

Review: Buy

Target price: EUR 31

DR. KALLIWODA SDG: \*)  
Rating: A



\*) Dr. Kalliwoda Social Development Goals Rating

Industry: It Services & Software

Industry: It Services & Software  
Country: Germany  
ISIN: DE000A0Z1JH9  
Reuters: PSAGn,DE  
Bloomberg: PSAN GR  
Website: www.psi.de

Last price: 22.20  
High 25.95  
Low 17.95  
Price 52 W: 25.95  
Market cap, (EURm) 343.83  
Number of shares (m) 15.70

Shareholders  
innogy SE 17.77%  
Harvinder Singh 8.10%  
Invest, f, lg, Inv, TGV 20.65%  
Employees 9.35%  
Management 1.16%  
Own Shares 1.18%  
Baden-Württ, 5.23%  
Free float 36.56%

Performance  
4 weeks 7.3%  
26 weeks 3.8%  
52 weeks (7.8%)  
5 years 18.00%

Dividend  
in EUR in %  
2016 0.21 1.72%  
2017 0.22 1.19%  
2018 0.23 1.47%  
2019 0.25 1.20%  
2020 0.05 0.25%  
2021 0.30 1.23%  
2022 0.40 1.46%  
2023 0.00 0.00%



# PSI Software SE:

Strategically Navigates Cyberattack Challenges with Cloud Transformation Initiatives and Positive Investment Outlook


- Q2 2024 revenue stabilized at €62 million, while first-half revenue declined by 5.8% to €112.3 million. The operating result improved to –€4.6 million from –€9.4 million in Q2 2023.
- The Group recorded a 16% increase in order intake for Q2 2024, reaching €59 million, and a total of €154 million for the first half despite challenges.
- The February 2024 cyberattack affected PSI's performance in the first half of the year, resulting in a negative operating result of –€19.4 million and a net result of –€22.6 million, primarily due to increased costs and reduced productivity.
- Energy Management revenue declined by 7.6% to €53.4 million, with the operating result worsening to –€16.2 million. In contrast, while Production Management revenue dropped by 4.2%, the segment returned to profitability in Q2, softening the overall negative impact.
- We have maintained our valuation model and reiterated the “BUY” recommendation for the share, with a 12-month target price of EUR 30.60.
- Dr. Kalliwoda’s Sustainability Rating: 5 Trees (maximum).

in EURm	2022	2023	2024e	2025e	2026e	2027e
Net sales	247,94	269,89	258,39	294,56	319,60	346,76
EBITDA	34,00	20,16	4,64	40,81	49,27	62,15
EBIT	20,19	5,56	-9,23	26,80	35,12	47,87
Net income	16,75	-0,73	-15,46	17,10	22,98	32,04
EPS	1,07	-0,05	-0,99	1,09	1,47	2,04
BVPS	7,58	7,12	6,58	8,01	8,66	9,12
RoE	14,07%	-0,65%	-14,98%	13,62%	16,93%	22,41%
EBIT margin	8,14 %	2,06 %	-3,57 %	9,10 %	10,99 %	13,80 %
P/E	18,75	-429,47	-20,27	18,33	13,64	9,78
P/BVPS	2,64x	2,81x	3,04x	2,50x	2,31x	2,19x

Source: Dr. Kalliwoda Research GmbH © 2024 & PSI Software SE

DR. KALLIWODA RESEARCH on Bloomberg  
Page: KAL  
Analyst:  
Dr. Norbert Kalliwoda  
E-Mail: nk@kalliwoda.com  
Phone: +49 69 97 20 58 53  
www.kalliwoda.com

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## 1. Outlook & Impact of The Cyber Attack

Despite expected economic stagnation in Germany and Europe, PSI remains optimistic due to the positioning of its products in key growth segments, ensuring ongoing demand even during downturns. As a result, PSI's strategy focuses on gaining market share, expanding internationally, and concentrating on high-growth software product. To achieve these goals, they rely on technological leadership and maintaining a high development pace. In the coming years, PSI plans to focus particularly on expanding their cloud-based business. A significant step in this direction was the appointment of Erol Bozak as PSI's first Chief Technology Officer (CTO), whose focus is on the cloud transformation of PSI's portfolio. In 2023, PSI significantly increased its investment expenditures to €43.5 million, compared to €36.6 million the previous year. This increase is allocated toward key initiatives like the PSIcontrol grid management system and expanding industry-specific software products. Such investments aim to ensure PSI remains competitive in an increasingly digital and cloud-focused market.

However, a major disruption occurred in February due to a cyberattack, which temporarily shifted work from remote operations to on-site, driving up costs and reducing productivity. PSI's management believes that this incident will not have a long-term impact on growth trajectory, as the company has been quick to normalize operations and strengthen IT infrastructure to prevent future risks.

While the full financial damage remains to be seen, PSI expects a portion of the incurred costs to be covered by insurance in 2025. Nevertheless, PSI had to drastically adjust its expected figures for 2024. Pre-attack expectations showed moderate growth of 5% in revenues and order intakes, as well as a doubling of the operating result to around 11 million euros with an EBIT margin close to 4%. Post-attack adjusted figures indicate expected revenue losses of up to 30 million euros and a negative operating result in the high single-digit to low double-digit negative million euros range, with a negative EBIT margin in the low to mid-single-digit range. Expectations for revenues from licenses and maintenance, as well as upgrade contracts, are set at the 2023 level. A liquidity analysis conducted by PSI indicated sufficient financial resources for 2024 and 2025, based on various scenarios.

## 2. Q2 2024 Results

The PSI Group recorded an order intake of 59 million euros in the second quarter of 2024, reflecting a 16% increase compared to the same quarter in the previous year. Revenue stabilized during the second quarter at 62 million euros. The operating result in the Production Management segment turned positive in the second quarter, although the overall operating result remained negative at –4.6 million euros.

In the first half of 2024, PSI Group's revenue was 112.3 million euros, representing a 5.8% decline compared to the previous year (119.3 million euros). Despite the impact of a cyberattack in February, revenue slightly improved to 62 million euros in the second quarter (previous year: 61 million euros). The operating result (EBIT) was still negative at –4.6 million euros (previous year: –9.4 million euros), but it showed improvement over both the previous year and the first quarter of 2024. In the first half of 2024, the operating result was significantly affected by the cyberattack, resulting in a negative EBIT of –19.4 million euros (previous year: –5.4 million euros). The net result amounted to –22.6 million euros (previous year: –8.7 million euros). The order intake dropped by 8.9% year-on-year, reaching 154 million euros (previous year: 169 million euros). However, in the second quarter, the order intake improved by 15.7%, amounting to 59 million euros (previous year: 51 million euros). The order backlog stood at 211 million euros as of June 30, 2024, marking a 7.1% increase compared to the previous year (197 million euros).

In the Energy Management segment, revenue declined by 7.6% to 53.4 million euros (previous year: 57.8 million euros), while the operating result significantly worsened to –16.2 million euros (previous year: –8.2 million euros). Although the segment's business gradually normalized throughout the quarter, it remained heavily impacted by the cyberattack's effects.

Revenue in the Production Management segment decreased by 4.2% in the first half of 2024, falling to 58.9 million euros (previous year: 61.5 million euros). The operating result dropped to –1.3 million euros (previous year: 8.1 million euros); however, the segment returned to profitability in the second quarter. Despite ongoing effects from the cyberattack, the negative impact on revenue and results was less pronounced in this segment due to its more product-focused business model compared to the Energy Management segment.

The cash flow from operating activities turned negative, amounting to –17.6 million euros due to the cyberattack (previous year: 2.1 million euros). Liquid assets stood at 38.0 million euros, 13.5 million euros lower than the previous year (previous year: 51.5 million euros), while short-term financial liabilities increased to 14.4 million euros (December 31, 2023: 2.1 million euros).

Following the February 2024 cyberattack and the subsequent relaunch of its IT systems, PSI mostly resumed normal operations by early May and has since stabilized. Additional measures have been implemented as part of a revised IT strategy to significantly improve the security of its IT systems. As announced in June 2024, PSI Group plans to streamline its organizational structure by merging its German subsidiaries into PSI Software SE. This structural simplification aims to harmonize business processes across the group, unlock synergy potential, and enhance overall scalability.

Despite the challenges, PSI's board expects a revenue decline of approximately 20 to 30 million euros for the full year due to the effects of the cyberattack, along with a negative operating result in the high single-digit to low double-digit million range.

### 3. Company Profile

PSI Software SE develops and sells software systems and products for the energy supply, production, infrastructure, software technology, internet applications, and business consultancy sectors worldwide. The company operates in two segments, Energy Management and Production Management. The Energy Management segment provides intelligent solutions for utility companies in the electricity, gas, oil, and water sectors, as well as for the district heating sector. It develops control systems for electrical grids, cross-sector control systems, and gas and pipeline management systems, and products for energy trading, energy distribution, smart grids, power plant optimization, public transport system, and gas industry planning. The Production Management segment offers software products and solutions for planning and controlling production processes in metals production, logistics, mechanical engineering, and automotive manufacturing. The company also offers a range of data processing services; sells electronic equipment; and operates data processing systems. PSI Software SE was founded in 1969 and is headquartered in Berlin, Germany.

#### PSI History

2023	Effective November 1, Robert Klaffus has been appointed to the Management Board of PSI Software SE as CEO
2023	Company name change of the former PSI Software AG to PSI Software SE
2021	Release of one of the first app stores for Industrial software
2021	Effective 1 July 2021, Gunnar Glöckner has been appointed to the Management Board of PSI Software SE as Chief Financial Officer
2020	Takeover of Swiss network planning software developer NEPLAN
2020	Takeover of Prognos Energy - a forecasting software specialist
2019	Takeover of smart grid units of Top 5 German player BTC AG
2018	Takeover of Moveo Software AG broadening presence in public transport solutions
2014	Takeover of the strongest competitor in the metals industry, Broner Metals.
2013	PSI subsidiary founded in Brazil.
2012	Strengthening of the energy business with the acquisition of the Time-steps AG.
2011	PSI subsidiary founded in North America.
2010	PSI develops the first integrated mining control system.
2009	PSI celebrates its 40th anniversary. Since 1969, PSI develops and integrates software solutions and complete systems for utilities, manufacturers, logistics and infrastructure providers.
2008	Formation of a subsidiary and a joint venture in Russia. International expansion in the metals, production and energy industry.
2007	Process control system for efficient raw materials production; market entry into the Russian steel and electricity industry.
2006	Opening of a representative office in Russia; new sales partnerships in Eastern Europe and Asia.
2005	First major orders from the Chinese steel industry and expansion of the logistics division to Russia.

2004	PSI subsidiaries founded in Poland and China.
2003	PSI develops the first integrated control system for controlling complex manufacturing processes.
2002	Generation shift in top management; Restructure of PSI into an integrated control system enterprise.
2000	PSI acquires the gas management system division from debis Systems and starts internationalization of its energy business.
1998	Initial public offering (IPO) on August 31.
1996	Development of the first object-oriented ERP system PSIpenta.
1994	The company is converted into a joint-stock corporation.
1986	Market launch of PIUSS-O, the company's first standard software product for production planning (PPS).
1976	The company wins its first large order from the energy supply sector.
1974	PSI is the first German company to introduce an employee stock option plan.
1969	PSI Gesellschaft für Prozesssteuerungs- und Informationssysteme GmbH is founded in Berlin. First order from the steel industry.

Source: The Company

## 4. SWOT Analysis

### Strengths

- **PSI's focus on process control:** The Group has decades of experience. It also bolsters its innovation and strength with a highly specialized workforce. These experiences, as well as the endowed skills of its workforce, are important pillars of the Group's key competitive advantage, which creates a barrier entry to rivals. PSI still has an edge in many important related sectors and enjoys a first mover advantage in many of its key growth areas. For example, providing continuous innovation in energy smart grid infrastructure, mining, metals, oil & gas.
- **PSI project approach:** One of the key aspects of its success is that the company performs research and development at the location where the company intends to enter a new market. This has the virtue of developing quick customer relationships as well as gaining sector knowledge. Additionally, this creates lower market entry risk and mitigates financial risk.
- **International Presence:** PSI has successfully expanded its international activities, reducing dependency on the domestic market and opening new growth opportunities in global markets.

### Opportunities

- **Energy segment:** The energy sector gives PSI an outstanding potential to achieve scale effects. The Group can dynamically shift its existing product portfolio from high voltage systems to lower network levels. In addition, there is a growing demand for software solutions such as volatility and resource software components. Especially the demand for renewable energies is expected to grow strongly.
- **Increasingly digital business:** Reliance on smart solutions increases data availability. This has the potentials to open up new markets for the Group and to expand its software solutions business segment.
- **International growth potential:** PSI focuses on growing in the North American and European market and should be able to take profit from the shift towards renewable energies driven by lower prices for solar power and wind energy. A positive effect besides larger revenues and scale effects is the diversification away from sole dependency on the German market.

### Weaknesses

- **Bargaining power of buyers:** PSI's main customers are in capital intensive sectors, which naturally consist of only a few large players. With PSI being itself, a medium sized player may put the Group in unfavorable negotiating position when doing business deals. However, resulting pricing power of its customer is lessened by the fact that software expenditures should resemble a smaller portion of PSI customers overall budget.
- **Business cycle risk:** PSI customers are prone to business cycles and cyclicality. Nevertheless, the risk of such exposure to business cycles is relatively mitigated due to the Group being active in developing products that focus on efficiency and cost cutting.

### Threats

- **Increasing rivalry:** Consolidation in the Energy market sector continues to build conglomerates in the hardware supplier business and thus creating more intense competition for PSI in the pre-mentioned business area. It is also likely that newly formed bigger rivals, upon achieving several acquisitions in the field, will try to gain control of the energy software business.
- **Constrains in talent & qualified staff:** This is likely to stem from the current structural shortage of supply in the software labour. PSI is continuously investing in the training of its employees and is collaborating with universities to mitigate such a risk. Additionally, The Group is actively looking for talent in Eastern Europe and Malaysia. The Group can also benefit from recent acquisitions to add qualified personnel.
- **Cybersecurity risk:** The cyberattack on PSI indicates a significant risk to its operations and financial stability. Although the company has taken measures to mitigate the impact, the full economic consequences are still uncertain.

## 5. Valuation

To value PSI, we used a traditional DCF model, which derives a 12-months target price for the stock of €30,60€.

Compared to the current market level, this corresponds to an upside of around 51%.

DCF Valuation Model								
Free Cash Flow Calculation								
Discount Period	1	2	3	4	5	6	Phase II	
All figures in EUR'000	2023	2024E	2025e	2026e	2027e	2028e	2029e	2030e
Net sales	269.891,0	258.385,6	294.559,5	319.597,1	346.762,8	376.237,7	408.217,9	442.916,4
(y-o-y change)	8,9%	-4,3%	14,0%	8,5%	8,5%	8,5%	8,5%	8,5%
EBIT	5.562,0	-9.230,0	26.803,7	35.119,8	47.865,1	55.262,0	63.369,3	72.251,0
(EBIT margin)	2,1%	-3,6%	9,1%	11,0%	13,8%	14,7%	15,5%	16,3%
Tax rate	-124,2%	-28,5%	-28,5%	-28,5%	-28,5%	-28,5%	-28,5%	-28,5%
NOPLAT	-1.348	-6.599	19.165	25.111	34.224	39.512	45.309	51.659
+ Depreciation & amortisation	14.598,0	13.868,1	14.006,8	14.146,8	14.288,3	14.431,2	14.575,5	14.721,3
= Net operating cash flow	13.250,4	7.268,7	33.171,4	39.257,5	48.511,9	53.943,6	59.884,6	66.380,8
- Total investments (Capex and WC)	-8.384,0	-7.117,8	-24.348,9	-22.128,2	-19.320,9	-19.814,0	-20.327,3	-20.861,8
Capital expenditure	-14.057,0	-12.951,8	-16.913,2	-17.325,4	-17.753,9	-18.199,4	-18.662,8	-19.144,9
Working capital	5.673,0	5.834,0	-7.435,7	-4.802,8	-1.567,0	-1.614,6	-1.664,5	-1.716,9
= Free cash flow (FCF)	4.866,4	150,9	8.822,6	17.129,3	29.191,0	34.129,6	39.557,3	45.519,0
Free cash flow margin	1,8%	0,1%	3,0%	5,4%	8,4%	9,1%	9,7%	10,3%
PV of FCF's		144,7	7.812,6	14.009,0	22.048,6	23.808,2	25.485,1	27.084,3

### Valuation box

All figures in EUR'000	
PV of FCFs in explicit period	120.392,4
Residual free cash flow	41.660,2
FV Residual period CFs in last year explicit period	589.556,3
PV of FCFs in terminal period	350.792,2
Terminal sales growth	1,2%
Terminal EBIT margin	13,0%
Terminal tax rate	29,0%
Terminal incremental investment rate	-5,3%
Implied Enterprise value (EV)	471.184,6
+ Net cash / - net debt	-27.274
+ investments / - minorities	0
Shareholder value	443.910,6
Number of shares outstanding (m)	15.697,0
Fair value per share in € (today)	28,3
Fair value per share in € (in 12 months)	30,6

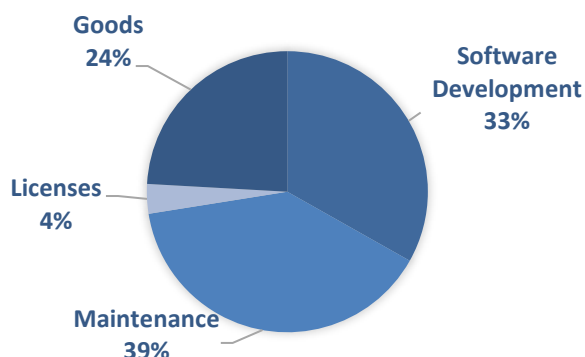
Source: Dr. Kalliwoda Research GmbH © 2024 & PSI Software SE

Sensitivity Analysis						
		Terminal Growth Rate				
		0,8%	1,0%	1,2%	1,4%	1,6%
WACC	7,68%	31,8	32,7	33,6	34,5	35,6
	7,98%	30,4	31,2	32,1	32,9	33,8
	8,28%	29,1	29,8	30,6	31,4	32,2
	8,58%	27,9	28,6	29,3	30,0	30,7
	8,88%	26,9	27,4	28,1	28,7	29,4
		EBIT-Margin				
		11,0%	12,0%	13,0%	14,0%	15,0%
WACC	7,68%	29,5	31,6	33,6	35,7	37,8
	7,98%	28,1	30,1	32,1	34,0	36,0
	8,28%	26,9	28,8	30,6	32,5	34,3
	8,58%	25,8	27,5	29,3	31,0	32,8
	8,88%	24,8	26,4	28,1	29,7	31,4

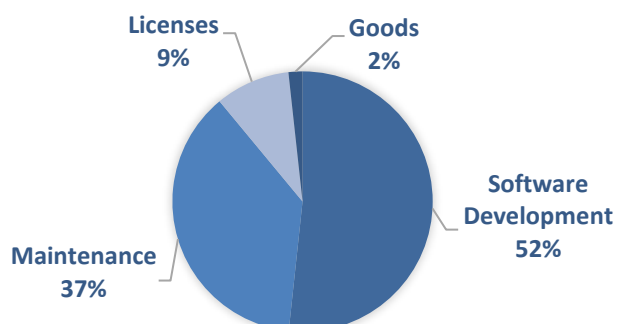


## 6. Segment Report and Revenue Split

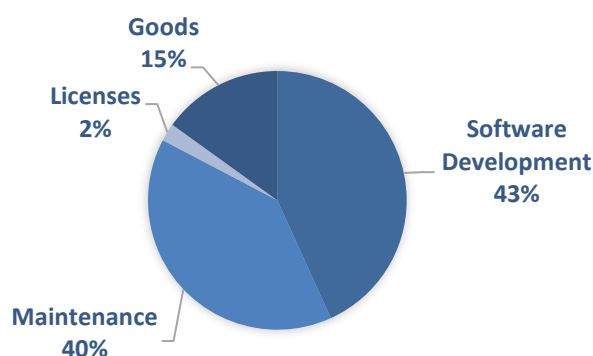
**ENERGYMANAGEMENT 2023 - 51%**



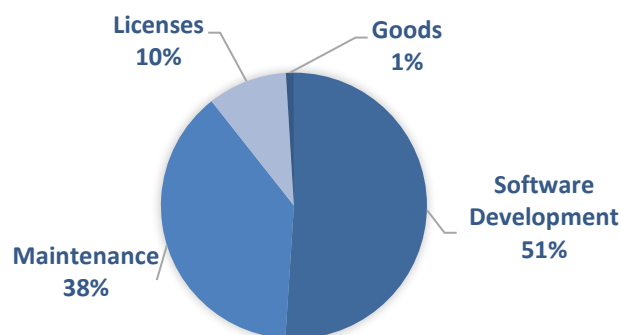
**PRODUCTIONMANAGEMENT 2023 - 49%**



**ENERGYMANAGEMENT 2022 - 53%**



**PRODUCTIONMANAGEMENT 2022 - 47%**



### Energy Management

- All areas were able to improve both order intake and revenue, with the Malaysian subsidiary even doubling its figures. Overall, the order intake increased by 24.9% to 158.9 million euros, while revenue rose by 6.5% to 138.9 million euros (previous year: 130.4 million euros). Maintenance services contributed the most to the segment's total revenue at 39.3%. Revenue from software development fell from 56.4 million euros to 46.1 million euros, making up only 33.2% of total revenue (previous year: 43.3%). This was mainly due to additional and follow-up work that could not be charged to customers. Hardware revenues showed the largest increase, jumping from 15% to 24.1% of total revenue in 2023.
- Individual projects in the electrical energy sector weighed heavily on the already negative segment result due to high, incorrectly estimated project costs and could not be offset by good profits in Malaysia. As a result, the segment result fell from 1.5 million euros to -8.6 million euros.

### Production Management

- Here, the order intake increased by 10.5% to 138.4 million euros and revenue by 11.5% to 131 million euros, continuing the growth seen in previous years across all areas. The PSI Metals division contributed significantly, followed by strong performances from PSI Logistics and PSI Automotive & Industry. Overall, software development accounted for the largest share of segment revenue at 51.7%, followed by maintenance services at 37.3%. These positive developments stabilized the segment result at the strong level of the previous year, reaching 20.3 million euros (previous year: 20.4 million euros).

## 7. Profit & Loss

### Profit and loss statement - PSI Software AG

in EURm	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
<b>Sales split</b>									
Energy management	130,41	138,86	132,81	162,01	175,78	190,72	206,93	224,52	243,60
Production management	117,53	131,04	125,58	132,55	143,82	156,04	169,31	183,70	199,31
<b>Net sales</b>	<b>247,94</b>	<b>269,89</b>	<b>258,39</b>	<b>294,56</b>	<b>319,60</b>	<b>346,76</b>	<b>376,24</b>	<b>408,22</b>	<b>442,92</b>
Cost of goods sold	-36,30	-46,12	-34,11	-39,23	-42,74	-46,61	-50,83	-55,42	-60,44
<b>Gross profit</b>	<b>212,91</b>	<b>220,61</b>	<b>223,88</b>	<b>256,02</b>	<b>277,38</b>	<b>300,73</b>	<b>326,05</b>	<b>353,50</b>	<b>383,25</b>
Other operating income	13,63	17,06	15,33	17,47	18,96	20,57	22,32	24,22	26,27
Personnel costs	-161,55	-183,73	-195,66	-192,29	-206,44	-218,07	-237,13	-257,75	-280,05
Depreciation & Amortization	-13,81	-14,60	-13,87	-14,01	-14,15	-14,29	-14,43	-14,58	-14,72
Other operating expenses	-29,72	-36,94	-39,31	-39,71	-40,10	-40,50	-40,91	-41,32	-41,73
<b>EBIT</b>	<b>20,19</b>	<b>5,56</b>	<b>-9,23</b>	<b>26,80</b>	<b>35,12</b>	<b>47,87</b>	<b>55,26</b>	<b>63,37</b>	<b>72,25</b>
Net financial result	-0,26	-2,55	-2,80	-2,89	-2,97	-3,05	-3,13	-3,21	-3,28
<b>EBT</b>	<b>19,92</b>	<b>3,02</b>	<b>-12,03</b>	<b>23,92</b>	<b>32,15</b>	<b>44,81</b>	<b>52,13</b>	<b>60,16</b>	<b>68,97</b>
Income taxes	-3,18	-3,75	-3,43	-6,82	-9,16	-12,77	-14,86	-17,15	-19,66
<b>Result after income taxes from continuing operations</b>	<b>16,75</b>	<b>-0,73</b>	<b>-15,46</b>	<b>17,10</b>	<b>22,99</b>	<b>32,05</b>	<b>37,28</b>	<b>43,02</b>	<b>49,32</b>
EPS	1,07	-0,05	-0,99	1,09	1,47	2,04	2,38	2,74	3,15
DPS	0,40	0,40	0,10	0,49	0,81	1,02	1,19	1,37	1,57
<b>Change y-o-y</b>									
Net sales	-0,18%	8,85%	-4,26%	14,00%	8,50%	8,50%	8,50%	8,50%	8,50%
Cost of goods sold	1,51%	27,04%	-26,05%	15,01%	8,97%	9,04%	9,05%	9,05%	9,05%
Gross profit	2,39%	3,62%	1,48%	14,35%	8,34%	8,42%	8,42%	8,42%	8,42%
Other operating income	50,49%	25,10%	-10,13%	14,00%	8,50%	8,50%	8,50%	8,50%	8,50%
Personnel costs	1,79%	13,73%	6,49%	-1,72%	7,36%	5,63%	8,74%	8,70%	8,65%
Depreciation & Amortization	5,88%	5,68%	-5,00%	1,00%	1,00%	1,00%	1,00%	1,00%	1,00%
Other operating expenses	13,77%	24,32%	6,41%	1,00%	1,00%	1,00%	1,00%	1,00%	1,00%
EBIT	-15,22%	-72,45%	-265,95%	-390,40%	31,03%	36,29%	15,45%	14,67%	14,02%
Net financial result	-51,57%	871,37%	10,00%	3,06%	2,93%	2,78%	2,61%	2,44%	2,24%
EBT	-14,37%	-84,86%	-498,72%	-298,83%	34,42%	39,39%	16,33%	15,41%	14,64%
Income taxes	-57,22%	17,90%	-8,53%	98,83%	34,42%	39,39%	16,33%	15,41%	14,64%
Result after income taxes from continuing operations	5,73%	-104,37%	2014,47%	-210,66%	34,42%	39,39%	16,33%	15,41%	14,64%
EPS	29,17%	-104,37%	2018,27%	-210,61%	34,40%	39,38%	16,32%	15,40%	14,64%
DPS	33,33%	0,00%	-75,34%	397,73%	64,27%	26,71%	16,32%	15,40%	14,64%
<b>Share in total sales</b>									
Total Output	100,52%	98,83%	99,85%	100,23%	100,16%	100,17%	100,17%	100,17%	100,17%
Cost of goods sold	14,64%	17,09%	13,20%	13,32%	13,37%	13,44%	13,51%	13,58%	13,65%
Gross profit	85,87%	81,74%	86,65%	86,92%	86,79%	86,73%	86,66%	86,59%	86,53%
Other operating income	5,50%	6,32%	5,93%	5,93%	5,93%	5,93%	5,93%	5,93%	5,93%
Personnel costs	65,16%	68,07%	75,72%	65,28%	64,59%	62,89%	63,03%	63,14%	63,23%
Depreciation & Amortization	5,57%	5,41%	5,37%	4,76%	4,43%	4,12%	3,84%	3,57%	3,32%
Other operating expenses	11,99%	13,69%	15,22%	13,48%	12,55%	11,68%	10,87%	10,12%	9,42%
EBIT	8,14%	2,06%	-3,57%	9,10%	10,99%	13,80%	14,69%	15,52%	16,31%
Net financial result	0,11%	0,94%	1,08%	0,98%	0,93%	0,88%	0,83%	0,79%	0,74%
EBT	8,04%	1,12%	-4,66%	8,12%	10,06%	12,92%	13,86%	14,74%	15,57%
Income taxes	1,28%	1,39%	1,33%	2,31%	2,87%	3,68%	3,95%	4,20%	4,44%
Result after income taxes from continuing operations	6,75%	-0,27%	-5,98%	5,81%	7,19%	9,24%	9,91%	10,54%	11,14%

Source: Dr. Kalliwoda Research GmbH © 2024 & PSI Software SE

## 8. Balance Sheet

Balance sheet - PSI Software AG									
in EURm	2022	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
<b>Assets</b>									
Cash and cash equivalents	45,44	50,48	41,39	53,81	56,50	59,32	62,29	65,40	68,67
Inventories	8,14	4,98	4,58	5,27	5,79	6,37	7,01	7,71	8,48
Trade accounts and notes receivables	42,03	48,32	44,93	49,43	51,90	52,94	53,99	55,07	56,18
Receivables from long-term manufacturing	49,92	49,55	46,08	53,00	55,65	56,48	57,33	58,19	59,06
Income Tax receivables	2,83	4,33	4,38	4,42	4,46	4,51	4,55	4,60	4,64
Other current assets	5,88	6,14	6,56	6,63	6,70	6,76	6,83	6,90	6,97
<b>Current assets</b>	<b>154,23</b>	<b>163,79</b>	<b>147,92</b>	<b>172,54</b>	<b>180,99</b>	<b>186,38</b>	<b>192,00</b>	<b>197,87</b>	<b>204,00</b>
Property, plant and equipment	37,89	37,43	35,56	37,34	39,20	41,16	43,22	45,38	47,65
Goodwill and intangibles assets	73,19	73,11	73,84	74,58	75,33	76,08	76,84	77,61	78,39
Shares in associated companies	0,69	0,69	0,69	0,69	0,69	0,69	0,69	0,45	0,45
Deferred tax assets	6,59	8,13	8,38	8,63	8,89	9,15	9,43	9,71	10,00
<b>Non-current assets</b>	<b>118,37</b>	<b>119,37</b>	<b>118,47</b>	<b>121,24</b>	<b>124,11</b>	<b>127,09</b>	<b>130,18</b>	<b>133,15</b>	<b>136,49</b>
<b>Total assets</b>	<b>272,60</b>	<b>283,15</b>	<b>266,40</b>	<b>293,78</b>	<b>305,10</b>	<b>313,47</b>	<b>322,19</b>	<b>331,02</b>	<b>340,49</b>
<b>Liabilities</b>									
Trade payables	23,40	18,86	18,30	20,13	20,23	20,33	20,43	20,53	20,64
Other liabilities	23,59	32,80	31,82	32,77	32,94	33,10	33,27	33,43	33,60
Liabilities from long-term manufacturing	22,98	26,29	26,55	28,16	28,44	28,72	29,01	29,30	29,59
Financial liabilities	4,67	2,12	2,03	1,95	1,87	1,80	1,73	1,66	1,59
Lease Liabilities	6,64	6,58	6,48	6,39	6,29	6,19	6,10	6,01	5,92
Liabilities associated with discontinued assets	2,38	1,32	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Provisions	2,31	3,02	3,32	3,65	4,02	4,42	4,86	5,34	5,88
<b>Current liabilities</b>	<b>85,96</b>	<b>90,99</b>	<b>88,50</b>	<b>93,05</b>	<b>93,78</b>	<b>94,56</b>	<b>95,40</b>	<b>96,28</b>	<b>97,22</b>
Long-term bank debt	18,44	31,64	30,69	31,00	31,31	31,62	31,94	32,26	32,58
Pension provisions	44,27	43,99	42,67	43,10	43,53	43,96	44,40	44,85	45,30
Deferred tax liabilities	4,89	4,80	4,66	4,71	4,75	4,80	4,85	4,90	4,95
<b>Long-term liabilities</b>	<b>67,60</b>	<b>80,43</b>	<b>78,02</b>	<b>78,80</b>	<b>79,59</b>	<b>80,39</b>	<b>81,19</b>	<b>82,00</b>	<b>82,82</b>
<b>Total liabilities</b>	<b>153,56</b>	<b>171,43</b>	<b>166,52</b>	<b>171,85</b>	<b>173,37</b>	<b>174,95</b>	<b>176,59</b>	<b>178,28</b>	<b>180,04</b>
<b>Shareholders equity</b>	<b>119,04</b>	<b>111,73</b>	<b>99,87</b>	<b>121,94</b>	<b>131,73</b>	<b>138,52</b>	<b>145,60</b>	<b>152,74</b>	<b>160,44</b>
<b>Total equity and liabilities</b>	<b>272,60</b>	<b>283,15</b>	<b>266,40</b>	<b>293,78</b>	<b>305,10</b>	<b>313,47</b>	<b>322,19</b>	<b>331,02</b>	<b>340,49</b>

Source: Dr. Kalliwoda Research GmbH © 2024 & PSI Software SE

## 9. Financial Ratios

Fiscal year	2023	2024e	2025e	2026e	2027e	2028e	2029e	2030e
Gross margin	82,7%	86,8%	86,7%	86,6%	86,6%	86,5%	86,4%	86,4%
EBITDA margin	7,5%	1,8%	13,9%	15,4%	17,9%	18,5%	19,1%	19,6%
EBIT margin	2,1%	-3,6%	9,1%	11,0%	13,8%	14,7%	15,5%	16,3%
Net margin	-0,3%	-6,0%	5,8%	7,2%	9,2%	9,9%	10,5%	11,1%
Return on equity (ROE)	-0,7%	-15,0%	13,6%	16,9%	22,4%	24,8%	27,2%	29,6%
Return on assets (ROA)	-0,3%	-5,8%	5,8%	7,5%	10,2%	11,6%	13,0%	14,5%
Net debt (in EURm)	27,27	34,01	22,24	20,21	18,06	15,78	13,36	10,79
Net gearing	24,4%	33,0%	17,7%	14,9%	12,6%	10,5%	8,5%	6,5%
Equity ratio	39,5%	38,7%	42,7%	44,5%	45,6%	46,7%	47,8%	48,8%
Current ratio	1,80	1,74	1,93	2,02	2,07	2,12	2,18	2,23
Quick ratio	1,15	1,09	1,23	1,28	1,32	1,36	1,40	1,44
Net interest cover	20,75	-31,31	81,91	96,69	118,72	123,48	127,57	131,03
Net debt/EBITDA	1,35	7,33	0,54	0,41	0,29	0,23	0,17	0,12
Capex/Sales	4,6%	4,9%	2,8%	2,4%	2,1%	1,9%	1,6%	1,4%
Working capital/Sales	10,4%	8,6%	10,1%	10,8%	10,4%	10,0%	9,6%	9,3%
P/E	-429,47	-20,27	18,33	13,64	9,78	8,41	7,29	6,36

Source: Dr. Kalliwoda Research GmbH © 2024 & PSI Software SE

## 10. Cashflow Statement

Cashflow statement - PSI Software AG								
	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E
<b>Consolidated Income before Income Taxes</b>	4.072,00	-12.030,50	23.916,35	32.146,88	44.808,72	52.124,76	60.154,68	68.963,56
Adjustment of Annual Result for Non-Cash Transactions								
Amortization of Intangible Assets	4.074,00	3.834,00	3.892,70	3.931,63	3.970,94	4.010,65	4.050,76	4.091,27
Depreciation of Property, Plant, and Equipment	3.451,00	3.201,00	3.241,00	3.273,41	3.306,14	3.339,21	3.372,60	3.406,32
Depreciation of Right of Use	7.073,00	6.833,10	6.883,10	6.951,93	7.021,45	7.091,66	7.162,58	7.234,21
Income from Equity Investments in Associated Companies	-268,00	-294,80	-327,23	-363,22	-403,18	-447,53	-496,76	-551,40
Interest Income	-664,00	-730,40	-803,44	-883,78	-972,16	-1.069,38	-1.176,32	-1.293,95
Interest Expenses	3.477,00	3.824,70	4.015,94	4.216,73	4.427,57	4.648,92	4.881,39	5.125,46
Other Non-Cash Income/Expenses	-1.056,00	2.000,00	2.000,00	-2.000,00	-2.000,00	-2.000,00	-2.000,00	-2.000,00
	<b>20.159,00</b>	<b>6.637,10</b>	<b>42.818,42</b>	<b>47.273,58</b>	<b>60.159,48</b>	<b>67.698,32</b>	<b>75.948,95</b>	<b>84.975,48</b>
Changes in Inventories	2.881,00	398,16	-486,83	-1.526,57	-3.137,16	-1.637,15	-1.700,86	-1.770,95
Changes in Trade Receivables and Long-Term Contract Assets	-5.397,00	6.850,69	-7.405,80	-5.921,11	-4.872,64	-2.905,92	-2.739,39	-2.774,29
Changes in Other Current Assets	-1.409,00	-429,45	-65,64	-166,30	-266,96	-267,63	-168,31	-168,99
Changes in Provisions	-2.345,00	-2.462,25	-1.885,36	-2.179,63	-2.488,61	-2.813,04	-3.153,69	-3.511,38
Changes in Trade Payables	-4.133,00	-565,92	2.229,81	100,64	101,14	101,65	102,16	102,67
Changes in Other Long-Term and Short-Term Liabilities	13.433,00	-984,03	1.554,51	163,86	164,68	165,50	166,33	167,16
	<b>23.189,00</b>	<b>9.444,30</b>	<b>36.759,11</b>	<b>37.744,47</b>	<b>49.659,93</b>	<b>60.341,73</b>	<b>68.454,77</b>	<b>77.019,69</b>
Paid Income Taxes	-6.410,00	-6.230,50	-6.452,03	-6.734,73	-10.770,21	-14.415,10	-17.611,23	-21.291,78
<b>Cash Flow from Operating Activities</b>	<b>16.779,00</b>	<b>3.213,80</b>	<b>30.307,08</b>	<b>31.009,74</b>	<b>38.889,72</b>	<b>45.926,63</b>	<b>50.843,54</b>	<b>55.727,91</b>
<b>2. Cash Flow from Investing Activities</b>								
Payments for Investments in Intangible Assets	-4.607,00	-3.685,60	-5.528,40	-6.181,24	-9.417,49	-12.210,77	-13.511,19	-15.362,31
Payments for Investments in Property, Plant, and Equipment	-3.049,00	-2.774,59	-3.606,97	-4.317,99	-7.181,59	-9.917,91	-11.609,70	-12.770,67
Proceeds from Disposal of Held-for-Sale Assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Proceeds from Distributions of Associated Companies	163,00	165	166	168	170	171	173	175
Interest Received	573,00	200,00	300,00	200,00	200,00	200,00	200,00	200,00
<b>Cash Flow from Investing Activities</b>	<b>-6.920,00</b>	<b>-6.095,56</b>	<b>-8.669,09</b>	<b>-10.131,29</b>	<b>-16.229,46</b>	<b>-21.757,36</b>	<b>-24.747,87</b>	<b>-27.758,23</b>
<b>3. Cash Flow from Financing Activities</b>								
Payments for the Acquisition of Treasury Shares	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Dividends Paid to Shareholders of the Parent Company	-6.195,00	0,00	-6.380,85	-7.018,94	-7.720,83	-8.492,91	-9.342,20	-10.276,42
Payments for the Repayment of Lease Liabilities	-6.807,00	-6.102,79	-6.407,93	-6.828,33	-7.669,74	-8.153,23	-8.960,89	-9.614,12
Interest Paid on Lease Liabilities	-539,00	-522,83	-548,97	-603,87	-664,26	-730,68	-803,75	-884,12
Interest Paid	-931,00	-400,00	-640,00	-872,00	-915,60	-961,38	-1.009,45	-1.059,92
Proceeds/Repayments from Borrowings	9.509,00	686,88	4.621,61	-3.000,00	-3.000,00	-3.000,00	-3.000,00	-3.000,00
<b>Cash Flow from Financing Activities</b>	<b>-4.963,00</b>	<b>-6.338,74</b>	<b>-9.356,14</b>	<b>-18.323,13</b>	<b>-19.970,43</b>	<b>-21.338,20</b>	<b>-23.116,29</b>	<b>-24.834,58</b>
<b>4. Cash and Cash Equivalents at the End of the Period</b>								
Cash Change in Cash and Cash Equivalents - Continuing Operations	4.896,00	-9.220,50	12.281,85	2.555,32	2.689,83	2.831,07	2.979,38	3.135,10
Exchange Rate Changes in Cash and Cash Equivalents	135,00	135,00	135,00	135,00	135,00	135,00	135,00	135,00
Cash and Cash Equivalents at the Beginning of the Period	45.444,00	50.475,00	41.389,50	53.806,35	56.496,67	59.321,50	62.287,58	65.401,95
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>50.475,00</b>	<b>41.389,50</b>	<b>53.806,35</b>	<b>56.496,67</b>	<b>59.321,50</b>	<b>62.287,58</b>	<b>65.401,95</b>	<b>68.672,05</b>
Thereof Cash and Cash Equivalents - Discontinued Operations	0	0	0	0	0	0	0	0
	50.475,00	41.389,50	53.806,35	56.496,67	59.321,50	62.287,57	65.401,95	68.672,05

Source: Dr. Kalliwoda Research GmbH © 2024 & PSI Software SE

## 11. FY23 quarter comparison to previous quarters

Financial Results & Margins								
in EURm	1Q/22	2Q/22	3Q/22	4Q/22	Q1/23	Q2/23	Q3/23	Q4/23
Net sales	57,98	58,47	63,23	68,28	58,23	61,04	65,19	85,40
EBITDA	6,97	7,02	9,52	10,49	7,71	-5,67	6,26	11,86
EBIT (Operating Profit)	4,48	3,70	6,13	5,88	4,01	-9,37	2,65	8,30
Net income	2,57	1,88	3,53	1,72	3,28	-12,02	1,61	7,40
EBITDA margin	12,0%	12,0%	15,1%	15,4%	13,2%	-9,3%	9,6%	13,9%
EBIT margin	7,7%	6,3%	9,7%	8,6%	6,9%	-15,4%	4,1%	9,7%
Net margin	4,4%	3,2%	5,6%	2,5%	5,6%	-19,7%	2,5%	8,7%

Source: Dr. Kalliwoda Research GmbH © 2024 & PSI Software SE

## 12. Dr. Kalliwoda's Sustainability Rating : Max. 5 Trees



Picture taken from company website  
Kalliwoda Sustainability Ranking: A

PSI Software SE

Company name: PSI Software SE (PSAN.DE)

Headquartered: Berlin, Deutschland

Market capitalisation: € 329.64 million (as of July 24th 2024)

PSI Software SE (PSAN) has achieved an A grade in the Dr. Kalliwoda Sustainability Ranking in pursuing the United Nations Sustainable Development Goals. This grade implies that the company is very sustainable. Most significant contributions have been noticed in eight out of seventeen categories. Moreover, the company has received negative points in none of the categories.



Picture taken from un.org

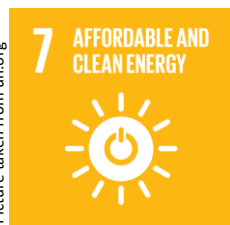


PSI's products contribute indirectly to the emissions. On the one hand, that happens of renewable energy into the energy supply mix and on the other hand through the development of solutions for the expansion of e-mobility, like the integration of charging infrastructure into municipal power grids and depots. There exist programmes for health promotion and health protection, as well as a certified occupational health and safety management system for PSI's employees.

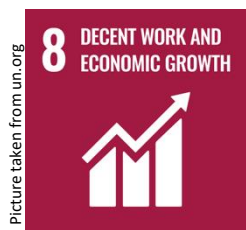


reduction of harmful through a better integration

Picture taken from un.org



The grid control systems, which are developed and produced by PSI are continuously being expanded to include functions for the intelligent management of the feed-in of renewable resources. The company is committed to developing the intelligent energy supply infrastructure of the future, including products for smart microgrids and charging infrastructures. Through its gas management systems, PSI supports the integration of higher proportions of hydrogen into the existing gas grid in order to be able to store surplus wind power as "green hydrogen".



Picture taken from un.org

PSI adheres to the legally guaranteed principles of freedoms of association, the prohibition of discrimination and employee diversity and participation. PSI has no activities in countries with sensitive human rights situations. As employees are of particular importance for the further development of the

company, PSI determines the Employee Commitment Index to measure its own performance.

Additionally, by using industrial artificial intelligence, the company's products improve the efficiency of production and logistics processes.



Picture taken from un.org

PSI commits to resilient infrastructures by offering products whose solutions ensure the even and gentle use of the infrastructure and contribute to the avoidance of failures through the use of industrial artificial intelligence methods. In the field of emission-free local public transport, PSI software takes into account and optimises all important

influencing factors, such as charging infrastructure on the route, the number of passengers, the outside temperature, etc. Generally speaking, PSI software products ensure increased efficiency and the responsible use of energy, raw materials and manpower.



Picture taken from un.org

The company contributes to sustainable cities and communities by offering public transport solutions for efficient local transport networks and depots, with a strong focus on depot management, as the charging infrastructure for electric buses is integrated and controlled there. In the logistics and transport sector, PSI has developed new solutions for the dynamic control and operation of optimised logistic networks. The company's traffic flow

optimisation programme takes into account collective and ecological goals in addition to individual mobility goals of road users and strategic goals for road operators.



Picture taken from un.org

PSI's production line for the manufacturing industry supports new types of production methods, characterised by flexible, decentralised manufacturing methods and enables the sustainable productions of smaller quantities of innovative products. Moreover, the company's software solutions help to save transport costs and emissions, thus contributing to sustainable consumption.



Picture taken from un.org

As mentioned beforehand, the company's software solutions contribute to the careful and sustainable use of energy, raw materials and labour in the energy industry and the production sector. In addition to that, PSI has been participating in the Carbon Disclosure Project (CDP) since 2011 and has

significantly improved its score since then. The company uses green IT equipment, exclusively

buys electricity generated through hydropower and conducted an energy audit in accordance with DIN EN 16247-1 recently.





In order to achieve business and sustainability goals, PSI relies on strong partnerships, especially on an international level. Potential business partners have to implement and meet the company's demands for quality and performance. They have to comply with legal standards on dignified

work, the protection of natural resources, fair business practices and the protection of intellectual property.

Dr. Kalliwoda SDG Rating (KSR) - PSI Software AG									Pts.	MAX
1	No Poverty	-3	-2	-1	0	1	2	3	2	3
2	Zero Hunger	-3	-2	-1	0	1	2	3	1	3
3	Good Health and Well-Being	-3	-2	-1	0	1	2	3	3	3
4	Quality Education	-3	-2	-1	0	1	2	3	2	3
5	Gender Equality	-3	-2	-1	0	1	2	3	2	3
6	Clean Water and Sanitation	-3	-2	-1	0	1	2	3	2	3
7	Affordable and Clean Energy	-3	-2	-1	0	1	2	3	3	3
8	Decent Work and Economic Growth	-3	-2	-1	0	1	2	3	3	3
9	Industry, Innovation and Infrastructure	-3	-2	-1	0	1	2	3	3	3
10	Reduced Inequalities	-3	-2	-1	0	1	2	3	2	3
11	Sustainable Cities and Communities	-3	-2	-1	0	1	2	3	3	3
12	Responsible Consumption and Production	-3	-2	-1	0	1	2	3	3	3
13	Climate Action	-3	-2	-1	0	1	2	3	3	3
14	Life Below Water	-3	-2	-1	0	1	2	3	1	3
15	Life on Land	-3	-2	-1	0	1	2	3	2	3
16	Peace, Justice and Strong Institutions	-3	-2	-1	0	1	2	3	1	3
17	Partnerships for the Goals	-3	-2	-1	0	1	2	3	3	3
Summe									39	51
									76,5%	

DR. KALLIWODA SDG RATING	< 0%	0%-25%	26%-50%	51%-75%	76%-100%
	E	D	C	B	A

A	Very sustainable
B	Promotes the transition to sustainability
C	On the way to sustainability
D	Less sustainable, but less negative impact
E	Not sustainable

3	The company has increased the goal
2	
1	
0	The company does not reduce nor increase the goal
-1	
-2	
-3	The company has severe negative impacts on the goal

### 13. Contacts

Primary Research   Fair Value Analysis   International Roadshows			Dr. Kalliwoda Research GmbH, Steinstraße 24, D-64839 Münster, office Frankfurt Arndtstr. 47, 60325 Frankfurt
Head: <b>Dr. Norbert Kalliwoda</b> E-Mail: <a href="mailto:nk@kalliwoda.com">nk@kalliwoda.com</a>	CEFA-Analyst; University of Frankfurt/Main; PhD in Economics; Dipl.- Kfm., Dipl.-Hdl.		<u>Sectors:</u> IT, Software, Electricals & Electronics, Mechanical Engineering, Logistics, Laser, Technology, Raw Materials
<b>Lukas Ankelmann</b> E-Mail: la@kalliwoda.com	Junior-Analyst; University Nuremberg		<u>Sectors:</u> Technology, New Media, Food & Beverage
<b>Noah Barnekow</b> E-Mail: nb@kalliwoda.com	Frankfurt School of Finance & Management		<u>Sectors:</u> Aviation, Automotive, Technology, Sustainability Approach
<b>Michael John</b> E-Mail: mj@kalliwoda.com	Dipl.-Ing. (Aachen)		<u>Sectors:</u> Software, Commodities
<b>Martin Kostovski</b> E-Mail: mko@kalliwoda.com	Analyst (Frankfurt School of Finance and Management., BSc. focus on Bank. & Finan.)		<u>Sectors:</u> Renewable Energy/Technology
<b>Sebastian Krawczyk</b> E-Mail: sk@kalliwoda.com	Bachelor Management, Quant. Meth. in Economics & Inf. Systems, Warsaw School/Mannheim, CFA Can.		<u>Sectors:</u> Quantitative Methods, Automotive, Technology
<b>Dr. Heinz Müller</b> E-Mail: hm@kalliwoda.com	Dr. agr, Dipl.-agr. (Agrarökonomie)		<u>Sectors:</u> Agrochemicals, Consumer Chemicals, Chemicals
<b>Vittoria Lou D. Mawis</b> E-Mail: cl@kalliwoda.com	Architect; University Barcelona		<u>Sectors:</u> Assistant Office & Real Estate Research
<b>Dr. Christoph Piechaczek</b> E-Mail: cp@kalliwoda.com	Dipl.-Biologist; Technical University Darmstadt; Univ. Witten-Herdecke.		<u>Sectors:</u> Biotech & Healthcare; Medical Technology Pharmaceutical
<b>Victor Lelong</b> E-Mail: vl@kalliwoda.com	Junior Analyst (MSc In Management, emlyon business school)		<u>Sectors:</u> biotech, technology, real estate
<b>Nele Rave</b> E-Mail: nr@kalliwoda.com	Lawyer; Native Speaker, German School London,		Legal adviser
<b>Hellmut Schaarschmidt;</b> E-Mail: hs@kalliwoda.com	Dipl.-Geophysicists; University of Frankfurt/Main.		<u>Sectors:</u> Oil, Regenerative Energies, Specialities Chemicals, Utilities
<b>Dr. Erik Schneider</b> E-Mail: es@kalliwoda.com	Dipl.-Biologist; Technical University Darmstadt; Univ. Hamburg.		<u>Sectors:</u> Biotech & Healthcare; Medical Technology Pharmaceutical
<b>Giuseppe Inserra</b> E-Mail: gi@kalliwoda.com	Junior-Analyst (Università degli Studi di Catania, Economics)		<u>Sectors:</u> Gaming Entertainment, Fintech, Financial Markets, Commodities, Real Estate
<b>Lukas Thiele</b> E-Mail: lt@kalliwoda.com	Bachelor in Business Administration, Univ. Frankfurt am Main		<u>Sector:</u> Automotive, Technology, IT
<b>Also, view the Sales and Earnings Estimates: DR. KALLIWODA   RESEARCH on Terminals of Bloomberg, Thomson Reuters, vwd group and Factset</b>	Analyst of this research: Dr. Norbert Kalliwoda, CEFA		

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Author of this research: Dr. Norbert Kalliwoda, Analyst, CEO and founder of DR. KALLIWODA RESEARCH GmbH.

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-1	The company negatively contributes to the goal.
0	The company does not contribute to the goal at all.
1	The company positively contributes to the goal.
2	The company profoundly contributes to the goal.
3	The company significantly contributes to the goal.

From adding up the given numbers, it is being set in a ratio to the maximum points (e.g. 51). The following model shows the note procurement:

A =5 Trees	100% - 76%	The company exceptionally contributes to the goal.
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B = 4 Trees	75% - 51%	The company promotes the transition to sustainability.
C = 3 Trees	50% - 26%	The company is on the way to sustainability.
D = 2 Trees	25% - 0%	The company minimizes its negative impact.
E = 1 Tree	< 0%	The company is not sustainable.

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