

Cloud orders encouraging, lower cost base provides stability

Intershop's Q3 was slightly below our expectations on the P&L but ahead on cloud KPIs. Revenues fell 4% y/y to EUR 7.7m, while EBIT was marginally positive at EUR 0.05m. Incoming cloud orders rose 35% y/y to EUR 5.8m and net new ARR improved to EUR 0.5m. Cash stood at EUR 9.6m, up from EUR 8.8m at year-end 2025. FY guidance was confirmed. The strong order entry is encouraging, although orders remain lumpy. More importantly, last year's cost cuts have stabilized the company in a difficult market, with EBIT positive for three consecutive quarters. Our last rating was Buy with a PT of EUR 2.20. There will be an investor call today at 1:30 p.m. CEST.

Intershop		Actual			Pareto		Pareto (pre Q3)	
		Q3 2025	Q3 2026	yoy (%)	Q3 2026	Delta (%)	2026e	2027e
Revenues	EURm	8.0	7.7	-4	7.8	-2	32.6	33.5
of which: Licenses	"	0.1	0.0	(74)	0.0	nm	1.0	1.0
of which: Maintenance	"	1.5	0.8	(48)	1.0	-22	6.1	6.0
of which: Cloud / Subscription	"	5.2	5.2	(0)	5.2	0	20.5	22.5
of which: Services	"	1.3	1.7	33	1.6	6	5.0	4.0
Gross profit	"	4.0	3.6	-10	3.8	-6	15.1	16.2
margin	%	49.9%	46.9%	-296 BP	49.0%	-208 BP	46.3%	48.3%
EBIT	EURm	(0.5)	0.0	nm	0.1	-27	(0.1)	1.0
margin	%	-6.2%	0.6%		0.8%	-21 BP	(0.2)%	3.1%
Other cloud-related KPI								
Incoming cloud orders	EURm	4.3	5.8	35	4.2	38	21.7	25.0
ARR from cloud	"	19.8	20.3	3	19.8	2	20.1	22.1
New ARR	"	0.3	0.7	123	0.6	17	2.9	3.0
Net new ARR	"	(0.9)	0.5	(154)	0.0	nm	0.0	2.0
Implied churn	"	1.2	0.2	(86)	0.6	-69	2.9	1.0

Source: Pareto, Company data

First insights:

- Q3 revenues declined 4% y/y to EUR 7.7m. Maintenance fell 48% to EUR 0.8m, cloud/subscription was flat at EUR 5.2m and services rose 37% to EUR 1.7m. 9M revenues were down 7% at EUR 23.4m.
- Gross margin eased to 47.0% (Q3 2025: 50.1%) on the mix shift away from high-margin maintenance, while the services gross margin improved to 18% (Q3 2025: 4%). Opex fell 21% y/y to EUR 3.6m, partly on lower other operating expenses, lifting EBIT to EUR 0.05m (Q3 2025: EUR -0.5m). Excluding net other operating income of EUR 0.15m, EBIT would have been slightly negative. 9M EBIT reached EUR 0.2m (9M 2025: EUR -1.4m).
- Incoming cloud orders rose 35% y/y to EUR 5.8m, taking 9M to EUR 14.2m (+29%). Intershop signed four new cloud customers in Q3, ten in 9M (9M 2025: seven). Growth came mainly from existing customers (EUR 10.5m vs EUR 7.5m), while new-customer orders rose only slightly to EUR 3.7m (EUR 3.5m).
- Net new ARR rose to EUR 0.5m in Q3 (Q2: EUR 0.2m, Q1: EUR -0.6m), on new ARR of EUR 0.7m and lower churn. ARR stood at EUR 20.3m, up 3% y/y. The cloud margin improved to 66% in 9M (9M 2025: 65%).
- 9M operating cash flow rose to EUR 3.6m (9M 2025: EUR 1.6m), driven by higher contract liabilities and lower receivables. Based on H1 OCF of EUR 4.3m, Q3 standalone OCF was around EUR -0.7m. Investing outflows were EUR 1.4m, including a EUR 0.3m acquisition payment, and financing outflows EUR 1.6m from loan and lease repayments.
- Cash stood at EUR 9.6m at end-Q3, up EUR 0.8m (+9%) from EUR 8.8m at year-end 2025, but down from EUR 11.1m at end-H1. Bank debt was reduced to EUR 1.4m (year-end 2025: EUR 2.2m).
- FY 2026 guidance was confirmed: cloud orders and net new ARR at prior-year level, a slightly lower percentage revenue decline than in 2025 (-14%) and a balanced EBIT. Matching the prior-year cloud order level of EUR 21.7m requires Q4 orders of around EUR 7.5m, against a strong Q4 2025 of EUR 10.7m.
- Our take: The strong cloud order entry is encouraging, although orders remain lumpy and one quarter does not make a trend. More importantly, last year's cost cuts have stabilized the company in a difficult market, with EBIT now positive for three consecutive quarters.

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