

Euronext Growth Milan



1H23 Earnings Season

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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.

Top line up, profits down y/y, net debt worsening

EGM companies' 1H23 results describe a rather subdued scenario marked by a substantial deceleration in growth, stemming from a deteriorating macroeconomic environment.

Delving into numbers, in 1H23 our EGM non-financial firms sample recorded aggregate Top line up +8.1% y/y, but Net Profit down ca. -33% y/y, and Net Debt worsening by more than €300mn compared to December 2022.

Homogeneity among sectors, top-down trends faded

From a sector standpoint, the aforementioned trend appears to be relatively homogenous across the various sectors. However, noteworthy exceptions emerge in the Energy and Media sectors, which exhibited growth rates below average. Conversely, the Industrial Goods sector has outperformed in terms of profit margins, but sustainability ahead is a question mark.

We also note that, with respect to 2022, the fastest growing companies no longer share a common top-down driver (e.g. fiscal bonuses and / or NRRP).

Still, polarization happens at company level (and peaks!)

Polarization between best and worst companies is growing. Indeed, in 1H23 ca. 34% of the companies in the sample reported Net losses and some 70% posted negative free cash flow. In the current "higher for longer" interest rate scenario this might be a problem for companies with weak balance sheets.

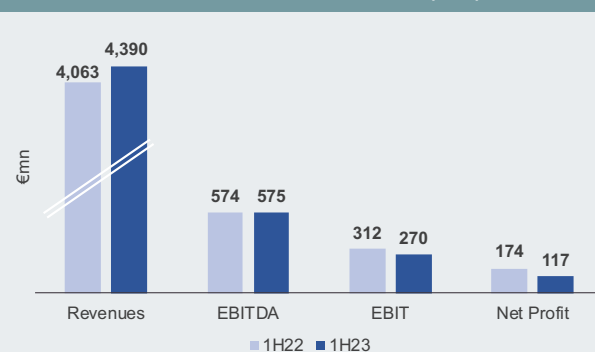
Last but not least, we note that analyzing current market consensus on FY2023 figures, a significant portion of EGM companies (probably over 60%) might face a period of downwards estimates revisions.

Top performers

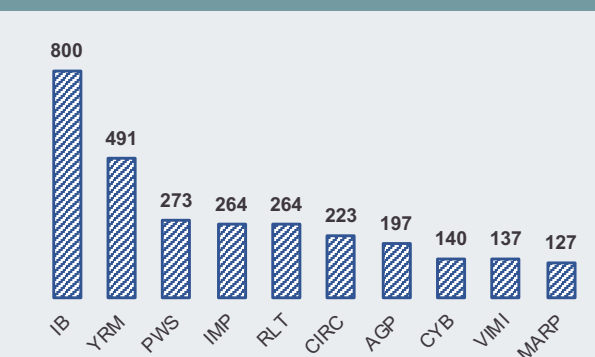
Those names that recorded the strongest 1H23 figures in our view are: A.L.A., Almwave, Altea Green Power, Circle, Comal, Cyberoo, DHH, Esautomotion, Fae Technology, IDNTT, NVP, Officina Stellare, Omer, Powersoft. Many of these companies should keep granting satisfactory results ahead, given their exposure to noteworthy secular trends.

FTSE Italia Growth 8,080
Mkt Cap (€bn) 8.0

KEY AGGREGATE FINANCIALS 1H23 VS. 1H22 (€MN)

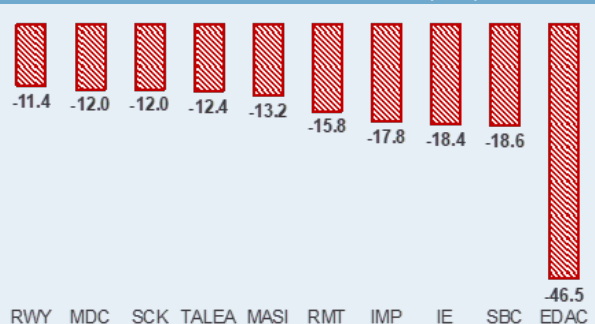


TOP 10 COMPANIES BY NET PROFIT GROWTH Y/Y (%), 1H23(*)



(*) 1H22 Net Profit > €0.2mn and 1H23 Net Profit > €0.5mn

BOTTOM 10 COMPANIES BY ΔNFP FY22-1H23 (€MN)



Source: ValueTrack Analysis on Company data



1H23 Earnings Season Analysis

Our 1H23 EGM non-financial firms sample was characterized by single-digit y/y growth (+8.1%), declining profitability (Net Profit -32.8%), and a Net Debt which has worsened by ca. €330mn vs. December 2022. From a sector standpoint, the aforementioned trends appear relatively consistent across the diverse industries. We also note that the fastest growing companies no longer share a common top-down driver (such as fiscal bonuses and NRRP). In addition, polarization between best and worst companies reached an unprecedented peak, with ca. 34% of the companies in the sample incurring net losses and only 30% generating positive free cash flow. As a result, we anticipate that a substantial portion of EGM companies (probably over 60%) will face a period of downwards estimates revisions. Based on 1H23 financial results and on company-specific features that can help reduce the risk of future downwards estimates revision, we selected a list of #14 top picks.

Data Sample & Key Messages

We took into consideration #198 corporates that approved 1H23 results within the end of September, excluding from our analysis:

- ◆ #3 stocks currently suspended from trading (*Agatos, Enertronica Santerno, The Lifestyle Group*);
- ◆ #1 stock with fiscal year end in September (*Homizy*), while we considered the second semester of the year for those companies with fiscal year ending in June (*ABP Nocivelli, Creactives, Eviso*);
- ◆ #20 financial stocks for which items such as Revenue and EBITDA are not strictly applicable. These include investment vehicles (e.g., *ABC Company, 4AIM*) and diversified financials (e.g., brokers);
- ◆ #5 companies for which 1H22 data are not available as they were not yet listed.

Analyzing 1H23 figures of the #169 companies included in this data set we can draw insightful messages, both at aggregate level and at company specific one. More in details:

1. Results are not so rosy, and contraction faster than expected;
2. Growth is suffering a setback;
3. Uniform revenues and margin distribution among sectors, with few exceptions;
4. Fastest growing companies are no more supported by top-down drivers;
5. Scaling-up of EGM companies in stand-by mode;
6. The sum of companies facing decreasing / negative profits rises;
7. Free Cash Flow generation is in the hands of a few;
8. More leveraged capital structure in a high interest rates environment;
9. Top picks to be found across anticyclical sectors, backed by strong 1H23 financials.

Message # 1: Results are not so rosy, and contraction faster than expected

Our calculations reveal single-digit y/y growth rates and declining profitability, especially at EBIT and Net Profit levels: clear indicators of a sudden and pronounced market demand contraction.

Indeed, considering the same #169 companies of our sample, 1H23 vs. 1H22 aggregate results highlight:

- ◆ **Revenues** close to **€4.4bn**, +8.1% y/y (€4.1bn in 1H22);
- ◆ **EBITDA** and **EBIT** at **€575mn** and **€270mn**, i.e. +0.2% and -13.5% y/y respectively;
- ◆ **EBITDA Margin** and **EBIT Margin** at **13.1%** and **6.2%**, respectively;
- ◆ **Net Profit** at **€117mn**, strongly down y/y if compared to €174mn Net Profit of 1H22 (-32.8%).

As anticipated, this data is undeniably uninspiring, especially given that the sole positive metric, i.e. growth, is largely propped up by the impact of M&A activity.

Euronext Growth Milan: Key Aggregate Financials (#169 Companies)

€mn	1H22	1H23	y/y (% , €mn)
Revenues	4,063	4,390	8.1%
EBITDA	574	575	0.2%
<i>EBITDA Margin (%)</i>	14.1%	13.1%	-100bps
EBIT	312	270	-13.5%
<i>EBIT Margin (%)</i>	7.7%	6.2%	-150bps
Net Profit	174	117	-32.8%
Net Profit (incl. Financials)	157	105	-32.9%
Net Debt	1,276	1,606	330
Net Debt / Annualized EBITDA	1.11x(*)	1.40x	26.1%

Source: Value Track Analysis, (*) FY22

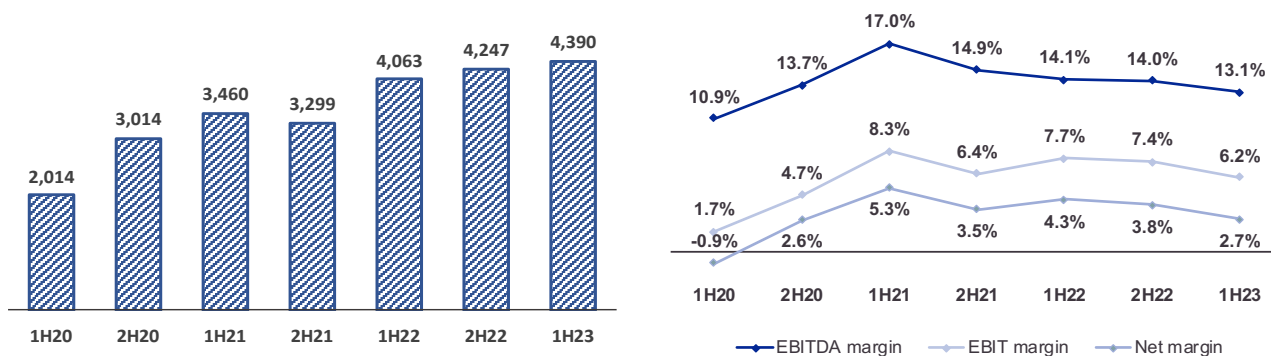
Message #2: Growth is suffering a setback

EGM is a stock market focused on small but fast-growing companies. Despite that, it experienced a notable deceleration during 1H23. This slowdown becomes evident when examining the graphical representation below, showcasing a gradual tapering of growth rates (ca. 8% in 1H23 y/y at €4.4bn vs. ca.17% 1H22 y/y at €4.1bn). Furthermore, profit margins have concurrently faced adversity, reaching their lowest point in the past 5/6 semesters (13.1%, 6.2%, 2.7% for EBITDA, EBIT and Net Profit margins respectively) and just above 1H20 levels, which were marked by the initial impact of the pandemic.

Indeed, out of the #169 non-financial firms included in our sample, we note that comparing 1H23 with 1H22 there are:

- ◆ #52 companies with declining Revenues, i.e. ca. 31% of the total;
- ◆ #65 companies with declining EBITDA, i.e. ca. 38% of the total;
- ◆ #79 companies with declining EBIT, i.e. ca 47% of the total;
- ◆ #86 companies with declining Net Profit, ca. 51% of the total.

Euronext Growth Milan: Revenues and Margins Evolution by Semester (#169 Companies)



Source: Value Track Analysis

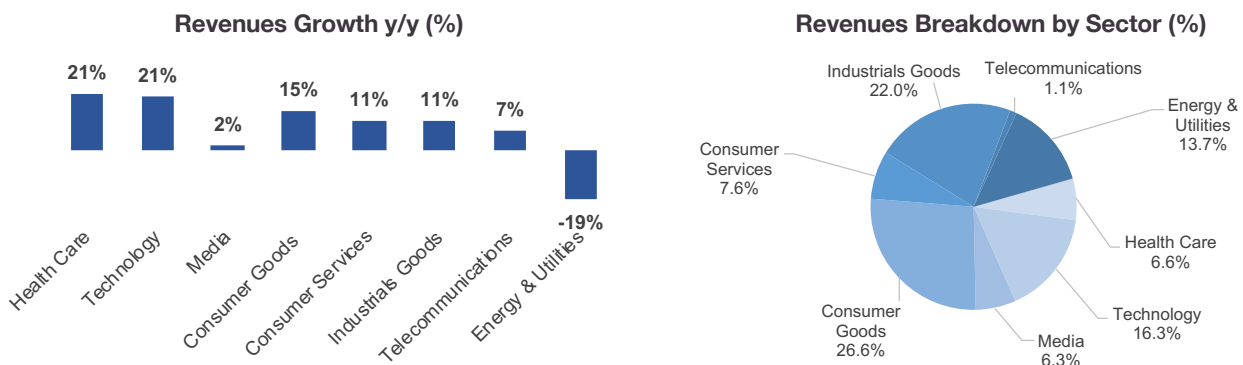
Message #3: Uniform revenues & margins distribution among sectors, with few exceptions

In examining the sector-level dynamics, a certain degree of uniformity prevails in the distributions of both revenues, witnessing a modest upswing, and margins moving in the opposite direction. Nevertheless, this pattern is occasionally interrupted by some noteworthy exceptions.

10-20% growth across categories, Energy and Media lag behind

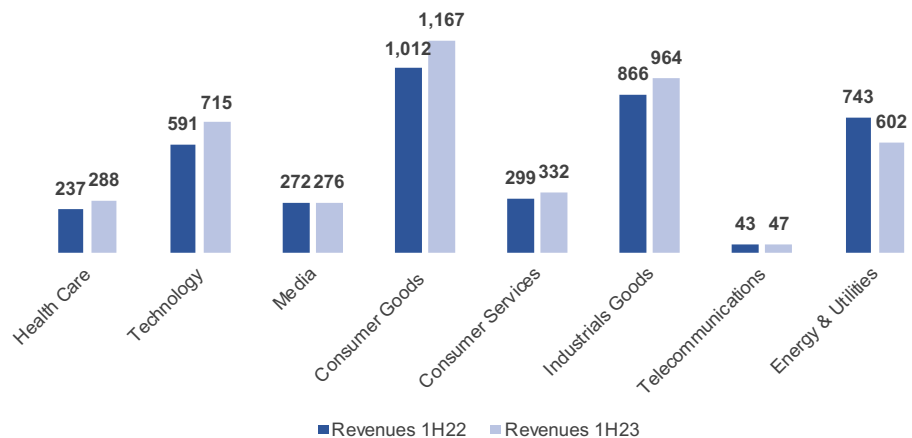
Revenues have exhibited a consistent increase, with most sectors reporting revenues growth in the 10%-20% range approximately. Notably, the energy sector stands as an exception (ca. -19%), grappling with a challenging comparison to 1H22, a period characterized by soaring energy prices. Additionally, the media sector also performed in a substantially flat manner, recording a marginal 2% growth.

Euronext Growth Milan: 1H23 Revenues Growth y/y and Breakdown by Sector



Source: Value Track Analysis

Euronext Growth Milan: 1H22 vs. 1H23 Revenues by Sector (€mn)

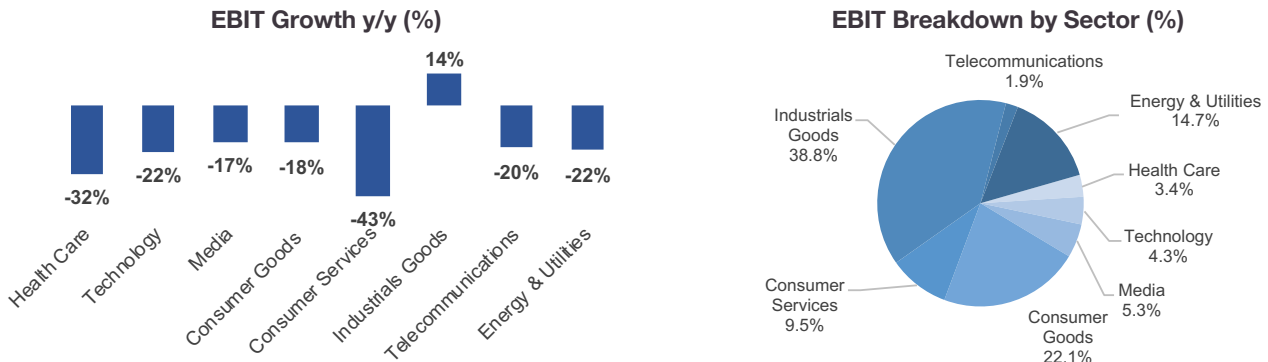


Source: Value Track Analysis

And the margin winner is...Industrial Goods

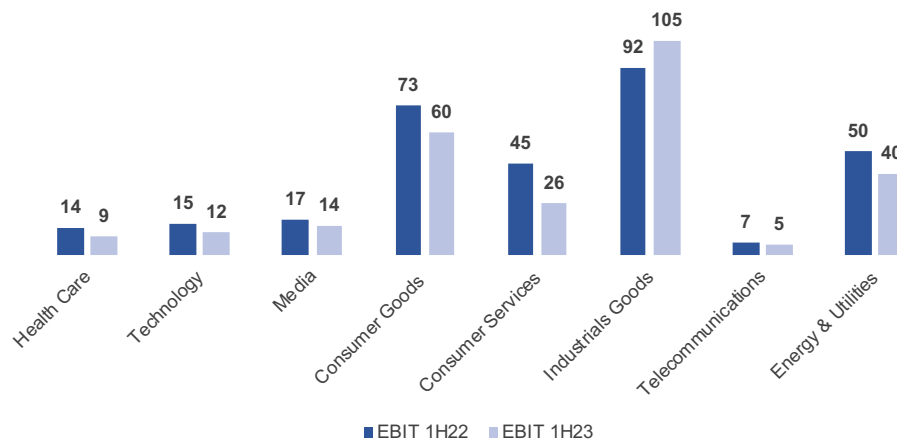
For EBIT, a more pronounced narrative emerges. In this context, all sectors have witnessed a contraction of their margins, with the exception of Industrial Goods (+14% y/y), now representing ca. 39% of the sample total. The interpretation of this figure remains ambiguous, awaiting further scrutiny, given that the precarious state of the German manufacturing sector, a key recipient of Italian manufacturing output, may become a negative driver in the coming quarters.

Euronext Growth Milan: 1H23 EBIT Growth y/y and Breakdown by Sector



Source: Value Track Analysis

Euronext Growth Milan: 1H22 vs. 1H23 EBIT by Sector (€mn)



Source: Value Track Analysis

Message #4: Fastest growing companies are no more supported by top-down drivers, indeed there’s no common theme behind more growing ones

As far as 1H23 Top Line growth is concerned, there are only #14 companies with more than €5mn revenues that recorded a y/y total growth (including M&A activities) above 50% (and only 2 > 100%).

In 1H22, the impetus for growth was significantly driven by the clean energy transition and building renovation / energy efficiency fiscal incentives. However, it is important to highlight that in 1H23:

- ◆ The majority of companies that had previously benefited from fiscal aids (i.e., Superbonus 110%) experienced a decline in performance after the discontinuation of these incentives;
- ◆ Those that had rebounded from the post-pandemic effects witnessed a drop in growth after achieving stabilization;
- ◆ Companies which should directly benefit from NRRP funds appear to remain still unaffected.

Hence, delineating the precise factors influencing the performance of these six months proves to be a challenging endeavor. Despite that, the best in class in 1H23 were *Imprendiroma*, *Iniziativa Bresciane*, *Powersoft*.

Euronext Growth Milan: Companies ranked by highest Revenues Growth y/y (*)

Company	1H23 Revenues y/y Growth				
	1H22 (€mn)	1H23 (€mn)	Δ (€mn)	Δ (% incl. M&A)	Δ (% Organic (**))
Imprendiroma	17.7	47.7	30.0	169%	169%
Destination Italia	7.9	16.5	8.6	109%	55%
ID-Entity	4.7	9.0	4.3	93%	13%
Relatech	25.4	47.9	22.5	89%	25%
A.L.A.	63.9	113.6	49.7	78%	37%
Digital360	25.9	45.7	19.8	76%	9%
Iniziative Bresciane	7.9	13.4	5.5	70%	70%
Powersoft	19.3	32.5	13.3	69%	69%
CleanBnB	3.6	6.1	2.4	67%	67%
NVP	8.2	13.7	5.5	66%	63%
Medica	20.4	33.4	13.0	64%	7%
FAE Technology	18.1	29.5	11.4	63%	63%
Nusco Porte	15.6	25.4	9.8	63%	0%
Riba Mundo Tecnologia	121.4	183.6	62.2	51%	51%

Source: Value Track Analysis, (*) 1H23 Revenues above €5mn, (**) Value Track Estimate

By focusing on the worst performing companies in terms of Revenues growth, we underline only one common driver related to the Energy (Efficiency) sector, as we can see from stocks such as *Innovatec*, *Esi*, *Aton Green Storage*, while the other names below appear to be influenced by company-specific factors.

Euronext Growth Milan: Companies ranked by highest Revenues Decrease y/y

Company	1H23 Revenues y/y Growth			
	1H22 (€mn)	1H23 (€mn)	Δ (€mn)	Δ (%)
Jonix	2.2	0.5	-1.7	-78%
Ulisse BioMed	0.3	0.1	-0.2	-72%
Vantea Smart	31.1	9.2	-21.9	-70%
Mondo TV Suisse	0.5	0.2	-0.3	-56%
Illa	11.7	5.2	-6.6	-56%
G Rent	0.9	0.5	-0.4	-45%
Innovatec	163.0	96.6	-66.4	-41%
ESI	14.9	9.9	-4.9	-33%
Aton Green Storage	28.3	19.2	-9.0	-32%
UCapital24	1.1	0.8	-0.3	-30%

Source: Value Track Analysis

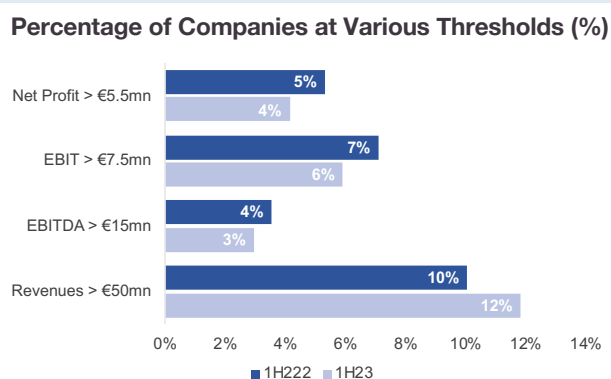
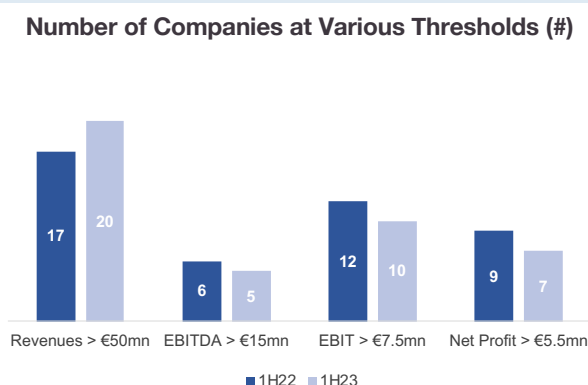
Message #5: Scaling-up of EGM companies in stand-by mode

Before 1H23, we noted that more and more EGM companies achieved a size that might raise the interest of institutional investors. On the other hand, the first semester of 2023 witnessed a discernible expansion in the disparity between EBITDA and EBIT, resulting in a reduced cohort of companies demonstrating a notable level of EBIT and Net Profit.

In this context, among the #169 non-financial firms included in our sample, we highlight that comparing 1H23 with 1H22 there are:

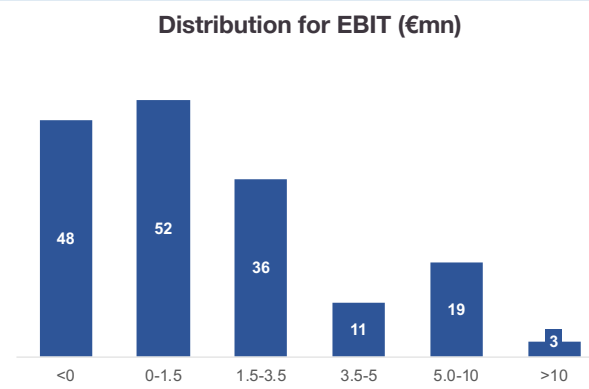
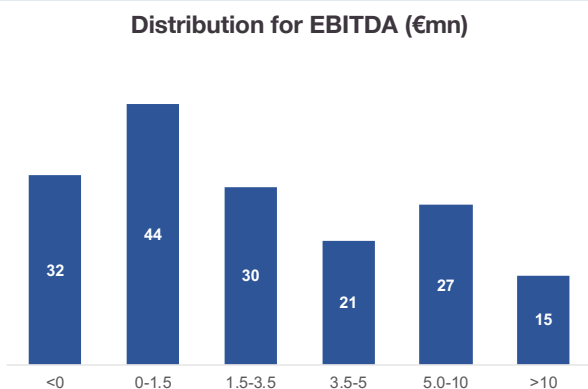
- ◆ #20 companies (12% of total) with Revenues above €50mn (up vs. 17 in 1H22), out of which only #6 companies with Revenues above €100mn (down vs. #7 companies in 1H22);
- ◆ #5 companies (3% of total) with EBITDA above €15mn (down from #6 in 1H22, 4% of total);
- ◆ #10 companies (6% of total) with EBIT above €7.5mn (down from #12 in 1H22, ca. 7% of total);
- ◆ #7 companies (4% of total) with Net Profit above €5.5mn (down from #9 in 1H22) and none above €10mn (down vs. #4 in 1H22, o/w #3 active in Superbonus 110% services).

Euronext Growth Milan: Number of Companies at Various Thresholds



Source: Value Track Analysis

Euronext Growth Milan: 1H23 EBITDA and EBIT Distribution by Size (€mn)



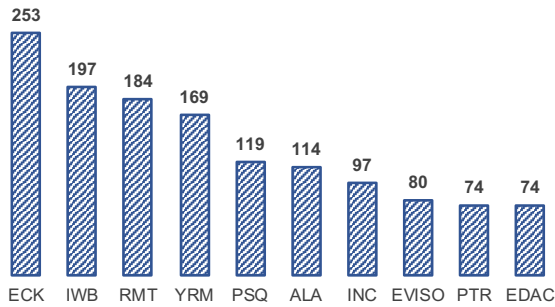
Source: Value Track Analysis

Focusing on EBIT and Net Profit, we note that top EGM companies by size are mainly related to Consumer Goods/Services and Industrial Goods sectors:

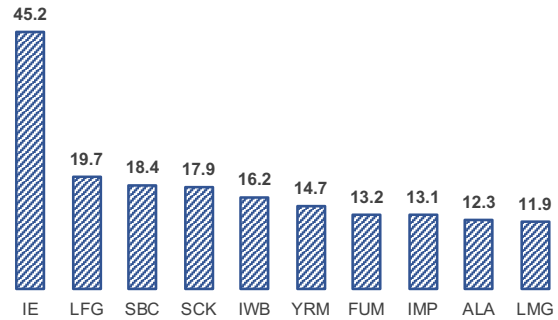
- ◆ Consumer Goods/Services: *Sciuker Frames, Imprendiroma, Italian Wine Brands, Sicily by Car, Fope, EdiliziAcrobatica, Racing Force*;
- ◆ Industrial Goods: *A.L.A., Franchi Umberto Marmi, Reway Group, Powersoft, Rosetti Marino*.

Euronext Growth Milan Top Companies by Size

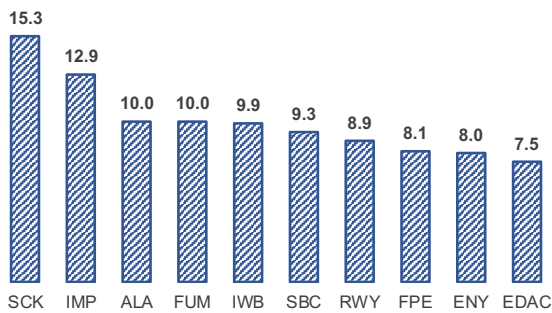
Top 10 by Revenues 1H23 (€mn)



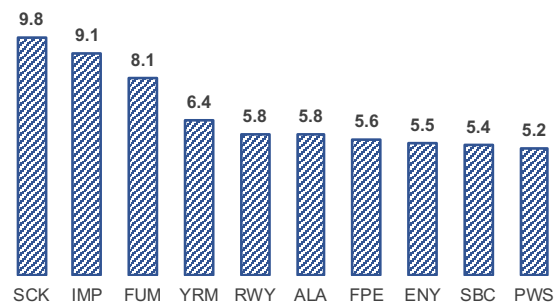
Top 10 by EBITDA 1H23 (€mn)



Top 10 by EBIT 1H23 (€mn)



Top 10 by Net Profit 1H23 (€mn)



Source: ValueTrack Analysis

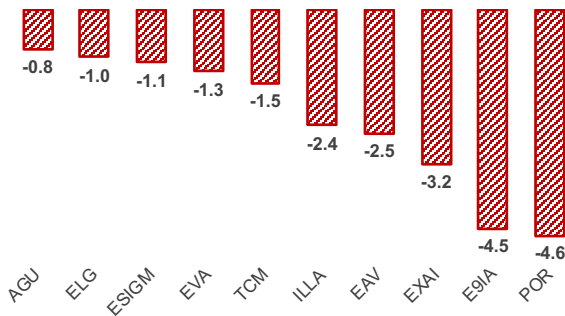
Message #6: The sum of companies facing decreasing / negative profits rises

The overall number of profitable companies materially reduced in 1H23. Out of our data sample, we calculate that in 1H23 there are:

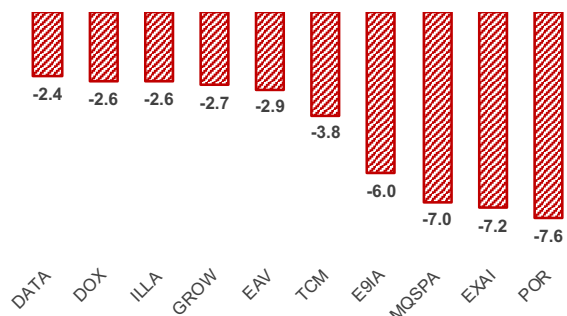
- ◆ #32 companies (19% of total) with negative EBITDA, out of which #8 were EBITDA positive in 1H22 (*Portobello, ESI, Prismi, Impianti, Doxee, Jonix, Cube Labs and Eprcomunicazione*);
- ◆ #48 companies (29% of total) with negative EBIT, out of which #13 were EBIT positive in 1H22;
- ◆ #58 companies (34% of total) with negative Net Profit, o/w #18 were Net Profit positive in 1H22;

Euronext Growth Milan: Bottom Companies by Size

Bottom 10 by EBITDA 1H23 (€mn)



Bottom 10 by EBIT 1H23 (€mn)

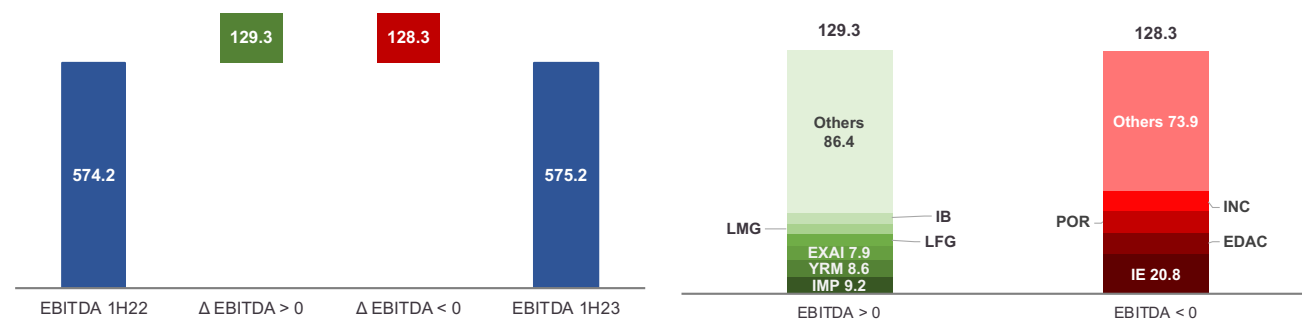


Source: Value Track Analysis

As a matter of fact, we calculate that EGM companies with decreasing EBITDA 1H23 vs 1H22 generated aggregate EBITDA reduction worth ca. €128mn, out of which some 42% due to *Iervolino Entertainment, EdiliziAcrobatica, Portobello* and *Innovatec*.

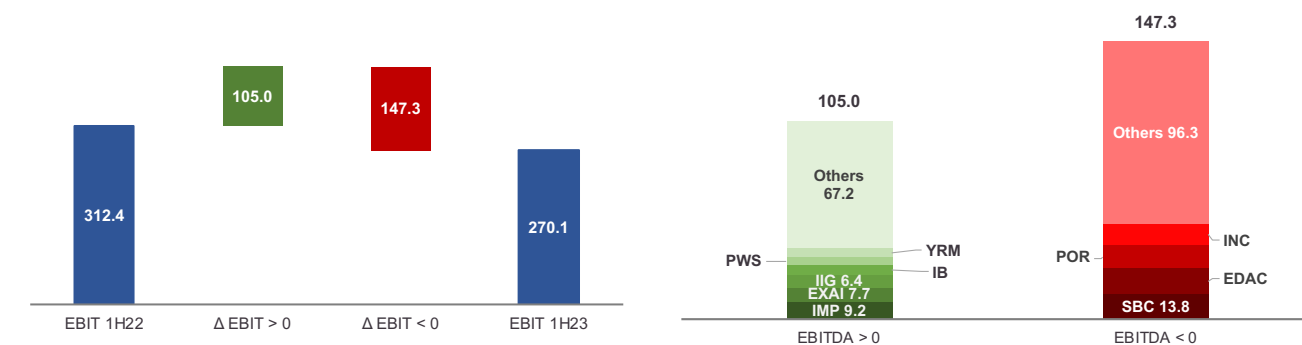
As regards EBIT level, our analysis indicates that EGM companies exhibiting a decline in EBIT from the 1H23 compared to the same period in 2022 collectively incurred a reduction of ca. €147mn. Of this total, ~35% can be attributed to *Sicily By Car, EdiliziAcrobatica, Portobello* and *Innovatec*.

Euronext Growth Milan: Δ EBITDA Bridge 1H22-1H23 and Main Contributors



Source: Value Track Analysis

Euronext Growth Milan: Δ EBIT Bridge 1H22-1H23 and Main Contributors



Source: Value Track Analysis

Euronext Growth Milan: Bottom Companies by EBIT Decrease y/y

Company	EBIT			EBIT Margin	
	1H22 (€mn)	1H23 (€mn)	Δ (€mn)	1H22 (%)	1H23 (%)
Sicily By Car	23.1	9.3	-13.8	34.5	15.4
EdiliziAcrobatica	20.6	7.5	-13.1	30.4	10.2
Portobello	4.7	-7.6	-12.3	9.5	<0
Innovatec	14.1	2.3	-11.8	8.6	2.3
MeglioQuesto	4.0	-7.0	-11.0	12.1	<0
Iervolino Entertainment	11.2	2.7	-8.5	13.5	4.5
Energy	14.6	8.0	-6.6	27.5	20.4
Compagnia dei Caraibi	3.0	-0.7	-3.7	12.2	<0

Source: Value Track Analysis

Conversely, there are a few companies posting a remarkable EBIT growth in absolute terms (considering companies with EBIT >€0mn in 1H23). Among the top #11 performers, we highlight:

- ◆ #4 companies of the Industrial Goods sector, i.e. *Powersoft, Rosetti Marino, ALA, Edil San Felice*;
- ◆ #3 companies of the Energy & Utilities sector, i.e. *Iniziativa Bresciane, Altea Green Power, Comal*;
- ◆ #4 companies that were also in the top#10 stocks for Revenues growth y/y, i.e. *Imprendiroma, Iniziativa Bresciane, Powersoft, ALA*;
- ◆ #10 companies (all, except for *ALA*) also improving their EBIT Margin y/y.

Euronext Growth Milan: Top Companies by EBIT Growth y/y

Company	EBIT			EBIT Margin	
	1H22 (€mn)	1H23 (€mn)	Δ (€mn)	1H22 (%)	1H23 (%)
Imprendiroma	3.7	12.9	9.2	21.0	27.0
Iniziativa Bresciane	0.2	5.3	5.2	2.4	39.9
Powersoft	2.5	7.3	4.7	13.1	22.3
Rosetti Marino	2.5	7.1	4.6	1.7	4.2
A.L.A.	5.8	10.0	4.2	9.1	8.8
Lucisano Media Group	0.9	4.7	3.8	4.2	18.2
Altea Green Power	1.7	5.1	3.4	22.6	50.5
DBA	-0.1	2.9	3.0	< 0	6.1
Edil San Felice	2.3	5.1	2.8	14.8	23.6
Fope	5.7	8.1	2.4	20.6	23.3
Comal	1.6	3.5	1.9	4.3	7.5

Source: Value Track Analysis

In relative terms, it is noteworthy to emphasize the y/y EBIT growth performance of *Officina Stellare*, *Vimi Fasteners* and *Grifal*, with rates of +220%, +198%, and +146%, respectively.

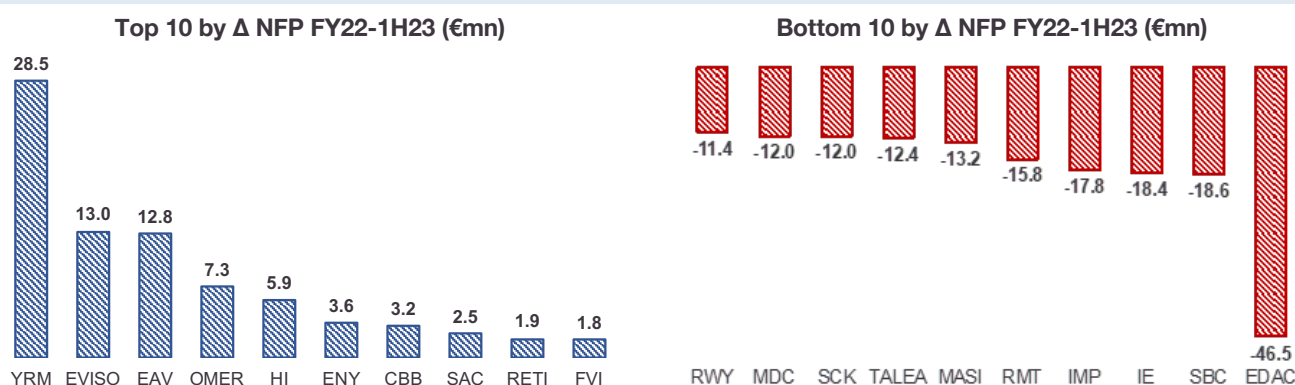
Message #7: Free Cash Flow generation is in the hands of a few

We calculate an aggregate free cash flow erosion of ca. €330mn between January and the end of June 2023, with only ca. 30% of our sample (#49 companies out of #169) generating positive FCF.

Main causes are (i) higher-than-expected Net Working Capital absorption, either related to receivables (especially for companies exposed to fiscal bonuses and relative tax credits such as *EdiliziAcrobatica*, *Imprendiroma*, *Sciuker Frames*), or inventory build-up to face more volatile delivery time (*Masi Agricola*, *Medica*), (ii) strong Capex levels (*Sicily by Car*, *Talea*, *Iervolino*).

Once again, these results confirm that FCF generation remains a medium-/long-term objective, often sacrificed to meet Revenues targets. However, only *Imprendiroma* is present in both the bottom #10 companies of FCF generation and in the top #10 stocks in terms of percentual Revenues growth.

That said, there are a few names generating solid FCF over 1H23, i.e. *Rosetti Marino* (mainly thanks to the selling of an asset worth ca. €40mn), *Eviso*, *Omer*, *Saccheria Franceschetti*, *Reti* and *CleanBnB* (positive NWC cycle), *Emma Villas* (after the demerger of two business units), *Health Italia* (different accounting policy).

Euronext Growth Milan: Top & Bottom by Δ Net Financial Position (*)


Source: Value Track Analysis, (*) Net of IPO Proceeds, Rights Issues, ABB

Message #8: More leveraged capital structure in a high interest rates environment

Based on the #169 companies considered, at the end of June 2023, we calculate:

- ◆ Net Debt (aggregate) at €1.6bn (vs. €1.3bn at the end of December 2022);
- ◆ Only 24% of our sample (#41 companies) vaunts a positive Net Financial Position (Net Cash) as of 1H23 (vs. #54 companies as of FY22). This is not ideal in the current interest rates scenario;
- ◆ The highest Net Debt positions are those of *Italian Wine Brands* and *Iniziativa Bresciane*, while the highest Net Cash positions are those of *ABP Nocivelli* and *Omer*;
- ◆ Aggregate annualized Net Debt/EBITDA ratio growing from 1.11x to 1.40x, moving to a more worrying 1.97x (vs. 1.64x of FY22) if we only consider those companies with Net Debt exposure (and not those with Net Cash);
- ◆ #24 companies (14%) with an annualized Net Debt/EBITDA ratio >3x, and other #32 companies (19%) with a 1H23 EBITDA <0, for which the ratio cannot be calculated;
- ◆ #53 companies (31%) with an annualized Net Debt/Value of Production ratio >0.3x;
- ◆ Considering those companies that reported a 1H23 EBITDA at least equal to €2mn, *Talea*, *Monnalisa* and *Iniziativa Bresciane* have the highest annualized Net Debt / EBITDA ratio.

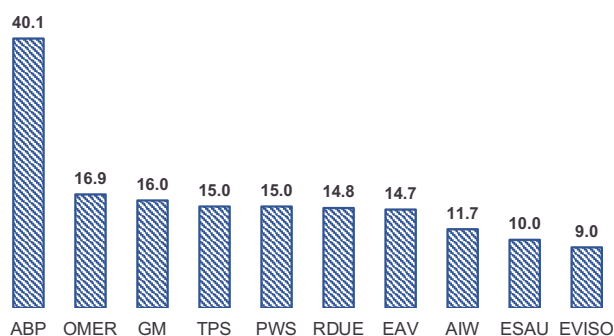
Euronext Growth Milan: Aggregate Net Debt (#169 Companies)

(IT GAAP, €mn)	FY22 (*)	1H23
Net Debt	1,276	1,606
Annualized VoP	8,122	8,761
Annualized EBITDA	1,148	1,150
Net Debt / Annualized VoP	0.16x	0.18x
Net Debt / Annualized EBITDA	1.11x	1.40x
<i>Number of Companies with a Net Debt Exposure</i>	<i>115/169</i>	<i>128/169</i>
Net Debt Attributable to Net Debt Companies	1,515	1,840
Annualized VoP Attributable to Net Debt Companies	6,112	7,086
Annualized EBITDA Attributable to Net Debt Companies	925	933
Net Debt / Annualized VoP	0.25x	0.26x
Net Debt / Annualized EBITDA	1.64x	1.97x

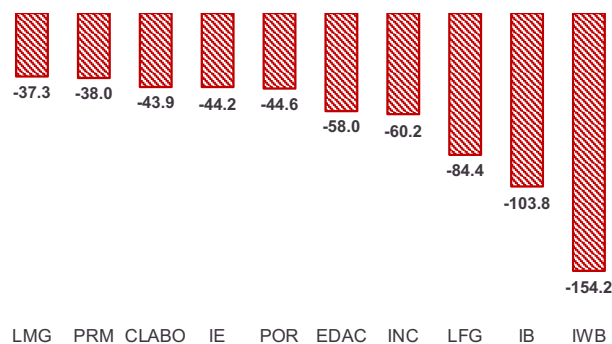
Source: Value Track Analysis, (*) Annualized 1H22 VoP and EBITDA, FY22 Net Debt

Euronext Growth Milan: Top & Bottom by Net Financial Position

Top 10 by Net Cash Position 1H23 (€mn)



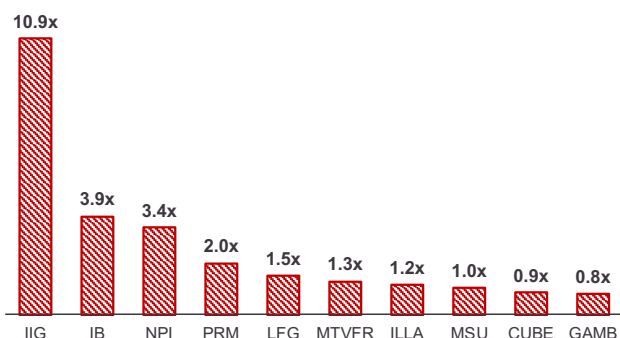
Bottom 10 by Net Debt Position 1H23 (€mn)



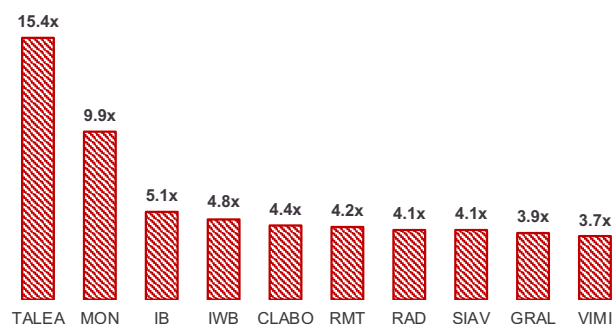
Source: Value Track Analysis

Euronext Growth Milan: Bottom by Relative Leverage

Highest 10 by Net Debt / Annualized VoP 1H23



Highest 10 by Net Debt / Annualized EBITDA 1H23 (*)



Source: Value Track Analysis, (*) EBITDA 1H23 at least equal to €2mn

Message #9: Top 1H23 performers, backed by secular trends

Those names that posted the strongest 1H23 figures boast support from both noteworthy secular trends and company-specific features. This can help reduce the risk of future downwards estimates revision, even in a more pronounced negative macro scenario.

We clustered our #14 top performers in the following market sectors:

- ◆ **Technology:** *Almawave, Circle, Cyberoo, DHH, Fae Technology, Officina Stellare*. These companies are all active in businesses driven by secular trends such as Artificial Intelligence, IoT, Cyber Security, Cloud, Embedded Computers and Space Economy;
- ◆ **Industrial Services:** *IDNTT, NVP*. Stocks providing B2B services that performed better than other EGM comparables over 1H23;
- ◆ **Industrial Goods:** *A.L.A., Esautomotion, Omer, Powersoft*. Among the best performers companies of the whole EGM in terms of 1H23 financials;
- ◆ **Energy Efficiency & Photovoltaic:** *Altea Green Power, Comal*. We stayed highly selective on the Energy sector, especially after the stop of fiscal bonuses-driven businesses.

Compared to our latest report and former top picks selection, we note that:

- (i) roughly the half of the names we selected back in July are confirmed (*Altea Green Power, Comal, Cyberoo, Esautomotion, Fae Technology, Officina Stellare, Powersoft*) and;
- (ii) there are no names belonging to Consumer Goods/Services sector, as we believe that such stocks should be the most affected by a potential downward revision of estimates over the next quarters.

Here below a summary of our top picks' key financials and stock market figures.

Euronext Growth Milan: Value Track Top Picks

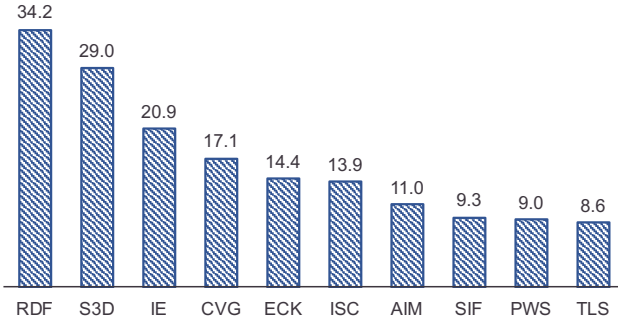
Stock	Market Cap (€mn)	1Y Stock Performance (%)e	3M Stock Performance (%)	Revenues 1H23 (€mn)	Revenues Growth 1H23 y/y (%)	EBIT Margin 1H23 (%)	Net Financial Position 1H23 (€mn)	Net Debt / Ann. EBITDA 1H23 (x)
A.L.A.	129.1	23.6	4.4	113.6	77.8	8.8	-33.2	1.3
Almawave	136.0	22.0	-0.7	29.0	35.8	14.8	11.7	nm
Altea Green Power	69.0	79.4	16.7	10.1	34.0	50.5	-1.4	0.1
Circle	24.0	69.5	19.0	7.2	37.7	21.1	2.0	nm
Comal	38.4	19.3	-4.6	47.0	22.3	7.5	-23.6	2.8
Cyberoo	109.2	47.4	-9.9	8.8	30.7	20.9	-3.3	0.6
DHH	77.2	4.0	-1.3	17.1	37.9	15.2	-5.6	0.5
Esautomotion	55.1	31.9	0.7	19.3	17.2	23.7	10.0	nm
FAE Technology	29.9	nm	-12.9	29.5	63.0	8.5	-5.8	1.0
ID-Entity	25.2	13.3	4.3	9.0	92.8	13.2	1.3	nm
NVP	24.3	23.1	2.6	13.7	66.5	12.4	-12.5	1.7
Officina Stellare	58.3	-7.2	-10.6	8.2	36.7	19.5	-6.3	1.1
Omer	89.4	26.6	7.2	33.0	5.5	17.5	16.9	nm
Powersoft	100.3	116.7	25.0	32.5	69.0	22.3	15.0	nm
Average	69.0	36.1	2.8	27.0	44.8	18.3	-2.5	0.7
Median	63.7	23.6	1.6	18.2	37.2	16.4	-2.3	0.3

Source: Value Track Analysis

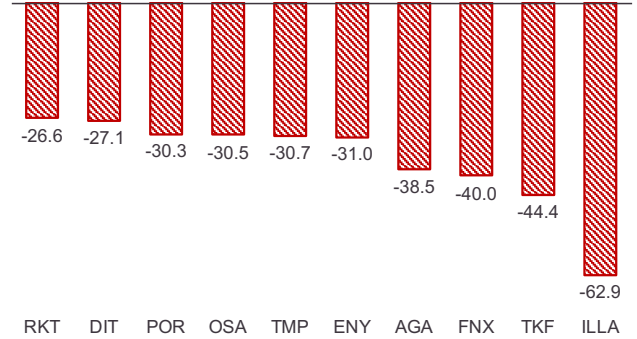
Appendix

Euronext Growth Milan: Top & Bottom by Stock Price Performance (*)

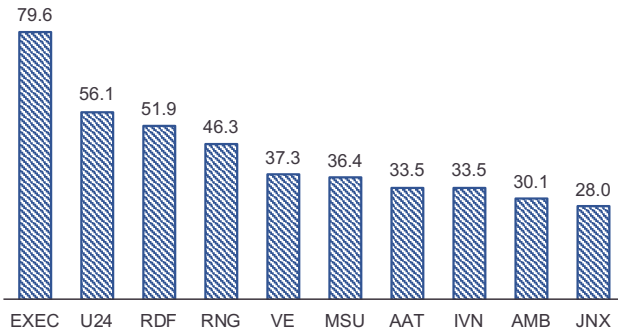
Top 10 by 1M Performance (%)



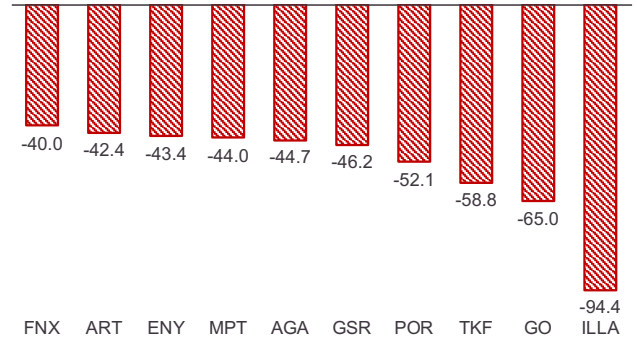
Bottom10 by 1M Performance (%)



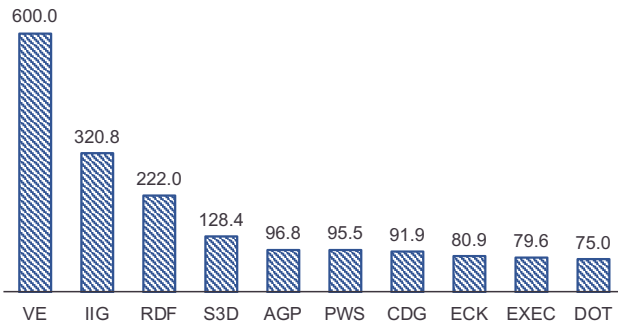
Top 10 by 3M Performance (%)



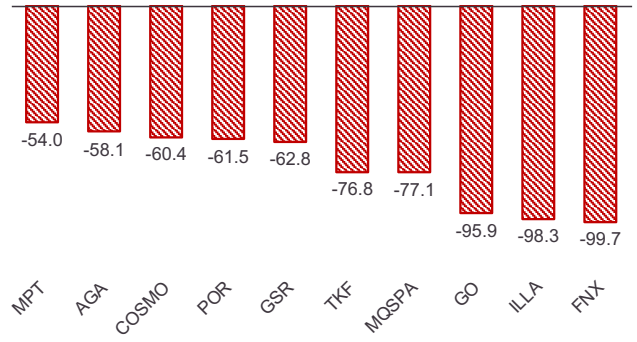
Bottom 10 by 3M Performance (%)



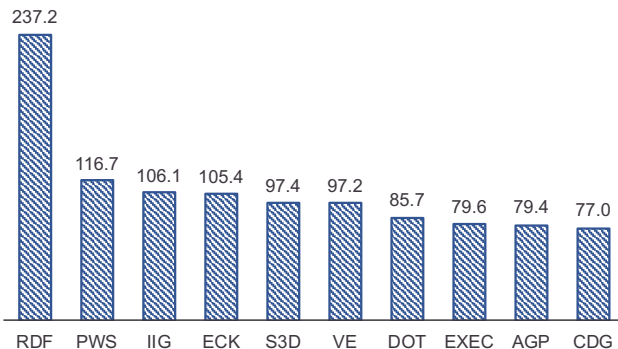
Top 10 by YTD Performance (%)



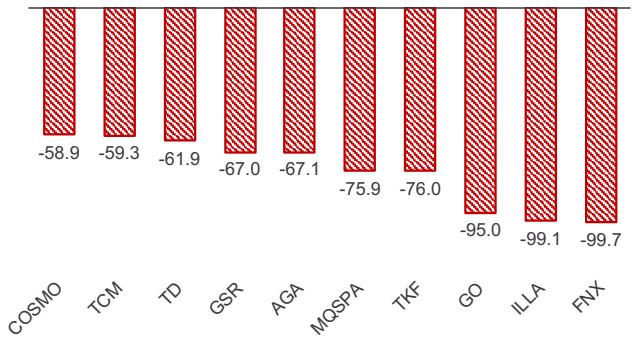
Bottom 10 by YTD Performance (%)



Top 10 by 1Y Performance (%)



Bottom 10 by 1Y Performance (%)

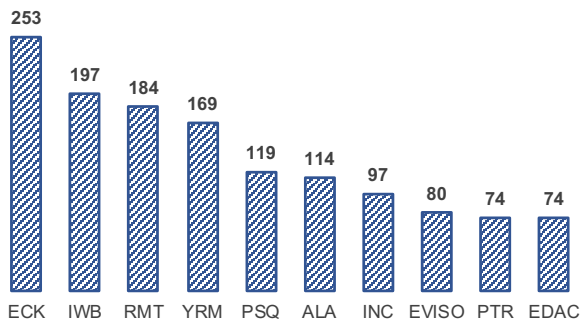


Source: Value Track Analysis, (*) For stocks IPOed in 2H22-2023YTD if data is missing the analysis returns the performance since IPO

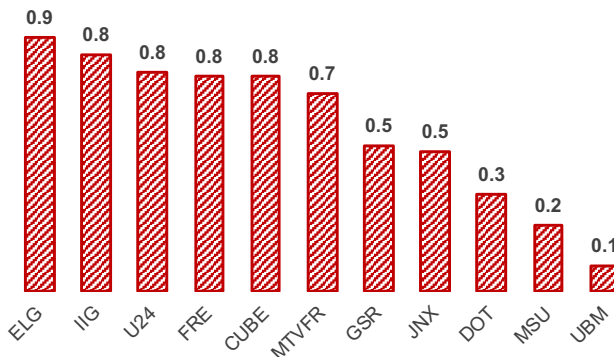
EGM Companies by Size (1H23)

Euronext Growth Milan: Top & Bottom by Size

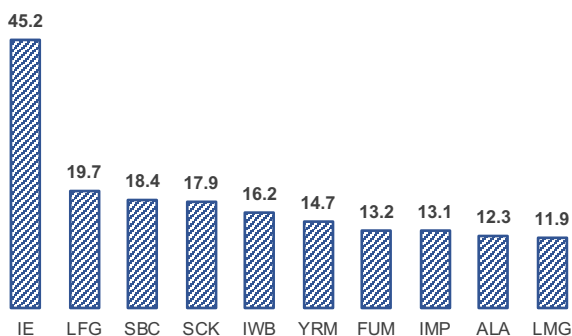
Top 10 by Revenues 1H23 (€mn)



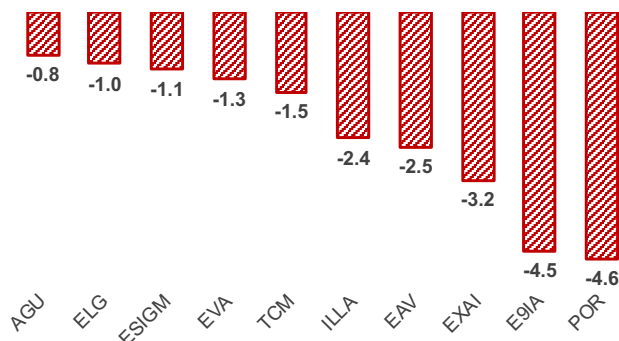
Bottom 10 by Revenues 1H23 (€mn)



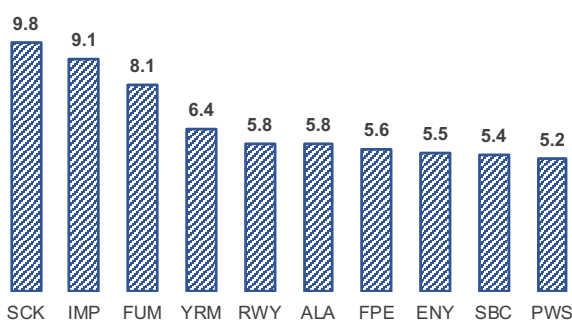
Top 10 by EBITDA 1H23 (€mn)



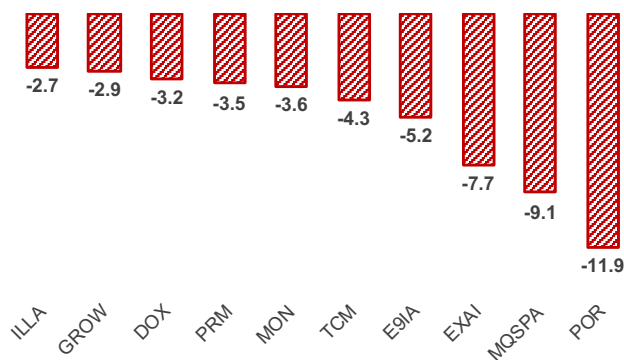
Bottom 10 by EBITDA 1H23 (€mn)



Top 10 by Net Profit 1H23 (€mn)



Bottom 10 by Net Profit 1H23 (€mn)

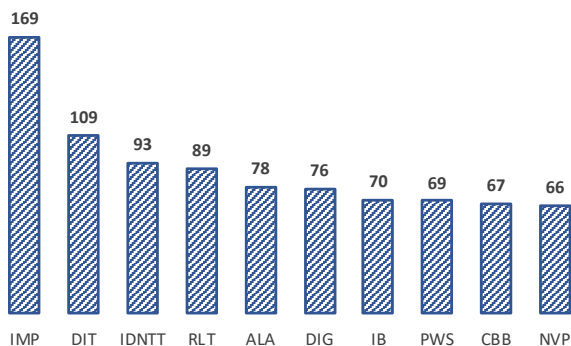


Source: ValueTrack analysis on companies' data.

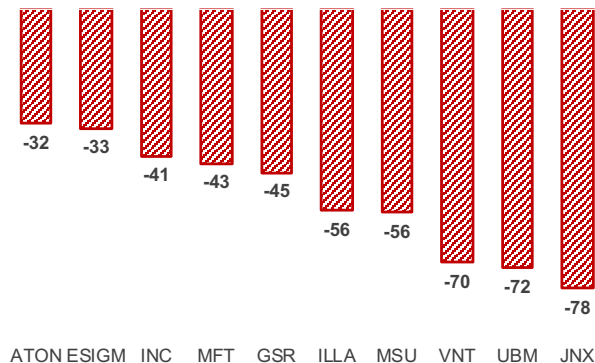
EGM Companies by Growth (1H23)

Euronext Growth Milan: Top & Bottom by Growth y/y

Top 10 by Revenues Growth 1H23 y/y (%,*)

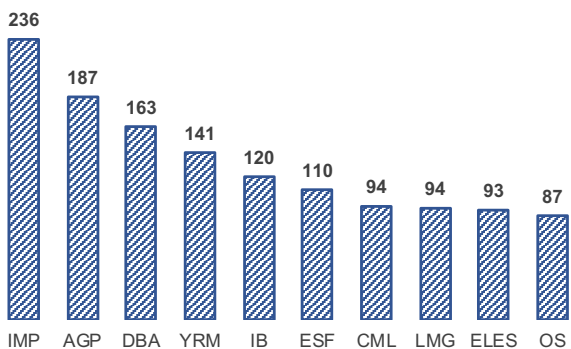


Bottom 10 by Revenues Growth 1H23 y/y (%)

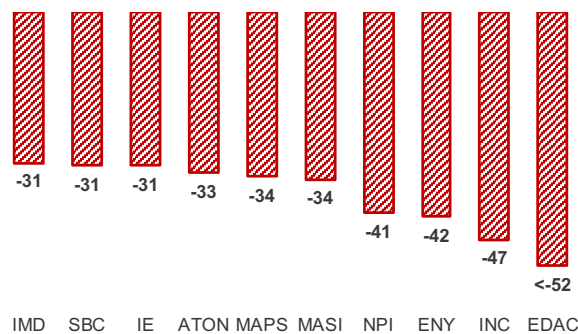


(*) Revenues above €1mn in 1H22 and above €5mn 1H23

Top 10 by EBITDA Growth 1H23 y/y (%,*)

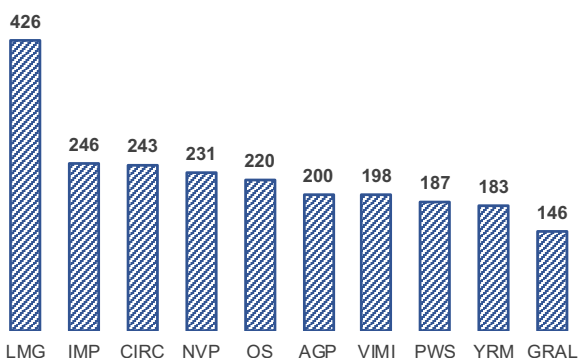


Bottom 10 by EBITDA Growth 1H23 y/y (%)

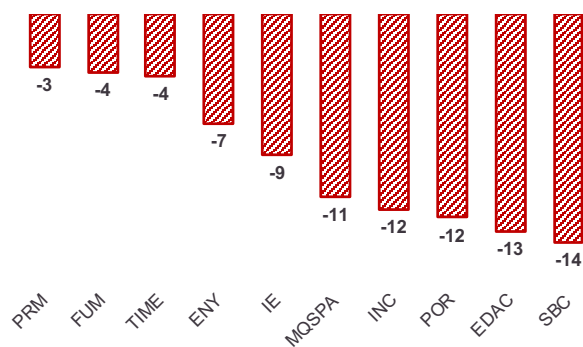


(*) EBITDA above €1mn in 1H22 and 1H23

Top 10 by EBIT Growth 1H23 y/y (%,*)



Bottom 10 by EBIT Growth 1H23 y/y (€mn)

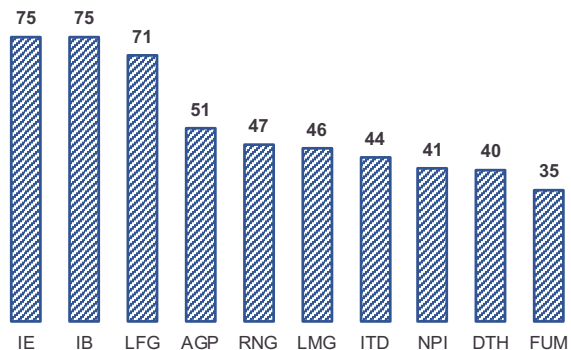


(*) EBIT above €0.2mn in 1H22 and above €1mn 1H23

EGM Companies by Profitability (1H23)

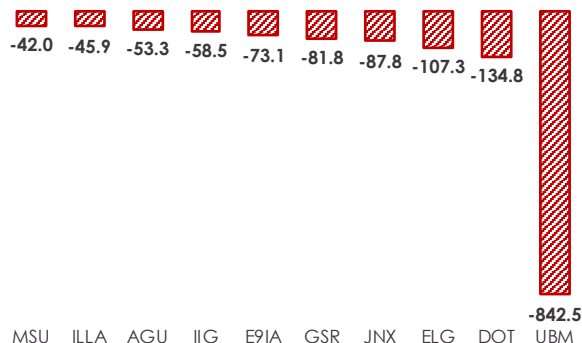
Euronext Growth Milan: Top & Bottom by Profitability

Top 10 by EBITDA Margin 1H23 (% ,*)

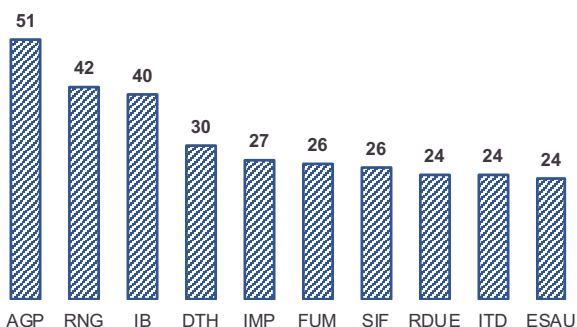


(*) Revenues 1H23 above €2mn

Bottom 10 by EBITDA Margin (%)



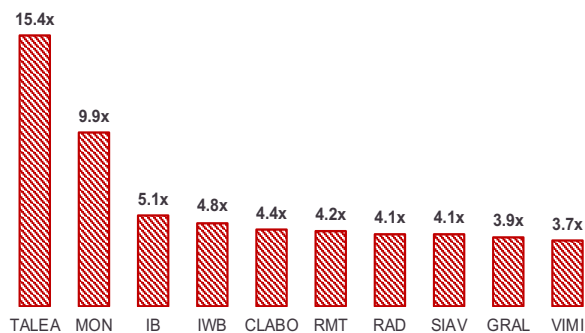
Top 10 by EBIT Margin 1H23 (% ,*)



(*) Revenues 1H23 above €1mn

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

Highest 10 by Net Debt / Annualized EBITDA 1H23 (*)



(*) EBITDA 1H23 above €2mn and annualized

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