KNOWMAD MOOD

Mastering the essentials: an IT growth story

- **A talent-first IT consultancy in a market of sameness.** knowmad mood is a Spanish IT consultancy. Around 50% of revenue comes from tech support, 25% from managed services, and the rest from third-party software licenses. Spain accounts for 88% of sales. Founded in 1994, it has grown steadily by putting talent first — voluntary turnover is half the industry average — and earning client trust through a land-and-expand model. Small projects often evolve into long-term, multi-service relationships. The formula works: revenue reached €210m in 2024, with over 1,000 clients and projects in 31 countries, most of the growth being organic. While its offering may be commoditized, knowmad mood's edge lies in talent retention, technical solvency and execution quality.

- **Strong growth record and prospects.** knowmad mood has doubled revenue every three and a half years. In its April strategy update, management set out to double again by 2028. The growth will come from further share gains in Spain (from 0.1% to 0.8% of the consulting market in two decades), international expansion, and M&A (six deals since late 2022). Beyond M&A, the business is not capital intensive (RoCE 28%, RoE 26%) and maintains a solid balance sheet (1.1X ND/EBITDA). Rising digital spend, a fragmented market, knowmad mood's value proposition, and new M&A ambitions support >20% annual sales and profit growth.

- **But not without flaws.** Its revenue mix comprises mostly tech support and software sales make up 75%. Margins are low (7.2% EBITDA in 2024 vs 8–10% for the industry and >10% for listed peers) and have shown limited operating leverage. Future growth will rely more heavily on M&A and international execution — areas where knowmad mood is still building a track record (the first acquisition underperformed,). International expansion also adds execution risk.

- **Valuation backed by growth.** We value knowmad mood at €4.60–6.00 per share (10.0–12.7X26 EV/EBITDA) based on a DCF model, assuming delivery on 2028 targets (27% sales CAGR) and a taper thereafter. Peers trade between 8X EV/EBITDA (smaller players) and 12X (larger ones), with high-growth/high-margin names earning double-digit multiples. While knowmad mood's margins are lower, its growth is 5X the peer average. If targets are met and a mid-range multiple holds, equity IRRs could reach double digits. While the shares are thinly traded due to just 2% free float, we expect liquidity events as the strategic plan includes raising the free float to 10%.

Financial Ratios	FY22	FY23	FY24	FY25E	FY26E	FY27E
EBITDA (€m)	9.9	10.4	15.1	19.5	26.1	34.8
Net profit (€m)	7.4	7.1	9.0	11.1	13.9	17.6
EPS (€)	0.15	0.14	0.18	0.22	0.28	0.35
Adj. EPS (€)	0.15	0.14	0.18	0.22	0.28	0.35
P/E (x)	20.6	26.6	20.1	18.5	14.9	11.7
P/E Adj. (x)	20.6	26.6	20.1	18.5	14.9	11.7
EV/EBITDA (x)	15.5	18.2	13.0	12.1	9.8	8.0
Debt/EBITDA (x)	0.2	0.1	1.1	1.6	1.9	2.1
P/BV (x)	6.0	6.1	4.6	4.2	3.3	2.6
ROE (%)	29.0	22.8	23.1	22.8	22.5	22.6
DPS (€)	–	0.02	0.01	0.02	0.02	0.02
Dividend yield (%)	–	0.5	0.3	0.5	0.5	0.6

(*) Historical multiples based on average share price of the year

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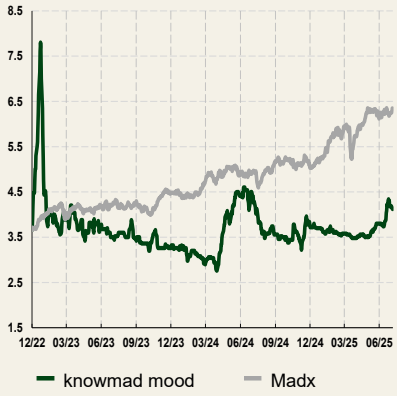
Share Price (*)	€ 4.12

*Share price at the close of 28 July 2025

ATSI.MC / ATSI SM	
Market Cap	€ 206.0 m
Enterprise Value	€ 236.7 m
Free Float	€ 4 m
Nº Shares	50 m
Average Daily Volume	€ 9 k

Performance	1m	3m	12m
Absolute %	9.0	17.1	-3.5
Relative %	7.1	10.0	31.9



Shareholders

Mr Rufino (Chairman) 52.7%;
Mr Sacristán (Vice-chairman) 45.3%;
Free float 2%

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Key Data

P&L account (€ m)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenue	129.2	168.1	210.0	266.1	339.2	433.3
Opex	(119.1)	(157.7)	(194.2)	(246.0)	(312.3)	(397.3)
EBITDA normalized (KM)	10.1	**10.4**	**15.8**	**20.1**	**26.9**	**36.0**
Other costs	(0.2)	0.1	(0.7)	(0.6)	(0.9)	(1.2)
EBITDA	9.9	**10.4**	**15.1**	**19.5**	**26.1**	**34.8**
D&A	(0.5)	(0.6)	(0.9)	(1.2)	(1.5)	(2.0)
EBITA	**9.4**	**9.8**	**14.2**	**18.3**	**24.6**	**32.9**
PPA amortization	(0.0)	(0.2)	(1.7)	(2.5)	(4.5)	(7.2)
EBIT	**9.4**	**9.6**	**12.4**	**15.8**	**20.1**	**25.7**
Net interest	(0.1)	(0.5)	(0.6)	(1.2)	(1.8)	(2.5)
Other financials	(0.0)	(0.1)	(0.1)	–	–	–
EBT	**9.2**	**9.1**	**11.8**	**14.6**	**18.2**	**23.2**
Income tax expense	(1.9)	(2.0)	(2.9)	(3.5)	(4.4)	(5.6)
Net profit, reported	**7.4**	**7.1**	**9.0**	**11.1**	**13.9**	**17.6**
Adjustments to profits	–	–	–	–	–	–
Net profit, adjusted	**7.4**	**7.1**	**9.0**	**11.1**	**13.9**	**17.6**
Nº of shares (m)	50	50	50	50	50	50
Average nº of shares (m)	50	50	50	50	50	50

YoY Growth	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales	n.m	30.0%	25.0%	26.7%	27.5%	27.7%
EBITDA normalized (KM)	n.m	2.5%	52.7%	27.1%	34.0%	33.7%
EBITDA	n.m	5.3%	23.1%	26.7%	26.9%	27.2%
EBIT, adjusted	n.m	4.6%	44.8%	28.9%	34.2%	34.0%
Net profit, reported	n.m	(3.7%)	25.7%	24.1%	24.7%	27.0%

Operating KPIs	FY22	FY23	FY24	FY25E	FY26E	FY27E
Organic sales growth	32%	28%	15%	13%	13%	12%
Inorganic sales contribution	0%	2%	10%	13%	15%	15%
Number of employees (#)	1,951	2,348	2,507	3,069	3,762	4,620
Revenue per employee (€ k)	66.2	71.6	83.8	86.7	90.2	93.8
Cost per employee (€ k)	49.8	52.1	54.3	55.7	57.2	58.6

Sales by geography	FY22	FY23	FY24	FY25E	FY26E	FY27E
Spain	98%	93%	88%	86%	84%	82%
International	2%	7%	12%	14%	16%	18%

Per share data	FY22	FY23	FY24	FY25E	FY26E	FY27E
EPS	0.15	0.14	0.18	0.22	0.28	0.35
EPS, adjusted	0.15	0.14	0.18	0.22	0.28	0.35
CFPS	0.09	0.12	0.18	0.26	0.35	0.48
FCFPS	(0.04)	0.04	(0.30)	(0.27)	(0.36)	(0.46)
BVPS	0.51	0.62	0.77	0.98	1.23	1.56
DPS	0.01	0.02	0.01	0.02	0.02	0.02

Cash flow (€ m)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net profit	7.4	7.1	9.0	11.1	13.9	17.6
Depreciation	(0.6)	(0.8)	(2.7)	(3.7)	(6.0)	(9.1)
Non-cash adjustments	(2.2)	(0.1)	2.7	5.7	9.9	15.5
Total cash-flow (CF)	**4.6**	**6.2**	**9.0**	**13.1**	**17.7**	**24.0**
Capex	(1.7)	(0.9)	(1.0)	(1.3)	(1.7)	(2.2)
Working capital investment	(5.4)	(1.3)	(8.5)	(5.6)	(5.3)	(6.5)
Operating FCF	**(2.4)**	**4.0**	**(0.6)**	**6.2**	**10.7**	**15.3**
Financial investments	0.1	0.0	(0.4)	–	–	–
Disposals (acquisitions)	(1.5)	(1.5)	(14.1)	(19.5)	(28.8)	(38.4)
Rights issues	–	–	–	–	–	–
Others	1.6	(0.5)	0.2	–	–	–
FCF before dividends	**(2.2)**	**2.0**	**(15.0)**	**(13.3)**	**(18.1)**	**(23.1)**
Dividends paid	(0.4)	(1.0)	(0.5)	(1.0)	(1.1)	(1.2)
Free-cash-flow (FCF)	**(2.6)**	**1.0**	**(15.5)**	**(14.3)**	**(19.2)**	**(24.3)**
Share buybacks	–	–	–	–	–	–
FCF after buy backs	**(2.6)**	**1.0**	**(15.5)**	**(14.3)**	**(19.2)**	**(24.3)**

Balance sheet (€ m)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Shareholders' equity	25.5	31.2	38.7	48.8	61.6	78.0
Minority interests	–	–	–	–	–	–
Provisions and other liabilities	5.7	7.8	7.3	7.3	7.3	7.3
Net debt	2.0	1.0	16.4	30.7	50.0	74.3
Capital invested	**33.2**	**40.0**	**62.4**	**86.8**	**118.8**	**159.5**
Goodwill & PPA intangibles	0.9	2.8	15.0	26.1	41.8	61.5
Fixed operating assets	2.7	4.3	6.2	8.2	10.6	13.7
Non-operating assets	1.4	0.5	1.9	1.9	1.9	1.9
Working capital	28.2	32.5	39.3	50.6	64.5	82.3
Capital employed	**33.2**	**40.0**	**62.4**	**86.8**	**118.8**	**159.5**
Working capital/sales	21.9%	19.3%	18.7%	19.0%	19.0%	19.0%
Capex to sales	1.3%	0.5%	0.5%	0.5%	0.5%	0.5%

Financial ratios	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net debt/Normalized EBITDA (KM)	0.2X	0.1X	1.0X	1.5X	1.9X	2.1X
Net debt/EBITDA	0.2X	0.1X	1.1X	1.6X	1.9X	2.1X
Gearing	7.8%	3.2%	42.5%	63.0%	81.2%	95.2%
Interest cover	101.6X	21.3X	21.8X	13.3X	11.0X	10.1X

Margins & ratios	FY22	FY23	FY24	FY25E	FY26E	FY27E
EBITDA margin	7.7%	6.2%	7.2%	7.3%	7.7%	8.0%
EBITA margin	7.2%	5.8%	6.8%	6.9%	7.2%	7.6%
Effective tax rate	20.0%	21.7%	24.2%	24.0%	24.0%	24.0%
Pay-out	5.4%	14.0%	5.6%	9.0%	7.9%	6.9%
ROCE (EBIT/CE)	28.2%	24.0%	19.9%	18.2%	16.9%	16.1%
ROE	29.0%	22.8%	23.1%	22.8%	22.5%	22.6%

Summary & Investment Case

What is knowmad mood?
knowmad mood is a Spanish IT consultancy specializing in digital services for corporate clients. Founded in 1994, it has grown to €210m in revenue in 2024, serving over 1,000 clients across 31 countries. Its business mix includes tech support (~50% of sales), managed services and project consulting (25%), and the resale of third-party software licences (25%), primarily Atlassian. Although 88% of its revenue still comes from Spain, the company has expanded internationally since 2019 and now operates in 10 countries across Europe and the Americas.

Differentiation: people and clients first
knowmad mood's edge lies in execution rather than product uniqueness. It has built a talent-first organization, with voluntary turnover at just 13% — half the industry average. This stability underpins consistent service delivery and long-term client retention. Its land-and-expand model often begins with small engagements — such as software licences or tech support — and grows through strong delivery. A 2004 project for an insurer, for example, evolved into a multi-million-euro relationship spanning multiple IT domains.

Strong growth track record and ambitions
After doubling revenue every four years, knowmad mood now targets €550m by 2028 — 2.6X 2024 levels. The plan rests on three pillars: a) continued share gains in Spain through its land-and-expand model; b) international expansion, with overseas revenue expected to grow from 12% to 25% of total; and c) a ramp-up in acquisitions, following six deals since late 2022. With low capital intensity and strong cash flow, knowmad mood can fund growth without stretching its balance sheet.

The positives
a) A proven model that drives strong organic growth — built on a people-centric culture and a land-and-expand strategy — which has doubled revenue every four years and increased market share from 0.1% to 0.8% over the past two decades; b) a favourable market backdrop, with long-term digitalization trends driving high single-digit growth in consulting and double-digit growth in key technologies; c) high revenue visibility, with an estimated 75% of sales coming from recurring or contract-based services; d) a diversified client base with no concentration risk; e) an asset-light model delivering 28% RoCE and 26% RoE; and f) strong growth prospects, with sales growing at a 27% CAGR and EBITDA expected to triple by 2028.

The negatives
a) A commoditized product mix, with 75% of revenue from tech support and software resales — limiting pricing power; b) thin margins (7.2% EBITDA in 2024) and little operating leverage, with low-margin software weighing on profitability; c) scale constraints, as organic growth slows and reliance on acquisitions increases; d) execution risk in M&A and internationalization — areas where knowmad mood has a limited track record, and a first acquisition that underperformed; and e) low share liquidity, with just 2% free float (~€4m), making the stock largely inaccessible to institutions until the float expands.

Our estimates
We forecast revenue to grow from €210m in 2024 to €552m by 2028 (27% CAGR). Just over half of this growth is expected to come from acquisitions, which we think is the biggest risk to delivering on the targets. EBITDA is projected to rise from €15m to €46m (32% CAGR), or to €48m based on knowmad mood's normalized EBITDA calculation, as margins expand to 8.7%. We expect net profit to increase from €8.9m in 2024 to €22.6m by 2028.

The balance sheet
Net debt stood at €16m in 2024, or 1.1X EBITDA (0.5X excluding earnouts), and consists mostly of banking debt. The balance sheet is well positioned to support M&A. That said, liquidity seems tight — cash covers only one month of wages — and we see merit in doubling reserves to 10% of sales. Capex and working capital needs are modest, keeping free cash flow strong and allowing leverage to remain below 2.2X, even under our high-investment scenario.

Valuation
We value knowmad mood at €4.60–6.00 per share based on a DCF using a 10.5% WACC and 2% terminal growth. Our range implies 10.0–12.7X26 EV/EBITDA. The stock trades at 12.1X25 and 9.8X26 EV/EBITDA — the high end of the small-cap peer range — reflecting its superior growth profile. If knowmad mood delivers on its targets and EV/EBITDA multiples normalise at 9X (from current 12.1X) by 2028, we estimate double-digit equity IRR from current prices. That will largely depend on successful execution of the M&A strategy.

Contents

Summary & Investment Case 3

Valuation 5
€4.60–6.00 DCF-based valuation range
Peers: multiples correlate with size, margins, and growth
As M&A heats up in the sector, is knowmad mood a target?
Equity investment IRR scenarios

I. knowmad mood at a glance 8
What does the company do?
History, track record, and targets
Shareholder structure and management team

II. SWOT 11
Strengths and opportunities
Weaknesses and threats

III. What sets knowmad mood apart? 12
People-centric business model
Land-and-expand commercial approach
A closer look at product portfolio and coverage
The client and tech partner ecosystem

IV. The growth drivers 16
Organic growth
Internationalization
M&A now a key growth pillar

V. Our P&L estimates 20
Ambitious sales and EBITDA targets
Revenue growth
Margin expansion
Our full P&L estimates

VI. Solid B/S even if cash is a bit low; M&A remains affordable 24
Debt structure
Low organic capital intensity
M&A ambitions are affordable
Shareholder remuneration

Valuation

1) €4.60–6.00 DCF-based valuation range

We assume delivery on 2028 targets, then taper growth under two scenarios

We value knowmad mood at €4.60–6.00 per share based on a DCF model. This is based on our estimates through 2028 (aligned with the strategic plan) and extended through two scenarios to 2035, before applying terminal assumptions. After a 25% revenue CAGR from 2019–24 and a projected 27% CAGR through 2028, we taper growth to 11% (conservative) and 14% (optimistic) from 2028–35, reflecting scale effects. Terminal EBITA margin is normalized at 7.8%–9.2%, above the 2024 level (6.8%) and in line with our 2028 forecast (7.9%). Post-2028, we scale back net investment and assume a constant 24% tax rate.

KNOWMAD MOOD: OUR ASSUMPTIONS FOR THE DCF VALUATION RANGE

			2028-35E	
	2019-24	2024-28E	Conservative	Optimistic
Sales CAGR	25%	27%	11%	14%
EBITDA margin	7.0%	7.7%	8.2%	9.7%
EBITA margin	6.6%	7.3%	7.8%	9.2%
Net investment to sales	7.1%	10.9%	4.0%	7.2%
Tax rate	22%	24%	24%	24%

Source: Alantra Equities

Terminal assumptions are identical across scenarios

Both scenarios assume a 2% terminal growth rate and 10.5% WACC (based on an 11% cost of equity and 5% pre-tax cost of debt). Over time, knowmad mood's greater scale, improved share liquidity, and stronger track record could justify a lower cost of capital. Our base case yields an enterprise value of €261-330m or €4.60-6.00 per share.

KNOWMAD MOOD: OUR DCF-BASED VALUATION RANGE AND TERMINAL ASSUMPTIONS

(€ m)	Conservative	Optimistic
EV	**261**	**330**
Net debt, 2025	(31)	(31)
Minorities	–	–
Equity value	**230**	**300**
Number of shares	50	50
Equity p.s. (€)	**4.60**	**6.00**
Current price (€)	4.12	4.14
Upside	**12%**	**45%**

Terminal assumptions	%
Risk free	3.5%
Equity risk premium	5.5%
Beta	1.4X
Cost of equity	**11.2%**
Cost of debt, pretax	**4.8%**
Equity | Debt structure	90% | 10%
WACC	10.5%
Terminal growth	2.0%

Source: Alantra Equities

This implies EV/EBITDA multiples of 13.4X for 2025, 10.0X for 2026, and 7.5X for 2027 in the conservative case, and 17.0X, 12.7X, and 9.5X, respectively, in the optimistic case. This compares to the stock which currently trades at 12.1X, 9.8X, and 8.0X, respectively.

KNOWMAD MOOD: IMPLIED VALUATION MULTIPLES OF OUR DCF-BASED VALUATION

	Conservative			Optimistic		
(x)	2025E	2026E	2027E	2025E	2026E	2027E
EV / EBITDA	13.4	10.0	7.5	17.0	12.7	9.5
EV / EBITA	14.3	10.6	7.9	18.1	13.5	10.0
P / E	19.8	15.9	12.5	19.8	15.9	12.5

Source: Alantra Equities

2) Peers: multiples correlate with size, margins, and growth

No pure peer exists for knowmad mood

Listed IT consultancies trade at a wide range of multiples. While no exact peer matches knowmad mood's size and product mix, we have selected a group of large and small players focused on consulting services. Our analysis shows that size, margins, and growth prospects are the strongest drivers of valuation multiples.

Wide dispersion in trading multiples

The larger names — IBM, Accenture, and Capgemini — trade at an average of 10X EV/EBITDA, though Capgemini pulls the average down with a sub-8X multiple as the smallest and least profitable of the three. Still, large caps command a clear premium over small and mid-cap IT specialists, which average 6.9X. Within the small-cap space, dispersion is high. As size decreases, so do multiples — unless a company shows above-average growth or margins. Those that have both (e.g. Reply, Netcompany, Izertis) are outliers, trading at double-digit multiples. Tietoevry also trades in the double digits, despite declining revenues, due to a base-effect technicality. At the other end, Econocom lags with a 3X multiple, reflecting both low growth and low margins.

KNOWMAD MOOD: PEER MULTIPLES

	Mkt cap (€ bn)	Sales CAGR (%)	EBITDA margin (%)	EV/EBITDA (x) 2025E	EV/EBITDA (x) 2026E	EV/EBIT (x) 2025E	EV/EBIT (x) 2026E	P/E (x) 2025E	P/E (x) 2026E
IBM	206.0	(1.2)	22.1	15.7	14.7	23.0	21.4	23.5	22.0
Accenture	149.3	3.0	17.0	13.0	12.1	15.9	14.9	21.9	20.4
Capgemini	23.0	0.8	14.7	7.6	7.3	9.8	9.3	11.8	11.1
Large scale players		**1.9**	**15.8**	**10.3**	**9.7**	**12.8**	**12.1**	**16.9**	**15.8**
Epam	8.1	4.1	15.6	9.6	8.7	10.4	9.4	15.4	13.9
Reply	5.1	8.6	17.2	10.7	9.9	12.9	11.9	19.9	18.0
Sopra Steria	3.9	1.8	12.2	6.9	6.6	9.6	8.9	11.0	10.0
Alten	2.6	6.6	6.0	6.6	6.0	8.5	7.6	11.0	9.7
Tietovery	1.8	(17.4)	16.6	10.4	8.4	14.6	11.7	12.7	10.1
Netcompany	1.6	7.7	17.1	11.4	9.9	15.4	12.9	18.1	14.4
Nagarro	0.8	5.1	13.5	6.8	6.3	9.3	8.3	12.6	11.0
Endava	0.7	0.8	15.9	6.4	6.2	7.8	7.2	9.5	9.2
GFT Technologies	0.5	6.7	12.5	6.0	5.2	7.6	6.5	10.2	8.8
Econocom	0.3	4.7	5.4	3.4	3.1	4.3	3.9	4.3	3.9
Izertis	0.3	27.3	14.4	13.6	11.4	16.5	13.8	22.8	17.8
SMID IT specialists		**5.1**	**14.4**	**6.9**	**6.6**	**9.6**	**8.9**	**12.6**	**10.1**
knowmad mood	**0.2**	**27.3**	**7.3**	**12.1**	**9.8**	**15.0**	**12.8**	**18.5**	**14.9**

Source: LSEG Workspace for prices and consensus on peers and Alantra Equities estimates for knowmad mood and Izertis

knowmad mood trades at the upper end of the peer range

knowmad mood trades at 12.1X 2025 EV/EBITDA on our estimates, falling to 9.8X in 2026 — placing it at the very upper end of the peer range. This is despite having one of the lowest margins in the group: 7.3% EBITDA vs a 14.4% peer average, the third weakest after Econocom and Alten. Notably, knowmad mood reports under Spanish GAAP, not IFRS, which affects lease accounting. Adjusting for this, EBITDA would be approximately 5% higher. The valuation premium is supported by its superior growth — 5X the peer average — which helps offset the margin gap.

3) As M&A heats up in the sector, is knowmad mood a target?

Industrial and financial players remain active in the space

The IT services space is highly fragmented, synergy-rich, and typically unconstrained by antitrust rules. Strategic acquirers may gain access to knowmad mood's capabilities in cloud, AI, and cybersecurity, while mid-sized players could benefit from its client footprint and commercial engine.

Private equity also remains highly active, particularly in buy-and-build strategies. Smaller, high-growth firms like knowmad mood often attract premium takeout multiples, driven by scarcity value and expectations of margin expansion at scale.

M&A multiples range from 10–50X EV/EBITDA

There is precedent: transactions involving firms of similar size — well below the €1bn mark — have seen multiples reach up to 50X EV/EBITDA. We believe knowmad mood could be a reasonable target for both industrial and financial buyers. However, the company is majority-owned (52%) by its chairman, who is understood to be unwilling to cede control — making a takeover unlikely for now.

KNOWMAD MOOD: M&A MULTIPLES HAVE VARIED WIDELY

Target	Acquirer	EV (€ m)	EV/EBITDA	Notes
Babel	Mubadala	300	20.0	Acquired 60% stake
Seidor	Carlyle	833	9.0	Acquired 60% stake
Equativ	Bridgepoint	350	n.a.	3X EV / sales
Darktrace	Thoma Bravo	4,907	34.0	44% premium to market price
IFS AB	Hg, TA, and EQT	3,000	n.a.	
FD Technologies	TA Associates	496	50.0	48% premium to market price

Source: Press and LSEG Workspace

Of the deals above, Babel would be the most similar: a small (€300m EV vs knowmad mood's €240m) IT consultancy with an ambitious growth plan with both organic and inorganic contribution.

The business is also like Indra's Minsait, which offers tech support and business process outsourcing. Indra is reconsidering the strategic positioning with regards to Minsait as the group is now more focused on defence. Since Minsait is Spain's biggest IT consultancy (~9% market share), its decision will likely reshape the M&A landscape in the sector.

4) Equity investment IRR scenarios

A rerating well above peers is unlikely

Our DCF-based valuation implies multiples in line with — or well above — current market levels and peer averages. Still, we acknowledge that a relatively unknown, illiquid stock is unlikely to sustain a lasting premium over more established players. In our view, investor upside doesn't depend on a rerating, but on maintaining a reasonable multiple on a growing profit base.

Returns to come from profit growth

The table below shows the implied equity IRR based on applying different EV/EBITDA multiples to 2024 earnings. We present a range of outcomes:

KNOWMAD MOOD: EV/EBITDA SHARE SENSITIVITY…

Exit share price (€)		EV/EBITDA multiple (x)				
		7.0	8.0	9.0	10.0	11.0
Exit year	2026	2.65	3.17	3.70	4.22	4.74
	2027	3.39	4.09	4.79	5.48	6.18
	2028	4.43	5.35	6.28	7.20	8.13

Source: Alantra Equities

…AND RESULTING EQUITY IRR FROM CURRENT LEVELS

Equity IRR		EV/EBITDA multiple (x)				
		7.0	8.0	9.0	10.0	11.0
Exit year	2026	-25.4%	-16.0%	-7.0%	1.6%	9.8%
	2027	-7.5%	-0.3%	6.2%	12.1%	17.6%
	2028	2.1%	7.8%	12.8%	17.3%	21.4%

Source: Alantra Equities

Even with a derating, delivery on targets supports a flat share performance

In the downside case, multiples converge with smaller industry peers trading at ~7X EV/EBITDA. Even with this derating, if knowmad mood delivers on its 2028 targets, equity IRR would remain slightly positive at around 2%. If the shares derate only modestly — retaining a premium over small-cap peers thanks to continued high growth — and the multiple settles at 9X (midway between the peer average and best-in-class), equity IRR would reach double digits.

Maintaining above-average multiples alongside profit growth yields double-digit IRRs

In the upside case, knowmad mood is valued in the top tier at double-digit multiples. This would be reasonable if the company launched a new strategic plan to double in size again by 2032 — and did so with the credibility gained from delivering on its current plan. In this scenario, equity IRR would reach the low 20s. Additional upside could come from improved free float — and even more if knowmad mood became a takeover candidate, should controlling shareholders reconsider their stance on retaining control.

I. knowmad mood at a glance

1) What does the company do?

~€200m market cap Spanish IT consultancy offering tech support, managed services, and software resale

knowmad mood is a Spanish IT consultancy founded in 1994. Its business mix includes tech support (c.50% of revenue), managed services and project consulting (25%), and third-party software resales (25%). The group supports corporate digitalisation, with a focus on software architecture (42% of revenue), IT management (25%), industrialization (12%), data and analytics (8%), and cloud infrastructure (5%). Software sales are led by Atlassian products, which make up over 80% of licence revenue — where knowmad mood is the firm's #2 partner worldwide.

KNOWMAD MOOD: STOCK HIGHLIGHTS

Ticker	Market cap	2024 sales	2024 EBITDA	2024 net debt
ATSI Founded under the name **AT Sistemas** In Spain in 1994	**€206m** Free float ~2% | ~€4m	**€210m** **+25%** YoY	**€15m** **7.2%** margin	**€16m** Including €8m earnouts

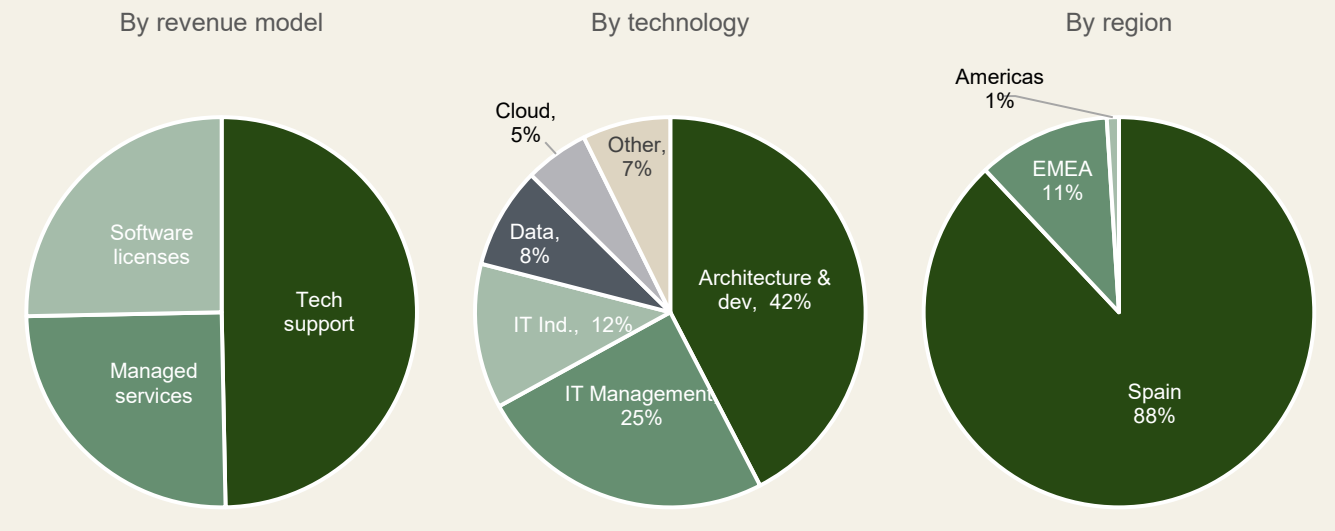
Source: Market cap based on price from LSEG Workspace, financial data from knowmad mood

The company listed on BME Growth in December 2022 under the ticker ATSI — a holdover from its former name, *Aplicaciones y Tratamientos de Sistemas, S.A.* A key objective of its 2021–2024 Strategic Plan was rebranding, which took place in May 2023. The new name, *knowmad mood*, reflects a dual focus: people and international ambition. "Knowmad" combines *knowledge* and *nomad*, portraying employees as digital-savvy, creative, and geographically mobile. "Mood" conveys energy and mindset. The shift to English signals a move from local roots to a global outlook.

Revenue concentrated in Spain

The group operates mainly in Spain (88% of sales) but has been expanding internationally since 2019. Its go-to-market strategy combines a people-first model — prioritizing employee wellbeing and career development to attract and retain talent — with a land-and-expand approach, starting with small engagements and growing wallet share through strong delivery. In 2024, knowmad mood reported €210m in revenue, employed 2,507 staff, operated in 10 countries, managed projects in 31, and served over 1,000 clients.

KNOWMAD MOOD: 2024 REVENUE BREAKDOWN



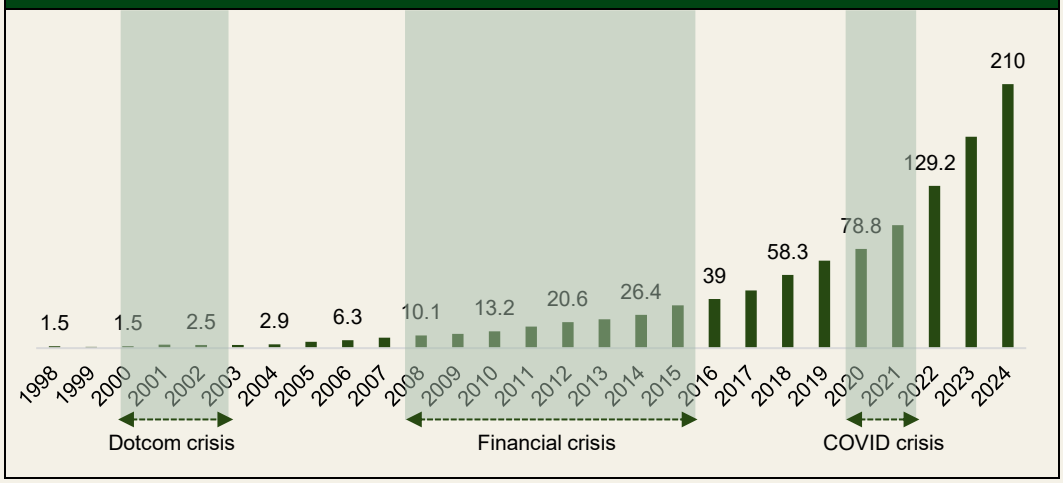
Source: knowmad mood corporate presentation for technology and geographical split, Alantra Equities research for revenue model

2) History, track record, and targets

Sales doubled every four years

knowmad mood has scaled from a ~€1m business in the late 1990s to €10m by 2008, then doubled revenue every four years to reach €210m in 2024 — implying a >20% sales CAGR. Growth was entirely organic until late 2022, when it began acquiring; six deals have closed since.

KNOWMAD MOOD: HISTORICAL REVENUE TRACK RECORD (in € m)



Source: knowmad mood corporate presentation

Listed on BME Growth since 2023

The firm listed on BME Growth in December 2022 at €3.04 per share. Since then, the stock has risen 36% to €4.12, giving knowmad mood a market cap of €206m. With just 2% free float, the shares are thinly traded, averaging under €10k in daily volume.

KNOWMAD MOOD: SHARE PRICE EVOLUTION SINCE IPO (in €)

Source: LSEG Workspace

New strategic plan presented in April

In April, knowmad mood unveiled its 2025–2028 strategic plan, built around five core pillars:

1) **Talent** – Consolidate its people-centric culture and foster greater cohesion and belonging under a “One Team” mindset.

2) **Branding** – Increase brand recognition and integrate acquired companies under the unified knowmad mood brand.

3) **Growth** – Drive both organic and inorganic growth by strengthening the value proposition, generating cross-selling synergies, expanding internationally (targeting 25% of sales abroad by 2028), and deepening tech partnerships.

4) **Profitability** – Focus on higher-value solutions and improve operations, including the use of AI in internal and commercial processes.

5) **Sustainability** – Expand the group's ESG strategy through the knowmad mood Positive programme.

Aims to double sales again by 2028

Under the 2025–28 strategic plan, knowmad mood targets a 2.6X increase in revenue to €550m and a 3X increase in normalized EBITDA to €48m. Delivery will depend on continued M&A and a step-up in international expansion.

KNOWMAD MOOD: 2028 STRATEGIC PLAN TARGETS

(€m)	2024	2028 guidance	2028-24	CAGR
Revenue	210	550	2.6X	27%
Normalised EBITDA	16	48	3.0X	32%
Margin	7.5%	8.7%	119 bps	

Source: knowmad mood strategic plan presentation

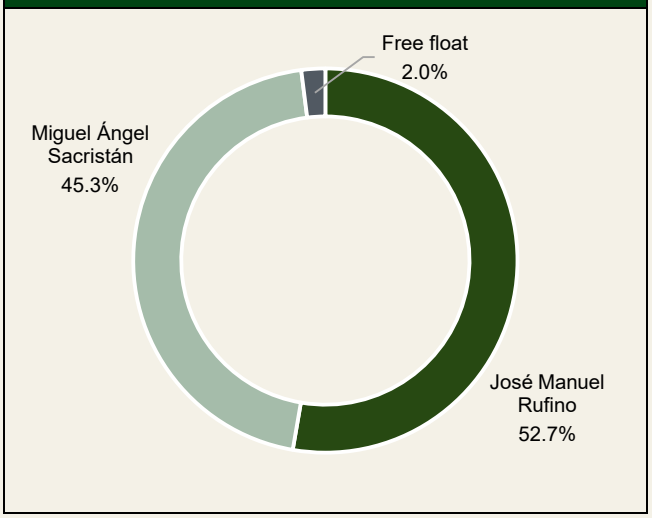
In addition to its financial targets, knowmad mood aims to increase its free float from 2% to 10% over the course of the strategic plan.

3) Shareholder structure and management team

Owned by early employees; just 2% free float

knowmad mood is controlled by executive chairman and CEO José Manuel Rufino (52.7%) and vice-chairman and CSO Miguel Ángel Sacristán (45.3%), both early employees who acquired shares from the founders. They have led the company for the past 20 years. The remaining 2% free float — mostly held by staff — followed the company's 2023 listing on BME Growth.

KNOWMAD MOOD: SHAREHOLDER STRUCTURE



Source: knowmad mood corporate presentation

KNOWMAD MOOD: BOARD OF DIRECTORS

Source: knowmad mood corporate presentation

Board controlled by owners and management

The seven-member board includes the two controlling shareholders, two additional executives — Antonio Chamorro (Deputy Managing Director) and Roberto Fuentes (Head of M&A and Markets) — and three independent directors.

Mr Rufino, with a technical background, oversees operations, partnerships, and corporate structure. Mr Sacristán leads commercial expansion in Iberia and manages key accounts. Mr Fuentes, who joined as a project manager and rose through the ranks, now heads M&A — a growing pillar of knowmad mood's 2025–28 strategy.

II. SWOT

1) Strengths and opportunities

People-first and land-and-expand model with proven share gains

a) **Proven model that drives organic growth.** knowmad mood's success rests on two reinforcing pillars: a people-centric organization and a land-and-expand commercial strategy. The company invests heavily in employee satisfaction — with 13% turnover, half the industry average — and receives high marks in internal surveys and on platforms like Glassdoor. This results in stable delivery teams, a key advantage in long-term contracts. Commercially, knowmad mood starts with small engagements — such as software licence sales or basic tech support — and grows wallet share over time. This approach has consistently delivered results, doubling revenue every four years and lifting its Spanish market share from 0.1% to 0.8%.

Growing digital spend supports long-term demand

b) **Favourable market backdrop.** Consulting demand is supported by long-term digitalization trends — including cloud migration, AI, and cybersecurity — and backed by EU recovery funds. In Spain alone, over €49bn is earmarked for digital investment.

Maintenance and software services offer high revenue recurrence

c) **Revenue visibility.** knowmad mood enjoys a stable revenue base, with 50% of sales from tech support and 25% from managed services and projects — largely under recurring, long-term contracts. These segments offer more predictability than one-off consulting work, helping smooth cash flow and strengthen client retention.

No single client accounts for more than 8% of sales; sector diversification is high

d) **Diversified revenue base.** knowmad mood has a broad and sticky client portfolio. No single client accounts for more than 8% of sales, and 56% have been with the company for over five years. Sector exposure is also well balanced: insurance (19%), retail (18%), and banking (12%) are the top verticals, alongside healthcare, the public sector, and manufacturing.

Organically delivers >20% return on capital

e) **Asset-light model with high returns.** knowmad mood operates with low capital intensity — capex is just 0.5% of revenue — and efficiently converts revenue into returns. In 2024, it delivered 28% RoCE, 21% RoIC, and 26% RoE, with capital turnover above 4X. Even with modest margins, returns remain strong relative to peers.

EBITDA expected to triple by 2028

f) **High growth prospects.** knowmad mood targets €550m in revenue by 2028 (2.6X 2024) and €48m in normalized EBITDA (3X), implying a 27% CAGR for revenue and 32% for normalized EBITDA. While organic growth is expected to slow modestly — from 12.5% in 2025 to 11% in 2028 — it will be supported by increased M&A and international expansion.

2) Weaknesses and threats

Some service areas are commoditized

a) **Low value-added product mix.** Roughly 75% of knowmad mood's revenue comes from tech support and software resales — commoditized, low-margin services. While they drive volume, they offer limited pricing power and leave the company underexposed to higher-value consulting work.

Profitability held back by mix, price pressure, and high labour costs

b) **Low margins.** EBITDA margins remain thin — 7.2% reported, 7.5% normalized. knowmad mood appears to gain share through quality and competitive pricing. While EBITDA has tripled since 2020, margin expansion has been limited. A growing share of software sales (25.6% in 2024 to 27.6% by 2028) will add further pressure.

Growth will slow as the company scales ("Law of large numbers")

c) **Size may constrain growth.** knowmad mood's organic growth is slowing, with annual revenue gains plateauing at ~€30m since 2022. As the company scales, sustaining >20% growth will become harder without continued acquisitions.

M&A track record still limited

d) **Execution risk in M&A and internationalization.** knowmad mood has limited M&A experience. Its first acquisition, New Verve, posted losses in 2024, and integration was delayed to preserve earnouts — a misstep the company now seeks to avoid. Also, cross-border deals add further complexity.

Low free float makes shares unattractive to institutional investors

e) **Low share liquidity.** Only 2% of knowmad mood's equity is free float — around €4m, mostly held by employees. This leaves the stock virtually inaccessible to institutional investors. While management aims to increase float to 10%, there is no clear timeline. Until then, liquidity remains a structural weakness in the equity story.

III. What sets knowmad mood apart?

1) People-centric business model

Employee wellbeing is core to successful client execution

knowmad mood's core differentiator is its employee-first culture. The logic is straightforward: better treatment attracts better talent, which delivers better service — driving client retention and growth.

Key initiatives include:

a) **Structured career paths**, including mentoring and internal mobility.

b) **Above-average compensation and benefits**, such as health insurance, on-site medical support, and meal allowances.

KNOWMAD MOOD: AVERAGE COMPENSATION BY CATEGORY VS PEERS

(€ '000 / year)	knowmad mood	Accenture	EY	Capgemini	Altia
Administrative	18.2	27-37	25-30	19-30	18-28
Sales / Commercial	63.5	40-45	40-56	32-47	46-50
Executive	98.0	75-85	90-120	83-97	NA
Middle Management	58.0	58-64	45-58	46-60	53-57
Technical	39.5	28-42	25-41	21-37	26-35

Source: knowmad mood annual report for its data, company reports, Glassdoor and InfoJobs for peer ranges

c) **Training**, with 25,000 hours delivered to employees in 2024.

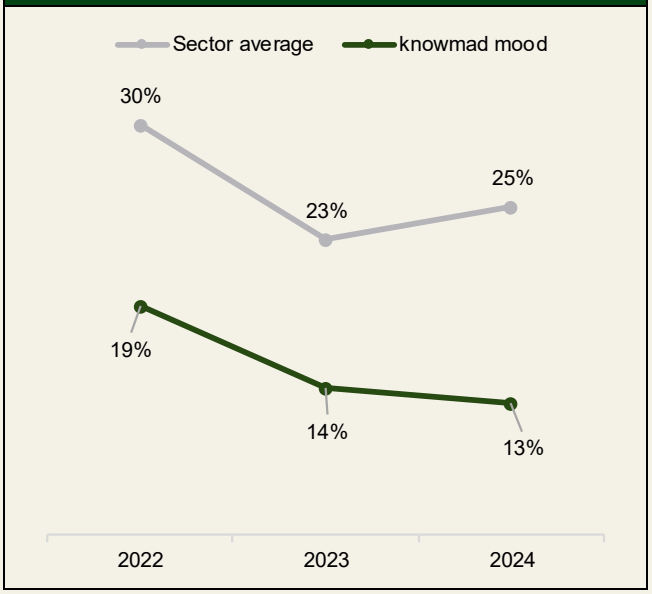
d) **Flexibility and autonomy,** with over 94.8% of work hours logged remotely in 2024; flat team structures reinforce employee ownership and decision-making.

e) **Work-life balance,** supported by a broad range of services covering maternity, mobility, healthcare, fitness, and even pet care.

Employee satisfaction is measurable and strategically relevant

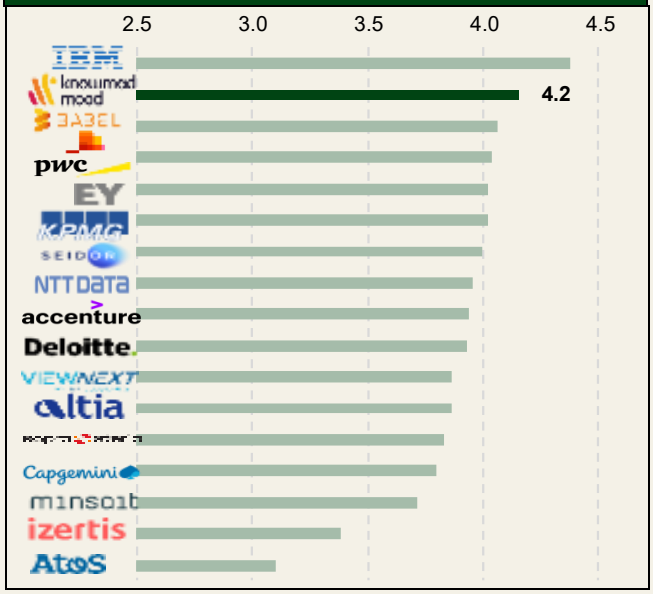
The results are measurable: voluntary turnover is 13%, half the industry average. Glassdoor and InfoJobs ratings rank knowmad mood as the top IT consultancy in Spain (4.0 stars). Internal surveys show over 80% employee satisfaction, with participation rates around 60%

KNOWMAD MOOD: EMPLOYEE VOLUNTARY TURNOVER



Source: knowmad mood corporate presentation

KNOWMAD MOOD: EMPLOYEE REVIEWS (score from 1-5)



Source: Glassdoor and Infojobs

Low employee turnover reduces recruitment, onboarding, training, and absenteeism costs. It also ensures continuity in client accounts — stable teams deliver better service, foster stronger relationships, and improve project consistency, which is critical in long-term contracts. High employee satisfaction further supports hiring in a sector where billable capacity is the main growth constraint.

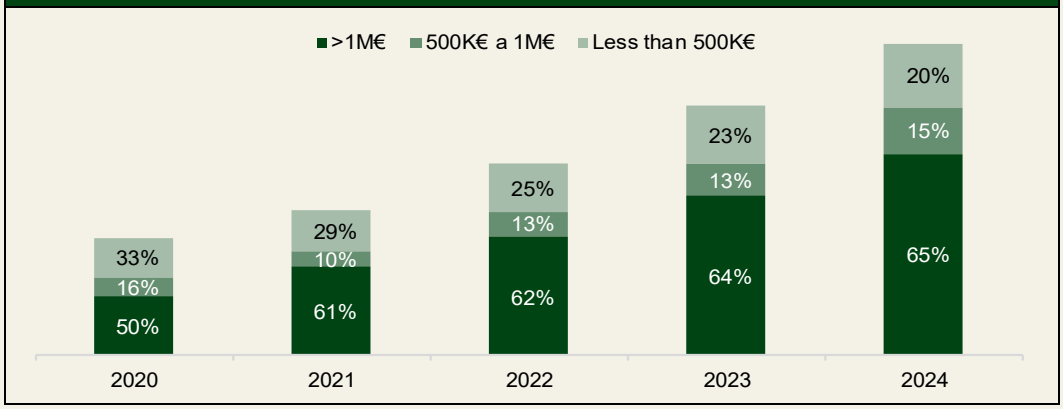
2) Land-and-expand commercial approach

Differentiation is driven by superior service

knowmad mood applies a land-and-expand strategy — entering accounts through small contracts, then growing wallet share by consistently outperforming incumbents.

Large consultancies often reject small projects — knowmad mood does not. In 2024, 20% of sales came from clients billed under €500k. Entry points often involve Atlassian software licences (e.g. Jira, Confluence), where knowmad mood is the #2 partner globally. These tools have low upfront costs and high switching barriers, making them ideal for starting long-term client relationships.

KNOWMAD MOOD: SHARE OF CLIENTS PER ANNUAL FEE SIZE



Source: knowmad mood corporate presentation

Once in, knowmad mood drives upselling by delivering consistently — supported by low staff turnover and strong talent depth across its teams.

A case in point

In 2004, knowmad mood, then a 70-person firm, won a small project to integrate a client's web applications with its mainframe. After demonstrating technical reliability and a client-first mindset, the insurer gradually expanded the relationship — first commissioning an intranet build, then successive upgrades to web architecture, internal platforms, and mobile tools. knowmad mood became deeply embedded. By 2010, it was managing the client's production systems and developing bespoke contract management tools. By 2016, it had led the firm's digital transformation — including modular mobile apps, DevOps automation, and 24/7 managed services. In later years, it integrated Atlassian tools, built custom APIs, and launched AI initiatives such as secure development assistants powered by GitHub Copilot.

Today, knowmad mood manages the client's critical front- and back-office systems, provides multichannel user support, and co-designs governance models. The account now spans multiple business lines and technologies, generating multi-million-euro revenue.

KNOWMAD MOOD: INSURANCE CLIENT CASE STUDY

Year	Milestone	Description
2004	Entry point	Small web-mainframe integration
2005–07	Intranet & architecture	Internal portal, WebSphere stack, new web architecture
2008–11	Expansion to health & back-office	Support for new business line, contract mgmt tool
2013–16	Mobile & digital transformation	Native apps, new architecture, 24/7 managed ops
2017–18	Agile tools & wealth mgmt	Jira integration, Agile methods, B2C app
2019–21	Core migration prep	APIs for insurance lines, multichannel support
2022–24	Smart apps & operational governance	Real estate app, qualitative SLAs, Agile org model
2025	AI & Atlassian Cloud migration	Copilot for secure coding, new service governance

Source: knowmad mood

3) A closer look at product portfolio and coverage

knowmad mood's services can be analysed through two lenses: revenue model and end-use.

By revenue model

Transactional outsourcing model for IT departments

a) **Tech support (~50% of sales).** Transactional services including the oursourcing of IT workforce and infrastructures, such as application maintenance, monitoring of technological solutions, operational support, etc.

Higher-margin solutions in closed projects or ongoing services

b) **Managed services (~25% of sales).** knowmad mood has developed several standardised solutions that it can sell to clients in the form of either closed projects or fully externalised managing of different IT processes. These work under Service Level Agreements (SLA) instead of the time-and-material of tech support. These services include consulting projects, cybersecurity, architecture & development, cloud infrastructure, emerging solutions, data analysis, and other solutions.

Resale of third-party software

c) **Software licences (~25% of sales).** knowmad mood resells third-party software, primarily from Atlassian (which accounts for over two-thirds of licence sales). Clients either approach knowmad mood directly or are referred by Atlassian, where the firm is a platinum partner and #2 worldwide. Licences are usually renewed annually, generating recurring revenue and often leading to additional service work — such as customization, support, or full outsourcing.

By technology or application area

knowmad mood categorizes its services in ten groups. We think the most illustrative way to understand what each means is through a simple example, which we present in the table below.

KNOWMAD MOOD: EXAMPLES OF AREAS OF EXPERTISE

Segment	% of revenue*	Use Case Example
Architecture & Development	42%	Development of a Director Plan of Digital Transformation for an insurer
IT Management	25%	Support and maintenance for logistics systems
IT Industrialisation	12%	DevOps automation for a software firm
Data & Analytics	8%	Real-time dashboard for a healthcare provider
Cloud & Infrastructure	5%	AWS migration for a retailer
Customer UX/CX	4%	Digital onboarding upgrade for a bank
Culture & Workplace	2%	Microsoft Teams rollout for a consultancy
DEXS (Training & Talent)	1%	Agile training via knowmad mood's own DEXS unit
IoT & Smart Industry	0.20%	Factory energy monitoring via IoT sensors
Emerging Solutions	0.10%	AI chatbot prototype for a university
Cybersecurity	n.a.	Pentesting and SOC of a retail company

*Cybersecurity refers to the business from acquired companies Antea and Interwor. Percentages of sales consider parent company revenues only

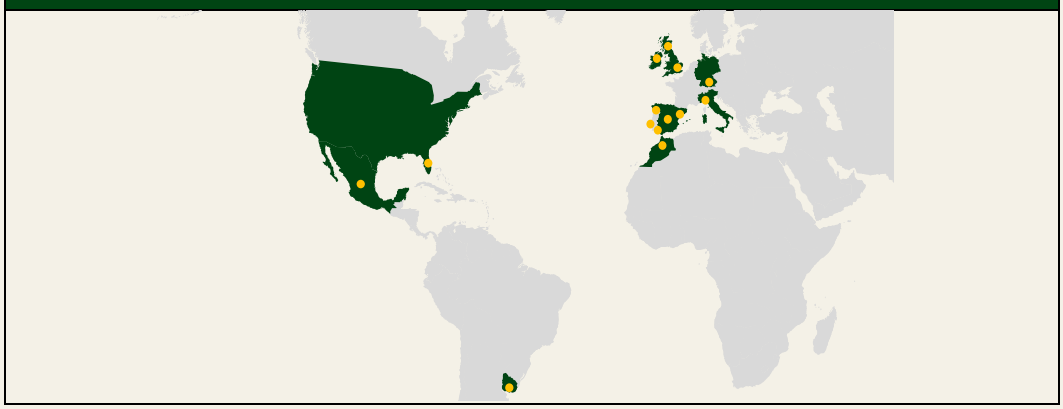
Source: knowmad mood

By geography

Spain remains the main revenue source

knowmad mood has local operations in 10 countries — including Spain, the UK, Italy, Portugal, Germany, Ireland, Morocco, the US, Uruguay, and Mexico — with projects across 31 markets.

KNOWMAD MOOD: INTERNATIONAL PRESENCE



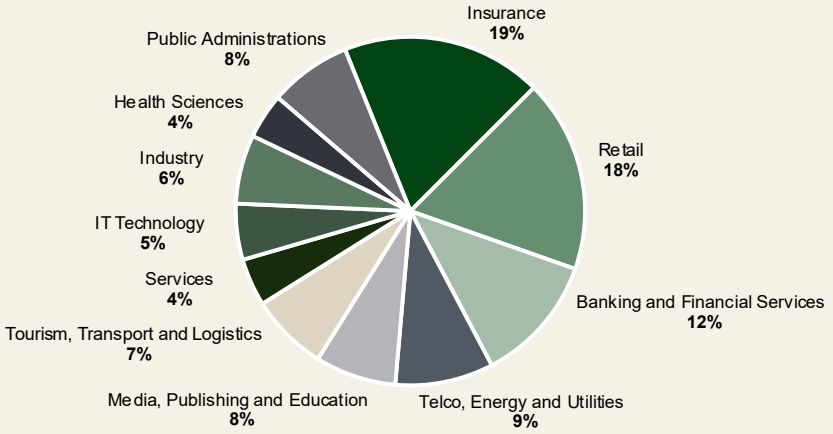
Source: knowmad mood corporate presentation

4) The client and tech partner ecosystem

No client contributes more than 8% of revenue

knowmad mood has a highly diversified client base, with no single customer accounting for more than 8% of revenue. Sector exposure is broad, led by insurance (19%), retail (18%), and banking (12%). Client relationships are long-standing — 56% have worked with the company for over five years.

KNOWMAD MOOD: 2024 REVENUE BREAKDOWN BY CLIENT SECTOR

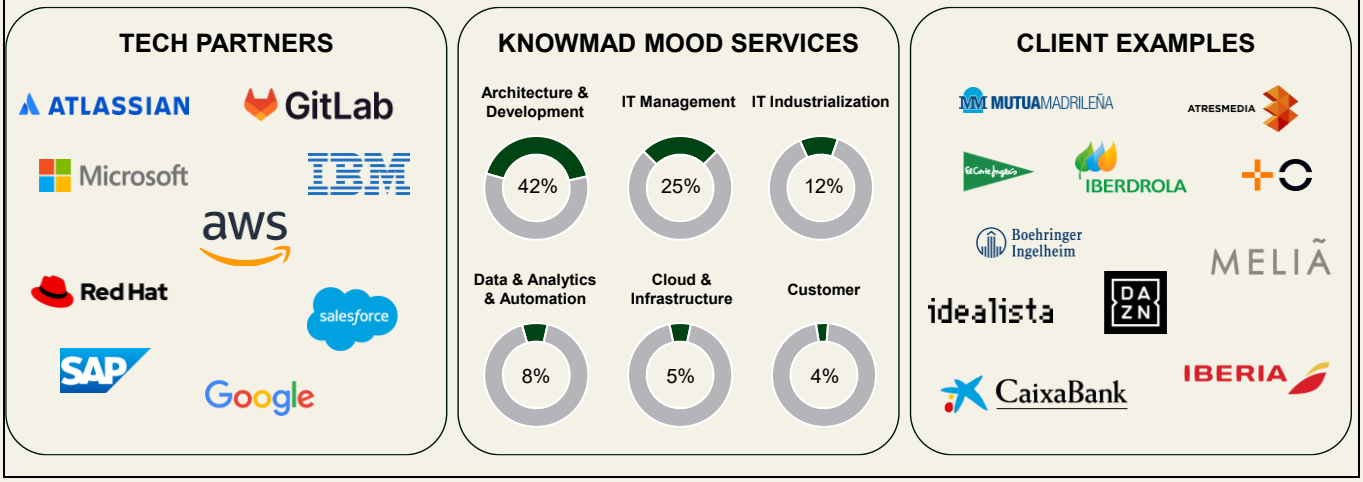


Source: knowmad mood corporate presentation

#2 Atlassian partner worldwide

knowmad mood also maintains a broad network of over 100 tech partners. Atlassian is the most strategic, accounting for ~80% of software licence sales — with knowmad mood serving as a platinum reseller and the firm's #2 worldwide partner. Other relevant partners include Red Hat, AWS, SAP, GitLab, and Microsoft.

KNOWMAD MOOD: TECH PARTNER, SERVICE, AND CLIENT ECOSYSTEM



Source: knowmad mood corporate presentation

The firm selects partnerships mainly based on fit with client needs. In some cases — notably with Atlassian — it operates under exclusive agreements. While exclusivity can limit flexibility, it often deepens collaboration and secures preferential project flow when well aligned.

IV. The growth drivers

1) Organic growth

Spanish market share grew from 0.1% to 0.8%, largely organically

knowmad mood has consistently outpaced industry growth, driven by a differentiated operating model and a favourable market backdrop. Since 2004, it has grown revenue every year, lifting its Spanish market share from 0.1% to 0.8%. Over the past decade, it has captured an estimated 1.3% of net industry growth per year, excluding periods of market stagnation.

KNOWMAD MOOD: MARKET SHARE EVOLUTION IN SPAIN

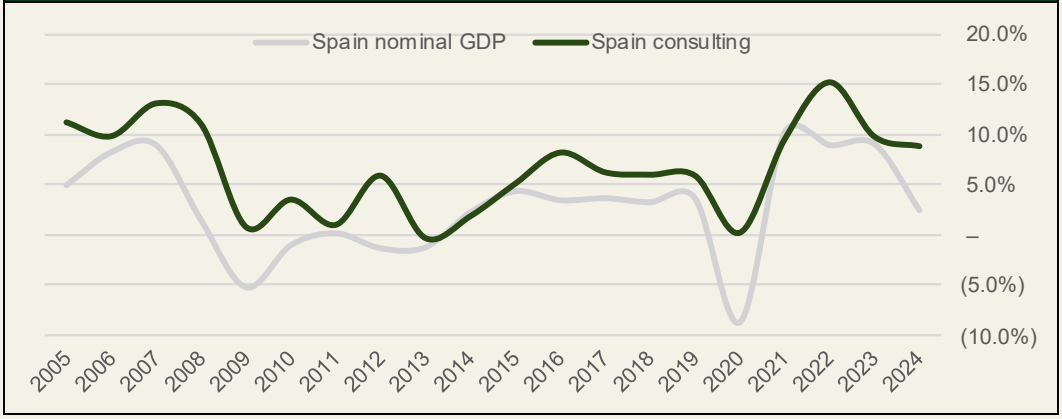
	Spain consulting industry		knowmad mood Spain		knowmad mood share	
Year	In year (€ m)	Growth (€ m)	In year (€ m)	Growth (€ m)	Of market	Of growth
2004	6,200		2.9		0.0%	
2005	6,894	694	5.0	2.1	0.1%	0.3%
2006	7,570	676	6.3	1.3	0.1%	0.2%
2007	8,561	991	8.3	2.0	0.1%	0.2%
2008	9,504	943	10.1	1.8	0.1%	0.2%
2009	9,572	68	11.3	1.2	0.1%	1.8%
2010	9,903	331	13.2	1.9	0.1%	0.6%
2011	9,995	92	17.0	3.8	0.2%	n.m.
2012	10,580	585	20.6	3.6	0.2%	0.6%
2013	10,537	(43)	23.0	2.4	0.2%	n.m.
2014	10,727	190	26.4	3.4	0.2%	1.8%
2015	11,270	543	34.1	7.7	0.3%	1.4%
2016	12,190	920	39.0	4.9	0.3%	0.5%
2017	12,944	754	45.9	6.9	0.4%	0.9%
2018	13,714	770	58.3	12.4	0.4%	1.6%
2019	14,517	803	69.5	11.2	0.5%	1.4%
2020	14,538	21	78.8	9.3	0.5%	n.m.
2021	15,921	1,383	97.3	18.5	0.6%	1.3%
2022	19,659	3,738	126.6	29.3	0.6%	0.8%
2023	21,575	1,916	155.6	29.0	0.7%	1.5%
2024	21,982	407	184.3	28.7	0.8%	7.1%

Source: AEC (Spanish Consulting Agency) for industry data, knowmad mood corporate presentation for company data, Alantra calculations

Consulting expected to outpace GDP growth

The consulting sector itself provides strong tailwinds. In Spain, IT and digital consulting has consistently outpaced GDP growth. The EU's digitalization agenda, backed by Next Generation funds — with over €49bn earmarked for Spain's digital transition (roughly 2.5X the country's annual consulting revenue) — adds further momentum, even if disbursement remains uneven.

CONSULTING INDUSTRY GROWTH VS SPANISH NOMINAL GDP GROWTH



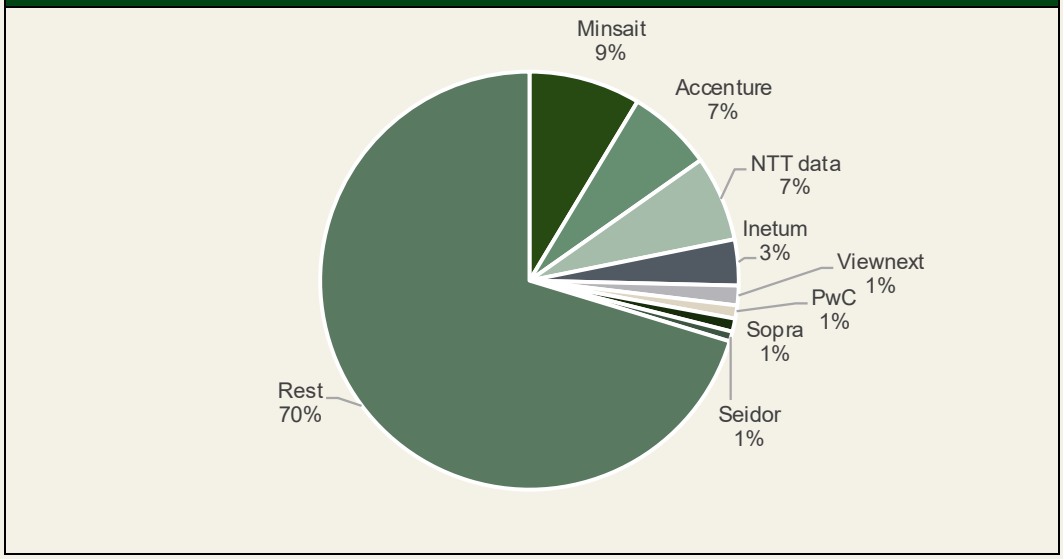
Source: AEC (Spanish Consulting Agency) for industry data, INE (Spanish National Institute of Statistics) for GDP data

Demand drivers are structural: companies face mounting pressure to modernize IT systems, migrate to the cloud, and adopt cybersecurity, automation, and AI solutions. As these capabilities are rarely built in-house, reliance on external IT consultants is growing. Industry analysts project mid- to high single-digit growth for consulting overall, with digital sub-segments expanding at double-digit rates.

A highly fragmented industry

The competitive landscape is highly fragmented. The largest player, Minsait (Indra), holds less than 10% market share, while the top ten combined account for under 30%. With <1% share, knowmad mood remains a small but fast-growing player — competing not on scale, but on execution.

SPANISH CONSULTING INDUSTRY FRAGMENTATION

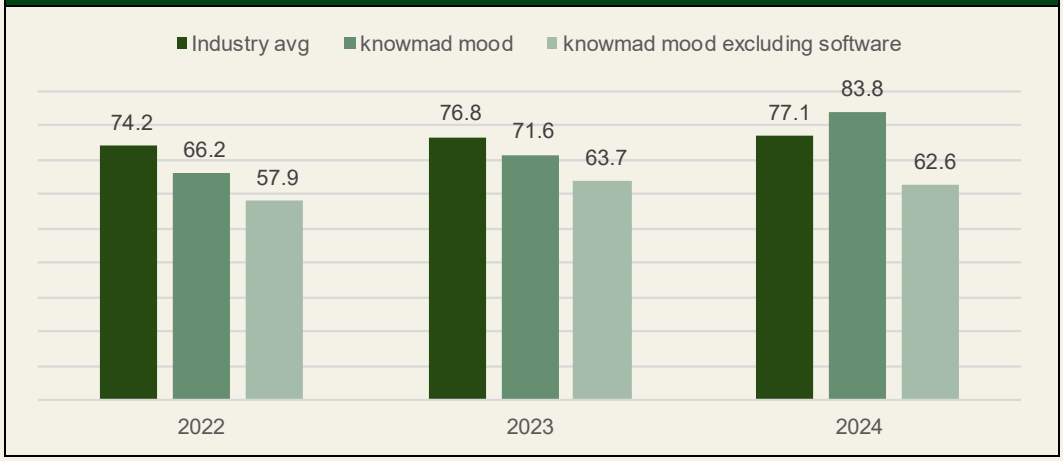


Source: AEC (Spanish Consulting Agency) for total market, corporate presentations and filings for the main players

A better value proposition than peers…

While larger rivals often offshore tech support to Latin America or Southeast Asia, knowmad mood keeps delivery teams closer to clients, avoiding the churn and cultural friction common in offshored hubs. Lower employee turnover and greater continuity support stronger service quality — though revenue per employee (€63k) still lags peers (€77k) when excluding software resale.

KNOWMAD MOOD: REVENUE PER EMPLOYEE VS INDUSTRY (in € '000)

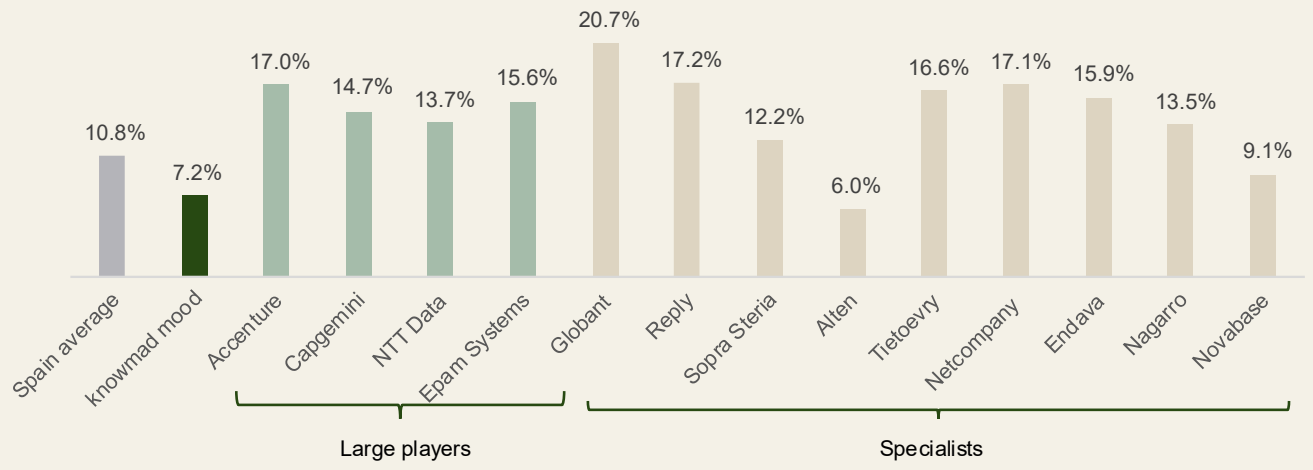


Source: AEC (Spanish Consulting Agency) for sector data, knowmad mood annual accounts for company data, Alantra Equities calculations

…but at the cost of lower margins

That pricing gap may be intentional. knowmad mood's thinner margins reflect both lower revenue per employee and a higher mix of low-margin software sales. Yet this model supports wallet-share gains, account stickiness, and — ultimately — profitable growth. The table next page shows EBITDA margins for the industry. Notably, knowmad mood reports under Spanish GAAP, not IFRS, which affects lease accounting. Adjusting for this, EBITDA would be approximately 5% higher, and the margin would be 7.5%, still below peers.

KNOWMAD MOOD: EBITDA MARGIN VS INDUSTRY AVERAGE AND LISTED PEERS



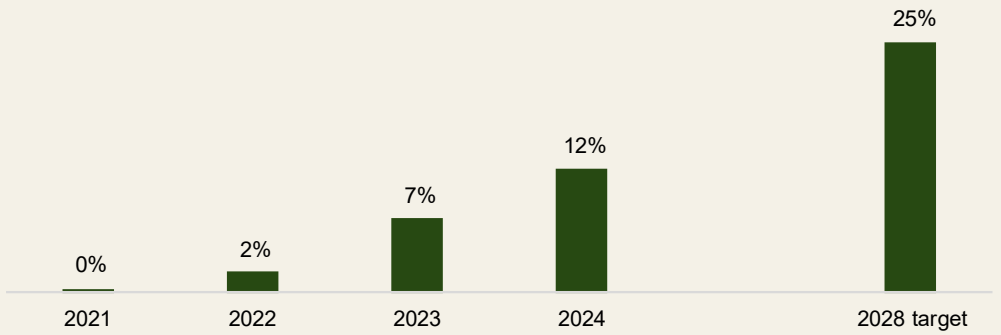
Source: INE for Spanish average, knowmad mood for company data, corporate presentations, filings and LSEG Workspace for industry peers

2) Internationalization

International operations started in 2019

knowmad mood aims to grow its international revenue share from 12% in 2024 to 25% by 2028. Early overseas growth was client-led — with Spanish clients commissioning work abroad — but future expansion will be more strategic, driven by acquisitions and local build-out.

KNOWMAD MOOD: SHARE OF INTERNATIONAL SALES AND TARGET



Source: knowmad mood corporate presentation

Internationalization serves three objectives:

Some clients require cross-border delivery

1) **Access to larger contracts** – Multinational clients increasingly seek regional or global service coverage for large-scale software implementations or managed services. A broader footprint makes knowmad mood eligible to compete.

2) **New local growth fronts** – Replicating its Spanish model in new geographies could unlock smaller but faster-growing revenue streams, particularly in underpenetrated European or Latin American markets.

3) **Offshoring potential** – Latin America could serve as a cost-effective delivery hub, mirroring competitors that operate from Mexico, Colombia, or Argentina.

Internationalization has been challenging for peers

But the risks are non-trivial. Expanding into new geographies increases overheads and complexity, especially without critical mass. Cultural and operational models that succeed in Spain may not translate easily — knowmad mood's US operations, for instance, remain marginal (1% of revenue). And while LatAm offers potential cost savings, knowmad mood's strength lies in service quality — excessive offshoring could undermine that edge. The strategy is sound — but it must be executed

with discipline. Premature scaling could dilute returns and stretch the model beyond its current limits.

3) M&A now a key growth pillar

Started making acquisitions in 2022

knowmad mood's 2025–28 plan leans heavily on acquisitions, which are expected to drive over half of its targeted revenue growth. The company only began its M&A activity in late 2022, completing six deals to date. These added €46m in revenue and €2.4m in EBITDA, at a combined enterprise value of €25m (including €7.9m in pending earnouts).

KNOWMAD MOOD: M&A TRACK RECORD

Date	Target	EV (€m)	Revenue	EBITDA	EV/EBITDA (x)	Rationale
2022-Nov	New Verve Consulting	1.5	1.9	0.1	13.2	Strenghten Atlassian tech, reinforce UK locally
2023-Apr	INCIPY	1.5	1.2	0.2	7.5	Expand product portfolio
2024-Apr	Interwor	4.5	3.2	0.3	17.6	Gain expertise in IT infrastructure & security
2024-Apr	ASERVO Software	5.0	14.3	1.1	4.4	Enter German market and strengthen Atlassian
2024-Oct	Grupo Antea	2.9	11.4	0.8	3.8	Improve cybersecurity offering, enter Mexico
2025-Feb	Vanture ESS	7.0	12.2	1.2	5.7	Strengthen tech in SAP and Odoo

Source: knowmad mood press releases for each acquisition and annual accounts, Alantra Equities assumptions when data is unavailable

First acquisition disappointed but was small; learnings have followed

So far, the approach has been pragmatic — targeting international reach and strategic capabilities, particularly around Atlassian. But execution is still evolving. The first deal, New Verve (2022), proved challenging: it posted small losses in 2024, versus thin profits when acquired. The company was initially left to run independently during its earnout period — a strategy knowmad mood now plans to abandon in favour of early integration. Knowmad mood will now extract synergies by sharing knowledge with its UK subsidiary. Fortunately, the investment was small (€2m) and served as a learning curve. The remaining acquisitions are too recent to evaluate meaningfully.

To meet its €550m revenue target by 2028, knowmad mood must increase M&A proforma sales contribution from €30m in 2024 to €75m annually by 2028. This requires targeting larger assets. Management aims to keep pricing <8X EV/EBITDA, including earnouts.

Ample opportunity

The opportunity is real:

- **Portfolio upgrades** – Acquisitions can add more differentiated capabilities beyond knowmad mood's core services.
- **Margin uplift** – Acquired firms average 8% EBITDA margin, above knowmad mood's 7.2%. This is achievable, given industry norms of 8–10%.
- **Cross-selling potential** – New tech stacks can be offered to knowmad mood's client base and vice versa, boosting utilization and margins.

But also risk

But the risks are material:

- **Execution risk** – Integration in consulting is hard: value walks out the door if talent leaves. Most deals destroy value. knowmad mood uses cash and earnouts, limiting post-deal incentives versus equity-based deals with longer lockups. The firm's approach to non-compete clauses remains unclear.
- **Limited track record** – The team is operationally strong but successful M&A results have still to be proven.
- **Cross-border complexity** – International deals involve opaque diligence, greater dependence on external advisors, and cultural integration challenges.
- **Price discipline vs delivery risk** – Larger targets may command higher multiples. Sticking to <8X EV/EBITDA could protect against overpaying — but may also prevent knowmad mood from hitting its growth targets.

M&A is likely to define the next phase of knowmad mood's story. Whether it becomes a growth catalyst or a drag will hinge on the firm's ability to industrialize its approach — without compromising cultural cohesion or service quality.

V. Our P&L estimates

1) Ambitious sales and EBITDA targets

2028 target: double revenue, triple EBITDA

knowmad mood aims to reach €550m in revenue and €48m in normalized EBITDA by 2028 — 2.6X and 3X 2024 levels, respectively. This implies sustained 20%+ annual revenue growth and normalised EBITDA margin expansion from 7.5% to 8.7%. The targets are ambitious but achievable, if the company manages to execute on the M&A front, which we see as the highest risk.

KNOWMAD MOOD: STRATEGIC PLAN TARGETS VS OUR ETIMATES

		Guidance		Alantra estimates		Alantra
(€ m)	2024	2028	2028 / 24	2028E	2028 / 24	vs guidance
Sales	210.0	550.0	162%	551.8	163%	0.3%
EBITDA, normalised	15.8	48.0	203%	47.8	202%	(0.5%)
EBITDA margin	7.5%	8.7%		8.7%		

Source: knowmad mood strategic plan presentation for targets, Alantra Equities estimates

2) Revenue growth

Organic growth to continue, but will decelerate on a larger base

Organic growth remains solid but is slowing: knowmad mood has added ~€30m annually since 2022, with growth decelerating from 32% in 2022 to 15% in 2024. As the company scales, each new client contributes proportionally less, and onboarding hundreds of new staff per year becomes increasingly challenging — even with its strong employer brand. The company expects to maintain double-digit organic growth, supported by international expansion, cross-selling, and deeper client penetration — but will increasingly rely on M&A to bridge the gap. We forecast organic growth tapering from 12.5% in 2025 to 11% by 2028.

KNOWMAD MOOD: ORGANIC GROWTH ESTIMATES

(€ m)	2023	2024	2025E	2026E	2027E	2028E
Proforma sales	**170.3**	**224.7**	**282.8**	**361.7**	**463.3**	**589.3**
Organic growth contribution	36.2	25.6	28.1	33.9	41.6	51.0
Organic growth rate	27.7%	15.0%	12.5%	12.0%	11.5%	11.0%
Organic as % of sales growth	93.3%	60.9%	50.1%	46.4%	44.2%	43.0%

Source: Alantra Equities

M&A execution is essential to meet growth targets

On the M&A front, knowmad mood has already acquired one firm in 2025, adding €12.2m in pro forma revenue, and is likely to close one or two more deals. Our base case assumes acquired revenue contributions rising from €30m in 2025 to €75m by 2028, with only half of pro forma revenue consolidated in the P&L each year.

KNOWMAD MOOD: INORGANIC GROWTH ESTIMATES

(€ m)	2023	2024	2025E	2026E	2027E	2028E
Inorganic contribution	**2.6**	**16.4**	**28.0**	**39.2**	**52.5**	**67.5**
o.w. from year (t)	0.9	14.2	13.3	22.5	30.0	37.5
o.w. from year (t-1)	1.7	2.2	14.7	16.7	22.5	30.0
Inorganic as % of sales	2.0%	9.8%	13.3%	14.7%	15.5%	15.6%
Inorganic as % of sales growth	6.7%	39.1%	49.9%	53.6%	55.8%	57.0%

Source: Alantra Equities

We forecast a 27% sales CAGR through 2028

Combined, we estimate average annual revenue growth of 27%, roughly split between organic and inorganic drivers. This brings knowmad mood to €552m in reported revenue by 2028, in line with guidance. Pro forma revenue is projected to grow from €225m to €589m over the same period.

KNOWMAD MOOD: INORGANIC GROWTH ESTIMATES

(€ m)	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
Sales	**168.1**	**210.0**	**266.1**	**339.2**	**433.3**	**551.8**	**27%**
YoY	30.0%	25.0%	26.7%	27.5%	27.7%	27.3%	
o.w. organic	28.0%	15.2%	13.4%	12.8%	12.3%	11.8%	
o.w. inorganic	2.0%	9.8%	13.3%	14.7%	15.5%	15.6%	
Sales, proforma	**170.3**	**224.7**	**282.8**	**361.7**	**463.3**	**589.3**	**27%**

Source: Alantra Equities

3) Margin expansion

We expect EBITDA margin to increase from 7.2% in 2024 to 8.4% by 2028, driven primarily by:

1) **Margin-accretive M&A** – We estimate acquired firms operate at ~8% EBITDA margins, above knowmad mood's current level. Given the industry average of 8–10%, this target appears achievable.

2) **Cross-selling efficiencies** – Broader service adoption should lead to better resource utilization, keeping more consultants billable and supporting margin expansion.

Margins should rise, helped by M&A and cross-selling

We expect revenue per employee to grow faster than average cost per employee, supporting margin expansion. Personnel is knowmad mood's largest cost line, representing 65% of 2024 sales and 69% of the total cost base. Assuming a 4% annual increase in revenue per employee, the company can grow average headcount at a 23% CAGR, slightly below the 27% revenue CAGR. Meanwhile, we assume a 3% annual increase in cost per employee, driven by 2% inflation and rising seniority levels. This dynamic implies personnel costs will grow 1–2pp slower than revenue, with personnel costs declining from 65% of sales in 2024 to 62% by 2028.

KNOWMAD MOOD: PERSONNEL COST ESTIMATES

	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
Personnel costs (€ m)	**122.2**	**136.2**	**171.0**	**215.0**	**270.9**	**340.4**	**26%**
YoY		*11%*	*25%*	*26%*	*26%*	*26%*	
As % of sales	*73%*	*65%*	*64%*	*63%*	*63%*	*62%*	
Average headcount (#)	**2,348**	**2,507**	**3,069**	**3,762**	**4,620**	**5,657**	**23%**
YoY		*7%*	*22%*	*23%*	*23%*	*22%*	
Avg cost / employee (€ '000)	**52.1**	**54.3**	**55.7**	**57.2**	**58.6**	**60.2**	**3%**
YoY		*4%*	*2%*	*3%*	*3%*	*3%*	
Avg. sales / employee (€ '000)	**71.6**	**83.8**	**86.7**	**90.2**	**93.8**	**97.5**	**4%**
YoY		*17%*	*3%*	*4%*	*4%*	*4%*	

Source: Alantra Equities

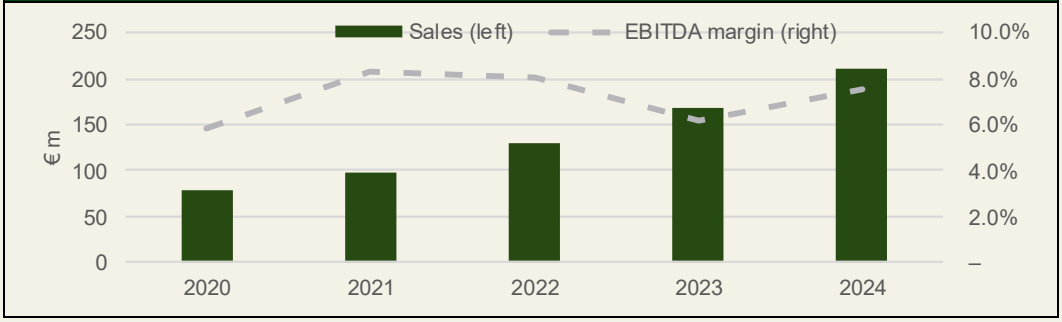
Higher software sales will weigh on margins

Offsetting some of the margin gains is the sales mix shift toward lower-margin software resales. This impacts the P&L through higher supplies, which include the cost of software licences resold to clients. We expect supplies to rise from 25.6% of sales in 2024 to 27.6% by 2028.

Business has shown no operating leverage historically

We note a lack of operating leverage to date: while EBITDA has tripled since 2020, margins have not shown a clear upward trend. This may reflect an already efficient corporate structure with limited room for cost dilution. Additionally, internationalization works against operating leverage — establishing a presence in new markets requires overhead investment that is harder to absorb without critical mass. As a result, we do not expect margins to converge with those of larger peers (EBITDA margins >10%) even if knowmad mood doubles in size.

KNOWMAD MOOD: HISTORICAL EBITDA MARGIN DOES NOT SHOW OPERATING LEVERAGE



Source: knowmad mood corporate presentation

We forecast EBITDA margins reaching 8.4% by 2028

As a result of margin expansion, we estimate EBITDA will triple from €15m in 2024 to €46m by 2028. knowmad mood also reports a normalized EBITDA figure, which excludes grant income, gains/losses on asset sales, and one-off M&A-related items. On this basis, we expect margins to rise from 7.5% in 2024 to 8.7% by 2028, and normalized EBITDA tripling from €16m to €48m.

KNOWMAD MOOD: EBITDA ESTIMATES

(€ m)	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
Sales	168.1	210.0	266.1	339.2	433.3	551.8	27%
Cost of sales	(32.2)	(53.8)	(69.6)	(90.4)	(117.6)	(152.5)	30%
Personnel expense	(122.2)	(136.2)	(171.0)	(215.0)	(270.9)	(340.4)	26%
Other opex	(5.4)	(6.5)	(8.2)	(10.4)	(13.3)	(17.0)	27%
Other income (expense)	2.2	1.6	2.1	2.6	3.4	4.3	27%
EBITDA	**10.4**	**15.1**	**19.5**	**26.1**	**34.8**	**46.3**	**32%**
EBITDA margin	*6.2%*	*7.2%*	*7.3%*	*7.7%*	*8.0%*	*8.4%*	
YoY	*5%*	*45%*	*29%*	*34%*	*34%*	*33%*	
Adjustments*	0.4	0.7	0.6	0.8	1.1	1.4	
Normalised EBITDA (KM)	**10.4**	**15.8**	**20.1**	**26.9**	**36.0**	**47.8**	**32%**
Normalised EBITDA margin (KM)	*6.2%*	*7.5%*	*7.6%*	*7.9%*	*8.3%*	*8.7%*	
YoY		*53%*	*27%*	*34%*	*34%*	*33%*	

*M&A costs, grants, result on sale of fixed assets and non-recurring items

Source: Alantra Equities

We expect 33% EBITA CAGR

The business model is asset-light, so we do not expect a significant increase in depreciation and amortization (D&A). However, we do anticipate a sharp rise in goodwill amortization — as Spanish GAAP requires goodwill to be amortized, unlike IFRS — driven by M&A activity. As a result, we project EBIT to rise from €12m in 2024 to €33m by 2028.

KNOWMAD MOOD: EBIT ESTIMATES

(€ m)	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
Sales	168.1	210.0	266.1	339.2	433.3	551.8	27%
Opex	(157.6)	(194.9)	(246.6)	(313.2)	(398.5)	(505.5)	27%
EBITDA	**10.4**	**15.1**	**19.5**	**26.1**	**34.8**	**46.3**	**32%**
D&A, excl. GW / PPA amortisation	(0.6)	(0.9)	(1.2)	(1.5)	(2.0)	(2.5)	27%
EBITA	**9.8**	**14.2**	**18.3**	**24.6**	**32.9**	**43.8**	**33%**
EBITA margin	*5.8%*	*6.8%*	*6.9%*	*7.2%*	*7.6%*	*7.9%*	
YoY	*4.6%*	*44.8%*	*28.9%*	*34.2%*	*34.0%*	*33.1%*	
GW / PPA amortisation	(0.2)	(1.7)	(2.5)	(4.5)	(7.2)	(10.6)	57%
EBIT	**9.6**	**12.4**	**15.8**	**20.1**	**25.7**	**33.1**	**28%**
EBIT margin	*5.7%*	*5.9%*	*5.9%*	*5.9%*	*5.9%*	*6.0%*	
YoY	*2.7%*	*29.3%*	*27.2%*	*26.9%*	*28.2%*	*28.9%*	

Source: Alantra Equities

4) Our full P&L estimates

Below EBIT, the P&L is simple and clean

We project knowmad mood will grow revenue at a 27% CAGR between 2025 and 2028, reaching €552m by the end of the period. EBITDA is expected to grow faster — at a 32% CAGR — supported by modest margin expansion and M&A contribution. EBIT grows at a 28% CAGR, slightly trailing EBITDA due to rising amortization.

Interest expenses will rise due to acquisition funding and flat rax rate

Below the operating line, financing costs are set to rise. Interest expense was just €0.6m in 2024 due to low leverage, but this will increase as knowmad mood draws debt to fund acquisitions. We forecast pre-tax profit to grow at a 26% CAGR. Assuming a stable 24% tax rate and no change in the share count — as M&A is funded in cash — net profit and EPS should also grow at a 26% CAGR, in line with pre-tax profit.

M&A is cash-financed— no increase in share count

knowmad mood's P&L is relatively clean, with limited financial noise. The story is driven by strong top-line growth, modest margin improvement, and disciplined cost control — tempered by rising financial charges tied to its strategic ambitions.

KNOWMAD MOOD: FULL P&L ESTIMATES

(€ m)	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
Total revenue	168.1	210.0	266.1	339.2	433.3	551.8	27%
Own work capitalized	1.4	1.5	1.7	2.2	2.8	3.5	23%
Cost of Goods Sold	(32.2)	(53.8)	(69.6)	(90.4)	(117.6)	(152.5)	30%
Other operating income	0.3	0.1	0.4	0.5	0.7	0.8	54%
Personnel costs	(122.2)	(136.2)	(171.0)	(215.0)	(270.9)	(340.4)	26%
Other operating expenses	(5.4)	(6.5)	(8.2)	(10.4)	(13.3)	(17.0)	27%
Gain (loss) on sale of assets	(0.0)	(0.0)	–	–	–	–	(100%)
Reversals of provisions	–	–	–	–	–	–	–
Negative goodwill	–	–	–	–	–	–	–
Non-recurring results	0.5	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	27%
EBITDA	**10.4**	**15.1**	**19.5**	**26.1**	**34.8**	**46.3**	**32%**
D&A	(0.8)	(2.7)	(3.7)	(6.0)	(9.1)	(13.1)	49%
EBIT	**9.6**	**12.4**	**15.8**	**20.1**	**25.7**	**33.1**	**28%**
Financial income	0.0	0.0	0.0	0.0	0.0	0.0	(0%)
Financial expenses	(0.5)	(0.6)	(1.2)	(1.8)	(2.6)	(3.4)	55%
FX	(0.1)	(0.0)	–	–	–	–	(100%)
Impairments	0.0	(0.0)	–	–	–	–	(100%)
EBT	**9.1**	**11.8**	**14.6**	**18.2**	**23.2**	**29.8**	**26%**
Tax	(2.0)	(2.9)	(3.5)	(4.4)	(5.6)	(7.1)	26%
Net income attributable	**7.1**	**8.9**	**11.1**	**13.9**	**17.6**	**22.6**	**26%**
EPS (€)	**0.14**	**0.18**	**0.22**	**0.28**	**0.35**	**0.45**	**26%**
Growth rates							
Sales	30.0%	25.0%	26.7%	27.5%	27.7%	27.3%	
EBITDA	5.3%	45.0%	28.8%	33.8%	33.6%	32.7%	
EBIT	4.6%	44.8%	28.9%	34.2%	34.0%	33.1%	
Net income	(3.7%)	25.5%	24.3%	24.7%	27.0%	28.5%	
EPS	(3.7%)	25.5%	24.3%	24.7%	27.0%	28.5%	
Margins and costs							
EBITDA margin	6.2%	7.2%	7.3%	7.7%	8.0%	8.4%	
EBIT margin	5.7%	5.9%	5.9%	5.9%	5.9%	6.0%	
Net margin	4.2%	4.3%	4.2%	4.1%	4.1%	4.1%	
D&A to sales	(0.4%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	(0.5%)	
Average cost of debt	5.2%	4.3%	4.8%	4.8%	4.8%	4.8%	
Average interest on cash	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	
Tax rate	21.7%	24.3%	24.0%	24.0%	24.0%	24.0%	

Source: Alantra Equities

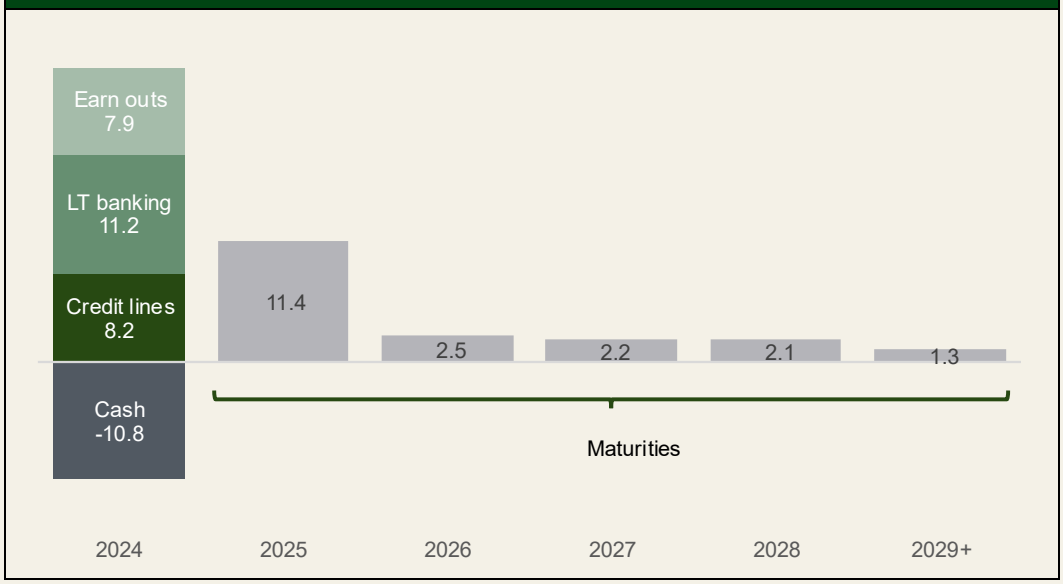
VI. Solid B/S even if cash is a bit low; M&A remains affordable

1) Debt structure

Debt is mostly bank loans and earnouts

As of December 2024, knowmad mood had €19.4m in financial debt and €7.9m in pending earnouts, bringing total gross obligations to €27.3m. The firm reports under Spanish GAAP, which does not require lease capitalization as under IFRS 16; applying IFRS standards would have minimal impact — lease payments total just €0.7m annually, mostly short term.

KNOWMAD MOOD: DEBT STRUCTURE (in € m)



Source: knowmad mood 2024 annual report

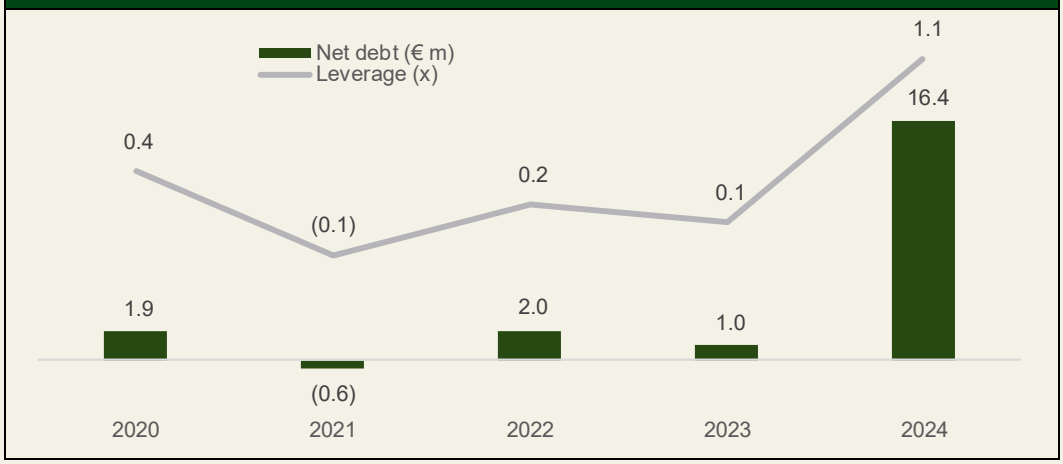
All financial debt is bank-sourced. Of the total, €11.2m is long-term debt, primarily at the parent level, with ~€2m amortizing annually through 2029. An additional €8.2m is drawn from €13.5m in available credit lines.

Net debt at 1.1X EBITDA

Cash stood at €10.8m, putting net debt at €16.5m, or €8.6m excluding earnouts. This equates to 1.1X net debt/EBITDA, or 0.5X when excluding earnouts. On knowmad mood's own metrics — net debt including earnouts vs normalized EBITDA — leverage stood at 1.0X at year-end.

Until 2022, knowmad mood operated debt-free. Its current balance remains manageable and leaves sufficient headroom for M&A under the new strategic plan. The concern lies not with leverage, but with liquidity.

KNOWMAD MOOD: HISTORICAL LEVERAGE



Source: knowmad mood 2022-24 annual accounts and corporate presentation for 2020-21 data

Liquidity seems thin and structurally low

While leverage is comfortable, we view knowmad mood's liquidity as too thin. Cash covers less than 5% of pro forma sales and barely one month of payroll — a low cushion for a cyclical business and a high fixed cost base, particularly in Spain, where labour is hard to shed. Two-thirds of available credit lines are already drawn, and liquidity was similarly low at H1 and 9M 2024, indicating this is a structural issue, not a seasonal dip.

KNOWMAD MOOD: LIQUIDITY KPIs

	2022	2023	2024
Gross cash (€ m)	**7.8**	**7.5**	**10.8**
As % of sales	6%	4%	5%
Months of personnel cost	1.0	0.7	1.0
As % of ST debt	89%	122%	95%
As % of accounts payable	64%	58%	40%

Source: Alantra Equities

In our view, knowmad mood's limited cash buffer reduces its negotiating leverage with lenders and weakens its position with M&A targets. To strengthen operational resilience and financial flexibility, the firm should aim to hold cash equal to at least 10% of sales and three months' payroll.

2) Low organic capital intensity

knowmad mood runs an asset-light model, typical of consulting businesses. Capital requirements are minimal, aside from talent acquisition and working capital needs.

Organic growth is mainly working capital-intensive

The main cash drain is working capital, due to a mismatch in payment terms — clients typically pay late, while wages are paid monthly. knowmad mood operates with working capital equal to 19% of revenue, driven mostly by receivables, partially offset by payables to software vendors and staffing partners. At current growth rates, we estimate this will require €5–8m in annual investment through 2028.

KNOWMAD MOOD: WORKING CAPITAL INTENSITY

(€ m)	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
Inventories	0.0	0.1	0.1	0.2	0.2	0.5	
Receivables	45.5	66.3	83.9	106.9	136.5	173.9	
Payables	(13.0)	(27.1)	(33.4)	(42.6)	(54.4)	(69.5)	
Working capital	**32.5**	**39.3**	**50.6**	**64.5**	**82.3**	**104.8**	28%
Working capital as % of sales	*19.3%*	*18.7%*	*19.0%*	*19.0%*	*19.0%*	*19.0%*	
Change in working capital	**4.2**	**6.8**	**11.3**	**13.9**	**17.9**	**22.5**	
o.w. investment	1.3	8.5	5.6	5.3	6.5	8.3	
o.w. M&A, FX and others	2.9	(1.7)	5.7	8.6	11.4	14.3	

Source: Alantra Equities

Capex remains minimal

Capex is negligible, at just 0.5% of sales — roughly €1m in 2024, rising to €3m by 2028. knowmad mood also capitalizes internal software development, equivalent to about 1% of sales, though it records this under operating cash flow rather than investing activities.

KNOWMAD MOOD: CAPEX INTENSITY

(€ m)	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
Capex	**0.9**	**1.0**	**1.3**	**1.7**	**2.2**	**2.8**	**28%**
Capex as % of sales	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
Own work capitalised	**1.1**	**1.4**	**1.5**	**1.7**	**2.2**	**2.8**	**18%**
Own work as % of sales	0.8%	0.8%	0.7%	0.6%	0.6%	0.6%	

Source: Alantra Equities

High capital turnover drives strong RoCE

As a result, capital employed is low. In 2024, it stood at €62m (with a €51m average), while equity was €39m (€34m average). Against €210m in revenue, this implies a capital turnover above 4X — helping offset relatively low margins. Returns remain strong: 28% RoCE, 21% post-tax RoIC, and 26% RoE.

KNOWMAD MOOD: RETURN ON CAPITAL

	2022	2023	2024	2025E	2026E	2027E	2028E
Capital employed rotation (x)	3.9	4.6	4.0	3.4	3.1	2.9	2.7
EBIT margin	7.2%	5.8%	6.8%	6.9%	7.2%	7.6%	7.9%
RoCE	28.2%	26.2%	23.8%	20.3%	18.3%	16.9%	16.1%
RoIC (postax)	22.5%	20.5%	18.0%	15.4%	13.9%	12.9%	12.2%
RoE	29.0%	25.1%	25.6%	25.4%	25.1%	25.2%	25.5%

Source: Alantra Equities

RoCE is likely to decline as M&A grows

These returns have remained stable over the past three years. Looking ahead, we expect RoCE and RoIC to decline modestly as M&A activity increases and capital intensity rises. RoE, however, should remain strong, supported by earnings growth and higher leverage.

3) M&A ambitions are affordable

M&A investment needed to hit long-term targets

To meet its growth targets, knowmad mood will need to significantly scale up its M&A activity. We assume acquisitions contribute €30m in proforma revenue in 2025, rising to €75m by 2028. At an average 8% EBITDA margin, this translates to €1.3m in incremental EBITDA in 2025, increasing to €6m by 2028. With management capping deal prices at 8X EV/EBITDA (including earnouts), this implies annual M&A outlays of €20m–50m over the period.

KNOWMAD MOOD: M&A INVESTMENT MODEL

(€ m)	2022	2023	2024	2025E	2026E	2027E	2028E
Acquired sales, full year proforma	1.9	3.1	28.9	30.0	45.0	60.0	75.0
Acq. EBITDA, full year proforma	**0.1**	**0.2**	**2.2**	**2.7**	**3.6**	**4.8**	**6.0**
EBITDA margin of acquired cos.	*6.0%*	*6.5%*	*7.5%*	*8.8%*	*8.0%*	*8.0%*	*8.0%*
Cash paid	1.1	1.0	7.1	15.0	22.1	35.8	40.5
Changes in earnouts	0.4	0.5	7.0	4.5	6.7	2.6	7.5
EV paid, including earn outs	**1.5**	**1.5**	**14.1**	**19.5**	**28.8**	**38.4**	**48.0**
EV/EBITDA paid (x)	**13.2**	**7.5**	**6.6**	**7.4**	**8.0**	**8.0**	**8.0**

Source: Alantra Equities

Organic FCF and low starting leverage can support acquisitions

The investment is affordable. knowmad mood's organic free cash flow is expected to grow from €6m in 2025 to €21m by 2028. After subtracting M&A spend, we get a cumulative net debt increase of €81m by 2028.

KNOWMAD MOOD: CASH FLOW ESTIMATES

(€ m)	2023	2024	2025E	2026E	2027E	2028E	2025-28
Net profit	7.1	8.9	11.1	13.9	17.6	22.6	65.2
D&A	0.8	2.7	3.7	6.0	9.1	13.1	32.0
Non-cash items	(1.7)	(2.6)	(1.7)	(2.2)	(2.8)	(3.5)	(10.2)
Total CF	**6.2**	**9.0**	**13.1**	**17.7**	**24.0**	**32.2**	**87.0**
Capex	(0.9)	(1.0)	(1.3)	(1.7)	(2.2)	(2.8)	(8.0)
Working capital	(1.3)	(8.5)	(5.6)	(5.3)	(6.5)	(8.3)	(25.6)
Operating FCF	**4.0**	**(0.6)**	**6.2**	**10.7**	**15.3**	**21.2**	**53.4**
Financial investments	0.0	(0.4)	–	–	–	–	–
Disposals (acquisitions)	(1.5)	(14.1)	(19.5)	(28.8)	(38.4)	(48.0)	(134.7)
Other items	(0.5)	0.2	–	–	–	–	–
FCF before dividends	**2.0**	**(15.0)**	**(13.3)**	**(18.1)**	**(23.1)**	**(26.8)**	**(81.3)**
Dividends	(1.0)	(0.5)	(1.0)	(1.1)	(1.2)	(1.3)	(4.6)
Free cash flow	**1.0**	**(15.5)**	**(14.3)**	**(19.2)**	**(24.3)**	**(28.1)**	**(85.9)**

Source: Alantra Equities

Even so, leverage remains manageable: Net debt/EBITDA reaches 2.2X by 2028 (1.6X excluding earnouts). Cash conversion stays strong, supported by low capex and modest working capital drag.

KNOWMAD MOOD: LEVERAGE ESTIMATES

(€ m)	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
Financial debt	7.6	19.4	31.4	46.4	61.4	81.4	43%
Earn outs	1.1	7.9	12.4	19.1	21.7	29.2	39%
Cash	(7.5)	(10.8)	(13.0)	(15.5)	(8.8)	(8.2)	(7%)
Net debt	1.0	16.4	30.7	50.0	74.3	102.4	58%
EBITDA	10.4	15.1	19.5	26.1	34.8	46.3	32%
ND / EBITDA (x)	**0.1**	**1.1**	**1.6**	**1.9**	**2.1**	**2.2**	
ND / normalised EBITDA (KM) (x)	**0.1**	**1.0**	**1.5**	**1.9**	**2.1**	**2.1**	
Net debt excluding earnouts	9.3	7.2	7.1	7.0	13.2	17.1	
ND / EBITDA excl. earnouts (x)	**0.9**	**0.5**	**0.4**	**0.3**	**0.4**	**0.4**	

Source: Alantra Equities

Leverage could reach 2X by 2028

In our view, knowmad mood has sufficient financial capacity to fund its strategic plan without issuing equity — provided it maintains price discipline and executes M&A integration efficiently.

4) Shareholder remuneration

We expect dividend to grow 10% annually

knowmad mood has no formal dividend policy but has made modest distributions to date: €1m in 2023 (pre-IPO) and €0.5m in 2024. Management plans to resume a €1m dividend in 2025. We expect double-digit growth in subsequent years.

KNOWMAD MOOD: DIVIDEND ESTIMATES

(€)	2023	2024	2025E	2026E	2027E	2028E	CAGR 2024-28
EPS	0.14	0.18	0.22	0.28	0.35	0.45	26%
DPS	0.02	0.01	0.02	0.02	0.02	0.03	28%
Dividend payout	14%	6%	9%	8%	7%	6%	
Dividends paid in year (€ m)	1.0	0.5	1.0	1.1	1.2	1.3	28%

Source: Alantra Equities

Dividends play only a minor role in the equity story

While not central to the equity story, the dividend is also not a financial burden. The payout ratio remains below 10%, leaving ample room for reinvestment. That said, in a high-growth, capital-light business with ambitious M&A plans, dividends are unlikely to drive valuation or investor interest. At best, they serve as a symbolic gesture of shareholder alignment.

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