

31 July 2025

PSI Software AG

Rating **Buy (Buy)**
Share price (EUR) **29.10**
Target price (EUR) **36.50 (35.50)**

Bloomberg PSAN GY
Sector Software

Share data

Shares out (m) 15.5
Daily volume shs (m) 0.2
Free float (%) 74.10
Market cap (EUR m) 451
EV (EUR m) 466
DPS (EUR) 0.00
Dividend yield (%) 0.0
Payout ratio (%) 0.0

Performance

ytd (%) 37.9
12 months (%) 35.3
12 months rel. (%) 19.3
Index TecDAX

Share price performance



Source: Bloomberg

Next triggers

30.10.2025: Q3 results

Analysts

Sebastian Droste – Financial Analyst
T +49 (0) 69 2475049 26
sebastian.droste@quirinprivatbank.de

Strong rise in orders, efficiency gains from 2026 likely

On July 30, PSI released its H1 2025 results and confirmed its guidance for 2025. Revenue growth was strong at 18.3% yoy to EUR 132.9m, exceeding our expectation of +12% by 6.3pp. The increase was driven by a sharp rise in new orders (+36.4% yoy to EUR 210.0m), broad-based growth across all segments, and the absence of last year's cyberattack impact. A stable order backlog of EUR 206.0m despite the Mobility division sale also supported topline visibility. EBIT margin improved from -17.3% to 1.6%, in line with our estimate of 1.7%, mainly due to normalization after the prior-year cyberattack and efficiency gains, while restructuring costs still weighed on profitability. PSI confirmed its guidance of around 10% revenue growth and an adjusted EBIT margin of around 4.0%, in line with our estimates. Strong order intake and transformation efforts support mid-term growth, Near-term profitability is limited by one-off restructuring expenses, but benefits from cost savings are expected from 2026. We raise our target price to EUR 36.50 (previously EUR 35.50) and confirm our Buy recommendation.

Strong sales growth and new orders

Revenues in H1 2025 increased by 18.3% yoy to EUR 132.9m, exceeding our expectation of +12% by 6.3pp. The strong growth was driven primarily by a significant increase in new orders (+36.4% yoy to EUR 210.0m), providing a solid basis for revenue generation. All business segments contributed positively, with Grid & Energy Management achieving the highest growth of 26.9% yoy to EUR 61.1m, followed by Discrete Manufacturing (+27.3% yoy to EUR 16.7m), Logistics (+19.6% yoy to EUR 17.1m), and Process Industries & Metals (+15.9% yoy to EUR 35.3m). The recovery from the prior-year cyberattack also had a meaningful effect, as the previous period's disruption depressed the base. Additionally, the order backlog remained strong at EUR 206.0m despite the divestment of the Mobility division, underlining robust demand.

Margin up due to normalization and efficiency measures but cost-cutting weights

The EBIT margin increased from -17.3% to 1.6% versus our estimate of 1.7%, which is in line with expectations. The improvement was mainly driven by the absence of prior-year extraordinary costs from the cyberattack and stronger revenue contribution from all segments. Additionally, efficiency measures and restructuring efforts under "PSI Reloaded" should have supported margin recovery. However, one-off expenses related to the cost-cutting program in Grid & Energy Management (started in Q2) are expected to weigh on FY margins.

Key figures		2023	2024	2025e	2026e	2027e
Sales	EUR m	270	261	287	317	352
EBITDA	EUR m	20	-1	22	29	37
EBIT	EUR m	6	-15	8	16	26
EPS	EUR	0.02	-1.35	0.22	0.61	1.05
Sales growth	%	8.9	-3.4	10.0	10.5	11.0
EBITDA margin	%	7.5	-0.2	7.5	9.0	10.5
EBIT margin	%	2.1	-5.8	2.8	5.2	7.3
Net margin	%	0.1	-8.0	1.2	3.0	4.6
EV/Sales	ratio	1.41	1.36	1.63	1.42	1.23
EV/EBITDA	ratio	18.9	-566.5	21.7	15.8	11.7
EV/EBIT	ratio	68.5	-23.3	58.8	27.4	16.9
P/E	ratio	1222.4	-15.6	134.9	47.3	27.7
P/BV	ratio	7.2	6.2	6.4	7.0	7.6
Dividend yield	%	1.6	0.0	0.0	1.4	1.7

Source: Bloomberg, Company data, Quirin Privatbank estimates

Guidance confirmed and margin improvements from 2026 likely

PSI confirmed its 2025 guidance, forecasting revenue growth of around 10% yoy, in line with our estimate. The adjusted EBIT margin is guided at around 4.0%, in line with our expectation. Strong order intake and a stable backlog support growth, while one-off restructuring costs from the "PSI Reloaded" program will weigh on 2025 profitability. Benefits from cost savings are expected from 2026.

DCF Valuation

We have derived our target price for PSI Software from our DCF model. With a WACC of 8.69% (resulting from a risk-free rate of 3.5%, market premium of 5% and a beta of 1.0), a mid-term revenue CAGR 2025-2028 of 11% fading to a perpetual growth rate of 1.5%, Capex at around 2.9% of sales and a sustainable EBIT margin of 16% our DCF model retrieves a fair value of EUR 36.50 per share. Hence, we confirm our Buy recommendation.

DCF Model for PSI Software AG

(EUR m)	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	TV
Sales	287	317	352	392	438	481	520	553	580	598	
growth yoy	10.0%	10.5%	11.0%	11.5%	11.5%	9.8%	8.2%	6.5%	4.8%	3.1%	
EBIT	8	16	26	36	49	59	68	78	87	95	
EBIT margin	2.8%	5.2%	7.3%	9.2%	11.3%	12.2%	13.1%	14.1%	15.0%	16.0%	
Taxes	-2.3	-4.7	-7.4	-10.4	-14.1	-16.8	-19.6	-22.4	-25.0	-27.4	
Tax rate	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	
Depreciation	13.6	12.1	11.3	11.0	11.1	13.1	14.6	15.8	16.7	17.3	
% of sales	4.7%	3.8%	3.2%	2.8%	2.5%	2.7%	2.8%	2.9%	2.9%	2.9%	
Capex	-8.3	-9.2	-10.2	-11.4	-12.7	-13.9	-15.1	-16.0	-16.8	-17.3	
% of sales	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	
Δ NWC	-1.1	-1.3	-1.5	-1.8	-2.0	-2.1	-2.3	-2.5	-2.6	-2.7	
% of sales	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	
FCF	9.8	13.3	17.9	23.6	31.6	38.8	45.9	52.8	59.3	65.3	916.1
growth yoy	nm	36.0%	34.2%	32.0%	33.9%	22.8%	18.3%	15.1%	12.4%	10.1%	1.5%
PV FCF	9.5	11.8	14.6	17.7	21.9	24.7	26.9	28.5	29.4	29.8	418.2

PV Forecast Period	215
PV Terminal Value	418

Enterprise value	633
- Net Debt / Net Cash	28
- Pension Provisions	36
Equity value	566
Number of shares	15.5
Value per share (€)	36.5

Sensitivity Analysis	Terminal growth rate				
	0.5%	1.0%	1.5%	2.0%	2.5%
WACC	7.82%	38.5	40.7	43.3	46.3
	8.25%	35.6	37.5	39.7	42.2
	8.69%	33.0	34.7	36.5	38.7
	9.12%	30.7	32.1	33.7	35.6
	9.55%	28.6	29.9	31.3	32.9

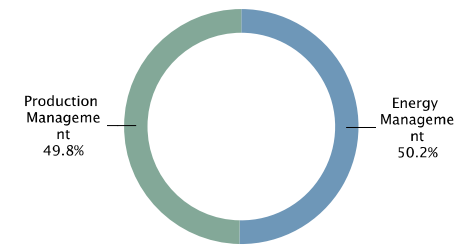
Risk free rate	3.50%	Equity ratio	100%
Cost of debt	4.50%	Company beta	1.0
Market Premium	5.00%	WACC	8.69%

Source: Quirin Privatbank

Company description

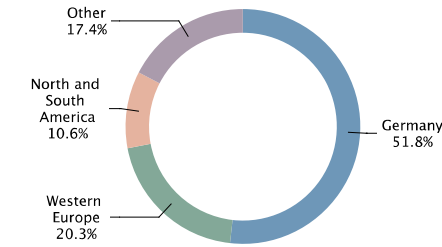
PSI is a leading global supplier of process control software solutions for utilities and industry. PSI owns excellent market position in the home market and tremendous growth opportunities in international markets. With innovative products, PSI enables its customers to utilise labour, energy and natural resources in an economical and environmentally friendly manner and provide them a competitive advantage. This will create long-term value for share-holders and develop long-term growth opportunities for PSI.

Revenues by segment 2024



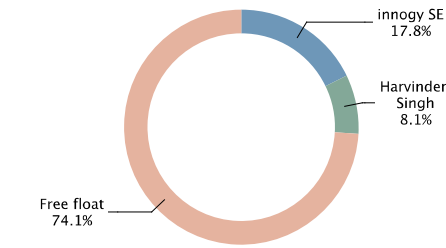
Source: Company data

Revenues by region 2024



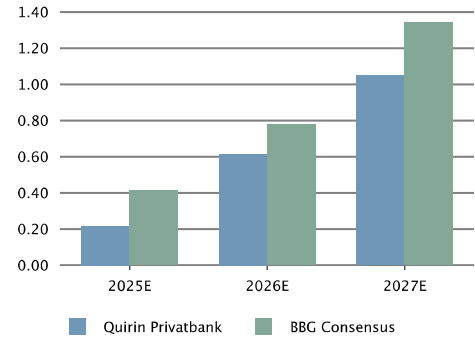
Source: Company data

Shareholder structure



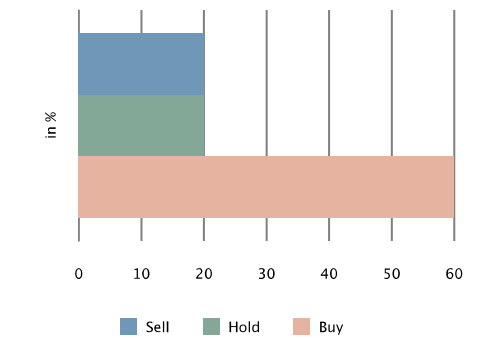
Source: Company data

EPS: Quirin Privatbank vs. consensus



Source: Quirin Privatbank Research, Bloomberg

Recommendation Overview



Source: Bloomberg

Company guidance 2025

Sales growth 10% yoy
Adjusted EBIT margin of around 4%

Profit & loss statement

Profit & loss statement (EUR m)	2023	YOY	2024	YOY	2025e	YOY	2026e	YOY	2027e	YOY
Sales	269.9	8.9 %	260.8	-3.4 %	286.9	10.0 %	317.0	10.5 %	351.9	11.0 %
Other own work capitalized	17.1		11.9		13.1		14.5		16.1	
Cost of goods	-46.1		-38.3		-42.1		-46.5		-51.6	
Gross profit	286.9		272.8		300.1		331.6		368.0	
Personnel expenses	-183.7		-190.1		-195.1		-215.3		-238.6	
Depreciation	-14.6		-14.6		-13.6		-12.1		-11.3	
Other operating expenses	-36.9		-45.0		-41.3		-41.3		-40.9	
EBITDA	20.2	-40.7 %	-0.6	-103.1 %	21.5	-3537.6 %	28.5	32.6 %	37.0	29.5 %
EBITDA margin (%)	7.47		-0.24		7.50		9.00		10.50	
EBIT	5.6	-72.5 %	-15.2	-374.1 %	7.9	-152.0 %	16.4	107.3 %	25.7	56.2 %
EBIT margin (%)	2.06		-5.84		2.76		5.19		7.30	
Income from Participations	0.3		0.3		0.3		0.3		0.3	
Net financial result	-2.5		-2.6		-3.2		-3.1		-2.9	
Exceptional items	0.0		0.0		0.0		0.0		0.0	
Pretax profit	3.0	-84.9 %	-17.9	-692.5 %	4.7	-126.2 %	13.4	184.8 %	22.8	70.8 %
Pretax margin (%)	1.12		-6.85		1.63		4.21		6.48	
Taxes	-3.7		-3.8		-1.3		-3.8		-6.5	
Tax rate (%)	124.27		-21.17		28.70		28.70		28.70	
Earnings after taxes	6.8		-14.1		6.0		17.2		29.3	
Minorities	0.0		0.0		0.0		0.0		0.0	
Group attributable income	0.3	-96.7 %	-21.0	-6586.7 %	3.3	-116.0 %	9.5	184.8 %	16.3	70.8 %
No. of shares (m)	15.6		15.5		15.5		15.5		15.5	
Earnings per share (EUR)	0.02	-96.7 %	-1.35	-6636.1 %	0.22	-116.0 %	0.61	184.8 %	1.05	70.8 %

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2023	YOY	2024	YOY	2025e	YOY	2026e	YOY	2027e	YOY
Assets										
Cash and cash equivalents	50.5		26.5		38.6		55.1		70.9	
Accounts receivables	48.3		50.4		55.4		61.2		67.9	
Inventories	5.0		3.0		3.3		3.6		4.0	
Other current assets	60.0		80.3		80.3		80.3		80.3	
Tax claims	8.1		5.4		5.4		5.4		5.4	
Total current assets	163.8	6.2 %	160.1	-2.2 %	177.6	10.9 %	200.2	12.7 %	223.2	11.5 %
Fixed assets	37.4		35.3		30.1		27.2		26.1	
Goodwill	59.1		59.9		59.9		59.9		59.9	
Other intangible assets	14.0		12.5		12.5		12.5		12.5	
Financial assets	0.7		0.7		0.7		0.7		0.7	
Deferred taxes	8.1		5.4		5.4		5.4		5.4	
Total fixed assets	119.4	0.8 %	113.7	-4.7 %	108.5	-4.6 %	105.6	-2.7 %	104.5	-1.0 %
Total assets	283.2	3.9 %	273.9	-3.3 %	286.0	4.4 %	305.8	6.9 %	327.7	7.2 %
Equity & Liabilities										
Subscribed capital	40.2		40.2		40.2		40.2		40.2	
Reserves & other	35.1		35.1		35.1		35.1		35.1	
Revenue reserves	59.6		38.7		42.0		51.6		61.6	
Accumulated other comprehensive	-23.2		-18.6		-18.6		-18.6		-18.6	
Shareholder's equity	111.7	-6.1 %	95.4	-14.6 %	98.7	3.5 %	108.3	9.6 %	118.3	9.3 %
Minorities	0.0		0.0		0.0		0.0		0.0	
Shareholder's equity incl. minorities	111.7	-6.1 %	95.4	-14.6 %	98.7	3.5 %	108.3	9.6 %	118.3	9.3 %
Long-term liabilities										
Pension provisions	43.0		35.7		35.7		35.7		35.7	
Financial liabilities	31.1		24.8		24.8		24.8		24.8	
Tax liabilities	4.8		3.1		3.4		3.8		4.2	
Other liabilities	1.6		1.6		1.8		2.0		2.2	
Total long-term debt	80.4	19.0 %	65.3	-18.8 %	65.8	0.7 %	66.3	0.8 %	67.0	1.0 %
Short-term debt										
Trade payables	18.9		21.2		23.3		25.7		28.6	
Financial debt	8.7		29.5		29.5		29.5		29.5	
Other liabilities	63.4		62.5		68.7		76.0		84.3	
Total short-term debt	91.0	5.9 %	113.2	24.4 %	121.5	7.4 %	131.2	8.0 %	142.4	8.5 %
Total equity & liabilities	283.2	3.9 %	273.9	-3.3 %	286.0	4.4 %	305.8	6.9 %	327.7	7.2 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2023	2024	2025e	2026e	2027e
Per share data (EUR)					
EPS	0.02	-1.35	0.22	0.61	1.05
Book value per share	7.2	6.2	6.4	7.0	7.6
Free cash flow per share	0.6	-1.8	0.8	1.1	1.4
Dividend per share	0.40	0.00	0.00	0.40	0.50
Valuation ratios					
EV/Sales	1.41	1.36	1.63	1.42	1.23
EV/EBITDA	18.9	-566.5	21.7	15.8	11.7
EV/EBIT	68.5	-23.3	58.8	27.4	16.9
P/E	1222.4	-15.6	134.9	47.3	27.7
P/B	7.2	6.2	6.4	7.0	7.6
Dividend yield (%)	1.6	0.0	0.0	1.4	1.7
Growth					
Sales growth (%)	8.9	-3.4	10.0	10.5	11.0
Profitability ratios					
EBITDA margin (%)	7.5	-0.2	7.5	9.0	10.5
EBIT margin (%)	2.1	-5.8	2.8	5.2	7.3
Net margin (%)	0.1	-8.0	1.2	3.0	4.6
ROCE (%)	2.9	-9.5	4.8	9.4	13.9
Financial ratios					
Total equity (EUR m)	111.7	95.4	98.7	108.3	118.3
Equity ratio (%)	39.5	34.8	34.5	35.4	36.1
Net financial debt (EUR m)	32.3	63.6	51.4	35.0	19.2
Net debt/Equity	0.4	0.3	0.3	0.4	0.4
Interest cover	1.6	-4.3	2.0	4.2	6.6
Net debt/EBITDA	1.6	-101.5	2.4	1.2	0.5
Payout ratio (%)	1932.6	0.0	0.0	65.1	47.6
Working Capital (EUR m)	8.1	11.3	12.4	13.7	15.3
Working capital/Sales	0.03	0.04	0.04	0.04	0.04

Source: Company data, Quirin Privatbank estimates

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This report was completed 31/07/2025 15:01 CEST (Delegierte Verordnung 2016/958, Artikel 3 Absatz 1e)

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The rating in this report are based on the analyst's expectation of the absolute change in stock price over a period of 6 to 12 months and reflect the analyst's view of the potential for change in stock price as a percentage. The BUY and SELL ratings reflect the analyst's expected high change in the value of the stock.

The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

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Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
31.07.2025	36.50	Buy	
09.05.2025	35.50	Buy	
28.03.2025	35.00	Buy	
28.11.2024	34.00	Buy	01.06.2016

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Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Str. 108 , 53117 Bonn

Contact Quirin Privatbank AG Frankfurt am Main

Schillerhaus / Schillerstraße 20 / 60313 Frankfurt am Main

Management Board: Karl Matthäus Schmidt • Johannes Eismann •

Contact Details

Quirin Privatbank AG

Schillerhaus | Schillerstrasse 20 | 60313 Frankfurt am Main

Tel.: +49 69 2 47 50 49-0 | Fax: +49 69 2 47 50 49-44 | Institutional-Sales-FFM@quirinprivatbank.de

Equity Research	Tel.	Email
Klaus Soer	+49 (0) 69 2475049-27	klaus.soer@quirinprivatbank.de
Ralf Marinoni	+49 (0) 69 2475049-24	ralf.marinoni@quirinprivatbank.de
Sebastian Droste	+49 (0) 69 2475049-26	sebastian.droste@quirinprivatbank.de
Daniel Kukalj	+49 (0) 69 2475049-28	daniel.kukalj@quirinprivatbank.de

Equity Sales	Tel.	Email
Klaus Korzilius	+49 (0) 69 2475049-25	klaus.korzilius@quirinprivatbank.de
Klaus Messenzehl	+49 (0) 69 2475049-46	klaus.messenzehl@quirinprivatbank.de
Bruno de Lencquesaing	+49 (0) 69 2475049-81	bruno.delencquesaing@quirinprivatbank.de

Fixed Income Sales	Tel.	Email
Janine Kaiser	+49 (0)69 24750 49-83	janine.kaiser@quirinprivatbank.de

Equity Trading / Sales Trading	Tel.	Email
Jean-Marie Frémion	+49 (0) 69 2475049-90	jean-marie.fremion@quirinprivatbank.de
Peter Rumstich	+49 (0) 69 2475049-65	peter.rumstich@quirinprivatbank.de

Business Support	Tel.	Email
Suganya Sutharsan	+49 (0) 69 2475049-88	suganya.sutharsan@quirinprivatbank.de