

All for One Group SE

February 09, 2021



Information Analysis

Analyst

Daniel Großjohann
+49 69 71 91 838 -42
Daniel.Grossjohann@bankm.de

Evaluation Result

BUY

(previous: Buy)

Fair Value

€77.50

(previous: €74.20)

Find BankM Research on Bloomberg, CapitalIQ, Factset, ResearchPool, Thomson Reuters, vwd and www.BankM.de

Cloud growth and margin increase

In the first three months of the current fiscal year (calendar Q4), All for One Group was able to increase revenue (+3%), EBIT (+24%) and EPS (+21%) - despite the pandemic-related restraint of some customers. Key to the margin expansion was growth in recurring revenue (revenue share 51%; Q1 19/20:50%). The planned acquisition of SAP service provider SNP Poland should strengthen the existing growth momentum and allow the All for One Group to benefit to a greater extent from the migration wave towards SAP S/4HANA (via CONVERSION/4). Despite the share price increase in recent months, the upcoming migration wave does not yet seem to be fully priced in - with a 20/21 EV/sales of around 0.9, the All for One Group is favorable by peer comparison.

- Recurring revenues (+6%; €48.7 million), consisting of "Cloud Services and Support" (+10%; €20.8 million) and "Software Support" (+3%; €27.9 million) are responsible for 51% of consolidated revenues. Thus, the Company is less dependent on volatile license revenues which - due to pandemic and cloud transformation - decreased by 17% (to €8.6 million).
- The expanded service portfolio (IoT, machine learning, cyber security) resulting from the Strategy Offensive 2022 and a better access to the upper midmarket put consulting revenues on an even broader footing. "Consulting and Services" revenues increased accordingly by 6% to €38.3 million.
- Both segments were able to improve their sales compared to the same quarter of the previous year (which was not affected by the pandemic). Revenue in the CORE segment (ERP and collaboration solutions) increased to €80.3 million (+3%), while the segment EBIT margin weakened here to 5.4% (Q1 19/20: 6.5%). The LOB segment, in which the cloud line of business solutions are bundled, increased by 6% to €19.1 million. The strong expansion of the segment EBIT margin to 8.3% (Q1 19/20: -1.4%) is attributable to the sales mix, general non-personnel cost management and scaling potential.
- It seems to us that the mood in the German SME sector has improved in recent months. All for One Group sees a good pipeline for license revenues again - although the contract signing rate remains volatile. This is in line with Business Expectations for Germany, which returned to positive territory from July 2020 to December 2020. However, the situation remains volatile - even IT projects considered safe are sometimes stopped or postponed at short notice. Hence, the pandemic-related uncertainty continues.

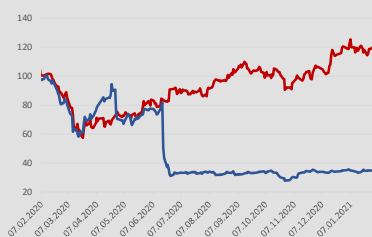
Company Outlook: All for One Group has confirmed its forecast of November 15, 2020 and continues to expect a slight increase in sales and an EBIT between €17.5m and €20.5m. The planned acquisition of SNP Poland Sp. z o.o. (2019: Sales €21.1m; EBIT €1.1m) is not included in the outlook.

Key Data / Earnings

Year	Sales (mln €)	EBITDA (mln €)	adj.EBIT (mln €)	EBT (mln €)	adj. net (mln €)	adj. EPS (€)	DPS (€)	EBIT-Margin	Net-Margin
2018/19	359.2	25.6	19.8	12.1	14.2	2.85	1.20	5.5%	4.0%
2019/20	355.4	41.3	19.3	17.9	12.7	2.55	1.20	5.4%	3.6%
2020/21e	359.8	41.1	19.1	17.9	12.4	2.48	1.20	5.3%	3.4%
2021/22e	403.0	46.5	24.2	23.0	16.0	3.21	1.25	6.0%	4.0%
2022/23e	443.3	50.6	27.9	26.8	18.7	3.74	1.30	6.3%	4.2%

Source: All for One Group SE, BankM Research (e)

Sector	IT-Services		
WKN	511000		
ISIN	DE0005110001		
Bloomberg/Reuters	A1OS GY/A1OS.DE		
Accounting standard	IFRS		
Financial year	Sep 30		
Q2 2020/21	May 7, 2021		
Market segment	Regulated Market		
Transparency standard	Prime Standard		
Financial ratios	20/21e	21/22e	21/22e
EV/Sales	0.88	0.78	0.71
EV/EBITDA	7.7	6.8	6.2
EV/EBIT	16.6	13.1	11.3
P/E adj.	26.3	20.3	17.4
Price/Bookvalue	3.4	3.1	2.8
Price/FCF	12.03	10.80	10.07
ROE (in %)	13.8	16.2	16.9
Dividend yield (in %)	1.85	1.92	1.99
Number of shares outs. (in mln)	4.982		
MarketCap / EV (in € mln)	318/309		
Free float (in %)	50		
Ø daily trading vol. (3M, in €)	141		
12M high / low (in €; XETRA-close)	65.60/28.20		
Price February 8, 2021 (in €; XETRA-close)	65.20		
Performance	1M	6M	12M
absolute (in %)	8%	37%	28%
relative (in %)	3%	29%	244%
Benchmark index	DAX-Subsector IT-Services		



All for One Group (XETRA; red), Performance 1y vs. DAX-Subsector IT-Services (blue)

Source: Bloomberg

PLEASE CONSIDER IMPORTANT INFORMATION, DISCLOSURES AND THE DISCLAIMER AT THE END OF THIS DOCUMENT!

Note regarding MiFID II: This research report has been prepared by order of the issuer based on a contractual agreement and is being compensated for by the issuer. The research report has simultaneously been made publicly available to all interested persons. Hence, the receipt of this research report is to be regarded as a permitted insignificant non-monetary benefit according to § 64 para 7 sentence 2 No. 1 and 2 of the German Securities Trading Act (WpHG). BankM AG is the designated sponsor of the company's stock and in this function as a designated sponsor regularly holds a trading stock or long or short positions in the company's stock. Equity investments generally involve high risks. Potential investors should take into account that share prices may fall and rise and that income from an investment may fluctuate considerably. Investors may lose some or all of the money invested. Investors make their decisions at their own risk. BankM AG, Frankfurt, is responsible for the preparation of this document.

THIS DOCUMENT MAY NOT BE TAKEN OR TRANSMITTED INTO OR DISTRIBUTED IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN OR ANY U.S. PERSON.

Major migration wave to SAP S/4HANA foreseeable - Maintenance for SAP Business Suite 7 expires at the end of 2027

Maintenance for SAP Business Suite 7 will expire at the end of 2027. The majority of the approximately 1,000 SAP customers supported by All for One Group should then be transferred to SAP S/4HANA. With CONVERSION/4, which is based on a joint strategic initiative of SAP, SNP (CrystalBridge), Microsoft (Azure) and All for One Group, customers can be offered an SAP transformation based on the subscription approach. The capacities for this will be further expanded by the envisaged SNP Poland Sp. Z o.o. acquisition. Although the purchase agreement has not been yet finalized, closing is planned for the next few months.

Leading Managed Service Applications Provider in Germany and - in the future - also in Poland

While the main motivation for the projected SNP Poland takeover is likely to be the expansion of capacity in relation to the migration wave, SNP Poland is the largest provider of SAP services and managed services in Poland. In this respect, the acquisition can also be regarded as a regional expansion. In Germany, All for One Group - whose customers are primarily found in the midmarket - was ranked second out of 18 companies in the overall "Professional User Rating" by techconsult (Kassel) (after Hewlett Packard and ahead of T-Systems). It is therefore not surprising that the upper midmarket - such as most recently pump and valve manufacturer KSB SE & Co. KGaA - granted the company a major contract for global IT landscape support (which did not result in revenue in Q1 20/21).

All for One Group SE

February 09, 2021

Tables - 3/7 -

Tables

Profit and Loss Account (in € m)	2018/19	2019/20	2020/21e	2021/22e	2022/23e
Sales revenues	359.215	355.393	359.835	403.016	443.317
Change in finished goods and work in progress	0.000	0.000	0.000	0.000	0.000
Other own cost capitalized	0.000	0.000	0.000	0.000	0.000
Other operating income	3.172	4.203	4.256	4.766	5.243
Total performance	362.387	359.596	364.091	407.782	448.560
Cost of material	-127.025	-133.237	-135.004	-148.195	-160.752
Gross profit	235.362	226.359	229.087	259.587	287.808
Personnel expenses	-154.160	-156.449	-158.170	-178.706	-198.450
Other operating expenses	-55.598	-28.619	-29.805	-34.333	-38.709
EBITDA	25.604	41.291	41.111	46.548	50.649
Depreciation and amortisation	-12.972	-22.004	-22.040	-22.367	-22.720
EBIT	12.632	19.287	19.071	24.181	27.929
Adjusted EBIT	19.832	19.287	19.071	24.181	27.929
Financial result	-0.535	-1.383	-1.174	-1.170	-1.166
Non operating result before taxes	0.000	0.000	0.000	0.000	0.000
Pre tax result	12.097	17.904	17.897	23.011	26.763
Non operating result after taxes	0.000	0.000	0.000	0.000	0.000
Taxes	-1.862	-4.828	-5.184	-6.665	-7.752
Minority interest	-0.039	-0.354	-0.354	-0.354	-0.354
Net result	10.196	12.722	12.359	15.991	18.657
Adjustments	4.000	0.000	0.000	0.000	0.000
Adjusted net result	14.196	12.722	12.359	15.991	18.657
Average number of shares	4.98	4.98	4.98	4.98	4.98
EPS	2.05	2.55	2.48	3.21	3.74
Adjusted EPS	2.85	2.55	2.48	3.21	3.74
DPS	1.20	1.20	1.20	1.25	1.30

Source: All for One Group SE, BankM Research (e)

Cash Flow Statement (in €m)	2018/19	2019/20	2020/21e	2021/22e	2022/23e
Net cash provided by operating activities	20.001	41.367	36.080	37.442	40.200
Net cash used in investing activities	-17.872	-7.196	-9.577	-8.486	-9.334
Net cash provided by financing activities	-10.121	6.515	-8.778	-20.994	-9.721
Change in cash and securities	-7.833	40.591	17.725	7.963	21.146
Cash and securities at the end of the period	28.498	69.089	86.814	94.776	115.922

Source: All for One Group SE, BankM Research (e)

All for One Group SE

- 4/7 - Tables

February 09, 2021

Balance of Accounts (in €m)	2018/19	2019/20	2020/21e	2021/22e	2022/23e
Long term assets	97.557	120.862	108.398	94.517	81.131
Intangible assets	67.510	63.683	53.279	45.294	34.960
Tangible assets	23.417	15.473	13.320	9.943	8.740
Right-of-use assets	0.000	35.032	35.126	32.606	30.757
Financial assets	6.630	6.674	6.674	6.674	6.674
Current assets	86.082	116.192	134.506	148.191	174.678
Inventories	0.000	0.000	0.000	0.000	0.000
Trade receivables	49.556	38.087	38.563	43.191	47.510
Cash and securities	28.498	69.089	86.814	94.776	115.922
Other assets	15.863	13.650	13.650	13.650	13.650
Total assets	199.502	250.704	256.554	256.358	269.459
Equity	82.291	88.784	95.519	105.870	118.660
Reserves	82.575	88.743	95.124	105.121	117.557
Minorities	-0.284	0.041	0.395	0.749	1.103
Provisions	5.953	5.814	5.997	6.188	6.389
Liabilities	55.831	102.642	101.575	90.836	90.946
Liabilities to financial institutions	30.004	48.353	47.605	37.125	36.974
Lease Liabilities	0.000	35.678	35.126	32.606	30.757
Trade payables	24.421	16.784	16.994	19.033	20.936
Non interest bearing liabilities	1.406	1.827	1.850	2.072	2.279
Other liabilities	55.427	53.464	53.464	53.464	53.464
Total equity and liabilities	199.502	250.704	256.554	256.358	269.459

Source: All for One Group SE, BankM Research (e)

PLEASE CONSIDER IMPORTANT INFORMATION, DISCLOSURES AND THE DISCLAIMER AT THE END OF THIS DOCUMENT!

All for One Group SE

February 09, 2021

Tables - 5/7 -

Key ratios	2018/19	2019/20	2020/21e	2021/22e	2022/23e
Valuation ratios					
EV/Sales	0.70	0.66	0.88	0.78	0.71
EV/EBITDA	9.82	5.67	7.69	6.79	6.24
EV/EBIT	19.90	12.14	16.58	13.07	11.32
P/E reported	24.13	16.94	26.28	20.31	17.41
P/E clean	17.34	16.94	26.28	20.31	17.41
PCPS	10.60	6.25	9.39	8.43	7.81
Price/Book Value	2.98	2.43	3.41	3.09	2.76
Profitability ratios					
Gross Margin	65.5%	63.7%	63.7%	64.4%	64.9%
EBITDA margin	7.1%	11.6%	11.4%	11.5%	11.4%
EBIT margin	3.5%	5.4%	5.3%	6.0%	6.3%
Pre tax margin	3.4%	5.0%	5.0%	5.7%	6.0%
Net margin	2.8%	3.6%	3.4%	4.0%	4.2%
ROE	12.8%	15.3%	13.8%	16.2%	16.9%
ROCE	8.9%	11.8%	11.5%	15.4%	18.6%
Productivity ratios					
Sales/employees (in € `000)	195	193	193	204	211
Net result/employees (in € `000)	6	7	7	8	9
Number of employees	1846	1841	1866	1978	2097
Financial ratios					
Equity ratio	41.2%	35.4%	37.2%	41.3%	44.0%
Gearing	142.4%	182.4%	168.6%	142.1%	127.1%
Dividend yield	2.4%	2.8%	1.8%	1.9%	2.0%
Cash flow ratios					
Cash earnings per share	4.65	6.97	6.90	7.70	8.31
Operating cash flow per share	4.66	6.92	6.94	7.74	8.35
Free-cash-flow per share	2.65	5.42	5.42	6.03	6.47
Other ratios					
Depreciation/sales	4%	6%	6%	6%	5%
Capex/sales	3%	2%	2%	2%	2%
Working capital/sales	9%	8%	8%	8%	8%
Tax rate	15%	27%	29%	29%	29%

Source: All for One Group SE, BankM Research (e)

Important information, disclosures and disclaimer

Note regarding MiFID II: This research report has been prepared by order of the issuer based on a contractual agreement and is being compensated for by the issuer. The research report has simultaneously been made publicly available to all interested persons. Hence, the receipt of this research report is to be regarded as a permitted insignificant non-monetary benefit according to § 64 para 7 sentence 2 No. 1 and 2 of the German Securities Trading Act (WpHG).

A. Important information

Equity investments generally involve high risks. Investors may lose some or all of the money invested. Potential investors should take into account that share prices may fall and rise and that income from an investment may fluctuate considerably. Past performance is no guarantee for future results. Investors make their decisions at their own risk.

B. Disclosures according to § 85 WpHG and Regulation (EU) No. 596/2014 (MAR) and the Commission Delegated Regulation (EU) No. 958/2016 and the Commission Delegated Regulation (EU) No. 565/2017:

I. Information about author, company held accountable, regulatory authority:

Responsible for the content of this document: BankM AG, Frankfurt am Main, Germany ("BankM").

Author: Daniel Grossjohann, analyst.

Regulatory authority for BankM is the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Graurheindorfer Straße 108, 53117 Bonn, Germany and Lurgiallee 12, 60439 Frankfurt am Main, Germany.

Issuer of the analysed instruments is All for One Group SE.

Notice regarding previous publications regarding the issuer within the last 12 months:

Analyst	Date	Evaluation Result	Fair Value
Daniel Großjohann	16.01.2020	Buy	€ 72.85
Daniel Großjohann	13.02.2020	Buy	€ 72.85
Daniel Großjohann	14.05.2020	Buy	€ 68.30
Daniel Großjohann	18.08.2020	Buy	€ 68.30
Daniel Großjohann	27.11.2020	Buy	€ 67.60
Daniel Großjohann	14.01.2021	Buy	€ 74.20

II. Additional Information:

1. Sources of information:

Main sources of information for the compilation of this document are publications in national and international media and information services (e.g. Reuters, VWD, Bloomberg, dpa-AFX, ACMR-IBIS World and others), financial newspapers and magazines (e.g. Börsenzeitung, Handelsblatt, Frankfurter Allgemeine Zeitung, Economist and others), specialist media, published statistics, rating agencies as well as publications by peer group companies and the company itself. Furthermore talks with the management of the issuer have been held. This document was made available to the issuer before publication to ensure the accuracy of the information provided. This resulted to changes in content.

2. Summary of the valuation principles and methods used to prepare this document:

BankM uses a 3-tier absolute rating model. The ratings are the evaluation results and refer to a fair value pricing reflecting a time-horizon of up to 12 months.

BUY: The calculated fair value of the company's stock is at least 15 % higher than the current market price at the time of the compilation of this document.

HOLD: The calculated fair value of the company's stock lies between -15% and +15 % of the current market price at the time of the compilation of this document.

SELL: The calculated fair value of the company's stock is at least 15 % lower than the current market price at the time of the compilation of this document.

The following valuation methods are being used: Multiple-based models (Price/Earnings, Price/Cash-flow, Price/Book value, EV/Sales, EV/EBIT, EV/EBITA, EV/EBITDA), peer-group comparisons, historical valuation approaches, discount models (DCF, DDM), break-up value and sum-of-the-parts-approaches, asset-based evaluation methods or a combination of the above. The used valuation models depend on macroeconomic factors, such as interest rates, exchange rates, raw materials and on basic assumptions about the economy. Additionally, market sentiment affects the valuation of companies. The valuation is also based on expectations that might change rapidly and without notice, depending on developments specific to individual industries. Rendered evaluation results and fair values derived from the models might therefore change respectively. The evaluation results in general relate to a 12-month horizon. However, evaluation results are subject to changing market conditions and represent only the situation at a given point of time. The evaluation results and fair value prices may in fact be achieved more quickly or slowly than expected by the analysts. Also, the evaluation results and fair value prices might need to be revised upward or downward.

3. Date of first publication of this document:

February 9, 2021 (15:00 CET)

4. Date and time of prices of the instruments quoted in this document:

Closing prices of February 8, 2021

5. Updates:

A specific date or time for an update of this document has not been set. The information given in this document reflects the author's judgement on the date of this publication and is subject to change without notice; it may be incomplete or condensed and it may not contain all material information concerning the company covered. It is in the sole responsibility of BankM to decide on a potential update of this document.

III. Disclosures about potential conflicts of interest:

PLEASE CONSIDER IMPORTANT INFORMATION, DISCLOSURES AND THE DISCLAIMER AT THE END OF THIS DOCUMENT!

All for One Group SE

February 09, 2021

Important information, disclosures and disclaimer - 7/7 -

1. BankM's business model is based on economic relationships with issuers and equity transactions to be performed relating to the issuer's stock. BankM has entered into an agreement about the preparation of this document with the issuer that is, or whose financial instruments are, the subject of this document.

BankM (incl. subsidiaries and affiliates), the authors of this document as well as other persons that were involved in the compilation of this document or affiliated parties:

- do not have a major shareholding (shareholding exceeding 5%) of the share capital of the issuer
- have not, within the past twelve months, participated in leading a consortium for the issue via public offer of the financial instruments that are, or whose issuers are, the subject of this document,
- Have, within the past twelve months, been party to an agreement on the provision of investment banking services with the issuer, that is, or whose financial instruments are, subject of this document and have received or will receive a compensation under the terms of this agreement during the same period,
- have no other significant economic interests relating to the issuer that is, or whose financial instruments are, the subject of this analysis.

2. In the function as a designated sponsor, BankM manages the financial instruments that are, or whose issuers are, the subject of the financial analysis on a market by placing buy or sell orders and will regularly hold a trading stock or long or short positions in the issuer's stock.

3. BankM's internal organisation is aligned with the prevention of conflict of interests in producing and distributing research reports. Possible conflicts of interests will be treated adequately. In particular, physical and non-physical boundaries were installed to keep analysts from gaining access to information that possibly could constitute a conflict of interest for the bank. Insiders' dealings according to Art. 14 Regulation (EU) 596/2014 categorically are prohibited. All staff members of BankM that have access to inside information categorically have to disclose all dealings in financial instruments to the internal compliance department. The compliance of legal requirements and supervisory regulations is subject to continuous supervision and control of the compliance department of BankM. In this regard, the right to restrict employees' dealings in financial instruments is reserved.

4. The remuneration of the analysts mentioned above is not dependent on any investment banking transactions of BankM or its affiliates. The analysts that compiled this document did not receive or acquire shares in the issuer that is, or whose financial instruments are, the subject of this document at any time. The analysts mentioned above hereby certify that all of the views expressed accurately reflect their personal views about the issuer and that no part of their compensation was, is or will be, directly or indirectly, related to the specific evaluation result or views expressed by the analyst in this document.

5. Updated information according to Commission Delegated Regulation (EU No. 958/2016 Art. 6 sec. 3 is available at: http://www.bankm.de/webdyn/138_cs_Gesetzliche+Angaben.html.

C. Disclaimer:

This document was compiled by BankM solely for informational purposes and for the personal use by persons in Germany that are interested in the company and who purchase or sell transferable securities for their own account or the account of others in the context of their trade, profession or occupation. This document neither constitutes a contract nor any kind of obligation.

This document and its content, in whole or in part, may not be reproduced, distributed, published or passed on to any other person without the prior written consent of BankM.

This publication is for distribution in or from the United Kingdom only with the prior written consent of BankM and only to persons who are authorised persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom or any order made there under or to investment professionals as defined in Section 19(5) of the Financial Services and Markets Act 2000 (financial promotion) order 2005 (the order) respectively in the version as amended from time to time and is not intended to be distributed or passed on, directly or indirectly, to any other class of persons.

Neither this document nor any copy of it may be taken or transmitted into the United States of America, Canada, Japan or Australia or distributed, directly or indirectly, in the United States of America, Canada, Japan or Australia or to any resident thereof.

The distribution of this document in other jurisdictions may be restricted by law, and persons who are in possession of this document have to inform themselves about any such restrictions and observe any such restrictions.

This document is not intended to be an offer, or the solicitation of any offer to buy or sell the securities referred to herein. This document is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor. Potential investors should seek professional and individual advice before making their investment decisions. Investment decisions must not be based on this document. [For the purposes of the listing of the shares on the regulated market (Regulierter Markt) of the Frankfurt Stock Exchange a prospectus has been prepared. This Prospectus has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "BaFin") and can be downloaded at www.companya.de. Potential investors are strongly recommended to read the prospectus before buying shares of the company.]

The information within this document has been obtained from sources believed by BankM to be reliable, but BankM does not examine the information to be accurate and complete, nor guarantees its accuracy and completeness. Although due care has been taken in compiling this document, it cannot be excluded that the information given is incomplete or the document contains errors. The liability of BankM shall be restricted to gross negligence and wilful misconduct. All opinions expressed in this document are those of BankM respectively the authors and subject to change without notice. Possible errors or incompleteness of this document may be corrected by BankM and do not constitute grounds for liability, neither with regard to indirect nor to direct or consequential damages. Only in case of failure in essential tasks, BankM is liable for simple negligence. In addition BankM does not accept any liability or responsibility for any loss arising from any use of this publication or its contents or otherwise arising in connection herewith. In any case, the liability of BankM is limited to typical, foreseeable damages and the liability for any indirect damages is excluded.

By accepting this document, the reader/user of this document agrees to be bound by all of the foregoing provisions and this disclaimer. Moreover, the user agrees not to distribute this document to unauthorized persons. The user of this document shall indemnify BankM for any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document.

This document is subject to the laws of the Federal Republic of Germany. Place of jurisdiction is Frankfurt am Main, Germany.

Should certain specifications of this disclaimer not be legally binding or become legally non-binding, this will have no impact on the legally binding character of this disclaimer and its other legal specifications.

This document is not intended for use by persons resident in any jurisdiction that regulates access to such documents by applicable laws. Investment decisions must not be based on any statement in this document. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly. In case of uncertainty persons should not access and/or consider the content of this document in any decisions. This document is not intended for use by persons that are classified as US-persons under the United States Securities Act.

© 2021 BankM AG, Mainzer Landstraße 61, D-60329 Frankfurt. All rights reserved.