

Formpipe (FPIP)

Sweden | SaaS | MCAP SEKm 1,345.6

18 January 2026

Buy

Target price:	SEK 36.5
Current price:	SEK 24.8
Upside:	47.3%

Scaling Down to Scale Up

Formpipe Software AB ("Formpipe" or "the Company") is a Swedish software company specializing in document output management, operating as an add-on solution to ERP systems. Historically, the Company has served both the public and private sectors. However, following the recently announced divestment of the Company's public-sector operations, Formpipe is now fully focused on the Company's most attractive business segment, the private sector. Investors have historically overlooked Formpipe due to volatile margins and uncertainty around the Company's growth trajectory. However, the analysts argue that this sentiment will shift. The private segment has historically delivered an impressive 41.7% SaaS revenue CAGR between 2019 and 2024, and Formpipe's product Lasernet has a strong reputation among consultants within the ERP ecosystem. In a segment estimated to grow at a CAGR of 15.1% while attracting high valuations, the analysts forecast a comparatively low multiple of 8.1x EV/Adj. EBITDA² for 2027, offering a compelling buy opportunity. Through an equally weighted DCF and peer valuation, a potential upside of 47.3% is presented.

Key Takeaways

- Change in Income Mix Improving Margins:** In 2024, SaaS constituted 32.1% of net sales. Post-divestment, the analysts estimate that SaaS will account for 69.6% of net sales by 2027, driving OPEX leverage and margin expansion as the segment scales. In particular, fixed overhead costs are projected to be absorbed by 2027 as revenue grows, and personnel costs are expected to grow more slowly per year relative to sales in the same period, resulting in an EBIT margin of 17.6% in 2027.
- Competitive Advantage & Friendly Middlemen:** Formpipe's primary partner, Microsoft Dynamics, is currently the fastest-growing ERP system globally, exhibiting a YoY growth of 23.2%. This contributes to increased awareness of Lasernet, the Company's document output solution. Formpipe has an indirect sales model, relying heavily on consultants for distribution. Since Lasernet offers faster implementations and lower maintenance costs than alternative solutions, it is an attractive product for consultants to promote and implement. Considering Dynamics' continued growth and consultancy-driven promotion, the analysts estimate a 14.4% CAGR through 2027.
- Improved Operations & Higher Potential:** Stronger fundamental operations justify a clear re-rating of Formpipe. Post-divestment, Formpipe operates a much more attractive business model, where 58.4% of revenue is deferred, contributing to largely negative net working capital and self-financing operations. Key metrics include the FCFF conversion rate, improving from 25.8% in 2024 to 64.2% in 2027, and revenue per employee increasing from SEK 2.0m to SEK 2.5m following the divestment.

Analysts

Nils Arvidsson	Financial Analyst
Felix Burestedt	Financial Analyst

Market Data, SEK

Exchange	Nasdaq Stockholm
Shares (m)	54.3
MCAP (m)	1,345.6
EV Pro Forma (m)	548.4

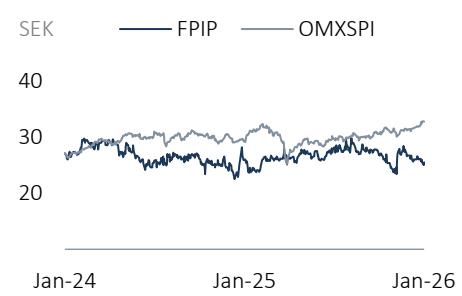
Metrics & Drivers	24A	25E	26E
EV/Adj. EBIT ¹	53.9x	124.5x	18.5x
EV/Adj. EBITDA ²	26.8x	48.8x	16.7x
EV/S	2.5x	2.2x	1.9x
P/E	78.7x	582.1x	60.6x
EV/ARR	2.9x	2.4x	2.1x

Forecast, SEKm	24A	25E	26E
Total Revenue	528.9	248.9	285.1
Rev. Growth y/y	0.7% (52.9%)	14.5%	
Gross Profit	455.4	211.9	242.9
Gross Margin	86.1%	85.1%	85.2
EBITDA	104.3	30.3	59.4
EBITDA Margin	19.7%	12.2%	20.8%
Adj. EBIT ¹	24.6	4.4	29.7
Adj. EBIT Margin ¹	4.6%	1.8%	10.4%

Major Shareholders

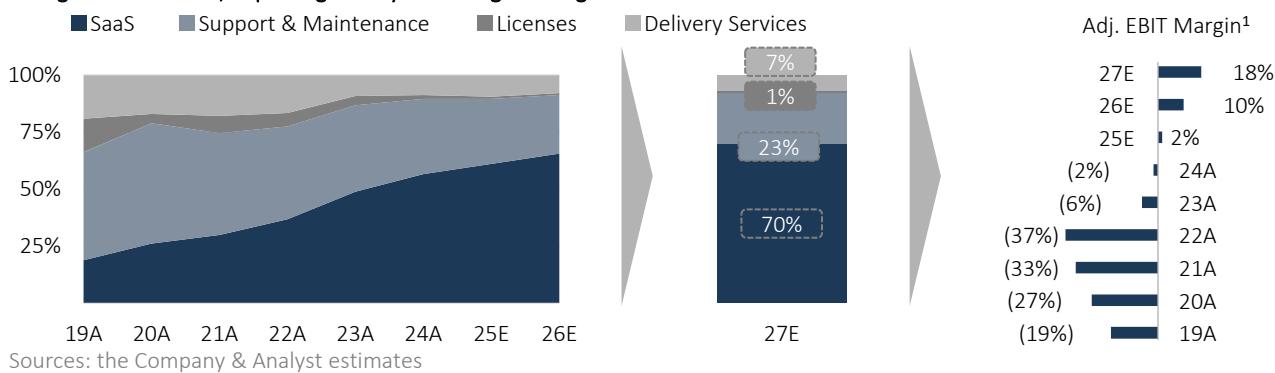
Mission Trail Capital Management	16.1%
Alcur Fonder	13.0%
Grenspecialisten AB	10.8%

Price Development, SEK

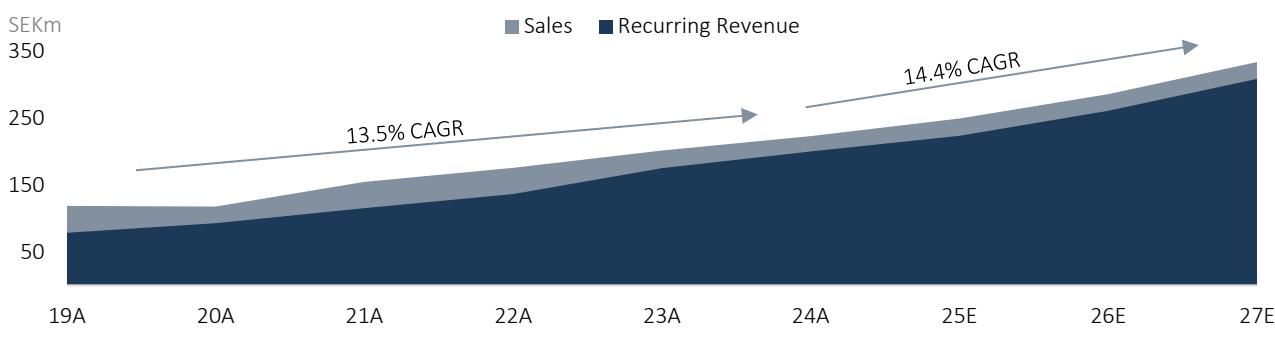


Investment Thesis in Charts

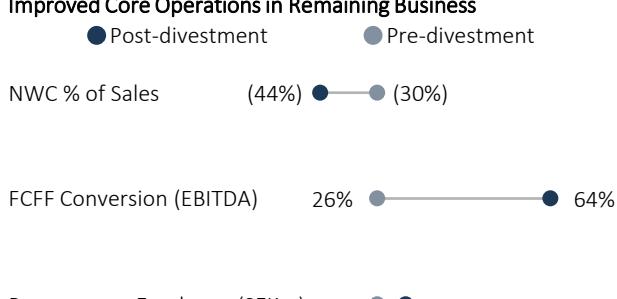
Change in Income Mix, Improving Quality of Earnings & Margins



Consultants Acting as Friendly Middlemen & a Growing Major Partner Driving Top-line



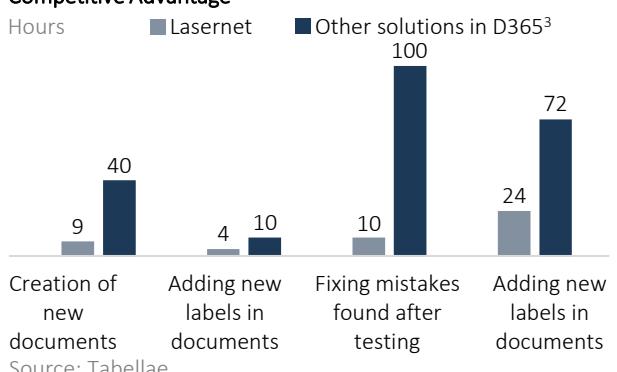
Improved Core Operations in Remaining Business



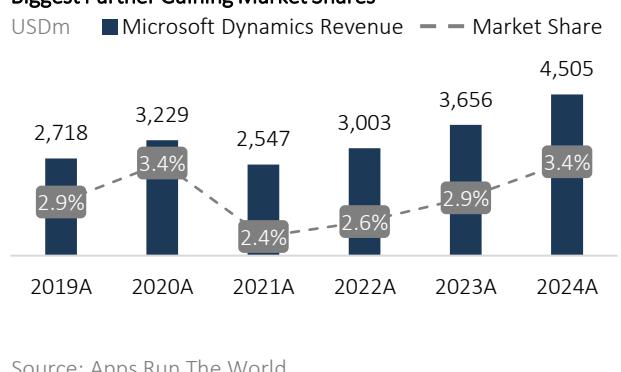
Divested Business Dragging Down Growth & Recurring Revenue



Competitive Advantage



Biggest Partner Gaining Market Shares



Investment Thesis

Overlooked Operational Leverage Due to Sales Mix Changes

As Formpipe transitions towards being a pure-play SaaS enterprise, EBIT margins are estimated to increase from 1.8% in 2025, adjusted for divestment costs, to 17.6% in 2027. The margin expansion is mainly driven by three line items scaling: fixed overhead costs, personnel costs and SG&A. Following the divestment of the public segment, overhead costs are expected to scale down by 14.7% in absolute terms due to lower fixed cost requirements. This line item will add 210 and 130 basis points to the EBIT margin in 2026 and 2027. Personnel costs have historically been 55.0% of total net sales. However, with the divestment of the public segment, personnel costs are expected to scale down to 34.7% in relation to net sales by 2027. The reduction is connected to the nature of the new SaaS-focused business, with indirect sales channels, where fewer personnel are needed to add value to customers. In total this will contribute 430 and 390 basis points to the EBIT margin in 2026 and 2027. Finally, SG&A will scale, as lower income from in-house consulting and on-premise work is accompanied by reduced cost levels, contributing to a 220 and 200 basis points improvement in the EBIT margin for 2026 and 2027. In conclusion, the margin expansion reflects both natural operating leverage in the SaaS model and deliberate strategic repositioning by management.

Competitive Advantage and Friendly Middlemen

The ERP market is expected to grow at approximately 12.0% CAGR through 2030. Microsoft Dynamics, Formpipe's largest partner, has grown at around 23.2% YoY while holding only a 3.2% market share, implying a long runway. Operating as an embedded add-on to enterprise platforms entails high entry barriers, as it requires deep technical integration, customer trust, and proven value creation beyond built-in ERP capabilities. Lasernet benefits from strong consultancy endorsement, as consultants serve as the Company's primary indirect sales channel. Consultants report implementation times at least 2x faster than alternatives and maintenance costs 10x to 20x lower, driven by smoother deployments, reduced operational risk, and faster delivery cycles, creating a compelling value proposition. The analysts therefore view Formpipe's projected revenue CAGR of around 14.4% between 2024 and 2027 as attainable, supported by structural demand, consultant-led distribution, a partnership with the world's fastest-growing ERP system, as well as high switching costs.

Improved Operations Post-divestment

Following the divestment of the public-sector segment, Formpipe now operates a fundamentally different business. A review of the balance sheet and operating requirements illustrates a significant change in capital efficiency, a transformation the market has yet to price in. Key metrics include net working capital improving from (30.5%) to (44.0%) of sales, free cash flow conversion increasing by approximately 148.8% by 2027, and revenue per employee rising by 23.5% immediately following the divestment. These shifts signal a more scalable and capital-light SaaS enterprise, providing clear justification for a re-rating. Yet, to date, the market appears slow to recognize the extent of this operational improvement.

Re-rating Triggers & Perceived Risk: Sustained Growth and the Microsoft Dynamics Partnership

In 2024 and early 2025, Formpipe's growth slowed, with 10.7% YoY topline expansion in 2024 and weaker ARR momentum in Q1-Q2 2025. Field research suggests the slowdown is not demand-driven. Q3 2025 results support this view: margins expanded sharply, EBITDA increased by 175.2% YoY, and recurring revenue rose 8.1%. To trigger a re-rating, Formpipe must continue demonstrating the scalability and resilience of the Company's new model. While Formpipe is reliant on Dynamics, research indicates the dependency is mutual, as Dynamics users increasingly rely on Lasernet, reducing perceived partnership risk.

Company Overview

Clever Solutions for Complex Document Problems

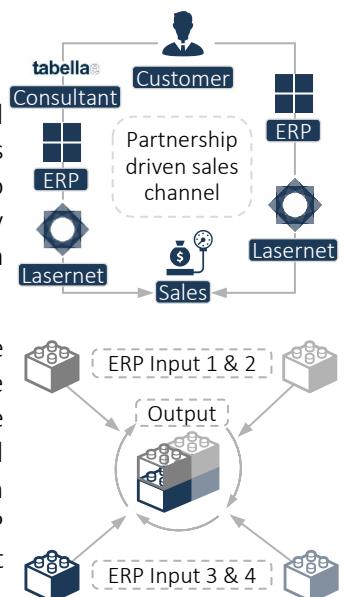
Formpipe is a Swedish software company focused on document and data output management, founded in 2004. At the end of 2025, the Company divested the public segment, which accounted for 57.9% of the Company's sales. The focus going forward is on the private segment, with its core product "Lasernet" which can automatically identify information in companies' financial systems and convert it into documents. This saves companies significant manual work hours and operating expenses. Formpipe has a global customer base, with the Company's main operations in the Nordics and the rest of Europe, which together account for 75.0% of sales.

	SEKm	LTM	Divested	LTM PF
EV	1,346	(797)		548
Sales	564	(322)		242
Adj. EBITDA	82	(63)		19

Business Model

Indirect Sales Model and Faster Implementation

Formpipe operates a primarily SaaS-based business model, where SaaS accounts for around 56.5% of sales and the remaining 43.5% relates to older on-premise installations. However, this income mix is expected to reach 70% SaaS by 2027. Since Lasernet functions as an add-on to ERP platforms, the Company relies primarily on an indirect sales model. Customers typically encounter Lasernet through ERP vendors or consultants rather than through direct outreach from Formpipe.



The value proposition of Lasernet stems from faster implementation times, lower maintenance costs, and higher performance than alternative solutions. Consultants report an average payback time under 6 months, which highlights the product's compelling ROI within the Dynamics ecosystem. With 90.7% recurring revenue, Lasernet benefits from a stable and scalable customer base, where growth derives from new implementations or upselling within existing clients. A noteworthy strength is that Lasernet can be deployed across multiple ERP systems, not just Dynamics. This means the Company's addressable market spans document output needs across all ERP environments, supporting a broad long-term growth opportunity.

Market Overview

Global Trends and TAM

The global ERP market amounted to approximately USD 132bn in 2024, representing the total addressable market under a broad ERP definition. However, Formpipe operates in a subset of this market, implying a materially smaller serviceable addressable market. Based on information from ERP consultants, approximately 5% of total ERP budgets are allocated to document-output-related workflows, implying a TAM of around USD 6.6bn in 2024. As the ERP market is expected to grow at approximately a 12% CAGR through 2030, while the broader SaaS market is forecast to grow at approximately 15%, Formpipe is positioned at an attractive intersection between two structurally growing markets. The ERP market is characterized by high barriers to entry, high customer lifetime value, and significant switching costs, while the SaaS market benefits from scalability, high margins, and rapid innovation cycles. Lasernet's positioning, combining a strong technological advantage with structurally high switching costs and attractive SaaS economics, creates a highly compelling investment profile.



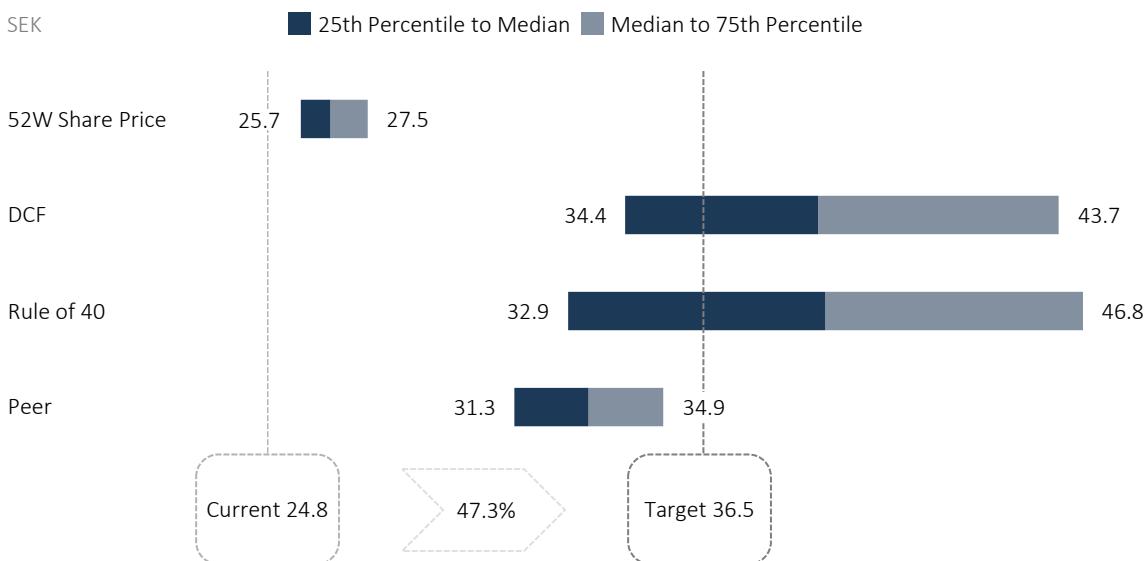
Competition

At present, around half of all ERP installations use less advanced, standardized in-house tools for document output. Lasernet functions in a fundamentally different way because it does not require coding to set up automated workflows. As a result, Lasernet has no direct like-for-like competitor. While other add-ons exist, such as Docentric, they typically require coding and are harder to integrate with multiple ERP systems. This gives Lasernet a significantly larger TAM than ERP-specific or code-dependent alternatives.

Valuation

DCF and Peer Valuation Imply a Target Price of SEK 36.5

A target price of SEK 36.5 is derived from an equally weighted DCF and peer valuation method. The DCF valuation has assumed a 13.1% discount rate based on a 4.8% after-tax cost of debt and a 13.2% cost of equity, calculated using CAPM. The terminal value is based on a 2% terminal growth rate and a 28% terminal EBIT margin. The peer valuation based on Formpipe's pro forma numbers implies a target EV/Adj. EBITDA² multiple of 8.1x for 2027. The discrepancy in size and margins has been disregarded, motivated by the Company's higher growth rate. In addition to the valuation methods discussed above, a regression model comparing Formpipe's EV/Sales LTM and estimated rule of 40 in 2027 to the Company's peers', has been conducted. This further suggests that the Company is undervalued. However, the regression model has not been weighted in the target price to stay conservative.



Sources: the Company & Analyst estimates

Lower Valuation Compared to Peers, Despite Higher Sales CAGR & Strategic Shift

The peer group is composed of Nordic SaaS businesses with similar business models and a high share of recurring revenue as a percentage of sales. Formpipe trades at a significantly lower multiple of 8.1x Adj. EBITDA² based on estimates for 2027, compared to the peer average of 15.0x Adj. EBITDA². While peers are larger and have notably higher margins, Formpipe has a higher estimated sales CAGR and on the SaaS metric Rule of 40, the Company is not far from the peer average. Despite faster growth, an imminent strategic shift, and having a strong cash position, the Company is valued at a 34.8% discount to peers, implying a share price of SEK 33.4.

Peer table	MCAP	EV	Adj. EBITDA%	Rule of 40	Sales CAGR	EV/Adj. EBITDA	EV/Adj. EBITDA
Company	SEKm	SEKm	2027E	2027E	24A-27E	2024A	2027E
Lime Technologies	3,890.8	4,030.1	27.0%	40.5%	11.7%	25.2x	17.0x
Admicom	2,519.9	2,466.5	36.6%	49.5%	8.3%	18.4x	12.7x
Lemonsoft	1,204.1	1,275.4	27.3%	33.1%	1.9%	19.8x	14.4x
Smartcraft	3,915.9	3,804.1	31.7%	46.4%	9.8%	27.6x	17.6x
Average	2,882.7	2,894.0	30.6%	42.4%	7.9%	22.2x	15.0x
Median	3,205.4	3,135.3	29.5%	43.4%	9.1%	21.1x	14.5x
Formpipe Pro Forma	1,345.6	548.4	17.6%	38.6%	14.4%	154.6x	8.1x

Sources: the Company, Bloomberg & Analyst estimates

²EBITDA has been adjusted for activated development costs

Appendix: Income Statement

Income statement, SEKm	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E
Net sales	394	403	473	485	525	529	249	285	333	389
Total revenue	394	403	473	485	525	529	249	285	333	389
COGS	(37)	(37)	(39)	(63)	(62)	(74)	(37)	(42)	(49)	(57)
Gross profit	357	366	434	422	463	455	212	243	284	332
Gross margin	90.7%	90.7%	91.8%	87.0%	88.1%	86.1%	85.1%	85.2%	85.3%	85.3%
SG&A	(48)	(41)	(51)	(67)	(62)	(61)	(54)	(56)	(58)	(61)
Personnel costs	(209)	(220)	(248)	(282)	(286)	(290)	(107)	(110)	(116)	(132)
Other costs	-	-	-	-	-	-	(21)	(18)	(17)	(18)
EBITDA	101	104	135	72	115	104	30	59	93	121
EBITDA margin	25.6%	25.9%	28.6%	14.9%	21.8%	19.7%	12.2%	20.8%	28.0%	31.0%
Non-recurring items	-	-	-	-	(1)	(11)	(20)	-	-	-
D&A	(53)	(51)	(67)	(57)	(64)	(69)	(26)	(30)	(35)	(41)
EBIT	48	53	69	16	49	25	(15)	30	59	80
EBIT margin	12.1%	13.2%	14.5%	3.3%	9.3%	4.6%	(6.2%)	10.4%	17.6%	20.6%

Sources: the Company & Analyst estimates

Appendix: DCF Valuation

Free Cash Flow, SEKm	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
NOPAT	38	42	54	13	39	20	3	24	46	64	81	102	120	140	161	184	207
NOPAT Margin	9.6%	10.5%	11.5%	2.6%	7.4%	3.7%	1.4%	8.3%	13.9%	16.3%	17.9%	19.4%	20.0%	20.6%	21.1%	21.7%	22.2%
(+) D&A	53	51	67	57	64	69	26	30	35	41	47	55	63	71	79	88	97
(-) Capex	42	92	59	92	59	63	25	32	41	43	47	54	60	67	73	80	86
(-) Δ NWC	28	(23)	18	(21)	2	(20)	(11)	(15)	(19)	(23)	(26)	(28)	(30)	(32)	(33)	(34)	(35)
FCFF	21	24	45	(2)	42	45	15	36	60	84	157	131	153	176	201	226	253
FCFF Margin	5.3%	6.0%	9.4%	(0.4%)	8.1%	8.6%	6.0%	12.7%	18.0%	21.6%	34.7%	25.1%	25.5%	25.9%	26.3%	26.7%	27.1%

Terminal Growth Rate					
WACC	0.0%	1.0%	2.0%	2.5%	3.0%
11.1%	43.2	44.8	46.7	47.9	49.2
12.1%	40.1	41.3	42.8	43.7	44.6
13.1%	37.5	38.5	39.6	40.3	41.0
14.1%	35.4	36.1	37.0	37.5	38.1
15.1%	33.5	34.1	34.8	35.2	35.7

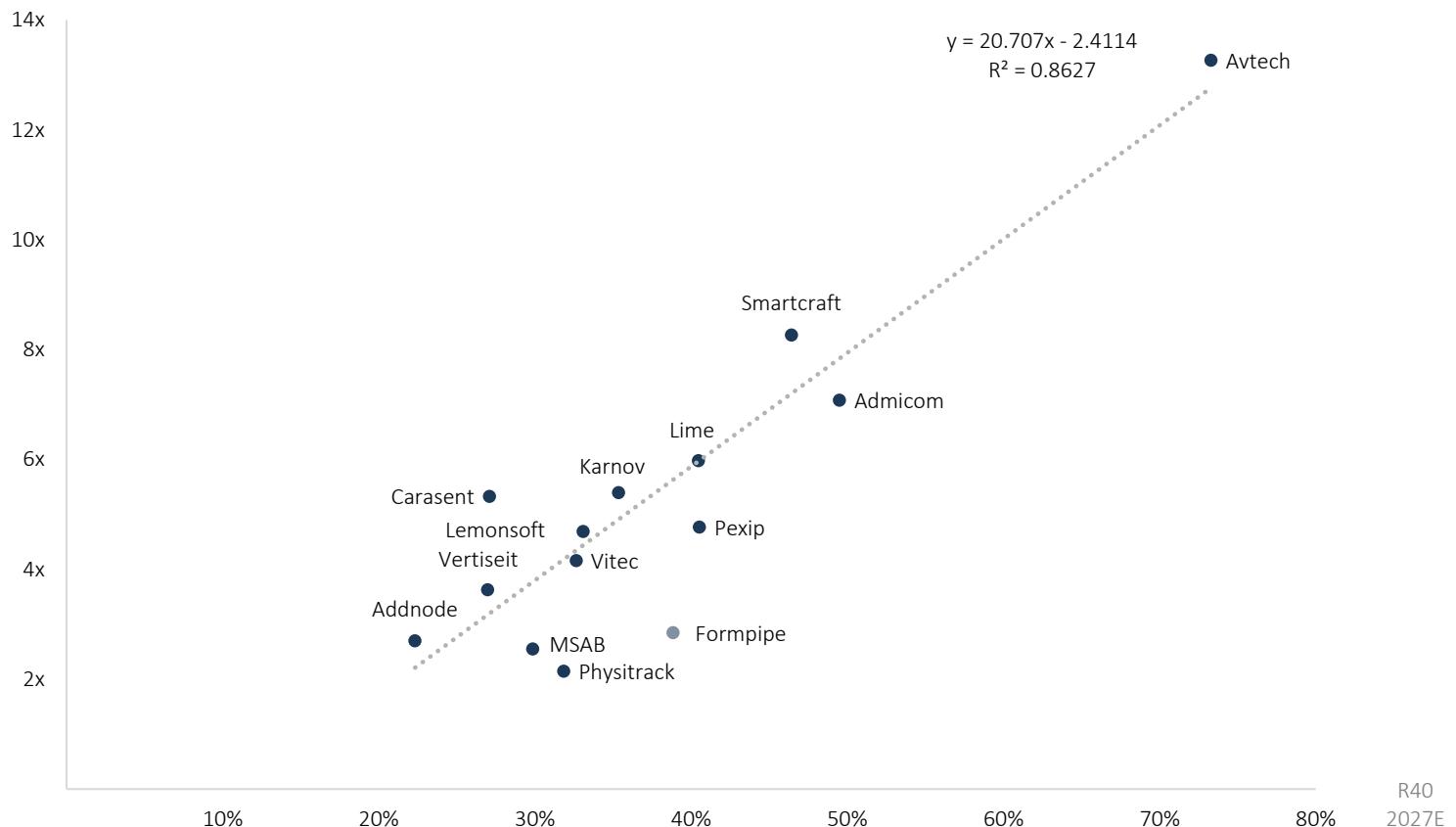
Improved cash flow from increased deferred income when sales grow, decreasing NWC

WACC	NOPAT				
	Bear Scenario		Base	Bull Scenario	
	(30.0%)	(15.0%)	0.0%	15.0%	30.0%
11.1%	39.2	43.0	46.7	50.5	54.3
12.1%	36.2	39.5	42.8	46.1	49.4
13.1%	33.8	36.7	39.6	42.5	45.5
14.1%	31.8	34.4	37.0	39.6	42.2
15.1%	30.2	32.5	34.8	37.2	39.5

DCF Valuation breakdown, SEKm	
Present Value of Forecasted Cash Flows	683
Present Value of Terminal Value	671
EV	1353
Net Debt	(797)
Shares Outstanding (m)	54.3
Implied Share Price	39.6
Potential Upside	55.5%

Sources: the Company & Analyst estimates

Appendix: Regression Valuation

 EV/Sales
 LTM


Regression Valuation, SEKm	
Model	20.707*(R40)-2.4114
Implied Multiple	5,6x
Sales LTM	242
EV	1 350
Net Debt	(797)
Equity	2 147
Shares Outstanding (m)	54.3
Implied Share Price	39.6
Return Potential	55.2%

Rule of 40
 =
 Adj. EBITDA Margin² + YoY Growth In Recurring Revenue

Growth Rate RR 2027E	Adj. EBITDA Margin 2027E						
	Bear Scenario		Base		Bull Scenario		
			10.3%	15.3%	20.3%	25.3%	30.3%
Bear Scenario	13.3%		25.7	30.3	34.9	39.6	44.2
	15.8%		28.0	32.6	37.3	41.9	46.5
Base	18.3%		30.3	34.9	39.6	44.2	48.8
	20.8%		32.6	37.3	41.9	46.5	51.1
Bull Scenario	23.3%		34.9	39.6	44.2	48.8	53.4

Sources: the Company, Factset & Analyst estimates

² EBITDA has been adjusted for activated development costs

Appendix: Quotes from Industry Experts and Friendly Middlemen



Tabellae is one of Europe's largest document output solutions consultancies and has increased its employee base by approximately 200% over the past five years. The firm is the leading dedicated consultancy partner for Lasernet implementations.



Capgemini is a global consulting and IT services firm with approximately 325,000 employees, delivering ERP implementation and business transformation services worldwide, including projects involving Lasernet implementations.

“
Every client we meet are surprised by the cut in support & maintenance complications

“
Implementations times are minimum 2x faster with Lasernet compared to every other option

“
I have previously worked with Crystal reports in SAP, but Lasernet can do a lot more

“
As Dynamics is growing, I see a rising awareness about Lasernet in the industry

“
An estimated guess is that 60% of our D365 implementations use Lasernet

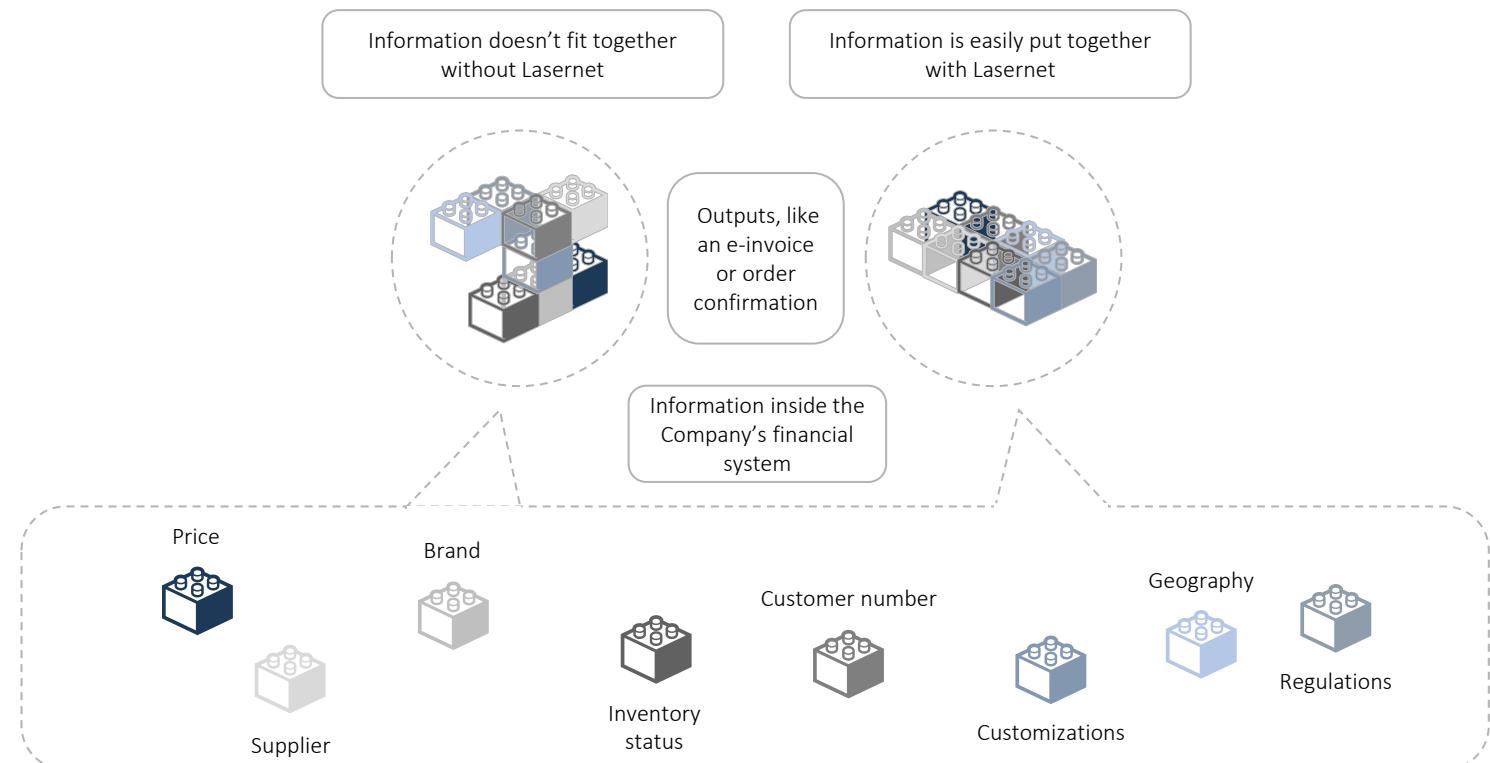
“
I can't identify a rising trend or not, since I'm fully booked all the time

“
Lasernet is by far, the best add-on in Dynamics

“
Lasernet is a fantastic product, that unfortunately is not used to its full potential

“
It's common knowledge nowadays that Lasernet is the best solution for document outputs within Dynamics

Appendix: Product Illustration



Sources: Tabellae, Capgemini & Polytech

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Other

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