

Leaddesk

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Company Comment	IT/Technology	Finland	19 December 2024
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Acquires Norwegian Zisson, reasonable and major move in line with strategy

Leaddesk announced a material acquisition as the company buys Norwegian Zisson, which will add some 28% to the annual net sales. The deal is well-aligned with Leaddesk's strategy to consolidate the fragmented CaaS market in Europe. We also find the deal EV/EBITDA based YTD 2024 run-rate being attractive for shareholders. We see pro forma NIBD/EBITDA rising to c. 1.4x. The share is also used for funding, causing 6% dilution. At first glance a good move.

Zisson acquisition to boost top line by c. 28%

Leaddesk announced today a major step as it acquired Norwegian Zisson. Like Leaddesk, Zisson is a SaaS software company specializing in customer service and contact center solutions. Zisson's 2023 sales amounted to EUR 9.0 million and EBITDA EUR 0.6 million. Based on the 2024 first 9 months performance the sales seem to be flat or slightly declining in 2024, we estimate. However, despite seeing negative sales development since 2022, Zisson has been improving its profitability. Based on YTD 2024 performance (1-9/24 EBITDA of EUR 1.4m), we estimate the current EBITDA run-rate could be some 1.8-1.9m. Zisson employs approximately 33 people in Oslo and Stockholm.

Assuming the numbers above, Leaddesk's sales should increase some 28% and EBITDA by 40% (pre-synergies).

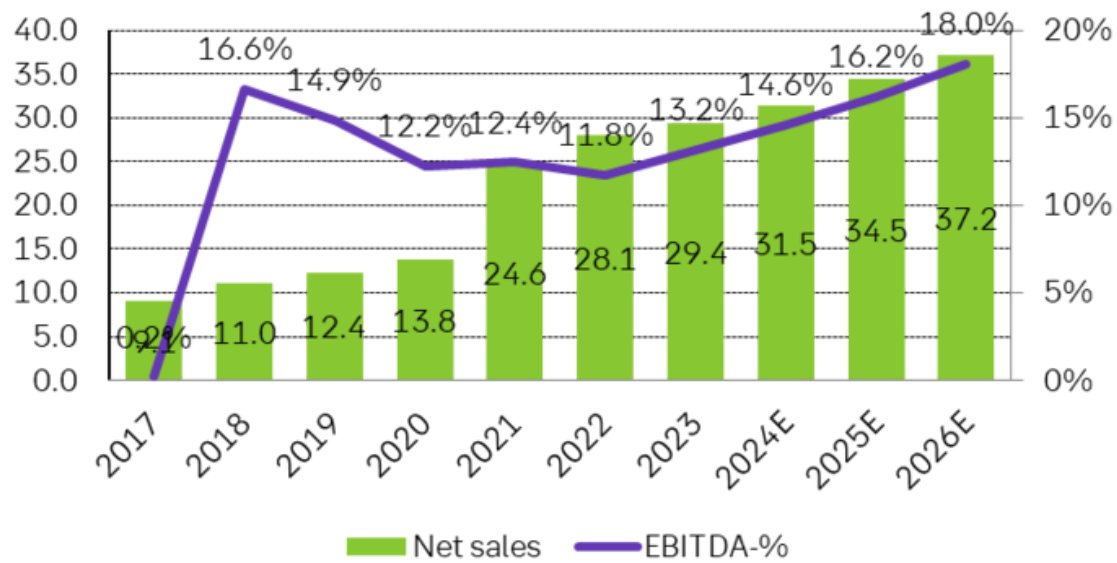
EV/EBITDA with YTD'24 numbers looks attractive, deal funded with debt and shares

The transaction EV amounts EUR 10.0m, meaning the rough 2024E EV/sales and EV/EBITDA stand around 1.2x and 5.4x, respectively, we estimate. Currently Leaddesk is trading at 2024E EV/sales of 1.1x and EV/EBITDA of 8x. To us the multiples look reasonable, especially when considering the upcoming synergies. Assuming EUR 0.5-1.0m synergies (not defined by the company) the post-synergy EV/EBITDA can be looked at around 3.5-4.2x, we estimate.

The deal comes with relatively high debt and the purchase price is just EUR 3.3m, meaning Leaddesk will take Zisson's EUR 6.7m debt load. Furthermore, Leaddesk will fund the purchase price with EUR 1.1m new debt. Noteworthy that the company has agreed on a refinancing arrangement, which also covers the debts of the acquired company. All in all, Leaddesk net debt will increase by EUR 7.8m. When adjusting our current 2024E net debt estimate with this and the proceeds from the recently announced ProFinder sales we calculate that the 2024E net debt should rise to EUR 9m. Hence, the pro-forma NIBD/EBITDA should stand around at 1.4x, which we still find in a comfort zone. Yet, most of the acquisition capacity is used for now.

The remaining part of the purchase price, i.e. EUR 2.2m will be funded with Leaddesk shares in a directed issue of 336,718 shares, which represent some 6.1% of Leaddesk's current shares. Hence, one of Zisson's owners, private equity house Verdane, will become a minority shareholder in Leaddesk.

Leaddesk sales and EBITDA margin (Zisson acquisition not included)



Source: SEB, Leaddesk

Key figures

(EURm)	2023	2024E	2025E	2026E
Revenues (m)	29	31	34	37
Adj. EBIT	1	2	3	4
PTP (m)	(2)	(1)	0	1
EPS	(0.31)	(0.24)	0.02	0.20
EPS (adjusted)	0.11	0.19	0.46	0.64
DPS	0.00	0.00	0.00	0.00
Revenue growth (%)	4.5	7.2	9.6	7.9
EPS growth (%)	21.6	80.9	141.6	n.a.
Operating margin (%)	(3.7)	(2.2)	1.3	4.2
Adj. EBIT margin (%)	4.0	5.3	8.2	10.7
ROCE (%)	4.8	7.4	14.0	20.9
Net Debt/EBITDA (x)	1.2	0.8	0.2	(0.4)
PER (adjusted)	67.1	30.5	12.6	9.1
Dividend yield (%)	0.0	0.0	0.0	0.0
Free Cash Flow Yield (%)	0.8	5.9	8.4	11.5
P/BV (x)	2.4	2.2	2.2	2.0
EV/EBIT (x)	36.9	21.4	11.6	7.3
EV/Sales (x)	1.47	1.13	0.95	0.78

Source: SEB

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