

Italy – Marketing Technology

Increased competition due to the massive use of GenAI

19th March 2025

FY-24 RESULTS RELEASE

RIC: GROWE.MI
BBG: GROW IM

Growens reported FY-24 results characterised by better-than-expected margins despite significant expenses in Sales & Marketing and R&D to boost the Beefree's development, which posted double-digit growth. Moreover, the new Beefree's 3-year business plan, now incorporates some market dynamics that significantly changed following the massive introduction of generative AI in the marketing technology industry.

Rating:

Neutral

Price Target:

€ 4.20 (€ 6.40)

Upside/(Downside): 7.4%

Last Price: € 3.91

Market Cap.: € 60.1m

1Y High/Low: € 6.95 / € 3.37

Avg. Daily Turn. (3M, 6M): € 97k, € 85k

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	-22.7%	-24.5%	-12.9%
Rel.to FTSE IT Growth	-22.2%	-24.2%	-9.6%
Rel.to Peers median	-7.4%	-15.6%	-15.2%

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Estimates revised downward: new SOTP-based PT of € 4.20/s (€ 6.40). Neutral

Following the release of FY-24 results and the updated business plan for Beefree, we have revised our model to account for lower sales growth associated with Beefree and a postponement of approximately two years for the EBITDA break-even point, now anticipated in 2027 (previously in 2025), as stated by Growens in its guidance. The combined result is an average 6.5%, 49.4% and 29.9% cut in revenues, EBITDA and Net Profit in 2025-26, respectively. Moreover, we have introduced projections for 2027. We have also updated the SOTP valuation, resulting in a new PT of € 4.20/s (€ 6.40), 7.4% upside. The downgrade is attributable to both the downward revision of the estimates and the de-rating of the peers' multiples. Consequently, we reaffirm our Neutral recommendation on the stock.

Revenues almost flat YoY, although Beefree's sales soared by 23.5% (ARR +30.9%)

Total revenues were € 74.5m, down by 0.8% YoY, and slightly lower than our estimate of € 76.2m. Foreign revenues accounted for 81% of the total, decreasing by 3% YoY, and recurring revenues rose by 23% YoY, representing 17% of total turnover. Beefree rose by 23.5% YoY to € 12.7m (\$ 13.7m) thanks to increased sales volumes. As of the end of 2024, ARR were € 15.1m, up by 30.9% YoY (\$ 16.0m, +27.4% YoY), with a net revenue retention of 103.2%. Agile Telecom totalled € 60.3m, down by 5.1% YoY because of the strategic decision to focus on profitability instead of sales growth.

EBITDA negative for € 0.1m due to still significant S&M and R&D expenses

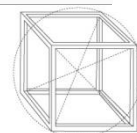
Gross profit rose by 19.5% to € 17.7m (23.8% margin) compared to € 14.8m (19.7% margin) in 2023. EBITDA was negative at € 0.1m compared to the negative EBITDA of € 0.6m in 2023, mainly thanks to the decrease of COGS by ca. 6% YoY and although Sales & Marketing and Research & Development costs rose by 31% and 56%, respectively. In particular, Beefree's EBITDA was negative for € 2.8m as a result of the increased investments in S&M and R&D aimed at boosting its development. The decrease in Agile Telecom's EBITDA (€ 2.0m vs. € 3.0m in 2023) is mainly related to a different allocation of intercompany costs resulting from the different scope of the group. Net Loss was € 2.4m, slightly lower compared to a net loss of € 2.9m in 2023.

Net cash at € 13m after huge investments and the extraordinary dividend of € 20m

Net Financial Position was € 13.0m cash compared to € 42.1m cash at year-end 2023, mainly as a result of the payment of the extraordinary dividend of € 20.0m (€ 1.58/s) and the significant investments on Beefree's development. The NFP does not include € 4.8m deposited in an escrow account in accordance with the sale agreement with TeamSystem. Finally, Growens's BoD resolved to propose to the AGM the distribution of an extraordinary dividend of € 0.38/s, to be paid either in cash or in treasury shares, at the discretion of the single shareholder. In the case of payment in shares, 1 share for every 8 held on the record date will be assigned, with an implicit value of the allocated shares equal to € 3.04/s.

Growens, key financials and ratios

€ m	2023	2024	2025e	2026e	2027e
Total Revenues	75.1	74.5	78.8	83.7	89.2
EBITDA	(0.6)	(0.1)	0.5	1.3	2.3
EBIT	(3.7)	(4.0)	(3.5)	(2.9)	(1.9)
Adj. Net profit	(2.9)	(2.4)	(2.2)	(1.8)	(1.2)
NFP (cash)/debt	(42.1)	(13.0)	(5.3)	(2.8)	(0.7)
EBITDA margin	-0.7%	-0.1%	0.7%	1.5%	2.5%
EBIT margin	-4.9%	-5.4%	-4.5%	-3.4%	-2.2%
EPS €	(0.19)	(0.16)	(0.14)	(0.12)	(0.08)
EPS growth	-95.9%	17.4%	10.6%	16.7%	31.1%
Free Cash Flow Yield	9.9%	-14.9%	-4.7%	-4.3%	-3.4%
PER x	n.m.	n.m.	n.m.	n.m.	n.m.
PCF x	n.m.	n.m.	n.m.	n.m.	n.m.
EV/Sales x	0.66	1.11	0.69	0.68	0.66
EV/EBITDA x	n.m.	n.m.	n.m.	45.6	26.1
EV/EBIT x	n.m.	n.m.	n.m.	n.m.	n.m.

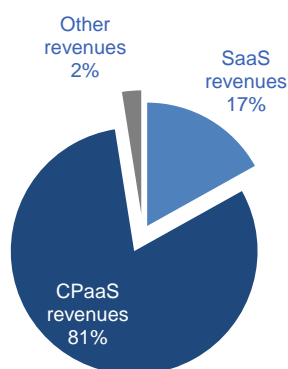


The company at a glance

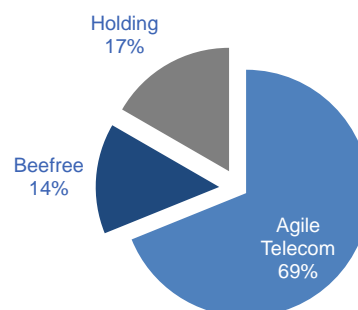
Founded in Cremona (Italy) in 2002 as an email service provider (i.e. the original business MailUp), Growens is now a leading international player in the Global Cloud Marketing Technologies market, one of the fastest growing industries worldwide. Its SaaS and CPaaS solutions allow SMEs and large corporations 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. 81% 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.

2024 breakdown by business division...



... and by business unit



Shareholder structure

Shareholders	%	# m
Nazzareno Gorni (via Poliedria 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

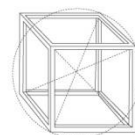
%	1D	1W	1M	3M	6M	YTD
dotDigital Group PLC	1.8	2.6 (20.6)	(18.3)	(16.0)	(14.9)	
HubSpot Inc	(2.6)	1.1 (25.7)	(19.5)	21.3	(14.3)	
Neosperience SpA	0.0	(0.4) (23.1)	(27.3)	(54.8)	11.6	
SaaS Marketing median	0.0	1.1 (23.1)	(19.5)	(16.0)	(14.3)	
CM.com NV	4.0	5.7	8.8	31.3	8.5	23.9
Link Mobility Group Holding	(0.5)	1.9 (9.8)	(8.3)	(7.9)	(6.1)	
Sinch AB (publ)	(0.1)	3.5 (9.9)	8.8	(25.2)	10.6	
Twilio Inc	(1.1)	(0.8) (21.0)	(9.6)	65.2	(8.2)	
Mobile Messaging median	(0.3)	2.7 (9.9)	0.3	0.3	2.2	
Growens SpA	0.8	7.7 (22.7)	(24.5)	(32.6)	(24.5)	

Source: Refinitiv Workspace

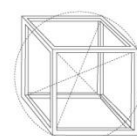
Peer group multiples table

Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
dotDigital Group PLC	2.01	1.78	6.5	5.8	10.5	9.2	15.5	14.4
HubSpot Inc	9.71	8.17	45.0	34.2	53.3	41.9	62.6	51.1
Neosperience SpA	1.09	0.93	4.6	3.5	31.1	10.5	n.m.	25.0
SaaS Marketing median	2.01	1.78	6.5	5.8	31.1	10.5	39.1	25.0
CM.com NV	0.90	0.77	10.6	8.2	18.8	16.0	n.m.	35.7
Link Mobility Group Holding ASA	0.92	0.75	8.7	7.0	14.2	10.8	14.3	12.2
Sinch AB (publ)	0.79	0.71	6.6	5.7	25.6	18.3	32.7	21.8
Twilio Inc	2.62	2.35	12.8	10.7	14.9	12.2	20.5	17.4
Mobile Messaging median	0.91	0.76	9.7	7.6	16.9	14.1	20.5	19.6
Growens SpA	0.69	0.68	n.m.	45.6	n.m.	n.m.	n.m.	n.m.

Sources: CFO SIM, Refinitiv Workspace



Income statement (€ m)	2023	2024	2025e	2026e	2027e
Total revenues	75.1	74.5	78.8	83.7	89.2
COGS	(60.2)	(56.8)	(62.2)	(66.1)	(70.5)
Gross Profit	14.8	17.7	16.5	17.6	18.7
Sales & Marketing	(4.4)	(5.8)	(5.8)	(5.9)	(6.2)
Research & Development	(1.9)	(3.0)	(2.4)	(2.3)	(2.5)
General costs	(9.0)	(9.0)	(7.9)	(8.1)	(7.7)
EBITDA	(0.6)	(0.1)	0.5	1.3	2.3
D&A	(3.1)	(3.9)	(4.1)	(4.1)	(4.2)
EBIT	(3.7)	(4.0)	(3.5)	(2.9)	(1.9)
Financials	1.0	1.3	0.1	0.0	(0.0)
Re/(Devaluation) of financial assets	0.0	0.0	0.0	0.0	0.0
Extraordinary	61.2	0.0	0.0	0.0	0.0
Pre-Tax profit	58.5	(2.7)	(3.4)	(2.9)	(2.0)
Income taxes	(0.4)	0.2	1.3	1.1	0.7
Minorities	0.1	0.1	0.0	0.0	0.0
Net Profit	58.2	(2.4)	(2.2)	(1.8)	(1.2)
Adjusted Net Profit	(2.9)	(2.4)	(2.2)	(1.8)	(1.2)
Balance sheet (€ m)	2023	2024	2025e	2026e	2027e
Net Working Capital	(4.0)	(1.6)	(1.8)	(1.8)	(1.7)
Net Fixed Assets	15.5	16.9	17.4	17.8	18.1
Equity Investments	0.4	0.5	0.5	0.5	0.5
Other M/L Term A/L	2.7	5.9	6.3	6.7	7.1
Net Invested Capital	14.7	21.7	22.3	23.1	23.9
Net Financial Position	(42.1)	(13.0)	(5.3)	(2.8)	(0.7)
Minorities	(0.1)	0.1	0.1	0.1	0.1
Group's Shareholders Equity	56.9	34.6	27.6	25.8	24.5
Financial Liabilities & Equity	14.7	21.7	22.3	23.1	23.9
Cash Flow statement (€ m)	2023	2024	2025e	2026e	2027e
Total net income	58.1	(2.5)	(2.2)	(1.8)	(1.2)
Depreciation	3.1	3.9	4.1	4.1	4.2
Other non-cash charges	(72.8)	(3.2)	(0.3)	(0.4)	(0.4)
Cash Flow from Oper. (CFO)	(11.5)	(1.8)	1.5	1.9	2.5
Change in NWC	5.8	(2.4)	0.2	0.0	(0.0)
FCF from Operations (FCFO)	(5.7)	(4.2)	1.7	2.0	2.5
Net Investments (CFI)	65.1	(4.8)	(4.5)	(4.5)	(4.5)
Free CF to the Firm (FCFF)	59.4	(8.9)	(2.8)	(2.6)	(2.0)
CF from financials (CFF)	(26.0)	(26.6)	0.2	4.0	2.0
Free Cash Flow to Equity (FCFE)	33.3	(35.5)	(2.7)	1.4	(0.0)
Financial ratios	2023	2024	2025e	2026e	2027e
EBITDA margin	-0.7%	-0.1%	0.7%	1.5%	2.5%
EBIT margin	-4.9%	-5.4%	-4.5%	-3.4%	-2.2%
Adj. Net profit margin	-3.9%	-3.3%	-2.8%	-2.2%	-1.4%
Tax rate	n.m.	n.m.	n.m.	n.m.	n.m.
Op NWC/Sales	-5.3%	-2.1%	-2.2%	-2.1%	-2.0%
Interest coverage x	n.m.	n.m.	n.m.	n.m.	n.m.
Net Debt/EBITDA x	n.m.	n.m.	(10.18)	(2.19)	(0.32)
Debt-to-Equity x	(0.74)	(0.38)	(0.19)	(0.11)	(0.03)
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	34.4%	n.m.	n.m.	n.m.	n.m.
Per share figures	2023	2024	2025e	2026e	2027e
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 €	3.78	(0.16)	(0.14)	(0.12)	(0.08)
EPS adjusted FD €	(0.19)	(0.16)	(0.14)	(0.12)	(0.08)
EBITDA €	(0.04)	(0.01)	0.03	0.08	0.15
EBIT €	(0.24)	(0.26)	(0.23)	(0.19)	(0.13)
BV €	3.69	2.25	1.80	1.68	1.60
FCFO €	(0.37)	(0.27)	0.11	0.13	0.16
FCFF €	3.86	(0.58)	(0.18)	(0.17)	(0.13)
FCFE €	2.17	(2.31)	(0.17)	0.09	(0.00)
Dividend €	1.58	0.38	0.00	0.00	0.00



Growens in a nutshell

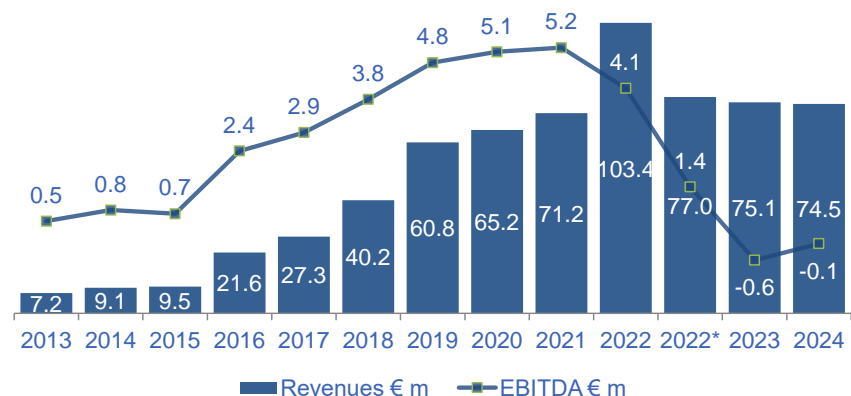
Founded in Cremona (Italy) in 2002 as an email service provider (i.e. the original business MailUp), Growens is now **a leading international player in the Global Cloud Marketing Technologies market**, one of the fastest growing industries worldwide. Its SaaS and CPaaS solutions allow SMEs and large 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. 81% 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.

In July 2023, Growens finalised the sale of its entire Email Service Provider business to TeamSystem for € 76.7m. The transaction's scope comprised the MailUp business unit, as well as 100% of Contactlab SpA, Acumbamail SL, MailUp Nordics A/S and Globase International ApS. Furthermore, **in October 2023, Growens sold Datatrics** to Squeezely BV for € 1.6m.

We believe that Growens definitely signed a **game-changing deal**, significantly valuing the historic business of the group. The substantial cash-in stemming from the sale of the Email Service Provider business was geared towards 1) the **acceleration of the development of Beefree**, the group's fastest-growing business unit, 2) **seizing potentially-accretive M&A deals** aimed at enriching Beefree's offer (namely RGE). In addition, Growens generated a **significant return for stakeholders** by **buying back € 18m of treasury shares at € 6.80/s** in the last months of 2023, and distributing the **extraordinary dividend of € 20m, corresponding to € 1.58/s**, in 2024.

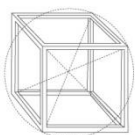
Chart 1 – Growens, 2013-24 top line and EBITDA evolution



Source: CFO SIM elaboration on company data

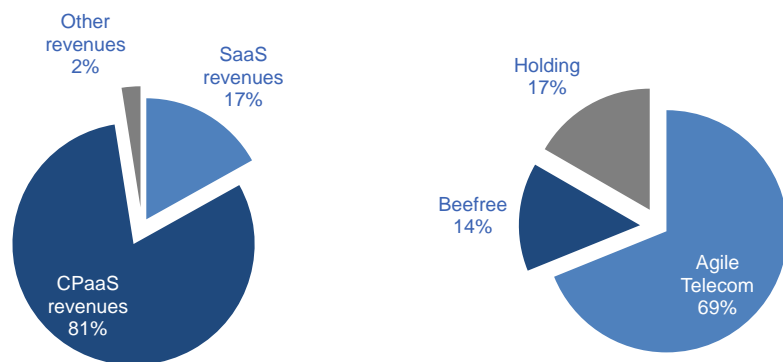
* 2022 was restated to treat the ESP business and Datatrics as discontinued operations

- The **SaaS (Software-as-a-Service) division** is characterised by subscription-based services supplied to customers via cloud platforms. In 2024, the SaaS division totalled € 12.6m in sales (16.9% of the total). It includes the Beefree business unit:
 - **Beefree**, with its operating team based in Silicon Valley and its technological team based in Italy, is becoming the world's leading standard for **email and landing page creation**. The company is focused on the development and marketing of the Beefree tool, an innovative no-code drag-n-drop email and landing page editor. Beefree has 90+ employees, over 9,400 customers, 50% of which in North America, and about 1.1 million free users.

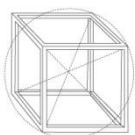


- **The CPaaS (Communication-Platform-as-a-Service) division** includes the Agile Telecom business unit, which provides messaging services on a wholesale basis using APIs. In 2024, the CPaaS division totalled € 60.0m in sales (80.6% of the total).
 - **Agile Telecom** is a B2B SMS factory, leader in the SMS industry in Italy with more than 2bn SMSs sent per year, both for promotional and transactional services (namely, One-Time-Password, notifications, and alerts). Agile Telecom has 19 employees and **serves** over 375 wholesale customers. It is worth remembering that, Agile Telecom was acquired in 2015 for € 8m, corresponding to 1x EV/Sales, and has always been profitable.

Chart 2 – Growens, 2024 top line breakdown by business division and business unit



Source: CFO SIM elaboration on 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 that give it an advantage over others.

Weaknesses: characteristics that place the business at a disadvantage vs. others.

Opportunities: elements that the project could use to its advantage.

Threats: elements in the environment that could cause trouble 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

- ❑ **Leading European player** in cloud marketing technologies
- ❑ Beefree is a leading **no-code drag-n-drop email and landing page editor**
- ❑ **Strong R&D investment** to develop new features of Beefree
- ❑ **Low client concentration**

WEAKNESSES

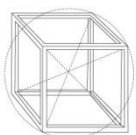
- ❑ Turnover highly dependent on **SMS (non-recurring)** revenues
- ❑ **Price pressure and low margins in the SMS business**
- ❑ Few key relevant people represent a **vital asset** for the company

OPPORTUNITIES

- ❑ **Consolidation opportunities** in a highly fragmented reference market
- ❑ Properly use of the huge cash-in stemming from the recent disposals to boost **Beefree's growth**
- ❑ **Huge total addressable market** for Beefree: 4 billion people designing content worldwide

THREATS

- ❑ Fast technological development may increase the **competitive pressure**
- ❑ The **execution risk linked to Beefree's development strategy** is not to be underestimated
- ❑ **Profitability dilution** stemming from the acquisition campaign



FY-24 Results

Growens reported FY-24 results characterised by better-than-expected margins despite significant expenses in Sales & Marketing and R&D to boost the Beefree's development, which posted double-digit growth.

Growens's BoD resolved to propose to the AGM the payment of an extraordinary dividend of € 0.38/s (9.7% yield) to be paid either in cash or in treasury shares, at the discretion of the single shareholder.

Table 1 – Growens, FY-24 results

€ m	2024	2023	% YoY	2024e	% Δ
SaaS Revenues	12.6	10.2	22.9	13.5	(7.0)
CPaaS Revenues	60.0	62.9	(4.7)	61.6	(2.6)
Other Revenues	1.9	1.9	(0.7)	1.1	72.3
Total revenues	74.5	75.1	(0.8)	76.2	(2.3)
COGS	(56.8)	(60.2)		(60.4)	
Gross Profit	17.7	14.8	19.5	15.9	11.6
% margin	23.8	19.7		20.8	
Sales & Marketing	(5.8)	(4.4)		(5.7)	
Research & Development	(3.0)	(1.9)		(2.9)	
General costs	(9.0)	(9.0)		(8.0)	
EBITDA	(0.1)	(0.6)	80.2	(0.8)	85.5
% margin	(0.1)	(0.7)		(1.0)	
D&A	(3.9)	(3.1)		(3.8)	
EBIT	(4.0)	(3.7)	(9.8)	(4.5)	11.0
% margin	(5.4)	(4.9)		(6.0)	
Financials	1.3	1.0		(0.1)	
Pre-Tax profit	(2.7)	(2.7)	(1.7)	(4.7)	42.1
% margin	(3.6)	(3.5)		(6.1)	
Income taxes	0.2	(0.4)		1.7	
Tax rate	n.m.	n.m.		n.m.	
Minorities	0.1	0.1		-	
Net Profit	(2.4)	(2.9)	17.4	(2.9)	17.6
% margin	(3.3)	(3.9)		(3.9)	
Net result from disc. operations	-	61.2		-	
Net Profit (incl. disc. operations)	(2.4)	58.2	n.m.	(2.9)	17.6
% margin	(3.3)	77.6		(3.9)	
NFP debt/(cash)	(13.0)	(42.1)		(14.4)	9.8

Sources: Company data, CFO SIM estimates

Total revenues were € 74.5m, down by 0.8% YoY, and slightly lower than our estimate of € 76.2m. In particular, the SaaS division soared by 22.9% to € 12.6m, slightly lower compared to our forecast of € 13.5m. The CPaaS division declined by 4.7% to € 60.0m (vs our estimate of € 61.6m).

Foreign revenues accounted for 81% of the total, decreasing by 3% YoY, and recurring revenues rose by 23% YoY, representing 17% of total turnover.

Gross profit rose by 19.5% to € 17.7m (23.8% margin) compared to € 14.8m (19.7% margin) in 2023.

EBITDA was negative at € 0.1m compared to the negative EBITDA of € 0.6m in 2023, mainly thanks to the decrease of COGS by ca. 6% YoY and although Sales & Marketing and Research & Development costs rose by 31% and 56%, respectively.

Net Loss was € 2.4m, slightly lower compared to a net loss of € 2.9m in 2023.

Net Financial Position was € 13.0m cash compared to € 42.1m cash at year-end 2023, mainly as a result of the payment of the extraordinary dividend of € 20.0m (€ 1.58/s) and the significant investments on Beefree's development. The NFP does not include € 4.8m deposited in an escrow account in accordance with the sale agreement with TeamSystem.

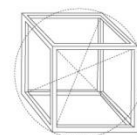


Table 2 – Growens, FY-24 revenues breakdown by business unit

€ m	2024	2023	% YoY	2024e	% Δ
Agile Telecom	60.3	63.5	(5.1)	61.6	(2.1)
Beefree	12.7	10.3	23.5	13.5	(6.4)
Holding	14.6	10.3	41.5	10.8	34.8
Consol. Adj.	(13.1)	(9.0)	(45.1)	(9.7)	(34.5)
Total revenues	74.5	75.1	(0.8)	76.2	(2.3)
EBITDA Agile Telecom	2.0	3.0	(33.3)	2.2	(7.9)
EBITDA Beefree	(2.8)	(1.3)	n.m.	(3.0)	5.4
EBITDA Holding	0.7	(2.4)	n.m.	(0.1)	n.m.
IFRS16 Impact	0.0	0.1	(69.9)	0.1	(69.9)
Total EBITDA	(0.1)	(0.6)	80.2	(0.8)	85.5
EBITDA % Agile Telecom	3.3	4.7		3.5	
EBITDA % Beefree	(22.3)	(12.5)		(22.1)	
EBITDA % Holding	4.7	(23.1)		(0.5)	

Sources: Company data, CFO SIM estimates

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

- **Beefree rose by 23.5% YoY to € 12.7m (\$ 13.7m)** thanks to increased sales volumes. As of the end of 2024, **ARR were € 15.1m, up by 30.9% YoY** (\$ 16.0m, +27.4% YoY), with a net revenue retention of 103.2%. Beefree's EBITDA was negative for € 2.8m as a result of the increased investments in S&M and R&D aimed at boosting its development.

In 2024, the group continued to develop new incremental and disruptive features, including new connectors with third-party systems and AI-based functions.

Table 3 – Growens, SaaS division's KPIs

KPIs - SaaS	Beefree (EUR)	Beefree (USD)	Date
ARR	€ 15.1m	\$ 16.0m	Dec-24
ARR growth	30.9%	27.4%	Dec-24
Gross margin	80.5%		FY-24
EBITDA margin	-22.3%		FY-24
Net Revenue Retention	103.2%		Dec-24

Sources: Company data

- **Agile Telecom totalled € 60.3m, down by 5.1% YoY** because of the strategic decision to focus on profitability instead of sales growth. The decrease in Agile Telecom's EBITDA is mainly related to a different allocation of intercompany costs resulting from the different scope of the group.

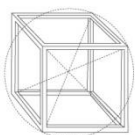
Table 4 – Growens, CPaaS division's KPIs

KPIs - CPaaS	Value	Date
Revenues	€ 60.3m	FY-24
EBITDA	€ 2.0m (3.3%)	FY-24
# Sent Messages	2.1 billion	FY-24

Sources: Company data

Finally, Growens's BoD resolved to propose to the AGM the distribution of an **extraordinary dividend of € 0.38/s (9.7% yield), to be paid either in cash or in treasury shares, at the discretion of the single shareholder**. In the case of payment in shares, 1 share for every 8 held on the record date will be assigned, with an implicit value of the allocated shares equal to € 3.04/s (i.e. € 0.38/s multiplied by 8x).

The ex-dividend date is on 28th April, the record date is on 29th April, the period for exercising the cash or shares option goes from 30th April to 7th May, and the payment date is on 12th June.



Beefree's 3-year Business Plan

On February 24th, Growens updated the Beefree's 3-year business plan, announced to the market on April 15th, 2024. The new business plan was revised to incorporate some market dynamics that significantly changed following the massive introduction of generative AI in the marketing technology industry.

In 2024, Beefree successfully launched a new commercial package offering for Beefree and Beefree SDK on the market within the scheduled time. On the other hand, concerning R&D and new features, the company decided to reschedule some investments (such as the multi-region infrastructure) but continued to invest in generative AI-based features and the development of features of the Enterprise segment. Concerning the go-to-market strategies, the new plan envisages the focus on the Growth team led by Mike Nelson, which has been operative since January 2025, and the investment in the Community area led by Justine Jordan.

Table 5 – Growens, Beefree's 3-year business plan

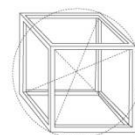
Beefree	2024e New	2024e Old	2025e New	2025e Old	2026e New	2026e Old	2027e New
ARR	\$ 16m	\$ 15-18m	-	-	\$ 21-23m	\$ 30-35m	\$ 24-27m
Gross Margin	-	-	-	-	> 80%	> 75%	> 80%
EBITDA	< 0	< 0	< 0	= 0	< 0	> 0	= 0
Cash-flow	\$ -12m	\$ -8/10m	\$ -12m	\$ -8/10m	< 0	= 0	< 0

Sources: Company data

The updated business plan factors in 1) a **slower growth path concerning Beefree App** mainly due to the lower virality of the freemium model and 2) a **sluggish market growth**, as the SaaS sector's growth has halved YoY. However, in this context, Beefree was able to grow at twice the pace of the market average, mainly thanks to Beefree SDK, the solution aimed at developers, whose ARR in 2024 grew by 33% YoY. As a consequence, the main portion of investments has been reallocated to the development and optimisation of Beefree SDK. In details:

- **ARR:** in 2024, Growens reached ARR of \$ 16m, within the range communicated to the market (i.e. \$ 15-18m). However, the new market environment prompted Growens to review the expected growth rates for the next years, thus, **for the 2024-27 period, the management forecasted a revenue CAGR between 20% and 23%** (vs revenue CAGR₂₃₋₂₆ of 35% previously projected). In 2026, Beefree is expected to reach ARR between \$ 21-23m (vs \$ 30-35m previously estimated), while, in 2027, ARR should come in between \$ 24-27m.
- **Gross Margin:** Growens increased the **steady-state gross margin of Beefree to 80%** (previously 75%) and confirmed that this level should be reached in 2026.
- **EBITDA:** the **break-even level is now projected in 2027**, compared to 2025 in the old business plan, whilst the **steady-state 15% EBITDA margin** was confirmed.
- **Cash-flow:** Growens confirmed that the next years will be affected by significant investments, thus **cash-flows are expected negative for \$ 12m in 2024-25, reaching the break-even level in 2028** (previously negative for \$ 8-10m in 2024-25 with break-even in 2026).
- **Marketing initiatives:** 1) the Growth team, led by Mike Nelson, will work to increase both the size of the new user acquisition channel, mainly focusing on RGE website, and the conversion among current free users/visitors; 2) the investments in the Community area, led by Justine Jordan, is expected to give significant indications aimed at guiding the product development roadmap.

Growens underlined that, given the current market context and the sector's extremely dynamic nature, **the projections in the business plan might be frequently revised and adjusted.**



Estimates, Valuation & Risks

Following the release of FY-24 results and the updated business plan for Beefree, **we have revised our model** to account for lower sales growth associated with Beefree and a postponement of approximately two years for the EBITDA break-even point, now anticipated in 2027 (previously in 2025), as stated by Growens in its guidance. The combined result is **an average 6.5%, 49.4% and 29.9% cut in revenues, EBITDA and Net Profit in 2025-26, respectively**. Moreover, we have introduced projections for 2027.

Table 6 – Growens, 2025e new/old estimates

€ m	New	Old	Δ %	Δ € m
Total revenues	78.8	82.8	(4.9)	(4.0)
EBITDA	0.5	1.1	(52.6)	(0.6)
% margin	0.7	1.3		
EBIT	(3.5)	(2.9)	(21.8)	(0.6)
% margin	(4.5)	(3.5)		
Net Profit	(2.2)	(1.9)	(14.0)	(0.3)
% margin	(2.8)	(2.3)		
NFP debt/(cash)	(5.3)	(11.3)	52.7	6.0

Source: CFO SIM

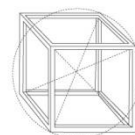
Table 7 – Growens, 2026e new/old estimates

€ m	New	Old	Δ %	Δ € m
Total revenues	83.7	91.1	(8.2)	(7.4)
EBITDA	1.3	2.3	(46.2)	(1.1)
% margin	1.5	2.6		
EBIT	(2.9)	(1.8)	(56.9)	(1.0)
% margin	(3.4)	(2.0)		
Net Profit	(1.8)	(1.2)	(45.8)	(0.6)
% margin	(2.2)	(1.4)		
NFP debt/(cash)	(2.8)	(8.9)	69.0	6.1

Source: CFO SIM

We have also updated the SOTP valuation, resulting in a **new PT of € 4.20/s (€ 6.40), 7.4% upside to current prices**. The downgrade is attributable to both the downward revision of the estimates and the de-rating of the peers' multiples.

Consequently, **we reaffirm 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.

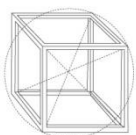


Table 8 – Growens, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA %	Sales CAGR ₂₄₋₂₇	EBITDA CAGR ₂₄₋₂₇	EBIT CAGR ₂₄₋₂₇	EPS CAGR ₂₄₋₂₇	NFP /EBITDA
dotDigital Group PLC	UK	269	104	32	30.8%	9.2%	11.0%	16.5%	16.7%	n.m.
HubSpot Inc	USA	28,451	2,746	592	21.6%	15.0%	172.5%	n.m.	452.8%	n.m.
Neosperience SpA	Italy	11	26	6	24.0%	16.1%	34.2%	24.6%	90.1%	2.7
SaaS Marketing median		269	104	32	24.0%	15.0%	34.2%	20.5%	90.1%	2.7
CM.com NV	Netherlands	226	306	26	8.5%	9.7%	26.1%	n.m.	n.m.	1.9
Link Mobility Group Holding ASA	Norway	560	666	70	10.5%	8.4%	13.2%	23.8%	49.7%	0.7
Sinch AB (publ)	Sweden	1,756	2,702	323	12.0%	4.9%	4.3%	14.8%	n.m.	1.1
Twilio Inc	USA	13,845	4,644	951	20.5%	8.2%	93.3%	n.m.	n.m.	n.m.
Mobile Messaging median		1,158	1,684	197	11.2%	8.3%	19.6%	19.3%	49.7%	1.1
Growens SpA	Italy	60	79	1	0.7%	6.2%	n.m.	n.m.	n.m.	n.m.

Sources: CFO SIM, Refinitiv Workspace

Table 9 – Growens, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
dotDigital Group PLC	2.01	1.78	1.55	6.5	5.8	5.0
HubSpot Inc	9.71	8.17	6.76	45.0	34.2	26.7
Neosperience SpA	1.09	0.93	0.74	4.6	3.5	2.6
SaaS Marketing median	2.01	1.78	1.55	6.5	5.8	5.0
CM.com NV	0.90	0.77	0.66	10.6	8.2	7.2
Link Mobility Group Holding ASA	0.92	0.75	0.62	8.7	7.0	5.7
Sinch AB (publ)	0.79	0.71	0.66	6.6	5.7	5.3
Twilio Inc	2.62	2.35	2.09	12.8	10.7	8.8
Mobile Messaging median	0.91	0.76	0.66	9.7	7.6	6.5
Growens SpA	0.69	0.68	0.66	n.m.	45.6	26.1
% Prem./(disc.) to SaaS Marketing	(65.4)	(61.5)	(57.2)	n.a.	n.m.	n.m.
% Prem./(disc.) to Mobile Messaging	(23.6)	(10.2)	0.4	n.a.	n.m.	n.m.

Sources: CFO SIM, Refinitiv Workspace

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	10.5	9.2	7.8	15.5	14.4	13.0
HubSpot Inc	53.3	41.9	30.8	62.6	51.1	37.7
Neosperience SpA	31.1	10.5	8.8	n.m.	25.0	8.2
SaaS Marketing median	31.1	10.5	8.8	39.1	25.0	13.0
CM.com NV	18.8	16.0	8.5	n.m.	35.7	15.6
Link Mobility Group Holding ASA	14.2	10.8	8.6	14.3	12.2	11.5
Sinch AB (publ)	25.6	18.3	11.8	32.7	21.8	17.7
Twilio Inc	14.9	12.2	9.6	20.5	17.4	14.4
Mobile Messaging median	16.9	14.1	9.1	20.5	19.6	15.0
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 Workspace

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 2025 expected figures (previously 2024-25-26 expected figures, 50-25-25% weighted). As a result, **we attained an equity value of € 4.20/s (€ 6.40), fairly aligned with current price levels.**

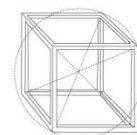


Table 11 – Growens, Sum of the Parts equity value assessment – FY1 (2025e)

	€ m	% on EV	Methodology
Beefree BU	30.5	60.6	2x peer multiple on € 15.2m BU Sales 2025e
Agile Telecom BU	19.8	39.4	9.7x peer multiple on € 2.1m BU EBITDA 2025e
Total EV	50.4	100.0	
Holding costs	(0.7)		Perpetuity of holding costs @ 6.4%
NFP	5.3		FY-25e Net Financial Position
Pension Provision	(1.3)		Pension last reported - FY-24
Equity Value	53.7		
# m shares (excl. treasury shares)	12.7		
Per share	4.20		
% upside/(downside)	7.4%		

Source: CFO SIM, Refinitiv Workspace

Table 12 – Growens, Sum of the Parts equity value assessment – FY2 (2026e)

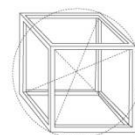
	€ m	% on EV	Methodology
Beefree BU	32.4	66.8	1.8x peer multiple on € 18.2m BU Sales 2026e
Agile Telecom BU	16.1	33.2	7.6x peer multiple on € 2.1m BU EBITDA 2026e
Total EV	48.6	100.0	
Holding costs	(0.7)		Perpetuity of holding costs @ 6.4%
NFP	2.8		FY-26e Net Financial Position
Pension Provision	(1.3)		Pension last reported - FY-24
Equity Value	49.3		
# m shares (excl. treasury shares)	12.7		
Per share	3.90		
% upside/(downside)	-0.3%		

Source: CFO SIM, Refinitiv Workspace

Table 13 – Growens, Sum of the Parts equity value assessment – FY3 (2027e)

	€ m	% on EV	Methodology
Beefree BU	34.0	70.8	1.6x peer multiple on € 21.9m BU Sales 2026e
Agile Telecom BU	14.0	29.2	6.5x peer multiple on € 2.2m BU EBITDA 2026e
Total EV	48.0	100.0	
Holding costs	(0.7)		Perpetuity of holding costs @ 6.4%
NFP	0.7		FY-26e Net Financial Position
Pension Provision	(1.3)		Pension last reported - FY-24
Equity Value	46.8		
# m shares (excl. treasury shares)	12.7		
Per share	3.70		
% upside/(downside)	-5.4%		

Source: CFO SIM, Refinitiv Workspace



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**, +103.6% since the IPO. The stock reached a 1Y intraday maximum price of € 6.95/s on 01-Aug-24 and a minimum price of € 3.37/s on 27-Feb-25.

Table 14 – Growens, peer group and index absolute performance

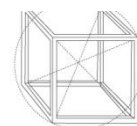
%	1D	1W	1M	3M	6M	YTD	1Y
dotDigital Group PLC	1.8	2.6	(20.6)	(18.3)	(16.0)	(14.9)	(16.2)
HubSpot Inc	(2.6)	1.1	(25.7)	(19.5)	21.3	(14.3)	(0.5)
Neosperience SpA	0.0	(0.4)	(23.1)	(27.3)	(54.8)	11.6	(72.1)
SaaS Marketing median	0.0	1.1	(23.1)	(19.5)	(16.0)	(14.3)	(16.2)
CM.com NV	4.0	5.7	8.8	31.3	8.5	23.9	10.2
Link Mobility Group Holding ASA	(0.5)	1.9	(9.8)	(8.3)	(7.9)	(6.1)	23.4
Sinch AB (publ)	(0.1)	3.5	(9.9)	8.8	(25.2)	10.6	(5.5)
Twilio Inc	(1.1)	(0.8)	(21.0)	(9.6)	65.2	(8.2)	63.5
Mobile Messaging median	(0.3)	2.7	(9.9)	0.3	0.3	2.2	16.8
Growens SpA	0.8	7.7	(22.7)	(24.5)	(32.6)	(24.5)	(12.9)
MSCI World Index	(0.7)	1.4	(6.1)	(3.7)	0.9	(1.0)	8.6
EUROSTOXX	0.8	3.6	0.5	11.7	12.5	12.4	11.6
FTSE Italia All Share	1.2	4.8	2.4	14.5	16.5	14.9	15.9
FTSE Italia STAR	0.6	2.5	(4.4)	(2.0)	(1.3)	(0.4)	(2.9)
FTSE Italia Growth	0.2	1.3	(0.5)	(0.3)	(2.7)	(1.4)	(3.3)

Source: Refinitiv Workspace

Table 15 – Growens relative performances

%	1D	1W	1M	3M	6M	YTD	1Y
To SaaS Marketing median	0.8	6.6	0.4	(5.0)	(16.6)	(10.2)	3.3
To peer Mobile Messaging median	1.1	5.0	(12.9)	(24.8)	(32.9)	(26.8)	(29.7)
To MSCI World Index	1.4	6.4	(16.6)	(20.9)	(33.5)	(23.6)	(21.5)
To EUROSTOXX	(0.0)	4.1	(23.2)	(36.2)	(45.1)	(36.9)	(24.5)
To FTSE Italia All Share	(0.5)	2.9	(25.1)	(39.1)	(49.1)	(39.4)	(28.8)
To FTSE Italia STAR	0.2	5.2	(18.3)	(22.5)	(31.3)	(24.1)	(9.9)
To FTSE Italia Growth	0.6	6.4	(22.2)	(24.2)	(29.9)	(23.1)	(9.6)

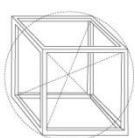
Source: Refinitiv Workspace



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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DATE	TARGET PRICE	RATING
19/03/2025	€4.20	NEUTRAL
07/11/2024	€6.40	NEUTRAL
18/10/2024	€6.40	NEUTRAL
13/05/2024	€6.60	NEUTRAL
03/04/2024	€6.40	NEUTRAL

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