

Fos	Italy	FTSE AIM Italia	ICT
<b>Rating: BUY</b> (unch.)	<b>Target Price: € 6,50</b> (prev. 6,00)	<b>Update</b>	<b>Risk: Medium</b>

Stock performance	1M	3M	6M	1Y
absolute	-1,50%	0,00%	22,43%	52,33%
to FTSE AIM Italia	2,20%	-8,29%	-2,95%	-11,11%
to FTSE STAR Italia	3,82%	-5,58%	2,75%	2,27%
to FTSE All-Share	0,81%	-1,48%	17,83%	17,71%
to EUROSTOXX	3,04%	1,07%	20,17%	25,99%
to MSCI World Index	3,10%	0,71%	16,57%	26,00%

Stock Data	
Price	€ 3,94
Target price	€ 6,50
Upside/(Downside) potential	64,9%
Bloomberg Code	FOS IM EQUITY
Market Cap (€m)	€ 24,51
EV (€m)	€ 22,96
Free Float	35,08%
Share Outstanding	6.221.500
52-week high	€ 4,30
52-week low	€ 2,11
Average daily volumes (3m)	25.000

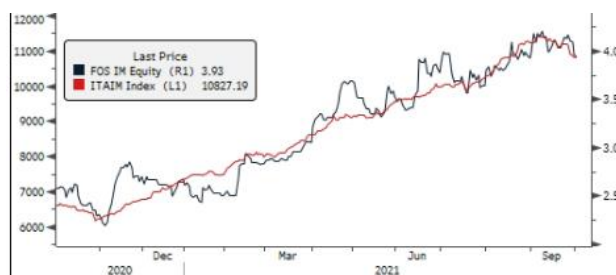
Key Financials (€m)	FY19A	FY20A	FY21E	FY22E
VoP	12,2	15,8	17,0	19,5
EBITDA Adj.	2,4	2,8	3,3	4,3
EBIT	1,2	1,5	1,8	2,7
Net Profit	0,7	1,0	1,2	1,8
EPS (€)	0,12	0,17	0,18	0,29
EBITDA Adj. margin	19,7%	17,7%	19,4%	21,8%
EBIT margin	9,9%	9,6%	10,6%	13,8%

Main Ratios	FY19A	FY20A	FY21E	FY22E
EV/EBITDA (x)	9,6	8,2	7,0	5,4
EV/EBIT (x)	19,1	15,1	12,8	8,5
P/E (x)	34,1	23,7	21,3	13,6

**Mattia Petracca**

[mattia.petracca@integraesim.it](mailto:mattia.petracca@integraesim.it)

## Stocks performance relative to FTSE AIM Italia



## 1H21A Results

The value of production amounted to € 8.59 million, an increase of 48.8% compared to the values of the first half of the last year (€ 5.77 million). This was possible thanks to the positive contribution of all revenue lines. EBITDA, equal to € 1.53 million, recorded a significant increase of 43.3% compared to € 1.07 million on June 30, 2020. EBITDA Margin, equal to 17.9%, compared to 18.6% last year. EBIT amounted to € 0.78 million (€ 0.58 million on June 30, 2020) after amortization and depreciation of € 0.75 million. Net profit amounted to € 0.53 million, with a net growth of 42% compared to the result for the first half of 2020 (€ 0.37 million).

## Estimates Update

In light of the results published in the half-yearly report for 1H21A, we confirm almost entirely our estimates. In particular, we estimate 2021E VoP of € 17.00 million and EBITDA of € 3.20 million, corresponding to a marginality of 18.8%. For subsequent years, we expect the value of production to increase up to € 21.50 million (CAGR 20A-23E: 10.81%) in 2023E, with EBITDA of € 4.60 million (corresponding to an EBITDA margin of 21.4%), up from € 2.80 million in 2020A (corresponding to an EBITDA margin of 17.7%).

## Valuation Update

We have conducted the valuation of FOS's equity value based on the DCF methodology and market multiples of a comparable companies sample. The DCF method (which in the calculation of the WACC includes for prudential purposes also a specific risk of 2.5%) provides an equity value of € 47.3 million. The equity value of FOS using market multiples is € 33.5 million (including a discount of 25%). The result is an average equity value of approx. € 40.4 million. The target price is € 6.50 (prev.€ 6.00), we confirm BUY rating and MEDIUM risk unchanged.

## 1. Economics & Financials

**Table 1 – Economics & Financials**

CONSOLIDATED INCOME STATEMENT (€/mIn)	FY18A	FY19A	FY20A*	FY21E	FY22E	FY23E
Sales	7,89	9,66	13,00	15,00	17,20	19,00
Other Revenues	1,83	2,53	2,80	2,00	2,30	2,50
<b>Value of Production</b>	<b>9,72</b>	<b>12,19</b>	<b>15,80</b>	<b>17,00</b>	<b>19,50</b>	<b>21,50</b>
COGS	0,81	1,66	1,85	1,30	1,00	0,95
Use of Asset owned by Others	0,17	0,14	0,15	0,20	0,30	0,30
Services	2,44	3,03	3,75	4,50	5,10	5,70
Employees	4,43	4,99	7,00	7,50	8,60	9,50
Other Operating Expenses	0,17	0,19	0,25	0,30	0,35	0,45
<b>EBITDA</b>	<b>1,69</b>	<b>2,19</b>	<b>2,80</b>	<b>3,20</b>	<b>4,15</b>	<b>4,60</b>
<i>EBITDA Margin</i>	<i>17,4%</i>	<i>17,9%</i>	<i>17,7%</i>	<i>18,8%</i>	<i>21,3%</i>	<i>21,4%</i>
Non Recurrent Financial Charges	0,16	0,22	0,00	0,10	0,10	0,10
<b>EBITDA Adj.</b>	<b>1,86</b>	<b>2,40</b>	<b>2,80</b>	<b>3,30</b>	<b>4,25</b>	<b>4,70</b>
<i>EBITDA Margin Adj.</i>	<i>19,1%</i>	<i>19,7%</i>	<i>17,7%</i>	<i>19,4%</i>	<i>21,8%</i>	<i>21,9%</i>
D&A	0,69	0,98	1,28	1,40	1,45	1,50
<b>EBIT</b>	<b>1,00</b>	<b>1,20</b>	<b>1,52</b>	<b>1,80</b>	<b>2,70</b>	<b>3,10</b>
<i>EBIT Margin</i>	<i>10,3%</i>	<i>9,9%</i>	<i>9,6%</i>	<i>10,6%</i>	<i>13,8%</i>	<i>14,4%</i>
Financial Management	(0,23)	(0,15)	(0,17)	(0,10)	(0,05)	(0,05)
<b>EBT</b>	<b>0,77</b>	<b>1,05</b>	<b>1,35</b>	<b>1,70</b>	<b>2,65</b>	<b>3,05</b>
Taxes	0,33	0,33	0,32	0,55	0,85	1,00
<b>Net Income</b>	<b>0,44</b>	<b>0,72</b>	<b>1,04</b>	<b>1,15</b>	<b>1,80</b>	<b>2,05</b>
CONSOLIDATED BALANCE SHEET (€/mIn)	FY18A	FY19A	FY20A*	FY21E	FY22E	FY23E
<b>Fixed Asset</b>	<b>4,11</b>	<b>5,23</b>	<b>6,09</b>	<b>6,60</b>	<b>7,15</b>	<b>7,65</b>
Account receivable	2,81	4,38	5,99	6,30	7,20	7,85
Inventories	0,40	0,42	0,41	0,40	0,40	0,40
Account payable	1,38	2,60	2,61	2,80	3,20	3,50
<b>Operating Working Capital</b>	<b>1,82</b>	<b>2,20</b>	<b>3,78</b>	<b>3,90</b>	<b>4,40</b>	<b>4,75</b>
Other Receivable	2,57	3,48	2,61	3,80	4,60	5,00
Other Payable	2,47	2,89	4,14	4,40	4,55	5,00
<b>Net Working Capital</b>	<b>1,93</b>	<b>2,79</b>	<b>2,26</b>	<b>3,30</b>	<b>4,45</b>	<b>4,75</b>
Severance Indemnities & Provision	1,19	1,15	1,38	1,60	1,75	2,00
<b>NET INVESTED CAPITAL</b>	<b>4,85</b>	<b>6,87</b>	<b>6,96</b>	<b>8,30</b>	<b>9,85</b>	<b>10,40</b>
Share Capital	1,00	1,56	1,56	1,56	1,56	1,56
Reserves and Retained Profits	0,35	5,24	5,92	6,95	8,10	9,90
Net Profit	0,44	0,72	1,04	1,15	1,80	2,05
<b>Equity</b>	<b>1,79</b>	<b>7,51</b>	<b>8,51</b>	<b>9,66</b>	<b>11,46</b>	<b>13,51</b>
Cash and Cash Equivalent	1,25	4,67	7,22	7,06	7,41	9,31
Short-Term Financial debt	0,13	1,50	0,90	1,20	1,50	2,00
ML Term Financial Debt	4,18	2,53	4,77	4,50	4,30	4,20
<b>Net Financial Position</b>	<b>3,06</b>	<b>(0,64)</b>	<b>(1,55)</b>	<b>(1,36)</b>	<b>(1,61)</b>	<b>(3,11)</b>
<b>TOTAL SOURCES</b>	<b>4,85</b>	<b>6,87</b>	<b>6,96</b>	<b>8,30</b>	<b>9,85</b>	<b>10,40</b>
CONSOLIDATED CASH FLOW (€/mIn)	FY18A	FY19A	FY20A*	FY21E	FY22E	FY23E
<b>EBIT</b>	<b>1,00</b>	<b>1,20</b>	<b>1,52</b>	<b>1,80</b>	<b>2,70</b>	<b>3,10</b>
Taxes	0,33	0,33	0,32	0,55	0,85	1,00
<b>NOPAT</b>	<b>0,67</b>	<b>0,87</b>	<b>1,20</b>	<b>1,25</b>	<b>1,85</b>	<b>2,10</b>
D&A	0,69	0,98	1,28	1,40	1,45	1,50
Change in receivable	(0,67)	(1,57)	(1,61)	(0,31)	(0,90)	(0,65)
Change in inventories	(0,00)	(0,02)	0,02	0,01	0,00	0,00
Change in payable	0,15	1,22	0,01	0,19	0,40	0,30
Other Changes	0,33	(0,49)	2,11	(0,93)	(0,65)	0,05
<b>Change in NWC</b>	<b>(0,19)</b>	<b>(0,86)</b>	<b>0,53</b>	<b>(1,04)</b>	<b>(1,15)</b>	<b>(0,30)</b>
Change in Provision	0,04	(0,04)	0,23	0,22	0,15	0,25
<b>OPERATING CASH FLOW</b>	<b>1,21</b>	<b>0,95</b>	<b>3,24</b>	<b>1,82</b>	<b>2,30</b>	<b>3,55</b>
Investments	(3,42)	(2,10)	(2,13)	(1,91)	(2,00)	(2,00)
<b>FREE CASH FLOW</b>	<b>(2,21)</b>	<b>(1,15)</b>	<b>1,11</b>	<b>(0,09)</b>	<b>0,30</b>	<b>1,55</b>
Financial Management	(0,23)	(0,15)	(0,17)	(0,10)	(0,05)	(0,05)
Change in Payable to Banks	1,63	(0,27)	1,63	0,03	0,10	0,40
Change in Equity	(0,19)	5,00	(0,04)	0,00	0,00	0,00
<b>FREE CASH FLOW TO EQUITY (FCFE)</b>	<b>(0,99)</b>	<b>3,42</b>	<b>2,54</b>	<b>(0,16)</b>	<b>0,35</b>	<b>1,90</b>

Source: FOS and Integrae SIM estimates

## 1.1 1H21A Results

**Table 2 – 1H21A vs 1H20A**

€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP
<b>1H21A</b>	<b>8,59</b>	<b>1,53</b>	<b>17,9%</b>	<b>0,78</b>	<b>0,53</b>	<b>(2,13)</b>
1H20A	5,77	1,07	18,6%	0,58	0,37	(1,55)*
Change	48,8%	43,2%	-0,7%	33,6%	42,0%	N.A

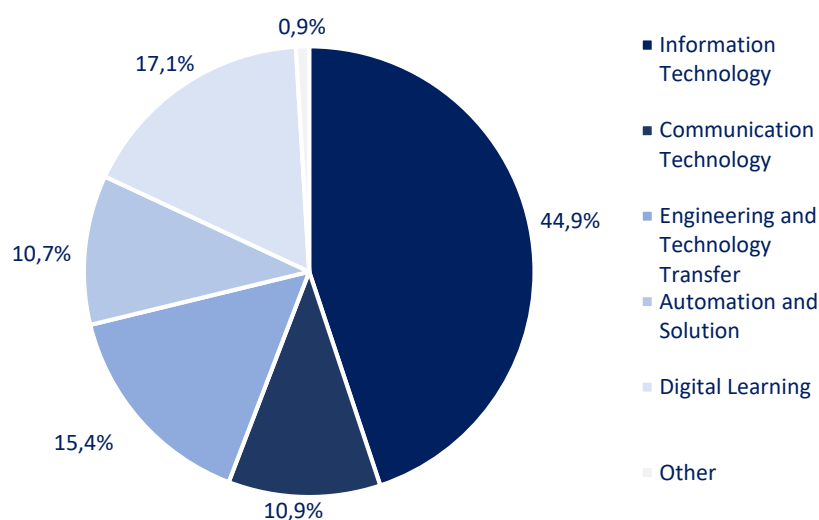
Source: Integrae SIM

\*NFP as of 31/12/2020

Through a press release, the Company, commenting on the half-yearly results, states that: *"We close with great satisfaction the 2021 semester in a strong growth. The market appreciates our business proposal that allows customers to build strong and successful businesses over time, "integrating" into their value chain, services, and digital products based on sustainability and continuous innovation. We are very pleased with the strong organic growth, the launch of the startups that we expect will bring value in the future, and the integration of Digital Learning, the result of the acquisition made at the end of 2020. All this leaves us very confident for the continuation of the current year and our growth path."*

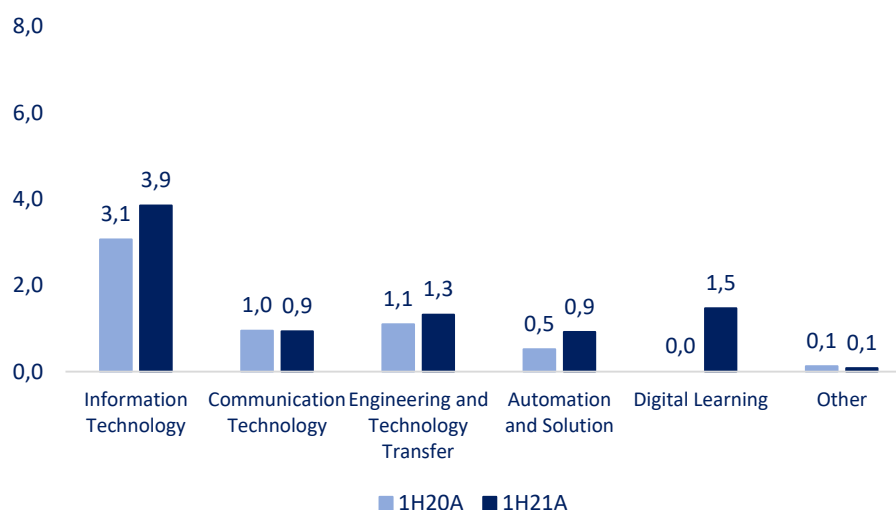
The value of production amounted to € 8.59 million, an increase of 48.8% compared to the values of the first half of the last year (€ 5.77 million). This was possible thanks to the positive contribution of all revenue lines. In particular, this data includes the new Digital Learning business line, deriving from the acquisition of the company Inrebus Srl, which took place at the end of 2020.

**Chart 1 – Revenues Breakdown by Segment**



Source: FOS

The main source of revenue, during the first half of 2021, was the Information Technology business line which generated a share of revenues equal to approximately 44.9% of the total. The remaining revenues are divided as follows: 17.1% from the Digital Learning line, 15.4% from the Engineering and Technology Transfer line, 10.9% from the Communication Technology line, and 10.6% from the Automation and Solution line.

**Chart 2 – Revenues by segment 1H20A vs 1H21A**


Source: FOS

The product lines that contributed most to the increase in revenues were: Information Technology, which amounts to € 3.90 million, with an increase of 25.8% compared to € 3.10 million on June 30, 2020, Engineering and Technology Transfer, which recorded revenues of € 1.30 million (an increase of 20.3% compared to € 1.10 million in the first half of 2020), and Automation and Solution, which recorded revenues of € 0.90 million (an increase of 76.2% compared to € 0.50 million in the first half of the previous year). It is also specified that starting from 2021 a new industrial approach has been carried out to expand the Hardware sale, which goes from the Information Technology line to total management of the Automation and Solution line.

EBITDA, equal to € 1.53 million, recorded a significant increase of 43.3% compared to € 1.07 million on June 30, 2020. This result highlights the strength of the Group's business model, thanks also to the efficiency improvement of the processes deriving from cost synergies developed between the revenue lines. EBITDA Margin, equal to 17.9%, compared to 18.6% last year.

EBIT amounted to € 0.78 million (€ 0.58 million on June 30, 2020) after amortization and depreciation of € 0.75 million.

Net Profit amounted to € 0.53 million, with a net growth of 42% compared to the result for the first half of 2020 (€ 0.37 million).

The NFP is cash positive for € 2.13 million, an improvement compared to December 31, 2020, (cash positive for € 1.55 million). The improvement was achieved thanks to intense monitoring and credit management activity, which led to a better regularity of collections.

## 1.2 FY21E – FY23E Estimates

**Table 3 – Estimates Updates FY21E-23E**

€/mln	FY21E	FY22E	FY23E
<b>VoP</b>			
New	<b>17,0</b>	<b>19,5</b>	<b>21,5</b>
Old	17,0	19,5	21,5
Change	0,0%	0,0%	0,0%
<b>EBITDA</b>			
New	<b>3,2</b>	<b>4,2</b>	<b>4,6</b>
Old	3,2	4,2	4,6
Change	0,0%	0,0%	0,0%
<b>EBITDA %</b>			
New	<b>18,8%</b>	<b>21,3%</b>	<b>21,4%</b>
Old	18,8%	21,3%	21,4%
Change	0,0%	0,0%	0,0%
<b>EBIT</b>			
New	<b>1,8</b>	<b>2,7</b>	<b>3,1</b>
Old	1,8	2,7	3,1
Change	0,0%	0,0%	0,0%
<b>Net Income</b>			
New	<b>1,2</b>	<b>1,8</b>	<b>2,1</b>
Old	1,2	1,8	2,1
Change	0,0%	0,0%	0,0%
<b>NFP</b>			
New	<b>(1,4)</b>	<b>(1,6)</b>	<b>(3,1)</b>
Old	(0,8)	(1,6)	(3,1)
Change	N.A	N.A	N.A

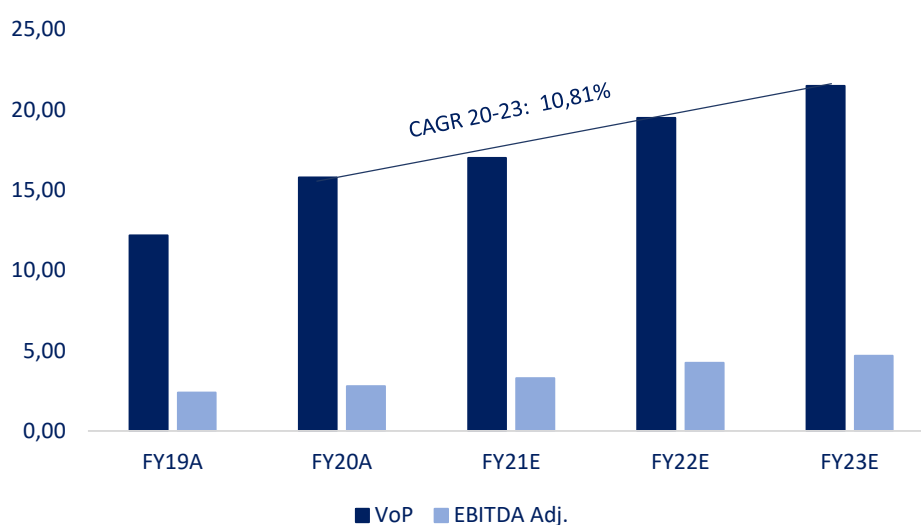
Source: Integrae SIM

In light of the results published in the half-yearly report for 1H21A, we confirm almost entirely our estimates for both the current year and the coming years.

In particular, we estimate 2021E value of production equal to € 17.00 million and EBITDA of € 3.20 million, corresponding to a marginality of 18.8%. For subsequent years, we expect the value of production to increase up to € 21.50 million (CAGR 20A-23E: 10.81%) in 2023E, with EBITDA of € 4.60 million (corresponding to an EBITDA margin of 21.4%), up from € 2.80 million in 2020A (corresponding to an EBITDA margin of 17.7%).

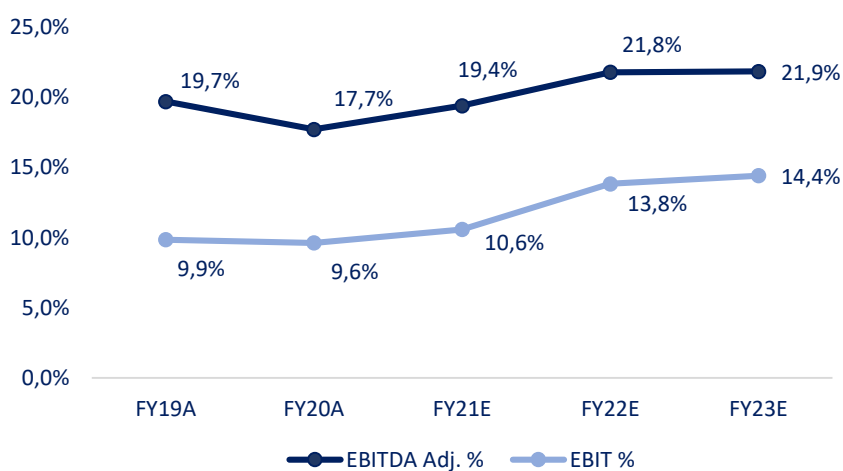
Regarding the Balance Sheet, we estimate a cash positive NFP level for 2023E equal to € 3.10 million.

**Chart 3 – VoP and EBITDA Adj. FY19A-23E**



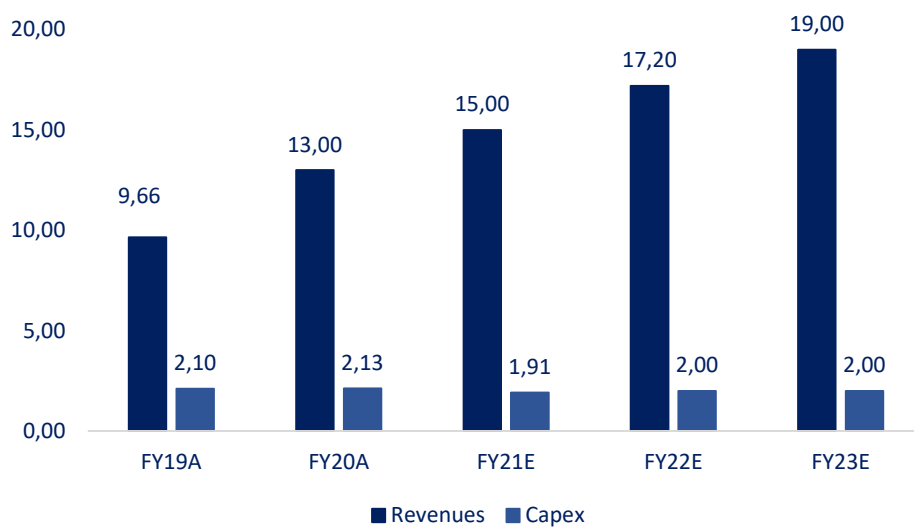
Source: Integrae SIM

**Chart 4 – Margin FY19A-23E**



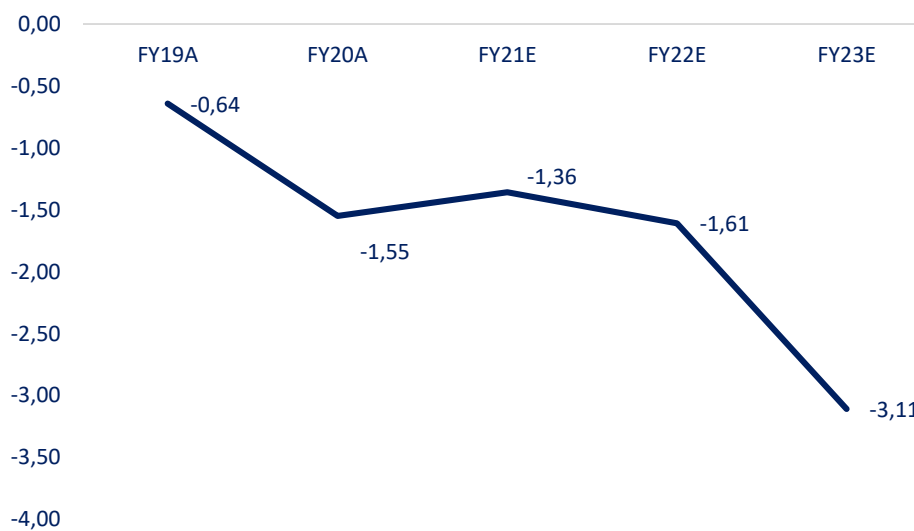
Source: Integrae SIM

**Chart 5 – Capex FY19A-23E**



Source: Integrae SIM

**Chart 6 – NFP FY19A-23E**



Source: Integrae SIM

## 2. Valuation

We have conducted the valuation of FOS's equity value based on the DCF methodology and market multiples of a comparable companies sample.

### 2.1 DCF Method

**Table 4 – WACC**

WACC		5,21%
Risk Free Rate	-0,19% $\alpha$ (specific risk)	2,50%
Market Premium	6,85% Beta Adjusted	0,86
D/E (average)	66,67% Beta Relevered	1,28
Ke	8,21% Kd	1,00%

Source: Integrae SIM

For prudential purposes, we have included a specific risk of 2.5%. This results in a WACC of 5.21%.

**Table 5 – DCF Valuation**

DCF Equity Value		47,3
FCFO actualized	3,9	9%
TV actualized DCF	41,8	91%
<b>Enterprise Value</b>	<b>45,8</b>	<b>100%</b>
NFP (FY20A)	-1,6	

Source: Integrae SIM

With the above data and taking as a reference our estimates and assumptions, the result is an **equity value of € 47.30 million**.

**Table 6 – Equity Value – Sensitivity Analysis**

€/mln		WACC						
		3,7%	4,2%	4,7%	5,2%	5,7%	6,2%	6,7%
Growth rate (g)	2,5%	157,8	111,7	86,4	70,5	59,5	51,5	45,4
	2,0%	113,4	87,7	71,5	60,4	52,2	46,0	41,1
	1,5%	89,0	72,6	61,2	53,0	46,7	41,7	37,7
	1,0%	73,7	62,1	53,7	47,3	42,3	38,2	34,8
	0,5%	63,1	54,5	48,0	42,9	38,8	35,3	32,5
	0,0%	55,3	48,7	43,5	39,3	35,8	32,9	30,5
	-0,5%	49,4	44,1	39,9	36,3	33,4	30,9	28,7

Source: Integrae SIM



## 2.2 Market multiples

Our panel is made up of companies operating in the same sector as FOS, but many of them with higher capitalization. These companies are the same ones used for the calculation of Beta for the DCF method. Panels are composed of:

**Table 7.1 – Market Multiples IT**

Company Name	EV/EBITDA (x)			EV/EBIT (x)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Bouvet ASA	14,5x	13,4x	12,2x	17,6x	16,2x	14,7x
Net One Systems Co., Ltd.	12,5x	11,2x	10,3x	13,8x	12,5x	11,3x
CGI, Inc.	12,2x	11,7x	11,5x	15,6x	14,8x	14,0x
Reply S.p.A.	25,8x	23,5x	21,3x	32,4x	28,9x	25,8x
Tata Consultancy Services Limi...	25,6x	23,2x	21,1x	27,8x	24,9x	22,7x
Eurotech S.p.A.	23,3x	9,2x	8,4x	18,9x	11,8x	10,5x
Citrix Systems Inc.	12,4x	11,4x	10,7x	15,4x	16,0x	11,4x
<b>Median</b>	<b>14,5x</b>	<b>11,7x</b>	<b>11,5x</b>	<b>17,6x</b>	<b>16,0x</b>	<b>14,0x</b>

Source: Infinitals

**Table 7.2 – Market Multiples TLC**

Company Name	EV/EBITDA (x)			EV/EBIT (x)		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Cisco Systems Inc.	12,1x	11,5x	11,0x	13,4x	12,7x	11,9x
Juniper Networks Inc.	10,3x	9,6x	10,3x	13,1x	12,0x	11,4x
F5 Networks Inc.	12,8x	11,6x	11,3x	14,3x	12,8x	11,5x
Accton Technology Corp.	18,3x	14,0x	11,7x	20,4x	15,3x	12,5x
Viavi Solutions Inc.	11,2x	10,3x	10,6x	12,9x	11,9x	13,1x
HMS Networks AB	35,9x	33,8x	31,0x	44,0x	40,3x	37,7x
Ascom Holding AG	16,4x	12,1x	10,6x	28,2x	18,3x	15,0x
Anritsu Corp.	8,2x	7,7x	6,6x	10,1x	9,3x	7,7x
Spirent Communications plc	16,3x	15,3x	14,5x	19,2x	17,9x	16,8x
<b>Median</b>	<b>12,8x</b>	<b>11,6x</b>	<b>11,0x</b>	<b>14,3x</b>	<b>12,8x</b>	<b>12,5x</b>

Source: Infinitals

**Table 8 – Market Multiples Valuation**

€/mln	2021E	2022E	2023E
<b>Enterprise Value (EV)</b>			
EV/EBITDA	45,0	49,5	52,9
EV/EBIT	28,7	38,9	41,0
<b>Equity Value</b>			
EV/EBITDA	46,3	51,1	56,0
EV/EBIT	30,1	40,5	44,2
<b>Equity Value post 25% discount</b>			
EV/EBITDA	34,7	38,3	42,0
EV/EBIT	22,5	30,4	33,1
<b>Average</b>	<b>28,6</b>	<b>34,3</b>	<b>37,5</b>

Source: Integrae SIM

The equity value of FOS using the weighted average of market multiples EV/EBITDA and EV/EBIT is equal to € 44.70 million. To this value, we have applied a 25% discount. **Therefore, as a result, the equity value is € 33.50 million.**

## 2.3 Equity Value

**Table 9 – Equity Value**

<b>Average Equity Value (€/mln)</b>	<b>40,4</b>
Equity Value DCF (€/mln)	47,3
Equity Value multiples (€/mln)	33,5
<b>Target Price (€)</b>	<b>6,50</b>

Source: Integrae SIM

The result is an average equity value of € 40.40 million. **The target price is, therefore, € 6.50 (prev. €6.00). We confirm BUY rating and MEDIUM risk.**

**Table 10 – Target Price Implied Valuation Multiples**

<b>Multiples</b>	<b>FY20A</b>	<b>FY21E</b>	<b>FY22E</b>
EV/EBITDA	13,9x	12,1x	9,4x
EV/EBIT	25,6x	21,6x	14,4x

Source: Integrae SIM

**Table 11 – Current Price Implied Valuation Multiples**

<b>Multiples</b>	<b>FY20A</b>	<b>FY21E</b>	<b>FY22E</b>
EV/EBITDA	8,2x	7,0x	5,4x
EV/EBIT	15,1x	12,8x	8,5x

Source: Integrae SIM

## Disclosure Pursuant to Delegated Regulation UE n. 2016/958 and Consob Regulation n. 20307/2018

### Analyst/s certification

The analyst(s) which has/have produced the following analyses hereby certifies/certify that the opinions expressed herein reflect their own opinions, and that no direct and/or indirect remuneration has been, nor shall be received by the analyst(s) as a result of the above opinions or shall be correlated to the success of investment banking operations. INTEGRAE SPA is comprised of the following analysts who have gained significant experience working for INTEGRAE and other intermediaries: Antonio Tognoli. Neither the analysts nor any of their relatives hold administration, management or advising roles for the Issuer. Antonio Tognoli is Integrae SIM's current Head of Research, Vice President of Associazione Nazionale Private and Investment Banking – ANPIB, member of Organismo Italiano di Valutazione – OIV and Journalists guild. Mattia Petracca is current financial analysts.

### Disclaimer

This publication was produced by INTEGRAE SIM SpA. INTEGRAE SIM SpA is licensed to provide investment services pursuant to Italian Legislative Decree n. 58/1998, released by Consob, with Resolution n. 17725 of March 29th 2011.

INTEGRAE SIM SpA performs the role of corporate broker for the financial instruments issued by the company covered in this report.

INTEGRAE SIM SpA is distributing this report in Italian and in English, starting from the date indicated on the document, to approximately 300 qualified institutional investors by post and/or via electronic media, and to non-qualified investors through the Borsa Italiana website and through the leading press agencies.

Unless otherwise indicated, the prices of the financial instruments shown in this report are the prices referring to the day prior to publication of the report. INTEGRAE SIM SpA will continue to cover this share on a continuing basis, according to a schedule which depends on the circumstances considered important (corporate events, changes in recommendations, etc.), or useful to its role as specialist.

The table below, shows INTEGRAE SIM's recommendation, target price and risk issued during the last 12 months:

Date	Price	Recommendation	Target Price	Risk	Comment
29/09/2020	2,63	Buy	5,30	Medium	Update
01/04/2021	3,05	Buy	6,00	Medium	Update

The list of all recommendations on any financial instrument or issuer produced by Integrae SIM Research Department and distributed during the preceding 12-month period is available on the Integrae SIM website.

The information and opinions contained herein are based on sources considered reliable. INTEGRAE SIM SpA also declares that it takes all reasonable steps to ensure the correctness of the sources considered reliable; however, INTEGRAE SIM SpA shall not be directly and/or indirectly held liable for the correctness or completeness of said sources.

The most commonly used sources are the periodic publications of the company (financial statements and consolidated financial statements, interim and quarterly reports, press releases and periodic presentations). INTEGRAE SIM SpA also makes use of instruments provided by several service companies (Bloomberg, Reuters, JCF), daily newspapers and press in general, both national and international. INTEGRAE SIM SpA generally submits a draft of the analysis to the Investor Relator Department of the company being analyzed, exclusively for the purpose of verifying the correctness of the information contained therein, not the correctness of the assessment. INTEGRAE SIM SpA has adopted internal procedures able to assure the independence of its financial analysts and that establish appropriate rules of conduct for them. Integrae SIM S.p.A. has formalised a set of principles and procedures for dealing with conflicts of interest. The Conflicts Management Policy is clearly explained in the relevant section of Integrae SIM's web site ([www.integraesim.it](http://www.integraesim.it)). This document is provided for information purposes only. Therefore, it does not constitute a contractual proposal, offer and/or solicitation to purchase and/or sell financial instruments or, in general, solicitation of investment, nor does it constitute advice regarding financial instruments. INTEGRAE SIM SpA does not provide any guarantee that any of the forecasts and/or estimates contained herein will be reached. The information and/or opinions contained herein may change without any consequent obligation of INTEGRAE SIM SpA to communicate such changes. Therefore, neither INTEGRAE SIM SpA, nor its directors, employees or contractors, may be held liable (due to negligence or other causes) for damages deriving from the use of this document or the contents thereof. Thus, Integrae SIM does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. Therefore, Integrae SIM and/or the author of the present

publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

This document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation no. 20307/2018, as subsequently amended and supplemented, either as a printed document and/or in electronic form.

#### Rating system (long term horizon: 12 months)

The BUY, HOLD and SELL ratings are based on the expected total return (ETR – absolute performance in the 12 months following the publication of the analysis, including the ordinary dividend paid by the company), and the risk associated to the share analyzed. The degree of risk is based on the liquidity and volatility of the share, and on the rating provided by the analyst and contained in the report. Due to daily fluctuations in share prices, the expected total return may temporarily fall outside the proposed range

Equity Total Return (ETR) for different risk categories			
Rating	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR <= -5%	ETR <= -5%	ETR <= 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

#### Valuation methodologies (long term horizon: 12 months)

The methods that INTEGRAE SIM SpA prefers to use for value the company under analysis are those which are generally used, such as the market multiples method which compares average multiples (P/E, EV/EBITDA, and other) of similar shares and/or sectors, and the traditional financial methods (RIM, DCF, DDM, EVA etc). For financial securities (banks and insurance companies) Integræ SIM SpA tends to use methods based on comparison of the ROE and the cost of capital (embedded value for insurance companies).

The estimates and opinions expressed in the publication may be subject to change without notice. Any copying and/or redistribution, in full or in part, directly or indirectly, of this document are prohibited, unless expressly authorized.

#### Conflict of interest

In order to disclose its possible interest conflict Integræ SIM states that:

- Integræ SIM S.p.A. It operates or has operated in the past 12 months as the entity responsible for carrying out the activities of Nominated Adviser of the FOS SpA;
- Integræ SIM S.p.A. It plays, or has played in the last 12 months, role of specialist financial instruments issued by FOS SpA;
- In the IPO phase, Integræ SIM played the role of global coordinator.

At the Integræ SIM website you can find the archive the last 12 months of the conflicts of interest between Integræ SIM and issuers of financial instruments, and their group companies, and referred to in research products produced by analysts at Integræ SIM.