

Italy – EPM & ICT Consulting

Execution above expectations. Valuation still extremely attractive

9th April 2024

FY-23 RESULTS RELEASE

RIC: DBA.MI
BBG: DBA IM

DBA Group posted FY-23 results significantly better both than our estimates and the Budget 2023, particularly as regards profitability and cash flow generation. The undemanding multiples (EV/EBITDA_{24E} and PER_{24E} at 3.0x-5.0x) at which DBA trades coupled with the potential >10% shareholders' remuneration from dividends and buybacks strongly confirm our positive stance on the equity story.

Rating:

Buy

Price Target:

€ 3.70 (€ 3.00)

Upside/(Downside): 60.9%

Last Price: € 2.30

Market Cap.: € 26.4m

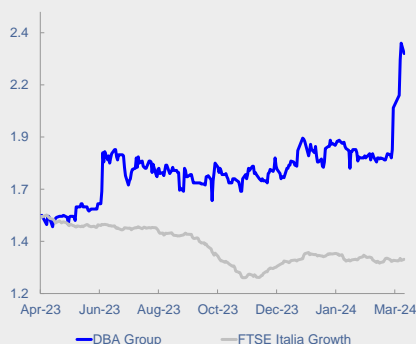
1Y High/Low: € 2.45 / € 1.42

Avg Daily Turn. (3M, 6M): € 25k, € 22k

Free Float: 52.3%

Major shareholders:

De Bettin family 43.6%



Stock price performance

	1M	3M	12M
Absolute	29.2%	26.0%	50.8%
Rel.to FTSE IT Growth	28.0%	27.7%	64.2%
Rel.to peers	30.4%	14.7%	29.0%

Analysts:

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

Estimates upgraded: new DCF-based PT points to € 3.70/s (€ 3.00). Buy reiterated

Following the FY-23 results release, we have fine-tuned our model by factoring in 1) a stronger progression of Value of Production, mostly attributable to the EPM BU, 2) enhanced profitability to better reflect the company's focus on more profitable projects and a slightly lower tax rate, 3) a € 1.0m cash-out for the acquisition of a minority interest in S.J.S. Engineering and, 4) the introduction of a dividend policy comprising an arbitrary 30% payout ratio as from FY-24. The combined result is an average 3.9%, 12.2% and 30.7% increase in VoP, EBITDA, and Net Profit in 2024-25. In addition, we have also introduced 2026 projections. Noteworthy, our FY-24 estimates are fairly aligned with the company's Budget for 2024. Consequently, our new DCF-based PT points to € 3.70/s (€ 3.00), offering 60.9% upside potential. Buy reiterated.

Value of Production up 31.5% YoY, bolstered by both organic growth and M&A

Value of Production rose by 31.5% YoY from € 85.4m to € 112.1m. The EPM BU (59.5% of the total) totalled € 66.7m, up more than 50% YoY and 9% higher than our estimate, also in light of the contribution of General Planning (acquired in Dec-22), which contributed € 9.8m. The Italian ICT BU (3.3% of total) reached € 3.7m, significantly higher than € 2.6m recorded in FY-22 (+43.3%) while the Slovenian ICT BU grew by 12.7% YoY to € 41.7m, accounting for 37.2% of the total from 47.2% in 2022.

All profitability metrics exceeded both the company's Budget and our forecasts

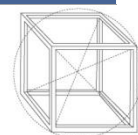
EBITDA jumped to € 12.1m, 10.8% margin, up by 68.3% (€ 7.2m, 8.4% margin in FY-22), driven by the combined effect of increasing top line and the provision of higher value-added services and was significantly better than our € 10.3m estimate. Noteworthy, General Planning's contribution to EBITDA reached € 1.5m, exhibiting a margin in excess of 15%, well above the group's average. Adjusted EBITDA was € 12.5m, 11.2% margin, showing a 140bps improvement YoY (€ 10.3m, 9.8% margin in FY-22). EBIT was € 7.9m, 7.0% margin, more than double YoY (€ 3.4m, 4.0% margin, in FY-22). After financial charges of € 0.9m, well aligned with our estimate, Net Profit was € 4.0m, 3.6% margin (€ 0.6m, 0.7% margin in FY-22), better than expected also thanks to a lower tax rate.

Excellent deleveraging driven by higher profitability and better credit collections

Net Financial Position stood at € 8.4m, substantially improving from € 12.6m at year-end 2022 and came in € 6.2m better than the € 14.6m forecast outlined in the Budget 2023 and € 4.4m better than our expectation. In particular, the Op. Cash Flow of € 5.5m reflected a higher-than-anticipated profitability as well as: 1) better credit collections, both relative to Actual IT (ca. € 1.0m) and the closing of several working sites linked to the SuperBonus incentives, 2) the recourse to advances by DBA PRO (ca. € 2.0m), partially offset by 3) Capex equal to € 2.4m, including the cash outlay relative to the deferred payment for the acquisition of General Planning and C&G Engineering, and 4) a stock buyback for € 0.8m.

DBA Group, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Value of Production	85.4	112.1	115.8	119.7	123.7
EBITDA	7.2	12.1	11.8	12.6	13.4
Adjusted EBITDA	7.5	12.5	11.8	12.6	13.4
EBIT	3.4	7.9	7.6	8.3	9.2
Adjusted EBIT	5.3	10.2	9.5	10.2	11.1
Net profit	0.6	4.0	3.5	3.9	4.4
Net profit adjusted	3.2	5.9	5.3	5.7	6.3
NFP (cash)/debt	12.6	8.4	9.3	5.0	(0.0)
EPS adjusted €	0.28	0.51	0.46	0.50	0.54
EPS adjusted growth	n.m.	83.6%	-9.7%	8.0%	8.8%
EBITDA margin %	8.4%	10.8%	10.2%	10.5%	10.8%
EBIT margin %	4.0%	7.1%	6.6%	7.0%	7.5%
EV/Sales	0.46	0.31	0.31	0.26	0.21
EV/Adjusted EBITDA	4.2	2.2	3.0	2.5	1.9
EV/Adjusted EBIT	5.9	2.7	3.8	3.0	2.4
Adjusted PER	5.8	3.2	5.0	4.6	4.2

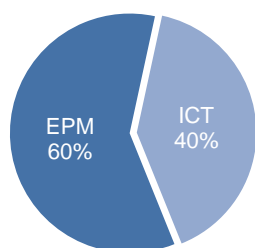


The company at a glance

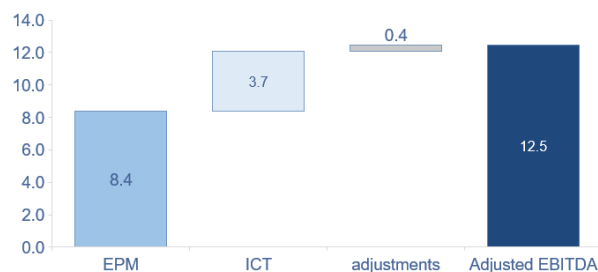
Founded in 1991 by the four De Bettin brothers in the north east of Italy, DBA Group is specialised in network connectivity and infrastructure lifecycle support solutions. DBA Group's core competence is its proven ability to provide telematics solutions for strategic infrastructures to clients whose 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 engineering and architecture associated firm, now DBA Group is the only player in Italy able to offer a synergic combination of the aforementioned services and solutions for the entire infrastructure lifecycle management. DBA Group offers high value-added services and software platforms which meet a full range of potential technical, technological and ICT customer needs during the entire infrastructure lifecycle with the aim of providing high value-added support services for infrastructure management and maintenance.

The group has grown significantly in the last few years: in the 2014-23 period, Value of Production more than quadrupled from € 23.7m to € 112.1m, 18.8% CAGR, also thanks to the acquisition of Actual IT in 2015 (minorities buyout in Sep-18), SJS Engineering in Oct-18, Unistar in Sep-19 and General Planning in Dec-22. In 2023, the Value of Production reached € 112.1m, up by 31.5% YoY, EBITDA amounted to € 12.1m, 10.8% margin and Net Profit stood at € 4.0m. EBITDA adjusted for non-recurring costs came in at € 12.5m, 11.1% margin. Net Financial Position was € 8.4m (debt).

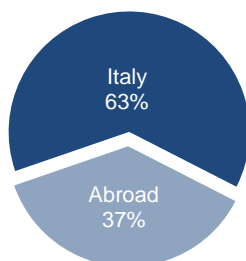
2023 top line ...



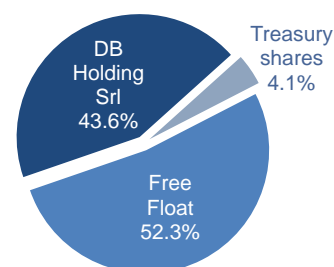
... and Adjusted EBITDA breakdown by BU



2023 top line by geography



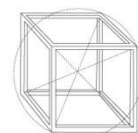
Shareholders structure



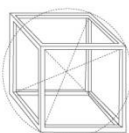
Peer group multiples table

EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
AECOM	0.93	0.86	13.5	12.1	15.1	13.6	21.8	19.5
Alten SA	0.98	0.87	8.8	7.3	10.7	8.9	13.7	12.1
Arcadis NV	1.38	1.21	11.0	9.4	14.8	12.3	19.4	16.3
Jacobs Solutions Inc	1.21	1.16	12.6	11.3	13.4	11.8	18.6	16.6
SNC-Lavalin Group Inc	1.21	1.11	12.4	10.5	15.4	12.6	23.3	18.0
Sweco AB (publ)	1.47	1.36	11.7	10.6	16.3	14.2	20.3	17.4
Engineering median	1.21	1.13	12.1	10.6	15.0	12.5	19.8	17.0
Accenture PLC	3.30	3.07	17.7	16.1	21.3	19.6	28.4	26.5
Bechtle AG	0.89	0.81	11.3	10.3	14.9	13.5	21.9	19.9
Capgemini SE	1.61	1.45	10.2	8.9	13.0	11.2	16.8	15.3
CDW Corp	1.75	1.61	17.3	15.7	18.2	16.6	24.1	22.1
Computacenter PLC	0.40	0.37	7.6	7.0	9.8	8.9	16.1	15.1
Digital Value SpA	0.65	0.51	6.2	4.7	9.3	6.8	14.1	11.2
Reply SpA	1.97	1.75	12.3	10.8	15.0	13.0	22.8	20.2
TXT e solutions SpA	1.31	1.15	9.1	7.9	15.4	12.9	21.2	18.6
ICT median	1.46	1.30	10.8	9.6	14.9	12.9	21.5	19.2
DBA Group SpA	0.31	0.26	3.0	2.5	3.8	3.1	5.0	4.6

Source: CFO Sim, Refinitiv Eikon



Income statement (€ m)	2022	2023	2024e	2025e	2026e
Value of Production	85.4	112.1	115.8	119.7	123.7
Services	(31.8)	(41.1)	(43.2)	(45.2)	(46.5)
Lease, rental and other opex	(18.3)	(25.4)	(25.8)	(26.4)	(27.3)
Personnel expenses	(28.2)	(33.6)	(35.1)	(35.6)	(36.6)
EBITDA	7.2	12.1	11.8	12.6	13.4
D&A	(3.8)	(4.1)	(4.2)	(4.2)	(4.1)
EBIT	3.4	7.9	7.6	8.3	9.2
Financial costs	(0.4)	(0.9)	(0.7)	(0.7)	(0.6)
Extraordinary, other costs	(1.3)	0.0	0.0	0.0	0.0
Pre-Tax profit	1.7	7.0	6.9	7.7	8.6
Income taxes	(1.1)	(2.7)	(3.1)	(3.5)	(3.9)
Minorities	0.0	(0.3)	(0.3)	(0.3)	(0.3)
Net Profit	0.6	4.0	3.5	3.9	4.4
Adjusted EBITDA	7.5	12.5	11.8	12.6	13.4
Adjusted EBIT	5.3	10.2	9.5	10.2	11.1
Adjusted Net Profit	3.2	5.9	5.3	5.7	6.3
Balance sheet (€ m)	2022	2023	2024e	2025e	2026e
Net Working Capital	18.7	23.4	27.9	29.6	31.0
Net Fixed Assets	19.2	18.3	18.2	16.0	13.9
Equity Investments	3.5	2.2	2.2	2.2	2.2
Other M/L Term A/L	(9.3)	(12.6)	(13.2)	(13.8)	(14.5)
Net Invested Capital	32.1	31.4	35.2	34.0	32.5
Net Financial Position	12.6	8.4	9.3	5.0	(0.0)
Minorities	0.1	0.4	0.7	1.0	1.4
Group's Shareholders Equity	19.5	22.6	25.1	28.0	31.2
Net Financial Position & Equity	32.1	31.4	35.2	34.0	32.5
Cash Flow statement (€ m)	2022	2023	2024e	2025e	2026e
Total net income	0.6	4.4	3.8	4.2	4.7
Depreciation	3.8	4.1	4.2	4.2	4.1
Other non-cash charges	0.4	1.7	0.6	0.6	0.7
Cash Flow from Oper. (CFO)	4.8	10.3	8.6	9.1	9.6
Change in NWC	(2.8)	(4.7)	(4.5)	(1.7)	(1.4)
FCF from Operations (FCFO)	1.9	5.5	4.1	7.4	8.2
Net Investments (CFI)	(4.4)	(2.4)	(4.1)	(2.0)	(2.0)
Free CF to the Firm (FCFF)	(2.5)	3.1	0.0	5.4	6.2
CF from financials (CFF)	(2.8)	0.3	(1.0)	(1.0)	(1.2)
Free Cash Flow to Equity (FCFE)	(5.3)	3.4	(0.9)	4.4	5.0
Financial ratios	2022	2023	2024e	2025e	2026e
EBITDA margin	8.4%	10.8%	10.2%	10.5%	10.8%
EBIT margin	4.0%	7.1%	6.6%	7.0%	7.5%
Net profit margin	0.7%	3.6%	3.0%	3.3%	3.6%
Tax rate	63.8%	37.9%	45.0%	45.0%	45.0%
Interest coverage x	0.12	0.11	0.09	0.08	0.07
Net Debt/EBITDA x	1.76	0.70	0.79	0.40	(0.00)
Debt-to-Equity x	0.65	0.37	0.37	0.18	(0.00)
ROIC	2.0%	12.9%	9.9%	11.5%	13.5%
ROCE	8.1%	17.0%	15.2%	15.6%	16.0%
ROACE	8.0%	17.9%	15.7%	16.1%	16.6%
ROE	3.2%	17.9%	13.8%	13.9%	14.1%
Payout ratio	0.0%	24.6%	30.0%	30.0%	30.0%
Per share figures	2022	2023	2024e	2025e	2026e
Number of issued ordinary shares # m	11.51	11.51	11.51	11.51	11.51
Number of shares Fully Diluted # m	11.51	11.51	11.51	11.51	11.51
Average Number of shares Fully Diluted # m	11.51	11.51	11.51	11.51	11.51
EPS reported €	0.05	0.35	0.30	0.34	0.38
EPS adjusted €	0.28	0.51	0.46	0.50	0.54
EPS reported FD €	0.05	0.35	0.30	0.34	0.38
EPS adjusted FD €	0.28	0.51	0.46	0.50	0.54
EBITDA €	0.62	1.05	1.03	1.09	1.16
EBIT €	0.30	0.69	0.66	0.72	0.80
BV €	1.70	2.00	2.24	2.52	2.83
FCFO €	0.17	0.48	0.36	0.64	0.71
FCFF €	(0.21)	0.27	0.00	0.47	0.54
FCFE €	(0.46)	0.30	(0.08)	0.38	0.43
Dividend €	0.00	0.09	0.09	0.11	0.12



DBA Group in a nutshell

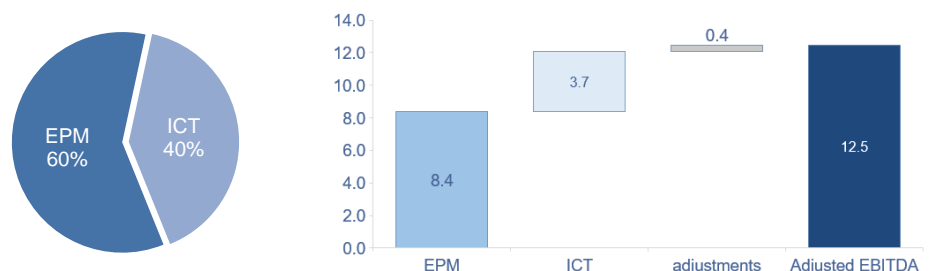
Founded in 1991 by the four De Bettin brothers in the north east of Italy, **DBA Group is specialised in network connectivity and infrastructure lifecycle support solutions.** DBA Group's core competence is its proven ability to provide telematics solutions for strategic infrastructure to clients whose business is network-performance critical. It provides integrated services and solutions in the ICT, Engineering and Project Management fields in six industries. Founded as an engineering and architecture 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 entire infrastructure lifecycle management.**

DBA Group is a technology consulting group focused on high value-added solutions and services, characterised by a relevant degree of technology. The engineering arm represents a key entry barrier: DBA Group knows how processes work. This places the company in a position to offer specific turnkey services and solutions.

DBA Group offers high value-added services and software platforms which meet a full range of potential technical, technological and ICT customer needs **during the entire infrastructure lifecycle** with the aim of providing high value-added support services for infrastructure management and maintenance. The company performs its trade activity via two business units:

- **EPM – Engineering and Project Management, 60% of top line:** the activity here consists of the scheduling and management of all planning and construction activities (performed by companies directly employed by DBA Group's clients) related to single or networked infrastructures and their technological specialised plants. In performing this activity, DBA Group complies with quality standards, timetable and cost guidelines agreed with clients. Furthermore, the BU comprises of the study, design and feasibility study of single or networked infrastructures and their technological and specialised plants. It also provides process analysis, mapping and optimisation services, technical/technological consultancy and ICT solutions.
- **ICT – Information, Communication and Technology, 40% of top line:** the BU, using software and telematics platforms designed and developed in-house, offers process and automation engineering, applied information and communication technology for single and networked infrastructure works.

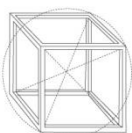
Chart 1 – DBA Group, 2023 Sales and Adjusted EBITDA by business unit



Source: Company data

The group offers its **high-tech services and solutions to private customers** mainly operating in the following **reference markets**:

- **Energy Transition:** with a particular focus on power generation from renewable sources, Renewable Energy Communities, green hydrogen and electric vehicles charging stations. It is worth remembering that, **the energy transition is one of the main pillars of the NRRP.**
- **Telco & Media:** telecommunication & media companies and their production, transmission / distribution infrastructures.



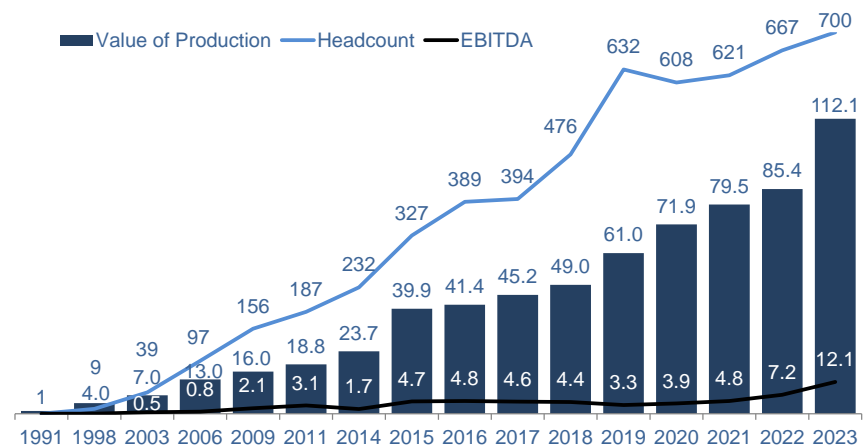
- **Building:** real estate corporations with commercial, residential and touristic assets as well as industrial and financial retail networks.
- **Transport & Logistics:** firms operating in this business and their road, rail, port and airport infrastructure.
- **Infrastructures:** consultancy in operation & maintenance of mission-critical infrastructures.

The company currently concentrates the bulk of its business in **Italy and the Slovenian-Balkans area, which comprise 63% and 37% of top line**, respectively.

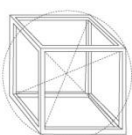
The group has grown significantly in the last few years: **in the 2014-23 period, the Value of Production more than quadrupled from € 23.7m to € 112.1m, 18.8% CAGR**, also thanks to the acquisition of Actual IT in 2015 (minorities buyout in Sep-18), S.J.S. Engineering in Oct-18, Unistar in Sep-19 and General Planning in Dec-22. In 2023, the Value of Production reached € 112.1m, up by 31.5% YoY, EBITDA amounted to € 12.1m, 10.8% margin and Net Profit stood at € 4.0m. EBITDA adjusted for non-recurring costs came in at € 12.5m, 11.1% margin. Net Financial Position was € 8.4m (debt).

The chart below shows the Value of Production, EBITDA and personnel employed trends since the founding of DBA Group in 1991.

Chart 3 – DBA Group, 1991-23 top line, EBITDA and staff growth trend



Source: Company data



SWOT Analysis

The SWOT analysis, also known as SWOT Matrix, is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A SWOT analysis can be carried out for a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective.

- **Strengths:** characteristics of the business or project that give it an advantage over others.
- **Weaknesses:** characteristics that place the business or project at a disadvantage relative to others.
- **Opportunities:** elements that the project could use to its advantage.
- **Threats:** elements in the environment that could cause harm or be detrimental for the business or project.

The technique is credited to Albert Humphrey, who led a research project at Stanford University between the '60s/'70s using Fortune 500 data.

S.W.O.T. ANALYSIS

STRENGTHS

- ❑ The **only player offering the synergistic combination of the services and solutions of its two BUs**
- ❑ **Over 650 highly-skilled, loyal and motivated employees, o/w 60% are graduates**

WEAKNESSES

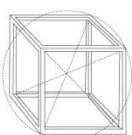
- ❑ **Limited size** in the international competitive arena
- ❑ Few key relevant people represent a **vital asset for the company**
- ❑ Need for **strengthening of the management structure** to boost developments

OPPORTUNITIES

- ❑ **Consolidation opportunities** in the domestic market and abroad
- ❑ Substantial cash flow generation and sound balance sheet **allow external growth opportunities**

THREATS

- ❑ Expansion via external growth may prove difficult
- ❑ In certain projects, **competition from smaller players**, driven by different cost strategies and short-term industrial views, e.g. **dumping**



FY-23 Results

DBA Group posted **FY-23 results significantly better both with respect to our estimates and the Budget 2023**, primarily as regards profitability and cash flow generation.

The outstanding results were driven by a solid performance of the two key pillars of growth on which the Business Plan 2023-26 was devised: **Digitalisation and Energy Transition**. In particular, the group successfully seized the continuous growing demand for services related to the development of the ultra-wideband networks, the design and management of Data Centre as well as of Cold Ironing systems for the Italian and North African ports.

Table 1 – DBA Group, 2023-22 results summary

€ m	2023	2022	% YoY	2023e	% diff.
EPM	66.7	42.5	56.9	61.2	9.0
ICT	45.4	42.9	5.9	43.8	3.7
Value of Production	112.1	85.4	31.5	105.0	6.8
Raw materials	(20.7)	(15.2)		(18.4)	
Services	(41.1)	(31.8)		(41.7)	
Lease & rental	(3.6)	(2.8)		(3.7)	
Other opex	(1.2)	(0.3)		(0.5)	
Personnel expenses	(33.6)	(28.2)		(30.5)	
EBITDA	12.1	7.2	68.3	10.3	17.2
% margin	10.8	8.4		9.8	
D&A	(4.1)	(3.8)		(4.5)	
EBIT	7.9	3.4	n.m.	5.8	36.1
% margin	7.1	4.0		5.5	
Financial costs	(0.9)	(0.4)		(0.8)	
Extraordinary costs and Others	0.0	(1.3)		0.0	
Pre-Tax profit	7.0	1.7	n.m.	5.0	39.7
% margin	6.3	2.0		4.8	
Income taxes	(2.7)	(1.1)		(3.3)	
Tax rate	37.9%	63.8%		65.0%	
Minorities	(0.3)	0.0		0.0	
Net Profit	4.0	0.6	n.m.	1.8	n.m.
% margin	3.6	0.7		1.7	
Adjusted EBITDA	12.5	7.5	67.1	10.3	21.4
% margin	11.1	8.7		9.8	
NFP (cash)/debt	8.4	12.6	(33.4)	12.8	(34.6)

Source: Company data, CFO SIM estimates

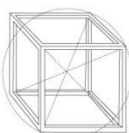
Value of Production rose by 31.5% YoY from € 85.4m to € 112.1m. In terms of business units:

- **The EPM BU (59.5% of the total) amounted to € 66.7m, up more than 50% YoY and 9% higher than our estimate**, also thanks to the contribution of General Planning (acquired in Dec-22), which contributed € 9.8m.
- **The Italian ICT BU (3.3% of the total) reached € 3.7m**, significantly higher compared to € 2.6m recorded in FY-22 (+43.3%) while **the Slovenian ICT BU grew by 12.7% YoY to € 41.7m**, accounting for 37.2% of the total from 47.2% in 2022.

Table 2 – DBA Group, FY-23-22 Value of Production breakdown by BUs

€ m	2023	2022	% YoY	% on tot. 23	% on tot. 22
EPM	66.7	42.5	56.9	59.5	49.8
ICT ITA	3.7	2.6	42.7	3.3	3.0
ICT SLO	41.7	40.3	3.5	37.2	47.2
Value of Production	112.1	85.4	31.3	100.0	100.0

Source: Company data



Value of Production and EBITDA were better than the pre-closing data by € 2.3m and € 1.9m, respectively, in the wake of better performance of the Telco&Media sector accompanied by the unexpected contribution of the engineering and project management activities carried out by the now wholly-owned S.J.S. Engineering in the North African ports.

EBITDA jumped to € 12.1m, 10.8% margin, up by 68.3% compared to € 7.2m, 8.4% margin registered in FY-22, driven by the combined effect of the increasing top line and the provision of higher value-added services and was significantly better than our € 10.3m estimate. Noteworthy, **General Planning's contribution to EBITDA totalled € 1.5m**, exhibiting a margin in excess of 15%, well above the group's average. **Adjusted EBITDA amounted to € 12.5m, 11.2% margin**, after excluding € 0.5m of extraordinary costs relative to a subsidiary's software project focused on fuelling stations, thus showing a 140bps improvement YoY (€ 10.3m, 9.8% margin in FY-22).

Table 3 – DBA Group, 2023-22 EBITDA breakdown by BU

€ m	2023	2022	% YoY	% on tot. 23	% on tot. 22
EPM	8.4*	4.3	93.5	69.5	60.3
ICT ITA	0.8	0.0	<i>n.m.</i>	6.6	0.2
ICT SLO	2.9	2.8	1.7	23.9	39.4
Total EBITDA	12.1	7.2	67.9	100.0	100.0

Source: Company data * o/w € 1.5m attributable to General Planning, acquired in Dec-22

EBIT came in at € 7.9m, 7.0% margin, and more than doubled if compared with € 3.4m, 4.0% margin in FY-22. The figure came in € 2.1m above our forecast primarily as a result of higher EBITDA as well as lower than projected D&A expenses. After financial charges for € 0.9m, well aligned with our estimate, **Net Profit was € 4.0m, 3.6% margin (€ 0.6m, 0.7% margin in FY-22)**, better than expected also in the wake of a lower tax rate (ca. 38% vs 63.8% in FY-22 and CFO SIM's 65% forecast).

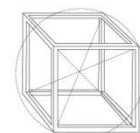
Net Financial Position (0.7x EBITDA₂₃) stood at € 8.4m, substantially improving from € 12.6m at year-end 2022 and came in € 6.2m better than the € 14.6m forecast outlined in the Budget 2023 and € 4.4m better than our expectations. In particular, the **Op. Cash Flow of € 5.5m** reflected a higher-than-anticipated profitability as well as: 1) better credit collections, both relative to Actual IT (ca. € 1.0m) and the closing of several working sites linked to the SuperBonus incentives, 2) the recourse to advances by DBA PRO (ca. € 2.0m), partially offset by 3) Capex equal to € 2.4m, including the cash outlay relative to the deferred payment for the acquisition of General Planning and C&G Engineering, and 4) a stock buyback for € 0.8m.

Noteworthy, **NFP at year-end 2023 includes a credit facility of € 3.5m related to an important IT project in Serbia** (digitisation of Serbian courts), originally expected to be finalised by the end of December but in the end was shifted to the first months of 2024.

Table 4 – DBA Group, 2023-22 Op. NWC dynamic

€ m	2023	2022	Δ
Inventories	4.9	7.0	(2.2)
Receivables	35.9	29.1	6.7
Payable	(17.3)	(17.5)	0.2
Op. NWC	23.4	18.7	4.7
Op. NWC/ Sales (%)	20.9%	21.9%	-100bps

Source: Company data



Acquisition of the remaining 25% in S.J.S. Engineering

On 20th March 2024, DBA disclosed the **acquisition of the remaining minority interest of 25% in S.J.S. Engineering** via its wholly-owned subsidiary DBA PRO. SpA. **The total consideration equal to € 1.0m** was entirely paid in cash and settled the same day.

S.J.S. Engineering engages in the provision of both Engineering and Project Management services mainly relative to the **life-cycle management of maritime infrastructures**, both in Italy and abroad, especially in the Northern Africa region. Over the last years, the company was awarded several public tenders for the **design and management of Cold Ironing systems for the Italian ports**, an activity that is predicted to gain additional momentum in the short-term in the wake of significant NRRP-driven investments earmarked for the energy transition.

Estimates, Valuation & Risks

DBA posted FY-23 results considerably better compared to both our estimates as well as the targets for 2023 outlined with the approval of the Business Plan 2023-26 in June-22. Notably, **cash flow generation was impressive** and could have been even better should the credit facility related to the digitisation of Serbian courts be finalised by the end of December as originally anticipated.

DBA Group has resolved to propose to the next AGM the distribution of **a DPS of € 0.09 (24.6% payout ratio, dividend yield at ca. 3.9% at current market cap.)**, along with the **launch of a new buyback programme for a maximum amount of € 2.0m** (10% of the share capital and ca. 7.5% of the current market cap.)

On top of that, **DBA Group confirmed the Budget 2024 targets** presented in Dec-23 with respect to Value of Production and EBITDA while improving the NFP projection, mainly as a consequence of FY-23 results. In detail:

- **Value of Production of € 116.1m**, up 3.6% YoY;
- **EBITDA equal to € 12.0m**, 10.3% margin, unchanged YoY;
- **NFP at € 8.8m debt**, considerably lower compared to the previous estimate of € 11.3m and slightly above the € 8.4m figure at year-end 2023.

Following the FY-23 results release, **we have fine-tuned our model** by factoring in 1) a stronger progression of the Value of Production, mostly attributable to the EPM BU, 2) enhanced profitability to better reflect the company's focus on more profitable projects and a slightly lower tax rate, 3) a € 1.0m cash-out for the acquisition of a minority interest in S.J.S. Engineering and, 4) the introduction of a dividend policy comprising an arbitrary 30% payout ratio as from FY-24. The combined result is **an average 3.9%, 12.2% and 30.7% increase in VoP, EBITDA, and Net Profit in 2024-25**. In addition, we have also introduced 2026 projections.

Noteworthy, **our FY-24 estimates are fairly aligned with the company's Budget for 2024**.

Table 5 – DBA Group, 2024e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Value of Production	115.8	111.3	4.1	4.6
EBITDA	11.8	10.6	11.0	1.2
% margin	10.2	9.6		
EBIT	7.6	6.1	24.1	1.5
% margin	6.6	5.5		
Net Profit	3.5	2.4	42.5	1.0
% margin	3.0	2.2		
Y/E net debt (net cash)	9.3	9.8	(4.4)	(0.4)

Source: CFO Sim

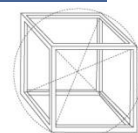


Table 6 – DBA Group, 2025e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Value of Production	119.7	115.5	3.7	4.3
EBITDA	12.6	11.1	13.3	1.5
% margin	10.5	9.6		
EBIT	8.3	6.6	26.1	1.7
% margin	7.0	5.7		
Net Profit	3.9	3.3	18.8	0.6
% margin	3.3	2.8		
Y/E net debt (net cash)	5.0	4.2	18.5	0.8

Source: CFO Sim

Moreover, we have updated the DCF valuation criteria, by bringing the risk-free rate up-to-date: the combined result is a **new DCF-based PT of € 3.70/s** (€ 3.00), **60.9% upside potential**. Buy rating confirmed.

DCF

In the valuation via the DCF method, explicit estimates until 2028 and a long-term growth of 1.0% were used. Cash flows were discounted back at a weighted average cost of capital calculated in accordance with the following parameters:

Table 7 - WACC derived from:

Interest costs, pre-tax	4.5%
Tax rate	43.0%
Int. costs, after taxes	2.6%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200 days simple moving average)	4.18%
Beta levered (x)	1.00
Required ROE	13.2%

Source: CFO Sim, Refinitiv Eikon

Risk premium at 9.0% factors in the minute size of the company and basically all the concerns that an investor might have with regard to the Euronext Growth Milan market segment. **Beta set at 1.00**. The WACC is calculated by using a 70:30 equity/debt balance-sheet structure.

Table 8 - DBA Group, DCF model

€ m	2024e	2025e	2026e	2027e	2028e	TV
EBIT	7.6	8.3	9.2	9.3	9.4	
Tax rate	45.0%	45.0%	45.0%	43.0%	43.0%	
Operating profit (NOPAT)	4.2	4.6	5.1	5.3	5.4	
Change working capital	(4.5)	(1.7)	(1.4)	(0.8)	(0.2)	
Depreciation	4.2	4.2	4.1	3.1	2.0	
Investments	(4.1)	(2.0)	(2.0)	(2.0)	(2.0)	
Free Cash Flows	(0.2)	5.1	5.8	5.6	5.2	58.0
Present value	(0.2)	4.4	4.5	3.9	3.3	37.0
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	
Long-term growth rate	1.0%					

Source: CFO Sim

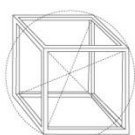


Table 9 – DBA Group, DCF derived from:

€ m	
Total EV present value € m	52.9
<i>thereof terminal value</i>	70%
NFP last reported	(8.4)
Pension provision last reported	(3.6)
Minorities (valued at BV)	(0.4)
Equity value € m	40.5
#m shares (excl. Treasury shares)	11.04
Equity value €/s	3.70
<i>% upside/(downside)</i>	60.9%

Source: CFO Sim

The application of the model produces an **equity value of DBA Group of € 40.5m, corresponding to € 3.70/s (€ 3.00), 60.9% upside.**

The following tables illustrate that sensitivity 1) compared to changes in the terminal growth rate produces an equity value of between **€ 3.39-4.00** per share (**perpetuity range of between 0.25% and 1.75%**), while 2) if compared to changes in the free risk rate it produces an equity value of **€ 3.39-3.98** per share (**free risk range of between 4.93% and 3.43%**) and 3) if compared to changes in the risk premium, including small size premium it results in an equity value of **€ 3.14-4.33** per share (**risk premium range of between 10.50% and 7.50%**).

Table 10 – 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	15.9	15.9	15.9	15.9	15.9	15.9	15.9
PV of terminal value	33.9	34.9	35.9	37.0	38.1	39.4	40.7
Total value	49.8	50.8	51.8	52.9	54.0	55.2	56.5
NFP last reported - FY-23	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)
Pension provision last reported	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)
Minorities (valued at BV)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	37.4	38.4	39.4	40.5	41.6	42.9	44.2
Equity value/share €	3.39	3.48	3.57	3.70	3.77	3.88	4.00

Source: CFO Sim

Table 11 – DBA Group, equity value sensitivity to changes in free risk rate

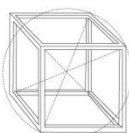
€ m	3.43%	3.68%	3.93%	4.18%	4.43%	4.68%	4.93%
Present value of CF	16.1	16.1	16.0	15.9	15.8	15.7	15.7
PV of terminal value	40.2	39.1	38.0	37.0	36.0	35.1	34.2
Total value	56.3	55.1	54.0	52.9	51.8	50.8	49.8
NFP last reported - FY-23	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)
Pension provision last reported	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)
Minorities (valued at BV)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	43.9	42.7	41.6	40.5	39.4	38.4	37.4
Equity value/share €	3.98	3.87	3.77	3.70	3.57	3.48	3.39

Source: CFO Sim

Table 12 – 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	16.4	16.2	16.1	15.9	15.7	15.6	15.4
PV of terminal value	43.8	41.3	39.1	37.0	35.1	33.3	31.7
Total value	60.2	57.6	55.1	52.9	50.8	48.9	47.1
NFP last reported - FY-23	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)	(8.4)
Pension provision last reported	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)	(3.6)
Minorities (valued at BV)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equity value	47.8	45.2	42.7	40.5	38.4	36.5	34.7
Equity value/share €	4.33	4.09	3.87	3.70	3.48	3.31	3.14

Source: CFO Sim



Market Multiples

We conducted an analysis on a cluster of 14 companies operating in the Engineering and ICT sectors, four of which are domestic. We divided the sample into two sub-groups: Engineering and ICT.

Our Engineering peer sample comprises the following comparable firms:

AECOM (USA): it provides engineering, consulting, program and project management services for several sectors, including energy, environment, oil and gas, transport, and construction.

Alten (France): it operates in engineering and technology consulting, and provides support for its customers' development strategies in the fields of innovation, R&D and IT systems.

Arcadis (The Netherlands): it is a multinational firm offering engineering, consulting, program and project management services for different markets, including water and energy resources, commercial development, contractors, renewable energy, finance, retail, industrial, and public transport services.

Jacobs Engineering (USA): it is a corporation providing engineering services including technical and scientific advice, in addition to all engineering aspects, construction, start-up and maintenance of plants for various sectors including industry, defence, energy and infrastructure.

SNC Lavalin (Canada): it is a group providing design, consulting, engineering, software and project management services to the mining and metallurgy, oil and gas, environment and water, infrastructure and clean power sectors. In Apr-17 it acquired Atkins Plc for some \$ 2.7bn (11.5x EBITDA).

Sweco (Sweden): it offers consulting, engineering and architectural services to various sectors including environment and water, infrastructure, energy and industrial.

Our ICT peer sample comprises the following comparable groups:

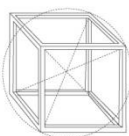
Accenture (USA): it is a multinational organisation offering management and strategic consulting services as well as technology services and outsourcing solutions in a vast array of industries.

Bechtle (Germany): it is a digital service company, with 80 houses in Germany, Austria and Switzerland as well as 24 e-commerce companies in 14 European countries. It offers a blend of direct IT product sales and extensive systems integration services. Backed by extensive experience and expertise in future-proof IT architecture, Bechtle values traditional infrastructures just as highly as current trends like digitalisation, cloud computing, modern workplace, security and IT-as-a-Service.

Capgemini (France): the company provides IT consulting, outsourcing and professional services including application lifecycle services, big data analytics, supply chain management in several sectors including aerospace and defence, automotive, finance, industrial production, oil and gas, TLC.

CDW Corp (USA): it is a leading multi-brand provider of information technology solutions to business, government, education and healthcare customers in the US, the UK and Canada. Founded in 1984, it employs approximately 10,000 coworkers. Its broad array of products and services range from hardware and software to integrated IT solutions such as security, cloud, hybrid infrastructure and digital experience.

Computacenter (UK): it is a leading independent provider of IT infrastructure services, supporting users and their business in the digital world. The company advises organisations on IT strategy, implements the most appropriate technology, optimises their performance, and manages customers' infrastructures.



Digital Value (Italy): it provides IT solutions and services in partnership with other IT providers. Its offering includes Data Centre and Hybrid Cloud, Networking and Intelligence Networks, Enterprise Infrastructural Software, ICT Security and Cybersecurity, and Digital Transformation. The company provides certifications for the whole IT offering of the major market brands. It is active in the telecommunications, utilities, automotive, defence, transportations, central public administration and finance businesses with a focus on large account clients.

Reply (Italy): it is a highly specialised group, supporting leading industrial companies in defining and developing business models to optimise and integrate processes, applications and devices, using new technology and communication paradigms, such as Big Data, Cloud Computing, Digital Communication, Internet of Things, Mobile and Social Networking.

TXT e solutions (Italy): it is a software specialist providing high value-added solutions for the aerospace, defence, high tech, finance, luxury, fashion, retail and consumer goods sectors.

Size and profitability vary a lot within samples, as well as the expected growth rates. Engineering comparable firms have EBITDA margins ranging from 6.9% to 12.5% and a mid-single digit median sales growth. ICT comparable firms show slightly higher growth and profitability profiles than the Engineering sample, ranging from 5.3% to 18.6%.

DBA Group's profitability is broadly aligned with the Engineering peers' median but is lower than the ICT software median.

Table 13 - DBA Group, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA %	Sales CAGR ₂₃₋₂₆	EBITDA CAGR ₂₃₋₂₆	EBIT CAGR ₂₃₋₂₆	EPS CAGR ₂₃₋₂₆	NFP/EBITDA
AECOM	USA	12,241	14,514	998	6.9%	6.7%	10.1%	12.5%	68.1%	1.2
Alten SA	France	4,655	4,310	483	11.2%	6.4%	8.1%	11.0%	12.7%	n.m.
Arcadis NV	Dutch	5,334	4,385	548	12.5%	10.9%	13.6%	21.6%	34.0%	1.3
Jacobs Solutions Inc	USA	16,909	15,286	1,477	9.7%	3.2%	2.2%	10.3%	17.4%	1.1
SNC-Lavalin Group Inc	Canada	6,502	6,238	608	9.7%	4.3%	11.7%	19.9%	31.3%	1.7
Sweco AB (publ)	Sweden	3,718	2,730	342	12.5%	4.6%	6.3%	11.3%	15.7%	0.8
Engineering median		5,334	5,311	578	10.5%	5.5%	9.1%	11.9%	24.4%	1.2
Accenture PLC	USA	204,868	60,470	11,274	18.6%	5.7%	10.0%	6.7%	9.4%	n.m.
Bechtle AG	Germany	6,318	6,923	545	7.9%	7.9%	5.4%	5.8%	9.3%	n.m.
Capgemini SE	France	36,378	22,981	3,640	15.8%	5.2%	9.5%	9.6%	15.8%	0.2
CDW Corp	USA	31,429	20,373	2,062	10.1%	6.5%	8.0%	10.9%	17.0%	2.0
Computacenter PLC	UK	3,864	8,223	436	5.3%	4.3%	6.8%	8.2%	5.5%	n.m.
Digital Value SpA	Italy	530	831	88	10.6%	14.8%	17.7%	18.2%	19.0%	0.1
Reply SpA	Italy	4,857	2,324	371	16.0%	9.0%	7.5%	8.3%	11.2%	n.m.
TXT e solutions SpA	Italy	297	257	37	14.4%	9.7%	10.8%	9.1%	7.0%	1.1
ICT median		5,588	7,573	490	12.5%	7.2%	8.8%	8.7%	10.3%	0.6
DBA Group SpA	Italy	26	116	12	10.2%	3.3%	2.3%	2.9%	8.4%	0.8

Source: CFO Sim, Refinitiv Eikon

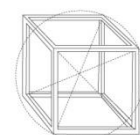


Table 14 - DBA Group, peer group EV multiple table

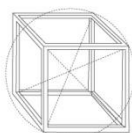
x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
AECOM	0.93	0.86	0.78	13.5	12.1	10.5
Alten SA	0.98	0.87	0.83	8.8	7.3	7.1
Arcadis NV	1.38	1.21	1.09	11.0	9.4	8.1
Jacobs Solutions Inc	1.21	1.16	1.04	12.6	11.3	11.1
SNC-Lavalin Group Inc	1.21	1.11	n.a.	12.4	10.5	n.a.
Sweco AB (publ)	1.47	1.36	1.31	11.7	10.6	9.5
Engineering median	1.21	1.13	1.04	12.1	10.6	9.5
Accenture PLC	3.30	3.07	2.82	17.7	16.1	14.7
Bechtle AG	0.89	0.81	0.74	11.3	10.3	9.4
Capgemini SE	1.61	1.45	1.32	10.2	8.9	8.0
CDW Corp	1.75	1.61	1.45	17.3	15.7	13.8
Computacenter PLC	0.40	0.37	0.33	7.6	7.0	6.2
Digital Value SpA	0.65	0.51	0.42	6.2	4.7	3.8
Reply SpA	1.97	1.75	1.62	12.3	10.8	10.1
TXT e solutions SpA	1.31	1.15	0.99	9.1	7.9	6.8
ICT median	1.46	1.30	1.16	10.8	9.6	8.7
DBA Group SpA	0.31	0.26	0.21	3.0	2.5	2.0

Source: CFO Sim, Refinitiv Eikon

Table 15 - DBA Group, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
AECOM	15.1	13.6	12.1	21.8	19.5	17.3
Alten SA	10.7	8.9	8.5	13.7	12.1	14.0
Arcadis NV	14.8	12.3	10.5	19.4	16.3	13.9
Jacobs Solutions Inc	13.4	11.8	10.9	18.6	16.6	15.3
SNC-Lavalin Group Inc	15.4	12.6	n.a.	23.3	18.0	14.7
Sweco AB (publ)	16.3	14.2	12.8	20.3	17.4	16.0
Engineering median	15.0	12.5	10.9	19.8	17.0	15.0
Accenture PLC	21.3	19.6	17.8	28.4	26.5	24.2
Bechtle AG	14.9	13.5	12.2	21.9	19.9	18.2
Capgemini SE	13.0	11.2	10.2	16.8	15.3	14.0
CDW Corp	18.2	16.6	14.6	24.1	22.1	19.6
Computacenter PLC	9.8	8.9	7.9	16.1	15.1	14.3
Digital Value SpA	9.3	6.8	5.3	14.1	11.2	9.3
Reply SpA	15.0	13.0	12.1	22.8	20.2	18.8
TXT e solutions SpA	15.4	12.9	10.9	21.2	18.6	15.6
ICT median	14.9	12.9	11.5	21.5	19.2	16.9
DBA Group SpA	3.8	3.1	2.4	5.0	4.6	4.2

Source: CFO Sim, Refinitiv Eikon



Peer stock performance

DBA Group went public on 13-Dec-17 on Euronext Growth Milan 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 10 companies, 6 of which mainly operating in the EPM business and the rest in the ICT software sector.

Table 16 - DBA Group, peer group absolute performance

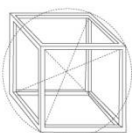
%	1D	1W	1M	3M	6M	YTD	1Y
AECOM	0.3	(0.0)	7.0	9.7	18.3	5.7	21.7
Alten SA	0.8	(2.0)	(1.2)	1.7	10.2	(1.6)	(9.3)
Arcadis NV	0.2	4.1	5.3	23.2	43.9	21.0	59.8
Jacobs Solutions Inc	(1.2)	(3.4)	(1.2)	13.6	4.3	12.6	29.3
SNC-Lavalin Group Inc	(0.4)	(1.1)	(2.7)	28.1	25.8	28.1	73.7
Sweco AB (publ)	1.6	(1.8)	2.3	(8.3)	17.5	(12.4)	(10.2)
Engineering median	0.2	(1.8)	(1.2)	9.7	17.5	5.7	25.5
Accenture PLC	(0.4)	(2.2)	(11.1)	(2.5)	6.3	(5.4)	17.8
Bechtle AG	2.3	2.6	4.0	14.5	12.8	10.7	18.5
Capgemini SE	(0.1)	(1.0)	(5.8)	13.1	28.7	11.9	24.2
CDW Corp	(0.4)	0.5	2.5	16.5	22.2	11.9	37.1
Computacenter PLC	(0.4)	0.4	(6.7)	(1.8)	6.0	(3.1)	23.4
Digital Value SpA	1.1	(4.1)	(4.8)	(8.6)	18.6	(13.8)	(21.3)
Reply SpA	1.3	(0.8)	4.9	12.6	47.8	8.9	16.9
TXT e solutions SpA	0.0	2.0	10.1	16.7	44.4	15.5	16.2
ICT median	(0.0)	(0.2)	(1.1)	12.9	20.4	9.8	18.2
DBA Group SpA	(2.1)	12.7	29.2	26.0	33.7	22.3	50.8

Source: Refinitiv Eikon

Risks

The principal investment **risks** associated with DBA Group include:

- Risks linked to the postponement of some key projects and 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 the P&L and balance sheet profiles triggered by a sharp decline in local and global economic growth;
- Profit margin dilution stemming from the acquisition campaign;
- The departure of one, or a few of, the key relevant people.



ANALYST CERTIFICATION

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

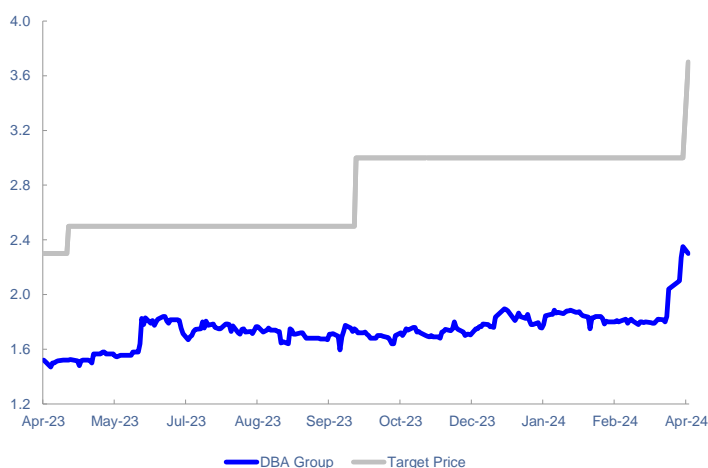
DISCLAIMER

This document has been drafted by CFO SIM, authorised by the Bank of Italy to provide investment services.

CFO SIM does not have a specific interest in either the issuer, the financial instruments or the transactions covered by the analysis.

The news and data used in this document come from information supplied to the public by the company concerned and/or from other documentation of public domain. CFO SIM is not liable for the accuracy, completeness, exactitude and impartiality of such news and data. This document has been drafted autonomously and independently and without the collaboration of the company analysed or of any company linked to the latter by shareholdings or control. This document has been prepared by the financial analysts of the Equity Research Department of CFO SIM, whose names are indicated therein. Gianluca Mozzali is an ordinary member of the Italian Association of Financial Analysts (AIAF). In no case can the company and the analysts, as authors of this document, be held liable (culpably or otherwise) for any damage resulting from use of the information or opinions set out therein. This document is for information purposes only. It cannot be reproduced directly or indirectly or redistributed to third parties, nor can it be published, either totally or in part, for any reason whatsoever. This document is not an invitation to purchase, nor is it intended to solicit the purchase or sale of the securities in question. The recipients of this document are formally bound to comply with the obligations indicated above.

CFO SIM wishes to provide ongoing coverage of the stocks mentioned in this document, as often as circumstances considered to be important dictate (corporate events, changes in recommendations, etc.). CFO SIM acts as Specialist and Corporate Broker for DBA Group stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 12 months.



DATE	TARGET PRICE	RATING
09/04/2024	€3.70	BUY
05/10/2023	€3.00	BUY
08/06/2023	€2.50	BUY
27/04/2023	€2.50	BUY

This document is distributed via electronic mail and fax as from the date indicated in the document itself and addressed to some 300 Italian and non-Italian professional investors. The document is available in electronic format on CFO SIM's Internet site, to Italian and non-Italian institutional investors, and/or on Borsa Italiana's Internet site.

RATING SYSTEM

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

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. 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.

