

3rd April 2019

EASYVISTA

- | Technology
- | Software & IT services

CORPORATE

Fair Value	EUR50 (+28%)
Share price	EUR39
EPS 3Y Cagr	NM

Decent FY18 operating margin and positive outlook for 2019

FY18 operating margin was decent, yet below our forecast

For 2018, EasyVista reported sales up 30.4% (est. +25.8% lfl) to EUR37.4m, with operating profit of EUR2.7m or 7.1% of sales - vs. a EUR0.8m operating loss in 2017 -, while net profit was EUR2.3m - vs. a EUR3.5m net loss in 2017. The operating margin was 2ppt below our 9.1% estimate (EUR3.4m), while EBITDA margin, at 10.4%, was 0.7ppt below our 11.1% forecast. Net profit was EUR0.8m above our EUR1.5m forecast as the company benefited from related fx gains (EUR/USD) - after incurring fx losses in 2017 - while the tax rate reached 22% including deferred tax. Note that EasyVista reported H2 2018 operating margin down 0.1ppt to 5.9%.

Opex impacted by marketing costs and provisions

In 2018, operating expenses were up 17.6% (o/w +18% in H2). Purchases and external expenses were under control at +14.5% (+25.5% in H2) - with marketing expenses up 18.2% in order to improve the visibility of Oxygen, the last version of EasyVista's main IT Service Management solution -, while personnel expenses grew by 15.3% (+11.4% in H2). Between EBITDA and operating profit, depreciation & amortisation costs nearly doubled to EUR1.2m due to provisions for bonus shares and severance costs.

The outlook for 2019 is positive

For 2019, management expects to maintain strong revenue growth momentum and increase EBITDA margin. While it is set to restore more normative revenue growth levels as 2018 was the first full-year of implementation of the renewable licensing model, EasyVista is expected to benefit in 2019 from: 1) favourable market conditions in the IT Service Management market as organisations seek to replace outdated ITSM solutions in a bid to increase operating efficiency and user satisfaction; 2) sales synergies with the Self Help solution taken from the acquisition of Knowesia in 2018; 3) a sales focus on public administrations as demand remains strong; 4) the integration of new modules based on artificial intelligence; 5) the launch in Q1 2019 of the ITIL4 rulebook, which defines future ITSM standards.

Market Data

Bloomberg / Reuters	ALSTA FP/ALEZV.PA
Market Cap.	EUR65m
E.V.	EUR71m
Free Float	21.8%
Avg. Daily volume (6m)	0.50
12m high / low	EUR42.8 / EUR32.8
Ytd Perf.	6.0%

EURM	12/17	12/18e	12/19e	12/20e
Sales	28.8	37.5	42.2	48.5
% Change		30.4%	12.6%	14.8%
EBITDA	-0.5	4.1	5.1	6.7
% Change		NS	24.8%	31.7%
EBIT	-0.8	3.4	4.4	6.0
% Change		NS	29.5%	36.4%
Net Income	-3.1	1.8	3.5	4.8
% Change		NS	NS	35.1%
ROE	NM	NM	NM	NM

	12/17	12/18e	12/19e	12/20e
EV/Sales	2.5x	1.8x	1.5x	1.2x
EV/EBITDA	NS	16.3x	12.1x	8.4x
EV/EBIT	NS	19.4x	13.9x	9.3x
EPS	-1.66	0.95	1.91	2.58
% change		NS		35.1%
P/E	NM	41.0x	20.4x	15.1x
Div Yield	NM	NM	NM	NM

Next Catalyst: Analysts' meeting today at 10am CET in Paris (Hôtel Bedford, 17 rue de l'Arcade).

Last FV Change:

[2019-2-13, Q4 2018 sales above our forecasts, solid growth expected in 2019](#)

Last Reports:

[2019-2-13, Q4 2018 sales above our forecasts, solid growth expected in 2019](#)

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Distribution of stock ratings

BUY ratings 53.1%

NEUTRAL ratings 39.5%

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