

## 2024 guidance met, outlook for 2025 cautious

*Intershop has reported its preliminary Q4 and 2024 numbers today. We note that the full-year guidance has been met, indicating a slight increase in cloud orders, net new ARR, and group revenues, along with a balanced group EBIT. However, we had hoped for slightly better numbers following the strong 9M performance. For 2025, Intershop once again guides for only a slight rise in cloud order entry, with revenues expected to decrease by 5-10% due to the planned downsizing of the Service business. The company also anticipates a balanced operating result. While we understand that Intershop remains cautious this early in the year, this outlook falls below our estimates. We had a buy rating on the stock, with our last price target set at EUR 2.60.*

Intershop		Q4 2023	Actual		Pareto		Pareto (pre Q4)	
			Q4 2024	yoy (%)	Q4 2024	Delta (%)	2024e	2025e
Revenues	EURm	9.3	9.0	-4	9.1	-1	38.9	41.1
Gross profit	"	3.7	3.8	4	4.0	-6	17.4	19.8
margin	%	39.1%	42.1%	301 BP	44.3%	-224 BP	44.9%	48.1%
EBIT	EURm	(1.0)	(0.5)	-52	0.2	nm	0.2	1.5
margin	%	(11.2)%	(5.5)%	566 BP	1.8%	-729 BP	0.6%	3.6%
<b>Other cloud-related KPI</b>								
Incoming cloud orders	EURm	5.8	5.3	(9)	6.2	-15	21.7	25.0
ARR from cloud	"	17.3	20.1	16	19.5	3	19.5	22.4
Net new ARR	"	0.6	0.9	39	0.5	70	2.3	3.0

Source: Pareto, Company data

### More first insights:

- EBIT was once again negative after a positive result in Q3.
- Cloud KPI (ARR and net new ARR) were slightly better in Q4 than expected. Intershop did not yet publish details on churn.
- Cash was at EUR 8.7m at year end, which compares with EUR 10m last year.
- There will be a conference call today at 1:30 p.m. CET.

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