

Italy – Marketing Technology

Beefree keeps growing: in September, ARR reached \$ 15m

18th October 2024

H1-24 RESULTS RELEASE

RIC: GROWE.MI
BBG: GROW IM

H1-24 results came in broadly in line with our expectations concerning turnover whilst margins were slightly lower than anticipated because of higher than forecasted R&D and S&M expenses. Nevertheless, the gross margin increased by ca. 160bps, confirming the growing profitability of the group's products and services mix. Beefree was confirmed as the fastest growing business unit, with revenues up by over 20% YoY.

Rating:

Neutral

Price Target:

€ 6.40 (€ 6.60)

Upside/(Downside): 4.9%

Last Price: € 6.10

Market Cap.: € 94.2m

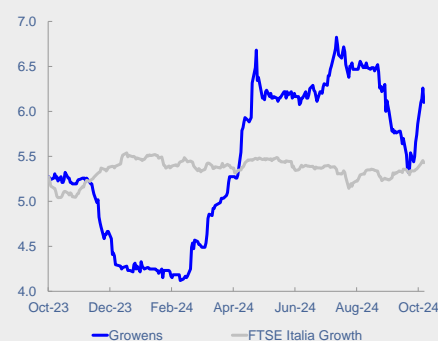
1Y High/Low: € 6.95 / € 4.01

Avg. Daily Turn. (3M, 6M): € 140k, € 154k

Free Float: 31.3%

Major shareholders:

Nazzareno Gorni	10.4%
Alberto Miscia	10.4%
Matteo Monfredini	10.3%
Luca Azzali	10.0%
Matteo Bettoni	9.8%



Stock price performance

	1M	3M	12M
Absolute	5.5%	-5.7%	15.7%
Rel.to FTSE IT Growth	3.4%	-6.7%	12.7%
Rel.to Peers median	2.4%	-13.5%	-8.3%

Analysts:

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

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

Chiara Francomacaro
+39 02 30343 394
chiara.francomacaro@cfosim.com

New SOTP-based PT of € 6.40/s (€ 6.60). Neutral confirmed

H1-24 marked the beginning of a new chapter of its journey for Growens, which progressively focused on accelerating Beefree's growth by strongly increasing R&D and S&M expenses to enrich Beefree's offer and increase its brand awareness. Following the H1-24 results release, we have updated our model by factoring in a fine-tuning of top-line growth and lower profitability. We have also updated the SOTP valuation, resulting in a new PT of € 6.40/s (€ 6.60). The slight cut in PT is almost entirely ascribable to the multiples de-rating, as the median SaaS Marketing peers' stock price performance in the last 6 months was negative by ca. 18%. We believe that Growens is currently fairly priced on fundamentals, thus we confirmed our Neutral recommendation on the stock.

Revenues LFL up by 7%: Beefree grew by 20%, Agile Telecom stable YoY (+1%)

In H1-24, total revenues reached € 36.9m, up by 3.6% YoY on a reported basis, whilst up by 6.8% YoY on a like-for-like basis, namely by excluding Datatrics from H1-23 results. Recurring revenues soared by 19% YoY to € 5.7m, while foreign revenues exceeded € 29m (up by 3.4% YoY, or 6.9% LFL), representing ca. 79% of the total. Beefree totalled sales of € 5.8m (\$ 6.2m), up by 20.4% YoY thanks to increasing volumes. As of June 2024, ARR reached \$ 13.6m. The BU's profitability was affected by the increasing investments in S&M and R&D aimed at boosting Beefree's development and growth. Agile Telecom reported revenues of € 30.0m, up by 1.3% YoY, and EBITDA to the tune of € 0.7m, 2.2% margin (vs € 1.4m, 4.7% margin in H1-23), because of the slowed-down activity of a relevant customer coupled with negative market dynamics. However, starting from Q2, the group has embarked on a few corrective actions to recover profitability.

EBITDA turned negative due to the planned increase in S&M and R&D expenses

EBITDA was negative for € 0.7m (positive for € 0.3m in H1-23) although gross profit rose by 11.7% YoY to € 8.0m, 21.8% margin (vs € 7.2m, 20.2% margin in H1-23). In particular, G&A expenses increased by over 30% as a result of the strengthening of the group's structure at the holding level as well as at Beefree, coupled with a few extraordinary costs related to extraordinary operations and variable compensations. Furthermore, S&M and R&D expenses rose by 18% and 27%, respectively, in order to boost the development of Beefree. EBIT was negative for € 2.6m (€ -2.7m in H1-23), after D&A of € 1.9m, ca. € 0.3m of which related to IFRS16 and ca. € 1.5m to R&D amortisations. Net Loss was € 1.7m (€ 2.6m in H1-23), after net financial income of € 0.6m and an estimated positive tax effect of € 0.2m.

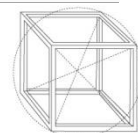
Net cash declined to € 23m mainly because of dividends and capex

Net cash was € 23.1m compared to € 42.1m at year-end 2023, following 1) the payment of € 1.4m of fees related to the sale of the business units and the voluntary tender offer on treasury shares, 2) the payment of the first € 10m tranche of the extraordinary dividend, 3) capex of € 2.5m, and 4) a certain NWC increase mainly due to receivables grew by € 2.1m.

Growens, key financials and ratios

€ m	2022*	2023	2024e	2025e	2026e
Total Revenues	77.0	75.1	76.2	82.8	91.1
EBITDA	1.4	(0.6)	(0.8)	1.1	2.3
EBIT	(1.4)	(3.7)	(4.5)	(2.9)	(1.8)
Adj. Net profit	(1.5)	(3.1)	(2.9)	(1.9)	(1.2)
NFP (cash)/debt	(0.1)	(42.1)	(14.4)	(11.3)	(8.9)
EBITDA margin	1.9%	-0.7%	-1.0%	1.3%	2.6%
EBIT margin	-1.8%	-4.9%	-6.0%	-3.5%	-2.0%
EPS €	(0.10)	(0.20)	(0.19)	(0.12)	(0.08)
EPS growth	42.5%	n.m.	5.1%	35.3%	34.9%
Free Cash Flow Yield	0.0%	6.3%	-8.1%	-3.3%	-2.6%
PER x	n.m.	n.m.	n.m.	n.m.	n.m.
PCF x	55.2	n.m.	n.m.	n.m.	n.m.
EV/Sales x	0.92	0.66	1.05	1.00	0.94
EV/EBITDA x	49.4	n.m.	n.m.	74.9	36.5
EV/EBIT x	n.m.	n.m.	n.m.	n.m.	n.m.

*2022 was restated to treat the ESP business and Datatrics as discontinued operations

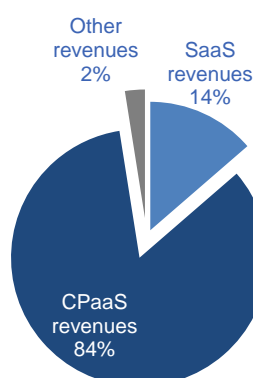


The company at a glance

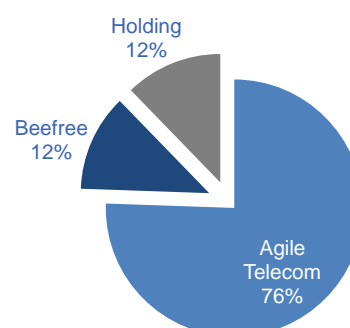
Founded in Cremona (Italy) in 2002 as an email service provider (i.e. the original business MailUp), Growens is now a leading international player in the Global Cloud Marketing Technologies market, one of the fastest growing industries worldwide. Its SaaS and CPaaS solutions allow SMEs and large corporations to master the evolving ways of communicating with customers. The group provides over 10,000 customers (1+ million of which are free users) in more than 115 countries with a wide range of solutions, mainly focusing on mobile messaging and no-code email content creation. Growens employs over 160 people on two continents, generating its turnover almost entirely abroad (foreign revenues are ca. 80% of the total).

The group has been on a significant growth path since its establishment: set up as a start-up in 2002, the group has constantly grown both organically and via M&A (6 acquisitions since 2015 and 2 divestments), peaking with the launch of innovative products such as Beefree.io.

2023 breakdown by business division...



... and by business unit



Shareholder structure

Shareholders	%	# m
Nazzareno Gorni (via Poliedriq Srl)	10.4%	1.61
Alberto Miscia (via AMO Srl)	10.4%	1.61
Matteo Monfredini (via MM Srl)	10.3%	1.59
Luca Azzali (via Yugen Srl)	10.0%	1.55
Matteo Bettoni (via Linea Srl)	9.8%	1.51
Treasury shares	17.6%	2.71
Free Float	31.3%	4.82
Total	100.0%	15.39

Source: Company data

Peer group absolute performance

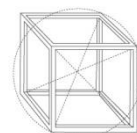
%	1D	1W	1M	3M	6M	YTD
dotDigital Group PLC	(1.2)	4.1	0.1	(9.8)	(3.3)	(7.0)
HubSpot Inc	0.2	(3.6)	0.6	10.8	(17.9)	(8.1)
Neosperience SpA	(3.4)	1.5	(34.6)	(40.7)	(55.2)	(55.8)
SaaS Marketing median	(1.2)	1.5	0.1	(9.8)	(17.9)	(8.1)
CM.com NV	4.6	2.2	6.2	(3.1)	1.2	(19.8)
Link Mobility Group ASA	(1.2)	3.5	7.0	26.1	37.5	38.2
Sinch AB (publ)	0.1	0.5	(13.3)	18.7	13.2	(25.3)
Twilio Inc	(0.4)	0.2	12.1	21.8	20.2	(7.5)
Mobile Messaging median	(0.1)	1.3	6.6	20.2	16.7	(13.6)
Growens SpA	(2.6)	6.3	5.5	(5.7)	16.0	43.0

Source: Refinitiv Eikon

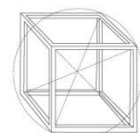
Peer group multiples table

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
dotDigital Group PLC	3.12	2.73	10.2	8.8	16.2	13.8	20.5	18.9
HubSpot Inc	10.46	8.80	51.3	41.8	61.3	48.9	68.2	57.6
Neosperience SpA	1.19	0.99	4.8	3.7	24.9	12.3	54.9	15.0
SaaS Marketing median	3.12	2.73	10.2	8.8	24.9	13.8	54.9	18.9
CM.com NV	1.00	0.86	17.0	11.4	n.m.	69.8	n.m.	305.9
Link Mobility Group Holding ASA	1.11	0.93	11.5	9.2	23.6	16.4	15.8	15.2
Sinch AB (publ)	1.04	0.94	8.5	7.3	34.4	21.5	74.3	32.9
Twilio Inc	2.22	1.94	11.4	9.9	14.6	12.2	20.1	18.7
Mobile Messaging median	1.08	0.93	11.4	9.5	23.6	19.0	20.1	25.8
Growens SpA	1.05	1.00	n.m.	74.9	n.m.	n.m.	n.m.	n.m.

Sources: CFO SIM, Refinitiv Eikon



Income statement (€ m)	2022*	2023	2024e	2025e	2026e
Total revenues	77.0	75.1	76.2	82.8	91.1
COGS	(64.5)	(60.2)	(60.4)	(65.4)	(72.0)
Gross Profit	12.5	14.8	15.9	17.4	19.1
Sales & Marketing	(2.8)	(4.4)	(5.7)	(6.0)	(6.4)
Research & Development	(2.1)	(1.9)	(2.9)	(2.5)	(2.6)
General costs	(6.1)	(9.0)	(8.0)	(7.8)	(7.9)
EBITDA	1.4	(0.6)	(0.8)	1.1	2.3
D&A	(2.8)	(3.1)	(3.8)	(4.0)	(4.2)
EBIT	(1.4)	(3.7)	(4.5)	(2.9)	(1.8)
Financials	(0.3)	1.0	(0.1)	(0.1)	(0.1)
Re/(Devaluation) of financial assets	0.0	0.0	0.0	0.0	0.0
Extraordinary	(1.5)	56.1	0.0	0.0	0.0
Pre-Tax profit	(3.1)	53.5	(4.7)	(3.0)	(2.0)
Income taxes	0.6	(0.4)	1.7	1.1	0.7
Minorities	(0.0)	(0.1)	0.0	0.0	0.0
Net Profit	(2.6)	53.0	(2.9)	(1.9)	(1.2)
Adjusted Net Profit	(1.5)	(3.1)	(2.9)	(1.9)	(1.2)
Balance sheet (€ m)	2022*	2023	2024e	2025e	2026e
Net Working Capital	1.8	(4.0)	(1.2)	(1.2)	(1.1)
Net Fixed Assets	31.8	15.5	17.3	18.3	19.1
Equity Investments	0.3	0.4	0.4	0.4	0.4
Other M/L Term A/L	(17.0)	2.7	2.8	3.0	3.4
Net Invested Capital	17.0	14.7	19.3	20.6	21.7
Net Financial Position	(0.1)	(42.1)	(14.4)	(11.3)	(8.9)
Minorities	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Group's Shareholders Equity	17.1	56.9	33.9	32.0	30.7
Financial Liabilities & Equity	17.0	14.7	19.3	20.6	21.7
Cash Flow statement (€ m)	2022*	2023	2024e	2025e	2026e
Total net income	-	53.1	(2.9)	(1.9)	(1.2)
Depreciation	-	3.1	3.8	4.0	4.2
Other non-cash charges	-	(67.8)	(0.0)	(0.3)	(0.3)
Cash Flow from Oper. (CFO)	-	(11.5)	0.8	1.8	2.6
Change in NWC	-	5.8	(2.8)	0.0	(0.0)
FCF from Operations (FCFO)	-	(5.7)	(2.0)	1.9	2.6
Net Investments (CFI)	-	65.1	(5.6)	(5.0)	(5.0)
Free CF to the Firm (FCFF)	-	59.4	(7.6)	(3.1)	(2.4)
CF from financials (CFF)	-	(26.0)	(20.0)	0.0	0.0
Free Cash Flow to Equity (FCFE)	-	33.3	(27.7)	(3.1)	(2.4)
Financial ratios	2022*	2023	2024e	2025e	2026e
EBITDA margin	1.9%	-0.7%	-1.0%	1.3%	2.6%
EBIT margin	-1.8%	-4.9%	-6.0%	-3.5%	-2.0%
Adj. Net profit margin	-2.0%	-4.1%	-3.9%	-2.3%	-1.4%
Tax rate	18.0%	n.m.	n.m.	n.m.	n.m.
Op NWC/Sales	2.4%	-5.3%	-1.5%	-1.4%	-1.3%
Interest coverage x	n.m.	n.m.	n.m.	n.m.	n.m.
Net Debt/EBITDA x	(0.05)	n.m.	n.m.	(10.22)	(3.80)
Debt-to-Equity x	(0.00)	(0.74)	(0.43)	(0.35)	(0.29)
ROIC	n.m.	n.m.	n.m.	n.m.	n.m.
ROCE	n.m.	n.m.	n.m.	n.m.	n.m.
ROACE	n.m.	n.m.	n.m.	n.m.	n.m.
ROE	n.m.	n.m.	n.m.	n.m.	n.m.
Payout ratio	0.0%	37.8%	0.0%	0.0%	0.0%
Per share figures	2022*	2023	2024e	2025e	2026e
Number of shares # m	15.39	15.39	15.39	15.39	15.39
Number of shares Fully Diluted # m	15.39	15.39	15.39	15.39	15.39
Average Number of shares Fully Diluted # m	15.39	15.39	15.39	15.39	15.39
EPS stated FD €	(0.17)	3.44	(0.19)	(0.12)	(0.08)
EPS adjusted FD €	(0.10)	(0.20)	(0.19)	(0.12)	(0.08)
EBITDA €	0.09	(0.04)	(0.05)	0.07	0.15
EBIT €	(0.09)	(0.24)	(0.30)	(0.19)	(0.12)
BV €	1.11	3.69	2.19	2.07	1.99
FCFO €	-	(0.37)	(0.13)	0.12	0.17
FCFF €	-	3.86	(0.50)	(0.20)	(0.16)
FCFE €	-	2.17	(1.80)	(0.20)	(0.16)
Dividend €	0.00	1.58	0.00	0.00	0.00



H1-24 Results

Growens reported H1-24 results characterised by like-for-like growth of 7% and EBITDA, as expected, negatively impacted by the increased S&M and R&D expenses aimed at boosting Beefree's development. Nevertheless, the gross margin increased by ca. 160bps, confirming the growing profitability of the group's products and services mix. Beefree was confirmed as the fastest growing business unit.

Table 1 – Growens, H1-24 results

€ m	H1-24	H1-23	% YoY
SaaS Revenues	5.7	5.9	(2.2)
CPaaS Revenues	29.8	29.5	1.2
Other Revenues	1.3	0.3	n.m.
Total revenues	36.9	35.6	3.6
COGS	(28.9)	(28.4)	
Gross Profit	8.0	7.2	11.7
% margin	21.8	20.2	
Sales & Marketing	(2.6)	(2.2)	
Research & Development	(1.5)	(1.2)	
General costs	(4.6)	(3.5)	
EBITDA	(0.7)	0.3	n.m.
% margin	(1.9)	0.8	
D&A	(1.9)	(3.0)	
EBIT	(2.6)	(2.7)	5.3
% margin	(7.0)	(7.6)	
Financials	0.6	(0.2)	
Pre-Tax profit	(2.0)	(2.9)	31.8
% margin	(5.3)	(8.1)	
Income taxes	0.2	0.0	
Tax rate	n.m.	n.m.	
Minorities	0.1	0.0	
Net Profit	(1.7)	(2.8)	40.3
% margin	(4.6)	(8.0)	
Net result from disc. operations	-	0.2	
Net Profit (incl. disc. operations)	(1.7)	(2.6)	36.1
% margin	(4.6)	(7.4)	
Net Financial Position debt/(cash) *	(23.1)	(42.1)	45.1

Source: Company data *compared to FY-23

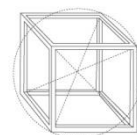
In H1-24, **total revenues reached € 36.9m, up by 3.6% YoY on a reported basis, whilst up by 6.8% YoY on a like-for-like basis**, namely by excluding from H1-23 results Datatrics, which was sold in Oct-23. As a consequence, the SaaS division grew more than 20% LFL, representing ca. 16% of the total, and the CPaaS division remained broadly stable (+1.2% YoY), accounting for 81% of the total.

Recurring revenues soared by 19% YoY to € 5.7m, while foreign revenues exceeded € 29m (up by 3.4% YoY, or 6.9% LFL), representing ca. 79% of the total.

EBITDA was negative for € 0.7m (positive for € 0.3m in H1-23) **although gross profit rose by 11.7% YoY to € 8.0m, 21.8% margin** (vs € 7.2m, 20.2% margin in H1-23). In particular, G&A expenses increased by more than 30% YoY as a result of the strengthening of the group's structure at the holding level as well as at Beefree, coupled with a few extraordinary costs related to extraordinary operations and variable compensations. Furthermore, S&M and R&D expenses rose by 18% and 27%, respectively, in order to boost the development of Beefree.

EBIT was negative for € 2.6m (€ -2.7m in H1-23), after D&A of € 1.9m, ca. € 0.3m of which related to IFRS-16 and ca. € 1.5m to R&D amortisations.

Net Loss was € 1.7m (€ 2.6m in H1-23), after net financial income of € 0.6m and an estimated positive tax effect of € 0.2m.



Net cash was € 23.1m compared to € 42.1m at year-end 2023, following 1) the payment of € 1.4m of fees related to the sale of the business units and the voluntary tender offer on treasury shares, 2) the payment of the first € 10m tranche of the extraordinary dividend, 3) capex of € 2.5m (capitalisation of R&D costs), and 4) a certain NWC increase mainly due to receivables grew by € 2.1m.

Table 2 – Growens, H1-24 results breakdown by business unit

€ m	H1-24	H1-23	% YoY
Agile Telecom	30.0	29.6	1.3
Beefree	5.8	4.8	20.4
Datatrix	-	1.1	n.m.
Holding	7.2	5.3	36.5
Consol. Adj.	(6.0)	(5.1)	(18.5)
Total revenues	36.9	35.6	3.6
EBITDA Agile Telecom	0.7	1.4	(51.8)
EBITDA Beefree	(1.7)	0.1	n.m.
EBITDA Datatrix	-	(0.6)	n.m.
EBITDA Holding	0.3	0.1	n.m.
Consol. Adj.	0.0	(0.7)	n.m.
Total EBITDA	(0.7)	0.3	n.m.
EBITDA % Agile Telecom	2.2	4.7	
EBITDA % Beefree	(28.7)	2.6	
EBITDA % Datatrix	-	(58.6)	
EBITDA % Holding	3.7	1.6	
Total EBITDA %	(1.9)	0.8	

Source: Company data

Looking at the H1-24 results in terms of business units:

- **Beefree totalled sales of € 5.8m** (\$ 6.2m), **up by 20.4% YoY** thanks to increasing volumes. As of June 2024, **ARR reached \$ 13.6m**. The BU's profitability was affected by the increasing investments in sales & marketing and R&D aimed at boosting Beefree's development and growth.
- **Agile Telecom reported revenues of € 30.0m, up by 1.3% YoY, and EBITDA to the tune of € 0.7m, 2.2% margin (vs € 1.4m, 4.7% margin in H1-23)**, because of the slowed-down activity of a relevant customer coupled with negative market dynamics. However, starting from Q2, the group has embarked on a few corrective actions to recover profitability.

Q3-24 KPIs

As of September 2024, **Beefree's Annual Recurring Revenues reached € 13.8m, up by 26.7% YoY** (\$ 15.2m, up by 29.4% YoY at constant FX).

Table 3 – Growens, Beefree's ARR as of September 2024

ARR - million	Sep-24	Sep-23	% YoY
Beefree EUR	13.8	10.9	26.7
Beefree USD	15.2	11.7	29.4

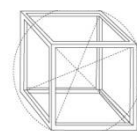
Source: Company data

Concerning the CPaaS business line, in Q3-24, **Agile Telecom reported € 14.5m in sales, down by 15.9% YoY**, as a consequence of the group's decision to **focus on contracts with higher profitability** also to the detriment of top-line growth. Considering the 9M-24 period, Agile Telecom's sales reached € 44.2m, down by 5.3% YoY.

Table 4 – Growens, Agile Telecom's Q3-24 sales

CPaaS - € m	Q1-24	Q1-23	% YoY	Q2-24	Q2-23	% YoY	Q3-24	Q3-23	% YoY
Agile Telecom	13.9	14.8	(6.7)	15.9	14.6	8.6	14.5	17.2	(15.9)

Source: Company data



Estimates, Valuation & Risks

The first half of 2024 marked the beginning of a new chapter of its journey for Growens, which progressively focused on accelerating Beefree's growth by strongly increasing research & development and sales & marketing expenses to enrich Beefree's offer and increase its brand awareness. Furthermore, Growens distributed the first tranche of the extraordinary dividend on May, 8th, i.e. € 10m, while the second tranche of € 10m was paid on September, 4th.

Moreover, the recently acquired **Really Good Emails, Inc.** (RGE), a US-based company which owns a website and software offering a wide array of email templates, **is expected to boost Beefree's growth** as it allows to close the gap between finding inspiration and creating valuable content, thus being a natural extension of Beefree's offer.

H1-24 results came in broadly in line with our expectations concerning turnover whilst margins were slightly lower than anticipated because of higher than forecasted R&D and S&M expenses. As a consequence, **we have updated our model by factoring in a fine-tuning of top-line growth and lower profitability.**

Table 5 – Growens, 2024e new/old estimates

€ m	New	Old	Δ %	Δ € m
Total revenues	76.2	76.2	0.1	0.1
EBITDA	(0.8)	(0.3)	n.m.	(0.4)
% margin	(1.0)	(0.4)		
EBIT	(4.5)	(3.5)	(29.3)	(1.0)
% margin	(6.0)	(4.6)		
Net Profit	(2.9)	(2.3)	(28.3)	(0.6)
% margin	(3.9)	(3.0)		
NFP debt/(cash)	(14.4)	(17.0)	15.3	2.6

Source: CFO SIM

Table 6 – Growens, 2025e new/old estimates

€ m	New	Old	Δ %	Δ € m
Total revenues	82.8	81.5	1.6	1.3
EBITDA	1.1	1.5	(28.5)	(0.4)
% margin	1.3	1.9		
EBIT	(2.9)	(1.6)	(83.0)	(1.3)
% margin	(3.5)	(1.9)		
Net Profit	(1.9)	(1.1)	(76.6)	(0.8)
% margin	(2.3)	(1.3)		
NFP debt/(cash)	(11.3)	(13.8)	18.3	2.5

Source: CFO SIM

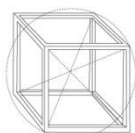
Table 7 – Growens, 2026e new/old estimates

€ m	New	Old	Δ %	Δ € m
Total revenues	91.1	88.5	2.9	2.6
EBITDA	2.3	2.7	(13.8)	(0.4)
% margin	2.6	3.1		
EBIT	(1.8)	(0.4)	n.m.	(1.4)
% margin	(2.0)	(0.5)		
Net Profit	(1.2)	(0.3)	n.m.	(0.9)
% margin	(1.4)	(0.4)		
NFP debt/(cash)	(8.9)	(11.5)	22.9	2.6

Source: CFO SIM

We have also updated the SOTP valuation, resulting in a **new PT of € 6.40/s (€ 6.60), 4.9% upside** to current prices. **The slight cut in PT is almost entirely ascribable to the multiples de-rating**, as the median SaaS Marketing peers' stock price performance in the last 6 months was negative by ca. 18%.

We believe that Growens is currently fairly priced on fundamentals, thus we confirmed our **Neutral recommendation on the stock.**



Sum of the parts

The sum-of-the-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 obtained by adjusting the company's net debt, pension provisions, minorities assessment and perpetuity of holding costs.

We have segmented the comparable companies into two clusters: 1) companies operating in the marketing technology arena with a SaaS-based business model and 2) players working in the mobile messaging sector.

In order to evaluate the Beefree business unit, we considered the following companies:

dotDigital Group PLC (United Kingdom): dotDigital Group provides software, service technology and tools for digital marketing. Furthermore, it offers Software as a Service (SaaS) technologies, email marketing consultancy and managed services for businesses.

HubSpot Inc (USA): HubSpot provides a cloud-based marketing and sales software platform. The company offers integrated applications that help in lead generation and social marketing.

Neosperience SpA (Italy): Neosperience, listed on Euronext Growth Milan, provides digital marketing and e-commerce technologies. The company develops AI proprietary models that extract personality traits, lifestyles, attitudes, and behaviours from the interaction with its customers' websites, applications, chats, social media, and aggregators.

Amongst the mobile messaging players suitable to appraise the Agile Telecom business unit, we selected the following:

CM.com NV (Netherlands): CM.com is a conversational commerce provider, serving companies worldwide linking them to the mobile phones of their consumers. It provides messaging channels and voice solution from its cloud-based platform. CM.com is also a licensed Payment Service Provider (PSP).

Link Mobility Group Holding ASA (Norway): Link Mobility Group Holding, through its subsidiaries, provides communications platform as a service to improve personalised communications with multiple new channels and mobile communication services.

Sinch AB (Sweden): Sinch develops cloud communication platforms. The company offers personalised messaging, number masking, video calling, voicemail, and other related services. Sinch serves customers mainly in Sweden.

Twilio (USA): Twilio offers cloud communications platform, which enables developers to build, scale, and deploy real-time communications within software applications.

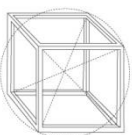


Table 8 – Growens, peer group summary table

€ 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
dotDigital Group PLC	UK	339	94	29	30.6%	11.6%	10.6%	10.8%	9.4%	n.m.
HubSpot Inc	USA	25,287	2,302	470	20.4%	17.2%	n.m.	n.m.	n.m.	n.m.
Neosperience SpA	Italy	17	26	6	24.7%	17.6%	36.3%	41.9%	131.4%	2.2
SaaS Marketing median		339	94	29	24.7%	17.2%	23.4%	26.3%	70.4%	2.2
CM.com NV	Netherlands	204	285	17	5.9%	10.9%	n.m.	n.m.	n.m.	4.8
Link Mobility Group Holding ASA	Norway	634	628	61	9.7%	10.7%	11.1%	21.0%	140.8%	1.1
Sinch AB (publ)	Sweden	2,079	2,518	310	12.3%	2.4%	5.8%	20.9%	191.2%	1.8
Twilio Inc	USA	10,411	3,969	772	19.5%	6.7%	n.m.	n.m.	n.m.	n.m.
Mobile Messaging median		1,357	1,573	186	11.0%	8.7%	8.4%	20.9%	166.0%	1.8
Growens SpA	Italy	94	76	(1)	n.m.	6.7%	n.m.	n.m.	n.m.	n.m.

Sources: CFO SIM, Refinitiv Eikon

Table 9 – Growens, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
dotDigital Group PLC	3.12	2.73	2.41	10.2	8.8	7.8
HubSpot Inc	10.46	8.80	7.24	51.3	41.8	31.4
Neosperience SpA	1.19	0.99	0.77	4.8	3.7	2.7
SaaS Marketing median	3.12	2.73	2.41	10.2	8.8	7.8
CM.com NV	1.00	0.86	0.74	17.0	11.4	8.9
Link Mobility Group Holding ASA	1.11	0.93	0.65	11.5	9.2	6.3
Sinch AB (publ)	1.04	0.94	0.83	8.5	7.3	6.2
Twilio Inc	2.22	1.94	1.78	11.4	9.9	8.8
Mobile Messaging median	1.08	0.93	0.79	11.4	9.5	7.6
Growens SpA	1.05	1.00	0.94	n.m.	74.9	36.5
% Prem./disc.) to SaaS Marketing	(66.5)	(63.3)	(61.2)	n.a.	n.m.	n.m.
% Prem./disc.) to Mobile Messaging	(3.0)	7.2	19.0	n.a.	n.m.	n.m.

Sources: CFO SIM, Refinitiv Eikon

Table 10 – Growens, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
dotDigital Group PLC	16.2	13.8	12.0	20.5	18.9	17.6
HubSpot Inc	61.3	48.9	37.3	68.2	57.6	44.9
Neosperience SpA	24.9	12.3	6.4	54.9	15.0	6.9
SaaS Marketing median	24.9	13.8	12.0	54.9	18.9	17.6
CM.com NV	n.m.	69.8	26.9	n.m.	305.9	51.0
Link Mobility Group Holding ASA	23.6	16.4	10.6	15.8	15.2	13.2
Sinch AB (publ)	34.4	21.5	15.8	74.3	32.9	22.3
Twilio Inc	14.6	12.2	11.3	20.1	18.7	16.6
Mobile Messaging median	23.6	19.0	13.5	20.1	25.8	19.4
Growens SpA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
% Prem./disc.) to SaaS Marketing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
% Prem./disc.) to Mobile Messaging	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Sources: CFO SIM, Refinitiv Eikon

In our SOTP valuation, we used 1) the median EV/Sales multiple of SaaS Marketing panel to evaluate the Beefree business unit and 2) the median EV/EBITDA multiple of the Mobile Messaging panel to appraise the Agile Telecom business unit.

We decided to assess the equity value using 2024-25-26e figures, 50-25-25% weighted. As a result, **we attained an equity value of € 6.40/s (€ 6.60), fairly aligned with current price levels.**

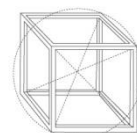


Table 11 – Growens, Sum of the Parts equity value assessment – FY1 (2024e)

	€ m	% on EV	Methodology
Beefree BU	42.2	63.1	3.1x peer multiple on € 13.5m BU Sales 2024e
Agile Telecom BU	24.7	36.9	11.4x peer multiple on € 2.2m BU EBITDA 2024e
Total EV	66.9	100.0	
Holding costs	(0.8)		Perpetuity of holding costs @ 6.5%
NFP	14.4		FY-24e Net Financial Position
Pension Provision	(1.1)		Pension last reported - FY-23
Equity Value	79.4		
# m shares (excl. treasury shares)	12.7		
Per share	6.30		
% upside/(downside)	3.3%		

Source: CFO SIM, Refinitiv Eikon

Table 12 – Growens, Sum of the Parts equity value assessment – FY2 (2025e)

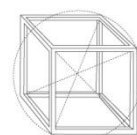
	€ m	% on EV	Methodology
Beefree BU	49.8	70.1	2.7x peer multiple on € 18.3m BU Sales 2025e
Agile Telecom BU	21.2	29.9	9.5x peer multiple on € 2.2m BU EBITDA 2025e
Total EV	71.0	100.0	
Holding costs	(0.8)		Perpetuity of holding costs @ 6.5%
NFP	11.3		FY-25e Net Financial Position
Pension Provision	(1.1)		Pension last reported - FY-23
Equity Value	80.4		
# m shares (excl. treasury shares)	12.7		
Per share	6.30		
% upside/(downside)	3.3%		

Source: CFO SIM, Refinitiv Eikon

Table 13 – Growens, Sum of the Parts equity value assessment – FY3 (2026e)

	€ m	% on EV	Methodology
Beefree BU	59.6	77.5	2.4x peer multiple on € 24.7m BU Sales 2025e
Agile Telecom BU	17.3	22.5	7.6x peer multiple on € 2.3m BU EBITDA 2025e
Total EV	76.9	100.0	
Holding costs	(0.8)		Perpetuity of holding costs @ 6.5%
NFP	8.9		FY-26e Net Financial Position
Pension Provision	(1.1)		Pension last reported - FY-23
Equity Value	83.8		
# m shares (excl. treasury shares)	12.7		
Per share	6.60		
% upside/(downside)	8.2%		

Source: CFO SIM, Refinitiv Eikon



Peer Stock Performance

Growens was listed on Euronext Growth Milan on 29 July 2014 at € 2.50/share (**adjusted IPO price of € 1.92/share** as a result of the free capital increase of 11-Apr-16), corresponding to a post-money market capitalisation of € 20.0m. **Growens trades well above the IPO price**, +217.7% since the IPO. The stock reached a 1Y intraday maximum price of € 6.95/s on 01-Aug-24 and a minimum price of € 4.01/s on 28-Feb-24.

Table 14 – Growens, peer group and index absolute performance

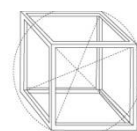
%	1D	1W	1M	3M	6M	YTD	1Y
dotDigital Group PLC	(1.2)	4.1	0.1	(9.8)	(3.3)	(7.0)	22.5
HubSpot Inc	0.2	(3.6)	0.6	10.8	(17.9)	(8.1)	19.8
Neosperience SpA	(3.4)	1.5	(34.6)	(40.7)	(55.2)	(55.8)	(49.9)
SaaS Marketing median	(1.2)	1.5	0.1	(9.8)	(17.9)	(8.1)	19.8
CM.com NV	4.6	2.2	6.2	(3.1)	1.2	(19.8)	(18.0)
Link Mobility Group Holding ASA	(1.2)	3.5	7.0	26.1	37.5	38.2	101.4
Sinch AB (publ)	0.1	0.5	(13.3)	18.7	13.2	(25.3)	45.1
Twilio Inc	(0.4)	0.2	12.1	21.8	20.2	(7.5)	25.3
Mobile Messaging median	(0.1)	1.3	6.6	20.2	16.7	(13.6)	35.2
Growens SpA	(2.6)	6.3	5.5	(5.7)	16.0	43.0	15.7
MSCI World Index	0.1	0.7	1.3	4.4	14.0	17.9	31.1
EUROSTOXX	0.7	0.2	0.3	1.8	1.4	8.2	19.0
FTSE Italia All Share	1.0	2.7	2.7	1.1	3.3	14.5	24.3
FTSE Italia STAR	0.6	1.5	1.0	(2.1)	1.7	(2.0)	16.2
FTSE Italia Growth	(0.4)	1.3	2.1	1.0	1.9	(1.5)	2.9

Source: Refinitiv Eikon

Table 15 – Growens relative performances

%	1D	1W	1M	3M	6M	YTD	1Y
To SaaS Marketing median	(1.4)	4.8	5.4	4.1	33.9	51.2	(4.1)
To peer Mobile Messaging median	(2.4)	4.9	(1.1)	(25.9)	(0.7)	56.7	(19.6)
To MSCI World Index	(2.6)	5.5	4.2	(10.1)	2.1	25.1	(15.4)
To EUROSTOXX	(3.3)	6.1	5.2	(7.4)	14.7	34.8	(3.4)
To FTSE Italia All Share	(3.6)	3.6	2.8	(6.8)	12.7	28.5	(8.7)
To FTSE Italia STAR	(3.2)	4.8	4.6	(3.6)	14.3	45.0	(0.6)
To FTSE Italia Growth	(2.1)	5.0	3.4	(6.7)	14.1	44.6	12.7

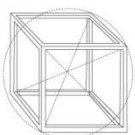
Source: Refinitiv Eikon



Risks

The main investment **risks** associated with Growens include the following:

- Fast technological developments increasing competitive pressure;
- Risks due to ICT malfunctions;
- Profit margin dilution stemming from the acquisition campaign;
- Impacts on the profit and loss and balance sheet profiles triggered by a sharp decline in global economic growth or geopolitical instability;
- Departure of one, or a few, of the key people;
- M&A execution being hampered by potential consolidating actors showing higher firepower in the industry;
- The execution risk linked to Beefree's development strategy following the sale of the ESP business is not to be underestimated.



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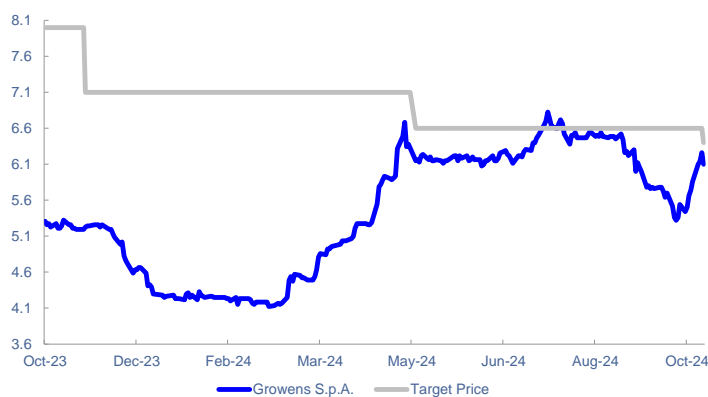
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DATE	TARGET PRICE	RATING
18/10/2024	€6.40	NEUTRAL
13/05/2024	€6.60	NEUTRAL
03/04/2024	€6.40	NEUTRAL
15/11/2023	€7.10	NEUTRAL
25/09/2023	€8.00	NEUTRAL

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

