

Initiation of coverage

Recommendation

Rating BUY

Target Price €5.60

Share Price €2.89
Price date 05/04/2023
Upside/Downside 93.7%

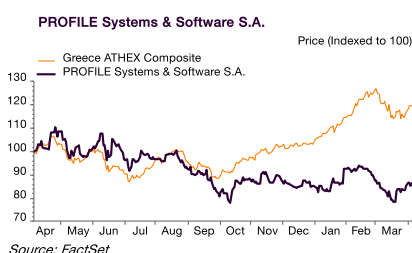
Bloomberg ticker PROF GA
Reuters ticker PRFr.AT

Statistics

Mkt Cap (EUR m) 70.5
Shares out (m) 24.4
Free float 55.60%

Daily avg shares (th) | 12mths 16.7
Price high | 12mths €3.65
Price low | 12mths €2.60
ABS. PERF. | YtD +1.2%
ABS. PERF. | 12mths -12.7%
ABS. PERF. | 3mths +1.4%
ABS. PERF. | 1mth -0.3%

Graph | indexed vs. ASE index | 12M



Research Department

Riding the digitalisation wave

A global group | Profile is a software developer and vendor specialising in Banking, Fintech and Asset Management business solutions. The company has established a strong global foothold with presence in 48 countries and is servicing more than 300 clients worldwide. Its clientele includes Global Top Tier Financial institutions and Asset Management companies. International operations accounted for 69% of revenues and Greece for 31% of revenues in 2021.

Valuation | We initiate coverage on Profile with a Buy rating and a TP23e of EUR 5.60/share, implying a hefty potential upside of 93.7%. Our DCF model is based on a WACC of 8.2% and 1.0% terminal growth rate. The stock is currently trading 8.2x EV/EBITDA23e, at 52% discount to its global peers and 4.5x EV/EBITDA24e at a deep discount of 68%. At our TP, the stock would trade an average EV/EBITDA of 13.1x, still at a 15% discount to its global peers.

Upside catalysts | The company is focusing primarily on organic growth and is also looking for potential M&A opportunities throughout the world. The key growth driver over 2023e-2027e will be the public sector projects relating to its digital transformation. Leveraging on its over 30-yr experience and solid track record in delivering large scale projects related to digital transformation, the company is well positioned to reap the benefits from the enormous public sector modernisation budget shaping in at EUR ca1.3bn under the RRF. Moreover, we also expect financial solutions revenues to grow, bolstered by 1) licenses from new customers and cross selling of new product offerings, 2) installation services and learning process and 3) licensing services such as Software-as-a-Service (SaaS). The company is also seeking for new M & A opportunities that will be EPS accretive, capitalising on its successful track record.

High growth rates | We project sales CAGR of 23.9% over 2021-2026e, EBITDA CAGR of 27.1% and recurring net profit CAGR of 37.6%. Business solutions (public sector) revenues will be the primary growth driver and we expect the company to deliver sales CAGR of 55.3%, assuming that the company will grasp a market share of 8.9% in tenders, in line with the management's guidance for signed projects of more than EUR 100.0m over 2021-2027e and excluding any new projects in the pipeline. We also project financial solutions revenues CAGR of 12.7% over 2021-2026e. The high growth rate of EBITDA and the low CapEx program (EUR 3.0m per annum over 2023e-2026e) are expected to boost the cash position in the medium term, paving the way for higher dividend distributions and potential acquisitions worldwide.

Downside risks | A new global banking crisis and recession as well as delays in RRF projects pose as downside risks to the investment case.

Forecasts	2021	2022f	2023f	2024f	2025f	2026f
Revenues	20.1	24.8	29.8	46.1	52.4	58.7
EBITDA	5.2	6.1	7.7	13.2	15.2	17.3
Adj net profit*	2.2	2.9	3.9	7.9	9.4	10.9
Adj. EPS*	0.09	0.12	0.16	0.33	0.38	0.45
DPS	0.02	0.04	0.05	0.08	0.09	0.10
Valuation Ratios	2021	2022f	2023f	2024f	2025f	2026f
Adj. P/E*	32.0x	24.6x	18.3x	8.9x	7.5x	6.5x
P/E	31.5x	17.8x	18.3x	8.9x	7.5x	6.5x
EV/EBITDA	12.5x	10.4x	8.2x	4.5x	3.4x	2.5x
EV/Sales	3.2x	2.6x	2.1x	1.3x	1.0x	0.8x
DY	0.6%	1.4%	1.7%	2.6%	3.0%	3.4%

source: Company, Optima bank research, *excluding profits from discontinued operations

Company Description

Profile Software was founded in 1990 and is a Greek software developer that specialises in providing solutions to Financial Institutions, Asset Management firms and to the public sector. In more detail, the company provides software solutions for:

- **Financial institutions** (Digital banking, core banking, Treasury and risk management platforms). Financial solutions accounted for 39% of sales in 2021.
- **Asset Management firms** (wealth management, custody, asset & fund management platforms). Asset management solutions accounted for 46% of sales in 2021.

and

- **Public sector** projects that accounted for 16% of sales in 2021. The company has taken over a series of public sector projects in Greece for the Ministry of Digital Governance, the Ministry of Finance, the Ministry of Justice, the Ministry of Public Administration, the Ministry of the Environment & energy, the Ministry of Labour & Social Security, the Ministry of Transportation, the Ministry of Maritime Affairs, the Ministry of Education and the Ministry of Migration & Asylum.

Product Portfolio

Financial Institutions products

- **Finuevo Suite:** A robust and comprehensive suite for all banking functions for Conventional, Digital Banks, EMLs and MFIs. The Finuevo Suite combines innovative functions following international banking standards while providing intuitive usability for both bank officers and the bank's digital clients, paired with state-of-the-art tools for exceptional day2day banking operations
- **Finuevo Digital:** The mobile-first, cloud-native, Digital Banking in-a-box platform that accelerates digital transformation end-to-end. It helps financial institutions to go live fast at low risk whilst having the flexibility to deliver their own branded customer journey and offer competitive and personalised services. It is pre-integrated with Finuevo Core, but it can also be integrated with any Core Banking system to deliver a front-to-back functionality.
- **Finuevo Core:** The One-Stop-Shop Core Banking Platform, offers frictionless user experience and powerful product factory capabilities. It is designed based on client-centric approach, supporting all Core Banking requirements, online transactions and web-based capabilities to offer omni-channel experience to both users and clients.
- **Acumen.plus:** The full front-to-back-to-risk Treasury system, offers a complete open cloud-native platform covering the whole spectrum of Treasury and Capital Markets operations in real-time. It can be integrated with any back-end system to deliver a front-to-back-to-risk user experience and competitive functionality.
- **RiskAvert:** The comprehensive Risk management solution with proven market experience enable banks to cost effectively and promptly address concerns for Basel II/III/IV and manage the increasing pressure to meet their regulatory mandates, meeting the regulatory & compliance obligations out-of-the-box.

Asset Management products

- **Axia Suite** | The platform operates as a cloud/web-based, omni-channel system over an automated, and risk-free architectural environment. It covers all functions for Wealth, Asset and Fund Management, Insurance Investment Management, Personal/Private Banking, providing sophisticated tools to effectively manage the industry's agile operations. Additional functionality covers all Custody operations supporting the requirements of the Custodian Services market, providing the required flexibility, while the Robo-Advisory module delivers modern and workflow-based functionality in a fully automated or hybrid model.
- **Centevo Suite** | A cloud-based, fully integrated Fund & Asset Management platform for Wealth Managers, Fund Managers, and Banks in the Nordics. The platform is highly configurable to fit the requirements of various market needs. The solutions are provided as cloud services, which ensures a cost-effective alternative with high scalability and security.

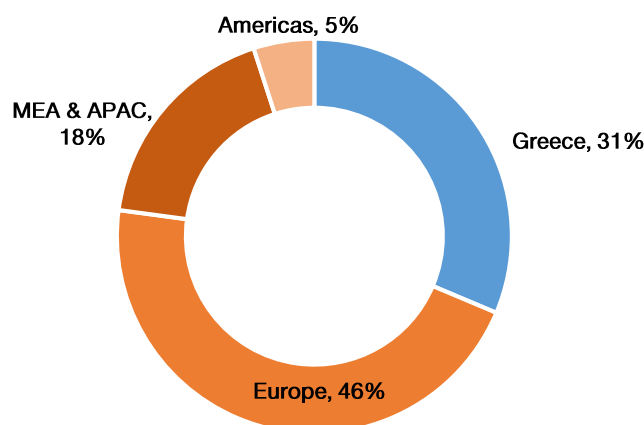
Global footprint

Profile has established a strong foothold worldwide with presence in 48 countries and is operating offices in key global financial centres such as London, Paris, Miami, Singapore, Dubai, Stockholm and Oslo.

It is currently servicing more than 300 clients around the world and its clientele encompass Top Tier Financial institutions (BNP Paribas, RBS, Nordea, Swedbank, Danske Bank, Sumitomo Mitsui Trust Bank, Alpha Bank, Piraeus Bank, National Bank of Greece, Bank of Cyprus) and Top Tier Asset Management companies (Allianz, Generali, Metlife Alico, Pareto Asset Management).

Greece accounted for just 31% of sales in 2021, with the bulk of revenues deriving from abroad. Europe is the company's biggest market and accounts for 46% of sales, Middle East & APAC for 18% of sales and the Americas accounted for solely 5% of sales.

Sales B/D by Region | 2021



source: Profile

Strategy is focusing on growth opportunities worldwide

The growth pillars in the medium-term will be a) the acceleration of organic growth momentum and b) the exploration of new M & A opportunities worldwide. In this spectrum, we expect the company to focus on the Greek market and in specific on public sector projects that will augment substantially their contribution in the next years and to continue investing on solutions mainly addressing to Fintechs and digitalised Financial & Asset Management, rather than on traditional type of banks. On top of that, we also anticipate the company to keep on exploring M & A opportunities worldwide, given its successful track record.

Greece 2.0 is the key growth driver that will change the revenues mix

The National Recovery and Resilience Plan (NRRP) Greece 2.0 is structured on the following four pillars: 1) Green transition, 2) Digital transformation, 3) Employment, skills, and social cohesion, and 4) Private investment and transformation of the economy.

Exhibit 4 | Breakdown of RRF budget (in EUR m)

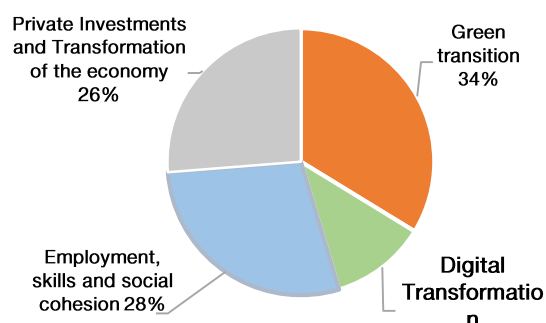


Exhibit 5 | Budget & Mobilised Investment resources (in EUR m)

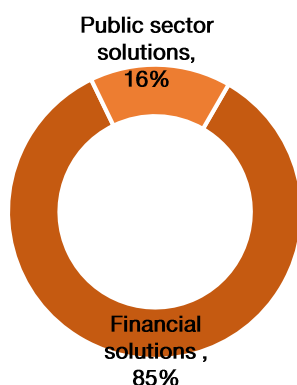
Pillars	RRF budget	Mobilised resources
(1) Green transition	6.194	10.395
(2) Digital Transformation	2.177	2.236
Modernise of public sector	1.280	1.280
Digitalisation of businesses	0.375	0.475
Connect	0.522	0.582
(3) Employment, skills and social cohesion	5.185	5.268
(4) Private Investments & Transformation	4.880	8.779
Sum of Grants	18.435	27.988
Loans	12.728	31.819
Total investment resources	31.163	59.807

source: Optima bank research, Greece 2.0 NRRP

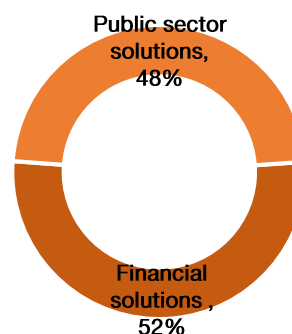
source: Optima bank research, Greece 2.0 NRRP

According to RRF, the budget of the modernisation of public sector will amount to EUR 1.28bn, of which, we assume that Profile will undertake projects of 100.0m in the period 2023e-2027e, i.e. 8.9% share in tenders' total value, based on the management's guidance that it has already signed projects of more than EUR 100.0m and excluding any new projects in the pipeline. Thus, we expect business solutions revenues to be the main growth driver and to post a CAGR of 55.3% over 2021A-2026E and revenues to reach EUR 28.0m in 2026 versus EUR 8.0m in 2023. Hence, we expect the revenues mix to change substantially and business solutions (public sector) revenues to augment their contribution to 48% of revenues in 2026e from 16% in 2021.

Product mix 2021



Product mix 2026



source: Profile, Optima bank research

M & A also in the pipeline given the successful track record

Profile has historically taken advantage of M & A opportunities and has a successful track record by implementing the acquisitions of Login in 2017 and Centavo in 2021. Both acquisitions have been EPS accretive and have been completed within 6 to 12 months.

The company is currently seeking to explore M & A opportunities worldwide and targets to acquire complementary businesses and technologies adding EUR 12m-EUR 15m of revenues per annum. The potential acquisitions will be funded primarily by the bulk of FCF's and also by debt.

Valuation

We have valued Profile using a DCF model, with explicit P&L and cash flow forecasts for the 2023e-2026e period. Our valuation is based on WACC of 8.2% (3.0% weighted risk-free rate, 6.9% risk premium to account for Greece and MEA presence) and a 1.0% terminal growth rate. We have also incorporated our group's net cash position estimate at the end of December 2022, which we expect at EUR 6.3m.

Our DCF model returns a fair price of EUR 5.60/share and a target market cap of EUR 136.5m, implying a hefty 93.7% upside potential and thus we rate the stock as a Buy.

Exhibit 1 | DCF Model

EUR m	2023E	2024E	2025E	2026E
EBIT	5.1	10.4	12.1	14.0
tax	-1.0	-2.1	-2.5	-2.9
Depreciation	2.5	2.8	3.1	3.3
CAPEX	-3.0	-3.0	-3.0	-3.0
Δ(WC)	-0.7	-0.8	-2.0	-0.9
Free Cash Flow to the Firm	3.0	7.2	7.7	10.5
WACC	8.2%	8.2%	8.2%	8.2%
PV of FCFF	2.8	6.2	6.0	7.7
Sum of PV of FCFF 2023-2026	22.7			
Terminal Growth Rate	1.0%			
+ Discounted Terminal Value	107.4			
Enterprise Value	130.2			
Plus: FY22e Net Cash	6.3			
Equity value	136.5			
No of shares (mn)	24.4			
Target price	5.60			
Upside/ (Downside)	+93.7%			

source: Optima bank research

On a relative valuation basis, Profile is trading at a material discount compared to its global peers, which is not justified in our view, despite its lower size. The stock is currently trading 8.2x EV/EBITDA_{23e}, at a material discount of 52% and 4.5x EV/EBITDA_{24e}, at a deep discount of 68%. At our target price of EUR 5.60/share, the stock would trade an average EV/EBITDA of 13.1x, still at a 15% discount compared to its global peers.

Exhibit 2 | Peer group

Company	EV/EBITDA (x)	
	2023E	2024E
Factset	22.2x	20.5x
Infosys	16.5x	14.4x
Fiserv	12.1x	11.1x
Wolters Kluwer	17.5x	16.5x
Envestnet	16.8x	13.3x
SimCorp	19.3x	16.6x
Aptitude	17.6x	13.3x
TietoEVRY	8.3x	7.9x
Median	17.2x	13.9x
Profile	8.2x	4.5x
Discount	-52%	-68%

source: Optima bank research, FactSet data (prices as of 05 April 2023)

Earnings forecasts

We project top line CAGR of 23.9% over 2021-2026e and revenues to shape at EUR 58.7m in 2026E versus EUR 20.1m in 2021, as business solutions (public sector) revenues are expected to be the main growth driver due to the RRF projects. We forecast business solutions revenues CAGR of 55.3% in the same period and revenues to reach EUR 28.0m in 2026e from just EUR 3.1m in 2021. On top of that, we expect financial solutions CAGR of 12.7% in the same period and to reach EUR 30.7m in 2026e from EUR 16.9m in 2021. **Recall that recurring revenues account for 65% of total revenues.** We also forecast gross margin to widen to 49.4% in 2023 from 48.8% in 2022 and to compress to 45.4% over 2024e-2026e and hence gross profit to post a CAGR of 21.9% in the same period.

On the cost side, we project OpEx CAGR of 12.0% over 2021-2026e due to higher administrative (9.3% CAGR), sales & marketing (11.6% CAGR) as well as Research & Development expenses (12.9% CAGR). Hence, we forecast EBITDA CAGR of 27.1% over 2021-2026e and to reach EUR 17.3m in 2026e versus EUR 5.2m in 2021 and the EBITDA margin to widen to 29.5% in 2026e from 25.6% in 2021.

Last but not least, we forecast adjusted net profit (excluding profit from discontinued operations) CAGR of 37.6% over 2021-2026e and to reach EUR 10.9m in 2026e against EUR 2.2m in 2021.

Table 6 | Financial performance per business segment (in EUR m)

KPIs (EUR m)	2021	2022E	2023E	2024E	2025E	2026E	CAGR
Group sales	20.1	24.8	29.8	46.1	52.4	58.7	23.9%
y-o-y %	33.8%	23.3%	20.3%	54.4%	13.8%	12.0%	
Financial Solutions	16.9	19.5026	21.8	24.5	27.4	30.7	12.7%
y-o-y %	48.2%	15.4%	12.0%	12.0%	12.0%	12.0%	-
Business Solutions (public sector)	3.1	5.3	8.0	21.6	25.0	28.0	55.3%
y-o-y %	-16.2%	71.0%	50.9%	170.0%	15.7%	12.0%	-
Group EBITDA	5.2	6.1	7.7	13.2	15.2	17.3	27.1%
y-o-y %	24.8%	17.5%	24.7%	71.8%	16.5%	28.7%	
Group FCF	-6.8	1.8	2.4	5.1	8.3	10.0	-
y-o-y %	-	-126%	31%	114%	64%	21%	

source: Company, Optima bank research

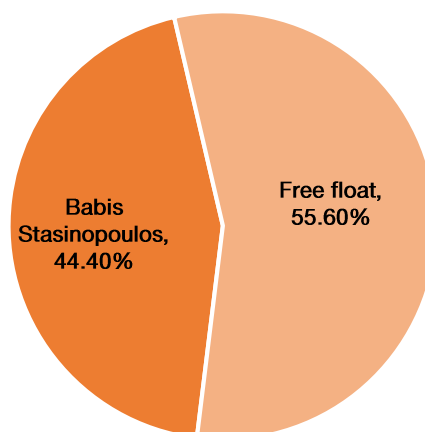
Moreover, we expect the company to generate FCF CAGR of 53.6% over 2022e-2026e and to shape at EUR 10.0m in 2026e from EUR 1.8m in 2022e and FC outflow of EUR 6.8, in 2021, thanks to the strong EBITDA growth (27.1% CAGR) and the low CapEx program, estimated at EUR 3.0m per annum from 2023 and onwards.

Hence, we forecast the strong FCF generation to lead to a substantially higher net cash position of EUR 26.3m in 2026e from EUR 6.3m in 2022 and EUR 5.1m in 2021, without taking into account any new M & A opportunities and no debt reduction.

The strong FCF generation paves the way for higher dividend distributions to shareholders as well as for new M & A opportunities. We assumed an average dividend payout of 26.8% over 2022e-2026e and forecast DPS of EUR 0.04 in 2022e and EUR 0.05 in 2023e, implying a gross dividend yield of 1.4% and 1.7% respectively.

Shareholder's structure

The founder of the company, Mr Babis Stasinopoulos holds a majority stake of 44.40%, while the remaining 55.60% stake is free float.



source: Company

SUMMARY TABLES

Profit & Loss (EUR m)	2021	2022f	2023f	2024f	2025f	2026f	Balance Sheet (EUR m)	2021	2022f	2023f	2024f	2025f	2026f
Revenues	20.1	24.8	29.8	46.1	52.4	58.7	Net Tangible Assets	4.3	4.9	5.4	5.8	6.3	6.7
YoY	33.8%	23.3%	20.3%	54.4%	13.8%	12.0%	Net Intangible Assets	8.6	9.2	9.3	9.0	8.5	7.7
COGS	(10.1)	(12.7)	(15.1)	(25.3)	(28.7)	(31.8)	Net Rights of Use Assets	0.5	0.5	0.5	0.5	0.5	0.5
SGA	(5.4)	(6.9)	(7.5)	(8.3)	(9.2)	(10.3)	Net Financial Assets & Other	3.4	3.4	3.4	3.4	3.4	3.4
Other Inc / (Exp)	0.6	0.9	0.4	0.7	0.7	0.7	Total Fixed Assets	16.8	18.1	18.6	18.8	18.7	18.4
EBITDA	5.2	6.1	7.7	13.2	15.2	17.3	Inventories	0.1	0.1	0.2	0.3	0.4	0.4
y-o-y	24.5%	17.5%	24.7%	71.8%	15.3%	14.3%	Trade & other receivables	10.9	12.0	13.3	17.3	18.8	20.4
EBITDA (Adj.)	5.5	6.3	7.9	13.3	15.2	17.3	Cash & Equivalents	12.6	13.8	15.4	19.4	25.9	33.8
YoY	-	16.2%	23.9%	69.0%	14.7%	13.8%	Other Current Assets	3.0	3.0	3.0	3.0	3.0	3.0
EBITDA Margin	26.0%	24.8%	25.7%	28.6%	29.0%	29.5%	Total Current Assets	26.6	29.0	31.9	40.0	48.1	57.6
D&A	2.5	2.2	2.5	2.8	3.1	3.3	Total Assets	43.4	47.1	50.5	58.8	66.8	76.0
EBIT	2.7	3.9	5.1	10.4	12.1	14.0	Long Term Debt	3.2	3.2	3.2	3.2	3.2	3.2
YoY	41.2%	44.7%	31.7%	101.5%	16.7%	15.6%	LT Lease liabilities	0.5	0.5	0.5	0.5	0.5	0.5
EBIT Margin (adj.)	13.4%	15.7%	17.2%	22.5%	23.1%	23.8%	Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Inc / (Exp.)	0.1	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	Other LT Liabilities	1.6	1.6	1.6	1.6	1.6	1.6
						0.0	Total Long Term Liabilities	5.3	5.3	5.3	5.3	5.3	5.3
							Short Term Debt	3.7	3.7	3.7	3.7	3.7	3.7
EBT	2.8	3.6	4.8	10.0	11.9	13.8	ST Lease liabilities	0.1	0.1	0.1	0.1	0.1	0.1
Tax	(0.6)	(0.7)	(1.0)	(2.1)	(2.5)	(2.9)	Trade & other payables	8.8	9.3	9.8	12.0	12.7	13.3
effective tax rate (%)	-21%	20%	20%	21%	21%	21%	Other Current Liabilities	0.6	0.6	0.6	0.6	0.6	0.6
Recurring EAT	2.2	2.9	3.9	7.9	9.4	10.9	Total Current Liabilities	13.2	13.7	14.2	16.3	17.0	17.7
Discontinued Operations	0.1	1.1	0.0	0.0	0.0	0.0	Liabilities	18.5	19.0	19.5	21.7	22.4	23.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0	Shareholders Equity	25.1	28.2	31.1	37.3	44.6	53.1
Reported EAT	2.3	4.0	3.9	7.9	9.4	10.9	Minorities	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
YoY	139.3%	73.3%	-2.3%	105.6%	18.2%	15.9%	Total Equity	24.9	28.1	31.0	37.2	44.5	53.0
Recurring EAT	2.2	2.9	3.9	7.9	9.4	10.9	Total Liabilities & Equity	43.4	47.1	50.5	58.8	66.8	76.0
YoY	59.2%	29.9%	34.8%	105.6%	18.2%	15.9%							
EAT Margin (adj.)	11.0%	11.5%	12.9%	17.2%	17.9%	18.5%							
							Cash Flow Statement (EUR m)	2021	2022f	2023f	2024f	2025f	2026f
							PBT	2.8	3.6	4.8	10.0	11.9	13.8
Per Share Data (EUR)	2021	2022f	2023f	2024f	2025f	2026f	Paid tax	(0.5)	(0.7)	(1.0)	(2.1)	(2.5)	(2.9)
Reported EPS	0.09	0.16	0.16	0.33	0.38	0.45	Interest expenses (net)	(0.1)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)
YoY	131.9%	73.3%	-2.3%	105.6%	18.2%	15.9%	Working capital	(1.2)	(0.7)	(0.8)	(2.0)	(0.9)	(0.9)
Recurring EPS	0.09	0.12	0.16	0.33	0.38	0.45	Capex	(9.5)	(3.5)	(3.0)	(3.0)	(3.0)	(3.0)
YoY	54.2%	29.9%	34.8%	105.6%	18.2%	15.9%	Other	(1.0)	0.0	0.0	0.0	0.0	0.0
DPS	0.02	0.04	0.05	0.08	0.09	0.10	Free cash flow	(6.8)	1.8	2.4	5.1	8.3	10.0
BVPS	1.03	1.16	1.27	1.53	1.83	2.18	Dividend payment	(0.6)	(0.8)	(1.0)	(1.2)	(1.9)	(2.1)
							DPS	0.02	0.04	0.05	0.08	0.09	0.10
Price & Mkt Cap	2021	2022f	2023f	2024f	2025f	2026f	New loans	2.8	0.0	0.0	0.0	0.0	0.0
Total Market Cap	70.5	70.5	70.5	70.5	70.5	70.5	Change in cash	(1.4)	1.2	1.6	4.0	6.5	7.9
Share price **	2.89	2.89	2.89	2.89	2.89	2.89	Cash at the beginning	13.9	12.6	13.8	15.4	19.4	25.9
Total Shares out (m)	24.4	24.4	24.4	24.4	24.4	24.4	FX differences	0.4	0.0	0.0	0.0	0.0	0.0
Adj. Shares out (m)	24.4	24.4	24.4	24.4	24.4	24.4	Cash at the end	15.4	19.4	25.9	33.8	42.3	0.0
							Total debt	7.5	7.5	7.5	7.5	7.5	7.5
Valuation	2021	2022f	2023f	2024f	2025f	2026f	Net debt / Cash	(5.1)	(6.3)	(7.9)	(11.9)	(18.4)	(26.3)
P / E (x)	30.9x	17.8x	18.3x	8.9x	7.5x	6.5x							
P / E (x) (adj.)	32.0x	24.6x	18.3x	8.9x	7.5x	6.5x	Other Items (EUR m)	2021	2022f	2023f	2024f	2025f	2026f
P / BV (x)	2.8x	2.5x	2.3x	1.9x	1.6x	1.3x	Capital Employed	33	36	39	45	52	61
EV / Sales (x)	3.2x	2.6x	2.1x	1.3x	1.0x	0.8x	Net Working Capital	2.2	2.8	3.6	5.6	6.5	7.5
EV / EBITDA (x)	12.5x	10.4x	8.2x	4.5x	3.4x	2.5x	Net Debt / (Cash)	(5.1)	(6.3)	(7.9)	(11.9)	(18.4)	(26.3)
EV / EBITDA adj. (x)	12.0x	10.1x	8.0x	4.4x	3.4x	2.5x	o/w gross debt (ex leases)	6.9	6.9	6.9	6.9	6.9	6.9
FCF yield (FCFE/mkt cap)	-9.7%	2.6%	3.4%	7.2%	11.8%	14.2%	o/w lease liabilities	0.6	0.6	0.6	0.6	0.6	0.6
FCF/EV (FCFF/EV)	-10.2%	3.3%	4.3%	9.2%	16.4%	23.2%	o/w cash	12.6	13.8	15.4	19.4	25.9	33.8
Payout ratio	34.9%	34.9%	31.2%	23.4%	22.5%	21.8%	Enterprise Value (EV adj.)	65	64	63	59	52	44
Div. Yield (%) (gross)	0.5%	1.4%	1.7%	2.6%	3.0%	3.4%	Free cash flow	(6.8)	1.8	2.4	5.1	8.3	10.0
							Net Interest Income / (Expenses)	(0.1)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)
Ratios	2021	2022f	2023f	2024f	2025f	2026f	Free Cash Flow to Firm	(6.7)	2.1	2.7	5.4	8.5	10.2
ROE (avg)	9.6%	14.8%	13.0%	23.2%	22.9%	22.3%							
ROCE (adj.)	7.6%	11.6%	10.4%	19.0%	19.4%	36.4%							
Net Debt / Equity	(20.4%)	(22.4%)	(25.4%)	(31.8%)	(41.2%)	18.9%							
Net Debt / EBITDA	(1.0x)	(1.0x)	(1.0x)	(0.9x)	(1.2x)	0.6x							
Interest Cover. (EBITDA/Fin.intel)	57.6x	18.8x	23.9x	41.1x	66.0x	75.4x							
Capex / Sales	47.4%	14.1%	10.1%	6.5%	5.7%	5.1%							
WACC	-	8.2%	8.3%	8.3%	8.4%	9.7%							

Source: the Company, Optima bank research

* Price: Fiscal year end at historical years & Current price for current and forecast years

Company Description: Founded in 1990, Profile Software is a leading international solutions provider for the Banking and Investment Management industries. The company currently operates 10 international offices and has presence in 48 countries worldwide servicing a total of c.300 clients. 69% of revenues, as of 2021, was generated outside Greece and its business model is defined by c.65% recurring revenues

DISCLOSURE APPENDIX

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Recommendation System is **Absolute**: Each stock is rated on the basis of a total return, measured by the upside over a 12 month time horizon

	Buy > 10%	Neutral -5% to +10%	Sell < -5%	Under Review Suspended	Restricted
Total Coverage	67%	19%	0%	14%	0%
% of companies that are IB clients	0%	0%	0%	0%	0%

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8. On July 31, 2019, Motor Oil's Cyprus based wholly owned subsidiary under the legal name IREON INVESTMENTS LTD completed the acquisition of 97.08% stake in the share capital of Optima bank S.A. (former Investment Bank of Greece S.A.), 94.52% stake in the share capital of CPB Asset Management A.E.D.A.K. and 100% stake in the share capital of Laiki Factors and Forfaiters S.A.
9. Following the sale and transferring of shares from IREON INVESTMENTS LTD to numerous third parties in multiple dates since the initial acquisition, and Optima bank's subsequent EUR 80m share capital increase, in which IREON INVESTMENTS did not participate, the participation of IREON INVESTMENTS LTD in OPTIMA BANK S.A. as of January 19, 2021 was reduced to a percentage lower than 15%.

Recommendation History | Profile

Date	Recommendation	TP	CP (at report date)
06-Apr-23	Buy	EUR 5.60	EUR 2.89

Risks to our forecasts and valuation

- 1) A new global banking crisis, a new global recession and delays in RRF projects could affect the company's financial performance, posing a downside risk to our P&L forecasts and target price.

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