our assumptions at 11.6 percent. For the calculation of the residual value, we have estimated a sustainable annual growth rate of 2.5 percent. The discount rate of 13.6 percent is used for the present value calculation of the residual value in the DCF-valuation.

DCF valuation of All for One Group, Base case scenario

DCF valuation:		Discount rate forecast period:		Assumptions:	
Present value cash flow (UFCF)	120,5	Risk-free interest-rate, forecast period:	0,0%	CAGR, 2019-2025	5,1%
Present value residual value	150,0	Market risk premium:	7,7%	EBITDA-margin, 2025	15,2%
Enterprise value (EV)	**270,5**	Small-cap premium:	2,0%	EBIT-margin, 2025	9,8%
		Beta	0,9x	Tax rate:	30,0%
Cash	65,7	**Re**	**8,7%**	Company-specific risk:	2,7%
Interest-bearing debt:	-48,4			Discount.rate TV	13,6%
Justified share value:	**287,9**	Tax adjusted credit interest	4,4%		
		Loan-to-value:	0,0%		
Current no of shares:	5,0			Valuation multiples:	
New shares due to dilution	0,0	WACC	8,7%	EV/Sales, 2020E	0,7x
No of shares	5,0	Company-specific supplement:	2,7%	EV/EBITDA, 2020E	6,4x
				P/S, 2020E	0,8x
Justified value per share, Base	**57,8**	**Discount rate:**	**11,6%**	P/E, 2020E	22,8x

Sources: Company information (Cash, debt, and number of shares), Carlsquare estimates (other figures and data).

The valuation shown above gives the following implied valuation multiples:

Implied valuation multiples

Valuation multiples	2019/20	2020/21E	2021/22E	2022/23E	2023/24E	2024/25E	2025/26E
P/S	0,8x	0,8x	0,8x	0,7x	0,6x	0,6x	0,6x
P/E	22,6x	22,8x	19,3x	14,7x	11,8x	10,0x	8,7x
EV/Sales	0,8x	0,7x	0,7x	0,7x	0,6x	0,6x	0,5x
EV/EBITDA	5,8x	6,4x	5,8x	5,0x	4,3x	3,9x	3,5x

Sources: Company information (2019/20) and Carlsquare estimates (2020/21-2025/26).

In our Bear scenario, we assume that the Group's EBIT will be 20 percent lower than our Base case forecasts for the years 2020/21-2025/26. We receive a DCF-value of 47.6 Euro per share.

Correspondingly, we assume in our Bull scenario that the Group's EBIT will be 20 percent higher than our Base case forecasts for the years 2020-2025. This results in a DCF-value of 67.9 Euro per share.

Peer valuation, base case: EUR 92.9 per share

All for One Group is currently valued at an average discount of 55-60 percent, to its Enterprise value measured on EV/Sales- and EV/EBIT-multiples, compared to this peer group. A certain discount to the peer group is justified. This is since the peers on average have a larger market cap, A few of them are also software providers. In our implied valuation we have applied a multiple of 0.7x the median values for EV/Sales and EV/EBITDA for the peer group to estimate a justified value for the All for One Group share.

Valuation comparison, All for One peer group (base case)

	EV/Sales, 2021E	EV/EBITDA, 2021E
Accenture PLC	3,1x	16,8x
International Business Machines Corp	2,2x	8,7x
DXC Technologies	0,6x	3,7x
Tata Consultancy Services Ltd	5,4x	19,1x
Infosys Ltd	4,2x	15,7x
Wipro Ltd	2,6x	11,6x
All for One Group SE	0,8x	6,6x
Capgemini SE	1,6x	10,2x
GFT Technologies SE	0,9x	8,2x
Cancom SE	0,8x	9,5x
RIB Software SE	3,7x	14,8x
Datagroup SE	1,5x	10,4x
SNP Schneider Neureither & Partner SE	2,3x	14,1x
PSI Software AG	1,7x	11,7x
Salesforce.Com Inc	7,1x	23,7x
Median	**2,2x**	**11,6x**
Average	**2,6x**	**12,3x**
Max	7,1x	23,7x
Min	0,6x	3.7x

Implied valuation	Sales	EBITDA
Used multiple	1,5x	8,2x
CSQ expectations, 2021	365,8	41,4
Implicit EV	553	337
Debt	-48,4	-48,4
Cash	65,7	65,7
Shareholder value	571	355
Outstanding shares	5,0	5,0
Implicit value per share (EUR)	114,6	71,2
Justified value per share (EUR)	**92,9**	
Implied EV/Sales, 2021	1,2x	
ImpliedEV/EBIT, 2021	10,8x	

Source: Carlsquare estimates

As shown in the table above, the multiple valuation method yields a motivated value per share of EUR 92.9.

In the Bull-case, where revenues and EBITDA are anticipated to be 20 percent higher than the Base case, the multiple valuation yields a motivated value per share of EUR 110.8.

In the Bear-scenario, where revenues and EBITDA are anticipated to be 20 percent lower than the Base case, the multiple valuation results in a motivated value per share of EUR 75.0.

Combined justified value for the All for One Group share

In the table below, we have weighted together the two different valuation methods. There is a key comparison with the peer companies on EV/EBITDA and EV/Sales in 2021 (forecasts according to Consensus). To that we add our DCF-valuation of the All for One-share, where we have presented our bear- and bull case, respectively.

As can be seen in the table below, the weighted justified share value then varies from 61.3 Euro according to the Bear scenarios to EUR 89.3 if we go for the Bull-scenarios.

The share price potential compared to last paid (EUR 62.4) varies from minus 2 percent in the Bear scenario, to plus 21 percent according to our Base case scenario and plus 43 percent when we apply the bull case.

Valuation comparison, All for One peer group

	Base	Bear	Bull
Multiple valuation	92,9	75,0	110,8
DCF-valuation	57,8	47,6	67,9
Motivated value (EUR)	**75,3**	**61,3**	**89,3**
Potential up-/downside	21%	-2%	43%
Implied multiples			
Implied EV/Sales, 2021E	1,0x	0,8x	1,2x
Implied EV/EBITDA, 2021E	8,6x	7,0x	10,3x

Source: Carlsquare estimates.

As shown, our motivated value in our base-case corresponds to a rebate against peers. To some extent this is justified as we have stated earlier due to market cap and some of the peers being software providers. To factor this in we use the median values, instead of the average values for the peer group. There after we apply a 30 percent rebate to take into consideration that All for One Group is a smaller company than its average peer.

To sum up, in our base case scenario we see a 21 percent share price potential from current last traded for the All for One share.

Income statement, outcome and forecast (EURm)

Profit and Loss Account (EUR million)	2018/19	2019/20	2020/21E	2021/22E	2022/23E	2023/24E
Sales revenues	359,22	355,39	362,00	380,00	415,00	450,00
Other operating income	3,17	4,20	3,75	3,94	4,06	4,18
Total revenues	**362,39**	**359,60**	**365,75**	**383,94**	**419,06**	**454,18**
Cost of material and purchased services	-139,28	-133,24	-137,20	-147,82	-168,12	-188,07
Personnel expenses	-154,16	-156,45	-164,27	-166,97	-172,22	-177,47
Depreciation, amortisation and impair-ment	-13,95	-22,94	-21,85	-22,75	-24,50	-26,25
Other operating expenses	-42,37	-27,68	-22,89	-23,43	-24,48	-25,53
EBIT	**12,63**	**19,29**	**19,54**	**22,97**	**29,74**	**36,86**
Financial income	0,52	0,01	0,03	0,03	0,03	0,03
Financial expenses	-1,06	-1,40	-1,26	-1,21	-1,02	-1,07
Financial result	**-0,54**	**-1,38**	**-1,23**	**-1,18**	**-0,99**	**-1,04**
Profit before tax	**12,10**	**17,90**	**18,31**	**21,79**	**28,75**	**35,82**
Income Taxes	-1,86	-4,83	-5,35	-6,45	-8,62	-10,75
Profit after tax	**10,24**	**13,08**	**12,96**	**15,34**	**20,12**	**25,07**
Non-controlling interests	0,04	0,35	0,36	0,43	0,56	0,70
Equity holders of the company	10,20	12,72	12,60	14,91	19,56	24,37
Earnings per share	2,05	2,55	2,53	2,99	3,93	4,89
No of shares	4,98	4,98	4,98	4,98	4,98	4,98

Growth	2018/19	2019/20	2020/21E	2021/22E	2022/23E	2023/24E
Revenues	8%	-1%	2%	5%	9%	8%
Total revenues	7%	-1%	2%	5%	9%	8%
EBITDA	-15%	-23%	-2%	10%	19%	16%
EBIT	-39%	53%	1%	18%	29%	24%
Profit before tax	-38%	48%	2%	19%	32%	25%
Profit after tax	-25%	28%	-1%	18%	31%	25%
Earnings per share	-42%	25%	-1%	18%	31%	25%

Margins	2018/19	2019/20	2020/21E	2021/22E	2022/23E	2023/24E
EBITDA-margin	7,4%	11,9%	11,4%	12,0%	13,1%	14,0%
EBIT-margin	3,5%	5,4%	5,4%	6,0%	7,2%	8,2%
PTP-margin	3,4%	5,0%	5,1%	5,7%	6,9%	8,0%
Net profit-margin	2,8%	3,6%	3,5%	3,9%	4,7%	5,4%

Source: Company information (2018/19-2019/20) and Carlsquare estimates (2020/21-2023/24).

Balance sheet, outcome and forecast (EURm)

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Tangible Assets						
Fixed assets	23,4	15,5	14,2	13,2	12,1	10,7
Intangible assets	67,5	63,7	58,4	54,4	49,6	43,8
Right-of-use assets	0,0	35,0	35,0	35,0	35,0	35,0
Financial lease receivables	6,6	6,7	6,7	6,7	6,7	6,7
Income tax assets	0,5	0,7	0,7	0,7	0,7	0,7
Other assets	3,7	3,9	3,6	3,3	3,0	2,7
Total Tangible Assets	101,8	125,5	118,6	113,4	107,1	99,6
Current assets						
Trade receivables	49,6	38,1	43,1	48,3	53,8	59,6
Financial lease receivables	4,0	4,1	4,1	4,1	4,1	4,1
Contract assets	4,0	4,9	4,9	4,9	4,9	4,9
Income tax assets	3,8	0,4	0,4	0,4	0,4	0,4
Other assets	7,8	8,6	8,6	8,6	8,6	8,6
Cash and cash equivalents	28,5	69,1	81,9	85,1	104,0	128,7
Total current assets	97,7	125,2	143,1	151,5	175,9	206,4
Total assets	**199,5**	**250,7**	**261,7**	**264,9**	**282,9**	**305,9**
Equity						
Share capital	14,9	14,9	14,9	14,9	14,9	14,9
Retained earnings	57,4	61,1	67,8	74,2	82,6	95,5
Result for the year	10,2	12,7	12,6	14,9	19,6	24,4
Equity attributable to parent company	82,6	88,7	95,4	104,0	117,1	134,8
Non-controlling interest	-0,3	0,0	0,4	0,8	1,4	2,1
Total equity	82,3	88,8	95,8	104,9	118,5	136,9
Long term liabilities						
Liabilities to financial institutions	14,9	48,3	50,3	42,5	44,6	46,9
Provisions & other liabilities	4,5	4,5	4,6	4,7	4,9	5,0
Lease liabilities	4,0	25,3	25,3	25,3	25,3	25,3
Deferred tax liabilities	14,8	14,2	14,6	14,9	15,3	15,8
Other liabilities	0,7	0,7	0,7	0,7	0,7	0,7
Total long-term liabilities	38,9	92,9	95,4	88,1	90,8	93,6
Current liabilities						
Liabilities to financial institutions	8,5	0,0	0,0	-0,1	-0,1	0,0
Accounts payable	57,0	49,2	50,4	51,7	53,1	54,6
Lease liabilities	2,6	10,4	10,4	10,4	10,4	10,4
Other liabilities and provisions	8,9	7,6	7,8	8,0	8,2	8,4
Current tax liabilities	1,4	1,8	1,9	1,9	2,0	2,0
Total current liabilities	78,3	69,0	70,5	71,9	73,7	75,4
Total liabilities	117,2	161,9	165,9	160,0	164,4	169,1
Shareholders' equity and liabilities	**199,5**	**250,7**	**261,7**	**264,9**	**282,9**	**305,9**

Source: Company information (2018/19 and 2019/20) and Carlsquare estimates (2020/21-2023/24).

Liquidity	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Balance sheet liquidity	0,9	0,8	0,9	0,9	1,0	1,0
Liquidity ratio	1,2	1,8	2,0	2,1	2,4	2,7
Cash liquidity	0,4	1,0	1,2	1,2	1,4	1,7

Solvency ratios	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Net debt (-)/net cash (+)	5,1	20,7	31,6	42,8	59,4	81,8
Net cash/EBITDA	0,2x	0,5x	0,8x	0,9x	1,1x	1,3x
Net cash/Equity	0,1x	0,2x	0,3x	0,4x	0,5x	0,6x
Debt/Equity	28%	54%	53%	40%	38%	34%
Solvency ratio	41%	35%	37%	40%	42%	45%

Profitability key ratios	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Return on equity	11%	15%	14%	15%	17%	18%
Return on total assets	7%	8%	7%	9%	11%	12%
Return on invested capital	8%	7%	7%	8%	10%	11%

Cash Flow, outcome and forecast (EURm)

	2018/19	2019/20	2020/21E	2021/22E	2022/23E	2023/24E
Cash flow from operations						
Profit after tax	10,2	13,1	13,0	15,3	20,1	25,1
Depreciation and amortisation	13,0	22,0	21,8	22,7	24,5	26,2
Other adjustments	2,4	6,2				
Change in working capital						
Change in value adjustments and provisions	0,8	-0,6	0,0	0,0	0,0	0,0
Change in account receivables	-3,6	6,7	-5,0	-5,3	-5,5	-5,8
Change in liabilities	-2,8	-6,0	2,0	2,1	2,2	2,3
Cash flow from operations	**20,0**	**41,4**	**31,8**	**34,9**	**41,3**	**47,8**
Investment activities						
Acquisition of tangible assets	-9,9	-7,3	-15,0	-17,5	-18,2	-18,7
Acquision of subsidiary	-8,2	-0,1	0,0	0,0	0,0	0,0
Interest received	0,2	0,2	0,0	0,0	0,0	0,0
Cash flow from investing activities	**-17,9**	**-7,2**	**-15,0**	**-17,5**	**-18,2**	**-18,7**
Financial operations						
New issue of shares	0,0	0,0	0,0	0,0	0,0	0,0
Repayment of lease liabilities	-2,1	-11,3				
Change in net debt	0,0	25,0	2,0	-8,0	2,2	2,3
Other financing activities	-2,0	-1,2	0,0	0,0	0,0	0,0
Dividends	-6,0	-6,0	-6,0	-6,2	-6,5	-6,7
Cash flow from financing activities	**-10,1**	**6,5**	**-4,0**	**-14,2**	**-4,3**	**-4,4**
Cash flow for the period	**-8,0**	**40,7**	**12,8**	**3,2**	**18,8**	**24,7**
Cash at start of the period	36,3	28,5	69,1	81,9	85,1	104,0
Translation effects	0,2	-0,1				
Cash at end of the period	28,5	69,1	81,9	85,1	104,0	128,7

Source: Company information (2018/19-2019/20) and Carlsquare estimates (2020/21-2023/24).

Key ratios	2018/19	2019/20	2020/21E	2021/22E	2022/23E	2023/24E
Cash flow operations/revenues	0,1x	0,1x	0,1x	0,1x	0,1x	0,1x
Cash flow operations/total assets	0,1x	0,2x	0,1x	0,1x	0,1x	0,2x
Dividend per share	1,20	1,20	1,25	1,30	1,35	1,40

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