

Company Update

Reason: Estimates revision

23 October 2023

Buy

Recommendation unchanged

Share price: EUR 8.30

closing price as of 20/10/2023

Target price: EUR 11.50

from Target Price: EUR 10.70

Upside/Downside Potential 38.5%

Reuters/Bloomberg

IZER.MC/IZER SM

Market capitalisation (EURm) 219

Current N° of shares (m) 26

Free float 32%

Daily avg. no. trad. sh. 12 mth (k) 9

Daily avg. trad. vol. 12 mth (k) 162.85

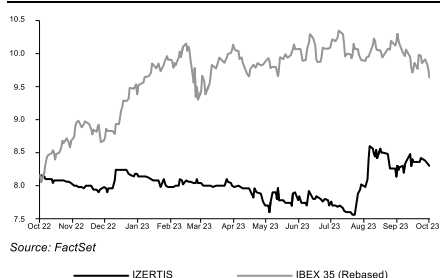
Price high/low 12 months 8.60 / 7.56

Abs Perfs 1/3/12 mths (%) 0.00/6.96/1.72

Key financials (EUR)	12/22	12/23e	12/24e
Sales (m)	88	125	156
EBITDA (m)	12	19	24
EBITDA margin	13.6%	15.3%	15.3%
EBIT (m)	6	11	13
EBIT margin	6.9%	9.0%	8.6%
Net Profit (adj.)(m)	4	5	7
ROCE	6.2%	9.3%	10.4%
Net debt/(cash) (m)	34	45	49
Net Debt Equity	0.7	0.7	0.7
Net Debt/EBITDA	2.8	2.4	2.1
Int. cover(EBITDA/Fin.int)	6.4	5.4	6.1
EV/Sales	2.7	2.1	1.7
EV/EBITDA	19.6	13.7	11.1
EV/EBITDA (adj.)	19.6	13.7	11.1
EV/EBIT	38.8	23.4	19.8
P/E (adj.)	nm	40.0	32.0
P/BV	4.2	3.6	3.2
OpFCF yield	-0.4%	4.0%	6.7%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	0.15	0.21	0.26
BVPS	1.94	2.30	2.56
DPS	0.00	0.00	0.00

Shareholders

Laren Capital, S.L.U. 52%; Management Team 14%; Autocartera 2%;



Analyst(s)

Juan Peña

juan.pena@gvcgaesco.es

+34 91 436 78 16

Nuevo empujón al crecimiento

Revisamos estimaciones de la compañía tras la presentación de resultados del primer semestre, las últimas adquisiciones realizadas y las nuevas proyecciones asumidas en base a la situación del mercado. La principal novedad es en relación al margen, que la compañía está logrando incrementar de manera significativa gracias al cambio de mix de ingresos, aumentando el peso de los ingresos de mayor valor añadido.

- ✓ La compañía presentó a principios de octubre los resultados del primer semestre, en los cuales se observa un fuerte crecimiento de los **ingresos** (+44.5%), impactados por las adquisiciones realizadas durante 2022 y 2023 (aproximadamente 2/3 de este crecimiento proviene del inorgánico) y también por el crecimiento orgánico de la compañía (c.+15% en el semestre) derivado tanto del aumento de clientes como del número y volumen de proyectos con los mismos.
- ✓ A nivel **margen bruto**, la mejora del mix de ingresos hacia servicios de mayor valor añadido, provoca que crezca un +49% en el semestre y el margen crezca en 2.1pp vs H122.
- ✓ Los **costes fijos** (personal y gastos generales) crecen en la misma proporción que los ingresos (+46.2%) gracias a las sinergias obtenidas en las adquisiciones y al control de gastos pese a los fuertes impactos de la inflación. Esto provoca que el EBITDA normalizado crezca el margen igual que el margen bruto (+2.1pp) alcanzando una cifra significativa del 15%.
- ✓ La **situación macro** impacta en la compañía con una subida significativa de los tipos de interés (+EUR1.2m yoy) y provoca que el resultado neto semestral se mantenga en línea vs H122.
- ✓ La compañía ha **adquirido** durante el ejercicio dos compañías: Autentia y Techsociety, que aportarán c.EUR3m de EBITDA adicional, por encima de nuestras estimaciones (c.EUR1.5m de EBITDA incremental al año por M&A). Por el contrario, la deuda neta es más alta que nuestras estimaciones (EUR46m vs EUR41m a cierre de año estimado).
- ✓ A nivel **caja**, estimamos que la compañía es capaz de generar FCF positivo con un nivel de capex M&A en torno a EUR15m a futuro, gracias al crecimiento del EBITDA. Para FY23 estimamos un FCF de c.EUR-5m debido a las adquisiciones realizadas. Gracias a esta generación de FCF positivo, estimamos un desapalancamiento desde las 2.5x DN/EBITDA a cierre de FY23 hasta c.1x en 2027. Como prueba de la solvencia financiera de la compañía, la agencia Ethifinance ha mejorado el rating recientemente hasta BB+.
- ✓ En función de estas mayores previsiones para este ejercicio y para los ejercicios venideros, hemos actualizado nuestras estimaciones para adaptarnos a este escenario y alcanzamos un **precio objetivo de EUR11.5 por acción**, con un potencial del c.+40% sobre precios actuales. Reiteramos nuestra recomendación de **Compra**.
- ✓ Cabe destacar la estabilidad que el precio de la acción ha tenido durante el ejercicio pese al mal comportamiento del BME Growth y las S&M Caps en general.

ÍNDICE

Resultados H123	3
Situación de deuda de la compañía	3
Nuevo reporting de ingresos	4
Software engineering	4
IT Governance	4
Cloud & Infrastructure	5
Business Solutions	5
CX Transformation	5
Enterprise IT Security	5
DX Strategy & Tech Innovation	5
Revisión de estimaciones 2023-2030	6
Valoración	7
Comparables	8

Resultados H123

IZERTIS. POST-H1'23 RESULTS.

EURm	H1'22	H1'23	Δ% y/y
Total income	41.4	59.9	44.5%
Supplies	-8.13	-10.5	28.7%
Gross margin	33.3	49.4	48.4%
% gross margin	80.4%	82.5%	2.1pp
Personnel costs	-26.0	-37.9	46.1%
Other general costs	-2.0	-3.0	47.1%
Other results	0.0	-0.1	6.4%
Impairment & Results of sale of assets	0.0	0.0	n.a
EBITDA	5.3	8.5	60.6%
other non recurrent costs	0.2	0.5	144.2%
Normalized EBITDA	5.5	9.0	63.7%
Normalized EBITDA mg (%)	12.9%	15.0%	2.1pp
EBIT	3.0	5.0	64.7%
Net income	2.0	2.0	0.2%

Source: Izertis & GVC Gaesco Valores

Situación de deuda de la compañía

A cierre de junio 2023, el total de deuda bruta de la compañía se detalla como sigue.

Vencimiento	Concepto	30/06/2023	31/12/2022
Largo Plazo	Obligaciones y otros valores negociables.	4.138	4.032
	Deudas con entidades de crédito a largo plazo	38.437	36.199
	Otros pasivos financieros a largo plazo	1.932	5.205
Corto plazo	Obligaciones y otros valores negociables.	8.275	8.481
	Deudas con entidades de crédito a corto plazo	9.138	7.670
	Otros pasivos financieros a corto plazo	10.113	5.530
Total Deuda		72.033	67.117

A corto plazo, la compañía cuenta con EUR8.3m en pagarés con vencimiento en septiembre al 4.37% (que no han sido renovados en septiembre). En la parte de otros pasivos financieros, se compone principalmente de pagos diferidos por M&A. El resto son deudas con entidades de crédito por préstamos. El tipo medio de la deuda de Izertis se sitúa actualmente en c.5% (con una proporción 55%/45% a tipo fijo/variable).

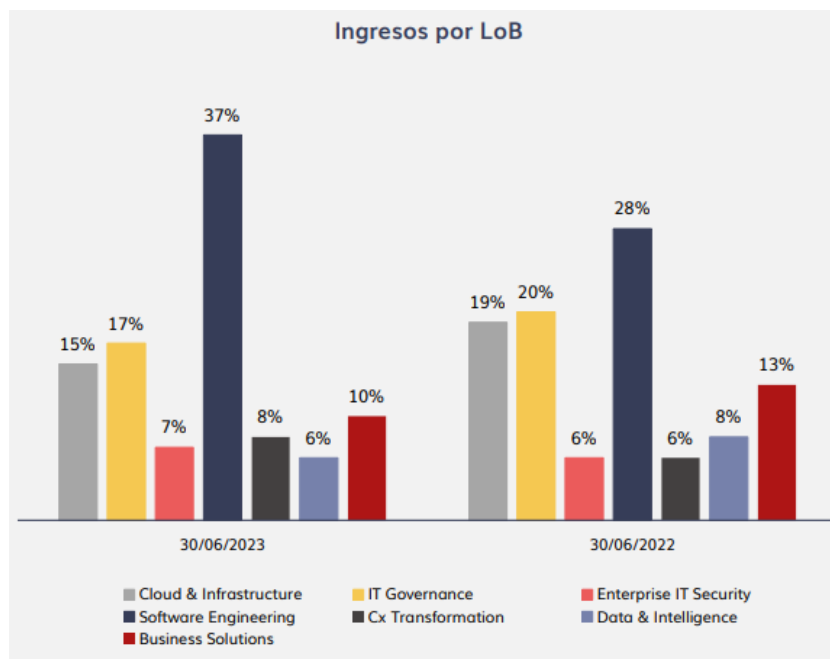
A largo plazo, la compañía tiene bonos convertibles con vencimiento 2026 y se han emitido EUR5m adicionales con vencimiento 2028 en el mes de septiembre. El resto se compone de deudas con entidades de crédito.

El impacto en gastos financieros de la subida de tipos de interés se ha cifrado en c.EUR1.2m, por lo que hemos elevado nuestras estimaciones a futuro en este ámbito, impactando también en el FCF.

Consideramos que la compañía tiene una situación de deuda controlada, tal y como recoge el último informe de rating de Ethifinance, que mejora la calificación de la compañía desde BB a BB+.

Nuevo reporting de ingresos

La compañía ha llevado a cabo un nuevo desglose de sus ingresos para adaptarse mejor a la nueva realidad de la misma y poder detallar mejor su crecimiento. La compañía divide sus ingresos en siete grandes líneas, cuyo peso sobre el total de ventas es el siguiente:



Software engineering

Es la primera línea de negocio de la compañía, y aumentando su peso en la misma. Se centra en el desarrollo de soluciones de software que aumentan la eficiencia operativa de las compañías, mediante la optimización y automatización de sus procesos de negocio, basándose en la innovación tecnológica.

Esta línea emplea un amplio catálogo de soluciones imprescindibles para acelerar la transición hacia los negocios digitales de alto valor para el usuario: desarrollos a medida, mantenimiento de aplicaciones, gestión documental, plataformas de experiencias digitales, aplicaciones móviles en las que se integran soluciones más avanzadas de IoT, Blockchain e inteligencia artificial.

IT Governance

Es la segunda línea de la compañía. Esta línea presta soporte en la puesta en marcha de cambios estructurales, organizativos, culturales y tecnológicos, imprescindibles para una transformación digital exitosa.

En ese sentido, los servicios de Gobierno Corporativo y de TI, se agrupan en las siguientes disciplinas:

- Organización y Procesos (Optimización y reingeniería): Diseño de estructuras a medida en torno a los procesos internos de cada compañía, considerando los modelos de gobierno necesarios para apoyar una gestión enfocada en la cadena de valor y los objetivos del cliente.
- Gestión de Portfolios Estratégicos. Apoyo a las organizaciones en el proceso de análisis y toma de decisiones sobre sus inversiones estratégicas mediante la definición e implantación de oficinas de proyectos EPMO (Enterprise Project Management Office).

- Gestión de Programas y Proyectos. Definición de los modelos y estructuras para la implantación de oficinas de gestión de programas y proyectos (PMO), poniendo el foco en el cumplimiento de los objetivos y en la mejora de la eficiencia de los equipos involucrados.
- Gestión de Servicios IT. Definición e implantación de oficinas de gestión de servicios o Service Management Office (de Negocio-BSM e IT-ITSM) desde una perspectiva y foco estratégicos para ser capaces de dar respuesta en tiempo y forma a la demanda del negocio y garantizar una producción y entrega de los servicios lo más eficiente y optimizada posible.
- Gestión del Cambio Organizacional. Facilita la adopción real de nuevos procesos, metodologías, cambios organizativos o herramientas bajo la consideración de un proyecto en sí mismo y, según el caso, de la puesta en marcha de Oficinas de Transformación.

Cloud & Infrastructure

Es la tercera área de la compañía, cubriendo la modernización tecnológica de sus clientes, no solo comprendiendo la importancia de la consultoría especializada en infraestructuras tecnológicas basadas en cloud (hiperescalares, públicas, privadas e híbridas), sino también la sinergia que se crea al combinarla con el resto de las líneas de actividad.. Se aplica la ingeniería de fiabilidad del sitio (SRE) para crear sistemas de software ultraescalables y fiables solventando problemas de infraestructura y operaciones. El Centro de Servicios Gestionados 24x7 (CSG), no solo responde a las necesidades inmediatas de los clientes, sino que también busca constantemente oportunidades de mejora y optimización.

Business Solutions

Esta línea se especializa en comercializar e implantar soluciones empresariales *end to end* que desarrollan una mayor eficiencia, reducen costes y crean un negocio hiperconectado que vincula personas, datos y procesos en toda la organización, abordando la complejidad de los procesos empresariales. Izertis cuenta con una cartera de aplicaciones empresariales, basándose en el partnership con fabricantes como SAP, Infor, Salesforce y Microsoft.

CX Transformation

En esta línea se diseñan soluciones integrales para la conceptualización de estrategias y ejecución de todos los activos digitales. Esta línea se centra en la aplicación de procesos ágiles y tecnologías punteras, haciendo uso de los datos como pilar fundamental para el conocimiento de negocio. Dentro del portfolio de servicios que se ofrecen se encuentran: Customer Experience, UX/UI, estrategias de ventas digitales, comunicación y contenido digital, creatividad, data analytics y CRM lead management.

Enterprise IT Security

Esta línea tiene como objetivo principal ofrecer a sus clientes un conjunto de servicios que permiten garantizar condiciones de seguridad óptimas, con un foco en la ciberseguridad.

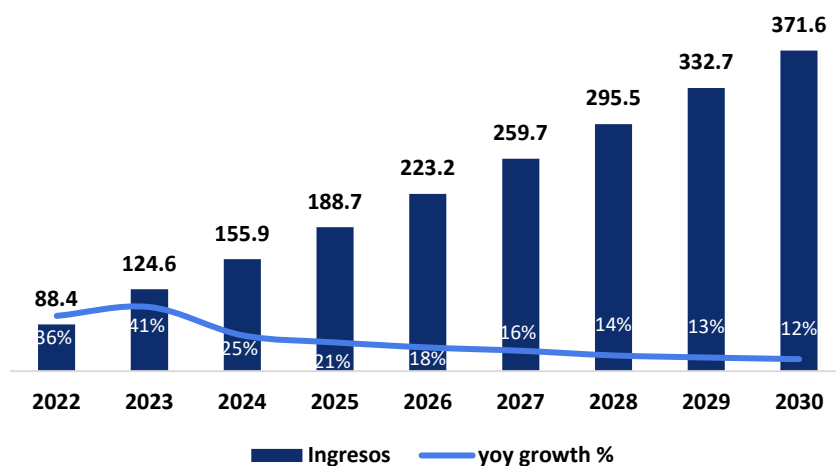
DX Strategy & Tech Innovation

Línea especializada en proporcionar al cliente soluciones de inteligencia personalizadas, aprovechando al máximo los datos y facilitando la toma de decisiones estratégicas basadas en información sólida y precisa. Se pone a disposición de los clientes servicios y soluciones blockchain en diferentes sectores, a través de productos que aceleran la adopción de esta tecnología en ámbitos como la identidad digital, la trazabilidad, la certificación y la tokenización. La propuesta de soluciones de hiperautomatización combina diferentes tecnologías y herramientas para impulsar la robotización de los procesos tomando como base RPA e integrando tecnologías de inteligencia artificial que aportan capacidades cognitivas (process mining, task mining, OCR inteligente, chatbot, etc.).

Revisión de estimaciones 2023-2030

En base a todo lo anterior, nuestras estimaciones a futuro son las siguientes:

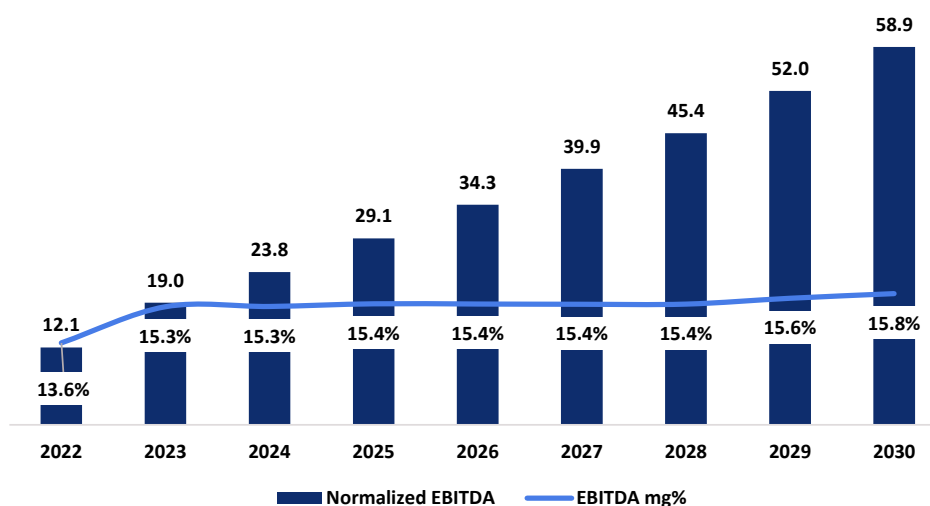
Revenues (M€) & yoy growth (%)



Estimamos un crecimiento de ingresos superior a 20% anualizado con una combinación c.50/50 de crecimiento orgánico e inorgánico en base a las estimaciones de mercado, la dinámica del sector y de la compañía y el track récord de la misma.

A nivel EBITDA, asumimos una posición conservadora de estabilidad del margen a futuro en torno al 15%.

Normalized EBITDA (M€) & EBITDA Normalized mg (%)



El crecimiento esperado del EBITDA a futuro se basa 2/3 en crecimiento orgánico y 1/3 de inorgánico, gracias a la mejora de procesos, sinergias de las operaciones e incremento de servicios de mayor valor añadido.

Para todo ello estimamos un FCF como el que sigue:

DCF VALUATION SENSITIVITY. WACC vs. g

W.A.C.C.	Perpetuity growth rate					
		0.9%	1.4%	1.9%	2.4%	2.9%
	8.5%	11.0	11.8	12.7	13.7	14.9
	8.7%	10.5	11.2	12.1	13.0	14.1
	9.0%	10.1	10.7	11.5	12.4	13.4
	9.2%	9.7	10.3	11.0	11.8	12.7
	9.5%	9.3	9.8	10.5	11.2	12.1

Source: GVC Gaesco Valores Estimates

DCF VALUATION SENSITIVITY. WACC vs. Adj. EBITDA M.

WACC	Residual Adj. EBITDA M.					
		15.0%	15.5%	16.0%	16.5%	17.0%
	8.5%	11.7	12.2	12.7	13.1	13.6
	8.7%	11.2	11.6	12.1	12.5	13.0
	9.0%	10.6	11.1	11.5	11.9	12.4
	9.2%	10.2	10.6	11.0	11.4	11.8
	9.5%	9.7	10.1	10.5	10.9	11.3

Source: GVC Gaesco Valores Estimates

Comparables

El sector ha vivido un año convulso con fuertes correcciones en las valoraciones de algunas compañías, fruto de unas estimaciones muy ambiciosas que no se están pudiendo acometer.

A continuación, mostramos un resumen de los principales competidores nacionales e internacionales:

Company	Mkt Cap (19/10/2023)	Price change ytd	Revenue growth (last reported)	EBITDA growth (last reported)	EBITDA margin (%)	EBIT margin (%)	EV/EBITDA 22	EV/EBITDA 23e	Market Cap/Sales 22	Market Cap/Sales 23e
IZERTIS	208	0.7%	45%	64%	15.0%	8.4%	19.6	14.9	2.2	1.7
Nagarro	955	-37.9%	15%	-13%	13.2%	9.3%	11.3	9.0	1.1	1.0
Reply	3,299	-17.6%	17%	7%	14.8%	11.9%	11.5	9.3	1.7	1.5
NNIT AS	275	18.9%	16%	n.a.	n.a.	5.4%	n.a.	11.4	1.4	1.2
NetCompany	1,662	-18.9%	13%	-11%	11.3%	9.0%	15.0	13.7	2.2	2.0
Epam Systems	12,901	-29.1%	1%	15%	13.0%	11.1%	19.5	14.6	2.9	3.0
Globant	7,618	12.2%	17%	3%	10.5%	9.4%	19.0	19.1	4.6	3.8
Endava	3,183	-22.5%	21%	18%	14.8%	14.2%	21.2	14.7	4.3	3.4
NOVABASE	141	29.6%	17%	10%	9.3%	7.2%	5.5	7.2	0.8	0.7
KNOWMAD MOOD	168	-36.6%	32%	24%	8.0%	7.7%	16.1	n.a.	1.5	1.3
Altia	274	53.8%	64%	91%	10.8%	9.2%	12.6	12.2	2.0	1.3
Sngular	179	-11.8%	20%	21%	15.6%	10.7%	12.9	10.0	1.9	1.6
Market average	4,270	-14%			12.9%	10.0%	14.5	12.1	2.2	1.9
IZER discount vs peers					-16%	16%	-36%	-23%	-1%	12%

El sector ha vivido un año complicado con fuertes caídas en muchos valores comparables que han hecho rebajar los múltiplos de cotización de la industria. En la actualidad Izertis se encuentra cotizando c.+20% con respecto a sus comparables por múltiplos, debido a que no ha sufrido corrección alguna en su valoración, no obstante, consideramos que los fundamentales de la compañía soportan los múltiplos actuales y que su track-record es sólido, así como sus estimaciones futuras.

Izertis: Summary tables

	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
PROFIT & LOSS (EURm)						
Sales	50.7	65.0	88.4	125	156	189
Cost of Sales & Operating Costs	-45.5	-57.8	-76.4	-105.6	-132.1	-159.7
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	5.3	7.3	12.1	19.0	23.8	29.1
EBITDA (adj.)*	5.3	7.3	12.1	19.0	23.8	29.1
Depreciation	-3.9	-5.6	-6.0	-7.9	-10.4	-11.9
Depreciation of Right-of-Use						0
EBITA	1.4	1.7	6.1	11.2	13.4	17.2
EBITA (adj)*	1.4	1.7	6.1	11.2	13.4	17.2
Amortisations and Write Downs	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	1.4	1.7	6.1	11.2	13.4	17.2
EBIT (adj.)*	1.4	1.7	6.1	11.2	13.4	17.2
Net Financial Interest	-1.4	-0.9	-1.9	-3.5	-3.9	-4.1
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	-0.4	0.0	-0.4	0.0	0.0	0.0
Other Non Recurrent Items	2.4	-0.1	0.2	-0.3	-0.3	-0.3
Earnings Before Tax (EBT)	1.9	0.7	4.0	7.3	9.1	12.7
Tax	-0.5	-0.3	-0.3	-1.8	-2.3	-3.2
<i>Tax rate</i>	<i>27.9%</i>	<i>45.8%</i>	<i>7.4%</i>	<i>25.0%</i>	<i>25.0%</i>	<i>25.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	1.4	0.4	3.7	5.5	6.8	9.5
Net Profit (adj.)	1.4	0.4	3.7	5.5	6.8	9.5
CASH FLOW (EURm)						
Cash Flow from Operations before change in NWC	5.7	6.0	10.1	13.3	17.3	21.4
Change in Net Working Capital	0.5	-3.1	-8.8	-2.9	-0.9	-2.1
Cash Flow from Operations	6.2	2.9	1.3	10.4	16.4	19.3
Capex	-1.6	-1.9	-2.1	-1.8	-1.8	-1.9
Net Financial Investments	0.0	-1.8	-33.6	-11.5	-11.3	-13.3
Free Cash Flow	4.5	-0.8	-34.4	-2.9	3.3	4.1
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	0.1	-6.2	17.1	-8.4	-7.1	-2.4
Change in Net Financial Debt	4.7	-7.0	-17.2	-11.3	-3.7	1.7
NOPLAT	1.4	1.7	6.1	11.2	13.4	17.2
BALANCE SHEET & OTHER ITEMS (EURm)						
Net Tangible Assets	1.8	3.9	4.0	4.1	4.1	4.2
Net Intangible Assets (incl. Goodwill)	26.7	41.8	75.5	94.1	102	107
Right-of-Use Assets (Lease Assets)	0.0	0.0	0.0	0.0	0.0	0.0
Net Financial Assets & Other	5.5	3.1	3.5	3.4	3.4	3.4
Total Fixed Assets	33.9	48.8	83.1	102	110	115
Inventories	0.4	0.8	0.8	0.8	0.9	0.9
Trade receivables	12.3	14.4	23.7	27.3	28.9	31.8
Other current assets	0.7	1.3	1.4	1.5	1.6	1.7
Cash (-)	-15.0	-37.7	-35.6	-26.7	-27.2	-30.0
Total Current Assets	28.5	54.2	61.5	56.3	58.6	64.4
Total Assets	62.4	103.0	144.6	157.9	168.1	179.1
Shareholders Equity	23.6	33.5	48.5	60.9	67.7	77.3
Minority	0.2	0.3	0.2	0.2	0.2	0.2
Total Equity	23.8	33.8	48.7	61.1	67.9	77.4
Long term interest bearing debt	16.8	37.0	47.0	46.8	51.4	53.3
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	3.8	3.0	6.5	5.7	5.1	4.6
Total Long Term Liabilities	20.6	40.0	53.5	52.5	56.5	57.9
Short term interest bearing debt	7.9	17.5	22.6	25.2	24.9	24.0
Trade payables	5.7	5.1	5.6	6.3	7.1	7.9
Other current liabilities	4.3	6.8	14.3	12.8	11.7	11.8
Total Current Liabilities	17.9	29.3	42.5	44.3	43.7	43.7
Total Liabilities and Shareholders' Equity	62.4	103.0	144.6	157.9	168.1	179.1
Net Capital Employed	37.4	53.5	89.1	112.0	122.1	129.4
Net Working Capital	7.0	10.1	18.9	21.8	22.7	24.8
GROWTH & MARGINS						
<i>Sales growth</i>	<i>9.5%</i>	<i>28.2%</i>	<i>36.0%</i>	<i>40.9%</i>	<i>25.1%</i>	<i>21.1%</i>
EBITDA (adj.)* growth	14.2%	38.0%	65.9%	57.6%	25.2%	22.0%
<i>EBITA (adj.)* growth</i>	<i>-13.2%</i>	<i>20.3%</i>	<i>264.0%</i>	<i>83.3%</i>	<i>19.7%</i>	<i>28.4%</i>
<i>EBIT (adj.)* growth</i>	<i>-13.2%</i>	<i>20.3%</i>	<i>264.0%</i>	<i>83.3%</i>	<i>19.7%</i>	<i>28.4%</i>

Izertis: Summary tables

GROWTH & MARGINS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Profit growth	447.6%	-71.6%	852.4%	47.1%	25.1%	39.3%
EPS adj. growth	440.4%	-73.8%	792.9%	39.1%	25.1%	39.3%
DPS adj. growth						
EBITDA (adj)* margin	10.4%	11.2%	13.6%	15.3%	15.3%	15.4%
EBITA (adj)* margin	2.7%	2.6%	6.9%	9.0%	8.6%	9.1%
EBIT (adj)* margin	2.7%	2.6%	6.9%	9.0%	8.6%	9.1%
RATIOS	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Net Debt/Equity	0.4	0.5	0.7	0.7	0.7	0.6
Net Debt/EBITDA	1.8	2.3	2.8	2.4	2.1	1.6
Interest cover (EBITDA/Fin.interest)	3.7	8.5	6.4	5.4	6.1	7.1
Capex/D&A	42.3%	34.5%	34.9%	22.5%	16.9%	16.2%
Capex/Sales	3.2%	3.0%	2.4%	1.4%	1.1%	1.0%
NWC/Sales	13.9%	15.6%	21.4%	17.5%	14.6%	13.1%
ROE (average)	7.0%	1.4%	9.1%	10.0%	10.7%	13.2%
ROCE (adj.)	3.9%	3.0%	6.2%	9.3%	10.4%	12.6%
WACC	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
ROCE (adj.)/WACC	0.4	0.3	0.7	1.0	1.2	1.4
PER SHARE DATA (EUR)***	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Average diluted number of shares	21.6	23.4	25.0	26.4	26.4	26.4
EPS (reported)	0.06	0.02	0.15	0.21	0.26	0.36
EPS (adj.)	0.06	0.02	0.15	0.21	0.26	0.36
BVPS	1.09	1.43	1.94	2.30	2.56	2.93
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
EV/Sales	3.3	3.1	2.7	2.1	1.7	1.4
EV/EBITDA	31.7	27.6	19.6	13.7	11.1	9.1
EV/EBITDA (adj.)*	31.7	27.6	19.6	13.7	11.1	9.1
EV/EBITA	120.0	119.7	38.8	23.4	19.8	15.3
EV/EBITA (adj.)*	120.0	119.7	38.8	23.4	19.8	15.3
EV/EBIT	n.m.	n.m.	38.8	23.4	19.8	15.3
EV/EBIT (adj.)*	n.m.	n.m.	38.8	23.4	19.8	15.3
P/E (adj.)	n.m.	n.m.	n.m.	40.0	32.0	23.0
P/BV	6.9	5.6	4.2	3.6	3.2	2.8
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	4.7	3.6	2.4	2.2	2.1	1.9
OpFCF yield	2.8%	0.5%	-0.4%	4.0%	6.7%	7.9%
OpFCF/EV	2.7%	0.5%	-0.3%	3.3%	5.5%	6.6%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2020	12/2021	12/2022	12/2023e	12/2024e	12/2025e
Price** (EUR)	7.54	7.98	8.24	8.30	8.30	8.30
Outstanding number of shares for main stock	21.6	23.4	25.0	26.4	26.4	26.4
Total Market Cap	162.8	186.8	205.8	219.2	219.2	219.2
Gross Financial Debt (+)	24.7	54.5	69.6	72.0	76.3	77.3
Cash & Marketable Securities (-)	-15.0	-37.7	-35.6	-26.7	-27.2	-30.0
Net Financial Debt	9.7	16.7	34.0	45.3	49.0	47.3
Lease Liabilities (+)	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	9.7	16.7	34.0	45.3	49.0	47.3
Other EV components	-5.5	-3.1	-3.5	-3.4	-3.4	-3.4
Enterprise Value (EV adj.)	167.0	200.4	236.2	261.1	264.9	263.1

Source: Company, GVC Gaesco Valores estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.)= EBITDA (or EBITA) +/- Non Recurrent Expenses/Income and where EBIT (adj.)= EBIT +/- Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

***EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

Sector: Technology/Computer Services

Company Description: Izertis is a technological consulting company that helps customers through its digital transformation with a broad portfolio of services. The company has founded in 1996 by its Presidente and CEO and its growth has been constant since then. Now the company is in a growth momentum both organically and inorganically to consolidate the market.

European Coverage of the Members of ESN 1/2

Automobiles & Parts	Mem(*)	Richemont	CIC	Advinì	CIC	Cit	CBI
Brembo	BAK	Smcp	CIC	Bonduelle	CIC	Danieli	BAK
Cie Automotive	GVC	Swatch Group	CIC	Campari	BAK	Dassault Aviation	CIC
Ferrari	BAK	Technogym	BAK	Carlsberg As-B	CIC	Datalogic	BAK
Fornia	CIC	Trigano	CIC	Danone	CIC	Eleonor	GVC
Gestamp	GVC	Ubisoft	CIC	Diageo	CIC	Elis	CIC
Landi Renzo	BAK	Energy	Mem(*)	Ebro Foods	GVC	Enav	BAK
Michelin	CIC	Cgg	CIC	FleuryMichon	CIC	Enogia	CIC
Pirelli & C.	BAK	Ecoslops	CIC	Heineken	CIC	Exel Industries	CIC
Plastic Omnium	CIC	Eni	BAK	Italian Wine Brands	BAK	Fincantieri	BAK
Renault	CIC	Galp Energia	CBI	Lans on-Boc	CIC	Getlink	CIC
Sogefi	BAK	Gas Plus	BAK	Laurent Perrier	CIC	Global Dominion	GVC
Stellantis	BAK	Git	CIC	Ldc	CIC	Haulotte Group	CIC
Valeo	CIC	Maurel Et Prom	CIC	Lindt & Sprüngli	CIC	Interpump	BAK
Banks	Mem(*)	Neoen	CIC	Nestle	CIC	Inwit	BAK
Banco Sabadell	GVC	Pic	BAK	Ors ero	BAK	Legrand	CIC
Banco Santander	GVC	Reps ol	GVC	Pernod Ricard	CIC	Leonardo	BAK
Bankinter	GVC	Rubis	CIC	Remy Cointreau	CIC	Lisi	CIC
Bbva	GVC	Saipem	BAK	Tipiak	CIC	Logista	GVC
Bnp Paribas	CIC	Technip Energies	CIC	Viscofan	GVC	Manitou	CIC
Caixabank	GVC	Tecnicas Reunidas	GVC	Vranken	CIC	Nbi Bearings Europe	GVC
Credem	BAK	Tenaris	BAK	Healthcare	Mem(*)	Nexans	CIC
Credit Agricole Sa	CIC	Totalenergies	CIC	Amplifon	BAK	Nicolas Correa	GVC
Intesa Sanpaolo	BAK	Vallourec	CIC	Atrys Health	GVC	Openjobmetis	BAK
Societe Generale	CIC	Fin. Serv. Holdings	Mem(*)	Biomerieux	CIC	Osai	BAK
Unicaja Banco	GVC	Cir	GVC	Diasorin	BAK	Prosegur	GVC
Basic Resources	Mem(*)	Corp. Financiera Alba	GVC	ElEn.	BAK	Prosegur Cash	GVC
Acerinox	GVC	Digital Magics	BAK	EssilorLuxottica	CIC	Prysmian	BAK
Altri	CBI	Eurazeo	CIC	Eurofins	CIC	RaiWay	BAK
Arcelormittal	GVC	First Capital	BAK	Fine Foods	BAK	Rexel	CIC
Ence	GVC	Gbl	CIC	Genfit	CIC	Saes	BAK
The Navigator Company	CBI	Peugeot Invest	CIC	Gpi	BAK	Safran	CIC
Tubacex	GVC	Rallye	CIC	Imd	BAK	Salcof	BAK
Chemicals	Mem(*)	Tip Tamburi Investment Partners	BAK	Prim Sa	GVC	Schneider Electric Se	CIC
Air Liquide	CIC	Wendel	CIC	Recordati	BAK	Talgo	GVC
Arkema	CIC	Fin. Serv. Industrials	Mem(*)	Veloquinol	CIC	Teleperformance	CIC
Plásticos Compuestos	GVC	Dovalue	BAK	Virbac	CIC	Thales	CIC
Consumer Products & Services	Mem(*)	Nexi	BAK	Vytrus Biotech	GVC	Tikehau Capital	CIC
Abeo	CIC	Tinexta	BAK	Industrial Goods & Services	Mem(*)	Verallia	CIC
Beneteau	CIC	Financial Services Banks	Mem(*)	Airbus Se	CIC	Vidrala	GVC
Capelli	CIC	Amundi	CIC	Abtom	CIC	Zignago Vetro	BAK
De Longhi	BAK	Anima	BAK	Antin Infrastructure	CIC	Insurance	Mem(*)
Fila	BAK	Azimut	BAK	Applus	GVC	Axa	CIC
Geox	BAK	Banca Generali	BAK	Arteche	GVC	Catalana Occidente	GVC
Givaudan	CIC	Banca Ifis	BAK	Avio	BAK	Generali	BAK
Groupe Seb	CIC	Banca Mediolanum	BAK	Biesse	BAK	Linea Directa Asesguradora	GVC
Hermes Intl.	CIC	Banca Sistema	BAK	Bollere	CIC	Mapfre	GVC
Hexaom	CIC	Bff Bank	BAK	Bureau Veritas	CIC	Revo Insurance	BAK
Interparfums	CIC	Dws	CIC	Caf	GVC	Materials, Construction	Mem(*)
Kaufman & Broad	IAC	Fincobank	BAK	Catenon	GVC	Abp Nocivelli	BAK
Kering	CIC	Generalfinance	BAK	Cellnex Telecom	GVC	Acs	GVC
L'Oreal	CIC	Illimity Bank	BAK	Cembre	BAK	Aena	GVC
Lvmh	CIC	Mediobanca	BAK	Chargeurs	CIC	Aryston Holding	BAK
Maisons Du Monde	CIC	Poste Italiane	BAK	Clasquin	IAC	Buzzi Unicem	BAK
Ovs	BAK	Food & Beverage	Mem(*)	Cnh Industrial	BAK	Cementir	BAK
Plaggio	BAK	Ab Inbev	CIC	Corticeira Amorim	CBI	Cementos Molins	GVC

20 September 2023

European Coverage of the Members of ESN 2/2

Orh	CIC	Real Estate	Mem(*)	Fdj	CIC
Eiffage	CIC	Igd	BAK	Groupe Paribuche	IAC
Fcc	GVC	Inmobiliaria Colonial	GVC	Hunyvers	CIC
Ferrovial	GVC	Inversa Prime	GVC	I Grandi Viaggi	BAK
Groupe Adp	CIC	Ktes ios Socimi	GVC	Ibers ol	CBI
Groupe Poulouat	CIC	Lar España	GVC	Int. Airlines Group	GVC
Heidelberg Materials	CIC	Merlin Properties	GVC	Lottomatica Group	BAK
Herige	CIC	Realia	GVC	Melia Hotels International	GVC
Holcim	CIC	Retail	Mem(*)	Nh Hotel Group	GVC
Imerys	CIC	Aramis Group	CIC	Pierre Et Vacances	CIC
Maire Tecnimont	BAK	Burberry	CIC	Sicity By Car	BAK
Mota Engil	CBI	Fnac Darty	CIC	Sodexo	CIC
Obrascon Huarte Lain	GVC	Inditex	GVC	Utilities	Mem(*)
Sacyr	GVC	Unieuro	BAK	A2A	BAK
Saint-Gobain	CIC	Technology	Mem(*)	Acciona	GVC
Sergheferrari Group	CIC	Agile Content	GVC	Acciona Energia	GVC
Sika	CIC	Almawave	BAK	Acea	BAK
Spie	CIC	Alten	CIC	Audax	GVC
Tarkett	CIC	Amadeus	GVC	Derichebourg	CIC
Thermador Groupe	CIC	Atos	CIC	Edp	CBI
Vicat	CIC	Away Software	CIC	Enagas	GVC
Vinci	CIC	Capgemini	CIC	Encavis Ag	CIC
Webuild	BAK	Dassault Systemes	CIC	Endesa	GVC
Media	Mem(*)	Digital Value	BAK	Enel	BAK
Arnoldo Mondadori Editore	BAK	Es i Group	CIC	Engie	CIC
Atres media	GVC	Exprivia	BAK	E-Pango	CIC
Believe	CIC	Gigas Hos ting	GVC	Erg	BAK
Cairo Communication	BAK	Indra Sis temas	GVC	Greenvolt	CBI
Deezer	CIC	Izertis	GVC	Hera	BAK
Digital Bros	BAK	Lleida.Net	GVC	Holaluz	GVC
Fill Up Media	CIC	Neurones	CIC	Iberdrola	GVC
GI Events	CIC	Ovhcloud	CIC	Iren	BAK
Il Sole 24 Ore	BAK	Reply	BAK	Italgas	BAK
Ipsos	CIC	Sii	CIC	Naturgy	GVC
Jodecaux	CIC	Sopra Steria Group	CIC	Opdenery	GVC
Lagardere	CIC	Spindox	BAK	Redeia	GVC
MB	CIC	Stmicroelectronics	BAK	Ren	CBI
Mfe-Mediaforeurope	BAK	Tier1 Technology	GVC	Seche Environnement	CIC
Mogroup	GVC	Visiativ	CIC	Snam	BAK
Nrj Group	CIC	Vogo	CIC	Solaria	GVC
Pris a	GVC	Telecommunications	Mem(*)	Solarprofit	GVC
Publicis	CIC	Bouygues	CIC	Terna	BAK
Rcs Mediagroup	BAK	Ekinops	CIC	Veolia	CIC
Tfi	CIC	Nos	CBI	Volitalia	CIC
Universal Music Group	CIC	Orange	CIC		
Vivendi	CIC	Parlem Telecom	GVC		
Vocento	GVC	Telecom Italia	BAK		
Personal Care, Drug & Grocery S	Mem(*)	Telefonica	GVC		
Bic	CIC	Tiscali	BAK		
Carrefour	CIC	Unidata	BAK		
Casino	CIC	Vodafone	BAK		
Jeronimo Martins	CBI	Travel & Leisure	Mem(*)		
Marr	BAK	Aacor	CIC		
Sonae	CBI	Compagnie Des Alpes	CIC		
Unilever	CIC	Edreams Odigeo	GVC		
Winfarm	CIC	Elior	CIC		

20 September 2023

LEGEND: BAK: Banca Akros CIC: CIC Market Solutions CBI: Caixa-Banco de Investimento GVC: GVC Gaesco Valores

List of ESN Analysts (**)

Artur Amaro	CBI	+351 213 89 6822	artur.amaro@caixabi.pt
Andrea Bonfà	BAK	+39 02 4344 4269	andrea.bonfa@bancaakros.it
Arnaud Cadart	CIC	+33 1 53 48 80 84	arnaud.cadart@cmcic.fr
Pierre Chédeville	CIC	+33 1 53 48 80 97	pierre.chedeville@cic.fr
Emmanuel Chevalier	CIC	+33 1 53 48 80 72	emmanuel.chevalier@cic.fr
Matteo Cuconato	BAK	+39 02 4344 4784	matteo.cuconato@bancaakros.it
David Da Maia	CIC	+33 1 53 48 89 36	david.damaia@cic.fr
Dominique Descours	CIC	+33 1 53 48 81 12	dominique.descours@cic.fr
Christian Devismes	CIC	+33 1 53 48 80 85	christian.devismes@cic.fr
Andrea Devita, CFA	BAK	+39 02 4344 4031	andrea.devita@bancaakros.it
Hervé Drouet	CIC	+33 1 53 48 23 45	herve.drouet@cic.fr
Enrico Esposti, CIIA	BAK	+39 02 4344 4022	enrico.esposti@bancaakros.it
Rafael Fernández de Heredia	GVC	+34 91 436 78 08	rafael.fernandezdeheredia@gvgaesco.es
Gian Marco Gadini	BAK	+39 02 4344 4236	gianmarco.gadini@bancaakros.it
Gabriele Gambarova	BAK	+39 02 43 444 289	gabriele.gambarova@bancaakros.it
Ebrahim Homani	CIC	+33 1 53 48 80 94	ebrahim.homani@cic.fr
Carlos Jesus	CBI	+351 21 389 6812	carlos.jesus@caixabi.pt
Jean-Christophe Lefèvre-Moulenq	CIC	+33 1 53 48 80 65	jeanchristophe.lefevremoulenq@cic.fr
Eric Lemarié	CIC	+33 1 53 48 64 25	eric.lemarie@cic.fr
João Miguel Lourenço	CBI	+35 121 389 6841	joao.lourenco@caixabi.pt
Marisa Mazo, Ph.D, CFA	GVC	+34 91 436 7817	marisa.mazo@gvgaesco.es
Jaime Pallares Garcia	GVC	+34 91 436 7818	jaim.pallares@gvgaesco.es
Arnaud Palliez	CIC	+33 1 41 81 74 24	arnaud.palliez@cic.fr
Victor Peiro Pérez	GVC	+34 91 436 7812	victor.peiro@gvgaesco.es
Juan Peña	GVC	+34 91 436 78 16	juan.pena@gvgaesco.es
Alexandre Plaud	CIC	+33 1 53 48 80 90	alexandre.plaud@cic.fr
Francis Prêtre	CIC	+33 4 78 92 02 30	francis.pretre@cic.fr
Eric Ravary	CIC	+33 1 53 48 80 71	eric.ravary@cic.fr
Iñigo Recio Pascual	GVC	+34 91 436 7814	inigo.recio@gvgaesco.es
Jean-Luc Romain	CIC	+33 1 53 48 80 66	jeanluc.romain@cic.fr
Virginie Royère, CFA	CIC	+33 1 53 48 76 52	virginie.royere@cic.fr
Paola Saglietti	BAK	+39 02 4344 4287	pada.saglietti@bancaakros.it
Francesco Sala	BAK	+39 02 4344 4240	francesco.sala@bancaakros.it
Luigi Tramontana	BAK	+39 02 4344 4239	luigi.tramontana@bancaakros.it

(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

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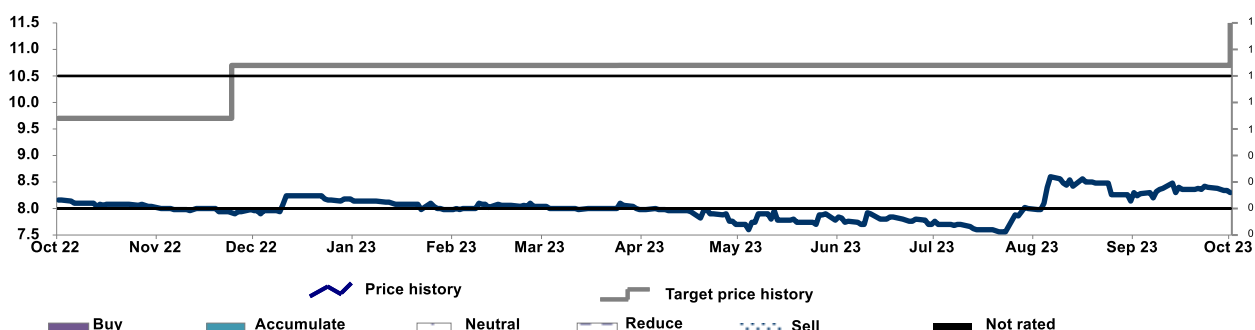
Recommendation history for IZERTIS

Date	Recommendation	Target price	Price at change date
20-Oct-23	Buy	11.50	8.30
12-Apr-23	Buy	10.70	8.00
13-Dec-22	Buy	10.70	7.92
07-Apr-22	Buy	9.70	8.24
29-Nov-21	Buy	9.70	7.20

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows GVC Gaesco Valores continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

Current analyst: Juan Peña (since 01/12/2018)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
- **Rating Suspended:** the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
- **Not Rated:** there is no rating for a stock when there is a termination of coverage of the stocks or a company being floated (IPO) by a Member of ESN or a related party of the Member.

Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

GVC Gaesco Valores, S.V., S.A. Ratings Breakdown

Recommendation	Number of stocks covered	%
Buy	62	78%
Accumulate	7	9%
Neutral	9	11%
Reduce	1	1%
Sell	0	0%

For full ESN Recommendation and Target price history (in the last 12 months), please see ESN Website [Link](#)

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