

## COMPANY UPDATE

## REAL CONSULTING

### Upward momentum carries on; headed for the Main Market

**Robust FY'24 showcases execution capabilities, operational strength** – RC's FY'24 results in April confirmed our expectations for a strong end to the year, with the group successfully delivering €40.4m revenue (+34% yoy) and €7.3m adj. EBITDA (+45% yoy), on par with guidance. The results validated our view of strong execution throughout 2024, as mgt reported that all milestones across ongoing contracts were met within the allotted timeframe. Importantly, the performance highlighted resilient operating momentum, supported by a favorable mix shift towards higher-margin installation contracts and increased share-of-wallet growth across the existing installed base.

**Domestic IT market in structural growth; high-quality pipeline ahead** – RC is uniquely positioned to benefit from the structural transformation of the Greek IT market, leveraging its status as the leading SAP partner for Greece to deliver its wide range of enterprise solutions. RC's focus on large companies and institutions ensures exposure to high-value projects, allowing the group to build a high-quality pipeline which we expect will drive recurring earnings growth through to the medium term.

**Faster contract uptake drives upgrades to our mid-term estimates** – We introduce marginal upgrades to our profit estimates, reflecting faster private sector contract uptake and continued execution of the Greek state pipeline. We now model c10% revenue CAGR over 2025-28e, supported by the substantial installed base and the IT upcycle tailwinds driving domestic sales. We note that our forecasts carry some upside risk given underlying trends (maturing SaaS adoption in Greece, increasing complexity of contracts under tender). We believe growth should remain private sector-led, supplemented by c€30m inflows from the two major state digitization contracts underway. As cloud-native platforms become a larger part of the offering and scale effects manifest in a more pronounced manner, we forecast c15% group adj. EBITDA CAGR over 2025-28e, with margins trending toward the 21-22% area by 2028e.

**Cash generation supports Balance Sheet strength, allocation flexibility** – RC maintains a healthy balance sheet, having closed FY'24 on net cash of €4.5m. Low capex needs (typical of VARs) combined with rising profitability and disciplined working capital management support strong OCF conversion, making RC well-positioned to consistently generate FCF of €7-8m p.a. through 2028e. Assuming no effects from M&A ahead, we believe Real Consulting should increase its net cash position to >€28m by 2028e.

**Valuation** – Following the recent rally, Real Consulting shares have rerated to c9.9x 2025e EV/EBITDA, marginally above EU VAR peers. Despite the re-rating, we believe the valuation remains attractive on a growth-adjusted basis, as REALCONS offers superior growth than peers, supported by an accelerating ARR base and clear potential for margin accretion ahead. Adding to the fundamental story, we believe the upcoming migration to the ASE Main Market could serve as a catalyst for further re-rating. After incorporating the slight upgrades to our estimates, our valuation (DCF at 9.3% WACC) now yields a PT of €5.6 per share (from €5.4 before). This places the stock at c10.3x 2026e EV/EBITDA, still at discount vs. the broad EU IT sector.

Estimates					
EUR mn	2023	2024	2025e	2026e	2027e
Revenues	30.3	40.4	45.5	50.7	55.6
EBITDA	5.0	7.3	9.3	10.6	11.7
Net profit	2.9	2.7	5.8	7.6	8.4
EPS (EUR)	0.13	0.12	0.27	0.35	0.39
DPS (EUR)	0.04	0.05	0.06	0.07	0.09
Valuation					
Year to end December	2023	2024	2025e	2026e	2027e
P/E	17.0x	28.4x	17.0x	13.1x	11.8x
EV/EBITDA	10.3x	10.4x	9.9x	8.3x	7.0x
Net Cash/EBITDA	-0.1x	0.6x	1.2x	1.5x	1.9x
Dividend Yield	1.7%	1.4%	1.3%	1.6%	1.9%
ROE	17.0%	13.4%	23.3%	24.8%	22.9%

Source: Eurobank Equities Research.

<b>Recommendation</b>	<b>BUY</b>
<b>Target Price</b>	<b>€ 5.60</b>
<b>Prior Target Price</b>	<b>€ 5.40</b>
Closing Price (14/05)	€4.60
Market Cap (mn)	€98.9
Expected Return	21.7%
Expected Dividend	1.3%
Expected Total Return	23.1%

#### Stock Data

Reuters RIC	REALCONSr.AT
Bloomberg Code	REALCONS GA
52 Week High (adj.)	€4.68
52 Week Low (adj.)	€2.93
Abs. performance (1m)	4.1%
Abs. performance (YTD)	31.4%
Number of shares	21.5mn
Avg Daily Trading Volume (qrt)	€278k
Est. 3yr EPS CAGR	35.6%
Free Float	36%

#### Real Consulting Share Price



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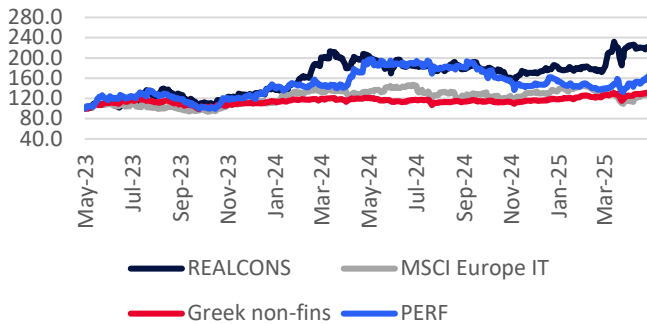
*See Appendix for Analyst Certification and important disclosures.*

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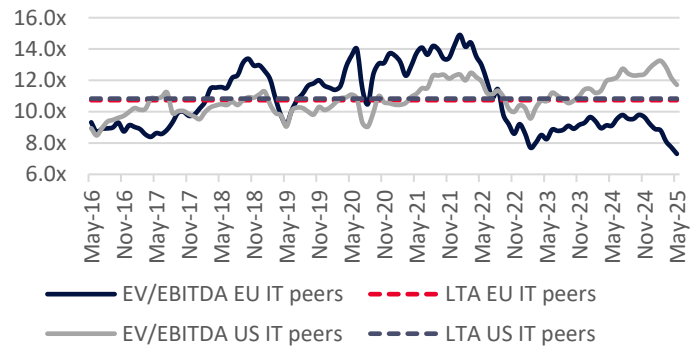
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## Investment case in 6 charts

RC has outperformed both the EU IT sector and Greek non-fins; current valuation is more indicative of growth outlook, we believe

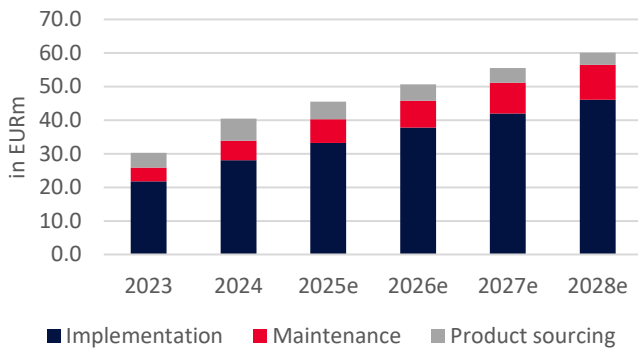


EU IT valuations have significantly trailed those of US IT since 2022, with the gap widening as of mid-2024

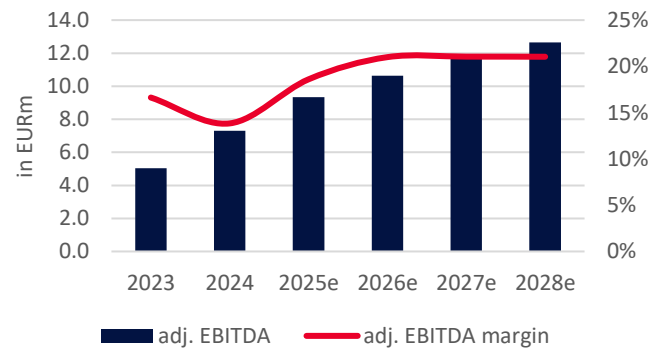


Source: Eurobank Equities Research, Bloomberg.

Upselling to existing clients & new installation contracts to drive +10% top line CAGR during 2025-28e

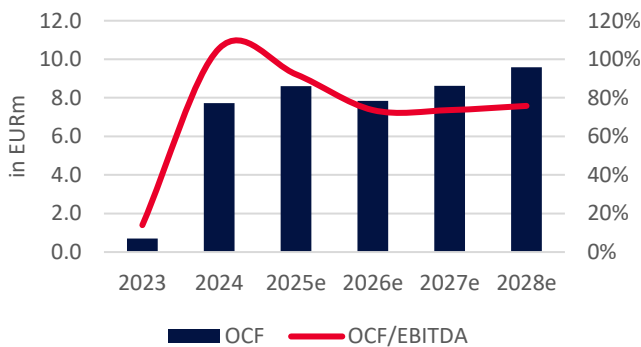


We now project c15% EBITDA CAGR in 2025-28e as margin accretion from SaaS transition, scale benefits begin to materialize

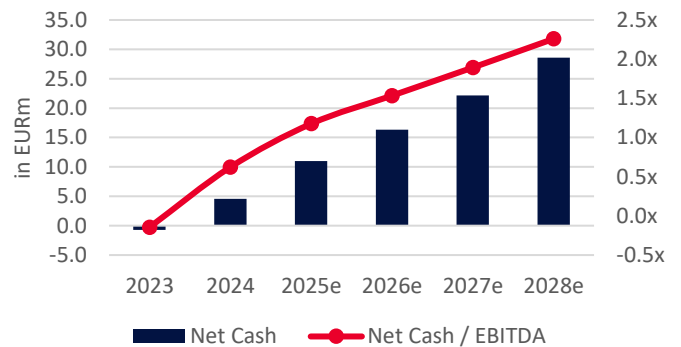


Source: Eurobank Equities Research, Company data.

Superior execution likely to fuel stronger OCF generation



Healthy balance sheet still supports capital allocation flexibility



Source: Eurobank Equities Research, Company data.

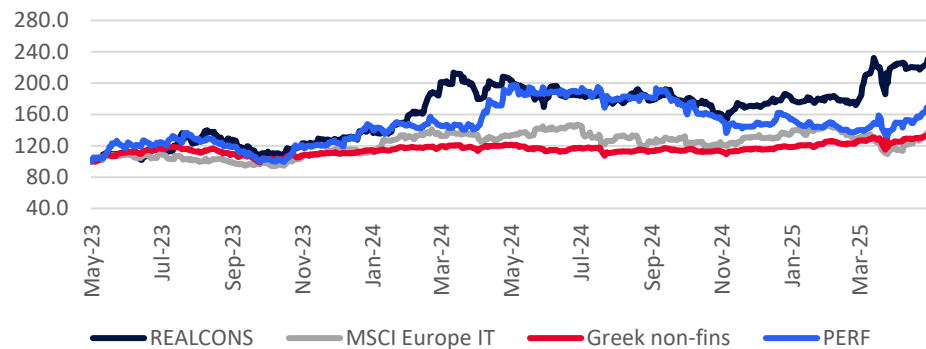
## Share price performance & Valuation

### A. Share price performance

*RC has outperformed its broad peer group in recent years; current valuation is more indicative of its growth characteristics*

RC has consistently outperformed both the MSCI Europe IT Index and Greek non-financials over the past 2 years. While the stock posted a lukewarm performance in early 2023, momentum returned from mid-year, culminating in a sharp rally into early 2024—fueled by a broad re-rating of Greek tech stocks and growing investor focus on digitization initiatives. Although performance remained somewhat tepid through the rest of 2024 and into early 2025, in broad sync with the market trend, RC reignited from March onwards, registering new all-time highs at >2x its mid-2023 levels. The stock has consolidated around these levels since then, which we view as more accurately reflecting the growth trajectory of the business.

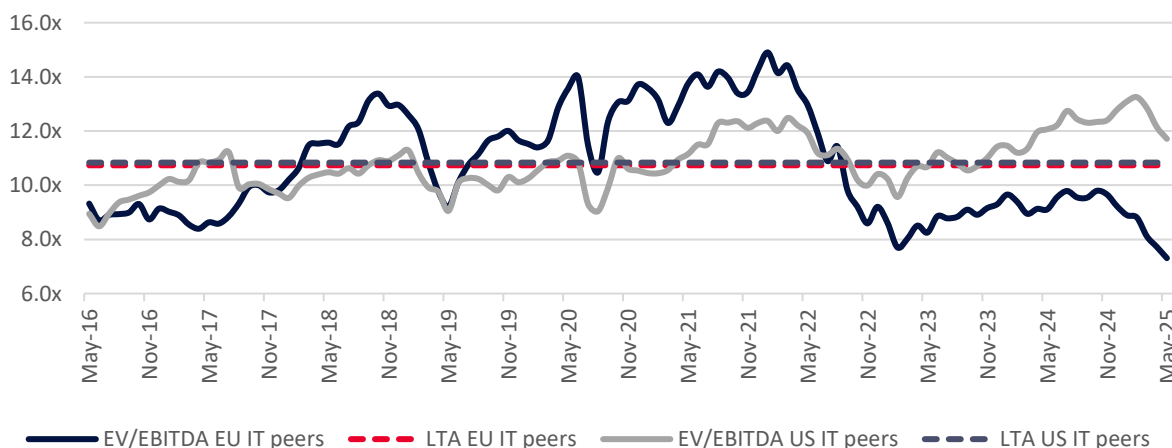
Real Consulting | 2-yr performance vs. EU IT, Greek non-fins, Performance Technologies



Source: Eurobank Equities Research, Bloomberg.

From a valuation perspective, we have tracked the performance of IT companies with some degree of product affinity, namely tech resellers and IT services providers. Specifically, we have looked at the valuation history of tech VARs (Computacenter, Softwareone, Capgemini), IT services companies (Tietoenvy, Cancom) and computer retailers (CDW, Insight). Overall, the broad peer group has historically traded at an average of c10.7x EV/EBITDA over the past decade, with European names trading broadly at par. That said, we note that EU VAR peers seem to have decoupled from their US counterparts since early 2022, suffering a notable de-rating retreating to a valuation in the mid-to-high single digits, compared to a 2-digit valuation for US-listed names.

### 12m forward EV/EBITDA valuation – IT peers



Source: Eurobank Equities Research, Bloomberg.

*Valuation just above EU peers on 2025e, but offering superior growth profile*

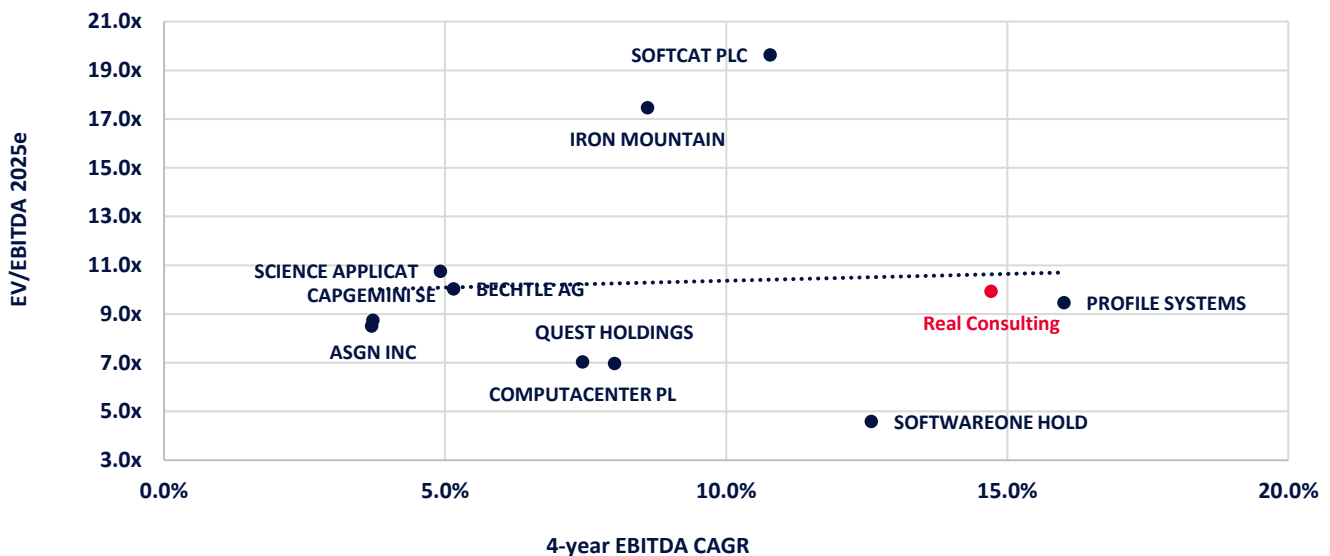
The following table provides a detailed overview of the key valuation metrics of the broad peer group, contrasting them with those of Real Consulting. As can be seen, the stock seems to be trading slightly above the EU peer median on 2025e, but as we display below, this effectively does not capture the superior growth profile that RC enjoys. In addition, RC remains at a high-single-digit 2025e EV/EBITDA discount vs. US peers, with the discount widening to >20% on 2026e.

Real Consulting   Peer group valuation								
Stock	Mkt Cap	PE		EV/EBITDA		Dividend yield		Net debt/EBITDA 1fy
		25cy	26cy	25cy	26cy	25cy	26cy	
COMPUTACENTER PL	3,249	14.9x	13.7x	7.0x	6.6x	3%	3%	-1.3x
SOFTWAREONE HOLD	1,159	11.3x	8.5x	4.6x	3.9x	4%	5%	-0.1x
CAPGEMINI SE	26,165	13.5x	12.8x	8.5x	8.2x	2%	2%	0.4x
BECHTLE AG	4,919	20.4x	18.4x	10.0x	9.2x	2%	2%	-0.3x
TIETOEVRY OYJ	1,935	14.3x	10.8x	10.1x	8.3x	8%	8%	2.6x
SOFTCAT PLC	4,291	27.4x	25.0x	19.5x	17.6x	2%	3%	-0.9x
<b>European peers</b>		<b>14.6x</b>	<b>13.2x</b>	<b>9.2x</b>	<b>8.2x</b>	<b>3%</b>	<b>3%</b>	<b>-0.2x</b>
CDW CORP/DE	22,447	19.5x	18.4x	14.5x	13.8x	1%	1%	2.4x
IRON MOUNTAIN	25,545	52.9x	42.3x	17.5x	15.9x	3%	3%	6.1x
INSIGHT ENTERPRI	3,898	13.9x	12.8x	9.2x	8.6x			0.6x
ASGN INC	2,161	12.4x	10.8x	8.8x	8.1x			2.2x
SCIENCE APPLICAT	5,021	13.0x	11.8x	10.8x	10.4x	1%	1%	2.9x
<b>US peers</b>		<b>13.9x</b>	<b>12.8x</b>	<b>10.8x</b>	<b>10.4x</b>	<b>1%</b>	<b>1%</b>	<b>2.4x</b>
PROFILE SYSTEMS	139	15.6x	12.2x	9.5x	8.1x	2%	2%	-1.5x
QUEST HOLDINGS	745	13.9x	12.4x	7.0x	6.5x			-0.5x
<b>Real Consulting</b>	<b>99</b>	<b>17.0x</b>	<b>13.1x</b>	<b>9.9x</b>	<b>8.3x</b>	<b>1%</b>	<b>2%</b>	<b>-1.2x</b>

Source: Eurobank Equities Research, Bloomberg.

The chart below is indicative of RC's attractiveness on a growth-adjusted basis, namely considering the current valuation along with the near-term growth profile. As can be seen, the stock still offers one of the highest growth rates for a valuation in the middle of the pack.

Real Consulting & broad peer group – 2025e EV/EBITDA vs. 4-yr expected EBITDA CAGR



Source: Eurobank Equities Research, Bloomberg.

*DCF yields a baseline value of €5.6 per share*

## B. Valuation: DCF-based valuation yields intrinsic value of €5.6 per share

We base our valuation of Real Consulting on a DCF to capture the solid earnings momentum in the short and medium term, supported by continuing digitization tailwinds in the Greek private sector and the group's pipeline of ongoing Greek state projects over 2025-27. In the long term, our forecasts reflect the recurring earnings potential typical for IT VARs, underpinned by secular tailwinds relating to the tech demand upcycle in and around Greece.

Our DCF yields a 12-mth price target of €5.6 per share, slightly lifted vs €5.40 previously, as a result of the mild profit uplift and the roll-over of our valuation to May 2026. This is predicated on the following assumptions:

- Sales CAGR of c10% over 2025-28e, driven by sustained IT spending among Greek large caps as their digitization agendas mature and topped up by RC's Greek state project pipeline. Our estimates are further underpinned by the evolving portfolio of SAP/Microsoft solutions, which we believe could create more avenues for ARR expansion ahead; we assume medium-term growth trends down to c5%.
- Adjusted EBITDA CAGR of c15% over 2025-28e, on robust top line growth and improved terms on contracts as the installed base gradually transitions to SaaS, implying c3pps margin expansion vs. 2024 levels on positive operating leverage. We assume EBITDA margins will accelerate to c21% by 2026-27 and hover between c19-21% through to 2034e.
- We use a medium term FCF conversion (FCF/EBITDA) assumption of c70%, a level we consider feasible given the nature of the industry and limited capex.
- We assume a long-term growth rate of 1%, predicated on c14% return on capital in perpetuity, which implicitly assumes that RC's competitive advantage fades in the long run.
- 9.3% WACC, which we believe captures the relative risk profile of the business vis-à-vis the rest of our coverage universe while also considering issues such as stock liquidity and size.

Real Consulting DCF								
in EURm	2025e	2026e	2027e	2028e	2029e	2030e	...	TV
NOPAT	6.1	7.9	8.7	9.5	10.0	10.4		10.9
Reinvestment	-1.4	0.3	0.4	0.2	0.4	0.5		0.5
<b>Unlevered FCF</b>	<b>7.5</b>	<b>7.6</b>	<b>8.3</b>	<b>9.2</b>	<b>9.6</b>	<b>9.9</b>	...	<b>10.2</b>
Sum of PV of FCF	62.5							
PV of terminal value	54.8							
<b>Enterprise Value</b>	<b>117.3</b>							
Net cash (debt) incl. leases / other claims	0.3							
Expected dividend	-1.1							
<b>Equity value (ex-div)</b>	<b>116.5</b>							
no. of shares	21.5							
<b>Per share</b>	<b>€5.4</b>							
<b>12-month indicative value per share</b>	<b>€5.6</b>							

Source: Eurobank Equities Research.

A basic sensitivity on a combination of WACC and terminal growth rates is presented in the table below. As can be seen, flexing our WACC and perpetuity growth inputs by 1% and 0.5% respectively yields a fair value range between €4.9 and €6.6 per share, indicating quite a compelling risk-reward skew.

DCF Sensitivity of our calculated group fair value per share to the WACC and LT growth assumptions						
Terminal growth	WACC					
		10.3%	9.8%	9.3%	8.8%	8.2%
	2.0%	5.3	5.6	6.0	6.4	6.9
	1.5%	5.2	5.5	5.8	6.1	<b>6.6</b>
	1.0%	5.0	5.3	<b>5.6</b>	5.9	6.3
	0.5%	<b>4.9</b>	5.2	5.4	5.7	6.1
	0.0%	4.8	5.0	5.3	5.6	5.9

Source: Eurobank Equities Research.

## Estimate changes & Main assumptions

We have refined our forecasts for Real Consulting, making modest revisions to our 2025-27e projections to reflect improving profitability, driven by the execution of the Greek state project pipeline (complex, large-scale contracts) and the growing adoption of SaaS-based solutions across the private sector installed base. Our FY'25 estimates now call for group top line of €45.5m (+1% from our previous forecast) and adj. EBITDA of €9.3m, implying a margin of 20.5% (c1pp higher vs. before). Our FY'26 estimates have also been revised, and we now expect top line to shape at €50.7m (c4% below our prior estimate), with adj. EBITDA at €10.6m (slightly higher vs. prior) indicating stronger-than-initially-anticipated margins on the pipeline to be executed and mild effects from project phasing. This translates to an FY'26 adj. EBITDA margin of c21% (c1.4pps above our previous estimate).

Looking further ahead, we have maintained our profit estimates largely unchanged for the medium/long term, as we expect RC to continue enjoying secular tailwinds from digitization spending in Greece as the country's tech ecosystem matures and from upselling opportunities thanks to the recurring updates typical in a predominantly SaaS-based solution portfolio.

We showcase below the changes to our forward estimates as well as our main assumptions for the years ahead:

<b>Real Consulting   Estimate changes</b>				
<b>in EURm, unless otherwise stated</b>		<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>New</b>				
Revenue		45.5	50.7	55.6
adj. EBITDA		9.3	10.6	11.7
Net profit		5.8	7.6	8.4
<b>Previous</b>				
Revenue		44.9	52.9	58.2
adj. EBITDA		8.8	10.4	11.7
Net profit		6.2	7.4	8.4
<b>% change</b>				
Revenue		1%	-4%	-5%
adj. EBITDA		7%	3%	0%
Net profit		-6%	3%	0%

Source: Eurobank Equities Research.

<b>Real Consulting   Summary of estimates</b>						
<b>in EURm, unless otherwise stated</b>		<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
<b>Revenue</b>		<b>30.3</b>	<b>40.4</b>	<b>45.5</b>	<b>50.7</b>	<b>55.6</b>
<b>yoy growth (%)</b>			<b>34%</b>	<b>13%</b>	<b>11%</b>	<b>10%</b>
of which:						
IT Services		25.9	33.9	40.2	45.8	51.2
<b>yoy growth (%)</b>			<b>31%</b>	<b>19%</b>	<b>14%</b>	<b>12%</b>
Product sourcing		4.4	6.5	5.3	4.9	4.4
<b>yoy growth (%)</b>			<b>49%</b>	<b>-19%</b>	<b>-7%</b>	<b>-10%</b>
<b>adj. EBITDA</b>		<b>5.0</b>	<b>7.3</b>	<b>9.3</b>	<b>10.6</b>	<b>11.7</b>
<b>adj. EBITDA margin</b>		<b>17%</b>	<b>18%</b>	<b>21%</b>	<b>21%</b>	<b>21%</b>
<b>yoy growth (%)</b>			<b>45%</b>	<b>28%</b>	<b>14%</b>	<b>10%</b>
<b>Net profit</b>		<b>2.9</b>	<b>2.7</b>	<b>5.8</b>	<b>7.6</b>	<b>8.4</b>
<b>yoy growth (%)</b>			<b>-7%</b>	<b>117%</b>	<b>30%</b>	<b>11%</b>
EPS (in EUR)		0.13	0.12	0.27	0.35	0.39
DPS (in EUR)		0.04	0.05	0.06	0.07	0.09

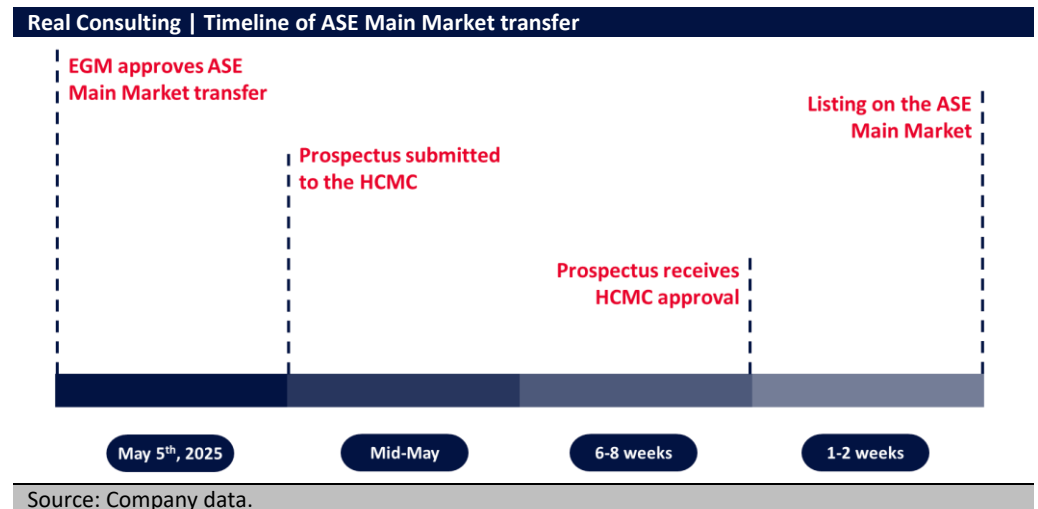
Source: Eurobank Equities Research.

## Headed for the ASE Main Market

*Transfer to ASE Main Market approved at EGM on May 5<sup>th</sup>*

Shareholders approved the transfer of Real Consulting shares to the ASE Main Market at the EGM on May 5th. Based on the timeline provided by management, we expect the transfer process to span a total of 8-10 weeks, which would place the eventual transfer date between late June and mid-July. In this context, mgt has indicated its intention to submit the initial draft of the prospectus to the HCMC around mid-May.

We note that, among the other approved items on the agenda at the recent EGM was the option to grant the BoD authority to call for a share capital increase. We believe this option could serve as a logical next step to facilitate the transfer process, particularly given RC's smaller size vs other companies in the main market.



*Mgt will be eligible for stock awards should the Main Market transfer go through*

We remind that as part of Real Consulting's performance stock award (PSA) program, management is eligible to receive free shares upon achieving one of the following objectives: a) the successful listing of the company's shares on the ASE Main Market, or b) reaching consolidated group adjusted EBITDA of >€6.5m in FY'24 and >€8m in FY'25.

The PSA program sets a maximum distribution of 735,342 common shares, which may be allocated either through the distribution of own shares or the issuance of new shares through the capitalization of reserves. In 2024, Real Consulting distributed c487k own shares to management after exceeding the FY'24 EBITDA threshold with €7.3m in adj. EBITDA. The total value of the shares distributed in 2024 was €1.709m, recognized at the market price of €3.51/share as of the performance award activation date (July 9th, 2024).

Assuming the company completes its listing on the ASE Main Market in 2025, a further c248k shares are expected to be distributed to management under the PSA program, representing a notional value of c€872k, based on the same reference share price of €3.51/share.



## Solid top line momentum paired with margin improvement

*Growth momentum to be spurred by share-of-wallet optimization, new installation contracts*

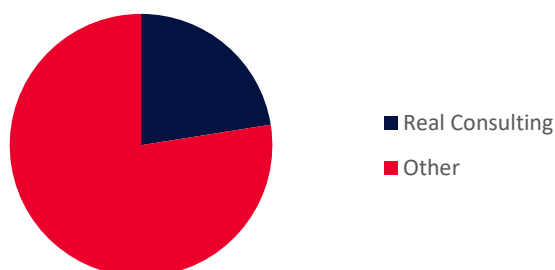
We expect Real Consulting to continue leveraging its presence in the domestic market to generate share-of-wallet growth in existing clients, either through upgrades of legacy installations or by securing new contracts from clients looking to scale (i.e. clients launching new business units or expanding into new geographies). **We believe that this effort should be significantly facilitated by the digitization agenda of major partner SAP itself, which has clearly communicated its intention to phase out legacy products by the end of the decade to accelerate cloud adoption.** We note that c85% of RC's FY'24 top line was directly or indirectly linked to SAP products.

*Strong positioning in the Greek ERP/CRM market which remains under-digitized*

Mgt estimates that Real Consulting currently holds c20-25% of the Greek ERP/CRM market for large corporates. While this reflects RC's strong positioning, it also suggests there is still ample headroom for further penetration, especially as the market remains largely fragmented and under-digitized, to our understanding. Notably, we believe that a number of large Greek corporates continue to operate on outdated platforms that are either unsupported or incompatible with evolving enterprise software standards, prompting urgent upgrades to ensure operational efficiency, cost flexibility and long-term support.

Greek Large Caps ERP/CRM market in 2024

Real Consulting | Indicative clients



Source: Company data, Eurobank Equities Research.

Source: Company data.

We also view the increasing complexity of ERP/CRM platform implementations in the Greek large cap space as a structural tailwind for Real Consulting. We believe this trend plays well into RC's competitive strengths, as the company offers the most extensive SAP suite among its domestic cohort, while also sporting one of the largest dedicated SAP teams and the most established track record of execution. In our view, this scale and depth of expertise afford RC greater optionality in project selection, allowing it to prioritize higher-margin or longer-duration contracts.

## Real Consulting | Core SAP solution portfolio

Enterprise Resource Planning	
GROW with SAP	////
RISE with SAP	////
SAP S/4HANA ⓘ	
Human Capital Management	////
SAP Business Technology Platform	////
Customer Relationship Management	////
Spend Management	////
Financial Management ⓘ	

Source: Company data.

**Leveraging industry expertise to "productize" solutions and tap into SAP partner marketplace**

**Eyeing c10% revenue CAGR over 2025-28e**

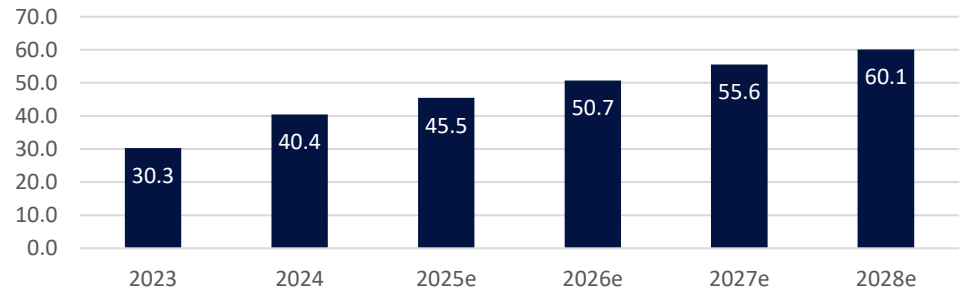
**Upselling, share-of-wallet acceleration to drive c14% IT Services CAGR through 2028e**

**Product sourcing sales to benefit from Greek state contracts short-term**

Real Consulting is also actively working to "productize" its industry-specific expertise by developing standardized SAP modules tailored to high-complexity verticals (utilities, healthcare). Once finalized, these can be listed on an SAP-operated internal partner marketplace, enabling other SAP VARs to download and integrate them into their own client deployments. We see this initiative as an opportunity for passive income generation, as Real Consulting can monetize its know-how through recurring download fees.

After incorporating the changes to our mid-term numbers, we now forecast c10% top line CAGR between 2025-28e, as RC continues to expand the active contract base, improve mix through SaaS migration, and grow its aftersales activity.

**Group top line evolution, in EURm**



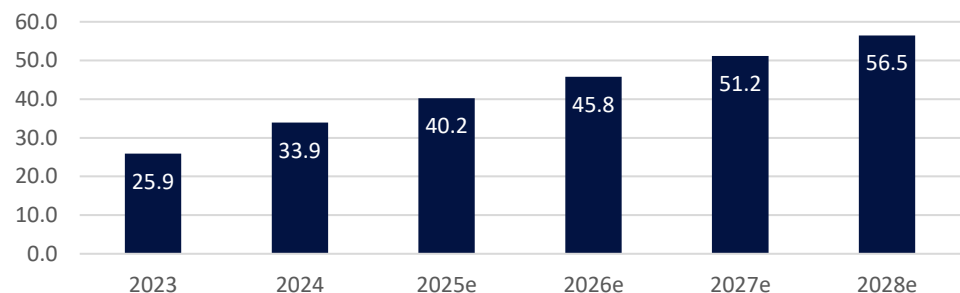
Source: Eurobank Equities Research, Company data.

Breaking down the headline figure into each core revenue stream:

- **IT Services:** Our updated estimates point to c14% IT services revenue CAGR through 2028e, as the group continues to capitalize on upselling opportunities to increase share-of-wallet in existing clients and still benefits from current demand tailwinds for ERP/CRM upgrades in Greek large caps. We continue to see implementation revenues driving IT services top line through the mid-term as the company executes on the ongoing Greek state digitization contracts, accelerates SaaS migration in existing clients and looks to expand its active clients with new installations.

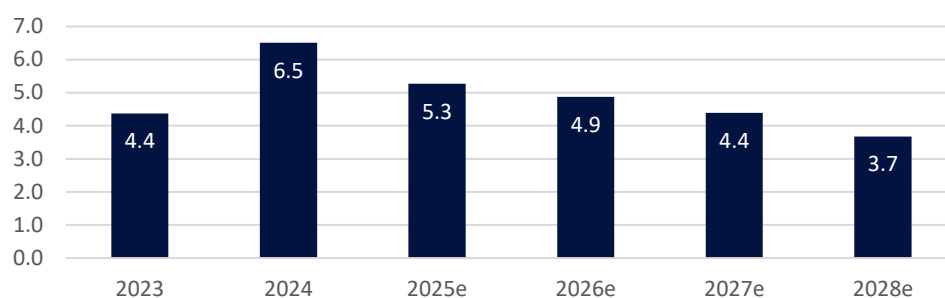
As cloud-based installations continue to increase as part of the active client base, we envisage annual recurring revenues (ARR) ramping up from the current c35% of sales to a more substantial c38-40% of sales by 2028e.

**IT Services revenue evolution, in EURm**



Source: Eurobank Equities Research, Company data.

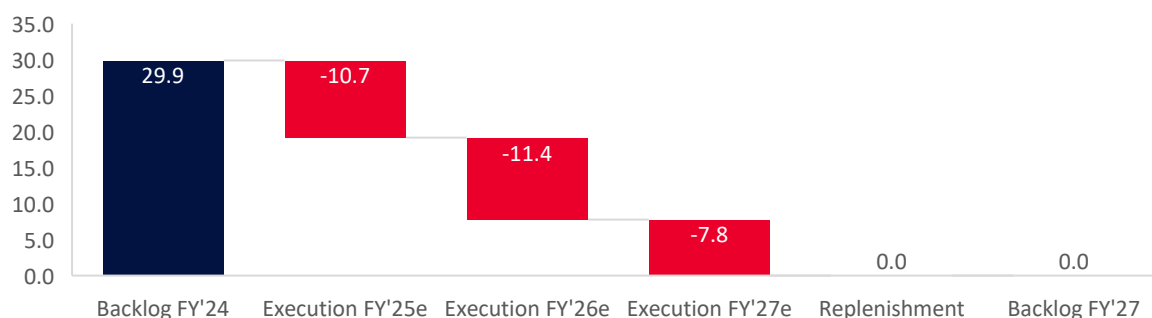
- **Product sourcing:** We still see on-site products (i.e. those used in license & maintenance contracts) driving short-term growth as the group continues to execute the accumulated Greek state digitization backlog, which we expect to be delivered fully by 2027. We incorporate a greater contribution from cloud products in our mid-term forecasts, as demand for flexible cloud-based solutions among Greek enterprises matures, and migration to remote-hosted platforms takes shape. Our estimates indicate cloud products will account for >75% of product sourcing revenue by 2028e, from just c37% in 2024.

**Product sourcing revenue evolution, in EURm**


Source: Eurobank Equities Research, Company data.

**c€30m top-up from Greek state contracts during 2025-27e**

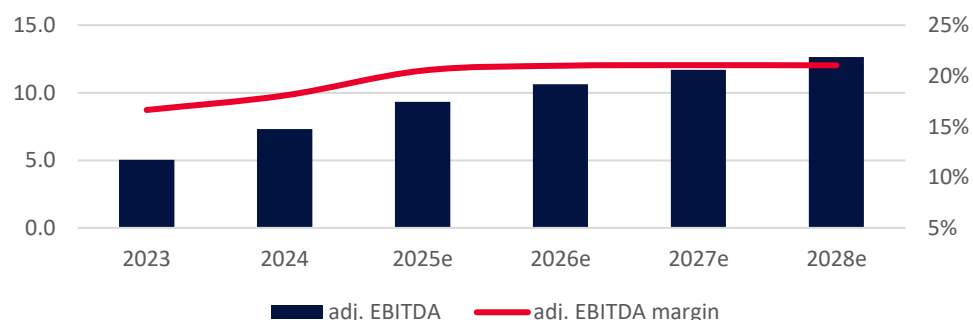
We highlight that, as with our previous estimates for Real Consulting, our 2025-27e forecasts include c€30m in inflows from the 2 Greek state contracts the group is currently executing (govt ERP, govt BI). Importantly, even though these do present some deviation from the projects RC typically bids for, their size and nature are highly relevant to the group's conventional offering and, as such, they do not seem to require any additional investment in terms of know-how. We underline that Greek state projects revenues are included fully in the above two revenue categories and are just presented in the manner to track the progress of ongoing contracts.

**Greek state projects execution timeline, in EURm (EE estimate)**


Source: Eurobank Equities Research.

**SaaS acceleration & scale effects create grounds for margin accretion, driving c15% adj. EBITDA CAGR through 2028e**

In terms of profitability, we believe a boost to group margins should be warranted in the years ahead as SaaS takes up a larger portion of the mix. As cloud-native platforms become a larger part of the offering, we see implementation/maintenance scaling more efficiently, particularly as onboarding can be done entirely remotely, thus reducing delivery costs. Additional operating leverage is likely to come from scale effects as the installed base grows, which should provide more grounds for cross-selling of solutions and also drive improved right-of-use terms with software partners (i.e. rebates, discounts). Taken together, we see these dynamics driving a steady uplift in group EBITDA margins, which we now see trending towards the 21-22% area by 2027-28e.

**Group EBITDA, in EURm & EBITDA margin forecast**


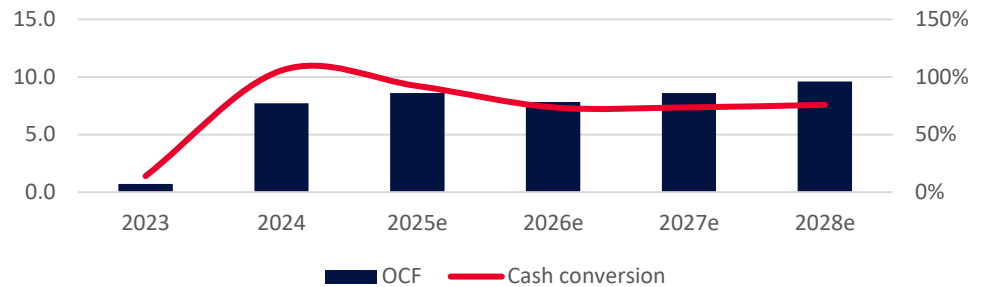
Source: Eurobank Equities Research, Company data.

*Growing ARR base to underpin FCF generation ahead*

## Robust cash generation with limited leverage

We anticipate Real Consulting to maintain healthy cash flow generation through the medium term, underpinned by robust operating momentum and a growing recurring base (at c35-40% in FY'24, on our estimates). As scale efficiencies begin to materialize in a more pronounced way and SaaS platforms gain broader traction across the client base, we see OCF conversion rates stabilizing near 75-80% by 2028e, a level we view as indicative of the self-funding nature of the model.

OCF, in EURm & Cash conversion (OCF/EBITDA) forecast

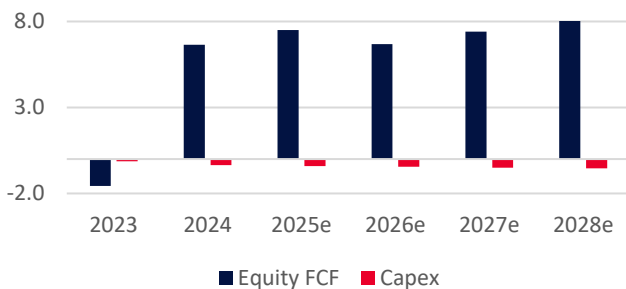


Source: Eurobank Equities Research, Company data.

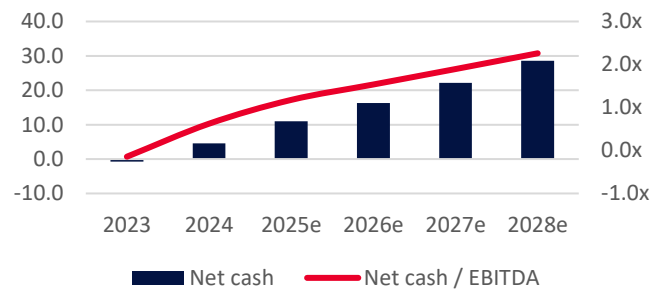
Despite the scale of the projects currently in the pipeline and the c€30m anticipated inflows from Greek state contracts through 2027e (typically associated with some latency in milestone payments), we expect RC to maintain disciplined working capital management, mitigating any increases in the receivables cycle thanks to scale efficiencies and margin uplift from higher SaaS penetration. We thus continue to assume only modest working capital investment ahead, as RC continues to broaden its client base through new installations and deepen its existing relationships through share-of-wallet growth.

We expect capex outlays to remain modest throughout our forecast period – consistent with the historical trend – as the VAR model offers limited scope for capitalization of intangibles or R&D investment. Our capex estimates primarily reflect spending related to maintenance, as well as enhancements in project delivery capacity/after-sales support. In absolute terms, we assume annual capex investment should shape near c€400-500k through to 2028e.

Equity FCF vs. Capex outlays, in EURm



Net cash, in EURm & Net cash / EBITDA



Source: Eurobank Equities Research, Company data.

*High quality contracts, efficient working capital management to drive net cash to >€28m by 2028e*

The cash-generative nature of the model and the healthy cash starting point (net cash at €4.5m in FY'24, boosted by incoming milestone payments from Greek state contracts) allow Real Consulting solid flexibility in capital deployment. This creates headroom for RC to either pursue acquisitions, reinvest for scale or reward shareholders. Assuming no upcoming M&A outlays, we believe net cash should exceed €28m by 2028e, corresponding to >2x 2028e EBITDA.

## FY'24 results overview

Real Consulting announced robust FY'24 figures in April, in broad sync with our estimates, with revenue at €40.4m (+34% yoy, Ee €39.4m) and adj. EBITDA at €7.3m (+45% yoy, Ee EBITDA at €7.2m), translating to an adj. EBITDA margin of 18.1% (+1.5pps yoy). The results confirmed our expectations for strong execution throughout 2024, with mgt reporting that all milestones for ongoing Greek state projects and private sector contracts were met within the allotted timeframe. More importantly, the results underscored the strength of the underlying operating momentum, with performance supported by both mix improvements from new margin-accretive installation contracts (implementation services sales +29% yoy) and stronger share-of-wallet growth across the existing client base (maintenance sales +44% yoy).

Given the 2 large Greek state digitization contracts currently under execution, the public sector contributed c19% of revenues in FY'24 (up from c6% in FY'23) with the private sector responsible for the remaining 81%. We remind that these Greek state contracts are focused on government ERP and BI systems and, as such, carry structurally higher margins compared to those typical in other Greek state tenders, which are often more hardware-oriented or have a smaller degree of complexity. This is in line with mgt's selective approach to optimizing its project pipeline.

On a reported basis, profitability below the top line remained little-changed yoy, with group PBT at €4m (+2% yoy) and net profit at €2.8m (-4% yoy), impacted by c€1.7m in one-offs related to the ongoing mgt stock award program.

Inflows from milestone payments pushed group OCF to €7.7m in FY'24, which, combined with minimal capex (typical in VAR models) resulted in group FCF of €6.7m by end-2024, in line with our thinking. RC thus closed the year on net cash of €4.5m, offering ample optionality for future deployment.

In the press release announcing the results, management shared a confident message on the outlook for 2025, stating that visibility on project execution/replenishment remains strong, pointing to further acceleration at both revenue and EBITDA levels.

Real Consulting   FY'24 results overview					
in EURm, unless otherwise stated	FY'23	FY'24	% yoy	FY'24e	vs. Ee
<b>Revenue</b>	<b>30.3</b>	<b>40.4</b>	<b>34%</b>	<b>39.4</b>	<b>3%</b>
of which:					
IT Services	25.9	33.9	31%	33.3	2%
Product sourcing	4.4	6.5	49%	6.1	6%
<b>Gross profit (adj.)</b>	<b>11.6</b>	<b>16.1</b>	<b>39%</b>	<b>15.6</b>	<b>3%</b>
<b>Gross margin (adj.)</b>	<b>38.3%</b>	<b>39.9%</b>	<b>1.6pps</b>	<b>39.7%</b>	<b>0.2pps</b>
<b>adj. EBITDA</b>	<b>5.0</b>	<b>7.3</b>	<b>45%</b>	<b>7.2</b>	<b>1%</b>
<b>adj. EBITDA margin</b>	<b>16.6%</b>	<b>18.1%</b>	<b>1.4pps</b>	<b>18.3%</b>	<b>-0.2pps</b>
- One-offs	0.0	-1.7			
EBITDA	5.0	5.6	11%		
EBITDA margin	16.6%	13.8%	-2.8pps		
<b>PBT</b>	<b>4.0</b>	<b>4.0</b>	<b>2%</b>	<b>6.7</b>	<b>-39%</b>
- Tax	-1.0	-1.2	18%	-1.5	-17%
<b>Net profit</b>	<b>2.9</b>	<b>2.7</b>	<b>-7%</b>	<b>5.2</b>	<b>-49%</b>
Operating Cash Flow	0.7	7.7		7.0	
Capex	-0.1	-0.4		-0.3	
Acquisitions	-1.6	0.0		0.0	
<b>Free Cash Flow</b>	<b>-1.6</b>	<b>6.7</b>		<b>6.2</b>	
<b>Net cash / (debt)</b>	<b>-0.7</b>	<b>4.5</b>		<b>4.7</b>	

Source: Eurobank Equities Research.

**Interim results overview**

Real Consulting   Interim results									
in EURm, unless otherwise stated	H1'22	H2'22	FY'22	H1'23	H2'23	FY'23	H1'24	H2'24	FY'24
<b>Revenue</b>	<b>11.5</b>	<b>12.9</b>	<b>24.4</b>	<b>13.8</b>	<b>16.5</b>	<b>30.3</b>	<b>19.8</b>	<b>20.6</b>	<b>40.4</b>
<b>% yoy growth</b>				<b>20%</b>	<b>27%</b>	<b>24%</b>	<b>43%</b>	<b>25%</b>	<b>34%</b>
Gross profit (adj.)	4.4	4.8	9.2	5.3	6.3	11.6	7.4	8.7	16.1
Gross margin (adj.)	38%	37%	38%	38%	38%	38%	37%	42%	40%
<b>Adj. EBITDA</b>	<b>1.7</b>	<b>1.9</b>	<b>3.6</b>	<b>2.2</b>	<b>2.8</b>	<b>5.0</b>	<b>3.1</b>	<b>4.2</b>	<b>7.3</b>
<b>Adj. EBITDA margin</b>	<b>15%</b>	<b>15%</b>	<b>15%</b>	<b>16%</b>	<b>17%</b>	<b>17%</b>	<b>16%</b>	<b>20%</b>	<b>18%</b>
<b>% yoy growth</b>				<b>32%</b>	<b>46%</b>	<b>39%</b>	<b>40%</b>	<b>49%</b>	<b>45%</b>
<b>EBIT</b>	<b>1.4</b>	<b>1.7</b>	<b>3.1</b>	<b>1.9</b>	<b>2.5</b>	<b>4.4</b>	<b>2.7</b>	<b>2.1</b>	<b>4.8</b>
<b>PBT</b>	<b>1.3</b>	<b>1.5</b>	<b>2.8</b>	<b>1.7</b>	<b>2.2</b>	<b>4.0</b>	<b>2.5</b>	<b>1.6</b>	<b>4.0</b>
<b>Net profit</b>	<b>0.9</b>	<b>1.1</b>	<b>2.1</b>	<b>1.3</b>	<b>1.6</b>	<b>2.9</b>	<b>1.9</b>	<b>0.8</b>	<b>2.7</b>
Operating Cash Flow	2.0	1.5	3.5	-1.3	2.0	0.7	1.5	6.2	7.7
Capex	0.0	-0.5	-0.5	0.0	-0.1	-0.1	0.0	-0.3	-0.4
<b>Free Cash Flow</b>	<b>1.2</b>	<b>0.6</b>	<b>1.8</b>	<b>-1.6</b>	<b>0.0</b>	<b>-1.6</b>	<b>1.2</b>	<b>5.5</b>	<b>6.7</b>
<b>Net Debt / (Cash)</b>	<b>-0.6</b>	<b>-1.1</b>	<b>-1.1</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>-0.4</b>	<b>-4.5</b>	<b>-4.5</b>

Source: Eurobank Equities Research.

## Group Financial Statements

Reported Figures in EURm					
Group P&L	2023	2024	2025e	2026e	2027e
Sales	30.3	40.4	45.5	50.7	55.6
Gross Profit	11.6	14.4	18.6	21.0	23.3
Adj. EBITDA	5.0	7.3	9.3	10.6	11.7
change	39%	45%	28%	14%	10%
Adj. EBITDA margin	17%	18%	21%	21%	21%
EBIT	4.4	4.8	7.9	10.1	11.2
Net Financial expense	-0.4	-0.4	-0.2	-0.2	-0.2
Exceptionals/other income	0.0	-0.3	0.0	0.0	0.0
PBT	4.0	4.0	7.6	9.9	11.0
Income tax	-1.0	-1.2	-1.7	-2.2	-2.4
Non-controlling interest	-0.1	-0.1	-0.1	-0.2	-0.2
Net Profit	2.9	2.7	5.8	7.6	8.4
EPS (EUR)	0.13	0.12	0.27	0.35	0.39
DPS (EUR)	0.04	0.05	0.06	0.07	0.09
Group Cash Flow Statement	2023	2024	2025e	2026e	2027e
Adj. EBITDA	5.0	7.3	9.3	10.6	11.7
Change in Working Capital	-3.8	1.0	1.2	-0.4	-0.4
Net Interest	-0.3	-0.2	-0.2	-0.2	-0.2
Tax	-0.4	-0.5	-1.7	-2.2	-2.4
Other	0.1	0.2	0.0	0.0	0.0
Operating Cash Flow	0.7	7.7	8.6	7.8	8.6
Capex	-0.1	-0.4	-0.4	-0.5	-0.5
Other investing	-1.6	0.0	0.0	0.0	0.0
Net Investing Cash Flow	-1.7	-0.4	-0.4	-0.5	-0.5
Dividends	-0.6	-0.9	-1.1	-1.3	-1.6
Other	-0.2	-1.2	-0.7	-0.7	-0.7
Net Debt (cash)	0.7	-4.5	-11.0	-16.3	-22.1
Free Cash Flow (adj.)	-1.6	6.7	7.5	6.7	7.4
Group Balance Sheet	2023	2024	2025e	2026e	2027e
Tangible Assets	0.3	0.6	0.9	1.2	1.6
Intangible Assets	13.9	13.8	13.7	13.6	13.5
Other non-current Assets	1.4	3.8	3.8	3.8	3.8
Non-current Assets	15.6	18.2	18.4	18.6	18.9
Inventories	0.1	0.1	0.1	0.1	0.1
Trade Receivables	13.6	15.6	15.7	17.4	19.0
Other receivables	0.0	0.0	0.0	0.0	0.0
Cash & Equivalents	2.7	6.6	12.9	18.2	24.0
Current Assets	16.4	22.4	28.6	35.7	43.2
Total Assets	32.0	40.5	47.0	54.3	62.1
Shareholder funds	16.9	20.0	24.9	30.5	36.6
Non-controlling interest	0.3	0.4	0.5	0.7	0.9
Total Equity	17.2	20.4	25.5	31.2	37.4
Long-term debt	1.5	0.4	0.4	0.4	0.4
Other long-term liabilities	2.3	3.3	3.6	3.9	4.1
Long Term Liabilities	3.8	3.7	4.0	4.2	4.5
Short-term debt	2.0	1.7	1.5	1.5	1.5
Trade Payables	6.3	10.9	12.2	13.5	14.7
Other current liabilities	2.8	3.8	3.9	3.9	4.0
Current Liabilities	11.1	16.4	17.6	18.9	20.2
Total Equity & Liabilities	32.0	40.5	47.0	54.3	62.1
Key Financial Ratios	2023	2024	2025e	2026e	2027e
P/E	17.0x	28.4x	17.0x	13.1x	11.8x
P/BV	2.9x	3.8x	4.0x	3.2x	2.7x
EV/EBITDA	10.3x	10.4x	9.9x	8.3x	7.0x
EBIT/Interest expense	10.8x	11.6x	31.9x	44.1x	50.4x
Net Debt (Cash) / EBITDA	0.1x	-0.6x	-1.2x	-1.5x	-1.9x
Dividend Yield	1.7%	1.4%	1.3%	1.6%	1.9%
ROE	17%	13%	23%	25%	23%
Free Cash Flow yield	-3%	9%	8%	7%	7%
Payout Ratio	30%	40%	23%	21%	23%

Source: Eurobank Equities Research, Company data.

## Company description

RC is a leading value-added reseller with a particularly prominent position in large Greek enterprises and LT partnerships with some of the leading software distributors globally (SAP, Microsoft). The group effectively serves as a one-stop shop for digital transformation, offering a wide range of products and services involving the customization and implementation of enterprise solutions, and the provision of aftersales.

## Risks and sensitivities

•**Macro and other demand risks:** RC's top line hinges on the digitization agenda of Greece. In that regard, there is downside risk to our estimates in case IT spending slows or in case of a significant macroeconomic downturn.

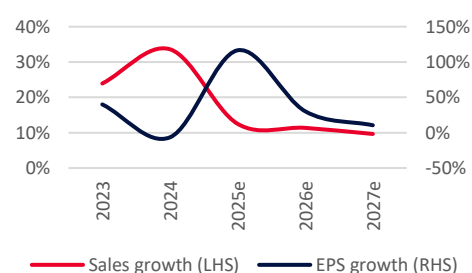
•**Personnel costs:** Human capital is the overriding factor behind the success of a services provider, and the same holds for RC. In that regard, margins could be negatively affected if wage inflation accelerates further, driving the need for the company to invest more in personnel.

•**Idiosyncratic/industry risks:** Industry competition may result in weaker-than-expected signing of new agreements and higher churn on the maintenance revenue stream. The high dependence on SAP-related revenues also means RC momentum is closely tied to SAP product competitiveness, and, in that regard, any delays in product development/releases or lower customer uptake could affect profitability.

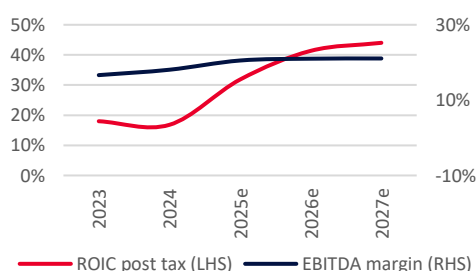
•**M&A risk:** RC has at times resorted to M&A to top up its growth profile. In case of similar moves in the future, there is some integration risk (or risk of non-accretive M&A).

•**Sensitivity:** We estimate that flexing our revenue assumption by 1% would result in a c2-3% change in group adj. EBITDA.

## Sales and EPS growth



## Profitability and returns





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This report has been written by Stamatios Draziotis (CFA) and Marios Bourazanis (Equity Analysts).

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## 12-month Rating History of Real Consulting

Date	Rating	Stock price	Target price
15/05/2025	Buy	€ 4.60	€ 5.60
17/01/2025	Buy	€ 3.55	€ 5.40
18/12/2024	Buy	€ 3.40	€ 5.40
18/06/2024	Buy	€ 3.67	€ 5.30

## Eurobank Equities Investment Firm S.A. Rating System:

Stock Ratings	Coverage Universe		Investment Banking Clients		Other Material Investment Services Clients (MISC) - as of 15th Apr 2025	
	Count	Total	Count	Total	Count	Total
Buy	28	74%	2	7%	14	50%
Hold	4	11%	0	0%	3	75%
Sell	0	0%	0	0%	0	0%
Restricted	1	3%	0	0%	1	100%
Under Review	1	3%	0	0%	1	100%
Not Rated	4	11%	0	0%	2	50%
<b>Total</b>	<b>38</b>	<b>100%</b>				

**Coverage Universe:** A summary of historic ratings for our coverage universe in the last 12 months is available [here](#).

## Analyst Stock Ratings:

Buy:	Based on a current 12-month view of total shareholder return (percentage change in share price to projected target price plus projected dividend yield), we recommend that investors buy the stock.
Hold:	We adopt a neutral view on the stock 12-months out and, on this time horizon, do not recommend either Buy or Sell.
Sell:	Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock.
Restricted:	Under Eurobank Group policy and / or regulations which do not allow ratings
Under Review:	Our estimates, target price and recommendation are currently under review
Not Rated:	Refers to Sponsored Research reports