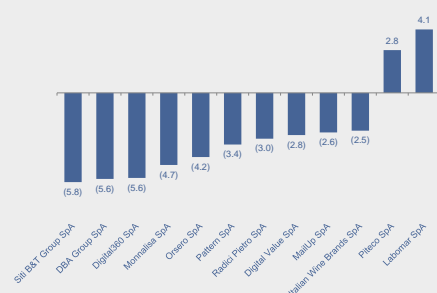


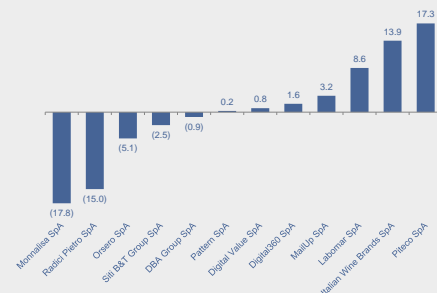
1<sup>st</sup> February 2021

The CFO SIM Monthly Snapshots publication provides investors with a brief periodic overview of our coverage in terms of fundamentals, absolute/relative valuation and absolute/relative stock price performance, in addition to company description and shareholder structure. Specific company Equity Research reports are available on the CFO SIM and Borsa Italiana websites.

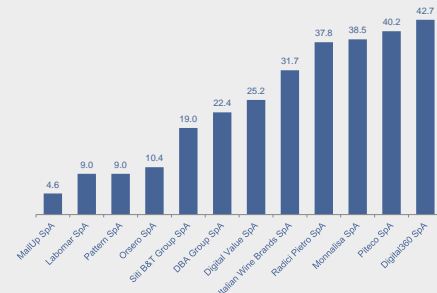
### 1W abs. performance



### 1M abs. performance



### 3M abs. performance



### YTD abs. performance



**Equity Research Department:**  
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CFO SIM Coverage	Mkt Cap € m	Price €	Rating	PT €	% Upside	1Y Max	1Y Min
DBA Group SpA	9.7	0.84	BUY	1.50	78.6	1.53	0.66
Digital360 SpA	30.4	1.87	BUY	2.40	28.3	2.18	0.64
Digital Value SpA	384.0	38.80	BUY	38.40	(1.0)	42.50	15.70
Italian Wine Brands SpA	175.4	23.70	BUY	30.00	26.6	25.30	10.70
Labomar SpA	134.9	7.30	BUY	8.50	16.4	7.78	6.38
MailUp SpA	67.7	4.52	BUY	6.60	46.0	5.74	3.45
Monnalisa SpA	17.0	3.24	NEUTRAL	2.50	(22.8)	6.20	2.16
Orsero SpA	105.0	5.94	BUY	8.50	43.1	7.66	4.30
Pattem SpA	55.0	4.01	BUY	5.00	24.7	5.50	3.03
Piteco SpA	223.0	11.05	BUY	11.30	2.3	11.70	4.54
Radici Pietro SpA	15.6	1.79	BUY	2.90	62.5	2.29	1.24
Siti B&T Group SpA	24.3	1.94	NEUTRAL	2.80	44.3	2.54	1.26

Source: CFO SIM, Thomson Reuters Eikon.

IPO Data	Sector	Date	Price €	Mkt Cap € m	Type	Raised € m	% since IPO
DBA Group SpA	ICT Consul.	14-Dec-17	4.00	52.0	Prim./Sec.	23.0	(79.0)
Digital360 SpA	Digital	13-Jun-17	1.15	17.7	Primary	6.6	62.6
Digital Value SpA	IT Services	08-Nov-18	10.00	89.6	-	22.5	288.0
Italian Wine Brands SpA	Food & Bev.	29-Jan-15	10.00	52.1	-	-	137.0
Labomar SpA	Nutraceutical	05-Oct-20	6.00	110.9	Prim./Sec.	29.9	21.7
MailUp SpA	MarTech	29-Jul-14	1.92	20.0	Primary	3.0	135.4
Monnalisa SpA	Fashion	12-Jul-18	13.75	72.0	Prim./Sec.	18.5	(76.4)
Orsero SpA	Food	13-Feb-17	10.00	80.0	(SPAC)	80.0	(40.6)
Pattem SpA	Luxury Eng.	17-Jul-19	3.25	44.2	Prim./Sec.	12.5	23.4
Piteco SpA	Software	31-Jul-15	3.30	59.8	Primary	16.5	234.8
Radici Pietro SpA	Textile	26-Jul-19	3.10	26.7	Primary	6.2	(42.4)
Siti B&T Group SpA	Machinery	31-Mar-16	8.00	100.0	Prim./Sec.	26.0	(75.8)

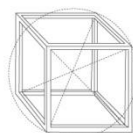
Source: CFO SIM, Borsa Italiana, Company Data, Thomson Reuters Eikon

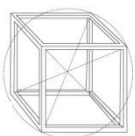
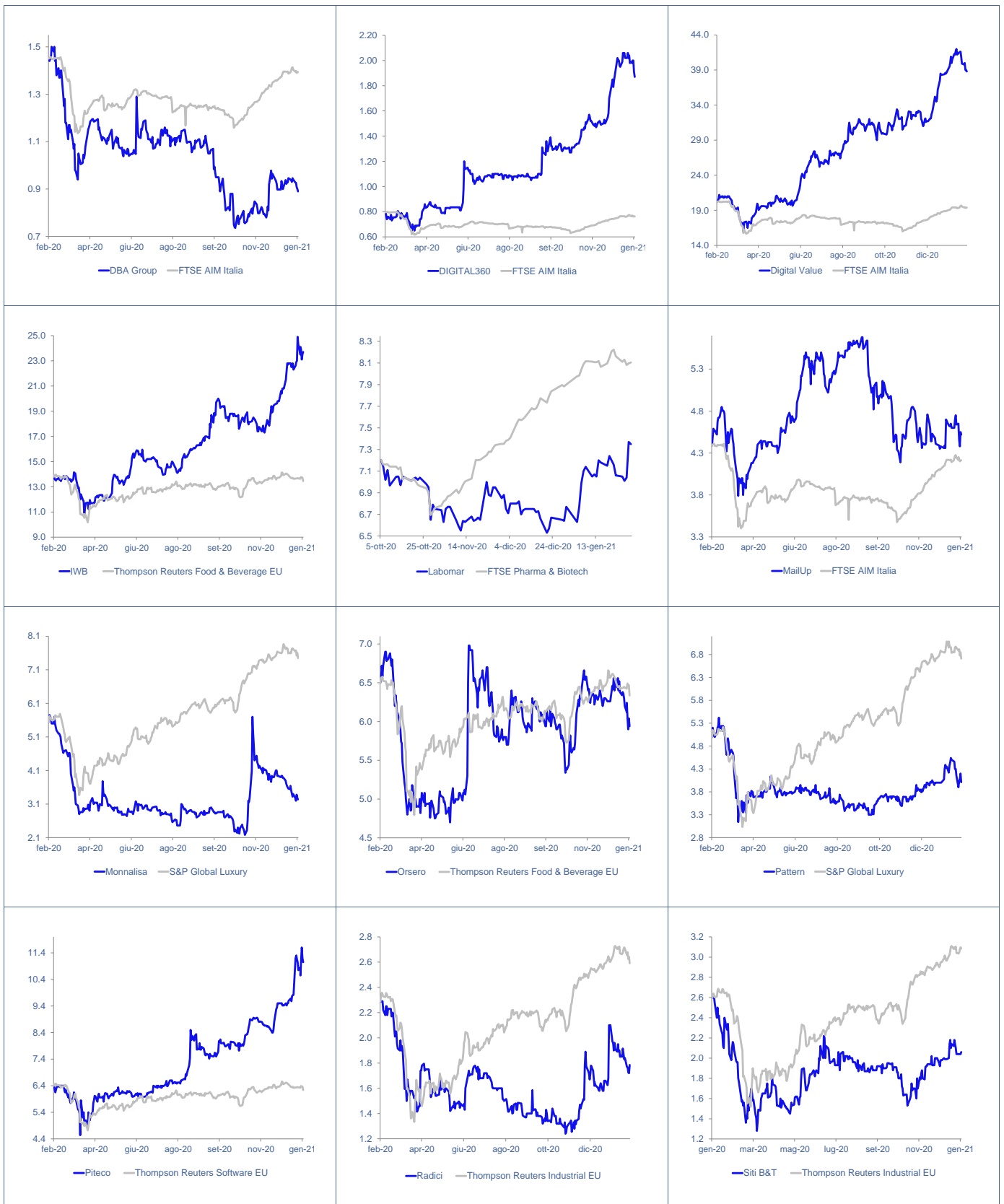
% Absolute performance	1D	1W	1M	3M	6M	YTD	1Y
DBA Group SpA	(1.2)	(5.6)	(0.9)	22.4	(20.4)	(0.9)	(42.9)
Digital360 SpA	(2.1)	(5.6)	1.6	42.7	71.6	1.6	124.0
Digital Value SpA	(0.5)	(2.8)	0.8	25.2	43.7	0.8	98.0
Italian Wine Brands SpA	0.9	(2.5)	13.9	31.7	68.1	13.9	74.3
Labomar SpA	(0.3)	4.1	8.6	9.0	n.a.	8.6	n.a.
MailUp SpA	(0.7)	(2.6)	3.2	4.6	(14.1)	3.2	1.6
Monnalisa SpA	(1.2)	(4.7)	(17.8)	38.5	26.6	(17.8)	(43.2)
Orsero SpA	(1.7)	(4.2)	(5.1)	10.4	2.4	(5.1)	(7.2)
Pattem SpA	(4.5)	(3.4)	0.2	9.0	13.3	0.2	(15.9)
Piteco SpA	(1.3)	2.8	17.3	40.2	69.5	17.3	76.8
Radici Pietro SpA	3.8	(3.0)	(15.0)	37.8	19.0	(15.0)	(22.4)
Siti B&T Group SpA	(4.0)	(5.8)	(2.5)	19.0	(4.9)	(2.5)	(25.4)
MSCI World Index	(1.8)	(3.4)	(1.1)	16.1	15.5	(1.1)	12.2
EUROSTOXX	(1.7)	(3.1)	(1.4)	17.6	12.4	(1.4)	(2.4)
FTSE Italia All Share	(1.5)	(2.2)	(2.8)	20.1	12.6	(2.8)	(9.1)
FTSE STAR Italia	(0.6)	(2.4)	(1.5)	18.1	19.8	(1.5)	13.1
FTSE AIM Italia	0.1	(0.7)	2.6	20.0	14.6	2.6	(4.7)

Source: Thomson Reuters Eikon

% Relative performance	1D	1W	1M	3M	6M	YTD	1Y
DBA Group SpA	(1.3)	(4.9)	(3.6)	2.4	(35.0)	(3.6)	(38.1)
Digital360 SpA	(2.2)	(4.9)	(1.0)	22.7	57.0	(1.0)	128.7
Digital Value SpA	(0.6)	(2.1)	(1.8)	5.1	29.1	(1.8)	102.7
Italian Wine Brands SpA	0.8	(1.8)	11.3	11.6	53.5	11.3	79.0
Labomar SpA	(0.4)	4.8	6.0	(11.1)	n.a.	6.0	n.a.
MailUp SpA	(0.8)	(1.9)	0.6	(15.4)	(28.6)	0.6	6.3
Monnalisa SpA	(1.3)	(4.0)	(20.4)	18.4	12.0	(20.4)	(38.4)
Orsero SpA	(1.0)	(1.8)	(3.6)	(7.7)	(17.4)	(3.6)	(20.3)
Pattem SpA	(4.6)	(2.7)	(2.4)	(11.1)	(1.3)	(2.4)	(11.2)
Piteco SpA	0.1	5.0	20.1	20.1	56.8	20.1	85.9
Radici Pietro SpA	3.7	(2.3)	(17.6)	17.8	4.4	(17.6)	(17.7)
Siti B&T Group SpA	(4.1)	(5.1)	(5.1)	(1.0)	(19.5)	(5.1)	(20.7)

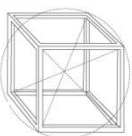
Source: Thomson Reuters Eikon, perf. rel. to FTSE AIM Italia, Piteco to FTSE Italia All Share and Orsero to FTSE STAR Italia





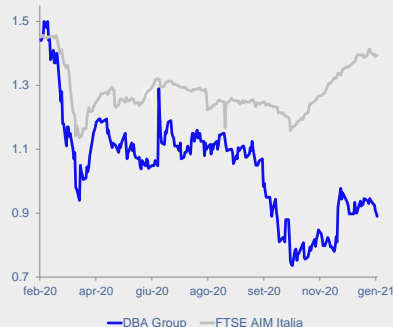


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Italy - ICT Consulting

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 1.50</b>
<b>Upside/(downside) %</b>	<b>79%</b>
<b>Last Price €</b>	<b>0.84</b>
<b>Market Cap. €m</b>	<b>9.7</b>
<b>1Y High €</b>	<b>1.53</b>
<b>1Y Low €</b>	<b>0.66</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>50,942</b>
<b>Free Float</b>	<b>50%</b>
<b>RIC</b>	<b>DBAMI</b>
<b>BBG</b>	<b>DBA IM</b>



Founded in 1991 by the four De Bettin brothers in the hard-working and creative north east of Italy, DBA Group is specialised in network connectivity and infrastructure lifecycle support solutions. The core competence of DBA Group is the proven ability to provide telematics solutions for strategic infrastructures to clients whose business is network-performance critical. It provides integrated services and solutions in the ICT, Project Management and Architecture and Engineering fields in six industries. Founded as an engineer and architect associated firm, now DBA Group is the only player in Italy able to offer the synergic combination of the aforementioned services and solutions for the management of the entire infrastructure lifecycle. DBA Group offers high value added services and software platforms which meet the full range of potential technical, technological and ICT customer needs during the entire infrastructure lifecycle with the aim of providing high added value support services for infrastructure management and maintenance.

**STRENGTHS**

- The only player offering the synergic combination of its 2 BU unit services and solutions
- over 600 highly skilled, loyal and motivated employees, o/w 60% are graduates

**WEAKNESSES**

- Limited size in the international competitive arena
- Few key relevant people represent a vital asset for the company
- Reference markets price pressure hampers group profitability
- Need of reinforcement of the management structure to boost developments

€ m	2018	2019	2020e	2021e	2022e
Value of production	49.0	61.0	70.4	70.1	71.6
EBITDA	4.4	3.3	4.6	5.0	6.0
EBIT	1.6	(2.3)	(0.1)	0.5	1.6
EBIT Adjusted	2.3	(1.2)	1.0	1.7	2.8
Net Profit	0.2	(2.7)	(0.8)	(0.2)	0.5
Net Profit Adjusted	0.9	(1.6)	0.4	1.0	1.6
Capex	9.5	8.1	3.3	2.6	2.5
Net Debt (Cash)	9.0	14.0	17.0	15.3	12.9
EPS reported (€/share)	0.02	(0.27)	(0.08)	(0.02)	0.05
EPS Adjusted (€/share)	0.09	(0.16)	0.04	0.10	0.16
CPS (€/share)	(0.12)	0.28	0.03	0.42	0.49
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	9.1%	5.4%	6.5%	7.2%	8.4%
EBIT margin	3.4%	-3.8%	-0.2%	0.8%	2.3%
Dividend yield	-	-	-	-	-
ROCE	3.9%	neg.	neg.	1.0%	3.4%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 28<sup>th</sup> January 2021

% YoY	2018	2019	2020e	2021e	2022e
Value of production	8.4%	24.6%	15.4%	-0.4%	2.1%
EBITDA	-3.0%	-25.3%	37.6%	10.0%	20.4%
EBIT	-22.1%	n.m.	-94.1%	n.m.	n.m.
Net Profit	-71.5%	n.m.	-72.5%	-74.4%	n.m.
Net Profit Adjusted	-31.0%	n.m.	n.m.	n.m.	69.7%
Capex	48.4%	-15.0%	-59.1%	-21.2%	-3.8%
Debt	n.m.	55.2%	21.4%	-9.5%	-15.7%

Source: Company data, CFO SIM

Outstanding shares	%	# m
DB holding	40.6%	4.67
NB Aurora	9.8%	1.13
Market	49.6%	5.70
<b>Total</b>	<b>100.0%</b>	<b>11.50</b>

Source: Company data

Price performance	1M	3M	12M
DBA Group	-0.9%	22.4%	-42.9%
Rel.to FTSE AIM	-3.6%	2.4%	-38.1%
Rel.to Peers Median	4.8%	10.9%	-49.7%

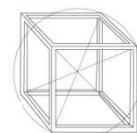
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>10-22</sub>	NFP/EBITDA FY1
AECOM	6,100	6.1%	n.a.	1.7
Alten SA	2,956	7.7%	-0.6%	n.m.
Arcadis NV	2,611	9.1%	10.8%	1.6
Jacobs Eng.	10,813	8.2%	0.5%	1.0
SnC-Lavalin	2,397	4.2%	-7.9%	2.7
Sweco AB	5,034	13.4%	5.8%	0.6
Accenture PLC	131,790	18.4%	6.7%	n.m.
Capgemini SE	20,145	14.9%	7.7%	2.2
Devoteam SA	816	11.6%	3.4%	n.m.
Reply SpA	3,774	16.0%	9.0%	n.m.
TXT e solutions	92	11.9%	15.5%	n.m.
<b>DBA Group</b>	<b>10</b>	<b>6.5%</b>	<b>5.4%</b>	<b>3.7</b>

Source: Thomson Reuters Eikon

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
AECOM	0.67	0.62	10.9	9.7	12.7	11.3	18.2	16.3	14.3	13.0
Alten SA	1.19	1.10	15.4	11.1	24.8	15.2	30.4	21.7	17.9	14.5
Arcadis NV	0.91	0.88	10.0	9.3	22.0	14.4	19.9	18.6	8.8	10.3
Jacobs Engineering Group Inc	1.01	0.94	12.3	10.8	13.4	11.7	17.4	15.3	15.5	13.7
SNC-Lavalin Group Inc	0.56	0.52	13.4	5.9	21.2	7.2	n.m.	12.7	41.1	8.8
Sweco AB (publ)	2.44	2.30	18.2	16.3	28.1	23.2	33.7	30.1	20.1	19.4
<b>Engineering &amp; PMO median</b>	<b>0.96</b>	<b>0.91</b>	<b>12.8</b>	<b>10.3</b>	<b>21.6</b>	<b>13.0</b>	<b>19.9</b>	<b>17.5</b>	<b>16.7</b>	<b>13.3</b>
Accenture PLC	3.17	2.91	17.2	15.8	21.2	19.3	30.2	27.7	23.0	21.4
Capgemini SE	1.60	1.45	10.8	9.7	14.7	12.8	18.3	16.2	11.6	10.8
Devoteam SA	0.96	0.87	8.3	7.3	10.7	9.1	22.1	18.8	14.4	13.2
Reply SpA	2.90	2.49	18.1	15.4	22.3	19.0	33.4	29.8	25.0	22.3
TXT e solutions SpA	1.00	1.09	8.4	8.6	13.2	12.1	27.3	18.6	14.6	11.4
<b>ICT software median</b>	<b>1.60</b>	<b>1.45</b>	<b>10.8</b>	<b>9.7</b>	<b>14.7</b>	<b>12.8</b>	<b>27.3</b>	<b>18.8</b>	<b>14.6</b>	<b>13.2</b>
<b>DBA Group SpA</b>	<b>0.38</b>	<b>0.36</b>	<b>5.8</b>	<b>5.0</b>	<b>26.2</b>	<b>14.9</b>	<b>24.2</b>	<b>10.1</b>	<b>2.4</b>	<b>2.2</b>
% prem./disc. to Engineering & PMO	(60.7)	(61.0)	(54.6)	(51.5)	21.7	14.3	21.7	(42.3)	(85.3)	(83.1)
% prem./disc. to ICT software	(76.4)	(75.4)	(45.9)	(48.4)	78.2	16.4	(11.6)	(46.3)	(83.2)	(82.9)

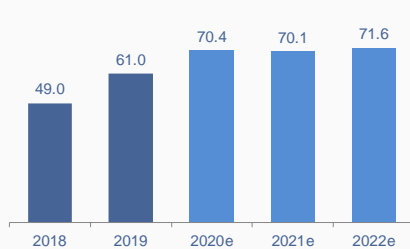
Source: CFO SIM, Thomson Reuters Eikon



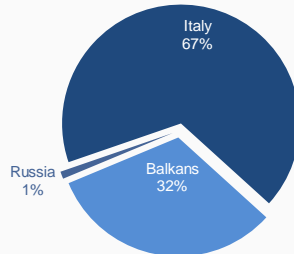


Italy - ICT Consulting

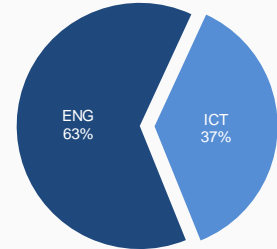
Value of production (€m)



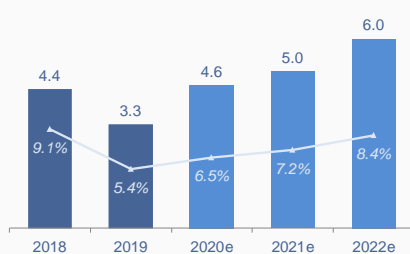
2019 top line by country



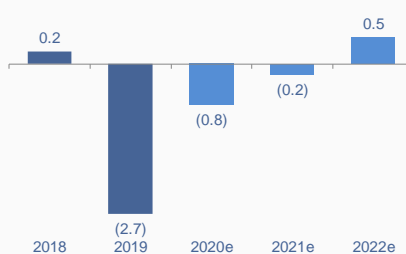
2019 top line by business unit



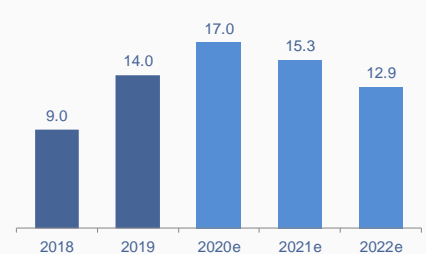
EBITDA (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

The virus has definitely accelerated the digitalisation process and investment in network infrastructure, cybersecurity and IT. Conversely, investment in infrastructure associated with the provision of goods (roads and ports) experienced a marked slowdown. Market conditions remain tough, as highlighted by FY-20 preliminary figures, with price pressure affecting profitability. This, in addition to a still oversized structure compared to the current level of portfolio orders in terms of quality and quantity, is impacting numbers.

In our view, the revised business plan reasonably factors in tough market conditions for 2020-21 as well as a tentative recovery starting in 2022, with lower growth rates and greater margin pressure compared to the previous guidance. The new figures are realistically sustainable in the wake of the significantly changed market conditions.

The upside to the current price suggests only a long term Buy rating on the stock. DBA's track record remains unfavourable: weak interim results prompted the company to revise its budget. In addition, Covid-19 has worsened the business outlook and further deteriorated the competitive situation.

Peer Group Absolute Performance

%	1M	3M	12M
AECOM	0.6%	11.7%	1.6%
Alten SA	-6.0%	26.9%	-23.3%
Arcadis NV	6.9%	44.5%	40.0%
Jacobs Engineering Group Inc	-7.3%	6.3%	6.8%
SNC-Lavalin Group Inc	-2.6%	13.6%	-31.3%
Sweco AB (publ)	-7.7%	-6.8%	11.3%
Accenture PLC	-7.4%	11.5%	16.1%
Capgemini SE	-5.8%	20.5%	5.1%
Devoteam SA	5.3%	0.4%	14.0%
Reply SpA	6.0%	9.4%	37.5%
TXT e solutions SpA	-9.6%	-3.0%	-22.2%

Source: Thomson Reuters Eikon

Latest IR Press Releases

January 27 <sup>th</sup> , 2021	The BoD has approved the 2020 preliminary financials, the 2021 budget and the financial calendar ( <a href="#">link</a> )
January 20 <sup>th</sup> , 2021	Superbonus 110%: partnership agreement with Eko Platform Srl ( <a href="#">link</a> )
December 23 <sup>rd</sup> , 2020	Ports: works supervision and safety coordination assignment in Gioia Tauro port ( <a href="#">link</a> )

Financial Calendar

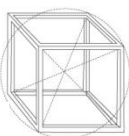
Between March 29 <sup>th</sup> and 31 <sup>st</sup> , 2021	Board of Directors (FY-20 Results)
Between April 27 <sup>th</sup> and 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
Between September 27 <sup>th</sup> and 30 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
28/01/2021	€ 1.50	BUY	FY-20 prel. results	<a href="#">link</a>
10/11/2020	€ 1.50	BUY	New BP release	<a href="#">link</a>
26/10/2020	€ 1.50	BUY	H1-20 results	<a href="#">link</a>
22/06/2020	€ 1.80	BUY	FY-19 results	<a href="#">link</a>

Investor Relations Contacts

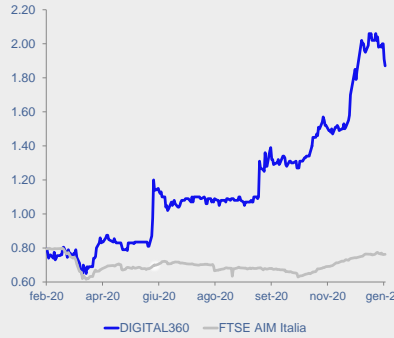
<b>Issuer</b> DBA Group SpA Viale Felissent, 20/d 31020 – Villorba (TV)	<b>Investor Relations Manager</b> Francesco Fontana +39 0422318990 investor.relations@dbagroup.it
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Italy - Digital

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 2.40</b>
<b>Upside/(downside) %</b>	<b>28%</b>
<b>Last Price €</b>	<b>1.87</b>
<b>Market Cap. €m</b>	<b>30.4</b>
<b>1Y High €</b>	<b>2.18</b>
<b>1Y Low €</b>	<b>0.64</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>37,333</b>
<b>Free Float</b>	<b>22%</b>
<b>RIC</b>	<b>DIGIT.MI</b>
<b>BBG</b>	<b>DIG IM</b>



**DIGITAL360**

DIGITAL360 is a leading Italian B2B player in the digital innovation arena, offering support to firms and public administrations for understanding and implementing digital innovation processes. Established in 2012, the company runs a match making platform between digital innovation demand and offer. The firm operates in two business areas: 1) Demand Generation - focuses on tech providers, supporting them in marketing and lead generation activities, through a unique model, based on Digital Marketing & Sales Engine approach; and 2) Advisory&Coaching - is aimed at companies and public administrations via a unique business model based on engineered methodologies, data, asset and know how.

The group has grown significantly in recent years: turnover CAGR11-19 is 44%, boosted by acquisitions, 9 companies between 2012 and 2019, adding a total of € 11.2m revenues. In the same period, EBITDA soared from € 0.2m to € 2.9m, 44% CAGR.

**STRENGTHS**

- Leading position in a large, growing and fragmented market
- Modest CapEx requirement

**WEAKNESSES**

- Current exposure just to domestic market, heavy dependence on one single country
- Limited size in the international competitive arena
- Few key relevant people represent vital asset for the company

€ m	2018	2019	2020e	2021e	2022e
Revenues	21.9	24.9	25.1	32.8	36.7
Total revenues	22.5	25.2	25.4	33.1	37.1
EBITDA	2.6	2.5	4.1	5.3	6.3
EBIT	0.4	0.1	1.4	2.2	3.2
EBIT Adjusted	1.1	1.2	2.1	3.0	3.9
Net Profit	(0.4)	(0.8)	0.5	1.1	1.8
Net Profit Adjusted	0.3	0.3	1.2	1.8	2.5
Capex	5.6	1.9	2.0	2.7	1.7
Net Debt (Cash)	4.6	6.3	3.5	3.1	0.1
EPS reported FD (€ cents)	(2.49)	(4.69)	2.68	6.24	10.13
EPS Adjusted FD (€ cents)	1.82	1.79	6.99	10.54	14.44
CPS (€ cents)	8.92	7.14	26.34	17.49	25.23
DPS (€ cents)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	11.4%	10.0%	16.0%	16.1%	17.0%
EBIT margin	1.7%	0.3%	5.3%	6.7%	8.6%
Dividend yield	-	-	-	-	-
Op NWC/Sales	21.8%	24.8%	18.6%	18.9%	18.8%
ROCE	2.4%	0.4%	7.4%	11.3%	16.0%

Source: Company data, CFO SIM Estimates, Rating and Price Target updated as of 23<sup>rd</sup> September 2020

% YoY	2018	2019	2020e	2021e	2022e
Value of Production	57.2%	12.1%	0.8%	30.3%	12.0%
EBITDA	56.6%	-1.5%	60.8%	31.5%	18.1%
EBIT	37.7%	-79.3%	n.m.	63.7%	43.7%
Net Profit	n.m.	-88.4%	n.m.	n.m.	62.5%
Net Profit Adjusted	-39.2%	-1.6%	n.m.	50.9%	36.9%
Capex	n.m.	-66.7%	7.0%	35.0%	-37.0%
Debt	77.7%	38.7%	-44.8%	-10.4%	-95.7%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Booz Allen Hamilton Holding Corp	1.62	1.50	15.6	14.5	17.3	16.1	22.6	20.7	19.4	17.9
Future PLC	3.83	3.50	13.7	12.1	15.8	14.0	19.1	17.4	16.2	14.7
Gartner Inc	3.76	3.40	20.5	20.2	30.2	29.9	37.5	37.4	22.7	22.6
HubSpot Inc	18.90	15.39	160.5	134.7	253.5	202.3	309.1	246.8	184.3	155.8
Informa PLC	5.64	4.51	27.7	15.1	35.8	18.9	56.5	22.3	35.9	16.5
Relx PLC	5.82	5.47	17.1	15.2	20.4	17.6	23.9	21.1	18.8	17.4
ServiceNow Inc	17.96	14.08	58.7	45.6	75.9	56.3	95.6	72.6	70.3	56.4
TechTarget Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	64.1	51.4	54.2	50.0
Wolters Kluwer NV	4.38	4.32	14.7	14.5	18.3	18.3	23.0	22.6	17.2	16.6
<b>Median</b>	<b>5.01</b>	<b>4.41</b>	<b>18.8</b>	<b>15.2</b>	<b>25.3</b>	<b>18.6</b>	<b>37.5</b>	<b>22.6</b>	<b>22.7</b>	<b>17.9</b>
<b>DIGITAL360 SpA</b>	<b>1.33</b>	<b>1.01</b>	<b>8.3</b>	<b>6.3</b>	<b>16.1</b>	<b>11.3</b>	<b>24.9</b>	<b>16.5</b>	<b>9.5</b>	<b>7.2</b>
% premium / (discount)	(73.4)	(77.1)	(55.6)	(58.7)	(36.3)	(39.2)	(33.8)	(27.1)	(57.9)	(59.8)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Andrea Rangone	23.7%	3.85
Mariano Corso	12.1%	1.97
Alessandro Giuseppe Perego	12.1%	1.97
Raffaello Balocco	4.8%	0.78
Gabriele Faggioli	4.1%	0.66
Carlo Mochi Sismondi	3.9%	0.64
Other <3.5%	17.0%	2.77
<b>Free Float</b>	<b>22.3%</b>	<b>3.62</b>
<b>Total</b>	<b>100.0%</b>	<b>16.26</b>

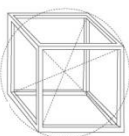
Source: Company data

Price performance	1M	3M	12M
DIGITAL360	1.6%	42.7%	124.0%
Rel.to FTSE AIM	-1.0%	22.7%	128.7%
Rel.to Peers median	3.0%	24.1%	115.8%

Source: Thomson Reuters Eikon

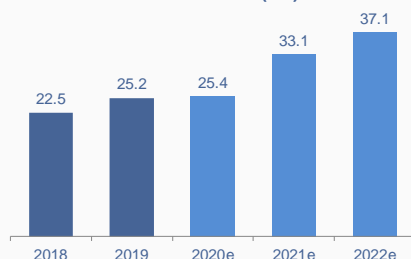
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>19-22</sub>	NFP/EBITDA FY1
Booz Allen	9,664	10.4%	4.0%	1.6
Future PLC	1,923	28.0%	12.1%	n.m.
Gartner Inc	11,176	18.4%	2.5%	2.1
HubSpot Inc	14,073	11.8%	20.9%	n.m.
Informa PLC	8,473	20.3%	-7.1%	5.5
Relx PLC	39,586	34.1%	-0.4%	2.8
ServiceNow	87,319	30.4%	26.1%	n.m.
TechTarget	1,730	33.8%	18.4%	0.0
Wolters Kluw.	18,286	29.7%	1.5%	1.5
<b>DIGITAL360</b>	<b>30</b>	<b>16.0%</b>	<b>13.9%</b>	<b>0.9</b>

Source: Thomson Reuters Eikon

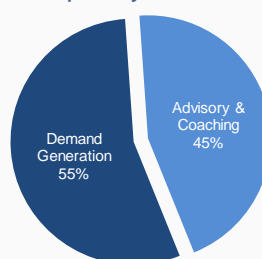


Italy - Digital

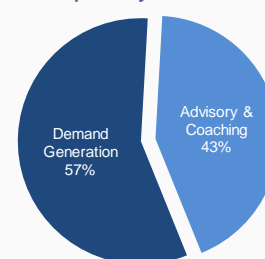
Total Revenues (€m)



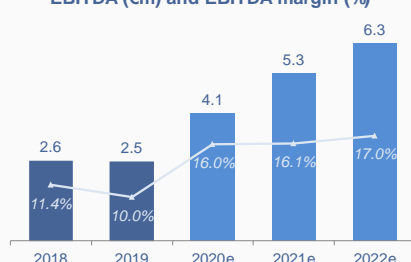
2019 top line by business unit



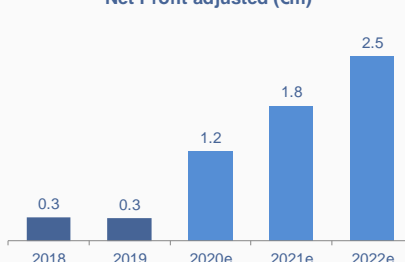
2018 top line by business unit



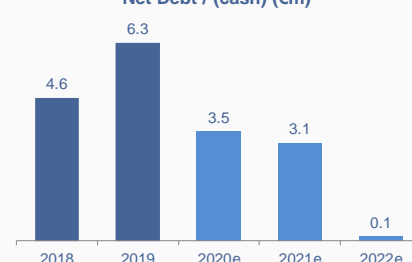
EBITDA (€m) and EBITDA margin (%)



Net Profit adjusted (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

Interim results came in tremendous in absolute terms and also when compared to the CFO SIM FY-20 estimates: more than 90% of our FY EBITDA projection was achieved in the first half of the year. The outstanding performance was driven by 1) the investments made in the last few years aimed at the development of innovative and scalable subscription services (Digital As-A-Service) which generate recurring revenues; and 2) a wider range of services offered to support the digital transformation of companies and public administrations.

We recently said that the rising demand for digital services as a result of the lockdown caused by the COVID-19 spread (for example virtual conferences, webinars, e-learning and online workshops) definitely represents an opportunity for DIGITAL360. Network 360 represents today the largest domestic network of newspapers and B2B portals dedicated to digital transformation and entrepreneurial innovation for managers, professionals, policy makers, politicians, tech companies, start-ups. The traffic generated by the Network 360 activities is a catalyst for accessory services of the Demand Generation BU.

Peer Group Absolute Performance

%	1M	3M	12M
Booz Allen Hamilton Holding Corp	-2.3%	8.5%	8.2%
Future PLC	0.0%	-12.4%	14.2%
Gartner Inc	-5.2%	26.5%	-6.9%
HubSpot Inc	-6.1%	28.3%	102.4%
Informa PLC	-9.0%	19.5%	-35.5%
Relx PLC	1.1%	18.7%	-10.8%
ServiceNow Inc	-1.3%	9.2%	59.0%
TechTarget Inc	26.4%	70.5%	190.1%
Wolters Kluwer NV	-0.9%	-1.6%	-0.4%

Source: Thomson Reuters Eikon

Latest IR Press Releases

- January 26<sup>th</sup>, 2021 DIGITAL360: Financial Calendar Year 2021 ([link](#))
- January 24<sup>th</sup>, 2021 The DIGITAL360 network is growing: ESG360.it, the portal dedicated to sustainable innovation, is born ([link](#))
- January 14<sup>th</sup>, 2021 DIGITAL360 extends the range of subscription-based digital marketing & sales services to all B2B sectors ([link](#))

Financial Calendar

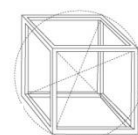
- March 22<sup>nd</sup>, 2021 Board of Directors (FY-20 Results)
- April 29<sup>th</sup>, 2021 Annual General Meeting (FY-20 Results)
- September 20<sup>th</sup>, 2021 Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
23/09/2020	€ 2.40	BUY	H1-20 results	<a href="#">link</a>
26/06/2020	€ 1.70	BUY	Business update	<a href="#">link</a>
29/04/2020	€ 1.20	BUY	FY-19 results	<a href="#">link</a>
23/10/2019	€ 1.20	BUY	H1-19 results	<a href="#">link</a>

Investor Relations Contacts

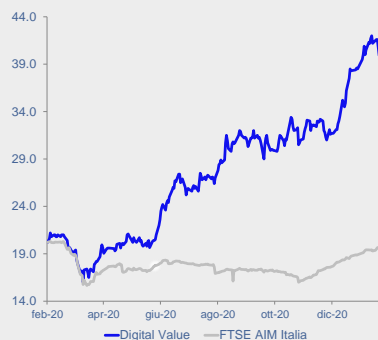
Issuer	Investor Relations Manager
DIGITAL360 SpA Via Copernico, 38 20125 – Milano (MI)	Emilio Adinolfi +39 0292852801 emilio.adinolfi@digital360.it





**Italy - IT Services**

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 38.40</b>
<b>Upside/(downside) %</b>	<b>-1%</b>
<b>Last Price €</b>	<b>38.80</b>
<b>Market Cap. €m</b>	<b>384.0</b>
<b>1Y High €</b>	<b>42.50</b>
<b>1Y Low €</b>	<b>15.70</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>7,433</b>
<b>Free Float</b>	<b>25%</b>
<b>RIC</b>	<b>DGV.MI</b>
<b>BBG</b>	<b>DGV IM</b>



Digital Value originates from the combination of two domestic IT systems integrators, Italtware and ITD Solutions, with more than 30 years of experience in the field. The group supports the digital transformation of its customers through an offer of customised solutions and services. Headquartered in Milan, DGV (Digital Value) focuses on large accounts, firms with more than 500 employees, accounting for more than 50% of total IT spending in Italy in 2017 and the most promising segment in the IT service arena in terms of growth. The group boasts key expertise in network infrastructure and data centers, security, network testing and monitoring, workstation management, Help Desk, data management and analysis, ERP systems management, retail applications, information systems on premise support and governance, outsourcing and cloud. According to Sirmi elaborations and based on 2019 CFO estimates, DGV is the 10th player in the IT provider industry in Italy.

**STRENGTHS**

- Focus on Top Clients (>500 employees) the fastest growing segment of the market
- Complete technological solution portfolio from major global IT vendors
- Solid BS, skilled and motivated team, copious technical certifications and competences

**WEAKNESSES**

- Rather marked customer concentration in TLC, utilities and PA
- DGV has been only recently established as a combination of two firms
- Decisions are concentrated in few key relevant people

€ m	2018	2019	2020e	2021e	2022e
Sales	296.2	363.2	437.4	494.4	558.5
Value of production	298.1	364.8	438.7	495.6	559.7
EBITDA	24.0	31.9	40.6	48.7	56.7
EBIT	21.5	27.1	30.3	38.1	46.1
Net Profit	14.8	19.0	20.3	23.9	29.0
Net Profit Adjusted	14.8	19.0	20.3	23.9	29.0
Capex	0.4	34.4	17.0	17.0	17.0
Net Debt (Cash)	(31.8)	(28.0)	(36.6)	(69.9)	(102.1)
EPS reported FD (€/share)	1.48	1.90	2.04	2.40	2.91
EPS Adjusted FD (€/share)	1.48	1.90	2.04	2.40	2.91
CPS (€/share)	3.33	3.13	2.56	5.67	5.65
DPS (€/share)	0.00	0.00	0.62	0.72	0.88
EBITDA margin	8.1%	8.8%	9.3%	9.8%	10.1%
EBIT margin	5.0%	5.2%	4.6%	4.8%	5.2%
Dividend yield	-	-	1.6%	1.9%	2.3%
Op NWC/Sales	-25.5%	-29.4%	-21.8%	-21.4%	-20.7%
ROCE	34.9%	27.5%	25.1%	27.3%	28.2%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 10<sup>th</sup> August 2020

% YoY	2018	2019	2020e	2021e	2022e
Value of production	15.1%	22.4%	20.2%	13.0%	12.9%
EBITDA	22.2%	32.9%	27.2%	19.8%	16.5%
EBIT	28.5%	26.1%	11.9%	25.9%	20.9%
Net Profit	37.4%	28.3%	7.0%	17.7%	21.5%
Net Profit Adjusted	37.3%	28.3%	7.0%	17.7%	21.5%
Capex	n.m.	n.m.	-50.6%	0.0%	0.0%
Debt	n.m.	-11.9%	30.6%	91.1%	46.0%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Accenture PLC	3.17	2.91	17.2	15.8	21.2	19.3	30.2	27.7	23.0	21.4
Alten SA	1.19	1.10	15.4	11.1	24.8	15.2	30.4	21.7	17.9	14.5
Atos SE	0.63	0.59	4.6	4.1	7.8	6.8	9.3	8.7	5.1	4.9
Aubay SA	n.m.	1.02	n.m.	8.8	n.m.	10.8	20.2	18.1	14.5	13.4
Capgemini SE	1.60	1.45	10.8	9.7	14.7	12.8	18.3	16.2	11.6	10.8
Computacenter PLC	0.47	0.40	9.7	9.3	12.7	12.2	19.5	19.4	13.6	13.2
Devoteam SA	0.96	0.87	8.3	7.3	10.7	9.1	22.1	18.8	14.4	13.2
Econocom Group SE	0.30	0.27	4.6	3.9	6.7	6.1	9.0	8.5	5.1	4.5
Indra Sistemas SA	0.61	0.56	12.6	5.5	67.2	8.5	n.m.	10.7	11.6	5.4
Reply SpA	2.90	2.49	18.1	15.4	22.3	19.0	33.4	29.8	25.0	22.3
Sesa SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	26.2	22.0	15.4	13.5
Sopra Steria Group SA	0.79	0.72	8.1	6.7	14.3	10.4	18.0	13.7	8.4	7.4
TietoEVRY Corp	1.42	1.37	8.3	7.7	12.3	11.1	13.5	11.8	8.1	7.5
<b>Median</b>	<b>0.96</b>	<b>0.95</b>	<b>9.7</b>	<b>8.3</b>	<b>14.3</b>	<b>11.0</b>	<b>19.9</b>	<b>18.1</b>	<b>13.6</b>	<b>13.2</b>
<b>Digital Value SpA*</b>	<b>0.80</b>	<b>0.64</b>	<b>8.6</b>	<b>6.5</b>	<b>11.6</b>	<b>8.3</b>	<b>19.1</b>	<b>16.2</b>	<b>12.6</b>	<b>11.2</b>
% premium / (discount)	(16.7)	(32.6)	(11.3)	(21.4)	(19.1)	(24.1)	(4.1)	(10.8)	(7.0)	(14.8)

Source: CFO SIM, Thomson Reuters Eikon, \* multiples are fully diluted

Outstanding shares	%	# m
DV Holding SpA	67.2%	6.65
Promoters	7.4%	0.74
Free Float	25.4%	2.51
<b>Total</b>	<b>100.0%</b>	<b>9.90</b>

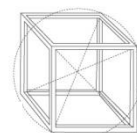
Source: Company data

Price performance	1M	3M	12M
Digital Value	0.8%	25.2%	98.0%
Rel.to FTSE AIM	-1.8%	5.1%	102.7%
Rel.to Peers Median	-0.3%	4.6%	92.8%

Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>18-22</sub>	NFP/EBITDA FY1
Accenture	131,790	18.4%	6.7%	n.m.
Alten	2,956	7.7%	-0.6%	n.m.
Atos	6,974	13.8%	0.1%	0.1
Aubay	486	11.1%	2.7%	n.m.
Capgemini	20,145	14.9%	7.7%	2.2
Computacenter	3,031	4.8%	6.2%	n.m.
Devoteam	816	11.6%	3.4%	n.m.
Econocom	625	6.1%	-1.4%	1.1
Indra Sist.	1,283	4.8%	0.5%	3.8
Reply	3,774	16.0%	9.0%	n.m.
Sesa	1,500	6.3%	11.7%	n.m.
Sopra Steria	2,808	9.7%	1.5%	1.4
TietoEVRY	3,210	17.2%	19.4%	1.7
<b>Digital Value</b>	<b>384</b>	<b>9.3%</b>	<b>15.3%</b>	<b>n.m.</b>

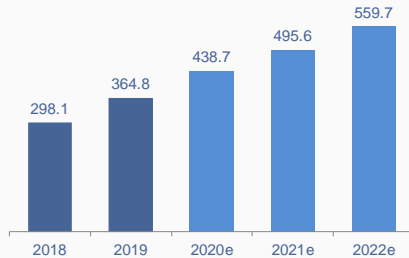
Source: Thomson Reuters Eikon



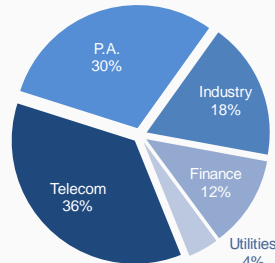


Italy - IT Services

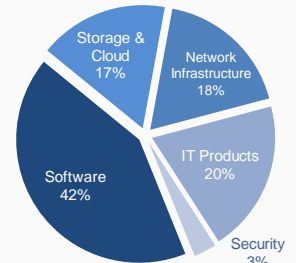
Value of Production (€m)



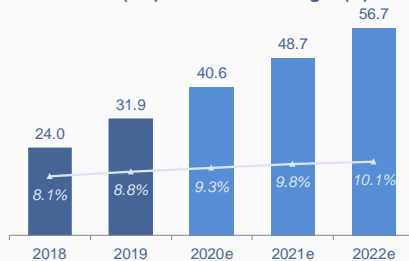
2019 top line by sector



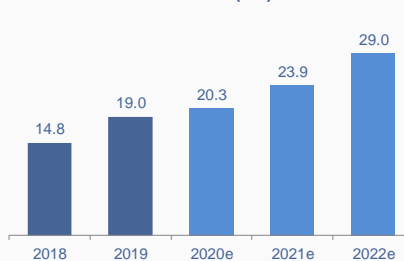
2019 top line by products



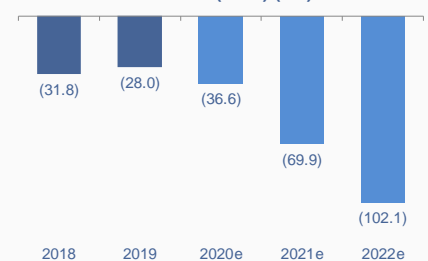
EBITDA (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

2020 interim results clearly proved the segment in which DGV operates is resilient to such a deep emergency situation. The lock-down contributed to revealing many of the technological gaps in firms' and PAs level of digitisation. DGV, thanks to its wide array of offers developed together with the best technological partners and its exposure towards large customers (firms and PAs), is very well positioned to benefit from the trend of digitalisation empowerment. Order portfolio at some € 300m offers a fairly good short-medium term visibility and is based on and sustained by long-term relationships with customers. H1-20 figures definitely enthrone DGV as a resilient stock to have in this particular market scenario.

In this market turmoil, DGV represents a fairly cheap, growing, cash flow generative safe resilient player with upside potential arising from the active leading role it can play in this unavoidably consolidating arena. On the back of the extremely solid balance sheet and the massive cash flow generation capability, the magnitude of a possible move might be considerable. Our estimates do not take into account any external growth opportunity.

Peer Group Absolute Performance

%	1M	3M	12M
Accenture PLC	-7.4%	11.5%	16.1%
Alten SA	-6.0%	26.9%	-23.3%
Atos SE	-15.1%	8.3%	-16.4%
Aubay SA	7.3%	27.7%	20.8%
Capgemini SE	-5.8%	20.5%	5.1%
Computacenter PLC	-3.9%	3.4%	30.7%
Devoteam SA	5.3%	0.4%	14.0%
Econocom Group SE	3.0%	35.1%	-0.2%
Indra Sistemas SA	4.2%	41.2%	-30.4%
Reply SpA	6.0%	9.4%	37.5%
Sesa SpA	-5.9%	20.4%	89.3%
Sopra Steria Group SA	3.6%	34.2%	-4.8%
TietoEVRY Corp	1.0%	26.8%	-6.4%

Source: Thomson Reuters Eikon

Latest IR Press Releases

January 28 <sup>th</sup> , 2021	Corporate Events Calendar <a href="#">(link)</a>
January 26 <sup>th</sup> , 2021	Digital Value announces new recruitments in the commercial area <a href="#">(link)</a>
January 18 <sup>th</sup> , 2021	Appointment of new Chief Financial Officer <a href="#">(link)</a>

Financial Calendar

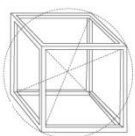
February 11 <sup>th</sup> , 2021	Board of Directors (Preliminary FY-20 Results)
March 30 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
May 3 <sup>rd</sup> , 2021	Annual General Meeting (FY-20 Results)
August 4 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
10/08/2020	€ 38.40	BUY	H1-20 results	<a href="#">link</a>
01/04/2020	€ 27.70	BUY	FY-19 results	<a href="#">link</a>
25/09/2019	€ 21.20	BUY	H1-19 results	<a href="#">link</a>
17/05/2019	€ 21.20	BUY	German Spring Conf	<a href="#">link</a>

Investor Relations Contacts

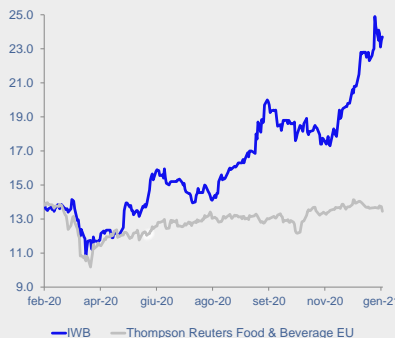
<b>Issuer</b> Digital Value SpA Via della Maglianella, 65/E 00166 – Roma (RM)	<b>Investor Relations Manager</b> Riccardo Benedini +39 0262610403 investors@digitalvalue.it
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Italy - IT Food and Beverage

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 30.00</b>
<b>Upside/(downside) %</b>	<b>27%</b>
<b>Last Price €</b>	<b>23.70</b>
<b>Market Cap. €m</b>	<b>175.4</b>
<b>1Y High €</b>	<b>25.30</b>
<b>1Y Low €</b>	<b>10.70</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>13,878</b>
<b>Free Float</b>	<b>79%</b>
<b>RIC</b>	<b>ITWB.MI</b>
<b>BBG</b>	<b>IWB.MI</b>



ITALIAN WINE BRANDS

IWB (Italian Wine Brands) is the holding company of a leading producer and distributor in the Italian wine industry. The Group operates through two channels: Distance Selling and Wholesale. Distance Selling's activity deals with the production and distribution of wine through distance selling channels such as mailing, telesales or internet, addressed to end consumers in Italy, the UK, Germany, Switzerland, Holland, Austria, France and the USA. The Distance Selling division boasts a catalogue of over 140 different wines and spumanti and 130 traditional Italian food products. Since the Distance Selling arm does not own any vineyards, it procures raw materials (grapes, must and bulk wine) from Italian vineyards and wine producers, which it works in its own two proprietary wineries. Wholesale is focused on sale and distribution in the international markets to mass retailers where it distributes both privately labelled and branded products. The Wholesale arm outsources both the bottling and the logistic activity in order to make its supply operations faster, leaner and more efficient.

**STRENGTHS**

- Lean structured and well-proven logistic platform
- B2C huge clients database
- Amongst the highest quality/price ratio in the market
- Skilled and motivated top management

**WEAKNESSES**

- Mature arena, poor market growth rates
- B2B segment: relevant customers' bargaining power

€ m	2018	2019	2020e	2021e	2022e
Net Sales	149.9	157.5	203.6	204.9	209.7
EBITDA Adjusted	14.6	18.1	24.8	25.7	26.9
EBITDA	13.4	16.3	24.8	25.7	26.9
EBIT Adjusted	11.1	13.5	19.9	20.9	22.2
EBIT	9.9	11.7	19.9	20.9	22.2
Net Profit Adjusted	6.4	7.9	13.8	14.5	15.6
Net Profit	7.2	9.2	13.8	14.5	15.6
Capex	4.0	2.8	11.0	4.1	2.2
Net Debt (Cash)	3.4	10.7	8.1	(5.2)	(19.8)
EPS Reported FD (€/share)	0.86	1.07	1.86	1.96	2.10
EPS Adjusted FD (€/share)	0.98	1.24	1.86	1.96	2.10
CPS FD (€/share)	0.94	1.44	2.34	2.92	2.87
DPS (€/share)	0.40	0.50	0.58	0.61	0.66
EBITDA margin	9.0%	10.4%	12.2%	12.5%	12.9%
EBIT margin	6.6%	7.4%	9.8%	10.2%	10.6%
Dividend yield	1.7%	2.1%	2.4%	2.6%	2.8%
Net margin	4.8%	5.8%	6.8%	7.1%	7.4%
Op NWC/Sales	-3.2%	-1.1%	1.1%	-0.1%	-0.5%
ROCE	7.1%	8.1%	12.8%	12.6%	12.6%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 22<sup>nd</sup> January 2021

% YoY	2018	2019	2020e	2021e	2022e
Net Sales	0.1%	5.1%	29.3%	0.6%	2.3%
EBITDA	-5.2%	21.5%	52.0%	3.6%	5.0%
EBIT	-8.5%	18.7%	70.2%	4.6%	6.6%
Net Profit	-5.7%	24.4%	74.1%	5.3%	7.4%
Net Profit adj.	-11.0%	26.9%	49.7%	5.3%	7.4%
Capex	n.m.	-30.6%	n.m.	-63.0%	-46.2%
Debt	46.3%	n.m.	-24.5%	n.m.	n.m.

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Baron de Ley SA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Concha y Toro Winery Inc	1.55	1.50	8.6	8.4	11.3	10.6	12.2	11.4	8.5	8.4
Lanson BCC SA	3.23	2.81	35.7	29.4	53.0	40.1	18.7	14.7	10.0	9.0
Laurent Perrier SA	3.56	3.17	19.0	16.0	22.8	18.8	28.5	22.5	20.2	16.8
Masi Agricola SpA	1.84	1.58	22.4	9.9	79.3	15.8	n.m.	28.0	30.0	12.7
Schloss Wachenheim AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.2	11.9	5.2	5.1
Treasury Wine Estates Ltd	3.51	3.52	14.2	12.9	19.2	16.9	28.2	24.3	17.5	16.0
Vranken Pommery Monopole SA	3.48	3.19	25.1	23.3	105.9	68.9	65.5	49.8	4.6	4.9
<b>Wine producers median</b>	<b>3.36</b>	<b>2.99</b>	<b>20.7</b>	<b>14.4</b>	<b>37.9</b>	<b>17.8</b>	<b>23.4</b>	<b>22.5</b>	<b>10.0</b>	<b>9.0</b>
Hawesko Holding AG	0.87	0.84	8.4	8.8	14.0	14.5	17.9	19.2	8.5	9.2
Naked Wines PLC	1.46	1.40	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Wine distributors median</b>	<b>1.17</b>	<b>1.12</b>	<b>8.4</b>	<b>8.8</b>	<b>14.0</b>	<b>14.5</b>	<b>17.9</b>	<b>19.2</b>	<b>8.5</b>	<b>9.2</b>
<b>Italian Wine Brands SpA</b>	<b>0.90</b>	<b>0.83</b>	<b>7.4</b>	<b>6.6</b>	<b>9.2</b>	<b>8.2</b>	<b>12.8</b>	<b>12.1</b>	<b>9.4</b>	<b>9.1</b>
% premium / (discount) to wine producers	(73.1)	(72.2)	(64.2)	(54.1)	(75.7)	(54.3)	(45.6)	(46.2)	(5.5)	0.7
% premium / (discount) to wine distributors	(22.7)	(26.0)	(12.1)	(24.9)	(34.4)	(43.9)	(28.8)	(37.0)	11.5	(1.1)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Provinco	9.1%	0.67
IPOC	8.7%	0.64
Raphael Dal Bo	2.8%	0.21
Treasury Shares	0.5%	0.04
<b>Free Float, o/w</b>	<b>78.8%</b>	<b>5.84</b>
Otus Capital Management	9.9%	0.73
Praude Asset Management	6.3%	0.47
<b>Total</b>	<b>100.0%</b>	<b>7.40</b>

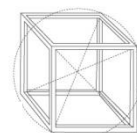
Source: Company data

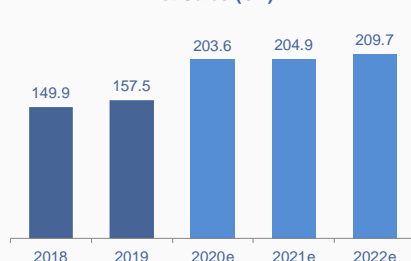
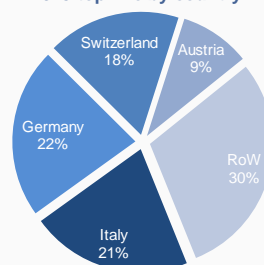
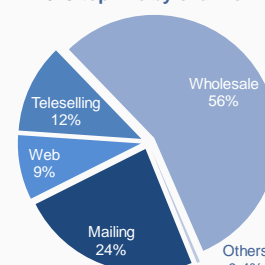
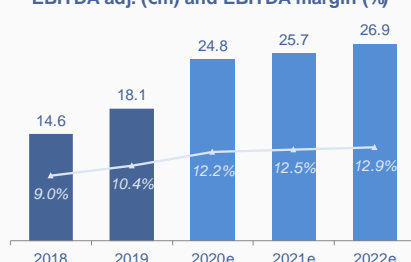
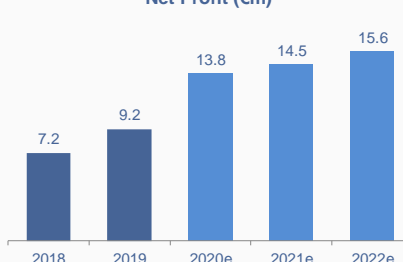
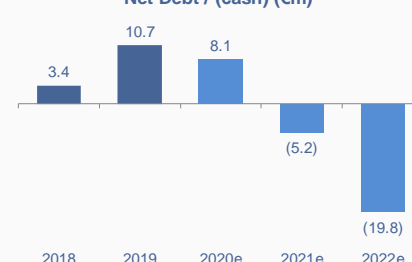
Price performance	1M	3M	12M
Italian Wine Brands	13.9%	31.7%	74.3%
Rel.to FTSE AIM	11.3%	11.6%	79.0%
Rel.to Sector	17.4%	21.0%	76.6%

Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>10-22</sub>	NFP/EBITDA FY1
Baron de Ley	453	n.a.	n.a.	n.a.
Concha y Toro	987	18.0%	5.3%	2.1
Lanson	140	7.6%	-0.6%	34.4
Laurent Perrier	441	18.7%	n.a.	7.5
Masi Agricola	84	9.7%	0.2%	2.5
Schloss Wach.	120	9.8%	1.6%	n.a.
Treasury Wine	4,588	24.5%	0.0%	2.3
Pommery	125	13.4%	-0.8%	22.2
Hawesko	402	10.3%	4.9%	2.0
Naked Wines	592	-0.8%	26.0%	19.1
<b>IWB</b>	<b>175</b>	<b>12.2%</b>	<b>10.0%</b>	<b>0.3</b>

Source: Thomson Reuters Eikon



**Italy - IT Food and Beverage**
**Net Sales (€m)**

**2019 top line by country**

**2019 top line by channel**

**EBITDA adj. (€m) and EBITDA margin (%)**

**Net Profit (€m)**

**Net Debt / (cash) (€m)**

**Investment Case: Reasons to Invest and Valuation**

IWB reported tremendous top line growth in FY-20, driven by double digit organic progression in addition to the recent acquisition of Raphael Dal Bo. The group visibly benefited from its positioning on retail chains and directly on consumers in these troubled times. The e-commerce segment literally exploded. This achievement places IWB's turnover figures more than two years ahead of CFO Sim forecasts. Following the delivery of 2020 full year revenues, CFO SIM has updated its model: our new estimates show unchanged top line growth assumptions in 2021-22 as well as EBITDA margin assumptions. We believe the 2020 shift from out-of-home to home consumption is not really something permanent and to a certain extent we expect a gradual recovery of the status quo.

This strong performance was driven by 1) a broader proprietary brand portfolio, 2) the acquisition of new clients, and 3) an increase in the share of wallet of existing customers. It was undoubtedly sustained by the pandemic as well: out-of-home consumption (horeca: hotel, restaurant and café) declined dramatically during and after the lockdown to the benefit of home consumption. The revenue increase was also driven by a further strengthening of proprietary brands, namely Grande Alberone, Ronco di Sassi, Giordano Vini, Oroperla, Aimone, and Elettra.

**Peer Group Absolute Performance**

%	1M	3M	12M
Baron de Ley SA	0.0%	1.8%	5.7%
Lanson BCC SA	-7.9%	16.6%	-23.0%
Laurent Perrier SA	-1.1%	5.1%	-9.5%
Masi Agricola SpA	7.8%	16.4%	-14.9%
Schloss Wachenheim AG	0.0%	-1.9%	-4.1%
Treasury Wine Estates Ltd	6.9%	9.6%	-22.7%
Concha y Toro Winery Inc	-4.4%	-3.5%	-14.0%
Vranken Pommery Monopole SA	-5.1%	5.7%	-25.4%
Hawesko Holding AG	1.4%	13.1%	36.2%
Naked Wines PLC	7.2%	53.7%	241.4%

Source: Thomson Reuters Eikon

**Latest IR Press Releases**

January 21 <sup>st</sup> , 2021	Shareholders' Meeting resolutions ( <a href="#">link</a> )
January 21 <sup>st</sup> , 2021	FY-20 preliminary revenues ( <a href="#">link</a> )
January 15 <sup>th</sup> , 2021	Corporate Event Calendar 2021 ( <a href="#">link</a> )

**Financial Calendar**

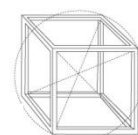
March 17 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 22 <sup>nd</sup> , 2021	Annual General Meeting (FY-20 Results)
September 15 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

**Latest Equity Research published**

Date	PT €/s	Rating	Type of report	Download
22/01/2021	€ 30.00	BUY	FY-20 Revenues	<a href="#">link</a>
04/12/2020	€ 25.00	BUY	Sector News	<a href="#">link</a>
18/09/2020	€ 25.00	BUY	H1-20 results	<a href="#">link</a>
08/06/2020	€ 20.00	BUY	Sector News	<a href="#">link</a>

**Investor Relations Contacts**

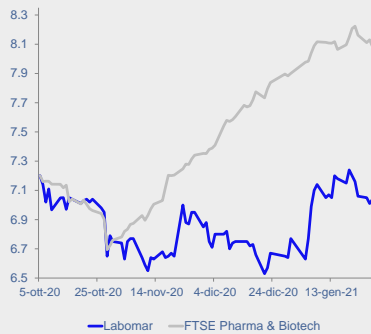
<b>Issuer</b>	<b>Investor Relations Manager</b>
Italian Wine Brands SpA	Pier Paolo Quaranta
Viale Abruzzi, 94	+39 0230516516
20131 – Milano (MI)	investors@italianwinebrands.it





Italy - Nutraceutical

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 8.50</b>
<b>Upside/(downside) %</b>	<b>16%</b>
<b>Last Price €</b>	<b>7.30</b>
<b>Market Cap. €m</b>	<b>134.9</b>
<b>1Y High €</b>	<b>7.78</b>
<b>1Y Low €</b>	<b>6.38</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>15,384</b>
<b>Free Float</b>	<b>18%</b>
<b>RIC</b>	<b>LBM.MI</b>
<b>BBG</b>	<b>LBM MI</b>



Originating in 1998 from a family pharmacy owned by Mr Bertin, today Labomar is a research-driven full service B2B Contract Development and Manufacturing Organisation (CDMO). It operates in the dietary supplements and medical devices market and provides global big pharma firms with high-grade value-added technological content dietary supplements and medical devices. Labomar aims at being the reference partner for customers looking for innovative and effective products, able to improve people's wellness. Today Labomar operates three specialised manufacturing plants and one R&D facility in Istrana (TV), located in hard-working, creative north eastern Italy, as well as a manufacturing plant in Canada stemming from the ImportFab acquisition. The company reported 13.7% organic sales CAGR<sub>14-19</sub> (17.9% including M&A) mainly as a result of continuous product innovation and the consequent increased share of wallet with pharma corporations.

**STRENGTHS**

- Well-structured R&D team managing over 800 projects per year
- Wide product portfolio with several ready-to-market solutions
- Tailor-made solutions across several therapeutic areas based on proprietary technologies
- Unique salesforce able to proactively understand the client's needs

**WEAKNESSES**

- Limited M&A track record
- Clients ask for specific products that Labomar is not able to provide yet

€ m	2019	2019PF	2020e	2021e	2022e
Value of production	49.1	57.4	62.0	72.7	83.4
EBITDA	9.1	11.3	10.9	15.3	17.3
EBITDA Adjusted	9.7	12.2	12.5	14.8	17.3
EBIT	5.8	7.4	6.7	10.3	11.1
EBIT Adjusted	6.4	8.3	8.3	9.8	11.1
Net Profit	4.1	5.0	4.6	7.3	7.8
Net Profit Adjusted	4.6	5.7	5.8	6.9	7.8
Capex	23.0	0.0	6.0	8.5	12.5
Net Debt (Cash)	28.7	28.7	2.5	1.3	2.5
EPS Reported FD (€/share)	0.22	0.27	0.25	0.39	0.42
EPS Adjusted FD (€/share)	0.25	0.31	0.31	0.37	0.42
CPS FD (€/share)	-	-	0.47	0.60	0.73
DPS (€/share)	-	-	0.08	0.12	0.13
EBITDA adj. margin	19.7%	21.2%	20.2%	20.4%	20.8%
EBIT adj. margin	13.0%	14.5%	13.4%	13.5%	13.3%
Dividend yield	-	-	1.0%	1.6%	1.7%
Net margin	8.4%	8.7%	7.5%	10.0%	9.4%
Op NWC/Sales	14.0%	12.0%	11.9%	12.7%	12.7%
ROCE	12.4%	15.9%	8.9%	12.7%	12.6%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 23<sup>rd</sup> November 2020

% YoY	2019	2019PF	2020e	2021e	2022e
Value of production	11.3%	n.m.	8.1%	17.2%	14.7%
EBITDA Adjusted	7.5%	n.m.	2.7%	18.5%	17.0%
EBIT Adjusted	4.0%	n.m.	-0.2%	18.3%	12.7%
Net Profit Adjusted	5.1%	n.m.	2.4%	19.3%	13.3%
Capex	n.m.	n.m.	n.m.	41.7%	47.1%
Debt	n.m.	n.m.	-91.2%	-46.7%	88.8%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Biosearch SA	2.79	2.52	22.4	16.5	52.4	25.8	54.3	31.7	22.4	18.6
Catalent Inc	5.66	5.05	22.9	19.9	30.3	26.4	41.6	35.1	27.9	23.8
Clover Corporation Ltd	3.44	2.41	20.6	13.1	21.7	13.6	29.0	19.0	27.1	18.1
Fine Foods & Pharmaceuticals NTM SpA	0.89	0.75	6.8	5.3	15.0	9.8	20.9	14.7	9.0	7.2
Jubilant Life Sciences Ltd	1.78	1.54	9.0	7.4	12.1	9.9	16.9	13.5	10.7	8.9
Lonza Group AG	7.34	6.70	25.3	22.1	34.0	29.1	39.3	34.0	27.6	24.5
Probi AB	7.04	6.57	24.5	22.6	38.9	35.5	54.0	48.1	n.m.	n.m.
Recipharm AB (publ)	2.19	1.99	11.3	9.9	23.7	18.2	32.6	23.9	10.4	9.5
Siegfried Holding AG	3.79	3.22	22.4	18.2	35.5	27.7	42.4	31.4	23.6	18.7
<b>Median CDMO</b>	<b>3.44</b>	<b>2.52</b>	<b>22.4</b>	<b>16.5</b>	<b>30.3</b>	<b>25.8</b>	<b>39.3</b>	<b>31.4</b>	<b>23.0</b>	<b>18.3</b>
Biesse SpA	0.95	0.84	12.2	8.3	33.9	17.0	58.8	25.4	14.0	9.6
Eurotech SpA	2.13	1.50	23.9	8.8	57.0	11.4	99.4	13.8	30.7	10.5
Freni Brembo SpA	1.91	1.66	10.8	8.7	22.9	16.1	31.1	20.8	11.6	9.5
Guala Closures SpA	1.66	1.49	9.2	7.9	18.4	14.5	85.9	27.2	8.9	7.1
Interpump Group SpA	3.37	2.98	15.2	13.0	21.7	17.6	29.3	23.5	18.0	15.8
Lu-Ve SpA	1.11	0.99	10.2	8.0	25.7	15.0	25.9	15.6	8.3	7.1
Prima Industrie SpA	0.81	0.63	11.4	6.7	185.8	15.5	n.m.	16.4	7.3	4.8
<b>Median Domestic B2B</b>	<b>1.66</b>	<b>1.49</b>	<b>11.4</b>	<b>8.3</b>	<b>25.7</b>	<b>15.5</b>	<b>44.9</b>	<b>20.8</b>	<b>11.6</b>	<b>9.5</b>
<b>Labomar SpA</b>	<b>2.22</b>	<b>1.88</b>	<b>11.0</b>	<b>9.2</b>	<b>16.6</b>	<b>13.9</b>	<b>23.3</b>	<b>19.5</b>	<b>13.5</b>	<b>11.3</b>
% premium / (discount) to CDMO	(35.7)	(25.4)	(50.9)	(44.2)	(45.3)	(46.3)	(40.7)	(37.8)	(41.3)	(38.2)
% premium / (discount) to Domestic B2B	33.6	26.0	(3.9)	10.7	(35.7)	(10.4)	(48.2)	(6.0)	16.3	18.6

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
LBM Holding Srl	71.1%	13.15
Master Lab	6.3%	1.17
Value First	2.7%	0.50
Others	1.9%	0.35
Free Float	17.9%	3.32
<b>Total</b>	<b>100.0%</b>	<b>18.48</b>

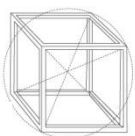
Source: Company data

Price performance	1M	3M	12M
Labomar	8.6%	9.0%	-
Rel.to FTSE AIM	6.0%	-11.1%	-
Rel.to CDMO peers	8.2%	-2.2%	-

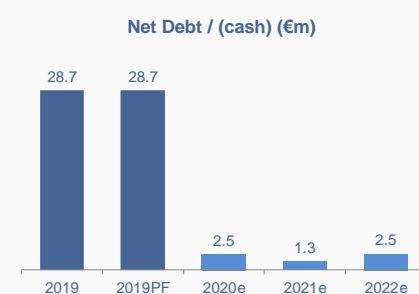
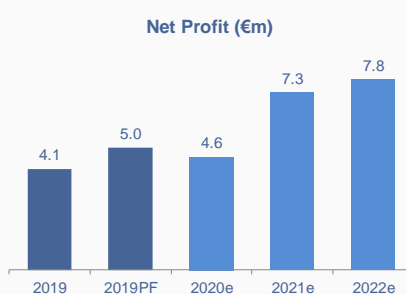
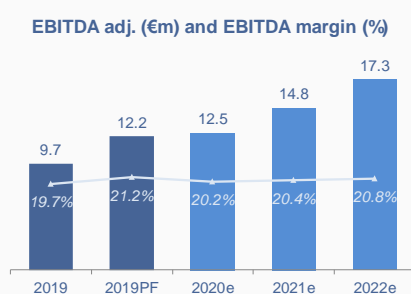
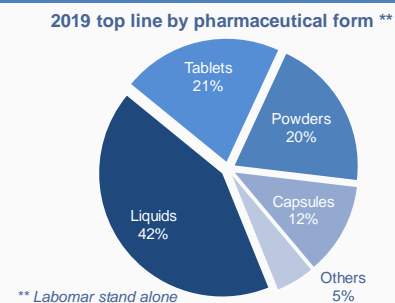
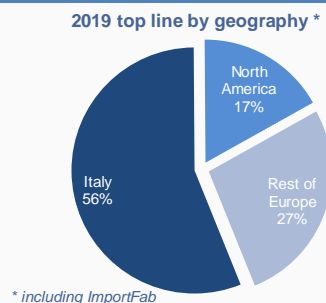
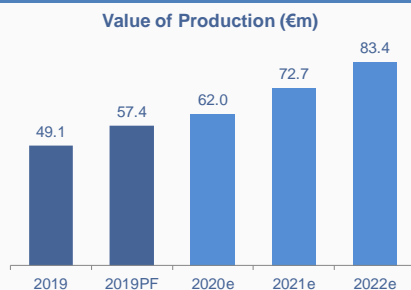
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>18-22</sub>	NFP/EBITDA FY1
Biosearch	76	12.4%	15.0%	0.7
Catalent	15,613	24.6%	9.6%	2.1
Clover Corp.	158	16.7%	9.7%	0.6
Fine Foods	198	13.0%	13.4%	n.m.
Jubilant Life	1,605	19.8%	4.5%	1.4
Lonza Group	39,286	27.8%	6.1%	1.7
Probi	524	29.2%	9.3%	n.m.
Recipharm	1,821	18.5%	19.5%	4.3
Siegfried	2,602	16.9%	9.0%	2.6
<b>Labomar</b>	<b>135</b>	<b>20.2%</b>	<b>13.3%</b>	<b>0.2</b>

Source: Thomson Reuters Eikon



Italy - Nutraceutical



Investment Case: Reasons to Invest and Valuation

Labomar is a leading one-stop-shop CDMO (Contract Development and Manufacturing Organisation) operating in the dietary supplements and medical devices market and serving global big pharma firms. The company provides its clients with a full range of services from R&D activity to packaging of finished products. The group is able to run tailor-made solutions based on proprietary patents across a wide range of therapeutic areas via several kinds of dosage forms. Due to its strong R&D effort, its distinctive selling proposition and its proactive go-to-market strategy, Labomar is able to intercept all the heterogeneous needs of its existing and potential clients, reducing time-to-market, increasing the share of wallet and cementing trust-based relationships with customers.

The group went public to feed and accelerate its development and growth. The strategy is based on the following pillars: 1) consolidation of the domestic market share thanks to the group's strong R&D effort, the wide ready-to-market product portfolio and the ability to manage several delivery forms; 2) organic geographical expansion: the first target market where Labomar plans to expand is North America, thanks to the ImportFab acquisition; 3) building of the new L6 plant with the aim to enlarge its production capacity and improve its operating efficiency; 4) exploiting synergies with ImportFab, namely cross-selling opportunities and cross-fertilisation; 5) external growth. The IPO proceeds will be used mainly to pursue M&A opportunities.

Peer Group Absolute Performance

%	1M	3M	12M
Biosearch SA	-5.6%	8.0%	1.5%
Catalent Inc	10.6%	31.1%	85.6%
Clover Corporation Ltd	-9.9%	-15.3%	-43.8%
Fine Foods & Pharmaceuticals NTM †	0.5%	8.8%	-13.5%
Jubilant Life Sciences Ltd	4.6%	22.4%	47.9%
Lonza Group AG	0.2%	2.7%	41.9%
Probi AB	7.6%	17.2%	122.0%
Recipharm AB (publ)	4.8%	60.4%	84.4%
Siegfried Holding AG	-1.0%	11.1%	42.5%

Source: Thomson Reuters Eikon

Latest IR Press Releases

January 21 <sup>st</sup> , 2021	Corporate Financial Calendar ( <a href="#">link</a> )
October 14 <sup>th</sup> , 2020	Exercise of the greenshoe option ( <a href="#">link</a> )
October 8 <sup>th</sup> , 2020	Communication in accordance to art. 17 of the AIM Issuer regulation ( <a href="#">link</a> )

Financial Calendar

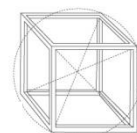
March 29 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
May 3 <sup>rd</sup> , 2021	Annual General Meeting (FY-20 Results)
September 27 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
23/11/2020	€ 8.50	BUY	Initiation of Coverage	<a href="#">link</a>

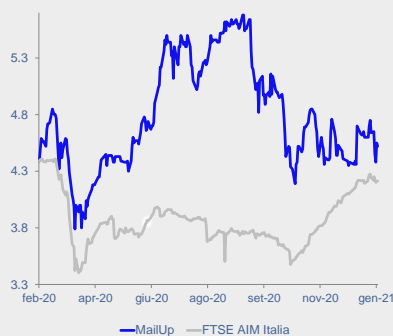
Investor Relations Contacts

<b>Issuer</b> Labomar SpA Via N. Sauro, 35/1 31036 – Istrana (TV)	<b>Investor Relations Manager</b> Claudio De Nadai +39 0422677203 claudio.denadai@labomar.com
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Italy - Marketing Technology

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 6.60</b>
<b>Upside/(downside) %</b>	<b>46%</b>
<b>Last Price €</b>	<b>4.52</b>
<b>Market Cap. €m</b>	<b>67.7</b>
<b>1Y High €</b>	<b>5.74</b>
<b>1Y Low €</b>	<b>3.45</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>15,729</b>
<b>Free Float</b>	<b>36%</b>
<b>RIC</b>	<b>MAIL.MI</b>
<b>BBG</b>	<b>MAIL IM</b>



Founded in Cremona (Italy) in 2002 as an email service provider, MailUp is now a leading international scale-up in the European Cloud Marketing Technologies market, one of the fastest growing industries worldwide. The group is a vertically integrated player focusing on messaging and data-driven/multi-channel marketing automation, providing over 23,000 clients in 115 countries with a wide range of solutions. MailUp develops and sells 1) technologies for the mass sending of emails and mobile messages, 2) sophisticated email and newsletter editing tools, 3) innovative technological solutions for predictive marketing and 4) professional consulting services.

The group operates five synergic business units, corresponding to five different companies: MailUp, Agile Telecom, BEE, Datatrics and Acumbamail. The group achieved a significant growth path since its establishment: born as a start-up in 2002, MailUp closed FY-19 with revenues of € 60.8m, EBITDA of € 4.8m and over 240 employees. Since the IPO in 2014 the group's revenues increased by a CAGR13-19 of 42.7%, thanks to organic growth boosted by a few acquisitions.

**STRENGTHS**

- Leading European player in cloud marketing technologies
- Vertically integrated MarTech actor: from data collection to omni-channel activation
- Datatrics extends the traditional marketing automation with Artificial Intelligence
- R&D investments historically exceeds 10% of revenues every year

**WEAKNESSES**

- Turnover depends highly from SMS, typically non-recurring
- Higher price pressure and lower margins in SMS business compared to email
- Few key relevant people represent a vital asset for the company
- Sizable goodwill (€ 16.6m, 33% of total assets)

€ m	2018	2019	2020e	2021e	2022e
Total revenues	40.2	60.8	66.0	75.7	85.0
EBITDA	3.8	4.8	5.0	7.0	8.4
EBIT	1.9	1.8	2.0	4.1	5.4
Net Profit	1.3	1.2	1.3	2.6	3.4
Net Profit Adjusted	1.3	1.2	1.3	2.6	3.4
Capex	3.3	3.1	3.0	3.0	3.0
Net Debt (Cash)	(6.4)	(2.4)	(3.1)	(6.0)	(9.7)
EPS reported (€/share)	0.09	0.08	0.08	0.09	0.10
CPS (€/share)	0.05	0.03	0.03	0.05	0.06
DPS (€/share)	-	-	-	-	-
EBITDA margin	9.4%	7.9%	7.6%	9.3%	9.9%
EBIT margin	4.7%	3.0%	3.1%	5.4%	6.4%
Dividend yield	-	-	-	-	-
Op NWC/Sales	0.7%	-2.8%	-1.6%	-1.2%	-1.1%
ROCE	9.7%	7.0%	7.3%	13.2%	15.6%

Source: Company data, CFO SIM Estimates, Rating and Price Target updated as of 11<sup>th</sup> January 2021

% YoY	2018	2019	2020e	2021e	2022e
Total revenues	47.2%	51.2%	8.5%	14.8%	12.3%
EBITDA	30.9%	27.2%	4.1%	41.1%	19.3%
EBIT	48.2%	-2.5%	10.3%	n.m.	33.2%
Net Profit	n.m.	-8.4%	10.5%	n.m.	33.7%
Capex	57.2%	-6.4%	-2.7%	0.0%	0.0%
Debt	12.3%	63.0%	-31.1%	-93.9%	-62.5%

Source: Company data, CFO SIM

Outstanding shares	%	# m
Founders	52.9%	7.93
Pronti Gianluca	6.1%	0.91
BMC Holding B.V. *	3.7%	0.56
Treasury shares	0.9%	0.14
Free Float	36.3%	5.43
<b>Total</b>	<b>100.0%</b>	<b>14.97</b>

Source: Company data \* subject to lock-up (does not enter the free float)

Price performance	1M	3M	12M
MailUp	3.2%	4.6%	1.6%
Rel.to FTSE AIM	0.6%	-15.4%	6.3%
Rel.to Sector	6.7%	-6.0%	4.0%

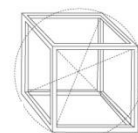
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>19-22</sub>	NFP/EBITDA FY1
dotDigital	600	33.4%	16.2%	n.m.
IMImobile	550	13.7%	3.5%	n.m.
Sinch AB	7,203	10.8%	45.8%	n.m.
Vonage Hold.	2,554	13.3%	3.0%	2.7
HubSpot	14,073	n.m.	33.2%	n.m.
Neosperience	37	22.3%	35.0%	n.m.
SharpSpring	203	n.m.	16.5%	n.m.
<b>MailUp</b>	<b>68</b>	<b>7.6%</b>	<b>11.8%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon

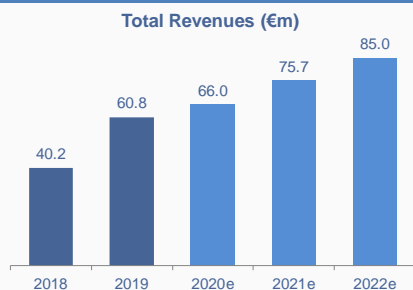
Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
dotDigital Group PLC (Email Marketing)	8.92	n.a.	26.9	n.a.	39.7	n.a.	48.9	44.8	31.4	28.9
IMImobile PLC	2.86	2.76	20.9	20.0	28.3	26.2	36.9	34.4	25.2	24.6
Sinch AB (publ)	9.20	5.46	85.8	51.3	114.4	64.2	167.2	85.9	113.0	64.2
Vonage Holdings Corp	2.86	2.66	21.6	19.9	34.7	35.2	59.6	63.4	27.2	24.8
<b>Mobile Messaging median</b>	<b>2.86</b>	<b>2.76</b>	<b>21.6</b>	<b>20.0</b>	<b>34.7</b>	<b>35.2</b>	<b>59.6</b>	<b>63.4</b>	<b>27.2</b>	<b>24.8</b>
HubSpot Inc	18.90	15.39	160.5	134.7	253.5	202.3	309.1	246.8	184.3	155.8
Neosperience SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	123.3	41.1	10.3	7.7
SharpSpring Inc	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Predictive Marketing median</b>	<b>18.90</b>	<b>15.39</b>	<b>160.5</b>	<b>134.7</b>	<b>253.5</b>	<b>202.3</b>	<b>216.2</b>	<b>144.0</b>	<b>97.3</b>	<b>81.8</b>
MailUp SpA	0.98	0.81	12.9	8.8	31.7	15.1	53.3	26.4	16.0	12.3
% Prem./(disc.) to dotDigital PLC	(89.0)	n.m.	(51.8)	n.m.	(20.3)	n.m.	8.9	(41.2)	(49.0)	(57.5)
% Prem./(disc.) to Mobile Messaging	(65.8)	(70.5)	(40.1)	(56.3)	(8.7)	(57.1)	(10.7)	(58.4)	(41.0)	(50.6)
% Prem./(disc.) to Predictive Marketing	(94.8)	(94.7)	(91.9)	(93.5)	(87.5)	(92.5)	(75.4)	(81.7)	(83.5)	(85.0)

Source: CFO SIM, Thomson Reuters Eikon

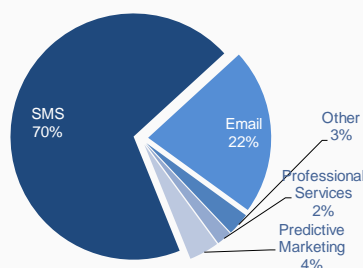




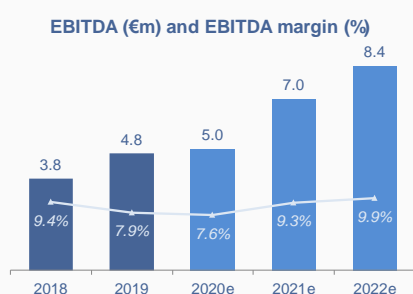
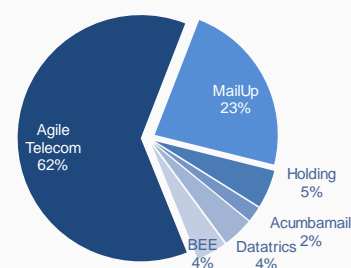
Italy - Marketing Technology



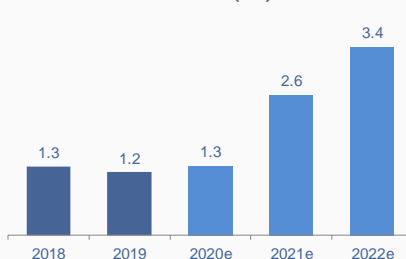
2019 top line by service



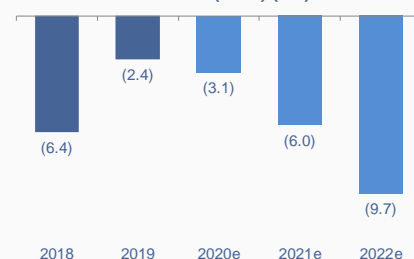
2019 top line by business unit



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

MailUp reported FY-20 preliminary gross sales, showing once again strong resilience in a quarter characterised by a further exacerbation of the COVID-19 pandemic worldwide. The result was affected by the deterioration of the global crisis due to the COVID-19 pandemic, especially because the 4th quarter is historically relevant for MailUp, thanks to numerous festivities and business events such as Black Friday. Q4-20 was deeply affected by consumption and investment contraction and linked to several lockdown periods in different parts of the world.

We believe MailUp is a high-quality company, with a solid, proven strategy, and led by top-notch management. The investment case includes: 1) a widespread client portfolio, 2) an large amount of recurring revenues (generally 1/3 of FY turnover) stemming from its SaaS business model, 3) a strong capital structure with solid equity coupled with excellent financial discipline and 4) huge M&A firepower.

The MAIL stock now is trading at almost the same price levels as one year ago after reaching its highs in late Aug-20. MailUp showed strong resilience in terms of margins despite a lower-than-expected growth rate and, since it operates in a rather defensive sector, the stock should offer some protection to investor portfolios.

Latest IR Press Releases

January 25 <sup>th</sup> , 2021	Updated financial calendar for the year 2021 and legality rating ( <a href="#">link</a> )
January 11 <sup>th</sup> , 2021	MailUp Group announced +2.4% increase in Q4 sales and +7.7% increase in FY2020 ( <a href="#">link</a> )
December 23 <sup>rd</sup> , 2020	Financial calendar for the year 2021 and appointment of Investor Relations Manager ( <a href="#">link</a> )

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
11/01/2021	€ 6.60	BUY	FY-20 revenues	<a href="#">link</a>
10/12/2020	€ 6.60	BUY	Sector news	<a href="#">link</a>
13/11/2020	€ 6.60	BUY	Q3-20 results	<a href="#">link</a>
21/09/2020	€ 6.30	NEUTRAL	H1-20 results	<a href="#">link</a>

Peer Group Absolute Performance

%	1M	3M	12M
dotDigital Group PLC	11.6%	21.0%	57.3%
IMImobile PLC	-0.8%	47.5%	54.9%
Sinch AB (publ)	-8.1%	45.3%	307.9%
Vonage Holdings Corp	-3.1%	18.0%	41.0%
HubSpot Inc	-6.1%	28.3%	102.4%
Neosperience SpA	-6.4%	7.5%	-36.7%
SharpSpring Inc	20.0%	82.8%	56.1%

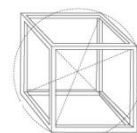
Source: Thomson Reuters Eikon

Financial Calendar

January 11 <sup>th</sup> , 2021	FY-20 consolidated gross sales
March 23 <sup>rd</sup> , 2021	Board of Directors (FY-20 Results)
April 12 <sup>th</sup> , 2021	Q1-21 consolidated gross sales
April 22 <sup>nd</sup> , 2021	Annual General Meeting (FY-20 Results)
May 11 <sup>th</sup> , 2021	Board of Directors (Q1-21 Results)
July 12 <sup>th</sup> , 2021	Q2-21 consolidated gross sales
September 14 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)
October 11 <sup>th</sup> , 2021	Q3-21 consolidated gross sales
November 9 <sup>th</sup> , 2021	Board of Directors (Q3-21 Results)

Investor Relations Contacts

<b>Issuer</b> MailUp SpA Via dell'Innovazione Digitale, 3 26100 – Cremona (CR)	<b>Investor Relations Manager</b> Micaela Cristina Capelli +39 0271040485 investor.relations@mailupgroup.com
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Italy - Fashion

Rating **NEUTRAL**

Price Target **€ 2.50**

Upside/(downside) % **-23%**

Last Price € **3.24**

Market Cap. €m **17.0**

1Y High € **6.20**

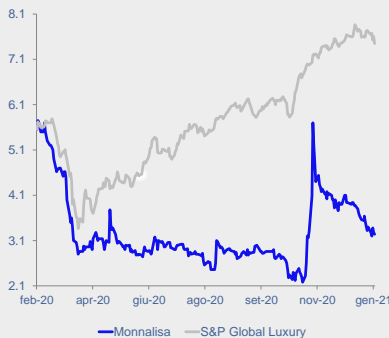
1Y Low € **2.16**

3M Avg Daily Turnover (n. shares) **28,577**

Free Float **25%**

RIC **MONNA.MI**

BBG **MNLI.M**



**MONNALISA®**

Founded in 1968 by Piero Iacomoni and Barbara Bertocci in the fashion and creative centre of Italy, Monnalisa is specialised in high-end childrenswear (0-16 years) through its own proprietary brands. The philosophy of Monnalisa is the creation of a lifestyle identity, offering a complete range of products from apparel to footwear, from accessories to cosmetics and furniture. At the end of 2019, Monnalisa acted worldwide in more than 60 countries through 48 direct stores and almost 700 multibrand stores. The company sells via three distribution channels:

- Wholesale, 65% of top line in FY-19. Monnalisa conducts a strict selection of stores considering location, visibility and coherence of the store with the Monnalisa brand identity. This includes Wholesale retail, namely monobrand stores in partnership (Third Party Operated Stores – TPOS) and located in top department stores (Third Party Shop In Shop – TSPIS).

- Retail, 32% of top line. Monnalisa sells directly to the final customer through its directly owned stores: Directly Operated Stores (DOS) and Directly Operated Outlets (DOO), totalling 48 stores at end-19.

- E-commerce, 3% of top line. Monnalisa sells its products online through its own monobrand online boutique. Direct e-commerce accounts for 3% of total sales.

**STRENGTHS**

- Among the few companies which is specialized on childrenswear high-end niche
- Complete strategic autonomy thanks to the use of proprietary brands only
- Operates in the high-end segment being the one with the best entry price vs. competitors

**WEAKNESSES**

- Limited size in the international competitive arena
- Decisions are concentrated among few key figures
- Growth strategy is based on increasing the retail distribution (no experience in the past)

€ m	2018	2019	2020e	2021e	2022e
Sales	49.1	47.9	34.5	42.2	48.7
Value of production	52.7	50.1	33.5	42.5	49.0
EBITDA	5.1	(2.9)	(8.5)	(1.8)	2.5
EBITDA Adjusted	7.3	0.3	(3.3)	(1.5)	2.5
EBIT	2.1	(7.5)	(11.7)	(4.9)	(0.7)
EBIT Adjusted	4.1	(2.9)	(6.5)	(4.7)	(0.7)
Net Profit	1.3	(8.4)	(9.8)	(4.3)	(0.9)
Capex	8.8	3.7	1.8	1.1	0.5
Net Debt (Cash)	(2.3)	3.4	10.9	13.4	12.0
EPS reported (€/share)	0.25	(1.61)	(1.86)	(0.82)	(0.17)
CPS (€/share)	0.26	(0.51)	(0.89)	(0.37)	0.28
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	9.8%	-5.9%	-25.3%	-4.2%	5.1%
EBIT margin	3.9%	-14.9%	-34.9%	-11.6%	-1.3%
EBITDA adj. margin	13.8%	0.5%	-9.7%	-3.5%	5.1%
EBIT adj. margin	7.8%	-5.8%	-19.4%	-11.0%	-1.3%
Dividend yield	-	-	-	-	-
NWC/Sales	40.4%	40.3%	57.3%	47.2%	42.8%
ROCE	3.2%	n.m.	n.m.	n.m.	n.m.

Source: Company data, CFO SIM Estimates, Rating and Price Target updated as of 30<sup>th</sup> October 2020

% YoY	2018	2019	2020e	2021e	2022e
Value of production	2.6%	-5.0%	-33.2%	26.9%	15.4%
EBITDA	-10.5%	n.m.	n.m.	-79.1%	n.m.
EBIT	-40.9%	n.m.	56.2%	-57.8%	-86.7%
Net Profit	-42.5%	n.m.	16.1%	-55.8%	-79.3%
Capex	n.m.	-57.6%	-50.3%	-40.5%	-54.5%
Debt	n.m.	n.m.	n.m.	23.0%	-10.1%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Brunello Cucinelli SpA	4.66	4.06	30.2	16.2	n.m.	43.2	n.m.	84.5	32.5	18.2
Burberry Group PLC	2.68	2.32	12.7	9.9	20.5	14.6	32.4	22.5	17.3	13.8
Capri Holdings Ltd	2.03	1.51	16.1	8.5	30.0	11.3	35.7	11.7	15.4	8.3
Hugo Boss AG	1.49	1.31	12.2	6.4	n.m.	19.4	n.m.	23.4	8.1	5.2
Kering SA	5.35	4.48	16.9	12.9	23.3	16.4	34.6	23.7	21.8	16.8
Moncler SpA	8.30	6.54	24.0	17.0	36.8	23.5	59.7	37.1	32.6	23.6
Prada SpA	5.36	4.35	21.3	14.2	n.m.	40.5	n.m.	69.8	22.8	16.4
Ralph Lauren Corp	1.46	1.09	15.6	6.9	35.6	9.6	63.1	15.4	21.0	10.0
Salvatore Ferragamo SpA	2.61	2.31	19.1	11.9	n.m.	66.0	n.m.	385.8	25.0	14.8
Tod's SpA	1.93	1.66	37.3	11.2	n.m.	n.m.	n.m.	n.m.	18.4	8.0
<b>Median</b>	<b>2.65</b>	<b>2.32</b>	<b>18.0</b>	<b>11.5</b>	<b>30.0</b>	<b>19.4</b>	<b>35.7</b>	<b>23.7</b>	<b>21.4</b>	<b>14.3</b>
<b>Monnalisa SpA</b>	<b>0.81</b>	<b>0.72</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
% premium / (discount)	(69.5)	(68.9)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Jafin Due (Iacomoni Family)	74.5%	3.90
Treasury Shares	0.3%	0.02
Free Float	25.2%	1.32
<b>Total</b>	<b>100.0%</b>	<b>5.24</b>

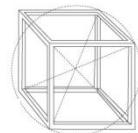
Source: Company data

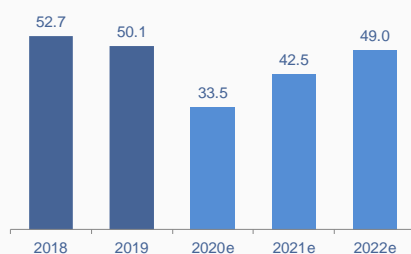
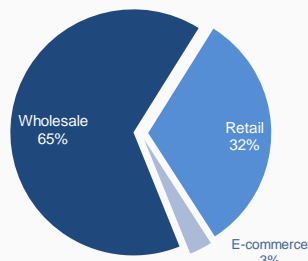
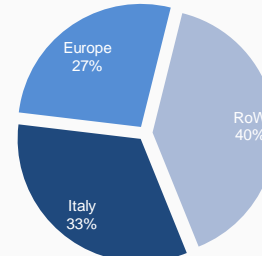
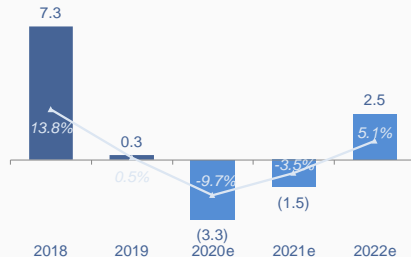
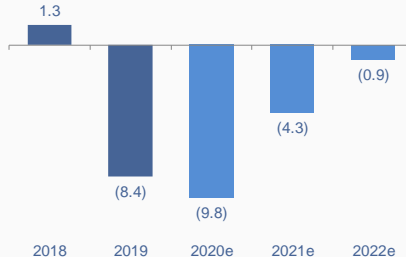
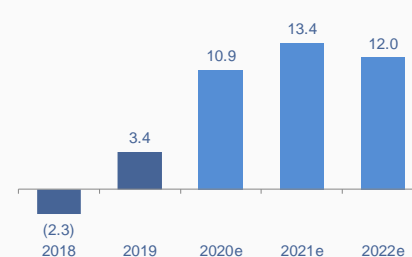
Price performance	1M	3M	12M
Monnalisa	-17.8%	38.5%	-43.2%
Rel.to FTSE AIM	-20.4%	18.4%	-38.4%
Rel.to Sector	-15.5%	10.6%	-80.9%

Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>19-22</sub>	NFP/EBITDA FY1
Cucinelli	2,244	15.9%	3.4%	3.0
Burberry	7,863	20.0%	1.4%	n.m.
Capri Holdings	5,171	12.7%	-3.4%	3.4
Hugo Boss	2,067	13.3%	-4.2%	2.9
Kering	67,626	31.6%	2.5%	1.0
Moncler	12,042	35.1%	4.4%	n.m.
Prada	13,000	23.1%	0.6%	0.5
Ralph Lauren	6,087	9.2%	-3.7%	n.m.
Ferragamo	2,709	13.1%	-3.5%	n.m.
Tod's	854	5.8%	-3.7%	10.5
<b>Monnalisa</b>	<b>17</b>	<b>-25.3%</b>	<b>0.5%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon



**Italy - Fashion**
**Value of Production (€m)**

**2019 top line by channel**

**2019 top line by country**

**EBITDA adj. (€m) and EBITDA margin (%)**

**Net Profit (€m)**

**Net Debt / (cash) (€m)**

**Investment Case: Reasons to Invest and Valuation**

Monnalisa reported H1-20 results severely impacted by COVID-19, although the first few weeks of 2020 showed a good progression in sales, driven by rising sell-out in direct stores and through wholesale channel. However, the COVID-19 outbreak has literally blocked this trend, causing the temporary closure of stores and showrooms worldwide. However, upon reopening, the situation only partially recovered: travel retail was significantly reduced and overall activities continued to be negatively impacted by the fall in consumption. This trend is impacting the sector as a whole.

We believe that in the current harsh environment Monnalisa's retail network as of today is not able to generate enough turnover to counterbalance the huge amount of fixed costs to run the stores, namely personnel and rents. A meticulous cost discipline is being put in place by the group to properly manage the P&L of every single DOS in order to focus on fewer but more profitable shops.

The business in this changed scenario should be supported by a massive sales boost, otherwise, the inability to generate profits will unavoidably continue to erode equity: at the time of the IPO it was almost €50m, it is projected at €30m at the end of 2020 and at €23m at end-22. The closure plan of a few less profitable shops started in H1-20 seems to be going in the right direction.

**Peer Group Absolute Performance**

%	1M	3M	12M
Brunello Cucinelli SpA	-7.5%	28.3%	34.1%
Burberry Group PLC	-4.0%	26.7%	37.2%
Capri Holdings Ltd	-0.8%	96.3%	178.1%
Hugo Boss AG	7.7%	49.5%	27.2%
Kering SA	-8.9%	4.5%	12.4%
Moncler SpA	-7.0%	35.7%	43.0%
Prada SpA	-6.6%	57.0%	59.9%
Ralph Lauren Corp	-2.6%	51.2%	41.7%
Salvatore Ferragamo SpA	1.3%	45.2%	41.1%
Tod's SpA	-9.2%	42.9%	6.1%

Source: Thomson Reuters Eikon

**Latest IR Press Releases**

December 30 <sup>th</sup> , 2020	Publication of corporate events calendar ( <a href="#">link</a> )
November 23 <sup>rd</sup> , 2020	Chiara Ferragni and Monnalisa sign a licensing agreement ( <a href="#">link</a> )
October 29 <sup>th</sup> , 2020	Monnalisa announces a concession at laRinascente Milan, Piazza Duomo ( <a href="#">link</a> )

**Financial Calendar**

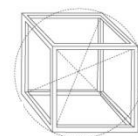
March 30 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 30 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

**Latest Equity Research published**

Date	PT €/s	Rating	Type of report	Download
30/10/2020	€ 2.50	NEUTRAL	H1-20 results	<a href="#">link</a>
22/05/2020	€ 4.00	NEUTRAL	FY-19 results	<a href="#">link</a>
09/03/2020	U.R.	NEUTRAL	2019 prelim. results	<a href="#">link</a>
10/10/2019	€ 7.80	NEUTRAL	H1-19 results	<a href="#">link</a>

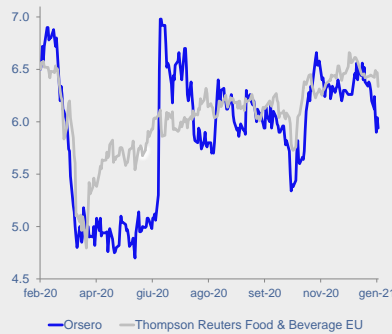
**Investor Relations Contacts**

<b>Issuer</b> Monnalisa SpA Via Madame Curie, 7 52100 – Arezzo (AR)	<b>Investor Relations Manager</b> Sara Tommasiello +39 057598501 investorelations@monnalisa.eu
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Italy - Food

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 8.50</b>
<b>Upside/(downside) %</b>	<b>43%</b>
<b>Last Price €</b>	<b>5.94</b>
<b>Market Cap. €m</b>	<b>105.0</b>
<b>1Y High €</b>	<b>7.66</b>
<b>1Y Low €</b>	<b>4.30</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>12,842</b>
<b>Free Float</b>	<b>59%</b>
<b>RIC</b>	<b>ORSO.MI</b>
<b>BBG</b>	<b>ORS IM</b>



Orsero is an international group headquartered in Albenga (Savona), operating in the fresh fruit and vegetable import and distribution business in the Mediterranean Europe. The firm was founded over 50 years ago by the Orsero family. The current business structure entails besides import and distribution of fresh fruit and vegetables, production and export of fruit together with chilled maritime transportation. Orsero boasts a presence mainly in Italy, France, Spain, Portugal, Greece, Costa Rica and Colombia. During 2012, the group launched the "F.lli Orsero" brand for bananas and pineapples, which expresses the sense of tradition and the passion of a large Italian family company for fruit and vegetables of the highest quality. Orsero was listed on the AIM Italia on 13-Feb-17 as a result of the merger between Glenalta Food and Orsero. The merger was the final step in the business combination between Glenalta Food and GF Group, as regulated by the agreement signed and announced on 28th October 2016. Orsero shares have been trading on the MTA market, STAR segment since 23-Dec-19.

**STRENGTHS**

- Well established business model vertically integrated from production to distribution- logistic.
- Strong trade brand
- Vessel ownership is to a certain extent a competitive advantage with 15Y residual life

**WEAKNESSES**

- Currently still limited F.lli Orsero brand awareness on end consumers
- Exposure to USD/EUR, in particular for maritime transport segment
- Market share recovery, may be more complicated than expected

€ m	2018	2019	2020e	2021e	2022e
Turnover	952.8	1,005.7	1,048.2	1,075.2	1,103.0
EBITDA Adjusted	32.9	38.7	45.5	47.2	48.4
EBIT Adjusted	17.5	13.0	19.7	21.7	23.3
EBIT	11.4	8.4	18.4	21.7	23.3
Net Profit	8.0	2.0	10.6	13.0	14.1
Net Profit Adjusted	12.7	5.3	11.6	13.0	14.1
Capex	21.5	50.9	31.0	10.0	10.0
Net Debt (Cash)	36.1	126.9	106.3	85.4	66.8
EPS reported FD (€/share)	0.45	0.11	0.60	0.73	0.80
EPS Adjusted FD (€/share)	0.72	0.30	0.66	0.73	0.80
CPS (€/share)	1.95	1.46	2.99	1.87	1.74
DPS (€/share)	0.12	0.08	0.12	0.13	0.14
EBITDA margin	3.5%	3.8%	4.3%	4.4%	4.4%
EBIT margin	1.8%	1.3%	1.9%	2.0%	2.1%
Dividend yield	2.0%	1.3%	2.0%	2.2%	2.4%
Op NWC/Sales	3.4%	3.0%	1.1%	1.4%	2.0%
ROCE	6.3%	3.7%	5.2%	5.6%	5.8%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 16<sup>th</sup> November 2020

% YoY	2018	2019	2020e	2021e	2022e
Turnover	1.6%	5.6%	4.2%	2.6%	2.6%
EBITDA Adjusted	4.9%	17.7%	17.4%	3.7%	2.7%
EBIT	0.8%	-26.2%	n.m.	18.1%	7.4%
Net Profit	-46.3%	-74.6%	n.m.	22.0%	8.8%
Net Profit Adjusted	-32.1%	-58.4%	n.m.	11.6%	8.8%
Capex	-54.4%	n.m.	-39.1%	-67.7%	0.0%
Debt	-22.4%	n.m.	-16.2%	-19.7%	-21.7%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Fresh Del Monte Produce Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.4	12.8	7.7	6.3
Total Produce PLC	0.20	0.20	9.2	8.8	11.1	10.8	9.6	9.3	7.6	7.3
Greenyard NV	0.19	0.18	6.7	5.9	16.4	13.2	30.9	16.3	3.3	3.0
<b>Median</b>	<b>0.20</b>	<b>0.19</b>	<b>7.9</b>	<b>7.4</b>	<b>13.8</b>	<b>12.0</b>	<b>21.4</b>	<b>12.8</b>	<b>7.6</b>	<b>6.3</b>
<b>Orsero Spa</b>	<b>0.20</b>	<b>0.18</b>	<b>4.7</b>	<b>4.0</b>	<b>10.7</b>	<b>8.8</b>	<b>9.0</b>	<b>8.1</b>	<b>2.8</b>	<b>2.7</b>
% premium / (discount)	2.9	(5.2)	(41.5)	(45.1)	(21.9)	(26.9)	(57.9)	(37.0)	(63.3)	(56.7)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Orsero family	32.5%	5.75
Grupo Fernandez	6.3%	1.12
Treasury shares	1.7%	0.30
Free Float	59.5%	10.52
<b>Total</b>	<b>100.0%</b>	<b>17.68</b>

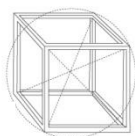
Source: Company data

Price performance	1M	3M	12M
Orsero	-5.1%	10.4%	-7.2%
Rel.to FTSE STAR Italia	-3.6%	-7.7%	-20.3%
Rel.to EU Sector	-1.6%	-0.2%	-4.8%

Source: Thomson Reuters Eikon

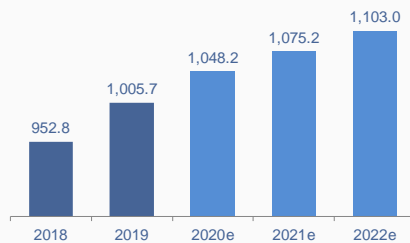
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>10-22</sub>	NFP/EBITDA FY1
Del Monte	955	4.6%	n.a.	n.a.
Total Produce	567	2.2%	5.2%	2.9
Greenyard	278	2.8%	3.6%	4.4
<b>Orsero</b>	<b>105</b>	<b>4.3%</b>	<b>3.1%</b>	<b>2.3</b>

Source: Thomson Reuters Eikon

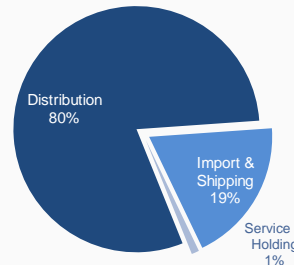


Italy - Food

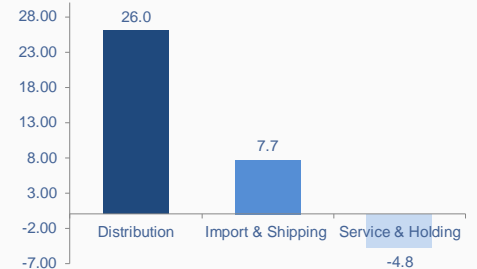
Net Sales (€m)



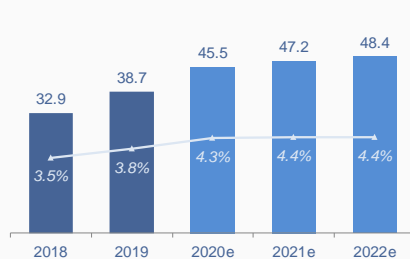
2019 gross turnover by business



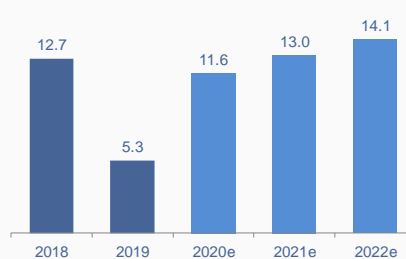
2019 EBITDA by business



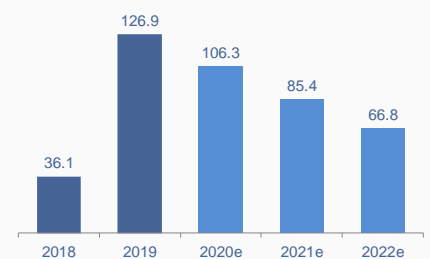
EBITDA adj. (€m) and EBITDA margin (%)



Net Profit adjusted (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

Orsero reported solid Q3-20 results, driven by rising prices and a favourable mix and sustained by a top-notch loading factor. The group's business model demonstrated strong solidity and resiliency in harsh times. The balance sheet structure will allow Orsero to continue in its acquisition campaign, aimed at seizing opportunities in growing and profitable niches. In our opinion possible targets might operate in the Bio-Organic and berry niches. If we assume a well manageable 3x NFP/EBITDA leverage ratio, Orsero has enough firepower to grab relatively sizeable firms in those segments.

Orsero is confident of reaching the top of the range of the FY guidance announced last Feb-20: sales to the tune of € 1,030-1,050m, EBITDA adj. of € 44.5-46.5m and NFP of € 100-105m.

Furthermore, Orsero has just released FY-21 guidance: sales to the tune of € 1,040-1,060m, EBITDA adj. of € 47-49m, Net Profit of € 13-15m and NFP of € 82-87m. Capex should amount between € 9m and € 10m.

Peer Group Absolute Performance

%	1M	3M	12M
Fresh Del Monte Produce Inc	1.7%	13.7%	-23.0%
Total Produce PLC	6.4%	30.4%	8.3%
Greenyard NV	4.8%	34.8%	40.9%

Source: Thomson Reuters Eikon

Latest IR Press Releases

February 1 <sup>st</sup> , 2021	Guidance 2021 ( <a href="#">link</a> )
December 23 <sup>rd</sup> , 2020	Update of existing shareholders' agreements ( <a href="#">link</a> )
December 17 <sup>th</sup> , 2020	Financial Calendar 2021 ( <a href="#">link</a> )

Financial Calendar

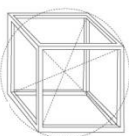
March 16 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 29 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
May 12 <sup>th</sup> , 2021	Board of Directors (Q1-21 Results)
September 13 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)
November 10 <sup>th</sup> , 2021	Board of Directors (Q3-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
16/11/2020	€ 8.50	BUY	Q3-20 results	<a href="#">link</a>
16/09/2020	€ 8.50	BUY	H1-20 results	<a href="#">link</a>
15/05/2020	€ 7.00	BUY	Q1-20 results	<a href="#">link</a>
18/03/2020	€ 7.00	BUY	FY-19 results	<a href="#">link</a>

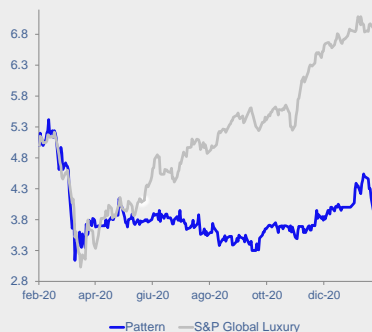
Investor Relations Contacts

<b>Issuer</b> Orsero SpA Via Gaudenzio Fantoli, 6/15 20138 – Milano (MI)	<b>Investor Relations Manager</b> Edoardo Dupanloup +39 0182560400 investor.relations@orserogroup.it
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Italy - Luxury Engineering

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 5.00</b>
<b>Upside/(downside) %</b>	<b>25%</b>
<b>Last Price €</b>	<b>4.01</b>
<b>Market Cap. €m</b>	<b>55.0</b>
<b>1Y High €</b>	<b>5.50</b>
<b>1Y Low €</b>	<b>3.03</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>12,406</b>
<b>Free Float</b>	<b>28%</b>
<b>RIC</b>	<b>PTRN.MI</b>
<b>BBG</b>	<b>PTR IM</b>



Founded in 2000 by Fulvio Botto and Francesco Martorella (current group directors and major shareholders with a 34.3% stake each), Pattern is the second Italian player (CFO SIM estimate) specialised in modelling, engineering, grading, prototyping and production of luxury clothing for men and women, and the undisputed leader in outerwear niche, operating in the catwalk segment and first lines of the most prestigious global luxury brands. The group manages the entire engineering and production cycle from patterns to prototypes, to the creation of ready-to-wear garments and successive productions. Pattern operates the high value added engineering and prototyping phases whilst the production is outsourced to a plethora of suppliers ('façonists'). Pattern's global export sales exceeds 85% of total revenues. 92% of revenues comes from production while engineering processes account for 6%. Male apparel contributes for the bulk of top line, 64% of total and female, thanks to the acquisition of Roscini Atelier in 2017, now accounts for some 36% of total revenues. In terms of products, outerwear represents the vast part of group turnover, 75% of total, trouser/skirt and suits stand for 3% and 19% of the turnover whilst the remainder is represented by upper wear and other items. Since 2015, Pattern voluntarily draws up the sustainability report according to the reporting guidelines of the Global Reporting Initiative (GRI Standard), underlining its attention to the Corporate Social Responsibility principles.

**STRENGTHS**

- Reference partner of the key absolute luxury brands in the fashion engineering space
- Made in Italy as primary key success factor in the luxury fashion industry
- Innovative fabrics and garment production techniques (ESEMPLARE)
- Advanced 3D pattern-making technologies
- Several market segments served: man, woman, outerwear, knitwear
- Flexible manufacturing structure, production is outsourced; low WC pressure
- 86% of 2019 revenues was generated by clients with > 10 years of loyalty

**WEAKNESSES**

- Clients concentration: top 5 clients generated 91.8% of 2019 sales
- Management functions concentrated in few key people
- First 5 suppliers accounts for 32% / 45% of total purchases of raw material/services
- Limited sustainability certified façonnists available, mainly in East Europe

€ m	2018 PF	2019	2020e	2021e	2022e
Value of production	44.6	55.3	51.5	55.1	63.1
EBITDA	5.4	5.9	5.3	5.6	7.3
EBITDA Adjusted	5.4	7.2	5.3	5.6	7.3
EBIT	5.0	5.5	3.4	3.8	5.5
EBIT Adjusted	5.0	6.7	3.4	3.8	5.5
Net Profit	3.5	3.8	2.0	2.0	3.0
Net Profit Adjusted	3.5	4.7	2.0	2.0	3.0
Capex	0.7	1.8	5.2	0.7	0.7
Net Debt (Cash)	(3.9)	(12.4)	(5.8)	(9.3)	(13.1)
EPS reported FD (€/share)	0.26	0.28	0.14	0.15	0.22
EPS Adjusted FD (€/share)	0.26	0.34	0.14	0.15	0.22
CPS (€/share)	-	0.29	0.12	0.30	0.37
DPS (€/share)	-	0.13	0.00	0.00	0.05
EBITDA margin	12.1%	13.0%	10.2%	10.2%	11.6%
EBIT margin	11.2%	12.2%	6.6%	7.0%	8.7%
Dividend yield	-	3.3%	-	-	1.3%
Op NWC/Sales	-	6.1%	4.6%	7.2%	6.1%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 28<sup>th</sup> September 2020

% YoY	2018 PF	2019	2020e	2021e	2022e
Value of production	-	24.2%	-6.9%	6.9%	14.5%
EBITDA	-	10.5%	-11.3%	6.4%	30.1%
EBIT	-	10.5%	-37.6%	11.9%	43.7%
Net Profit	-	7.6%	-48.5%	4.3%	49.5%
Capex	-	n.m.	n.m.	-87.5%	0.0%
Net Cash	-	n.m.	-53.1%	60.5%	40.5%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Burberry Group PLC	2.68	2.32	12.7	9.9	20.5	14.6	32.4	22.5	17.3	13.8
Capri Holdings Ltd	2.03	1.51	16.1	8.5	30.0	11.3	35.7	11.7	15.4	8.3
Compagnie Financiere Richemont SA	2.92	2.48	15.5	11.4	30.7	18.4	52.3	27.8	20.4	15.1
Hermes International SCA	13.49	11.36	39.5	29.2	49.0	34.8	79.3	55.7	58.0	43.3
Kering SA	5.35	4.48	16.9	12.9	23.3	16.4	34.6	23.7	21.8	16.8
LVMH Moet Hennessy Louis Vuitton SE	4.76	4.35	16.6	14.9	22.8	19.6	33.5	29.2	21.2	19.6
<b>Median Luxury</b>	<b>3.84</b>	<b>3.41</b>	<b>16.4</b>	<b>12.2</b>	<b>26.7</b>	<b>17.4</b>	<b>35.2</b>	<b>25.8</b>	<b>20.8</b>	<b>16.0</b>
Eurotech SpA	2.13	1.50	23.9	8.8	57.0	11.4	99.4	13.8	30.7	10.5
Fine Foods & Pharmaceuticals NTM SpA	0.89	0.75	6.8	5.3	15.0	9.8	20.9	14.7	9.0	7.2
Freni Brembo SpA	1.91	1.66	10.8	8.7	22.9	16.1	31.1	20.8	11.6	9.5
Sabaf SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	15.7	13.6	6.5	6.0
<b>Median domestic B2B</b>	<b>1.91</b>	<b>1.50</b>	<b>10.8</b>	<b>8.7</b>	<b>22.9</b>	<b>11.4</b>	<b>26.0</b>	<b>14.2</b>	<b>10.3</b>	<b>8.4</b>
<b>Pattern SpA</b>	<b>0.95</b>	<b>0.83</b>	<b>9.3</b>	<b>8.1</b>	<b>14.3</b>	<b>11.9</b>	<b>28.2</b>	<b>27.0</b>	<b>14.5</b>	<b>14.4</b>
% premium / (discount) to luxury	(75.2)	(75.7)	(43.0)	(33.1)	(46.2)	(31.6)	(20.0)	4.7	(30.5)	(9.7)
% premium / (discount) to domestic B2B	(50.1)	(44.8)	(13.8)	(6.8)	(37.3)	4.0	8.4	89.7	40.4	72.1

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Founders	68.0%	9.33
Luca Sburlati	1.6%	0.22
Free Float	28.4%	3.89
o/w Otus Capital Management	5.0%	0.69
<b>Total</b>	<b>100.0%</b>	<b>13.72</b>

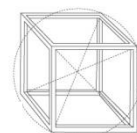
Source: Company data

Price performance	1M	3M	12M
Pattern	0.2%	9.0%	-15.9%
Rel.to FTSE AIM	-2.4%	-11.1%	-11.2%
Rel.to Peers median	1.9%	-17.4%	-27.0%

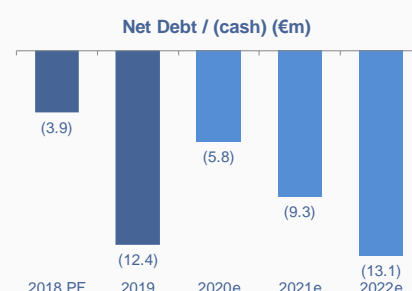
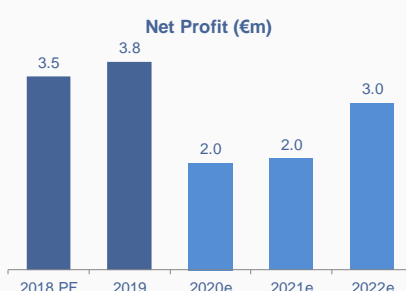
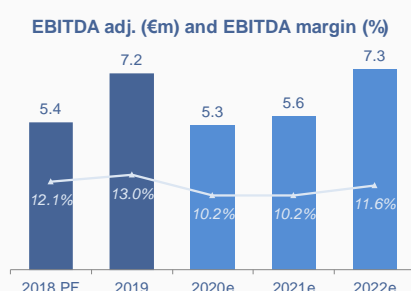
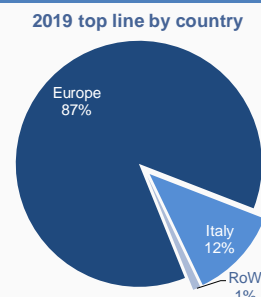
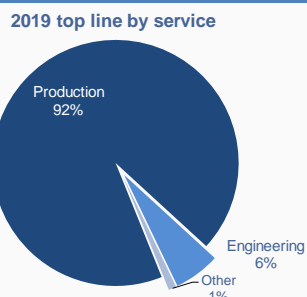
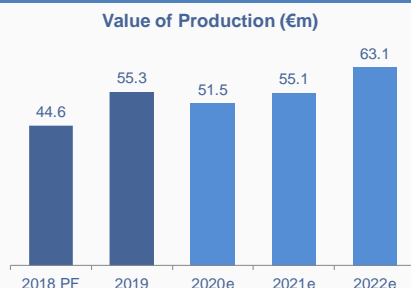
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>19-22</sub>	NFP/EBITDA FY1
Burberry	7,863	20.7%	1.0%	n.m.
Capri Holdings	5,171	12.5%	-4.1%	3.5
Richemont	40,073	18.0%	3.1%	n.m.
Hermes	88,843	34.3%	5.3%	n.m.
Kering	67,626	31.6%	2.5%	1.0
LVMH	251,521	24.4%	2.8%	1.1
Eurotech	172	8.9%	n.a.	n.m.
Fine Foods	198	13.0%	13.4%	n.m.
Brembo	3,749	17.7%	-0.2%	1.1
Sabaf	190	19.0%	8.8%	2.1
<b>Pattern</b>	<b>55</b>	<b>10.2%</b>	<b>4.5%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon



Italy - Luxury Engineering



Investment Case: Reasons to Invest and Valuation

Pattern reported interim figures fairly hit by the pandemic, but broadly in line with the sector and top clients' performances. However, S.M.T.'s consolidation brought in some resiliency compared to the luxury sector as a whole. H1-20 EBITDA came in at 125% of CFO Sim's FY forecast and interim NFP is even higher than CFO Sim's forecast for FY-20 as well as consensus estimates. For H2/FY-20 Pattern expects a similar performance to that achieved in the first part of the year in terms of volume progression and profitability in addition to a further improvement in NFP also due to the typical business seasonality.

Pattern's key strengths in these difficult business conditions are 1) the ability to work on different areas (men, women and knitwear) and to deal with different customers, 2) remarkable technological expertise for the remote development of collections via a 3D pattern-making technique, 3) high customer loyalty, 4) a flexible manufacturing structure with a large portion of outsourced production (80% of variable costs), 5) low WC pressure, and 6) an extremely solid balance sheet.

Peer Group Absolute Performance

%	1M	3M	12M
Burberry Group PLC	-4.0%	26.7%	-14.7%
Capri Holdings Ltd	-0.8%	96.3%	32.8%
Compagnie Financiere Richemont	3.5%	44.1%	15.0%
Hermes International SCA	-4.2%	5.5%	24.4%
Kering SA	-8.9%	4.5%	-3.5%
LVMH Moet Hennessy Louis Vuitton	-2.5%	23.9%	24.9%
Eurotech SpA	-5.9%	47.2%	-36.5%
Fine Foods & Pharmaceuticals NTM	0.5%	8.8%	-13.5%
Freni Brembo SpA	4.1%	26.0%	7.1%
Sabaf SpA	9.6%	39.8%	22.2%

Source: Thomson Reuters Eikon

Latest IR Press Releases

January 21 <sup>st</sup> , 2021	Otus Capital Management reaches 5.02% of the share capital of Pattern SpA ( <a href="#">link</a> )
January 20 <sup>th</sup> , 2021	2021 Corporate Events Calendar ( <a href="#">link</a> )
December 4 <sup>th</sup> , 2020	Ordinary and extraordinary shareholders' meeting ( <a href="#">link</a> )

Financial Calendar

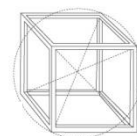
March 29 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 17 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
28/09/2020	€ 5.00	BUY	H1-20 results	<a href="#">link</a>
28/04/2020	€ 4.40	NEUTRAL	FY-19 results	<a href="#">link</a>
25/03/2020	U.R.	BUY	2019 prelim. results	<a href="#">link</a>
20/12/2019	€ 5.80	BUY	S.M.T. Acquisition	<a href="#">link</a>

Investor Relations Contacts

<b>Issuer</b> Pattern SpA Via Italia, 6/A 10093 – Collegno (TO)	<b>Investor Relations Manager</b> Sara De Benedetti +39 0114531597 sara.debenedetti@pattern.it
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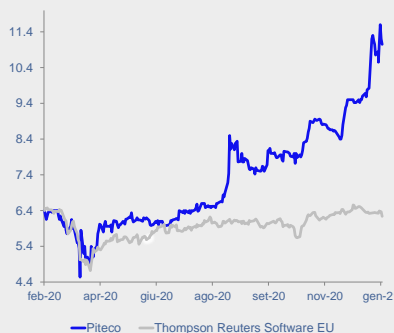






Italy - Software

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 11.30</b>
<b>Upside/(downside) %</b>	<b>2%</b>
<b>Last Price €</b>	<b>11.05</b>
<b>Market Cap. €m</b>	<b>223.0</b>
<b>1Y High €</b>	<b>11.70</b>
<b>1Y Low €</b>	<b>4.54</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>24,276</b>
<b>Free Float</b>	<b>26%</b>
<b>RIC</b>	<b>PITE.MI</b>
<b>BBG</b>	<b>PITE IM</b>



Piteco is the undisputed domestic leader, more than 4x the size of its closest competitor, in the niche of corporate treasury management and financial planning software. The company designs, develops and implements proprietary software and solutions for corporate cash and risk management. It focuses on large/mid enterprises operating in every industry except public administration. The Piteco software is 100% proprietary and is modular (19 different modules), embeddable (can work within Oracle, Sap or Microsoft environments), customisable (open architecture allows relevant combinations of the product's modules) and available for foreign markets. The group is developing a challenging internationalisation and diversification process, boosted by the recent acquisitions: 1) Juniper Payments allows Piteco to penetrate the huge US market with a well-managed cash flow generative firm, paid fairly cheap; 2) Myrios enlarged the group offer with a risk management, capital markets and compliance software dedicated to banks as well as to large manufacturing and service industries.

**STRENGTHS**

- Undisputed leading positioning in Italy, the Brand in treasury management software
- Substantial CF generation and sound BS allow external growth opportunities
- Pronounced visibility of top line and margins expansion

**WEAKNESSES**

- 75% of sales comes from Italy, heavy dependence from one single country
- Limited size in the international competitive arena

€ m	2018	2019	2020e	2021e	2022e
Sales	20.2	24.0	26.6	39.0	42.2
EBITDA	8.3	10.2	11.5	18.6	20.7
EBIT	6.4	7.3	8.4	12.8	14.8
Net Profit	5.3	3.0	6.2	9.5	11.5
Net Profit Adjusted	5.1	5.7	6.2	9.5	11.5
Capex	23.3	0.1	54.3	1.4	1.4
Net Debt (Cash)	26.8	27.5	64.2	49.6	36.3
EPS reported (€/share)	0.29	0.16	0.31	0.47	0.57
EPS Adjusted (€/share)	0.28	0.31	0.34	0.52	0.64
CPS (€/share)	0.38	0.38	0.61	0.92	0.87
DPS (€/share)	0.15	0.15	0.15	0.15	0.20
EBITDA margin	40.9%	42.6%	43.1%	47.9%	49.0%
EBIT margin	31.7%	30.2%	31.5%	32.9%	35.2%
Dividend yield	1.4%	1.4%	1.4%	1.4%	1.8%
ROCE	9.5%	10.7%	7.1%	10.7%	12.0%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 4<sup>th</sup> November 2020

% YoY	2018	2019	2020e	2021e	2022e
Sales	18.6%	18.9%	10.7%	46.4%	8.3%
EBITDA	28.0%	23.9%	12.1%	62.5%	10.8%
EBIT	28.6%	13.4%	15.6%	52.9%	15.7%
Net Profit	55.5%	-42.7%	n.m.	53.6%	21.6%
Net Profit Adjusted	44.5%	12.4%	8.5%	53.6%	21.6%
Capex	n.m.	-99.4%	n.m.	-97.5%	0.0%
Debt	n.m.	2.6%	n.m.	-22.8%	-26.8%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Intuit Inc	10.28	8.71	29.6	24.1	30.4	25.5	41.8	35.3	40.3	32.8
Microsoft Corp	10.02	8.89	21.0	18.6	24.9	22.2	31.0	28.6	25.5	23.1
Oracle Corp	5.20	5.13	10.2	10.1	11.1	11.0	13.5	13.2	11.9	11.7
Salesforce.Com Inc	9.39	7.89	31.7	28.7	53.5	45.3	47.9	60.9	30.1	34.7
SAP SE	4.94	4.70	15.1	14.4	17.7	16.8	22.8	21.8	18.4	17.8
<b>Median large player</b>	<b>9.39</b>	<b>7.89</b>	<b>21.0</b>	<b>18.6</b>	<b>24.9</b>	<b>22.2</b>	<b>31.0</b>	<b>28.6</b>	<b>25.5</b>	<b>23.1</b>
Datalogic SpA	1.76	1.54	19.1	11.4	44.7	18.0	76.4	24.2	23.2	13.7
Digital Bros SpA	1.71	1.55	6.7	4.9	11.8	9.2	18.0	14.6	8.7	6.7
Expert System SpA	4.62	4.16	92.1	n.m.	n.m.	n.m.	n.m.	n.m.	20.4	n.m.
Exprivia SpA	0.50	0.46	4.4	4.0	n.m.	5.3	n.m.	5.7	2.1	3.3
Reply SpA	2.90	2.49	18.1	15.4	22.3	19.0	33.4	29.8	25.0	22.3
TXT e solutions SpA	1.00	1.09	8.4	8.6	13.2	12.1	27.3	18.6	14.6	11.4
<b>Median small player</b>	<b>1.73</b>	<b>1.54</b>	<b>13.2</b>	<b>8.6</b>	<b>17.8</b>	<b>12.1</b>	<b>30.4</b>	<b>18.6</b>	<b>17.5</b>	<b>11.4</b>
<b>Piteco SpA</b>	<b>10.80</b>	<b>7.00</b>	<b>25.0</b>	<b>14.6</b>	<b>34.2</b>	<b>21.3</b>	<b>36.1</b>	<b>23.5</b>	<b>24.1</b>	<b>14.6</b>
% premium / (discount) to large players	14.9	(11.3)	19.0	(21.2)	37.3	(4.4)	16.3	(17.7)	(5.5)	(36.9)
% premium / (discount) to small players	522.6	353.5	89.5	70.2	92.6	75.8	18.9	26.3	37.7	27.5

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Podini Family + Management + Treasury sh.	73.8%	14.18
Free Float	26.2%	5.29
<b>Total</b>	<b>100.0%</b>	<b>20.18</b>

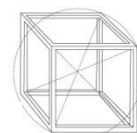
Source: Company data

Price performance	1M	3M	12M
Piteco	17.3%	40.2%	76.8%
Rel.to FTSE Italia All Shares	20.1%	20.1%	85.9%
Rel.to Sector	20.8%	29.6%	79.2%

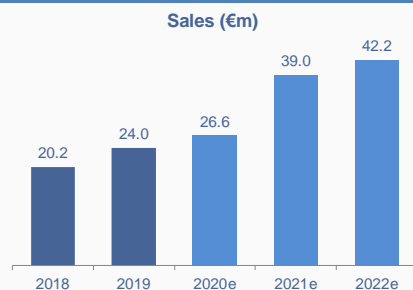
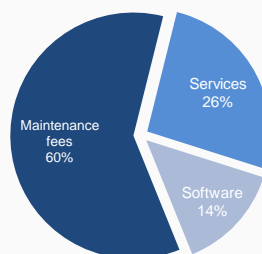
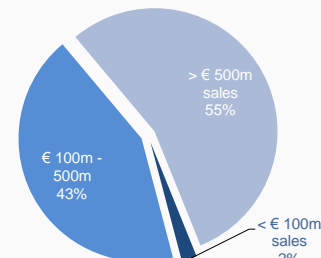
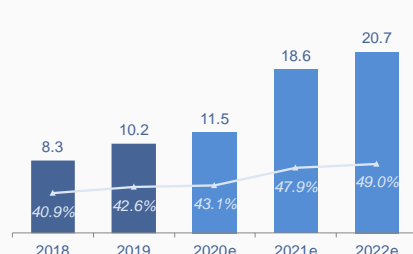
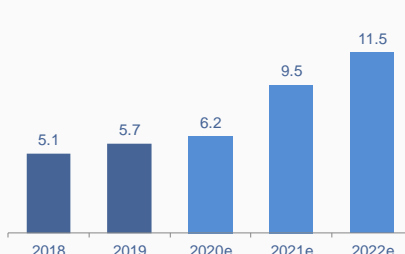
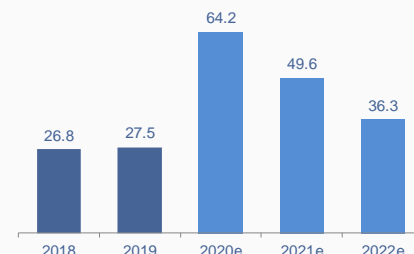
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>15-22</sub>	NFP/EBITDA FY1
Intuit	78,206	37.7%	9.8%	n.m.
Microsoft	1,441,564	46.8%	10.2%	n.m.
Oracle	146,594	49.6%	0.7%	1.4
Salesforce	170,061	30.0%	16.6%	n.m.
SAP	128,588	32.3%	1.6%	1.1
Datalogic	839	9.2%	-2.1%	0.0
Digital Bros	268	24.7%	n.a.	n.m.
Expert System	123	5.0%	13.5%	12.9
Exprivia	40	11.2%	-33.0%	2.3
Reply	3,774	15.5%	8.0%	n.m.
TXT e solutions	92	11.7%	15.5%	n.m.
<b>Piteco</b>	<b>223</b>	<b>43.1%</b>	<b>20.6%</b>	<b>5.6</b>

Source: Thomson Reuters Eikon





**Italy - Software**

**2019 top line by service**

**2019 top line by client profile (sales)**

**EBITDA (€m) and EBITDA margin (%)**

**Net Profit adjusted (€m)**

**Net Debt / (cash) (€m)**

**Investment Case: Reasons to Invest and Valuation**

Since Piteco operates in a sector that is defensive and resilient to short-term downturn events, the company was less impacted by current market uncertainties compared to other stocks and should be able to offer certain degree of protection to investors' portfolios.

Furthermore, Piteco recently acquired RAD Informatica, a highly profitable, well-managed, fast growing, cash flow generative firm. The company, bought fairly cheaply, operates in the NPL management software niche. The move adds interesting modules to the Piteco current selling proposition. The acquisition of RAD is EBITDA-, EPS- and value-accretive: the target is more profitable than the Piteco group and the price paid is by far lower than Piteco's current market valuation.

The acquisition makes a lot of sense and represents an important opportunity for the group to increase and develop its business from a strategic, industrial and management perspective. The acquisition is aimed at consolidating the role of Piteco as a domestic and international leader in the financial software sector, with a distinctive competitive positioning in the sector and with significant prospects for growth and value creation. Piteco's external growth strategy is still in place, envisaging the aggregation with leading software producers.

**Peer Group Absolute Performance**

%	1M	3M	12M
Intuit Inc	-4.9%	14.8%	26.0%
Microsoft Corp	4.3%	14.6%	34.3%
Oracle Corp	-6.6%	7.7%	13.4%
Salesforce.Com Inc	1.4%	-2.9%	21.5%
SAP SE	-2.3%	14.5%	-11.3%
Datalogic SpA	2.6%	45.3%	-9.4%
Digital Bros SpA	-12.9%	12.4%	48.4%
Expert System SpA	-6.6%	18.0%	-16.1%
Exprivia SpA	-3.8%	27.5%	-1.5%
Reply SpA	6.0%	9.4%	37.5%
TXT e solutions SpA	-9.6%	-3.0%	-22.2%

Source: Thomson Reuters Eikon

**Latest IR Press Releases**

January 5 <sup>th</sup> , 2021	Corporate Events Calendar ( <a href="#">link</a> )
December 16 <sup>th</sup> , 2020	Reserved capital increase fully subscribed ( <a href="#">link</a> )
December 1 <sup>st</sup> , 2020	The extraordinary shareholders' meeting has approved the reserved capital increase for an aggregate amount of € 8m in support of the acquisition of a 70% interest in Rad Informatica srl ( <a href="#">link</a> )

**Financial Calendar**

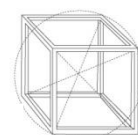
March 24 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 29 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 28 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

**Latest Equity Research published**

Date	PT €/s	Rating	Type of report	Download
04/11/2020	€ 11.30	BUY	RAD Acquisition	<a href="#">link</a>
29/09/2020	€ 9.40	BUY	H1-20 results	<a href="#">link</a>
24/03/2020	€ 7.00	BUY	FY-19 results	<a href="#">link</a>
17/10/2019	€ 8.10	BUY	Paris Mid Cap Event	<a href="#">link</a>

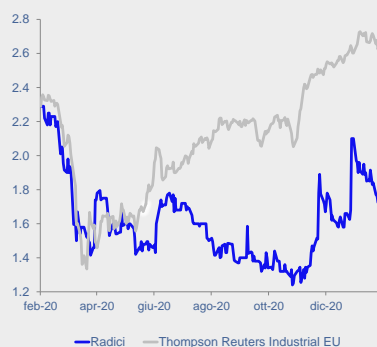
**Investor Relations Contacts**

<b>Issuer</b> Piteco SpA Via Imbonati, 18 20159 – Milano (MI)	<b>Investor Relations Manager</b> Riccardo Veneziani +39 023660931 investor@pitecolab.it
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Italy - Textile Flooring

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 2.90</b>
<b>Upside/(downside) %</b>	<b>62%</b>
<b>Last Price €</b>	<b>1.79</b>
<b>Market Cap. €m</b>	<b>15.6</b>
<b>1Y High €</b>	<b>2.29</b>
<b>1Y Low €</b>	<b>1.24</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>26,404</b>
<b>Free Float</b>	<b>24%</b>
<b>RIC</b>	<b>RADIC.MI</b>
<b>BBG</b>	<b>RAD IM</b>



Founded in 1950 in Cazzano Sant'Andrea, close to Bergamo (Italy), Radici Pietro is a leading international player in the textile flooring market, designing, manufacturing and selling high-end carpet floorings, artificial turf and non-woven fabrics, chiefly custom-made. The group operates three production plants, two in Italy and one in Hungary, and four commercial branches worldwide, managing the entire value chain, from raw materials processing to the production of finished goods, including the quality control, testing phases and distribution. Radici Pietro covers almost 90 countries, serving more than 2,000 customers in four different industries: Residential & Contract, Marine, Sport and Automotive. The group global export sales are 56% of total revenues. 45% of turnover comes from the Residential & Contract segment, 20% from Sport, 20% from Automotive and 15% from Marine. In terms of products, tufting accounts for 39%, non-woven for 18%, artificial turf for 15% and weaving for 13%, while the remaining 15% comes from marketed items.

**STRENGTHS**

- Leading player in the textile flooring market
- Wide product portfolio with several types of textile coverings for flooring
- Vertical integration: from raw material processing to finished goods distribution
- International presence: 56% of FY-19PF turnover

**WEAKNESSES**

- Exposure to foreign currencies
- Few key relevant people represent a vital asset for the company
- Limited fire power for M&A and development: NFP adj./EBITDA 2.8x in FY-19PF

€ m	2018PF	2019PF	2020e	2021e	2022e
Total Revenues	60.3	59.4	40.5	56.9	64.5
Value of Production	62.1	63.9	38.8	57.4	65.8
EBITDA	4.6	6.8	1.4	4.8	6.2
EBIT	1.9	4.0	(1.8)	1.7	3.1
Net Profit	1.4	5.6	(2.2)	1.0	2.3
Capex	2.2	4.1	2.0	4.0	3.5
Net Debt (Cash)	29.7	22.0	19.1	20.8	20.4
EPS reported (€/share)	0.16	0.64	(0.25)	0.11	0.27
EPS Adjusted (€/share)	0.16	0.64	(0.25)	0.11	0.27
CPS (€/share)	0.51	0.54	0.25	0.26	0.44
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	7.7%	11.4%	3.4%	8.4%	9.6%
EBIT margin	3.1%	6.7%	-4.3%	3.0%	4.8%
Dividend yield	-	-	-	-	-
ROCE	3.0%	5.8%	-3.0%	2.8%	4.8%

Source: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 30<sup>th</sup> September 2020

% YoY	2018PF	2019PF	2020e	2021e	2022e
Total Revenues	5.5%	-1.4%	-31.8%	40.2%	13.4%
Value of Production	6.0%	2.9%	-39.2%	48.0%	14.6%
EBITDA	27.4%	46.6%	-79.4%	n.m.	29.8%
EBIT	n.m.	n.m.	n.m.	n.m.	82.2%
Net Profit	27.5%	n.m.	n.m.	n.m.	n.m.
Capex	n.m.	83.4%	-51.3%	n.m.	-12.5%
Debt	3.1%	-25.7%	-13.4%	8.9%	-1.7%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Aquafil SpA	0.92	0.76	7.4	5.6	86.2	18.6	n.m.	19.0	3.8	3.2
Balta Group NV	0.68	0.58	6.8	4.8	30.2	10.7	n.m.	5.7	2.5	1.3
Interface Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8.7	8.6	5.8	5.2
Mohawk Industries Inc	1.26	1.13	9.1	7.4	16.7	12.0	17.6	14.6	8.7	8.0
Somec SpA	0.80	0.62	9.2	6.2	21.9	10.8	31.9	14.2	8.5	6.4
Tarkett SA	0.59	0.54	6.3	5.2	16.2	11.9	40.1	13.3	5.5	4.2
Victoria PLC	1.93	1.71	12.3	9.8	21.2	14.8	40.0	24.4	13.2	11.0
<b>Median</b>	<b>0.86</b>	<b>0.69</b>	<b>8.3</b>	<b>5.9</b>	<b>21.6</b>	<b>11.9</b>	<b>31.9</b>	<b>14.2</b>	<b>5.8</b>	<b>5.2</b>
<b>Radici Pietro Industries &amp; Brands SpA</b>	<b>0.85</b>	<b>0.64</b>	<b>24.8</b>	<b>7.6</b>	<b>n.m.</b>	<b>21.5</b>	<b>n.m.</b>	<b>15.8</b>	<b>16.5</b>	<b>3.8</b>
% premium / (discount)	(0.7)	(7.2)	200.3	28.4	n.m.	80.3	n.m.	11.8	185.3	(25.9)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
MRFoC SpA	69.9%	6.09
Radici Family	6.0%	0.53
Free Float	24.1%	2.10
<b>Total</b>	<b>100.0%</b>	<b>8.72</b>

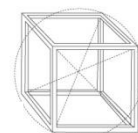
Source: Company data

Price performance	1M	3M	12M
Radici Pietro	-15.0%	37.8%	-22.4%
Rel.to FTSE AIM	-17.6%	17.8%	-17.7%
Rel.to Peers Median	-16.9%	-9.0%	-4.8%

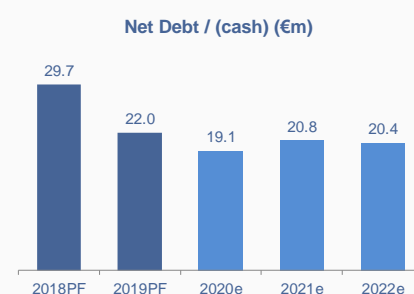
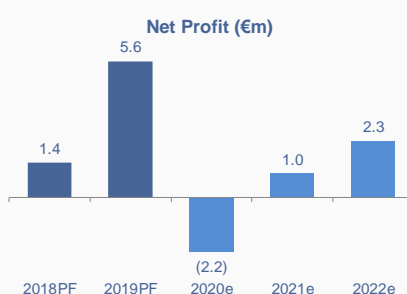
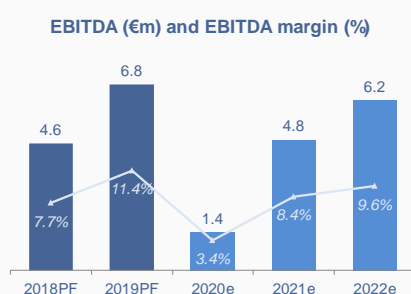
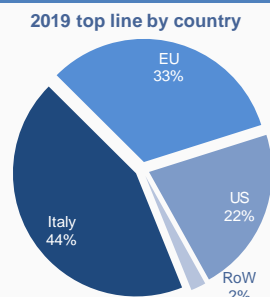
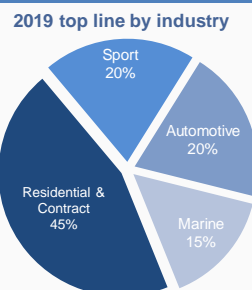
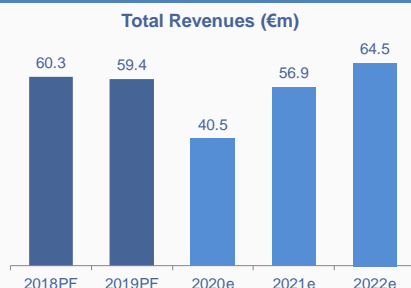
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>19-22</sub>	NFP/EBITDA FY1
Aquafil	183	11.8%	0.2%	4.3
Balta Group	69	9.3%	-0.5%	6.5
Interface	485	12.6%	-4.0%	n.a.
Mohawk Ind.	8,425	12.6%	-1.5%	1.6
Somec	127	8.6%	1.8%	2.5
Tarkett	964	8.2%	-1.1%	2.9
Victoria	911	14.4%	2.5%	4.4
<b>Radici Pietro</b>	<b>16</b>	<b>3.4%</b>	<b>2.8%</b>	<b>13.7</b>

Source: Thomson Reuters Eikon



### Italy - Textile Flooring



### Investment Case: Reasons to Invest and Valuation

Radici Pietro is a unique player when compared with traditional textile flooring manufacturers: its positioning towards a vast array of industries coupled with a wide selling proposition are definitely key competitive advantages. The company offers more than enough equity and near zero intangible, in addition to long-term debt facilities required to adequately run operations. The firm is properly equipped to weather the current poor business conditions and to benefit from a future demand trend reversal.

Despite the significant changes into the group's reference markets stemming from COVID-19, Radici Pietro decided to define and present to the market a three-year business plan (2020-22) last Jun-20. Radici Pietro is one of the very few bold issuers listed on the AIM Italia that have provided the market with medium-term guidance. Thus we believe the management has appropriate control of the variables influencing the business and the budgeting process is properly managed.

Following H1-20 results release, the company confirmed its 2020-22 Business Plan targets, thanks to a good recovery of the Automotive segment, mainly in the US, and the increasing demand for artificial turf pitches both in the domestic market and abroad. Furthermore, new business opportunities may arise from innovative treatment able to reduce the COVID-19 viral load on textile floorings.

### Peer Group Absolute Performance

%	1M	3M	12M
Aquafil SpA	-11.6%	36.0%	-30.4%
Balta Group NV	-12.7%	77.0%	-17.6%
Interface Inc	-4.4%	63.8%	-38.9%
Mohawk Industries Inc	1.9%	39.2%	6.3%
Somec SpA	3.6%	69.7%	-28.8%
Tarkett SA	2.3%	41.6%	14.9%
Victoria PLC	5.3%	46.8%	59.0%

Source: Thomson Reuters Eikon

### Latest IR Press Releases

December 22 <sup>nd</sup> , 2020	Financial Calendar 2021, new Specialist and IR Manager confirmation ( <a href="#">link</a> )
October 8 <sup>th</sup> , 2020	Change in share capital ( <a href="#">link</a> )
October 5 <sup>th</sup> , 2020	Bonus shares allocation ( <a href="#">link</a> )

### Financial Calendar

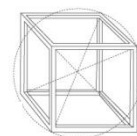
March 31 <sup>st</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 27 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

### Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
30/09/2020	€ 2.90	BUY	H1-20 results	<a href="#">link</a>
16/06/2020	€ 2.70	BUY	Initiation of Coverage	<a href="#">link</a>

### Investor Relations Contacts

<b>Issuer</b> Radici Pietro Industries & Brands SpA Via Cavalier Pietro Radici, 19 24024 – Cazzano Sant'Andrea (BG)	<b>Investor Relations Manager</b> Avv. Giuseppe Morettini +39 035724242 ir@radici.it
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Italy - Machinery

Rating **NEUTRAL**

Price Target **€ 2.80**

Upside/(downside) % **44%**

Last Price € **1.94**

Market Cap. €m **24.3**

1Y High € **2.54**

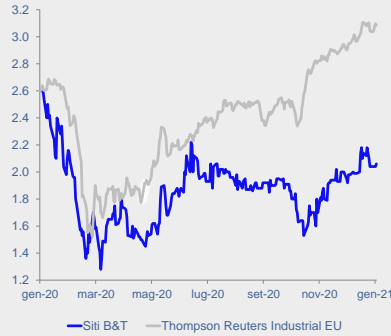
1Y Low € **1.26**

3M Avg Daily Turnover (n. shares) **11,484**

Free Float **0%**

RIC **SITIMI**

BBG **SITIMI**



Siti B&T is the world's third largest provider of plants and machinery for the production of tiles and sanitary ware. Nonetheless, Siti B&T is unquestionably the only player covering the entire value chain, from raw material processing, surface finishing and decoration, to finished product management and storage. The company offers a comprehensive range of technologies and solutions to its clients. The technology is proprietary, developed internally in the technological center, granting an ample competitive advantage: Siti B&T, for a part of its selling proposition, is at least 3 years ahead of its rivals.

The ceramic production machinery segment is in the midst of a consolidation process. Siti B&T is the best positioned amongst the top five players to be the most active actor in the arena. Other competitors do not have the necessary group flexibility and quick response to play a key role in this process. In the next three-five years' time, the competitive landscape is set to change significantly.

**STRENGTHS**

- The only player covering the entire value chain in production plants
- Proved positive track record in integrating acquisitions with value generation
- Flexible production structure, 80% outsourced, low capital employed
- Widespread geographical portfolio

**WEAKNESSES**

- High inventory levels tied to the enlargement of the product range
- The market is falling and it is not anticipated to reverse in the short term
- Sizeable weight of WC, generally 45-50% of turnover

€ m	2018	2019	2020e	2021e	2022e
Sales	206.2	175.2	118.5	142.1	170.7
Value of Production	215.1	187.1	125.4	148.0	177.9
EBITDA	18.1	18.7	8.4	11.5	17.8
EBITDA Adjusted	19.2	19.0	8.4	11.5	17.8
EBIT	12.5	8.5	(2.1)	1.0	8.3
Net Profit	6.9	2.9	(5.0)	(2.8)	3.8
Net Profit Adjusted	6.9	2.9	(5.0)	(2.8)	3.8
Capex	5.9	29.3	12.2	4.0	3.4
Net Debt (Cash)	42.9	59.1	76.8	69.5	52.1
EPS Reported (€/share)	0.54	0.21	(0.35)	(0.20)	0.27
EPS Adjusted (€/share)	0.54	0.21	(0.35)	(0.20)	0.27
CPS (€/share)	(0.22)	1.64	(0.35)	0.79	1.46
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	9.3%	10.8%	7.1%	8.1%	10.4%
EBIT margin	6.0%	4.9%	-1.8%	0.7%	4.8%
Dividend yield	-	-	-	-	-
Op NWC/Sales	52.3%	56.3%	87.5%	72.5%	57.0%
ROCE	8.6%	5.0%	n.m.	n.m.	4.4%

Source: Company data, CFO Sim. Estimates, Rating and Price Target updated as of 9<sup>th</sup> October 2020

% YoY	2018	2019	2020e	2021e	2022e
Value of Production	0.7%	-13.0%	-33.0%	18.0%	20.2%
EBITDA	11.8%	3.0%	-55.2%	37.4%	54.6%
EBIT	12.3%	-31.6%	n.m.	n.m.	n.m.
Net Profit	38.6%	-57.5%	n.m.	-43.9%	n.m.
Net Profit Adjusted	38.6%	-57.5%	n.m.	-43.9%	n.m.
Capex	13.6%	n.m.	-58.3%	-67.2%	-15.0%
Debt	27.8%	37.8%	29.8%	-9.4%	-25.0%

Source: Company data, CFO SIM

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2	PCF FY1	PCF FY2
Biesse SpA	0.95	0.84	12.2	8.3	33.9	17.0	58.8	25.4	14.0	9.6
Interpump Group SpA	3.37	2.98	15.2	13.0	21.7	17.6	29.3	23.5	18.0	15.8
Prima Industrie SpA	0.81	0.63	11.4	6.7	185.8	15.5	n.m.	16.4	7.3	4.8
<b>Median Italian</b>	<b>0.95</b>	<b>0.84</b>	<b>12.2</b>	<b>8.3</b>	<b>33.9</b>	<b>17.0</b>	<b>44.0</b>	<b>23.5</b>	<b>14.0</b>	<b>9.6</b>
Alfa Laval AB	2.27	2.24	11.8	11.5	15.1	14.5	19.6	19.7	14.2	14.6
GEA Group AG	1.16	1.06	10.6	9.0	17.9	14.2	24.5	20.9	12.3	11.5
Krones AG	0.61	0.58	13.9	7.6	n.m.	17.6	n.m.	26.8	15.4	9.4
Kuka AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sulzer AG	1.06	1.02	9.7	8.1	18.6	12.8	19.9	16.0	9.6	8.9
<b>Median Foreign</b>	<b>1.11</b>	<b>1.04</b>	<b>11.2</b>	<b>8.5</b>	<b>17.9</b>	<b>14.4</b>	<b>19.9</b>	<b>20.3</b>	<b>13.3</b>	<b>10.5</b>
<b>Siti B&amp;T Group SpA</b>	<b>0.85</b>	<b>0.66</b>	<b>12.1</b>	<b>8.2</b>	<b>n.m.</b>	<b>92.3</b>	<b>n.m.</b>	<b>n.m.</b>	<b>4.4</b>	<b>3.2</b>
% premium / (discount) to Italian	(10.4)	(20.9)	(0.6)	(1.7)	n.m.	441.3	n.m.	n.m.	(68.5)	(67.2)
% premium / (discount) to Foreign	(23.2)	(36.3)	7.8	(4.5)	n.m.	542.2	n.m.	n.m.	(66.8)	(69.8)

Source: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Barbieri & Tarozzi Families	74.7%	9.36
Free Float	25.3%	3.17
<b>Total</b>	<b>100.0%</b>	<b>12.53</b>

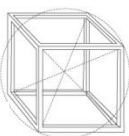
Source: Company data

Price performance	1M	3M	12M
Siti B&T	-2.5%	19.0%	-25.4%
Rel.to FTSE AIM	-5.1%	-1.0%	-20.7%
Rel.to EU Sector	-2.1%	-6.4%	-38.0%

Source: Thomson Reuters Eikon

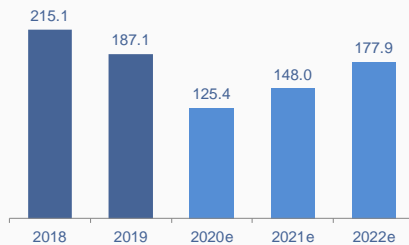
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>19-22</sub>	NFP/EBITDA FY1
Biesse	533	6.5%	0.5%	0.6
Interpump	4,028	21.4%	3.1%	1.2
Prima Industrie	149	7.8%	-1.4%	4.1
Alfa Laval	9,138	19.3%	-1.9%	0.2
GEA Group	5,151	10.4%	1.1%	0.2
Krones	2,158	5.6%	-1.2%	n.m.
Kuka	1,442	n.a.	n.a.	n.a.
Sulzer	3,062	10.2%	-0.1%	0.9
<b>Siti B&amp;T</b>	<b>24</b>	<b>7.1%</b>	<b>-0.8%</b>	<b>0.6</b>

Source: Thomson Reuters Eikon

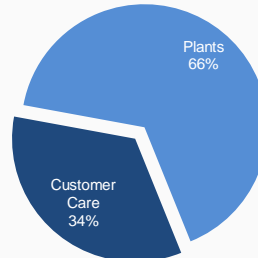


Italy - Machinery

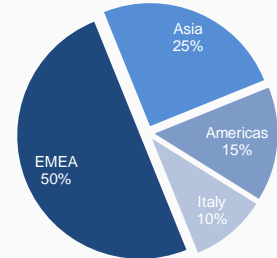
Value of Production (€m)



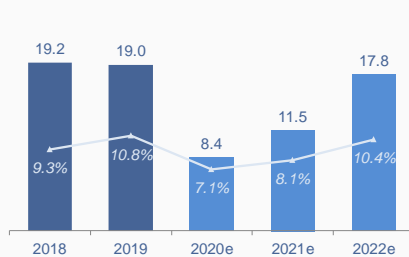
2019 top line by business unit



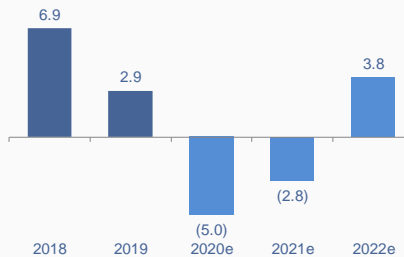
2019 top line by country



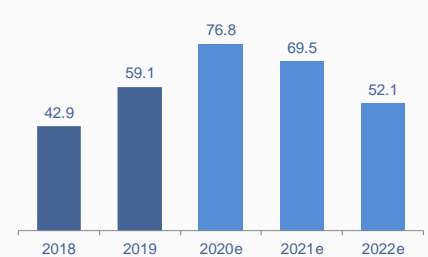
EBITDA adj. (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

The first part of the year was characterised by a falling reference market, exacerbated by the lockdown stemming from the COVID-19 spread which caused the postponement of investment in new plants worldwide. Furthermore, interim results for the group are insignificant in relation to its full-year results, as the segment's typical business seasonality causes the bulk of deliveries and billing to be concentrated in the second part of the year.

As expected, 2020 and to a certain extent also 2021 will be problematic years for the industry. Siti B&T is well equipped to weather the current weakness thanks to its solid balance sheet. In addition, in 2019 Siti B&T invested 4% of its revenues in R&D and is maintaining that approach. The short-term scenario is certainly difficult, but the group is well positioned to benefit from a cycle reversal in the medium-long term.

Peer Group Absolute Performance

%	1M	3M	12M
Biesse SpA	3.5%	31.6%	16.2%
Interpump Group SpA	-8.2%	14.3%	40.1%
Prima Industrie SpA	1.9%	31.7%	-14.9%
Alfa Laval AB	-3.0%	21.7%	-9.7%
GEA Group AG	-2.5%	-0.1%	2.8%
Krones AG	3.4%	39.3%	-1.9%
Kuka AG	-3.2%	5.5%	10.0%
Sulzer AG	3.5%	43.9%	-9.9%

Source: Thomson Reuters Eikon

Latest IR Press Releases

January 27 <sup>th</sup> , 2021	Corporate Events Calendar ( <a href="#">link</a> )
December 29 <sup>th</sup> , 2020	Appointment of Investor Relations Manager ( <a href="#">link</a> )
September 29 <sup>th</sup> , 2020	The board of directors approves the consolidated interim financial report 2020 ( <a href="#">link</a> )

Financial Calendar

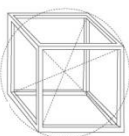
March 30 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 29 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 30 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
09/10/2020	€ 2.80	NEUTRAL	H1-20 results	<a href="#">link</a>
23/04/2020	€ 2.30	NEUTRAL	FY-19 results	<a href="#">link</a>
03/10/2019	€ 5.20	BUY	H1-19 results	<a href="#">link</a>
20/05/2019	€ 9.00	BUY	German Spring Conf	<a href="#">link</a>

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#### ANALYSTS CERTIFICATION

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**DBA Group SpA:** CFO SIM acts as a Specialist and Corporate Broker for DBA Group SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
28/01/2021	€1.50	BUY
10/11/2020	€1.50	BUY
26/10/2020	€1.50	BUY
22/06/2020	€1.80	BUY
31/10/2019	€2.60	BUY
15/04/2019	€3.30	BUY

**DIGITAL360 SpA:** CFO SIM acts as a Nominated Adviser, Specialist and Corporate Broker for DIGITAL360 SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

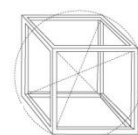
DATE	TARGET PRICE	RATING
23/09/2020	€2.40	BUY
26/06/2020	€1.70	BUY
29/04/2020	€1.20	BUY
23/10/2019	€1.20	BUY
07/05/2019	€1.70	BUY
08/11/2018	€1.60	BUY

**Digital Value SpA:** CFO SIM acts as a Nominated Adviser, Specialist and Corporate Broker for Digital Value SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
10/08/2020	€38.40	BUY
01/04/2020	€27.70	BUY
25/09/2019	€21.20	BUY
17/05/2019	€21.20	BUY
25/03/2019	€21.20	BUY
21/11/2018	€16.00	BUY

**Italian Wine Brands SpA:** CFO SIM acts as a Corporate Broker for Italian Wine Brands SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
22/01/2021	€30.00	BUY
04/12/2020	€25.00	BUY
18/09/2020	€25.00	BUY
25/03/2020	€20.00	BUY
03/03/2020	U.R.	BUY
08/01/2020	€19.20	BUY
17/09/2019	€19.20	BUY
02/04/2019	€18.60	BUY



**Labomar SpA:** CFO SIM acts as a Corporate Broker for Labomar SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
23/11/2020	€8.50	BUY

**MailUp SpA:** CFO SIM acts as a Corporate Broker for MailUp SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
11/01/2021	€6.60	BUY
10/12/2020	€6.60	BUY
13/11/2020	€6.60	BUY
21/09/2020	€6.30	NEUTRAL
14/05/2020	€4.60	NEUTRAL
02/04/2020	€4.60	NEUTRAL
18/12/2019	€4.80	NEUTRAL

**Monnalisa SpA:** CFO SIM acts as a Nominated Adviser, Specialist and Corporate Broker for Monnalisa SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
30/10/2020	€2.50	NEUTRAL
22/05/2020	€4.00	NEUTRAL
09/03/2020	U.R.	NEUTRAL
10/10/2019	€7.80	NEUTRAL
10/05/2019	€12.00	BUY

**Orsero SpA:** CFO SIM acts as a Corporate Broker for Orsero SpA stock, listed on MTA - STAR. The next table shows the ratings issued on the stock in the last 24 months.

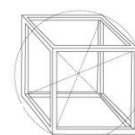
DATE	TARGET PRICE	RATING
16/11/2020	€8.50	BUY
16/09/2020	€8.50	BUY
15/05/2020	€7.00	BUY
18/03/2020	€7.00	BUY
13/02/2020	U.R.	BUY
12/09/2019	€8.40	BUY
29/03/2019	€10.30	BUY

**Pattern SpA:** CFO SIM acts as a Nominated Adviser and Corporate Broker for Pattern SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
28/09/2020	€5.00	BUY
28/04/2020	€4.40	NEUTRAL
25/03/2020	U.R.	BUY
20/12/2019	€5.80	BUY

**Piteco SpA:** CFO SIM acts as a Corporate Broker for Piteco SpA stock, listed on MTA. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
04/11/2020	€11.30	BUY
29/09/2020	€9.40	BUY
24/03/2020	€7.00	BUY
17/10/2019	€8.10	BUY
30/09/2019	€8.10	BUY
21/05/2019	€7.20	BUY
03/04/2019	€7.20	BUY





**Radici Pietro Industries & Brands SpA:** CFO SIM acts as a Corporate Broker for Radici Pietro Industries & Brands SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
30/09/2020	€2.90	BUY
16/06/2020	€2.70	BUY

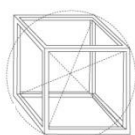
**SITI B&T SpA:** CFO SIM acts as a Nominated Adviser, Specialist and Corporate Broker for SITI B&T SpA stock, listed on AIM Italia. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
09/10/2020	€2.80	NEUTRAL
23/04/2020	€2.30	NEUTRAL
03/10/2019	€5.20	BUY
20/05/2019	€9.00	BUY
01/04/2019	€9.00	BUY

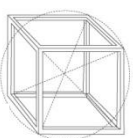
#### RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% bands identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return 12 months forward** and not on the basis of the estimated out/underperformance relative to a market index. Thus, the rating can be directly linked with the estimated percentage difference between current price and target price. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.



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