

Italy – Sport Entertainment

Looking for new capital to ensure business continuity

22nd January 2025

BUSINESS UPDATE

RIC: GTA.MI
BBG: GT IM

GT Talent Group recently completed an Accelerated Bookbuilding by placing to new investors ca. 30% of the share capital to collect fresh resources aimed at sustaining the group's financial needs in the short term. Moreover, the group is working on an additional capital increase of a maximum of € 1.2m, a business reorganisation and the refinancing of outstanding credit lines with the main lenders.

Rating:

U.R. (Neutral)

Price Target:

U.R. (€ 4.00)

Upside/(Downside): -

Last Price: € 1.50

Market Cap.: € 2.8m (excl. PAS)

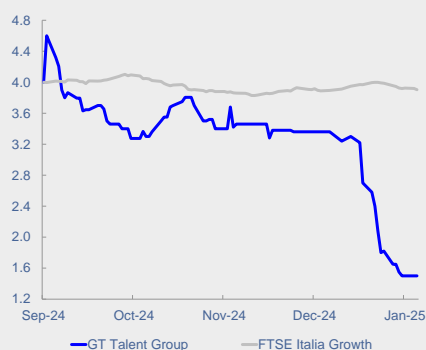
1Y High/Low: € 4.80 / € 1.50

Avg. Daily Turn. (3M, 6M): € 6k, € 6k

Free Float: 50.6%

Major shareholder:

Cosimo Saracino 47.4%



Stock price performance

	1M	3M	12M
Absolute	-55.4%	-55.4%	n.a.
Rel.to FTSE IT Growth	-55.6%	-51.9%	n.a.
Rel.to Peers	-64.5%	-55.4%	n.a.

Analysts:

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

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

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

Estimates, rating and PT put Under Review

In the last weeks, GT Talent Group communicated to the market the need for additional fresh resources to face the group's liquidity needs in the short term and avoid a cash crunch. This was necessary following a sharp business slowdown in the second semester, particularly concerning the number of participants in the next edition of the talent show, which was significantly less than expected. Due to the several uncertainties concerning the business continuity in the short term and the additional capital increase recently approved by the shareholders' meeting, we decided to put our estimates, rating and PT under review, pending more details about the group's financial and economic situation.

ABB of € 1.1m (€ 0.8m net of fees) to sustain GT's liquidity needs in the short term

On Dec-30, GT Talent Group completed an Accelerated Bookbuilding (settlement date on Jan-3) by placing to qualified investors 608,500 ordinary shares at € 1.80 per share (30.4% of the share capital), corresponding to gross proceeds of ca. € 1.1m (ca. € 0.8m net of fees) aimed at sustaining the company's liquidity needs in the short term. The BoD preliminarily estimated that the group's financial need for the entire 2025 is ca. € 1.5m, thus an additional capital injection is crucial. Noteworthy, as reported in the Admission Document, the BoD stated that the group's working capital evolution in the 12 months following the listing would be granted with IPO gross proceeds of at least € 1.35m. Thus, as the gross proceeds were € 1.55m, if the business plan approved by the BoD for the listing process had been respected, that amount would have been enough to run the business properly.

Business slowdown due to lower-than-expected participants in the talent show

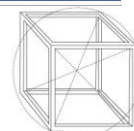
The ABB became necessary mainly because of the business slowdown in the second half of the year. In particular, the number of participants in the new edition of the talent show sharply declined compared to the last edition (906 vs 1,251), and, as a consequence of lower revenues from registration, the group was forced to carefully monitor costs, mainly by lowering digital marketing expenses, both concerning Scuderia Gentile and Carschoolbox, which are critical to sustaining sales growth. The BoD is preparing a 2025-27 business plan that incorporates correcting actions to streamline the group's business model, properly refinance credit lines, and precisely define the effective cash need for 2025.

Additional capital increase to collect a maximum of € 1.2m

As the ABB completed on Dec-30 wasn't enough to cover the group's liquidity needs for all of 2025, the BoD resolved to call an extraordinary shareholders' meeting to promote an additional capital increase for a maximum of € 1.2m. On Jan-21, the shareholder meeting delegated the BoD to define the terms of the capital increase, which has to be completed by the end of 2025. Finally, the BoD underlined that, if the net resources collected with the ABB and the additional capital increase will be overall lower than € 1.5m, the group's business continuity is not guaranteed.

GT Talent Group, key financials and ratios

€ m	2023	2024e	2025e	2026e
Revenues	1.440	-	-	-
Value of Production	2.670	-	-	-
EBITDA	0.207	-	-	-
EBIT	0.160	-	-	-
Net Profit	(0.004)	-	-	-
NFP debt / (cash)	2.741	-	-	-
EBITDA margin	7.8%	-	-	-
EBIT margin	6.0%	-	-	-
EPS stated FD €	(0.00)	-	-	-
ROCE	5.4%	-	-	-
NWC/Sales	-17.4%	-	-	-
EV/Sales (x)	-	-	-	-
EV/EBITDA (x)	-	-	-	-
EV/EBIT (x)	-	-	-	-
PER (x)	-	-	-	-
Free Cash Flow Yield	-	-	-	-



The Company at a Glance

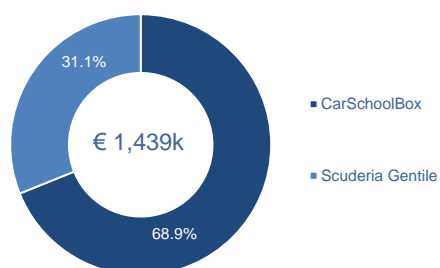
Set up in 2015 by the passion of the current CEO Cosimo Saracino, GT Talent Group is an innovative SME that operates in the motorsport entertainment sector, providing its passionate customer base with high-adrenaline driving experiences aboard the most well-known sportscars around the main Italian circuits. Moreover, the company offers aspirational talents the chance to become professional drivers by participating in its innovative and well-crafted talent show, "GT Talent".

GT Talent Group runs its operations through two highly-complementary subsidiaries:

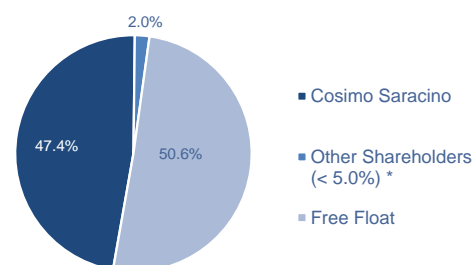
- 1) **CarSchoolBox**, which specialises in the offering of high-adrenaline driving experiences aboard of the most famous sportscars, taking place at more than 15 well-known circuits across Italy;
- 2) **Scuderia Gentile**, established in 2020 and engaged in the design, development and realisation of "GT Talent", the first-ever domestic motorsport talent show dedicated to amateur drivers cultivating the dream to transform a mere passion into a profession.

In 2023, GT Talent Group achieved revenues of € 1.4m with an EBITDA of € 0.2m, 7.8% margin on VoP, while bottom line was slightly below the break-even level. Net Financial Position stood at € 2.6m debt, as a result of the huge investments carried out over the last years, mostly related to the development of the GT Talent show, laying the foundation for the company's future growth.

2023 consolidated top-line breakdown

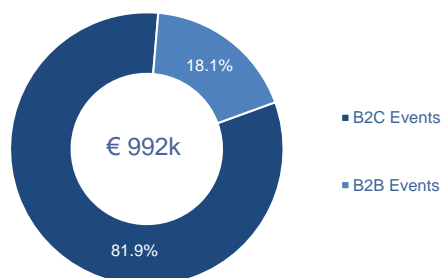


Shareholding Structure (excl. PAS)

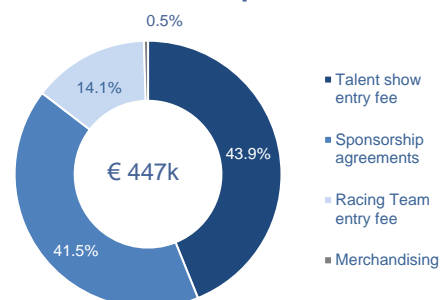


* Subject to 6-month lockup since the IPO

CarSchoolBox 2023 top-line breakdown



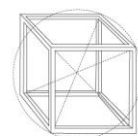
Scuderia Gentile 2023 top-line breakdown



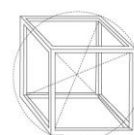
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
ATM Grupa SA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Lady Bacardi Media SpA	0.01	n.m.	0.0	n.m.	n.a.	2.6	1.4	n.a.
Squirrel Media SA	0.73	0.51	5.2	4.3	6.7	14.3	13.2	12.4
Zinc Media Group PLC	0.37	n.a.	7.3	n.a.	n.a.	n.a.	n.a.	n.a.
Median TV Production & Broadcasting	0.37	0.51	5.2	4.3	6.7	8.4	7.3	12.4
Lucky Strike Entertainment Corp	2.03	1.90	6.2	5.7	8.6	19.5	29.9	17.7
Compagnie des Alpes SA	1.58	1.47	5.4	4.9	9.3	7.6	6.9	5.9
Erlebnis Akademie AG	n.a.	n.a.	n.a.	n.a.	11.5	n.m.	11.2	7.8
Experience Co Ltd	0.69	0.56	4.8	3.3	3.9	22.7	10.5	7.0
Hollywood Bowl Group PLC	1.81	1.68	5.2	4.9	n.a.	12.2	11.7	10.9
Major Cineplex Group PCL	1.27	1.07	5.6	4.2	7.6	16.6	13.4	11.9
Ollamani SAB	n.a.	n.a.	n.a.	n.a.	n.a.	6.9	9.8	n.a.
Pinstripes Holdings Inc	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.a.
Round One Corp	2.36	2.12	8.3	7.4	n.a.	20.7	18.8	16.3
Median Leisure & Recreation	1.69	1.57	5.5	4.9	8.6	16.6	11.4	10.9
GT Talent Group SpA	-	-	-	-	-	-	-	-

Sources: CFO SIM, Refinitiv Workspace



Income statement (€ m)	2023	2024e	2025e	2026e
Revenues	1.440	-	-	-
Increase in finished products and Internal Works	1.077	-	-	-
Other revenues	0.153	-	-	-
Value of Production	2.670	-	-	-
Raw material and processing	(0.258)	-	-	-
Services	(1.355)	-	-	-
Personnel expenses	(0.292)	-	-	-
Other opex	(0.558)	-	-	-
EBITDA	0.207	-	-	-
D&A & Provision	(0.047)	-	-	-
EBIT	0.160	-	-	-
Financials	(0.153)	-	-	-
Forex gain/(loss)	(0.002)	-	-	-
Re/(Devaluation) of financial assets	0.000	-	-	-
Pre-Tax profit	0.005	-	-	-
Income taxes	(0.009)	-	-	-
Minorities	(0.000)	-	-	-
Group's Net Profit	(0.004)	-	-	-
Balance sheet (€ m)	2023	2024e	2025e	2026e
Net Working Capital	(0.250)	-	-	-
Net Fixed Assets	3.335	-	-	-
Financial Fixed Assets	0.054	-	-	-
Other M/L Term A/L	0.267	-	-	-
Net Invested Capital	3.405	-	-	-
Net Financial Debt	2.741	-	-	-
Minorities	0.136	-	-	-
Group's Shareholders Equity	0.528	-	-	-
Financial Liabilities & Equity	3.405	-	-	-
Cash Flow statement (€ m)	2023	2024e	2025e	2026e
Net income before minorities	(0.004)	-	-	-
Depreciation	0.047	-	-	-
Other non-cash charges	(0.181)	-	-	-
Cash Flow from Oper. (CFO)	(0.138)	-	-	-
Change in NWC	0.250	-	-	-
FCF from Operations (FCFO)	0.113	-	-	-
Net Investments (CFI)	(3.436)	-	-	-
Free CF to the Firm (FCFF)	(3.323)	-	-	-
CF from financials (CFF)	3.331	-	-	-
Free Cash Flow to Equity (FCFE)	0.007	-	-	-
Financial ratios	2023	2024e	2025e	2026e
EBITDA margin	7.8%	-	-	-
EBIT margin	6.0%	-	-	-
Net Profit margin	-0.3%	-	-	-
Tax rate	n.m.	-	-	-
Op. NWC/Sales	-17.4%	-	-	-
Interest Coverage (x)	1.0	-	-	-
Net Debt-to-Equity (x)	5.19	-	-	-
ROIC	Neg.	-	-	-
ROCE	5.4%	-	-	-
ROACE	10.8%	-	-	-
ROE	Neg.	-	-	-
Payout ratio	0.0%	-	-	-
Per share figures	2023	2024e	2025e	2026e
Number of shares outstanding # m	1.000	-	-	-
Number of shares outstanding (including PAS shares) # m	1.000	-	-	-
Number of shares Fully Diluted # m	1.000	-	-	-
Average Number of shares Fully Diluted # m	1.000	-	-	-
EPS stated FD €	(0.004)	-	-	-
EBITDA €	0.207	-	-	-
EBIT €	0.160	-	-	-
BV €	0.664	-	-	-
FCFO €	0.113	-	-	-
FCFF €	(3.323)	-	-	-
FCFE €	0.007	-	-	-
Dividend €	0.000	-	-	-



ANALYST CERTIFICATION

This publication was prepared by Corporate Family Office SIM S.p.A. ("CFO SIM"), namely by **GIANLUCA MOZZALI, LUCA SOLARI** and **CHIARA FRANCOMACARO**, 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.

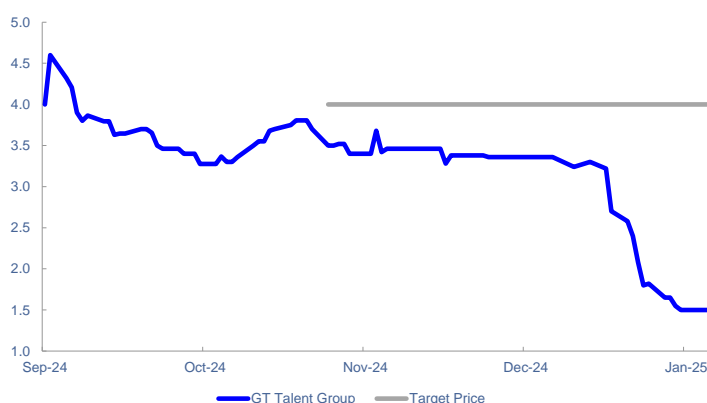
DISCLAIMER

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 Euronext Growth Advisor and Corporate Broker for GT Talent Group stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 12 months. CFO SIM produces Equity Research documents on behalf of the Company's Specialist.



DATE	TARGET PRICE	RATING
22/01/2025	U.R.	U.R.
11/11/2024	€ 4.00	NEUTRAL

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

