Q1 numbers as expected, cost-cutting supports profitability

Intershop released Q1 numbers today that fully matched our expectations. Revenues were down 13% YoY due to the intended wind-down of the service business as part of the "partner first" initiative. Nevertheless, gross profit came in better than expected and led to a balanced EBIT, which is also a result of the latest restructuring efforts. Regarding the cloud business, Intershop saw a mild increase in orders. Nevertheless, net new ARR was slightly negative due to higher churn, driven by two customers not extending their contracts with Intershop, as flagged before by the company. The outlook for the full year is unchanged. We have a buy rating on the name, with our latest PT at EUR 1.80.

			Actual		Pareto	
Intershop		**Q1 2025**	**Q1 2026**	**yoy (%)**	**Q1 2026**	**Delta (%)**
Revenues	**EURm**	**9.1**	**7.9**	**-13**	**8.0**	**-1**
of which: Licenses	*"*	*0.1*	*0.0*	(87)	*0.1*	*-90*
of which: Maintenance	*"*	*1.7*	*1.0*	(42)	*1.4*	*-29*
of which: Cloud / Subscription	*"*	*5.2*	*5.3*	3	*5.2*	*2*
of which: Services	*"*	*2.2*	*1.6*	(27)	*1.3*	*28*
Gross profit	**"**	**4.4**	**3.9**	**-12**	**3.6**	**9**
margin	%	48.2%	49.3%	107 BP	45.0%	430 BP
EBIT	**EURm**	**0.1**	**0.1**	**37**	**(0.2)**	**-152**
margin	%	0.8%	1.3%		(2.4)%	369 BP
Other cloud-related KPI						
Incoming cloud orders	EURm	3.9	4.2	7	4.1	2
ARR from cloud	"	20.4	19.6	(4)	20.1	-2
New ARR	"	0.6	0.6	7	0.4	74
Net new ARR	"	0.3	(0.5)	(240)	(0.0)	1,415
Implied churn	"	0.3	1.1	350	0.4	182

Source: Pareto, Company data

Additional insights:

- With the spring release scheduled for May, Intershop plans to move forward with its agentic B2B commerce.
- Cash on hand increased by 25% to EUR 11m compared to year-end 2025.
- Compared to Q1 last year, the number of employees shrunk by 40, representing a decrease of 15%, which underpins that Intershop's cost-cutting efforts.
- The outlook for 2026 still points to cloud order entry and net new ARR at last year's level, a slight decrease in revenues and a balanced EBIT.

Knud Hinkel
+49 69 58997 419, knud.hinkel@paretosec.com