Equity Valuation of Allgeier SE

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Abstract

This thesis delivers a comprehensive commercial, financial, and valuation assessment of Allgeier SE, a German IT Services provider.

The core analysis focuses on valuing Allgeier through two intrinsic valuation techniques, namely the traditional DCF method and the APV approach, complemented by a relative valuation, performed as of April 30, 2025. The valuation yields a blended final target share price of EUR 24.73, which indicates a 21.83% premium over Allgeier's share price on April 30, 2025.

The valuation assumes Allgeier leverages its established position in the German IT Services market, benefitting from the ongoing digitalization trend and a strategic shift to higher-margin services. The ability to attract IT talent and cost control in a competitive landscape remain crucial for Allgeier's long-term success. The DACH IT Services market forecast supports future revenue growth, as recovery from recent macroeconomic headwinds and delayed IT investments is anticipated.

The analysis is compared with Berenberg's equity report, which proposes a slightly higher target price of EUR 22.00 based on a DCF model with perpetuity growth. The deviation in the perpetuity growth approaches reflects more conservative assumptions in this dissertation, resulting in a marginally lower valuation, yet still endorsing the BUY recommendation.

In conclusion, this analysis suggests that the market currently undervalues Allgeier's stock due to the multiple ongoing headwinds. However, the company's positive long-term outlook highlights significant upward potential for investors.

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Resumo

Esta tese apresenta uma avaliação comercial e financeira abrangente da Allgeier SE, uma prestadora de serviços de TI alemã.

A análise é feita através de duas técnicas de avaliação intrínseca, nomeadamente o método DCF e a abordagem APV, complementada por uma avaliação utilizando múltiplos, realizada a 30 de abril de 2025. Esta indica um preço-alvo final combinado das ações de EUR 24,73, representando um prémio de 21,83% sobre o preço real das ações.

A avaliação assume que a Allgeier aproveita a sua posição estabelecida no mercado alemão de serviços de IT, beneficiando da tendência de digitalização e da mudança estratégica para serviços de maior margem. Atrair talento IT e controlar custos num mercado competitivo continua crucial para o sucesso a longo prazo. A previsão para o mercado DACH sustenta o crescimento, com recuperação esperada de entraves macroeconómicos e investimentos adiados.

A análise é comparada com o relatório de ações do Berenberg, que propõe um preço-alvo exatamente de EUR 22,00, com base num modelo DCF de crescimento perpétuo. O desvio reflete pressupostos mais conservadores, resultando numa avaliação mais baixa, mas ainda assim apoiando a recomendação BUY.

Concluindo, esta análise sugere que o mercado subvaloriza as ações da Allgeier, justificado por razões mencionados acima, embora as perspetivas positivas a longo prazo evidenciarem um potencial de subida para os investidores.

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Título: Avaliação do capital próprio da Allgeier SE
Palavras-Chave: Avaliação de ações, Allgeier, Serviços de IT, DCF, APV, Avaliação relativa, Preço das ações, Relatório de analistas

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Abbreviations

AI	Artificial Intelligence
APV	Adjusted Present Value
BMI	Federal Ministry of the Interior
bn	Billion
BV	Book Value
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditures
CAPM	Capital Asset Pricing Model
CCA	Comparable Company Analysis
CTA	Comparable Transaction Analysis
c.	Circa
D&A	Depreciation & Amortization
D/E	Debt to Equity
DCF	Discounted Cash Flow
DDM	Dividend Discount Model
DIO	Days Inventory Outstanding
DPO	Days Payables Outstanding
DSO	Days Sales Outstanding
EBIT	Earnings before Interest & Taxes
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortization
EBT	Earnings before Taxes
ECB	European Central Bank
ECM	Enterprise Content Management
EMEA	Europe, Middle East, and Africa
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
EU	European Union
EUR	Euro

EV	Enterprise Value
FCF	Free Cash Flow
FCFE	Free Cash Flow to Equity
FCFF	Free Cash Flow to Firm
FTE	Full-Time Employee
FY	Fiscal Year
GDP	Gross Domestic Product
IoT	Internet of Things
IT	Information Technology
ITS	Interest Tax Shield
m	Million
KPIs	Key Performance Indicators
k	Thousand
LFL	Like-for-Like
LTM	Last Twelve Months
MGM	MGM Technology Partners
M&A	Mergers & Acquisitions
MV	Market Value
NOPAT	Net Operating Profit After Tax
NTM	Next Twelve Months
NWC	Net Working Capital
OPEX	Operating Expenses
OWC	Operating Working Capital
P/E	Price-to-Earnings
PP&E	Property, Plant & Equipment
PV	Present Value
PD	Probability of Default
RoU	Right-of-Use
SME	Small and Medium-sized Enterprises

SOTP	Sum-of-the-Parts
tn	Trillion
TV	Terminal Value
USD	US-Dollar
WACC	Weighted Average Cost of Capital
YoY	Year-over-Year
YTM	Yield-to-Maturity

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1 Introduction

Equity valuation remains a cornerstone of financial literature and plays a crucial role for financial decision-makers and investment practitioners. However, the increasing complexity of financial markets, shaped by geopolitical shocks, macroeconomic volatility, and the rise of sophisticated market participants such as hedge funds and private equity investors, has made accurate asset pricing more difficult, challenging traditional valuation methodologies (Damodaran, 2012, p. 19).

Many different valuation methods exist, which are all based on distinct theoretical assumptions and require subjective inputs such as projected financials. Consequently, the reliability of these models largely depends on the quality and consistency of input data (Damodaran, 2012, pp. 25-26).

At its core, equity valuation enables stakeholders to assess a company's fair value based on financial performance, competitive positioning, and growth prospects. Although traditional financial theory assumes market efficiency, Damodaran (2012, p. 1269) highlights persistent inefficiencies, noting that "market prices deviate from intrinsic value" and only correct themselves over a long time. This underscores the need for structured valuation methodologies to identify and exploit such deviations.

This thesis explores the intricacies of equity valuation by reviewing the relevant literature and applying the most suitable valuation methods to Allgeier. The results are compared to a Berenberg analyst report, highlighting the complexities surrounding equity valuation. Ultimately, the goal is to determine a fair share price and derive a well-founded investment recommendation.

2 Literature Review

Valuation methods are crucial in determining a company's value, particularly for corporate finance applications such as investment strategies and mergers and acquisitions (M&A). Damodaran (2012, p. 35) classifies them into four categories, namely discounted cash flow (DCF), relative valuation, asset-based valuation, and contingent claim valuation.

Given the wide range of valuation techniques, selecting the most suitable method depends on the firm's business model and financial structure. However, valuation is inherently subjective, as individual analysts may apply different preferences and biases (Damodaran, 2012, p. 22).

This section presents an outline covering the most widely applied valuation methods utilized by scientists as well as professionals. These include the DCF method, Adjusted Present Value (APV), and Dividend Discount Model (DDM), which are commonly used for public companies and often combined to enhance accuracy (Brotherson et al., 2014, p. 5).

2.1 Present Value Methods

A common approach to assessing a company's current value involves calculating the discounted value of its projected earnings. This technique is widely regarded as being among the soundest approaches used in valuation theory and by practitioners (Brotherson et al., 2014, p. 1). An overview of the various present value (PV) methods, their constituents, and suitable application contexts is covered in the subsequent sections.

2.1.1 Discounted Cash Flow Method (DCF)

Academic literature widely recognizes the DCF method as the most applied and, fundamentally, the only theoretically correct valuation approach (Fernandez, 2023, p. 8). It estimates the intrinsic value by discounting expected future cash flows to their PV. Typically, cash flows are forecasted over five to ten years, followed by a terminal value (TV) that captures all subsequent cash flows, assuming stable long-term growth (Rosenbaum & Pearl, 2009, p. 111).

This literature review focuses on the traditional DCF approach using Free Cash Flow to Firm (FCFF), which reflects cash flows available to all capital providers and is discounted at the weighted average cost of capital (WACC) to derive enterprise value (EV). The equity value is then obtained by subtracting net debt, defined as the market value (MV) of debt minus cash and short-term investments (Vernimmen et al., 2014, p. 559). In contrast, the Free Cash Flow to

Equity (FCFE) approach discounts the cash flows available to equity holders at the cost of equity, directly yielding equity value (Pinto et al., 2010, pp. 194-195).

Despite its theoretical soundness, the DCF method is highly sensitive to assumptions on growth and discount rates, making precise forecasting essential (Rosenbaum & Pearl, 2009, p. 139).

$$Present\ Value\ of\ Future\ Cash\ Flows = \sum_{t=1}^{n} \frac{Cash\ Flow_t}{(1+r)^t} + \frac{Terminal\ Value_n}{(1+r)^n} \quad (1)$$

$Cash\ Flow_t$ = Cash Flow of the Respective Period

r = Respective Discount Rate of Cash Flow

2.1.1.1 Free Cash Flow to Firm (FCFF)

FCFF represents the cash flow available to all capital providers, including equity and debt holders, before interest payments (Damodaran, 2012, p. 535). It is widely used in valuation as it reflects a company's operational cash-generating ability, regardless of its capital structure. It is projected until the firm reaches a constant growth rate.

As shown in the equation below, the FCFF is calculated by adjusting earnings before interest and taxes (EBIT) for taxes, adding back non-cash expenses such as depreciation and amortization (D&A), and subtracting changes in net working capital (NWC) and capital expenditures (CAPEX) (Vernimmen et al., 2014, p. 560).

$$FCFF = EBIT * (1 - T) + D\&A - CAPEX - \Delta NWC \quad (2)$$

FCFF = Free Cash Flow to the Firm

EBIT = Earnings Before Interest and Taxes

T = Tax Rate

D&A = Depreciation & Amortization

CAPEX = Capital Expenditures

NWC = Net Working Capital

2.1.1.2 Terminal Value (TV)

The TV is a critical component of the DCF method, capturing the firm's value beyond the explicit forecast period, as projecting cash flows indefinitely is impractical. It reflects the company's residual value once it enters a steady state with stable growth (Damodaran, 2012, p. 439).

Two common approaches for estimating the TV are the perpetual growth model and the exit multiple method. The perpetual growth model assumes the company will continue to generate cash flows indefinitely at a constant growth rate, as calculated in the equation below. This formula requires the assumption of a steady state where the company grows at a constant rate g forever, discounted at the WACC.

$$TV = \frac{FCFF * (1 + g)}{WACC - g} \tag{3}$$

The exit multiple method estimates the TV by applying a valuation multiple, such as EV/EBITDA or EV/EBIT, to the firm's projected financials in the final forecast year, assuming the firm will be divested. It is particularly beneficial when comparable market transactions offer relevant benchmarks (Schill & Loutskina, 2013, p. 9).

$$TV = Respective\ Financial\ Metric * Multiple \tag{4}$$

To determine the EV, the PV of the TV is added to the PV of the projected cash flows from the explicit forecast period. The appropriate discount rate for calculating the TV will be discussed in the following chapter.

2.1.1.3 Weighted Average Cost of Capital (WACC)

The WACC is the appropriate discount rate for valuing a firm's cash flows in the FCFF-based DCF model. It reflects the average return required by all capital providers, accounting for business and financing risk. The WACC is calculated by weighting the cost of equity and the after-tax cost of debt according to their share in the capital structure and multiplying each by its respective required rate of return. The cost of debt is tax-adjusted due to interest deductibility, while the cost of equity remains unaffected (Pinto et al., 2010, pp. 76-78).

$$WACC\ (post\ tax) = \frac{E}{D + E} *\ k_e + \frac{D}{D + E} * k_d * (1 - T) \tag{5}$$

E = MV of Equity

D = MV of Debt

k_e = Cost of Equity

k_d = Cost of Debt

T = Corporate Tax Rate

2.1.1.4 Cost of Equity

The cost of equity reflects the return that shareholders expect as compensation for the investment risk. The most common method to estimate it is the Capital Asset Pricing Model (CAPM), which was proposed in 1964 by William Sharpe (Fama & French, 2004, p. 25). According to the CAPM, the cost of equity is calculated as shown below.

$$k_e = r_f + \beta_i * (E(R_M) - r_f) \tag{6}$$

k_e = Cost of Equity

r_f = Risk-Free Rate

β_i = Beta of Stock i

$E(R_M)$ = Expected Return of the Market

The beta measures the systematic risk of a stock by quantifying its sensitivity to market movements. It is typically estimated by performing a regression analysis comparing the stock's historical returns against market returns, using the formula below (Black, 1972, p. 444). However, in case a company lacks sufficient historical return data or is privately held, beta can be approximated by utilizing the mean beta of comparable firms operating in the same sector (Damodaran, 2012, p. 274).

$$\beta_i = \frac{Cov(R_i, -R_M)}{Var(R_M)} \tag{7}$$

β_i = Beta of Stock i

R_i = Return of Stock i

R_M = Return of the Market

$E(R_M)$ = Expected Return of the Market

$Cov(R_i, R_M)$ = Covariance between the Stock's Return and Market Return

$Var(R_M)$ = Variance of the Market Return

The CAPM assumes that investors are risk-averse and require higher returns for taking higher risks. The risk-free rate typically reflects long-term government bond yields, usually with maturities of 10 to 15 years, as they entail a low likelihood of default and match the long-term duration of equity investments.

Expected market returns may be determined using long-term historical averages, such as broad indices like the S&P 500, or by deriving implied returns from current market prices

(Damodaran, 2010, pp. 3,19,22). However, some scholars, including Damodaran (2025), argue that a country-specific risk premium should be incorporated into the equity risk premium. This addition helps to capture macroeconomic and political risks unique to the respective country.

Although widely used, CAPM has been criticized for considering only systematic risk and assuming market efficiency, while ignoring factors such as liquidity risk (Fama & French, 2004, p. 25). Nevertheless, CAPM remains the most applied method for calculating the cost of equity because of its straightforwardness and strong theoretical foundation (Pinto et al., 2010, p. 64).

2.1.1.5 Cost of Debt

The cost of debt reflects the return required by lenders and represents the firm's current financing costs. It is influenced by the risk-free rate and the company's probability of default. Since interest expenses are tax-deductible, the effective cost of debt is reduced (Damodaran, 2012, p. 309).

For companies with publicly traded bonds, the cost of debt is typically estimated using the yield-to-maturity (YTM) of the outstanding bonds (Pinto et al., 2010, p. 75). However, if the company's debt securities are infrequently traded, credit ratings can be used instead. Every credit rating corresponds to a specific default spread, subsequently combined with the risk-free rate to determine the cost of debt. In the absence of a credit rating, a synthetic rating can be derived from financial ratios, such as the interest coverage ratio, to estimate the default spread (Damodaran, 2012, p. 310). The estimated default spread for the synthetic rating is then added to the risk-free rate to calculate the cost of debt. This method is beneficial for private firms or those without traded debt.

2.1.2 Adjusted Present Value (APV)

The APV method, introduced by Myers in 1974, separates financing effects from operating value, offering a flexible alternative to the traditional DCF. Unlike the DCF, which assumes a constant cost of capital, the APV explicitly incorporates tax benefits and potential distress costs of debt financing (Myers, 1974, p. 1).

The unlevered firm value (V_U) is calculated by discounting FCFF at the unlevered cost of equity, thereby isolating operational performance. Subsequently, the interest tax shield (ITS) flows into the calculation, based on interest payments multiplied by the corporate tax rate and discounted at the cost of debt (Luehrman, 1997, p. 135).

However, this benefit may be offset by financial distress costs, which include direct costs, such as legal and administrative fees during bankruptcy, and indirect costs, such as reputational damage and lost sales. A key limitation of the APV method lies in the difficulty of accurately estimating default probabilities and associated bankruptcy costs, as these factors are not directly observable (Gruber & Warner, 1977, pp. 338-339).

The APV method addresses key limitations of the conventional DCF approach by allowing for changing capital structures and isolating financing effects. The value of the levered firm (V_L) is then calculated using the following equation.

$$V_L = V_U + PV\ (Interest\ Taxt\ Shield) - PV\ (Financial\ Distress\ Costs) \tag{8}$$

2.1.3 Dividend Discount Model (DDM)

The DDM is a valuation method based on the principle that the value of a stock is the PV of its expected future dividends. Dividends are considered the actual cash flows investors receive from their equity investment, making the DDM a rational approach for valuing a firm's equity, which can be calculated as shown below (Damodaran, 2012, p. 464).

$$Value\ per\ Share = \sum_{t=1}^{t=\infty} \frac{E(DPS_t)}{(1+k_e)^t} \tag{9}$$

$E(DPS_t)$ = Expected Dividend per Share in Period t

k_e = Cost of Equity

The simplest form of the DDM is the Gordon growth model, which assumes a constant dividend growth rate in perpetuity. It requires only a single dividend estimate and a constant growth rate, making it easy to apply but highly sensitive to growth assumptions. Moreover, it may undervalue firms that retain earnings for reinvestment rather than paying dividends (Damodaran, 2012, pp. 465-468).

A more flexible alternative is the two-stage DDM, which separates the growth path into a high-growth phase followed by a steady-state growth phase. Dividends are forecasted individually during the high-growth period, after which the Gordon model is applied, assuming dividends grow at a constant rate indefinitely. However, determining how long the high-growth phase lasts is difficult, and the shift to stable growth tends to occur progressively instead of suddenly (Damodaran, 2012, pp. 471-473).

Although conceptually sound, the DDM faces practical limitations, especially since many firms do not pay dividends. Moreover, dividends may not accurately reflect profitability when earnings are reinvested rather than distributed (Berk & De Marzo, 2017, p. 320). Despite these limitations, the DDM remains applicable for firms with stable dividend policies (Damodaran, 2012, p. 464).

2.2 Relative Valuation Methods

Relative valuation methods estimate a firm's value by building a peer group out of comparable companies with similar economic characteristics. This approach is widely applied due to its simplicity, fast application, and reliance on observable market data, providing a practical alternative to intrinsic valuation methods (Damodaran, 2012, p. 630). Commonly used multiples include Price-to-Earnings (P/E) and EV/EBITDA ratios (Rosenbaum & Pearl, 2009, p. 11). However, accurate peer selection is crucial, as differences in growth, risk, and profitability can significantly impact valuation outcomes (Knudsen et al., 2017, p.86).

2.2.1 Comparable Company Analysis (CCA)

Comparable Company Analysis (CCA) estimates a firm's value by comparing it to publicly traded peers with similar business models, financials, performance drivers, and risk profiles. It provides a market-based benchmark by assessing the target's relative position within a comparable peer group. Unlike intrinsic methods, CCA captures current market sentiment and trends. Valuation multiples such as EV/EBITDA and P/E are calculated from peers and applied to the target's financials to derive an implied valuation. Although widely used and straightforward, CCA may be influenced by investor sentiment and limited by the absence of truly identical peers to derive an implied valuation (Rosenbaum & Pearl, 2009, pp. 11-12).

2.2.2 Comparable Transaction Analysis (CTA)

Comparable Transactions Analysis (CTA) values a company based on multiples derived from the most recent acquisitions of comparable firms, reflecting actual prices paid for similar businesses. These multiples are commonly calculated using metrics such as EV/EBITDA or EV/Sales from completed transactions. Unlike CCA, CTA often results in higher valuations due to control premiums and transaction-specific factors. However, its applicability is limited by the availability and comparability of transaction data, which can vary significantly across industries and time periods (Rosenbaum & Pearl, 2009, p. 71).

2.3 Other Valuation Methods

While PV and multiple-based techniques are the most commonly applied and central to this thesis, several alternative valuation methods are also used in practice. A brief overview of these approaches is provided in *Appendix 1*.

2.4 Reasoning for Choice of Valuation Methods

A detailed rationale for the choice of valuation methods is provided in *Appendix 2.*

3 Company Analysis

This chapter analyzes Allgeier's business, operations, and financial performance to provide a comprehensive company overview. The analysis focuses on the company's core business model, operational key performance indicators (KPIs), revenue streams, and the differentiators that drive its market position. The chapter concludes with an assessment of the investment thesis and an evaluation of potential business risks.

3.1 Overview

Allgeier SE (hereinafter "Allgeier") is the parent company of the Allgeier Group. Founded in 1977 as a systems house and headquartered in Munich, it transitioned to a holding structure after its IPO in 2000. Allgeier offers a broad IT and software services portfolio, ranging from high-end development to business efficiency solutions for digitalization. The company operates through two primary segments, namely MGM Technology Partners (MGM) and Enterprise IT. With over 3,200 professionals, Allgeier serves private and public clients from 48 locations across the DACH region, the United States, and India. Its delivery model combines local expertise with near- and offshoring teams, allowing it to serve more than 2,500 customers across industries while maintaining a strong market position in the DACH region (Allgeier, 2024a, p. 2).

3.2 Share and Shareholder Structure

Since its IPO in 2000, Allgeier has been listed in the General Standard segment of the Frankfurt Stock Exchange and is included in the CDAX index. As of December 31, 2024, 45% of the shares were held by the Management and Supervisory Board, 3% by Institutional investors, and the remaining 52% are classified as free float, as illustrated in *Figure 1* (Allgeier, 2024a, p. 11).

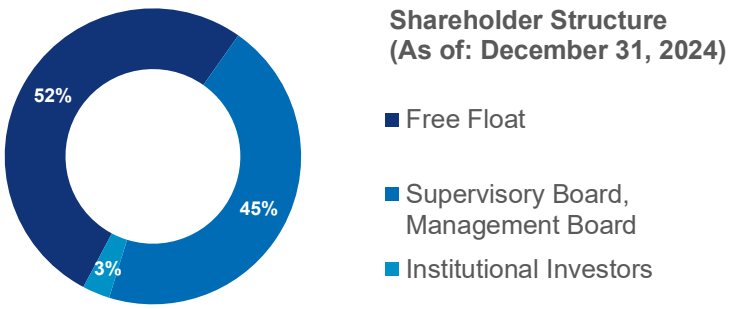


Figure 1: Allgeier's Ownership Structure as of December 31, 2024

Over the past decade, Allgeier's share price has experienced significant volatility driven by internal developments and external market factors. The stock peaked at EUR 87.20 in December 2020 (+329.56% vs. April 30, 2025) and reached a low of EUR 13.80 in November 2024 (–32.02% vs. April 30, 2025). As of April 30, 2025, the share price stands at EUR 20.30, well below its peak. The seven-year average is approximately EUR 28.32 (+39.51% vs. April 30, 2025). *Figure 2* compares Allgeier's stock performance to the DAX and CDAX from 2018 to 2025, highlighting its sensitivity to corporate events, notably the Nagarro spin-off in December 2020 and subsequent market corrections, which contributed to elevated volatility relative to the indices (Capital IQ, 2025).

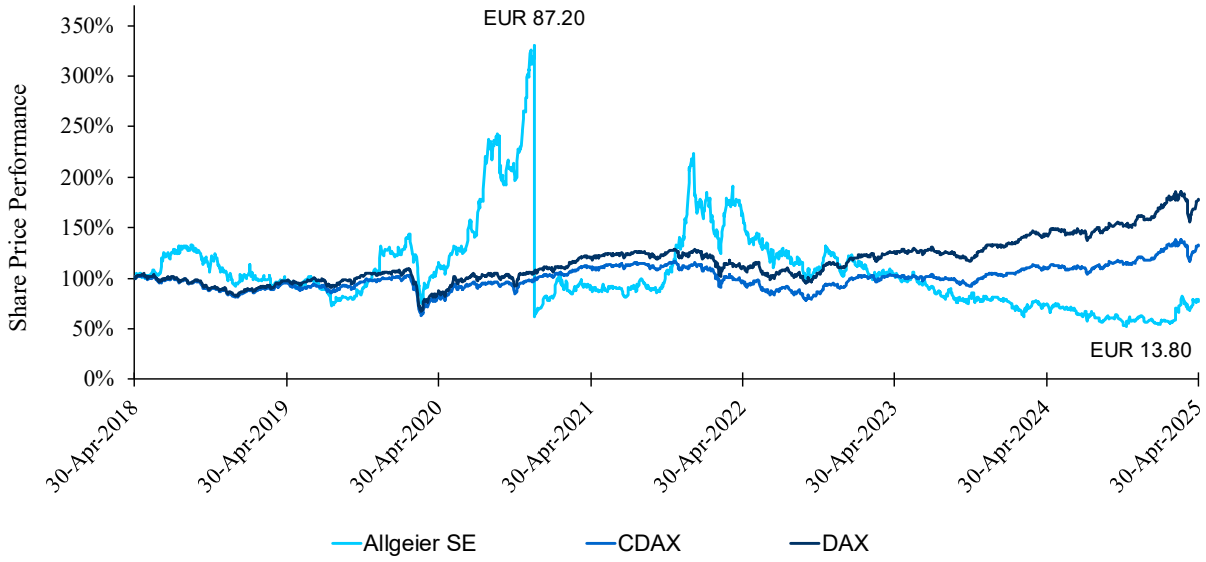


Figure 2: Development of the Allgeier Share, DAX, and CDAX between 2018 and 2025

3.3 Executive Leadership and Organizational Structure

Allgeier's executive leadership team plays a pivotal role, as highlighted in *section 3.2*, given its substantial shareholding of 45%. As of December 31, 2024, the Management Board includes Marcus Goedsche, Hubert Rohrer, and Moritz Genzel, who are responsible for the company's strategic direction. This high level of insider ownership ensures strong alignment between executive decisions and shareholder interests, reinforcing a focus on long-term growth (Allgeier, 2024a, p. 67).

As of December 31, 2024, the Allgeier Group comprised 48 fully consolidated companies and is positioned as a leading technology enterprise focused on digital transformation. Allgeier's

business comprises two operative segments, Enterprise IT and MGM Technology Partners. A third segment, classified as Other, is of minor relevance compared to the two primary segments (Allgeier, 2024a, p. 13).

As illustrated in *Figure 3*, the Group's revenue split as of December 31, 2024, demonstrates sectoral diversification across verticals while maintaining a strategic focus on the DACH market. Notably, 39% of revenue originates from the public sector, highlighting Allgeier's strong role as a digitalization partner for government institutions. This diversified revenue mix supports resilience against industry-specific fluctuations.

The Enterprise IT segment generated 68.9% of total revenue, offering IT consulting and tailored software solutions across industries. MGM contributed 30.9%, driven by scalable enterprise software services and its proprietary A12 low-code platform.

Regionally, 86.1% of revenue was generated in Germany, followed by 7.9% in Switzerland and 1.9% in Austria, underscoring Allgeier's DACH market focus. Only 4.1% of revenue came from outside the German-speaking region. The product mix shows a strong reliance on services (88.4%), with product sales and licenses contributing 10.6% and 1.0%, respectively, reflecting a focus on customized IT services over standardized products.

Appendix 3 presents the Group's revenue breakdown from 2021 to 2023. Germany's share declined from 93.9% in 2021 to 88.4% in 2023, while Switzerland's increased from 4.1% to 6.8%, indicating a rising focus on the DACH market. Public sector revenue increased from 30% in 2021 to 44% in 2023, driven by demand for digitalization. However, segment contributions remained stable, with MGM accounting for around 25% and Enterprise IT for 75%, though MGM shows a steady upward trend year-over-year (YoY). In the product mix, services have remained the dominant revenue driver, consistently around 90%, while product sales grew from 5.3% in 2021 to 8.7% in 2023. This underscores Allgeier's shift away from a purely service-based model towards scalable software services revenue (Allgeier, 2024a, pp. 25, 143).

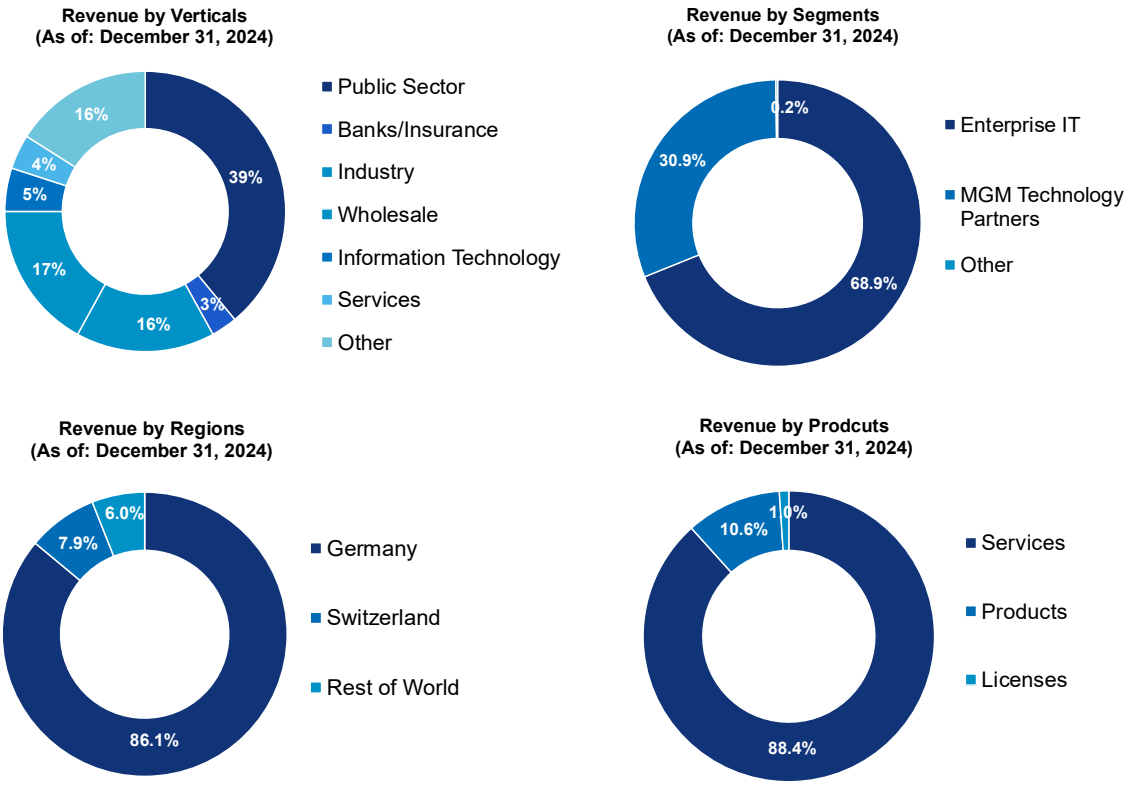


Figure 3: Revenue Split of Allgeier Group as of December 31, 2024

3.4 Historical Financial and Operational Performance

Appendices 4 and *5* provide a detailed overview of the Group's historical financial performance and position. Reported revenue figures for FY23 and FY24 reflect only continuing operations, adjusted for the divestment of the Experts Group. This adjustment was not applied to earlier years, resulting in a reported compound annual growth rate (CAGR) of 0.0% between FY21 and FY24, which understates actual growth. On a pro-forma adjusted basis, revenue increased from EUR 403.3m in FY21 to EUR 457.0m in FY24, reflecting a CAGR of 4.3%. Revenue declined from EUR 378.5m in FY19 to EUR 351.7m in FY20 due to the spin-off of Nagarro SE. The separation significantly reduced Allgeier's reported revenue. Additionally, the COVID-19 pandemic in 2020 led to market disruptions and delays in IT project investments, negatively impacting Allgeier's financial performance. However, Allgeier recovered through FY22, but this momentum slowed in FY23, with revenue stagnating at EUR 420.6m and declining to EUR 403.0m in FY24, primarily due to macroeconomic headwinds and cautious investment sentiment.

Meanwhile, profitability and net income have improved significantly. EBITDA rose from EUR 18.2m in FY19 to EUR 53.8m in FY24, reflecting a CAGR of 24.2%. Net income also improved, rising from EUR –10.1m to EUR 13.9m over the same period. As shown in *Figure 4*, Allgeier successfully expanded its margins through strategic operational improvements. The gross profit margin rose from 32% in FY21 to 36% in FY24, driven by a higher share of recurring revenues, internal process optimizations, improved use of near- and offshore capacities, and a strategic shift from lower-margin personnel services to higher-value software offerings. In parallel, the EBITDA margin improved from 11% in FY21 to 13% in FY24 and has remained relatively stable at this level over the past three years, reflecting sustained profitability gains (Allgeier, 2025b, p. 42).

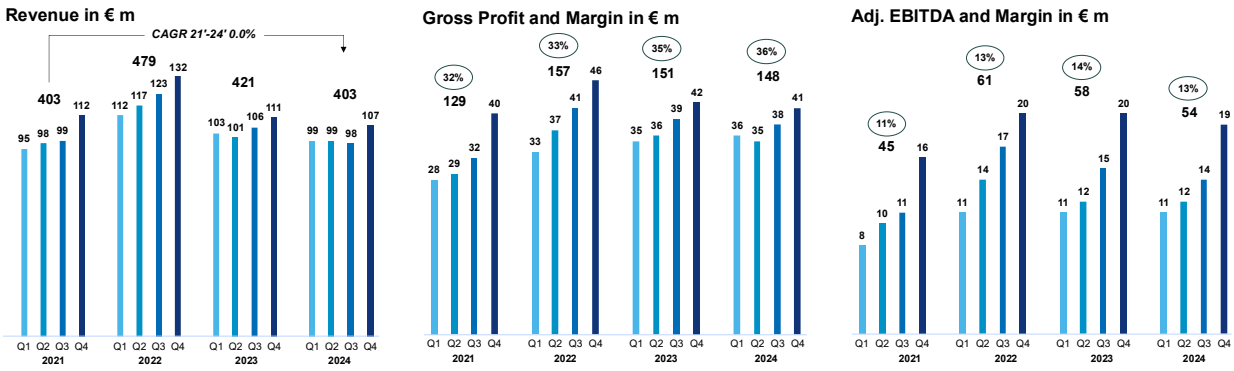


Figure 4: Financial Performance Development of Allgeier Group (2021-2024)

3.5 Business Segments

This section provides a comprehensive overview of Allgeier's two operative business segments, Enterprise IT and MGM, highlighting their strategic roles for the Group's overall performance.

3.5.1 Enterprise IT

The Enterprise IT segment serves as a full-range IT solutions provider, supporting business-critical processes with expertise in core business software. It serves global corporations, small and medium-sized enterprises (SME), and public sector institutions at all federal levels through a highly skilled IT workforce. The segment supports clients' digital transformation across the value chain by delivering end-to-end services, including large-scale software implementation and long-term managed services. Its companies design, implement, and manage integrated digital solutions using IP-based proprietary software frameworks and leading platforms. A key

focus is the development of open-source-based software, underscoring its emphasis on innovation and adaptability (Allgeier, 2023a, p. 14).

In FY24, the Enterprise IT segment generated EUR 278m in revenue, accounting for 68.9% of total Group revenue, and achieved an adjusted EBITDA of EUR 37m. The segment employs over 2,000 IT and software specialists across 21 locations in Germany and 14 sites in Austria, Switzerland, Poland, Spain, and India. As can be seen in *Figure 5*, around 44% of the revenue in the Enterprise IT segment stems from its top 10 customers, which indicates a significant dependency on a selected number of major accounts. At the same time, 34 clients contribute over EUR 1m in annual revenue, reflecting a robust mid-sized client portfolio. Sector-wise, revenue is distributed across public sector (40%), manufacturing (19%), services (7%), IT (7%), banking and insurance (6%), healthcare (4%), and other industries (17%), reflecting strategic diversification to reduce sector-specific risk (Allgeier, 2025b, pp. 17-18).

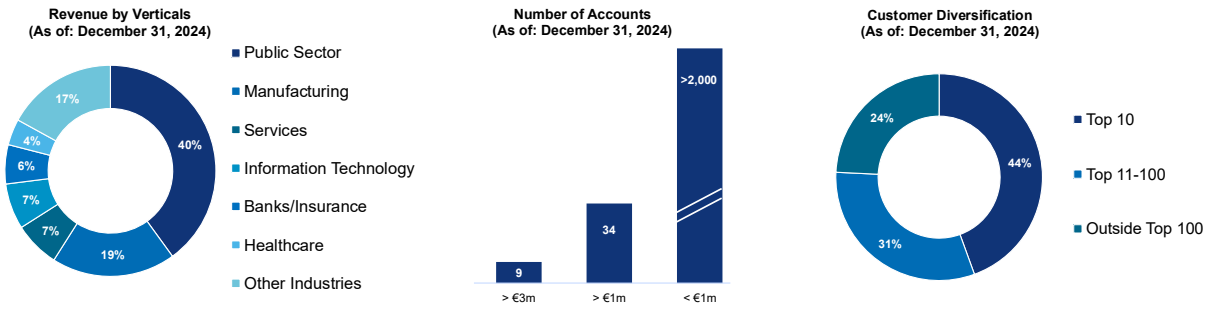


Figure 5: Revenue and Client Structure of Enterprise IT Segment as of December 31, 2024

Appendix 6 outlines the development of revenue and client structure in the Enterprise IT segment from FY21 to FY23, highlighting shifts across verticals, client concentration, and account size. Public sector revenue increased from 28% in FY21 to 38% in FY23, remaining the largest vertical and reflecting a strategic focus on government and infrastructure-related IT projects. Customer concentration remained stable, with the top 10 clients contributing 45–48% of the annual revenue. Meanwhile, the number of mid-sized accounts generating over EUR 1m grew from 45 to 53, while smaller accounts under EUR 1m consistently exceeded 2,000, underscoring a broad client base and reduced reliance on individual large contracts (Allgeier, 2022b, p. 10; Allgeier, 2023b, p. 24; Allgeier, 2024b, p. 18).

The Enterprise IT segment provides a broad service portfolio, including large-scale digital transformation projects, long-term managed services, and proprietary software solutions. Core

offerings comprise open-source and e-government solutions, public sector IT Services, cybersecurity, cloud infrastructure, e-commerce platforms, Enterprise Resource Planning (ERP) systems, and Enterprise Content Management (ECM) systems. The segment also delivers consulting and development services for SAP and ServiceNow. Its client base includes blue-chip firms such as Vodafone, Siemens, BNP Paribas, and IBM (Allgeier, 2025b, p. 19).

Figure 6 highlights the segment's financial performance, showing a revenue decline from EUR 308m in FY21 to EUR 278m in FY24, reflecting a CAGR of -3.4%. Gross profit margins improved from 29% in FY21 to 35% in FY24, driven by workforce optimization effects and a shift in the service mix, including reduced reliance on low-margin personnel services and increased focus on higher-margin software and IT services. In parallel, adjusted EBITDA increased from EUR 31m in FY21 to EUR 37m in FY24, with the margin improving from 10% to 13% (Allgeier, 2025b, p. 31).

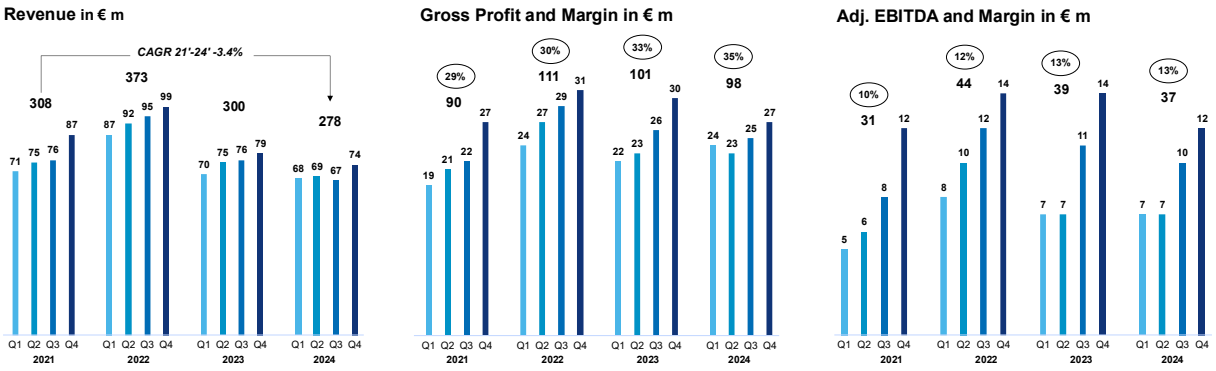


Figure 6: Financial Performance Development of Enterprise IT Segment as of December 31, 2024

3.5.2 MGM Technology Partners

The MGM segment is a recognized international leader in high-end software development, digitalization, and consulting. It is recognized for pioneering e-government and e-commerce solutions in Germany, backed by decades of experience in complex, large-scale projects. A key offering is the proprietary A12 Enterprise Low-Code platform, which enables efficient and secure model-driven software development, providing a competitive edge in high-scale, security-critical projects. Notable applications include ELSTER, a major German digital public service platform, and implementations for DAX-listed clients such as Allianz, BMW, and DHL. By maintaining a comprehensive suite of digitalization solutions that spans digital consulting, software development, integration, SAP process optimization, managed services, and cloud, MGM strengthens its service offering. This comprehensive approach solidifies its position as a

trusted partner across key industries, such as commerce and the public sector, all of which are expected to undergo significant digital transformation in the coming years (Allgeier, 2023a, pp. 15-17).

In FY24, MGM generated EUR 127m in revenue, contributing 30.9% to Group revenue, and achieved an adjusted EBITDA of EUR 25m. The segment comprises over 1,000 software developers and consultants across 12 locations in Germany and seven international sites, including France, Portugal, Czechia, Austria, the US, and Vietnam. This broad talent pool enables MGM to manage complex long-term engagements and new projects effectively, avoiding resource bottlenecks and meeting growing demand for secure, scalable, high-quality software solutions (Allgeier, 2025b, pp. 34-35).

As shown in *Figure 7*, MGM's client structure is characterized by a high revenue concentration, with the top 10 customers accounting for 73% of segment revenue. Additionally, 13 accounts generate over EUR 1m annually, reflecting a solid mid-sized client base. In terms of verticals, MGM is diversified across several end-markets, with 41% of revenue from the public sector, 31% from commerce, and the remaining 28% from IT, banking and insurance, manufacturing, and other industries (Allgeier, 2025b, p. 35).

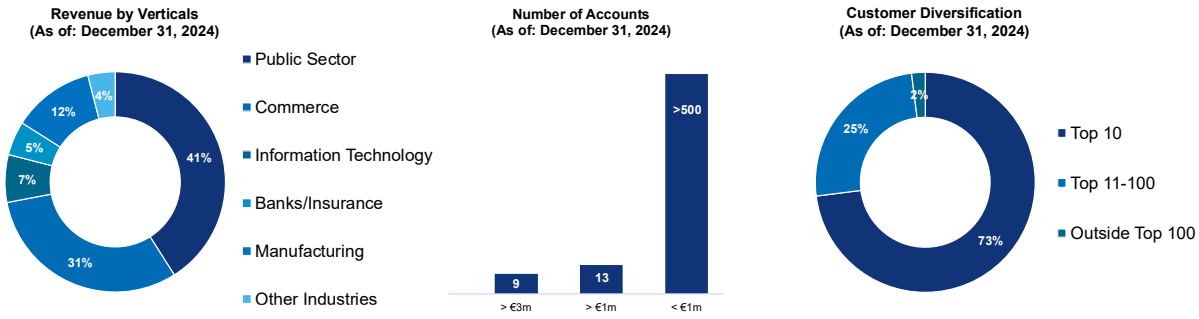


Figure 7: Revenue and Client Structure of MGM Technology Partners Segment as of December 31, 2024

Appendix 7 outlines the development of MGM's revenue and client structure from FY21 to FY23, highlighting shifts in verticals, client concentration, and account distribution. Revenue from the public sector grew from 36% in FY21 to 41% in FY23, while commerce declined from 39% to 36%. Together, both segments consistently represented at least 74% of total revenue. Client concentration remained high, with the top 10 clients contributing at least 73% annually, underscoring MGM's reliance on key accounts. Meanwhile, the number of smaller accounts generating less than EUR 1m annually more than doubled, rising from over 200 in FY21 to

more than 400 in FY23, indicating a broader client base despite the continued dominance of large clients (Allgeier, 2022b, p. 14; Allgeier, 2023b, p. 34; Allgeier, 2024b, p. 33).

The segment's financial performance, as illustrated in *Figure 8*, underscores consistent growth and resilience. Revenue increased from EUR 98m in FY21 to EUR 127m in FY24, representing a CAGR of 9.0%. Gross profit margins remained stable at around 39% in FY24, aligning with historical levels that have consistently exceeded 40%. However, the adjusted EBITDA margin declined from 23% in FY21 to 19% in FY24, primarily due to strategic investments in workforce expansion and further development of the A12 platform to support long-term growth (Allgeier, 2025b, p. 40).

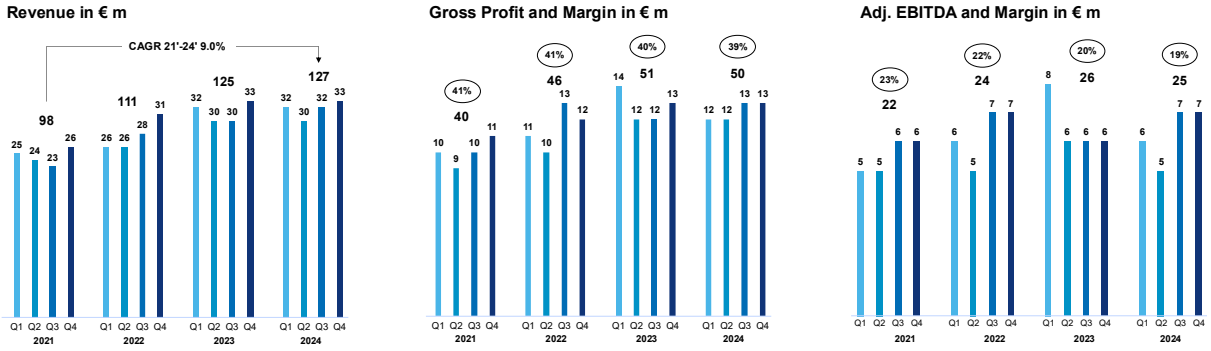


Figure 8: Financial Performance Development of MGM Technology Partners Segment as of December 31, 2024

3.6 Business Differentiators, Investment Thesis, and Risks

A detailed discussion of Allgeier's key competitive advantages, investment rationale, and potential risks affecting value creation and market performance is provided in *Appendix 8*.

3.7 Strategic Development and Growth Initiatives

A detailed analysis of Allgeier's strategic development and growth initiatives is provided in *Appendix 9.*

4 Market Analysis

Allgeier generates over 90% of its revenue in the IT Services sector, a sub-sector of the broader IT industry alongside hardware and software. As more than 95% of its revenue comes from the DACH region, the analysis focuses on the European and DACH IT Services market. The following examines market structure, growth drivers, competition, and macroeconomic influences.

4.1 Market Description

The following section describes the IT Services market, starting with the technology layers that support service offerings, and then covering key aspects of the European and DACH IT Services markets.

4.1.1 IT Services Technology Layers and Service Offerings

Figure 9 illustrates that IT Services are structured across four technology layers consisting of the strategy layer, the application layer, the middleware and services layer, and the hardware layer. Each of these supports distinct business functions (Boston Consulting Group, 2024a, p. 13). These layers correspond to core service offerings, including planning, implementation, operations, and support. Market size and growth dynamics vary depending on the specific layer and service offering (Boston Consulting Group, 2024b, p. 14).

Allgeier primarily operates within the first three layers through its IT consulting and software development activities. By covering the whole value chain in these areas, Allgeier provides integrated solutions that address the increasing demand for end-to-end IT Services providers.

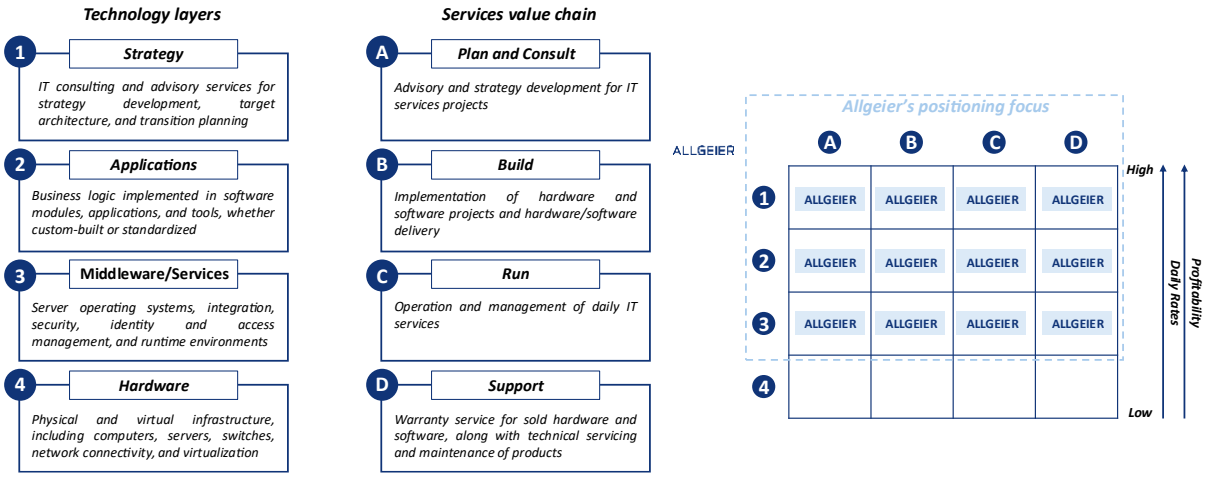


Figure 9: Allgeier's Strategic Positioning Across IT Services Layers and Value Chain

4.1.2 European and DACH IT Services Market

As Allgeier primarily operates in the European IT Services market, especially in the DACH region, analyzing this market is essential to assess its competitive position and growth prospects. As shown in *Figure 10*, the European IT Services market has experienced significant growth, with a historical CAGR of circa (c.) 9% from 2020 to 2024, reaching EUR 320.4bn, and a projected CAGR of c.7% from 2024 to 2026, expected to reach EUR 366.0bn by 2026 (Gartner, IDC, Boston Cosulting Group, 2024, p. 16). Thereof, the DACH IT Services market represents c.21% in 2024, making it the third-largest IT Services market in Europe. The historical CAGR of the DACH IT Services market is c.10% from 2020 to 2024 and projected to reach EUR 77.2bn by 2026 with a CAGR of c.7%. The DACH IT Services market, therefore, contributes c.21% of the European market growth from 2024 to 2026 (Gartner, IDC, Boston Cosulting Group, 2023, pp. 38-46).

While IT Managed Services are the largest service sub-sector within the European IT Services market (c.34% of the total market in 2024), cloud infrastructure and cloud services are the fastest growing sub-sectors with CAGRs of c.23% and c.8% from 2024 to 2026, reaching EUR 54.3bn and EUR 27.3bn. This growth is driven by enterprises' increasing reliance on scalable, flexible, and cloud-based solutions. Custom software development services are also expected to grow strongly, with a projected CAGR of c.10%, reaching EUR 34.8bn over the same period, driven by the need for tailored IT solutions (Gartner, IDC, Boston Cosulting Group, 2023, pp. 38-46).

Traditional IT consulting and managed services show slower growth due to market maturity and long-term contract structures, with projected CAGRs of approximately 6% and 3%, respectively. These segments, valued at EUR 68.7bn and EUR 114.7bn in FY26, are more mature compared to faster-growing areas like cloud computing (Gartner, IDC, Boston Cosulting Group, 2023, pp. 38-46).

By leveraging its strong position in mature and resilient IT Services segments, Allgeier is well placed to benefit from future growth. In the DACH region, it can expand its service portfolio into high-growth areas to drive sustained revenue growth. Additionally, expanding into other European markets offers further opportunities to capture growth beyond its core operations.

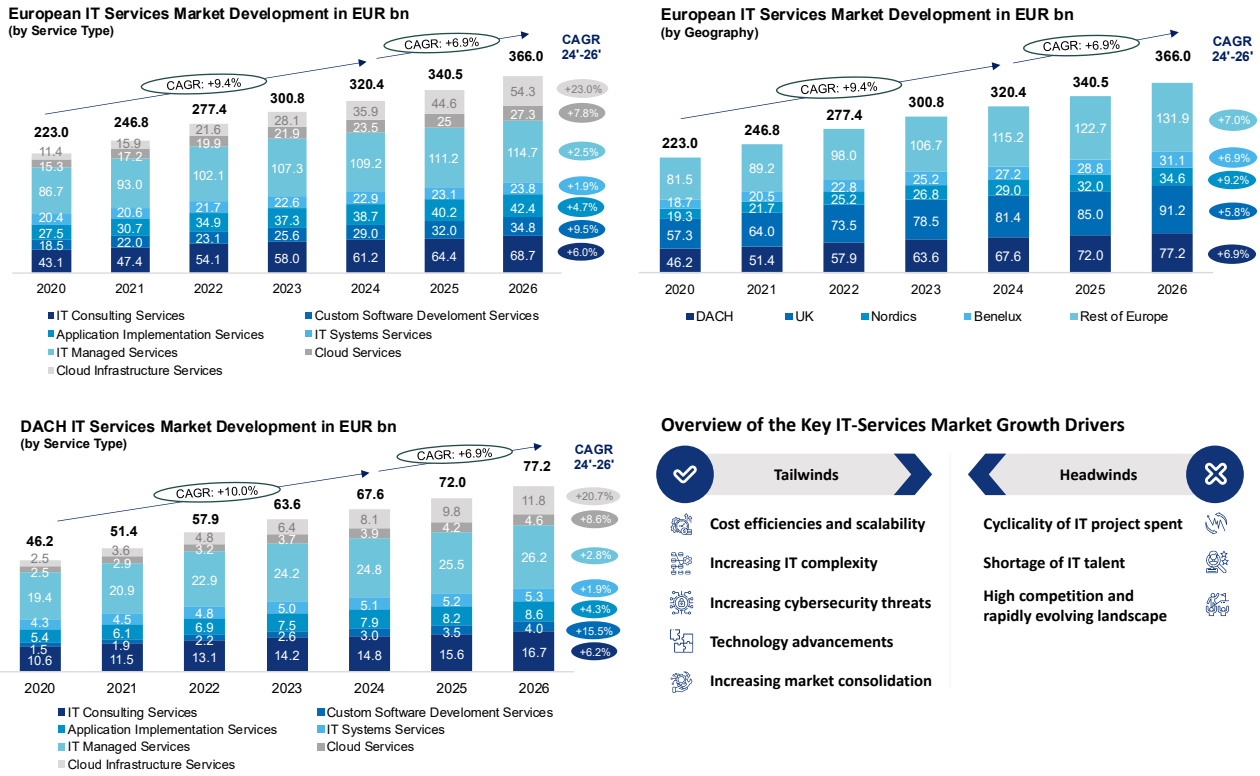


Figure 10: Overview of the Market Size, Sub-Sectors by Service Type and Geography, and Drivers of the European and DACH IT Services Market

4.2 Market Drivers

The European IT Services market is driven by various, below discussed tail- and headwinds.

4.2.1 Key Market Tailwinds

4.2.1.1 Cost Efficiencies and Scalability

Enterprises are increasingly investing in digital transformation to boost efficiency and competitiveness. The European Union (EU) has committed EUR 8.1bn from 2021 to 2027 to support business and public sector digitalization, highlighting its focus on technology adoption (EU4Digital, 2024).

4.2.1.2 Increasing IT Complexity

Remote work and rising cloud adoption increase IT infrastructure complexity, driving demand for IT Services to migrate applications to the cloud, maintain, and manage cloud infrastructure and collaboration tools. Most companies lack in-house IT expertise to manage complex IT environments, and therefore, the demand for external IT Services providers rises. This is highlighted, among others, by the European cloud computing market, which is projected to grow from USD 201.86bn in 2025 to USD 428.02bn by 2030 at a CAGR of 16.22% (Mordor

Intelligence, 2024a). At the same time, managed infrastructure services are expected to expand at a CAGR of 11.2% over the same period, reflecting the increasing adoption of cloud solutions and the resulting IT Services demand (Mordor Intelligence, 2024b).

4.2.1.3 Rising Cybersecurity Threats

The rise in cybersecurity threats has increased demand for robust security solutions, especially in cloud environments, leading European companies to boost spending on managed cybersecurity services (Boston Consulting Group, 2024c, p. 15). Consequently, the European cybersecurity market, valued at USD 60.0bn in 2023, is projected to reach USD 120.3bn by 2030, reflecting a CAGR of 12.3%, driven by stricter regulations and growing cloud adoption (Grand View Research, 2024).

4.2.1.4 Technology Advancements

Artificial Intelligence (AI) is reshaping the European IT Services market by expanding service offerings and unlocking new growth potential. AI-related IT Services spending in Europe is expected to rise by 21% in 2025, from USD 78bn to USD 94bn, as businesses adopt AI-driven solutions. This growth is driven by increasing use of automation, predictive analytics, and machine learning to enhance efficiency and deliver more advanced, data-driven services (Gartner, 2024a).

4.2.1.5 Increasing Market Consolidation

As illustrated in *Figure 11,* consolidation is increasingly shaping the fragmented IT Services sector, which features a few large players and a long tail of small and mid-sized firms. These smaller companies offer attractive M&A opportunities for larger players seeking unorganic growth and expanded capabilities. In the DACH region, private equity-backed platforms are driving buy-and-build strategies to diversify portfolios and gain scale. This approach improves efficiency, strengthens competitive positioning, and supports market entry. By integrating niche providers, larger firms gain specialized expertise to meet better evolving client needs, making market fragmentation a key driver of strategic acquisition activity (Alantra, 2022, pp. 13-15).

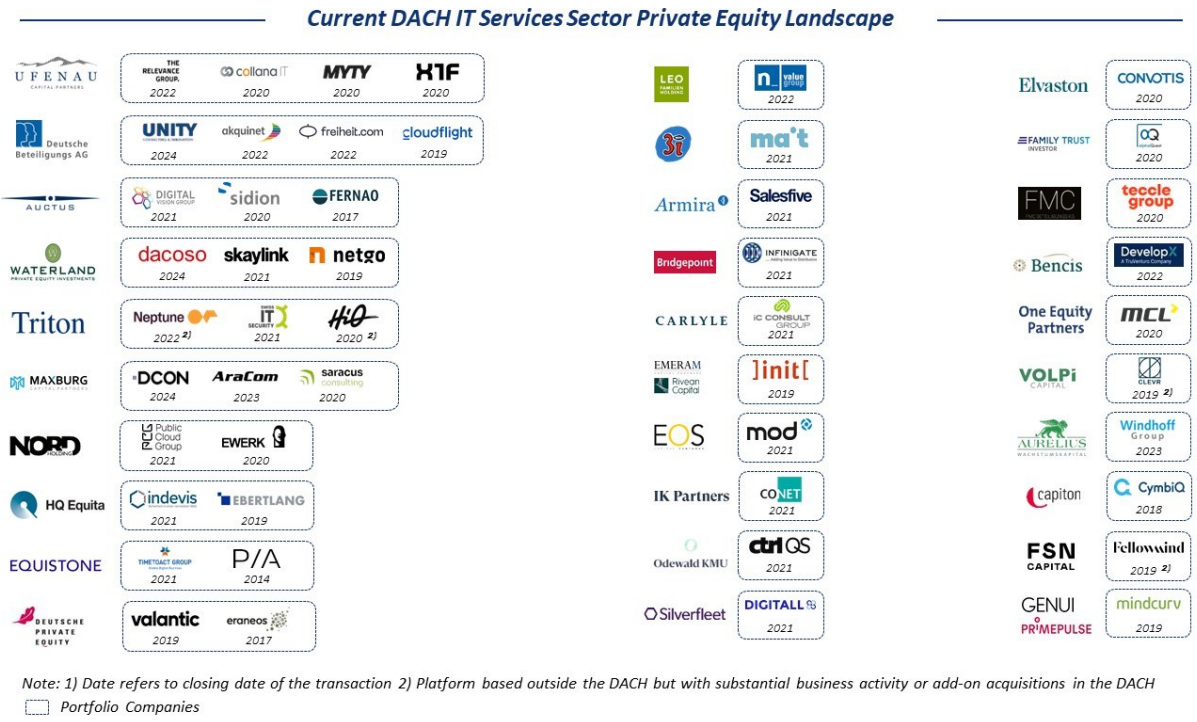


Figure 11: Snapshot of DACH Private Equity IT Services Platforms as of March 02, 2025

4.2.2 Key Market Headwinds

4.2.2.1 Cyclicality of IT Project Spent

Despite strong growth drivers, the project-based nature of IT Services leads to revenue cyclicality, as IT spending depends heavily on economic conditions. In times of uncertainty, companies often delay significant digital investments. A 2024 Gartner survey found that 56% of IT organizations faced greater expenditure scrutiny, 54% had budget cuts, and 53% experienced freezes, further postponing planned investments (Gartner, 2024b).

4.2.2.2 Shortage of IT-Talent

The shortage of skilled IT professionals remains a structural barrier to digital transformation in Europe. By the end of 2023, German companies lacked 149,000 IT experts, limiting market growth (Statista, 2025b). Although 50,000 new IT jobs were created in 2023 and 2024, demand still exceeds supply. With 1.3m already employed in the IT sector by late 2023, job numbers are expected to grow by 2.7% in 2024, intensifying the competition for talent (Allgeier, 2023a, p. 20).

4.2.2.3 High Competition and Rapidly Evolving Landscape

Germany's IT Services market is highly fragmented, with many SMEs and global players competing for market share. Intense competition and rapid technological change require constant innovation and investment to stay competitive.

In summary, demand for IT Services is rising due to digital transformation, cloud adoption, and cybersecurity needs. On the supply side, AI adoption and consolidation trends support growth. However, economic uncertainty, talent shortages, and pricing pressure remain key challenges for providers aiming to sustain growth and profitability.

4.3 Competitive Landscape and Allgeier's Positioning

The European IT Services market remains highly fragmented. Key players include global system integrators, mid-sized national leaders, and niche specialists, as shown in *Figure 12*. The 15 largest global providers hold c.35% market share, leaving a long tail of smaller companies. In Europe, Accenture leads with c.6%, about 50% more than Capgemini in second place with c.4%. Only seven providers exceed c.2% market share, underlining the fragmented structure (PAC, 2023).

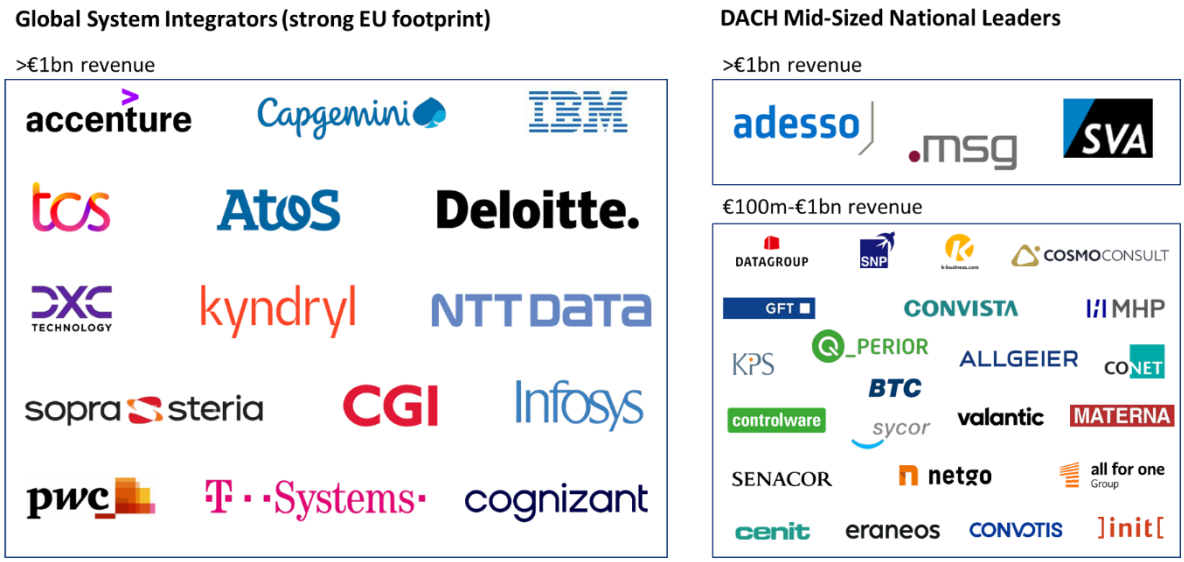


Figure 12: Competitive Landscape of the European and DACH IT Services Market

Similarly to the European market, the DACH IT Services market landscape is highly fragmented, with over 90,000 IT Services companies (Statista, 2025a). As shown in *Figure 13*, the top 15 providers, excluding global integrators, only hold c.13% of the total market, with market share computed based on the total market size in EUR bn.

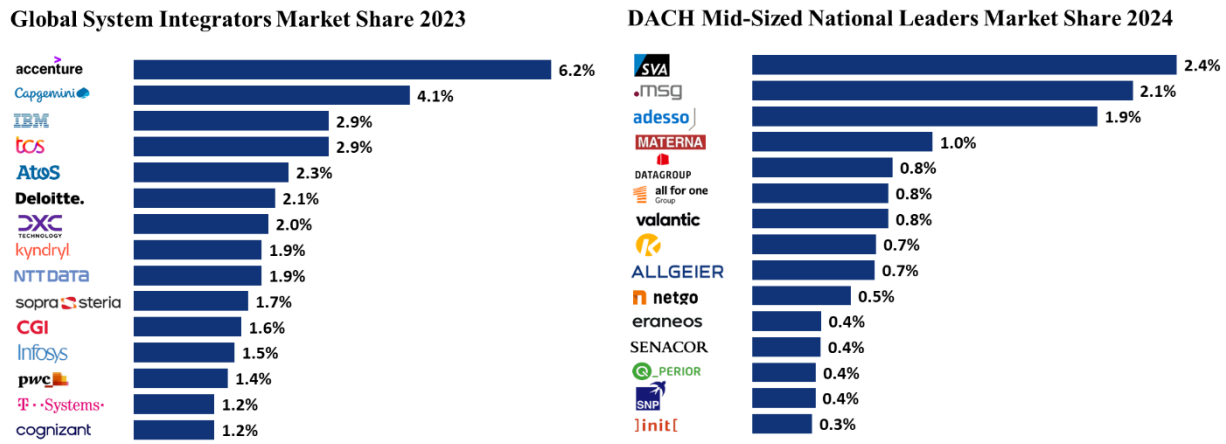


Figure 13: Top 15 IT Services Providers in Europe and DACH Region (Market Share)

The top five DACH IT Services providers, SVA Group, msg group, Adesso Group, Materna Group, and Datagroup, have a c.8% market share. Notably, Allgeier is considered the 9th largest IT Services provider in the DACH region.

As shown above in *Figure 12*, the market is starting to be consolidated by large system integrators and leading national champions through acquisitions. This consolidation is primarily driven by companies seeking benefits of scale, a wider breadth of offerings, expansion of technical capabilities and deeper industry domain expertise.

4.4 Macroeconomic Environment

Macroeconomic trends significantly impact the IT Services sector. In *Appendix 10,* recent economic developments and their implications for Allgeier are analyzed.

5 Financial Analysis and Forecast

Allgeier's valuation builds on an in-depth analysis and projection of the FCFF-relevant financial statements components. Historical data from FY21 to FY24 form the basis for a six-year forecast from FY25 to FY30. By the end of this period, Allgeier is expected to shift to steady and sustainable growth.

Ending the explicit forecast in FY30 rests on the assumption that key strategic initiatives will have reached full operational maturity, as Allgeier's management anticipates that the growth from the ongoing repositioning, marked by the divestiture of low-margin personnel services and the continued expansion into higher margin software services segments, will be fully realized within the next five years (Allgeier, 2023a, p. 7). This growth phase marks a transition period, after which the strategic repositioning, improved contract structures, and broader service portfolio are expected to be completely unfolded. Consequently, from FY2031 onward, Allgeier will operate in a stable growth environment, characterized by longer-term contracts with inflation-linked growth and stabilized operational margins.

The following analysis begins with income-related items and proceeds with relevant balance sheet positions.

5.1 Income Statement

The income statement is projected using a combined forecasting approach. Revenue is derived through a bottom-up approach based on key revenue drivers, namely the number of Full-Time Employees (FTEs) working on customer orders, average daily rates, utilization, and yearly working days. Staff costs are also forecasted bottom-up, using projected headcount by role and salary development. Meanwhile, other cost items are estimated as a percentage of revenue. *Appendix 11* contains a comprehensive breakdown of the forecasted values.

5.1.1 Revenue Base

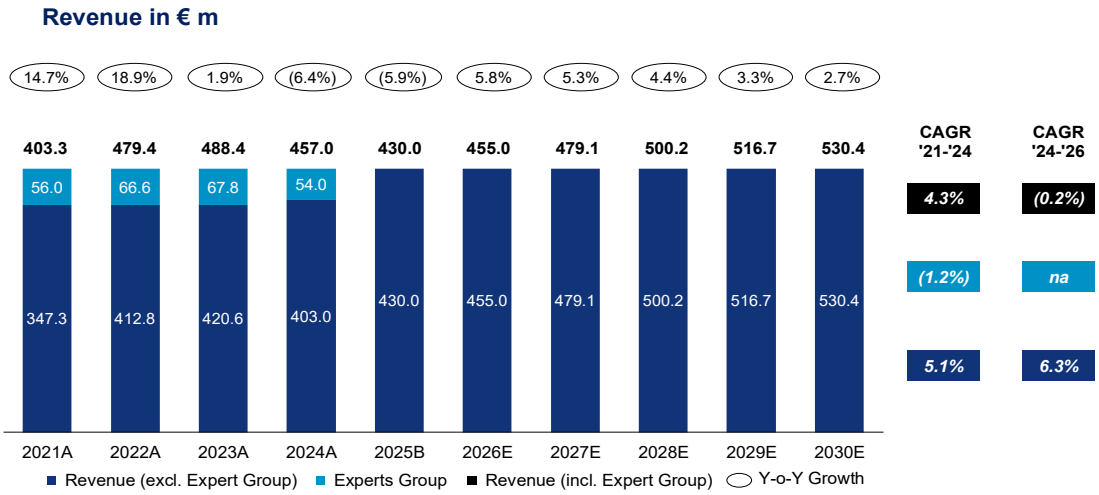
In FY24, revenue declined to EUR 403m, reflecting a 4.2% YoY decrease on a like-for-like (LFL) perimeter basis. This is a result of lost revenue potential of around EUR 25m due to a delay in won and budgeted public-sector digitalization projects. Historically, from FY21 to FY24, Allgeier's total revenue remained flat around €403m in FY21 and FY24. During this period, annual growth rates ranged from -12.3% to 18.9%. However, Allgeier divested its personnel services business, Experts Group, in October 2024 (Allgeier, 2025a), which is only

reflected in its FY23 and FY24 numbers. To ensure comparability, a pro-forma adjustment was applied to Allgeier's FY21 and FY22 total revenue to reflect the contribution of the Experts Group. As illustrated *in Figure 14*, this results in an LFL CAGR of 4.3% for Allgeier's total revenue, including discontinued operations, over the FY21–24 period.

	Historical Period				Budget Period	Projection Period				
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E
Revenue Pro-Forma Adj.										
Total revenue (excl. Experts Group	€347.3	€412.8	€420.6	€403.0	€430.0	€455.0	€479.1	€500.2	€516.7	€530.4
% growth	*14.7%*	18.9%	1.9%	(4.2%)	6.7%	5.8%	5.3%	4.4%	3.3%	2.7%
Experts Group revenue	€56.0	€66.6	€67.8	€54.0	-	-	-	-	-	-
% growth	*14.7%*	18.9%	1.9%	(20.3%)	-	-	-	-	-	-
Total revenue	**€403.3**	**€479.4**	**€488.4**	**€457.0**	**€430.0**	**€455.0**	**€479.1**	**€500.2**	**€516.7**	**€530.4**
% growth	14.7%	18.9%	1.9%	(6.4%)	(5.9%)	5.8%	5.3%	4.4%	3.3%	2.7%
CAGR 21'-24'				*4.3%*						
CAGR 25'-30'										*4.3%*

Figure 14: Revenue Pro-Forma Adjustment

However, revenue in the unaffected businesses areas remained stable despite macroeconomic headwinds. *Figure 15* illustrates the historical and projected revenue development.



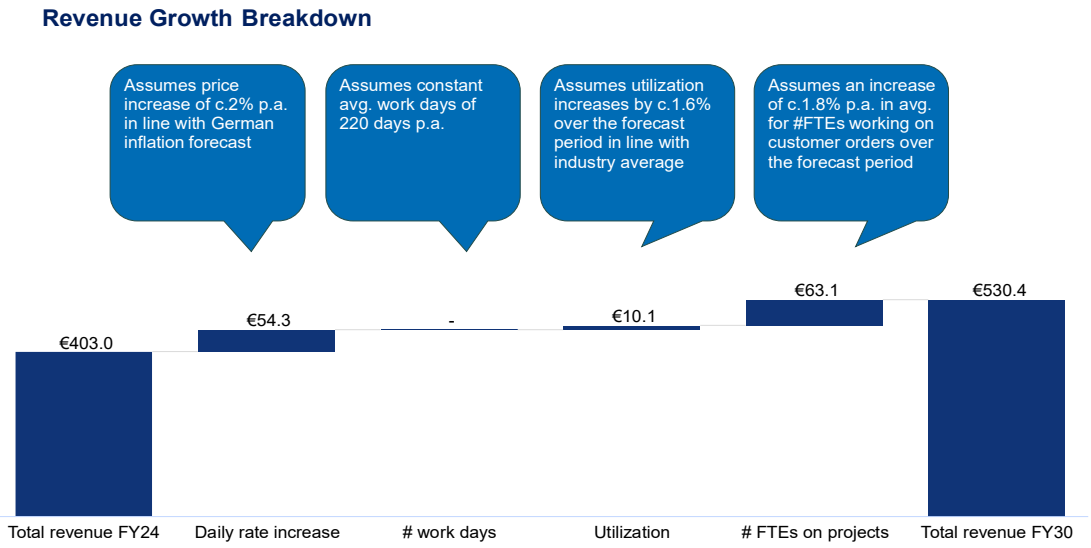


Figure 15: Historical and Projected Revenue Development and Growth Breakdown

From FY25 onward, revenues are forecasted using a bottom-up approach grounded in key operational drivers, as shown in *Figure 16*. Revenue is forecasted by multiplying the number of FTEs working on customer orders by the average daily rate per FTE, the utilization rate, and the assumed number of annual working days. The average daily rate per FTE is assumed to increase by c.2% annually, in line with the long-term inflation target in Germany (Deutsche Bundesbank, 2024). The number of working days per year is held constant at 220, reflecting standard industry assumptions. Utilization is projected to gradually increase from 70.0% to 71.6% over the forecast period, reflecting improved project efficiency and a higher share of billable hours relative to total hours worked. This puts Allgeier's efficiency slightly below the IT Services industry average of 72.0% (Statista, 2024a). Lastly, the number of FTEs working on customer orders is expected to rise by 3.8% in FY25, driven by a catch-up effect from prior years' project delays caused by the weak economic environment. This assumption is supported by Allgeier's demonstrated ability to increase its FTEs working on customer orders by over 12% in FY22.

	Historical Period		Budget Period	Projection Period				
	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E
Revenue build-up								
Avg. Daily Rate per FTE (in €k)		€1,035	€1,063	€1,085	€1,106	€1,128	€1,151	€1,174
% growth		*(4.9%)*	*2.8%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
# work days p.a.		220	220	220	220	220	220	220
Utilization		70.0%	70.0%	70.5%	71.0%	71.3%	71.5%	71.6%
% increase		-	-	*0.5%*	*0.5%*	*0.3%*	*0.2%*	*0.1%*
# FTEs working on cust. orders	2,511	2,529	2,626	2,705	2,772	2,828	2,856	2,870
% growth employees	*(8.6%)*	*0.7%*	*3.8%*	*3.0%*	*2.5%*	*2.0%*	*1.0%*	*0.5%*
Total revenue	**€420.6**	**€403.0**	**€430.0**	**€455.0**	**€479.1**	**€500.2**	**€516.7**	**€530.4**
% growth	*(12.3%)*	*(4.2%)*	*6.7%*	*5.8%*	*5.3%*	*4.4%*	*3.3%*	*2.7%*

Figure 16: Revenue Forecast Based on Operational Drivers

For FY25, Allgeier's management anticipates revenues in the range of EUR 410 to 450m for continuing operations, reflecting a temporary contraction compared to EUR 457m in FY24 (Allgeier, 2024c). The forecasted EUR 430m for FY25 lies within this range and reflects a 5.9% YoY decline. This is mainly due to the full-year impact of the divestiture of the personnel services business and the delay of a public sector project, rather than weaker operational performance. A catch-up effect is anticipated in the following years.

The projected recovery is further supported by benchmarking revenue growth against external and internal benchmarks. As an established mid-sized provider in the DACH IT Services sector, Allgeier's future revenue growth is expected to align with market dynamics broadly.

As outlined in the earlier market analysis (*Figure 10*), the DACH IT Services market is forecasted to grow at a CAGR of 6.9% between FY24 and FY26. In contrast, the projected

CAGR for Allgeier in this period is 6.3%, assuming that sector-specific challenges, such as delayed IT investments and constrained public budgets resulting from ongoing macroeconomic uncertainty, will soften over the forecast period.

From FY25 to FY29, revenue is projected to grow at a 4.7% CAGR, slightly below Statista's 5.0% forecast for the DACH IT Services market (Statista, 2024b) and Allgeier's internal guidance of 10.0% annual growth over the next three years (Allgeier, 2024c). This more conservative projection is appropriate given the market's fragmentation, Allgeier's proven M&A track record, and its ongoing acquisition strategy, which provides revenue upside potential. However, it also accounts for macroeconomic headwinds, including constrained public budgets, delayed IT investments, and ongoing geopolitical uncertainty, which may weigh on growth despite management's ambitious targets.

Accordingly, the forecast reflects a balanced view, combining strategic upside from acquisitions with external constraints, and is anchored in realistic, externally validated growth benchmarks. This sets the foundation for Allgeier's transition into a steady-state growth phase.

A regional or service-based revenue breakdown is not provided, as Allgeier's revenue is concentrated mainly in the DACH region and focused on IT Services. Such disaggregation would have a minimal impact on the overall projections.

5.1.2 Cost Base

Following this, Allgeier's cost items are examined and projected. These costs are grouped into four main categories, namely material, staff, D&A and Impairment, as well as other OPEX.

5.1.2.1 Cost of Materials

In FY24, cost of materials was Allgeier's second-largest expense, representing 22.0% of total sales. This cost category holds strategic relevance in light of the company's ongoing shift since 2022 from low-margin personnel services to higher-margin segments. As a result, material costs declined from EUR 173.3m in FY22 to EUR 88.8m in FY24, a trend expected to continue throughout the forecast period.

This cost category primarily consists of purchased services as well as raw materials and supplies. Purchased services, which historically made up over 80.0% of this item, are closely linked to project volume and reflect Allgeier's reliance on external IT specialists and subcontractors. Given their direct correlation with revenue, this cost is forecasted as a

percentage of revenue. Due to the company's ongoing shift away from purchased services, the cost of materials-to-revenue ratio is expected to decline gradually.

Between FY22 and FY24, the cost of materials fell from 36.2% to 22.0% of revenue. This ratio is expected to remain stable at 22.0% in FY25, then gradually decline to 21.4% in FY30. The forecast reflects ongoing cost efficiencies from reduced reliance on purchased services, while acknowledging that a certain level of external services remains necessary to support Allgeier's project-based business model.

5.1.2.2 Staff Costs

Staff costs represent the largest component of Allgeier's cost base and historically accounted for 51.8% of revenue between FY21 and FY24. This reflects the labour-intensive nature of the business model, which depends on a highly skilled workforce to deliver customer centric software and IT Services. Historically, staff costs increased due to higher business volume, growing headcount, and wage inflation in the DACH region. This trend is expected to continue as qualified talent remains essential for Allgeier's future growth.

The staff cost forecast is derived using a bottom-up approach based on both workforce composition and average employee salaries, as illustrated in *Figure 17*. Staff costs are calculated by multiplying the forecasted number of total FTEs by the corresponding forecasted average salary. For a more granular projection, Allgeier's workforce is divided into employees directly involved in customer projects and those assigned to administrative functions. The number of FTEs working on customer orders is projected to initially rise by 3.8% in FY25, acting as a catch-up following stagnation in FY24 and a decline in FY23 due to the weak economic environment. From FY26 onwards, this growth rate gradually slows, decreasing from 3.0% to 0.5% by FY30. In contrast, the number of administrative FTEs grows by 0.5% per year before slowing down to 0.4% from FY29 onwards, based on the assumption that prior investments at headquarters are sufficient and no further expansion is necessary. Meanwhile, the average salary per employee is forecasted to grow by 3.9% in FY25 to remain competitive in the tight IT services talent market and recruitment of new hires, and then steadily lowered to be in line with the long-term inflation target of 2.0% in the DACH region (Deutsche Bundesbank, 2024).

In summary, total staff costs increase in absolute terms over the forecast period, driven by moderate headcount growth, high competition, and inflation-linked salary adjustments. However, as a percentage of revenue, staff costs gradually decline from 59.5% in FY25 to

57.7% in FY30. This reflects efficiency gains from improved billability and the shift toward more scalable, higher-margin software services.

	Historical Period				Budget Period	Projection Period				
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E
Headcount split										
# FTEs working on cust. orders	2,449	2,747	2,511	2,529	2,626	2,705	2,772	2,828	2,856	2,870
% growth	*36.5%*	*12.2%*	*(8.6%)*	*0.7%*	*3.8%*	*3.0%*	*2.5%*	*2.0%*	*1.0%*	*0.5%*
# FTEs working in other areas	662	749	676	683	686	690	693	697	700	702
% growth	*8.5%*	*13.1%*	*(9.7%)*	*1.0%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.4%*	*0.4%*
# FTEs total	**3,111**	**3,496**	**3,187**	**3,212**	**3,312**	**3,394**	**3,465**	**3,524**	**3,555**	**3,573**
% growth	*29.4%*	*12.4%*	*(8.8%)*	*0.8%*	*3.1%*	*2.5%*	*2.1%*	*1.7%*	*0.9%*	*0.5%*
Avg. salary (in €k)	**€60,420**	**€64,060**	**€71,908**	**€74,399**	**€77,265**	**€79,720**	**€81,713**	**€83,347**	**€84,597**	**€85,655**
% growth	*(8.8%)*	*6.0%*	*12.3%*	*3.5%*	*3.9%*	*3.2%*	*2.5%*	*2.0%*	*1.5%*	*1.3%*
Staff costs	**(€188.0)**	**(€224.0)**	**(€229.2)**	**(€239.0)**	**(€255.9)**	**(€270.6)**	**(€283.2)**	**(€293.7)**	**(€300.8)**	**(€306.0)**
% growth	*18.0%*	*19.1%*	*2.3%*	*4.3%*	*7.1%*	*5.7%*	*4.6%*	*3.7%*	*2.4%*	*1.7%*
% of total revenue	*46.6%*	*46.7%*	*54.5%*	*59.3%*	*59.5%*	*59.5%*	*59.1%*	*58.7%*	*58.2%*	*57.7%*

Figure 17: Staff Costs Forecast Based on Key Labour Metrics

5.1.2.3 D&A and Impairment

D&A and impairment expenses at Allgeier primarily result from the systematic amortization of intangible assets, property, plant, and equipment (PP&E), as well as depreciation on right-of-use (RoU) assets under IFRS 16. Historically, these costs are primarily driven by the amortization of intangible assets, mainly acquired customer relationships through acquisitions and internally developed software. A significant share also results from the depreciation of RoU assets, while depreciation of tangible assets such as office equipment and buildings has consistently played a minor role. Reflecting this composition, D&A expenses have historically remained stable relative to revenue, fluctuating only moderately between 4.6% and 7.0% from FY21 to FY24.

This consistent development underscores the structural predictability of Allgeier's asset base. It provides a reliable basis for forecasting, supported by recurring investment patterns and a stable intangible asset base, with no anticipated shifts in capital intensity. Accordingly, the D&A schedule was derived through a bottom-up calculation based on asset-specific useful life assumptions from the annual report and straight-line depreciation of both existing and new investments, resulting in a projected D&A-to-revenue ratio ranging from 4.5% to 6.3% between FY25 and FY30, as illustrated in *Figure 18.*

D&A Waterfall Schedule	Historical Period				Budget Period	Projection Period				
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E
Depreciation & Amortisation										
Capex & RoU asset payments	(€15.9)	(€18.6)	(€28.2)	(€25.7)	(€27.4)	(€30.9)	(€32.2)	(€33.2)	(€31.4)	(€29.2)
Existing PP&E	€7.6	€9.4	€9.8	€7.8	€6.2	€4.7	€3.1	€1.6	-	-
Existing RoU Assets	€41.3	€39.7	€44.0	€35.2	€29.3	€23.5	€17.6	€11.7	€5.9	-
Existing Intangibles	€281.1	€282.9	€290.4	€277.7	€268.5	€259.2	€250.0	€240.7	€231.5	€222.2
Useful life of Existing PP&E	5									
Useful life of RoU Assets	6									
Useful life of Intangibles	30									
New capex	10									
	Starting Amount									
Existing PP&E	€7.8				1.6	1.6	1.6	1.6	1.6	-
Existing RoU Assets	€35.2				5.9	5.9	5.9	5.9	5.9	5.9
Existing Intangibles	€277.7				9.3	9.3	9.3	9.3	9.3	9.3
Year 1	€27.4				2.7	2.7	2.7	2.7	2.7	2.7
Year 2	€30.9					3.1	3.1	3.1	3.1	3.1
Year 3	€32.2						3.2	3.2	3.2	3.2
Year 4	€33.2							3.3	3.3	3.3
Year 5	€31.4								3.1	3.1
Year 6	€29.2									2.9
Total Depreciation & Amortisation					**€19.4**	**€22.5**	**€25.7**	**€29.1**	**€32.2**	**€33.5**
% growth					-	*15.9%*	*14.3%*	*12.9%*	*10.8%*	4.2%
% of total revenue					*4.5%*	*4.9%*	*5.4%*	*5.8%*	*6.2%*	*6.3%*

Figure 18: D&A Forecast Based on Waterfall Schedule

5.1.2.4 Other Operating Expenses

This cost category encompasses a wide variety of expenditures, including IT costs, land and building expenses, staff-related overhead, travel costs, and legal and consulting fees, among others. Given that other OPEX are closely tied to business volume and averaged around 7.9% of revenue between FY21 and FY24, this cost position is projected as a fixed percentage of revenue. It is set at 9.7% from FY25, declines slightly to 9.5% by FY30, capturing minor scale effects rather than active efficiency gains, to reflect the continuation of recent growth trends, as no structural changes are indicated, suggesting no significant deviation from the historic ratio. A breakdown of the main cost categories is presented in *Figure 19.*

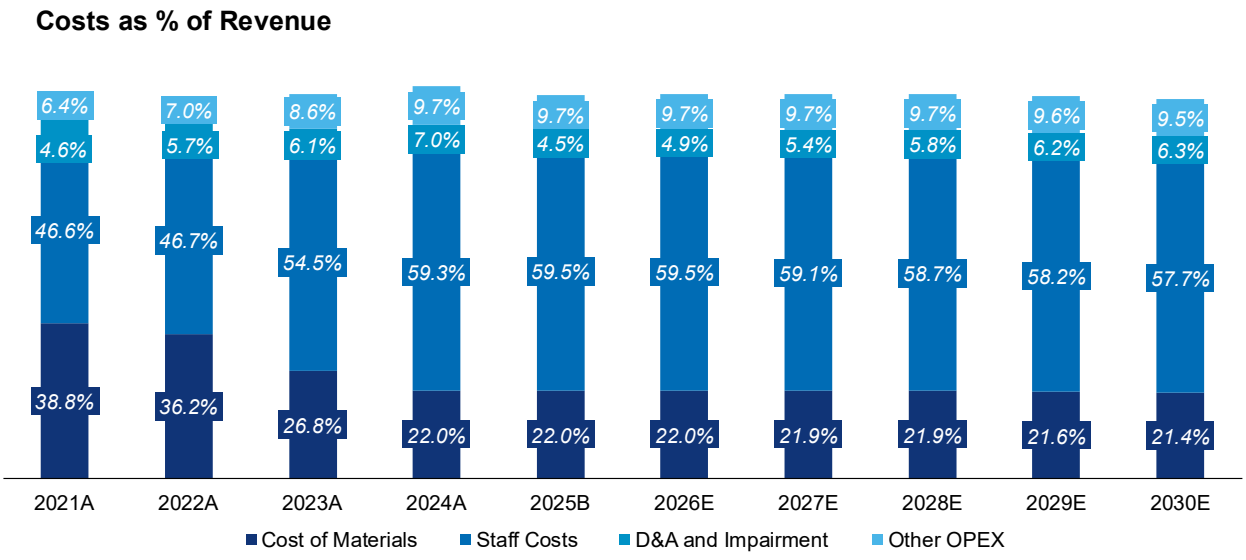


Figure 19: Development of Cost Items as Percentage of Revenue

5.1.3 Profit

Although FY21 to FY23 was marked by challenges related to the COVID-19 crisis, Allgeier achieved steady revenue growth and stable profitability, supported by its strong market position in the DACH IT Services market and sustained demand for digitalization solutions.

FY24, however, was marked by a special situation resulting from delays in public sector digitalization projects, the divestiture of the personnel services business, and broader macroeconomic headwinds. These factors led to a temporary decline in revenue and a contraction in profit margins.

From FY25 onward, revenue is expected to recover steadily, driven by business normalization, growth in software services, and improved project delivery efficiency. Profit margins are forecasted to gradually improve due to increasing operational leverage and a shift toward higher-margin services. Over time, margins are anticipated to exceed pre-divestment levels slightly, although competitive pressures and restrained public sector investment are expected to persist.

The favorable long-term outlook is supported by Allgeier's strategic repositioning toward scalable, high-value IT solutions, its resilient customer base in the DACH region, and the implementation of efficiency initiatives targeting cost optimization and margin improvement.

However, several risks could temper margin expansion, including a delayed recovery in public sector budgets, inflation-driven cost pressures, and continued competition for skilled IT talent. Additionally, elevated inflation and ongoing geopolitical instability may further strain cost structures and limit profitability.

An overview of Allgeier's profit margin development is illustrated in *Figure 20*, while the condensed income statement forecast is provided in *Table 1*.

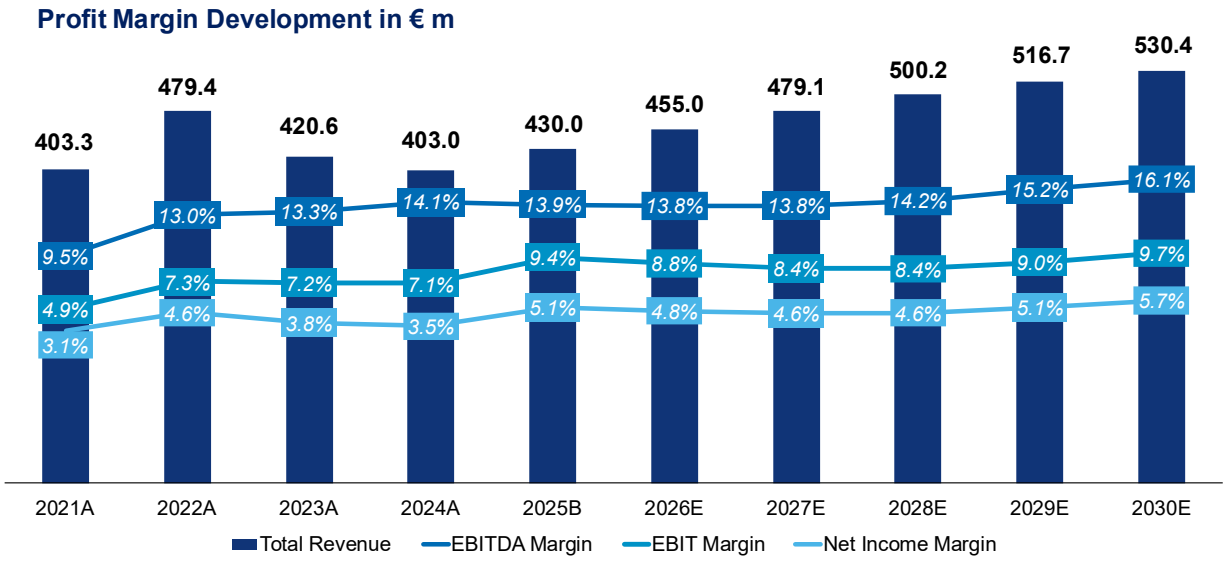


Figure 20: Historical and Forecasted Profit Margins Development

Condensed Income Statement (in € m)	Historical Period				Budget Period	Projection Period				
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E
Enterprise IT	307.8	372.8	300.0	277.6	291.9	304.3	315.6	324.5	331.4	337.5
Mgm Technology Partners	92.8	105.7	121.9	124.6	137.2	149.8	162.5	174.6	184.3	191.8
Other Revenue	2.7	0.9	-1.3	0.8	0.9	0.9	1.0	1.0	1.0	1.1
Total Revenue	**403.3**	**479.4**	**420.6**	**403.0**	**430.0**	**455.0**	**479.1**	**500.2**	**516.7**	**530.4**
% growth	*14.7%*	*18.9%*	*-12.3%*	*-4.2%*	*6.7%*	*5.8%*	*5.3%*	*4.4%*	*3.3%*	2.7%
Total other operating income	6.6	14.7	14.0	21.4	22.8	23.3	22.6	23.6	24.3	25.0
Total OPEX	(371.7)	(431.8)	(378.8)	(367.5)	(393.1)	(415.5)	(435.5)	(452.7)	(462.5)	(470.2)
EBITDA	**38.3**	**62.3**	**55.8**	**56.8**	**59.7**	**62.7**	**66.1**	**71.0**	**78.5**	**85.2**
D&A and impairment	(18.5)	(27.3)	(25.7)	(28.0)	(19.4)	(22.5)	(25.7)	(29.1)	(32.2)	(33.5)
EBIT	**19.8**	**35.0**	**30.1**	**28.8**	**40.3**	**40.2**	**40.4**	**42.0**	**46.3**	**51.7**
Finance Inc. (Exp.), net	0.4	(4.7)	(8.4)	(12.8)	(9.2)	(9.1)	(9.0)	(8.9)	(8.9)	(8.8)
EBT	**20.2**	**30.4**	**21.7**	**16.0**	**31.1**	**31.1**	**31.3**	**33.0**	**37.5**	**42.9**
Net income taxes	(7.7)	(8.2)	(5.9)	(2.0)	(9.3)	(9.3)	(9.4)	(9.9)	(11.2)	(12.9)
Net income	**12.5**	**22.2**	**15.9**	**13.9**	**21.8**	**21.8**	**21.9**	**23.1**	**26.2**	**30.0**
% growth	*3.1%*	*4.6%*	*3.8%*	*3.5%*	*5.1%*	*4.8%*	*4.6%*	*4.6%*	*5.1%*	5.7%

Table 1: Condensed Forecasted Income Statement

5.2 Balance Sheet

This chapter analyzes key items from the balance sheet required for the FCFF calculation. Subsequently, the assumptions used for their projection are outlined.

5.2.1 Capital Expenditures

Allgeier's CAPEX have increased with a CAGR of 32.0% from EUR 5.2m in FY21 to EUR 12.0m in FY24. In FY24, CAPEX declined to EUR 12.0m, mainly due to reduced investment activities in light of the temporary revenue contraction. As a percentage of total revenue, CAPEX remained at 3.0% during this period. From FY25 onward, CAPEX is projected to follow a moderate growth trajectory, peaking at EUR 17.4m in FY28 before slightly declining to EUR 13.3m in FY30. As a percentage of revenue, CAPEX is expected to gradually decline

from 3.0% in FY25 to 2.5% by FY30. This development reflects a return to normalized investment levels and the transition toward a steady state.

In addition to traditional CAPEX, payments for RoU assets, primarily related to office leases and equipment, are also included in the CAPEX forecast. These payments increased from EUR 10.7m in FY21 to EUR 13.7m in FY24. Similar to the CAPEX forecast, RoU assets payments are projected to rise gradually to EUR 15.9m by FY30, while gradually declining from 3.4% of revenue in FY25 to 3.0% in FY30. RoU asset payments are considered as part of cash outflows, in line with CAPEX payments, as they represent lease obligations that, under IFRS 16, are capitalized on the balance sheet and reflect investments with a similar economic substance as owned fixed assets. The detailed forecast is shown in *Figure 21*.

	Historical Period				Budget Period	Projection Period					CAGR	
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E	('21 - '24)	('25 - '30)
Capital expenditures	(€5.2)	(€7.3)	(€14.5)	(€12.0)	(€12.8)	(€15.8)	(€16.6)	(€17.4)	(€15.4)	(€13.3)	*32.0%*	*0.7%*
% growth	-	*39.8%*	*99.1%*	*(17.4%)*	*6.7%*	*23.6%*	*5.3%*	*4.4%*	*(11.2%)*	*(14.1%)*		-
% of total revenue	*(1.3%)*	*(1.5%)*	*(3.4%)*	*(3.0%)*	*(3.0%)*	*(3.5%)*	*(3.5%)*	*(3.5%)*	*(3.0%)*	*(2.5%)*		-
												-
Payments for RoU assets	(€10.7)	(€11.3)	(€13.7)	(€13.7)	(€14.7)	(€15.1)	(€15.5)	(€15.8)	(€15.9)	(€15.9)	*8.7%*	*1.7%*
% growth	-	*5.6%*	*21.5%*	-	*6.7%*	*3.3%*	*2.7%*	*1.8%*	*0.7%*	*(0.1%)*		-
% of total revenue	*(2.7%)*	*(2.4%)*	*(3.3%)*	*(3.4%)*	*(3.4%)*	*(3.3%)*	*(3.2%)*	*(3.2%)*	*(3.1%)*	*(3.0%)*		-

Figure 21: Allgeier Group's Forecasted CAPEX in EUR m (CF Relevance)

5.2.2 Net Debt

Allgeier's debt structure includes non-current and current financial liabilities, rental and lease liabilities, and other long-term provisions. As of FY24, total financial debt stood at EUR 186.7m, consisting primarily of financial liabilities (EUR 149.1m), lease obligations (EUR 36.5m), and minor long-term provisions. Over the forecast period, total debt is projected to decline slightly to EUR 178.7m by FY30, assuming refinancing of the syndicated loan facility at maturity, in line with Allgeier's long-term capital structure objectives.

To establish these objectives, Allgeier benchmarks against the capital structures of listed European IT Services peers used for the WACC calculation, where the median MV-based debt-to-equity (D/E) ratio is 37.5%. The forecast adopts a target debt-to-equity ratio of 47.3% by FY30, reflecting a gradual alignment with the sector median through a consistent decline in leverage, as illustrated in *Figure 22*, ensuring consistency in the cost of capital estimation.

Cash and cash equivalents are projected to rise significantly to EUR 150.5m by FY30, driven by steady FCF generation and improved operational performance. Consequently, net debt is expected to decrease considerably from EUR 129.4m in FY24 to EUR 28.2m by FY30. This development underlines the company's robust financial health and capacity to self-finance future growth initiatives.

	Historical Period				Budget Period	Projection Period				
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E
Non-current financial liabilities				€144.3	€144.3	€144.3	€144.3	€144.3	€144.3	€144.3
Non-current liabilities (rental/lease agmts.)				€25.2	€25.2	€25.2	€25.2	€25.2	€25.2	€25.2
Long-term provisions (post-employment)				€1.0	€1.0	€1.0	€1.0	€1.0	€1.0	€1.0
Current financial liabilities				€4.8	€4.8	€4.8	€4.8	€4.8	€4.8	€4.8
Current liabilities (rental/lease agmts.)				€11.3	€9.9	€8.4	€7.1	€5.8	€4.5	€3.3
Total Debt				**€186.7**	**€185.3**	**€183.8**	**€182.5**	**€181.2**	**€179.9**	**€178.7**
Cash				€57.3	€68.0	€76.0	€85.8	€99.5	€121.1	€150.5
Net Debt (EoP)				**€129.4**	**€117.3**	**€107.9**	**€96.6**	**€81.7**	**€58.8**	**€28.2**
Net Debt / EBITDA				2.3x	2.0x	1.7x	1.5x	1.2x	0.7x	0.3x
Target Debt / Equity Ratio				37.5%						
Debt				€186.7	€185.3	€183.8	€182.5	€181.2	€179.9	€178.7
Equity				€232.9	€254.7	€276.4	€298.4	€321.5	€347.7	€377.8
Debt / Equity Ratio				80.2%	72.7%	66.5%	61.2%	56.4%	51.7%	47.3%

Figure 22: Allgeier Group's Forecasted Net Debt in EUR m (CF Relevance)

5.2.3 Operating Working Capital

Allgeier's operating working capital (OWC) increased from EUR 40.0m in FY21 to EUR 47.0m in FY24 and projected to reach EUR 76.9m by FY30. This increase reflects the company's growth and results in a corresponding cash outflow, which is typical for a growing IT Services business. As a share of revenue, the NWC ratio ranges between 9.1% and 14.5% throughout the historical and forecast periods.

To ensure an accurate NWC forecast, the cost of services, used for days payable assumptions, was approximated by isolating staff-based costs of services. This was done using the number of FTEs working on customer orders multiplied by the average salary per FTE, excluding other OPEX and administrative expenses.

Assumptions for key working capital drivers such as Days Sales Outstanding (DSO), Days Payables Outstanding (DPO), Days Inventory Outstanding (DIO), and contract-related positions remain broadly stable throughout the forecast period, in line with historical behavior. Payables held constant at 25.9 days, reflecting Allgeier's consistent supplier payment practices. Trade receivables increase from 55.8 to 65.8 days between FY25 and FY30, driven by the shift toward higher-margin software services with extended invoicing cycles. Further details are shown in *Figure 23*.

Operating Working Capital (OWC)	Historical Period				Budget Period	Projection Period				
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E
Revenue	€403.3	€479.4	€420.6	€403.0	€430.0	€455.0	€479.1	€500.2	€516.7	€530.4
Cost of services	(€304.5)	(€349.3)	(€293.4)	(€277.0)	(€297.7)	(€315.7)	(€331.6)	(€345.3)	(€353.1)	(€359.2)
# FTEs working on customer orders	2,449	2,747	2,511	2,529	2,626	2,705	2,772	2,828	2,856	2,870
Avg. salary (in €k)	€60,420	€64,060	€71,908	€74,399	€77,265	€79,720	€81,713	€83,347	€84,597	€85,655
Customer project weighted staff costs	(€148.0)	(€176.0)	(€180.6)	(€188.2)	(€202.9)	(€215.6)	(€226.5)	(€235.7)	(€241.6)	(€245.8)
Cost of materials	(€156.6)	(€173.3)	(€112.8)	(€88.8)	(€94.8)	(€100.1)	(€105.1)	(€109.6)	(€111.5)	(€113.4)
Current Assets										
Inventories	€1.2	€2.5	€1.2	€1.4	€1.5	€1.6	€1.7	€1.7	€1.8	€1.8
Current contract costs	-	€0.1	€0.1	€0.3	€0.3	€0.3	€0.3	€0.3	€0.3	€0.3
Contract assets	€2.5	€3.4	€1.7	€4.4	€4.7	€4.9	€5.2	€5.4	€5.6	€5.7
Trade receivables	€62.3	€66.9	€68.2	€61.4	€65.7	€72.0	€78.5	€84.4	€90.3	€95.6
Other current assets	€5.8	€4.4	€6.1	€6.8	€7.3	€7.7	€8.1	€8.5	€8.8	€9.0
Total Current Assets	**€71.8**	**€77.3**	**€77.4**	**€74.3**	**€79.4**	**€86.5**	**€93.7**	**€100.4**	**€106.8**	**€112.5**
Current Liabilities										
Trade payables	€25.1	€28.3	€26.9	€19.6	€21.2	€22.4	€23.6	€24.5	€25.1	€25.5
Current contract liabilities	€6.8	€5.4	€5.0	€7.6	€8.2	€8.6	€9.1	€9.5	€9.8	€10.1
Total Current Liabilities	**€31.8**	**€33.7**	**€31.9**	**€27.3**	**€29.3**	**€31.1**	**€32.7**	**€34.0**	**€34.9**	**€35.6**
Net Working Capital	**€40.0**	**€43.7**	**€45.5**	**€47.0**	**€50.1**	**€55.5**	**€61.1**	**€66.4**	**€71.9**	**€76.9**
% revenue	*9.9%*	*9.1%*	*10.8%*	*11.7%*	*11.7%*	*12.2%*	*12.8%*	*13.3%*	*13.9%*	*14.5%*
(Increase) / Decrease in NWC	**-**	**(€3.7)**	**(€1.8)**	**(€1.5)**	**(€3.1)**	**(€5.4)**	**(€5.6)**	**(€5.3)**	**(€5.4)**	**(€5.0)**
Assumptions										
Days	365	365	365	366	365	365	365	366	365	365
Days Inventory Held	1.5	2.6	1.6	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Current contract cost (% of sales)	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
Contract assets (% of sales)	*0.6%*	*0.7%*	*0.4%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*
Trade receivables (days outstanding)	56.4	51.0	59.2	55.8	55.8	57.8	59.8	61.8	63.8	65.8
Other current assets (% of sales)	*1.4%*	*0.9%*	*1.5%*	*1.7%*	*1.7%*	*1.7%*	*1.7%*	*1.7%*	*1.7%*	*1.7%*
Days Payable Outstanding	30.1	29.5	33.5	25.9	25.9	25.9	25.9	25.9	25.9	25.9
Current contract liabilities (% of sales)	*1.7%*	*1.1%*	*1.2%*	*1.9%*	*1.9%*	*1.9%*	*1.9%*	*1.9%*	*1.9%*	*1.9%*

Figure 23: Allgeier Group's Forecasted Operating Working Capital in EUR m (CF Relevance)

6 Valuation of Allgeier

The DCF approach serves as the main valuation technique for Allgeier, as its stable market position and asset-light IT Services model allow for precise cash flow forecasting. The model estimates intrinsic value based on future FCF's driven by project-based employee output. Results are cross-validated using the APV method and a relative valuation based on trading and transaction comparables. The valuation reference date is April 30, 2025, based on the latest financials. Other methods were reviewed but deemed unsuitable given Allgeier SE's specific characteristics, as discussed in *Section 2.4*.

6.1 DCF Valuation

This section begins with a thorough DCF analysis, then proceeds to APV and relative valuation.

6.1.1 Weighted Average of Capital

The cost of equity is estimated using the CAPM, based on the risk-free rate, beta, and market risk premium, as outlined in *Section 2.1.1.4*.

The 10-year German government bond yield of 2.50% as of the valuation date serves as the risk-free rate (Deutsche Bundesbank, 2025), given Allgeier's Germany-focused operations and the bond's suitability as a long-term, low-risk benchmark.

To estimate beta, a peer group of European IT Services firms with market capitalizations below EUR 1bn was selected based on investment bank and analyst coverage reports. Peers were chosen for their similarity to Allgeier in terms of financials, business model, and regional focus, ensuring comparability of systematic risk. *Appendix* 12 provides a detailed peer comparison, highlighting the similarities to Allgeier in terms of company size, revenue model, long-term growth, profitability, and capital structure.

The betas of the peer companies were calculated based on five years of weekly stock return data retrieved from Refinitiv, using the STOXX Europe 600 index as the market benchmark. The levered peer betas were subsequently unlevered by applying each firm's MV-based D/E ratio and the respective country-specific marginal tax rate as sourced from OECD (OECD, 2024). The resulting unlevered betas for the peer companies are shown in *Table 2*.

Peer Group	Beta Computation			
	Beta	D/E (Market)	Tax rate	Unlevered Beta
Adesso SE	1.57	51.92%	15.83%	1.09
Assystem SA	0.76	19.37%	25.83%	0.66
Atos SE	1.64	448.55%	25.83%	0.38
Cenit AG	0.51	77.70%	15.83%	0.31
Datagroup SE	0.84	43.29%	15.83%	0.62
FDM Group	1.05	8.81%	25.00%	0.98
GFT Technologies SE	1.47	26.20%	15.83%	1.20
Nagarro SE	1.53	31.74%	15.83%	1.21
Median	**1.26**	**37.51%**	**15.83%**	**0.82**
Average	**1.17**	**88.45%**	**19.47%**	**0.81**

Table 2: Beta Computation based on Allgeier's Peer Group (DCF)

To determine Allgeier's beta, the median unlevered beta from the selected peers shown above was relevered utilizing Allgeier's MV-based net D/E ratio. This ratio was calculated, as of April 30, 2025, based on the company's market capitalization and total MV-based net debt. Applying Allgeier's corporate tax rate of 30% (Allgeier, 2024a, p. 138) resulted in a re-levered beta of 1.15. The peer-based calculation is presented in *Table 3*.

Relevered Beta	
Component	**Value**
Net Debt / Total Capitalization	35.85%
Equity / Total Capitalization	64.15%
Median Unlevered Beta	0.82
Allgeier's Net D/E	55.89%
Allgeier's Marginal Tax Rate	30.00%
Allgeier's Relevered Beta	1.15

Table 3: Allgeier's Relevered Beta Computation (DCF)

Additionally, a direct beta of 1.15 was estimated via a five-year regression against the STOXX Europe 600 *(Appendix 17)* to cross-validate the peer beta result. Averaging both values yields a final beta of 1.15, which is entirely in line with the industry average for Information Services in Europe reported by Damodaran (2024), standing at 1.19 based on data from 2020 to 2025.

In the final step, the market risk premium was computed utilizing historical daily return data of the Germany Software and IT Services index *(Appendix 18)* over the past five years. This sector-specific index was selected for its close alignment with Allgeier's business activities, offering a more accurate benchmark than broader market indices. The mean of daily logarithmic returns was annualized using 252 trading days, resulting in an expected market return of 10.86%. After deducting the 10-year German government bond yield of 2.50%, the implied market risk premium is 8.36%, which closely matches Allgeier's reported premium of 7.50% (Allgeier, 2024a, p. 101). Furthermore, as Germany and Switzerland accounted for 94.0% of Allgeier's revenue in FY24, and both have a country risk premium of 0.0% (Damodaran, 2025a), no additional adjustment was deemed necessary.

As shown in *Table 4,* applying the CAPM model results in a cost of equity of 12.09% for Allgeier.

Cost of Equity Computation		
Component	**Value**	**Benchmark**
Risk-Free Rate	2.50%	10-year German government bond yield
Market Risk Premium	8.36%	Germany Software and IT Services index
Beta	1.15	Avg of Peer Group and Direct Beta
Cost of Equity	**12.09%**	**CAPM**

Table 4: Cost of Equity Computation (DCF)

The cost of debt is computed based on Allgeier's credit rating, as Allgeier has no public debt, and a computation utilizing the historical cost of debt would not provide meaningful results. This approach is widely used in valuation practice, as supported by Damodaran (2012, p. 310). Although Allgeier is not rated by the leading agencies, Refinitiv provides a structural credit risk model based on equity market-derived indicators like leverage and asset volatility to compute Allgeier's one-year default probability.

Refinitiv's implied rating on Allgeier is BB, implying a one-year probability of default of 0.22%. According to Damodaran (2025b), this translates into a default spread of 1.83%, which is summed up to the risk-free rate. Combined with the 10-year German government bond yield of 2.50%, this results in a pre-tax cost of debt of 4.33%, closely matching Allgeier's reported cost of debt of 4.14% (Allgeier, 2024a, p. 101).

To complete the WACC computation, the MV's of equity and debt must be determined. As of the valuation date, April 30, 2025, the market capitalization recorded by Refinitiv was EUR 232.89m, serving as the MV of equity.

As Allgeier's debt is not publicly traded, the MV of long-term debt was estimated using the bond pricing approach (Corporate Finance Institute, 2025). Total financial debt was treated as a single coupon bond, applying the reported interest expense as the annual coupon and the weighted average maturity as the term. Short-term liabilities were retained as reported, reflecting their close alignment with market conditions. This approach resulted in an MV of debt of EUR 187.48m.

For the determination of the capital structure, net debt is used instead of gross debt, as Allgeier's cash position significantly impacts its financing structure. In FY24, cash and cash equivalents totaled EUR 57.32m, representing 30.57% of total debt. Offsetting this amount meaningfully affects the D/E ratio. Historically, Allgeier has not used its cash reserves for dividend payments

but has consistently distributed a fixed dividend of EUR 0.50 per share from annual earnings, with earnings per share (EPS) exceeding this amount since 2019. The company also maintains a solid liquidity position, with a quick ratio of 137%, ensuring coverage of short-term obligations and working capital needs (Allgeier, 2024a, p. 31), further supporting the use of net debt in the WACC calculation. Based on the reported financial liabilities and cash position, net debt totals EUR 130.17m, resulting in a final net D/E ratio of 55.89%. An overview of all input factors used for the WACC computation is provided in *Table 5.* Based on these parameters, the resulting WACC is 8.84%. Since Allgeier's leverage is expected to remain stable, the WACC is not adjusted annually for changes in the D/E ratio.

WACC Computation	
Component	**Value**
Allgeier's Capital Structure	
Cash and Equivalents	€57.32
Total MV of Debt	€187.48
Net Debt	€130.17
Net Debt / Total Capitalization	35.85%
Equity / Total Capitalization	64.15%
Net Debt / Equity	55.89%
Cost of Debt	
Cost of Debt	4.33%
Tax Rate	30.00%
After-tax Cost of Debt	**3.03%**
Cost of Equity	
Risk-free Rate	2.50%
Market Risk Premium	8.36%
Levered Beta	1.15
Country Risk Premium	0.00%
Cost of Equity	**12.09%**
WACC	**8.84%**

Table 5: Allgeier's WACC Computation (DCF)

6.1.2 Free Cash Flow

The FCF calculation for Allgeier is based on the forecasted financial items from chapter five, with details shown in *Table 6*. The calculation begins with EBIT after taxes (EBIAT) and is adjusted by adding back non-cash expenses such as D&A, while subtracting CAPEX, payments for RoU assets, and increases in NWC to capture actual cash outflows and cash tied up. As the valuation date is April 30, 2025, the initial year's FCF is discounted over 0.67 years, accounting for the fraction of the year following the valuation date. FCF rises from EUR 11.4m in FY25 to EUR 35.5m in FY30, driven by revenue growth, margin improvements through higher-value projects, and operational efficiency gains. These FCFs are discounted in the DCF model using the previously calculated WACC of 8.84%.

Allgeier Group	Historical Period				Budget Period	Projection Period				
FCF Projection (in € m)	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E
EBIT	**19.8**	**35.0**	**30.1**	**28.8**	**40.3**	**40.2**	**40.4**	**42.0**	**46.3**	**51.7**
% margin	*4.9%*	*7.3%*	*7.2%*	*7.1%*	*9.4%*	*8.8%*	*8.4%*	*8.4%*	*9.0%*	*9.7%*
% growth		*77.1%*	*(14.1%)*	*(4.3%)*	*39.9%*	*(0.3%)*	*0.4%*	*4.0%*	*10.4%*	*11.5%*
Taxes (@ 30% tax rate)	(7.7)	(8.2)	(5.9)	(2.0)	(12.1)	(12.1)	(12.1)	(12.6)	(13.9)	(15.5)
EBIAT	**12.1**	**26.9**	**24.2**	**26.8**	**28.2**	**28.1**	**28.3**	**29.4**	**32.4**	**36.2**
% margin	*3.0%*	*5.6%*	*5.8%*	*6.6%*	*6.6%*	*6.2%*	*5.9%*	*5.9%*	*6.3%*	*6.8%*
% growth		*121.8%*	*(9.8%)*	*10.5%*	*5.4%*	*(0.3%)*	*0.4%*	*4.0%*	*10.4%*	*11.5%*
Plus: D&A	18.5	27.3	25.7	28.0	19.4	22.5	25.7	29.1	32.2	33.5
% of revenue	*4.6%*	*5.7%*	*6.1%*	*7.0%*	4.5%	4.9%	5.4%	5.8%	6.2%	6.3%
Less: CAPEX	(5.2)	(7.3)	(14.5)	(12.0)	(12.8)	(15.8)	(16.6)	(17.4)	(15.4)	(13.3)
% of revenue	*1.3%*	*1.5%*	*3.4%*	*3.0%*	3.0%	3.5%	3.5%	3.5%	3.0%	2.5%
Less: Payments RoU assets	(10.7)	(11.3)	(13.7)	(13.7)	(14.7)	(15.1)	(15.5)	(15.8)	(15.9)	(15.9)
% of revenue	2.7%	2.4%	3.3%	3.4%	3.4%	3.3%	3.2%	3.2%	3.1%	3.0%
Less: Increase in NWC		(3.7)	(1.8)	(1.5)	(3.1)	(5.4)	(5.6)	(5.3)	(5.4)	(5.0)
% of revenue growth		4.8%	(3.1%)	(8.6%)	11.6%	21.4%	23.3%	25.2%	32.9%	36.7%
Less: Stub period adjustment					(5.7)	-	-	-	-	-
Unlevered Free Cash Flow					**11.4**	**14.4**	**16.2**	**19.9**	**27.8**	**35.5**
WACC					8.84%	-	-	-	-	-
Discount Period					0.67	1.67	2.67	3.67	4.67	5.67
Discount Factor					0.95	0.87	0.80	0.73	0.67	0.62
Present Value of FCF					**10.8**	**12.5**	**12.9**	**14.6**	**18.7**	**22.0**

Table 6: Allgeier's FCFF Projection (DCF)

6.1.3 Terminal Value

Allgeier's TV is computed, applying both the perpetuity growth model and the exit multiple approach. Accurately assessing a feasible long-term growth rate is crucial, as the TV heavily influences the overall valuation. As companies grow, maintaining high growth rates becomes more challenging, often leading to growth rates that align with or fall below the economy in which they operate (Damodaran, 2012, p. 439). Firstly, Allgeier's TV is calculated using the perpetual growth method, which requires an assumption for long-term growth. This stable rate is applied to the final forecast year's FCFF and then discounted using the WACC.

To determine a reasonable terminal growth rate, several benchmarks were considered, including the DACH IT Services market, Germany's Information and Communication sector, and overall German GDP growth. Although the DACH IT Services market grew at a CAGR of 10.0% from FY20 to FY24 and is projected to slow to around 6.9% by 2026 (*Figure 10*), these rates are not sustainable in perpetuity. Similarly, growth in Germany's Information and Communication sector shows a downward trend, with 3.7% in 2023 and 2.5% in 2024. Given Allgeier's primary exposure to the German market, which experienced consecutive recessions in 2023 (-0.3%) and 2024 (-0.2%), a long-term nominal GDP growth rate of approximately 2% was considered the most suitable benchmark. Accordingly, a terminal growth rate of 2.0% was applied, as presented in *Table 7.*

Additionally, an exit multiple approach is used. Thereby, an exit multiple of 7.9x EBITDA is assumed, representing the median of Allgeier's "European IT Services Companies " peer group *(Table 14).* This reflects Allgeier's positioning in the middle of the sector in terms of both operational and financial performance. Applying the multiple to FY30 EBITDA and

discounting the result yields a TV of EUR 419.1m. As expected, this figure exceeds the perpetual growth outcome of EUR 327.8m for the PV of the TV, reflecting the acquisition premiums typically embedded in trading multiples. Adding the PV of this TV to the cumulative PV of all FCF's results in an EV of EUR 510.6m for the exit multiple approach. Meanwhile, applying the same approach to calculate the EV using the perpetual growth method results in an EV of EUR 419.2m.

6.1.4 Implied Share Price

Once the EV is derived via the DCF approach, equity value and implied share price are calculated by adjusting for net debt and other financial items. The perpetual growth approach yields an EV of EUR 419.2m, while the exit multiple approach results in an EV of EUR 510.6m, adjustments for both involve deducting the MV debt of EUR 187.5m and non-controlling interests of EUR 54.7m, while adding cash and cash equivalents of EUR 57.3m. As presented in *Table 7*, this yields equity values of EUR 234.3m using the perpetual growth model and EUR 325.7m under the exit multiple method.

Enterprise Value (Exit Multiple Method)	
Cumulative Present Value of FCF	**91.5**
Terminal Value	
Terminal Year EBITDA (2030E)	85.2
Terminal Year LTM EV/EBITDA (2030E)	7.9x
Terminal Value	**677.3**
Discount Factor	0.62
Present Value of Terminal Value	**419.1**
% of Enterprise Value	*82.1%*
Enterprise Value	**510.6**

Implied Equity Value and Share Price	
Enterprise Value	510.6
Less: MV Total Debt	(187.5)
Less: Noncontrolling Interest	(54.7)
Plus: Cash and Cash Equivalents	57.3
Implied Equity Value	**325.7**
Fully Diluted Shares Outstanding	11.5
Implied Share Price	**28.39**

Enterprise Value (Perpetuity Growth Method)	
Cumulative Present Value of FCF	**91.5**
Terminal Value	
Terminal Year Free Cash Flow (2030E)	35.5
WACC	8.8%
Perpetuity Growth Rate	2.00%
Terminal Value	**529.7**
Discount Factor	0.62
Present Value of Terminal Value	**327.8**
% of Enterprise Value	78.2%
Enterprise Value	**419.2**

Implied Equity Value and Share Price	
Enterprise Value	419.2
Less: MV Total Debt	(187.5)
Less: Noncontrolling Interest	(54.7)
Plus: Cash and Cash Equivalents	57.3
Implied Equity Value	**234.3**
Fully Diluted Shares Outstanding	11.5
Implied Share Price	**20.43**

Implied LTM Apr-25 EV/EBITDA	
Enterprise Value	419.2
LTM Apr-25 EBITDA	57.8
Implied LTM Apr-25 EV/EBITDA	**7.3x**

Table 7: Allgeier's Share Price Calculation (DCF)

Based on 11.5m shares outstanding, the corresponding share prices are EUR 20.43 and EUR 28.39. Therefore, this valuation implies upside potentials of 0.62% and 39.84% compared to Allgeier's prevailing share price of EUR 20.3 on April 30, 2025.

6.2 APV Valuation

The next valuation approach employed to evaluate Allgeier's intrinsic worth is the APV methodology. For this approach, the same input factors as in the standard DCF valuation are utilized. However, within the APV framework, FCF's are discounted using the unlevered cost of equity, computed at 9.39%. The FCF for 2025 is multiplied by 0.67 to reflect the portion of the year remaining from the valuation date on April 30, 2025. The TV is computed using the perpetual growth model with a 2.00% growth rate, consistent with the DCF assumptions, as shown in *Table 8* and *Table 9*.

Unlevered Cost of Equity	
Unlevered Cost of Equity	9.39%
Levered Cost of Equity	12.09%
Debt Weight	44.60%
Cost of Debt	4.33%
Tax Rate	30.00%

Table 8: Computation of Unlevered Cost of Equity (APV)

Consolidated Free Cash Flow (in EUR m)	Budget Period	Projection Period					
	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E	TV
Discount Period	0.67	1.67	2.67	3.67	4.67	5.67	
FCFF	11.4	14.4	16.2	19.9	27.8	35.5	490.24
% change in FCFF		*26.2%*	*12.8%*	*22.9%*	*39.8%*	*27.7%*	
Cost of Equity	*9.4%*	*9.4%*	*9.4%*	*9.4%*	*9.4%*	*9.4%*	*9.4%*
PV (FCFF)	7.2	12.4	12.8	14.3	18.3	21.4	294.69
Unlevered EV							*380.96*

Table 9: FCF Computation (APV)

Following this, the PV of tax shield benefits is determined by multiplying the debt across each period by the marginal tax rate and the cost of debt. These tax benefits are subsequently discounted at the cost of debt, as shown in *Table 10*. The PV's of the ITS are then summed up and added to the EV.

Interest Tax Shield (in EUR m)	Budget Period	Projection Period					
	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E	TV
Total Debt (Avg t & t-1)	185.26	183.84	182.48	181.18	179.92	178.72	
Marginal Tax Rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	
Cost of Debt	**4.3%**	**4.3%**	**4.3%**	**4.3%**	**4.3%**	**4.3%**	**4.3%**
Interest Tax Shield	2.41	2.39	2.37	2.35	2.34	2.32	101.63
PV(Interest Tax Shield)	**1.57**	**2.22**	**2.12**	**2.01**	**1.92**	**1.83**	**79.92**

Table 10: Computation of the Interest Tax Shield (APV)

Finally, possible bankruptcy costs must be estimated and deducted from the EV. According to Refinitiv Eikon's structural credit risk model, Allgeier's default probability amounts to 0.22%.

The projected cost of financial distress is estimated at roughly 25% of the unlevered firm value, aligning with perspectives in academic literature (Shapiro & Titman, 1985), which assesses bankruptcy costs as a fraction of the unlevered EV.

As illustrated in *Table 11*, the APV methodology results in a levered EV of EUR 472.3m. Utilizing the same inputs as in the DCF, the EV to equity bridge yields an equity value of EUR 287.4m. This translates into an implied share price of EUR 25.06, representing a substantial upward potential of around (23.4%) relative to the prevailing market price as of 30 April 2025.

Unlevered Cost of Equity	
Unlevered Cost of Equity	9.39%
Perpetual Growth Rate	2.00%
Perpetual Growth ITS	2.00%
Probability of Default (Refinitiv Eikon)	0.22%
Bankruptcy Costs (Shapiro & Titman, 1985)	25.00%
# Shares Oustanding (in m)	11.5

APV EV Computation	
Unlevered Enterprise Value	380.96
Plus: PV (Interest Tax Shield)	91.59
Less: Bankruptcy Costs	(0.2)
Levered Enterprise Value	€472.3
Less: MV of Total Debt	(187.5)
Less: Noncontrolling interest	(54.7)
Plus: Cash and Equivalents	57.3
Equity Value	287.4
Implied Share Price	25.06

Upside/Downside Potential	
Share Price (as of April 30, 2025)	20.30
Upside Potential (Perpetual Growth)	*23.43%*

Table 11: Equity Bridge Computation (APV)

6.3 Relative Valuation

Alongside intrinsic valuation, a relative valuation, specifically a comparable company and transaction multiple analysis, was performed to validate the previous results and incorporate the current market sentiment of peer firms, which may not be fully reflected in the DCF and

APV outcomes. To ensure a comprehensive comparison, three public peer groups were identified, reflecting Allgeier's operational focus in the IT Services sector, namely European IT Services companies, Global IT Services companies, and Indian IT Services firms. These peers were selected based on similar size, business models, regional exposure, long-term growth, profitability, and capital structure. Key financial and operational metrics, such as market capitalization, net income margin, revenue growth, and sales per FTE growth, position Allgeier centrally within this group, with detailed benchmarking provided in *Appendices 12, 13, and 14.*

For the selected peer groups, EV/EBITDA multiples for the next twelve months (NTM) and last twelve months (LTM) were obtained from CapitalIQ. These were then applied to Allgeier's projected NTM and LTM EBITDA, as calculated in *Table 12*, to derive the implied valuation shown in *Table 13*. Furthermore, Allgeier's calculated LTM EBITDA will subsequently serve as the basis for the transaction comparables valuation. The exclusive use of EV/EBITDA multiples in this analysis was intentional. EV/Revenue multiples were deemed unsuitable due to significant variations in profit margins across firms, while P/E multiples were considered inappropriate owing to distortions caused by differing capital structures and tax rates across regions. Consequently, EV/EBITDA was selected for its ability to isolate operating performance from differences in capital structure and taxation, thereby ensuring a consistent and comparable valuation framework for Allgeier.

Allgeier's Financials	EBITDA
FY25E	59.7
Fraction Factor	0.67
Attributable FY25	39.8
FY26E	62.7
Fraction Factor	0.33
Attributable FY26	20.9
F12M	60.7

Allgeier's Financials	EBITDA
FY24A	56.8
Fraction Factor	0.67
Attributable FY24	38.0
FY25E	59.7
Fraction Factor	0.33
Attributable FY25	19.7
L12M	57.8

Table 12: Allgeier's F12M and L12M Computation (Trading Multiples)

Trading Comparables	EV/EBITDA F12M	Avg. EV/EBITDA	EV/EBITDA L12M
European IT Services Companies	6.7x	7.3x	7.9x
EBITDA April 25	60.7	59.3	57.8
Implied EV	406.0	433.5	459.3
Implied Equity Value	221.1	248.7	274.4
Implied Share Price	**19.27**	**21.67**	**23.92**

Table 13: Implied Share Price Computation (Trading Multiples)

The final outcome of the relative valuation, derived by applying the median NTM and LTM EV/EBITDA multiple of the peer group to Allgeier's projected NTM and LTM EBITDA, results in an implied share price range between EUR 19.27 and EUR 23.92. A comparison of

the base case estimates reveals that the trading comparables approach yields a midpoint valuation of EUR 21.67 per share, positioned between the DCF valuation using the perpetual growth method (EUR 20.43) and the APV valuation (EUR 25.06). While LTM and NTM multiples reflect short-term market trends and investor sentiment, the DCF and APV approaches incorporate long-term performance expectations, thereby balancing these market-driven fluctuations and offering a more comprehensive perspective on Allgeier's intrinsic value. The detailed summary of trading multiples for the peer group companies is presented in *Table 14.*

European IT Services Companies (< €1bn Market Cap)	EV/Revenue F12M	EV/EBITDA L12M	EV/EBITDA F12M	P/E F12M
Adesso SE	0.6x	10.5x	6.7x	23.4x
Assystem SA	1.1x	18.4x	12.0x	20.8x
Atos SE	0.2x	4.8x	2.4x	0.0x
Cenit AG	0.5x	6.4x	5.2x	15.9x
Datagroup SE	1.1x	8.7x	6.9x	14.7x
FDM Group	0.7x	5.2x	5.1x	16.2x
GFT Technologies SE	0.8x	8.5x	7.7x	13.8x
Nagarro SE	1.0x	7.4x	6.7x	12.5x
Median	**0.8x**	**7.9x**	**6.7x**	**15.3x**
Mean	0.7x	8.7x	6.6x	14.7x

Global IT Services Companies (> €1bn Market Cap)	EV/Revenue F12M	EV/EBITDA L12M	EV/EBITDA F12M	P/E F12M
Accenture Plc	2.7x	16.1x	14.2x	20.3x
Bechtle AG	0.7x	11.3x	9.8x	19.5x
Capgemini SE	1.2x	9.0x	8.1x	12.0x
Cognizant Technology	1.8x	10.5x	9.5x	13.2x
EPAM Systems, Inc.	1.4x	10.5x	8.6x	12.6x
Indra Sistemas, S.A.	1.0x	9.8x	7.9x	15.0x
NTT DATA Group Corp.	1.6x	11.1x	9.8x	0.1x
Sopra Steria Group SA	0.8x	6.9x	6.4x	10.5x
Median	**1.3x**	**10.5x**	**9.1x**	**12.9x**
Mean	1.4x	10.6x	9.3x	12.9x

Indian IT Services Companies	EV/Revenue F12M	EV/EBITDA L12M	EV/EBITDA F12M	P/E F12M
Infosys Limited	3.5x	16.1x	14.6x	n.a.
Tata Consultancy Services	4.7x	19.4x	17.9x	n.a.
Wipro Limited	2.4x	12.8x	12.0x	n.a.
Median	**3.5x**	**16.1x**	**14.6x**	**n.a.**
Mean	3.6x	16.1x	14.8x	n.a.

Table 14: Allgeier's Peer Group Trading Multiples

In addition, as shown in *Appendix 15, re*cent M&A transactions within the European IT Services sector were analyzed across five strategic sub-segments, namely Generalist IT Services, Implementation Platforms, Application Development, Digital Transformation Specialists, and Cloud-Focused Players. Allgeier is operating in the Generalist IT Services segment, where the median EV/LY EBITDA transaction multiple was 12.5x. As illustrated in *Table 15*, applying this multiple to Allgeier's LTM EBITDA results in an implied EV of EUR 722.4m, corresponding to a base case share price of EUR 46.9. This suggests a substantial upside potential of 130.8% relative to the market price observed on the valuation date.

Transaction Comparables	25 % Percentile	EV / LY EBITDA	75 % Percentile
Transaction Multiples	10.3x	12.5x	12.6x
EBITDA LTM	57.8	57.8	57.8
Implied EV	596.7	722.4	729.7
Implied Equity Value	411.8	537.5	544.8
Implied Share Price	35.9	46.9	47.5

Table 15: Implied Share Price Computation (Transaction Multiples)

Notably, private IT Services companies tend to transact at higher multiples than their publicly listed peers. This valuation premium is driven by stronger historical growth trajectories, the scarcity of high-quality private assets, and the control premium paid by buyers (McKinsey & Company, 2017; Gartner Research, 2024). As a result, private businesses are generally valued at higher levels than listed IT Services companies such as Allgeier.

The relative valuation methods were not used to derive the final target price recommendation, but instead served as a sanity check for the implied DCF-based multiples, supporting the assumption that a 7.9x exit multiple is an achievable assumption.

6.4 Sensitivity Analysis and Valuation Summary

Lastly, to establish a definitive target share price for Allgeier as of 30 April 2025, the outcomes of the two intrinsic valuation frameworks, specifically the APV and conventional DCF method, are subjected to closer examination. A sensitivity analysis was conducted to examine how key input parameters affect the implied share price. Under the conventional DCF framework, the WACC's sensitivity is assessed alongside the perpetual growth rate and the exit multiple.

As depicted in *Table 16* the share price derived under the perpetual growth approach spans from EUR 17.34 to EUR 24.34. Conversely, applying the EBITDA-based exit multiple method results in a share price range of EUR 23.03 to EUR 33.96.

Share Price (in EUR)					
	WACC				
EBITDA Exit Multiple	9.2%	9.0%	8.8%	8.6%	8.4%
6.9x	23.03	23.41	23.79	24.18	24.57
7.4x	25.28	25.68	26.09	26.50	26.92
7.9x	27.53	27.96	28.39	28.82	29.26
8.4x	29.78	30.23	30.69	31.15	31.61
8.9x	32.03	32.51	32.98	33.47	33.96

Share Price (in EUR)					
	WACC				
Perpetual Growth	9.2%	9.0%	8.8%	8.6%	8.4%
1.6%	17.34	18.02	18.74	19.51	20.31
1.8%	18.07	18.80	19.56	20.37	21.23
2.0%	18.85	19.62	20.43	21.29	22.20
2.2%	19.67	20.48	21.34	22.26	23.23
2.4%	20.54	21.40	22.32	23.30	24.34

Table 16: Sensitivity Analysis (DCF)

Similarly, a sensitivity analysis is conducted for the APV framework, examining the unlevered cost of equity in relation to the FCFF TV growth rate and the ITS TV growth rate. The sensitivity assessment within the APV model in *Table 17* demonstrates that the implied share price interval linked to the TV FCFF growth rate surpasses that related to the TV ITS growth rate. This variation is anticipated, as FCF's represent a more significant portion of the EV than the ITS. Combining the results of both tables leads to a derived share price ranging from EUR 21.88 to EUR 28.99.

Share Price (in EUR)					
	Unlevered Cost of Equity				
TV Growth	9.8%	9.6%	9.4%	9.2%	9.0%
1.6%	21.88	22.74	23.64	24.59	25.59
1.8%	22.50	23.39	24.33	25.32	26.37
2.0%	23.14	24.07	25.06	26.10	27.20
2.2%	23.81	24.79	25.82	26.91	28.07
2.4%	24.53	25.55	26.63	27.78	28.99

Share Price (in EUR)					
	Unlevered Cost of Equity				
ITS Perpetual Growth	9.8%	9.6%	9.4%	9.2%	9.0%
1.6%	22.09	23.03	24.01	25.05	26.15
1.8%	22.58	23.51	24.49	25.53	26.63
2.0%	23.14	24.07	25.06	26.10	27.20
2.2%	23.81	24.74	25.72	26.76	27.87
2.4%	24.62	25.55	26.53	27.57	28.67

Table 17: Sensitivity Analysis (APV)

The final recommended target share price for Allgeier is obtained by determining the average of the share price derived from the APV approach, along with the median of the DCF results. As depicted in *Figure 24* this yields a fair value of EUR 24.73 per share as of April 30, 2025. In comparison to the current market price of EUR 20.30 on 30 April 2025, this target price reflects an upside potential of 21.83%, indicating a promising investment for investors.

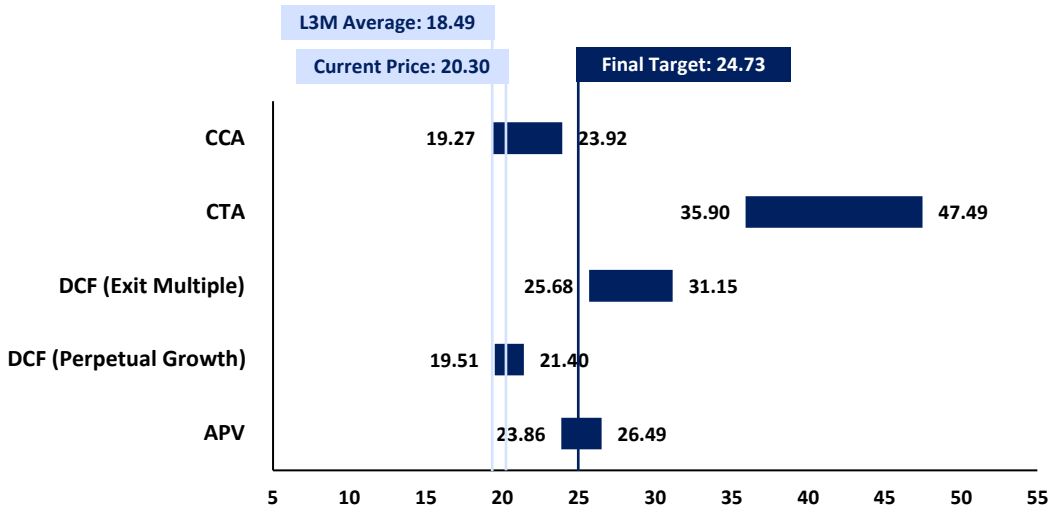


Figure 24: Allgeier's Valuation Football Field Using Case Scenarios

In conclusion, this substantial premium over the market price is driven by Allgeier's strategic shift to high-margin software services, rising demand and investments in digitalization across all sectors, as well as easing client budget constraints, which are expected to significantly boost future cash flows.

Finally, a comprehensive summary of the valuation results is provided in *Appendix 16*.

7 Comparison of Valuation Results with Analyst Report

After deriving the fair value for Allgeier as of April 30, 2025, based on a detailed DCF model, the implied share price of EUR 20.43 is compared to the Berenberg analyst report, published on August 16, 2024, which sets a target price of EUR 22.00. While the thesis valuation is slightly lower, both assessments indicate that Allgeier's stock is undervalued as of April 30, 2025, when the share price stood at EUR 20.30. Although both valuations are based on a DCF model using the perpetual growth method, they differ in key assumptions and forecast horizons. *Table 18* and *Table 19* summarize the DCF models' inputs as well as their key financial metrics.

One key difference is the applied WACC, which is 8.84% in this thesis and 8.40% in the Berenberg model. This slight variation stems from differing inputs. The thesis applies a lower cost of debt (4.33% vs. 5.30%) and a higher tax rate (30% vs. 26%), which lowers the after-tax cost of debt. The cost of equity is slightly higher in the thesis at 12.09% compared to Berenberg's 11.90%. While both models use similar betas (1.15 vs. 1.28) and risk-free rates (2.50% vs. 2.30%), the equity risk premium in this thesis is higher (8.36% vs. 7.50%), reflecting a more cautious stance based on developments since the publication of the analyst report in August 2024, including increased macroeconomic and geopolitical uncertainty such as persistent inflation, heightened interest rate volatility, and renewed global trade tensions. These inputs collectively result in a slightly higher WACC, which in turn lowers the thesis valuation.

Another significant difference lies in the projection horizon. Berenberg uses a three-year forecast (FY24–FY26), while this thesis extends to FY30. The extended period better captures Allgeier's strategic repositioning toward higher-margin areas and reflects operational improvements such as recovering public digitalization demand, rising utilization, and efficiency gains. These developments are not fully reflected in Berenberg's shorter horizon. This thesis also derives a TV of EUR 327.8m based on a 2.00% perpetual growth rate, compared to Berenberg's EUR 253.0m. Consequently, the higher TV in the thesis DCF model results not from overly optimistic long-term assumptions, but from a structurally higher cash flow base at the transition point into perpetuity.

A comparison of financial projections reveals systematic differences across the forecast period, ranging from top to bottom line. Revenue in FY26 is 18% lower in this thesis (EUR 455.0m vs. 556.7m) due to the exclusion of the Experts Group following its divestiture in October 2024, which is not considered in the Berenberg model. Berenberg's growth assumptions also appear optimistic given the challenging macroeconomic environment and delays in public sector

projects. These differences extend through the income statement, with the thesis projecting lower FY26 EBITDA (EUR 62.7m vs. 65.3m), EBIT (EUR 40.2m vs. 42.8m), and net income (EUR 21.8m vs. 25.0m), while margins remain broadly aligned. Meanwhile, CAPEX is slightly higher in both absolute (EUR 15.8m vs. 13.3m) and relative (3.5% vs. 2.4%) terms in the thesis for FY26.

In conclusion, both valuations support a positive long-term outlook for Allgeier. While this thesis arrives at a slightly lower implied share price than Berenberg's target price, the result reflects more conservative assumptions, particularly regarding the cost of capital and bottom-line projections. Nevertheless, the valuation remains within a plausible range, reinforcing its robustness. Since Allgeier is unlikely to reach a steady state by FY26, the extended forecast horizon to FY30 enables a more realistic transition into maturity. In doing so, this thesis captures strategic repositioning and operational improvements, developments that are not fully reflected in Berenberg's shorter projection.

Analyst Report Comparison - DCF (Perpetual Growth Method)		Thesis Analysis	Berenberg
Share Price (as of April 30, 2025)	EUR 20.30		
Date of Valuation		April 30, 2025	August 16, 2024
Price Target (DCF - Perpetual Growth Method)	EUR	20.43	22.00
Forecast Horizon	Years	FY25B-FY30E	FY24E-FY26E
Risk-Free Rate	%	2.5%	2.3%
Equity Risk Premium	%	8.36%	7.50%
Levered Beta	%	1.15	1.28
Cost of Equity	%	12.09%	11.90%
Cost of Debt (pre-tax)	%	4.33%	5.30%
Tax Rate	%	30%	26%
WACC	%	8.84%	8.40%
Terminal Growth	%	2.00%	2.00%
PV Terminal Value	EUR m	327.8	253.0

Table 18: Comparison of Key DCF Inputs Between Thesis Valuation and Analyst Report

Analyst Report Comparison - Key Financials		FY24A/E	FY25E	FY26E
Total Revenue (EUR m)	Thesis Analysis	403.0	430.0	455.0
	Berenberg	476.3	517.8	556.7
EBITDA (EUR m)	Thesis Analysis	56.8	59.7	62.7
	Berenberg	67.6	63.9	65.3
EBITDA Margin (%)	Thesis Analysis	14.1%	13.9%	13.8%
	Berenberg	14.2%	12.3%	11.7%
EBIT (EUR m)	Thesis Analysis	28.8	40.3	40.2
	Berenberg	42.5	39.8	42.8
EBIT Margin (%)	Thesis Analysis	7.1%	9.4%	8.8%
	Berenberg	8.9%	7.7%	7.7%
Net Income (EUR m)	Thesis Analysis	13.9	21.8	21.8
	Berenberg	25.7	23.2	25.0
CAPEX (EUR m)	Thesis Analysis	12.0	12.8	15.8
	Berenberg	13.2	13.8	13.3
CAPEX (% Revenue)	Thesis Analysis	3.0%	3.0%	3.5%
	Berenberg	2.7%	2.6%	2.4%
Change in OWC (EUR m)	Thesis Analysis	(1.5)	(3.1)	(5.4)
	Berenberg	1.2	(3.6)	(3.4)
D&A (EUR m)	Thesis Analysis	28.0	19.4	22.5
	Berenberg	25.1	24.1	22.5
D&A (% Revenue)	Thesis Analysis	7.0%	4.5%	4.9%
	Berenberg	5.3%	4.7%	4.0%

Table 19: Comparison of Key Financials Between Thesis Valuation and Analyst Report

8 Appendix

Appendix 1: Overview of Other Valuation Methods (Literature Review)

Balance Sheet Method

Balance sheet valuation estimates a firm's value based on the book value (BV) of its assets. These methods offer a static snapshot of financial position and ignore future growth potential, assuming the balance sheet reflects true firm value (Fernandez, 2023, pp. 3-4).

The BV method calculates equity by subtracting total liabilities from total assets. However, due to accounting conventions and divergence from market prices, BV's often differ from MV's (Fernandez, 2023, p. 3).

Meanwhile, the liquidation value approach determines a company's minimum value by assuming all assets are sold, and liabilities are settled immediately. This process involves subtracting the cost of liquidation from the value of the assets minus liabilities (Damodaran, 2012, p. 49).

Finally, the substantial value method assesses the expenses required to rebuild the firm being valued under similar circumstances, assuming ongoing operations. It focuses on rebuilding operational capacity rather than selling assets and excludes non-operational assets like unused holdings in other companies (Fernandez, 2023, p. 4).

Contingent Claim Valuation Method

Contingent Claim Valuation recognizes that a company's value may exceed the PV of its cash flows when those cash flows depend on specific future events. This method is especially relevant for option-like assets such as patents, whose value stems from potential future opportunities rather than current cash flows. It applies option pricing models to assess value based on whether certain conditions are met. This approach is useful when traditional valuation methods fail to capture event-dependent value (Damodaran, 2012, pp. 51-52).

Despite its relevance, contingent claim valuation has notable limitations. Estimating model parameters for unlisted firms is challenging and error prone. Additionally, the method assumes constant variance and dividend yield, which may be reasonable for short-term options but unrealistic for long-term applications (Damodaran, 2012, pp. 53-54).

Sum-of-the-Parts Valuation Method (SOTP)

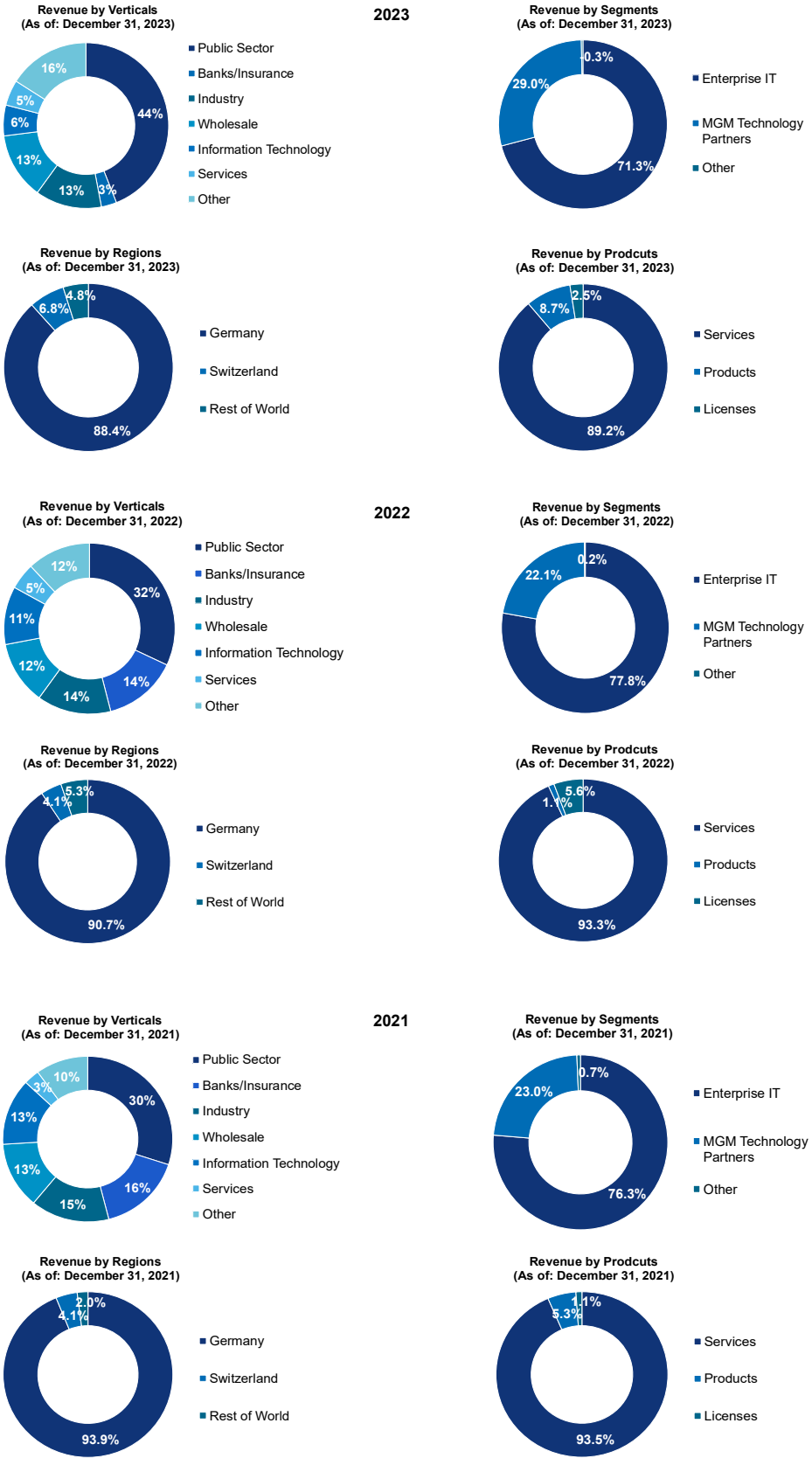
Instead of valuing the firm as a single cash-generating entity, this approach assesses each business segment individually and aggregates them to determine the overall EV. It is beneficial for valuing conglomerates or firms operating across multiple sectors (Brotherson et al., 2014, p. 5).

Appendix 2: Reasoning for Choice of Valuation Methods for Allgeier

This chapter has reviewed various valuation methods to identify the most appropriate approaches for valuing Allgeier SE. The DCF method based on FCFF is applied due to Allgeier's strong market position, stable operations, and clearly identifiable cash flow drivers. The APV method is also applied, as Allgeier's anticipated shift by financial year (FY)30, marked by rising cash balances and stable debt, requires capturing changes in capital structure and associated financing benefits. Additionally, a relative valuation analysis is conducted using comparable companies and precedent transactions to assess Allgeier's performance relative to its industry peers, triangulating the intrinsic valuation methods with relative ones.

However, other methods were deemed less suitable. Among others, the DDM was considered unsuitable, as Allgeier's dividend payments have remained constant at EUR 0.5 per share for seven consecutive years (2018–2024), despite significant fluctuations in earnings and FCFE, and therefore do not adequately reflect the company's true earnings potential and growth prospects, which could lead to a material undervaluation. Meanwhile, the Sum-of-the-Parts (SOTP) method is inappropriate given Allgeier's two closely related business units, both focused on IT Services and customer-specific software services, rather than distinct operations. Likewise, contingent claim valuation is also not applicable, as Allgeier's intangible assets primarily consist of software, customer relationships, and goodwill rather than option-like components such as patents. The company's stock options program is limited to executive remuneration and does not influence overall valuation. Finally, balance sheet-based methods are also unsuitable since they focus on historical cost and fail to capture the company's future earnings potential and growth prospects. Therefore, conventional valuation methodologies remain the most applicable for Allgeier.

Appendix 3: Allgeier Group's Revenue Split Development (2021-2023)



Appendix 4: Allgeier Group's Historical Income Statement

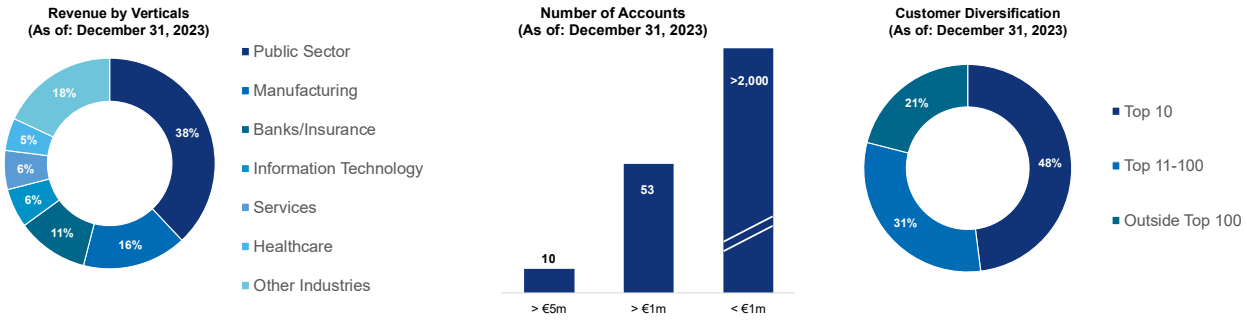
Allgeier Group | Income Statement (in € m)	Historical Period				
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	CAGR 21'-24'
Enterprise IT	307.8	372.8	300.0	277.6	*(3.4%)*
% growth	*11.6%*	*21.1%*	*(19.5%)*	*(7.5%)*	
% of total revenue	*76.3%*	*77.8%*	*71.3%*	*68.9%*	
Mgm Technology Partners	92.8	105.7	121.9	124.6	*10.3%*
% growth	*19.5%*	*13.9%*	*15.3%*	*2.2%*	
% of total revenue	*23.0%*	*22.1%*	*28.98%*	*30.9%*	
Other revenue	2.7	0.9	(1.3)	0.8	*(32.6%)*
% growth	*(29.8%)*	*(67.7%)*	*(251.4%)*	*(162.5%)*	
% of total revenue	*0.7%*	*0.2%*	*(0.3%)*	*0.2%*	
Total revenue	**403.3**	**479.4**	**420.6**	**403.0**	***(0.0%)***
% growth	*14.7%*	*18.9%*	*(12.3%)*	*(4.2%)*	
Other own work capitalized	1.0	6.9	7.5	7.9	*99.7%*
% growth	*6.4%*	*595.0%*	*8.1%*	*5.9%*	
% total revenue	*0.2%*	*1.4%*	*1.8%*	*2.0%*	
Other operating income	5.6	7.8	6.5	13.5	*33.7%*
% growth	*60.3%*	*38.3%*	*(16.1%)*	*106.1%*	
% total revenue	*1.4%*	*1.6%*	*1.6%*	*3.3%*	
Total other operating income	**6.6**	**14.7**	**14.0**	**21.4**	***47.8%***
% growth	*48.9%*	*122.0%*	*(4.7%)*	*52.6%*	
Cost of materials	(156.6)	(173.3)	(112.8)	(88.8)	*(17.2%)*
% growth	*6.5%*	*10.7%*	*(34.9%)*	*(21.3%)*	
% total revenue	*(38.8%)*	*(36.2%)*	*(26.8%)*	*(22.0%)*	
Staff costs	(188.0)	(224.0)	(229.2)	(239.0)	*8.3%*
% growth	*18.0%*	*19.1%*	*2.3%*	*4.3%*	
% total revenue	*(46.6%)*	*(46.7%)*	*(54.5%)*	*(59.3%)*	
Impairment on trade receivables and contract assets	(1.4)	(0.7)	(0.6)	(0.7)	*(18.7%)*
% growth	*(10.6%)*	*(46.2%)*	*(18.1%)*	*22.2%*	
% total revenue	*(0.3%)*	*(0.2%)*	*(0.1%)*	*(0.2%)*	
Other OPEX	(25.7)	(33.7)	(36.2)	(39.0)	*14.9%*
% growth	*3.2%*	*31.1%*	*7.4%*	*7.6%*	
% total revenue	*(6.4%)*	*(7.0%)*	*(8.6%)*	*(9.7%)*	
Total OPEX	**(371.7)**	**(431.8)**	**(378.8)**	**(367.5)**	***(0.4%)***
% total revenue	(92.2%)	(90.1%)	(90.1%)	(91.2%)	
EBITDA	**38.3**	**62.3**	**55.8**	**56.8**	***14.1%***
% growth	*63.9%*	*62.8%*	*(10.5%)*	*1.9%*	
% margin	*9.5%*	*13.0%*	*13.3%*	*14.1%*	
D&A and impairment	(18.5)	(27.3)	(25.7)	(28.0)	*14.8%*
% growth	*13.5%*	*47.6%*	*(6.0%)*	*9.2%*	
% total revenue	*(4.6%)*	*(5.7%)*	*(6.1%)*	*(7.0%)*	
EBIT	**19.8**	**35.0**	**30.1**	**28.8**	***13.4%***
% growth	*180.1%*	*77.1%*	*(14.1%)*	*(4.3%)*	
% margin	*4.9%*	*7.3%*	*7.2%*	*7.1%*	
Finance income	3.8	2.8	2.1	0.4	*(52.8%)*
% growth	*565.5%*	*(26.7%)*	*(24.9%)*	*(80.9%)*	
% total revenue	*0.9%*	*0.6%*	*0.5%*	*0.1%*	
Financial expenses	(3.4)	(7.4)	(10.5)	(13.2)	*57.6%*
% growth	*519.8%*	*120.5%*	*40.4%*	*26.4%*	
% total revenue	*(0.8%)*	*(1.6%)*	*(2.5%)*	*(3.3%)*	
Net income from investments accounted for equity method	(0.0)	0.0	0.0	0.0	*(100.0%)*
% growth	-	*(100.0%)*	-	-	
% total revenue	*(0.0%)*	-	-	-	
EBT	**20.2**	**30.4**	**21.7**	**16.0**	***(7.4%)***
% growth	*146.7%*	*50.5%*	*(28.4%)*	*(26.4%)*	
% margin	*5.0%*	*6.3%*	*5.2%*	*4.0%*	
Net income taxes	(7.7)	(8.2)	(5.9)	(2.0)	*(35.7%)*
% growth	*7.7%*	*6.5%*	*(28.2%)*	*(65.2%)*	
% total revenue	*(1.9%)*	*(1.7%)*	*(1.4%)*	*(0.5%)*	
Net Income	**12.5**	**22.2**	**15.9**	**13.9**	***3.7%***
% growth	*1,086.6%*	*77.6%*	*(28.5%)*	*(12.0%)*	
% total revenue	*3.1%*	*4.6%*	*3.8%*	*3.5%*	

Appendix 5: Allgeier Group's Historical Balance Sheet

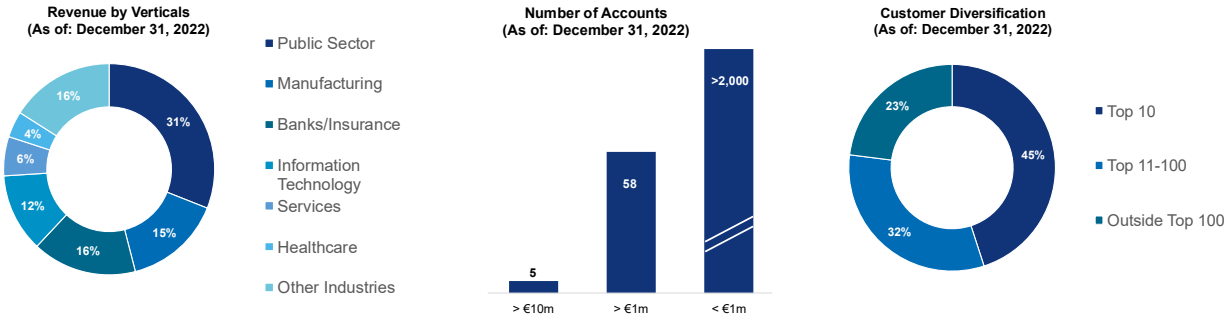
Allgeier Group | Balance Sheet (in € m)	Historical Period			
	Dec-21A	Dec-22A	Dec-23A	Dec-24A
ASSETS				
Intangible assets	281.1	282.9	290.4	277.7
Property, plant and equipment	7.6	9.4	9.8	7.8
Right-of-use assets from leases	41.3	39.7	44.0	35.2
Non-current contract costs	-	0.4	0.3	0.1
Other non-current financial assets	8.4	9.9	8.2	5.4
Other non-current assets	0.4	1.0	0.6	1.0
Deferred tax assets	1.3	2.4	4.6	5.8
Non-current assets	**340.2**	**345.7**	**358.0**	**333.1**
Inventories	1.2	2.5	1.2	1.4
Current contract costs	-	0.1	0.1	0.3
Contract assets	2.5	3.4	1.7	4.4
Trade receivables	62.3	66.9	68.2	61.4
Other current financial assets	1.9	1.5	2.6	1.6
Other current assets	5.8	4.4	6.1	6.8
Income tax receivables	1.5	1.3	3.8	4.5
Cash	69.4	87.4	83.0	57.3
Assets held for sale	0.1	-	-	-
Current assets	**144.8**	**167.6**	**166.7**	**137.6**
Total Assets	**485.0**	**513.3**	**524.8**	**470.7**
EQUITY AND LIABILITIES				
Issued capital	11.4	11.4	11.4	11.5
Capital reserves	71.2	71.4	71.5	71.9
Retained earnings	0.1	0.1	0.1	0.1
Profit carryforward	19.9	22.5	37.8	44.6
Profit or loss for the period	11.8	21.6	13.1	7.3
Changes in equity in accumulated OCI	0.5	5.1	4.7	4.1
Equity attributable to shareholders of the parent company	114.9	132.2	138.6	139.5
Equity attributable to non-controlling shareholders	48.0	48.7	50.6	54.7
Equity	**162.9**	**180.8**	**189.2**	**194.2**
Non-current financial liabilities	123.5	130.4	139.6	144.3
Non-current liabilities from rental and lease agreements	35.7	33.9	34.5	25.2
Long-term provisions for post-employment benefit costs	1.1	1.1	1.1	1.0
Other long-term provisions	0.3	0.3	0.3	0.3
Non-current contract liabilities	0.1	1.0	0.3	0.1
Other non-current financial liabilities	41.8	26.3	16.3	10.8
Deferred tax liabilities	7.7	9.0	9.2	8.0
Non-current liabilities	**210.2**	**202.0**	**201.3**	**189.7**
Current financial liabilities	14.9	19.8	14.5	4.8
Current liabilities from rental and lease agreements	8.8	9.1	11.3	11.3
Short-term provisions for post-employment benefit costs	0.1	0.0	0.0	0.0
Other short-term provisions	17.9	16.2	16.1	15.3
Current contract liabilities	6.8	5.4	5.0	7.6
Trade payables	25.1	28.3	26.9	19.6
Other current financial liabilities	18.0	30.4	37.8	17.4
Other current liabilities	4.7	6.1	7.8	4.3
Income tax liabilities	15.4	15.1	14.9	6.3
Liabilities held for sale	0.1	-	-	-
Current Liabilities	**111.8**	**130.5**	**134.3**	**86.8**
Total EQUITY AND LIABILITIES	**485.0**	**513.3**	**524.8**	**470.7**

Appendix 6: Revenue and Client Structure Development of Enterprise IT Segment (2021-2023)

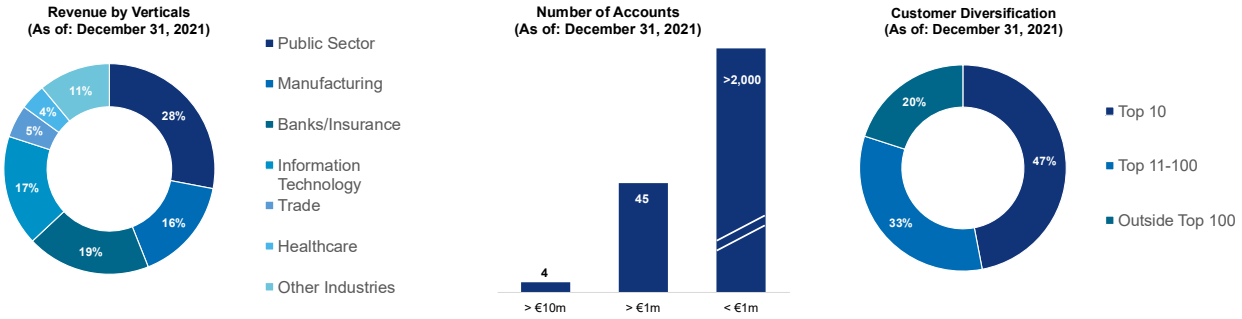
2023



2022

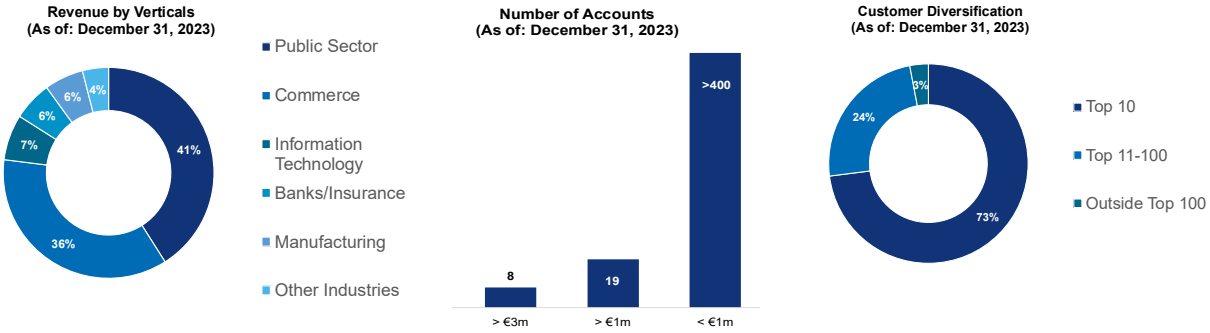


2021

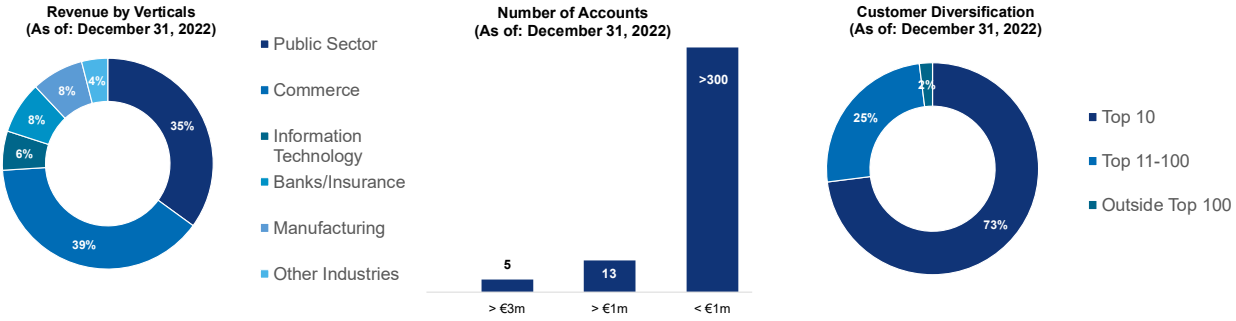


Appendix 7: Revenue and Client Structure Development of MGM Technology Partners (2021-2023)

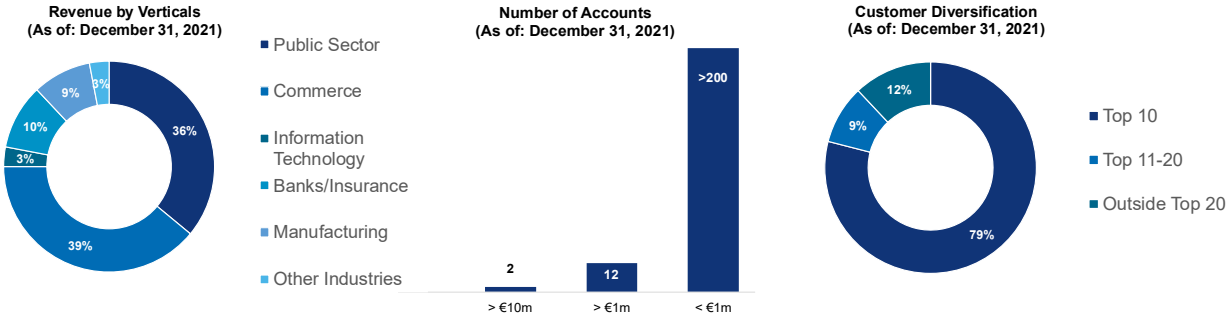
2023



2022



2021



Appendix 8: Allgeier Group's Business Differentiators, Investment Thesis, and Risk Analysis

Business Differentiators and Investment Thesis

This subsection highlights Allgeier's key differentiators and investment rationale, focusing on factors supporting its leadership in the IT Services market.

Existing Scale and Strong Market Position in the DACH Region

Allgeier brings extensive IT expertise with 3,213 permanent employees in 2024 and deep industry knowledge across the public sector, finance, healthcare, retail, and manufacturing. It serves blue-chip clients such as IBM, Allianz, DHL, and BMW and holds a strong position in the DACH IT Services market, serving 21 of the 40 DAX-listed companies (Allgeier, 2024a, p. 24).

This scale and market position enable Allgeier to leverage its resources and brand to efficiently deliver large projects, reduce bottlenecks, retain in-house expertise, and offer competitive pricing.

Operating in a High-Growth Market Driven by Digital Transformation

Allgeier leads digital transformation in the public sector, meeting the rising demand for digitalization across key industries. Through MGM and publicplan, it is a top provider of administrative software in Germany. In the private sector, Allgeier Inovar and MGM drive e-commerce and platform innovation, while Evora supports ERP integration and cloud services. Allgeier CyRis expands cybersecurity expertise. Strategic investments in these areas position Allgeier to meet demand in public administration, e-commerce, cloud, and cybersecurity (Allgeier, 2023a, p. 42).

Full-Service Approach

Allgeier's full-service model positions it as a "one-stop shop" for scalable, secure IT solutions, making it a strategic digitalization partner. Its cross-domain expertise and ability to manage complex implementations provide a clear competitive advantage over niche providers in the German-speaking market (Allgeier, 2023a, p. 134).

Integrated Business Model Combining Local, Nearshore, and Offshore Resources

Allgeier combines permanent staff with freelance specialists and integrates local, nearshore, and offshore delivery. This model ensures both client proximity and cost efficiency, as

offshore specialists earn significantly less than their German counterparts. It enables cost-competitive delivery despite rising labor costs in Europe, supports project continuity, and enhances flexibility, resilience, and quality, even amid fluctuating demand (Allgeier, 2024a, p. 41).

M&A Track Record

Allgeier's growth is driven by a strong M&A track record, with over 85 acquisitions since 2003 that have reinforced its leadership in the fragmented DACH IT Services market. The company has screened over 1,500 targets, focusing on specialized IT Services and tech firms that expand its portfolio (Allgeier, 2025b, p. 5). Key acquisitions include the Evora Group in 2021 and the SDX AG in 2023. Allgeier's decentralized structure enables smooth integration while preserving the autonomy and entrepreneurial spirit of acquired companies (Allgeier, 2023a, p. 36).

Business Risks

This section provides an overview of key risks that could impact Allgeier's market position and overall financial performance.

Talent Recruitment and Retention Issues

Recruiting and retaining qualified IT professionals remains a major challenge for Allgeier due to skills shortages, rising salary expectations, and intense competition, especially in areas like cloud and cybersecurity. Allgeier's strong DACH presence puts it in direct competition with large multinationals and agile mid-sized firms. Its project-based model depends on skilled IT personnel, making vacancies or departures particularly disruptive. High turnover and frequent onboarding increase costs and may affect project delivery and client trust. To mitigate this, Allgeier is expanding recruitment in nearshore and offshore markets (Allgeier, 2023a, pp. 19, 37).

Rising Competition

Allgeier faces growing competition from regional players like Adesso and GFT and global firms such as Accenture and Capgemini. The fragmented market increases price pressure and margin risks. To address this, Allgeier leverages its broad service portfolio, strong DACH presence, and digital transformation expertise. Ongoing investments in innovation

and differentiation, along with its "Buy & Build" strategy, support customer retention and market expansion (Allgeier, 2023a, p. 48).

Technology Disruption Risks

Advances in AI and automation pose a threat to Allgeier's business model, potentially reducing demand for traditional coding and requiring constant upskilling. Failing to scale technical capabilities could weaken its market position. To mitigate these risks, Allgeier focuses on high-value, tailored IT solutions rather than commoditized coding and expands its technological edge through targeted M&A to stay aligned with evolving client needs (Allgeier, 2023a, p. 48).

Inherent Challenges of Project-Based Business Model

Allgeier's project-based model leads to revenue volatility and limited predictability, as outcomes depend on contract duration, client decisions, delays, and political changes, particularly in the public sector. Rising competition and a shift toward short-term or flexible contracts further complicate forecasting. To mitigate these risks, Allgeier focuses on market diversification, specialized services, and long-term client relationships to increase recurring revenue (Allgeier, 2023a, p. 48).

Customer Concentration and Geographic Exposure Risk

Allgeier's revenue is highly concentrated. In the Enterprise IT segment, 44% stems from the top ten customers, each contributing over EUR 3m annually, while in the MGM segment, the top ten clients account for 73% of revenue. In addition, 95.9% of total revenue is generated in the DACH region, increasing exposure to regional economic and regulatory risks. To mitigate this, Allgeier maintains long-term relationships and broadens its base of medium-sized clients to reduce reliance on large accounts (Allgeier, 2024a, p. 142).

Decreasing Employee Efficiency

Despite workforce growth, Allgeier's revenue per employee working on customer orders declined from EUR 0.165m in FY21 to EUR 0.159m in FY24, while headcount rose from 2,449 to 2,529 (Allgeier, 2024a, p. 131). This decline reflects client pressure on pricing, rising salaries due to industry-wide wage inflation, and increased hiring. To address this, Allgeier has implemented training programs, streamlined operations, and expanded offshore capacity to improve cost efficiency.

Appendix 9: Allgeier Group's Strategic Development and Growth Initiatives

Over the past two years, Allgeier has strengthened its strategic position in both core segments, Enterprise IT and MGM, by integrating strategic acquisitions, optimizing processes, innovating products, and making selected divestitures to focus the group on higher-margin software services.

In FY24, the divestiture of the Experts Group marked a key step in Allgeier's shift toward a focused software and IT services company, following the 2021 Nagarro spin-off. By reducing its personnel services business, Allgeier sharpened its focus on higher-margin offerings, tailored digital services, and enterprise-critical IT solutions (Allgeier, 2024a, p. 26).

The Enterprise IT segment continues to focus on open-source software and digitalization projects, especially in the public sector, where the 2023 acquisition of ShiftDigital strengthened its role in local administration. The segment also emphasizes quality assurance, platform solutions like A12, and greater efficiency through AI and automation. The acquisition of SDX in 2023 expanded Allgeier's expertise in Microsoft Azure, boosting its capabilities in cloud, e-commerce, cybersecurity, and Internet of things (IoT). These developments reinforce Allgeier's position as a digital transformation partner in high-growth industries. Meanwhile, the restructuring of personnel services has prioritized higher value creation, better margins, and tailored offerings for strategic clients (Allgeier, 2023a, p. 26).

The MGM segment continued to focus on model-based software development using its proprietary A12 low-code platform, which enabled efficient digitalization projects in 2024. Process optimizations improved software quality, scalability, and integration for both internal and client projects. Public tenders remained central, supported by more platform-based projects integrated into public infrastructure. MGM also expanded its portfolio with modules for data security and regulatory compliance to meet evolving market and legal demands (Allgeier, 2023a, p. 26).

As part of its internationalization strategy, Allgeier opened new locations in Portugal and Vietnam in 2022, establishing strategic hubs for future growth. This expansion supports global demand while reinforcing its leadership in the DACH region.

Appendix 10: Overview of Macroeconomic Environment

Economic Growth and GDP

After the GDP contracted in 2023 (–0.3%) and 2024 (–0.2%) (Federal Statistical Office, 2025), Germany's economic growth in 2025 is expected to remain modest at 0.3% (Associated Press, 2024). This reflects persistent challenges, including global competition, high interest rates, energy price volatility, and restrictive European Central Bank (ECB) policies. Despite the downturn, the German Information and Communication sector showed resilience, growing by 3.7% in 2023 and 2.5% in 2024, driven by ongoing digitalization and continued investment from both public and private sectors (Federal Statistical Office, 2025).

Despite Germany's modest overall growth outlook, the continued expansion of the IT sector creates a favourable market environment for Allgeier.

Inflation, Interest Rates, and Business Spending

In 2024, the ECB shifted its monetary policy and began cutting interest rates from 4.25% in July 2024 to 2.5% in March 2025 to support growth amid slowing inflation and rising geopolitical tensions. Despite macroeconomic uncertainty, IT investment is expected to remain stable as companies continue prioritizing digital transformation. Inflation in Germany is projected to decline to 2.3% in 2025, nearing the ECB's 2% medium-term target (European Central Bank, 2025).

As outlined in section 4.2.1.1, IT Services spending in Europe and the DACH region is set to grow further, reinforcing Allgeier's positive market outlook.

Employment and Labour Market

Germany's economic challenges are increasing pressure on the labour market. The unemployment rate rose from 5.7% in 2023 to 6.0% in 2024 and is expected to rise further in 2025 (Federal Employment Agency, 2025, p. 6). The structural shortage of skilled IT professionals persists. By the end of 2023, Germany faced a deficit of 149,000 specialists, 12,000 more than the previous year, causing wage pressure and limiting sector growth (Statista, 2025b).

To address this, the Digital Europe Program has allocated EUR 294m for skilling, upskilling, and reskilling initiatives (Digital Skills & Jobs Platform, 2025). However, 21% of European

companies are under intense pressure to transform and often require significant retraining or new hires with emerging technology expertise (Boston Consulting Group, 2024c).

Although IT employment is expected to grow, demand continues to outpace supply. Talent acquisition is therefore critical for Allgeier's future growth. The company's ability to leverage nearshore and offshore talent pools remains essential to counteract domestic labour shortages (Allgeier, 2023a, p. 37).

Fiscal Policy and Government Initiatives

Germany's IT procurement consolidation initiative, led by the Federal Ministry of the Interior (BMI) and set for implementation by 2025, signals stronger investment in digital infrastructure. This creates opportunities for IT Services providers like Allgeier to secure long-term public sector contracts and stabilize revenue despite economic volatility (Federal Ministry of the Interior and Community, 2024).

Additionally, EU-backed digitalization reforms and investments are expected to boost enterprise IT spending. This supports Allgeier's growth prospects in public sector and corporate digital transformation projects (European Commission, 2025).

Appendix 11: Allgeier Group's Forecasted Income Statement

Allgeier Group | Income Statement (in € m)	Historical Period				Budget Period	Projection Period					CAGR	
	Dec-21A	Dec-22A	Dec-23A	Dec-24A	Dec-25B	Dec-26E	Dec-27E	Dec-28E	Dec-29E	Dec-30E	21'-24'	25'-30'
Enterprise IT	307.8	372.8	300.0	277.6	291.9	304.3	315.6	324.5	331.4	337.5	*(3.4%)*	*2.9%*
% growth	*11.6%*	*21.1%*	*(19.5%)*	*(7.5%)*	*5.2%*	*4.3%*	*3.7%*	*2.8%*	*2.1%*	*1.9%*		
% of total revenue	*76.3%*	*77.8%*	*71.3%*	*68.9%*	*67.9%*	*66.9%*	*65.9%*	*64.9%*	*64.1%*	*63.6%*		
Mgm Technology Partners	92.8	105.7	121.9	124.6	137.2	149.8	162.5	174.6	184.3	191.8	*10.3%*	*6.9%*
% growth	*19.5%*	*13.9%*	*15.3%*	*2.2%*	*10.2%*	*9.1%*	*8.5%*	*7.5%*	*5.5%*	*4.1%*		
% of total revenue	*23.0%*	*22.1%*	*29.0%*	*30.9%*	*31.9%*	*32.9%*	*33.9%*	*34.9%*	*35.7%*	*36.2%*		
Other revenue	2.7	0.9	(1.3)	0.8	0.9	0.9	1.0	1.0	1.0	1.1	*(32.6%)*	*4.3%*
% growth	*(29.8%)*	*(67.7%)*	*(251.4%)*	*(162.5%)*	*6.7%*	*5.8%*	*5.3%*	*4.4%*	*3.3%*	*2.7%*		
% of total revenue	*0.7%*	*0.2%*	*(0.3%)*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*		
Total revenue	**403.3**	**479.4**	**420.6**	**403.0**	**430.0**	**455.0**	**479.1**	**500.2**	**516.7**	**530.4**	***(0.0%)***	***4.3%***
% growth	*14.7%*	*18.9%*	*(12.3%)*	*(4.2%)*	*6.7%*	*5.8%*	*5.3%*	*4.4%*	*3.3%*	*2.7%*		
Other own work capitalized	1.0	6.9	7.5	7.9	8.5	9.0	8.5	8.9	9.1	9.4	*99.7%*	*2.1%*
% growth	*6.4%*	*595.0%*	*8.1%*	*5.9%*	*6.7%*	*5.8%*	*(5.4%)*	*4.4%*	*3.3%*	*2.7%*		
% total revenue	*0.2%*	*1.4%*	*1.8%*	*2.0%*	*2.0%*	*2.0%*	*1.8%*	*1.8%*	*1.8%*	*1.8%*		
Other operating income	5.6	7.8	6.5	13.5	14.4	14.3	14.1	14.7	15.2	15.6	*33.7%*	*1.7%*
% growth	*60.3%*	*38.3%*	*(16.1%)*	*106.1%*	*6.7%*	*(0.5%)*	*(1.4%)*	*4.4%*	*3.3%*	*2.7%*		
% total revenue	*1.4%*	*1.6%*	*1.6%*	*3.3%*	*3.3%*	*3.1%*	*2.9%*	*2.9%*	*2.9%*	*2.9%*		
Total other operating income	**6.6**	**14.7**	**14.0**	**21.4**	**22.8**	**23.3**	**22.6**	**23.6**	**24.3**	**25.0**	***47.8%***	***1.8%***
% growth	*48.9%*	*122.0%*	*(4.7%)*	*52.6%*	*6.7%*	*1.8%*	*(2.9%)*	*4.4%*	*3.3%*	*2.7%*		
Cost of materials	(156.6)	(173.3)	(112.8)	(88.8)	(94.8)	(100.1)	(105.1)	(109.6)	(111.5)	(113.4)	*(17.2%)*	*3.6%*
% growth	*6.5%*	*10.7%*	*(34.9%)*	*(21.3%)*	*6.7%*	*5.6%*	*5.1%*	*4.3%*	*1.7%*	*1.7%*		
% total revenue	*(38.8%)*	*(36.2%)*	*(26.8%)*	*(22.0%)*	*(22.0%)*	*(22.0%)*	*(21.9%)*	*(21.9%)*	*(21.6%)*	*(21.4%)*		
Staff costs	(188.0)	(224.0)	(229.2)	(239.0)	(255.9)	(270.6)	(283.2)	(293.7)	(300.8)	(306.0)	*8.3%*	*3.6%*
% growth	*18.0%*	*19.1%*	*2.3%*	*4.3%*	*7.1%*	*5.7%*	*4.6%*	*3.7%*	*2.4%*	*1.7%*		
% total revenue	*(46.6%)*	*(46.7%)*	*(54.5%)*	*(59.3%)*	*(59.5%)*	*(59.5%)*	*(59.1%)*	*(58.7%)*	*(58.2%)*	*(57.7%)*		
Impairment on trade receivables/contract assets	(1.4)	(0.7)	(0.6)	(0.7)	(0.8)	(0.8)	(0.9)	(0.9)	(0.7)	(0.4)	*(18.7%)*	*(10.8%)*
% growth	*(10.6%)*	*(46.2%)*	*(18.1%)*	*22.2%*	*6.7%*	*5.8%*	*5.3%*	*4.4%*	*(24.7%)*	*(35.5%)*		
% total revenue	*(0.3%)*	*(0.2%)*	*(0.1%)*	*(0.2%)*	*(0.2%)*	*(0.2%)*	*(0.2%)*	*(0.2%)*	*(0.1%)*	*(0.1%)*		
Other OPEX	(25.7)	(33.7)	(36.2)	(39.0)	(41.6)	(44.0)	(46.4)	(48.4)	(49.6)	(50.4)	*14.9%*	*3.9%*
% growth	*3.2%*	*31.1%*	*7.4%*	*7.6%*	*6.7%*	*5.8%*	*5.3%*	*4.4%*	*2.5%*	*1.6%*		
% total revenue	*(6.4%)*	*(7.0%)*	*(8.6%)*	*(9.7%)*	*(9.7%)*	*(9.7%)*	*(9.7%)*	*(9.7%)*	*(9.6%)*	*(9.5%)*		
Total OPEX	**(371.7)**	**(431.8)**	**(378.8)**	**(367.5)**	**(393.1)**	**(415.5)**	**(435.5)**	**(452.7)**	**(462.5)**	**(470.2)**	***(0.4%)***	***3.6%***
% total revenue	(92.2%)	(90.1%)	(90.1%)	(91.2%)	(91.4%)	(91.3%)	(90.9%)	(90.5%)	(89.5%)	(88.6%)		
EBITDA	**38.3**	**62.3**	**55.8**	**56.8**	**59.7**	**62.7**	**66.1**	**71.0**	**78.5**	**85.2**	***14.1%***	***7.4%***
% growth	*63.9%*	*62.8%*	*(10.5%)*	*1.9%*	*5.1%*	*5.0%*	*5.4%*	*7.4%*	*10.6%*	*8.5%*		
% margin	*9.5%*	*13.0%*	*13.3%*	*14.1%*	*13.9%*	*13.8%*	*13.8%*	*14.2%*	*15.2%*	*16.1%*		
D&A and impairment	(18.5)	(27.3)	(25.7)	(28.0)	(19.4)	(22.5)	(25.7)	(29.1)	(32.2)	(33.5)	*14.8%*	*11.5%*
% growth	*13.5%*	*47.6%*	*(6.0%)*	*9.2%*	*(30.7%)*	*15.9%*	*14.3%*	*12.9%*	*10.8%*	*4.2%*		
% total revenue	*(4.6%)*	*(5.7%)*	*(6.1%)*	*(7.0%)*	*(4.5%)*	*(4.9%)*	*(5.4%)*	*(5.8%)*	*(6.2%)*	*(6.3%)*		
EBIT	**19.8**	**35.0**	**30.1**	**28.8**	**40.3**	**40.2**	**40.4**	**42.0**	**46.3**	**51.7**	***13.4%***	***5.1%***
% growth	*180.1%*	*77.1%*	*(14.1%)*	*(4.3%)*	*39.9%*	*(0.3%)*	*0.4%*	*4.0%*	*10.4%*	*11.5%*		
% margin	*4.9%*	*7.3%*	*7.2%*	*7.1%*	*9.4%*	*8.8%*	*8.4%*	*8.4%*	*9.0%*	*9.7%*		
Finance income	3.8	2.8	2.1	0.4	0.4	0.4	0.5	0.5	0.5	0.5	*(52.8%)*	*4.3%*
% growth	*565.5%*	*(26.7%)*	*(24.9%)*	*(80.9%)*	*6.7%*	*5.8%*	*5.3%*	*4.4%*	*3.3%*	*2.7%*		
% total revenue	*0.9%*	*0.6%*	*0.5%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*		
Financial expenses	(3.4)	(7.4)	(10.5)	(13.2)	(9.6)	(9.5)	(9.5)	(9.4)	(9.4)	(9.3)	*57.6%*	*(0.6%)*
% growth	*519.8%*	*120.5%*	*40.4%*	*26.4%*	*(27.3%)*	*(0.6%)*	*(0.6%)*	*(0.6%)*	*(0.6%)*	*(0.5%)*		
% total revenue	*(0.8%)*	*(1.6%)*	*(2.5%)*	*(3.3%)*	*(2.2%)*	*(2.1%)*	*(2.0%)*	*(1.9%)*	*(1.8%)*	*(1.8%)*		
Net income from investments	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	*(100.0%)*	-
% growth	-	*(100.0%)*	-	-	-	-	-	-	-	-		
% total revenue	*(0.0%)*	-	-	-	-	-	-	-	-	-		
EBT	**20.2**	**30.4**	**21.7**	**16.0**	**31.1**	**31.1**	**31.3**	**33.0**	**37.5**	**42.9**	***(7.4%)***	***6.6%***
% growth	*146.7%*	*50.5%*	*(28.4%)*	*(26.4%)*	*94.7%*	*(0.1%)*	*0.8%*	*5.3%*	*13.5%*	*14.4%*		
% margin	*5.0%*	*6.3%*	*5.2%*	*4.0%*	*7.2%*	*6.8%*	*6.5%*	*6.6%*	*7.3%*	*8.1%*		
Net income taxes	(7.7)	(8.2)	(5.9)	(2.0)	(9.3)	(9.3)	(9.4)	(9.9)	(11.2)	(12.9)	*(35.7%)*	*6.6%*
% growth	*7.7%*	*6.5%*	*(28.2%)*	*(65.2%)*	*357.1%*	*(0.1%)*	*0.8%*	*5.3%*	*13.5%*	*14.4%*		
% total revenue	*(1.9%)*	*(1.7%)*	*(1.4%)*	*(0.5%)*	*(2.2%)*	*(2.1%)*	*(2.0%)*	*(2.0%)*	*(2.2%)*	*(2.4%)*		
Net Income	**12.5**	**22.2**	**15.9**	**13.9**	**21.8**	**21.8**	**21.9**	**23.1**	**26.2**	**30.0**	***3.7%***	***6.6%***
% growth	*1,086.6%*	*77.6%*	*(28.5%)*	*(12.0%)*	*56.3%*	*(0.1%)*	*0.8%*	*5.3%*	*13.5%*	*14.4%*		
% total revenue	*3.1%*	*4.6%*	*3.8%*	*3.5%*	*5.1%*	*4.8%*	*4.6%*	*4.6%*	*5.1%*	*5.7%*		

Appendix 12: Allgeier's Peer Group – European IT Services Companies (< EUR 1 bn Market Cap)

European IT Services Companies (€ <1bn Market Cap)	KPI						
	Market Cap (in € m)	# FTE (CY24)	Sales Per FTE (in € m L3Y)	% Services Rev (CY24)	Rev CAGR (L4Y)	Net Profit Margin (CY24)	Debt/Capital (CY24)
Allgeier SE	**233**	**3,212**	**131,515**	**88.4%**	**6.8%**	**3.5%**	**44.6%**
Adesso SE	638	10,320	119,327	95.9%	25.6%	0.6%	63.1%
Assystem SA	602	7,500	79,578	99.1%	8.6%	1.4%	27.9%
Atos SE	684	92,000	106,069	92.5%	(3.8%)	2.6%	77.9%
Cenit AG	70	982	201,599	41.2%	9.7%	(0.0%)	50.8%
Datagroup SE	469	3,607	151,421	89.4%	8.1%	4.4%	53.8%
FDM Group	211	3,754	66,663	100.0%	2.6%	8.0%	24.4%
GFT Technologies SE	656	11,413	81,751	100.0%	18.3%	5.3%	37.1%
Nagarro SE	865	17,496	50,686	99.0%	22.6%	5.7%	63.3%
Median	620	8,910	93,910	97.5%	9.2%	3.5%	52.3%
Average	524	18,384	107,137	89.6%	11.5%	3.5%	49.8%

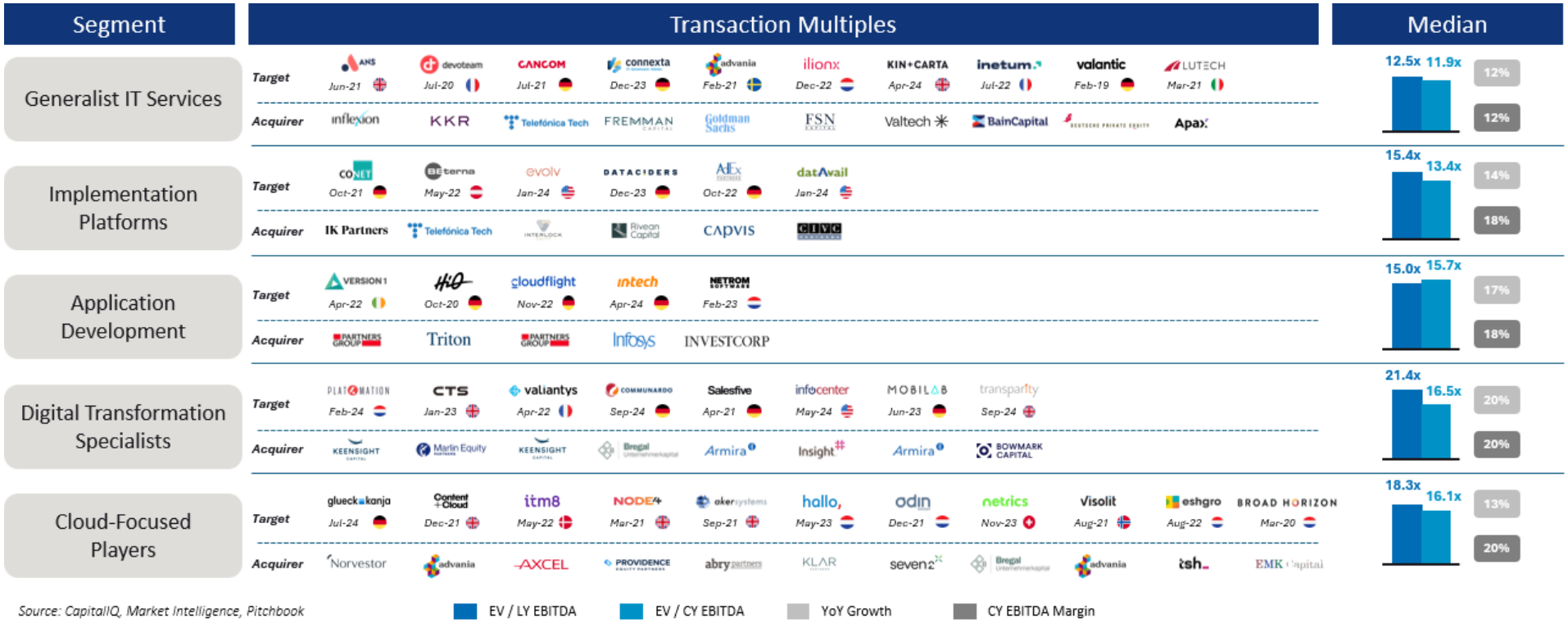
Appendix 13: Allgeier's Peer Group – Global IT Services Companies (> EUR 1 bn Market Cap)

Global IT Services Companies (€ >1bn Market Cap)	KPI						
	Market Cap (in € m)	# FTE (CY24)	Sales Per FTE (in € m L3Y)	% Services Rev (CY24)	Rev CAGR (L4Y)	Net Profit Margin (CY24)	Debt/Capital (CY24)
Allgeier SE	**233**	**3,212**	**131,515**	**88.4%**	**6.8%**	**3.5%**	**44.6%**
Accenture Plc	168,570	774,000	74,641	100.0%	6.4%	11.4%	21.3%
Bechtle AG	4,874	15,801	417,313	62.1%	5.9%	3.9%	29.8%
Capgemini SE	24,227	341,118	64,034	91.0%	6.8%	7.6%	34.1%
Cognizant Technology	33,778	336,300	49,750	100.0%	2.2%	11.3%	9.4%
EPAM Systems, Inc.	8,008	61,200	72,661	99.4%	8.0%	9.6%	4.3%
Indra Sistemas, S.A.	5,147	60,633	75,269	61.9%	12.7%	4.4%	33.5%
NTT DATA Group Corp.	25,381	193,513	117,463	83.1%	23.5%	3.2%	50.2%
Sopra Steria Group SA	3,676	50,988	104,637	94.0%	7.2%	4.3%	38.4%
Median	16,117	127,357	74,955	92.5%	7.0%	6.0%	31.6%
Average	34,208	229,194	121,971	86.4%	9.1%	7.0%	27.6%

Appendix 14: Allgeier's Peer Group – Indian IT Services Companies

Indian IT Services Companies	KPI						
	Market Cap (in € m)	# FTE (CY24)	Sales Per FTE (in € m L3Y)	% Services Rev (CY24)	Rev CAGR (L4Y)	Net Profit Margin (CY24)	Debt/Capital (CY24)
Allgeier SE	**233**	**3,212**	**131,515**	**88.4%**	**6.8%**	**3.5%**	**44.6%**
Infosys Limited	65,221	317,240	48,128	94.5%	5.7%	17.3%	8.5%
Tata Consultancy Services	130,399	607,979	37,101	98.9%	11.0%	19.3%	7.8%
Wipro Limited	26,562	234,054	36,284	99.5%	9.9%	14.0%	18.4%
Median	65,221	317,240	37,101	98.9%	9.9%	17.3%	8.5%
Average	74,061	386,424	40,504	97.6%	8.9%	16.9%	11.6%

Appendix 15: Recent Comparable Transactions in the European IT Services Sector



Appendix 16: Allgeier's Valuation Results Summary (in EUR)

Share Price (as of April 30, 2024)	**20.30**
Share Price (L3M Average)	**18.49**

Implied Share Price (in EUR)			
	Downside Case	**Base Case**	**Upside Case**
Adjusted Present Value Analysis			
Total APV	**23.86**	**25.06**	**26.49**
Potential Upside/Downside (Price 30/04)	*17.56%*	*23.43%*	*30.51%*
Potential Upside/Downside (L3M Average)	*29.07%*	*35.51%*	*43.28%*
Discounted Cashflow Analysis			
DCF Analysis (Perpetual Growth)	**19.51**	**20.43**	**21.40**
Potential Upside/Downside (Price 30/04)	*-3.91%*	*0.62%*	*5.43%*
Potential Upside/Downside (L3M Average)	*5.50%*	*10.47%*	*15.75%*
DCF Analysis (Exit Multiple)	**25.68**	**28.39**	**31.15**
Potential Upside/Downside (Price 30/04)	*26.52%*	*39.84%*	*53.43%*
Potential Upside/Downside (L3M Average)	*38.90%*	*53.53%*	*68.45%*
Total DCF (Median)	**22.59**	**24.41**	**26.27**
Potential Upside/Downside (Price 30/04)	*11.30%*	*20.23%*	*29.43%*
Potential Upside/Downside (L3M Average)	*22.20%*	*32.00%*	*42.10%*
Comparable Companies Analysis			
Total CCA (Median)	**19.27**	**21.67**	**23.92**
Potential Upside/Downside (Price 30/04)	*(5.1%)*	*6.77%*	*17.82%*
Potential Upside/Downside (L3M Average)	*4.21%*	*17.22%*	*29.35%*
Comparable Transaction Analysis			
Total CTA (Median)	**35.90**	**46.86**	**47.49**
Potential Upside/Downside (Price 30/04)	*76.84%*	*130.82%*	*133.92%*
Potential Upside/Downside (L3M Average)	*94.15%*	*153.41%*	*156.82%*
Recommended Target Share Price			
Target Share Price		**24.73**	
Potential Upside/Downside (Price 30/04)		*21.83%*	
Potential Upside/Downside (L3M Average)		*33.76%*	

The valuation summary above outlines the applied valuation methods, alongside a comparison with Allgeier's share price on the valuation date of April 30, 2025, as well as its three-month average. Three scenarios are presented to illustrate potential over- or undervaluation by the model. The downside case reflects the 25th percentile values from the sensitivity tables of the DCF and APV approaches, while the upside case incorporates the 75th percentile values. For trading comparables, the downside and upside cases are based on the application of NTM and LTM EV/EBITDA multiples, respectively, while the base case uses the average of both. For transaction comparables, the percentiles are derived from the median of single transaction multiples.

Appendix 17: Allgeier's Combined Beta Computation

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.40832587
R Square	0.16673001
Adjusted R Square	0.16350029
Standard Error	0.05456838
Observations	260

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	0.153719802	0.1537	51.6235367	7.21239E-12
Residual	258	0.768248584	0.003		
Total	259	0.921968386			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	0.00256225	0.003396272	0.7544	0.4512795	-0.0041257	0.00925019	-0.0041257	0.00925019
X Variable	1.1532125	0.160503853	7.185	7.2124E-12	0.837148086	1.46927691	0.837148086	1.46927691

Allgeier's Beta Computation	
Peer Group Beta	1.15
Direct Beta	1.15
Mean	**1.15**

Appendix 18: Constituents of the German Software and IT Services Index

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