

Country CH	Market capitalization (bn) CHF 2.6	Perf. since reco. (%)
Sector Technology	Free float 68.0%	SoftwareOne Holding Ltd. -28.7
Factset SWON-CH	Closing price CHF 16.57	Market -7.5
ISIN CH0496451508	ESG Risk score* #N/A #N/A	



Profile

SoftwareONE Holding AG is a provider of software and cloud technology solutions through its subsidiaries. The firm is also a large-account reseller and enterprise software adviser, primarily focused on software licensing and related services. Its operations are broken down into the following geographical regions: Europe, EMEA; North America; LATAM & APAC. The company was founded by Daniel von Stockar and Patrick Winter in 2000, and it is headquartered in Stans, Switzerland.

Strengths/opportunities

- Broad, globally diversified customer base
- Largest sales partner for Microsoft products
- Focus on software and cloud applications, low capital intensity
- Structural growth of the cloud and SaaS market
- Potential in marketing own PyraCloud platform

Weaknesses/threats

- Only an intermediary – not a technology provider itself
- Mainly active in Europe, with less presence in Asia/America
- Diminishing agility and growth dynamics due to size

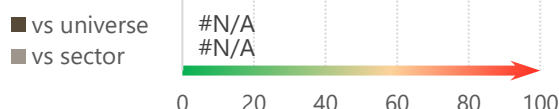
Investment case

- As the world's largest distributor of Microsoft products, SoftwareONE enjoys strong market positioning which will be further strengthened courtesy of focusing on areas with high growth and low capital intensity.
- To guarantee steady growth, the company also relies on acquisitions, such as SE16N, a SAP cloud technology expert.
- SoftwareONE is one of the long-term winners of digitisation and cloud migration.
- With its strong market positioning and solid financial base, SoftwareONE offers investors a robust platform to participate in the global digitisation process
- Securing of service contracts provides a reliable basis for future cash flow generation.
- Considering the structural growth drivers in this business field and its attractive share valuation, SoftwareONE is an interesting company to diversify your Swiss stock portfolio with a technology component.

Valuation

The trust in the company seems somewhat damaged due to past turbulences. However, fundamental value appears much higher with a target price of CHF 20.

ESG risk vs. universe & sector (percentile)*



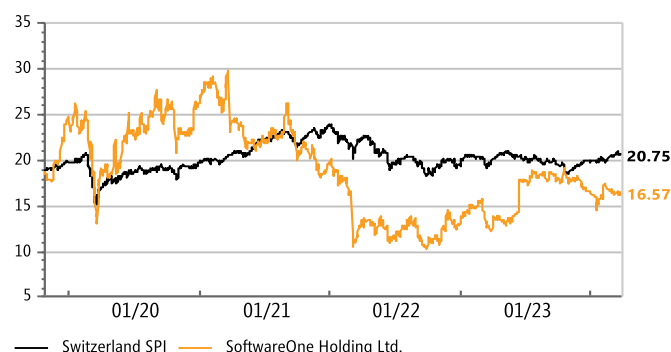
CHF	12/2023	2024e	2025e
Sales revenue (bn)	1 011	1 086	1 203
Sales growth	3.6%	7.4%	10.8%
EBIT adjusted (bn)	99	207	240
% of sales	9.8%	19.1%	20.0%
Net income (bn)	21	127	147
Net income growth	-136.7%	491.4%	16.3%
FCF/Sales	5.7%	10.8%	10.9%
Net debt/Ebitda	-1.7x	-0.8x	-0.8x
Dividend yield	2.2%	2.3%	2.3%
PE	118.7x	18.2x	15.9x
P/BV	3.9x	3.6x	3.3x

Factset estimates

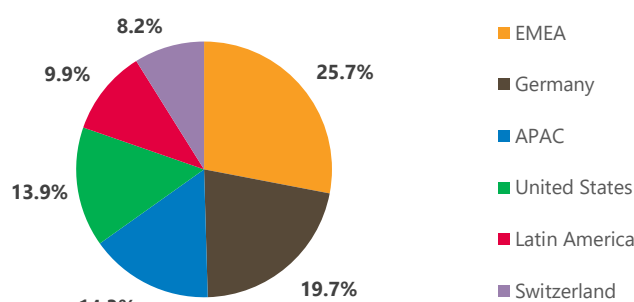
ESG - risks and key points

- SoftwareONE is rated as "Low Risk" on account of the sector's low risk of exposure to ESG issues.

5-year performance vs SPI



Sales breakdown - 12/2023



Glossary

Satellite

From 2015, B&Cie separates its investment recommendations into Core Holdings (higher organic growth potential, high free cash flow, ROCE in excess of the cost of capital and balance sheet efficiency throughout the cycle) and Satellite Recommendations, which do not meet the above criteria but are likely to outperform in the short-to-medium term.

ESG Risk Score

At B&Cie, we take particular care to ensure that the companies in which we recommend investing are sustainable. Accordingly, our selection process takes account of risks relating to environmental, social and governance (ESG) issues. This approach is underpinned by research from Sustainalytics, the global leader in ESG and corporate governance analysis, whose methodology aims to identify major controversies and risks and assess a company's ESG risks relative to both its sector and the investment universe as a whole. The corresponding score is expressed as a percentile: the lower the overall risk score, the lower the risk within the investment universe.

b-Digital, b-Transition & b-Well

Over and above the conventional geographical and sectoral approaches to asset management, at B&Cie we believe the world of tomorrow is being shaped by structural trends. We have identified three main megatrends: ongoing digital globalisation of the economy; economic transition, particularly in the energy sector; and the quest for wellness. We believe selecting and investing in companies that play an active role in these transformations should lead to more resilient portfolios that generate higher long-term returns. Our investment recommendations in the digital globalisation space are labelled "b-Digital", those in the economic transition space "b-Transition" and those in the wellness space "b-Well". A given recommendation may fall under more than one theme, in which case it will carry the relevant matching labels.

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