GBC AG
Investment Research

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

Q1 marked by announced restructuring expenses; guidance, price target and rating confirmed

Industry: Software
Focus: Consulting and software specialist
Foundation: 1988

Employees: 982 (31/03/2025)
Company headquarters: Stuttgart
Management Board: Peter Schneck, Axel Otto

For over 33 years, CENIT has been successfully active as a leading consulting and software specialist for the optimisation of business processes in the fields of Digital Factory, Product Lifecycle Management (PLM), SAP PLM, Enterprise Information Management (EIM) and Application Management Services (AMS). Standard solutions from strategic partners such as DASSAULT SYSTEMES, SAP and IBM are supplemented by CENIT's own established software developments. These include the FASTSUITE product family for software solutions in the digital factory sector, cenitCONNECT for processes around SAP PLM, cenitSPIN as a powerful PLM desktop, CENIT ECLISO for efficient information management and ECM Systemmonitor for monitoring IBM ECM applications. The company is represented worldwide at 26 locations in nine countries with over 930 employees. They work for customers in the automotive, aerospace, mechanical engineering, tool and mould making, financial services, trade and consumer goods sectors, among others.

in € million	31.12.24	31.12.2025e	31.12.2026e	31.12.2027e
Turnover	207.33	230.22	242.22	254.86
EBITDA	17.26	18.18	24.38	27.46
EBIT	7.38	7.00	13.40	16.88
Net income	-1.94	1.89	6.53	8.95
Earnings per share	-0.23	0.23	0.78	1.07
Dividend per share	0.00	0.05	0.20	0.30
EV/sales	0.45	0.40	0.38	0.37
EV/EBITDA	5.40	5.13	3.82	3.40
EV/EBIT	12.63	13.32	6.96	5.52
KGV	-35.70	36.51	10.59	7.72
KBV	1.46			

Investment Case

- In q1 2025, revenue rose by 1.9% to €51.51 million (previous year: €50.55 million). In an environment characterised by cautious customer behaviour, the increase in revenue was exclusively attributable to the first-time consolidation of Analysis Prime.
- The previous year's revenues were also influenced by a high-volume order from the defence sector, which did not recur in the first quarter of 2025.
- Extraordinary expenses of €3.35 million related to the planned reduction in headcount weighed on the operating result.
- Further earnings were impacted by exchange rate effects, PPA amortisation and a negative contribution to earnings from Analysis Prime. As a result, EBIT fell to €-5.44 million (previous year: €1.24 million).
- Guidance for the current financial year (revenue: €229 to €234 million; EBITA: €12.4 million) confirmed.
- Strong improvement in earnings expected for the following quarters. This is due to the absence of restructuring expenses, Analysis Prime breaking even and cost savings.
- We confirm our forecasts and price target (€19.00) and continue to assign a BUY rating.

Rating: BUY
Target price: € 19.00 (old: € 19.00)

Share and master data

Share price (closing 15.05.25)	8.28 EUR
Stock exchange	XETRA
ISIN	DE0005407100
WKN	540710
Number of shares (in millions)	8.368
MCap (in EURm)	69.12
Enterprise value (in EURm)	93.27
Transparency level	Prime Standard
Market segment	Regulated market
End of FY	31.12
Accounting	IFRS

Shareholder structure

Primepulse	28.1%
Institutional investors	9.1%
Management Board	0.7%
Free Float	62.1%

Financial dates

04.06.25	Annual General Meeting
01.08.25	HJ Report 2025
04.11.25	Q3 figures 2025

Analysts

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Last GBC Research

Date: Publication / Target price in EUR / Rating
22.04.25: RS / 19.00 EUR / BUY
26.02.25: RS / 19.00 EUR / BUY
07.11.24: RS / 22.00 EUR / BUY
05.08.24: RS / 24.15 EUR / BUY
** The research studies listed above can be viewed at www.gbc-ag.de

Completion: 16.05.2025 (10:04 am)
First transfer: 16.02.2025 (11:00 am)

Validity of the price target: until 31 December 2025 at the latest

* Catalogue of possible conflicts of interest on p5

DEVELOPMENT Q1 2025

P&L in € million	q1 2022	q1 2023	q1 2024	q1 2025
Sales	35.40	43.42	50.55	51.51
of which proprietary software	3.63	3.35	4.47	4.41
of which third-party software	21.47	22.28	26.19	24.92
of which consulting/services	10.27	17.75	19.86	22.15
EBIT	-0.39	0.01	1.24	-5.44
EBIT-margin	-1.1%	0.0%	2.4%	-10.6%
Net income	-0.60	-0.07	0.03	-4.71

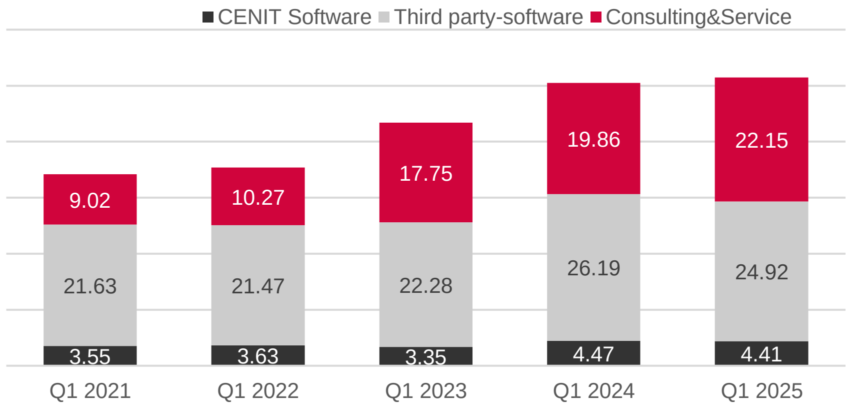
Sources: CENIT AG; GBC AG

Revenue and earnings development in Q1 2025

Despite the challenging environment, CENIT AG increased its revenue by 1.9% to €51.51 million in the first three months of 2025 (previous year: €50.55 million). The decline in sales resulting from the difficult market environment was offset by inorganic effects. The first three months of 2025 also include sales of Analysis Prime LLC, acquired in July 2024, which are estimated at around €3 million.

This inorganic effect is also reflected in the revenue breakdown. As Analysis Prime mainly generates consulting revenue, this rose significantly by 11.5% to €22.15 million (previous year: €19.86 million). This increase offset the decline in proprietary software revenue (-1.4%) and revenue from third-party software (-4.9%). The previous year's revenue from third-party software included a high-volume order from the defence sector (3DS), which contributed to the exceptionally strong performance in the first quarter of 2024.

Breakdown of sales revenue (in € million)



Sources: CENIT AG; GBC AG

Despite a slight increase in revenue, CENIT AG reported a decline in EBITDA to €-2.44 million (previous year: €3.15 million). An important factor in this development was a special expense of €3.35 million in connection with the implementation of the announced restructuring measures. As part of the restructuring programme, the number of employees is to be reduced in the coming quarters (planned reduction: 51), for which accruals were build up in the first quarter of 2025. This will have two positive effects on EBITDA in the following quarters. On the one hand, the extraordinary expenses will decline significantly (Q2 2025: approximately €0.3–0.4 million), and on the other hand, the first savings effects from the reduction in personnel will become visible. In addition to the special expenses, EBITDA included a negative contribution of €1.4 million from Analysis Prime. Analysis Prime was affected by postponements and a delayed start to customer orders. However, this should lead to stronger revenue growth and a positive contribution to earnings in subsequent quarters.

In addition to the effects mentioned above, EBIT of €-5.44 million (previous year: €1.24 million) was impacted by additional PPA amortisation of around €0.9 million in connection with the adjustment of intangible assets (customer base).

On a positive note, operating cash flow for the first quarter was at its usual high level of €11.66 million (previous year: €12.54 million), which includes advance payments received from customers. Cash and cash equivalents increased to €27.03 million (31 December 2024: €16.46 million). They should decrease again in the course of the year in line with the services rendered for the advance payments received.

Forecasts and valueation

P&L in € million	FY 2024	FY 2025e	FY 2026e	FY 2027e
Sales	207.33	230.22	242.22	254.86
EBITA (margin)	11.35 (5.5%)	12.40 (5.4%)	18.53 (7.7%)	21.49 (8.4%)
EBIT (margin)	7.38 (3.6%)	7.00 (3.0%)	13.40 (5.5%)	16.88 (6.6%)
Net income	-1.94	1.89	6.53	8.95

Source: GBC AG

For the current 2025 financial year, CENIT's management continues to expect revenues of between €229 million and €234 million, representing a visible increase in revenues compared to 2024. The first full-year contribution from Analysis Prime, for which revenues of USD28 million (approx. € 24.9 million) are expected, is expected to make a significant contribution to this. Although business performance in the first three months of 2025 remained below this expectation, CENIT anticipates a significant improvement in the following quarters. According to the company, a noticeable improvement at Analysis Prime was already evident in April. The company also expects the cautious customer demand to ease across the group.

The earnings guidance, which anticipates EBITA of €12.4 million, was also confirmed. The coming quarters are likely to be characterised by a significantly lower-than-expected increase in operating costs compared with the first quarter. In connection with the restructuring measures initiated, only special expenses of approximately €0.3 to €0.4 million are expected to be incurred in the second quarter. At the same time, the first savings effects from the reduction in headcount should become visible. Finally, Analysis Prime should make a positive contribution to earnings with the expected expansion of its business activities.

In line with the company's guidance, we are keeping our forecasts unchanged and continue to assign a BUY rating with a price target of €19.00.

ANNEX

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OR

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BUY	The expected return, based on the determined target price, including dividends, within the corresponding time horizon is >= +10%.
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