

Euronext Growth Milan



EGM Stock Guide

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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.

FTSE Italia Growth 9,032
Mkt Cap (€bn) 9.3

EGM Stock Market: Challenging Year so far

Interest rates may soon reach their peak, but fears for deteriorating economic conditions are still strong and there are outflows on AUM focused on Italian small caps. This is burdening EGM stock market: (i) Only 1/3 of EGM companies is recording a positive 1Y stock performance; (ii) Trading countervalue is down by 41% y/y, (iii) The number of IPOs is up y/y but IPO multiples are down. As a result, the number of good quality stocks at bargain prices is increasing, and this is fostering PTO deals.

FY22: Higher Revenues and EBITDA, No Cash Generation

The good news: FY22 Revenues and Profits (EBITDA) are +39% and +31% up y/y respectively, benefitting from fiscal aids and energy prices hikes.

The bad news: Aggregated OpFCF was negative, affected by NWC absorption and Investments, so Net Debt increased by over €400mn y/y.

The topic to underline: Polarization between best and worst performing companies remained high, with 29% of EGM companies incurring EBIT losses, and many also unveiling weaker performances y/y.

FY23E-24E consensus estimates healthy but generous

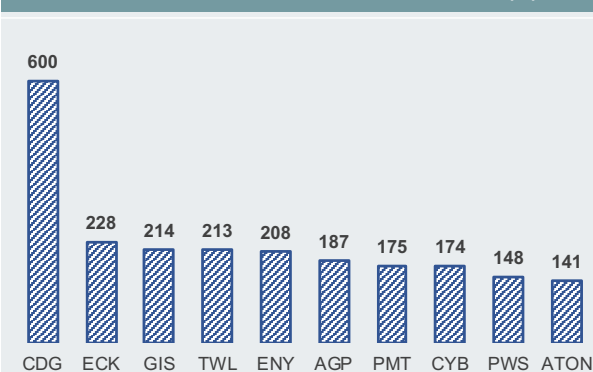
Revision on consensus estimates 2023E-24E is tilted downward, but Revenues and EBITDA are still expected to grow by 16%-23% y/y in FY23E and 9%-19% y/y in FY24E, with Net Debt down by ca. €1bn by FY24E.

This might be overly optimistic given significant challenges ahead (e.g., fiscal bonuses decrease, uncertain macro scenario). We acknowledge the possibility for more downward revisions of estimates.

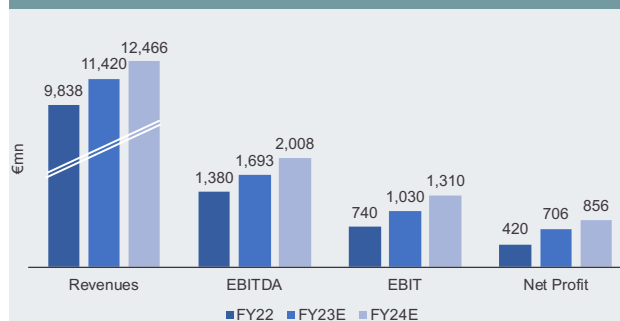
Valuation Analysis: Few Names to focus on

We calculate EGM to be trading at ca. 15% discount vs. Jun '22 but with some rerating vs. Jan '23, as FTSE Growth Index flattish performance has been more than offset by the downwards estimates revision. Some EGM names boasting robust / improving financials coupled with unjustified undemanding valuation metrics, are: *Allcore, Altea Green Power, Aton Green Storage, Casta Diva Group, Comal, Cyberoo, Ecomembrane, Esautomotion, Fae Technology, Grifal, Ipra, Medica, Officina Stellare, Powersoft, Res.*

EGM: TOP 10 COMPANIES BY FY22 EBIT GROWTH Y/Y (%)



EGM: AGGREGATE CONSENSUS FORECASTS FY23E-24E (€mn)



EGM: STOCK TRADING MULTIPLES 2023E-24E

MULTIPLES	@ MARKET PRICE		@ FAIR VALUE	
	2023E	2024E	2023E	2024E
AVERAGE				
EV / SALES	1.3x	1.1x	2.0x	1.7x
EV / EBITDA	7.7x	5.7x	11.5x	8.8x
P / E	15.0x	11.6x	22.2x	17.4x

Source: ValueTrack Analysis on Market Consensus



Executive Summary

EGM Stock Market: a challenging year thus far in 2023

In 1H23, inflation rates have slowed down and there are signs that interest rates may soon reach their peak. However, fears for deteriorating economic conditions are still strong, and assets under management focused on small caps are down, thus **burdening EGM stock market**, in terms of:

- ◆ **Stock Market prices.** The 1-year return of FTSE Italia Growth Index is negative by ca. 1.4%, and – out of all EGM companies which were listed as of June 2022 – only one third are recording a 1-year positive stock market performance;
- ◆ **Trading volumes.** EGM market trading countervalue is down ca. 41% y/y in 1Q23 and ca. 49% y/y in 2Q23. Ca. 23% of EGM stocks currently boasts a daily turnover below €5k;
- ◆ **ECM activity.** Total capital raised at IPO year-to-date stands at ~€95mn, (11 IPOs, including EGM PRO, €8.7mn average offer size per deal) vs. €55mn for the whole 2022 (€6.9mn per deal), not considering Technoprobe. There were a higher number of rights issues deals (5 in 1H23) but lower average funding. Private Placements deals were rare, worth in total some €20.5mn in 1H23;
- ◆ **IPO multiples.** Year-to-date we calculate average 5.1x EV/EBITDA FY1 and 9.0x P/E FY1, down from 2022 (at 5.6x and 9.2x, respectively). On the other hand, there has been a decline in the IPO discount, decreased from 48% in 2022 to 43% so far in 2023.

As a result, the number of good quality EGM stocks at bargain prices is increasing and this is **fostering the PTO activity**. 2023 y-t-d, 3 takeover bids have been finalized and other 6 announced.

Recap on FY22 EGM financials: Higher revenues, but no cash generation

1. FY22 Revenues and Profits up y/y at healthy pace, in line with expectations

We calculate double-digit y/y growth rates at Revenue level (+38.6%), a sign that business conditions remained pretty strong in FY22, despite the initial fears of a slowdown in 2H. The overall growth would have been much lower without fiscal aids (Superbonus 110%), energy price hikes, and travel / leisure post-pandemic rebound.

EBITDA (+30.7% y/y), EBIT and Net Profit witnessed a strong growth in FY22 as well, albeit at a more moderate pace in comparison to the previous fiscal year, which was supported by the “post Covid-19 bounce” effect. Several companies (e.g. *Energy, Altea Green Power, Aton Green Storage, Casta Diva Group, Comal, Powersoft* and *Trawell*) recorded a y/y EBITDA growth equal or above 100%.

2. No cash generation, but stable capital structure (with a few exceptions)

Notwithstanding the strong EBITDA performance, aggregated Net Debt increased by some €411mn y/y, as a result of:

1. Nihil OpFCF_{b,t} generation, negatively affected by NWC absorption and by high level of tangible and intangible investments (on average at ~9% on Sales);
2. Higher growth-related financial investments, even if mostly funded by capital injection proceeds.

As a result, aggregate FY22 Net Debt/EBITDA ratio has remained stable y/y at ca. 1.0x, with ca. 37% of companies being cash positive, but also with some other company heavily loaded with debt, e.g. *Comer Industries, Italian Wine Brands, Iniziative Bresciane* and *Leone Film*.

3. Polarization between best and worst performing companies remains high

Despite the overall double-digit growth witnessed among EGM companies, it is noteworthy that a substantial number of companies incurred losses during FY22 (16% and 29% of our cluster as for EBITDA and EBIT, respectively), with many of them unveiling weaker performance vs. FY21.

Consensus Forecasts FY23E-24E update might be challenging

EGM companies' market consensus estimates on FY23E-24E return a fairly healthy picture, with Revenues and EBITDA expected to grow by ca. 16%-23% y/y in FY23E and by ca. 9%-19% y/y in FY24E respectively. We believe that consensus remains overly optimistic given significant visibility challenges, especially with reference to the impact of fiscal bonuses decrease and of the uncertain macroeconomic scenario. A close look into aggregate forecasts unveils 3 red flags and 1 question mark:

- ◆ **#1 Red Flag:** Most of EGM companies have seen their FY23E-24E forecasts recently revised downwards;
- ◆ **#2 Red Flag:** Aggregate Top Line forecasts have been revised mildly upwards, while Operating Profitability has been revised mildly down;
- ◆ **#3 Red Flag:** Upward revisions is more dependent on single contributors and one-offs, while downward revisions are more scattered around EGM companies;
- ◆ **#1 Question Mark:** FY22 witnessed negative cash generation, raising doubts on the real ability of EGM companies to cut net debt by €1bn by FY24E.

In light of these factors, a prudent stance leads us to acknowledge the possibility for additional downward revisions for current consensus estimates, from top line growth to FCF generation.

Valuation Analysis

EGM stock market trading at 7.7x-5.7x EV/EBITDA 2023E-24E

Over the last six months, Global Equity Capital Markets have witnessed a significant rebound, with Italian blue chips overperforming their European benchmarks.

On the other hand, domestic mid and small caps lagged or underwent a considerable sell-off, affected by scarce liquidity and shrinking volumes as a result of

- ◆ Higher interest rates environment, favoring financial blue chips and fixed income at the expense of small caps equity;
- ◆ Substantial investors' outflows from PIR funds (reached the minimum period of five years to divest without paying the tax on capital gain);

Based on current market prices and consensus forecasts, we calculate that EGM is trading at average **1.3x-1.1x EV/Sales, 7.7x-5.7x EV/EBITDA, 15.0x-11.6x P/E 2023E-24E**. at ca. 15% discount vs. one year ago but with some rerating vs. January 2023, as the flattish performance of the FTSE Growth Index has been more than offset by the downwards revision of estimates across the market.

Top picks coupling both good / improving financials and undemanding valuation

We believe that there are a few names more ready than others to overcome above mentioned challenges and that could be relevant investment opportunities thanks to either robust financials, strong market momentum (surfing relevant themes such as green energy transition), important growth prospects, and/or unjustified undemanding valuation metrics: **Altea Green Power, Aton Green Storage, Casta Diva Group, Comal, Allcore, Cyberoo, Ecomembrane, Esautomotion, Fae Technology, Grifal, Ilpra, Medica, Officina Stellare, Powersoft, Res.**

Other noteworthy EGM names

- ◆ Momentum: *Comer, CleanBnb, EdilizAcrobatica, Fope, Gismondi, IDNTT, SG Company, SOS Travel, Tenax, Trawell;*
- ◆ Growth: *Doxee, MeglioQuesto, Osai, Erredue;*
- ◆ Value for Quality: *Arterra Bioscience, DBA, DHH, Digitouch, Matica Fintec, Reway Group, TPS, TMP Group, Trawell, Vimi Fasteners, Valtecne;*
- ◆ Excessively Derated: *Agatos, Datrix, Doxee, Eles, Esi, Estrima, Farmacosmo, Innovatec, MeglioQuesto, Portobello, Spindox, Svas Biosana, Take Off, Talea.*

Euronext Growth Milan: Key Facts & Trends

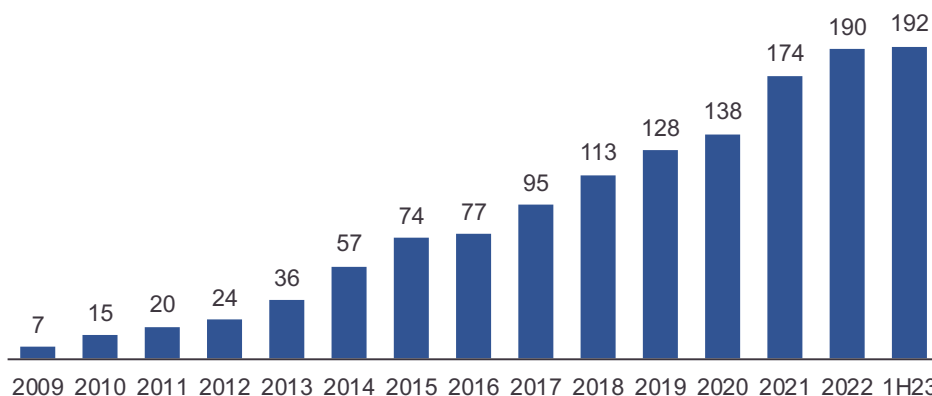
The global macroeconomic uncertainties have exerted a downward pressure on the Euronext Growth Market across the board, including ECM, and this is reflected in several KPIs: i) EGM has underperformed the other Italian venues and only 40% of EGM stocks have posted a positive stock performance over the past year; ii) some 80% of EGM companies exhibit an average daily turnover below €50k; iii) total capital raised through 11 IPOs year-to-date amounts to a modest €95mn, with an average offer size per deal of €8.7mn; iv) the average FY1 multiples for EV/EBITDA and P/E of IPOs YTD stand at 5.1x and 9.0x, respectively, far from FY21. All this said, it may be possible that the worst is over, but a durable recovery for EGM may require an additional element: the relaunch of PIRs, whose outflows represent at the moment a clear cap to recovery and to ECM activity, and are not expected to end soon.

Euronext Growth Milan at a Glance

As of the end of June 2023, **#192 companies were listed on Euronext Growth Milan** (out of which *Enertronica*, *Ki Group* and *The Lifestyle Group* suspended), representing nine industries and a **current aggregate Market Capitalization slightly above €9.2bn**.

The range offered in terms of Market Capitalization remained quite wide, ranging from a few millions (with a few names trading below €10mn) to ca. €872mn of *Comer Industries*, but more than half of the companies (#116) are currently trading with Market Caps below €40mn, while there are **only 24 companies with a Market Cap greater than €100mn**.

Euronext Growth Milan: Number of Listed Companies (#)



Source: Borsa Italiana, ValueTrack Analysis

In terms of market composition by industry, we underline:

- ◆ **Industrial Goods is the 1st industry by Market Cap** (€2.7bn, ca. 29% of aggregated Market Cap), followed by *Technology*, *Consumer Goods* and *Energy & Utilities*;
- ◆ Limited diversification, with five industries (*Health Care*, *Telcos*, *Media*, *Consumer Services* and *Financial*) representing all together less than 25% of EGM (see below).

Euronext Growth Milan: Key Stats & Figures

Industry	Listed Companies		Market Cap	
	Number (#)	As a % of Total	Value (€mn)	As a % of Total
Energy & Utilities	16	8%	853	9%
Telecommunications	3	2%	227	2%
Health Care	14	7%	603	7%
Technology	37	19%	1,895	20%
Media	19	10%	236	3%
Consumer Goods	32	17%	1,665	18%
Consumer Services	18	9%	452	5%
Industrials Goods	31	16%	2,695	29%
Financials	22	11%	647	7%
Total EGM	192	100%	9,273	100%

Source: Borsa Italiana, ValueTrack Analysis

EGM Stock Market unveils a very tough year so far in 2023

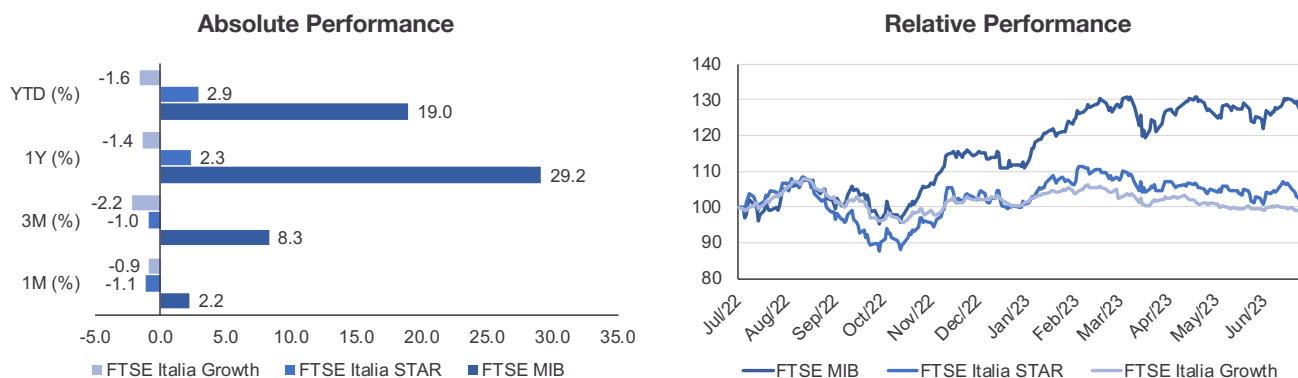
During the first half of 2023, there have been some improvements in the overall macroeconomic environment: inflation rates have slowed down, and there are indications that interest rates may soon reach their peak and start declining. However, the year 2023 continues to be characterized by macroeconomic uncertainties, and the combination of higher interest rates and **deteriorating economic conditions** has affected ECM activity and placed a more general burden on small cap equity as an asset class, resulting in **adverse effects** on Euronext Growth Milan (i) stock market prices, (ii) trading volumes, (iii) ECM volumes and (iv) IPO multiples.

Stock Market performance lackluster, with EGM emerging as the underperformer

FTSE Italia Growth Index 1Y return is -1.4%, and also 3M, 1M and YTD index performances are negative. It is worthy to note that:

- ◆ FTSE Italia Growth Index has underperformed both FTSE MIB and FTSE STAR;
- ◆ YTD FTSE Italia Growth Index is currently around its bottom;
- ◆ Out of all EGM stocks already listed as of June 2022, there are 67 names recording a 1Y positive performance (ca. 22% on average), a further sign that careful stock picking can be rewarding.

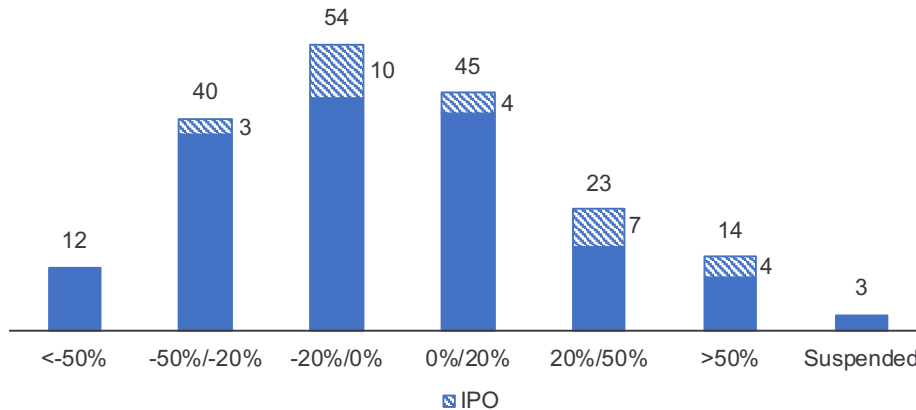
FTSE Italia Growth Index Absolute and Relative Performance



Source: Bloomberg, Value Track Analysis

Notably, as for EGM, 106 companies experienced negative performance, 82 recorded a positive performance (including IPOs occurred in the last 12 months), while 37 companies achieved a performance exceeding 20%, including 11 entities listed within the last year.

Euronext Growth Milan: Number of Companies by 1Y Performance (*)



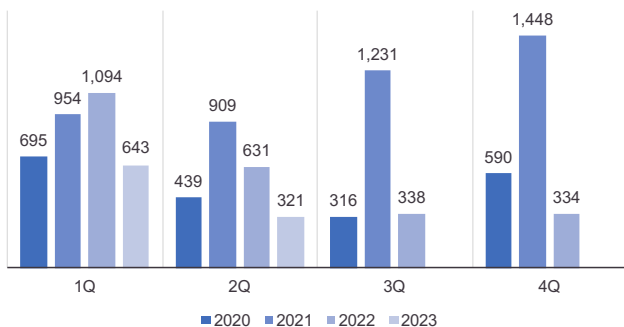
Source: Bloomberg, ValueTrack Analysis, (*) Performance since IPO for stocks listed from June 2022

EGM Stock Market trading volumes shrinking, too

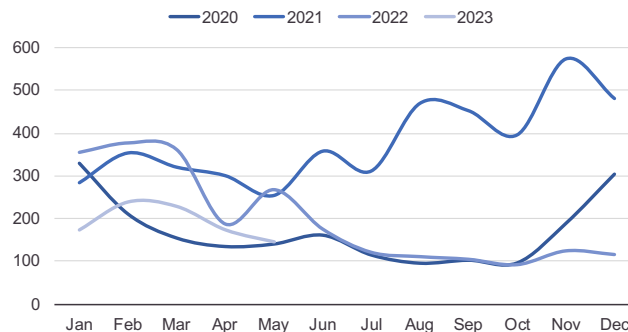
Total EGM market trading value stands at €964mn in the first six months of 2023, ca. -44% compared to €1.7bn in the first six months of 2022, and the trend is worsening quarter by quarter. Indeed, EGM market trading value was down ca. -41%y/y in 1Q23 and ca. -49% y/y in 2Q23.

Euronext Growth Milan: Turnover Figures

Quarterly Turnover (€mn)



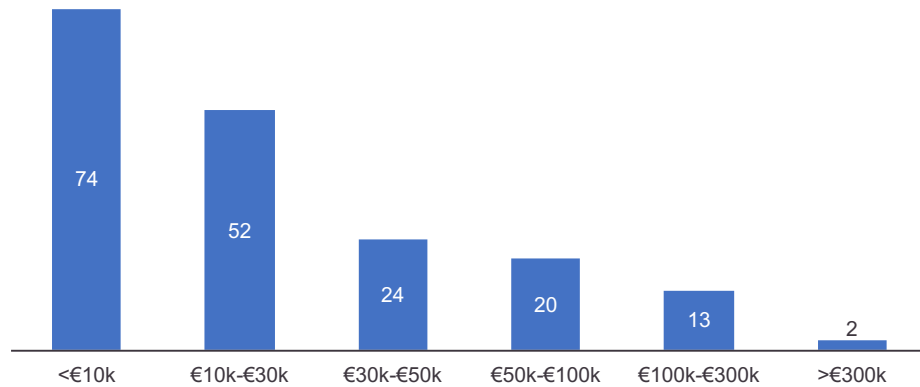
Monthly Turnover (€mn)



Source: Borsa Italiana, Value Track Analysis

As a result, only ~18% of EGM listed companies (i.e. 35 names) boast a daily turnover, calculated as the average of the latest 30 trading days, above the €50k threshold. On the opposite side, ca. **23% of listed stocks currently shows a daily turnover below €5k.**

Euronext Growth Milan: Number of Companies by Daily Average Turnover (*)



Source: Bloomberg, ValueTrack Analysis, (*) Excluding 7 "not meaningful" stocks

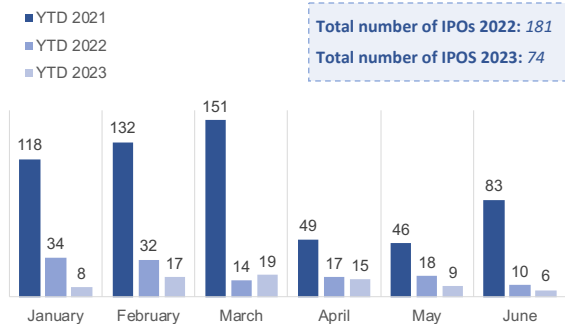
Lower global activity on primary ECM, albeit Italy and EGM more resilient

The global ECM market experienced a decline in the year 2022 due to several factors, including concerns over inflationary pressures (fueled by supply chains' disruption and energy cost volatility), rising interest rates, potential recession and geo-political uncertainty stemming from the Russia-Ukraine war.

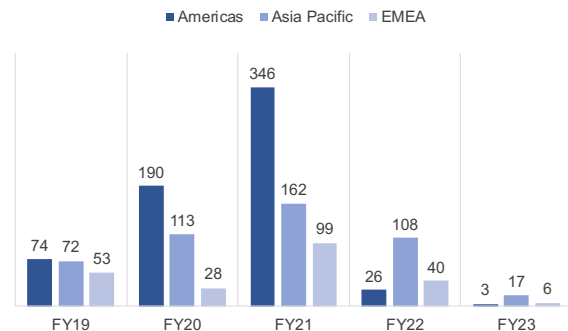
As for 2023 to date, in light of the prevailing macro conditions described above - higher interest rates and a generalized slow-down in GDP growth - it comes as no surprise that there has been a further contraction in **global ECM activity**, especially on the primary side.

Global ECM Activity in 2023 YTD

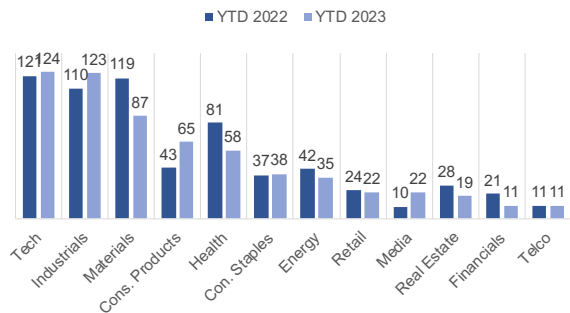
US Number of IPOs YTD (#)



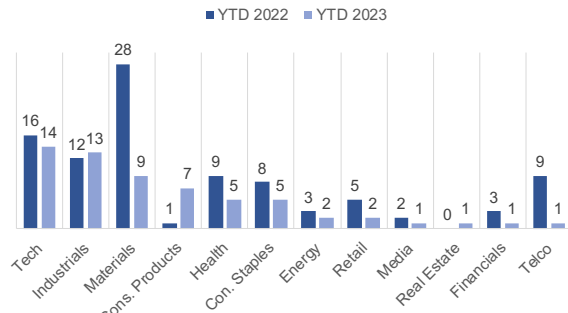
Global IPO Proceeds by Region in 1Q23 (\$bn)



Global Number of IPOs by Sector 2022-23YTD (#)



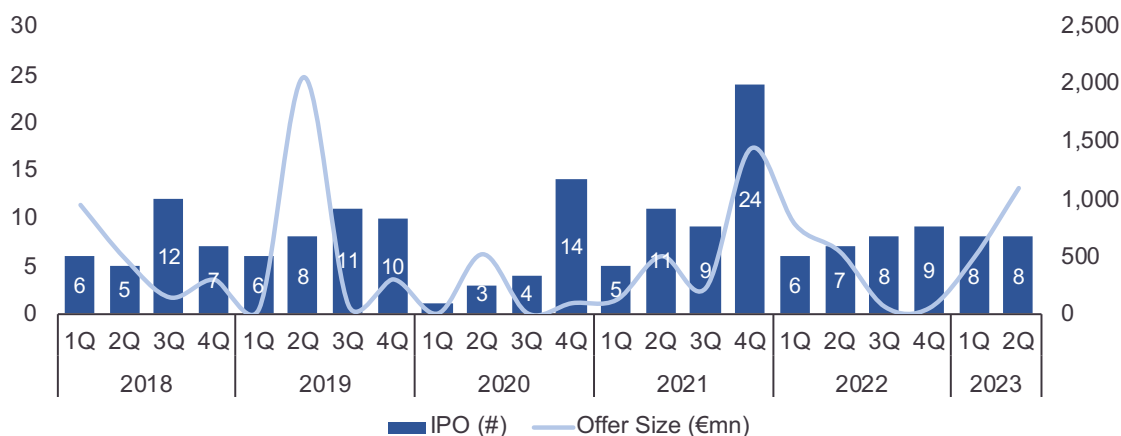
Global IPO Proceeds by Sector 2022-23YTD (\$bn)



Source: Bloomberg Finance L.P., EY Global IPO Trends, PwC Global IPO Watch, ValueTrack Analysis

Yet, at the **Italian stock market** level, there has been an improvement in y/y performance, particularly as for average offer inflows. This positive trend can be largely attributed to the robust listings on Euronext Milan during 1Q23 vs. 1Q22, initially hit by concerns over the Russian situation and then almost frozen by the commencement of the Ukrainian-Russian conflict.

Italian Stock Exchange: Number of IPOs and Offer Size



Source: Borsa Italiana, Value Track Analysis

As far as for **Euronext Growth Market**, we calculate YTD relatively positive stats. In more details:

- ◆ **11 companies have been admitted to Euronext Growth Milan** (including IPO on PRO), i.e., ca. +22% the number of listings occurred in the same period of 2022;
- ◆ **Total capital raised at IPO stands at ~€95mn**, (€8.7mn per deal), not a large amount, but it compares to €55mn for the whole 2022 (€6.9mn per deal), not considering Technoprobe;
- ◆ **#5 companies have been delisted** (*Nice Footwear, Fabilia Group, Sababa Security, Portale Sardegna* and *Finlogic*) and **#4 companies moved to EXM or STAR** (*Technoprobe, Digital Value, Unidata* and *Cy4Gate*). More details on PTOs are provided further down in the document.

Euronext Growth Milan: Listings 2023 YTD

Company	Sector	Date	Offer Size (€mn)
Deodato Gallery	Consumer Goods	25/01/23	2.1
TMP Group	Media	02/02/23	4.3
Gentili Mosconi	Consumer Goods	07/02/23	23.0
Valtecne	Industrial	01/03/23	5.5
Creatives Group	Technology	07/03/23	1.0
Reway Group	Industrial	08/03/23	20.0
Cube Labs	Health	21/03/23	4.1
Ecomembrane	Industrial	28/04/23	14.9
RES	Energy & Utilities	04/05/23	10.8
Pasquarelli Auto	Consumer Goods	26/05/23	5.2
Redfish Capital	Financials	30/06/23	4.5

Source: Borsa Italiana, ValueTrack Analysis

Euronext Growth Milan: Delistings & Translisting 2023 YTD

Company	Sector	Date	Delisting / Translisting Type
Nice Footwear	Consumer Goods	08/03/23	Public Tender Offer
Technoprobe	Technology	02/05/23	Translisting to EXM
Fabilia Group	Consumer Services	03/05/23	No EGA
Digital Value	Technology	10/05/23	Translisting to EXM
Sababa Security	Technology	23/05/23	Public Tender Offer
Portale Sardegna	Consumer Services	06/06/23	Merger with Destination Italia
Unidata	Telecommunications	06/06/23	Translisting to STAR
Finlogic	Industrials Goods	20/06/23	Public Tender Offer
Cy4Gate	Technology	26/06/23	Translisting to STAR

Source: Borsa Italiana, ValueTrack Analysis

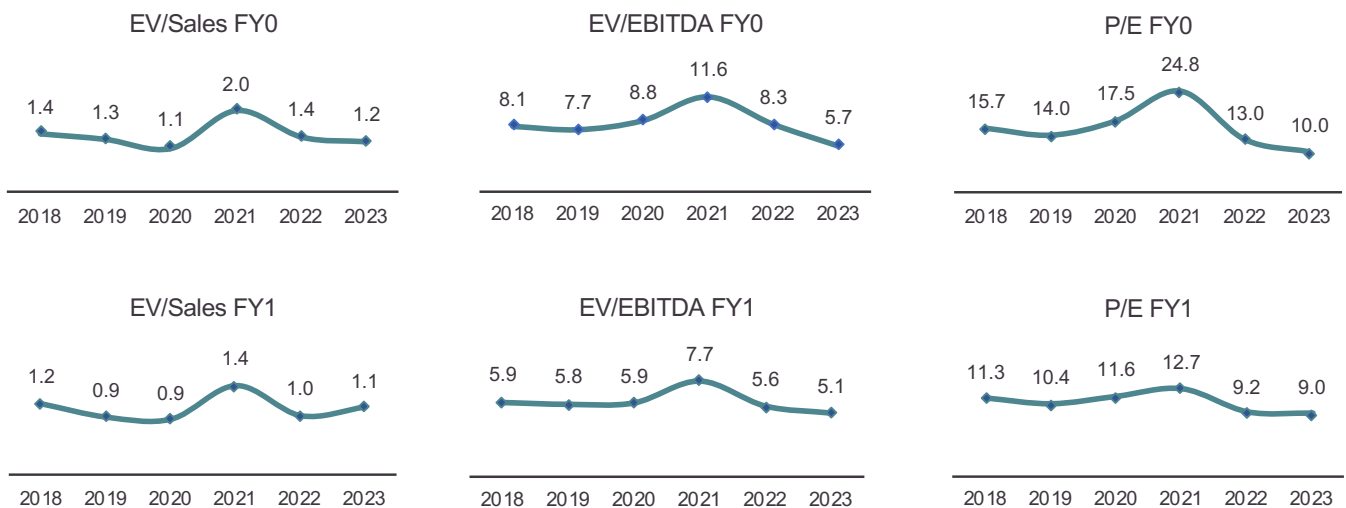
1H23 IPO multiples down y/y

As for 2023 EGM IPO multiples, we calculate they are trending downward virtually on all metrics. More in details, we calculate the following 1H 2023 IPO multiples:

- ◆ **EV/Sales FY1 at 1.1x**, up from 1.0x as of 2022;
- ◆ **EV/EBITDA FY1 at 5.1x**, down from 5.6x as of 2022;
- ◆ **P/E FY1 at 9.0x**, down from 9.2x as of 2022.

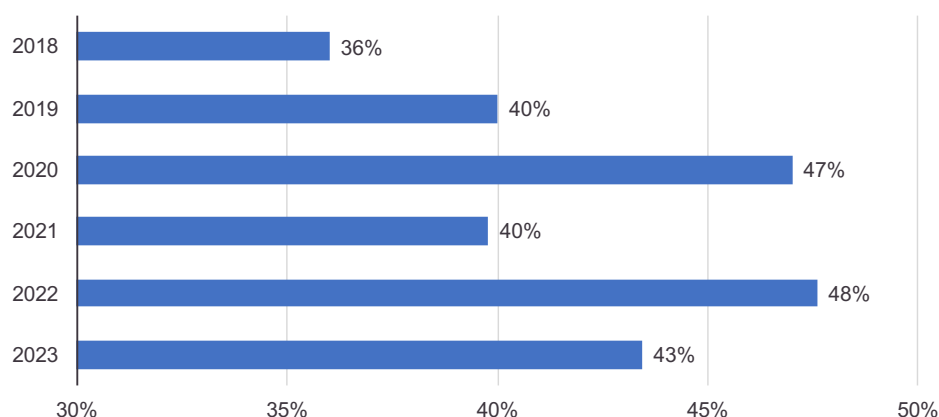
On the other hand, there has been a decline in the IPO discount – i.e., when a company offers its shares to the public at a price below their expected market value – which has decreased from 48% in 2022 to 43% so far in 2023. While this figure remains slightly higher than the 40% observed in 2021, it seems to indicate a trend of narrowing IPO discount range.

Euronext Growth Milan: IPO Multiples 2018-23 YTD



Source: Value Track Analysis

Euronext Growth Milan: Average IPO Discount 2018-23 YTD



Source: Value Track Analysis

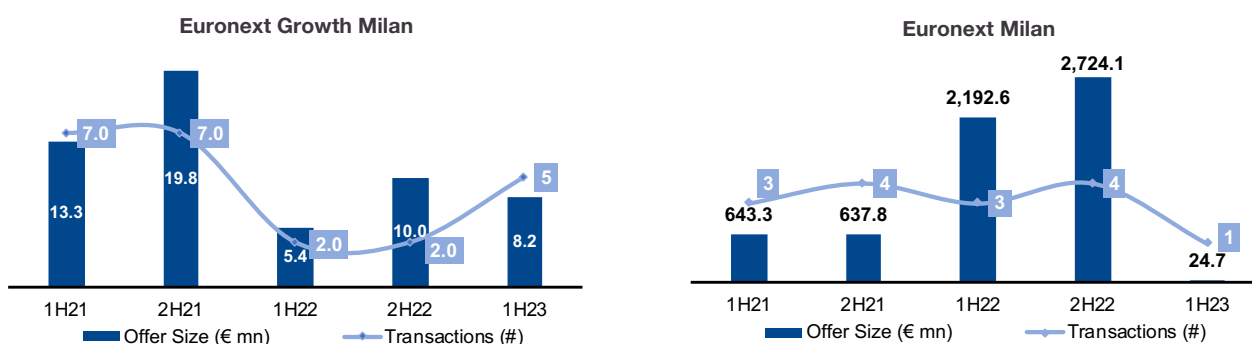
What about other ECM transactions?

Not a lot on Right Issues side

Few Right Issues in 1H23 (5 deals on EGM and only 1 on EXM). More in specific:

- ◆ EGMs broadly in line with 2022, with higher number of raisings (5 in 1H23) but lower average funding (avg. €1.6mn in 1H23 vs. € 3.8mn in FY22);
- ◆ EXM not very dynamic, with only one issue announced in 1H23 (i.e. *Tessellis*, for a maximum deal size of €24.7mn, i.e. assuming the full offer to be exercised). We remind that FY22 witnessed the completion of two huge deals, i.e. *Saipem* and *MPS* for €2bn and €2.5bn respectively.

Italian Stock Exchange: Number of Right Issues and Offer Size

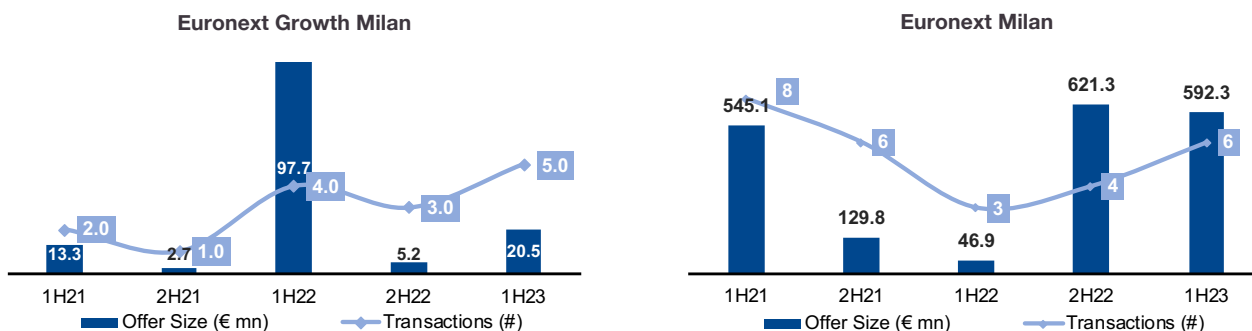


Source: Value Track Analysis

More momentum on Private Placements, but higher discount on small caps

- ◆ On EGM ABB deals are worth €20.5mn in 1H23, above FY21 and FY22 levels, (the latter, by excluding €90mn related to *Cy4Gate* accelerated book building in 1H22). However, average ABB discount increased: 23.9% in 1H23 vs. 10.9% in FY22;
- ◆ On EXM total 1H23 ABB equalled €592.3mn, broadly in line with 2H22 levels and with no significant widening on average discount (12.2% in 1H23 vs. 14.3% in FY22).

Italian Stock Exchange: Number of Accelerated Book Buildings and Offer Size



Source: Value Track Analysis

PTOs upward trend continues

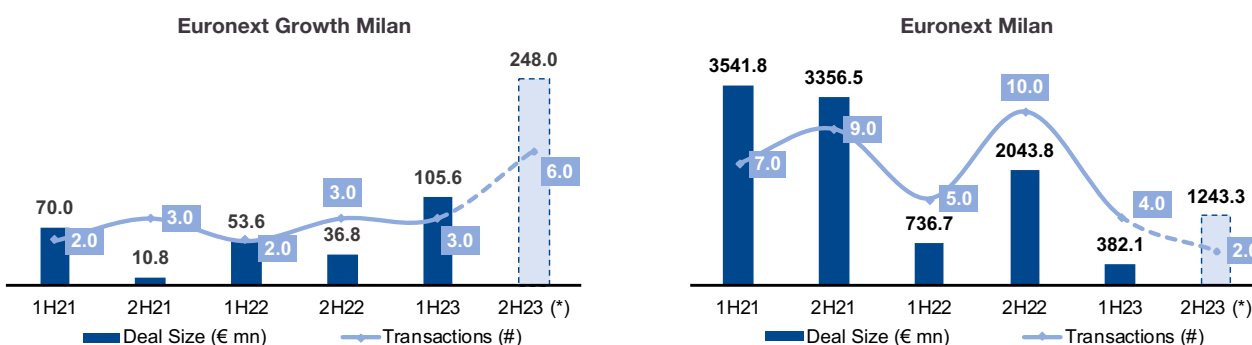
More and more PTOs...

As a result of the above-mentioned trends, the number of good quality EGM stocks at bargain prices is increasing and this is **fostering the PTO activity**.

More in specific:

- ◆ 7 takeover bids concluded YTD, of which 3 on EGM (*Nice Footwear, Sababa Security* and *Finlogic*) and 4 on EXM, with a total countervalue of approx. €487.7mn (€105.6.1mn on EGM, €382.1mn on EXM);
- ◆ 8 further PTOs were announced, of which 6 on EGM and 2 on EXM, with a total countervalue of approx. €1,491.3mn (€248.0mn on EGM, €1,243.3mn on EXM);
- ◆ On EGM, 55% of the takeover bids (5) had a countervalue of less than €15mn (assuming for the announced PTOs an 80% adherence, in line with historical values), while the remaining 45% (4) are positioned well above, in the €50mn-90mn range (*Digital360, Reevo, Finlogic, Labomar*);
- ◆ 33% of the takeover bids (5) were mandatory while 67% (10) were voluntary. *Openjobmetis* is not included in the count (partial takeover bid on own shares).

Italian Stock Exchange: Number of Public Tender Offers and Deal Size



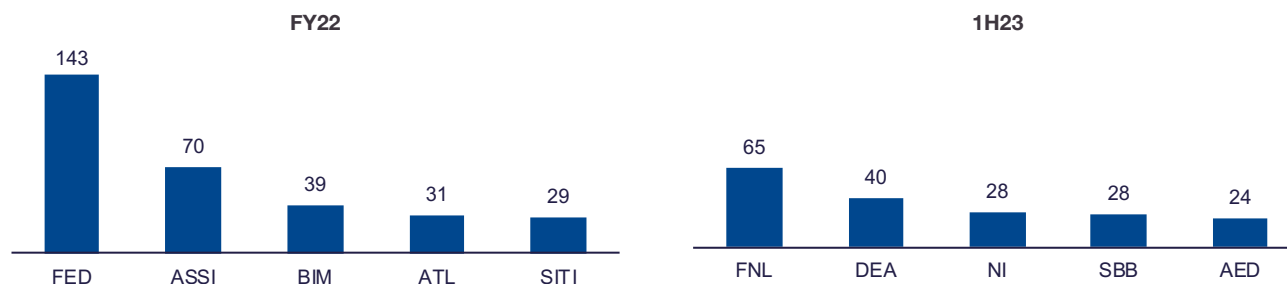
Source: Value Track Analysis, (*) Maximum Deal Size, i.e. assuming 100% adherence

...but PTO premia are less rich than FY22 on EGM

Average premium (after 1 month) reduced in EGM market (34.1% 1H23 vs. 53.8% FY22) and was broadly stable in EXM market (23.3% 1H23 vs. 20.9%). Considering also the announced transactions, the average premium for the EGM market falls further to 24.0%;

Finlogic, DeA Capital, Net Insurance, Sababa Security and Aedes SIIQ were the companies with the highest premium compared to the average price of the previous month.

Italian Stock Exchange: Top Five Companies by PTO Premiums (%)



Source: Value Track Analysis

Euronext Growth Milan: Public Tender Offers 1H23

1H23	Ticker	Date	Value (€mn)	Premium 1D	Premium 1M	Premium 6M
Closed						
Nice Footwear	NFT	06/03/2023	11.1	6.2%	9.3%	11.9%
Finlogic	FNL	12/08/2023	85.7	77.8%	65.3%	78.5%
Sababa Security	SBB	23/05/2023	8.8	25.9%	27.6%	47.5%
Total / Average	//	//	105.6	36.6%	34.1%	45.9%
Ongoing						
Kolinpharma	E	nm	6.46	5.4%	15.0%	10.0%
Cover50	COV	nm	12.70	5.7%	8.7%	22.9%
Reevo	REEVO	nm	86.68	20.8%	25.4%	32.4%
Labomar	LBM	nm	59.87	14.1%	17.8%	19.0%
Digital360	DIG	nm	68.07	14.0%	nd	nd
Sebino	SEB	nm	14.24	22.0%	23.1%	26.0%
Total / Average	//	//	248.0(*)	13.7%	18.0%	22.1%

Source: Value Track Analysis, (*) Assuming Full Subscription

Euronext Growth Milan: Public Tender Offers FY22

FY22	Ticker	Date	Value (€mn)	Premium 1D	Premium 1M	Premium 6M
SITI B&T	SITI	25/02/2022	8.5	31.0%	28.7%	18.4%
Energica Motor Company	EMC	10/03/2022	45.1	3.6%	3.2%	9.6%
Assiteca	ASSI	08/07/2022	9.4	47.3%	70.3%	94.6%
Fedon	FED	13/07/2022	2.2	135.0%	143.3%	98.0%
Sourcesense	SOU	02/11/2022	25.3	13.1%	23.7%	18.4%
Total / Average	//	//	90.4	46.0%	53.8%	47.8%

Source: Value Track Analysis

Euronext Milan: Public Tender Offers 1H23

1H23	Ticker	Date	Value (€mn)	Premium 1D	Premium 1M	Premium 6M
Closed						
Prima Industrie	PRI	23/01/2023	95.5	1.0%	1.1%	12.6%
Aedes SIIQ	AED	03/02/2023	3.1	17.1%	23.9%	4.9%
DeA Capital	DEA	08/03/2023	113.6	30.2%	40.0%	36.5%
Net Insurance	NI	18/10/2022	169.8	21.7%	28.0%	30.7%
Total / Average	//	//	382.1	17.5%	23.3%	21.2%
Ongoing						
Autogrill	AGL	nm	1,207.17	nm	nm	nm
Exprivia	XPR	nm	36.09	22.9%	23.3%	14.9%
Total / Average	//	//	1,243.3(*)	22.9%	23.3%	14.9%

Source: Value Track Analysis, (*) Assuming Full Subscription

Euronext Milan: Public Tender Offers FY22

FY22	Ticker	Date	Value (€mn)	Premium 1D	Premium 1M	Premium 6M
Banca Intermobiliare	BIM	25/03/2022	10.3	34.2%	38.7%	34.6%
TAS	TAS	01/04/2022	9.3	7.7%	11.9%	16.8%
La Doria	LDO	21/04/2022	41.9	0.2%	0.1%	-2.8%
Falck Renewables	FKR	10/05/2022	672.0	15.2%	22.3%	40.5%
BFC Media	BBFC	13/05/2022	3.1	18.3%	9.7%	17.3%
Rosss	ROSS	15/07/2022	1.3	19.0%	19.0%	14.0%
Coima Res	CRES	22/07/2022	354.8	23.5%	22.7%	31.4%
Roma	ASR	25/07/2022	14.9	18.5%	17.9%	34.7%
Cattolica Assicurazioni	CASS	29/07/2022	36.3	8.7%	10.2%	17.2%
Banca Carige	CRGI	29/07/2022	76.8	27.8%	26.4%	-5.1%
Banca Carige RSP	CRGI	29/07/2022	0.0	n.m.	n.m.	n.m.
Piteco	PITE	05/08/2022	73.1	23.2%	23.2%	16.5%
Banca Finnat	BFE	15/11/2022	8.9	20.7%	24.1%	14.2%
Atlantia	ATL	25/11/2022	1477.5	24.4%	30.9%	36.3%
Be Shaping the Future	BE	22/12/2022	64.8	29.7%	35.5%	38.2%
Total / Average	//	//	2845.3	19.4%	20.9%	21.7%

Source: Value Track Analysis

The key variable of funds' flows

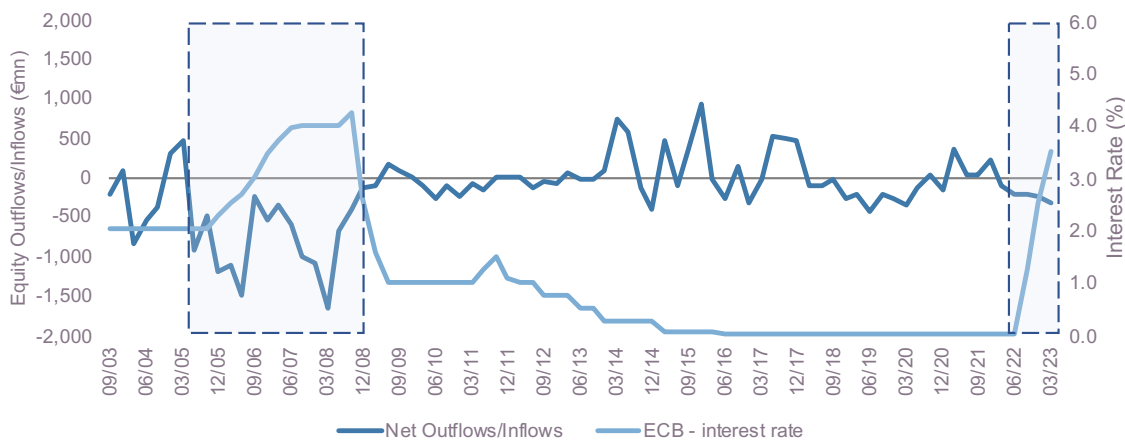
ECB rates up, AUM of Italian Equity Funds down

Another driver of poor performance of Italian Mid-Small caps is **the AUM outflows of Italian Equity Funds** as a result of the official rates hike that is shifting assets on Fixed-income funds.

Indeed, according to Assogestioni figures, Italian Equity funds experienced €315.1mn net outflows in 1Q23, registering a negative performance for the 5th consecutive quarter (cumulative €1,457mn withdrawals). And if we look at the latest three quarters, Italian Equity funds are recording cumulative €749m outflows vs. €549mn inflows for Fixed-income funds.

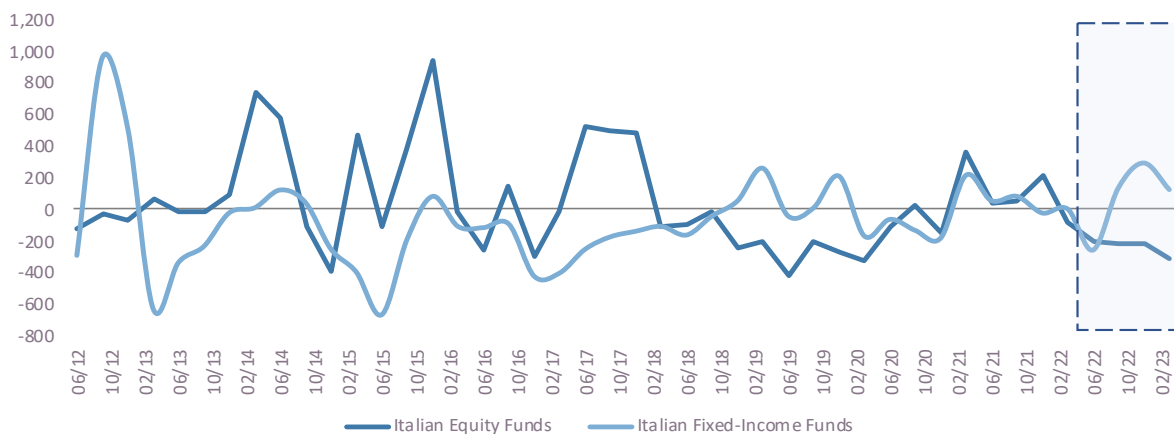
Worthy to note, the Funds industry has already experienced such trends in the past when interest rates suffered similar movements.

Italian Equity Funds: Net Outflows/Inflows and ECB rates evolution



Source: Assogestioni, Value Track Analysis

Italian Equity Funds and Fixed-Income Funds: Net Outflows/Inflows



Source: Assogestioni, Value Track Analysis

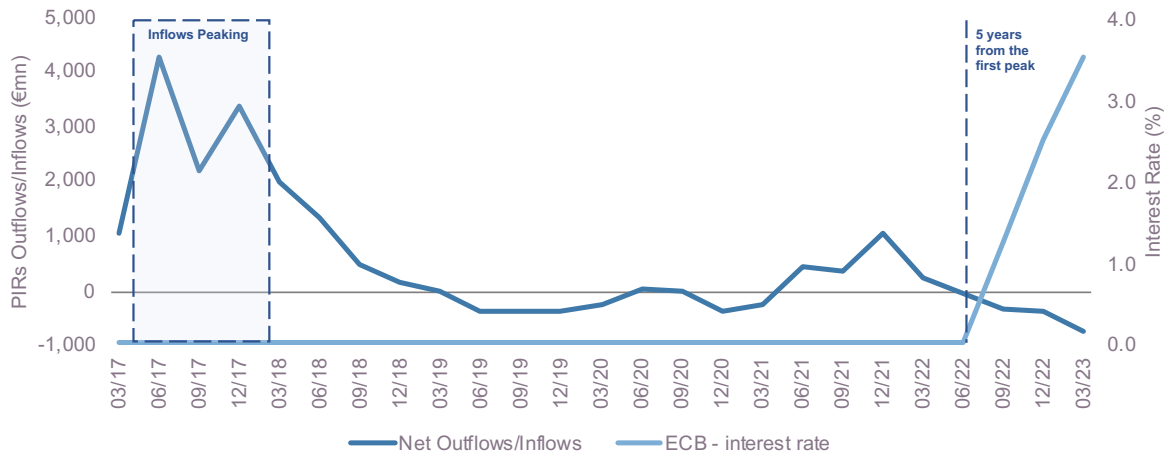
The gloomy stance of PIR adds on top

Another negative burden on Mid Small Cap is related to PIR funds current gloomy stance.

Indeed, many investors are exiting from PIR funds, having reached the minimum period of 5 years' holding to be allowed to dispose of their investment without paying capital gain tax (we remind that PIRs were established in 2017).

According to Assogestioni's data, PIRs have witnessed €721.1mn net outflows in 1Q23, registering a negative performance for the 4th consecutive quarter, with cumulative €1,037mn withdrawals.

Italian PIRs: Net Outflows/Inflows



Source: Assogestioni, Value Track Analysis

FY22 Earnings Season

Overall, FY22 results shed a picture partially inflated by fiscal aids (Superbonus 110%), energy price hikes, and travel / leisure post-pandemic rebound and reported 1) Aggregated Revenues and EBITDA growing at double digit rates (ca. +39% and +31% y/y, respectively); 2) 14 companies with Revenues higher than €100mn and 11 companies with EBITDA above €20mn; 3) Net Debt/EBITDA ratio at 1.0x, with capital structures not improved as expected due to NWC absorption and higher Capex requirements, while financial investments (M&A) were offset by capital injections. At the same time, the number of loss-making companies remains quite high (42 companies with negative EBIT, o/w 14 moved from positive EBIT in FY21).

A look at FY22 reporting season: data sample and key messages

We took into consideration #156 corporates that approved FY22 results within the end of June 2023, excluding from our analysis #36 names of the 192 stocks listed at the moment:

- ◆ #3 stocks currently suspended from trading: *Enertronica*, *Ki Group* and *The Lifestyle Group*;
- ◆ #2 stock with different fiscal year-end (*A.B.P Novicelli* and *Eviso*). *Homizy* was included even if it closed its FY in September;
- ◆ #20 financial stocks for which items such as Revenue and EBITDA are not strictly applicable. These include SPACS, (*Industrial Stars of Italy 4*), investment vehicles (*ABC Company*, *4AIM* and similar) and diversified financials (e.g., brokers such as *Intermonte*);
- ◆ #11 new IPOs occurred in 1H23.

By analyzing the FY22 figures reported by the companies included in this data set we can draw insightful messages, both at aggregate level and as for single companies, and we have derived the following key messages:

1. EGM boasted **healthy growth** as for **FY22 Revenues**, which was in line with expectations, and leveraged on drivers similar to 1H22, i.e. fiscal aids (Superbonus 110%), energy prices hikes, travel/leisure post-Covid rebound;
2. **EBITDA, EBIT, Net Profit** continued to exhibit robust **growth, albeit at a slower rate** compared to FY21 (that was strongly driven by Covid-19 rebound on virtually all sectors), while profitability in 2H22 slightly improved vs. 1H22;
3. **Polarization between best and worst** performing companies remains high;
4. **Capital structure** has not improved y/y as expected, due to Net Working Capital absorption and to an average ~10% Capex impact on Sales, while financial investments were offset by capital injections. Aggregate net debt/EBITDA ratios were flat y/y.

Message # 1: FY22 Revenues showed healthy growth, in line with expectations

We calculate double-digit y/y growth rates at top line and profitability level, a sign that market demand remained strong in FY22, despite the initial fears of a marked slowdown in 2H, following interest rates hikes and high inflation. Regarding the organic top line growth, drivers are the same than 1H22 i.e., fiscal aids (110%), energy prices, travel/leisure post covid rebound. To note that acquisitions add on top.

Also EBITDA, EBIT and Net Profit kept growing strongly, even if pace was slower than FY21 (but we remind that in FY21 virtually every sector benefitted from the post Covid-19 rebound), while profitability in 2H slightly improved vs 1H, as on the one hand input and energy costs, as well as

supply chain disruptions, start normalizing, while on the other hand also output prices were gradually adjusted.

Indeed, on a like-for-like basis (i.e. assuming the same sample of stocks also for FY21), we calculate that the aggregate of EGM companies in FY22 recorded:

- ◆ **Revenues close to €9.1bn**, +38.6% y/y (€6.6bn in FY21);
- ◆ **EBITDA and EBIT at €1.3bn and €672mn** respectively (+30.7%/+60.3% y/y respectively);
- ◆ **EBITDA margin and EBIT margin at 14.2% and 7.4%**, respectively;
- ◆ **Net Profit at €350mn** compared to the €229mn in FY21.

Always on a like-for-like basis, but **excluding Ecosuntek** from our sample (as this company reported results heavily inflated by energy price hikes, with Revenues up y/y around ten-folds with a Δ Revenues equal to ~€715mn), we calculate:

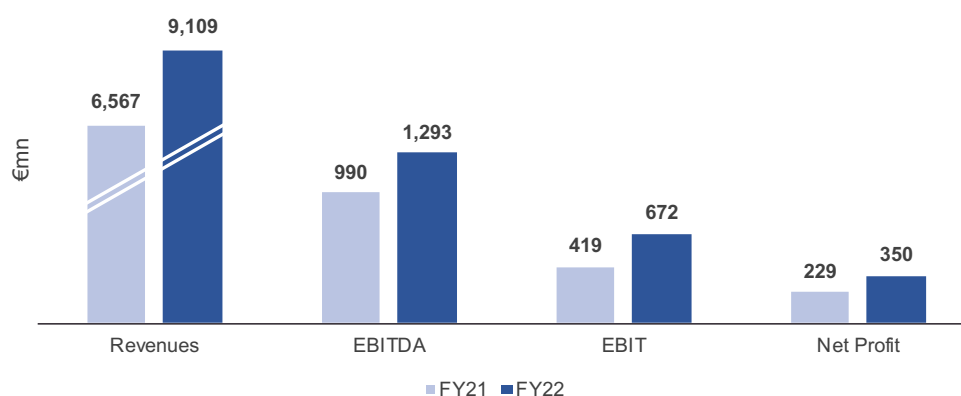
- ◆ **Revenues close to €8.2bn**, +28.6% y/y (€6.4bn in FY21);
- ◆ **EBITDA and EBIT at €1.3bn and €658mn** respectively (+29.6%/+57.7% y/y respectively);
- ◆ **EBITDA margin and EBIT margin at 15.6% and 8.0%**, respectively;
- ◆ **Net Profit at €346mn** compared to €227mn in FY21.

Euronext Growth Milan: Aggregate Financials FY21-FY22 (#156 Companies)

(IT GAAP, €mn)	Full Sample			Excluding Ecosuntek		
	FY21	FY22	Δ (€mn, %)	FY21	FY22	Δ (€mn, %)
Revenues	6,567	9,109	38.7%	6,376	8,202	28.6%
EBITDA	990	1,293	30.7%	984	1,276	29.6%
EBITDA Margin (%)	15.1%	14.2%	-87bps	15.4%	15.6%	12bps
EBIT	419	672	60.3%	417	658	57.7%
EBIT Margin (%)	6.4%	7.4%	99bps	6.5%	8.0%	148bps
Net Profit	229	350	52.9%	227	346	52.1%
Net Debt	927	1,337	411	913	1,342	429
Net Debt/EBITDA (x)	0.9x	1.0x		0.9x	1.1x	

Source: ValueTrack Analysis

Euronext Growth Milan: Aggregate Financials FY21A-22A (#156 Companies)



Source: Market Consensus, Value Track Analysis

As far as FY22 Top Line growth is concerned, hereby follows the list of those 10 “**growth**” **companies** which enjoyed Turnover YoY growth rates above 100%, chosen among those that also (i) boast revenues above €5mn, and (ii) report positive EBITDA. Such panel is extremely diversified, with stocks belonging to *Energy & Utilities* (#5), *Consumer Services* (#3), *Media* (#1) and *Technology* (#1).

Among the fastest growing companies most benefit from trends such as: (i) clean energy transition (producers, resellers, EPC/EPCM); (ii) buildings renovation/energy efficiency fiscal incentives; (iii) Italian NRRP funds; (iv) post Covid-19 rebound (travel and leisure sectors).

We also underline that *Casta Diva Group*, *Promotica* and *Relatech* benefitted from M&A driven growth, but we highlight that also in this case the organic growth remained extremely interesting (+40%, +76% and +12% y/y, respectively).

Best in class as for FY22 top line growth were *ESI*, *Ecosuntek* and *Destination Italia*, all increasing by more than threefold their size in one year.

Euronext Growth Milan: Top 10 Companies by FY22 Top Line Growth y/y (*)

Company	Revenues (€mn)				
	FY21	FY22	Δ (€mn)	Δ (%)	Δ % Organic
ESI	5.5	30.5	25.0	459%	459%
Ecosuntek	191.3	906.6	715.3	374%	374%
Casta Diva Group	29.7	83.9	54.2	182%	40%
Altea Green Power	6.2	16.7	10.5	169%	169%
Energy	51.5	126.5	74.9	145%	145%
CleanBnB	4.0	9.4	5.4	135%	135%
Aton Green Storage	24.1	55.7	31.6	131%	131%
Promotica	39.6	89.9	50.3	127%	76%
Imprendiroma	21.3	47.1	25.9	122%	122%
Relatech	27.9	60.7	32.7	117%	12%

Source: Value Track Analysis, (*) FY22 Revenues above €5mn

On the contrary, we catch no particular common themes behind the double-digit revenue decrease of a dozen companies, whose weak performance seems to be driven by company specific factors.

Euronext Growth Milan: Bottom 10 Companies by FY22 Top Line Growth y/y

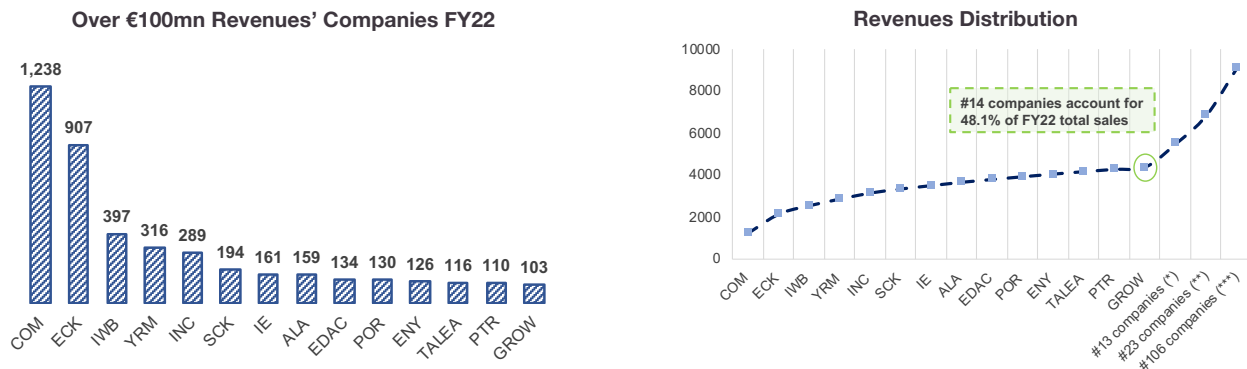
Company	Revenues (€mn)				
	FY21	FY22	Δ (€mn)	Δ (%)	
Mondo TV France	4.3	1.3	-3.0	-69%	
Leone Film	98.6	56.2	-42.4	-43%	
Frendy Energy	2.1	1.2	-0.9	-43%	
Italia Independent	5.5	3.5	-2.0	-36%	
Casasold	2.7	1.9	-0.7	-28%	
Jonix	7.0	5.1	-1.9	-27%	
Askoll	17.9	13.0	-4.9	-27%	
Iniziativa Bresciane	23.4	18.0	-5.4	-23%	
G.M. Leather	49.7	40.8	-8.9	-18%	
Fenix Entertainment	43.8	36.4	-7.4	-17%	
Illa		21.5	18.2	-3.3	-15%

Source: Value Track Analysis

In our sample, only #5 companies reported Revenues above €200mn in FY22 and other #9 reported Revenues in the range of €100-200mn (see chart below, left). However, if we consider the **#14 largest companies** (i.e. those with revenues above €100mn) they do **account for ca. 48% of total FY22 aggregate Revenues and 45% of EBITDA**, higher than the contribution of the largest #14 companies in FY21, which accounted for ca. 43% of Revenues and 39% of EBITDA.

Thus, the remaining companies are split into the following clusters: (i) #13 companies reported revenues ranging from €75mn to €100mn, (ii) #23 companies had revenues ranging from €50mn to €75mn, and (iii) the remaining #106 companies, with a turnover below €50mn, constitute approximately 25% of the total, as shown in the chart below (right).

Euronext Growth Milan: FY22 Revenues Distribution by Company and Cluster (€mn)



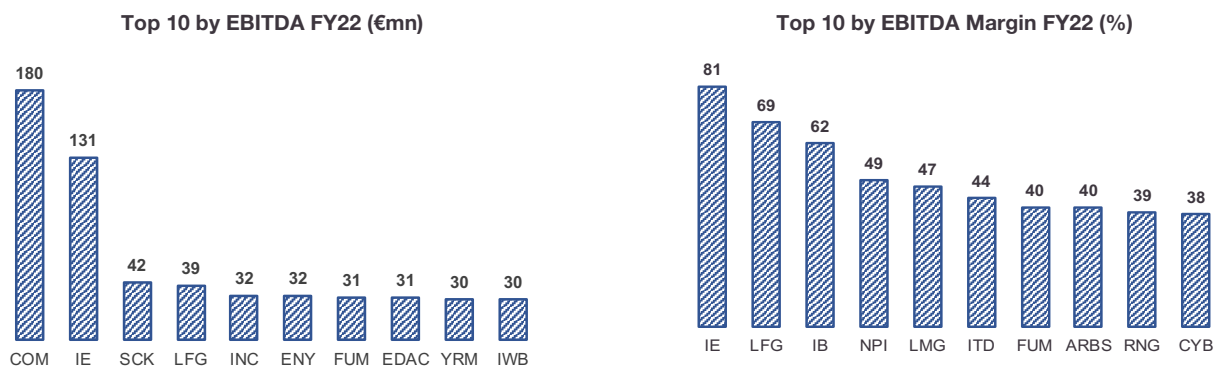
Source: Value Track Analysis, (*) Revenues between €100mn and €75mn, (**) Revenues between €75mn and €50mn, (***) Revenues <€50mn

Message # 2: Profitability keeps showing robust growth, albeit at slower rate vs. FY21

Albeit at a more moderate pace in comparison to the previous fiscal year, which was supported by the “post Covid-19 bounce” effect, EBITDA, EBIT and Net Profit witnessed a strong growth.

Furthermore, profitability in 2H22 displayed a slight improvement compared to 1H22. As for EBITDA and EBITDA margin, the most prominent companies in terms of size/profitability within the EGM are associated with the names of the film industry, as *Iervolino Entertainment* and *Leone Film Group*, present in both rankings, or *Notorious* and *Lucisano*, but it is worth to point out that for these names EBITDA is not a reliable metric of profitability, given the accounting of IP producers. As for other industries we find *Franchi Umberto Marmi*, also present in both rankings, and *Comer* (top for size).

Euronext Growth Milan: Top 10 Companies by FY22 EBITDA and EBITDA Margin



Source: Value Track Analysis

Looking at EBITDA growth, we underline #13 companies (with EBITDA > €2mn) that recorded a y/y growth equal or above 100%, with more than 1/3 of stocks operating in the *Energy & Utilities* sector and the remaining among *Technology, Consumer, Media* and *Industrial*. Best in class were:

- ◆ *Ecosuntek, Energy, Aton G.P., Aton Green Storage* and *Comal*, all exposed to the energy theme;
- ◆ *Casta Diva Group, Powersoft* and *Trawell*, all boosted by travel/leisure post-Covid rebound;
- ◆ Players such as *Casta Diva Group* and *Promotica* benefitted also of M&A driven growth.

Excluding *Ecosuntek*, which achieved considerable growth in absolute terms but experienced a marginal decline of profitability (-85bps y/y), all other #12 increased their profitability, with a few recording a remarkable 1,000bps y/y improvement. However, considering the EBITDA margin, 57% of the #156 observed entities exhibited a decline (#89), whereas the remaining portion showcased varying degrees of improvement. Notably, companies such as *Rosetti Marino, Trawell, Cyberoo, Powersoft* and *Gismondi*, all achieved a significant y/y increase of over +1,000 basis points (again we leave out IP/film production stocks, as EBITDA is less reliable, as explained above).

Euronext Growth Milan: Top 10 Companies by FY22 EBITDA growth y/y (*)

Company	EBITDA			
	FY21	FY22	Δ (%)	Δ EBITDA Margin
Casta Diva Group	0.9	6.3	600%	+448bps
Ecosuntek	5.3	17.3	228%	-85bps
Gismondi	1.0	3.0	214%	+1,019bps
TraWell CO	2.3	7.2	213%	+1,588bps
Energy	10.4	32.2	208%	+520bps
Altea Green Power	2.1	6.2	187%	+233bps
Promotica	2.0	5.5	175%	+107bps
Cyberoo	2.5	6.7	174%	+1,491bps
Powersoft	5.0	12.4	148%	+1,056bps
Aton Green Storage	4.7	11.3	141%	+77bps
Allcore	2.1	4.5	108%	+459bps
Grifal	2.1	4.4	108%	+378bps
Comal	3.4	6.9	104%	+86bps

Source: Value Track Analysis, (*) FY22 EBITDA above €2mn

Euronext Growth Milan: Top 10 Companies by FY22 EBITDA Margin growth y/y (*)

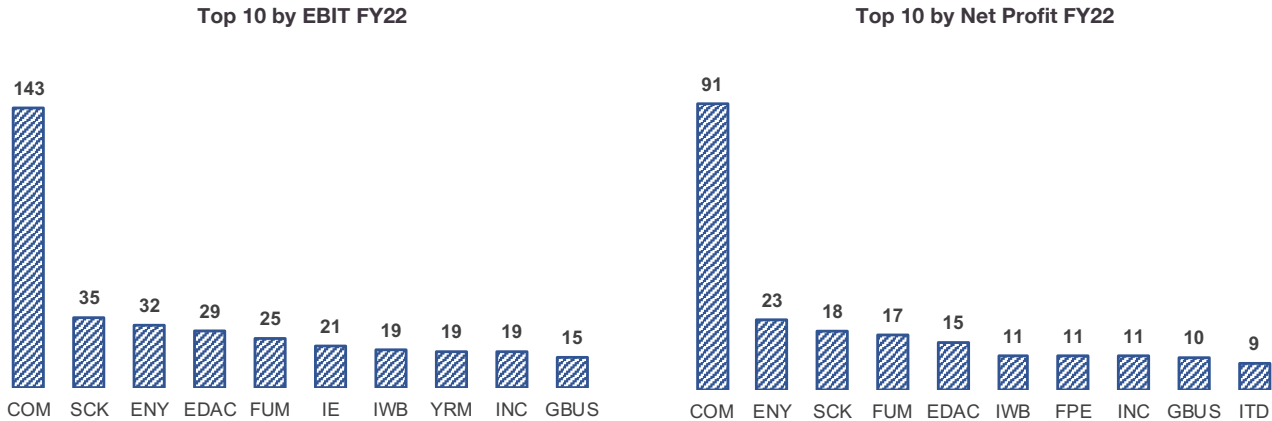
Company	EBITDA Margin (%)		
	FY21	FY22	Δ (bps)
Rosetti Marino	-35.1	9.5	+4,465bps
Leone Film	50.3	69.4	+1,909bps
TraWell CO	11.5	27.4	+1,588bps
Cyberoo	23.4	38.3	+1,491bps
Fenix Entertainment	16.0	27.5	+1,149bps
Powersoft	14.8	25.4	+1,056bps
Gismondi	9.6	19.8	+1,019bps
Notorius Pictures	39.5	49.5	+996bps
Lucisano Media	40.5	47.2	+674bps
Cover 50	15.4	21.8	+647bps

Source: Value Track Analysis, (*) FY22 EBITDA above €2mn

Focusing on EBIT and Net Profit, we note that top EGM companies by size are related to:

- ◆ Fiscal bonuses (*EdiliziAcrobatica, Energy, Gibus, Innovatec, Sciuker Frames*);
- ◆ Industrial (*Rosetti Marino, Comer, Franchi Umberto Marmi*);
- ◆ Consumer Goods (*Italian Wine Brands, Fope*).

Euronext Growth Milan: Top 10 Companies by FY22 EBIT and Net Profit (€mn)



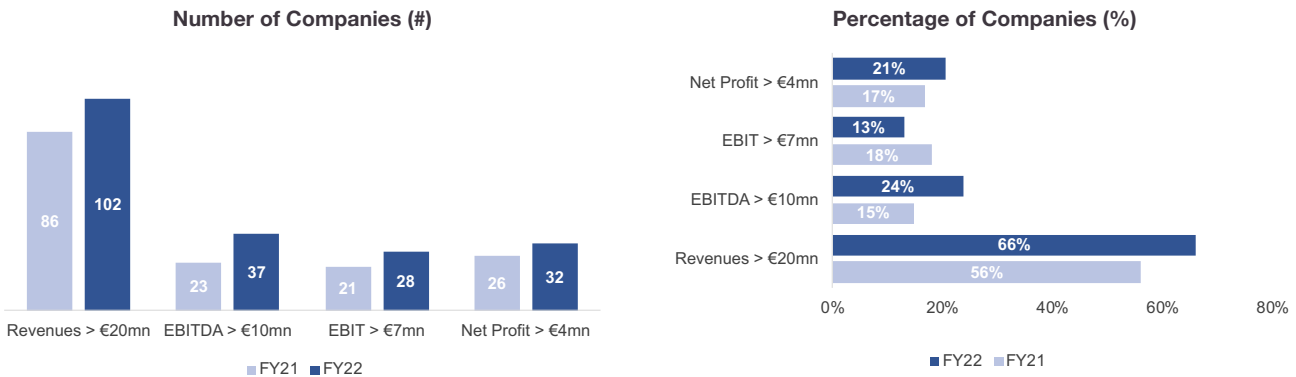
Source: ValueTrack Analysis

...hence more and more EGM companies are achieving relevant size

EGM is a stock market focused on small but fast-growing companies and more and more EGM companies are achieving a size that might raise interest in bigger institutional investors. Out of the #156 non-financial firms included in our sample, we note:

- ◆ 37 companies (24% of total) with EBITDA above €10mn (up from 23 in FY21, 15% of total), out of which 11 companies with EBITDA above €20mn;
- ◆ 28 companies (18% of total) with EBIT above €7mn (up from 21 in FY21, ca. 13% in FY21), out of which 6 companies with EBIT above €20mn;
- ◆ 32 companies with Net Profit above €4mn (up from 26 in FY21), out of which 9 companies with Net Profit above €10mn.

Euronext Growth Milan: Number of Companies at Various Thresholds (#156 Companies)



Source: Value Track Analysis

Message # 3: Polarization between best and worst performing companies remains high

Most of the companies' previously mentioned as fast growing in terms of revenues, also recorded very noticeable operating and net profitability improvement, be it driven by a sound and sustainable business model or simply by very high operating leverage.

Euronext Growth Milan: Companies Better Improved at EBITDA, EBIT, Net Profit (*)

Company	EBITDA (€mn)			EBIT (€mn)			Net Profit (€mn)		
	FY21	FY22	Δ (€mn)	FY21	FY22	Δ (€mn)	FY21	FY22	Δ (€mn)
Rosetti Marino	-56.6	30.1	86.8	-64.8	18.7	83.6	-54.7	4.6	59.4
Comer	130.2	180.0	49.8	87.0	142.8	55.8	49.9	90.7	40.8
Energy	10.4	32.2	21.7	10.1	31.6	21.4	7.4	22.6	15.2
Sciuker Frames	28.7	42.0	13.3	23.5	35.5	11.9	13.5	18.5	4.9
Ecosuntek	5.3	17.3	12.0	2.3	14.2	11.9	1.4	3.9	2.5
Edilizia Acrobatica	21.3	30.7	9.5	18.3	28.5	10.2	11.1	15.1	4.0
Powersoft	5.0	12.4	7.4	2.6	9.9	7.3	2.3	6.3	4.1
Notorius Pictures	10.4	17.6	7.2	3.4	5.6	2.2	3.6	4.4	0.8
Fope	8.8	15.8	7.0	6.8	13.9	7.1	5.0	10.8	5.8
Star7	8.3	15.1	6.8	4.0	7.3	3.3	2.5	3.1	0.6
Aton Green Storage	4.7	11.3	6.6	3.4	10.0	6.6	2.5	7.2	4.7
Labomar	10.1	16.6	6.4	2.4	9.5	7.1	8.3	6.0	-2.3
Franchi Umberto Marmi	24.7	30.9	6.2	18.2	24.7	6.5	10.4	17.2	6.9
Magis	9.1	15.0	5.8	6.3	12.0	5.6	3.7	7.7	4.0

Source: Value Track Analysis, (*) FY22 EBITDA above €5mn and FY22 Net Profit above €0mn

As we have spotted an overall double-digit growth of EGM companies, we need to underline also how the number of loss-making companies remained quite high in FY22, many of them also performing worse than the previous year. Indeed, out of our data sample, we calculate that in FY22

- ◆ #58 companies (ca. 37% of total) recorded EBITDA down y/y (in absolute term);
- ◆ #89 companies (ca. 57% of total) recorded EBIT down y/y (in absolute term);
- ◆ #25 companies (ca. 16% of total) recorded EBITDA loss, out of which 7 were EBITDA positive in FY21 (*Tecma, Casasold, International Care Company, Agatos, Blue Fin. Comm., Dotsay, Eligo*);
- ◆ #42 companies (ca. 29% of total) recorded EBIT loss, out of which 14 were EBIT positive in FY21 (*Fenix Entertainment, Growens, Farmacosmo, Jonix, Impianti, Alfio Bardolla, Acquazzurra*);
- ◆ #68 companies (ca. 44% of total) recorded Net Loss;
- ◆ #91 companies (ca. 58% of total) recorded a worse Net Financial Position y/y.

Euronext Growth Milan: Aggregate Data Distribution by FY22 Absolute Growth y/y

FY22	NEGATIVE			POSITIVE			Total		
	#	%	€mn	#	%	€mn	#	%	€mn
EBITDA	25	16%	-48	131	84%	1,342	156	100%	1,293
EBIT	42	27%	-121	114	73%	793	156	100%	672
Net Profit	68	44%	-125	88	56%	474	156	100%	350
Net Financial Position	99	63%	-1,602	57	37%	265	156	100%	-1,337

Source: Value Track Analysis

In terms of y/y growth rates, we note that:

- ◆ #19 companies recorded a top line decline y/y, while 64/156 ones saw a >30% growth rate;
- ◆ #60 companies registered negative EBIT growth, and further 42/156 stocks which recorded a negative EBIT (and hence not meaningful y/y growth rates).

Euronext Growth Milan: Aggregate Data Distribution by FY22 Relative Growth y/y

Growth rate	Revenues	EBITDA	EBIT	Net Profit
Above 30%	64	58	66	59
Between 0% and 30%	73	40	30	29
Negative growth	19	58	60	68
Total	156	156	156	156

Source: Value Track Analysis

A further useful analysis is to look for those firms delivering a major loss in EBITDA and EBIT. In particular, seven companies appear in both rankings as: *Agatos*, *Estrima*, *Tecma*, *Italia Independent Group*, *e-Novia* and *Expert*.

Euronext Growth Milan: Bottom 10 Companies by FY22 EBITDA and EBIT (€mn)



Source: Value Track Analysis

Euronext Growth Milan: Bottom Companies by FY22 EBITDA and EBITDA Margin Growth y/y

Company	EBITDA (€mn)			EBITDA Margin (%)	
	FY21	FY22	Δ (€mn)	FY21	FY22
Leone Film	49.6	39.0	-10.6	50.3%	69.4%
Iervolino Entertainment	138.3	130.6	-7.7	90.8%	81.1%
e-Novia	-4.6	-10.4	-5.8	-31.1%	-74.8%
Expert System	-9.5	-14.4	-4.9	-23.9%	-35.5%
Iniziativa Bresciane	16.1	11.3	-4.9	69.0%	62.4%
Tecma Solutions	2.3	-2.3	-4.5	17.2%	-15.9%
Mondo TV France	3.9	0.6	-3.3	89.5%	44.1%
Blue Fin. Comm.	2.2	-0.3	-2.6	13.9%	-1.7%

Source: Value Track Analysis

Message # 4: No cash generation and stable capital structure (with a few exceptions)

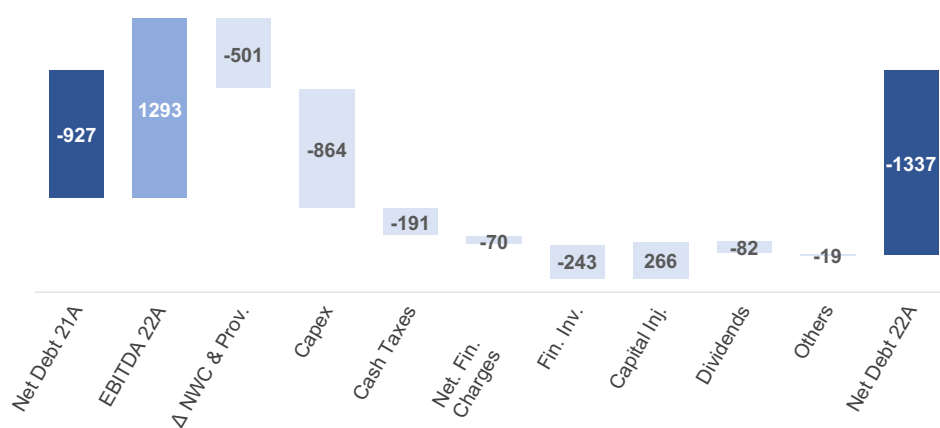
While FY22 P&L figures were in line with estimates, on the contrary Net Debt was higher than expected, hence disappointing on the expected improvement of the capital structure. Indeed, despite the strong EBITDA performance, aggregated Net Debt increased by some €411mn y/y, as a result of:

- ◆ Nihil OpFCF generation, negatively affected by Net Working Capital absorption (e.g., Energy sector, Industrial Automation);
- ◆ High Capex level (on average at ~9% on Sales);
- ◆ Financial investments mostly funded by capital injection proceeds (more than €200mn M&A cash-out).

In order to analyze the cash flow trends we have built the EGM's aggregate Cash Flow Statement, which shows how despite a notably high EBITDA, there is no cash generation at all:

- ◆ The OpFCF b.t. stands at -€72mn, representing a ratio of -6% in relation to EBITDA;
- ◆ The OpFCF a.t. amounts to -€262mn, exhibiting a ratio of -20% compared to EBITDA;
- ◆ NFP worsened year-to-year by -€411mn.

Euronext Growth Milan: Aggregate Cash Flow Statement FY22 (#156 Companies)



Source: ValueTrack Analysis

That said, we believe it is worth to mention the sound FCF generation achieved by a few names, including *Sciuker Frames* and *Edilizia Acrobatica*, as both generated ca. €26mn annual FCF.

We also note that out of #156 companies considered, ~#40 have proposed to distribute dividends, stable number y/y.

Thus, based on a #156 non-financial companies' dataset, we calculate that:

- ◆ The aggregate Net Debt Position stands at €1.3bn, compared to FY21 €927mn, with FY22 Net Debt/EBITDA ratio stable at 1.0x, moving to 1.6x if only the companies with net debt exposure are considered (equally flat y/y);
- ◆ Out of the #156 non-financial companies, #58 (ca. 37% of total) are Net Cash positive these (ca. 41% in FY21);
- ◆ The highest Net Cash position are those of *Powersoft* (€24.3mn, thanks to its strong cash generation), followed by *Cover 50*, *ErreDue*, *TPS*.

Euronext Growth Milan: Aggregate Net Debt Financials FY21-FY22 (#156 companies)

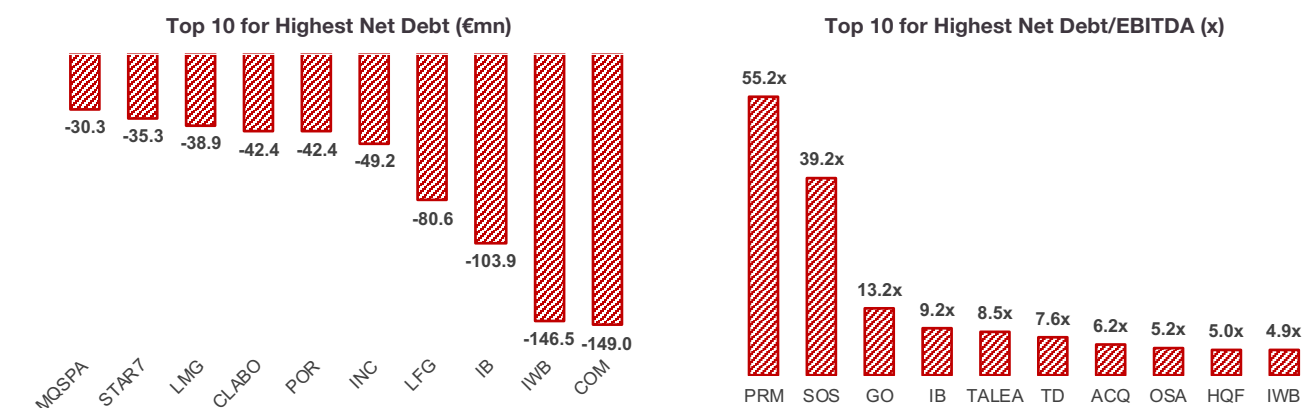
(IT GAAP, €mn)	FY21	FY22
Net Debt	927	1,337
EBITDA	990	1,293
Net Debt/EBITDA	0.9x	1.0x
# of Companies with a Net Debt exposure	92/156	99/156
Net Debt attributable to Net Debt companies	-1,248	-1,602
EBITDA attributable to Net Debt companies	787	1,002
Net Debt/EBITDA (x)	-1.6x	-1.6x

Source: ValueTrack Analysis on companies' data

Finally, we note that there are also some companies heavily loaded with debt, as this might not be so safe in the current interest rates scenario.

Among the various companies, *Comer Industries* represents the most indebted one in absolute terms, (€149mn) but with a quite low 0.8x Net Debt / EBITDA ratio, followed by *Italian Wine Brands* (4.9x Net Debt / EBITDA) and *Iniziativa Bresciane* (9.2x Net Debt / EBITDA) and *Leone Film Group* (17.1x Net Debt / EBIT). Looking at Net Debt/EBITDA ratio, we see *Prismi* to report the highest ratio, greater than 50x (prior to the recapitalization announced in May 2023), followed by *SOS Travel* with a ~ 39x ratio and *Go Internet* at 13.2x.

Euronext Growth Milan: Bottom 10 Companies by FY22 Net Financial Position Exposure



Source: ValueTrack Analysis

EGM: What's Ahead?

Market consensus on FY23E-24E EGM companies' estimates returns a favourable picture, yet more cautious compared with November estimates: Revenues and EBITDA are expected to grow by ca. 16%-23% y/y in FY23E and by ca. 9%-19% y/y in FY24E respectively. We maintain a prudent stance on this outlook as we have already observed downward revisions in FY23E-24E forecasts for most of EGM companies and would not rule out further downward revisions in coming months.

EGM financials FY23E-24E not bad on surface...

Considering all EGM listed stocks (#192 as of 30th June 2023), but for financials (#21) and suspended stocks (#3), aggregate FY23E-24E financial forecasts for #168 names still look fairly healthy:

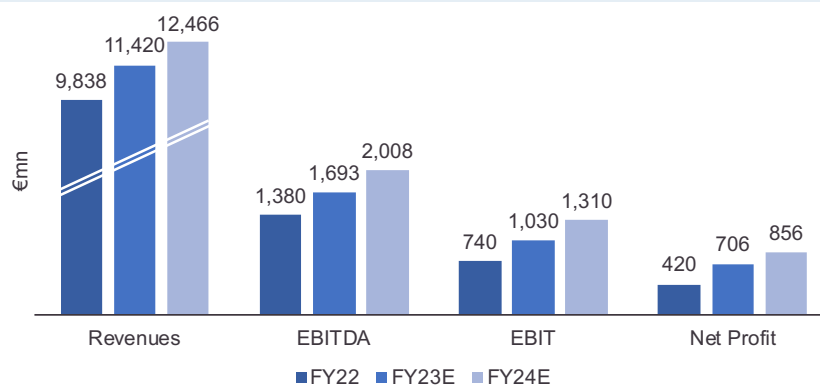
- ◆ **Revenues** are expected to grow by a sound 16% y/y in FY23E and by 9% y/y in FY24E;
- ◆ **EBITDA** up by 23% and 19% y/y and EBITDA Margin by 80-130 bps in FY23E-24E, respectively;
- ◆ **EBIT** at ca. €1bn-€1.3bn in FY23E-24E, EBIT margin gaining ca. 300 bps vs. FY21A to 10.5%;
- ◆ **Net Profit** is forecasted to more than double by FY24E vs. FY22A;
- ◆ **Net Debt** reducing by ca. €1bn as of FY24E vs. FY22A.

Euronext Growth Milan: Aggregate Financials FY22A-24E (#168 Companies)

(IT GAAP, €mn)	FY22A	FY23E	FY24E
Revenues	9,838	11,420	12,466
y/y (%)	nm	16.1%	9.2%
EBITDA	1,380	1,693	2,008
EBITDA Margin (%)	14.0%	14.8%	16.1%
EBIT	740	1,030	1,310
EBIT Margin (%)	7.5%	9.0%	10.5%
Net Profit	420	706	856
Net Debt	1,328	967	373
Net Debt / EBITDA (x)	0.96x	0.57x	0.19x

Source: Market Consensus, Value Track Analysis

Euronext Growth Milan: Aggregate Financials (#168 Companies)



Source: Market Consensus, Revenues bars are adjusted for better visibility

...but a closer look raises some questions

Upon a closer examination of current consensus on EGM FY23E-24E financials, it becomes evident that there are some red flags (of which two repeating identically for the 2nd time in a row) and one major question mark:

- ◆ **#1 Red Flag:** Most of EGM companies have already seen their FY23E-24E forecasts revised downwards;
- ◆ **#2 Red Flag:** Aggregate Top Line forecasts have been revised mildly upwards, while Operating Profitability ones have been revised mildly down;
- ◆ **#3 Red Flag:** Upward revisions are more dependent on single contributors and one-off factors, while downward revisions are more scattered around involving most EGM companies;
- ◆ **#1 Question Mark:** FY22 witnessed negative cash generation, raising doubts on the actual ability of EGM companies to meet consensus of a €1bn cash generation by FY24E.

The outcome is that we remain cautious, as we believe **consensus is likely to turn out as overly optimistic** given the significant visibility challenges, especially concerning fiscal bonuses and circular economy, combined with an overall uncertain macroeconomic scenario. Furthermore, we see the risk that the M&A driven growth factored in consensus estimates may be overstated.

In light of these factors and of a pinch of cautiousness, we see the risk of **additional consensus downward revisions** compared to current consensus estimates, both in terms of top line, margins and free cash flow.

#1 Red Flag - Most EGM companies have already seen their FY23E-24E forecasts revised downwards (twice)

Analysing the evolution of market consensus estimates on the #192 EGM companies (#145 companies actually, as #27 names have no coverage and #20 have no research updates in the latest months), unveils that the majority of EGM listed companies has already undergone a downward revision of FY23E - FY24E forecasts:

- ◆ While market consensus for Top Line forecasts has moved up for ca. 28% of EGM companies, **only for 17% of listed names consensus for Operating Profits has been revised up;**
- ◆ **43%** of EGM companies have seen their **Operating Profits estimates revised downwards** for both current and next year.

Euronext Growth Milan: Number of Companies by Type of FY23E-24E Estimates Revision

Estimates Revision (#)	Top Line	Profitability
Upwards Revision	54	33
<i>As % of Total</i>	<i>28%</i>	<i>17%</i>
Downwards Revision	55	83
<i>As % of Total</i>	<i>29%</i>	<i>43%</i>
Unchanged Estimates	36	29
<i>As % of Total</i>	<i>19%</i>	<i>15%</i>
No Update	20	20
<i>As % of Total</i>	<i>10%</i>	<i>10%</i>
No Coverage	27	27
<i>As % of Total</i>	<i>14%</i>	<i>14%</i>
Total	192	192

Source: Market Consensus, Value Track Analysis

#2 Red Flag - Mildly Adjustments to FY23E Estimates: Revenues Up, Profitability Down (for the 2nd time in a row)

Current FY23E aggregate estimate exhibit limited differences with respect to the previous projections (as reported in our November 2022 update):

- ◆ Revenues have been adjusted upward by 4.3%, including the impact of expected M&A transactions;
- ◆ Profitability was slightly reduced, with EBITDA/EBIT margins down by 66-82bp respectively. This is a hint that rising production costs (raw materials, transportation, energy and external services), are still spreading their effect and may continue to do so in coming months.

Euronext Growth Milan: Estimates Revision FY23E (#168 Companies)

Estimates Revision (€mn)	FY23E		
	Old (November)	New	Δ
Revenues	10,950	11,420	4.3%
EBITDA	1,695	1,693	-0.1%
EBITDA Margin (%)	15.5%	14.8%	-66bps
EBIT	1,078	1,030	-4.4%
EBIT Margin (%)	9.8%	9.0%	-82bps
Net Profit	693	706	1.9%

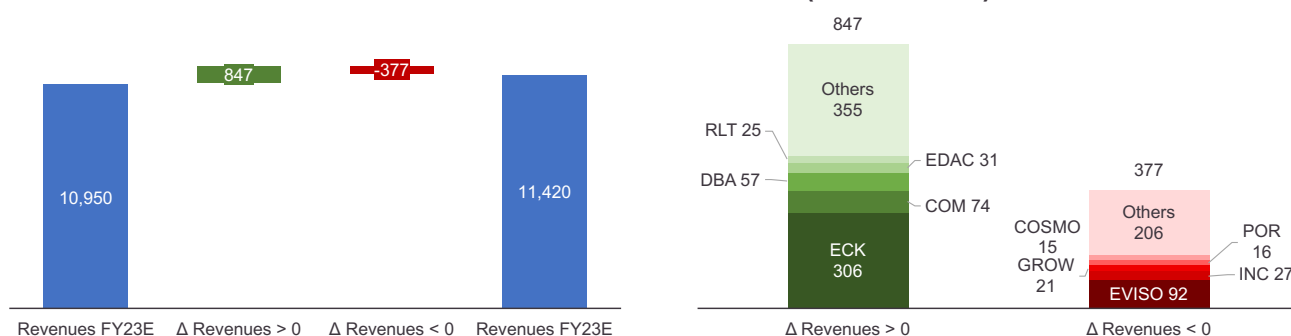
Source: Market Consensus, Value Track Analysis

#3 Red Flag - Upward revisions more dependent on single contributors and one-offs, while downward revisions are more scattered around EGM companies

We calculate that Revenues estimates have been revised upwards by €847mn and downward by €377mn. We note that 36% of the upward revision is explained by *Ecosuntek* alone, whose performance is strongly dependent on energy prices and somehow not structural, while there is more dispersion for the downward revisions (of which 24% related to *Eviso*).

Euronext Growth Milan: Top Line Estimates Revision FY23E (#168 Companies) (1/2)

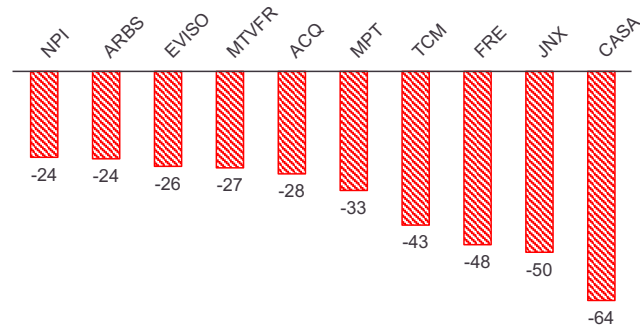
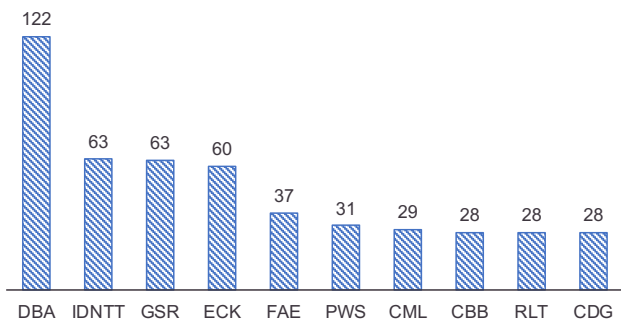
Main Contributors to Consensus Revision (Absolute Value)



Source: Market Consensus, Value Track Analysis

Euronext Growth Milan: Top Line Estimates Revision FY23E (#168 Companies) (2/2)

Main Contributors to Consensus Revision (Relative Value)

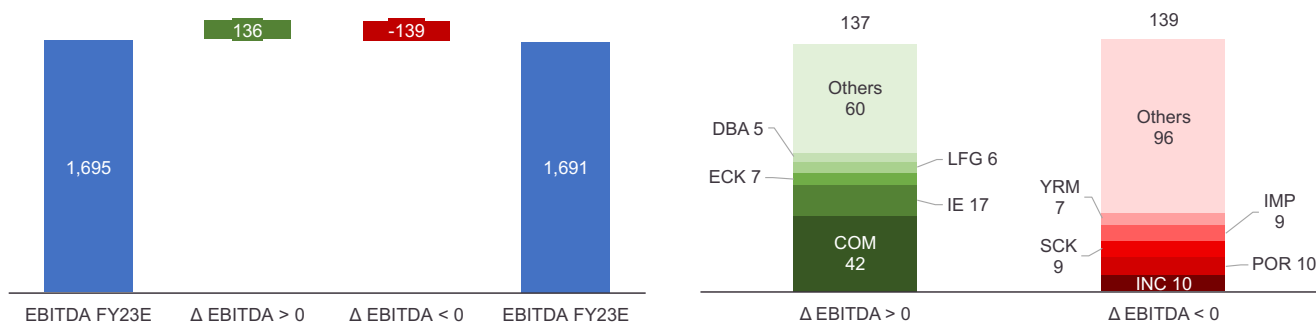


Source: Market Consensus, Value Track Analysis

As far as EBITDA is concerned, estimate revision had a substantially nil net effect and also here the upward side is quite concentrated, as *Comer Industries* accounted for 30% of the Aggregate EBITDA (note also that this stock has just formalized its EXM translisting), while downward revisions are more scattered among many EGM companies, none contributing more than 7%.

Euronext Growth Milan: EBITDA Estimates Revision FY23E (#168 Companies) (1/2)

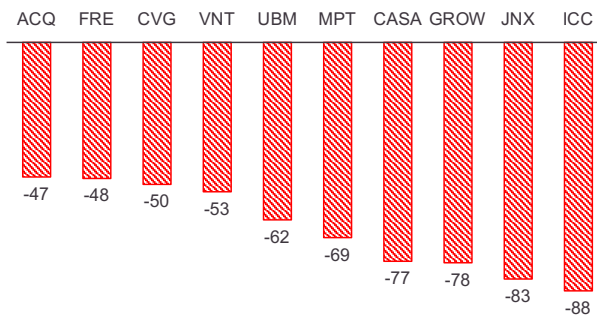
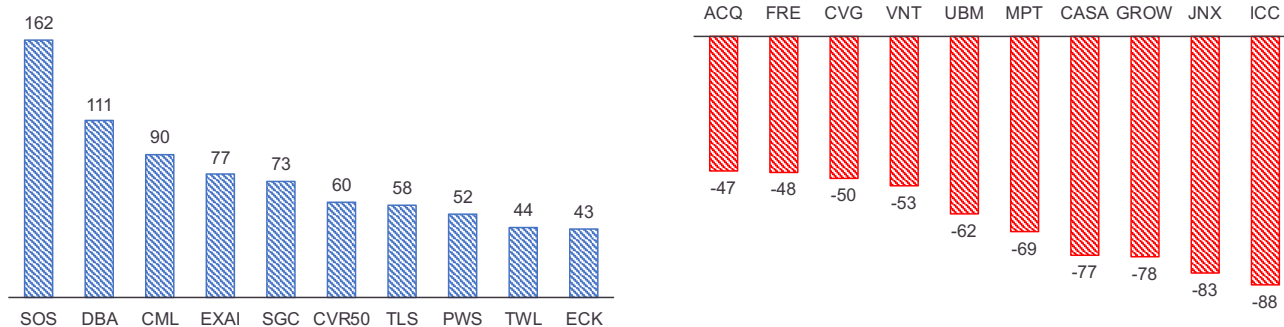
Main Contributors to Consensus Revision (Absolute Value)



Source: Market Consensus, Value Track Analysis

Euronext Growth Milan: EBITDA Estimates Revision FY23E (#168 Companies) (2/2)

Main Contributors to Consensus Revision (Relative Value)



Source: Market Consensus, Value Track Analysis

#1 Question Mark - The “bet” on FY23 Cash Generation

Negative cash generation in FY22 (Δ Net Debt of around €400mn) raises some concerns about the actual ability of EGM companies to reduce the aggregate net debt by ca. €361mn in FY23E, as implied by market consensus (see below), thanks to a +€443mn OpFCF a.t. (vs -€229mn in FY22). The main critical factors relate to their ability of limiting both Working Capital Requirements (NWC absorption is estimated to reduce by €274mn y/y, Δ Provision included) and Investments (in particular capex to decline by €142mn y/y), while maintaining a solid top line growth.

On the positive side we acknowledge that FY23E top line growth is forecasted at mid double digit, i.e. much lower than FY22, yet the FCF generation could be hampered by the necessity of companies to maintain adequate inventory levels to cope with shortage’s long tail, granting payments deferrals or facing bad debt issues, while supporting projected medium term growth through adequate investments.

Euronext Growth Milan: Aggregate Cash Flow Statement (#168 Companies)

(IT GAAP, €mn)	FY22A	FY23E
EBITDA	1,380	1,693
Δ Net Working Capital & Provisions	-505	-231
Capex	-892	-750
OpFCF (b.t.)	-16	711
<i>OpFCF (b.t.) / EBITDA (%)</i>	<i>-1%</i>	<i>42%</i>
Cash Taxes	-212	-268
OpFCF (a.t.)	-229	443
Net Financial Charges	-71	-74
Financial Investments	-244	-41
Capital Injections	267	159
Dividends	-88	-96
Others	-35	-29
Δ Net Financial Position	-399	361
Net Financial Position	-1,328	-967

Source: Market Consensus, Value Track Analysis

Top 15 Stocks by Expected Growth

Here are the rankings of the top 15 companies based on expected growth of Revenues, EBITDA, EBIT, and Net Profit. Officina Stellare features in all four rankings, while Cyberoo, High Quality Food, and SG Company are included in three out of the four rankings, indicating their strong performance across multiple financial metrics.

Euronext Growth Milan: Top 15 Companies by Revenues CAGR_{22A-24E} (#168 Companies)

(IT GAAP, €mn)	Revenues FY22A	Revenues FY24E	CAGR _{22A-24E} (%)
G Rent	2.0	11.2	134.6
Dotstay	0.4	1.8	109.5
Rocket Sharing Company	3.1	10.5	85.0
Officina Stellare	8.0	21.5	63.6
Ulisse BioMed	0.5	1.4	62.7
Agatos	17.3	44.0	59.5
ID-Entity	9.9	23.3	53.2
Destination Italia	29.7	69.5	53.1
e-Novia (*)	13.9	30.9	49.4
Alfonsino	5.8	12.8	48.6
Deodato Gallery	9.5	20.9	48.4
SG Company	16.9	37.0	48.0
Cyberoo	17.6	35.6	42.4
Leone Film	56.2	113.7	42.2
Erredue	13.8	27.7	41.9

Source: Market Consensus, (*) No Coverage, Value Track Estimates and Analysis

Euronext Growth Milan: Top 15 Companies by EBITDA CAGR_{22A-24E} (#168 Companies)

(IT GAAP, €mn)	EBITDA FY22A	EBITDA FY24E	CAGR _{22A-24E} (%)
Acquazzura	0.1	1.9	268.4
Impianti	0.2	1.5	188.7
Cube Labs	0.1	0.3	136.5
SG Company	0.7	3.7	129.9
Frendy Energy	0.1	0.6	123.1
CleanBnB	0.3	1.4	116.0
Mondo TV France	0.6	2.3	97.4
RES	3.1	11.3	90.9
Cyberoo	6.8	20.6	74.6
High Quality Food	1.3	3.8	70.1
ESI	1.2	3.5	69.4
Deodato Gallery	1.9	5.2	66.8
Officina Stellare	3.2	8.4	62.4
Talea Group	2.1	5.5	61.8
Pasquarelli Auto	9.7	25.2	61.1

Source: Market Consensus, Value Track Analysis

Euronext Growth Milan: Top 15 Companies by EBIT CAGR_{22A-24E} (#168 Companies)

(IT GAAP, €mn)	EBIT FY22A	EBIT FY24E	CAGR _{22A-24E} (%)
SG Company	0.4	2.9	169.3
Officina Stellare	0.8	4.9	149.4
Cube Labs	0.0	0.3	148.3
Telesia	0.2	0.9	133.2
Grifal	1.3	5.7	109.6
Prismi	1.7	7.5	107.6
RES	2.0	8.5	106.2
Iniziative Bresciane	2.0	8.2	102.5
Cyberoo	4.4	17.5	100.3
ESI	0.7	2.8	95.7
High Quality Food	0.8	3.0	95.4
NVP	1.2	4.5	91.3
Osai Automation	1.8	6.4	88.6
Mondo TV Suisse	0.2	0.5	82.6
Eles	1.0	3.4	80.8

Source: Market Consensus, Value Track Analysis

Valuation Analysis

Over the last six months, Global Equity Capital Markets have witnessed a significant rebound, with Italian blue chips overperforming their European benchmarks. On the other hand, domestic mid and small caps lagged or underwent a considerable sell-off, affected by scarce liquidity and shrinking volumes as a result of (i) attractive alternatives on the fixed income securities market (e.g., BTP, BOT); (ii) substantial investors' outflows from PIR funds (reached the minimum period of five years to divest without paying the tax on capital gain); (iii) higher interest rates environment, favoring financial blue chips at the expense of small caps. The outlook still bears some factors that may continue to destabilize EGM companies and their valuation, but we believe that there are a few names more ready than others to overcome said challenges and that could be relevant investment opportunities thanks to either robust financials, strong market momentum (surfing relevant investment themes), important growth prospects, unjustified undemanding valuation metrics.

EGM Stock Multiples at Current Market Price

Based on current market prices and consensus forecasts, we calculate that EGM is trading at average **1.3x-1.1x EV/Sales, 7.7x-5.7x EV/EBITDA, 15.0x-11.6x P/E 2023E-24E**. We are taking into account a database of #168 companies, i.e. #192 stocks listed as of 30th June 2023 minus Financial sector companies (#21) and suspended stocks (#3).

Current multiples are at ca. 15% discount vs. one year ago but are broadly in line with those outlined in our EGM Stock Guide as of November 2022, while we noted some rerating vs. January 2023, as the flattish performance of the FTSE Growth Index has been more than offset by the downwards revision of estimates across the market.

However, we highlight a good rebound in the *Technology* and *Health Care* industries, trading at ca. 20% premium vs. January. On the other hand, *Telcos* and *Media* have been the worst performing sectors over the last six months.

Euronext Growth Milan: Stock Multiples @ Current Market Price

Industry	# Stocks	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
			FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Energy & Utilities	15	853	2.1	2.2	1.7	10.0	7.8	6.1	15.6	11.6	9.4
Telecommunications	3	227	2.2	2.0	1.7	10.3	8.4	6.2	25.2	19.0	13.9
Health Care	14	603	1.1	1.7	1.4	10.9	9.3	7.6	15.5	17.1	15.3
Technology	37	1,895	1.9	1.5	1.4	12.6	7.9	6.3	21.4	17.2	11.5
Media	19	236	1.0	0.8	0.6	5.2	3.5	2.3	12.0	8.2	9.2
Consumer Goods	31	1,665	1.6	1.0	0.9	8.9	9.9	7.7	15.9	14.2	13.2
Consumer Services	18	452	1.2	0.8	1.0	8.2	9.5	4.4	12.2	18.6	14.2
Industrial	31	2,695	1.4	1.1	0.9	7.6	6.3	4.8	16.8	15.3	10.2
EGM (*)	168	8,626	1.5	1.3	1.1	9.3	7.7	5.7	16.8	15.0	11.6

Source: Market Consensus, Value Track Analysis, (*) #192 listed stocks minus #21 Financials, #3 Suspended

EGM Stock Multiples at Expected Target Price / Fair Value

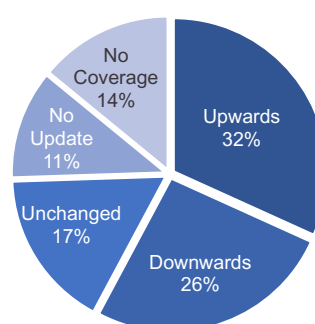
Majority of EGM stocks has undergone downwards or unchanged review of the target price / fair value

Leaving aside #49 companies without a research update in the latest months or that have no equity research coverage at all, the majority of EGM listed stocks has witnessed a downwards or unchanged review of the target price / fair value.

Nonetheless, some 32% (61 companies) has undergone an upwards revision, tied to either (i) a buoyant FY22 fundamentals, (ii) positive estimates review (iii) peers' rerating or (iv) themes such as energy transition, circular economy, digital transformation, PNRR funds allocation, travel industry bounce back, value enhancing M&A.

Euronext Growth Milan Number of Companies by Type of Target Price Revision

Target Price Revision	No. of EGM Stocks (#)
Upwards Revision	61
Downwards Revision	50
Unchanged	32
No Update	22
No Coverage	27
Total	192



Source: Market Consensus, Value Track Analysis

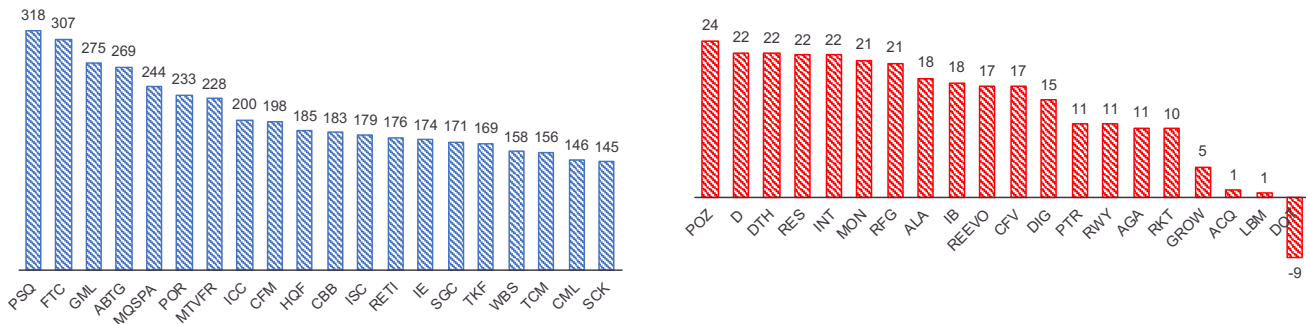
Weird inverse correlation between high quality companies and consensus-based stock upside potential

As in November, we keep noticing a general inverse correlation between high quality companies (or companies with good momentum on fundamentals) and the respective stock upside potential.

We wonder if current macroeconomic uncertainties (acting more intensively on these type of companies) do fit with the following target price upside. We highlight:

- ◆ *Consumer* stocks to be the most represented ones among those with the highest upside, albeit the majority of them witnessed substantial negative stock performance over the last year.
However, *Consumer* is also the most present sector among the Bottom 20 companies, highlighting the challenges of a high-inflation macroeconomic scenario;
- ◆ No *Industrial* stocks and only #1 *Energy* company in the Top 20 standing, trading more in line with close peers than other sectors and nit excessively derated over the last year.
On the other hand, #3 stocks in the Bottom 20 standing are currently under takeover bids, with market price reaching the offer price, close to brokers' target prices (*Digital360*, *Labomar*, *Reevo*);
- ◆ #8 companies with an upside above 200%, but #13 stocks with an upside below 20%, with *Dotstay* (listed on EGM PRO in December) below 0%.

Euronext Growth Milan: Top and Bottom 20 Stocks by Target Price Upside vs. Current Market Price



Source: Market Consensus, Value Track Analysis

Consensus likely too generous in terms of fair values / target prices

We view consensus as likely too generous in terms of fair values / target prices. Indeed, at Target Price / Fair Value, we calculate an implicit ca. 50% upside on aggregate level, with EGM trading at **2.0x-1.7x EV/Sales, 11.5x-8.8x EV/EBITDA, 22.2x-17.4x P/E 2023E**.

Euronext Growth Milan: Stock Multiples @ Fair Value

Industry	# Stocks	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
			FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Energy & Utilities	13	1,195	2.6	2.6	2.0	15.8	11.4	7.8	25.5	17.6	13.8
Telecommunications	2	399	4.9	4.4	3.6	14.1	12.0	9.5	43.6	33.3	24.3
Health Care	11	777	2.0	1.7	2.2	10.6	13.3	11.4	26.0	24.8	19.9
Technology	33	2,811	3.1	2.5	2.0	16.9	13.3	10.8	29.8	27.7	20.6
Media	12	377	2.0	1.5	1.2	10.6	5.7	4.0	18.6	17.5	12.6
Consumer Goods	25	2,510	1.7	1.6	1.3	13.4	13.3	9.8	23.0	21.4	18.1
Consumer Services	14	678	2.0	1.4	1.6	12.4	11.5	8.2	20.5	23.8	17.3
Industrials Goods	30	3,845	1.7	1.7	1.4	11.5	10.1	7.3	18.9	19.1	16.1
EGM (*)	140	12,593	2.3	2.0	1.7	13.5	11.5	8.8	23.6	22.2	17.4

Source: Market Consensus, Value Track Analysis, (*) #192 listed stocks minus #21 Financials, #3 Suspended, #28 with no target price available

Value Track Top Picks Selection

Unsettling challenges still around

We still see plenty of macro, micro and market-specific factors that may continue to destabilize EGM companies and their valuation:

- ◆ **Macroeconomics:** current stance, characterized by high uncertainties due to persistent inflation, tight ongoing monetary policy and slowing economy;
- ◆ **Microeconomics:** low visibility on financials, especially on FY24E, tied to price adjustments mechanism, supply chain financing and net working capital normalization;
- ◆ **Market-specific:** attractive alternatives on the fixed income market, PIR funds outflows and higher interest rates (favoring investments on financial blue chips rather than EGM growth stocks), causing a ripple effect on volumes and liquidity.

Highly selective stock picking more than necessary

Nonetheless, we believe that there are a few EGM names that are more ready than others to overcome said challenges and that can be relevant investment opportunities thanks to their superior resiliency in terms of business models, financials and reference sectors (also boasting better volumes turnover figures than the majority of the market): **Altea Green Power** (AGP), **Aton Green Storage** (ATON), **Casta Diva Group** (CDG), **Comal** (CML), **Allcore** (CORE), **Cyberoo** (CYB), **Ecomembrane** (ECMB), **Esautomotion** (ESAU), **Fae Technology** (FAE), **Grifal** (GRAL), **Ilpra** (ILP), **Medica** (MDC), **Officina Stellare** (OS), **Powersoft** (PWS), **Res** (RES). Our top picks share positive valuation features and belong to one or more of the following clusters:

- ◆ **Momentum** stocks, i.e. companies that:
 - Reported better-than-expected FY22 results;
 - Witnessed an important upwards estimates revision;
 - Are exposed to crucial investment themes (e.g., green energy transition), secular tech trends (digital transformation, IoT, Cyber Security), or should benefit from PNRR funds allocation;
- ◆ **Growth** stocks, i.e. companies that:
 - Boast impressive growth figures both in absolute and relative value over the next two year;
 - Bear greater visibility than the rest of EGM;
- ◆ **Quality for Value** stocks, i.e. companies that:
 - Boast a business model currently mispriced by the stock market;
 - Are expected to gain momentum (yet not priced in);
- ◆ **Excessively Derated** stocks, i.e. companies:
 - Currently trading at cheap multiples after the EGM sell-off of last year;
 - Whose business is not going to be negatively impacted in a lasting manner by macro factors.

Undemanding Valuation but Best-in-Class Ratios...

Our selection is currently trading at discount compared to the rest of Euronext Growth Milan market, i.e. at median **1.1x-0.9x EV/Sales**, **6.4x-4.5x EV/EBITDA**, **10.1x-8.2x P/E 2023E-24E**.

Officina Stellare, *Cyberoo* and *Altea Green Power* are, for different reasons, the stocks with the higher trading multiples among the selection, while *Casta Diva* and *Allcore* exhibit the least demanding valuation.

Euronext Growth Milan: Top Picks Multiples @ Current Market Price

Company	Industry	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
			FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Altea Green Power	Energy	57.5	3.4	2.7	2.1	9.2	6.8	4.8	14.0	9.9	7.2
Aton Green Storage	Energy	46.8	1.1	1.0	0.9	5.3	5.2	4.4	6.5	7.0	6.1
Casta Diva Group	Media	22.6	0.2	0.2	0.2	3.2	2.5	1.9	12.4	7.6	5.7
Comal	Energy	40.7	0.8	0.6	0.5	8.8	6.9	5.4	12.1	7.7	6.1
Allcore	Cons. Services	32.9	0.7	0.6	0.4	5.7	3.2	2.3	15.2	7.5	5.9
Cyberoo	Technology	114.6	3.1	4.0	2.8	8.2	8.1	4.8	20.2	17.1	10.2
Ecomembrane	Industrial	36.1	1.9	1.4	0.9	8.6	7.1	4.6	14.0	19.0	12.4
Esautomotion	Industrial	54.5	1.4	1.3	0.9	5.4	4.8	3.2	11.8	9.2	6.7
Fae Technology	Technology	33.7	0.9	0.7	0.6	9.5	5.9	4.6	16.0	9.5	8.2
Grifal	Industrial	29.1	1.3	1.0	0.8	11.0	7.3	5.3	nm	13.5	7.5
Ilpra	Industrial	72.8	1.2	1.1	0.8	6.2	4.7	3.6	14.0	11.6	9.4
Medica	Health Care	92.1	1.6	1.2	0.9	8.6	6.4	4.5	21.4	18.0	11.1
Officina Stellare	Industrial	62.9	8.6	4.0	3.1	21.9	12.1	7.9	nm	32.8	17.4
Powersoft	Industrial	77.3	1.1	0.8	0.6	4.1	3.7	2.8	12.0	10.1	8.4
Res	Energy	58.4	2.4	2.2	1.4	13.9	8.6	4.5	23.0	18.9	8.3
Average		55.5	2.0	1.5	1.1	8.6	6.2	4.3	14.8	13.3	8.7
Median		54.5	1.3	1.1	0.9	8.6	6.4	4.5	14.0	10.1	8.2

Source: Market Consensus, Value Track Analysis

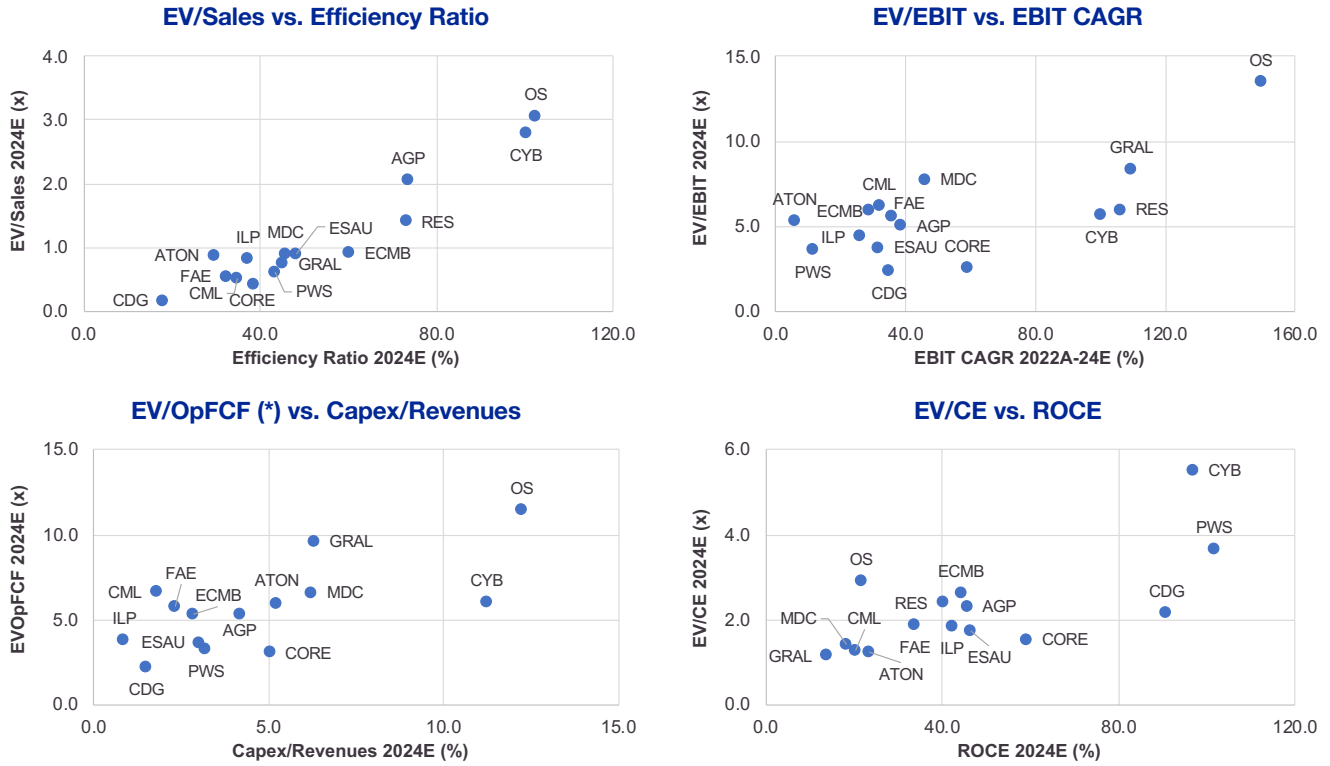
Euronext Growth Milan: Top Picks Key Financials

Company	Industry	CAGR _{22A-24E} (%)			EBITDA Margin (%)			ROCE (%)		
		Revenues	EBITDA	Net Profit	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Altea Green Power	Energy	31%	41%	42%	37%	40%	43%	55%	45%	46%
Aton Green Storage	Energy	10%	9%	4%	20%	20%	20%	30%	24%	24%
Casta Diva Group	Media	9%	19%	48%	7%	8%	9%	71%	79%	91%
Comal	Energy	25%	29%	41%	9%	9%	10%	16%	18%	20%
Allcore	Cons. Services	20%	48%	60%	12%	18%	19%	30%	52%	59%
Cyberoo	Technology	42%	75%	99%	38%	50%	58%	34%	72%	97%
Ecomembrane	Industrial	40%	32%	27%	23%	19%	20%	39%	34%	44%
Esautomotion	Industrial	20%	25%	33%	26%	26%	28%	44%	35%	47%
Fae Technology	Technology	20%	34%	39%	10%	12%	12%	22%	31%	34%
Grifal	Industrial	31%	43%	204%	12%	14%	14%	4%	9%	14%
Ilpra	Industrial	14%	23%	22%	20%	22%	23%	33%	36%	42%
Medica	Health Care	26%	31%	39%	18%	19%	20%	9%	12%	18%
Officina Stellare	Industrial	64%	62%	173%	39%	33%	39%	4%	11%	22%
Powersoft	Industrial	21%	13%	20%	25%	22%	22%	146%	100%	102%
Res	Energy	42%	91%	92%	17%	26%	31%	31%	27%	40%
Average		28%	38%	63%	21%	23%	25%	38%	39%	47%
Median		25%	32%	41%	20%	20%	20%	31%	34%	42%

Source: Market Consensus, Value Track Analysis

Our list of preferred stocks also boast appealing growth, profitability and efficiency ratios, with an average **Revenues CAGR_{22A-24E}** of ca. **30%**, an **EBITDA Margin 2024E** of **25%** and a **Return on Capital Employed (before taxes)** of **47%** in **2024E**.

Euronext Growth Milan: Top Picks Value Maps @ Current Market Price

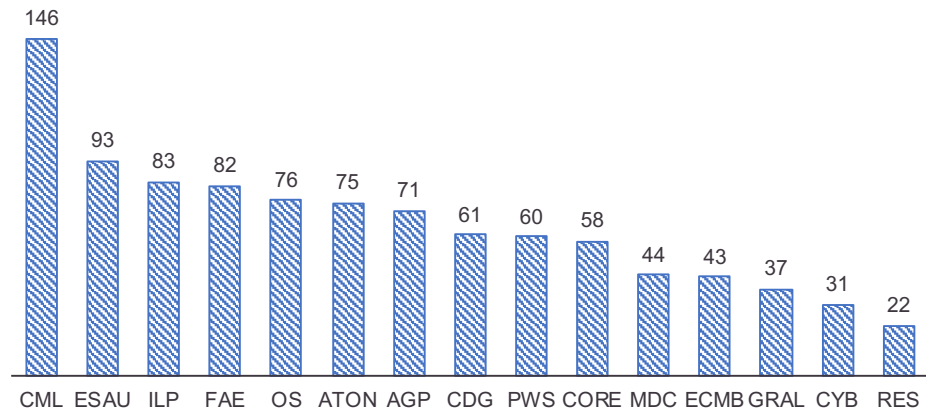


Source: Market Consensus, Value Track Analysis, (*) OpFCF calculated as EBITDA minus Capex

... And Significant Upside Potential

Based on market consensus, the majority of our selected stocks enjoys a >50% price upside potential.

Euronext Growth Milan: Top Picks Target Price Upside vs. Current Market Price



Source: Market Consensus, Value Track Analysis

At fair value, our picks would reach an average Mkt Cap close to €100mn (ca. 2x from current), with multiples at median **1.7x-1.4x EV/Sales, 9.8x-7.0x EV/EBITDA, 18.2x-13.3x P/E 2023E-24E**, still at discount vs. the rest of EGM.

Euronext Growth Milan: Top Picks Multiples @ Target Price

Company	Industry	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
			FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Altea Green Power	Energy	101.3	5.8	4.6	3.5	15.9	11.6	8.2	23.9	16.9	12.3
Aton Green Storage	Energy	81.8	1.7	1.6	1.4	8.4	8.3	7.0	11.4	12.2	10.6
Casta Diva Group	Media	37.1	0.4	0.4	0.3	5.4	4.4	3.5	20.0	12.3	9.2
Comal	Energy	100.1	1.5	1.2	1.0	17.4	13.1	10.5	29.8	18.9	14.9
Allcore	Cons. Services	51.6	1.2	1.0	0.8	10.0	5.6	4.2	24.1	11.8	9.4
Cyberoo	Technology	149.8	4.1	5.3	3.8	10.8	10.7	6.5	26.4	22.3	13.3
Ecomembrane	Industrial	51.5	2.7	2.2	1.5	12.0	11.1	7.3	20.0	27.1	17.8
Esautomotion	Industrial	113.6	3.0	2.6	2.0	11.6	9.8	7.2	22.7	17.8	12.9
Fae Technology	Technology	61.3	1.6	1.2	1.0	16.5	10.4	8.6	29.1	17.3	15.0
Grifal	Industrial	40.0	1.6	1.2	0.9	13.5	8.9	6.5	nm	18.6	10.3
Ilpra	Industrial	133.6	2.3	2.0	1.6	11.6	8.9	7.2	25.7	21.3	17.2
Medica	Health Care	132.3	2.2	1.7	1.3	12.2	9.0	6.6	30.8	25.9	15.9
Officina Stellare	Industrial	110.6	nm	6.8	5.3	36.9	20.7	13.6	nm	nm	30.6
Powersoft	Industrial	123.1	2.0	1.5	1.3	7.8	7.2	5.7	19.2	16.2	13.5
Res	Energy	60.0	2.9	2.7	1.7	16.5	10.4	5.5	28.1	23.1	10.2
Average		89.8	2.4	2.4	1.8	13.8	10.0	7.2	23.9	18.7	14.2
Median		100.1	2.1	1.7	1.4	12.0	9.8	7.0	24.1	18.2	13.3

Source: Market Consensus, Value Track Analysis

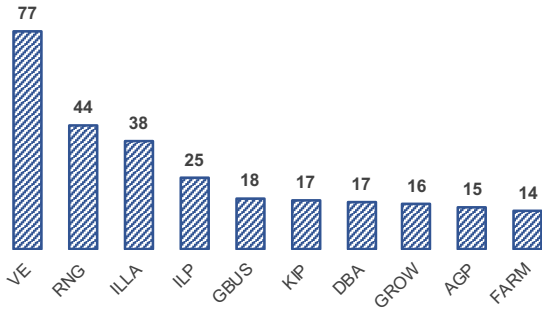
We also flag some additional stocks that belong to the mentioned clusters and that do not couple two or more positive “angles”, but just one:

- ◆ Momentum: *Comer, CleanBnb, EdiliziAcrobatica, Fope, Gismondi, IDNTT, SG Company, SOS Travel, Tenax, Trawell*;
- ◆ Growth: *Doxee, MeglioQuesto, Osai, Erredue*;
- ◆ Value for Quality: *Arterra Bioscience, DBA, DHH, Digitouch, Matica Fintec, Reway Group, TPS, TMP Group, Trawell, Vimi Fasteners, Valtecne*;
- ◆ Excessively Derated: *Agatos, Datrix, Doxee, Eles, Esi, Estrima, Farmacosmo, Innovatec, MeglioQuesto, Portobello, Spindox, Svas Biosana, Take Off, Talea*.

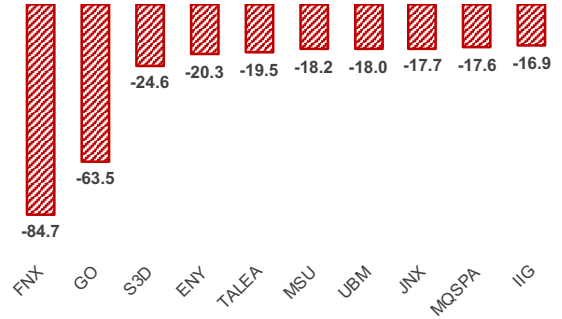
Appendix

Euronext Growth Milan: Best and Worst Stock Price Performers

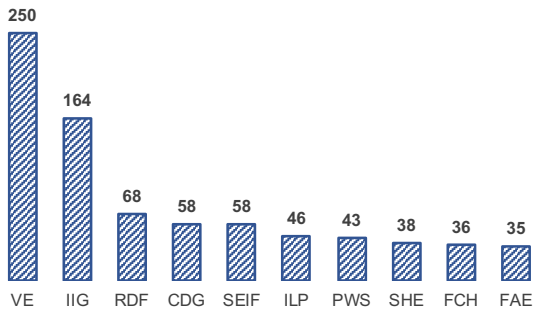
Top 10 by 1M Performance (%)



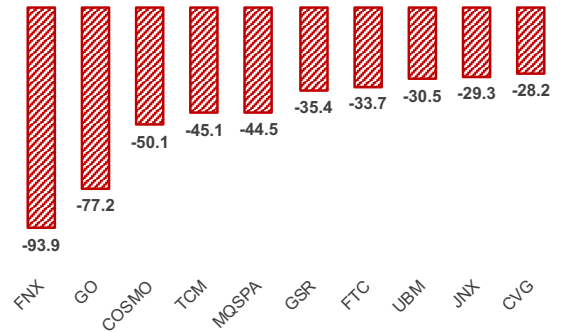
Bottom 10 by 1M Performance (%)



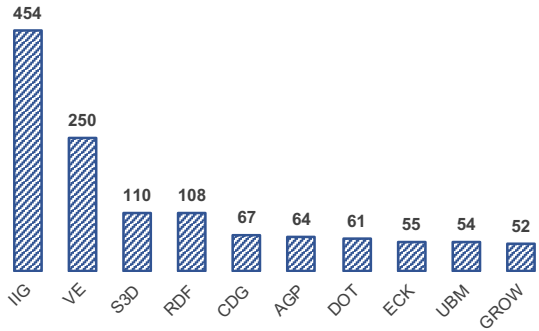
Top 10 by 3M Performance (%)



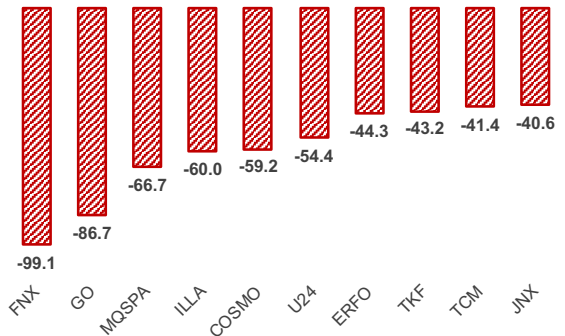
Bottom 10 by 3M Performance (%)



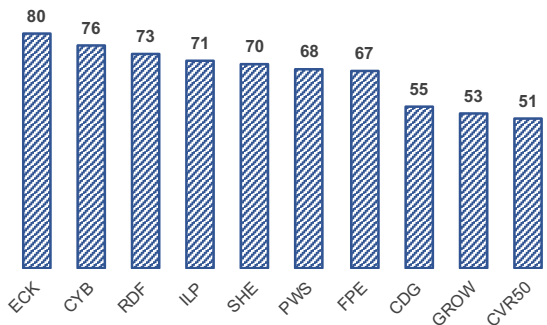
Top 10 by YTD Performance (%)



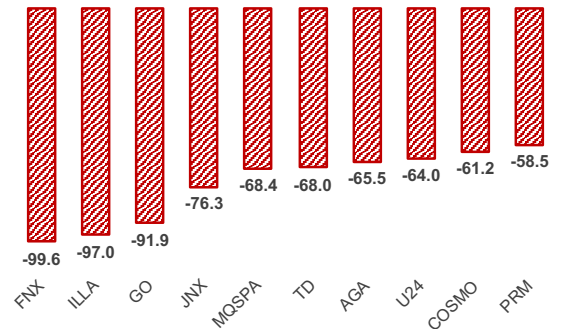
Bottom 10 by YTD Performance (%)



Top 10 by 1Y Performance (%)



Bottom 10 by 1Y Performance (%)

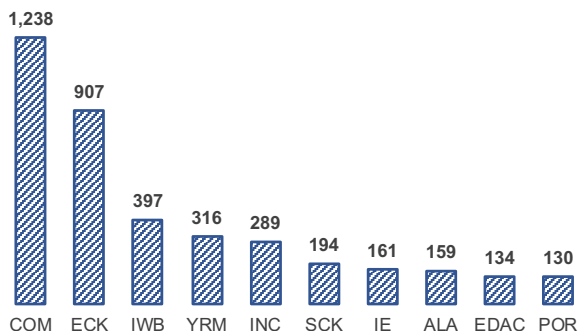


Source: Bloomberg, Value Track Analysis

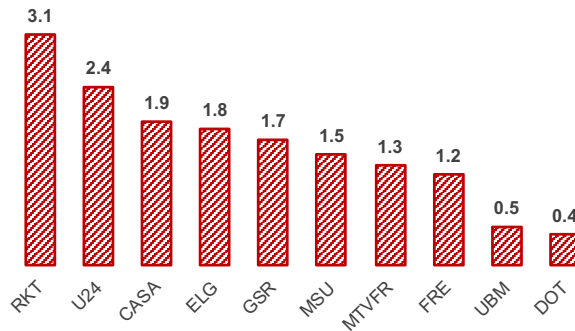
EGM Companies by FY22 Size

Euronext Growth Milan: Largest and Smallest Companies by P&L Figures

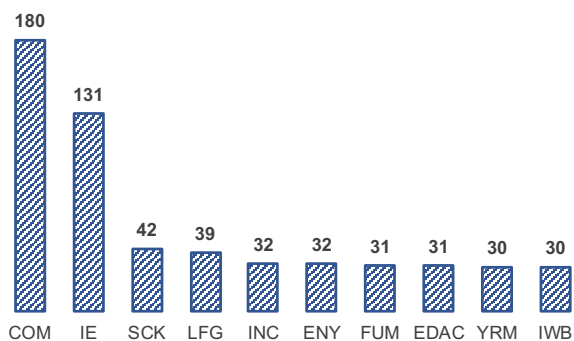
Top 10 by Revenues FY22



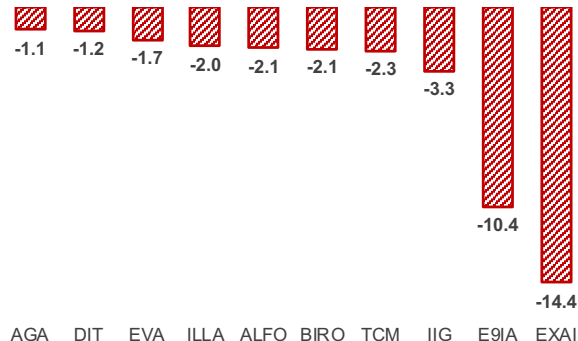
Bottom 10 by Revenues FY22



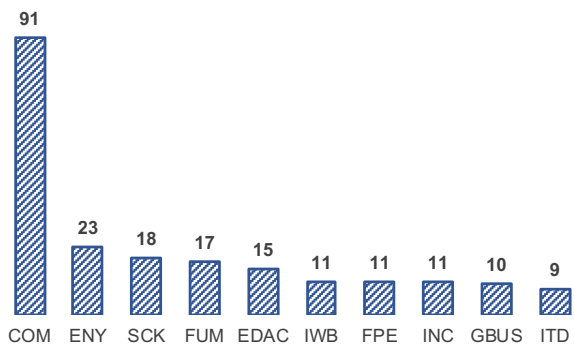
Top 10 by EBITDA FY22



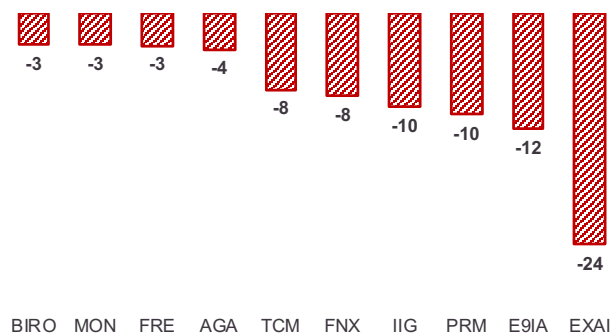
Bottom 10 by EBITDA FY22



Top 10 by Net Profit FY22



Bottom 10 by Net Profit FY22

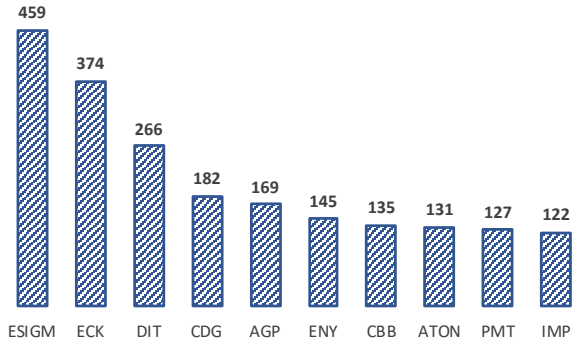


Source: ValueTrack Analysis

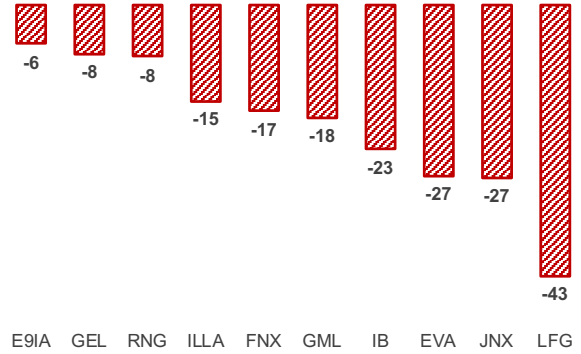
EGM Companies by FY22 Growth y/y

Euronext Growth Milan: Best and Worst Financial Growth Performers

Top 10 by Meaningful Revenues Growth FY22/ FY21 (*)

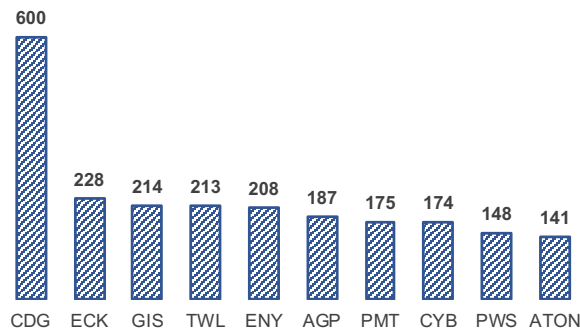


Bottom 10 by Meaningful Revenues Growth FY22/ FY21

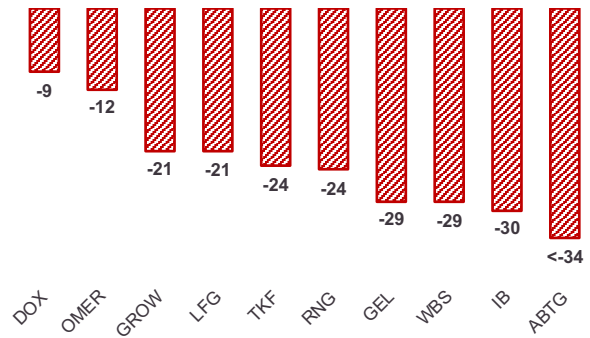


(*) Revenues above €1mn in FY21 and above €5mn in FY22

Top 10 by Meaningful EBITDA Growth FY22/ FY21 (*)

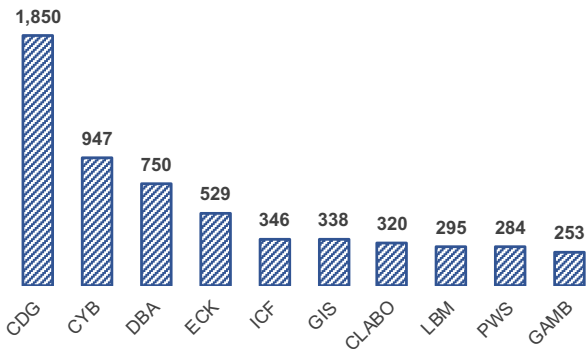


Bottom 10 by Meaningful EBITDA Growth FY22/ FY21

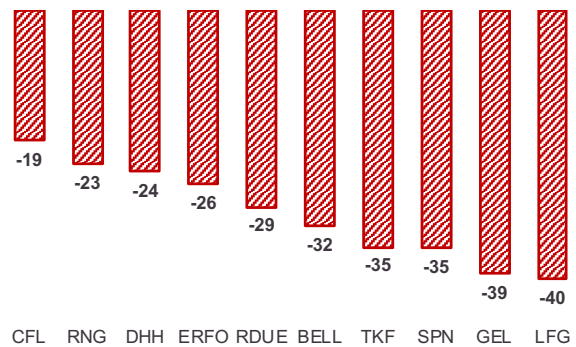


(*) EBITDA above €0.5mn in FY21 and above €2mn in FY22

Top 10 by Meaningful EBIT Growth FY22/ FY21 (*)



Bottom 10 by Meaningful EBIT Growth FY22/ FY21

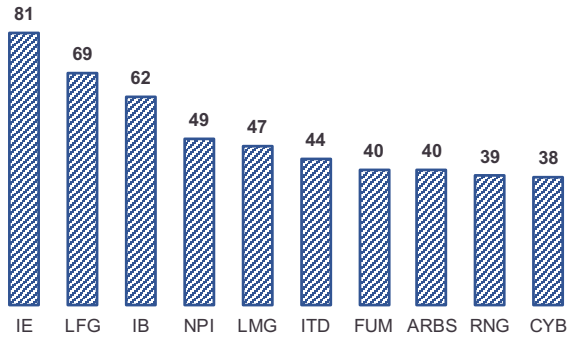


Source: ValueTrack Analysis, (*) EBIT above €0.2mn in FY21 and above €1mn in FY22

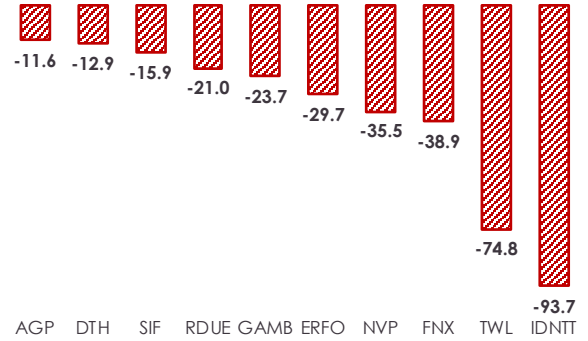
EGM Companies by FY22 Profitability

Euronext Growth Milan: Best and Worst Profitability and Leverage Performers

Top 10 by Meaningful EBITDA Margin FY22 (*)

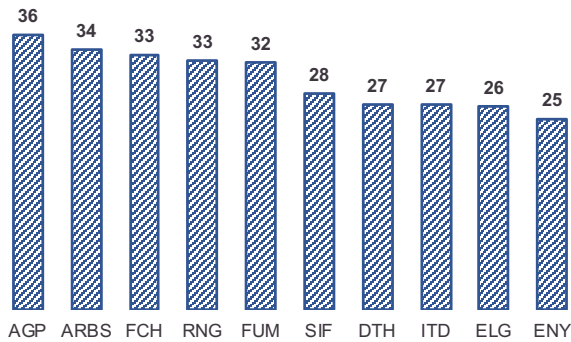


Bottom 10 by Meaningful EBITDA Margin FY22

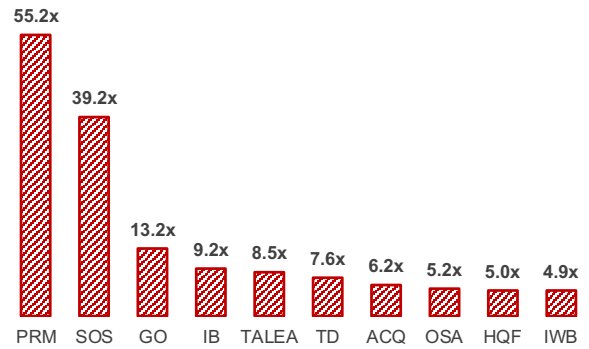


(*) Revenues FY22 above €2mn

Top 10 by Meaningful EBIT Margin FY22 (*)



Bottom 10 by Meaningful Net Debt/EBITDA FY22



(*) Revenues FY22 above €2mn

Source: ValueTrack Analysis

EGM Stock Multiples at Current Market Price

Euronext Growth Milan: Energy & Utilities Stock Multiples @ Current Market Price

Company	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Agatos	8.9	1.2	0.7	0.4	nm	4.3	1.5	nm	5.7	1.4
Altea Green Power	57.5	3.4	2.7	2.1	9.2	6.8	4.8	14.0	9.9	7.2
Aton Green Storage	46.8	1.1	1.0	0.9	5.3	5.2	4.4	6.5	7.0	6.1
Comal	40.7	0.8	0.6	0.5	8.8	6.9	5.4	12.1	7.7	6.1
Convergenze	13.6	0.7	0.9	0.9	16.4	11.0	7.5	nm	nm	nm
Ecosuntek (*)	33.3	0.0	0.0	0.0	1.7	1.4	1.2	6.5	5.4	6.2
Energy	178.9	1.5	0.9	0.7	5.8	5.0	3.3	7.9	8.1	5.9
ESI	15.2	0.4	0.4	0.3	10.1	5.5	3.4	nm	11.7	8.0
Eviso	56.3	0.2	0.2	0.2	9.7	12.0	7.4	nm	nm	24.6
Frendy Energy (*)	11.9	8.5	8.1	7.5	nm	15.0	23.0	nm	nm	17.1
Iniziativa Bresciane	77.0	nm	6.3	5.6	16.1	9.1	8.1	nm	21.0	10.4
Innovatec	136.0	0.8	0.7	0.6	7.1	6.1	5.0	9.5	9.3	7.6
Erreduè	62.5	3.3	3.0	2.0	11.4	8.6	5.4	37.9	18.9	11.3
RES	58.4	2.4	2.2	1.4	13.9	8.6	4.5	23.0	18.9	8.3
Renergetica	56.3	5.7	4.6	3.0	14.6	11.7	7.0	22.8	15.9	11.1
Average	56.9	2.1	2.2	1.7	10.0	7.8	6.1	15.6	11.6	9.4
Median	56.3	1.1	0.9	0.9	9.7	6.9	5.0	12.1	9.6	7.8

Source: Market Consensus, Value Track Analysis, (*) No Coverage, Value Track Estimates

Euronext Growth Milan: Telecommunications Stock Multiples @ Current Market Price

Company	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Go Internet (*)	1.1	0.9	0.9	0.8	13.6	10.8	7.4	nm	nm	nm
Intrad	187.8	4.3	4.0	3.3	10.0	9.3	7.6	21.6	23.6	18.6
Planetel	37.8	1.5	1.2	1.0	7.2	5.2	3.6	28.8	14.4	9.1
Average	75.6	2.2	2.0	1.7	10.3	8.4	6.2	25.2	19.0	13.9
Median	37.8	1.5	1.2	1.0	10.0	9.3	7.4	25.2	19.0	13.9

Source: Market Consensus, Value Track Analysis, (*) No Coverage, Value Track Estimates

Euronext Growth Milan: Technology Stock Multiples @ Current Market Price

Company	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Almawave	137.6	2.6	2.2	1.8	12.7	10.9	6.8	28.7	27.0	15.1
Circle	19.8	1.6	1.1	0.8	8.6	5.7	4.1	23.6	13.2	9.9
Creactives Group	24.0	4.3	4.1	2.7	43.5	nm	20.6	nm	nm	nm
Cyberoo	114.6	3.1	4.0	2.8	8.2	8.1	4.8	20.2	17.1	10.2
Datrix	37.6	2.0	1.4	0.9	nm	9.8	3.9	nm	23.5	8.4
DBA	20.9	0.4	0.3	0.3	4.7	3.4	2.9	11.0	8.0	7.5
Defence Tech Holding	110.9	4.8	3.7	3.0	13.0	9.7	7.8	26.4	21.3	18.2
DHH	75.7	2.7	2.1	1.8	11.0	7.7	5.9	28.8	21.6	17.0
Digital360	107.3	2.8	1.7	1.3	16.1	8.5	6.6	30.4	14.4	11.1
Digitouch	34.0	0.9	0.8	0.6	5.5	4.4	3.7	13.8	10.0	9.8
Doxee	72.0	3.4	2.6	2.1	17.5	12.5	8.8	nm	32.9	20.6
e-Novia (*)	150.9	nm	nm	8.4	nm	nm	nm	nm	nm	nm
Expert System	56.2	1.4	1.3	1.0	nm	10.5	4.1	nm	nm	9.7
FAE Technology	33.7	0.9	0.7	0.6	9.5	5.9	4.6	16.0	9.5	8.2
FOS Group	23.4	1.1	0.8	0.7	6.1	4.4	3.6	17.5	13.4	10.2
Franchetti	27.1	5.5	4.0	2.9	14.7	10.3	7.1	22.4	17.5	12.1
Growens	100.1	1.0	0.4	0.4	24.9	25.2	16.5	nm	nm	nm
Impianti	8.9	0.8	0.6	0.4	48.0	12.8	5.0	nm	45.6	13.0
ID-Entity	23.7	2.2	1.0	0.8	8.0	5.4	3.8	16.8	10.1	7.8
Lindbergh	17.5	0.9	0.7	0.5	7.3	5.6	3.4	19.9	14.0	8.1
Maps Group	38.8	2.1	1.5	1.2	8.9	6.0	4.5	14.3	12.5	8.8
MeglioQuesto	42.0	1.2	0.9	0.7	8.2	4.9	3.4	24.6	6.1	4.3
Neosperience	39.1	2.0	1.9	1.5	7.9	6.8	5.4	43.4	30.1	18.6
Neurosoft (*)	19.2	0.7	0.8	nm	5.6	6.4	nm	15.0	11.6	nm
Prismi (*)	5.2	0.7	0.5	0.3	4.7	2.4	1.1	12.3	1.0	0.6
Reevo	87.2	5.5	4.0	3.2	21.2	14.3	10.9	nm	32.3	24.2
Relatech	102.7	1.7	1.0	0.8	9.0	5.1	3.9	11.5	9.7	8.2
Reti	21.2	1.0	0.8	0.7	9.3	6.9	5.1	21.7	13.3	9.4
Siav	33.6	1.5	1.3	1.1	8.6	6.9	5.6	37.3	15.5	11.4
Softec	3.0	1.2	1.0	nm	nm	8.9	nm	nm	10.1	nm
SolidWorld Group	50.0	1.0	0.9	0.8	14.7	9.5	7.2	nm	23.4	17.0
Spindox	52.5	0.6	0.5	0.4	8.2	6.8	5.2	nm	32.8	19.8
Star7	72.0	1.3	1.1	0.9	7.6	6.5	5.0	10.1	8.2	5.9
Tecma Solutions	33.6	2.2	2.3	1.5	nm	nm	19.2	nm	nm	nm
TPS	39.9	0.7	0.5	0.4	3.2	2.8	2.2	11.1	8.9	8.1
Vantea Smart	39.2	0.9	0.7	0.5	14.7	10.3	6.9	37.2	19.6	11.4
Websolute	19.8	1.0	0.9	0.7	10.6	4.6	3.6	nm	15.9	11.3
Average	51.2	1.9	1.5	1.4	12.6	7.9	6.3	21.4	17.2	11.5
Median	38.8	1.4	1.0	0.8	8.9	6.8	5.0	20.0	14.2	10.2

Source: Market Consensus, Value Track Analysis, (*) No Coverage, Value Track Estimates

Euronext Growth Milan: Media Stock Multiples @ Current Market Price

Company	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Casta Diva Group	22.6	0.2	0.2	0.2	3.2	2.5	1.9	12.4	7.6	5.7
Blue Fin. Comm.	13.2	0.8	0.6	0.5	6.2	4.7	3.8	14.5	10.9	9.3
Eprcomunicazione	7.9	1.0	0.8	0.6	7.2	5.1	3.6	26.4	11.3	8.8
Fenix Entertainment	0.1	0.6	0.6	nm	1.8	5.5	nm	0.1	nm	nm
Gambero Rosso (*)	5.9	0.8	0.7	0.5	2.8	2.2	1.7	3.7	4.2	3.6
Iervolino Entertainment	29.0	0.3	0.4	0.3	0.4	0.5	0.4	5.1	2.5	2.1
Leone Film	27.1	1.9	0.9	0.7	2.8	1.7	1.3	11.0	7.3	5.7
Lucisano Media	19.9	1.3	1.0	0.8	2.7	2.7	2.1	6.5	8.4	5.1
Mondo TV France	2.4	1.2	0.4	0.1	6.5	0.7	0.3	nm	7.9	7.9
Mondo TV Suisse	3.6	2.8	2.6	2.2	13.2	5.7	4.0	nm	14.4	10.3
Notorius Pictures	31.7	1.5	1.3	0.9	2.9	2.6	2.0	7.4	5.6	3.9
NVP	23.6	1.6	1.3	0.9	5.8	4.1	2.9	nm	15.2	9.1
Poligrafici Printing (*)	10.2	0.6	0.3	nm	2.8	1.2	nm	4.2	4.6	nm
SG Company	9.7	0.8	0.4	0.3	18.6	6.9	3.0	48.3	8.8	4.8
Società Ed. il Fatto	7.5	0.4	0.3	0.3	1.4	2.4	1.6	2.7	nm	10.1
Telesia (*)	6.0	0.5	0.8	0.7	7.3	10.8	6.5	nm	nm	17.8
TMP Group	11.8	1.3	0.9	0.5	3.6	2.4	1.5	13.9	6.6	4.3
Ucapital24	2.1	0.8	0.4	0.1	nm	1.9	0.7	nm	nm	38.4
Visibilia Editore (*)	2.0	0.8	nm	nm	nm	nm	nm	nm	nm	nm
Average	12.4	1.0	0.8	0.6	5.2	3.5	2.3	12.0	8.2	9.2
Median	9.7	0.8	0.6	0.5	3.2	2.6	1.9	7.4	7.8	6.8

Source: Market Consensus, Value Track Analysis, (*) No Coverage, Value Track Estimates

Euronext Growth Milan: Health Care Stock Multiples @ Current Market Price

Company	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Arterra Bioscience	15.2	1.9	1.8	1.3	4.7	4.7	3.1	12.6	14.4	9.7
Farmacosmo	30.9	0.4	0.3	0.2	nm	10.7	6.3	nm	nm	nm
Cube Labs (*)	35.8	nm	2.5	2.5	nm	24.6	16.8	nm	nm	nm
Friulchem	8.6	0.4	0.4	0.4	8.7	8.6	6.0	nm	nm	24.5
Health Italia (*)	30.9	1.0	0.9	0.8	5.1	4.7	4.0	8.4	7.4	5.5
Igeamed (*)	5.7	0.7	0.6	nm	18.3	10.6	nm	nm	32.9	nm
Kolinpharma	15.6	1.0	0.9	0.8	6.7	5.0	4.2	nm	24.0	17.3
Labomar	183.9	2.3	2.2	2.0	12.7	12.0	10.6	30.2	27.9	23.0
Erfo	10.2	1.9	1.4	1.0	5.3	5.0	3.4	14.5	11.3	8.5
Medica	92.1	1.6	1.2	0.9	8.6	6.4	4.5	21.4	18.0	11.1
Shedir Pharma Group	56.0	0.9	0.8	0.6	4.5	3.9	3.0	9.5	8.9	7.9
Svas Biosana	42.7	0.7	0.6	0.5	5.4	4.6	3.9	11.9	9.3	6.7
Talea Group	62.8	0.7	0.6	0.5	40.1	19.5	14.2	nm	nm	39.3
Ulisse BioMed	12.7	nm	9.8	6.4	nm	nm	18.9	nm	nm	nm
Average	43.1	1.1	1.7	1.4	10.9	9.3	7.6	15.5	17.1	15.3
Median	30.9	1.0	0.9	0.8	6.7	6.4	4.5	12.6	14.4	10.4

Source: Market Consensus, Value Track Analysis, (*) No Coverage, Value Track Estimates

Euronext Growth Milan: Consumer Goods Stock Multiples @ Current Market Price

Company	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Acquazzura	25.6	1.4	1.2	0.8	nm	25.5	12.9	nm	nm	24.6
Askoll	12.8	1.4	1.3	1.0	nm	nm	nm	nm	nm	nm
Bellini Nautica	14.0	1.1	0.9	0.8	8.1	6.6	5.3	nm	nm	nm
Compagnia dei Caraibi	52.2	1.0	0.8	0.7	11.2	11.9	9.1	20.6	18.4	13.6
Cover 50 (*)	59.4	1.2	1.0	0.9	6.4	4.7	3.9	15.2	14.5	13.6
Culti Milano	56.8	2.5	1.8	1.4	14.1	8.3	6.9	25.8	16.2	13.9
Deodato Gallery	26.9	0.1	1.4	0.9	0.5	6.4	3.6	0.0	9.9	6.5
Eligo (*)	13.8	6.7	nm	nm	nm	nm	nm	nm	nm	nm
Estrima	19.9	0.6	0.6	0.6	nm	nm	46.1	nm	nm	nm
Fope	168.5	2.7	2.3	2.0	10.5	9.4	8.0	15.6	15.9	13.5
G.M. Leather	17.3	0.8	0.5	0.5	6.6	5.0	4.4	8.7	6.0	4.9
Gentili Mosconi	69.4	1.0	0.9	0.8	5.6	6.2	5.0	9.1	11.2	9.8
Gibus	71.9	1.1	1.0	0.9	5.0	5.9	4.9	7.0	9.0	8.0
Giglio.com	29.4	0.4	0.3	0.2	nm	44.7	7.9	nm	nm	38.7
Gismondi	21.1	1.6	1.4	1.1	8.1	8.7	6.3	13.1	14.1	9.5
High Quality Food	9.2	0.7	0.6	0.4	11.9	10.7	3.8	26.3	20.1	5.4
Illa (*)	1.0	2.7	nm	nm	nm	nm	nm	nm	nm	nm
Italia Independent	9.8	9.3	nm	nm	nm	nm	nm	nm	nm	nm
Italian Wine Brands	200.1	0.9	0.7	0.6	11.7	7.2	5.9	16.7	9.8	7.9
Longino & Cardenal	14.4	0.6	0.5	0.4	nm	15.6	7.1	nm	nm	13.1
Masi Agricola (*)	146.3	2.2	2.0	1.8	12.3	10.2	9.2	33.1	24.4	21.2
Monnalisa	13.4	0.9	0.9	0.8	7.3	6.3	5.1	nm	nm	nm
Nusco Porte	24.4	0.6	0.5	0.4	6.1	4.3	3.3	21.6	9.0	7.0
Pasquarelli Auto	31.2	0.2	0.1	0.1	4.6	1.9	0.9	4.8	2.8	1.9
Pattern	101.3	1.1	0.8	0.8	10.3	7.8	7.0	39.1	28.5	26.4
Portobello	74.8	0.9	0.6	0.4	6.1	4.0	2.4	9.0	5.2	3.5
Pozzi Milano	48.5	2.3	2.1	1.9	23.1	20.1	16.7	nm	35.5	30.0
Racing Force	149.1	2.7	2.4	2.2	13.4	11.8	10.2	19.6	21.1	18.8
Sciuker Frames	140.3	0.9	0.6	0.6	3.6	2.5	2.3	5.9	4.7	5.7
Take Off	37.8	1.0	0.9	0.7	4.2	3.4	2.5	10.8	8.2	6.8
Trendevice	4.9	0.6	0.5	0.5	14.4	9.3	6.6	nm	nm	nm
Average	53.7	1.6	1.0	0.9	8.9	9.9	7.7	15.9	14.2	13.2
Median	29.4	1.0	0.9	0.8	8.1	7.5	5.9	15.2	12.6	9.8

Source: Market Consensus, Value Track Analysis, (*) No Coverage, Value Track Estimates

Euronext Growth Milan: Consumer Services Stock Multiples @ Current Market Price

Company	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
Alfio Bardolla	10.3	0.6	0.4	0.3	3.9	2.2	1.1	nm	9.9	5.3
Alfonsino	7.8	1.3	0.9	0.6	nm	nm	9.4	nm	nm	nm
Allcore	32.9	0.7	0.6	0.4	5.7	3.2	2.3	15.2	7.5	5.9
Casasold	2.0	0.7	0.8	0.9	nm	6.3	5.4	nm	nm	19.8
CleanBnB	9.0	0.5	0.3	0.2	17.1	4.7	2.0	nm	44.7	14.9
Confinvest	13.2	0.3	0.3	0.3	15.3	16.3	12.1	14.7	33.0	22.0
Destination Italia	14.6	0.5	0.3	0.2	nm	41.5	8.7	nm	nm	48.8
Dotstay	19.8	nm	nm	8.4	nm	nm	nm	nm	nm	nm
Edilizia Acrobatica	126.8	0.9	0.8	0.7	3.8	4.4	3.8	8.4	7.8	6.6
G Rent	9.4	4.3	2.0	0.9	nm	nm	nm	nm	nm	nm
Homizy (*)	44.9	nm	nm	nm	nm	nm	nm	nm	42.7	37.7
Imprendiroma	41.2	0.8	0.4	0.3	3.9	2.0	1.4	6.2	3.1	3.4
International Care Company	6.3	0.9	0.6	0.3	nm	18.2	1.6	nm	nm	7.5
Promotica	49.2	0.7	0.6	0.5	12.2	6.3	4.9	15.4	7.0	5.7
Rocket Sharing Company	8.3	2.7	1.1	0.8	nm	14.9	4.5	nm	nm	10.2
SIF Italia	25.6	2.6	1.9	1.6	7.6	4.6	4.1	13.5	9.7	9.0
Sostravel.com	13.9	0.9	0.3	0.1	nm	3.6	1.3	nm	14.7	6.2
TraWell CO	16.4	1.2	1.0	0.8	4.2	4.7	3.4	nm	24.8	10.8
Average	25.1	1.2	0.8	1.0	8.2	9.5	4.4	12.2	18.6	14.2
Median	14.2	0.8	0.6	0.5	5.7	4.7	3.8	14.1	9.9	9.0

Source: Market Consensus, Value Track Analysis, (*) No Coverage, Value Track Estimates

Euronext Growth Milan: Industrial Stock Multiples @ Current Market Price

Company	Mkt Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY22A	FY23E	FY24E	FY22A	FY23E	FY24E	FY22A	FY23E	FY24E
A.B.P. Nocivelli	113.9	1.3	0.8	0.7	5.3	5.0	4.4	11.9	11.6	11.5
A.L.A.	123.3	1.0	0.8	0.7	9.0	6.8	5.5	15.8	9.9	8.0
Bifire	60.7	1.3	1.4	1.3	6.7	6.9	6.0	11.5	12.7	11.5
Clabo	18.8	1.0	1.0	0.9	7.0	7.4	5.4	43.7	46.9	6.6
Cofle	74.5	1.1	0.9	0.7	5.1	3.8	2.8	11.5	9.0	7.4
Comer Industries	871.8	0.8	0.8	0.7	5.7	5.5	4.9	9.6	9.0	8.6
Ecomembrane	36.1	1.9	1.4	0.9	8.6	7.1	4.6	14.0	19.0	12.4
Eles	28.1	1.1	0.8	0.6	8.5	5.8	3.7	31.9	20.1	10.8
Esautomotion	54.5	1.4	1.3	0.9	5.4	4.8	3.2	11.8	9.2	6.7
Fervi	42.4	0.9	0.8	0.7	6.8	5.6	4.5	11.9	9.4	8.3
Franchi Umberto Marmi	252.6	3.5	3.3	3.1	8.7	8.2	7.7	14.5	14.4	13.7
Gel	11.9	1.0	0.9	0.9	7.7	9.2	7.7	17.1	47.8	21.7
Grifal	29.1	1.3	1.0	0.8	11.0	7.3	5.3	nm	13.5	7.5
Ilpra	72.8	1.2	1.1	0.8	6.2	4.7	3.6	14.0	11.6	9.4
Industrie Chimiche Forestali	40.1	0.5	0.5	0.5	5.9	5.9	4.2	11.6	16.1	10.0
Jonix	3.4	0.9	0.4	nm	9.8	11.0	nm	nm	nm	17.9
Magis	63.2	0.8	0.7	0.5	4.9	4.3	3.3	9.3	8.9	8.0
Marzocchi Pompe	26.8	0.7	0.6	0.5	4.6	3.8	3.1	13.7	10.7	8.4
Matica Fintech	20.8	0.9	0.8	0.6	4.2	3.5	2.5	7.1	6.2	5.9
Officina Stellare	62.9	8.6	4.0	3.1	21.9	12.1	7.9	nm	32.8	17.4
Omer	81.7	1.4	1.2	1.0	6.1	5.8	4.6	9.7	9.7	8.7
Osai Automation	45.8	1.6	1.4	1.1	17.0	11.6	7.9	45.8	22.9	12.7
Powersoft	77.3	1.1	0.8	0.6	4.1	3.7	2.8	12.0	10.1	8.4
Radici Pietro Industries & Brands	12.1	0.5	0.4	0.4	7.7	6.0	5.1	nm	15.1	9.3
Reway Group	164.4	1.4	1.1	0.9	8.6	6.3	5.0	14.1	12.9	10.9
Rosetti Marino	141.6	0.4	0.3	0.2	4.3	5.6	3.2	30.5	17.6	9.2
Saccheria Franceschetti	12.0	0.8	0.7	0.6	7.3	6.6	6.5	9.8	9.4	10.1
Sebino	95.5	1.1	1.0	0.9	7.8	5.2	4.1	14.5	8.9	7.4
Tenax International	10.1	0.9	0.7	0.6	8.6	6.5	4.9	37.4	14.0	10.2
Valtecne	29.6	1.2	1.0	0.9	6.3	5.4	4.4	9.7	11.4	10.6
Vimi Fasteners	17.5	0.6	0.7	0.5	5.2	5.5	4.1	10.0	9.4	7.2
Average	86.9	1.4	1.1	0.9	7.6	6.3	4.8	16.8	15.3	10.2
Median	45.8	1.1	0.8	0.7	6.8	5.8	4.5	12.0	11.6	9.3

Source: Market Consensus, Value Track Analysis, (*) No Coverage, Value Track Estimates

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