

Euronext Growth Milan



FY21 reporting season

Research Team

Tel: +39 02 80886654

info@value-track.com

About ValueTrack

ValueTrack is a capital markets and corporate finance firm focused on mid-small caps offering a wide range of services: Advisory, Equity- Debt Research, Investor Access. Our research is available on ValueTrack and Borsa Italiana websites, Bloomberg, FactSet, Thomson Reuters, S&P Capital IQ.

2021 very positive year for ECM / Stocks performances

A few numbers can prove how positive 2021 has been on this side:

- ◆ **#44 companies admitted to EGM** (€826mn capital raised at IPO), i.e. ca. 2x the number of listings occurred in 2020;
- ◆ **IPO EV/EBITDA FY1** at all time high **7.7x** in 2021 (from 5.9x in '20);
- ◆ Nearly half of IPOs boasting a positive performance in excess of 40%, while only 5 names recorded negative returns (ca. -16% on average).

FY21 earnings season as well very positive

Key messages from FY21 figures of more than 130 EGM companies:

- ◆ **EGM is back on the growth path.** Aggregate FY21 Revenues, EBITDA, EBIT and Net Profit grew +33%, +49%, +86%, +106% y/y respectively and FY21 Revenues, EBITDA were up ca. 30% vs. FY19.
- ◆ **More and more EGM companies are achieving relevant dimensions.** In FY21 #23 companies recorded EBITDA above €10mn and #25 companies recorded Net Profit above €5mn.
- ◆ On average there's a **well-balanced capital structure.** Net Debt / EBITDA stood at ca. 0.6x and half of companies are Net Cash positive.

FY21 best performing companies and their valuation

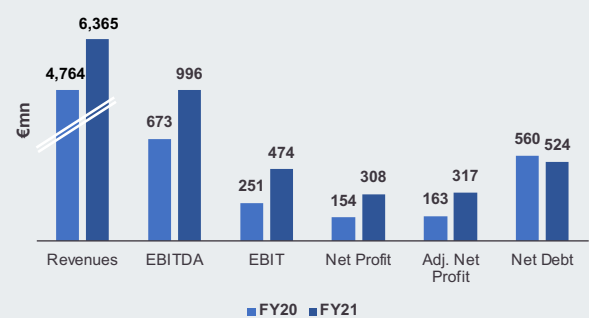
1. Companies boosted by market fiscal incentives: *EdiliziAcrobatica, Gibus, Innovatec, Sciuker Frames.*
2. Digital transformation related companies: *Almawave, Digital Value, Digital360, Intred, Reevo, Unidata.*
3. Companies that have found a niche where to exploit their competitive advantage: *Aton Green Storage, Cofle, Comer Industries, Compagnia dei Caraibi, Culti Milano, Fope, Ilpra, Italian Wine Brands, Omer.*

On average, these companies are trading at ca. **8.2x-6.6x EV/EBITDA** and **17.1x-14.5x P/E 2022E-23E** multiples. Among the companies with the best "Growth at Reasonable Price" profile we find: *Aton Green Storage, Compagnia dei Caraibi, Cofle, Culti Milano, EdiliziAcrobatica, Innovatec, Gibus, Ilpra, Omer, Sciuker Frames.*

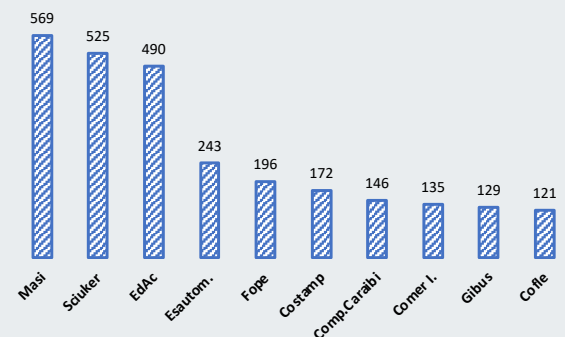
FTSE Italia Growth
Mkt Cap (€bn)

10,424
11.6

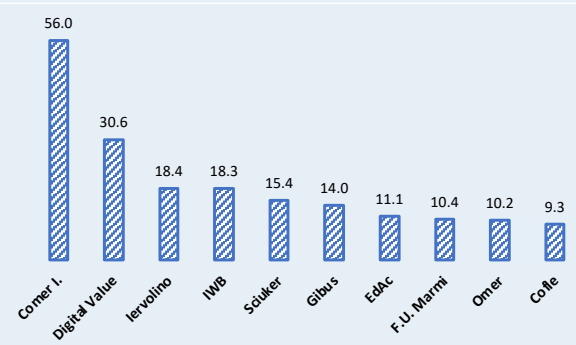
EGM MARKET: AGGREGATED FY20 and FY21 FIGURES (€mn)



EGM COMPANIES WITH HIGHEST EBIT GROWTH FY21/FY20 (%)



EGM COMPANIES WITH HIGHEST ADJ. NET PROFIT FY21 (€mn)



Source: ValueTrack Analysis



Executive Summary

2021 has been a very positive year for Euronext Growth Milan (EGM, previously AIM Italia), both in terms of Capital Markets activity / Stock Market performance and in terms of Economic and Financial performance of the various listed companies.

Capital Markets activity / Stock Market performance

A few numbers can prove how positive 2021 has been on this side:

- ◆ #44 companies were admitted to EGM, i.e. ca. 2x the number of listings occurred in 2020;
- ◆ Total Capital Raised at IPO was ca. €826mn, that is on average ca. €19mn, more than double if compared to €6.5mn for the whole 2020;
- ◆ Average EV/EBITDA FY1 IPO multiples stood at 7.7x in 2021, up from 5.9x in 2020;
- ◆ FTSE Italia Growth Index was up ca. +17% in 2021, supported by a gradually improving liquidity;
- ◆ Out of the companies listed in 2021, only 5 names recorded negative returns (ca. -16% on average) while, on the contrary, 17 stocks experienced a positive performance in excess of 40%;
- ◆ #24 companies showing a Market Cap in excess of €100mn, up y/y.

FY21 earnings season analysis

We have analysed more than 130 listed companies of Euronext Growth Milan that have released their FY21 financial results within the end of March. Key messages are the following:

Key Message # 1: EGM is back on the growth path, not only vs. FY20 but also vs. FY19

Looking at aggregate FY21 financial figures, we note sound y/y growth, thus confirming the strong recovery from Covid-19 related bottom that we already noticed in 1H21:

- ◆ Revenues close to €6.5bn, +33.2% y/y (€4.9bn in FY20);
- ◆ EBITDA and EBIT at €1bn and €511mn respectively, i.e. +48.6% and +85.8% y/y respectively;
- ◆ EBITDA and EBIT margin at 15.9% and 7.8%, respectively;
- ◆ Net Profit at €359mn, doubled y/y if compared to the €174mn Net Profit in FY20;

Noteworthy, the positive growth pace recorded by EGM companies is confirmed also by a comparison with pre-covid FY19 figures. Indeed, we calculate that Aggregate FY21 Revenues and EBITDA grew by ca. 30% vs. FY19 ones.

Key Message # 2: More and more EGM companies are achieving relevant dimensions

EGM listed companies are growing not only in number but also in terms of average business magnitude. Indeed, out of the firms in our sample, we note that comparing FY21 with FY20 (and FY19) there are:

- ◆ 64% of sample companies that recorded a higher than €20mn turnover in FY21 vs. 59% in FY19;
- ◆ 23 companies with EBITDA above €10mn (up from 15 in FY20);
- ◆ 25 companies with Net Profit above €5mn (up from 15 in FY20).

Key Message # 3: On average there's a well-balanced capital structure

Looking at the broader sample, including financial firms as well, we calculate that:

- ◆ The aggregate Net Debt Position stands at €647mn, 0.6x Net Debt / EBITDA;
- ◆ Out of the #132 companies included in the sample, #67 are Net Cash positive while the remaining are in a Net Debt position.

Value Track selection of best performing companies in terms of FY21 results

We selected as best performing companies in terms of FY21 results, the ones that achieved most of our requirements in terms of:

- ◆ Actual FY21 results better (or at least in line) vs. market consensus estimates;
- ◆ Soundest growth rates and profitability improvement not only vs. FY20 but also vs. FY19;
- ◆ Positive OpFCF generation and financial leverage under control.

These “top picks” can be clustered, in our view, in the following three groups:

4. Companies that have been benefitting from fiscal incentives related to buildings renovation and energy requalification: *EdiliziAcrobatica, Gibus, Innovatec, Sciuker Frames*.
5. Companies that are somehow riding the theme of digital transformation: *Almawave, Digital Value, Digital360, Intred, Reevo, Unidata*.
6. Companies that have benefitted most from post-covid rebound and / or have found a niche where to exploit their competitive advantage: *Aton Green Storage, Cofle, Comer Industries, Compagnia dei Caraibi, Culti Milano, Fope, Ilpra, Italian Wine Brands, Omer*.

Valuation

FY21 best performing companies trading at affordable valuations

We calculate that top pick companies previously identified are trading at ca. **8.2x-6.6x EV/EBITDA and 17.1x-14.5x P/E average 2022E-23E** multiples.

Multiples are very scattered as too many different sectors and business models are included in the analysis. However, we can underline the following:

- ◆ Consumer Goods/Services and Telco/Tech stocks are trading below and above average respectively;
- ◆ Fiscal incentives related companies, are boasting the lowest multiples of all;
- ◆ *Aton Green Storage, Sciuker Frames* and *Innovatec* are trading much below average despite recording higher than average Sales CAGR 2019A-22E and efficiency ratio values.

Too many sectors / business models drive scattered multiples

Among the previously selected top performing companies, we note that value investors could build a highly diversified portfolio including only companies with very undemanding multiples, thus betting on their possible future rerating. Some examples:

- ◆ Companies characterized by EV/Sales 2022E multiples below or equal to 1.0x: *Compagnia dei Caraibi, Comer Industries, Innovatec, Italian Wine Brands, Gibus, Ilpra*;
- ◆ Companies exposed to fiscal incentives, noting that are all trading below 6.0x EV/EBITDA 2022E and 18.0x P/E adj. 2022E.

Overall, among the companies with the best “Growth at Reasonable Price” profile we find: *Aton Green Storage, Compagnia dei Caraibi, Cofle, Culti Milano, EdiliziAcrobatica, Innovatec, Gibus, Ilpra, Omer, Sciuker Frames*.

Euronext Growth Milan: key facts & figures

All KPIs for Euronext Growth Milan (EGM, previously AIM Italia) are on the healthy side. Indeed, as of the end of December 31st, EGM counted 170 listed companies, representing nine different industries, for a current aggregate €10.6bn market capitalization (calculated as of the end of March 2022).

ECM activity has been brilliant in FY21 (€828mn raised in 2021, #44 new listings vs. only #23 occurred in 2020) and stock prices went up (FTSE Italia Growth Index 1-year return ca. +17%, compared to December 2020), supported by a gradually improving liquidity.

We note that the number of companies showing a Market Cap greater than €100mn (#24) is increasing year by year.

Euronext Growth Milan Stock Market increasing in size and quality

As of the end of December 2021, **#170 companies were actively listed on Euronext Growth Milan** (3 suspended, 4AIM counted as one), previously named as AIM Italia, representing nine industries and a **current aggregate €10.6bn Market Cap**, as of March 2022 (168 companies, i.e. net of #2 SPACS).

Market Cap distribution by companies remained wide, ranging from €0.5mn of Visibilia Editore to ca. €1bn of Digital Value. Despite more than 1/2 of listed companies (#85) are currently trading at Market Cap lower than €40mn threshold, the number of companies **showing a Market Cap greater than €100mn is increasing year by year, and is now at 24. Average free float is now close to 26.4%** based on a simple average of all stocks, with an average Free-float Market Cap close to €17.3mn.

Well-diversified market structure by industry

In terms of market composition, we highlight:

- ◆ Good diversification in terms of industry composition with just *Telco* industry currently represented by a number of firms in the single-digit space;
- ◆ *Technology* was the first industry by total Market Cap: €3.0bn, ca. 29% of aggregated Market Cap.

Euronext Growth Milan: Key statistics (*)

Industry	Listed Companies		Market Cap	
	#	As (%)	(€mn)	As (%)
Energy & Utilities	12	7.1%	649	6.1%
Telecommunications	4	2.4%	438	4.1%
Health Care	11	6.5%	670	6.3%
Technology	34	20.0%	3,024	28.6%
Media	17	10.0%	297	2.8%
Consumer Goods	27	16.1%	1,686	15.9%
Consumer Services	17	10.0%	421	4.0%
Industrials Goods	28	16.7%	2,555	24.2%
Financials	18	10.1%	832	7.9%
Total EGM	168	100.0%	10,572	100.0%

Source: ValueTrack Analysis (*) All stock listed as of 31/12/21 excluding those currently suspended

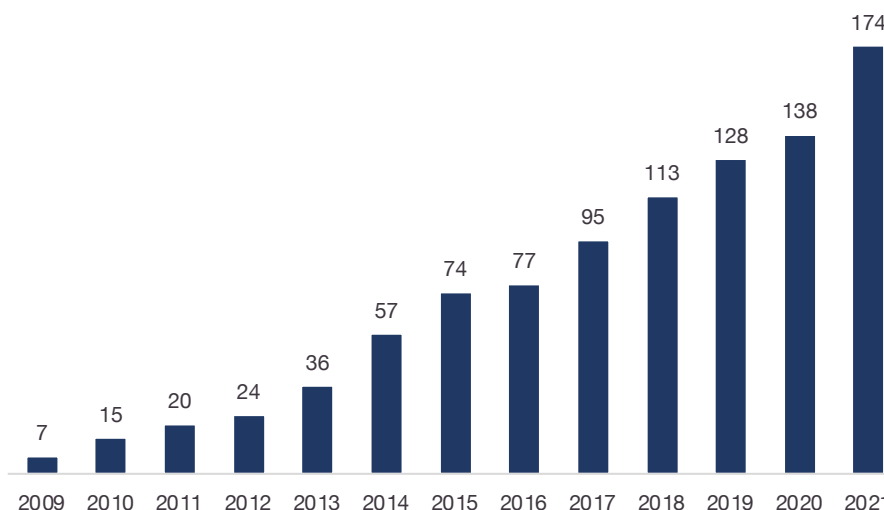
Willingness to invest proven by strong FY21 ECM activity

The healthy picture recorded in 2021 by EGM is demonstrated by its strong ECM activity, and by the post-IPO performances of newly listed stocks.

Key stats and figures

- ◆ In 2021, **#44 companies were admitted to Euronext Growth Milan**, i.e. ca. 2x the number of listings occurred in 2020, thanks to higher visibility and generally less risk-adverse attitude.

Euronext Growth Milan: Number of listed companies since 2009



Source: Borsa Italiana, ValueTrack Analysis

- ◆ In the same period, **#5 companies were delisted** (*Capital for Progress, Elettra Investimenti, CFT, Amm and Eurocosmetic*), and **#3 companies moved to MTA** (*AbitareIn, Antares Vision and FineFoods & Pharmaceuticals*);

Euronext Growth Milan: Delistings and transilisting since Jan '21

Company	Date	Delisting Type
Abitare In	01-mar	STAR
Antares Vision	05-may	STAR
FineFoods & Pharmaceuticals	12-jul	STAR
Capital for Progress	04-gen	Voluntary basis
CFT	22-mar	Tender Offer
Elettra Investimenti	04-jun	Tender Offer
AMM	27-jul	Tender Offer
EuroCosmetic	28-dec	Tender Offer

Source: Borsa Italiana, ValueTrack Analysis

- ◆ Total Capital Raised at IPO was ca. €826mn, that is **on average €19.2mn** (excluding the listed 4AIM). This value compares to €6.5mn for the whole 2020 (based on a similar number of IPOs);

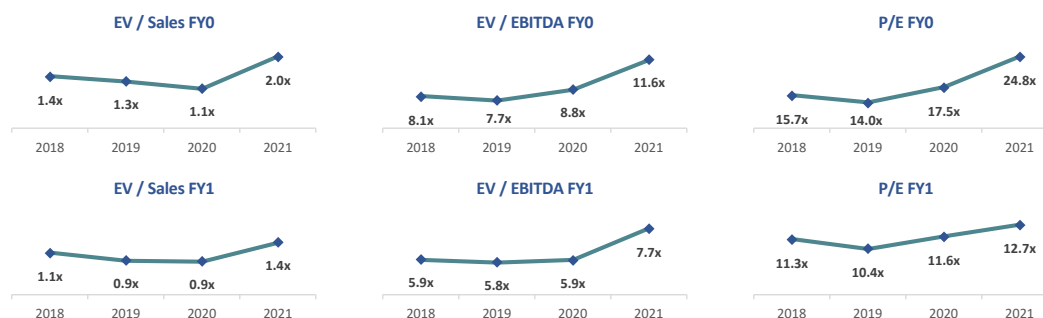
Euronext Growth Milan: Listings since Jan '21

Company	Date	Offer	Company	Date	Offer
Vantea Smart	27-gen	5.1	Destination Italy	19-ott	3.5
Almawave	11-mar	30	Intermonte Partners Sim	21-ott	38.5
Casasold	18-mar	2.7	Defence Tech Holding	29-ott	25
A.B.P. Nocivelli	30-mar	11	Medica	03-nov	22.9
Reevo	06-apr	5.5	Soluzione Tasse	05-nov	13
Premia Finance (*)	26-apr	1.1	Cofle	11-nov	15
Jonix	04-mag	6.2	Racing Force	16-nov	31.1
Acquazzurra (*)	13-mag	2	Nice Footwear	18-nov	5.5
G Rent	26-mag	3.3	Take Off	25-nov	12.5
Revo	26-mag	220	Alfonsino	22-nov	4
4AIM **	08-giu	2	Datrix	03-dic	15
Aton Green Storage	17-giu	10	International Care Company	08-dic	2.5
MeglioQuesto	28-giu	17.2	Svas Biosana	09-dic	23
Id-Entity	06-lug	2.9	SIF Italia	16-dic	2.8
Spindox	06-lug	7	Sababa Security	17-dic	9
Industrial Stars of Italy 4	08-lug	138	Lindbergh	20-dic	4.5
Ala	20-lug	25	Estrima	20-dic	15
Giglio.Com	23-lug	10.6	Homizy	21-dic	10
Compagnia dei Caraibi	28-lug	13.8	Iscc Fintech	21-dic	14.5
Omer	04-ago	25.4	Directa Sim	22-dic	6.8
Nusco	04-ago	4.6	Star7	23-dic	1.8
Ulisse BioMed	06-ago	5	Finanza.tech	29-dic	3.5

Source: Borsa Italiana, ValueTrack Analysis (*) Admitted to professional segment

- ◆ Average EV/EBITDA FY1 IPO multiples increased at 7.7x, from 5.9x in 2020;
- ◆ Only 5 names recorded negative returns (ca. -16% on average) while, on the contrary, **17 stocks** experienced a **remarkable positive performance** (>40% on average);
- ◆ **Positive correlation** between **oversubscription** multiple and **1-week IPO performance**.

EGM IPO Multiples 2018 - 2020



Source: Value Track Analysis

FY21 earnings season analysis

We have analyzed more than 130 listed companies of Euronext Growth Milan that have released their FY21 financial results within the end of March and, as expected, many of them continued the strong recovery from Covid-19 related bottom that we noticed in 1H21. Aggregate Turnover at €6.5bn was up high double-digit (+33.2% y/y, in line with 1H21 performance), EBITDA stood at €1bn (doubled y/y) with EBITDA margin at 15.9% (+170bps y/y thanks to positive operating leverage), aggregated Net Profit doubled y/y at €359mn, and Net Debt / EBITDA remained under control at 0.5x at aggregated level and 0.6x for companies with net debt exposure. Noteworthy, aggregate FY21 Revenues and EBITDA are up ca. 30% vs. pre-covid FY19 figures.

Best performing companies (alphabetical order): Almaxwave, Aton GS, Cofle, Comer Industries, Compagnia dei Caraibi, Culti Milano, Digital Value, Digital360, EdiliziAcrobatica, Fope, Gibus, Ilpra, Innovatec, Intred, Italian Wine Brands, Omer, Reevo, Sciuker Frames, Unidata.

A look at FY21 reporting season: data sample and key messages

We took into consideration **#132 corporates that approved FY21 results** within the end of March, i.e. all the 174 companies listed on Euronext Growth Milan as of December 31st, out of which we have excluded from our analysis:

- ◆ #3 stocks suspended for much part of the year, i.e. *Sirio*, *Vetrya* and *ABC Company*;
- ◆ #2 SPACS, i.e. *Revo* and *Industrial Stars of Italy 4*;
- ◆ #1 4AIM Crowdfunding Compartment 2;
- ◆ #34 stocks that until the end of March haven't provided FY2021 financial statements;
- ◆ #2 stocks with fiscal year ending as of June 30th (*Assiteca* and *ABP Nocivelli*).

Top-Down view: key messages

In our view the key messages that can be drawn from this reporting season are the following:

1. EGM is back on the growth path, with P&L strongly rebounding from Covid-19 affected FY20;
2. More and more EGM companies are achieving relevant size level;
3. On average there's a well balanced capital structure, i.e. debt leverage is manageable.

Key Message # 1: EGM back on the growth path, not only vs. FY20 but also vs. FY19

Looking at aggregate 132 companies FY21 financial figures, we note strong y/y growth rates at top line, operating and net profitability levels, thus confirming the strong recovery from Covid-19 related bottom that we already noticed in 1H21.

On a like-for-like basis, we highlight:

- ◆ **Revenues close to €6.5bn**, +33.2% y/y (€4.9bn in FY20);
- ◆ **EBITDA and EBIT at €1bn and €511mn** respectively, i.e. +48.6% and +85.8% y/y respectively;
- ◆ **EBITDA margin and EBIT margin at 15.9% and 7.8%**, respectively;
- ◆ **Net Profit at €359mn**, strongly up y/y if compared to the €174mn Net Profit in FY20;

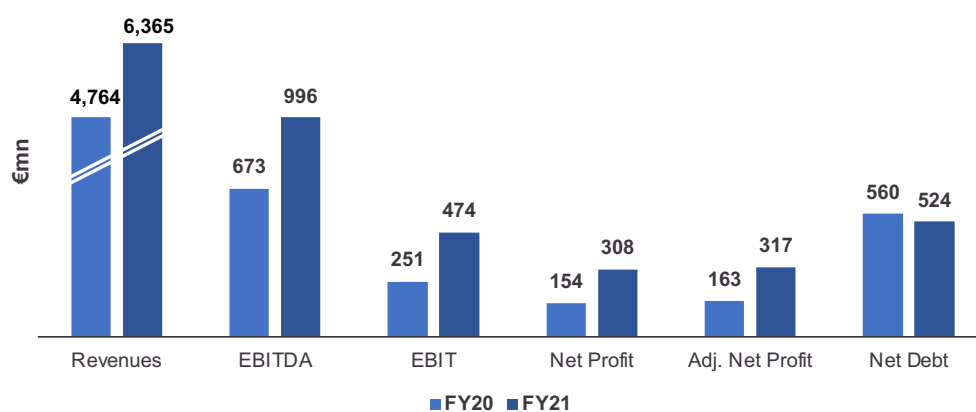
Noteworthy, if we do not take into account financial firms in our reporting season analysis, we obtain a sample of #119 companies with very similar y/y growth rates.

Euronext Growth Milan: Aggregate FY20 – FY21 results at a glance (#132 companies*)

€mn	FY20	FY21	y/y (% , €mn)
Revenues	4,910	6,538	+33.2%
EBITDA	698	1,038	+48.6%
<i>EBITDA Margin (%)</i>	14.2%	15.9%	+170bps
EBIT	275	511	+85.8%
<i>EBIT Margin (%)</i>	5.6%	7.8%	+220bps
Net Profit	174	359	+105.7%
Net Debt	648	647	-1
<i>Net Debt/EBITDA (x)</i>	0.9x	0.5x	

Source: ValueTrack Analysis on companies' data

(*) Like-for-like comparison, i.e. both FY20 and FY21 figures include the same 132 companies even if not all these companies were listed as of December 2020

FY21 vs FY20 results- Key Aggregate financial figures (#119 companies)(*)


Source: ValueTrack analysis on companies' data

(Revenues bars are adjusted for better visibility)

(*) # Companies net of financials

The positive growth pace recorded by EGM companies is confirmed also by a comparison with pre-covid FY19 figures. Indeed, looking at those 73 companies already listed as of FY19 and still active today on EGM, (net of financial stocks and of Comer Industries that has finalized extremely relevant M&A deals), we calculate that aggregate Revenues grew by 31.5% from ca. €3.0bn in FY19 to €3.9bn in FY21.

In terms of profitability, EBITDA increased in line with turnover, hence contributing to a stable EBITDA Margin, while Net Profit improved by 20% to €157mn.

Euronext Growth Milan: Aggregate FY19 – FY21 results at a glance (#73 companies*)

€mn	FY19	FY21	y/y (% , bps)
Revenues	2,960	3,893	+31.5%
EBITDA	497	657	+32.3%
<i>EBITDA Margin</i>	16.8%	16.9%	+10bps
Net Profit	131	157	+20.1%
<i>Net Profit Margin</i>	4.4%	4.0%	+40bps

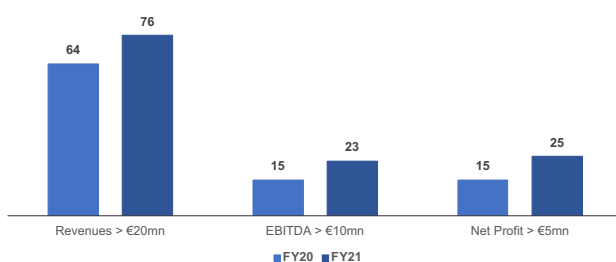
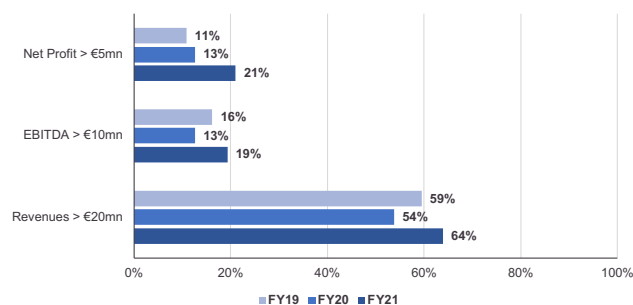
Source: ValueTrack Analysis on companies' data (*) Like-for-like comparison, i.e. both FY19 and FY21 figures include the same 73 companies listed before FY19, net of Comer Industries

Key Message # 2: More and more EGM companies are achieving relevant dimensions

Out of the #119 firms in our sample, we note that comparing FY21 with FY20 there are:

- ◆ 76 companies with Revenues above €20mn (up vs. 64 in FY20);
- ◆ 23 companies with EBITDA above €10mn (up from 15 in FY20);
- ◆ 25 companies with Net Profit above €5mn (up from 15 in FY20).

FY21 also overcame FY19 levels (that were in turn better than FY20), with 64% of our panel displaying a relevant turnover in FY21 vs. 59% in FY19 (out of the #74 companies already listed in FY19 and still active now).

Number of companies at different fundamentals thresholds (#74 companies in FY19, #119 companies in FY20-FY21)
Number of companies at different thresholds (#)

Percentage of companies at different thresholds (%)


Source: Value Track analysis on companies' data

Key Message # 3: Well-balanced capital structure

Looking at the broader sample, including financial firms as well, we calculate that:

- ◆ The aggregate Net Debt Position stands at €647mn;
- ◆ Out of the #132 companies included in the sample, #67 are Net Cash positive while the remaining are in a Net Debt position.

If we rule out financial companies from our analysis, based on a #119 companies dataset we calculate FY21 aggregate Net Debt at €524mn, down when compared to FY20 €565mn, with FY21 Net Debt/EBITDA ratio down to 0.6x from 0.8x as of 2020 year end.

Even more importantly, we report a minor number of indebted companies, from 69 in FY20 to 54 in FY21.

Euronext Growth Milan: Net Debt exposure: FY20 – FY21 debt metrics (#119 companies)

€mn	FY20	FY21
Net Debt	565	524
EBITDA	671	996
Net Debt/EBITDA	0.8x	0.5x
<i># of Companies with a Net Debt exposure</i>	<i>69/119</i>	<i>54/119</i>
Net Debt attributable to Net Debt companies	815	925
EBITDA attributable to Net Debt companies	502	746
Net Debt/EBITDA (x)	1.6	1.2x

Source: ValueTrack Analysis on companies' data (*) based on market research already released by ValueTrack (**) Companies classified as financials are not considered in the computation

When further reducing our sample and considering only the #73 companies that were already listed in FY19, we note a higher Net Debt/EBITDA ratio as of FY21 (0.6x vs 0.4x), as a consequence of Net Debt increasing more than proportionally with respect to operating margins, partly due to M&A acquired assets not entirely integrated yet.

However the magnitude of the ratio suggests an acceptable value to guarantee financial solvency.

Euronext Growth Milan: Net Debt exposure: FY19 – FY21 (#73 companies)

€mn	FY19	FY21
Net Debt	220	389
EBITDA	497	657
Net Debt/EBITDA (x)	0.4x	0.6x

Source: ValueTrack Analysis on companies' data

Bottom-Up view: key take-aways

Value Track selection of best performing companies in terms of FY21 results

We selected as best performing companies in terms of FY21 results, the ones that achieved most of our requirements in terms of:

- ◆ Actual FY21 results better (or at least in line) vs. market consensus estimates;
- ◆ Soundest y/y growth rates not only vs. FY20 figures but also vs. FY19 ones (CAGR'19A-'21A>0, in terms of Revenues and EBITDA);
- ◆ Most significant operating and net margins improvement;
- ◆ Financial leverage under control, coupled with positive Operating Free Cash Flow generation.

These “top picks” can be clustered, in our view, in the following three groups:

7. Companies that have been benefitting from fiscal incentives related to buildings renovation and energy requalification: *EdiliziAcrobatica, Gibus, Innovatec, Sciuker Frames*.
8. Companies that are somehow riding the theme of digital transformation: *Almawave, Digital Value, Digital360, Intred, Reevo, Unidata*.
9. Companies that have benefitted most from post-covid rebound and / or have found a niche where to exploit their competitive advantage: *Aton Green Storage, Cofle, Comer Industries, Compagnia dei Caraibi, Culti Milano, Fope, Ilpra, Italian Wine Brands, Omer*.

Companies performance FY21E vs FY21A and CAGR19-21

Company	Revenues (€mn)			EBITDA (€mn)			CAGR 19-21 (%)	
	Expected	Actual	A/E (%)	Expected	Actual	A/E (%)	Revenues	EBITDA
Aton Green Storage	18.8	22.8	21.3%	3.7	4.7	27.6%	60%	278%
Sciuker Frames	99.9	103.4	3.5%	32.1	29.2	-8.9%	194%	238%
EdiliziAcrobatica	87.3	87.7	0.5%	13.8	21.3	54.6%	45%	125%
Gibus	63.0	72.7	15.4%	12.0	18.2	51.7%	33%	80%
Innovatec	222.4	237.8	6.9%	30.4	32.9	8.2%	127%	68%
Comer Industries	1048.0	1048.0	0.0%	127.0	131.0	3.1%	61%	69%
Culti Milano	19.7	21.0	6.6%	4.2	5.0	19.0%	54%	83%
Reevo	11.2	11.5	2.7%	3.0	3.1	3.3%	53%	110%
Digital Value	541.6	557.8	3.0%	55.8	57.5	3.0%	24%	34%
Compagnia dei Caraibi	39.1	42.5	8.7%	4.1	4.9	19.3%	32%	65%
Omer	51.7	57.1	10.6%	14.1	15.6	10.6%	30%	58%
Ilpra	40.0	44.0	10.0%	7.9	9.0	13.9%	13%	41%
Cofle	50.3	55.4	10.1%	11.9	12.9	8.4%	21%	59%
Digital360	33.2	41.4	24.6%	6.6	8.0	20.4%	25%	78%
Italian Wine Brands	304.5	408.9	34.3%	35.5	38.8	9.3%	61%	54%
Almawave	32.4	34.2	5.4%	8.0	7.8	-3.0%	27%	12%
Unidata	37.1	37.0	-0.3%	10.6	14.1	33.0%	67%	75%
Intred	41.5	40.4	-2.7%	16.6	17.6	6.0%	38%	42%
Fope	40.3	40.3	0.0%	8.3	8.8	6.2%	7%	14%

Source: Company data, Market Consensus, Value Track Analysis

Let's now have a deeper look at the companies that performed best in terms of:

1. Growth rates;
2. Operating and net margins improvement;
3. Operating Free Cash Flow generation and financial leverage under control.

1. Fastest-growing companies

We are hereby listing those “growth” companies which enjoyed turnover and EBITDA y/y growth rates even above 100%, but that also boast:

- a) FY21 revenues above ca. €20mn;
- b) FY21 EBITDA higher than €4mn and;
- c) Net Profit higher than €2mn.

This exercise gives us a list of #45 names, with the top #15 displayed in the following table.

Companies with the highest Top line and EBITDA growth in FY21

Company	FY21 y/y Growth (%)		Revenues (€mn)			EBITDA (€mn)			Net Profit (€mn)		
	Revenues	EBITDA	FY20	FY21	Δ (€mn)	FY20	FY21	Δ (€mn)	FY20	FY21	Δ (€mn)
Sciuker Frames (*)	358%	280%	22.6	103.4	80.8	7.7	29.2	21.5	10.3	15.4	5.1
Aton GS	192%	4600%	7.8	22.8	15.0	0.1	4.7	4.6	1.3	2.5	1.2
Innovatec (*)	179%	96%	85.1	237.8	152.7	16.8	32.9	16.1	3.9	6.2	2.3
Notorius Pictures	95%	106%	13.4	26.3	12.8	5.0	10.4	5.3	1.7	3.6	1.9
Italian Wine Brands (*)	94%	64%	210.6	408.9	198.3	23.6	38.8	15.2	14.2	18.3	4.1
EdilizAcrob.	90%	326%	46.1	87.7	41.6	5.0	21.3	16.3	6.8	11.1	4.3
Comp. Caraibi	71%	132%	24.9	42.5	17.7	2.1	4.9	2.8	1.1	2.4	1.3
Esautomation	62%	126%	17.7	28.6	10.9	3.6	8.0	4.5	2.8	5.0	2.3
Gibus	61%	114%	45.1	72.7	27.6	8.5	18.2	9.7	7.5	14.0	6.5
Unidata	58%	64%	23.4	37.0	13.6	8.6	14.1	5.5	5.1	7.8	2.7
Culti Milano	55%	56%	13.5	21.0	7.5	3.2	5.0	1.8	1.4	2.7	1.3
Fope	55%	120%	26.0	40.3	14.3	4.0	8.8	4.8	2.7	5.0	2.3
Digital360 (*)	50%	60%	27.6	41.4	13.8	5.0	8.0	3.0	1.3	2.6	1.3
Cofle	45%	115%	38.1	55.4	17.3	6.0	12.9	6.9	6.0	9.3	3.3
Fervi (*)	45%	29%	26.3	38.0	11.7	4.1	5.3	1.2	1.6	3.2	1.6

Source: Value Track Analysis

(*) M&A included (organic/like-for-like Revenues growth calculated at 263%, 47%, 56%, 31%, 22% y/y, respectively)

The panel exhibits #13 stocks with a striking y/y growth equal or above 50%, with half of the companies active in the Consumer Goods / Services arena and the other half divided between TMT, Energy & Utilities and Industrial Goods industries.

Special mention to *Sciuker Frames*, *Italian Wine Brands* and *Innovatec* that despite benefitting from external growth (M&A), reported extremely attractive organic Revenues growth (>250%, +56% and +47% y/y, respectively), and to *Compagnia dei Caraibi*, able to achieve great figures despite being exposed to the Ho.Re.Ca sector, strongly penalized by the second-wave of pandemic.

2. Companies delivering significant margin improvement

We are hereby listing the top #15 firms delivering the most noticeable operating and net profitability improvement, be it driven by a profitable and sustainable business model or simply by very high operating leverage.

The analysis is based on those stocks with a) an improving y/y EBIT margin, b) positive y/y Revenues growth and c) meaningful FY21 Revenues and EBIT, respectively higher than €5mn and €1mn.

Consumer Goods / Services and Industrial Goods are once again the two most represented sectors in the following selection.

We also spot #6 names (*Aton Green Storage Edilizia Acrobatica*, *Notorius Pictures*, *Esautomation*, *Fope* and *Gibus*) already caught in the fastest-growing panel, representing some of FY21 most interesting profiles.

Companies with most impressive improvement at EBIT Margin level (bps)

Company	EBIT Margin (%)			Revenues (€mn)			EBIT (€mn)		
	FY20	FY21	y/y (bps)	FY20	FY21	y/y (%)	FY20	FY21	y/y (%)
Notorius Pictures	-22.3	12.9	3,521	13.4	26.3	95%	-3.0	3.4	nm
Aton GS	-12.8	14.9	2,773	7.8	22.8	192%	-1.0	3.4	nm
EdiliziaAcrob.	6.7	20.9	1,414	46.1	87.7	90%	3.1	18.3	490%
Esautomation	10.6	22.4	1,180	17.7	28.6	62%	1.9	6.4	243%
Masi Agricola	2.5	13.1	1,059	51.7	66.4	28%	1.3	8.7	569%
Gel	0.1	10.6	1,046	14.4	18.6	29%	0.0	2.0	9785%
Cover 50	3.1	12.9	987	22.1	24.6	11%	0.7	3.2	369%
SIF Italia	20.1	29.4	928	4.2	7.0	66%	0.9	2.1	142%
Matica Fintech	5.0	13.8	879	12.0	14.5	21%	0.6	2.0	233%
Marzocchi Pompe	-3.2	5.1	830	34.7	44.8	29%	-1.1	2.3	nm
DHH	10.1	18.2	812	9.3	19.8	112%	0.9	3.6	282%
Fope	8.8	16.9	803	26.0	40.3	55%	2.3	6.8	196%
Renergetica	31.3	38.9	759	11.5	11.8	3%	3.6	4.6	28%
Leone Film	1.2	8.0	677	72.5	98.6	36%	0.9	7.9	778%
Gibus	15.7	22.3	661	45.1	72.7	61%	7.1	16.2	129%

Source: Value Track Analysis

Shifting our focus on EBIT growth in absolute terms and selecting those companies with: a) minimum EBIT at least equal to €1mn in both FY20 and FY21, and b) positive y/y growth both at Revenues, EBIT and Net Profit levels, we get a panel of #53 stocks, out of which the top #15 are displayed below.

Leaving aside companies that increased their operating profit also thanks to M&A activities, we underline the strong performance of *EdiliziaAcrobatica*, *Gibus*, *Masi Agricola*, *Cofle*, *Portobello* and *Omer*, all capable to increase their EBIT by at least €5.0mn y/y.

Companies with highest EBIT growth in absolute terms (€mn)

Company	EBIT (€mn)			Revenues (€mn)			Net Profit (€mn)		
	FY20	FY21	y/y (€mn)	FY20	FY21	y/y (€mn)	FY20	FY21	y/y (€mn)
Comer Industries (*)	37.0	87.0	50.0	792.0	1,048.0	256.0	19.0	54.3	35.3
Sciuker Frames (*)	3.8	24.0	20.2	22.6	103.4	80.8	2.7	15.4	12.6
EdiliziAcrob.	3.1	18.3	15.2	46.1	87.7	41.6	1.7	11.1	9.4
Italian Wine Brands (*)	18.2	30.7	12.5	210.6	408.9	198.3	14.2	18.3	4.1
Digital Value (*)	34.0	44.5	10.5	442.3	557.8	115.5	24.1	30.6	6.5
Gibus	7.1	16.2	9.1	45.1	72.7	27.6	5.4	14.0	8.6
Masi Agricola	1.3	8.7	7.4	51.7	66.4	14.7	0.8	5.4	4.6
Cofle	4.7	10.4	5.7	38.1	55.4	17.3	3.9	9.3	5.4
Portobello	8.6	13.9	5.3	64.0	88.2	24.2	6.0	8.8	2.8
Omer	8.7	13.8	5.1	46.1	57.1	11.0	6.8	10.2	3.4
Franchi Umb. Marmi	13.3	18.2	4.9	51.2	65.3	14.1	10.3	10.4	0.1
Esautomation	1.9	6.4	4.5	17.7	28.6	10.9	2.4	5.0	2.6
Fope	2.3	6.8	4.5	26.0	40.3	14.3	1.7	5.0	3.3
Unidata	4.9	9.1	4.2	23.4	37.0	13.6	3.4	7.8	4.4
Innovatec (*)	6.8	10.7	4.0	85.1	237.8	152.7	2.3	6.2	3.9

Source: Value Track Analysis

(*) M&A included

3. Strong FCF generation and low financial leverage

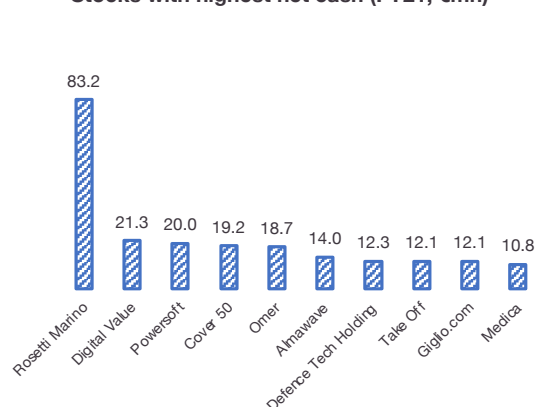
We have identified those companies experiencing positive FY21 Free Cash Flow (FCF), not including proceeds coming from IPO or seasoned equity offerings. Conversely, we reckon that data can be affected by dividend payments, M&A transactions and one off Capex plans.

Overall, we underline three companies that achieved FCF generation higher than €10mn: *EdiliziAcrobatica*, *Omer* and *Gibus*.

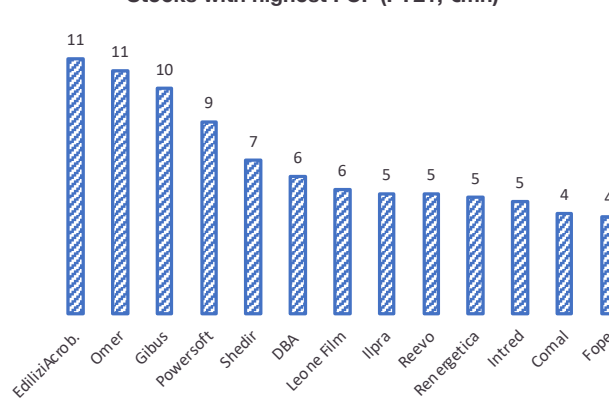
At the same time we note that *Rosetti Marino* is the company with the highest Net Cash position at €83.2mn, upward of +28% y/y, but this is heavily affected by down payments from clients.

Top 10 companies for cash and debt position

Stocks with highest net cash (FY21, €mn)



Stocks with highest FCF (FY21, €mn)



Source: Value Track analysis on companies' data. FY21 positions

Valuation Analysis

FY21 best performing companies trading at affordable valuations

We calculate that top pick companies previously identified are trading at ca. **1.8x-1.5x EV/Sales**, **8.2x-6.6x EV/EBITDA** and at **17.1x-14.5x P/E average 2022E-23E** multiples. In more details:

- ◆ Consumer Goods/Services are trading below average;
- ◆ Telco and, most of all, Tech stocks once again confirm their more demanding valuation, justified by end-markets that should keep accelerating in the coming year;
- ◆ Companies that are benefitting from fiscal incentives-related businesses, i.e. *Sciuker Frames*, *Edilizia Acrobatica*, *Gibus* and *Innovatec*, are currently displaying more undemanding multiples than the total average, despite also being among FY21 fastest-growing stocks in terms of fundamentals. The lower visibility on a post fiscal incentives scenario is clearly taking its toll.

Euronext Growth Milan – VT top picks Market Multiples

Company	Sector	Mkt. Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
			FY21A	FY22E	FY23E	FY21A	FY22E	FY23E	FY21A	FY22E	FY23E
Aton GS	Energy	60.0	2.8	1.9	1.7	13.5	8.8	7.1	24.0	15.3	13.0
Sciuker Frames	Consumer	187.7	1.8	1.4	1.0	6.5	5.9	4.0	12.2	17.1	11.7
EdiliziAcrob.	Consumer	140.3	1.6	1.1	1.0	6.4	5.4	4.7	12.6	9.7	8.6
Gibus	Consumer	82.6	0.9	0.9	0.9	3.6	4.7	4.3	5.9	8.0	7.3
Innovatec	Energy	227.2	1.0	0.9	0.7	7.2	5.8	5.0	36.4	15.9	11.8
Comer	Industrials	831.7	1.0	0.9	0.8	7.7	6.9	6.0	14.9	12.4	10.5
Culti Milano	Consumer	44.4	1.9	1.7	1.4	7.9	6.5	5.2	16.5	18.5	15.4
Reevo	Tech	76.8	5.8	3.3	2.5	21.5	11.0	7.7	nm	25.9	18.9
Digital Value	Tech	928.2	1.6	1.3	1.0	15.8	12.4	9.9	30.3	24.7	19.6
Comp. Caraibi	Consumer	51.5	1.0	0.8	0.6	9.1	6.5	5.0	21.7	13.0	10.3
Omer	Industrials	98.9	1.4	1.2	1.0	5.1	5.1	4.3	9.7	10.3	10.1
Ilpra	Industrials	47.4	1.0	1.0	0.8	4.9	4.6	3.9	8.9	10.6	9.4
Cofle	Industrials	100.6	1.8	1.6	1.3	7.5	6.3	4.9	10.8	10.7	8.8
Digital360	Tech	85.0	2.0	2.0	1.6	10.2	10.3	8.1	32.7	20.6	16.5
Italian Wine B.	Consumer	298.4	1.0	0.9	0.8	10.8	9.1	7.2	16.3	13.3	10.5
Almawave	Tech	118.7	3.1	2.9	2.5	13.5	15.4	12.5	34.0	34.5	27.7
Unidata	Telco	123.2	3.4	2.9	2.4	8.9	10.3	8.1	15.8	23.1	29.2
Intred	Telco	251.2	6.1	5.0	4.5	14.0	12.0	10.7	29.2	26.7	23.3
Fope	Consumer	82.6	2.0	1.7	1.5	9.2	8.0	6.8	16.5	14.4	13.1
Average		201.9	2.2	1.8	1.5	9.6	8.2	6.6	19.4	17.1	14.5
Median		100.6	1.8	1.4	1.0	8.9	6.9	6.0	16.4	15.3	11.8

Source: ValueTrack analysis on market consensus (as of 05/04/2022)

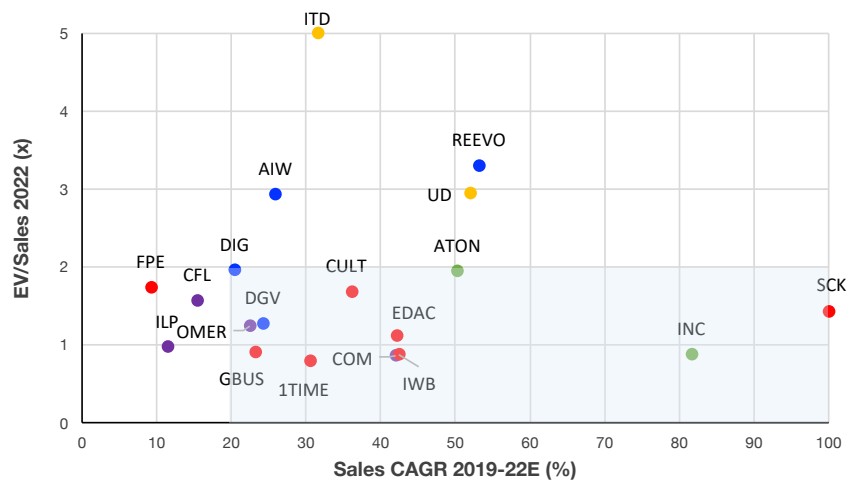
Too many sectors / business models drive scattered multiples

Looking at value maps, we note a not so high positive correlation between EV/Sales multiples vs growth and profitability rates. Too many different sectors and business models are, indeed, included in the analysis.

That said, in order to highlight the most interesting profiles, we spotted those stocks with expected Sales CAGR for 2019A-22E higher than 20% and those with an efficiency ratio greater than 40%.

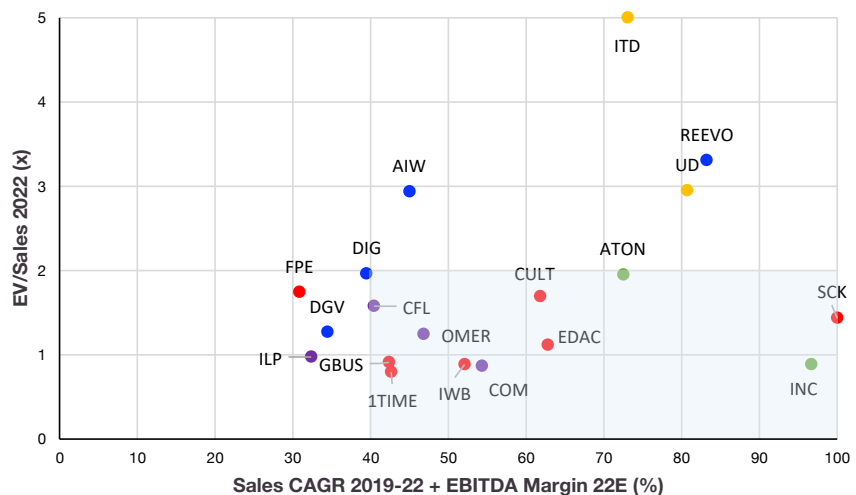
The ones that matched both criteria while trading at EV/Sales 2022E below 2.0x represent 55% of total, with *Aton Green Storage*, *Sciuker Frames* and *Innovatec* boasting top figures.

Value Map: EV/Sales vs. Sales Growth



Source: ValueTrack analysis on market consensus data

Value Map: EV/Sales vs. Efficiency ratio



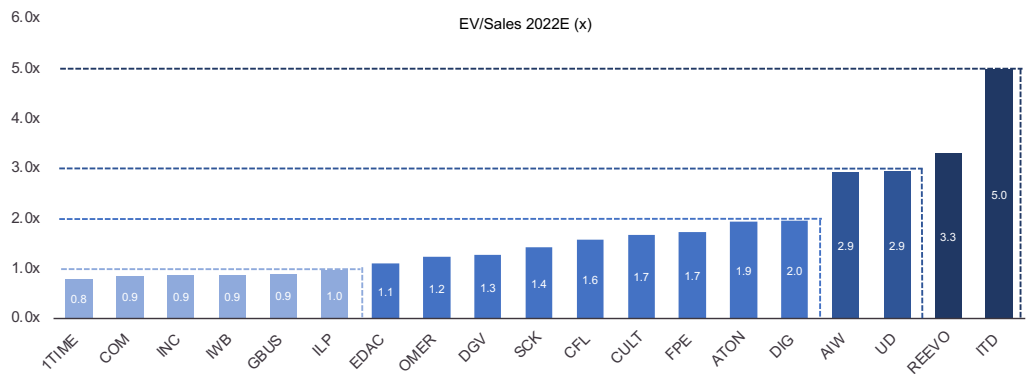
Source: ValueTrack analysis on market consensus data

Too many sectors / business models drive scattered multiples

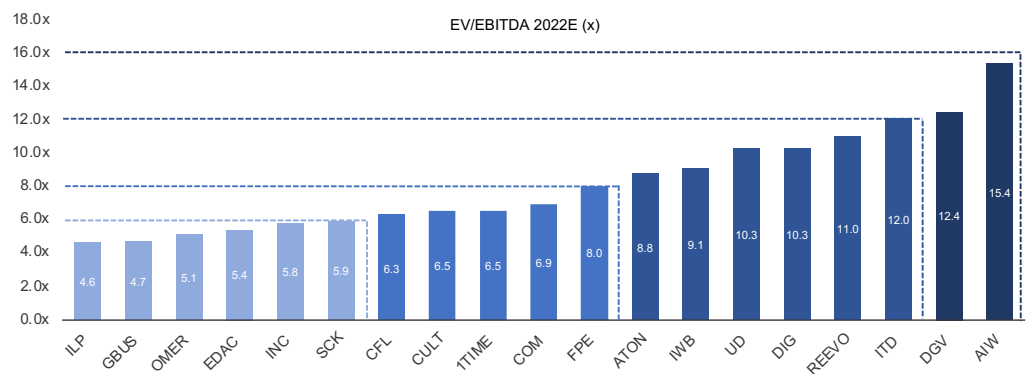
Among the previously selected top performing companies, we note that value investors could build a highly diversified portfolio including only companies with very undemanding multiples, thus betting on their possible future rerating. Some examples:

- ◆ Companies characterized by EV/Sales 2022E multiples below or equal to 1.0x: *Compagnia dei Caraibi, Comer Industries, Innovatec, Italian Wine Brands, Gibus, and Ilpra*;
- ◆ Companies exposed to fiscal incentives, noting that are all trading below 6.0x EV/EBITDA 2022E and 18.0x P/E adj. 2022E.

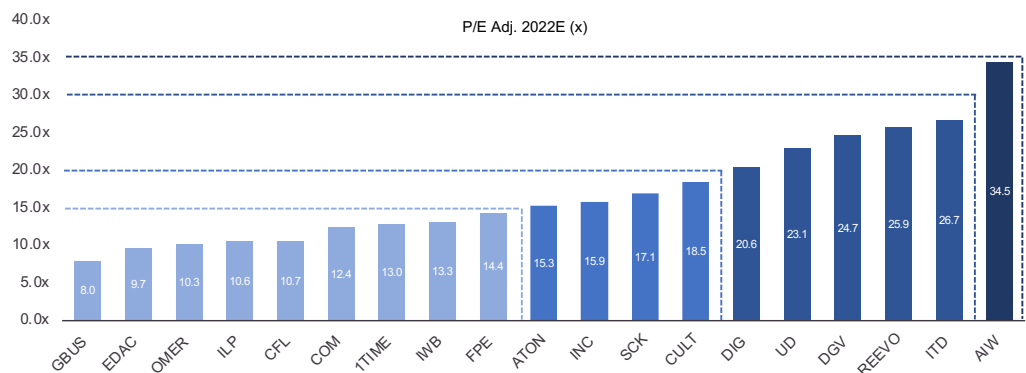
VT top picks ranked by EV/Sales 2022E



VT top picks ranked by EV/EBITDA 2022E



VT top picks ranked by P/E Adj. 2022E



Source: Market consensus (as of 05/04/2022)

What about our *value stocks* performance over the last six months?...

In our last “stock guide” (mid-October 2021) we identified #10 best value stocks which in our opinion were **undervalued**.

In order to follow up on that analysis and verify how ValueTrack selected companies have performed so far, we display in the table below their relative valuations and the 6-months share price performance (from 09/10/2022 to 12/04/2022). In summary, we highlight:

- ◆ **Half of the stocks outperformed the FTSE Italia Growth Index**, with special mention to *Innovatec* (+177%), *Sciuker Frames* (+32%) *ALA* (+24%) and *Comal* (+24%) achieving remarkable performances.
- ◆ **Most of these top value stocks have undergone some multiple rerating** so far, with current average multiples broadly in line with those displayed ca. 6 months ago.

Euronext Growth Milan – VT “value” stocks’ current valuation vs. May’20

Company	2022E Market Multiples as of Oct’21				2022E Current Market Multiples as of Apr ’22				
	EV/Sales	EV/EBITDA	EV/EBIT	P/E	EV/Sales	EV/EBITDA	EV/EBIT	P/E	6m perf. (%)
A.L.A.	0.7	6.5	8.0	13.8	0.8	7.4	9.2	15.9	24.0
Comal	0.7	6.1	7.1	9.6	0.8	7.4	8.5	11.7	23.6
Finlogic	0.8	5.3	7.9	13.1	0.8	5.1	7.5	12.5	-0.3
Ind. Chim. Forestali	0.8	5.8	10.3	9.1	0.5	5.0	10.2	9.2	-14.1
Innovatec	0.4	2.0	3.2	7.2	0.9	5.8	6.1	15.9	176.5
Maps Group	1.7	6.7	11.7	15.5	1.3	4.9	7.3	9.7	-14.3
Notorius Pictures	1.1	3.6	9.4	8.9	0.9	3.0	7.8	6.4	-13.3
Portobello	1.2	6.8	7.9	10.9	1.0	5.6	6.6	9.0	-15.7
Sciuker Frames	1.1	3.3	4.0	9.2	1.4	5.9	7.5	17.1	31.6
Sebino	1.4	6.6	7.2	10.7	1.1	5.0	5.5	7.8	-24.4
Average	1.0	5.3	7.7	10.8	0.9	5.5	7.6	11.5	n.m.
FTSE Italia Growth									-4.1

Source: ValueTrack analysis on market consensus (*) ValueTrack estimates

...and what about our *growth stocks*?

Always in October 2021, we also picked #15 stocks in our view forecasted to experience **steady growth in terms of key fundamentals**.

Again, to provide a follow up to our stock selection analysis, in the table below we display relative valuations and 6-months share price performances. Our key messages are:

- ◆ **Companies’ financials kept growing also in FY21**, with y/y turnover average growth at ca 50%, thus outperforming the overall market;
- ◆ **Growth does not imply margins dilution** – they also experienced a sound increase in profitability, with cumulated EBITDA and EBIT growing more than proportionally to turnover growth;
- ◆ **Half of the stocks** once again outperforming the FTSE Italia Growth Index.

Euronext Growth Milan – VT “growth” stocks’ current valuation vs. May’20

Company	2022E Current Market Multiples as of Apr '22				6m perf. (%)
	EV/Sales	EV/EBITDA	EV/EBIT	P/E	
Compagnia dei Caraibi	0.8	6.5	8.0	13.0	-2.8
Almawave	2.9	15.4	29.7	34.5	-10.3
Aton Green Storage	1.9	8.8	11.1	15.3	6.0
Cy4gate	5.9	14.2	23.4	32.0	-4.1
Cyberoo	3.9	8.6	12.5	19.4	12.2
Digital Value	1.3	12.4	15.8	24.7	6.0
Digital360	2.0	10.3	17.3	20.6	-5.9
Eles	1.2	6.4	11.9	20.9	-27.9
Farmaè Group	1.1	30.9	81.9	nm	-42.5
Officina Stellare	10.1	17.4	29.1	37.0	2.4
Osai Automation	1.3	9.8	16.0	22.5	-26.0
Portobello	1.0	5.6	6.6	9.0	-15.7
Reevo	3.3	11.0	15.3	25.9	7.4
Tecma Solutions	3.7	17.3	33.9	33.1	35.8
Vantea Smart	1.3	9.6	12.7	19.4	-19.3
Average	2.8	12.3	21.7	23.4	n.m.
FTSE Italia Growth					-4.1

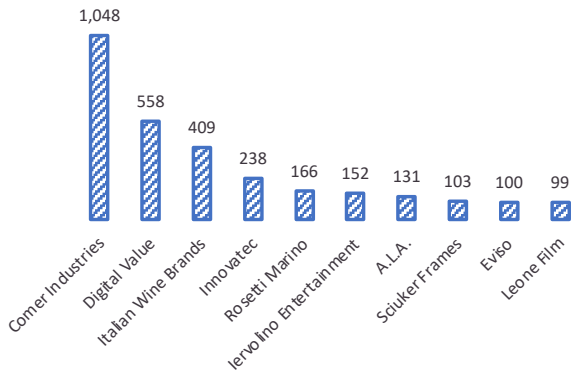
Source: ValueTrack analysis on market consensus (*) ValueTrack estimates

Appendix: FY21 results company by company

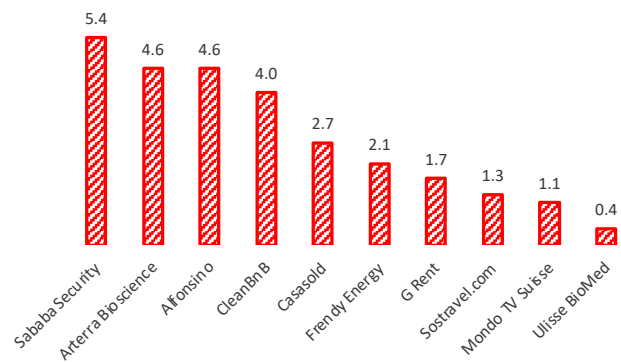
Companies ranked by size (FY21)

Top / bottom companies in terms of P&L figures (€mn)

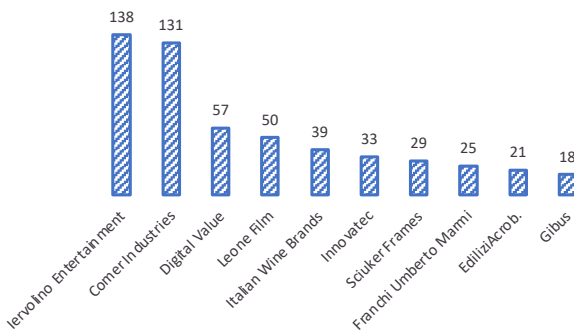
Top 10 by Revenues FY21



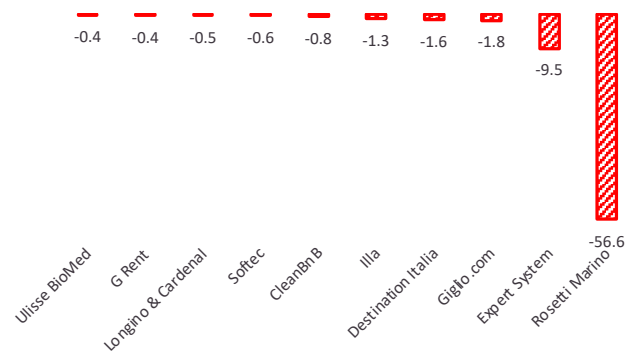
Bottom 10 by Revenues FY21



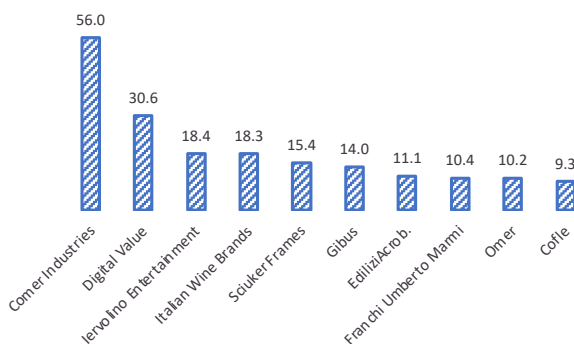
Top 10 by EBITDA FY21



Bottom 10 by EBITDA FY21



Top 10 by Adjusted Net Profit FY21



Bottom 10 by Adjusted Net Profit FY21

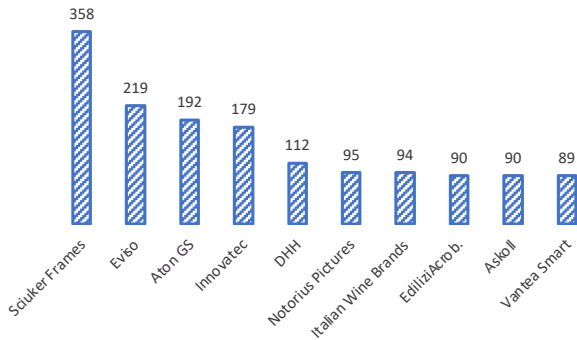


Source: ValueTrack analysis on companies' data.

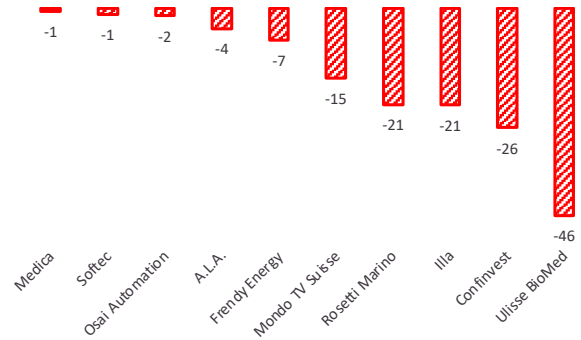
Companies ranked by growth (FY21)

Top companies in terms of P&L figures growth FY21/FY20 (% , y/y)

Top in meaningful Revenues growth FY21/FY20 (*)

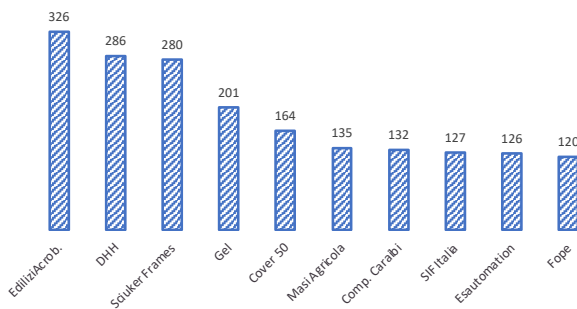


Bottom in Revenues growth FY21/FY20

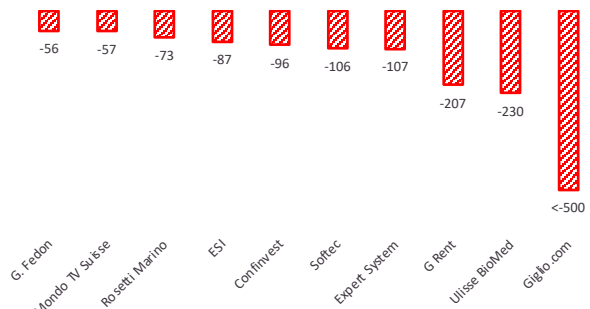


(*) Revenues above €5mn in FY20 and FY21

Top in EBITDA growth FY21/FY20 (*)

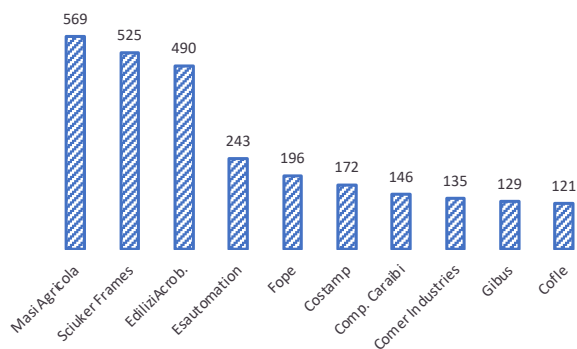


Bottom in EBITDA growth FY21/FY20

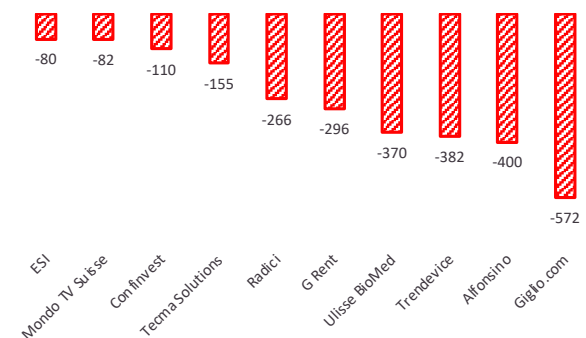


(*) EBITDA above €1mn in FY20 and FY21

Top in EBIT growth FY21/FY20 (*)



Bottom in EBIT growth FY21/FY20



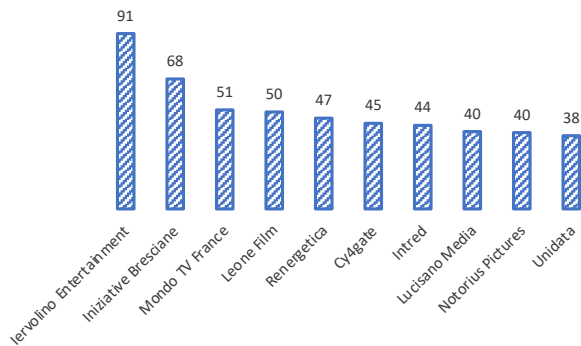
(*) EBIT above €1mn in FY20 and FY21

Source: ValueTrack Analysis on companies' data.

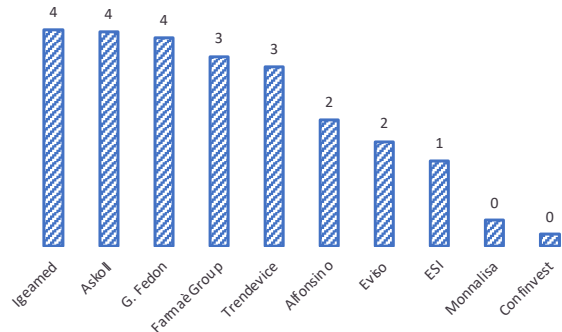
Companies ranked by profitability (FY21)

Top / Bottom companies in terms of profitability ratios

Top 10 for meaningful % EBITDA margin FY21 (*)

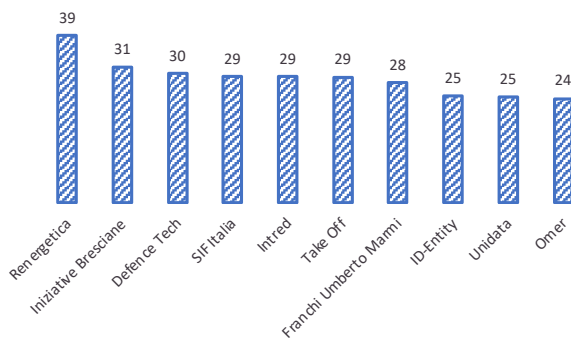


Bottom 10 for meaningful % EBITDA margin FY21 (*)



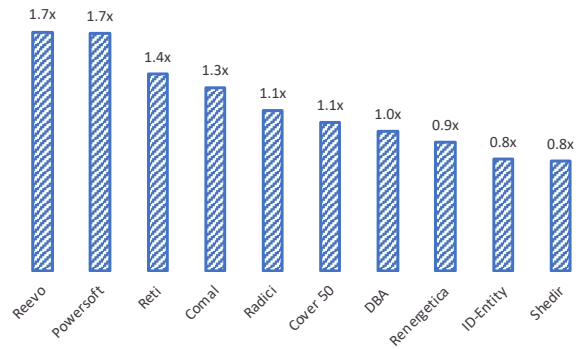
(*) EBITDA FY21 above €2mn

Top 10 for meaningful % EBIT margin FY21 (*)



(*) Positive revenue growth y/y

Top 10 for meaningful FCF/EBITDA FY21 (*)



(*) EBITDA FY21 above €2mn; FCF net of IPO proceeds and after dividends

Source: ValueTrack Analysis on companies' data. Analysis excludes outliers

Companies clustered by top line growth (#119 stocks)

Revenues growth rates FY21 vs FY20 (%)

POSITIVE (#109 stocks) - NEGATIVE (#10 stocks)					
y/y	Company name	y/y	Company name	y/y	Company name
>100	Sciuker Frames	36	Leone Film	10	Igeamed
>100	G Rent	36	Comal	9	Growens
>100	Eviso	36	Star7	9	DBA
>100	Sababa Security	34	Websolute	7	Labomar
>100	Aton GS	33	Monnalisa	7	Arterra Bioscience
>100	Innovatec	32	Comer Industries	6	Costamp
>100	ESI	32	Pattern	6	Expert System
>100	DHH	31	Sourcesense	5	Eles
95	Notorius Pictures	31	Planetel	3	Shedir
94	Italian Wine Brands	29	Gel	3	Radici
90	EdiliziAcrob.	29	Marzocchi Pompe	3	Renegergica
90	Askoll	29	Lucisano Media	2	Gambero Rosso
89	Vantea Smart	29	Farmaè Group	1	Società Ed. il Fatto
84	Casasold	28	Masi Agricola	-1	Medica
78	CleanBnB	28	Franchi Umberto Marmi	-1	Softec
71	Comp. Caraibi	27	SG Company	-2	Osai Automation
71	Trendevice	27	MeglioQuesto	-4	A.L.A.
66	SIF Italia	26	Iervolino Entertainment	-7	Frendy Energy
65	Tecma Solutions	26	Digital Value	-15	Mondo TV Suisse
64	Alfonsino	25	Industrie Chimiche Forestali	-21	Rosetti Marino
62	Mondo TV France	25	Circle	-21	Illa
62	Nusco Porte	25	Take Off	-26	Confinvest
62	Esautomation	24	Omer	-46	Ulisse BioMed
61	Gibus	24	Jonix		
58	Unidata	24	Almawave		
55	Culti Milano	23	Health Italia		
55	Fope	23	Tenax		
55	Acquazzura	23	Vimi Fasteners		
55	Giglio.com	21	Ilpra		
54	Grifal	21	TPS		
50	Digital360	21	Matica Fintech		
47	Gismondi	20	Maps Group		
46	Blue Fin. Comm.	19	Doxee		
45	Cofle	18	G. Fedon		
45	Alfio Bardolla	18	Spindox		
45	Fervi	18	Sebino		
44	ID-Entity	17	Finlogic		
43	Sostravel.com	16	Digitouch		
42	Reevo	15	Poligrafici Printing		
42	Defence Tech	14	Intred		
41	Kolinpharma	14	International Care Company		
39	Cy4gate	13	Reti		
39	Relatech	13	Convergenze		
38	Friulchem	13	Iniziative Bresciane		
38	Racing Force	12	Destination Italia		
38	Portobello	11	Cover 50		
37	Cyberoo	11	Neosperience		
36	Longino & Cardenal	10	Powersoft		

Source: Value Track Analysis on companies' data

Companies clustered by bottom line growth (#118 stocks)

Earnings growth rates FY21 vs FY20 (%)

POSITIVE (#67 stocks) - NEGATIVE (#21 stocks)				nm (*) (#30 stocks)		
y/y	Company name	y/y	Company name	1H20>0	1H21>0	Company name
>100	Gel	41	Intred	X	✓	Mondo TV Fr.
>100	Matica Fintech	39	Fervi	X	✓	Vimi Fasteners
>100	Circle	38	Websolute	X	✓	G Rent
>100	Marzocchi Pompe	36	Labomar	X	✓	Notorius Pictures
>100	Digitouch	31	Vantea Smart	X	✓	Nusco Porte
>100	Masi Agricola	30	Powersoft	X	✓	Aton GS
>100	Ediliziacrob.	29	Medica	X	✓	Friulchem
>100	Sciuker Frames	29	Italian Wine Brands	X	✓	Gambero Rosso
>100	Sababa Security	27	Digital Value	X	X	SG Company
>100	DHH	23	Pattern	X	X	Farmaè Group
>100	Leone Film	20	Reti	X	X	Int. Care Co.
>100	Costamp	18	Finlogic	X	X	Monnalisa
>100	Defence Tech	14	Alfio Bardolla	X	X	Askoll
>100	SIF Italia	10	Renergetica	X	X	Long. & Card.
>100	Cyberoo	2	Industrie Chimiche Forestali	X	X	CleanBnB
>100	Eviso	2	A.L.A.	X	X	Sostravel.com
>100	Fope	1	Franchi Umberto Marmi	X	X	Dest.Italia
>100	Racing Force	0	Arterra Bioscience	X	X	G. Fedon
>100	Comer Industries	0	Comal	X	X	Grifal
>100	Innovatec	-1	Kolinpharma	X	X	Softec
>100	Cover 50	-2	Cy4gate	X	X	Radici
>100	Almawave	-2	Jonix	X	X	Illa
>100	Gibus	-3	Shedir	X	X	Rosetti Marino
>100	Maps Group	-4	Planetel	X	X	Expert System
>100	Comp. Caraibi	-4	Sebino	✓	X	Coninvest
>100	Cofle	-5	Osai Automation	✓	X	Tecma Solutions
>100	Unidata	-6	Iervolino Entertainment	X	X	Trendevice
>100	TPS	-10	Frendy Energy	X	X	Giglio.com
>100	MeglioQuesto	-15	Health Italia	✓	X	Ulisse BioMed
>100	Esautomation	-23	Blue Fin. Comm.	✓	X	Alfonsino
>100	Lucisano Media	-25	Igeamed			
93	Culti Milano	-29	Iniziative Bresciane			
90	Neosperience	-29	Growens			
89	ID-Entity	-39	Acquazzura			
86	Reevo	-44	Società Ed. il Fatto			
80	Spindox	-47	Casasold			
66	Ilpra	-49	Eles			
63	Digital360	-71	Convergenze			
60	Doxee	-73	ESI			
57	Gismondi	-91	Mondo TV Suisse			
56	Sourcesense					
50	Poligrafici Printing					
49	Omer					
48	Portobello					
47	Take Off					
47	Star7					
43	Relatech					
41	Tenax					

Source: Value Track Analysis on companies' data (*) Loss making companies in FY21 and/or FY20

DISCLAIMER

THIS DOCUMENT IS PREPARED BY VALUETRACK S.R.L. THIS DOCUMENT IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY THEREOF MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN OR AUSTRALIA TO ANY RESIDENT THEREOF OR INTO THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, INVITATION OR INDUCEMENT TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS AN INVITATION OR INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT HAS NOT BEEN PUBLISHED GENERALLY AND HAS ONLY BEEN MADE AVAILABLE TO INSTITUTIONAL INVESTORS. IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND ITS GROUP INCLUDING THE MERITS AND RISKS INVOLVED. THIS DOCUMENT IS FOR DISTRIBUTION IN OR FROM THE UNITED KINGDOM ONLY TO PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE “**FINANCIAL PROMOTION ORDER**”), (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.”) OF THE FINANCIAL PROMOTION ORDER, (III) ARE OUTSIDE THE UNITED KINGDOM, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ITALY THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED AT QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 100 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED, AND ARTICLE 34-TER, PARAGRAPH 1, LETTER B), OF CONSOB REGULATION ON ISSUERS NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED (THE “**ISSUERS’ REGULATION**”) PROVIDED THAT SUCH QUALIFIED INVESTORS WILL ACT IN THEIR CAPACITY AND NOT AS DEPOSITARIES OR NOMINEES FOR OTHER SHAREHOLDERS, SUCH AS PERSONS AUTHORISED AND REGULATED TO OPERATE IN FINANCIAL MARKETS, BOTH ITALIAN AND FOREIGN, I.E.: A) BANKS; B) INVESTMENT FIRMS; C) OTHER AUTHORISED AND REGULATED FINANCIAL INSTITUTIONS; D) INSURANCE COMPANIES; E) COLLECTIVE INVESTMENT UNDERTAKINGS AND MANAGEMENT COMPANIES FOR SUCH UNDERTAKINGS; F) PENSION FUNDS AND MANAGEMENT COMPANIES FOR SUCH FUNDS; G) DEALERS ACTING ON THEIR OWN ACCOUNT ON COMMODITIES AND COMMODITY-BASED DERIVATIVES; H) PERSONS DEALING EXCLUSIVELY ON THEIR OWN ACCOUNT ON FINANCIAL INSTRUMENTS MARKETS WITH INDIRECT MEMBERSHIP OF CLEARING AND SETTLEMENT SERVICES AND THE LOCAL COMPENSATORY AND GUARANTEE SYSTEM; I) OTHER INSTITUTIONAL INVESTORS; L) STOCKBROKERS; (2) LARGE COMPANIES WHICH AT INDIVIDUAL COMPANY LEVEL MEET AT LEAST TWO OF THE FOLLOWING REQUIREMENTS: – BALANCE SHEET TOTAL: 20,000,000 EURO, – NET REVENUES: 40,000,000 EURO, – OWN FUNDS: 2,000,000 EURO; (3) INSTITUTIONAL INVESTORS WHOSE MAIN ACTIVITY IS INVESTMENT IN FINANCIAL INSTRUMENTS, INCLUDING COMPANIES DEDICATED TO THE SECURITISATION OF ASSETS AND OTHER FINANCIAL TRANSACTIONS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG, OR BE DISTRIBUTED IN ITALY TO (I) A MEMBER OF THE GENERAL PUBLIC, (II) INDIVIDUALS OR ENTITIES FALLING OUTSIDE THE DEFINITION OF “QUALIFIED INVESTORS” AS SPECIFIED ABOVE OR (III) DISTRIBUTION CHANNELS THROUGH WHICH INFORMATION IS OR IS LIKELY TO BECOME AVAILABLE TO A LARGE NUMBER OF PERSONS. THIS DOCUMENT IS BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“**EEA**”) WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC), (“**QUALIFIED INVESTORS**”). ANY PERSON IN THE EEA WHO RECEIVES THIS DOCUMENT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY SUCH RECIPIENT WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT HAS NOT RECEIVED THIS DOCUMENT ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UK, ITALY AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM THE INVESTOR HAS AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS. THE COMPANY, VALUETRACK S.R.L. AND THEIR AFFILIATES, AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS. ANY PERSON IN THE EEA WHO IS NOT A QUALIFIED INVESTOR SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE AND THE EXPRESSION “2010 PD AMENDING DIRECTIVE” MEANS DIRECTIVE 2010/73/EU. ANY FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE ENTIRELY THOSE OF VALUETRACK S.R.L. AND ARE GIVEN AS PART OF ITS NORMAL RESEARCH ACTIVITY AND SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED OR APPROVED BY ANY OTHER PERSON. VALUETRACK S.R.L. HAS NO AUTHORITY WHATSOEVER TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ITS SHAREHOLDERS, ANY OF ITS ADVISORS, OR ANY OTHER PERSON IN CONNECTION THEREWITH. WHILE ALL REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE FACTS STATED HEREIN ARE ACCURATE AND THAT THE FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE FAIR AND REASONABLE, VALUETRACK S.R.L. HAS NOT VERIFIED THE CONTENTS HEREOF AND ACCORDINGLY NONE OF VALUETRACK S.R.L., THE COMPANY, ITS SHAREHOLDERS, ANY ADVISORS TO THE COMPANY OR ITS SHAREHOLDERS OR ANY OTHER PERSON IN CONNECTION THEREWITH NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE IN ANY WAY RESPONSIBLE FOR THE CONTENTS HEREOF AND NO RELIANCE SHOULD BE PLACED ON THE ACCURACY, FAIRNESS, OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE USE OF THIS DOCUMENT OR OF ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH. TO THE EXTENT PERMITTED BY LAW AND BY REGULATIONS, VALUETRACK S.R.L. (OR ITS OFFICERS, DIRECTORS OR EMPLOYEES) MAY HAVE A POSITION IN THE SECURITIES OF (OR OPTIONS, WARRANTS OR RIGHTS WITH RESPECT TO, OR INTEREST IN THE SHARES OR OTHER SECURITIES OF) THE COMPANY AND MAY MAKE A MARKET OR ACT AS A PRINCIPAL IN ANY TRANSACTIONS IN SUCH SECURITIES.