

Italy - Marketing Technology

A good set of numbers, strong improvement in margins

13th May 2021

Q1-21 RESULTS RELEASE

RIC: GROWE.MI BBG: GROW IM Growens showed once again strong resilience in a quarter characterised to a certain extent by several full lockdown periods. The huge cash available allows the group to exploit M&A opportunities: management confirmed that the group is currently assessing a few opportunities, aimed at integrating a large size SaaS company.

Rating:

Buy

Price Target: € 6.00

Upside/(Downside): 37.9%

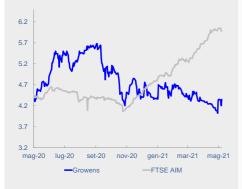
Last Price: € 4.35 Market Cap.: € 65.5m

1Y High/Low: € 5.74 / € 3.81

Free Float: 36.8%

Major shareholders:

Alberto Miscia	10.7%
Matteo Monfredini	10.6%
Nazzareno Gorni	10.6%
Luca Azzali	10.2%
Matteo Bettoni	10.1%



Stock price performance						
	1M	3M	12M			
Absolute	2.4%	-6.0%	-4.0%			
Rel.to AIM Italia	2.9%	-10.2%	-55.0%			
Rel.to Peers median	6.6%	1.8%-	106.2%			

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Estimates, rating and PT confirmed

In Q1-21, Growens (formerly MailUp) achieved growing revenues and a massive improvement in margins thanks to several optimisation and cost saving strategies. It is worth mentioning that Q1-20 was only partially affected by Covid-19 while Q1-21 was, to a certain extent, a period of full lockdown. Furthermore, Growens's reported revenues and EBITDA in Q1-21 represented 22.2% and 23.5% of our FY-21 top line and EBITDA estimates respectively, thus corroborating our 2021 projections. Just by way of comparison, in 2020 Q1 revenues and EBITDA accounted for 24.3% and 10.7% of FY figures respectively, while in 2019 they accounted for 22.0% and 10.1%. Therefore, we confirm our estimates, rating and PT.

Sales up by 4.8% YoY, driven by Agile Telecom, BEE and Acumbamail

Revenues grew by 4.8% YoY to € 16.6m, despite Q1-21 was to a certain extent a period of full lockdown, whilst Q1-20 was only partially affected by Covid-19. Exports grew by 9% YoY to € 9m (54% of total sales). Recurring revenues stemming from SaaS solutions increased 9% YoY to € 4.9m (30% of total sales). MailUp recorded almost steady sales YoY, totalling € 3.9m. The business unit's sales are mostly exposed to Italy, where several clients operating in the fashion, events and travel & hospitality sectors massively reduced their investments in marketing activities. Agile Telecom totalled € 11.0m, up 4.5% YoY. The low demand of drive-to-store SMS also continued in Q1-21 due to the various lockdowns, mainly in Italy. BEE soared 27.2% YoY (+43% at constant FX), reaching € 1.1m, thanks to both an increase in the number of clients and growing revenues per client on the BEE Pro module, which partially counterbalanced the slowdown in BEE Plugin's sales. Acumbamail grew by 34.1% YoY to € 0.5m, mainly thanks to its self-provisioning business model as well as the launch of the new product Gumbamail, embedded into Google Gmail suite. Datatrics experienced a decline of 17.5% YoY, negatively affected by the Covid-19 crisis.

Margins benefited from several optimisation and cost saving initiatives

EBITDA totalled € 1.4m, 8.3% margin (vs € 0.5m, 3.4% margin in Q1-20). The strong improvement in margins was mainly related to the massive increase in gross profit, which soared by 25.7% YoY, more than proportionately to revenues. As a consequence, gross margin rose to 33.7% from 28.1% in Q1-20. This was obtained thanks to several optimisation and cost saving measures, namely: i) a 3% decline in S&M costs mainly as a result of the lack of in-person events and related travel; ii) an improvement in profitability with regard to all the business units, especially Agile Telecom and BEE; iii) a reduction in Datatrics's operating losses thanks to the reorganisation process put in place in 2020. On the other hand, as already disclosed, the group did not suspend or postpone any planned strategic projects, mainly related to R&D (in Q1-21 R&D costs increased by 28.6% YoY). NFP was € 2.0m (net cash) vs € 2.5m (net cash) at end-20. Excluding the IFRS 16 effect, NFP was € 5.6m (net cash). Cash and cash equivalents accounted for € 9.1m.

Growens, key financials and ratios

€m	2019	2020	2021e	2022e	2023e
Total Revenues	60.8	65.2	74.8	84.2	93.7
EBITDA	4.8	5.1	5.4	7.5	9.3
EBIT	1.8	1.4	1.8	4.0	5.8
Net profit	1.2	0.6	1.1	2.5	3.6
NFP (cash)/debt	(2.4)	(2.5)	(4.2)	(7.7)	(12.0)
EBITDA margin	7.9%	7.8%	7.3%	8.9%	9.9%
EBIT margin	3.0%	2.1%	2.4%	4.7%	6.2%
EPS €	0.08	0.04	0.07	0.16	0.24
EPS growth	-8.4%	-50.9%	93.6%	124.4%	46.5%
Free Cash Flow Yield	4.4%	3.2%	2.5%	5.3%	6.6%
PER x	47.4	127.2	59.9	26.7	18.2
PCF x	13.3	16.8	13.9	10.9	9.3
EV/Sales x	0.86	1.06	0.82	0.69	0.57
EV/EBITDA x	10.9	13.6	11.3	7.7	5.8
EV/EBIT x	28.2	50.2	33.9	14.6	9.3



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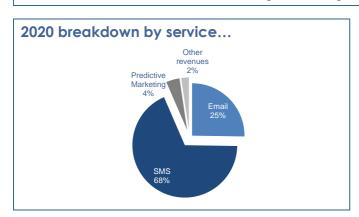


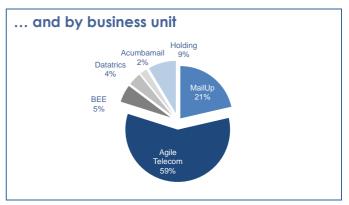
The Company at a Glance

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

The group operates five synergic business units, corresponding to five different companies: MailUp, Agile Telecom, BEE, Datatrics and Acumbamail. The group achieved a significant growth path since its establishment: set up as a start-up in 2002, Growens closed FY-20 with revenues of \in 65.2m, EBITDA of \in 5.1m and over 240 employees. Since the IPO in 2014 the group's revenues increased by a CAGR₁₃₋₂₀ of 37.0%, thanks to organic growth boosted by a few acquisitions.

In 2020, revenues were \leqslant 65.2m, EBITDA reached \leqslant 5.1m, 7.8% margin. EBIT stood at \leqslant 1.4m and Net Income totalled \leqslant 0.6m. Net Financial Position was \leqslant 2.5m cash, thanks to huge cash-flow generation.





Shareholder structure

Shareholders	%	# m
Alberto Miscia	10.7%	1.60
Matteo Monfredini	10.6%	1.59
Nazzareno Gorni	10.6%	1.59
Luca Azzali	10.2%	1.53
Matteo Bettoni	10.1%	1.51
Pronti Gianluca	6.1%	0.91
BMC Holding B.V. *	3.9%	0.58
Treasury shares	1.0%	0.15
Free Float	36.8%	5.51
Total	100.0%	14.97

Source: Company data

Peer group absolute performance

<u>%</u>	1D	1W	1M	3M	6M	YTD
dotDigital Group PLC	3.4	0.7	18.5	7.6	41.1	24.4
Kaleyra Inc	2.5	0.6	(13.5)	(20.4)	86.8	33.3
Sinch AB (publ)	(0.4)	(2.4)	(26.4)	(7.9)	38.9	(6.1)
Vonage Holdings Corp	(3.2)	(2.9)	(3.8)	(15.1)	3.2	(2.8)
Mobile Messaging median	(0.4)	(2.4)	(13.5)	(15.1)	38.9	(2.8)
HubSpot Inc	(3.6)	(2.9)	(4.3)	15.3	41.5	23.2
Neosperience SpA	1.7	0.7	(5.2)	14.1	13.2	10.2
SharpSpring Inc	0.7	(0.9)	(1.8)	(30.9)	16.8	(6.3)
Predictive Marketing median	0.7	(0.9)	(4.3)	14.1	16.8	10.2
Growens SpA	3.6	0.7	2.4	(6.0)	(6.3)	(0.7)

Peer group multiples table

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Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
dotDigital Group PLC (Email Marketing)	10.09	8.85	30.4	27.4	44.5	40.3	53.7	50.8
Kaleyra Inc	2.29	1.76	41.8	23.5	n.m.	717.6	n.m.	n.m.
Sinch AB (publ)	6.02	4.10	63.0	30.8	85.6	38.0	93.6	47.3
Vonage Holdings Corp	2.64	2.38	18.9	17.0	54.8	38.9	49.5	43.8
Mobile Messaging median	2.64	2.38	41.8	23.5	70.2	38.9	71.5	45.5
Hub\$pot Inc	17.82	13.86	144.2	108.3	211.2	143.5	273.2	183.4
Neosperience SpA	2.60	2.00	9.1	7.1	42.5	19.5	109.9	33.8
SharpSpring Inc	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Predictive Marketing median	10.21	7.93	76.6	57.7	126.8	81.5	191.6	108.6
Growens SpA	0.82	0.69	11.3	7.7	33.9	14.6	59.9	26.7
Source: CFO SIM, Thomson Reuters Eikon								

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^{*} subject to lock-up (does not enter the free float)



Total revenues 60.8 65.2 74.8 84.2 93.7 Purchases (38.3) (39.1) (46.5) (60.1) (65.7) (72.2) (8.8) (10.7) (10.0) (12.2) Personnel expenses (10.0) (11.6) (13.4) (15.2) (15.5) (15.6) (15.7) (10.0) (12.2) Personnel expenses (10.0) (11.6) (13.4) (15.2) (15.5) (15.6) (15.7) (15.7) (10.0) (10	Income statement (€ m)	2019	2020	2021e	2022e	2023e
Services (7.2) (8.8) (10.7) (10.6) (12.2) (15.6) Other opex (10.0) (11.6) (13.4) (15.2) (15.6) Other opex (10.0) (11.6) (13.4) (15.2) (15.6) Other opex (10.0) (10.7) (10.8) (10.7) (10.8) (10.7) Other opex (10.7) (10.7) (10.8) (10.7) Other opex (10.7) (10.7) (10.7) Other opex (10.7) (10.7) (10.7) Other opex (10.7) (10.7) Other opex (10.7) (10.7) Other opex O	Total revenues	60.8	65.2	74.8	84.2	93.7
Pessonnel expenses (10.0)	Purchases	(38.3)	(39.1)	(44.5)	(50.1)	(55.7)
District Company Com	Services	(7.2)	(8.8)	(10.7)	(10.6)	(12.2)
BBITDA	Personnel expenses	(10.0)	(11.6)	(13.4)	(15.2)	(15.6)
D8A (2.9) (3.7) (3.6) (3.5)	Other opex	(0.6)	(0.7)	(0.7)	(8.0)	(0.9)
EBIT	EBITDA	4.8	5.1	5.4	7.5	9.3
Financicids	D&A	(2.9)	(3.7)	(3.6)	(3.5)	(3.5)
Re/Qevolucition) of financial assets	EBIT	1.8	1.4	1.8	4.0	5.8
Extraordinary 0.0	Financials	(0.0)	(0.2)	(0.1)	(0.1)	(0.1)
Per-larg profit 1.8	Re/(Devaluation) of financial assets			0.0	0.0	0.0
Income taxes	•					
Minorities 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 Net Profit 1.2 0.6 1.1 2.5 3.6 Net Profit 0.1 2.0 0.6 1.1 2.5 3.6 Net Profit 0.1 2.0 0.6 1.1 2.5 3.6 Net Profit 0.1 2.0 0.0 0.1 0.3 3.6 Net Profit 0.1 0.5 0.6 0.1 0.2	Pre-Tax profit	1.8	1.2	1.7	3.9	5.7
Net Profit od. 1.2 0.6 1.1 2.5 3.6 Bolance sheet (€ m) 2019 2020 2021e 2022e 2023e Net Working Capital (1.7) (1.5) (0.6) (0.4) (0.3) Net Flored Asserts 27.4 27.1 2.6.4 2.5.9 2.5.4 Full Investments 0.1 0.2 0.2 0.2 0.2 0.2 Cother MLT Erm AL* Lina (1.13) (11.0) (11.8) (12.5) (12.9) Net Investments 0.1 0.2 0.2 0.2 0.2 0.2 Net Investments 0.1 0.0 0.0 0.0 0.0 0.0 Net Invested Capital 1.4.6 1.4.8 1.4.2 13.2 12.4 Net Investmed Fostilon (2.4) (2.5) (4.2) (7.7) (12.0) Mel Invested Capital 1.4.6 1.4.8 1.4.2 13.2 12.4 Net Financial Postilon (2.4) (2.5) (4.2) (7.7) (12.0) Minorities 0.0 0.0 0.0 0.0 0.0 0.0 Group's Shoreholders Equity 17.0 17.3 18.4 20.8 24.4 Financial Liabilities & Equity 14.6 1.8 14.2 13.2 12.4 Cash Flow statement (€ m) 2019 2020 2021e 2022e 2023e Total net income 1.2 0.6 1.1 2.5 3.6 Depreciation 2.9 3.7 3.6 3.5 3.5 Depreciation 2.9 3.7 3.6 3.5 3.5 Other non-cash charges (0.1) 1.0 0.8 0.7 0.4 Cash Flow from Oper. (CFO) 4.0 5.3 5.5 6.7 7.5 Change in NWC 2.0 0.2 (0.9) 0.2 (0.1) FCF from Operations (CFCP) 4.0 5.1 4.6 6.5 7.3 Net Investment (CFD) 5.2 0.0 0.0 0.0 0.0 Free Cto the Firm (FCFF) 3.9 0.9 1.6 3.5 4.3 From Clear Flow from CFFF 3.9 0.9 1.6 3.5 4.3 Financial training 1.9 2.0 0.0 20.1 0.0 0.0 Free Cto the Firm (FCFF) 3.9 0.9 1.6 3.5 4.3 Financial training 1.9 0.9 0.9 1.6 3.5 4.3 Financial training 1.9 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0						
Net Peofit acid. 1.2 0.6 1.1 2.5 3.6						
Balance sheet (€ m)						
Net Noving Capital (1.7) (1.5) (0.6) (0.4) (0.3) Net Fixed Assets 27.4 27.1 26.4 25.9 25.4 Equity Investments (0.1 0.2 0.2 0.2 0.2 Other M/L Term A/L (11.3) (11.0) (11.8) (12.5) (12.9) Net Invested Capital 14.6 14.8 14.2 13.2 12.4 Net Fixencial Position (2.4) (2.5) (4.2) (7.7) (12.0) Ninomities (0.0 0.0 0.0 0.0 0.0 0.0 Group's Shareholders Equity 17.0 17.3 18.4 20.8 24.4 Financial Liabilities & Equity 17.0 17.3 18.4 20.8 24.4 Financial Liabilities & Equity 14.6 14.8 14.2 13.2 12.4 Net Fixenchial Capital (1.6) (1.6) (1.6) (1.6) (1.6) Cash Flow statement (€ m) 2019 2020 2021e 2022e 2023e Cash Flow statement (€ m) 2019 2020 2021e 2022e 2023e Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) Cash Flow from Oper. (CFO) (1.6) (1.6) Cash Flow from Oper. (CFO) (1.6) Cash Flow from Oper. (CFO) (1.6) Cash F	Net Profit adj.	1.2	0.6	1.1	2.5	3.6
Net Fixed Assets	Balance sheet (€ m)	2019	2020	2021e	2022e	2023e
Equity Investments	Net Working Capital	(1.7)	(1.5)	(0.6)	(0.4)	(0.3)
Other M/L Term A/L (11.3) (11.0) (11.8) (12.5) (12.5) Net Invested Capital 14.6 14.8 14.2 13.2 12.4 Net Financial Position (2.4) (2.5) (4.2) (7.7) (12.0) Minorities 0.0 0.0 0.0 0.0 0.0 0.0 Group's Shareholders Equity 11.0 17.3 18.4 20.8 24.4 Financial Liabilities & Equity 14.6 14.8 14.2 13.2 12.4 Cosh Flow statement (€ m) 2019 2020 2021e 2022e 2023e Torland Florome 1.2 0.6 1.1 2.5 3.6 Other Income 1.2 0.6 1.1 2.5 3.5 Other Income 1.2 0.6 1.1 2.5 3.5 Other Income 1.2 0.6 1.1 2.5 3.5 Other Income 1.2 0.6 1.1 4.0 3.5 3.5 Other Canal	Net Fixed Assets	27.4	27.1	26.4	25.9	25.4
Net Invested Capital Net Financial Position	Equity Investments	0.1	0.2	0.2	0.2	0.2
Net Financial Position (2.4) (2.5) (4.2) (7.7) (12.0) Group's Shareholders Equity	Other M/L Term A/L	(11.3)	(11.0)	(11.8)	(12.5)	(12.9)
Minorities	Net Invested Capital	14.6	14.8	14.2	13.2	12.4
Group's Shareholders Equity 17.0 17.3 18.4 20.8 24.4 Inancial Liabilities & Equity 14.6 14.8 14.2 13.2 12.4 Cash Flow statement (€ m) 2019 2020 2021e 2022e 2023e Total net income 1.2 0.6 1.1 2.5 3.6 Depreciation 2.9 3.7 3.6 3.5 3.5 Other non-cash charges (0.1) 1.0 0.8 0.7 0.4 Change in NWC 2.0 (0.2) (0.9) (0.2 (0.1) FC from Gperations (FCFO) 6.0 5.1 4.6 6.5 7.3 Net Investments (CFF) (3.9) 0.9 1.6 3.5 4.3 Free CF to the Firm (FCFF) 5.2 0.0 0.0 0.0 0.0 Free Cash Flow to Equity (FCFE) 1.2 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 203e EBII margin	Net Financial Position	(2.4)	(2.5)	(4.2)	(7.7)	(12.0)
Financial Liabilities & Equity 14.6 14.8 14.2 13.2 12.4	Minorities	0.0	0.0	0.0	0.0	0.0
Cash Flow statement (€ m) 2019 2020 2021e 2022e 2023e Total net income 1.2 0.6 1.1 2.5 3.5 Other non-cosh charges (0.1) 1.0 0.8 0.7 0.4 Cash Flow from Oper. (CFO) 4.0 5.3 5.5 6.7 7.5 Change in NWC 2.0 (0.2) (0.9) (0.2) (0.1) FCF from Operations (FCFO) 6.0 5.1 4.6 6.5 7.3 Net investments (CFD) 6.0 5.1 4.6 6.5 7.3 Net investments (CFD) (9.9) (4.2) (3.0) (3.0) (3.0) Free Cash Flow the Equity (FCFD) 1.2 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 2023e BBIID A margin 7.9% 7.8% 7.3% 8.9% 9.9% BBIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin	Group's Shareholders Equity	17.0	17.3	18.4	20.8	24.4
Total net income	Financial Liabilities & Equity	14.6	14.8	14.2	13.2	12.4
Total net income						
Depreciation 2.9 3.7 3.6 3.5 3.5 Other non-cash charges (0.1) 1.0 0.8 0.7 0.4 Cash Flow from Oper. (CFO) 4.0 5.3 5.5 6.7 7.5 Change in NWC 2.0 (0.2) (0.9) (0.2) (0.1) FCF from Poperations (FCFO) 6.0 5.1 4.6 6.5 7.3 Net investments (CFI) (9.9) (4.2) (3.0) (3.0) (3.0) Free C fo the Firm (FCFF) (3.9) 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 2023e EBITDA margin 7.9% 7.8% 7.3% 8.9% 9.9% Rebil margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tox rate 36.9% 53.0% 37.0% 37.0% 37.0% 37.0% 37.0% 37.0%	Cash Flow statement (€ m)	2019	2020	2021e	2022e	2023e
Other non-cash charges (0.1) 1.0 0.8 0.7 0.4 Cash Flow from Oper. (CFO) 4.0 5.3 5.5 6.7 7.5 Change in NWC 2.0 (0.2) (0.9) (0.2) (0.1) Fer from Operations (FCFO) 6.0 5.1 4.6 6.5 7.3 Net Investments (CFF) (9.9) (4.2) (3.0) (3.0) (3.0) Free C for the Firm (FCFF) (3.9) 0.9 1.6 3.5 4.3 CF from financials (CFF) 5.2 0.0 0.0 0.0 0.0 Free C sah Flow to Equity (FCFE) 1.2 0.9 1.6 3.5 4.3 Financial radios 2019 2020 2021e 2022e 2023e BBIT margin 7.9% 7.9% 7.3% 8.9% 9.9% BBIT margin 1.9% 0.9% 1.5% 2.9% 3.8% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Net profit margin	Total net income	1.2	0.6	1.1	2.5	3.6
Cash Flow from Oper. (CFO) 4.0 5.3 5.5 6.7 7.5 Change in NWC 2.0 (0.2) (0.9) (0.2) (0.1) FCF from Operations (FCFO) 6.0 5.1 4.6 6.5 7.3 Net Investments (CFD) (9.9) (4.2) (3.0) (3.0) (3.0) Free CF to the Firm (FCFF) 5.2 0.0 0.0 0.0 0.0 Free CGsh Flow to Equity (FCFE) 1.2 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 2023e EBITDA margin 7.9% 7.8% 7.3% 8.9% 9.9% BEIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Not rate 36.9% 53.0% 37.0% 37.0% 37.0% 37.0% 37.0% 37.0% 37.0% 37.0% 37.0% 38.8% 1.5% 2.9% 3.8%	Depreciation	2.9	3.7	3.6	3.5	3.5
Change in NWC 2.0 (0.2) (0.9) (0.2) (0.1) FCF from Operations (FCFO) 6.0 5.1 4.6 6.5 7.3 Net Investments (CFI) (9.9) (4.2) (3.0) (3.0) (3.0) Free CF to the Firm (FCFF) (3.9) 0.9 1.6 3.5 4.3 CF from financials (CFF) 5.2 0.0 0.0 0.0 0.0 Free Cash Flow to Equity (FCFE) 1.2 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 2023e BII margin 7.9% 7.8% 7.3% 8.9% 9.9% BBIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tax rate 36.9% 53.0% 37.0% 37.0% 37.0% Dy NWC/Sales -2.8% -2.8% -2.8% -0.8% -0.5% -0.3% Interest covarin	Other non-cash charges	(0.1)	1.0	0.8	0.7	0.4
FCF from Operations (FCFO) 6.0 5.1 4.6 6.5 7.3 Net Investments (CFD) (9.9) (4.2) (3.0) (3	Cash Flow from Oper. (CFO)	4.0	5.3	5.5	6.7	7.5
Net Investments (CFI) (9.9) (4.2) (3.0) (3.0) (3.0) Free CF to the Firm (FCFF) (3.9) 0.9 1.6 3.5 4.3 CF from financials (CFF) 5.2 0.0 0.0 0.0 0.0 Free Cash Flow to Equity (FCFE) 1.2 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 2023e EBITDA margin 7.9% 7.8% 7.3% 8.9% 9.9% EBIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tax rate 36.9% 53.0% 37.0% 37.0% 37.0% 37.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 <td>Change in NWC</td> <td>2.0</td> <td>(0.2)</td> <td>(0.9)</td> <td>(0.2)</td> <td>(0.1)</td>	Change in NWC	2.0	(0.2)	(0.9)	(0.2)	(0.1)
Free CF to the Firm (FCFF) (3.9) 0.9 1.6 3.5 4.3 CF from financials (CFF) 5.2 0.0 0.0 0.0 0.0 Free Cash Flow to Equity (FCFE) 1.2 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 2023e EBITDA margin 7.9% 7.8% 7.3% 8.9% 9.9% EBIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% rax rate 36.9% 53.0% 37.0%	FCF from Operations (FCFO)	6.0	5.1	4.6	6.5	7.3
CF from financials (CFF) 5.2 0.0 0.0 0.0 0.0 Free Cash Flow to Equity (FCFE) 1.2 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 2023e BBIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tax rate 36.9% 53.0% 37.0% 38.0%	Net Investments (CFI)	(9.9)	(4.2)	(3.0)	(3.0)	(3.0)
Free Cash Flow to Equity (FCFE) 1.2 0.9 1.6 3.5 4.3 Financial ratios 2019 2020 2021e 2022e 2023e EBITDA margin 7.9% 7.8% 7.3% 8.9% 9.9% BBIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tax rate 36.9% 53.0% 37.0% 37.0% 37.0% Op NWC/Sales -2.8% -2.3% -0.8% -0.5% -0.3% Interest coverage x 0.01 0.13 0.04 0.02 0.01 Interest coverage x 0.01 0.13 0.04 0.02 0.01 Interest coverage x 0.01 0.13 0.04 0.02 0.03 Interest coverage x 0.01 0.13 0.04 0.02 0.07 NoIC 7.9% 3.8% 7.7% 18.6% 28.8 7.7% 18.6% 28.9%	Free CF to the Firm (FCFF)	(3.9)	0.9	1.6	3.5	4.3
Financial ratios 2019 2020 2021e 2022e 2023e BBITDA margin 7,9% 7,8% 7,3% 8,9% 9,9% BBIT margin 3,0% 2,1% 2,4% 4,7% 6,2% Net profit margin 1,9% 0,9% 1,5% 2,9% 3,8% Tax rate 36,9% 53,0% 37,0% 10,3% 10,4% 10,1% 10,13 0,04 0,02 0,01 10,3% 10,4% 10,29 10,1% 10,29 10,1% 10,29 10,1% 10,29 10,1% 10,29 10,1% 10,29 10,29 10,24 10,24 10,24 10,24 10,24 10,24 10,24 10,24	CF from financials (CFF)	5.2	0.0	0.0	0.0	0.0
EBITDA margin 7.9% 7.8% 7.3% 8.9% 9.9% EBIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tax rate 36.9% 53.0% 37.0% 10.24 10.22 12.29 20.20 20.20 20.20 20.20 20.21 20.22	Free Cash Flow to Equity (FCFE)	1.2	0.9	1.6	3.5	4.3
EBIT margin 3.0% 2.1% 2.4% 4.7% 6.2% Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tax rate 36.9% 53.0% 37.0% 37.0% 37.0% Op NWC/Sales -2.8% -2.3% -0.8% -0.5% -0.3% Interest coverage x 0.01 0.13 0.04 0.02 0.01 Net Debt/EBITDA x (0.49) (0.49) (0.76) (1.02) (1.29) Debt-to-Equity x (0.14) (0.15) (0.23) (0.37) (0.49) ROIC 7.9% 3.8% 7.7% 18.6% 28.9% ROCE 7.0% 5.0% 6.2% 12.3% 16.1% ROACE 8.1% 5.1% 6.4% 12.9% 17.0% ROE 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% Number of shares #m 14.97 14.97 <td>Financial ratios</td> <td>2019</td> <td>2020</td> <td>2021e</td> <td>2022e</td> <td>2023e</td>	Financial ratios	2019	2020	2021e	2022e	2023e
Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tax rate 36.9% 53.0% 37.0%	EBITDA margin	7.9%	7.8%	7.3%	8.9%	9.9%
Net profit margin 1.9% 0.9% 1.5% 2.9% 3.8% Tax rate 36.9% 53.0% 37.0% 3.8% 7.0% 0.0% 0.01 0.13 0.04 0.02 0.01 1.13 0.04 0.02 0.01 1.129 0.04 0.02 0.01 1.02 1.129 0.04 0.02 0.01 0.09 0.03 0.37 0.49 0.09 0.03 0.37 0.49 0.09 0.09 0.03 0.37 0.49 0.09 0.09 0.03 0.03 0.03 0.03 0.03 0.03 0.03 0.06 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% <	EBIT margin	3.0%	2.1%	2.4%	4.7%	6.2%
Op NWC/Sales -2.8% -2.3% -0.8% -0.5% -0.3% Interest coverage x 0.01 0.13 0.04 0.02 0.01 Net Debt/EBITDA x (0.49) (0.49) (0.76) (1.02) (1.29) Debt-to-Equity x (0.14) (0.15) (0.23) (0.37) (0.49) ROIC 7.9% 3.8% 7.7% 18.6% 28.9% ROCE 7.0% 5.0% 6.2% 12.3% 16.1% ROACE 8.1% 5.1% 6.4% 12.9% 17.0% ROE 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% Number of shares # m 14.97 14.97 14.97 14.97 14.97 14.97 14.97 Number of shares # m 16.24 16.24 16.24 16.24 16.24 16.24 16.24 16.24 16.24 16.24 16.24 16.24 16.24	Net profit margin	1.9%	0.9%	1.5%	2.9%	3.8%
Interest coverage x 0.01 0.13 0.04 0.02 0.01 Net Debt/EBITDA x (0.49) (0.49) (0.76) (1.02) (1.29) Debt-to-Equity x (0.14) (0.15) (0.23) (0.37) (0.49) ROIC 7.9% 3.8% 7.7% 18.6% 28.9% ROCE 7.0% 5.0% 6.2% 12.3% 16.1% ROE 8.1% 5.1% 6.4% 12.9% 17.0% ROE 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% Number of shares figures 2019 2020 2021e 2022e 2023e Number of shares Fully Diluted # m 16.24 <td>Tax rate</td> <td>36.9%</td> <td>53.0%</td> <td>37.0%</td> <td>37.0%</td> <td>37.0%</td>	Tax rate	36.9%	53.0%	37.0%	37.0%	37.0%
Net Debt/EBITDA x (0.49) (0.49) (0.76) (1.02) (1.29) Debt-to-Equity x (0.14) (0.15) (0.23) (0.37) (0.49) ROIC 7.9% 3.8% 7.7% 18.6% 28.9% ROE 7.0% 5.0% 6.2% 12.3% 16.1% ROE 8.1% 5.1% 6.4% 12.9% 17.0% ROE 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% Number of shares #m 14.97	Op NWC/Sales	-2.8%	-2.3%	-0.8%	-0.5%	-0.3%
Net Debt/EBITDA x (0.49) (0.49) (0.76) (1.02) (1.29) Debt-to-Equity x (0.14) (0.15) (0.23) (0.37) (0.49) ROIC 7.9% 3.8% 7.7% 18.6% 28.9% ROE 7.0% 5.0% 6.2% 12.3% 16.1% ROACE 8.1% 5.1% 6.4% 12.9% 17.0% ROE 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% Number of shares #m 14.97	Interest coverage x	0.01	0.13	0.04	0.02	0.01
ROIC 7.9% 3.8% 7.7% 18.6% 28.9% ROCE 7.0% 5.0% 6.2% 12.3% 16.1% ROACE 8.1% 5.1% 6.4% 12.9% 17.0% ROE 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% Per share figures 2019 2020 2021e 2022e 2023e Number of shares #m 14.97 1	Net Debt/EBITDA x	(0.49)	(0.49)	(0.76)	(1.02)	(1.29)
ROCE 7.0% 5.0% 6.2% 12.3% 16.1% ROACE 8.1% 5.1% 6.4% 12.9% 17.0% ROE 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% Per share figures 2019 2020 2021e 2022e 2023e Number of shares # m 14.97	Debt-to-Equity x	(0.14)	(0.15)	(0.23)	(0.37)	(0.49)
ROACE 8.1% 5.1% 6.4% 12.9% 17.0% ROE 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% Per share figures 2019 2020 2021e 2022e 2023e Number of shares # m 14.97 </td <td>ROIC</td> <td>7.9%</td> <td>3.8%</td> <td>7.7%</td> <td>18.6%</td> <td>28.9%</td>	ROIC	7.9%	3.8%	7.7%	18.6%	28.9%
ROE Payout ratio 6.8% 3.3% 6.0% 11.8% 14.7% Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% Per share figures 2019 2020 2021e 2022e 2023e Number of shares # m 14.97 <td< td=""><td>ROCE</td><td>7.0%</td><td>5.0%</td><td>6.2%</td><td>12.3%</td><td>16.1%</td></td<>	ROCE	7.0%	5.0%	6.2%	12.3%	16.1%
Payout ratio 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% Per share figures 2019 2020 2021e 2022e 2023e Number of shares # m 14.97 14	ROACE	8.1%	5.1%	6.4%	12.9%	17.0%
Per share figures 2019 2020 2021e 2022e 2023e Number of shares # m 14.97 16.24 16.24 16.24 <td< td=""><td>ROE</td><td>6.8%</td><td>3.3%</td><td>6.0%</td><td>11.8%</td><td>14.7%</td></td<>	ROE	6.8%	3.3%	6.0%	11.8%	14.7%
Number of shares # m 14.97 16.24 16.	Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Number of shares Fully Diluted # m 16.24	Per share figures		2020	2021e		2023e
Average Number of shares Fully Diluted # m 15.58 16.24 16.24 16.24 16.24 EPS stated FD € 0.07 0.03 0.07 0.15 0.22 EPS adjusted FD € 0.07 0.03 0.07 0.15 0.22 EBITDA € 0.31 0.31 0.33 0.46 0.57 EBIT € 0.12 0.08 0.11 0.24 0.36 BV € 1.05 1.06 1.13 1.28 1.50 FCFO € 0.38 0.31 0.29 0.40 0.45 FCFF € (0.25) 0.06 0.10 0.22 0.27 FCFE € 0.08 0.06 0.10 0.22 0.27	Number of shares # m	14.97	14.97	14.97	14.97	14.97
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Number of shares Fully Diluted # m	16.24	16.24	16.24	16.24	16.24
EPS adjusted FD € 0.07 0.03 0.07 0.15 0.22 EBITDA € 0.31 0.31 0.33 0.46 0.57 EBIT € 0.12 0.08 0.11 0.24 0.36 BV € 1.05 1.06 1.13 1.28 1.50 FCFO € 0.38 0.31 0.29 0.40 0.45 FCFF € (0.25) 0.06 0.10 0.22 0.27 FCFE € 0.08 0.06 0.10 0.22 0.27	Average Number of shares Fully Diluted # m	15.58	16.24	16.24	16.24	16.24
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	EPS stated FD €	0.07	0.03	0.07	0.15	0.22
EBIT ϵ 0.12 0.08 0.11 0.24 0.36 BV ϵ 1.05 1.06 1.13 1.28 1.50 FCFO ϵ 0.38 0.31 0.29 0.40 0.45 FCFF ϵ (0.25) 0.06 0.10 0.22 0.27 FCFE ϵ 0.08 0.06 0.10 0.22 0.27	EPS adjusted FD ϵ	0.07	0.03	0.07	0.15	0.22
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	EBITDA €	0.31	0.31	0.33	0.46	0.57
FCFO ϵ 0.38 0.31 0.29 0.40 0.45 FCFF ϵ (0.25) 0.06 0.10 0.22 0.27 FCFE ϵ 0.08 0.06 0.10 0.22 0.27	EBIT ϵ	0.12	0.08	0.11	0.24	0.36
FCFF ϵ (0.25) 0.06 0.10 0.22 0.27 FCFE ϵ 0.08 0.06 0.10 0.22 0.27	BV €	1.05			1.28	1.50
FCFE € 0.08 0.06 0.10 0.22 0.27	FCFO €	0.38	0.31	0.29		0.45
	FCFF €	(0.25)	0.06	0.10	0.22	0.27
<u>Dividend</u> € 0.00 0.00 0.00 0.00 0.00 0.00						
	Dividend €	0.00	0.00	0.00	0.00	0.00





Margins benefited from optimisation and cost savings

In Q1-21 Growens (formerly MailUp) achieved growing revenues and a massive improvement in margins thanks to several optimisation and cost saving initiatives. It is worth mentioning that Q1-20 was only partially affected by Covid-19 while Q1-21 was, to a certain extent, a period of full lockdown. Furthermore, Growens's reported revenues and EBITDA in Q1-21 represented 22.2% and 23.5% of our FY-21 top line and EBITDA estimates respectively, thus corroborating our 2021 projections. Just by way of comparison, in 2020 Q1 revenues and EBITDA accounted for 24.3% and 10.7% of FY figures respectively, while in 2019 they accounted for 22.0% and 10.1%.

Table 1 – Growens, Q1-21 results

€m	Q1-21	Q1-20	% YoY
Email	4.4	3.9	11.2
SMS	11.3	10.9	3.6
Predictive Marketing	0.7	0.8	(11.3)
Other revenues	0.3	0.2	9.8
Total revenues	16.6	15.8	4.8
Gross Profit	5.6	4.4	25.7
% margin	33.7	28.1	
EBITDA	1.4	0.5	153.8
% margin	8.3	3.4	
Pre-Tax profit	0.5	(0.3)	282.3
% margin	3.0	(1.7)	
NFP (cash)/debt	(2.0)	-	n.m.

Source: Company data, CFO SIM analysis

Revenues grew by 4.8% YoY to € 16.6m, even though Q1-21 was to a certain extent a period of full lockdown whilst Q1-20 was only partially affected by Covid-19.

- ➤ MailUp recorded almost steady sales YoY, totalling € 3.9m. The business unit's sales are mostly exposed to Italy, where several clients operating in the fashion, events and travel & hospitality sectors massively reduced their investments in marketing activities.
- Agile Telecom totalled € 11.0m, +4.5% YoY. The low demand of drive-to-store SMS (i.e. marketing text messages aimed at bringing retail customers back to brick & mortar stores) also continued in Q1-21 due to the various lockdowns, mainly in Italy.
- **BEE** soared 27.2% YoY (+43% at constant FX), reaching € 1.1m, thanks to both an increase in the number of clients and growing revenues per client on the BEE Pro module, which partially counterbalanced the slowdown in BEE Plugin's sales.
- ➤ **Acumbamail** grew by 34.1% YoY to € 0.5m, mainly thanks to its self-provisioning business model as well as the launch of the new product Gumbamail, embedded into Google Gmail suite.
- ➤ **Datatrics** experienced a decline of 17.5% YoY, negatively affected by the Covid-19 crisis. In 2020, the group launched a reorganisation process of Datatrics's operations, in order to respond to the market evolution in a more efficient way. The full outcome of the reorganisation process is expected by Q3-21 but we can already see its first positive effects in Q1 in the reduction of operating losses.

Foreign revenues grew by 9% YoY to \le 9.0m (54% of total), whereas **recurring revenues** represented 30% of the group's turnover, up by 9% YoY to \le 4.9m.



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Table 2 - Growens, Q1-21 results - breakdown by business unit

€ m	Q1-21	Q1-20	% YoY
MailUp	3.9	4.0	(1.5)
Agile Telecom	11.0	10.5	4.5
BEE	1.1	0.9	27.2
Datatrics	0.7	0.8	(17.5)
Acumbamail	0.5	0.4	34.1
Holding	1.3	1.1	17.0
Consol. Adj.	(1.9)	(1.8)	(3.4)
Total revenues	16.6	15.8	4.8
EBITDA MailUp	1.0	0.6	58.1
EBITDA Agile Telecom	0.5	0.1	329.2
EBITDA BEE	0.2	0.1	249.0
EBITDA Datatrics	(0.1)	(0.3)	74.9
EBITDA Acumbamail	0.1	0.1	73.3
EBITDA Holding	(0.4)	(0.1)	(464.0)
Consol. Adj.	0.1	0.1	(7.8)
Total EBITDA	1.4	0.5	153.8
EBITDA % MailUp	25.1	15.6	
EBITDA % Agile Telecom	4.7	1.1	
EBITDA % BEE	17.9	6.5	
EBITDA % Datatrics	(11.9)	(39.3)	
EBITDA % Acumbamail	25.2	19.5	
EBITDA % Holding	(31.3)	(6.5)	
Total EBITDA %	8.3	3.4	

Source: Company data, CFO SIM analysis

EBITDA totalled € 1.4m, 8.3% margin (vs € 0.5m, 3.4% margin in Q1-20). The strong improvement in margins was mainly related to a massive increase in gross profit, which soared by 25.7% YoY, more than proportionately to revenues. As a consequence, gross margin rose to 33.7% from 28.1% in Q1-20. This was obtained thanks to several optimisation and cost saving initiatives, namely: i) a 3% decline in S&M costs mainly as a result of the lack of in-person events and related travel; ii) an improvement in profitability with regard to all the business units, especially Agile Telecom and BEE; iii) a reduction in Datatrics's operating losses thanks to the reorganisation process put in place in 2020. On the other hand, as already disclosed, the group did not suspend or postpone any planned strategic projects, mainly related to R&D (in Q1-21 R&D costs increased by 28.6% YoY). Pre-tax profit was € 0.5m vs € 0.3m loss in Q1-20.

Net Financial Position was € 2.0m (net cash) vs € 2.5m (net cash) at end-20. Excluding the IFRS 16 effect, NFP was € 5.6m (net cash). Cash and cash equivalents accounted for € 9.1m.





Peer Stock Performance

Growens (formerly MailUp) was listed on AIM Italia (Alternative Investment Market) 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. MailUp trades well above the IPO price, +126.6% since the IPO. The stock reached a 1Y intraday maximum price of € 5.74/s on 25-Aug-20 and a minimum price of € 3.81/s on 3-May-21.

Table 3 – Growens, peer group and index absolute performance

	1D	1W	1M	3M	6M	YTD	1Y
dotDigital Group PLC (Email Marketing)	3.4	0.7	18.5	7.6	41.1	24.4	105.2
Kaleyra Inc	2.5	0.6	(13.5)	(20.4)	86.8	33.3	102.2
Sinch AB (publ)	(0.4)	(2.4)	(26.4)	(7.9)	38.9	(6.1)	118.9
Vonage Holdings Corp	(3.2)	(2.9)	(3.8)	(15.1)	3.2	(2.8)	36.1
Mobile Messaging median	(0.4)	(2.4)	(13.5)	(15.1)	38.9	(2.8)	102.2
HubSpot Inc	(3.6)	(2.9)	(4.3)	15.3	41.5	23.2	172.4
Neosperience SpA	1.7	0.7	(5.2)	14.1	13.2	10.2	(13.3)
SharpSpring Inc	0.7	(0.9)	(1.8)	(30.9)	16.8	(6.3)	93.0
Predictive Marketing median	0.7	(0.9)	(4.3)	14.1	16.8	10.2	93.0
Growens SpA	3.6	0.7	2.4	(6.0)	(6.3)	(0.7)	(4.0)
MSCI World Index	2.5	0.6	(13.5)	(20.4)	86.8	33.3	102.2
EUROSTOXX	(1.8)	(1.9)	(1.3)	2.7	13.8	6.9	41.4
FTSE Italia All Share	(0.0)	(1.2)	(0.2)	7.1	14.2	10.2	36.8
FTSE STAR Italia	0.2	(0.0)	(0.2)	5.5	17.3	10.6	39.7
FTSE AIM Italia	(0.1)	(1.9)	(0.6)	4.2	23.8	12.3	51.0

Source: Thomson Reuters Eikon

Table 4 – Growens's relative performances

	1D	1W	1M	3M	6M	YTD	1Y
To dotDigital Group PLC	0.1	(0.0)	(16.1)	(13.6)	(47.4)	(25.1)	(109.1)
To peer Mobile Messaging median	3.9	3.1	15.9	9.1	(45.2)	2.1	(106.2)
To peer Predictive Marketing median	2.8	1.6	6.6	(20.2)	(23.0)	(10.9)	(97.0)
To MSCI World Index	1.1	0.1	15.9	14.4	(93.1)	(34.0)	(106.2)
To EUROSTOXX	5.3	2.6	3.6	(8.8)	(20.0)	(7.6)	(45.4)
To FTSE Italia All Share	3.6	1.9	2.6	(13.1)	(20.4)	(10.8)	(40.8)
To FTSE STAR Italia	3.3	0.7	2.6	(11.6)	(23.6)	(11.3)	(43.6)
To FTSE AIM Italia	3.7	2.6	2.9	(10.2)	(30.0)	(13.0)	(55.0)

Source: Thomson Reuters Eikon

Risks

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

- > Fast technological development 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 in the industry with higher firepower.



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ANALYST CERTIFICATION

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

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DATE	TARGET PRICE	RATING
13/05/2021	€6.00	BUY
30/03/2021	€6.00	BUY
11/01/2021	€6.60	BUY
10/12/2020	€6.60	BUY
13/11/2020	€6.60	BUY
21/09/2020	€6.30	NEUTRAL
14/05/2020	€4.60	NEUTRAL

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

a **SELL** rating is assigned if the target price is at least 15% lower than the market price;

a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/ -15% bands identified using the preceding criteria.

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

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