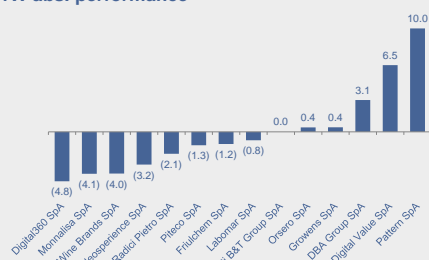


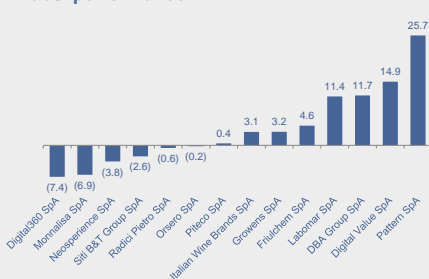
2<sup>nd</sup> November 2021

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.

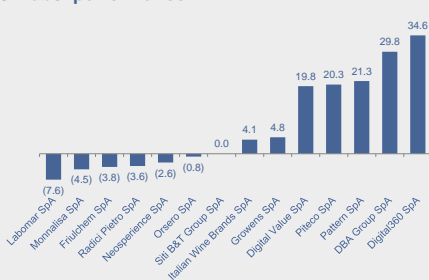
### 1W abs. performance



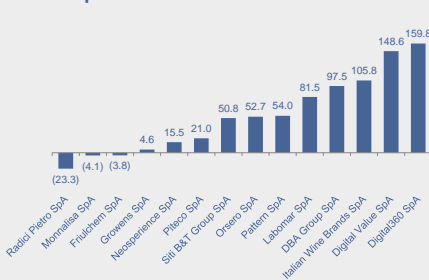
### 1M abs. performance



### 3M abs. performance



### YTD abs. performance



### Equity Research Department:

+39 02 30343 395/396

equity.research@cfo-sim.com

CFO SIM Coverage	Mkt Cap € m	Price €	Rating	PT €	% Upside	1Y Max	1Y Min
DBA Group SpA	19.3	1.68	BUY	2.00	19.4	2.09	0.68
Digital360 SpA	87.8	4.78	BUY	5.50	15.1	5.28	1.29
Digital Value SpA	954.1	95.70	BUY	115.00	20.2	97.40	30.10
Friulchem SpA	10.0	1.25	BUY	1.80	44.0	1.48	0.99
Grownes SpA	68.6	4.58	BUY	5.90	28.8	4.90	3.81
Italian Wine Brands SpA	376.7	42.80	BUY	58.00	35.5	49.30	16.60
Labomar SpA	225.5	12.20	BUY	9.50	(22.1)	15.95	6.38
Monnalisa SpA	19.8	3.78	NEUTRAL	4.50	19.0	6.20	2.16
Neosperience SpA	46.4	6.10	BUY	10.00	63.9	6.90	4.60
Orsero SpA	169.0	9.56	BUY	13.50	41.2	10.35	5.42
Pattern SpA	86.7	6.16	BUY	8.20	33.1	6.58	3.35
Piteco SpA	230.1	11.40	NEUTRAL	12.00	5.3	12.20	7.76
Radic Pietro SpA	14.0	1.61	BUY	2.50	55.3	2.12	1.26
Siti B&T Group SpA	37.6	3.00	NEUTRAL	3.20	6.7	3.50	1.50

Sources: 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	(58.1)
Digital360 SpA	Digital	13-Jun-17	1.15	17.7	Primary	6.6	315.7
Digital Value SpA	IT Services	08-Nov-18	10.00	89.6	-	22.5	1,132.3
Friulchem SpA	Veterinary	25-Jul-19	1.80	14.4	Primary	4.5	(30.6)
Grownes SpA	MarTech	29-Jul-14	1.92	20.0	Primary	3.0	138.5
Italian Wine Brands SpA	Food & Bev.	29-Jan-15	10.00	52.1	-	-	328.0
Labomar SpA	Nutraceutical	05-Oct-20	6.00	110.9	Prim./Sec.	29.9	103.3
Monnalisa SpA	Fashion	12-Jul-18	13.75	72.0	Prim./Sec.	18.5	(72.5)
Neosperience SpA	Digital Innov.	20-Feb-19	3.42	22.1	Primary	4.1	78.4
Orsero SpA	Food	13-Feb-17	10.00	80.0	(SPAC)	80.0	23.1
Pattern SpA	Luxury Eng.	17-Jul-19	3.25	44.2	Prim./Sec.	12.5	89.5
Piteco SpA	Software	31-Jul-15	3.30	59.8	Primary	16.5	245.5
Radic Pietro SpA	Textile	26-Jul-19	3.10	26.7	Primary	6.2	(48.1)
Siti B&T Group SpA	Machinery	31-Mar-16	8.00	100.0	Prim./Sec.	26.0	(62.5)

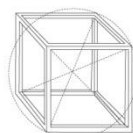
Sources: CFO SIM, Borsa Italiana, Company Data, Thomson Reuters Eikon, \* for DGV and ORS it takes into consideration warrants too

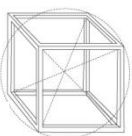
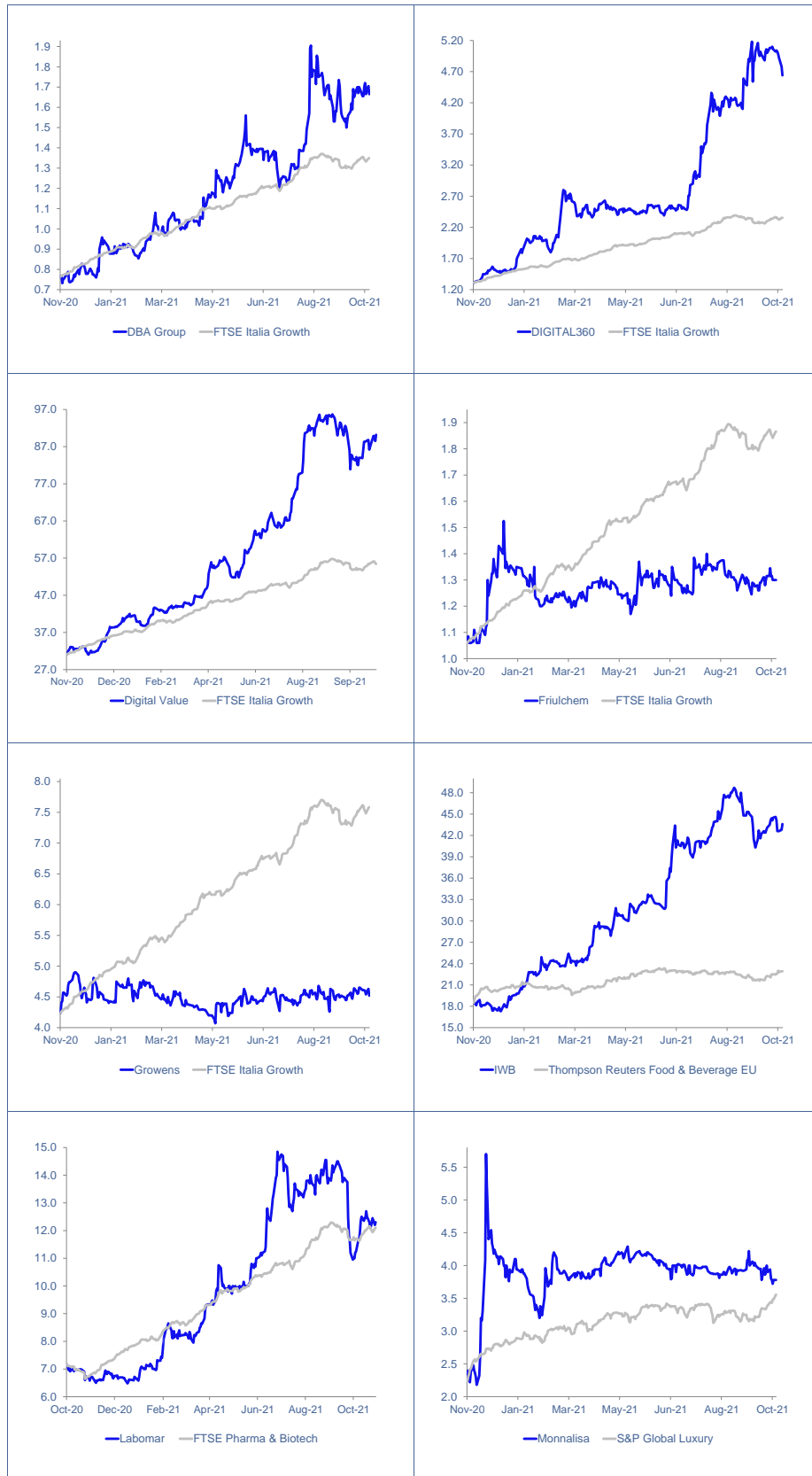
% Absolute performance	1D	1W	1M	3M	6M	YTD	1Y
DBA Group SpA	2.4	3.1	11.7	29.8	46.9	97.5	144.2
Digital360 SpA	(2.8)	(4.8)	(7.4)	34.6	92.7	159.8	264.9
Digital Value SpA	5.2	6.5	14.9	19.8	69.7	148.6	208.7
Friulchem SpA	0.0	(1.2)	4.6	(3.8)	4.6	(3.8)	26.3
Grownes SpA	2.0	0.4	3.2	4.8	12.3	4.6	6.0
Italian Wine Brands SpA	0.5	(4.0)	3.1	4.1	42.7	105.8	137.8
Labomar SpA	(2.0)	(0.8)	11.4	(7.6)	25.5	81.5	82.1
Monnalisa SpA	0.0	(4.1)	(6.9)	(4.5)	(10.0)	(4.1)	61.5
Neosperience SpA	0.7	(3.2)	(3.8)	(2.6)	5.2	15.5	32.8
Orsero SpA	1.3	0.4	(0.2)	(0.8)	20.1	52.7	77.7
Pattern SpA	2.0	10.0	25.7	21.3	31.6	54.0	67.4
Piteco SpA	0.0	(1.3)	0.4	20.3	8.6	21.0	44.7
Radic Pietro SpA	(1.8)	(2.1)	(0.6)	(3.6)	(11.0)	(23.3)	24.3
Siti B&T Group SpA	(0.7)	0.0	(2.6)	0.0	15.4	50.8	84.0
MSCI World Index	0.5	1.0	6.6	3.7	8.2	18.6	39.1
EUROSTOXX	0.7	1.6	6.1	3.2	7.4	19.6	42.7
FTSE Italia All Share	1.2	1.3	6.7	7.0	11.6	23.3	52.3
FTSE Italia STAR	1.1	0.3	8.5	9.5	24.7	43.2	71.6
FTSE Italia Growth	1.2	(0.6)	3.5	9.2	23.1	53.9	80.0

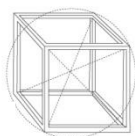
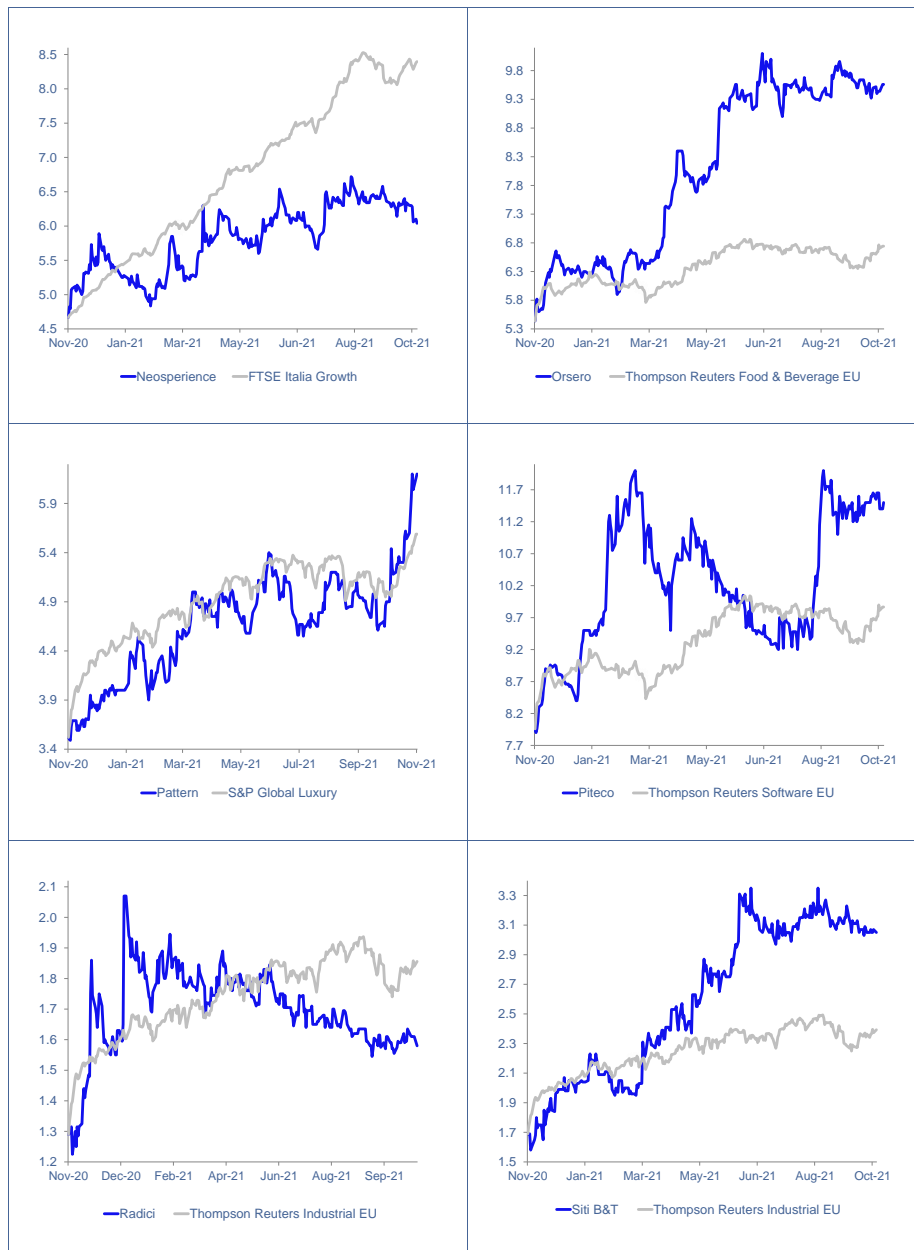
Sources: Thomson Reuters Eikon

% Relative performance	1D	1W	1M	3M	6M	YTD	1Y
DBA Group SpA	1.3	3.7	8.2	20.6	23.9	43.6	64.1
Digital360 SpA	(4.0)	(4.2)	(10.8)	25.4	69.7	105.9	184.9
Digital Value SpA	4.0	7.1	11.4	10.5	46.6	94.7	128.7
Friulchem SpA	(1.2)	(0.6)	1.1	(13.1)	(18.5)	(57.7)	(53.8)
Grownes SpA	0.8	1.1	(0.3)	(4.4)	(10.8)	(49.3)	(74.0)
Italian Wine Brands SpA	(0.7)	(3.4)	(0.3)	(5.1)	19.6	51.9	57.8
Labomar SpA	(3.2)	(0.2)	8.0	(16.8)	2.5	27.7	2.1
Monnalisa SpA	(1.2)	(3.4)	(10.4)	(13.8)	(33.1)	(57.9)	(18.5)
Neosperience SpA	(0.5)	(2.6)	(7.2)	(11.8)	(17.9)	(38.3)	(47.3)
Orsero SpA	0.1	1.0	(3.7)	(10.1)	(3.0)	(1.2)	(2.3)
Pattern SpA	0.8	10.6	22.3	12.0	8.6	0.1	(12.6)
Piteco SpA	(1.2)	(0.7)	(3.0)	11.0	(14.5)	(32.9)	(35.4)
Radic Pietro SpA	(3.0)	(1.5)	(4.1)	(12.8)	(34.1)	(77.2)	(55.7)
Siti B&T Group SpA	(1.8)	0.6	(6.1)	(9.2)	(7.7)	(3.1)	4.0

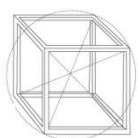
Sources: Thomson Reuters Eikon, perf. rel. to FTSE Italia Growth, Piteco to FTSE Italia All Share and Orsero to FTSE Italia STAR



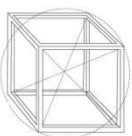




1. DBA Group SpA.....	6
2. DIGITAL360 SpA.....	8
3. Digital Value SpA.....	10
4. Friulchem SpA.....	12
5. Growens SpA.....	14
6. Italian Wine Brands SpA.....	16
7. Labomar SpA.....	18
8. Monnalisa SpA.....	20
9. Neosperience SpA.....	22
10. Orsero SpA.....	24
11. Pattern SpA.....	26
12. Piteco SpA.....	28
13. Radici Pietro Industries & Brands SpA.....	30
14. Siti B&T Group SpA.....	32
15. Disclaimer & Analyst Certification.....	34
16. CFO Sim Investment Banking Team.....	40



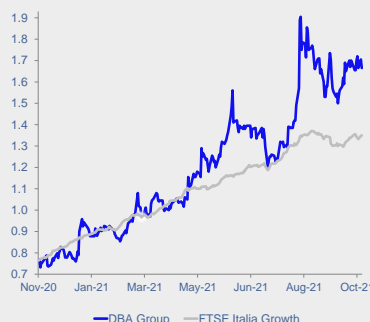
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Italy - ICT Consulting

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 2.00</b>
<b>Upside/(downside) %</b>	<b>19%</b>
<b>Last Price €</b>	<b>1.68</b>
<b>Market Cap. €m</b>	<b>19.3</b>
<b>1Y High €</b>	<b>2.09</b>
<b>1Y Low €</b>	<b>0.68</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>48,395</b>
<b>Free Float</b>	<b>50%</b>
<b>RIC</b>	<b>DBA.MI</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	2019	2020	2021e	2022e	2023e
Value of production	61.0	71.9	72.5	72.8	74.0
EBITDA	3.3	3.9	5.2	6.1	6.8
EBIT	(2.3)	(0.7)	0.8	1.7	2.6
EBIT Adjusted	(1.2)	0.5	2.0	2.9	3.7
Net Profit	(2.7)	(1.2)	0.1	0.6	1.1
Net Profit Adjusted	(1.6)	(0.1)	1.2	1.8	2.3
Capex	8.1	3.1	2.6	2.5	2.5
Net Debt (Cash)	14.7	16.4	14.8	12.9	10.2
EPS reported (€/share)	(0.27)	(0.12)	0.01	0.06	0.11
EPS Adjusted (€/share)	(0.16)	(0.01)	0.12	0.18	0.23
CPS (€/share)	0.21	0.20	0.42	0.44	0.52
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	5.4%	5.4%	7.2%	8.3%	9.2%
EBIT margin	-3.8%	-0.9%	1.2%	2.3%	3.5%
Dividend yield	-	-	-	-	-
ROCE	neg.	neg.	1.7%	3.7%	5.8%

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

% YoY	2019	2020	2021e	2022e	2023e
Value of production	24.6%	17.9%	0.7%	0.5%	1.6%
EBITDA	-25.3%	18.3%	34.0%	15.4%	12.7%
EBIT	n.m.	-71.2%	n.m.	n.m.	49.9%
Net Profit	n.m.	-55.1%	n.m.	n.m.	86.0%
Net Profit Adjusted	n.m.	-95.1%	n.m.	43.7%	29.5%
Capex	-15.0%	-61.1%	-17.2%	-3.8%	0.0%
Debt	63.3%	11.6%	-10.0%	-12.7%	-20.8%

Sources: 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	11.7%	29.8%	144.2%
Absolute	8.2%	20.6%	64.1%
Rel.to Peers Median	3.4%	19.7%	71.5%

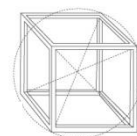
Source: Thomson Reuters Eikon

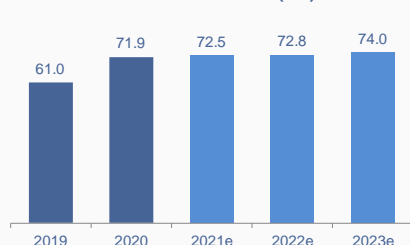
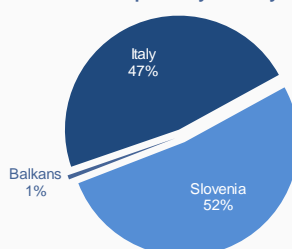
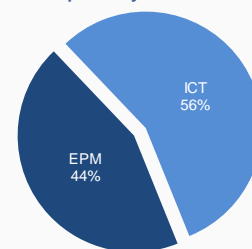
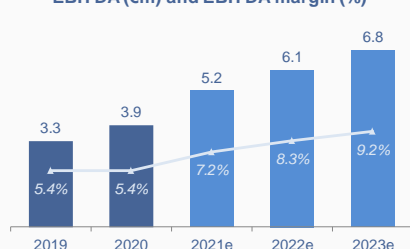
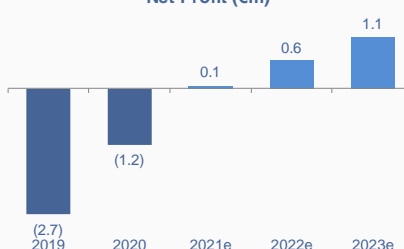
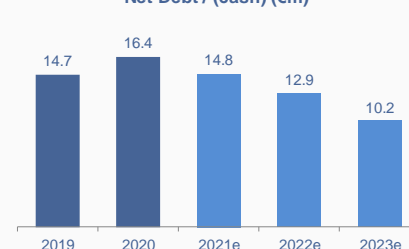
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
AECOM	8,611	6.2%	2.8%	1.7
Alten SA	4,877	12.0%	11.6%	n.m.
Arcadis NV	3,802	12.5%	10.1%	0.9
Jacobs Eng.	15,799	8.5%	6.5%	1.9
Snc-Lavalin	4,021	9.3%	2.0%	2.1
Sweco AB	5,055	14.4%	5.1%	n.a.
Accenture PLC	201,061	18.6%	10.2%	n.m.
Capgemini SE	34,282	15.5%	7.9%	1.5
Devoteam SA	1,399	12.2%	8.3%	n.m.
Reply SpA	6,223	16.9%	13.4%	n.m.
TXT e solutions	118	-3.8%	16.6%	n.m.
<b>DBA Group</b>	<b>19</b>	<b>7.2%</b>	<b>0.9%</b>	<b>2.8</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	0.87	0.83	14.3	13.1	16.9	15.2	23.9	21.7	18.4	17.1
Alten SA	1.65	1.46	13.7	11.8	17.6	14.8	25.0	21.6	17.9	16.0
Arcadis NV	1.33	1.26	11.3	10.4	17.6	15.8	23.8	20.9	13.0	12.0
Jacobs Engineering Group Inc	1.42	1.26	16.3	13.8	17.5	14.4	22.1	19.8	20.1	18.6
SNC-Lavalin Group Inc	1.02	0.94	11.7	9.1	16.0	11.7	19.9	16.1	12.6	11.0
Sweco AB (publ)	2.33	n.a.	16.1	n.a.	25.2	n.a.	31.8	28.4	18.5	13.4
<b>Engineering &amp; PMO median</b>	<b>1.38</b>	<b>1.26</b>	<b>14.0</b>	<b>11.8</b>	<b>17.6</b>	<b>14.8</b>	<b>23.8</b>	<b>21.2</b>	<b>18.2</b>	<b>14.7</b>
Accenture PLC	3.95	3.62	21.1	19.4	25.8	23.4	35.8	32.6	27.6	25.6
Capgemini SE	2.12	1.90	13.4	11.9	18.1	15.5	24.2	20.5	15.9	14.3
Devoteam SA	1.52	1.36	12.4	11.1	13.8	12.2	27.2	24.6	22.7	20.9
Reply SpA	4.07	3.54	24.1	21.0	29.7	25.6	43.4	38.4	32.7	29.3
TXT e solutions SpA	1.20	1.26	9.2	9.3	13.0	12.1	19.5	15.6	12.3	10.9
<b>ICT software median</b>	<b>2.12</b>	<b>1.90</b>	<b>13.4</b>	<b>11.9</b>	<b>18.1</b>	<b>15.5</b>	<b>27.2</b>	<b>24.6</b>	<b>22.7</b>	<b>20.9</b>
<b>DBA Group SpA</b>	<b>0.47</b>	<b>0.44</b>	<b>6.5</b>	<b>5.3</b>	<b>17.1</b>	<b>11.3</b>	<b>15.8</b>	<b>11.0</b>	<b>4.3</b>	<b>3.9</b>
% prem./(disc.) to Engineering & PMO	(65.9)	(64.8)	(53.6)	(55.0)	(2.6)	(23.8)	(33.7)	(48.1)	(76.3)	(73.5)
% prem./(disc.) to ICT software	(77.8)	(76.7)	(51.6)	(55.3)	(5.4)	(27.6)	(41.8)	(55.3)	(81.0)	(81.4)

Sources: CFO SIM, Thomson Reuters Eikon



**Italy - ICT Consulting**
**Value of Production (€m)**

**2020 top line by country**

**2020 top line by business unit**

**EBITDA (€m) and EBITDA margin (%)**

**Net Profit (€m)**

**Net Debt / (cash) (€m)**

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

DBA Group reported a good set of 2021 interim results, showing increasing revenues driven by the Slovenian ICT BU. It is worth remembering that, due to the business seasonality, only 40/45% of the FY turnover is concentrated in H1. Seasonality is even more pronounced in terms of EBITDA, as projects are generally awarded in the first months of the year while margin recognition occurs only after their completion. Following the H1-21 results, we left our estimates unchanged.

Last 27-Sep, some Slovenian media reported that Telekom Slovenije would be interested in acquiring Actual IT. DBA confirmed the ongoing negotiations. According to the Slovenian press, the appraisal of Actual IT is supposed to range between € 30m and € 50m. Actual IT's business corresponds to the Slovenian ICT BU of DBA Group, which in 2020 reported VoP of € 36.5m and EBITDA of € 2.8m (ITA GAAP). Actual IT has a NFP of about € 7m (debt), thus, considering the lower part of the valuation range, the Equity Value of the company should be some € 24m. For DBA, this would result in a massive potential cash-in of about € 22m for DBA, corresponding to € 1.9/s. The valuation is appealing; however, this game-changing opportunity might entail a potential execution risk not to be underestimated.

**Peer Group Absolute Performance**

%	1M	3M	12M
AECOM	7.9%	11.8%	54.7%
Alten SA	14.1%	6.1%	107.6%
Arcadis NV	-0.6%	14.8%	111.0%
Jacobs Engineering Group Inc	7.1%	5.1%	48.1%
SNC-Lavalin Group Inc	-1.4%	-0.8%	76.7%
Sweco AB (publ)	1.7%	-0.5%	-7.3%
Accenture PLC	11.2%	12.4%	63.8%
Capgemini SE	16.1%	10.2%	105.7%
Devoteam SA	24.8%	38.6%	72.6%
Reply SpA	8.3%	8.7%	80.9%
TXT e solutions SpA	8.4%	12.7%	23.7%

Source: Thomson Reuters Eikon

**Latest IR Press Releases**

September 29 <sup>th</sup> , 2021	The Board of Directors approves the consolidated results as at 30 June 2021 ( <a href="#">link</a> )
September 2 <sup>nd</sup> , 2021	Slovenia Public Administration Digitisation: new assignment to DBA Group ( <a href="#">link</a> )
August 23 <sup>rd</sup> , 2021	ICT assignment for the digitization for Serbian Courts ( <a href="#">link</a> )

**Financial Calendar**

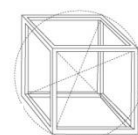
May 24 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
June 24 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 29 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

**Latest Equity Research published**

Date	PT €/s	Rating	Type of report	Download
11/10/2021	€ 2.00	BUY	H1-21 results	<a href="#">link</a>
07/06/2021	€ 2.00	BUY	FY-20 results	<a href="#">link</a>
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>

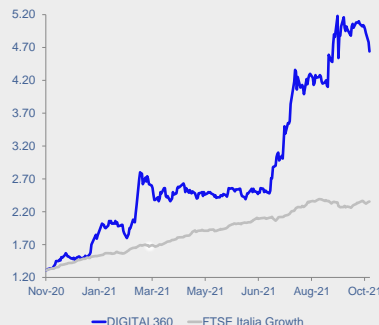
**Investor Relations Contacts**

<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>€ 5.50</b>
<b>Upside/(downside) %</b>	<b>15%</b>
<b>Last Price €</b>	<b>4.78</b>
<b>Market Cap. €m</b>	<b>87.8</b>
<b>1Y High €</b>	<b>5.28</b>
<b>1Y Low €</b>	<b>1.29</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>66,437</b>
<b>Free Float</b>	<b>26%</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 CAGR11-20 is 39%, 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 € 5.0m, 43% 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	2019	2020	2021e	2022e	2023e
Revenues	24.9	26.1	35.3	46.3	51.7
Total revenues	25.2	26.3	35.4	46.4	51.8
EBITDA	2.5	5.1	6.9	8.8	10.7
EBIT	0.1	2.5	3.7	4.9	6.8
EBIT Adjusted	1.2	3.2	4.5	5.8	7.8
Net Profit	(0.8)	1.1	2.1	2.6	3.9
Net Profit Adjusted	0.3	1.7	2.9	3.6	4.8
Capex	1.9	1.7	6.7	5.0	1.9
Net Debt (Cash)	6.3	1.4	0.5	(0.3)	(5.6)
EPS reported FD (€ cents)	(0.04)	0.06	0.11	0.14	0.20
EPS Adjusted FD (€ cents)	0.02	0.09	0.15	0.19	0.25
CPS (€ cents)	0.05	0.33	0.20	0.29	0.37
DPS (€ cents)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	10.0%	19.4%	19.4%	19.0%	20.6%
EBIT margin	0.3%	9.6%	10.6%	10.5%	13.2%
Dividend yield	-	-	-	-	-
Op NWC/Sales	24.8%	25.8%	27.0%	26.9%	27.0%
ROCE	0.4%	13.2%	15.7%	19.3%	24.9%

Sources: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 23<sup>rd</sup> September 2021

% YoY	2019	2020	2021e	2022e	2023e
Total revenues	12.1%	4.4%	34.3%	31.0%	11.6%
EBITDA	-1.5%	n.m.	34.7%	28.2%	21.0%
EBIT	-79.3%	n.m.	48.5%	29.9%	40.5%
Net Profit	-88.4%	n.m.	97.6%	23.4%	47.7%
Net Profit Adjusted	-1.6%	n.m.	64.5%	24.2%	35.0%
Capex	-66.7%	-9.5%	n.m.	-24.9%	-62.5%
Debt	38.7%	-78.4%	-66.1%	n.m.	n.m.

Sources: Company data, CFO SIM

Outstanding shares	%	# m
Andrea Rangone	21.2%	3.89
Mariano Corso	10.5%	1.92
Alessandro Giuseppe Perego	10.3%	1.90
Raffaello Balocco	4.3%	0.79
Gabriele Faggioli	5.5%	1.00
Other <4.0%	22.0%	4.05
Free Float	26.3%	4.83
<b>Total</b>	<b>100.0%</b>	<b>18.37</b>

Source: Company data

Price performance	1M	3M	12M
DIGITAL360	-7.4%	34.6%	264.9%
Rel.to FTSE Italia Growth	-10.8%	25.4%	184.9%
Rel.to Peers median	-15.0%	27.2%	216.0%

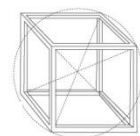
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Booz Allen	10,106	10.8%	7.5%	2.2
Future PLC	5,006	34.2%	38.7%	1.0
Gartner Inc	23,669	25.6%	14.1%	1.5
HubSpot Inc	32,549	12.2%	33.9%	n.m.
Infoma PLC	9,305	26.5%	17.9%	3.5
Relx PLC	51,896	36.7%	7.7%	2.3
ServiceNow	116,934	32.6%	28.8%	n.m.
TechTarget	2,320	37.4%	33.9%	0.9
Wolters Kluw.	23,953	30.9%	3.4%	1.5
<b>DIGITAL360</b>	<b>88</b>	<b>19.4%</b>	<b>25.6%</b>	<b>0.1</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
Booz Allen Hamilton Holding Corp	1.62	1.50	15.0	14.0	17.3	15.9	20.4	19.1	16.8	16.1
Future PLC	7.36	5.63	21.5	17.8	25.2	21.2	30.0	25.2	24.7	20.3
Gartner Inc	6.41	5.58	25.1	28.6	29.8	34.2	40.4	49.7	31.7	38.3
HubSpot Inc	29.25	22.57	239.8	173.8	344.2	238.7	437.8	297.8	283.8	204.7
Infoma PLC	5.20	4.09	19.7	12.5	24.9	15.4	31.4	17.7	22.3	13.4
Relx PLC	6.86	6.26	18.7	16.7	22.5	19.8	26.0	23.1	20.6	18.6
ServiceNow Inc	22.74	17.82	69.7	57.2	92.0	73.8	114.7	91.7	82.3	67.9
TechTarget Inc	10.65	9.01	28.5	23.7	31.4	29.1	41.0	36.7	36.0	28.4
Wolters Kluwer NV	5.56	5.31	18.0	17.0	23.1	21.5	27.9	26.2	20.3	19.4
<b>Median</b>	<b>6.86</b>	<b>5.63</b>	<b>21.5</b>	<b>17.8</b>	<b>25.2</b>	<b>21.5</b>	<b>31.4</b>	<b>26.2</b>	<b>24.7</b>	<b>20.3</b>
<b>DIGITAL360 SpA</b>	<b>2.49</b>	<b>1.89</b>	<b>12.8</b>	<b>9.9</b>	<b>19.6</b>	<b>15.0</b>	<b>30.6</b>	<b>24.6</b>	<b>16.7</b>	<b>13.4</b>
% premium / (discount)	(63.7)	(66.5)	(40.3)	(44.3)	(22.0)	(29.9)	(2.5)	(5.9)	(32.3)	(34.0)

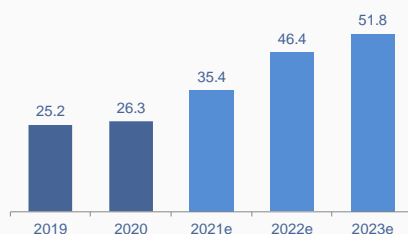
Sources: CFO SIM, Thomson Reuters Eikon



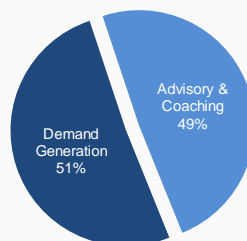


Italy - Digital

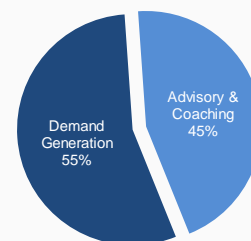
Total Revenues (€m)



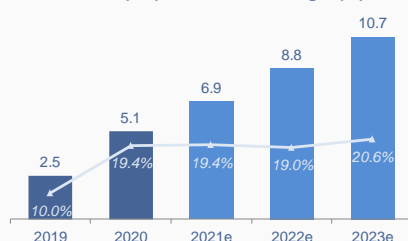
2020 top line by business unit



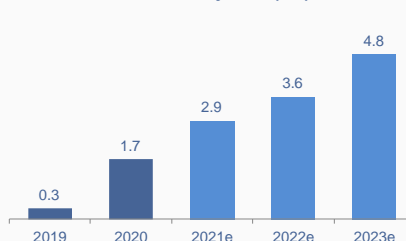
2019 top line by business unit



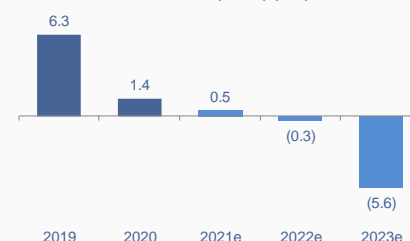
EBITDA (€m) and EBITDA margin (%)



Net Profit adjusted (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

H1-21 outstanding performance was driven by 1) the investments made in the last few years aimed at the development of innovative and scalable subscription services which generate recurring revenues; and 2) a wider range of services offered to support the digital transformation of companies and public administrations. Our new estimates factor in the two recently announced acquisitions of Imageware and ICT LAB.

Imageware is a PR, marketing and communications agency. The acquisition will allow DIGITAL360 to: 1) expand its customer portfolio in the ICT sector; 2) exploit significant operational and strategic synergies and 3) broaden its service portfolio. ICT LAB offers consultancy services to PAs to boost their innovation and digitisation process. This move completes the range of services already offered to PAs, thus expanding the addressable market and the range of consulting and training services.

The group is well-positioned to benefit from 1) the acceleration of the domestic digital market indisputably driven by the pandemic emergency and 2) the National Recovery and Resilience Plan which will allocate a sizeable amount of financial resources for the digital transformation of enterprises and public administrations. The group is able to leverage this environment thanks to 1) a range of innovative services, 2) its competitive positioning and 3) the strategic proprietary assets and solutions recently developed.

Peer Group Absolute Performance

%	1M	3M	12M
Booz Allen Hamilton Holding Corp	7.8%	2.1%	11.6%
Future PLC	-2.0%	1.9%	77.3%
Gartner Inc	7.6%	23.9%	173.4%
HubSpot Inc	26.8%	34.8%	177.1%
Informa PLC	-8.0%	5.9%	25.6%
Relx PLC	6.3%	7.5%	48.9%
ServiceNow Inc	10.4%	16.6%	37.1%
TechTarget Inc	20.5%	30.9%	118.3%
Wolters Kluwer NV	0.5%	-4.4%	31.6%

Source: Thomson Reuters Eikon

Latest IR Press Releases

October 29 <sup>th</sup> , 2021	DIGITAL360: communication of share capital change ( <a href="#">link</a> )
October 27 <sup>th</sup> , 2021	DIGITAL360: registration of capital increase resolutions ( <a href="#">link</a> )
October 14 <sup>th</sup> , 2021	Completed the acquisition of the majority of the shares of Imageware Group and of the company ICT LAB ( <a href="#">link</a> )

Financial Calendar

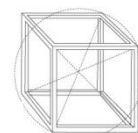
March 22 <sup>nd</sup> , 2021	Board of Directors (FY-20 Results)
April 29 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 20 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
23/09/2021	€ 5.50	BUY	H1-21 results	<a href="#">link</a>
19/07/2021	€ 4.40	BUY	H1-21 prel. results	<a href="#">link</a>
25/03/2021	€ 4.00	BUY	FY-20 results	<a href="#">link</a>
12/02/2021	€ 3.10	BUY	FY-20 prel. results	<a href="#">link</a>

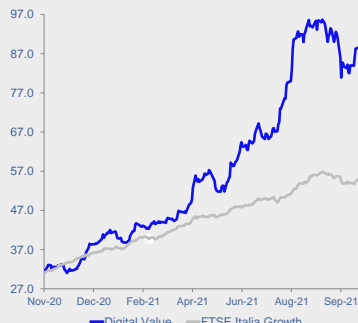
Investor Relations Contacts

<b>Issuer</b> DIGITAL360 SpA Via Copernico, 38 20125 – Milano (MI)	<b>Investor Relations Manager</b> Emilio Adinolfi +39 0292852801 emilio.adinolfi@digital360.it
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**Italy - IT Services**

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 115.00</b>
<b>Upside/(downside) %</b>	<b>20%</b>
<b>Last Price €</b>	<b>95.70</b>
<b>Market Cap. €m</b>	<b>954.1</b>
<b>1Y High €</b>	<b>97.40</b>
<b>1Y Low €</b>	<b>30.10</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>12,805</b>
<b>Free Float</b>	<b>26%</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, Itaware 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 2019 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.

**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
- Decisions are in the hands of few key relevant people, even though DGV is becoming increasingly structured with new senior management hiring

€ m	2019	2020	2021e	2022e	2023e
Sales	363.2	440.6	541.6	650.7	782.9
Value of production	364.8	442.3	542.9	652.0	784.5
EBITDA	31.9	45.4	55.8	69.2	86.2
EBIT	27.1	34.0	41.2	51.9	71.9
Net Profit	19.0	24.1	28.1	35.6	49.6
Net Profit Adjusted	19.0	24.1	28.1	35.6	49.6
Capex	34.4	13.0	13.0	13.0	13.0
Net Debt (Cash)	(28.0)	(32.9)	(65.1)	(112.7)	(176.7)
EPS reported FD (€/share)	1.90	2.42	2.82	3.57	4.97
EPS Adjusted FD (€/share)	1.90	2.42	2.82	3.57	4.97
CPS (€/share)	3.13	1.82	4.54	6.08	7.73
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	8.8%	10.3%	10.3%	10.6%	11.0%
EBIT margin	5.2%	5.4%	5.2%	5.5%	6.3%
Dividend yield	-	-	-	-	-
Op NWC/Sales	-29.4%	-20.7%	-16.0%	-14.1%	-13.2%
ROCE	27.5%	25.0%	24.7%	25.3%	28.0%

Sources: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 6<sup>th</sup> August 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of production	22.4%	21.2%	22.7%	20.1%	20.3%
EBITDA	32.9%	42.1%	23.0%	24.0%	24.6%
EBIT	26.1%	25.7%	21.1%	25.9%	38.6%
Net Profit	28.3%	27.0%	16.6%	26.5%	39.4%
Net Profit Adjusted	28.3%	27.0%	16.6%	26.5%	39.4%
Capex	n.m.	-62.1%	-0.2%	0.0%	0.0%
Debt	-11.9%	17.2%	98.2%	73.1%	56.8%

Sources: 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	3.95	3.62	21.1	19.4	25.8	23.4	35.8	32.6	27.6	25.6
Alten SA	1.65	1.46	13.7	11.8	17.6	14.8	25.0	21.6	17.9	16.0
Atos SE	0.52	0.50	4.8	4.2	10.6	8.8	12.5	9.2	4.7	4.0
Aubay SA	1.40	1.37	11.5	11.4	13.6	13.3	22.2	20.6	17.5	16.4
Bechtle AG	1.29	1.17	19.7	18.0	25.7	23.3	36.7	33.6	25.6	23.7
Capgemini SE	2.12	1.90	13.4	11.9	18.1	15.5	24.2	20.5	15.9	14.3
CDW Corp	1.45	1.39	17.2	16.8	18.6	17.8	24.0	22.8	21.5	20.9
Computacenter PLC	0.47	0.44	9.2	8.7	12.5	11.9	19.2	19.2	12.6	12.6
Devoteam SA	1.52	1.36	12.4	11.1	13.8	12.2	27.2	24.6	22.7	20.9
Econocom Group SE	0.32	0.32	4.8	4.8	6.8	6.5	11.0	10.3	6.5	6.5
Indra Sistemas SA	0.70	0.63	6.8	5.9	9.7	8.3	12.7	11.3	7.5	6.8
Reply SpA	4.07	3.54	24.1	21.0	29.7	25.6	43.4	38.4	32.7	29.3
Sesa SpA	1.06	0.93	15.2	12.8	21.4	17.7	34.7	29.1	21.3	18.4
Sopra Steria Group SA	0.84	0.76	7.5	6.4	11.6	9.6	16.1	13.6	8.7	7.8
TietoEVRY Corp	1.33	1.27	7.0	7.1	10.1	10.5	11.4	11.4	7.2	7.2
<b>Median</b>	<b>1.33</b>	<b>1.27</b>	<b>12.4</b>	<b>11.4</b>	<b>13.8</b>	<b>13.3</b>	<b>24.0</b>	<b>20.6</b>	<b>17.5</b>	<b>16.0</b>
Digital Value SpA	1.64	1.29	15.9	12.2	21.6	16.2	34.0	26.8	22.3	18.0
% premium / (discount)	23.5	1.9	28.0	6.8	56.2	21.8	41.4	30.3	27.8	12.5

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
DV Holding SpA	66.7%	6.65
Promoters	7.4%	0.74
Free Float	25.9%	2.58
<b>Total</b>	<b>100.0%</b>	<b>9.97</b>

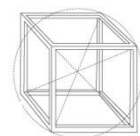
Source: Company data

Price performance	1M	3M	12M
Digital Value	14.9%	19.8%	208.7%
Rel.to FTSE Italia Growth	11.4%	10.5%	128.7%
Rel.to Peers Median	3.7%	9.7%	136.1%

Source: Thomson Reuters Eikon

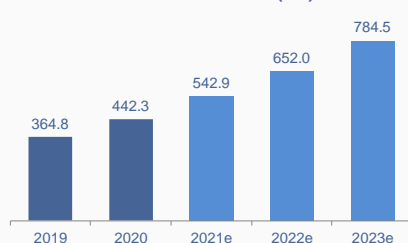
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>2019-2023</sub>	NFP/EBITDA FY1
Accenture	201,061	18.8%	10.7%	n.m.
Alten	4,877	10.9%	10.7%	n.m.
Atos	4,924	11.1%	0.6%	0.5
Aubay	713	12.1%	6.6%	n.m.
Bechtle	8,236	6.4%	9.2%	n.m.
Capgemini	34,282	15.5%	7.9%	1.5
CDW Corp	22,229	8.4%	8.1%	2.0
Computacenter	3,887	4.7%	9.3%	n.m.
Devoteam	1,399	12.0%	6.0%	n.m.
Econocom	818	6.8%	4.3%	n.m.
Indra Sistemas	1,832	10.2%	4.5%	1.4
Reply	6,223	16.4%	12.6%	n.m.
Sesa	2,596	6.7%	13.0%	n.m.
Sopra Steria	3,478	11.3%	5.8%	0.7
TietoEVRY	3,185	18.6%	2.2%	1.1
<b>Digital Value</b>	<b>954</b>	<b>10.3%</b>	<b>21.1%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon

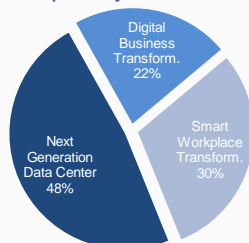


Italy - IT Services

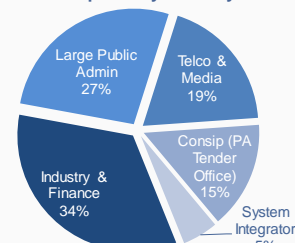
Value of Production (€m)



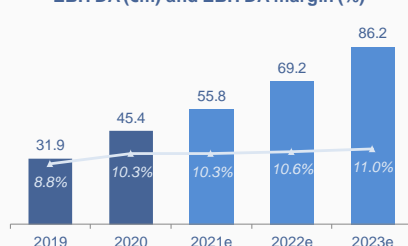
2020 top line by line of business



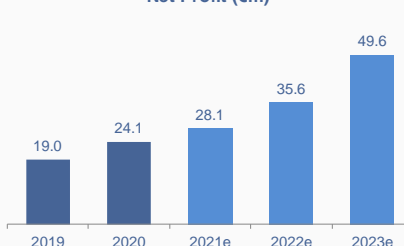
2020 top line by industry



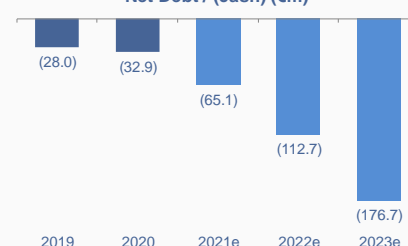
EBITDA (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

In H1-21, DGV's results show organic double-digit top line growth and a more-than-proportional profitability progression. In a semester still characterised by a few uncertainties related to the pandemic in Italy, DGV recorded consolidated revenues of € 256.4m, up by 21.7% YoY. EBITDA was up 26.8% to € 25.6m, 10.0% margin (9.6% in H1-20). The more-than-proportional profitability progression compared to top line is due to: the volume effect on purchasing (DGV goes directly to suppliers disintermediating vendors), the price increase and a better mix.

With its 450 certifications, 30-year seniority in the business, a customer portfolio including over 2,000 names and the status of a listed company, DGV is well positioned to continue to outperform the market. The order backlog in excess of € 300m offers a fairly good short-medium-term visibility and is based on, and sustained by, long-term relationships with customers. In these market conditions, DGV represents a cheap, growing, cash-flow generative, resilient player with further upside potential arising from M&As, whose magnitude might be considerable.

DGV will be able intercept the megatrend related to the acceleration in the digitisation process also driven by the massive impact of the Recovery Fund, being its second most important pillar with € 46bn out of € 210bn. DGV aims to consolidate its role of a trusted, large Hyper Value-Added Reseller, fostering the adoption of the newest technologies which allow the scouting of the 'best-of-breed' solutions in the offering of the most innovative global vendors. All of this is provided via an integrated two-sided platform approach which directly connects DGV with its clients and vendors, increasing the value for all stakeholders.

Peer Group Absolute Performance

%	1M	3M	12M
Accenture PLC	11.2%	12.4%	63.8%
Alten SA	14.1%	6.1%	107.6%
Atos SE	-2.4%	10.0%	-23.8%
Aubay SA	12.9%	12.0%	87.9%
Bechtle AG	14.5%	12.1%	33.6%
Capgemini SE	16.1%	10.2%	105.7%
CDW Corp	2.7%	2.2%	53.1%
Computacenter PLC	2.0%	-2.0%	18.1%
Devoteam SA	24.8%	38.6%	72.6%
Econocom Group SE	16.7%	4.1%	101.9%
Indra Sistemas SA	15.4%	16.8%	102.1%
Reply SpA	8.3%	8.7%	80.9%
Sesa SpA	9.2%	11.8%	108.9%
Sopra Steria Group SA	8.7%	-0.7%	66.7%
TietoEVRY Corp	3.1%	-7.7%	26.2%

Source: Thomson Reuters Eikon

Latest IR Press Releases

September 29 <sup>th</sup> , 2021	Digital Value wins new contracts for a total amount of more than 50 million Euros <a href="#">(link)</a>
September 22 <sup>nd</sup> , 2021	Digital Value wins a tender worth over 49 million Euros for the multi-brand supply of software and value services for Public Administration <a href="#">(link)</a>
August 4 <sup>th</sup> , 2021	The BoD approves H1-21 results: 21.7% increase in revenue and 26.8% increase in Ebitda <a href="#">(link)</a>

Financial Calendar

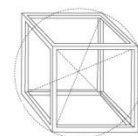
March 30 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
July 19 <sup>th</sup> , 2021	Board of Directors (H1-21 Revenues)
August 4 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
06/08/2021	€ 115.00	BUY	H1-21 results	<a href="#">link</a>
20/05/2021	€ 68.00	BUY	German Spring Conf	<a href="#">link</a>
09/04/2021	€ 68.00	BUY	FY-20 results	<a href="#">link</a>
10/08/2020	€ 38.40	BUY	H1-20 results	<a href="#">link</a>

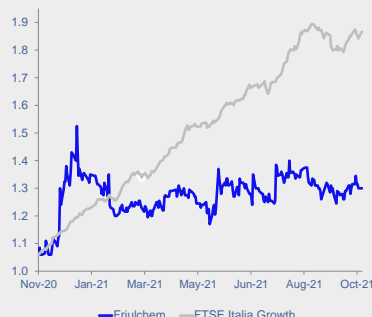
Investor Relations Contacts

<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 - Veterinary

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 1.80</b>
<b>Upside/downside %</b>	<b>44%</b>
<b>Last Price €</b>	<b>1.25</b>
<b>Market Cap. €m</b>	<b>10.0</b>
<b>1Y High €</b>	<b>1.48</b>
<b>1Y Low €</b>	<b>0.99</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>8,306</b>
<b>Free Float</b>	<b>31%</b>
<b>RIC</b>	<b>FCM.MI</b>
<b>BBG</b>	<b>FCM IM</b>



Originating in 1996, today Friulchem is a vertically-integrated R&D-oriented Contract Development and Manufacturing Organisation (CDMO). It is an 'Innovative SME' operating in the pharmaceutical and nutraceutical market, serving both the veterinary and the human sector. The group provides global big pharma firms with finished and semi-finished products, including Active Pharmaceutical Ingredients (APIs), drugs and food supplements. Friulchem is specialised in delivering drugs for veterinary sector and in developing dossiers of generic drugs for human beings. Today Friulchem operates two specialised manufacturing plants, one in Vivaro (Pordenone), in hard-working, creative, north eastern Italy, and the other one in Magny-En-Vexin (France), as well as the headquarters in Milan. The company reported an 8.4% organic sales CAGR08-20 mainly thanks to continuous product innovation leading to an increased share of wallet with pharma corporations coupled with a higher number of clients.

**STRENGTHS**

- Well-structured R&D team
- Solid proven track-record in developing innovative drug delivery solutions
- Delivering tailor-made solutions via different delivery forms
- Extremely flexible production structure, with approximately 80-20 variable-fixed costs

**WEAKNESSES**

- Limited size in the international competitive arena
- Few key relevant people represent a vital asset for the company
- Need for reinforcement of the management structure to boost developments

€ m	2019	2020	2021e	2022e	2023e
Revenues	15.6	16.7	21.5	27.3	29.3
Value of production	15.7	17.7	22.6	28.6	30.8
EBITDA	1.3	0.6	1.5	2.0	2.6
EBIT	0.3	(0.3)	0.3	0.8	1.4
Net Profit	0.1	(0.3)	0.0	0.3	0.7
Net Profit Adjusted	0.1	(0.3)	0.0	0.3	0.7
Capex	2.0	2.7	3.0	1.0	1.0
Net Debt (Cash)	(1.1)	1.1	3.2	2.9	2.3
EPS reported FD (€/share)	0.01	(0.04)	0.00	0.04	0.09
EPS Adjusted FD (€/share)	0.01	(0.04)	0.00	0.04	0.09
CPS (€/share)	-	0.06	0.02	0.13	0.19
DPS (€/share)	-	0.00	0.00	0.00	0.00
EBITDA margin	8.5%	3.6%	6.7%	7.1%	8.3%
EBIT margin	0.4%	-1.9%	0.0%	1.2%	2.3%
Dividend yield	-	-	-	-	-
Op NWC/Sales	11.4%	6.9%	10.9%	11.0%	11.2%
ROCE	2.3%	neg.	1.6%	4.5%	7.1%

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

% YoY	2019	2020	2021e	2022e	2023e
Value of production	-8.2%	12.7%	27.8%	26.5%	7.5%
EBITDA	-17.6%	-52.1%	n.m.	35.0%	25.8%
EBIT	-47.4%	n.m.	n.m.	n.m.	66.0%
Net Profit	-72.7%	n.m.	n.m.	n.m.	n.m.
Net Profit Adjusted	-72.7%	n.m.	n.m.	n.m.	n.m.
Capex	n.m.	n.m.	11.5%	-66.9%	0.0%
Debt	n.m.	n.m.	n.m.	-9.4%	-21.5%

Sources: 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
Dechra Pharmaceuticals PLC	8.66	7.87	30.4	27.5	33.3	31.5	45.3	41.6	39.9	34.8
ECO Animal Health Group PLC	1.93	1.72	11.1	9.0	11.3	8.9	26.6	20.1	25.2	20.4
Elanco Animal Health Inc	4.46	4.21	18.6	16.3	23.8	20.5	32.3	25.5	21.4	17.9
Merck & Co Inc	4.95	4.10	12.2	9.7	13.7	10.7	15.0	12.2	13.1	10.9
Phibro Animal Health Corp	1.35	1.06	9.7	7.7	12.9	10.5	17.4	17.4	11.2	10.8
Shedir Pharma Srl Unipersonale	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12.7	10.2	8.5	6.3
Vetoquinol SA	3.29	3.00	14.7	13.9	20.1	19.0	28.7	27.8	18.8	18.4
Virbac SA	3.44	3.17	17.7	16.6	22.7	21.1	34.8	32.2	24.5	23.0
Zoetis Inc	13.55	12.43	32.0	28.9	35.6	32.1	46.7	41.9	40.5	36.5
<b>Median Veterinary</b>	<b>3.95</b>	<b>3.63</b>	<b>16.2</b>	<b>15.1</b>	<b>21.4</b>	<b>19.7</b>	<b>28.7</b>	<b>25.5</b>	<b>21.4</b>	<b>18.4</b>
<b>Friulchem SpA</b>	<b>0.59</b>	<b>0.15</b>	<b>8.8</b>	<b>6.4</b>	<b>47.9</b>	<b>15.8</b>	<b>n.m.</b>	<b>29.0</b>	<b>8.1</b>	<b>6.4</b>
% premium / (discount)	(85.2)	(96.0)	(45.5)	(57.7)	123.9	(20.1)	n.m.	13.6	(62.1)	(65.0)

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Evultis SA	38.8%	3.10
Friulia SpA	23.8%	1.90
Fiduciaria Bernasconi SA	6.3%	0.50
Free Float	31.2%	2.50
<b>Total</b>	<b>100.0%</b>	<b>8.00</b>

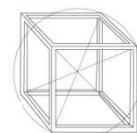
Source: Company data

Price performance	1M	3M	12M
Friulchem	4.6%	-3.8%	26.3%
Rel.to FTSE Italia Growth	1.1%	-13.1%	-53.8%
Rel.to Peers Median	-1.1%	-6.6%	-8.5%

Source: Thomson Reuters Eikon

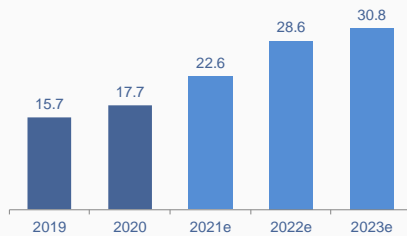
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>2013-20</sub>	NFP/EBITDA FY1
Dechra Pharma	6,529	28.6%	7.9%	0.7
ECO	212	17.4%	1.7%	n.m.
Elanco	13,397	24.1%	17.2%	4.9
Merck & Co	191,586	40.6%	4.5%	0.9
Phibro	783	13.8%	3.3%	2.2
Shedir Pharma	51	17.8%	7.9%	n.a.
Vetoquinol	1,747	21.6%	8.9%	n.m.
Virbac	3,720	19.1%	7.7%	n.m.
Zoetis	87,226	42.9%	11.6%	1.0
<b>Friulchem</b>	<b>10</b>	<b>6.7%</b>	<b>20.2%</b>	<b>2.2</b>

Source: Thomson Reuters Eikon

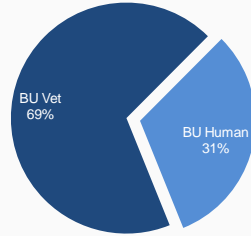


Italy - Veterinary

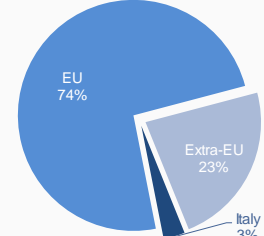
Value of Production (€m)



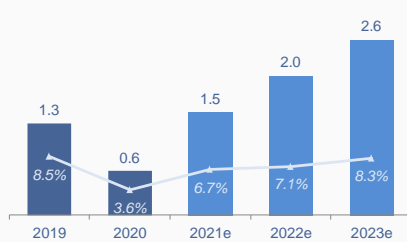
2020 top line by business unit



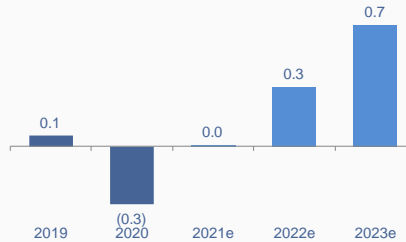
2020 top line by geography



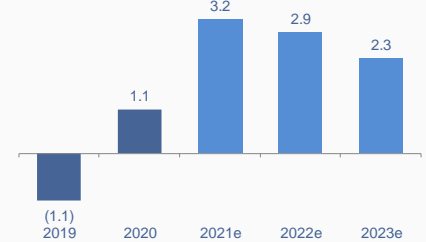
EBITDA (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

Friulchem is a vertically-integrated CDMO able to run tailor-made solutions across a wide range of product categories via several kinds of delivery forms. Thanks to its strong R&D effort and ability to manage several different drug delivery forms, the group aims to consolidate its competitive positioning in the reference market, proposing itself as the reference partner for veterinary pharmaceutical companies.

Friulchem reported 2021 interim results showing a good recovery in the Vet business unit coupled with a stable performance of the Human division. The sharp increase in profitability was mainly due to the rising sales of veterinary products, historically more profitable than generic drugs for human beings.

We believe the group is well on track to reach our estimates for FY-21, as we anticipated organic growth to the tune of 2.1% YoY coupled with the consolidation of the newly acquired productive plant in Magny-En-Vexin for a six-month period (as from Jul-21).

Peer Group Absolute Performance

%	1M	3M	12M
Dechra Pharmaceuticals PLC	8.2%	1.5%	46.3%
ECO Animal Health Group PLC	-13.8%	-14.5%	12.8%
Elanco Animal Health Inc	2.4%	-9.9%	6.0%
Merck & Co Inc	5.7%	15.3%	22.5%
Phibro Animal Health Corp	3.9%	-7.8%	36.5%
Shedir Pharma Srl Unipersonale	-3.5%	2.8%	-2.8%
Vetoquinol SA	15.1%	14.1%	82.2%
Virbac SA	22.0%	27.2%	121.0%
Zoetis Inc	10.3%	5.7%	34.7%

Source: Thomson Reuters Eikon

Latest IR Press Releases

September 24 <sup>th</sup> , 2021	Friulchem approves the half-year report as at 30 June 2021 ( <a href="#">link</a> )
August 3 <sup>rd</sup> , 2021	Friulchem attends the Mid & Small Virtual Summer Conference 2021 ( <a href="#">link</a> )
July 2 <sup>nd</sup> , 2021	Friulchem completes the acquisition of a production site located in Magny-en-Vexin from Virbac SA, a French veterinary company ( <a href="#">link</a> )

Financial Calendar

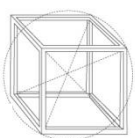
March 24 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 23 <sup>rd</sup> , 2021	Annual General Meeting (FY-20 Results)
September 24 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
28/09/2021	€ 1.80	BUY	H1-21 results	<a href="#">link</a>
27/07/2021	€ 1.80	BUY	Initiation of Coverage	<a href="#">link</a>

Investor Relations Contacts

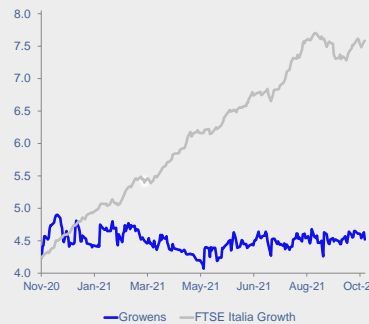
<b>Issuer</b> Friulchem SpA Via San Marco, 23 33099 – Vivaro (PN)	<b>Investor Relations Manager</b> Disma Giovanni Mazzola +39 0236591450 ir@friulchem.com
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Italy - Marketing Technology

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 5.90</b>
<b>Upside/(downside) %</b>	<b>29%</b>
<b>Last Price €</b>	<b>4.58</b>
<b>Market Cap. €m</b>	<b>68.6</b>
<b>1Y High €</b>	<b>4.90</b>
<b>1Y Low €</b>	<b>3.81</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>8,081</b>
<b>Free Float</b>	<b>37%</b>
<b>RIC</b>	<b>GROWE.MI</b>
<b>BBG</b>	<b>GROW IM</b>



Founded in Cremona (Italy) in 2002 as an email service provider, Growens 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. Growens 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, Growens closed FY20 with revenues of € 65.2m, EBITDA of € 5.1m and over 240 employees. Since the IPO in 2014 the group's revenues increased by a CAGR13-20 of 37.0%, 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 (€ 16.5m, 1/3 of total assets)

€ m	2019	2020	2021e	2022e	2023e
Total revenues	60.8	65.2	70.0	78.1	87.4
EBITDA	4.8	5.1	5.4	7.0	8.8
EBIT	1.8	1.4	1.8	3.5	5.3
Net Profit	1.2	0.6	1.1	2.1	3.3
Net Profit Adjusted	1.2	0.6	1.1	2.1	3.3
Capex	3.1	3.0	3.0	3.0	3.0
Net Debt (Cash)	(2.4)	(2.5)	(3.6)	(6.8)	(10.8)
EPS reported (€/share)	0.07	0.03	0.06	0.12	0.19
CPS (€/share)	0.34	0.29	0.24	0.35	0.41
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	7.9%	7.8%	7.7%	9.0%	10.0%
EBIT margin	3.0%	2.1%	2.5%	4.4%	6.1%
Dividend yield	-	-	-	-	-
Op NWC/Sales	-2.8%	-2.3%	-0.7%	-0.5%	-0.3%
ROCE	7.0%	5.0%	6.1%	10.9%	15.0%

Sources: Company data, CFO SIM Estimates. Rating and Price Target updated as of 17<sup>th</sup> September 2021

% YoY	2019	2020	2021e	2022e	2023e
Total revenues	51.2%	7.3%	7.3%	11.5%	12.0%
EBITDA	27.2%	6.1%	6.1%	30.0%	25.2%
EBIT	-2.5%	-25.4%	28.5%	95.6%	52.8%
Net Profit	-8.4%	-50.9%	89.6%	99.7%	53.9%
Capex	-6.4%	-1.3%	-1.4%	0.0%	0.0%
Debt	63.0%	-6.8%	-44.6%	-86.9%	-59.5%

Sources: 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
dotDigital Group PLC (Email Marketing)	11.93	10.49	35.7	32.8	51.1	47.4	61.6	59.8	41.1	39.0
Kaleyra Inc	2.32	1.45	38.3	14.9	n.m.	957.8	n.m.	n.m.	29.0	17.0
Sinch AB (publ)	8.47	5.30	107.4	36.7	184.9	49.3	195.7	59.3	108.0	41.2
Vonage Holdings Corp	3.26	2.92	23.4	21.7	58.2	48.9	84.2	71.8	24.9	23.8
<b>Mobile Messaging median</b>	<b>3.26</b>	<b>2.92</b>	<b>38.3</b>	<b>21.7</b>	<b>121.6</b>	<b>49.3</b>	<b>140.0</b>	<b>65.6</b>	<b>29.0</b>	<b>23.8</b>
HubSpot Inc	29.25	22.57	239.8	173.8	344.2	238.7	437.8	297.8	283.8	204.7
Neosperience SpA	2.58	1.94	9.3	6.9	47.6	18.5	130.3	33.8	9.8	8.0
<b>Predictive Marketing median</b>	<b>15.91</b>	<b>12.25</b>	<b>124.6</b>	<b>90.3</b>	<b>195.9</b>	<b>128.6</b>	<b>284.1</b>	<b>165.8</b>	<b>146.8</b>	<b>106.4</b>
<b>Growens SpA</b>	<b>0.93</b>	<b>0.79</b>	<b>12.0</b>	<b>8.8</b>	<b>36.6</b>	<b>17.8</b>	<b>64.0</b>	<b>32.0</b>	<b>14.6</b>	<b>12.1</b>
% Prem./(disc.) to dotDigital PLC	(92.2)	(92.5)	(66.3)	(73.1)	(28.4)	(62.4)	3.9	(46.4)	(64.5)	(69.1)
% Prem./(disc.) to Mobile Messaging	(71.5)	(72.9)	(68.6)	(59.4)	(69.9)	(63.9)	(54.3)	(51.1)	(49.7)	(49.3)
% Prem./(disc.) to Predictive Marketing	(94.2)	(93.5)	(90.3)	(90.3)	(81.3)	(86.2)	(77.5)	(80.7)	(90.1)	(88.7)

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Founders	52.2%	7.81
Pronti Gianluca	6.1%	0.91
BMC Holding B.V. *	3.9%	0.58
Treasury shares	0.9%	0.13
Free Float	36.9%	5.53
<b>Total</b>	<b>100.0%</b>	<b>14.97</b>

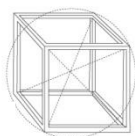
Source: Company data \* subject to lock-up (does not enter the free float)

Price performance	1M	3M	12M
Growens	3.2%	4.8%	6.0%
Rel.to FTSE Italia Growth	-0.3%	-4.4%	-74.0%
Rel.to Sector	2.5%	7.1%	-23.5%

Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
dotDigital Group	844	33.4%	18.5%	n.m.
Kaleyra	436	6.1%	51.3%	6.2
Sinch AB	12,231	7.9%	48.0%	5.5
Vonage Hold.	3,515	13.9%	13.3%	2.2
HubSpot	32,549	12.1%	33.6%	n.m.
Neosperience	46	27.6%	25.6%	0.8
<b>Growens</b>	<b>69</b>	<b>7.7%</b>	<b>10.2%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon

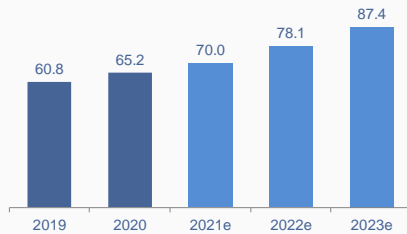




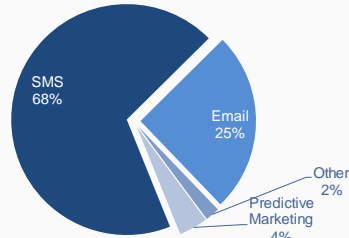


Italy - Marketing Technology

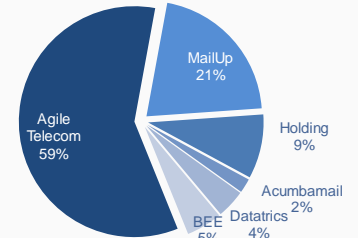
Total Revenues (€m)



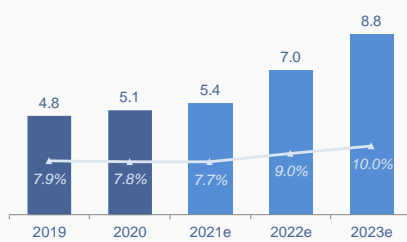
2020 top line by service



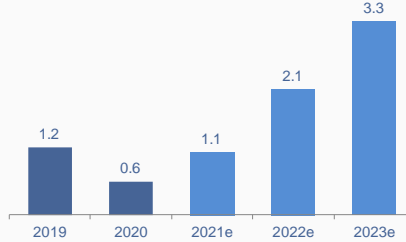
2020 top line by business unit



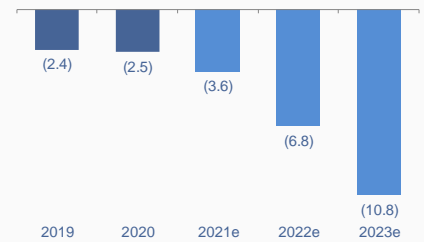
EBITDA (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

H1-21 results unveiled mid-single digit revenues growth and a more-than-proportional EBITDA progression. The group posted a slight acceleration in Q2 compared to Q1, mainly thanks to the progressive reopening of economic activity worldwide. Growens is currently assessing a couple of M&A targets, with a view to integrating one or more SaaS companies.

H1-21 results were affected by a weak Q1, which was somehow a period of full lockdown, partially counterbalanced by a good Q2, showing increasing revenues in all the business units. Nevertheless, the 6.3% increase in sales posted in H1-21 was significantly lower compared to CFO SIM's growth assumption of 14.7% for FY-21. Thus, following the H1-21 results release, we have updated our model factoring in: 1) lower-than-expected growth rates in all the business units for 2021 and 2) fine-tuning of expected EBITDA margin with regard to certain business units.

Q3-21 preliminary sales unveiled to a certain extent a consolidation of the recovery started in Q2. In Q3-21 revenues grew by 12.4% YoY to € 17.5m, driven by increasing sales of SaaS and CPaaS solutions, grown 25.5% and 5.1% YoY respectively.

Peer Group Absolute Performance

%	1M	3M	12M
dotDigital Group PLC	-0.8%	-3.0%	62.7%
Kaleya Inc	11.2%	18.0%	77.4%
Sinch AB (publ)	0.0%	-8.6%	92.7%
Vonage Holdings Corp	0.2%	11.6%	53.1%
HubSpot Inc	26.8%	34.8%	177.1%
Neosperience SpA	-3.8%	-2.6%	32.8%

Source: Thomson Reuters Eikon

Latest IR Press Releases

- October 11<sup>th</sup>, 2021 Consolidated sales up +12.4% in Q3 2021 vs Q3 2020 ([link](#))
- September 14<sup>th</sup>, 2021 The Board of Directors approved the consolidated half-year report as of 30 June 2021 ([link](#))
- July 12<sup>th</sup>, 2021 Growens announced +3.4 increase in H1 2021 and +3.1% increase in Q2 2021 cash sales ([link](#))

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)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
17/09/2021	€ 5.90	BUY	H1-21 results	<a href="#">link</a>
20/05/2021	€ 6.00	BUY	German Spring Conf	<a href="#">link</a>
13/05/2021	€ 6.00	BUY	Q1-21 results	<a href="#">link</a>
30/03/2021	€ 6.00	BUY	FY-20 results	<a href="#">link</a>

Investor Relations Contacts

Issuer	Investor Relations Manager
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Italy - Food and Beverage

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 58.00</b>
<b>Upside/(downside) %</b>	<b>36%</b>
<b>Last Price €</b>	<b>42.80</b>
<b>Market Cap. €m</b>	<b>376.7</b>
<b>1Y High €</b>	<b>49.30</b>
<b>1Y Low €</b>	<b>16.60</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>14,760</b>
<b>Free Float</b>	<b>66%</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	2019	2020	2021e	2022e	2023e
Net Sales	157.5	204.3	304.5	442.7	459.9
EBITDA Adjusted	18.1	25.6	35.5	49.8	53.9
EBITDA	16.3	23.6	35.5	49.8	53.9
EBIT Adjusted	13.5	20.2	28.8	40.2	43.8
EBIT	11.7	18.2	28.8	40.2	43.8
Net Profit Adjusted	7.9	14.2	17.8	25.7	28.4
Net Profit	9.2	15.6	17.8	25.7	28.4
Capex	2.8	16.4	160.6	8.2	8.2
Net Debt (Cash)	10.7	10.3	99.9	70.8	47.7
EPS Reported FD (€/share)	1.07	1.92	2.03	2.91	3.23
EPS Adjusted FD (€/share)	1.24	2.11	2.03	2.91	3.23
CPS FD (€/share)	1.44	2.14	3.44	4.84	4.43
DPS (€/share)	0.50	0.25	0.61	0.88	0.97
EBITDA margin	10.4%	11.6%	11.7%	11.2%	11.7%
EBIT margin	7.4%	8.9%	9.5%	9.1%	9.5%
Dividend yield	1.2%	0.6%	1.4%	2.1%	2.3%
Net margin	5.8%	7.7%	5.9%	5.8%	6.2%
Op NWC/Sales	-1.1%	-0.4%	-0.5%	-0.5%	-0.5%
ROCE	8.1%	11.5%	7.7%	10.2%	10.6%

Sources: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 20<sup>th</sup> September 2021

% YoY	2019	2020	2021e	2022e	2023e
Net Sales	5.1%	29.7%	49.0%	45.4%	3.9%
EBITDA	21.5%	44.8%	50.5%	40.3%	8.2%
EBIT	18.7%	55.4%	58.2%	39.7%	8.9%
Net Profit	24.4%	79.7%	25.7%	43.8%	10.8%
Net Profit adj.	26.9%	70.2%	14.1%	43.8%	10.8%
Capex	-30.6%	n.m.	n.m.	-94.9%	0.0%
Debt	n.m.	-3.3%	n.m.	-29.1%	-32.6%

Sources: 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
Concha y Toro Winery Inc	1.37	1.30	7.4	6.7	9.1	8.2	11.1	9.6	8.3	7.3
Lanson BCC SA	2.93	2.67	26.5	23.2	37.1	30.5	18.4	15.0	10.7	9.6
Laurent Perrier SA	3.60	3.62	16.2	16.3	18.9	19.0	18.3	20.3	14.9	16.0
Masi Agricola SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.1	21.6	13.1	12.4
Schloss Wachenheim AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10.3	10.0	5.0	5.2
Treasury Wine Estates Ltd	3.72	3.48	13.6	12.0	17.4	14.9	25.6	21.4	17.6	15.5
Vranken Pommery Monopole SA	3.03	2.69	19.1	16.6	30.1	25.1	36.3	15.1	7.9	6.0
<b>Wine producers median</b>	<b>3.03</b>	<b>2.69</b>	<b>16.2</b>	<b>16.3</b>	<b>18.9</b>	<b>19.0</b>	<b>18.4</b>	<b>15.1</b>	<b>10.7</b>	<b>9.6</b>
Hawesko Holding AG	0.94	0.90	8.3	8.3	11.8	12.2	16.2	17.3	9.5	9.7
Naked Wines PLC	1.17	1.00	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Wine distributors median</b>	<b>1.06</b>	<b>0.95</b>	<b>8.3</b>	<b>8.3</b>	<b>11.8</b>	<b>12.2</b>	<b>16.2</b>	<b>17.3</b>	<b>9.5</b>	<b>9.7</b>
<b>Italian Wine Brands SpA</b>	<b>1.57</b>	<b>1.01</b>	<b>13.4</b>	<b>9.0</b>	<b>16.5</b>	<b>11.1</b>	<b>21.1</b>	<b>14.7</b>	<b>15.4</b>	<b>10.7</b>
% premium / (discount) to wine producers	(48.3)	(62.5)	(17.3)	(44.7)	(12.3)	(41.5)	14.7	(2.6)	44.0	10.9
% premium / (discount) to wine distributors	48.0	6.4	62.5	8.3	40.5	(9.2)	30.4	(15.0)	60.9	10.0

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Gruppo Pizzolo (ENOITALIA)	15.9%	1.40
Provinco	7.6%	0.67
IPOC	7.3%	0.64
Raphael Dal Bo	2.4%	0.21
Treasury Shares	0.5%	0.04
<b>Free Float, o/w</b>	<b>66.3%</b>	<b>5.84</b>
Otus Capital Management	8.4%	0.74
Praude Asset Management	5.3%	0.47
<b>Total</b>	<b>100.0%</b>	<b>8.80</b>

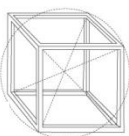
Source: Company data

Price performance	1M	3M	12M
Italian Wine Brands	3.1%	4.1%	137.8%
Rel.to FTSE Italia Growth	-0.3%	-5.1%	57.8%
Rel.to Sector	-2.3%	4.6%	113.2%

Source: Thomson Reuters Eikon

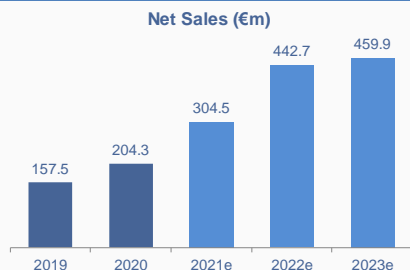
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Concha y Toro	949	18.7%	1.3%	1.5
Lanson	203	9.9%	7.7%	22.3
Laurent Perrier	569	22.2%	10.8%	5.6
Masi Agricola	97	15.4%	10.0%	n.a.
Schloss Wach.	155	10.4%	n.a.	n.a.
Treasury Wine	5,414	27.5%	1.8%	1.5
Pommery	157	15.6%	6.6%	15.9
Hawesko	517	11.4%	3.8%	1.3
Naked Wines	598	-0.7%	12.3%	23.9
<b>IWB</b>	<b>377</b>	<b>11.7%</b>	<b>31.1%</b>	<b>2.8</b>

Source: Thomson Reuters Eikon

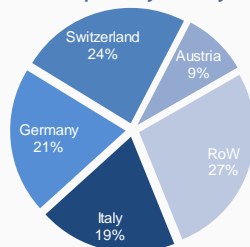




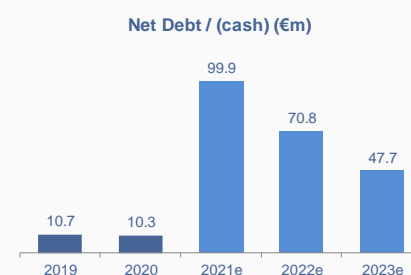
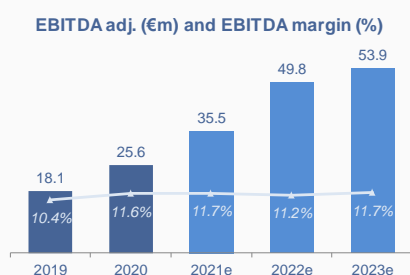
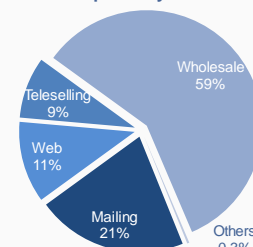
Italy - IT Food and Beverage



**2020 top line by country**



**2020 top line by channel**



Investment Case: Reasons to Invest and Valuation

H1-21 results came in solid, showing high single-digit organic top line growth and a more than proportional progression of EBITDA. This performance is even more remarkable considering the extremely unfavourable comparison with H1-20. Numbers do not take into consideration Enoitalia yet. During the conference call commenting H1-21 results, management provided further details about the integration process of Enoitalia and possible arising synergies. In particular, thanks to 1) the new entity's purchases (bulk wine, grapes, bottles, corks and other ancillary products) and 2) the internalisation of IWb's outsourced production (currently some 30m bottles), total annual cost synergies should stand in excess of € 4.0m, i.e. € 2.4/2.5cents per bottle.

After the acquisition of ENOITALIA, IWb is still chasing other M&A opportunities. According to company indications, assuming last twelve months figures for the pro-forma combined entity IWb-ENOITALIA, NFP/EBITDA was 2.7x at end-Jun and should diminish to 2.5x by year-end. Potential targets are companies with excellent fundamentals, recognised by the market, and operating in the production and distribution of Italian wine in the world. IWb's goal is to expand the range of products offered and consolidate its presence in the distribution channels, benefiting from economies of scale and revenue synergies. A deeper penetration of the appealing US market could be a priority.

Peer Group Absolute Performance

%	1M	3M	12M
Concha y Toro Winery Inc	-7.5%	-10.0%	0.8%
Lanson BCC SA	5.5%	9.6%	69.2%
Laurent Perrier SA	-1.0%	-5.4%	36.0%
Masi Agricola SpA	2.0%	-0.7%	34.7%
Schloss Wachenheim AG	14.6%	3.7%	27.3%
Treasury Wine Estates Ltd	-5.2%	-4.0%	25.2%
Vranken Pommery Monopole SA	4.7%	-1.4%	33.7%
Hawesko Holding AG	7.4%	-4.3%	46.0%
Naked Wines PLC	2.7%	-21.1%	47.9%

Source: Thomson Reuters Eikon

Latest IR Press Releases

September 30 <sup>th</sup> , 2021	Publication of the consolidated half-year financial report ( <a href="#">link</a> )
September 15 <sup>th</sup> , 2021	Board approves the half year report at 30 June 2021 ( <a href="#">link</a> )
August 2 <sup>nd</sup> , 2021	Notice of relevant holdings ( <a href="#">link</a> )

Financial Calendar

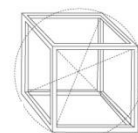
March 17 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 22 <sup>nd</sup> , 2021	Annual General Meeting (FY-20 Results)
September 15 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
20/09/2021	€ 58.00	BUY	H1-21 results	<a href="#">link</a>
24/06/2021	€ 53.00	BUY	Enoitalia acquisition	<a href="#">link</a>
22/03/2021	€ 41.50	BUY	FY-20 results	<a href="#">link</a>
22/01/2021	€ 30.00	BUY	FY-20 revenues	<a href="#">link</a>

Investor Relations Contacts

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Italy - Nutraceutical

Rating **NEUTRAL**

Price Target **€ 9.50**

Upside/(downside) % **-22%**

Last Price € **12.20**  
 Market Cap. €m **225.5**  
 1Y High € **15.95**  
 1Y Low € **6.38**  
 3M Avg Daily Turnover (n. shares) **24,636**  
 Free Float **22%**  
 RIC **LBM.MI**  
 BBG **LBM MI**



**LABOMAR**

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 12.9% organic sales CAGR<sub>14-20</sub> (17.3% 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	2020	2021e	2022e	2023e
Value of production	49.1	61.5	66.3	77.4	84.2
EBITDA	9.1	11.3	11.3	14.0	16.0
EBITDA Adjusted	9.7	12.3	10.8	14.0	16.0
EBIT	5.8	7.3	6.8	8.5	9.5
EBIT Adjusted	6.4	8.2	6.3	8.5	9.5
Net Profit	4.1	6.1	5.4	6.2	7.0
Net Profit Adjusted	4.6	6.1	5.0	6.2	7.0
Capex	23.6	6.0	15.7	6.5	8.5
Net Debt (Cash)	28.7	3.4	17.2	14.1	11.9
EPS Reported FD (€/share)	0.22	0.33	0.29	0.34	0.38
EPS Adjusted FD (€/share)	0.25	0.33	0.27	0.34	0.38
CPS FD (€/share)	-	0.46	0.52	0.60	0.68
DPS (€/share)	-	0.11	0.09	0.10	0.11
EBITDA adj. margin	19.7%	20.0%	16.4%	18.1%	19.0%
EBIT adj. margin	13.0%	13.4%	9.5%	10.9%	11.2%
Dividend yield	-	0.9%	0.7%	0.8%	0.9%
Net margin	8.4%	9.9%	8.1%	8.1%	8.3%
Op NWC/Sales	14.0%	10.2%	10.5%	10.8%	11.0%
ROCE	12.4%	9.4%	8.4%	9.8%	10.3%

Sources: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 21<sup>th</sup> October 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of production	11.3%	25.1%	7.9%	16.7%	8.7%
EBITDA Adjusted	7.5%	27.1%	-11.8%	29.0%	14.3%
EBIT Adjusted	4.0%	28.9%	-23.6%	34.3%	11.9%
Net Profit Adjusted	5.1%	33.6%	-18.1%	24.8%	12.4%
Capex	n.m.	n.m.	n.m.	-58.6%	30.8%
Debt	n.m.	-88.3%	n.m.	-17.7%	-15.8%

Sources: 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
Catalent Inc	5.83	5.33	22.0	19.7	29.8	26.0	37.7	33.3	25.3	23.0
Clover Corporation Ltd	4.06	3.26	21.4	16.1	22.7	16.8	32.7	24.0	30.1	22.5
Fine Foods & Pharmaceuticals NTM SpA	1.77	1.52	12.5	10.1	23.5	18.8	30.6	23.1	14.4	11.1
Jubilant Pharmova Ltd	1.80	1.66	8.3	7.4	11.5	10.2	16.0	13.5	9.9	8.5
Lonza Group AG	11.39	10.01	36.5	30.6	52.4	41.7	59.9	49.6	39.6	34.4
Probi AB	6.37	5.65	23.9	20.0	39.8	30.5	54.6	42.7	29.2	25.5
Siegfried Holding AG	4.17	3.69	22.2	18.4	37.8	28.9	43.5	33.7	22.9	19.5
<b>Median CDMO</b>	<b>4.17</b>	<b>3.69</b>	<b>22.0</b>	<b>18.4</b>	<b>29.8</b>	<b>26.0</b>	<b>37.7</b>	<b>33.3</b>	<b>25.3</b>	<b>22.5</b>
Biesse SpA	n.a.	0.86	n.a.	7.6	n.a.	12.6	25.3	22.6	11.7	11.0
Brembo SpA	1.58	1.43	8.2	7.4	14.0	12.1	17.7	15.3	9.0	8.2
Eurotech SpA	2.50	1.62	64.8	8.9	n.m.	11.8	n.m.	11.8	207.7	9.1
Interpump Group SpA	4.77	4.06	19.8	17.1	25.4	21.9	32.8	28.8	23.7	20.8
Lu-Ve SpA	1.34	1.23	11.7	9.8	24.6	18.9	27.1	21.3	11.0	9.6
Prima Industrie SpA	0.75	0.60	9.0	5.6	24.3	10.1	39.0	12.4	8.0	5.3
<b>Median Domestic B2B</b>	<b>1.58</b>	<b>1.33</b>	<b>11.7</b>	<b>8.2</b>	<b>24.4</b>	<b>12.3</b>	<b>27.1</b>	<b>18.3</b>	<b>11.3</b>	<b>9.3</b>
<b>Labomar SpA</b>	<b>3.66</b>	<b>3.10</b>	<b>22.4</b>	<b>17.1</b>	<b>38.5</b>	<b>28.3</b>	<b>45.1</b>	<b>36.1</b>	<b>23.6</b>	<b>19.2</b>
% premium / (discount) to CDMO	(12.2)	(16.2)	1.6	(6.9)	29.3	9.1	19.6	8.7	(6.6)	(14.8)
% premium / (discount) to Domestic B2B	131.2	132.1	91.1	107.8	57.7	129.3	66.6	97.5	108.3	105.5

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
LBM Holding Srl	67.3%	12.45
Anchor Investors*	9.0%	1.67
Others	1.9%	0.35
Free Float	21.7%	4.02
o/w Berenberg	3.8%	0.70
<b>Total</b>	<b>100.0%</b>	<b>18.48</b>

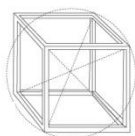
Source: Company data \* subject to lock-up

Price performance	1M	3M	12M
Labomar	11.4%	-7.6%	82.1%
Rel.to FTSE Italia Growth	8.0%	-16.8%	2.1%
Rel.to CDMO peers	1.0%	-6.1%	44.6%

Source: Thomson Reuters Eikon

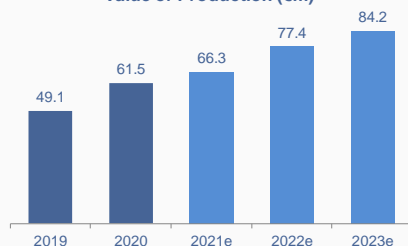
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Catalent	20,473	26.4%	10.4%	2.0
Clover Corp.	177	19.0%	20.4%	n.m.
Fine Foods	394	14.2%	19.0%	n.m.
Jubilant Pharm.	1,117	22.5%	6.0%	1.2
Lonza Group	53,484	31.2%	13.6%	0.9
Probi	454	26.8%	4.2%	n.m.
Siegfried Hold.	3,750	18.8%	14.2%	2.3
<b>Labomar</b>	<b>226</b>	<b>16.4%</b>	<b>11.0%</b>	<b>1.5</b>

Source: Thomson Reuters Eikon

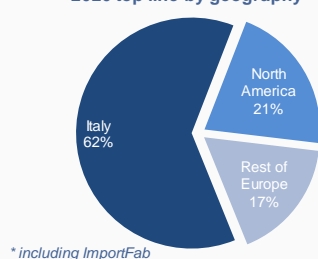


Italy - Nutraceutical

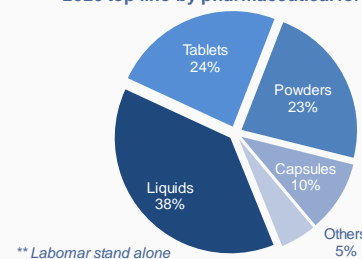
Value of Production (€m)



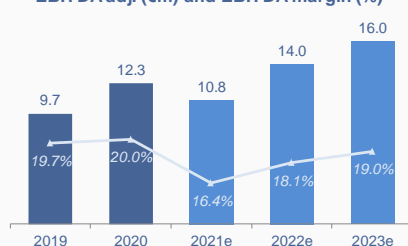
2020 top line by geography \*



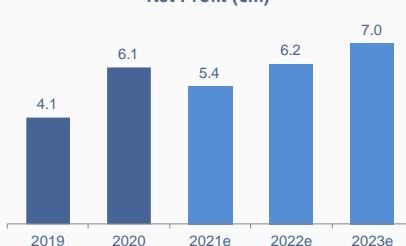
2020 top line by pharmaceutical form \*\*



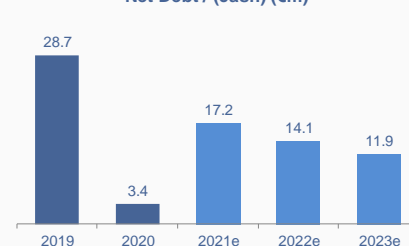
EBITDA adj. (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

Labomar reported disappointing 2021 interim results, affected by a weak performance of ImportFab coupled with the increasing prices of certain raw materials, which generated considerable pressure on margins. The company stated it is confident to reach low-/ medium-single-digit organic top line growth for FY-21 (i.e. in the range of 3-4%); this means demanding business growth in the second half of 2021, corresponding to an implicit revenue increase to the tune of 15-17% YoY in H2-21.

On the back of the weak H1-21 results, we have updated our model by factoring in: 1) a significant reduction in organic growth for 2021, previously anticipated to the tune of 11.8% but now expected at 1.0%, adopting a more conservative approach compared to the guidance provided by the company; 2) a higher incidence of raw materials purchasing on revenues, on the back of the increasing prices of certain APIs and primary packaging; 3) a reshuffling of the capex plan for the new L6 plant, further postponing the bulk of investments; 4) an outlay for the acquisition of an additional 17.6% of Labiotre; and 5) the non-recurrent financial income recognised in H1-21 stemming from the settlement agreement on the residual earn-out due to the seller of ImportFab.

We expect some share price weakness in the short term following the release of these disappointing results, also on the back of the skyrocketing performance unveiled by LBM's stock price since the IPO. However, we believe Labomar is unquestionably a value player in the medium/ long term on the back of its 1) strong R&D effort, sustained by continuous investment, 2) wide ready-to-market product portfolio, 3) ability to manage several delivery forms and 4) proactive go-to-market strategy.

Peer Group Absolute Performance

%	1M	3M	12M
Catalent Inc	7.8%	15.6%	58.4%
Clover Corporation Ltd	10.4%	-7.6%	-2.1%
Fine Foods & Pharmaceuticals SpA	5.0%	22.9%	85.1%
Jubilant Pharmova Ltd	-3.6%	-11.4%	-3.5%
Lonza Group AG	10.6%	6.8%	37.5%
Probi AB	18.8%	-20.2%	2.6%
Siegfried Holding AG	10.6%	-1.5%	55.6%

Source: Thomson Reuters Eikon

Latest IR Press Releases

October 19 <sup>th</sup> , 2021	Labomar organizes its first Investor Day ( <a href="#">link</a> )
September 28 <sup>th</sup> , 2021	Notes to Press Release of 28.09.2021 ( <a href="#">link</a> )
September 27 <sup>th</sup> , 2021	Consolidated Results 1H 2021 ( <a href="#">link</a> )

Financial Calendar

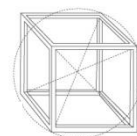
March 29 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 28 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 27 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
21/10/2021	€ 9.50	NEUTRAL	Investor Days	<a href="#">link</a>
01/10/2021	€ 9.50	NEUTRAL	H1-21 results	<a href="#">link</a>
16/07/2021	€ 11.50	NEUTRAL	Welcare Acquisition	<a href="#">link</a>
21/05/2021	€ 9.50	NEUTRAL	German Spring Conf	<a href="#">link</a>

Investor Relations Contacts

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

Rating **NEUTRAL**

Price Target **€ 4.50**

Upside/(downside) % **19%**

Last Price € **3.78**

Market Cap. €m **19.8**

1Y High € **6.20**

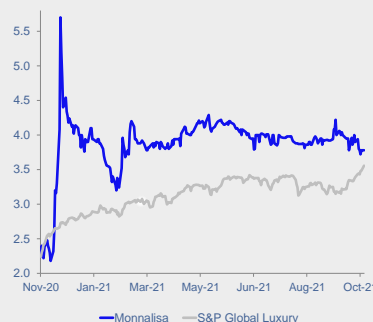
1Y Low € **2.16**

3M Avg Daily Turnover (n. shares) **3,711**

Free Float **25%**

RIC **MONNALMI**

BBG **MNL IM**



**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 and licenses. 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 June 2021, Monnalisa operated worldwide in more than 60 countries through 49 direct stores and almost 500 multibrand stores. The company sells via three distribution channels:

- Wholesale, 66% of top line in FY-20. 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 – TPSIS).

- Retail, 29% 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 49 stores at the end of June 2021.

- E-commerce, 5% of top line. Monnalisa sells its products online through its own monobrand online boutique.

**STRENGTHS**

- Among the few companies which is specialized on childrenswear high-end niche
- 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	2019	2020	2021e	2022e	2023e
Sales	47.9	33.6	42.5	51.0	55.0
Value of production	50.1	33.0	43.5	51.3	55.3
EBITDA	(3.0)	(6.5)	(1.0)	3.4	4.6
EBITDA Adjusted	0.3	(2.2)	(0.8)	3.4	4.6
EBIT	(7.6)	(7.4)	(4.2)	0.2	2.2
EBIT Adjusted	(2.9)	(3.1)	(4.0)	0.2	2.2
Net Profit	(8.4)	(7.8)	(3.7)	(0.2)	1.4
Capex	3.7	1.4	1.0	0.5	0.5
Net Debt (Cash)	3.4	8.0	9.2	9.0	6.1
EPS reported (€/share)	(1.6)	(1.5)	(0.7)	(0.0)	0.3
CPS (€/share)	(0.48)	(0.49)	(0.19)	0.03	0.60
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	-6.0%	-19.8%	-2.3%	6.6%	8.2%
EBIT margin	-15.1%	-22.5%	-9.6%	0.3%	4.0%
EBITDA adj. margin	0.5%	-6.7%	-1.8%	6.6%	8.2%
EBIT adj. margin	-5.8%	-9.3%	-9.2%	0.3%	4.0%
Dividend yield	-	-	-	-	-
NWC/Sales	40.3%	51.0%	40.4%	40.2%	38.8%
ROCE	n.m.	n.m.	n.m.	0.3%	4.6%

Sources: Company data, CFO SIM Estimates, Rating and Price Target updated as of 26<sup>th</sup> October 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of production	-5.0%	-34.1%	31.7%	17.9%	7.8%
EBITDA	n.m.	n.m.	-85.0%	n.m.	35.2%
EBIT	n.m.	-2.0%	-43.8%	n.m.	n.m.
Net Profit	n.m.	-7.4%	-52.5%	-93.6%	n.m.
Capex	-57.6%	-63.1%	-30.7%	-47.4%	0.0%
Debt	n.m.	n.m.	14.5%	-2.4%	-32.5%

Sources: 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	5.88	5.30	23.1	20.1	64.2	44.6	98.2	73.8	24.7	23.2
Burberry Group PLC	2.45	2.29	9.5	8.5	14.5	12.7	22.6	19.6	13.2	11.8
Capri Holdings Ltd	1.80	1.56	8.8	7.4	11.1	9.0	11.8	10.2	9.0	8.0
Hugo Boss AG	1.75	1.44	8.3	6.6	24.0	15.8	34.4	22.4	7.9	6.9
Kering SA	5.03	4.53	13.8	12.3	17.9	15.7	25.4	21.9	17.6	15.8
Moncler SpA	8.59	7.12	21.8	17.8	29.9	23.8	45.6	36.4	29.3	24.4
Prada SpA	4.43	3.91	14.9	12.7	37.1	26.1	61.2	40.9	17.5	15.2
Ralph Lauren Corp	1.43	1.41	8.3	7.8	11.2	10.4	17.8	16.1	12.0	11.0
Salvatore Ferragamo SpA	2.76	2.46	10.8	10.0	29.1	23.4	60.6	43.1	13.6	12.6
Tod's SpA	2.42	2.25	14.9	11.6	n.m.	81.1	n.m.	n.m.	13.7	10.6
<b>Median</b>	<b>2.60</b>	<b>2.38</b>	<b>12.3</b>	<b>10.8</b>	<b>24.0</b>	<b>19.6</b>	<b>34.4</b>	<b>22.4</b>	<b>13.6</b>	<b>12.2</b>
<b>Monnalisa SpA</b>	<b>0.68</b>	<b>0.56</b>	<b>n.m.</b>	<b>8.5</b>	<b>n.m.</b>	<b>181.0</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>6.7</b>
% premium / (discount)	(73.8)	(76.3)	n.m.	(21.0)	n.m.	823.2	n.m.	n.m.	n.m.	(45.5)

Sources: 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>

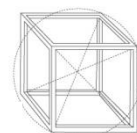
Source: Company data

Price performance	1M	3M	12M
Monnalisa	-6.9%	-4.5%	61.5%
Rel.to FTSE Italia Growth	-10.4%	-13.8%	-18.5%
Rel.to Sector	-19.2%	-8.8%	52.7%

Source: Thomson Reuters Eikon

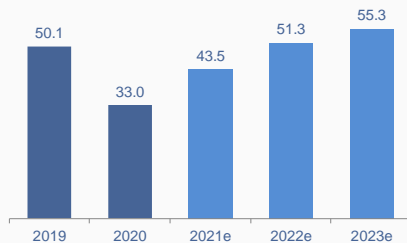
Peers	Mkt Cap €m	EBITDA % FY1	Sales CAGR <sub>2019-23</sub>	NFP/EBITDA FY1
Cucinelli	3,658	25.8%	14.3%	1.9
Burberry	9,276	25.8%	10.9%	n.m.
Capri Holdings	7,277	20.4%	17.2%	1.0
Hugo Boss	3,781	21.1%	18.6%	1.3
Kering	81,170	36.4%	15.7%	0.6
Moncler	17,420	39.5%	22.0%	n.m.
Prada	13,966	29.8%	18.6%	0.2
Ralph Lauren	8,218	17.3%	13.2%	n.m.
Ferragamo	3,137	25.8%	13.6%	n.m.
Tod's	1,625	16.2%	14.5%	2.8
<b>Monnalisa</b>	<b>20</b>	<b>-2.3%</b>	<b>17.8%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon

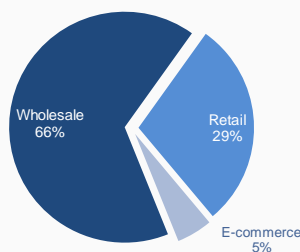


Italy - Fashion

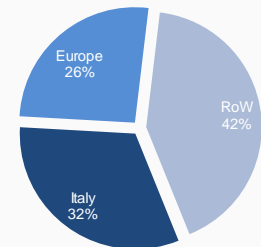
Value of Production (€m)



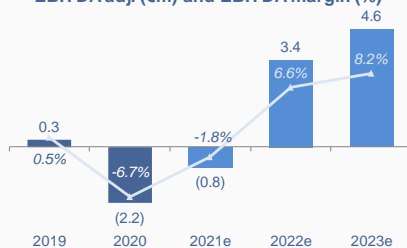
2020 top line by channel



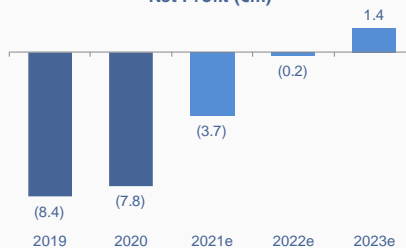
2020 top line by country



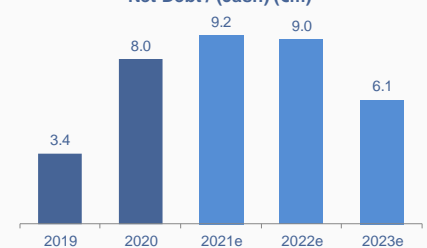
EBITDA adj. (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

In H1-21 Monnalisa showed growing revenues and early signs of recovery in terms of EBITDA. The ongoing strategy aimed at the reorganisation of the retail structure seems to be going in the right direction, focusing on fewer but more profitable shops. H1-21 sales are almost entirely related to the Monnalisa brand, as sales relating to the 'Chiara Ferragni' licence will be visible as from H2.

On the back of H1-21 results, we updated our model by factoring in 1) a slight increase in revenues related to the Wholesale channel, on the back of the positive performance recorded in H1-21, 2) a fine-tuning of the cost structure, lowering the incidence of services costs and personnel expenses, previously overestimated, 3) an update in the openings plan, now anticipating three openings and no closures for FY-21 (previously four openings and one closure).

The brand recognition and global reputation puts Monnalisa in the position of leveraging its structure and expertise by adding another selective couple of license agreements. However, such upside and impact cannot be yet reflected in our projections.

Peer Group Absolute Performance

%	1M	3M	12M
Brunello Cucinelli SpA	14.2%	-4.3%	28.1%
Burberry Group PLC	4.4%	-8.6%	-5.8%
Capri Holdings Ltd	11.4%	-2.8%	-3.2%
Hugo Boss AG	5.3%	4.3%	40.7%
Kering SA	5.2%	-15.8%	-3.5%
Moncler SpA	16.6%	9.6%	24.1%
Prada SpA	10.4%	-19.7%	2.9%
Ralph Lauren Corp	10.6%	10.0%	-4.8%
Salvatore Ferragamo SpA	5.2%	9.0%	4.1%
Tod's SpA	10.0%	-11.3%	26.7%

Source: Thomson Reuters Eikon

Latest IR Press Releases

September 30 <sup>th</sup> , 2021	Monnalisa H1 2021 ( <a href="#">link</a> )
September 6 <sup>th</sup> , 2021	New Opening in China: Nanjing, Deji Plaza ( <a href="#">link</a> )
July 27 <sup>th</sup> , 2021	Integrated report 2020 and 2021-2023 sustainability plan ( <a href="#">link</a> )

Financial Calendar

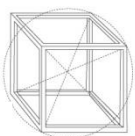
April 30 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
May 31 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 30 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
26/10/2021	€ 4.50	NEUTRAL	H1-21 results	<a href="#">link</a>
31/05/2021	€ 4.00	NEUTRAL	FY-20 results	<a href="#">link</a>
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>

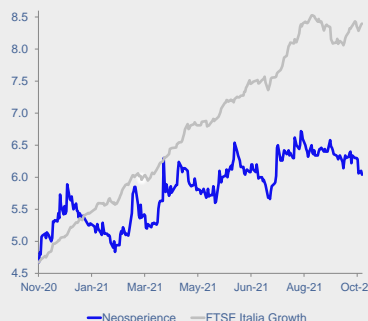
Investor Relations Contacts

<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 - Digital Innovation

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 10.00</b>
<b>Upside/(downside) %</b>	<b>64%</b>
<b>Last Price €</b>	<b>6.10</b>
<b>Market Cap. €m</b>	<b>46.4</b>
<b>1Y High €</b>	<b>6.90</b>
<b>1Y Low €</b>	<b>4.60</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>14,348</b>
<b>Free Float</b>	<b>50%</b>
<b>RIC</b>	<b>NSP.MI</b>
<b>BBG</b>	<b>NSP IM</b>



Set up in Brescia by Dario Melpignano and Luigi Linotto in 2006, today Neosperience is a leading software vendor operating in the digital customer experience & customer analytics sector. Thanks to its deep knowledge of software and app developing, the group internally designed Neosperience Cloud, an innovative cutting-edge Customer Data Platform based on Artificial Intelligence helping businesses to acquire new clients and increase the value of existing ones. Neosperience's 'empathy in technology' vision perfectly explains the peculiarity of the group's offer: by applying machine learning to the results of decades of research in cognitive, social, and behavioural psychology, organisations can provide their clients with a customised and optimised experience based on customer personality.

**STRENGTHS**

- Leading software vendor in the digital customer experience & customer analytics sector
- Proprietary AI-based Customer Data Platform, internally developed: Neosperience Cloud
- SaaS-based business model: a huge slice of revenue is recurring
- Low client concentration: over 700 clients

**WEAKNESSES**

- Limited international presence
- Few key relevant people representing a vital asset for the company
- Sizeable intangible assets (almost 90% of total assets)

€ m	2019	2020	2021e	2022e	2023e
Revenues	13.9	16.4	19.2	24.3	31.9
Value of production	17.5	19.6	22.2	27.4	34.9
EBITDA	3.6	4.8	5.1	6.8	9.3
EBIT	1.1	0.8	0.9	2.6	5.1
Net Profit	0.9	0.3	0.3	1.4	3.1
Net Profit Adjusted	0.9	0.3	0.3	1.4	3.1
Capex	8.9	10.4	3.0	3.0	3.0
Net Debt (Cash)	1.2	5.4	4.4	2.4	(0.3)
EPS reported FD (€/share)	0.13	0.03	0.04	0.19	0.41
EPS Adjusted FD (€/share)	0.13	0.03	0.04	0.19	0.41
CPS (€/share)	0.29	0.52	0.52	0.65	0.75
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	20.4%	24.7%	22.9%	24.7%	26.5%
EBIT margin	5.3%	1.3%	1.3%	5.2%	8.8%
Dividend yield	-	-	-	-	-
Op NWC/Sales	10.4%	21.2%	20.0%	19.1%	18.2%
ROCE	6.2%	2.7%	3.0%	8.0%	14.3%

Sources: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 30<sup>th</sup> September 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of production	n.m.	11.7%	13.4%	23.4%	27.5%
EBITDA	n.m.	35.2%	5.0%	33.5%	36.7%
EBIT	n.m.	-27.5%	10.8%	n.m.	96.5%
Net Profit	n.m.	-71.9%	10.9%	n.m.	n.m.
Net Profit Adjusted	n.m.	-71.9%	10.9%	n.m.	n.m.
Capex	n.m.	17.1%	-71.2%	0.0%	0.0%
Debt	n.m.	n.m.	-18.0%	-44.8%	n.m.

Sources: 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	3.95	3.62	21.1	19.4	25.8	23.4	35.8	32.6	27.6	25.6
Adobe Inc	19.14	16.35	38.0	32.9	41.6	35.8	50.8	44.6	45.4	40.3
Alkemy SpA	1.48	1.28	13.7	11.0	18.4	14.2	24.8	19.2	15.9	13.2
Be Shaping the Future SpA	1.43	1.29	8.8	7.5	14.9	12.1	26.9	23.3	11.9	11.0
Digital360 SpA	2.65	1.94	13.1	10.0	22.8	17.0	34.9	25.0	16.4	12.2
dotDigital Group PLC	11.93	10.49	35.7	32.8	51.1	47.4	61.6	59.8	41.1	39.0
Gartner Inc	6.41	5.58	25.1	28.6	29.8	34.2	40.4	49.7	31.7	38.3
Growens SpA	0.94	0.81	11.9	8.7	39.1	19.0	68.8	31.6	14.1	11.2
HubSpot Inc	29.25	22.57	239.8	173.8	344.2	238.7	437.8	297.8	283.8	204.7
Kaleya Inc	2.32	1.45	38.3	14.9	n.m.	957.8	n.m.	n.m.	29.0	17.0
Maps SpA	2.17	1.63	8.4	6.2	14.6	10.6	16.7	13.4	8.5	6.7
Reply SpA	4.07	3.54	24.1	21.0	29.7	25.6	43.4	38.4	32.7	29.3
Salesforce.Com Inc	11.27	9.18	37.7	30.5	60.5	46.2	69.1	62.5	40.9	37.1
TechTarget Inc	10.65	9.01	28.5	23.7	31.4	29.1	41.0	36.7	30.6	28.4
<b>Median</b>	<b>4.01</b>	<b>3.58</b>	<b>24.6</b>	<b>20.2</b>	<b>29.8</b>	<b>27.4</b>	<b>41.0</b>	<b>36.7</b>	<b>30.4</b>	<b>27.0</b>
<b>Neosperience SpA</b>	<b>2.29</b>	<b>1.78</b>	<b>10.0</b>	<b>7.2</b>	<b>56.4</b>	<b>19.0</b>	<b>161.1</b>	<b>32.8</b>	<b>10.4</b>	<b>8.3</b>
% premium (discount)	(42.9)	(50.1)	(59.2)	(64.3)	89.0	(30.8)	293.1	(10.5)	(65.7)	(69.3)

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Neos Srl	44.7%	3.40
Other (Lock-up)	4.8%	0.36
Treasury shares	0.8%	0.06
Free Float	49.7%	3.78
<b>Total</b>	<b>100.0%</b>	<b>7.61</b>

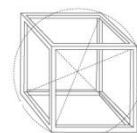
Source: Company data

Price performance	1M	3M	12M
Neosperience	-3.8%	-2.6%	32.8%
Rel.to FTSE Italia Growth	-7.2%	-11.8%	-47.3%
Rel.to Peers Median	-13.8%	-25.4%	-65.9%

Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Accenture	201,061	18.6%	10.2%	n.m.
Adobe	262,456	50.0%	18.2%	n.m.
Alkemy	111	10.3%	14.6%	2.6
Be	320	16.3%	10.6%	n.m.
Digital360	89	20.1%	26.0%	0.1
dotDigital	844	33.4%	18.5%	n.m.
Gartner	23,669	25.6%	14.1%	1.5
Growens	68	7.9%	10.4%	0.0
HubSpot	32,549	12.1%	33.6%	n.m.
Kaleya	436	6.1%	51.3%	6.2
Maps	44	25.8%	22.8%	1.2
Reply	6,223	16.9%	13.1%	n.m.
Salesforce	255,386	29.6%	22.1%	n.m.
TechTarget	2,320	19.4%	18.3%	1.2
<b>Neosperience</b>	<b>46</b>	<b>22.9%</b>	<b>21.3%</b>	<b>0.9</b>

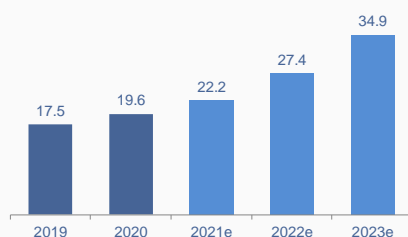
Source: Thomson Reuters Eikon



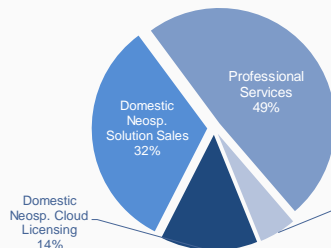


## Italy - Digital Innovation

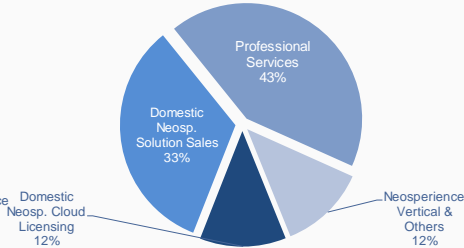
Value of Production (€m)



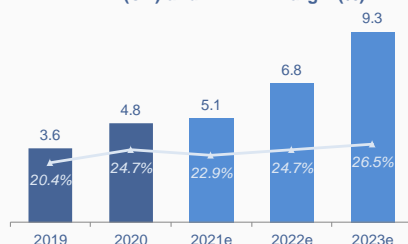
2020 top line by business line



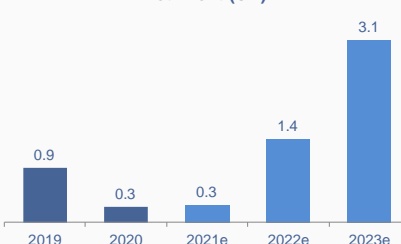
2019 top line by business line



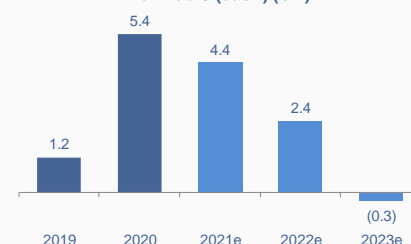
EBITDA (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



### Investment Case: Reasons to Invest and Valuation

In H1-21, Neosperience reported growing revenues on the back of the increasing sales of more lucrative SaaS solutions. Thus, EBITDA soared more than proportionately to top line. Considering the level of revenues achieved in H1-21, Neosperience will have to post fairly sustainable implicit sales growth to the tune of 12.5% in H2-21 in order to reach our forecast for FY-21. Consequently, we left our estimates unchanged.

In H1-21, the group continued strengthening its competitive positioning in the reference market, especially in Italy, thanks to the state-of-the-art Neosperience Cloud platform. In particular, Neosperience developed some activities in the Healthcare sector in order to promote digital transformation in hospitals and polyclinics through the innovative Neosperience Health Cloud solution. On the other hand, international expansion was temporarily slowed down by the pandemic, mainly with regard to those projects dedicated to Chinese tourists developed together with Tencent. Finally, the group should definitely benefit from the National Recovery and Resilience Plan in the next years, as almost € 50bn will be dedicated to the digital transformation of businesses and public administrations.

Furthermore, the group is working on a few M&A opportunities, looking at companies with proprietary cutting-edge software solutions able to enrich the group's offer.

### Peer Group Absolute Performance

%	1M	3M	12M
Accenture PLC	11.2%	12.4%	63.8%
Adobe Inc	14.6%	3.5%	43.2%
Alkemy SpA	12.7%	37.2%	225.8%
Be Shaping the Future SpA	8.9%	28.0%	126.7%
Digital360 SpA	-7.4%	34.6%	264.9%
dotDigital Group PLC	-0.8%	-3.0%	62.7%
Gartner Inc	7.6%	23.9%	173.4%
Growens SpA	3.2%	4.8%	6.0%
HubSpot Inc	26.8%	34.8%	177.1%
Kaleyra Inc	11.2%	18.0%	77.4%
Maps SpA	0.5%	21.7%	116.4%
Reply SpA	8.3%	8.7%	80.9%
Salesforce.Com Inc	11.8%	25.7%	30.3%
TechTarget Inc	20.5%	30.9%	118.3%

Source: Thomson Reuters Eikon

### Latest IR Press Releases

October 13 <sup>th</sup> , 2021	The BoD approves three separate capital increases reserved to the acquisition of ADChange S.r.l, Looptribe S.r.l. and Myti S.r.l. ( <a href="#">link</a> )
September 28 <sup>th</sup> , 2021	H1-21 Results ( <a href="#">link</a> )
July 14 <sup>th</sup> , 2021	Neosperience appoints CFO SIM as NOMAD ( <a href="#">link</a> )

### Financial Calendar

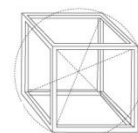
March 30 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 29 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 28 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

### Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
30/09/2021	€ 10.00	BUY	H1-21 results	<a href="#">link</a>
29/07/2021	€ 10.00	BUY	Initiation of Coverage	<a href="#">link</a>

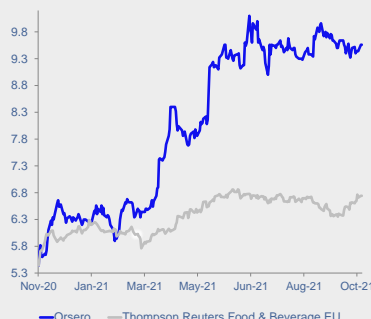
### Investor Relations Contacts

<b>Issuer</b> Neosperience SpA Via Orzinuovi, 20 – Torre Athena 25125 – Brescia (BS)	<b>Investor Relations Manager</b> Lorenzo Scaravelli +39 0236755690 ir@neosperience.com
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Italy - Food

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 13.50</b>
<b>Upside/downside %</b>	<b>41%</b>
<b>Last Price €</b>	<b>9.56</b>
<b>Market Cap. €m</b>	<b>169.0</b>
<b>1Y High €</b>	<b>10.35</b>
<b>1Y Low €</b>	<b>5.42</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>15,694</b>
<b>Free Float</b>	<b>60%</b>
<b>RIC</b>	<b>ORSO.MI</b>
<b>BBG</b>	<b>ORS IM</b>



Orsero is an international group headquartered in Milano, operating in the fresh fruit and vegetable import and distribution business in the Mediterranean area of Europe. The group was founded over 50 years ago by the Orsero family. The current business includes the import and distribution of fresh fruit and vegetables as well as the 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 AIM Italia (Alternative Investment Market) 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 has been trading on the STAR segment of Euronext Milan market (formerly MTA) of Borsa Italiana 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 10+Y residual life

**WEAKNESSES**

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

€ m	2019	2020	2021e	2022e	2023e
Turnover	1,005.7	1,041.5	1,070.0	1,097.2	1,123.9
EBITDA Adjusted	38.7	48.4	50.5	51.8	53.0
EBIT Adjusted	13.0	22.4	24.6	26.3	27.8
EBIT	8.4	18.8	23.5	25.2	26.7
Net Profit	2.0	12.2	15.0	16.2	17.3
Net Profit adj.	5.3	15.1	15.9	17.0	18.1
Capex	50.9	42.3	10.0	10.0	10.0
Net Debt (Cash)	126.9	103.5	76.0	53.4	29.0
EPS reported FD (€/share)	0.11	0.69	0.85	0.91	0.98
EPS Adjusted FD (€/share)	0.30	0.85	0.90	0.96	1.02
CPS (€/share)	1.46	2.10	2.32	2.09	2.22
DPS (€/share)	0.08	0.20	0.25	0.27	0.29
EBITDA margin	3.8%	4.6%	4.7%	4.7%	4.7%
EBIT margin	1.3%	2.2%	2.3%	2.4%	2.5%
Dividend yield	0.8%	2.1%	2.6%	2.8%	3.0%
Op NWC/Sales	3.0%	3.6%	3.3%	3.4%	3.4%
ROCE	3.7%	6.9%	7.4%	7.6%	7.8%

Sources: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 15<sup>th</sup> September 2021

% YoY	2019	2020	2021e	2022e	2023e
Turnover	5.6%	3.6%	2.7%	2.5%	2.4%
EBITDA Adjusted	17.7%	25.1%	4.3%	2.5%	2.4%
EBIT	-26.2%	n.m.	25.5%	7.0%	6.2%
Net Profit	-74.6%	n.m.	22.9%	7.8%	6.8%
Net Profit adj.	-58.4%	n.m.	5.0%	7.4%	6.5%
Capex	n.m.	-16.8%	-76.4%	0.0%	0.0%
Debt	n.m.	-18.4%	-26.6%	-29.7%	-45.8%

Sources: 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
Dole PLC	0.28	0.26	6.9	6.4	10.5	9.6	11.1	9.5	5.5	5.0
Fresh Del Monte Produce Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16.5	15.2	7.9	7.6
Greenyard NV	0.17	0.16	5.4	4.8	11.3	9.7	19.2	14.1	4.4	4.0
<b>Median</b>	<b>0.23</b>	<b>0.21</b>	<b>6.2</b>	<b>5.6</b>	<b>10.9</b>	<b>9.7</b>	<b>16.5</b>	<b>14.1</b>	<b>5.5</b>	<b>5.0</b>
<b>Orsero SpA</b>	<b>0.23</b>	<b>0.20</b>	<b>4.9</b>	<b>4.3</b>	<b>9.9</b>	<b>8.5</b>	<b>10.7</b>	<b>9.9</b>	<b>4.1</b>	<b>4.0</b>
% premium / (discount)	1.6	(4.0)	(21.1)	(23.5)	(9.0)	(12.5)	(35.4)	(29.5)	(26.1)	(20.9)

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Orsero family	32.5%	5.75
Grupo Fernandez	6.3%	1.12
Treasury shares	0.9%	0.15
Free Float	60.3%	10.67
<b>Total</b>	<b>100.0%</b>	<b>17.68</b>

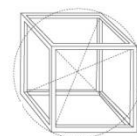
Source: Company data

Price performance	1M	3M	12M
Orsero	-0.2%	-0.8%	77.7%
Rel.to FTSE Italia STAR	-8.7%	-10.3%	6.1%
Rel.to EU Sector	-5.7%	-0.4%	53.1%

Source: Thomson Reuters Eikon

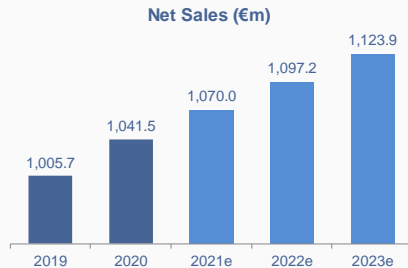
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Dole	1,218	4.0%	3.1%	3.1
Del Monte	1,390	5.4%	n.a.	n.a.
Greenyard	433	3.2%	3.4%	2.5
<b>Orsero</b>	<b>169</b>	<b>4.7%</b>	<b>2.6%</b>	<b>1.5</b>

Source: Thomson Reuters Eikon

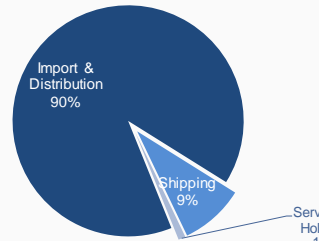




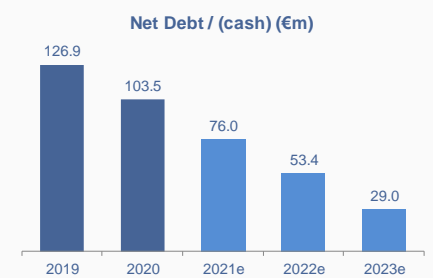
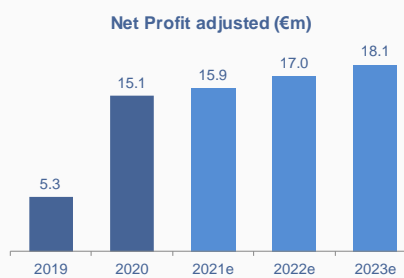
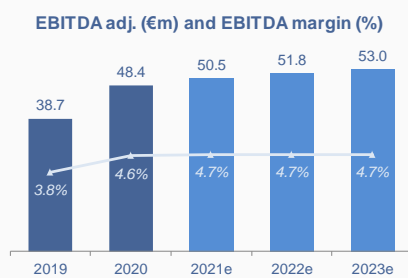
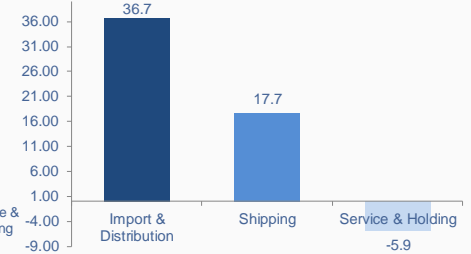
Italy - Food



**2020 gross turnover by business**



**2020 EBITDA by business**



Investment Case: Reasons to Invest and Valuation

As expected, Orsero showed a more than satisfactory set of results in Q2-21 considering the extremely difficult comparison with Q2-20, a quarter characterised by strong panic buying driven by spread of the COVID-19 and the related lockdowns. If we look at the H1-20 numbers at a profitability level, this effect is more than entirely counterbalanced by the good performance reported in Q1-21 and the performance is consistent with the company's expectations for FY-21. The robust Cash Flow generation prompted Orsero to improve NFP guidance for FY-21, confirming its economic targets. The company guidance for 2021 foresees another growing profitable year in a difficult scenario.

- Net Sales: € 1,040m - € 1,060m (unchanged)
- Adj. EBITDA: € 49m - € 51m (unchanged)
- Net Profit: € 14m - € 16m (unchanged)
- Net Financial Position: € 75m - € 78m (- € 6m on average)
- Capex: € 9m - € 10m (unchanged)

Peer Group Absolute Performance

%	1M	3M	12M
Dole PLC	-1.8%	-2.5%	n.a.
Fresh Del Monte Produce Inc	4.0%	10.7%	57.7%
Greenyard NV	0.7%	-8.4%	81.5%

Source: Thomson Reuters Eikon

Latest IR Press Releases

- October 15<sup>th</sup>, 2021 Conclusion of the buy-back program ([link](#))
- October 5<sup>th</sup>, 2021 Completion of acquisition ([link](#))
- September 28<sup>th</sup>, 2021 Acquisition in the distribution of Italian supply chain fruit and vegetables ([link](#))

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)

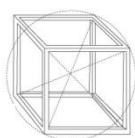
Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
15/09/2021	€ 13.50	BUY	H1-21 results	<a href="#">link</a>
14/05/2021	€ 12.80	BUY	Q1-21 results	<a href="#">link</a>
19/03/2021	€ 11.50	BUY	FY-20 results	<a href="#">link</a>
26/02/2021	€ 8.50	BUY	Sector news	<a href="#">link</a>

Investor Relations Contacts

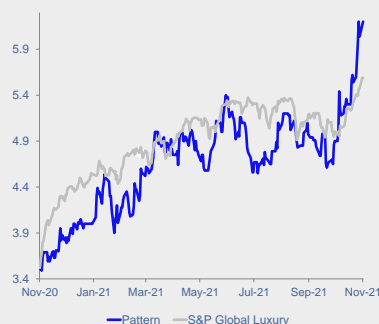
**Issuer**  
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Italy - Luxury Engineering

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 8.20</b>
<b>Upside/(downside) %</b>	<b>33%</b>
<b>Last Price €</b>	<b>6.16</b>
<b>Market Cap. €m</b>	<b>86.7</b>
<b>1Y High €</b>	<b>6.58</b>
<b>1Y Low €</b>	<b>3.35</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>5,654</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 (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 the outerwear niche, operating in the catwalk segment and among the top lines of the most prestigious global luxury brands. The firm 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 production is outsourced to a plethora of suppliers ("façonists"). Pattern's global export sales reached almost 70% of total revenues. 88% of revenues come from production while engineering processes account for 11%. Female apparel contributes to 49% of total thanks to the acquisition of Roscini Atelier in 2017, whereas male apparel now accounts for some 51% of total revenues. In terms of products, most of the group's production comes from knitwear, namely 50% of total, outerwear account for 37% whilst the remainder is represented by upper wear and light wear. Since 2015, Pattern has voluntarily been drawing up sustainability reports according to the reporting guidelines of the Global Reporting Initiative (GRI Standards), focusing its attention on 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
- Pattern is the only player ESG rated in the competitive arena
- Several market segments served: man, woman, outerwear, knitwear
- Flexible manufacturing structure, low WC pressure, complete selling proposition
- 43% of 2020 revenues stem from clients with 3-10 years of loyalty

**WEAKNESSES**

- Clients concentration: top 5 clients generated 83% of 2020 sales
- Management functions concentrated in few key people
- First 5 suppliers account for 17% / 44% of total purchases of raw material/services
- Limited sustainability certified façonists available, mainly in East Europe

€ m	2019	2020	2021e	2022e	2023e
Value of production	55.3	54.0	62.7	83.7	96.1
EBITDA	5.9	5.4	6.9	9.9	12.3
EBITDA Adjusted	7.2	4.9	6.9	9.9	12.3
EBIT	5.5	3.6	4.8	7.5	9.8
EBIT Adjusted	6.7	3.1	4.8	7.5	9.8
Net Profit	3.8	2.3	2.8	4.2	5.6
Net Profit Adjusted	4.7	1.8	2.8	4.2	5.6
Capex	1.8	5.1	7.2	0.7	0.7
Net Debt (Cash)	(12.4)	(8.8)	(3.4)	(7.9)	(12.8)
EPS reported FD (€/share)	0.28	0.17	0.21	0.31	0.41
EPS Adjusted FD (€/share)	0.34	0.13	0.21	0.31	0.41
CPS (€/share)	0.3	0.37	0.14	0.45	0.51
DPS (€/share)	0.1	0.00	0.07	0.11	0.14
EBITDA margin	13.0%	9.0%	11.0%	11.9%	12.8%
EBIT adj. margin	12.2%	5.7%	7.6%	8.9%	10.1%
Dividend yield	-	-	1.2%	1.7%	2.3%
Op NWC/Sales	4.6%	6.1%	7.7%	6.7%	6.9%

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

% YoY	2019	2020	2021e	2022e	2023e
Value of production	24.2%	-2.4%	16.0%	33.5%	14.9%
EBITDA	10.5%	-9.4%	27.9%	44.1%	23.8%
EBIT	10.5%	-35.1%	33.5%	56.9%	30.6%
Net Profit	7.6%	-40.1%	25.4%	48.0%	32.5%
Capex	n.m.	n.m.	41.9%	-91.0%	7.7%
Net Cash	n.m.	-29.1%	-61.1%	n.m.	61.0%

Sources: 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	2.45	2.29	9.5	8.5	14.5	12.7	22.6	19.6	13.2	11.8
Capri Holdings Ltd	1.80	1.56	8.8	7.4	11.1	9.0	11.8	10.2	9.0	8.0
Compagnie Financiere Richemont SA	3.13	2.85	12.8	11.1	19.2	16.1	27.5	23.0	16.5	14.4
Hermes International SCA	15.79	13.96	36.2	32.9	41.9	38.0	63.4	57.9	51.5	47.1
Kering SA	5.03	4.53	13.8	12.3	17.9	15.7	25.4	21.9	17.6	15.8
LVMH Moet Hennessy Louis Vuitton SE	5.87	5.25	17.3	15.7	23.4	20.6	32.2	29.0	21.3	19.9
<b>Median Luxury</b>	<b>4.08</b>	<b>3.69</b>	<b>13.3</b>	<b>11.7</b>	<b>18.6</b>	<b>15.9</b>	<b>26.4</b>	<b>22.4</b>	<b>17.1</b>	<b>15.1</b>
Brembo SpA	1.58	1.43	8.2	7.4	14.0	12.1	17.7	15.3	9.0	8.2
Eurotech SpA	2.50	1.62	64.8	8.9	n.m.	11.8	n.m.	11.8	207.7	9.1
Fine Foods & Pharmaceuticals NTM SpA	1.77	1.52	12.5	10.1	23.5	18.8	30.6	23.1	14.4	11.1
Sabaf SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.3	13.3	7.1	7.7
<b>Median domestic B2B</b>	<b>1.77</b>	<b>1.52</b>	<b>12.5</b>	<b>8.9</b>	<b>18.7</b>	<b>12.1</b>	<b>17.7</b>	<b>14.3</b>	<b>11.7</b>	<b>8.6</b>
Pattern SpA	1.33	0.94	12.1	7.9	17.5	10.5	30.5	20.6	17.4	13.0
% premium / (discount) to luxury	(67.4)	(74.5)	(9.1)	(32.3)	(5.7)	(33.6)	15.2	(8.3)	2.2	(13.8)
% premium / (discount) to domestic B2B	(24.9)	(38.1)	(3.2)	(10.5)	(6.6)	(12.9)	72.2	43.6	49.3	50.9

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Founders	66.3%	9.33
Luca Sbrulati	1.7%	0.24
Others	4.4%	0.62
Free Float	27.6%	3.89
o/w Otus Capital Management	5.8%	0.81
<b>Total</b>	<b>100.0%</b>	<b>14.08</b>

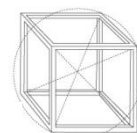
Source: Company data

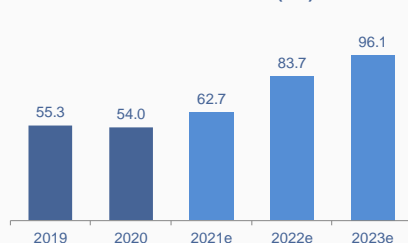
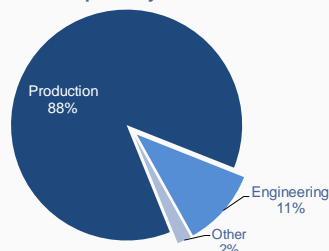
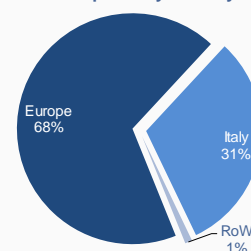
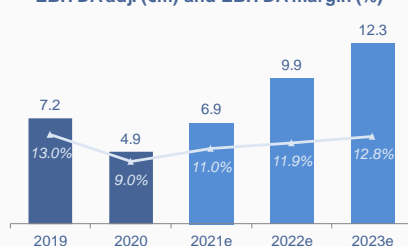
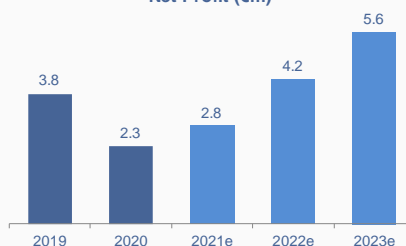
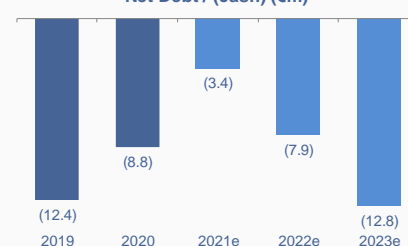
Price performance	1M	3M	12M
Pattern	25.7%	21.3%	67.4%
Rel.to FTSE Italia Growth	22.3%	12.0%	-12.6%
Rel.to Peers median	16.7%	22.9%	-4.2%

Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Burberry	9,276	25.8%	10.9%	n.m.
Capri Holdings	7,277	28.7%	26.4%	1.0
Richemont	56,231	24.5%	14.2%	n.m.
Hermes	145,646	43.7%	20.1%	n.m.
Kering	81,170	36.4%	15.7%	0.6
LVMH	343,611	34.0%	18.0%	0.7
Eurotech	3,812	11.7%	11.3%	1.9
Fine Foods	179	3.9%	20.1%	n.m.
Brembo	394	14.2%	19.0%	n.m.
Sabaf	332	22.5%	13.8%	1.2
<b>Pattern</b>	<b>87</b>	<b>11.0%</b>	<b>21.2%</b>	<b>n.m.</b>

Source: Thomson Reuters Eikon



**Italy - Luxury Engineering**
**Value of Production (€m)**

**2020 top line by service**

**2020 top line by country**

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

**Net Profit (€m)**

**Net Debt / (cash) (€m)**

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

Pattern has announced the acquisition of a 54% stake in IDEE Consulting: it will pay 7.0x 2021e EV/EBITDA for a leading Italian player in the luxury leather goods segment. This fairly priced acquisition in the leather goods niche, a highly synergic segment in which the group was not present, is another step toward the creation of an Italian leading hub of luxury fashion engineering. The group will expand its customer base by adding a few new clients. Pattern already has a brilliant track record in terms of exogenous growth thanks to the acquisition of Roscini (female outerwear) and SMT (knitwear): Roscini has helped PTR gain traction in its original business, whereas SMT has sustained it in coping with the pandemic situation. This move brings in € 9.0m (€ 0.60/s) additional value to Pattern. In addition, the acquisition is accretive at the EBITDA and Net Profit level.

Established in 2008 and headquartered in Scandicci (Florence), IDEE Consulting Srl (IDEE Partners being its trade name) is a firm specialised in the product development, design and production of luxury leather goods, mainly bags and small accessories. It is a valuable partner for the most important global luxury brands. In 2021, IDEE acquired 60% of Petri & Lombardi, a thirty-year-old historical firm specialised in the production of leather goods. IDEE is projected to achieve € 12.0m sales (including Petri & Lombardi's) an EBITDA of € 1.2m (10.0% margin) and NFP at € 1.0m (debt) in 2021.

**Peer Group Absolute Performance**

%	1M	3M	12M
Burberry Group PLC	4.4%	-8.6%	43.2%
Capri Holdings Ltd	11.4%	-2.8%	161.8%
Compagnie Financiere Richemont	15.1%	-3.1%	98.9%
Hermes International SCA	16.4%	5.7%	73.3%
Kering SA	5.2%	-15.8%	25.7%
LVMH Moet Hennessy Louis Vuitton	10.0%	-0.5%	69.9%
Eurotech SpA	5.8%	7.6%	53.3%
Fine Foods & Pharmaceuticals	5.0%	22.9%	85.1%
Brembo SpA	8.0%	-3.5%	28.5%
Sabaf SpA	32.6%	11.6%	144.9%

Source: Thomson Reuters Eikon

**Latest IR Press Releases**

October 25 <sup>th</sup> , 2021	IDEE Consulting, Tuscan company operating in the luxury leather goods industry, joins Pattern group ( <a href="#">link</a> )
September 27 <sup>th</sup> , 2021	H1-21 results ( <a href="#">link</a> )
May 25 <sup>th</sup> , 2021	Pattern takes part in AIM Italia Conference 2021 ( <a href="#">link</a> )

**Financial Calendar**

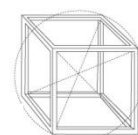
March 29 <sup>th</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 27 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

**Latest Equity Research published**

Date	PT €/s	Rating	Type of report	Download
28/10/2021	€ 8.20	BUY	IDEE Acquisition	<a href="#">link</a>
29/09/2021	€ 7.60	BUY	H1-21 results	<a href="#">link</a>
28/05/2021	€ 7.00	BUY	AIM Italia Conf	<a href="#">link</a>
08/04/2021	€ 7.00	BUY	FY-20 results	<a href="#">link</a>

**Investor Relations Contacts**

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Italy - Software

Rating **NEUTRAL**

Price Target **€ 12.00**

Upside/(downside) % **5%**

Last Price € **11.40**

Market Cap. €m **230.1**

1Y High € **12.20**

1Y Low € **7.76**

3M Avg Daily Turnover (n. shares) **9,110**

Free Float **26%**

RIC **PITE.MI**

BBG **PITE IM**



**Piteco**  
FINANCIAL SOFTWARE & CONSULTING

Piteco, more than 4x the size of its closest competitors, is the undisputed domestic leader in 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 all industries except public administration. The Piteco software is 100% proprietary as well as modular (19 different modules), embeddable (it can work within Oracle, Sap or Microsoft environments), customisable (its open architecture allows several combinations of product modules) and available on foreign markets. The group is developing a challenging internationalisation and diversification process, boosted by the recent acquisitions: 1) Juniper Payments enables Piteco to penetrate the huge US market with a well-managed cash flow generative firm, paid for fairly cheaply; 2) Myrios widened the group's offer with a risk management, capital markets and compliance software dedicated to banks (60% of the business line turnover) as well as to large manufacturing and services companies (40%); 3) RAD, which has developed a knowledge management tool that connects all those interested in the operational management of NPL and litigation.

**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**

- > 80% of sales come from Italy, heavy dependence on one single country
- Limited size in the international competitive arena

€ m	2019	2020	2021e	2022e	2023e
Sales	24.0	24.7	37.3	40.1	43.1
EBITDA	10.2	9.9	17.7	19.4	21.3
EBIT	7.3	6.3	11.3	13.1	13.8
Net Profit	3.0	7.1	16.3	11.1	11.8
Net Profit Adjusted	5.7	6.1	9.4	11.1	11.8
Capex	0.1	67.2	1.4	1.4	1.4
Net Debt (Cash)	27.5	65.0	55.8	42.3	27.9
EPS reported (€/share)	0.16	0.35	0.81	0.55	0.58
EPS Adjusted (€/share)	0.31	0.34	0.52	0.61	0.65
CPS (€/share)	0.38	1.20	0.65	0.88	0.98
DPS (€/share)	0.15	0.15	0.15	0.20	0.20
EBITDA margin	42.6%	40.2%	47.4%	48.5%	49.3%
EBIT margin	30.2%	25.5%	30.3%	32.8%	32.0%
Dividend yield	1.3%	1.3%	1.3%	1.8%	1.8%
ROCE	10.7%	4.7%	8.1%	9.2%	9.5%

Sources: Company data, CFO SIM. Estimates, Rating and Price Target updated as of 1<sup>st</sup> October 2021

% YoY	2019	2020	2021e	2022e	2023e
Turnover	18.9%	2.8%	50.9%	7.5%	7.5%
EBITDA	23.9%	-3.0%	77.9%	10.0%	9.4%
EBIT	13.4%	-13.0%	79.1%	16.1%	5.0%
Net Profit	-42.7%	n.m.	n.m.	-31.8%	6.0%
Net Profit Adjusted	12.4%	8.0%	53.1%	18.2%	6.0%
Capex	-99.4%	n.m.	-98.0%	0.0%	0.0%
Debt	2.6%	n.m.	-14.1%	-24.2%	-34.0%

Sources: 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	14.61	12.76	38.0	32.6	39.8	34.5	54.5	47.2	51.4	43.9
Microsoft Corp	12.10	10.49	24.4	20.9	28.8	24.9	35.5	31.4	29.2	25.6
Oracle Corp	7.09	6.90	14.2	13.7	16.0	15.8	19.7	18.8	16.6	15.4
Salesforce.Com Inc	11.27	9.18	37.7	30.5	60.5	46.2	69.1	62.5	40.9	37.1
SAP SE	5.86	5.50	18.5	17.5	20.7	19.6	22.7	25.9	20.0	22.4
<b>Median large player</b>	<b>11.27</b>	<b>9.18</b>	<b>24.4</b>	<b>20.9</b>	<b>28.8</b>	<b>24.9</b>	<b>35.5</b>	<b>31.4</b>	<b>29.2</b>	<b>25.6</b>
Datalogic SpA	1.65	1.48	11.6	9.5	17.8	14.4	23.9	18.9	13.8	11.3
Digital Bros SpA	3.73	3.30	11.3	8.4	20.0	16.8	27.7	24.3	14.0	10.7
ExpertAi SpA	4.20	2.75	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Exprivia SpA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11.1	7.7	6.3	5.0
Reply SpA	4.07	3.54	24.1	21.0	29.7	25.6	43.4	38.4	32.7	29.3
TXT e solutions SpA	1.20	1.26	9.2	9.3	13.0	12.1	19.5	15.6	12.3	10.9
<b>Median small player</b>	<b>3.73</b>	<b>2.75</b>	<b>11.4</b>	<b>9.4</b>	<b>18.9</b>	<b>15.6</b>	<b>23.9</b>	<b>18.9</b>	<b>13.8</b>	<b>10.9</b>
<b>Piteco SpA</b>	<b>7.67</b>	<b>6.80</b>	<b>16.2</b>	<b>14.0</b>	<b>25.3</b>	<b>20.7</b>	<b>24.4</b>	<b>20.7</b>	<b>14.6</b>	<b>13.2</b>
% premium / (discount) to large players	(32.0)	(26.0)	(33.6)	(32.9)	(12.3)	(16.6)	(31.2)	(34.2)	(50.0)	(48.4)
% premium / (discount) to small players	105.3	147.5	41.5	48.9	33.7	32.9	2.3	9.1	6.0	20.5

Sources: CFO SIM, Thomson Reuters Eikon

Outstanding shares	%	# m
Podini Family + Management + Treasury sh.	74.1%	14.22
Free Float	25.9%	5.22
<b>Total</b>	<b>100.0%</b>	<b>20.18</b>

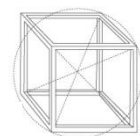
Source: Company data

Price performance	1M	3M	12M
Piteco	0.4%	20.3%	44.7%
Rel.to FTSE Italia All Shares	-6.3%	13.3%	-7.6%
Rel.to Sector	-5.0%	20.7%	20.1%

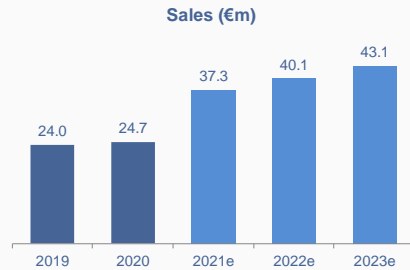
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>2019-23</sub>	NFP/EBITDA FY1
Intuit	143,254	39.1%	13.9%	n.m.
Microsoft	2,130,703	48.4%	13.8%	n.m.
Oracle	222,303	49.7%	5.8%	1.9
Salesforce	255,386	29.6%	22.1%	n.m.
SAP	154,582	33.1%	3.5%	0.8
Datalogic	925	14.4%	11.6%	0.2
Digital Bros	606	33.1%	n.a.	n.m.
Expert System	120	-13.7%	33.9%	n.m.
Exprivia	100	13.7%	6.1%	1.7
Reply	6,223	16.9%	13.1%	n.m.
TXT e solutions	118	13.1%	16.6%	n.m.
<b>Piteco</b>	<b>230</b>	<b>47.4%</b>	<b>20.4%</b>	<b>3.2</b>

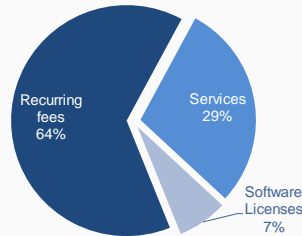
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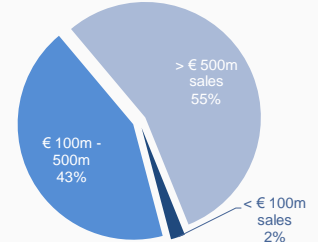
Italy - Software



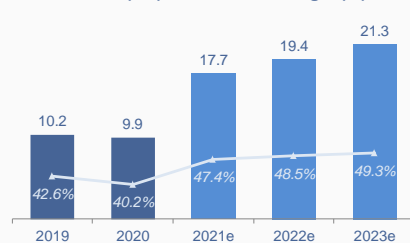
2020 top line by service



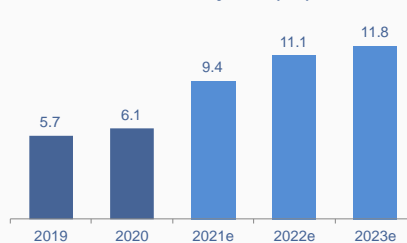
2020 top line by client profile (sales)



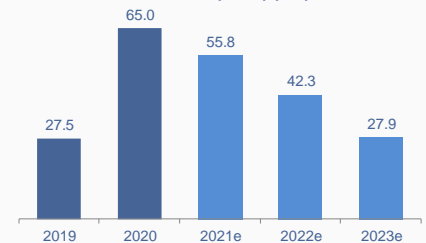
EBITDA (€m) and EBITDA margin (%)



Net Profit adjusted (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

Piteco reported a good set of interim results, consolidating the growing trend of the treasury management business, proving itself again to be a leading domestic player, and confirming the remarkable share of recurring revenues. Margin improvement was achieved thanks to the operating leverage and to a greater extent to the consolidation of the highly profitable RAD.

Interim results were characterised by the massive impact stemming from the consolidation of RAD and the confirmation of Piteco's TMS business as the leading domestic solution for treasury management. Following H1-21 results we have fine-tuned our estimates, leaving top line progression and profitability assumptions unchanged and factoring in 1) the 2021 € 7.6m one-off tax savings on the back of the tax realignment of Piteco's parent company's goodwill value, and 2) its effect on the balance sheet.

Peer Group Absolute Performance

%	1M	3M	12M
Intuit Inc	15.9%	15.4%	93.5%
Microsoft Corp	16.3%	15.6%	62.7%
Oracle Corp	5.7%	7.7%	68.2%
Salesforce.Com Inc	11.8%	25.7%	30.3%
SAP SE	10.1%	4.1%	38.1%
Datalogic SpA	-6.9%	-21.3%	60.7%
Digital Bros SpA	19.0%	72.6%	154.7%
ExpertAi SpA	-1.3%	-16.4%	14.6%
Exprivia SpA	9.9%	27.7%	220.4%
Reply SpA	8.3%	8.7%	80.9%
TXT e solutions SpA	8.4%	12.7%	23.7%

Source: Thomson Reuters Eikon

Latest IR Press Releases

- September 28<sup>th</sup>, 2021 [Piteco Group excellent performances in H1-21 revenues +52%, ebitda +54%, net profit +342% \(link\)](#)
- July 28<sup>th</sup>, 2021 [Acquisition of an additional 4.85% of the share capital in Myrios s.r.l. \(link\)](#)
- June 18<sup>th</sup>, 2021 [Integration of the composition of the Control and Risks Committee \(link\)](#)

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 \(H1-21 Results\)](#)

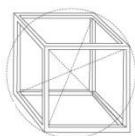
Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
01/10/2021	€ 12.00	NEUTRAL	H1-21 results	<a href="#">link</a>
21/05/2021	€ 11.30	NEUTRAL	German Spring Conf	<a href="#">link</a>
29/03/2021	€ 11.30	NEUTRAL	FY-20 results	<a href="#">link</a>
04/11/2020	€ 11.30	BUY	RAD Acquisition	<a href="#">link</a>

Investor Relations Contacts

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Italy - Textile Flooring

<b>Rating</b>	<b>BUY</b>
<b>Price Target</b>	<b>€ 2.50</b>
<b>Upside/(downside) %</b>	<b>55%</b>
<b>Last Price €</b>	<b>1.61</b>
<b>Market Cap. €m</b>	<b>14.0</b>
<b>1Y High €</b>	<b>2.12</b>
<b>1Y Low €</b>	<b>1.26</b>
<b>3M Avg Daily Turnover (n. shares)</b>	<b>4,651</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 53% of total revenues. 44% of turnover comes from the Residential & Contract segment, 25% from Sport, 24% from Automotive and 8% from Marine.

**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: 53% of FY-20 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

€ m	2019PF	2020	2021e	2022e	2023e
Total Revenues	59.4	43.0	47.0	56.5	65.0
Value of Production	63.9	43.6	47.7	57.3	65.8
EBITDA	6.8	0.6	2.2	4.5	6.4
EBIT	4.0	0.1	(0.8)	1.4	3.3
Net Profit	5.6	(0.9)	(1.5)	0.8	2.6
Capex	3.2	1.7	1.0	4.0	4.0
Net Debt (Cash)	22.0	20.0	20.5	21.5	17.5
EPS reported (€/share)	0.11	0.01	0.05	0.08	0.10
EPS Adjusted (€/share)	0.07	0.00	(0.02)	0.03	0.05
CPS (€/share)	-	-	-	-	-
DPS (€/share)	0.36	0.48	0.47	0.42	0.40
EBITDA margin	11.4%	1.4%	4.7%	7.9%	9.8%
EBIT margin	6.7%	0.1%	-1.8%	2.6%	5.2%
Dividend yield	22.6%	29.8%	29.4%	26.1%	25.1%
ROCE	-13.9%	-7.1%	-4.0%	-7.0%	-1.2%

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

% YoY	2019PF	2020	2021e	2022e	2023e
Total Revenues	-1.4%	-27.7%	9.5%	20.2%	15.0%
Value of Production	2.9%	-31.7%	9.4%	20.0%	14.8%
EBITDA	46.6%	-91.0%	n.m.	n.m.	43.5%
EBIT	n.m.	-98.6%	n.m.	n.m.	n.m.
Net Profit	n.m.	n.m.	-65.6%	n.m.	n.m.
Capex	42.5%	-48.2%	-39.5%	n.m.	0.0%
Debt	-25.7%	-9.5%	2.8%	4.7%	-18.3%

Sources: 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	0.98	0.88	7.2	6.2	20.4	14.5	23.7	16.1	5.5	4.9
Balta Group NV	0.60	0.55	4.5	4.0	8.4	7.2	9.0	6.2	1.9	1.7
Interface Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14.6	12.9	8.9	8.7
Mohawk Industries Inc	1.23	1.12	7.0	6.6	10.0	9.3	12.1	11.7	7.7	7.5
Somec SpA	0.70	0.64	7.0	6.1	14.6	10.9	37.4	20.7	11.6	9.1
Tarkett SA	0.62	0.58	7.0	5.7	18.7	12.7	25.8	16.0	6.3	5.4
Victoria PLC	2.08	1.90	12.0	11.0	25.7	19.7	31.5	26.0	10.4	10.3
<b>Median</b>	<b>0.84</b>	<b>0.76</b>	<b>7.0</b>	<b>6.1</b>	<b>16.6</b>	<b>11.8</b>	<b>23.7</b>	<b>16.0</b>	<b>7.7</b>	<b>7.5</b>
<b>Radici Pietro Industries &amp; Brands SpA</b>	<b>0.73</b>	<b>0.63</b>	<b>15.7</b>	<b>8.0</b>	<b>n.m.</b>	<b>24.6</b>	<b>n.m.</b>	<b>18.5</b>	<b>9.3</b>	<b>3.7</b>
% premium / (discount)	(12.5)	(17.8)	124.9	29.8	n.m.	109.3	n.m.	15.5	20.4	(50.6)

Sources: 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>

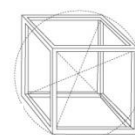
Source: Company data

Price performance	1M	3M	12M
Radici Pietro	-0.6%	-3.6%	24.3%
Rel.to FTSE Italia Growth	-4.1%	-12.8%	-55.7%
Rel.to Peers Median	-3.8%	-6.6%	-119.7%

Source: Thomson Reuters Eikon

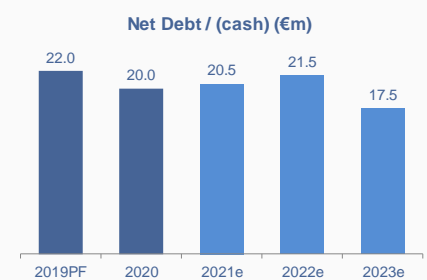
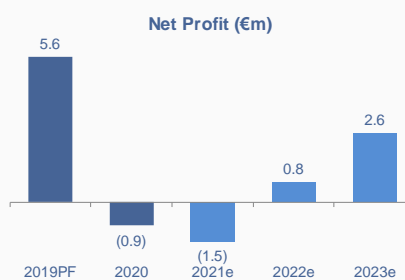
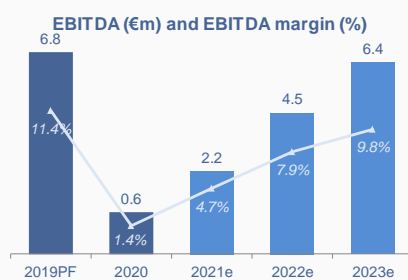
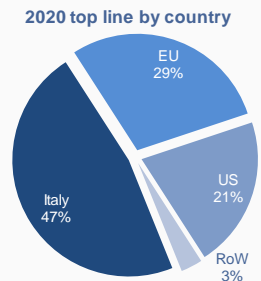
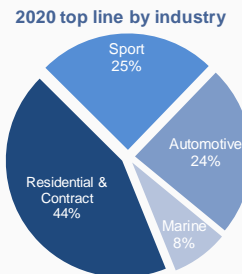
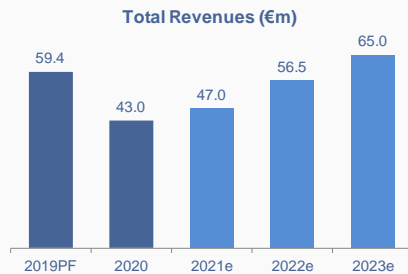
Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Aquafil	336	13.7%	10.5%	2.6
Balta Group	98	13.0%	6.6%	3.5
Interface	761	13.0%	6.2%	n.a.
Mohawk Ind.	10,713	17.4%	10.8%	0.6
Somec	239	10.0%	17.0%	n.m.
Tarkett	1,284	9.0%	3.6%	1.8
Victoria	1,475	17.2%	13.4%	3.8
<b>Radici Pietro</b>	<b>14</b>	<b>4.7%</b>	<b>14.8%</b>	<b>9.3</b>

Source: Thomson Reuters Eikon





Italy - Textile Flooring



Investment Case: Reasons to Invest and Valuation

Radici Pietro reported a good set of 2021 interim results, showing increasing sales almost in all the business segments and a more than proportional margin progression. The recovery foreseen in the second half of 2021 is happening, mainly in the Marine and Residential & Contract segments, thus prompting the company to confirm its guidance for 2021.

On the back of H1-21 results coupled with the confirmation of the company guidance for 2021, we fine-tuned our model basically leaving the P&L estimates unchanged and only incorporating a slight increase in NWC in 2021 stemming from some possible delays in the receivables collection process related to certain clients operating in the Automotive sector. The combined result is a 10.4% increase in NFP in 2021. Please note that our estimates for FY-21 are basically aligned with the company guidance and entail a fairly sustainable implicit top line growth of 7.0% in H2-21 in order to reach the target.

Peer Group Absolute Performance

%	1M	3M	12M
Aquafil SpA	14.5%	6.5%	150.2%
Balta Group NV	-2.1%	10.0%	153.5%
Interface Inc	-4.3%	3.0%	144.0%
Mohawk Industries Inc	3.2%	-5.7%	77.9%
Somec SpA	17.2%	21.3%	219.3%
Tarkett SA	-1.3%	-5.5%	89.0%
Victoria PLC	15.1%	1.9%	127.7%

Source: Thomson Reuters Eikon

Latest IR Press Releases

September 27 <sup>th</sup> , 2021	2021 interim results ( <a href="#">link</a> )
July 27 <sup>th</sup> , 2021	Election of a new Director ( <a href="#">link</a> )
July 26 <sup>th</sup> , 2021	A non executive director leaves the BoD ( <a href="#">link</a> )

Financial Calendar

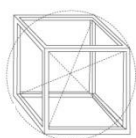
March 31 <sup>st</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 27 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
11/10/2021	€ 2.50	BUY	H1-21 results	<a href="#">link</a>
12/04/2021	€ 2.50	BUY	FY-20 results	<a href="#">link</a>
18/03/2021	€ 2.90	BUY	FY-20 prel. results	<a href="#">link</a>
30/09/2020	€ 2.90	BUY	H1-20 results	<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 **€ 3.20**

Upside/(downside) % **7%**

Last Price € **3.00**

Market Cap. €m **37.6**

1Y High € **3.50**

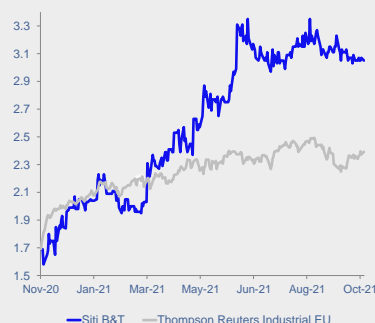
1Y Low € **1.50**

3M Avg Daily Turnover (n. shares) **10,322**

Free Float **25%**

RIC **SITI.IMI**

BBG **SITI IM**



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	2019	2020	2021e	2022e	2023e
Sales	175.2	142.3	181.7	190.0	197.8
Value of Production	187.1	149.4	188.5	197.6	205.7
EBITDA	18.7	11.0	16.9	17.6	18.6
EBITDA Adjusted	19.0	11.0	16.9	17.6	18.6
EBIT	8.5	(0.4)	5.6	6.2	7.1
Net Profit	2.9	(2.5)	2.0	2.5	3.7
Net Profit Adjusted	2.9	(2.5)	2.0	2.5	3.7
Capex	29.3	15.7	6.0	5.0	5.0
Net Debt (Cash)	59.1	54.8	66.4	59.7	47.2
EPS Reported (€/share)	0.24	(0.20)	0.16	0.20	0.29
EPS Adjusted (€/share)	0.24	(0.20)	0.16	0.20	0.29
CPS (€/share)	1.83	1.53	(0.47)	0.94	1.39
DPS (€/share)	0.00	0.00	0.00	0.00	0.00
EBITDA margin	10.8%	7.7%	9.3%	9.3%	9.4%
EBIT margin	4.9%	-0.3%	3.1%	3.2%	3.6%
Dividend yield	-	-	-	-	-
Op NWC/Sales	56.3%	69.6%	65.7%	64.3%	61.0%
ROCE	5.0%	neg.	3.1%	3.6%	4.3%

Sources: Company data, CFO Sim. Estimates, Rating and Price Target updated as of 13<sup>th</sup> October 2021

% YoY	2019	2020	2021e	2022e	2023e
Value of Production	-13.0%	-20.2%	26.2%	4.8%	4.1%
EBITDA	3.0%	-41.2%	54.2%	4.0%	5.5%
EBIT	-31.6%	n.m.	n.m.	11.0%	15.9%
Net Profit	-57.5%	n.m.	n.m.	29.0%	44.1%
Net Profit Adjusted	-57.5%	n.m.	n.m.	29.0%	44.1%
Capex	n.m.	-46.5%	-61.7%	-16.7%	0.0%
Debt	37.8%	-7.3%	21.1%	-10.2%	-20.8%

Sources: Company data, CFO SIM

Outstanding shares	%	# m
Barbieri & Tarozzi Holding	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	-2.6%	0.0%	84.0%
Rel.to FTSE Italia Growth	-6.1%	-9.2%	4.0%
Rel.to EU Sector	-8.2%	2.0%	38.6%

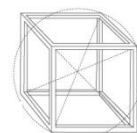
Source: Thomson Reuters Eikon

Peers	Mkt Cap € m	EBITDA % FY1	Sales CAGR <sub>20-23</sub>	NFP/EBITDA FY1
Biesse	755	10.9%	11.5%	n.m.
Interpump	7,033	8.3%	14.6%	2.8
Prima Industrie	202	10.9%	13.4%	1.8
Alfa Laval	15,427	12.7%	3.9%	n.m.
GEA Group	7,686	8.0%	6.6%	n.m.
Krones	2,848	6.8%	7.7%	0.5
Kuka	2,829	12.4%	2.6%	1.1
Sulzer	2,947	10.4%	6.3%	0.5
<b>Siti B&amp;T</b>	<b>38</b>	<b>9.3%</b>	<b>11.6%</b>	<b>0.4</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
Biesse SpA	n.a.	0.86	n.a.	7.6	n.a.	12.6	25.3	22.6	11.7	11.0
Interpump Group SpA	4.77	4.06	19.8	17.1	25.4	21.9	32.8	28.8	23.7	20.8
Prima Industrie SpA	0.75	0.60	9.0	5.6	24.3	10.1	39.0	12.4	8.0	5.3
<b>Median Italian</b>	<b>2.76</b>	<b>0.86</b>	<b>14.4</b>	<b>7.6</b>	<b>24.9</b>	<b>12.6</b>	<b>32.8</b>	<b>22.6</b>	<b>11.7</b>	<b>11.0</b>
Alfa Laval AB	3.88	3.39	19.1	16.5	24.0	20.3	30.4	26.4	22.8	20.2
GEA Group AG	1.55	1.46	12.2	11.1	18.4	16.0	26.7	23.8	15.6	14.7
Krones AG	0.75	0.68	9.2	7.4	18.0	12.5	26.0	19.0	11.4	9.8
Kuka AG	0.97	0.97	14.3	13.0	41.8	33.5	55.5	52.4	15.3	14.7
Sulzer AG	1.09	1.03	8.8	8.1	14.1	12.6	17.8	16.5	9.5	9.1
<b>Median Foreign</b>	<b>1.09</b>	<b>1.03</b>	<b>12.2</b>	<b>11.1</b>	<b>18.4</b>	<b>16.0</b>	<b>26.7</b>	<b>23.8</b>	<b>15.3</b>	<b>14.7</b>
Siti B&T Group SpA	0.57	0.51	6.1	5.5	18.7	15.8	19.1	14.8	2.8	2.7
% premium / (discount) to Italian	(79.3)	(40.6)	(57.4)	(27.5)	(24.6)	25.3	(41.8)	(34.5)	(75.9)	(75.6)
% premium / (discount) to Foreign	(47.4)	(50.3)	(49.5)	(50.2)	2.1	(1.3)	(28.5)	(37.8)	(81.6)	(81.7)

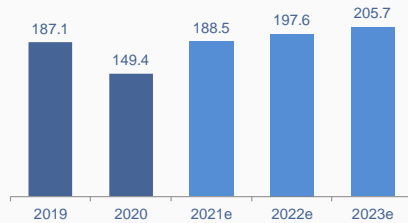
Sources: CFO SIM, Thomson Reuters Eikon



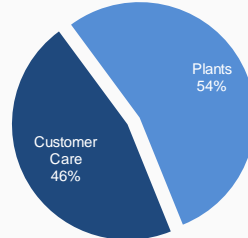


Italy - Machinery

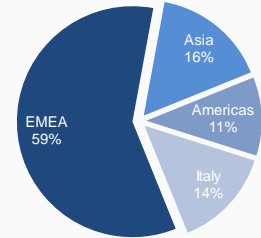
Value of Production (€m)



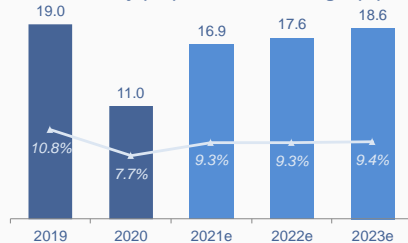
2020 top line by business unit



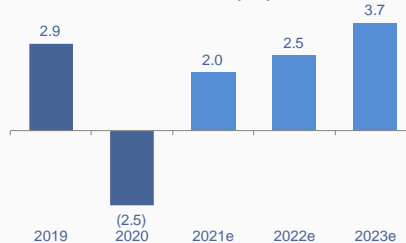
2020 top line by country



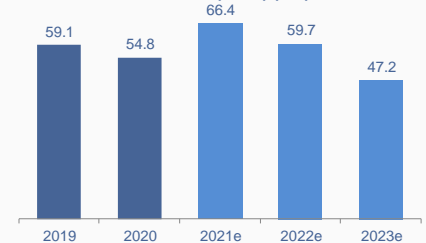
EBITDA adj. (€m) and EBITDA margin (%)



Net Profit (€m)



Net Debt / (cash) (€m)



Investment Case: Reasons to Invest and Valuation

After a growing second part of 2020, Siti B&T reported booming 2021 interim results, once again outperforming the reference market. The cycle recovery is strong and tangible. The current order backlog leads management to stay confident that growth will continue over the coming months. However, rising costs for raw materials and logistics are hampering profitability recovery.

On the back of H1-21 results and outlook, we have updated our model in order to factor in: 1) an increase in top line projections owing to a persistent increase in orders, 2) effect on profitability of the rising costs for raw materials and logistics and 3) WC enlargement due to issues in deliveries of materials and equipment. To a certain extent, the company seems to have anticipated by a few months the growth that we were expecting as from the second semester of 2021.

Peer Group Absolute Performance

%	1M	3M	12M
Biesse SpA	7.7%	-5.5%	87.0%
Interpump Group SpA	19.3%	21.7%	100.2%
Prima Industrie SpA	11.0%	-10.6%	79.3%
Alfa Laval AB	14.3%	1.2%	103.1%
GEA Group AG	10.7%	13.7%	49.6%
Krones AG	10.7%	7.5%	84.6%
Kuka AG	1.4%	22.7%	107.6%
Sulzer AG	10.1%	1.9%	101.6%

Source: Thomson Reuters Eikon

Latest IR Press Releases

September 30 <sup>th</sup> , 2021	H1-21 results release ( <a href="#">link</a> )
April 30 <sup>th</sup> , 2021	General Shareholders' Meeting ( <a href="#">link</a> )
March 31 <sup>st</sup> , 2021	Approval of the draft and consolidated financial statements as at 31-Dec-20 ( <a href="#">link</a> )

Financial Calendar

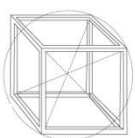
March 31 <sup>st</sup> , 2021	Board of Directors (FY-20 Results)
April 30 <sup>th</sup> , 2021	Annual General Meeting (FY-20 Results)
September 30 <sup>th</sup> , 2021	Board of Directors (H1-21 Results)

Latest Equity Research published

Date	PT €/s	Rating	Type of report	Download
13/10/2021	€ 3.20	NEUTRAL	H1-21 results	<a href="#">link</a>
30/04/2021	€ 4.20	BUY	FY-20 results	<a href="#">link</a>
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>

Investor Relations Contacts

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#### ANALYSTS CERTIFICATION

This publication was prepared by **LUCA ARENA**, Head of the Equity Research Department of "Corporate Family Office SIM S.p.A." ("CFO SIM") and **GIANLUCA MOZZALI**, Equity Analyst of CFO SIM. This is to certify that the views expressed on the companies mentioned in this document reflect the analysts' personal opinions and that no direct or indirect recompense has been, or will be, received by the analyst further to the views expressed herein.

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**DBA Group SpA:** CFO SIM acts as Corporate Broker for DBA Group SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

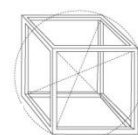
DATE	TARGET PRICE	RATING
11/10/2021	€2.00	BUY
07/06/2021	€2.00	BUY
28/01/2021	€1.50	BUY
10/11/2020	€1.50	BUY
26/10/2020	€1.50	BUY
22/06/2020	€1.80	BUY
31/10/2019	€2.60	BUY

**DIGITAL360 SpA:** CFO SIM acts as Euronext Growth Advisor and Corporate Broker for DIGITAL360 SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
23/09/2021	€5.50	BUY
19/07/2021	€4.40	BUY
25/03/2021	€4.00	BUY
12/02/2021	€3.10	BUY
23/09/2020	€2.40	BUY
26/06/2020	€1.70	BUY
29/04/2020	€1.20	BUY
23/10/2019	€1.20	BUY

**Digital Value SpA:** CFO SIM acts as Euronext Growth Advisor, Specialist and Corporate Broker for Digital Value SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
06/08/2021	€115.00	BUY
20/05/2021	€68.00	BUY
09/04/2021	€68.00	BUY
10/08/2020	€38.40	BUY
01/04/2020	€27.70	BUY



**Friulchem SpA:** CFO SIM acts as Euronext Growth Advisor, Specialist and Corporate Broker for Friulchem SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
28/09/2021	€1.80	BUY
27/07/2021	€1.80	BUY

**Growens SpA:** CFO SIM acts as Specialist and Corporate Broker for Growens SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
17/09/2021	€5.90	BUY
20/05/2021	€6.00	BUY
13/05/2021	€6.00	BUY
30/03/2021	€6.00	BUY
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

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

DATE	TARGET PRICE	RATING
20/09/2021	€58.00	BUY
24/06/2021	€53.00	BUY
22/03/2021	€41.50	BUY
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

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

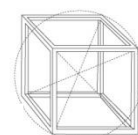
DATE	TARGET PRICE	RATING
21/10/2021	€9.50	NEUTRAL
01/10/2021	€9.50	NEUTRAL
16/07/2021	€11.50	NEUTRAL
21/05/2021	€9.50	NEUTRAL
09/04/2021	€9.50	NEUTRAL
05/02/2021	€8.50	BUY
23/11/2020	€8.50	BUY

**Monnalisa SpA:** CFO SIM acts as Euronext Growth Advisor, Specialist and Corporate Broker for Monnalisa SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
26/10/2021	€4.50	NEUTRAL
31/05/2021	€4.00	NEUTRAL
30/10/2020	€2.50	NEUTRAL
22/05/2020	€4.00	NEUTRAL
09/03/2020	U.R.	NEUTRAL
10/10/2019	€7.80	NEUTRAL

**Neosperience SpA:** CFO SIM acts as Euronext Growth Advisor and Corporate Broker for Neosperience SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
30/09/2021	€10.00	BUY
29/07/2021	€10.00	BUY



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

DATE	TARGET PRICE	RATING
15/09/2021	€13.50	BUY
14/05/2021	€12.80	BUY
19/03/2021	€11.50	BUY
26/02/2021	€8.50	BUY
02/02/2021	€8.50	BUY
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

**Pattern SpA:** CFO SIM acts as Euronext Growth Advisor and Corporate Broker for Pattern SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
28/10/2021	€8.20	BUY
29/09/2021	€7.60	BUY
28/05/2021	€7.00	BUY
08/04/2021	€7.00	BUY
26/02/2021	€6.00	BUY
17/02/2021	€6.00	BUY
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 Corporate Broker for Piteco SpA stock, listed on Euronext Milan. The next table shows the ratings issued on the stock in the last 24 months.

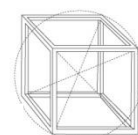
DATE	TARGET PRICE	RATING
01/10/2021	€12.00	NEUTRAL
21/05/2021	€11.30	NEUTRAL
29/03/2021	€11.30	NEUTRAL
04/11/2020	€11.30	BUY
29/09/2020	€9.40	BUY
24/03/2020	€7.00	BUY
17/10/2019	€8.10	BUY

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

DATE	TARGET PRICE	RATING
11/10/2021	€2.50	BUY
12/04/2021	€2.50	BUY
18/03/2021	€2.90	BUY
30/09/2020	€2.90	BUY
16/06/2020	€2.70	BUY

**SITI B&T SpA:** CFO SIM acts as Euronext Growth Advisor, Specialist and Corporate Broker for SITI B&T SpA stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 24 months.

DATE	TARGET PRICE	RATING
13/10/2021	€3.20	NEUTRAL
30/04/2021	€4.20	BUY
09/10/2020	€2.80	NEUTRAL
23/04/2020	€2.30	NEUTRAL



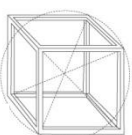
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## RATING SYSTEM

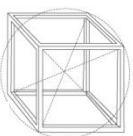
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- ❑ a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- ❑ a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- ❑ a **NEUTRAL** rating is assigned if the difference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

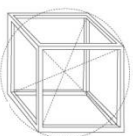
The rating is determined on the basis of the **expected absolute return 12 months forward** and not on the basis of the estimated out/underperformance relative to a market index. Thus, the rating can be directly linked with the estimated percentage difference between current price and target price. The 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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