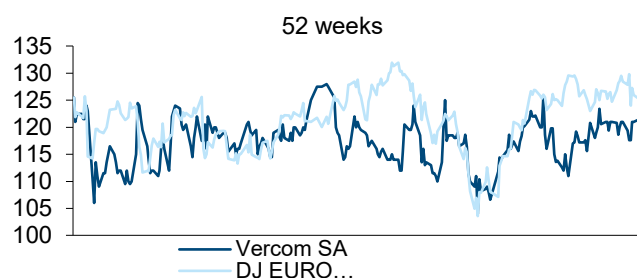


COMPANY REPORT

# Vercom SA

## Accumulate

PLN mn	2024	2025e	2026e	2027e
Net sales	496.2	481.4	561.2	641.8
EBITDA	109.6	135.2	167.6	198.0
EBIT	93.3	118.8	149.8	178.4
Net result after min.	76.6	101.9	128.1	154.9
EPS (PLN)	3.45	4.58	5.77	6.97
CEPS (PLN)	4.22	5.26	6.57	7.85
BVPS (PLN)	18.90	20.61	23.69	27.30
Div./share (PLN)	1.60	2.03	2.68	3.37
EV/EBITDA (x)	24.3	19.4	15.2	12.4
P/E (x)	35.0	26.4	21.0	17.4
P/CE (x)	28.6	23.0	18.4	15.4
Dividend Yield	1.3%	1.7%	2.2%	2.8%



Performance	12M	6M	3M	1M
in PLN	0.0%	1.3%	5.6%	0.8%

Share price (PLN) close as of 25/07/2025	121.0	Reuters	VRC.WA	Free float	30.4%
Number of shares (mn)	22.2	Bloomberg	Ver PW	Shareholders	cyber_Folks (50.0%)
Market capitalization (PLN mn / EUR mn)	2,689 / ,633	Div. Ex-date			Allianz OFE (6.83%)
Enterprise value (PLN mn / EUR mn)	2,620 / ,616	<b>Target price</b>	<b>143.0</b>	Homepage:	www.vercom.pl

### Analyst:

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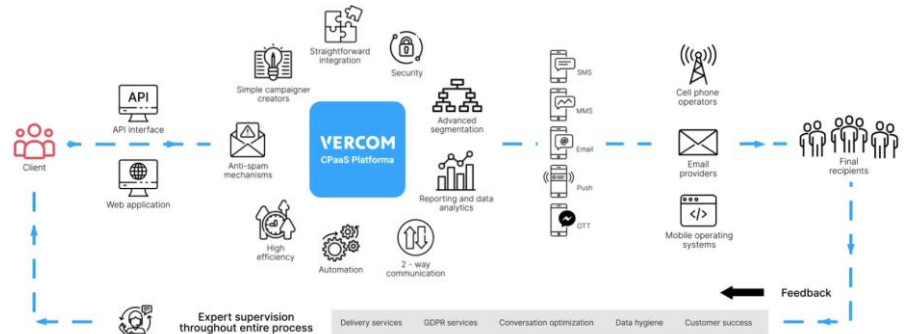
## Awaiting next acquisition

**We are initiating coverage of Vercom with a target price of PLN 143 per share (18% upside) and an Accumulate rating.** Over the past four years, Vercom has grown at an impressive rate, achieving a compound annual EBITDA growth rate of 43% (CAGR 2020-24), significantly outpacing the dynamics of the global CPaaS market, which grew at a rate of around 25-30% per year (CAGR 2020-24) during this period. The scale of this growth has not escaped the attention of investors - since the IPO, the share price has increased by about 160%. Management's new incentive program, based solely on organic growth, assumes that the compound annual growth rate of adj. EBITDA will be maintained at around 20% in 2024-28E. Given current market conditions (including a strong PLN) as well as the effectiveness of achieving operational goals (the MB has delivered more than it promised), we believe the targets set are ambitious but achievable. In terms of organic growth, we identify a number of factors supporting further improvement in the company's performance. We see room for pricing revisions within the MailerLite platform and narrowing the price gap with competitors, who are systematically raising their rates. We expect the sales mix to improve thanks to the growing share of higher-margin solutions (RCS/OTT), synergies resulting from the collaboration with Shoper, and additional impetus from partnerships with Microsoft and Google, which have the potential to expand the customer base in both the enterprise and SME segments. Moreover, we expect that the implemented AI-based solutions that increase employee efficiency (programmers/customer service) will actually translate into the release of the effect of operational leverage in the coming years. Three years after the acquisition of MailerLite, a transaction that significantly accelerated the growth of the entire group, the company is again active in M&A. Despite some delays in the implementation of the acquisition strategy, we assume that the next large transaction (order of magnitude – USD 100-125mn) will be finalized in the coming quarters and will be a significant catalyst for the company's share price. According to our forecasts, Vercom is trading at EV/EBITDA multiples of 19x for 2025E and 15x for 2026E, with a discount to its peers.

## Business Model and Strategy

Vercom's core business is to provide services that enable the integration of multiple communication channels to automate some of the business processes in sales, marketing and customer service. The group offers messaging and notifications via all commonly used electronic communication channels, including SMS, email, push, and voice.

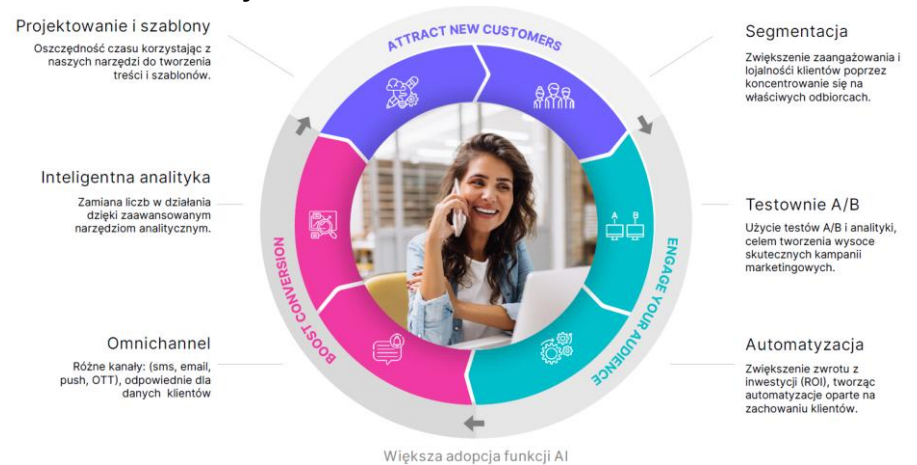
### Vercom - how CPaaS platform works



Source: Company

In addition to message delivery, in each of the indicated communication channels, the group provides additional functionalities including, among others, data personalization and verification, transmission path optimization, encryption and advanced reporting. The tools offered by Vercom are used both to automate transactional communications, including, for example, order confirmations, payment authentication, delivery status notifications, as well as to handle marketing communications.

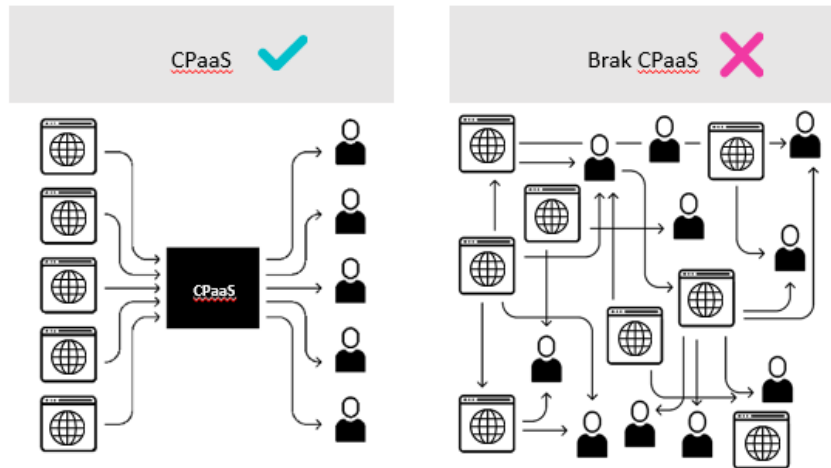
### Services offered by Vercom



Source: Company

The group's solutions are offered as a cloud-based communication service (CPaaS - Communication Platform as a Service). Depending on individual customer needs and the planned context of use, access to the Vercom Platform is provided via a proprietary API or web applications accessible through dedicated client panels.

**Vercom - business model**



Source: Company

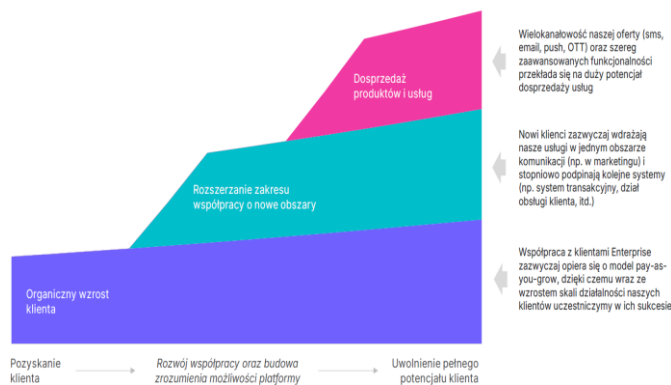
**Company goals**

Vercom's management has set an ambitious goal of reaching one million paying customers, which in practice means focusing on the small and medium-sized business segment. Achieving this scale of operations is primarily possible through acquisitions in foreign markets – Vercom's M&A targets will be large entities with impressive client portfolios and high levels of expertise.

Another important element of the strategy is to strengthen Vercom's position as one of the leading CPaaS technology providers in the CEE region, while simultaneously increasing its global exposure. The Group plans to expand into more foreign markets, both through further acquisitions and organic growth, including expansion outside of Europe.

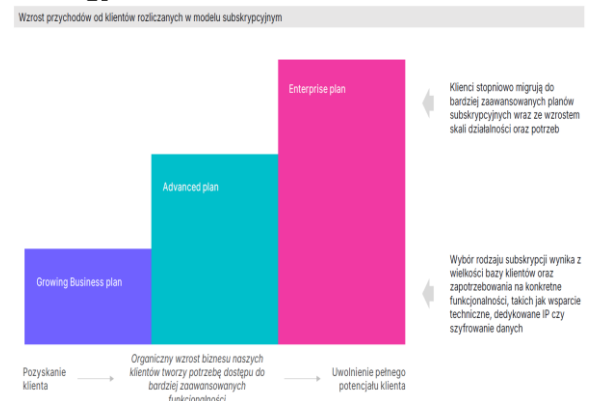
The company's financial goal is to at least double normalized EBITDA by the end of 2028.

**Enterprise customer relationship development strategy**



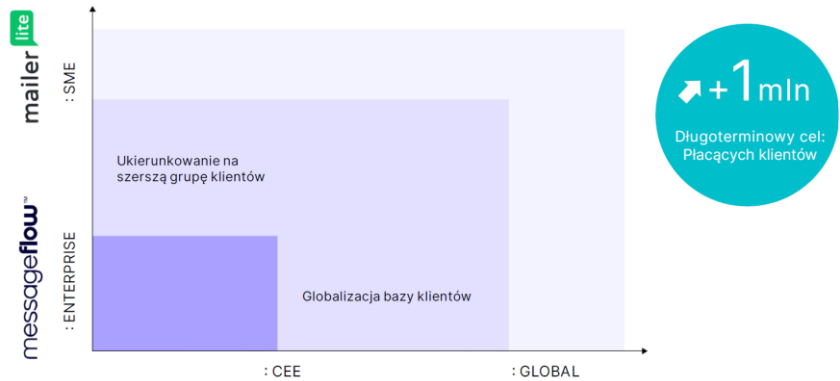
Source: Company

**SME customer relationship development strategy**



The company is consistently developing its two key products, MailerLite and MessageFlow, based on clearly defined strategic directions. MailerLite, as an email marketing platform, is focused on further increasing its SME customer base by expanding functionality, improving UX and strengthening its global brand position. In parallel, MessageFlow is being developed - a CPaaS platform designed for a tool to quickly and intuitively integrate communication channels such as SMS, email, push, OTT and RCS. Its development is focused on small business customers, whose needs are often overlooked by larger providers. Both brands have fully complementary positioning and allow the company to implement its strategy of sustainable scaling – both through acquisitions and organic growth.

**Development directions of MailerLite and MessageFlow**



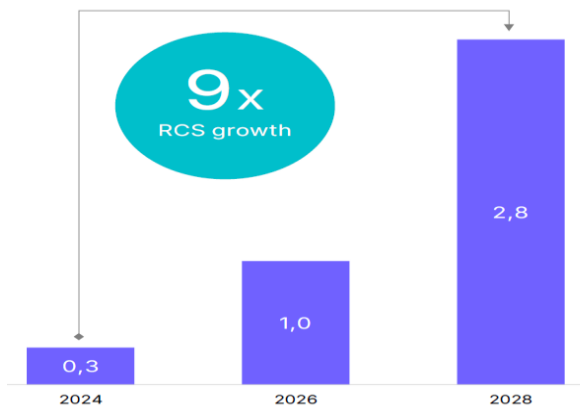
Source: Company

One of the company's key growth directions is RCS and OTT communications. RCS is a new service that opens up opportunities for additional margins and even faster growth of the group. According to forecasts, the value of the RCS market is expected to reach USD 3bn by 2028, a 9-fold increase from the current USD 300mn.

The dynamic growth of this market is supported by the significant acceleration of RCS implementation by mobile operators in North America and Europe as well as the deployment of this service on iOS devices, which further increases the supported user base.

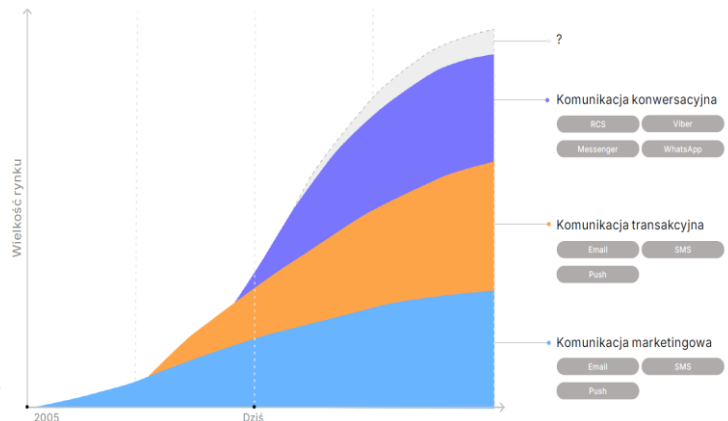
Forecasts indicate that by the end of 2028, RCS will be available on 3.6bn devices worldwide, and the share of RCS in operators' revenues will exceed that of the SMS channel.

**RCS market value [USD bn]**



Source: Company

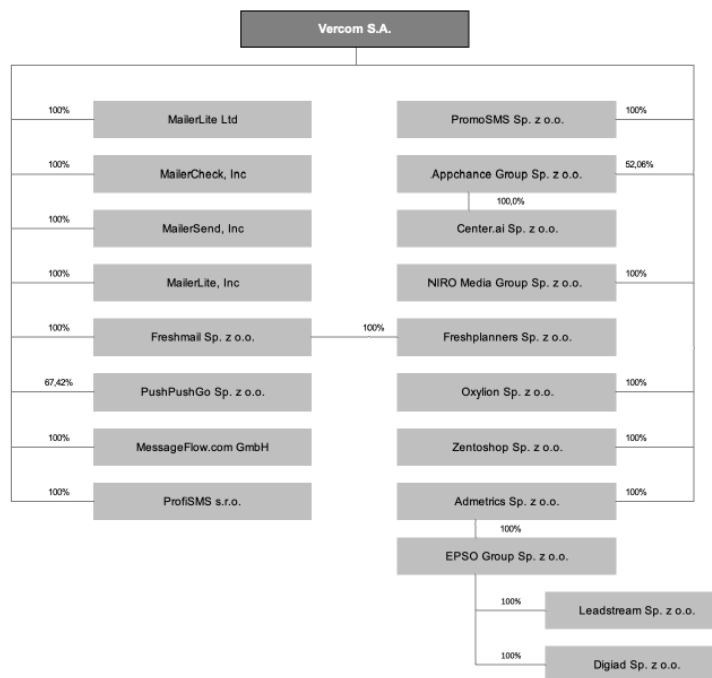
**RCS market size**



## Structure of Vercom Group

The structure of the Vercom Group is complex, but most of its subsidiaries do not have a significant impact on the Group's results.

### Structure of Vercom Group



Source: Company

### Vercom – shareholder structure

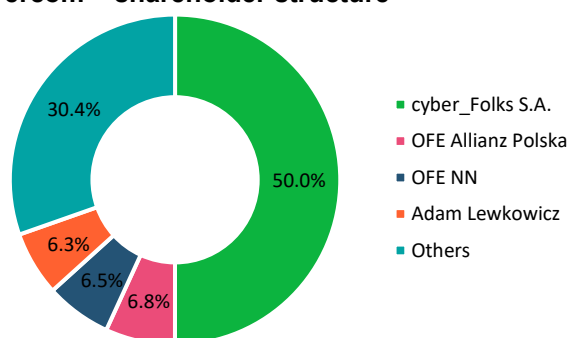
Currently, the company's share capital is PLN 444.5tsd, divided into 22.2mn shares with a nominal value of PLN 0.02 each. As of the end of 1Q25, the company held 60.9tsd treasury shares, representing 0.3% of the share capital. Cyber\_Folks is the company's largest shareholder, holding about 50.01% of shares.

#### Vercom – shareholding

Shareholder	Number of shares	% of share capital
cyber_Folks S.A.	11 114 380	50.0%
OFE Allianz Polska	1 516 888	6.8%
OFE NN	1 436 452	6.5%
Adam Lewkowicz	1 404 750	6.3%
Others	6 751 315	30.4%
<b>Total</b>	<b>22 223 785</b>	<b>100.0%</b>

Source: Company, Erste Group Research

#### Vercom – shareholder structure

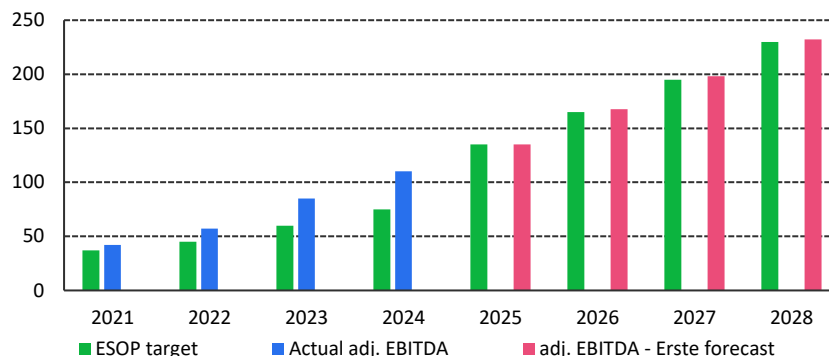


### Incentive program

In May 2025, the company's Annual General Meeting adopted a resolution to launch a new incentive program for the 2025-28 financial years. The program is aimed at employees employed by Vercom S.A. or other companies within the capital group (up to 149 people). A total of up to 211.9tsd of entitlements are provided for, of which the basic pool includes 184.9tsd of entitlements and the additional pool includes 27tsd. The purchase price per share corresponds to its nominal value (1 entitlement = 1 share).

The implementation of the program depends on meeting three key conditions: achieving the normalized EBITDA target, meeting individual goals and the loyalty criterion, i.e. maintaining employment for at least 12 months.

### Vercom – historical and current adjusted EBITDA targets [PLN mn]

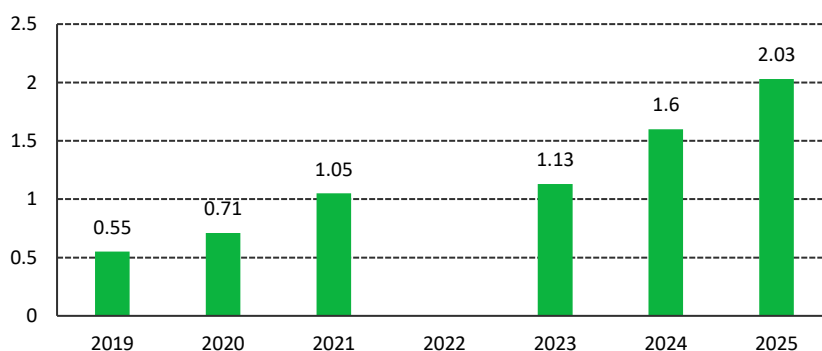


Source: Company, Erste Group Research

### Dividend policy and management

The company's dividend policy assumes the annual distribution of at least 50% of the group's consolidated net profit.

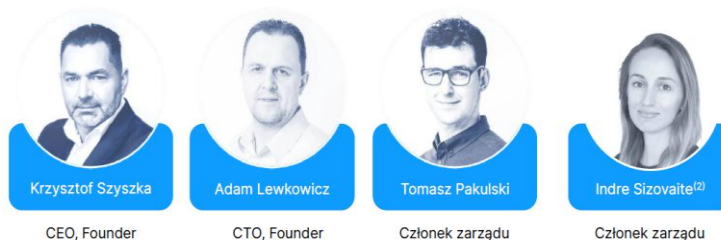
### DPS in 2019-25 [PLN]



Source: Company, Erste Group Research

Vercom's management board is comprised of experienced managers: Krzysztof Szyszka (CEO) is responsible for the group's development and strategic directions; Adam Lewkowicz (CTO) oversees the technology area; Tomasz Pakulski (COO Enterprise) manages the corporate client segment; and Indre Sizovaite (COO SME) is responsible for operations in the SME segment. Corporate oversight is provided by a six-member Supervisory Board, chaired by Jakub Dwernicki, founder and president of the cyber\_Folks group.

### Vercom - company management



Lata w branży	>25	>25	>17	>11
Lata w Vercom	>20	>20	>17	>8 <sup>(3)</sup>
Udział w kapitale zakładowym <sup>(1)</sup>	4,59%	6,32%	0,65%	0,09%

Source: Company

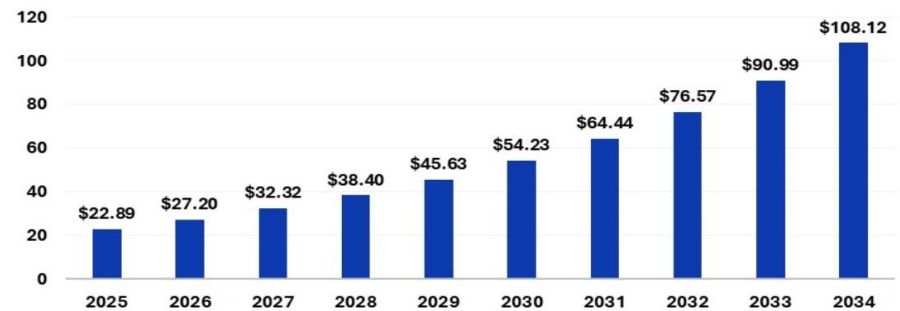
## Key risks

1. **Risk of increasing costs of purchasing SMS messages and access to email and push systems** – Vercom purchases SMS messages in bulk and uses short-term (often free) contracts for email and push services, which means that an increase in SMS prices or the introduction of email/push fees could significantly reduce the group's margins.
2. **Risk of introduction of email and push message restrictions** - Vercom is dependent on email and mobile system providers; changes to the terms and conditions of these platforms (e.g. introduction of limits or IP address blocking) may temporarily or permanently limit the number or content of messages sent.
3. **Risk of inappropriate capital allocation** – The company's strategy assumes dynamic growth supported by acquisitions. While previous acquisitions (e.g. MailerLite) have been successful, future large transactions may carry risks. Inappropriate capital allocation can negatively impact the company's financial results and growth prospects.
4. **Risk of reduced cooperation with key customers** – Although Vercom's customer base is diversified, a certain group of key customers generates a significant portion of revenue. A significant reduction in orders or the cancellation of these customers could reduce the volume of messages sent and negatively impact the group's revenue and profitability.
5. **Competition risk** – Vercom operates in a highly competitive market with a rapid pace of technological change. Continuous adaptation to new technologies and evolving customer expectations increases the company's risk profile.
6. **Risk of keeping service offerings competitive** – Due to the rapid development of technology and the emergence of new communication channels (e.g. RCS), Vercom needs to continuously develop its offerings. If the company fails to keep up with changes or does not gain access to new channels, its existing services may lose their attractiveness to customers.
7. **Risks related to human resources** – Vercom's success depends on highly qualified engineers and IT experts. The loss of key employees (e.g. due to a lack of competitive salaries) or difficulties in recruiting new specialists could undermine the company's ability to execute projects and implement innovations.
8. **Risk of attacks on the Group's own infrastructure and customers** – Vercom is vulnerable to cyberattacks (e.g. unauthorized data access attempts or DDoS attacks on servers). Although the company has security mechanisms, a successful attack could hinder service delivery and result in a loss of customer confidence.

## Vercom market environment

The global CPaaS market was valued at USD 19.3bn in 2024. Forecasts indicate that the market will grow by approx. 19% this year to USD 22.9 bn, with a compound annual growth rate (CAGR) of 18.8% between 2025 and 2034. This growth will be driven primarily by increased demand for scalable, real-time, API-based communication solutions across various industries.

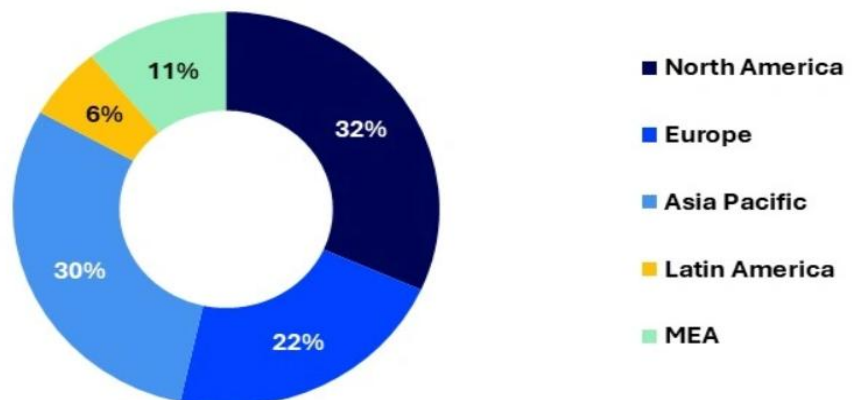
### CPaaS market value forecast for 2025-34 [USD bn]



Source: [precedenceresearch.com](https://precedenceresearch.com)

North America had the largest market share of 32% in 2024 (USD 4.6bn), driven by advanced telecommunications infrastructure, high cloud adoption rates and large technology companies driving innovation. The market is projected to grow at an average annual rate of about 19.1% between 2025 and 2034. The area is benefiting from significant IT budgets, a large early user base and a pro-digital transformation regulatory framework. Strong demand from important sectors such as retail, healthcare and BFSI is also contributing to market expansion. Adoption and growth of CPaaS solutions in many industries are also being accelerated by North America's continued progress in AI and 5G technologies.

### Market share of individual regions in CPaaS market [2024]



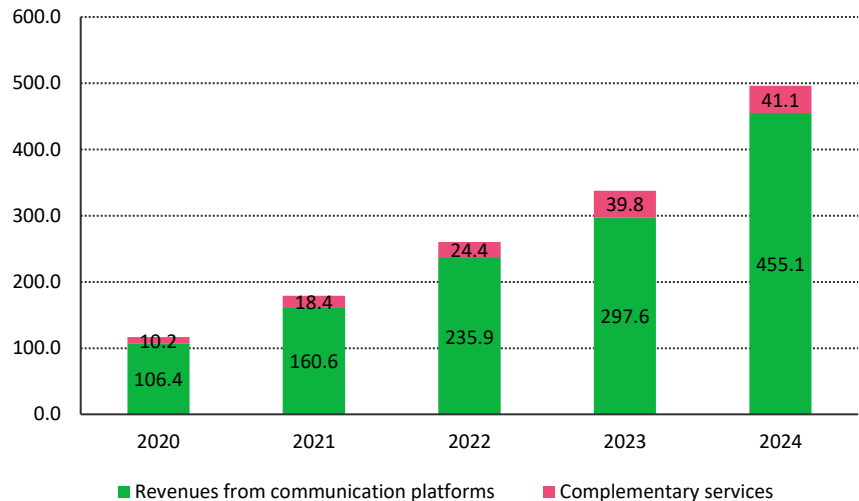
Source: [precedenceresearch.com](https://precedenceresearch.com)

The Asia-Pacific region is expected to grow at the fastest rate over the forecast period, at a CAGR of 31.6% (2025-34), driven by accelerating digital transformation, growing use of cloud services and increasing penetration of mobile and internet devices. Average annual growth in Europe, on the other hand, will be around 25.7%, supported by a well-established IT ecosystem and strict data protection regulations.

## Main areas of activity

The CPaaS segment's revenue is generated primarily by communication platforms, which account for about 90% of the segment's total revenue. These platforms enable multi-channel communication and serve as the foundation for marketing and sales campaigns. The remaining approx. 10% of revenues comes from complementary services, which include Internet access, telephone calls and TV access.

### Revenue structure of CPaaS segment [PLN mn]



Source: Company, Erste Group Research

CPaaS solutions are used for many common communication interactions. Examples include:

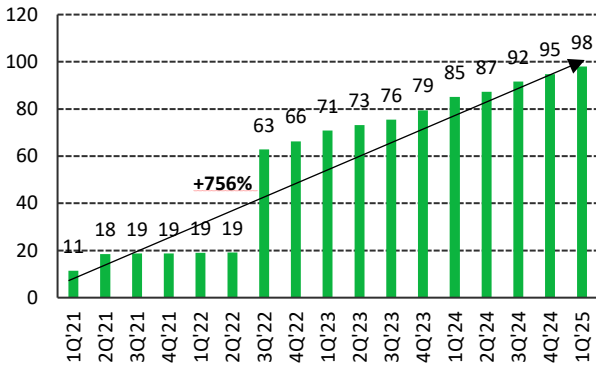
- Purchase confirmations and order placement,
- Invoice notifications and payment authorizations,
- Delivery status updates,
- Payment and appointment reminders,
- Sending promotional offers.

### Vercom customers

Over the past four years, the CPaaS segment has seen an impressive nearly 9-fold increase in its customer base to nearly 98tsd at the end of 1Q25. This significant expansion was primarily driven by acquisitions.

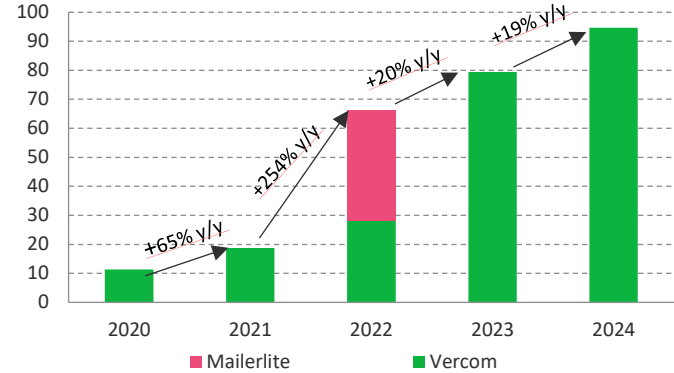
With the acquisitions of FreshMail and PushPushGo in 2Q21, the company gained about 6.6tsd additional customers, which translated into an increase in its customer base of about 60% q/q. A year later (2Q22), the company further strengthened its market position by acquiring MailerLite, which tripled its customer base (+38tsd customers) and significantly increased its exposure to the global CpaaS market.

**Number of CPaaS segment customers - quarterly [tsd]**



Source: Company, Erste Group Research

**Number of CPaaS segment customers - annualized [tsd]**



The company has been offering its services since 2005 and collaborates with the largest enterprises in their industries. Vercom's largest client base is e-commerce-related companies that need an effective, secure and cost-optimized system to communicate with their customers. Vercom's services are currently used by more than 98tsd companies and private entrepreneurs in 180 markets (with the acquisition of MailerLite, Vercom has become a fully international entity), including IKEA, Rossmann, American Express, DHL, Coca-Cola, and BNP Paribas. The Vercom team comprises over 400 people in 30 locations worldwide, including San Francisco, New York, Berlin, Prague, Poznań and Warsaw.

Vercom's client portfolio includes leading companies from various industries. Among them are **e-commerce giants** (Allegro, OLX), **courier companies** (InPost, DPD), **leaders in the footwear sector** (CCC, eobuwie), **banks** (ING, mBank, BNP Paribas), **retailers** (Auchan, Żabka), **telecommunications operators** (Orange, Play, T-Mobile) and **global brands** (Philip Morris, Unilever).

In 2024, revenue from communication platforms from the single largest customer exceeded 10% of the group's total revenue, reaching PLN 90mn.

**Selected Vercom customers**

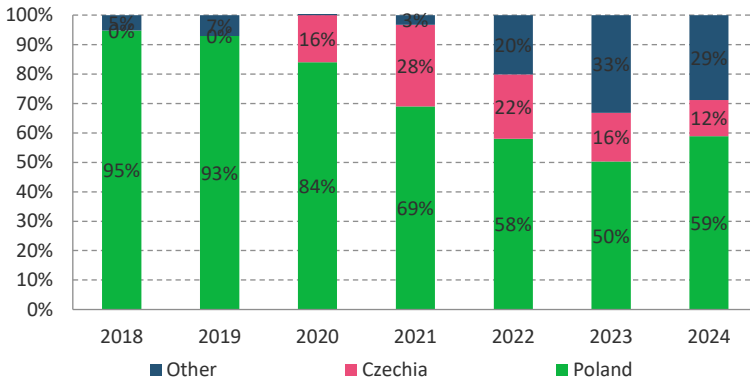


Source: Company

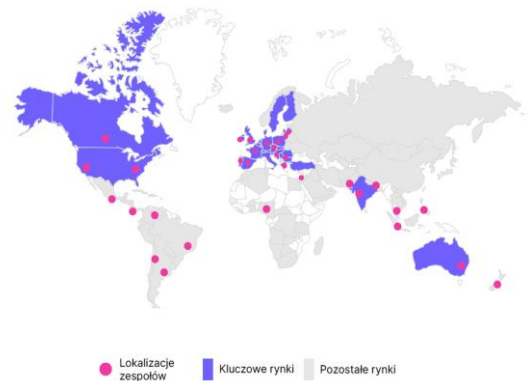
### Geographic expansion of CPaaS segment

Until 2020, Vercom operated in the CPaaS segment mainly in the Polish market. The acquisition of Czech company ProfiSMS in 2020 gave the company exposure to the Czech market. In 2022, the company acquired the MailerLite platform, giving it access to customers in more than 100 countries, including Western Europe and the United States. As a result of this geographic expansion, Poland remains the dominant market, generating about 60% of the group's total revenue, while the Czech market accounts for about 12% of sales (as of 2024).

**Geographic structure of revenues [%]**



**Key markets and team locations**

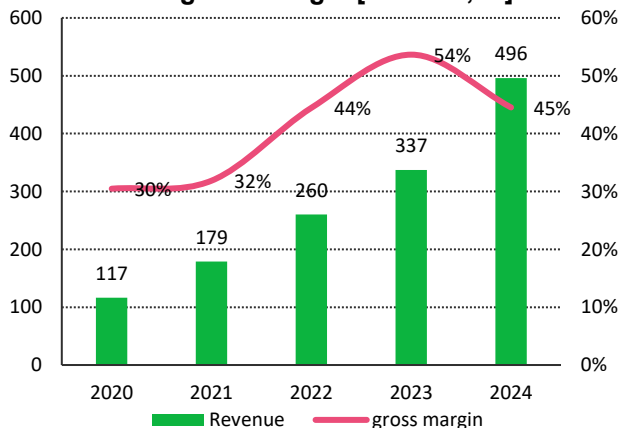


Source: Company, Erste Group Research

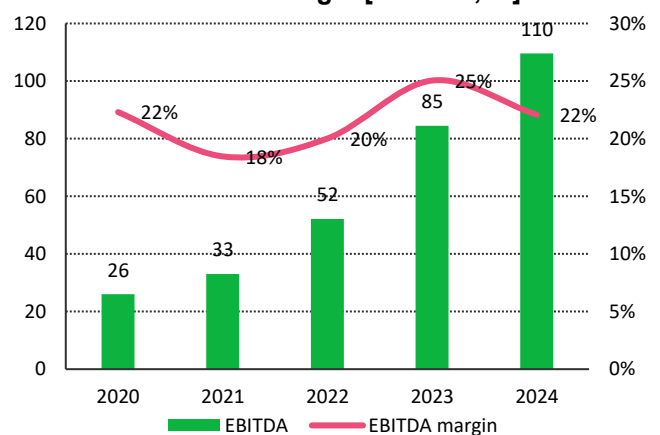
### Dynamics of financial results

Significant customer growth has been followed by rapid revenue improvement. Over the past four years, revenue has more than quadrupled to nearly PLN 500mn in 2024. After a weaker 2021 in terms of margins, 2022, due to the acquisition of the high-margin MailerLite business, has translated into improved group profitability. As a result, adjusted EBITDA has more than tripled over the past four years.

**Revenues and gross margin [PLN mn, %]**



**EBTDA and EBITDA margin [PLN mn, %]**



Source: Company, Erste Group Research

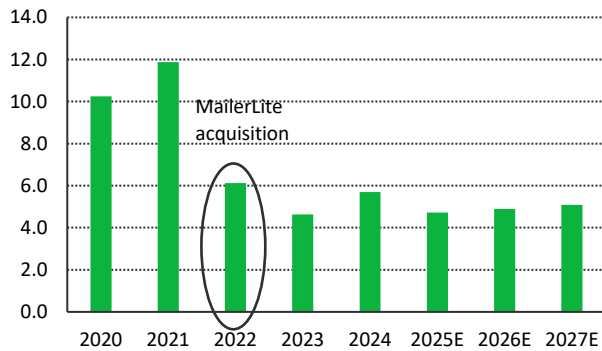
## Our forecasts

### Strategic partnerships as potential support for customer growth

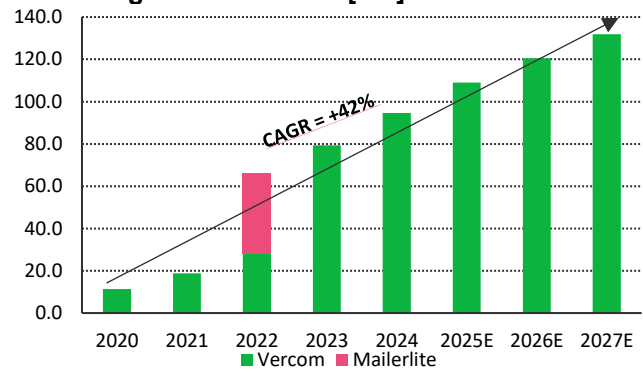
As we have mentioned in previous sections, VRC's customer growth in recent years has been driven by both acquisitions (highest impact in 2022) and organic growth (+19% y/y in 2024). We note that in 2024, revenue growth (+47% y/y) significantly outpaced customer growth (+19% y/y), driven by the ongoing "price war" between the two large retailers and involved the use of more low-margin products, which is clearly reflected in the increase in gross profit (+22%).

The company's strategic goal is to serve more than 1mn paying customers in the future. While this goal may seem distant at present, it partially demonstrates the potential for further expansion of the customer base in the coming years. The assumed growth of the customer base should come from both organic growth (expansion of offerings, synergies with Shoper, strategic partnerships) and acquisitions. We expect Vercom's customer base to grow organically by about 111tsd customers y/y.

Change in average ARPU in 2020-27E [PLN]



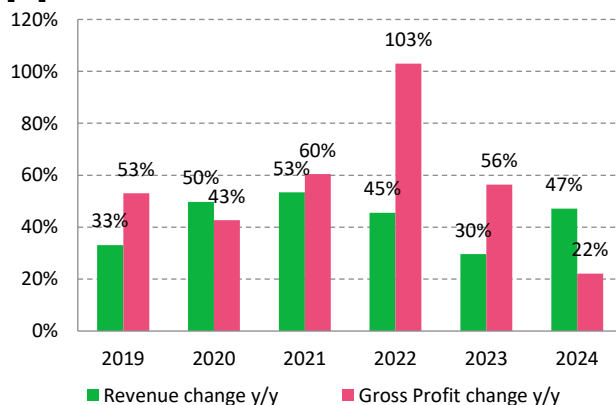
Customer growth 2020-27E [tsd]



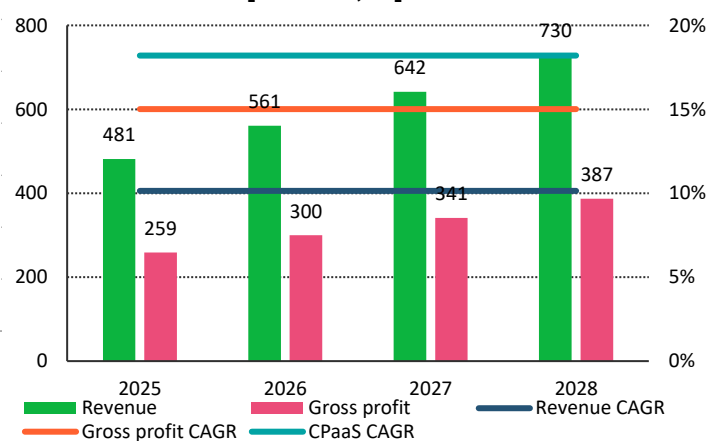
Source: Company, Erste Group Research

Taking into account the 1Q25 results, we expect VRC's revenues to decline by approx. 3% y/y in 2025 (the effect of a high base - the price war of the two large retailers, the strengthening of the PLN). Given the nature of the business and changes in the sales mix, in our view, the growth of the business is better illustrated by the growth of gross profit on sales, whose compound annual growth rate between 2018 and 2024 was an impressive 62%. In 2025, according to our forecasts, it should increase by 17% y/y, which means that the company will grow at a similar rate to the CPaaS market.

Change in revenue and gross profit y/y 2019-24 [%]



Revenue and gross profit growth compared to CPaaS market 2025E-28E [PLN mn, %]



Source: Company, Erste Group Research

**Potential price list increase as key catalyst for ARPU growth**

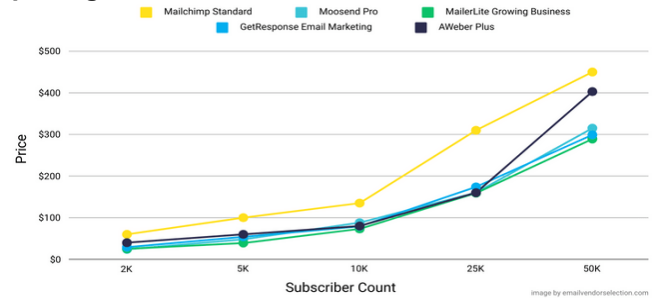
The price of the various plans offered by MailerLite is lower than competing platforms for both the smallest number of subscribers (up to 0.5td) and for a larger number of subscribers. This low-price policy should help build a paying customer base. Furthermore, we note that maintaining a relatively low price for a larger number of subscribers also promotes customer retention and provides the potential for ARPU growth as their scale increases.

**Comparison of CPaaS providers**

MailerLite VERCOM	Klaviyo	Mailchimp intuit	HubSpot	Capterra
★★★★★ 4,7 (2 131)	★★★★★ 4,6 (475)	★★★★★ 4,5 (17 385)	★★★★★ 4,5 (6 173)	Ocena
★ 4,6	★ 4,4	★ 4,4	★ 4,3	Łatwość korzystania
★ 4,8	★ 4,3	★ 4,2	★ 4,4	Obsługa klienta
★ 4,5	★ 4,6	★ 4,4	★ 4,2	Zakres usług
★ 4,7	★ 4,3	★ 4,4	★ 4,4	Stosunek jakości do ceny
\$10,00	\$20,00	\$13,00	\$16,00	Najtańszy pakiet

Source: Company, Erste Group Research

**Comparison of CPaaS providers in terms of pricing**

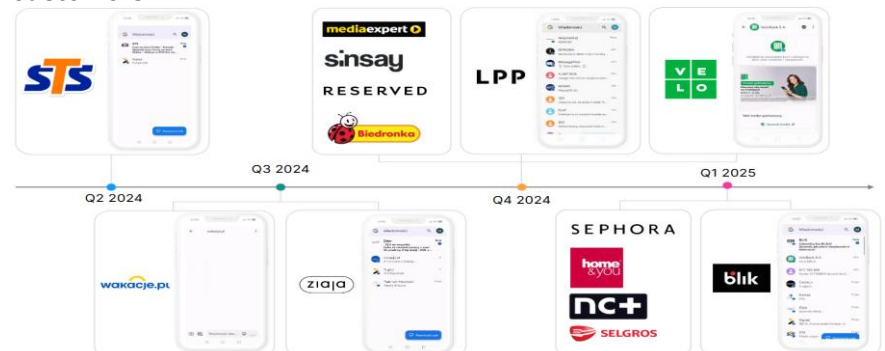


In our opinion, in the near future, due to further price increases of competing platforms, the company may decide to gradually narrow its pricing gap with its competitors. Furthermore, the growth of VRC's client business should generate growing demand for services and foster cross-selling of additional solutions, which should positively impact average revenue per customer. Our forecasts assume a conservative approach, maintaining ARPU at a stable (slightly growing) level in the coming years. At the same time, we believe that this is an area of potential positive surprise for us.

**Improving sales mix**

We expect that the growing use of the RCS channel – currently characterized by higher profitability than traditional SMS (margins for SMS are around 10-20%, while email are around 80-90%), should gradually translate into improved profitability for the company. However, we note that as this solution grows in popularity and becomes more widespread, its profitability may gradually erode. The company is currently taking steps to expand its offering to key clients to include the RCS channel. Agreements in this regard have already been signed with entities such as STS, BLIK, Biedronka, and LPP. The scale of this channel's potential is demonstrated by, among other things, the dynamic increase in the number of messages sent - from 1mn in 3Q24 to 8mn in 4Q24, as well as the positive outlook for the entire RCS/OTT segment, which we described in previous chapters of the report.

**Vercom is leader in RCS and OTT implementation among enterprise customers**



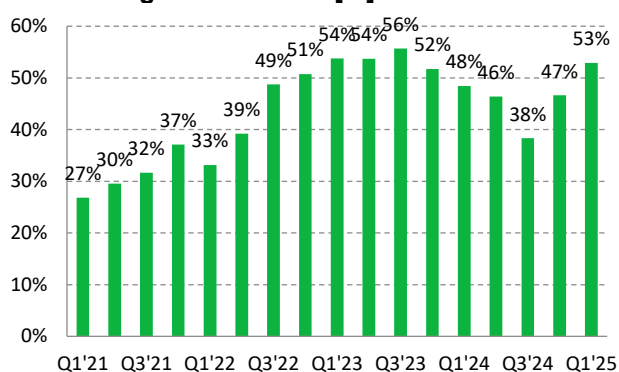
Source: Company

**AI-based tools - potential to unlock effect of operational leverage**

SG&A costs increased by approx. 16% over 2024. The decomposition of the y/y SG&A cost growth shows that the cost base increased primarily due to advertising services (+34% y/y), IT/software services (+12% y/y) and hosting services (+7% y/y). The increase in SG&A costs was significantly lower than the increase in revenue (+47% y/y) or gross profit (+22% y/y).

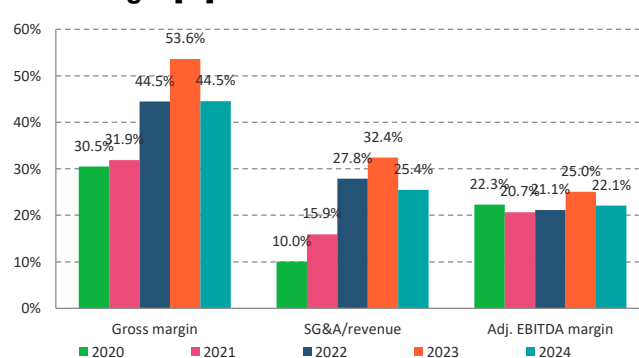
In our opinion, further dynamic business growth while maintaining cost discipline, the first real effects of using AI solutions translating into more effective employees (developers/customer service) and changes in the sales mix (gradually reducing sales of low-margin solutions) will unlock operating leverage. As a result, we expect a gradual expansion of margins in the coming years, which we include in our model.

**Gross margin 1Q21-1Q25 [%]**



Source: Company, Erste Group Research

**SG&A/ revenue cost ratio, gross sales margin and EBIT margin [%]**



**Acquisition as key share price catalyst**

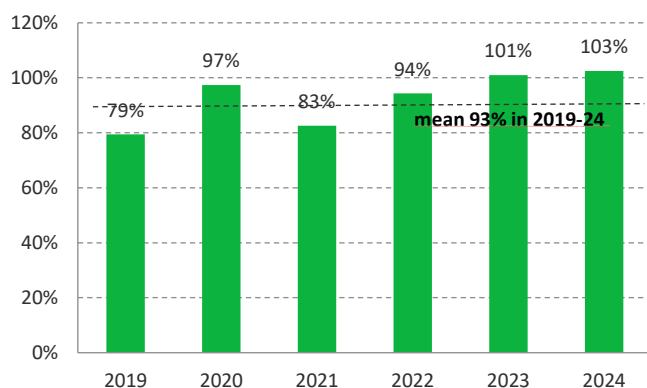
After three years since the acquisition of MailerLite, spent on, among others, business integration and debt reduction (after the acquisition, the ND/EBITDA ratio was 3x at the end of 3Q22, it only took five quarters for the ratio to reach a safe level of 0.6x at the end of 2023), the company is again active in the M&A area.

According to the MB's statements, the long-term goal of acquiring 1mn paying customers will be achieved in part through acquisitions. Given VRC's record-high earnings and its ability to finance acquisitions with debt, we estimate that the company is in a position to spend around USD 100-125mn (excluding a possible share issue) on acquisitions.

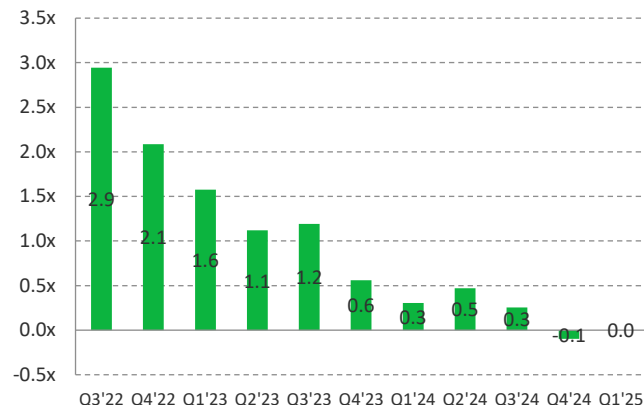
We assume that VRC's targets are companies complementary to the group's offerings (cross-selling potential, which could generate additional value), serving mainly the small and medium enterprise segment. We expect such a transaction to be finalized in the coming quarters. We do not include a potential acquisition in our calculations. At the same time, we would like to note that this transaction carries a significant risk factor (high expectations following MailerLite's success).

Moreover, over the next four years, 2025-28, the company will be able to allocate approx. PLN 1bn for M&A purposes, which should significantly accelerate its further growth.

### OCF/ adj. EBITDA ratio [%]



### ND/ EBITDA



Source: Company, Erste Group Research

The subscription nature of the business, based on upfront payments for offered solutions, translates into a high cash generation capacity for Vercom's business. The average OCF/EBITDA ratio was 93% in 2019-24, and 103% in 2024 alone. We expect that the conversion rate will remain around +90% in the coming years.

#### Key 2025-29 revenue and EBITDA assumptions for CPaaS segment

(PLN m)	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
<b>Revenues</b>	<b>260.3</b>	<b>337.4</b>	<b>496.2</b>	<b>481.4</b>	<b>561.2</b>	<b>641.8</b>	<b>730.2</b>	<b>825.6</b>
change y/y	45.5%	29.6%	47.1%	-3.0%	16.6%	14.4%	13.8%	13.1%
Communications platforms	235.9	297.6	455.1	440.4	520.4	601.3	689.9	785.7
change y/y	46.9%	26.1%	53.0%	-3.2%	18.2%	15.5%	14.7%	13.9%
Average number of customers [tsd]	66.3	79.4	94.7	109.0	120.4	131.9	143.1	153.8
change y/y	253.6%	19.8%	19.3%	15.1%	10.5%	9.5%	8.5%	7.5%
Average ARPU	6.1	4.6	5.7	4.7	4.9	5.1	5.3	5.6
change y/y	-48.5%	-24.3%	23.1%	-17.1%	3.5%	4.0%	4.4%	4.7%
Complementary services	24.4	39.8	41.1	41.0	40.8	40.6	40.3	39.9
change y/y	33.1%	63.0%	3.2%	-0.2%	-0.5%	-0.6%	-0.6%	-1.1%
<b>Adj. EBITDA</b>	<b>57.2</b>	<b>85.2</b>	<b>110.2</b>	<b>135.2</b>	<b>167.6</b>	<b>198.0</b>	<b>232.3</b>	<b>261.8</b>
change y/y	36.0%	48.9%	29.4%	22.7%	24.0%	18.1%	17.3%	12.7%
Adj. EBITDA margin	22.0%	25.2%	22.2%	28.1%	29.9%	30.9%	31.8%	31.7%

Source: Company, Erste Group Research

### Our forecasts vs. ESOP objectives

Given the current market conditions, we view the targets set for 2025 as ambitious, yet achievable. In our forecast, we assume that the company will manage to gently exceed the PLN 135mn adj. EBITDA level this year. In subsequent years of the forecast, we expect the positive difference from the targets to be more noticeable.

#### Erste adjusted EBITDA forecasts vs. ESOP objectives for 2023-2028

(PLN m)	2023	2024	2025E	2026E	2027E	2028E
<b>Vercom</b>						
Erste forecast	85	110	135	168	198	232
ESOP objective	60	75	135	165	195	230
diff	42.0%	46.9%	0.1%	1.6%	1.6%	1.0%

Source: Company, Erste Group Research

### Our forecasts vs. market consensus

The differences between our forecasts for 2025-27 and the market consensus mainly concern the company's revenue levels and profitability. In our view, the market is making overly optimistic assumptions about the scale of revenues from the SMS channel, which at the same time translates into lower expectations for a net profitability. It is worth noting, however, that our estimates at the level of adj. EBITDA are in line with the consensus, which, in our opinion, reflects the market's belief in the realizability of the targets presented in the incentive program.

#### Our forecasts vs. market expectations

(PLN, mn)	2025E			2026E			2027E		
	cons.	Erste	diff.	cons.	Erste	diff.	cons.	Erste	diff.
Revenue	546.7	481.4	-12.0%	608.5	561.2	-7.8%	703.0	641.8	-8.7%
EBITDA	136.7	135.2	-1.1%	164.5	167.6	1.9%	196.5	198.0	0.8%
EBIT	119.0	118.6	-0.3%	147.0	149.8	1.9%	179.0	178.4	-0.3%
Net Income	101.2	101.9	0.7%	128.0	128.1	0.1%	156.0	154.9	-0.7%
EBITDA margin	25.0%	28.1%		27.0%	29.9%		28.0%	30.9%	
EBIT margin	21.8%	24.6%		24.2%	26.7%		25.5%	27.8%	
Net margin	18.5%	21.2%		21.0%	22.8%		22.2%	24.1%	

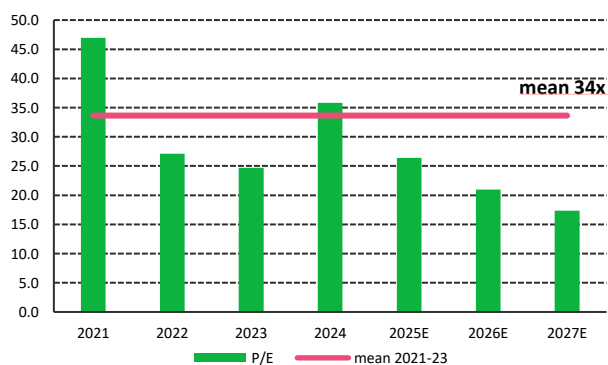
Source: Bloomberg, Erste Group Research

Source: Erste Group Research, Bloomberg

### P/E 12M blended forward and historical P/E and EV/EBITDA ratios (calculated on EOP prices)

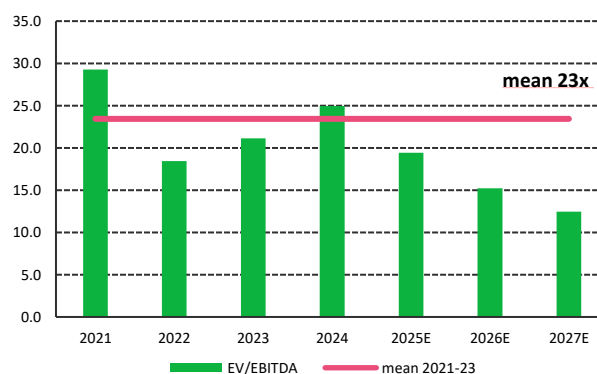
Both the value of the P/E'25 and EV/EBITDA'25 ratios are below the average for these ratios calculated in 2021-24, suggesting a potential valuation discount.

#### Historical values of P/E ratio



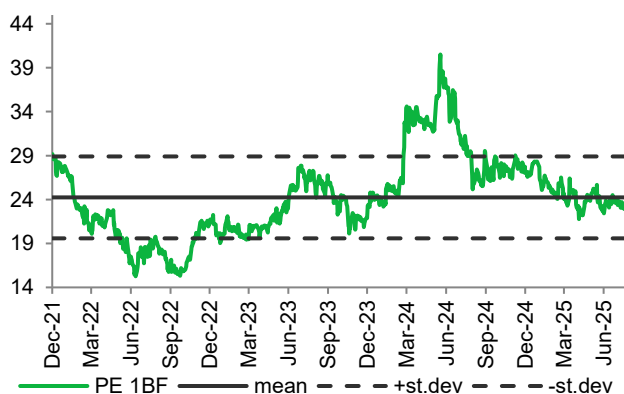
Source: Company, Erste Group Research

#### Historical values of EV/EBITDA ratio



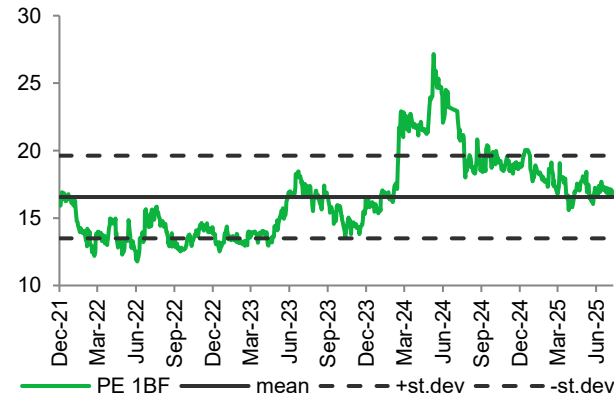
The 12M blended forward P/E and EV/EBITDA ratios have recently returned to their historical average levels.

#### P/E 12M blended forward ratio



Source: Company, Erste Group Research

#### EV/EBITDA 12M blended forward ratio



## 2Q25 results preview

### Q2'25 results preview

P&L (PLN mn)	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25E	YoY	QoQ
<b>Revenue</b>	<b>115.9</b>	<b>145.1</b>	<b>130.6</b>	<b>110.8</b>	<b>112.5</b>	<b>-3%</b>	<b>2%</b>
COGS	62.1	89.5	69.7	52.2	50.3	-19%	-4%
<b>Gross profit on sales</b>	<b>53.8</b>	<b>55.6</b>	<b>60.9</b>	<b>58.6</b>	<b>62.2</b>	<b>16%</b>	<b>6%</b>
Selling costs	11.7	12.5	14.5	16.1	16.6	42%	3%
G&A	19.1	18.9	18.6	17.9	18.2	-4%	2%
Other income/costs	-0.1	0.4	-1.2	0.2	0.0		
<b>EBITDA</b>	<b>27.1</b>	<b>28.5</b>	<b>30.8</b>	<b>28.8</b>	<b>31.5</b>	<b>16%</b>	<b>10%</b>
<b>Operating profit (loss)</b>	<b>23.0</b>	<b>24.5</b>	<b>26.6</b>	<b>24.8</b>	<b>27.4</b>	<b>19%</b>	<b>10%</b>
Balance on financial activities	-1.9	-0.9	-0.9	0.7	-1.6		
<b>Profit (loss) before tax</b>	<b>21.0</b>	<b>23.6</b>	<b>25.7</b>	<b>25.5</b>	<b>25.8</b>	<b>23%</b>	<b>1%</b>
Income tax	2.7	3.9	3.1	2.8	3.3	25%	20%
<b>Net profit</b>	<b>18.2</b>	<b>19.4</b>	<b>22.4</b>	<b>22.5</b>	<b>22.2</b>	<b>22%</b>	<b>-1%</b>
Gross margin	46%	38%	47%	53%	55%		
EBITDA margin	23%	20%	24%	26%	28%		
EBIT margin	20%	17%	20%	22%	24%		
Net profit margin	16%	13%	17%	20%	20%		

Source: Company, Erste Group Research

**Vercom is to publish its 2Q25 results on September 2, 2025.** We expect revenue to decline by 3% y/y in 2Q25, mainly due to weaker assumed sales volumes in the SMS channel. We note that the y/y revenue dynamics denominated in PLN is partly impacted by the decrease in the USDPLN y/y exchange rate (-6% y/y). We expect that the expected lower share of low-margin SMS sales should enable the company to visibly increase gross margin q/q and y/y. Solid cost control coupled with gross profit increase y/y should translate into a 16% increase y/y on EBITDA line in 2Q25 (lower pace of y/y growth as in the previous quarters).

- **Revenue.** We expect revenue to decrease 3% y/y to PLN 112.5mn in 2Q25 (+2% q/q). Expected y/y revenue decline is mainly due to weaker assumed sales volumes in SMS channel.
- **Gross profit.** We expect gross profit on sales to increase by 16% y/y to PLN 62.2mn in 2Q25 (+6% q/q), while we expect 9pp y/y gross margin increase y/y in 2Q'25 (lower share of low-margin sms channel y/y).
- **Costs.** We expect SG&A costs to increase by 13% y/y to PLN 35mn in 2Q25. Selling costs are expected to grow at a higher pace y/y compared to G&A costs. On other operating activities, we assume PLN 0mn in 2Q25 vs. PLN -0.1mn in 2Q24.
- **Net profit.** We expect PLN -1.6mn balance on financing activities in 2Q25 (vs. PLN -1.9mn in 2Q24). We estimate effective tax rate at 13% in Q2'25 (+0.2pp y/y). We estimate 2Q25 net profit at PLN 22.2mn in 2Q25 (vs. PLN 18.2mn net profit in 2Q24).

Opinion. **NEUTRAL.** *Vercom should deliver EBITDA growth at a lower pace compared to the previous quarters in 2Q25 at around 16%. However, we hope that 2H25 will bring improved dynamics due to the improved sales mix, the first synergies with Shoper, the effects of partnerships with Microsoft and Google, as well as a potential price list revision in MailerLite, and thus the company will be able to achieve the EBITDA target for 2025 (PLN 135mn).*

## Valuation

Our valuation of VRC is based on a discounted cash flow model (100% weight). We present the peer valuation method for informational purposes only. **Based on our forecasts, we arrive at a fair value of PLN 143 per share, 18% above the current market price, which implies an Accumulate recommendation.**

	Weight	Price
Peer valuation	0%	200
DCF valuation	100%	143
<b>12M target price per share (PLN)</b>		<b>143</b>

Source: Erste Group Research

### DCF assumptions:

- Risk-free rate of 5.5% in forecasted period (average Polish 10Y Treasury bond yield).
- Risk-free rate of 4% to calculate terminal value.
- Equity risk premium at 6% and 5% in terminal.
- Terminal value growth at 3%.
- In other adjustments, we include dividend paid by company and amount allocated for SBB.
- We do not assume dilution of share capital, as cost of share buyback has been included in our model.

### Peer valuation:

We present a comparative valuation in which the fair value is calculated based on the median of the ratios for each of the years 2025-27e. We apply equal weights for P/E and EV/EBITDA as well for each of the years. We present the peer valuation method for informational purposes only.

	P/E			EV/EBITDA		
	2025E	2026E	2027E	2025E	2026E	2027E
Klaviyo	55	43	33	53	39	26
Atlassian	56	46	37	39	31	24
Intuit	38	33	29	27	24	21
HubSpot	59	49	39	41	33	25
Sinch	121	40	27	11	9	8
Twilio	28	24	20	19	16	13
Link Mobility Group Holding	30	20	16	12	9	8
Dotdigital Group	16	14	13	7	6	5
Median: Total	46.6	36.5	28.0	23.0	19.7	17.0
Implied valuation per share	213.6	210.6	195.1	142.6	155.0	161.2
Weight	17%	17%	17%	17%	17%	17%
Premium/Discount	0%					
Weighted valuation per share	<b>179.7</b>					
<b>12M value per share</b>	<b>200.3</b>					

Source: Erste Group Research, Bloomberg

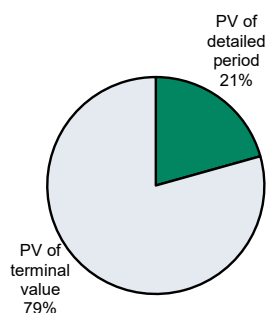
**WACC calculation**

	2025E	2026E	2027E	2028E	2029E	Term. value Normalized
Risk free rate	5.5%	5.5%	5.5%	5.5%	5.5%	4.0%
Equity risk premium	6.0%	6.0%	6.0%	6.0%	6.0%	5.0%
Beta	1.0	1.0	1.0	1.0	1.0	1.0
<b>Cost of equity</b>	<b>11.5%</b>	<b>11.5%</b>	<b>11.5%</b>	<b>11.5%</b>	<b>11.5%</b>	<b>9.0%</b>
Cost of debt	6.5%	6.5%	6.5%	6.5%	6.5%	5.0%
Nominal tax rate	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
<b>After-tax cost of debt</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>4.1%</b>
Equity weight	88%	92%	95%	96%	97%	100%
<b>WACC</b>	<b>10.8%</b>	<b>11.0%</b>	<b>11.2%</b>	<b>11.3%</b>	<b>11.3%</b>	<b>9.0%</b>

**DCF valuation**

(PLN mn)	2025E	2026E	2027E	2028E	2029E	Normalized
<i>Sales growth</i>	-3.0%	16.6%	14.4%	13.8%	13.1%	3.0%
EBIT	118.6	149.8	178.4	210.8	238.6	245.7
<i>EBIT margin</i>	24.6%	26.7%	27.8%	28.9%	28.9%	28.9%
<i>Effective Tax rate</i>	11.4%	11.4%	11.4%	11.4%	11.4%	11.4%
Taxes on EBIT	-13.5	-17.1	-20.4	-24.1	-27.2	-28.1
<b>NOPLAT</b>	<b>105.1</b>	<b>132.7</b>	<b>158.0</b>	<b>186.8</b>	<b>211.3</b>	<b>217.7</b>
+ Depreciation	16.3	17.8	19.6	21.4	23.2	24.9
<i>Capital expenditures / Depreciation</i>	96.6%	97.4%	97.4%	97.4%	97.5%	100.0%
+/- Change in working capital	-3.8	0.1	0.1	0.1	0.1	-3.6
<i>Chg. working capital / chg. Sales</i>	25.8%	0.1%	0.1%	0.1%	0.1%	-14.5%
- Capital expenditures	-15.8	-17.3	-19.1	-20.9	-22.6	-24.9
<b>Free cash flow to the firm</b>	<b>101.8</b>	<b>133.3</b>	<b>158.7</b>	<b>187.4</b>	<b>212.0</b>	<b>214.1</b>
<i>Terminal value growth</i>						3.0%
Terminal value						3 674.9
Discounted free cash flow - Dec 31 2025	91.9	108.4	116.1	123.2	125.2	2 169.7
<b>Enterprise value - Dec 31 2025</b>	<b>2 734.5</b>					
Minorities	1.8					
Non-operating assets	0.0					
Net debt	-10.8					
Other adjustments	74.4					
<b>Equity value - Dec 31 2025</b>	<b>2 669.1</b>					
Number of shares outstanding (mn)	22.2					
Cost of equity	11.5%					
<b>12M target price per share (PLN)</b>	<b>143.0</b>					
Current share price (PLN)	121.0					
<i>Up/Downside</i>	18%					

**Enterprise value breakdown**



Source: Erste Group Research

**Sensitivity (per share)**

		Terminal value EBIT margin				
		27.9%	28.4%	28.9%	29.4%	29.9%
<b>W A C C</b>	9.8%	168	171	173	176	178
	10.3%	152	154	157	159	161
	10.8%	139	141	<b>143</b>	145	147
	11.3%	127	129	131	133	135
	11.8%	118	119	121	123	124
		Terminal value growth				
		2.0%	2.5%	3.0%	3.5%	4.0%
<b>W A C C</b>	9.8%	148	159	173	190	212
	10.3%	136	145	157	170	187
	10.8%	125	133	<b>143</b>	154	167
	11.3%	116	123	131	140	151
	11.8%	108	114	121	129	138

<b>Income Statement</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
(IAS, PLN mn, 31/03)	31/03/2022	31/03/2023	31/03/2024	31/03/2025	31/03/2026	31/03/2027
<b>Net sales</b>	<b>260.32</b>	<b>337.38</b>	<b>496.23</b>	<b>481.36</b>	<b>561.18</b>	<b>641.84</b>
Cost of goods sold	-144.59	-156.38	-275.28	-222.50	-261.23	-300.51
<b>Gross profit</b>	<b>115.73</b>	<b>181.00</b>	<b>220.95</b>	<b>258.86</b>	<b>299.95</b>	<b>341.33</b>
SG&A	-72.50	-109.30	-126.29	-140.23	-150.13	-162.93
Other operating revenues	0.38	0.19	0.29	0.03	0.00	0.00
Other operating expenses	-1.19	-2.91	-1.65	0.19	0.00	0.00
<b>EBITDA</b>	<b>52.10</b>	<b>84.51</b>	<b>109.59</b>	<b>135.19</b>	<b>167.60</b>	<b>198.02</b>
Depreciation/amortization	-9.67	-15.52	-16.29	-16.35	-17.79	-19.61
<b>EBIT</b>	<b>42.43</b>	<b>68.98</b>	<b>93.30</b>	<b>118.85</b>	<b>149.82</b>	<b>178.41</b>
Financial result	-5.11	10.86	-4.50	-3.04	-4.12	-2.29
Extraordinary result	0.00	0.00	0.00	0.00	0.00	0.00
<b>EBT</b>	<b>37.33</b>	<b>79.84</b>	<b>88.79</b>	<b>115.81</b>	<b>145.70</b>	<b>176.12</b>
Income taxes	-5.88	-9.22	-11.63	-13.20	-16.64	-20.11
Result from discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00
Minorities and cost of hybrid capital	-0.03	-0.23	-0.59	-0.74	-0.94	-1.13
<b>Net result after minorities</b>	<b>31.42</b>	<b>70.40</b>	<b>76.58</b>	<b>101.87</b>	<b>128.12</b>	<b>154.88</b>
<b>Balance Sheet</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
(IAS, PLN mn, 31/03)						
Intangible assets	470.29	439.92	451.37	432.78	431.86	430.83
Tangible assets	14.82	14.82	15.20	15.53	15.98	16.50
Financial assets	13.94	1.26	0.15	0.76	0.76	0.76
<b>Total fixed assets</b>	<b>499.04</b>	<b>456.00</b>	<b>466.73</b>	<b>449.07</b>	<b>448.60</b>	<b>448.09</b>
Inventories	0.00	0.00	0.00	0.00	0.00	0.00
Receivables and other current assets	38.87	39.79	53.41	48.73	56.28	63.90
Other assets	0.00	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalents	49.04	63.26	106.24	137.28	190.89	263.59
<b>Total current assets</b>	<b>87.91</b>	<b>103.05</b>	<b>159.65</b>	<b>186.01</b>	<b>247.17</b>	<b>327.49</b>
<b>TOTAL ASSETS</b>	<b>586.94</b>	<b>559.06</b>	<b>626.38</b>	<b>635.08</b>	<b>695.77</b>	<b>775.58</b>
Shareholders'equity	356.04	365.91	419.89	457.93	526.54	606.56
Minorities	0.87	1.73	1.79	1.96	1.96	1.96
Hybrid capital and other reserves	0.00	0.00	0.00	0.00	0.00	0.00
Pension and other LT personnel accruals	0.00	0.00	0.00	0.00	0.00	0.00
LT provisions	0.00	0.00	0.00	0.00	0.00	0.00
Interest-bearing LT debts	137.99	93.97	77.19	57.70	38.54	26.60
Other LT liabilities	14.55	14.55	15.02	13.81	13.81	13.81
<b>Total long-term liabilities</b>	<b>152.55</b>	<b>108.52</b>	<b>92.21</b>	<b>71.51</b>	<b>52.35</b>	<b>40.41</b>
Interest-bearing ST debts	23.95	20.24	18.54	16.95	15.22	13.83
Other ST liabilities	53.55	62.65	93.95	86.73	99.70	112.81
<b>Total short-term liabilities</b>	<b>77.49</b>	<b>82.89</b>	<b>112.49</b>	<b>103.68</b>	<b>114.92</b>	<b>126.65</b>
<b>TOTAL LIAB. , EQUITY</b>	<b>586.94</b>	<b>559.06</b>	<b>626.38</b>	<b>635.08</b>	<b>695.77</b>	<b>775.58</b>
<b>Cash Flow Statement</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
(IAS, PLN mn, 31/03)						
Cash flow from operating activities	51.87	85.51	112.36	119.38	152.90	182.26
Cash flow from investing activities	-220.88	14.86	-6.54	-14.46	-16.40	-18.01
Cash flow from financing activities	100.92	-83.76	-63.17	-71.32	-85.44	-91.55
<b>CHANGE IN CASH , CASH EQU.</b>	<b>-67.76</b>	<b>14.43</b>	<b>42.97</b>	<b>31.04</b>	<b>51.06</b>	<b>72.70</b>
<b>Margins &amp; Ratios</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
Sales growth	45.5%	29.6%	47.1%	-3.0%	16.6%	14.4%
EBITDA margin	20.0%	25.0%	22.1%	28.1%	29.9%	30.9%
EBIT margin	16.3%	20.4%	18.8%	24.7%	26.7%	27.8%
Net profit margin	12.1%	20.9%	15.5%	21.3%	23.0%	24.3%
ROE	11.2%	19.5%	19.5%	23.2%	26.0%	27.3%
ROCE	11.6%	13.4%	18.9%	25.2%	32.5%	39.3%
Equity ratio	60.8%	65.8%	67.3%	72.4%	76.0%	78.5%
Net debt	112.9	50.9	-10.5	-62.6	-137.1	-223.2
Working capital	-14.7	-22.9	-40.5	-38.0	-43.4	-48.9
Capital employed	484.4	433.1	426.2	411.1	405.2	399.2
Inventory turnover	nm	nm	nm	nm	nm	nm

Source: Company data, Erste Group estimates

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