

## Italy – ICT Consulting

## A challenging plan, sustained by increased relevance of ICT

31<sup>st</sup> October 2019

### H1-19 RESULTS RELEASE

RIC: DBA.MI  
BBG: DBA IM

Interim results were affected by tough market condition and an oversized operating structure. Also considering this context, DBA's long term targets appear ambitious. The acquisition of Unistar will allow the group to complete its selling proposition and to enlarge foreign market penetration.

#### Rating:

**Buy**

#### Price Target:

**€ 2.60 (€ 3.30)**

Upside/(Downside): 53.8%

Last Price: € 1.69

Market Cap.: € 19.4m

1Y High/Low: € 3.03/€ 1.34

Free Float: 49.6%

#### Major shareholders:

De Bettin family 40.6%



#### Stock price performance

	1M	3M	12M
<b>Absolute</b>	<b>14.2%</b>	<b>1.2%</b>	<b>-41.7%</b>
<b>Rel.to AIM Italia</b>	<b>13.4%</b>	<b>5.0%</b>	<b>-28.6%</b>
<b>Rel.to peers</b>	<b>9.8%</b>	<b>3.7%</b>	<b>-64.0%</b>

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#### Further estimate cut, new PT of € 2.60 (€ 3.30)

The new plan correctly focuses towards the increase of weight in the ICT segment and foreign sales reducing the relevance of business/area with margin issues. With Unistar DBA integrates its expertise, focusing on the completion of its offer. We believe this plan is ambitious. In our opinion, numbers do not take into consideration a few additional one-off costs related to the labour structure slimming. In addition, the organic increase in margin and planned synergies stemming from the acquisition of Unistar, might be too optimistic. Our new estimates now factor in the recent acquisition and a further corrosion of the reference market. Our new figures are 5.4% and 23.2% lower than the previous estimates at EBITDA and EBIT in 2019-21, on average. We set a new PT for DBA Group at € 2.60/s (€ 3.30), 53.8% upside, based on peer multiple comparison. The upside suggests a long term Buy. However, DBA's track record is unfavourable: investors could require at least 1 or 2 reporting events to weigh up the virtue of the plan before considering the stock.

#### Harsh competition and price pressure affected H1-19

Top line increased 7.8% to € 26.3m, almost entirely driven by the ENG business unit despite the drop in the ICT division. ENG was up 28.4% to € 14.0m, ICT declined by 17.2% to € 7.2m and PMO increased by 6.5% to € 4.9m. EBITDA was recorded negative at € 0.2m vs. € 1.4m positive last year. As a consequence of the erosion at EBITDA level and also a result of higher D&A, EBIT was negative for € 1.8m and compares with € 0.1m positive for H1-18. Bottom line was negative for € 1.6m. NFP was € 10.7m, impacted by the effects of capex required for a few new orders and for ICT software development activities.

#### Acquisition of Unistar finalised

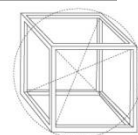
DBA finalised the acquisition of Unistar. With FY-18 sales of € 19.4m, EBITDA of € 0.9m and Net Debt of € 1.5m, Unistar is a leading Slovenian player in consulting, design, integration, maintenance, monitoring and 24/7 management of ICT systems, in the supply of basic hardware and software, virtualization and cloud services computing, hosting and housing, and, in general, operation Management. DBA Group acquired 100% of Unistar for € 4.7m, 6.9x 2018 EBITDA. The acquisition allows DBA to complete its product portfolio.

#### 2019-23 Industrial Plan: 6.7% and 23.9% Sales and EBITDA CAGR<sub>19PF-23</sub>

Industrial highlights: 1) DBA network project, a network of skilled technical and commercial partners for engineering services, meeting the market demand to use decentralised services; 2) Profitability increase driven by synergies, Unistar, strengthens DBA competences in software platforms for infrastructure management; 3) ICT selling proposition completion with Unistar in the Balkans; 4) Foreign markets at 50% by 2023. Financial highlight projections 1) sales are anticipated to grow from € 58.3m to € 97.2m and EBITDA to reach € 12.0m from € 4.0m in 2019; 2) Net profit is at € 4.3m in 2023, vs a loss of € 0.6m in 2019; 3) NFP is seen at € 2.6m cash in 2023 from € 16.0m debt in 2019.

#### DBA Group, key financials and ratios

€ m	2017	2018	2019e	2020e	2021e
Value of production	45.2	49.0	58.3	74.2	79.5
EBITDA	4.6	4.4	4.0	5.9	7.5
EBIT	2.1	1.6	0.2	1.9	3.4
EBIT adj.	2.6	2.3	1.4	3.1	4.6
Net profit	0.8	0.2	(0.7)	0.6	1.6
Net profit adj.	1.3	0.9	0.4	1.8	2.7
NFP (cash)/debt	(1.7)	9.7	15.8	15.5	13.5
EPS adjusted €	0.08	0.06	0.03	0.13	0.20
EPS adj. growth	-39.6%	-31.0%	-47.0%	n.m.	51.3%
DPS ord. €/s	0.00	0.00	0.00	0.00	0.00
EBITDA margin %	10.1%	9.1%	6.9%	8.0%	9.4%
EBIT margin %	4.7%	3.4%	0.4%	2.6%	4.3%
PER	15.3	22.2	44.5	10.8	7.2
EV/Sales	0.45	0.59	0.60	0.47	0.41
EV/EBITDA	4.4	6.6	8.7	5.9	4.4
EV/EBIT	7.7	12.7	25.5	11.4	7.2



## Harsh competition and price pressure affected H1-19

DBA Group's typical business seasonality means that **40/45% of top line is concentrated in the first semester but only 20-30% of EBITDA** is produced in the first part of the year. This is because projects are generally awarded in the first months of the year while margin is recognised only upon approaching their completion.

As showed in FY-18 results, as well as the first part of 2019, market conditions remained tough, with price pressure affecting profitability. This, in addition to an oversized structure compared to the current level of portfolio orders in terms of quality and quantity, impacted significantly H1-19 numbers.

**Table 1 – DBA Group, H1-19 results summary**

€ m	H1-19	H1-18	% YoY
<b>Revenues</b>	<b>21.3</b>	<b>21.7</b>	<b>(1.9)</b>
Other	5.0	2.7	
<b>Value of Production</b>	<b>26.3</b>	<b>24.4</b>	<b>7.8</b>
Raw material	(0.9)	(2.3)	
Services	(12.2)	(9.5)	
Lease & rental	(1.3)	(1.1)	
Other opex	(0.1)	0.0	
Personnel expenses	(11.9)	(10.1)	
<b>EBITDA adj.</b>	<b>(0.2)</b>	<b>1.4</b>	<b>n.m</b>
% margin	(0.8)	5.8	
<b>EBITDA</b>	<b>(0.2)</b>	<b>1.4</b>	<b>n.m</b>
% margin	(0.8)	5.8	
D&A	(1.6)	(1.3)	
<b>EBIT</b>	<b>(1.8)</b>	<b>0.1</b>	<b>n.m</b>
% margin	(6.9)	0.5	
Financial costs	(0.1)	(0.1)	
<b>Pre-Tax profit</b>	<b>(1.9)</b>	<b>0.0</b>	<b>n.m</b>
% margin	(7.4)	0.1	
Income taxes	0.3	(0.0)	
Tax rate	14.8%	37.2%	
Minorities	0.0	(0.1)	
<b>Net Profit</b>	<b>(1.6)</b>	<b>(0.1)</b>	<b>n.m</b>
% margin	(6.2)	(0.5)	

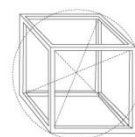
Source: company data, CFO Sim estimates

**H1-19 value of production increased 7.8% to € 26.3m, almost entirely driven by the ENG business unit** despite the drop in the ICT division. ENG was up 28.4% to € 14.0m, ICT declined by 17.2% to € 7.2m and PMO increased by 6.5% to € 4.9m.

**Table 2 – DBA Group, H1-19 turnover by Business Unit**

€ m	H1-19	H1-18	% YoY	€ m diff.
ENG	14.0	10.9	28.4	3.1
PMO	4.9	4.6	6.5	0.3
ICT	7.2	8.7	(17.2)	(1.5)
Other	0.2	0.2	0.0	0.0
<b>Total</b>	<b>26.3</b>	<b>24.4</b>	<b>7.8</b>	<b>1.9</b>
<b>% on total</b>				
ENG	53.2	44.7		
PMO	18.6	18.9		
ICT	27.4	35.7		
Other	0.8	0.8		
<b>Total</b>	<b>100.0</b>	<b>100.0</b>		

Source: company data



**EBITDA recorded negative at € 0.2m** vs. € 1.4m positive last year. As showed in FY-18 results, also in the first part of 2019, market conditions remained tough, with price pressure affecting profitability. In addition, DBA increased their workforce and external supplier supports in order to have the proper structure for the realisation of a few recently awarded orders in the ENG and PMO division, whose benefits will be visible in the upcoming months.

As a consequence of the erosion at EBITDA level and also as a result of higher D&A, **EBIT was negative for € 1.8m** and compares with € 0.1m positive for H1-18. **Bottom line** was negative for € 1.6m.

**NFP was € 10.7m**, impacted by the effects of the investments required for the start-up of a few new orders and for ICT software development activities.

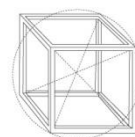
## Recent developments: Acquisition of Unistar

Last 30-Sept, **DBA finalised the acquisition of Unistar**, announced last 1-Jul. FY-18 revenues totalled € 19.4m, with an **EBITDA to the tune of € 0.9m, margin of 4.6% and Net Debt of € 1.5m**. Founded in 1989, Unistar is one of the leading Slovenian players in consulting, design, integration, maintenance, monitoring and 24/7 management of ICT systems, in the supply of basic hardware and software, virtualization and cloud services computing, hosting and housing, and, in general, operation Management. Advanced information security management and cybersecurity services are provided through the fully owned company Proastec doo. Unistar includes in its portfolio Public Administration and private clients (i.e. Multi utilities, Industries, etc.) which it generally manages through long-term contracts.

**Actual IT, the Slovenian subsidiary of DBA Group, acquired 100% of Unistar for € 4.7m** (€ 2.0m paid through the group's liquidity and the remainder € 2.7m thanks to a new bank loan). The price paid corresponds to 6.9x 2018 EBITDA. Unistar has a net debt of € 1.5m. Miran Bostic and Pavle Jazbec, two of the top managers and shareholders of Unistar, signed a lock-up agreement with Actual IT for a 3-year period, becoming respectively CEO and member of the BoD of Actual IT.

**According to H1-19 figures and including the consolidation of Unistar as of 1-Oct, DBA is confident to reach for FY-19 a value of production of € 58.3m and an EBITDA of € 4.0m.**

According to the management, Actual IT expects to generate synergies in terms of EBITDA to the tune of € 1.0m per year. **We think this is a good move to exploit new industrial, financial and economic synergies.** Furthermore the acquisition shall allow the group to complete its product portfolio offering to the Balkans and Caucasus markets, as Unistar have for years been amongst the main suppliers of Actual IT.



## 2019-23 industrial plan

On the back of the **significant changes to the competitive environment**, which prompted to a **weak set of results** in the first half of 2019 and to a **diminishment of the visibility** on the business, the company decided to put in place a few actions aimed at streamlining and thinning the operating structure and to announce the market medium-long term financial targets.

### Industrial highlights:

- **DBA network project:** With the aim of transforming a fixed cost (personnel) into a variable, DBA is setting up a **network of skilled technical and commercial partners** for the supply of engineering services for ENG and PMO business units, meeting the market demand to use decentralised services.
- **Profitability increase driven by synergies:** with the acquisition of Unistar, a leading Slovenian ICT operator, DBA strengthened its competences in the development of software platforms dedicated to infrastructure management. According to DBA, in 2020 these synergies should total some € 1.0m, including benefits stemming from the completion of the commercial offer too.
- **ICT selling proposition completion:** The acquisition of the Unistar is part of the integration of expertise, focusing on the completion of group selling proposition and confirming the increase in the customer portfolio in the Balkans.
- **Foreign markets at 50% by 2023:** The internationalization process goes on, and is expected to be implemented mainly in the ICT sector to support infrastructures, focusing the growth on the Belt & Road Initiative markets.

### Financial highlights:

- **2019:** Company budget for 2019 envisages, after the consolidation of Unistar as of 1-Oct, a Value of production of € 58.3m, EBITDA equal to € 4.0m, 6.9% margin, EBIT of € 0.2m and a net loss of € 0.6m. The net financial position is estimated at € 16.0 million (debt), NFP/EBITDA at 4.0x.
- **2020:** In 2020 Value of production is projected at € 78.3m. The increase compared to 2019 is due for € 17.4m due to the consolidation of Unistar and for € 2.6m to orders in the ICT and in the Transport & Logistics market. DBA foresees EBITDA at € 6.8m, margin of 8.7%. This € 2.8m marked improvement is driven by the full consolidation of Unistar for € 1.0m and € 1.8m stemming from the efficiency actions at holding level, the implementation of DBA Network and the contribution of the synergies stemming from the acquisition of Unistar. Net profit is anticipated at € 0.8m and Net Financial Position is expected at € 14.8m, 2.1x NFP/EBITDA.
- **2021:** Value of production should reach € 86.7m and EBITDA € 8.9m thanks to the implementation of efficiency measures and synergies deriving from the acquisition of Unistar. Net Profit is seen at € 1.9m and NFP should reach € 12.4m, 1.4x NFP/EBITDA.
- **2022:** Top line is estimated at € 91.7m, EBITDA of € 10.2m, Net Profit of € 3.0m and NFP of € 5.9m, 0.6x NFP/EBITDA.
- **2023:** DBA foresees Value of Production of € 96.0m, EBITDA is growing to € 12.0m, Net Profit to € 4.4m and NFP. The net financial position is expected to turn to cash positive for € 2.6m.

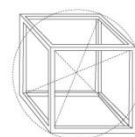
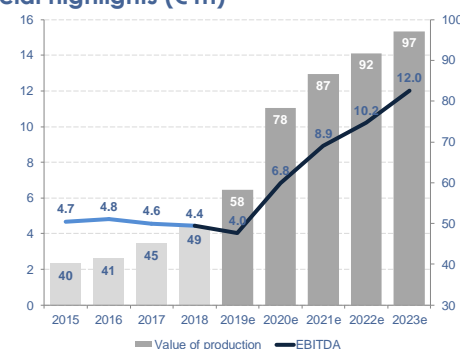
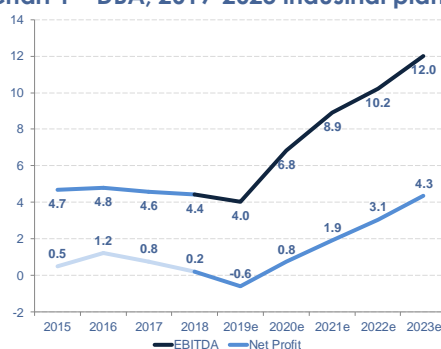


Table 3 – DBA Group, 2019-2023 industrial plan financial highlights

€ m	2019	2019PF*	2020	2021	2022	2023	CAGR <sub>19*-23</sub>
Value of production	58.3	75.0	78.3	86.7	91.7	97.2	6.7
EBITDA	4.0	5.1	6.8	8.9	10.2	12.0	23.9%
EBITDA margin	6.9%	6.8%	8.7%	10.3%	11.1%	12.4%	
Net Profit	(0.6)	0.0	0.8	1.9	3.1	4.3	n.m.
Net Profit Margin	-1.0%	-	1.0%	2.2%	3.3%	4.5%	
Y/E net debt (net cash)	16.0	16.0	14.8	12.4	5.9	(2.6)	n.m.
Debt/EBITDA (x)	4.0	2.2	1.4	0.6	(0.2)	4.0	
<b>% YoY</b>							
Value of production	19.0%		34.4%	10.7%	5.8%	5.9%	
EBITDA	-8.9%		68.8%	30.6%	14.6%	17.6%	

Source: company data, \* Unistar consolidated as of 1-Jan-19

Chart 1 – DBA, 2019-2023 industrial plan financial highlights (€ m)

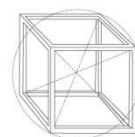


Source: Company data

## Our view on the plan

The numbers presented envisage a **fairly sustainable top line progression** and a **strong margin recovery**, driven by personnel efficiency and synergies arising from the consolidation of Unistar. The only way to streamline the cost structure, adapting it to the changed operational context, is acting on personnel in this kind of business. We believe

1. The plan focuses correctly towards the **increase of the weight on the ICT segment and foreign sales** reducing the relevance of business/area with margin issues. With Unistar DBA integrates its expertise, focusing on the completion of its offer.
2. **Numbers lack to a certain extent a few additional one-off costs** related to the labour structure slimming, whose magnitude depends on the depth and the efficacy of the personnel reorganization.
3. **The organic increase in margin and the planned synergies stemming from the acquisition of Unistar, might be too optimistic** in a market characterised by increasing price pressure, as recent results suggest.
4. **2019 DBA stand-alone performance is disappointing and particularly weak.** According to our forecasts, organic EBITDA<sub>19e</sub> is projected at € 3.7m, down 15.9% YoY and NFP pictures a further erosion to the tune of € 5.0m vs. our previous estimates, presumably mainly linked to receivable upsurge.
5. **DBA track record is unfavourable. It missed to reach 2018 targets**, announced in the occasion of Dec-17 IPO, underlining a rather short business visibility in addition to a deterioration of the reference market. **Investors could require at least 1 or 2 reporting events to weigh up the virtue of the numbers presented** commensurate with the numbers achieved before considering the stock.





## Estimates, valuation and risks

On the back of H1-19 results and the assumptions underlying 2019-23 numbers presented by DBA, we have updated our model. **Our estimates now factor in the recent acquisition of Unistar (consolidated as 1-Oct) and a further deterioration of the reference market**, whose conditions remain tough, as highlighted by interim numbers, with price pressure affecting profitability. This, in addition to an oversized structure compared to the current level of portfolio orders in terms of quality and quantity, are impacting numbers. **We believe 2019-23 Industrial Plan announced by DBA is ambitious. Numbers lack to a certain extent a few additional one-off costs** related to the labour structure slimming; **the organic increase in margin and the planned synergies stemming from the acquisition of Unistar, might be too optimistic.** In addition **2019 DBA stand-alone performance is disappointing and particularly weak:** EBITDA<sub>19e</sub> is projected at € 3.7m, down 15.9% YoY and NFP pictures a further erosion linked to receivable upsurge.

The effects of the aforementioned considerations on our figures are a 5.4% and 23.2% slash on EBITDA and EBIT in 2019-21, an average. Moreover, we have updated DCF valuation criteria, bringing the free risk rate up-to-date. **We believe a multiples comparison is the most appropriate practice to appraise the equity value of the company. We set a new PT for DBA Group at € 2.60/s (€ 3.30), 53.8% upside**, based on peer multiple comparison. The upside to the current price suggests a long term **Buy rating** on the stock. However, **DBA's track record is unfavourable, investors could require at least 1 or 2 reporting events to weigh up the virtue of the numbers presented commensurate with the numbers achieved before considering the stock.**

## Market multiples

We conducted an analysis on a cluster of 12 companies operating in the ICT software, engineering and advisory arena, 2 of which are domestic. We divided the sample into two sub-groups: Engineering-PMO and ICT software. Our engineering business unit peer sample comprises of the following comparable firms: **AECOM USA, Alten France, Altran Technologies France, Arcadis Netherlands, Jacob Engineering USA, SNC Lavalin Canada and Sweco Sweden.**

Our ICT software and consultant business unit peer sample comprises of the following comparable groups: **Accenture USA, Capgemini France, Devoteam France, Reply Italy and TXT e solution Italy.**

**Size and profitability vary a lot within the samples, as well as expected growth rates.** Engineering and PMO comparables have EBITDA margins ranging from 3.3-15.5% and a sales growth on offer to the tune of mid-high single digit. Altran shows the highest profitability in the group. The least virtuous is SNC Lavalin with 3.3% EBITDA margin and low-single digit growth sales and EBITDA expected in 2018-21. ICT software comparable firms show quite a similar growth profile to the Engineering and PMO sample but profitability is higher here, ranging from 10.4% to 16.9%. Accenture shows the most lucrative P&L with an EBITDA margin of 16.9% but with small growth perspectives. TXT e Solutions, even if it presents the lowest EBITDA margin of the panel offers Sales and EBIT growth rates far above the other peers.

**DBA Group presents lower than median profitability compared to the Engineering and PMO peer median as well as compared to the ICT software firm median. However, DBA Group offers investors the highest growth perspectives compared to both peer medians.**

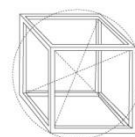




Table 5 - DBA Group, peers group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA margin	Sales CAGR <sub>17-20</sub>	EBITDA CAGR <sub>17-20</sub>	EBIT CAGR <sub>17-20</sub>	EPS CAGR <sub>18-20</sub>	NFP /EBITDA
AECOM	USA	5,785	18,455	845	4.6%	2.6%	14.1%	26.8%	11.5%	3.0
Alten SA	France	3,299	2,618	293	11.2%	9.6%	13.2%	11.0%	9.5%	(0.2)
Altran Technologies SA	France	3,637	3,248	502	15.5%	7.6%	12.7%	14.7%	12.1%	2.8
Arcadis NV	Dutch	1,582	3,369	258	7.7%	13.5%	n.a.	n.a.	17.6%	1.6
Jacobs Engineering Inc	USA	11,527	11,349	881	7.8%	-1.6%	7.2%	10.7%	10.2%	0.7
SnC-Lavalin Group Inc	Canada	2,364	6,259	205	3.3%	-6.2%	10.3%	37.4%	49.0%	3.7
Sweco AB (publ)	Sweden	3,761	1,914	259	13.6%	4.5%	15.1%	9.2%	9.6%	0.7
<b>Engineering &amp; PMO</b>		<b>3,637</b>	<b>3,369</b>	<b>293</b>	<b>7.8%</b>	<b>4.5%</b>	<b>13.0%</b>	<b>12.8%</b>	<b>11.5%</b>	<b>1.6</b>
Accenture PLC	USA	112,470	41,311	6,965	16.9%	6.5%	8.7%	7.9%	9.2%	(0.8)
Capgemini SE	France	16,947	14,159	2,182	15.4%	5.6%	12.1%	10.6%	9.0%	0.3
Devoteam SA	France	614	768	83	10.8%	12.0%	13.4%	13.8%	16.9%	(0.8)
Reply SpA	Italy	2,166	1,175	170	14.4%	9.8%	13.0%	11.2%	10.2%	(0.5)
TXT e solutions SpA	Italy	110	57	6	10.4%	19.4%	33.6%	48.2%	13.1%	8.3
<b>ICT software median</b>		<b>2,166</b>	<b>1,175</b>	<b>170</b>	<b>14.4%</b>	<b>9.8%</b>	<b>13.0%</b>	<b>11.2%</b>	<b>10.2%</b>	<b>(0.5)</b>
<b>DBA Group</b>	<b>Italy</b>	<b>19</b>	<b>58</b>	<b>4</b>	<b>6.9%</b>	<b>17.6%</b>	<b>19.1%</b>	<b>25.9%</b>	<b>149.4%</b>	<b>3.9</b>

Source: Thomson Reuters Eikon, CFO Sim

Table 6 - DBA Group, peer group EV multiple table

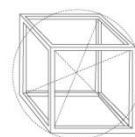
x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
AECOM	0.45	0.43	0.47	9.8	8.5	8.8
Alten SA	1.24	1.10	0.99	11.1	9.8	8.7
Altran Technologies SA	1.55	1.40	1.29	10.0	8.8	8.0
Arcadis NV	0.59	0.55	0.50	7.8	6.9	5.6
Jacobs Engineering Group Inc	1.07	1.01	1.05	13.8	12.4	11.7
SnC-Lavalin Group Inc	0.50	0.53	n.a.	15.3	6.6	n.a.
Sweco AB (publ)	2.06	1.92	1.81	15.2	14.1	13.3
<b>Engineering &amp; PMO median</b>	<b>1.07</b>	<b>1.01</b>	<b>1.02</b>	<b>11.1</b>	<b>8.8</b>	<b>8.7</b>
Accenture PLC	2.58	2.40	2.22	15.3	14.1	13.0
Capgemini SE	1.24	1.12	1.02	8.0	7.3	6.7
Devoteam SA	0.72	0.61	0.51	6.7	5.5	4.6
Reply SpA	1.77	1.57	1.40	12.2	10.7	9.4
TXT e solutions SpA	2.80	2.49	2.35	26.9	20.8	17.7
<b>ICT software median</b>	<b>1.77</b>	<b>1.57</b>	<b>1.40</b>	<b>12.2</b>	<b>10.7</b>	<b>9.4</b>
<b>DBA Group SpA</b>	<b>0.60</b>	<b>0.47</b>	<b>0.41</b>	<b>8.7</b>	<b>5.9</b>	<b>4.4</b>

Source: CFO Sim, Thomson Reuters Eikon

Table 7 - DBA Group, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
AECOM	10.8	9.5	9.7	14.6	12.4	11.8
Alten SA	12.6	11.0	9.8	18.0	16.2	15.0
Altran Technologies SA	13.5	11.5	10.3	16.0	14.1	12.8
Arcadis NV	11.9	10.1	8.1	14.4	12.1	10.4
Jacobs Engineering Group Inc	15.1	13.7	13.1	19.2	17.6	15.8
SnC-Lavalin Group Inc	20.5	8.4	n.a.	20.5	8.6	9.2
Sweco AB (publ)	23.1	18.8	19.2	30.8	27.1	25.6
<b>Engineering &amp; PMO median</b>	<b>13.5</b>	<b>11.0</b>	<b>10.0</b>	<b>18.0</b>	<b>14.1</b>	<b>12.8</b>
Accenture PLC	17.5	16.0	14.6	24.8	22.8	20.8
Capgemini SE	10.3	9.2	8.5	15.4	14.1	13.0
Devoteam SA	7.3	5.9	4.8	14.8	12.4	10.8
Reply SpA	14.5	12.6	10.9	21.2	19.2	17.5
TXT e solutions SpA	46.0	32.0	26.6	30.5	27.0	23.8
<b>ICT software median</b>	<b>14.5</b>	<b>12.6</b>	<b>10.9</b>	<b>21.2</b>	<b>19.2</b>	<b>17.5</b>
<b>DBA Group SpA</b>	<b>25.5</b>	<b>11.4</b>	<b>7.2</b>	<b>44.5</b>	<b>10.8</b>	<b>7.2</b>

Source: CFO Sim, Thomson Reuters Eikon



In order to price into our valuation **the declined visibility on growth potential and margins**, we decided to assess the equity value using 2019-20 figures, 80-20 weighted (previously 70-30), **EV/Sales and EV/EBITDA multiples** and 30% discounted (25% in our previous report). **We attain a PT of € 2.60/s (€ 3.30), 53.8% upside.**

**Table 8 - DBA Group, equity assessment, 1#2**

€ m	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
DBA Group metrics	58.3	74.2	79.5	4.0	5.9	7.5
20% discounted multiple	0.99	0.90	0.85	8.2	6.8	6.3
<b>Enterprise Value</b>	<b>57.9</b>	<b>67.1</b>	<b>67.3</b>	<b>32.8</b>	<b>40.5</b>	<b>47.4</b>
Net Financial Position	(15.8)	(15.5)	(13.5)	(15.8)	(15.5)	(13.5)
Pension Provisions	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
<b>Equity Value</b>	<b>40.6</b>	<b>50.1</b>	<b>52.3</b>	<b>15.6</b>	<b>23.5</b>	<b>32.4</b>
<b>Equity Value/share</b>	<b>3.53</b>	<b>4.35</b>	<b>4.55</b>	<b>1.36</b>	<b>2.04</b>	<b>2.82</b>

Source: CFO Sim, Thomson Reuters Eikon

**Table 9 - DBA Group, equity assessment, 2#2**

€ m	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
DBA Group metrics	1.4	3.1	4.6	0.4	1.8	2.7
20% discounted multiple	9.8	8.3	7.3	13.7	11.6	10.6
<b>Enterprise Value</b>	<b>13.6</b>	<b>25.4</b>	<b>33.6</b>	<b>6.0</b>	<b>20.9</b>	<b>28.7</b>
Net Financial Position	(15.8)	(15.5)	(13.5)			
Pension Provisions	(1.5)	(1.5)	(1.5)			
<b>Equity Value</b>	<b>(3.7)</b>	<b>8.4</b>	<b>18.6</b>	<b>6.0</b>	<b>20.9</b>	<b>28.7</b>
<b>Equity Value/share</b>	<b>(0.32)</b>	<b>0.73</b>	<b>1.62</b>	<b>0.52</b>	<b>1.82</b>	<b>2.50</b>

Source: CFO Sim, Thomson Reuters Eikon

## DCF

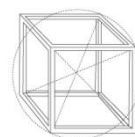
In the valuation via the DCF method, explicit estimates until 2023 and a long term growth of 1.0% were used. Cash flows were discounted back at an weighted average cost of capital calculated according to the following parameters:

**Table 10 - WACC derived from:**

Interest costs, pre-tax	1.5%
Tax rate	35.0%
<b>Int. costs, after taxes</b>	<b>1.0%</b>
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 2W average)	1.00%
Beta levered (x)	0.64
<b>Required ROE</b>	<b>6.8%</b>

Source: CFO Sim, Thomson Reuters Eikon

**Risk premium at 9.0%** factors in the minute size of the company and basically all AIM Italia market segment related concerns and disquiets that an investor might have. **Beta at 0.64** has been calculated taking peer group specific unlevered beta for each competitor, then leveraging it for DBA Group 20/80 debt/equity long term sustainable balance sheet structure.





**Table 11 - DBA Group, DCF model**

€ m	2019e	2020e	2021e	2022e	2023e	Term. Val.
EBIT	0.2	1.9	3.4	4.1	4.9	
Tax rate	35.0%	43.0%	43.0%	43.0%	43.0%	
<b>Operating profit (NOPAT)</b>	<b>0.2</b>	<b>1.1</b>	<b>2.0</b>	<b>2.4</b>	<b>2.8</b>	
Change working capital	(5.8)	(4.2)	(2.1)	(0.1)	(0.1)	
Depreciation	3.8	4.0	4.0	4.0	1.0	
Investments	(7.1)	(2.3)	(2.3)	(2.0)	(1.0)	
<b>Free Cash Flows</b>	<b>(9.0)</b>	<b>(1.4)</b>	<b>1.6</b>	<b>4.3</b>	<b>2.8</b>	<b>60.8</b>
Present value	(8.9)	(1.3)	1.4	3.6	2.2	<b>48.4</b>
WACC	<b>5.6%</b>	5.6%	5.6%	5.6%	5.6%	
<b>Long-term growth rate</b>	<b>1.0%</b>					

Source: CFO Sim

**Table 12 – DBA Group, DCF derived from:**

€ m	
Total EV present value € m	45.5
<i>thereof terminal value</i>	107%
NFP FY-18 incl. Unistar acq. outlay	(14.4)
Pension provision last reported	(1.6)
<b>Equity value € m</b>	<b>29.5</b>
#m shares	11.50
<b>Equity value €/s</b>	<b>2.60</b>
<i>% upside/(downside)</i>	53.8%

Source: CFO Sim

The application of the model produces an **equity value of DBA Group of € 29.5m, corresponding to € 2.60/share, 53.8% upside.**

The following tables illustrate that sensitivity 1) compared to changes in the terminal growth rate produces an equity value of between **€ 1.95-3.42** per share (**perpetuity range of between 0.25% and 1.75%**), while 2) compared to changes in the free risk rate produces an equity value of **€ 1.98-3.32** per share (**free risk range of between 1.75% and 0.25%**) and 3) compared to changes in the risk premium, including small size premium results into an equity value of **€ 1.84-3.58** per share (**risk premium range of between 10.50% and 7.50%**).

**Table 13 – DBA Group, equity value sensitivity to changes in terminal growth rate**

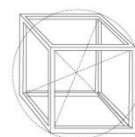
€ m	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
Present value of CF	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)	(3.0)
PV of terminal value	41.4	43.5	45.8	48.4	51.4	54.6	58.3
<b>Total value</b>	<b>38.4</b>	<b>40.5</b>	<b>42.8</b>	<b>45.5</b>	<b>48.4</b>	<b>51.6</b>	<b>55.3</b>
NFP FY-18 incl. Unistar acq. outlay	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)
Pension provision last reported	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
<b>Equity value</b>	<b>22.4</b>	<b>24.5</b>	<b>26.9</b>	<b>29.5</b>	<b>32.4</b>	<b>35.7</b>	<b>39.4</b>
<b>Equity value/share €</b>	<b>1.95</b>	<b>2.13</b>	<b>2.34</b>	<b>2.60</b>	<b>2.82</b>	<b>3.10</b>	<b>3.42</b>

Source: CFO Sim

**Table 14 – DBA Group, equity value sensitivity to changes in free risk rate**

€ m	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
Present value of CF	(2.9)	(2.9)	(3.0)	(3.0)	(3.0)	(3.1)	(3.1)
PV of terminal value	57.0	53.9	51.0	48.4	46.1	43.9	41.9
<b>Total value</b>	<b>54.2</b>	<b>51.0</b>	<b>48.1</b>	<b>45.5</b>	<b>43.0</b>	<b>40.8</b>	<b>38.8</b>
NFP FY-18 incl. Unistar acq. outlay	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)
Pension provision last reported	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
<b>Equity value</b>	<b>38.2</b>	<b>35.0</b>	<b>32.1</b>	<b>29.5</b>	<b>27.1</b>	<b>24.8</b>	<b>22.8</b>
<b>Equity value/share €</b>	<b>3.32</b>	<b>3.05</b>	<b>2.79</b>	<b>2.60</b>	<b>2.35</b>	<b>2.16</b>	<b>1.98</b>

Source: CFO Sim



**Table 15 – DBA Group, equity value sensitivity to changes in risk premium**

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	(2.8)	(2.9)	(2.9)	(3.0)	(3.0)	(3.1)	(3.1)
PV of terminal value	59.9	55.6	51.8	48.4	45.4	42.7	40.3
<b>Total value</b>	<b>57.1</b>	<b>52.7</b>	<b>48.9</b>	<b>45.5</b>	<b>42.4</b>	<b>39.6</b>	<b>37.1</b>
NFP FY-18 incl. Unistar acq. outlay	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)
Pension provision last reported	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
<b>Equity value</b>	<b>41.1</b>	<b>36.8</b>	<b>32.9</b>	<b>29.5</b>	<b>26.4</b>	<b>23.7</b>	<b>21.2</b>
<b>Equity value/share €</b>	<b>3.58</b>	<b>3.20</b>	<b>2.86</b>	<b>2.60</b>	<b>2.30</b>	<b>2.06</b>	<b>1.84</b>

Source: CFO Sim

## Sum of the parts

The sum-of-parts valuation, also known as breakup value analysis, is a process of valuing a company by determining what its aggregate divisions would be worth if spun off or acquired. The valuation provides the company value by aggregating the standalone value of each of its business units. The equity value is then derived by adjusting by net debt, pension provisions, minorities assessment and the perpetuity of holding costs.

**This methodology values DBA Group equity at € 21.1m, € 1.80/share, broadly in line to current price.** This approach takes 2019 as the reference year thus penalizing the valuation since it is supposed to be a floor in terms of results and does not take into account the benefit of the full consolidation of Unistar and the arising synergies.

**Table 16 – DBA Group, Sum of the Parts equity value assessment on 2019 numbers**

	€ m	% on EV	Methodology
ICT software BU	18.1	45.1	9.8x peer multiple on € 1.8 m BU EBITDA 2019
Engineering & PMO BU	22.0	54.9	8.8x peer multiple on € 2.5 m BU EBITDA 2019
<b>Total EV</b>	<b>40.0</b>	<b>100.0</b>	
Holding costs	(3.0)		Perpetuity of holding costs @ 10.0%
NFP	(14.4)		FY-18 net financial position, incl. Unistar acq.
Pension Provision	(1.6)		Pension provision last reported
<b>Equity Value</b>	<b>21.1</b>		
<b>Per share FD</b>	<b>1.80</b>		
<i>% upside/(downside)</i>	<i>6.5%</i>		

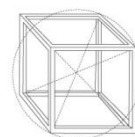
Source: CFO Sim, Thomson Reuters Eikon

Using 2020 numbers, **this methodology values DBA Group equity at € 28.9m, € 2.50/share, 47.9% upside to current price.**

**Table 17 – DBA Group, Sum of the Parts equity value assessment on 2020 numbers**

	€ m	% on EV	Methodology
ICT software BU	29.0	59.2	8.6x peer multiple on € 3.4 m BU EBITDA 2020
Engineering & PMO BU	20.0	40.8	7x peer multiple on € 2.8 m BU EBITDA 2020
<b>Total EV</b>	<b>49.0</b>	<b>100.0</b>	
Holding costs	(3.0)		Perpetuity of holding costs @ 10.0%
NFP	(15.5)		FY-19e Net Financial Position
Pension Provision	(1.6)		Pension provision last reported
<b>Equity Value</b>	<b>28.9</b>		
<b>Per share FD</b>	<b>2.50</b>		
<i>% upside/(downside)</i>	<i>47.9%</i>		

Source: CFO Sim, Thomson Reuters Eikon



## Peer stock performance

DBA Group went public on 13-Dec-17 on the AIM Italia at € 4.00/s with market capitalisation of € 52.0m and a free float of 44.0%, 56.8% after warrant conversion and the Price Adjustment Shares cancellation. Adopting the same approach used in setting up the peer sample for assessing the value of DBA Group, we defined a panel of 12 firms, 7 of which operate mainly in engineering and PMO and the remainder in the ICT software sector.

Table 18 - DBA Group, peer group absolute performance

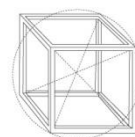
	1D	1W	1M	3M	6M	YTD	1Y
AECOM	(0.0)	0.1	13.3	13.7	22.2	54.3	38.8
Alten SA	(0.9)	(2.9)	(1.8)	(13.1)	0.1	34.0	16.3
Altran Technologies SA	(0.3)	0.5	(1.0)	(0.8)	22.4	102.7	61.4
Arcadis NV	(0.7)	1.2	5.1	(4.9)	4.3	64.6	48.2
Jacobs Engineering Group Inc	0.6	2.1	7.9	14.9	22.2	62.2	27.9
Snecma Group Inc	(1.3)	(5.0)	14.7	(5.4)	(40.8)	(57.0)	(57.6)
Sweco AB (publ)	3.3	16.3	23.8	24.7	38.9	71.1	64.8
<b>Engineering &amp; PMO median</b>	<b>(0.3)</b>	<b>0.5</b>	<b>7.9</b>	<b>(0.8)</b>	<b>22.2</b>	<b>62.2</b>	<b>38.8</b>
Accenture PLC	1.0	1.4	0.9	(3.1)	2.9	32.3	20.7
Capgemini SE	(1.3)	(3.3)	(2.8)	(11.8)	(6.0)	17.1	(4.6)
Devoteam SA	(1.5)	(5.7)	(2.6)	(32.0)	(29.2)	(10.4)	(19.2)
Reply SpA	0.0	2.3	4.0	(4.2)	0.2	31.8	18.5
TXT e solutions SpA	(0.6)	1.6	3.2	0.8	(10.1)	3.3	5.8
<b>ICT software median</b>	<b>(0.6)</b>	<b>1.4</b>	<b>0.9</b>	<b>(4.2)</b>	<b>(6.0)</b>	<b>17.1</b>	<b>5.8</b>
<b>DBA Group SpA</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>14.2</b>	<b>1.2</b>	<b>(19.5)</b>	<b>(34.2)</b>	<b>(41.7)</b>

Source: Thomson Reuters Eikon

## Risks

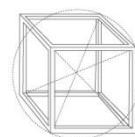
The principal investment risks in DBA Group include:

- Risks linked to the postponement of some key projects;
- Risks due to ICT malfunctions;
- Risks due to competition in the reference markets, which might put margins or top line developments under pressure in the short term.
- Impact on economics and balance sheet profile triggered by a deep decline in local and global economic growth;
- Dilution on profitability stemming from the acquisition campaign;
- The departure of one of few key relevant people.

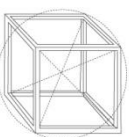




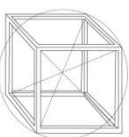
Income statement (€ m)	2017	2018	2019e	2020e	2021e
Value of Production	45.2	49.0	58.3	74.2	79.5
Services	(18.0)	(18.1)	(24.0)	(28.9)	(31.6)
Lease, rental and other opex	(4.0)	(5.6)	(6.6)	(8.1)	(8.6)
Personnel expenses	(18.6)	(20.8)	(23.6)	(31.3)	(31.9)
EBITDA	4.6	4.4	4.0	5.9	7.5
D&A	(2.5)	(2.8)	(3.8)	(4.0)	(4.0)
EBIT	2.1	1.6	0.2	1.9	3.4
Financial costs	(0.2)	(0.3)	(0.6)	(0.8)	(0.7)
Extraordinary, other costs	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	1.9	1.4	(0.4)	1.1	2.7
Income taxes	(0.9)	(1.0)	(0.3)	(0.5)	(1.2)
Minorities	(0.2)	(0.2)	0.0	0.0	0.0
Net Profit	0.8	0.2	(0.7)	0.6	1.6
EBIT adj.	2.6	2.3	1.4	3.1	4.6
Net Profit adj.	1.3	0.9	0.4	1.8	2.7
Balance sheet (€ m)	2017	2018	2019e	2020e	2021e
Net Working Capital	13.2	20.1	25.9	30.1	32.2
Net Fixed Assets	13.1	18.4	21.7	20.0	18.2
Equity Investments	0.7	0.7	0.7	0.7	0.7
Other M/L Term A/L	(4.0)	(5.8)	(9.5)	(11.6)	(12.5)
Net Invested Capital	23.0	33.3	38.7	39.0	38.6
Net Financial Position	(1.7)	9.7	15.8	15.5	13.5
Minorities	1.3	0.0	0.0	0.0	0.0
Group's Shareholders Equity	23.3	23.6	22.9	23.5	25.1
Net Financial Position & Equity	23.0	33.3	38.7	39.0	38.6
Cash Flow statement (€ m)	2017	2018	2019e	2020e	2021e
Total net income	0.8	0.2	(0.7)	0.6	1.6
Depreciation	2.5	2.8	3.8	4.0	4.0
Other non-cash charges	(3.2)	2.0	3.7	2.1	0.8
Cash Flow from Oper. (CFO)	0.1	5.0	6.8	6.8	6.5
Change in NWC	(3.4)	(6.9)	(5.8)	(4.2)	(2.1)
FCF from Operations (FCFO)	(3.3)	(1.9)	1.0	2.6	4.3
Net Investments (CFI)	(7.1)	(9.5)	(7.1)	(2.3)	(2.3)
Free CF to the Firm (FCFF)	(10.4)	(11.4)	(6.1)	0.3	2.0
CF from financials (CFF)	19.3	4.4	4.7	(2.7)	(2.3)
Free Cash Flow to Equity (FCFE)	8.8	(7.0)	(1.4)	(2.4)	(0.3)
Financial ratios	2017	2018	2019e	2020e	2021e
EBITDA margin	10.1%	9.1%	6.9%	8.0%	9.4%
EBIT margin	4.7%	3.4%	0.4%	2.6%	4.3%
Net profit margin	1.7%	0.4%	-1.2%	0.9%	2.0%
Tax rate	47.3%	71.8%	-87.6%	43.0%	43.0%
Interest coverage x	0.09	0.16	2.64	0.41	0.20
Net Debt/EBITDA x	(0.37)	2.19	3.91	2.62	1.80
Debt-to-Equity x	(0.07)	0.41	0.69	0.66	0.54
ROIC	3.4%	0.7%	-1.8%	1.6%	4.1%
ROCE	5.5%	3.9%	0.5%	4.1%	7.4%
ROACE	7.5%	4.0%	0.5%	4.1%	7.4%
ROE	3.3%	0.9%	-3.1%	2.7%	6.2%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Per share figures	2017	2018	2019e	2020e	2021e
Number of issued ordinary shares # m	13.00	13.00	11.50	11.50	11.50
Number of shares Fully Diluted # m	15.22	15.22	13.40	13.40	13.40
Average Number of shares Fully Diluted # m	15.22	15.22	14.31	13.40	13.40
EPS reported €	0.06	0.02	(0.06)	0.06	0.14
EPS adjusted €	0.10	0.07	0.04	0.16	0.24
EPS reported FD €	0.05	0.01	(0.05)	0.05	0.12
EPS adjusted FD €	0.08	0.06	0.03	0.13	0.20
EBITDA €	0.30	0.29	0.28	0.44	0.56
EBIT €	0.14	0.11	0.02	0.14	0.26
BV €	1.62	1.55	1.71	1.76	1.87
FCFO €	(0.22)	(0.12)	0.07	0.19	0.32
FCFF €	(0.68)	(0.75)	(0.42)	0.02	0.15
FCFE €	0.58	(0.46)	(0.10)	(0.18)	(0.02)
Dividend €	0.00	0.00	0.00	0.00	0.00



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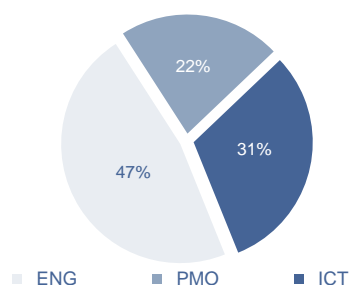


## The company at a glance

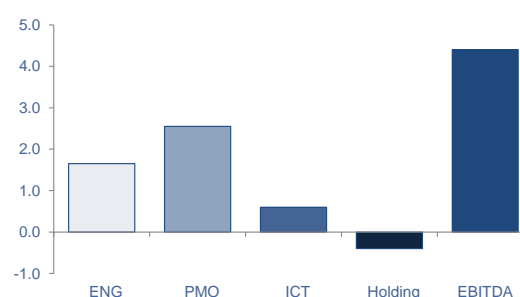
Founded in 1991 by the four De Bettin brothers in the hard-working and creative north east of Italy, DBA Group is specialised in network connectivity and infrastructure lifecycle support solutions. The core competence of DBA Group is the proven ability to provide telematics solutions for strategic infrastructures 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.

The group has grown significantly in the last few years: in the period 2011-18, top line more than doubled from € 18.8m to € 49.0m, 14.7% CAGR also thanks to the acquisition of Actual in 2015 (minorities acquired in Sep-18) and SJS in October 2018. Profitability rose consequently: EBITDA rose from € 3.1m to € 4.8m, 6.4% CAGR. In 2018 value of production reached € 49.0m, up 8.4% YoY, EBITDA adj. totalled € 4.8m, 9.8% margin and net profit came at € 0.2m, 0.4% of top line. Net financial position was € 9.6m (debt).

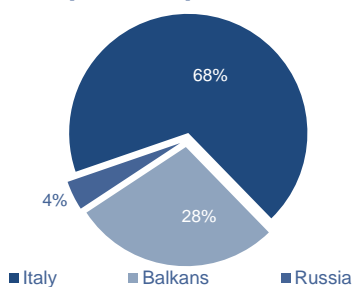
### 2018 top line and...



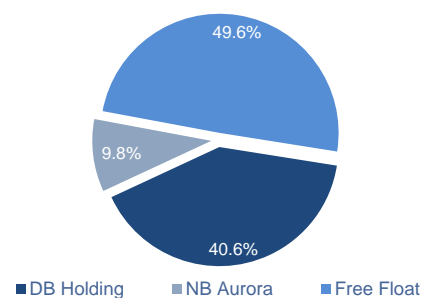
### ... and EBITDA breakdown by business unit



### 2018 top line by country



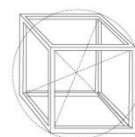
### Shareholder structure



## Peers group multiples table

EV multiples x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3	EBIT FY1	EBIT FY2	EBIT FY3
AECOM	0.45	0.43	0.47	9.8	8.5	8.8	10.8	9.5	9.7
Alten SA	1.24	1.10	0.99	11.1	9.8	8.7	12.6	11.0	9.8
Altran Technologies SA	1.55	1.40	1.29	10.0	8.8	8.0	13.5	11.5	10.3
Arcadis NV	0.59	0.55	0.50	7.8	6.9	5.6	11.9	10.1	8.1
Jacobs Engineering Group Inc	1.07	1.01	1.05	13.8	12.4	11.7	15.1	13.7	13.1
Snc-Lavalin Group Inc	0.50	0.53	n.a.	15.3	6.6	n.a.	20.5	8.4	n.a.
Sweco AB (publ)	2.06	1.92	1.81	15.2	14.1	13.3	23.1	18.8	19.2
<b>Engineering &amp; PMO median</b>	<b>1.07</b>	<b>1.01</b>	<b>1.02</b>	<b>11.1</b>	<b>8.8</b>	<b>8.7</b>	<b>13.5</b>	<b>11.0</b>	<b>10.0</b>
Accenture PLC	2.58	2.40	2.22	15.3	14.1	13.0	17.5	16.0	14.6
Capgemini SE	1.24	1.12	1.02	8.0	7.3	6.7	10.3	9.2	8.5
Devoteam SA	0.72	0.61	0.51	6.7	5.5	4.6	7.3	5.9	4.8
Reply SpA	1.77	1.57	1.40	12.2	10.7	9.4	14.5	12.6	10.9
TXT e solutions SpA	2.80	2.49	2.35	26.9	20.8	17.7	46.0	32.0	26.6
<b>ICT software median</b>	<b>1.77</b>	<b>1.57</b>	<b>1.40</b>	<b>12.2</b>	<b>10.7</b>	<b>9.4</b>	<b>14.5</b>	<b>12.6</b>	<b>10.9</b>
<b>DBA Group SpA</b>	<b>0.60</b>	<b>0.47</b>	<b>0.41</b>	<b>8.7</b>	<b>5.9</b>	<b>4.4</b>	<b>25.5</b>	<b>11.4</b>	<b>7.2</b>

Source: CFO Sim, Thomson Reuters Eikon



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DATE	TARGET PRICE	RATING
31/10/2019	€2.60	BUY
15/04/2019	€3.30	BUY
18/10/2018	€4.20	BUY

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- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
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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.

