

FOS

Euronext Growth Milan | ICT | Italy

Production 11/10/2023, h. 18:30

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Rating

BUY

unchanged

Target Price

€ 5,80

prev. € 6,00

Risk



Medium

Upside potential

76,8%

| Key Financials (€/mln) | FY22A | FY23E | FY24E | FY25E |
|------------------------|--------|--------|--------|--------|
| VoP | 21,6 | 26,5 | 29,6 | 33,0 |
| EBITDA | 3,9 | 4,5 | 5,5 | 6,5 |
| EBIT | 2,2 | 2,3 | 3,0 | 3,9 |
| Net Profit | 1,3 | 1,5 | 1,9 | 2,5 |
| NFP | (0,04) | (0,09) | (0,99) | (2,29) |
| EBITDA Margin | 17,9% | 17,0% | 18,6% | 19,7% |
| EBIT Margin | 10,1% | 8,7% | 10,0% | 11,8% |
| Net Income Margin | 6,2% | 5,7% | 6,3% | 7,6% |

Stocks performance relative to FTSE Italia Growth



Stock Data

| | |
|----------------------------------|-----------|
| Price | € 3,28 |
| Target price | € 5,80 |
| Upside/(Downside) potential | 76,8% |
| Ticker | FOS IM |
| Market Cap (€/mln) | € 22,43 |
| EV (€/mln) | € 22,39 |
| Free Float | 38,10% |
| Share Outstanding | 6.839.384 |
| 52-week high | € 4,14 |
| 52-week low | € 2,86 |
| Average daily volumes (3 months) | 2.950 |

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| Stock performance | 1M | 3M | 6M | 1Y |
|------------------------|--------|--------|---------|---------|
| Absolute | -7,34% | -2,96% | -13,68% | 14,69% |
| to FTSE Italia Growth | 0,92% | 8,27% | 1,16% | 23,76% |
| to Euronext STAR Milan | -2,27% | 6,54% | 0,65% | 13,08% |
| to FTSE All-Share | -6,56% | -3,44% | -15,52% | -19,52% |
| to EUROSTOXX | -6,09% | -0,96% | -10,63% | -11,07% |
| to MSCI World Index | -4,60% | -0,75% | -16,93% | -6,84% |

| Main Ratios | FY22A | FY23E | FY24E | FY25E |
|-------------|--------|--------|--------|-------|
| EV/EBITDA | 5,8 x | 5,0 x | 4,1 x | 3,4 x |
| EV/EBIT | 10,3 x | 9,7 x | 7,6 x | 5,7 x |
| P/E | 16,8 x | 15,0 x | 12,1 x | 9,0 x |

FY22A Results

The value of production in 1H23A amounted to € 13.66 million, up by 44.6% compared to the figure for 1H22A, equal to € 9.45 million. EBITDA for the half-year was € 2.34 million, marking an increase of 41.7% compared to the 1H22A figure, equal to € 1.65 million. The EBITDA Margin for the half-year was 17.1%, not far off the 1H22A figure of 17.4%. EBIT amounted to € 1.46 million, an increase of 39.2% compared to the 1H22A figure, equal to € 1.05 million. Net Income came in at € 0.80 million, up 38.7% compared to the 1H22A figure, equal to € 0.58 million. The NFP for the group is cash positive at € 0.49 million, showing an improvement compared to the 2022 end-of-year figure, cash positive by € 0.04 million.

Estimates Update

In light of the results published in the half-year report for 1H23A, we have adjusted our estimates for both the current year and the coming years. In particular, we now estimate a FY23E value of production of € 26.50 million, and an EBITDA of € 4.50 million, corresponding to a margin of 17.0%. In the following years, we expect the value of production to rise to € 33.00 million (CAGR 22A-25E: 15.2%) in FY25E, with EBITDA equal to € 6.50 million (corresponding to a margin of 19.7%), up compared to € 3.86 million in FY22A (corresponding to an EBITDA margin of 17.9%).

Valuation Update

We conducted our valuation of the equity value of FOS on the basis of the DCF method and multiples of a sample of comparable companies. The DCF method (including, for prudential purposes, a specific risk of 2.5% in the calculation of the WACC) returned an equity value of € 48.5 million. Using market multiples, the equity value of FOS was calculated as € 30.8 million (including a 25% discount). The results give an average equity value of approximately € 39.7 million. The target price is € 5.80, with a BUY rating and MEDIUM risk.

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

| CONSOLIDATED INCOME STATEMENT (€/mln) | FY21A | FY22A | FY23E | FY24E | FY25E |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | 14,84 | 18,40 | 23,00 | 25,80 | 29,00 |
| Other Revenues | 2,76 | 3,17 | 3,50 | 3,80 | 4,00 |
| Value of Production | 17,60 | 21,56 | 26,50 | 29,60 | 33,00 |
| COGS | 1,12 | 2,16 | 2,50 | 2,90 | 3,20 |
| Use of Asset owned by Others | 0,17 | 0,36 | 0,50 | 0,50 | 0,50 |
| Services | 4,90 | 5,86 | 6,70 | 7,80 | 8,80 |
| Employees | 8,12 | 9,20 | 12,10 | 12,60 | 13,60 |
| Other Operating Expenses | 0,14 | 0,13 | 0,20 | 0,30 | 0,40 |
| EBITDA | 3,14 | 3,86 | 4,50 | 5,50 | 6,50 |
| <i>EBITDA Margin</i> | <i>17,9%</i> | <i>17,9%</i> | <i>17,0%</i> | <i>18,6%</i> | <i>19,7%</i> |
| D&A | 1,54 | 1,69 | 2,20 | 2,55 | 2,60 |
| EBIT | 1,61 | 2,17 | 2,30 | 2,95 | 3,90 |
| <i>EBIT Margin</i> | <i>9,7%</i> | <i>10,1%</i> | <i>8,7%</i> | <i>10,0%</i> | <i>11,8%</i> |
| Financial Management | (0,14) | (0,15) | (0,20) | (0,20) | (0,20) |
| EBT | 1,47 | 2,02 | 2,10 | 2,75 | 3,70 |
| Taxes | 0,40 | 0,69 | 0,60 | 0,90 | 1,20 |
| Net Income | 1,07 | 1,34 | 1,50 | 1,85 | 2,50 |
| CONSOLIDATED BALANCE SHEET (€/mln) | FY21A | FY22A | FY23E | FY24E | FY25E |
| Fixed Asset | 6,25 | 10,12 | 10,40 | 10,00 | 9,50 |
| Account receivable | 6,97 | 10,36 | 13,70 | 15,10 | 17,00 |
| Inventories | 0,38 | 0,98 | 1,00 | 1,20 | 1,40 |
| Account payable | 2,86 | 4,71 | 6,15 | 6,90 | 7,50 |
| Operating Working Capital | 4,49 | 6,63 | 8,55 | 9,40 | 10,90 |
| Other Receivable | 2,79 | 3,51 | 3,70 | 4,50 | 5,00 |
| Other Payable | 4,32 | 5,76 | 6,60 | 6,80 | 7,00 |
| Net Working Capital | 2,96 | 4,37 | 5,65 | 7,10 | 8,90 |
| Severance Indemnities & Provision | 1,49 | 2,10 | 2,20 | 2,30 | 2,40 |
| NET INVESTED CAPITAL | 7,71 | 12,40 | 13,85 | 14,80 | 16,00 |
| Share Capital | 1,59 | 1,71 | 1,71 | 1,71 | 1,71 |
| Reserves and Retained Profits | 6,76 | 9,39 | 10,73 | 12,23 | 14,08 |
| Net Profit | 1,07 | 1,34 | 1,50 | 1,85 | 2,50 |
| Equity | 9,42 | 12,44 | 13,94 | 15,79 | 18,29 |
| Minorities Equity | 0,02 | 0,00 | 0,00 | 0,00 | 0,00 |
| Cash and Cash Equivalent | 8,16 | 9,67 | 9,59 | 10,19 | 10,89 |
| Short-Term Financial debt | 1,38 | 2,68 | 3,00 | 3,50 | 4,00 |
| ML Term Financial Debt | 5,05 | 6,96 | 6,50 | 5,70 | 4,60 |
| Net Financial Position | (1,73) | (0,04) | (0,09) | (0,99) | (2,29) |
| TOTAL SOURCES | 7,71 | 12,40 | 13,85 | 14,80 | 16,00 |

| CONSOLIDATED CASH FLOW (€/mn) | FY22A | FY23E | FY24E | FY25E |
|---------------------------------|---------------|---------------|-------------|-------------|
| EBIT | 2,17 | 2,30 | 2,95 | 3,90 |
| Taxes | 0,69 | 0,60 | 0,90 | 1,20 |
| NOPAT | 1,48 | 1,70 | 2,05 | 2,70 |
| D&A | 1,69 | 2,20 | 2,55 | 2,60 |
| Change in receivable | (3,39) | (3,34) | (1,40) | (1,90) |
| Change in inventories | (0,60) | (0,02) | (0,20) | (0,20) |
| Change in payable | 1,84 | 1,44 | 0,75 | 0,60 |
| Other Changes | 0,72 | 0,65 | (0,60) | (0,30) |
| Change in NWC | (1,42) | (1,28) | (1,45) | (1,80) |
| Change in Provision | 0,61 | 0,10 | 0,10 | 0,10 |
| OPERATING CASH FLOW | 2,36 | 2,73 | 3,25 | 3,60 |
| Capex | (5,56) | (2,48) | (2,15) | (2,10) |
| FREE CASH FLOW | (3,20) | 0,25 | 1,10 | 1,50 |
| Financial Management | (0,15) | (0,20) | (0,20) | (0,20) |
| Change in Payable to Banks | 3,21 | (0,13) | (0,30) | (0,60) |
| Change in Equity | 1,66 | 0,00 | 0,00 | 0,00 |
| FREE CASH FLOW TO EQUITY | 1,51 | (0,09) | 0,60 | 0,70 |

Source: FOS and Integrae SIM estimates

Company Overview

FOS is an Italian tech company operating across the digital and engineering space, with a strong drive for the technological transfer of innovations to the market, and the role of systems integrator in the digital and innovative transformation of its clients.

In the Digital market, it operates as a system integrator in two macro areas: Software House, regarding the design, development and management of software and applications; and Digital Infrastructures.

Also, in the Engineering market, it operates as a system integrator in two macro areas: Integrated Electronic Systems, regarding the design, development and management of integrated electronic systems; and Research & Innovation, regarding the design and management of research and innovation projects.

FOS's mission is to help customers build strong, successful, durable businesses by integrating digital services and products into their value chain based on sustainability and continuous innovation.

1H23A Results

TABLE 2 – 1H23A VS 1H22A

| €/mln | VoP | EBITDA | EBITDA % | EBIT | Net Income | NFP |
|--------|-------|--------|----------|-------|------------|---------|
| 1H23A | 13,66 | 2,34 | 17,1% | 1,46 | 0,80 | (0,49) |
| 1H22A | 9,45 | 1,65 | 17,4% | 1,05 | 0,58 | (0,04)* |
| Change | 44,6% | 41,7% | -0,3% | 39,2% | 38,7% | N/A |

*NFP as of 31/12/2022

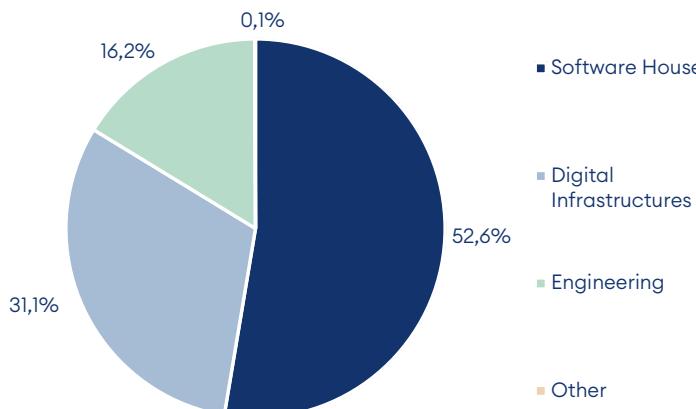
Source: Integrale SIM

In the results press release, the CEOs Enrico Botte and Matteo Pedrelli commented: “We are very satisfied with the results of the first half of 2023, and with the growth path that the Group has undertaken to date. We note the double-digit organic growth, due to the expansion of recurring technological services, and even more so to proprietary products and platforms. In parallel, the integration of Inrebus and Naes is in line with expectations, and is bringing in encouraging results based on a business model focused on people and local areas. Investments in personnel, particularly in young people in the Academy, the constant commitment to research and development, and the continuous work on M&A operations, allow us to look ahead with confidence to significant growth in the future.”

The value of production in 1H23A amounted to € 13.66 million, up by 44.6% compared to the figure for 1H22A, equal to € 9.45 million. This positive result is attributable to a series of factors, in particular:

- The expansion of the customer base of the Communications Technology line;
- The marketing of products coming from research and development (Microcosmo and Eye-trap);
- Developments in the Home Automation field;
- The excellent performance of the resale of storage and backup solutions;
- The contribution of the new Data Center business line, relating to the Digital Infrastructures macro area, thanks to the acquisition of the company NAeS Solutions.

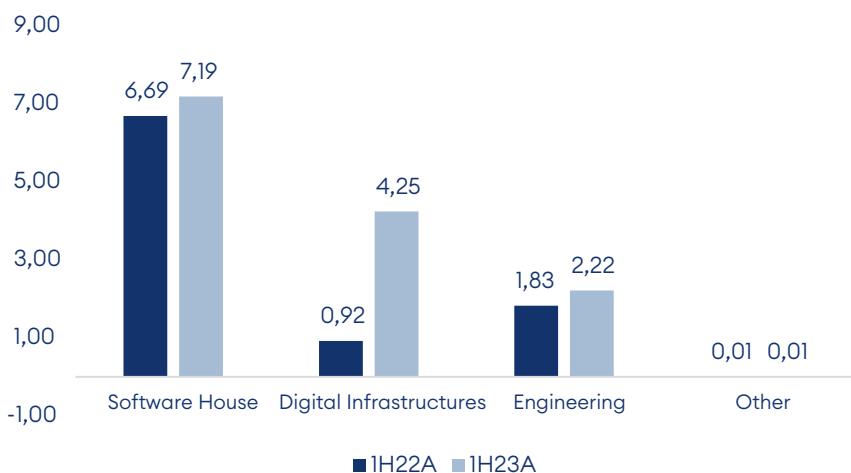
CHART 1 – VOP BREAKDOWN BY SEGMENT 1H23A



Source: FOS

The value of the production for the Group, in 1H23A, is attributable to three business areas as follows: the Software House area contributed 52.6%; the Digital Infrastructures area contributed 31.1%; and the Engineering area contributed 16.2%.

CHART 2 – VOP BREAKDOWN BY BU 1H22A VS 1H23A



Source: FOS

We note that all business areas saw an increase in the value of production compared to 1H22A. The greatest change was seen in the Digital Infrastructures area, which marked an extraordinary growth of 359.3%, while the Software House and Engineering areas reported, respectively, an increase of 7.5% and 21.4%.

In particular, the Software House business reported a production value of € 7.19 million, compared to € 6.69 million in 1H22A. The growth came mainly from home automation solutions activities, the development of proprietary platforms, the provision of IT services and software

applications via outsourcing, and the supply of third-party solutions.

The Digital Infrastructures area generated a value of production amounting to € 4.25 million, marking a strong growth compared to the 1H22A figure of € 0.92 million. The result mainly comes from the aggregation of the Communications Technology business lines and the new Data Center line, fruit of the acquisition of NAeS Solutions Srl. The Group's Multivendor Center has expanded its electronic equipment diagnostic, intervention and testing activities in relation to various telecommunications operators, in order to effectively respond to the evolution in the technologies under management. Furthermore, through the new acquisition, the Group has consolidated its business activities in the Data Center and Networking sectors, which will allow it to present itself to the market as an "all-in-one" operator, capable of managing all the phases of the process, from design through to data transmission and use.

The Engineering business generated a value of production of € 2.22 million, an improvement compared to the 1H22A figure of € 1.83 million. Making a significant impact in the half-year were sales of products and services developed in the business' research and development laboratories. In particular, the products "Microcosmo" and "Eye-trap" were marketed in the Education sector, while the tech biofilter called "Aura" entered production and will be on sale in the second half of the current financial year.

EBITDA for the half-year was € 2.34 million, marking an increase of 41.7% compared to the 1H22A figure, equal to € 1.65 million. The positive trend is due in large part to the Group's ability to leverage the synergies deriving from new acquisitions, to make further integrations to its offerings, and to bring in cost efficiency measures. Furthermore, a significant impact on margins came from the marketing of proprietary platforms and products that had emerged from research, development and innovation activities in the Engineering area. The EBITDA Margin for the half-year was 17.1%, not far off the 1H22A figure of 17.4%.

EBIT amounted to € 1.46 million, an increase of 39.2% compared to the 1H22A figure, equal to € 1.05 million. This result is affected by D&A equal to € 0.88 million (vs. € 0.60 million in 1H22A), increasing due to the amortization of goodwill generated in the acquisition of NAeS. Net Income came in at € 0.80 million, up 38.7% compared to the 1H22A figure, equal to € 0.58 million.

The NFP for the Group is cash positive at € 0.49 million, showing an improvement compared to the 2022 end-of-year figure, cash positive by € 0.04 million. This change is attributable to the results of the various businesses of the Group, even though it is affected by the buy-back carried out during the year, by expenses incurred for the capital increase of the start-up Mr. Pot Still, and, to a lesser extent, by the works carried out at the new site. The Adjusted NFP, excluding the debt to the selling partners of the newly acquired NAeS, is cash positive by € 1.96 million, an improvement compared to the Adjusted NFP of the group for FY22A, equal to € 1.47 million.

FY23E – FY25E Estimates

TABLE 3 – ESTIMATES UPDATES FY23E-25E

| €/mln | FY23E | FY24E | FY25E |
|-------------------|--------|--------|--------|
| VoP | | | |
| New | 26,50 | 29,60 | 33,00 |
| Old | 25,00 | 28,00 | 31,50 |
| Change | 6,0% | 5,7% | 4,8% |
| EBITDA | | | |
| New | 4,50 | 5,50 | 6,50 |
| Old | 5,30 | 6,30 | 7,50 |
| Change | -15,1% | -12,7% | -13,3% |
| EBITDA % | | | |
| New | 17,0% | 18,6% | 19,7% |
| Old | 18,6% | 19,8% | 21,1% |
| Change | -1,6% | -1,2% | -1,4% |
| EBIT | | | |
| New | 2,30 | 2,95 | 3,90 |
| Old | 2,80 | 3,75 | 4,90 |
| Change | -17,9% | -21,3% | -20,4% |
| Net Income | | | |
| New | 1,50 | 1,85 | 2,50 |
| Old | 1,75 | 2,30 | 3,10 |
| Change | -14,3% | -19,6% | -19,4% |
| NFP | | | |
| New | (0,09) | (0,99) | (2,29) |
| Old | (0,29) | (0,99) | (2,49) |
| Change | N/A | N/A | N/A |

Source: Integrale SIM

In light of the results published in the half-year report for 1H23A, we have adjusted our estimates for both the current year and the coming years.

In particular, we now estimate an FY23E value of production of € 26.50 million, and an EBITDA of € 4.50 million, corresponding to a margin of 17.0%. In the following years, we expect the value of production to rise to € 33.00 million (CAGR 22A-25E: 15.2%) in FY25E, with EBITDA equal to € 6.50 million (corresponding to a margin of 19.7%), up compared to € 3.86 million in FY22A (corresponding to an EBITDA Margin of 17.9%).

On the balance sheet, we estimate a cash positive NFP of € 2.29 million for FY25E.

CHART 3 – VOP AND EBITDA FY22A-25E

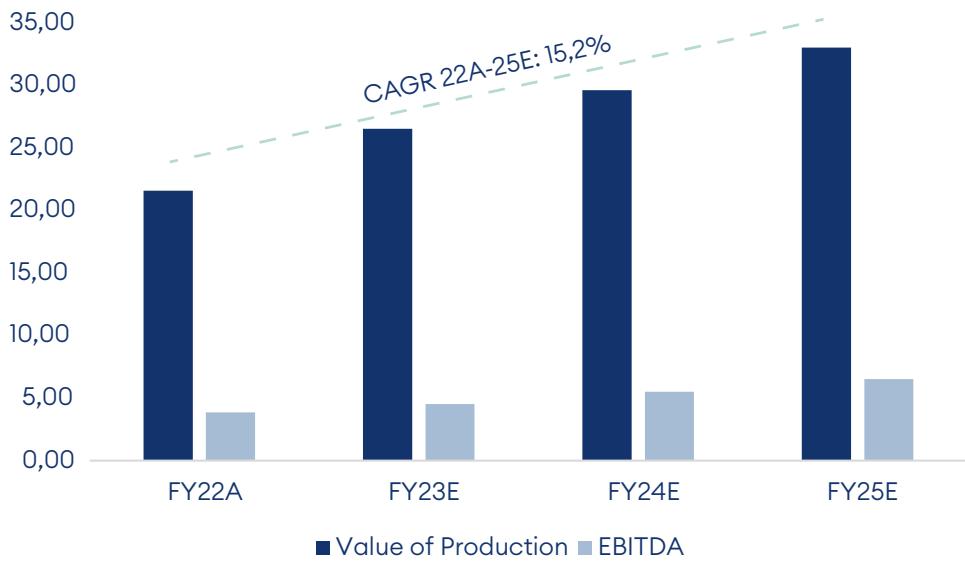


CHART 4 – MARGIN FY22A-25E

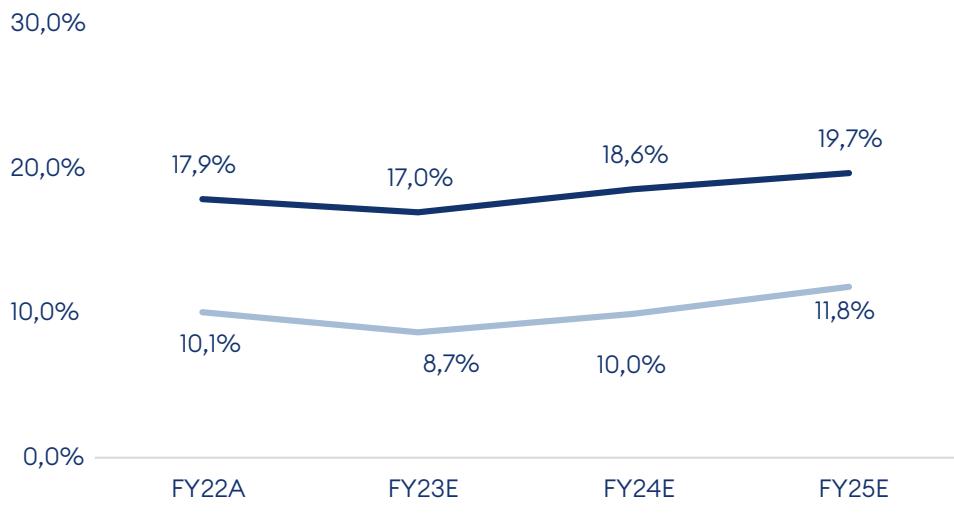
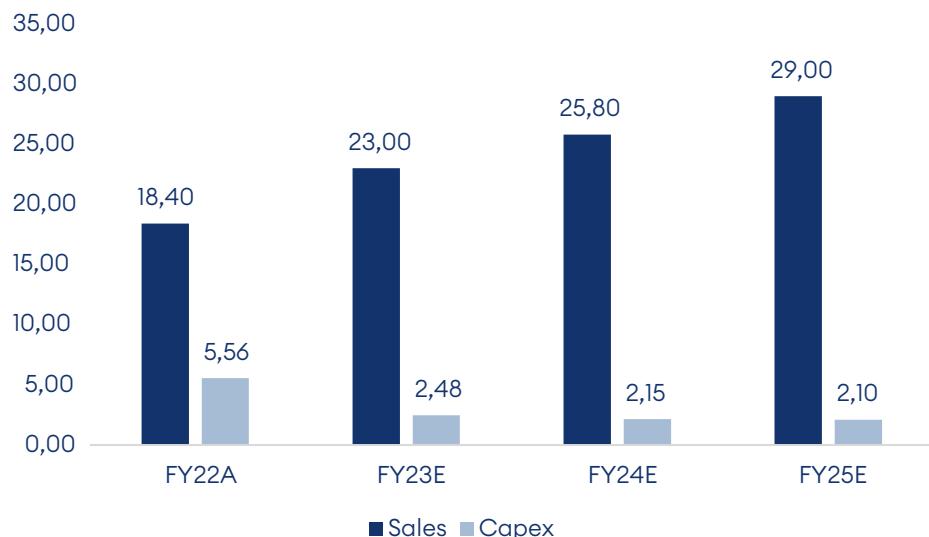
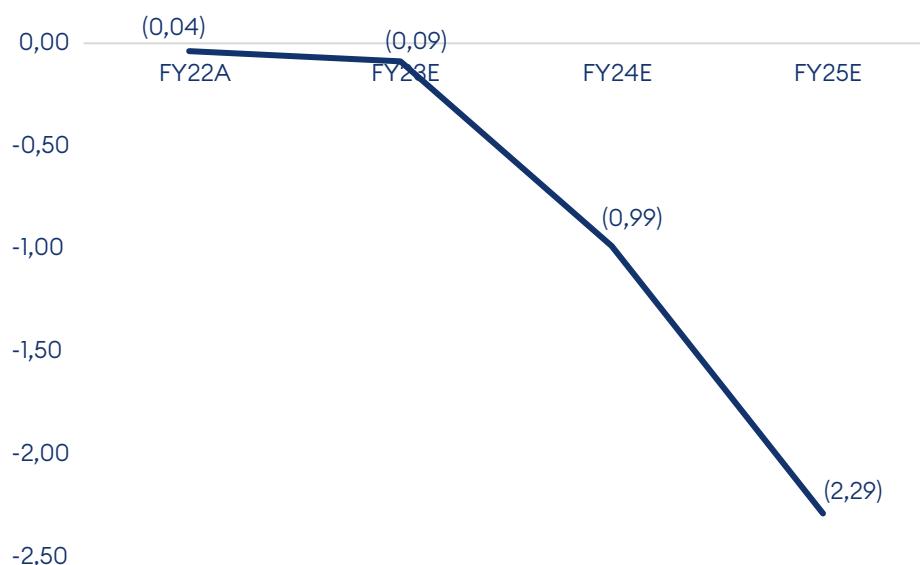


CHART 5 – CAPEX FY22A-25E



Source: Integrale SIM

CHART 6 – NFP FY22A-25E



Source: Integrale SIM

Valuation

We conducted our valuation of the equity value of FOS on the basis of the DCF method and multiples of a sample of comparable companies.

DCF Method

TABLE 4 - WACC

| WACC | | | |
|----------------|-------------------------|--------------------------|-----------------------------------|
| D/E 81,82% | Risk Free Rate 3,85% | β Adjusted 0,85 | α (specific risk) 2,50% |
| K_d 2,50% | Market Premium 8,33% | β Levered 1,36 | K_e 13,45% |

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%. The result is therefore a WACC of 8.20%.

TABLE 5 – DCF VALUATION

| DCF | | % of EV |
|-------------------------|--|-------------|
| FCFO actualized | | 5,7 |
| TV actualized DCF | | 42,7 |
| Enterprise Value | | 48,5 |
| NFP (FY22A) | | 0,0 |
| Equity Value | | 48,5 |

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, the result is an **equity value of € 48.5 million**.

TABLE 6 - EQUITY VALUE - SENSITIVITY ANALYSIS

| €/mln | WACC | | | | | | | |
|--------------------|-------|------|------|------|------|------|------|------|
| | | 6,7% | 7,2% | 7,7% | 8,2% | 8,7% | 9,2% | 9,7% |
| Growth Rate (g) | 2,5% | 82,5 | 73,3 | 65,9 | 59,7 | 54,6 | 50,2 | 46,5 |
| | 2,0% | 74,4 | 66,8 | 60,6 | 55,4 | 51,0 | 47,1 | 43,8 |
| | 1,5% | 67,8 | 61,5 | 56,2 | 51,7 | 47,8 | 44,5 | 41,5 |
| | 1,0% | 62,4 | 57,0 | 52,4 | 48,5 | 45,1 | 42,1 | 39,4 |
| | 0,5% | 57,8 | 53,2 | 49,2 | 45,7 | 42,7 | 40,0 | 37,6 |
| | 0,0% | 54,0 | 49,9 | 46,4 | 43,3 | 40,6 | 38,1 | 36,0 |
| | -0,5% | 50,6 | 47,1 | 43,9 | 41,1 | 38,7 | 36,5 | 34,5 |

Source: Integrae SIM

Market multiples

Our panels are made up of companies operating in the same sector as FOS, but many with larger capitalizations. These companies are the same used to calculate Beta for the *DCF method*. The panels consist of:

TABLE 7.1 – MARKET MULTIPLES IT

| Company Name | EV/EBITDA | | | EV/EBIT | | |
|---------------------------|---------------|--------------|--------------|---------------|---------------|--------------|
| | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E |
| Bouvet ASA | 10,8 x | 10,1 x | 9,4 x | 13,2 x | 12,3 x | 11,3 x |
| Net One Systems Co., Ltd. | 10,3 x | 9,0 x | 8,2 x | 10,9 x | 9,5 x | 8,6 x |
| CGI, Inc. | 12,4 x | 11,7 x | 11,2 x | 15,1 x | 14,2 x | 13,3 x |
| Reply S.p.A. | 10,1 x | 9,0 x | 8,4 x | 12,4 x | 11,0 x | 9,9 x |
| Eurotech S.p.A. | 12,0 x | 5,7 x | 3,9 x | 125,7 x | 7,8 x | 4,6 x |
| Peer median | 10,8 x | 9,0 x | 8,4 x | 13,2 x | 11,0 x | 9,9 x |

Source: Infinancials

TABLE 7.2 – MARKET MULTIPLES TLC

| Company Name | EV/EBITDA | | | EV/EBIT | | |
|----------------------------|--------------|--------------|--------------|---------------|--------------|--------------|
| | FY23E | FY24E | FY25E | FY23E | FY24E | FY25E |
| Cisco Systems Inc. | 9,7 x | 9,6 x | 9,3 x | 10,6 x | 10,3 x | 10,0 x |
| Juniper Networks Inc. | 8,0 x | 7,9 x | 7,3 x | 9,7 x | 9,2 x | 8,6 x |
| F5 Networks Inc. | 9,2 x | 8,4 x | 8,2 x | 10,4 x | 9,5 x | 8,7 x |
| Accton Technology Corp. | 23,7 x | 20,5 x | 18,0 x | 26,2 x | 22,2 x | 19,4 x |
| Viavi Solutions Inc. | 9,4 x | 8,2 x | N/A | 11,2 x | 8,3 x | 7,4 x |
| HMS Networks AB | 23,2 x | 23,7 x | 22,3 x | 27,2 x | 28,1 x | 26,2 x |
| Spirent Communications plc | 4,3 x | 4,1 x | 3,8 x | 5,0 x | 4,7 x | 4,3 x |
| Peer Median | 9,4 x | 8,3 x | 7,8 x | 10,6 x | 9,5 x | 8,7 x |

Source: Infinancials

TABLE 8 – MARKET MULTIPLES VALUATION

| €/mln | FY23E | FY24E | FY25E |
|---------------------------------------|-------------|-------------|-------------|
| Enterprise Value (EV) | | | |
| EV/EBITDA | 45,5 | 47,7 | 52,5 |
| EV/EBIT | 27,4 | 30,3 | 36,4 |
| Equity Value | | | |
| EV/EBITDA | 45,6 | 48,7 | 54,8 |
| EV/EBIT | 27,5 | 31,3 | 38,7 |
| Equity Value post 25% discount | | | |
| EV/EBITDA | 34,2 | 36,5 | 41,1 |
| EV/EBIT | 20,6 | 23,5 | 29,0 |
| Average | 27,4 | 30,0 | 35,0 |

Source: *Integrale SIM*

Using EV/EBITDA and EV/EBIT market multiples, the equity value of FOS is approximately € 41.1 million. To this value, we have applied a 25% discount. The result is therefore an **equity value of € 30.8 million**.

Equity Value

TABLE 9 – EQUITY VALUE

| | |
|--------------------------------|------|
| Average Equity Value (€/mln) | 39,7 |
| Equity Value DCF (€/mln) | 48,5 |
| Equity Value multiples (€/mln) | 30,8 |
| | |
| Target Price (€) | 5,80 |

Source: Integrale SIM

The results give an average equity value of approximately € 39.7 million. **The target price is therefore € 5.80 (prev. € 6.00). We confirm a BUY rating and MEDIUM risk.**

TABLE 10 – TARGET PRICE IMPLIED VALUATION MULTIPLES

| Multiples | FY22A | FY23E | FY24E | FY25E |
|-----------|--------|--------|--------|--------|
| EV/EBITDA | 10,3 x | 8,8 x | 7,2 x | 6,1 x |
| EV/EBIT | 18,2 x | 17,2 x | 13,4 x | 10,2 x |

Source: Integrale SIM

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

| Main Ratios | FY22A | FY23E | FY24E | FY25E |
|-------------|--------|-------|-------|-------|
| EV/EBITDA | 5,8 x | 5,0 x | 4,1 x | 3,4 x |
| EV/EBIT | 10,3 x | 9,7 x | 7,6 x | 5,7 x |

Source: Integrale SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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|------------|-------|----------------|--------------|--------|---------------|
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| 13/03/2023 | 3,60 | Buy | 6,00 | Medium | Breaking News |
| 05/04/2023 | 3,72 | Buy | 6,00 | Medium | Update |
| 07/08/2023 | 3,36 | Buy | 6,00 | Medium | Breaking News |

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Equity Total Return (ETR) for different risk categories

| Rating | Low Risk | Medium Risk | High Risk |
|--------|-------------------------|---------------------|--------------------|
| BUY | ETR \geq 7.5% | ETR \geq 10% | ETR \geq 15% |
| HOLD | -5% $<$ ETR $<$ 7.5% | -5% $<$ ETR $<$ 10% | 0% $<$ ETR $<$ 15% |
| SELL | ETR \leq -5% | ETR \leq -5% | ETR \leq 0% |
| U.R. | Rating e/o target price | Under Review | |
| N.R. | Stock Not Rated | | |

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