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Company Comment	IT/Technology	Finland	18 November 2024
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Acquires relatively small Integrations Group

Siili announces a relatively small acquisition of Integrations Group. The company brings integration expertise to support data utilisation in future AI solutions. For the acquired company Siili can offer scale in administrative tasks and sales. Siili is building its future strategy on AI driven acceleration, on which more news can be expected in CMD (26 Nov). No price was disclosed, but assuming EV/EBIT of 6-10x, we land at indicative valuation of EUR 2.4-4.0m.

Sales impact of around 2%, EBIT impact around 8%

Integration Group is relatively small compared to Siili, but it had stronger profitability in 2023. With a team of just 13 employees (vs. Siili's headcount of around 950) Integration Group reached sales of EUR 2.4m (2% of Siili's 2024E) and EBIT of EUR 0.4m (8% of Siili's 2024E) in 2023. Siili now acquires the majority (51%) of the target and is committed to acquire the remaining shares during the coming years. The deal is expected to be completed around year-end.

Key figures

(EURm)	2023	2024E	2025E	2026E
Revenues (m)	123	112	118	131
Adj. EBIT	7	3	6	8
PTP (m)	6	4	5	8
EPS	0.61	0.33	0.46	0.77
EPS (adjusted)	0.80	0.48	0.60	0.91
DPS	0.26	0.26	0.30	0.45
Revenue growth (%)	3.7	(8.8)	5.1	11.0
EPS growth (%)	15.2	(40.1)	n.a.	n.a.
Operating margin (%)	5.6	3.1	4.9	6.5
Adj. EBIT margin (%)	5.9	3.1	4.9	6.5
ROCE (%)	11.1	4.9	8.4	12.7
Net Debt/EBITDA (x)	0.3	0.8	0.3	(0.2)
PER (adjusted)	11.7	12.8	10.1	6.7
Dividend yield (%)	2.8	4.3	4.9	7.4
Free Cash Flow Yield (%)	(9.8)	(1.2)	11.1	16.4
P/BV (x)	1.8	1.2	1.1	1.0
EV/EBIT (x)	11.0	16.1	9.1	5.6
EV/Sales (x)	0.65	0.50	0.45	0.36

Source: SEB

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