Giocamondo Study

Sector: EduTech, Educational Travel

Embassy Summer: A Very Promising Deal

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Giocamondo Study S.p.A. ("GMS") stands out as one of the fastest-scaling players in the Italian EduTech and Educational Travel space, specialising in the design, implementation, and delivery of bespoke language study-abroad programmes that integrate language learning, intercultural exchange, and immersive travel experiences.

FAIR VALUE (€)	**2.60**
MARKET PRICE (€)	**1.30**
MARKET CAP (€mn)	**16.3**

More details on Embassy Summer acquisition

Giocamondo Study has hosted a videocall with investors sharing some more details on the acquisition (announced back as of October 29th) of the business and selected assets of **Embassy Summer** and **Global Achievers Academy** (~GBP 16.5mn revenues in FY24) from Embassy Educational Services (UK) Limited, within a UK *administration* procedure. The deal perimeter includes brands, IP, domains, client, student and partner databases, as well as management and key staff. Being an asset deal, no debts or liabilities of the seller have been taken over. GMS management has hinted at a total cash out, including some working capital financing, below €1mn, funded with own resources.

Rationale: Vertical Integration plus a New B2B Channel

Management has hinted at five rationales: (i) upstream vertical integration, as Embassy was already a supplier to GMS on part of its UK offer, so the deal internalises a margin so far left to a partner; (ii) a stronger UK platform, i.e. the core market of study travel, with British operations consolidated under JoStudy; (iii) a new international B2B channel of agencies and education partners worldwide, complementary to the Group's Italian B2C model; (iv) brand and know-how synergies, with a more diversified brand portfolio and shared academic relationships; (v) acceleration of growth plan.

Embassy Summer Boosts FY28E Growth

We revise our FY27E-28E estimates to incorporate Embassy Summer, Following the previous parent's insolvency, Embassy's current activity remains significantly below historical levels, making FY27E (Oct-26/Sep-27) a relaunch year, with full commercial and margin potential expected from FY28E. Thanks to Consip deal, Destinazione Lingue acquisition, and Embassy deal, GMS financial profile is radically changing. Value of Production is now expected at €52.7mn in FY27E (ca. 2x vs FY26E) and €64.2mn in FY28E (+21% y/y), with EBITDA of €3.9mn and €5.8mn, respectively. Net Cash is projected at €10.0mn by FY28E.

Fair Value Raised to €2.60 p/s, with Further M&A Upside

Based on the new consolidation perimeter, GMS is trading at very cheap 2.4x-3.0x-7.7x EV/EBITDA-EV/EBIT-PE'27E respectively. We raise GMS's Fair Equity Value to **€2.60 p/s** (100% upside) from €2.40, based on 2027E earnings and improved visibility on organic growth drivers. Embassy provides further upside, with its full contribution supporting an implied FY28E fair value of **€3.30 p/s**, including around €7mn of additional equity value attributable to the acquisition.

KEY FINANCIALS	FY25	FY26E	FY27E
VALUE OF PRODUCTION	26.5	27.1	52.7
EBITDA	2.3	1.5	3.9
EBIT	1.9	1.1	3.2
NET PROFIT	1.3	0.7	2.1
GROUP NET EQUITY	7.1	7.0	8.7
NET DEBT (-) / NET CASH (+)	7.5	5.4	7.2
EPS ADJ.	0.12	0.06	0.17
DPS	0.06	0.04	0.07

Source: GMS (historical figures), Value Track (estimates)

RATIOS AND MULTIPLES	FY25	FY26E	FY27E
EBITDA MARGIN (%)	8.8	5.7	7.4
EBIT MARGIN (%)	7.2	4.1	6.0
NET DEBT / EBITDA (x)	nm	nm	nm
NET DEBT / NET EQUITY (x)	nm	nm	nm
ROE (%)	18.5	10.0	24.3
EV / SALES (x)	0.5	0.4	0.2
EV / EBITDA (x)	5.9	7.3	2.4
EV / EBIT (x)	7.3	10.1	3.0
P / E ADJ. (x)	14.6	23.1	7.7

Source: GMS (historical figures), Value Track (estimates)

STOCK DATA	
MARKET PRICE (€)	1.30
NOSH (mn)	12.5
MARKET CAP (€mn)	16.25
ENTERPRISE VALUE FY26E (€mn)	11.2
FREE FLOAT (%)	19.8
AVG L30D VOLUME	2,786
RIC / BBG	GMS.MI / GMS IM
52 WK MIN - MAX (€)	1.20–1.99

Source: Stock Market Data

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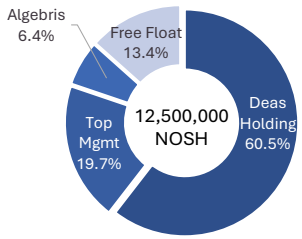
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Description

Giocamondo Study (GMS) is an Innovative SME listed on EGM that acts as a specialist provider of integrated language study-abroad programmes within the EduTech / Educational Travel sectors. Its offering spans Individual Summer Camps, High School Programmes, and group educational travel, combining academic learning with immersive cultural experiences.

Through its proprietary platforms — Lesson Live for live e-learning and Go To Learn for language travel e-commerce — it ensures scalability, customer engagement, and operational efficiency.

SHAREHOLDERS' STRUCTURE



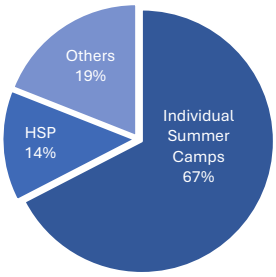
Source: GMS

Financial Highlights

KEY FINANCIALS (€mn)	FY25	FY26E	FY27E	FY28E
Value of Production	**26.5**	**27.1**	**52.7**	**64.2**
YoY (%)	*14.7%*	*2.3%*	*94.1%*	*21.9%*
EBITDA	**2.3**	**1.5**	**3.9**	**5.8**
EBITDA Margin (%)	*8.8%*	*5.7%*	*7.4%*	*9.1%*
EBIT	**1.9**	**1.1**	**3.2**	**5.1**
EBIT Margin (%)	*7.2%*	*4.1%*	*6.0%*	*8.0%*
Net Profit	**1.3**	**0.7**	**2.1**	**3.5**
YoY (%)	*-10.2%*	*-46.5%*	*nm*	*65.3%*
Adj. Net Profit	**1.3**	**0.7**	**2.1**	**3.5**
YoY (%)	*-10.2%*	*-46.5%*	*nm*	*65.3%*
Net Fin. Position [Net Debt (-) / Cash(+)]	**7.5**	**5.4**	**7.2**	**10.0**
Net. Fin. Pos. / EBITDA (x)	*nm*	*nm*	*nm*	*nm*
Capex	-2.0	-0.9	-0.7	-0.7
OpFCF b.t.	**1.0**	**0.6**	**3.6**	**5.5**
OpFCF b.t. / EBITDA (%)	*41.5%*	*36.1%*	*92.2%*	*94.4%*

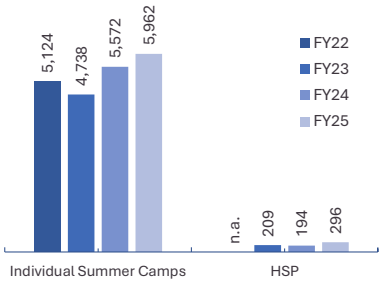
Source: GMS, Value Track Analysis

REVENUES BY SERVICE



Source: GMS, FY25

OF DEPARTING STUDENTS BY YEAR



Source: GMS, FY25

Investment Case

Strengths / Opportunities

- Asset-light / cash generating business model;
- Proprietary EduTech ecosystems fostering digital monetisation and brand loyalty;
- Self-replenishing customer base fuelled by word-of-mouth and high satisfaction rates.

Weaknesses / Risks

- International footprint in nascent stage and yet to be scaled;
- EduTech platforms in ramp-up phase with modest near-term scale.

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	1.0	0.5
EV / EBITDA (x)	17.9	6.6
EV / EBIT (x)	24.8	8.1
EV / CAP. EMPLOYED	17.1	16.6
OpFCF Yield (%)	4	16
P / E (x)	46.3	15.5
P / BV (x)	4.6	3.8
Dividend Yield (%)	1.3	2.6

Source: Value Track Analysis

More on Embassy Summer Acquisition

Giocamondo Study has hosted a videocall with investors sharing some more details on the acquisition (announced back as of October 29th) of the business and selected assets of **Embassy Summer** and **Global Achievers Academy** from Embassy Educational Services (UK) Limited, within a UK *administration* procedure managed by Grant Thornton UK Advisory & Tax LLP as joint administrators.

Terms of Deal

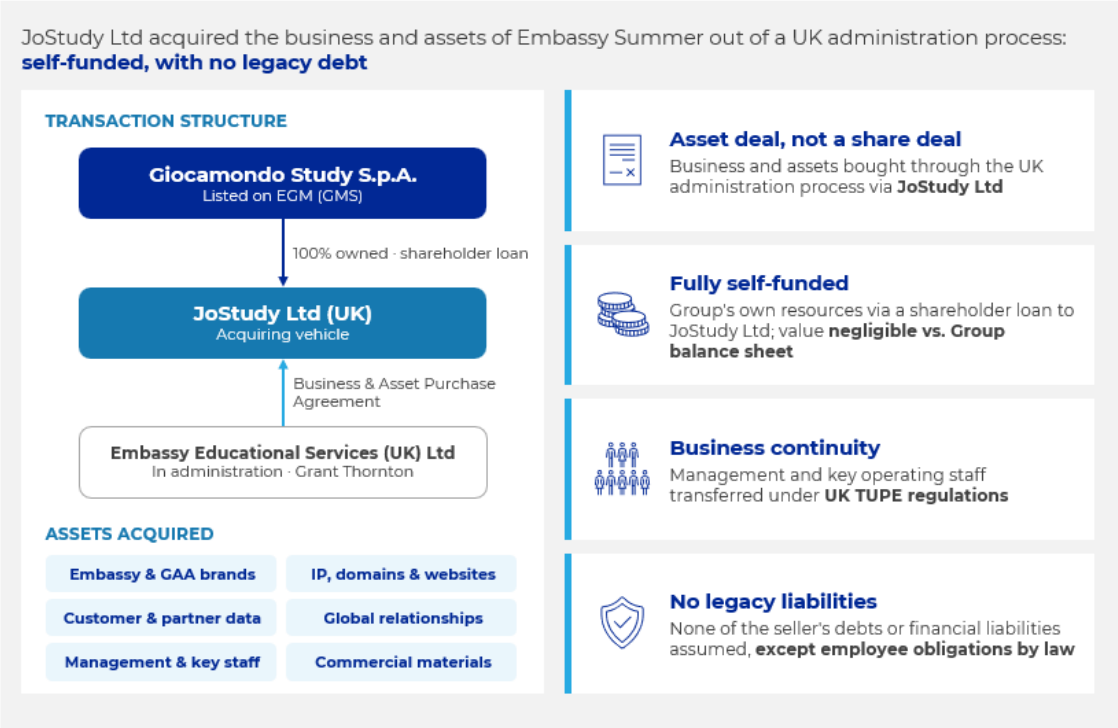
The seller was part of the Malta-based EC English Language Centres group (owner of Embassy since 2018), which in mid-September 2026 ceased trading across its 25 schools worldwide and started insolvency procedures, after failing to secure new investors. Hence, GMS is buying a brand and a commercial platform at distressed conditions rather than a running business. More in detail:

- **Asset Deal:** GMS has acquired brands, IP, domains and websites, marketing materials, client base, student and partner databases, the network of relationships with host universities and worldwide education partners, plus management and key staff, transferred under the UK TUPE regulations.

  No debts, liabilities or obligations of the seller have been assumed, except those transferred by law with employees;
- **Consideration and Funding:** the price has not been disclosed and is defined as not significant vs. the consolidated balance sheet. It has been funded with own resources, via a shareholder loan from GMS to JoStudy Ltd.

  However, the management has hinted that the total cash out (including some working capital financing) should be lower than €1mn;
- **Timing:** transfer of assets and full consolidation are effective from 29 October 2026, i.e. from the very beginning of FY27.

Embassy Summer: Main Terms of the Deal



Source: Giocamondo Study, Value Track Analysis

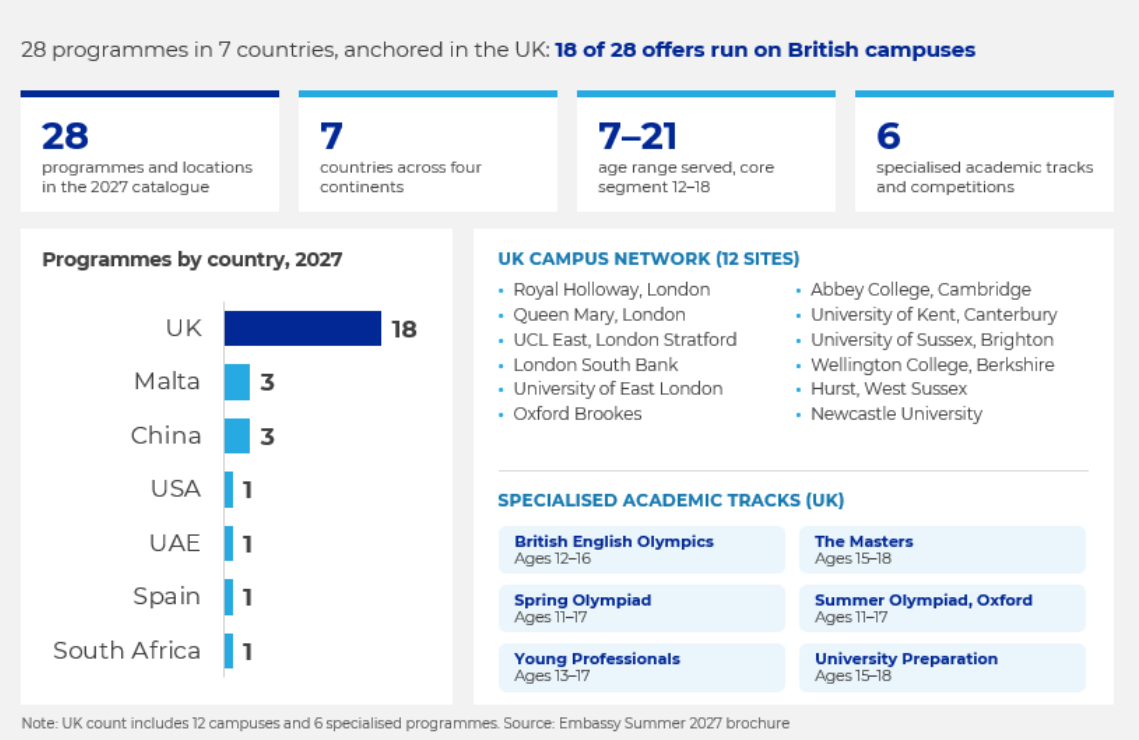
Embassy Summer Profile: A Well-Known Brand, Hit by its Parent's Collapse

Founded in 1981, Embassy Summer is an established international brand in junior language stays and educational programmes, with clients from over 61 countries and a historical presence in the UK, the US, Malta, Spain, the UAE, South Africa and China.

Based on the latest available accounts, the seller posted **~GBP 16.5mn** revenues in FY24, a figure that FY26 is likely to have undershot given the final months of trading.

Embassy's 2027 catalogue, put together before the parent's collapse, counted **28 programmes across 7 countries**, **18 of which in the UK**, i.e. 12 university and boarding-school campuses plus 6 specialised academic tracks. The remaining locations are in Malta, China, USA, UAE, Spain and South Africa.

Embassy Summer: Campus Network 2027



Source: Giocamondo Study, Value Track Analysis

Three things are worth noting:

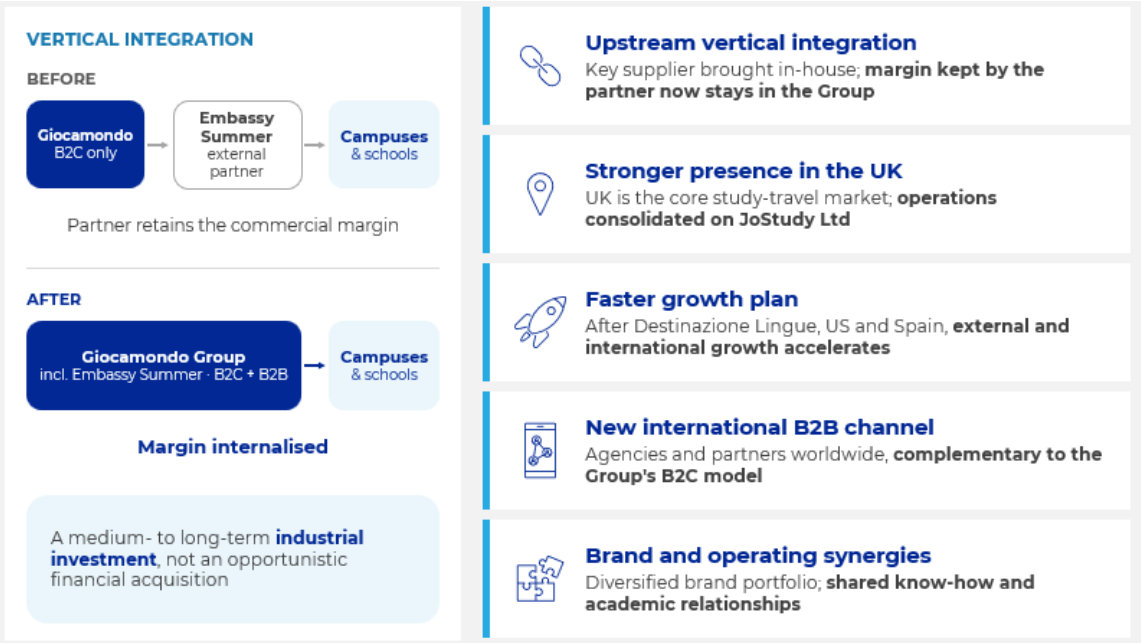
- The operating model is **asset-light**, with no owned real estate: programmes are hosted on third-party campuses on a seasonal basis.
- Embassy is a **junior-only operator**, covering the 7-21 age bracket with a 12-18 core, and its client base is genuinely international: in 2026 students came from Europe (32% of the cohort), LATAM (28%), MENA (22%), Asia (11%) and the CIS (7%), with no single nationality above 20%.
- The management and key staff that have transferred to JoStudy carry a minimum **seniority of over 10 years**.

Rationale of the Deal

During the call, GMS management has framed the transaction as a medium- to long-term industrial investment rather than an opportunistic financial one. Five pillars stand out:

- **Upstream vertical integration:** Embassy was already a supplier to GMS on part of its UK offer. The commercial margin previously left to the partner now stays within the Group;
- **A stronger UK platform:** the UK is the core market of study travel and the Group's operations there are now consolidated under JoStudy, which brings in 18 of Embassy's 28 programmes for 2027;
- **A new international B2B channel:** GMS gains access to Embassy's worldwide network of agencies and education partners, complementary to the Group's historical Italian B2C model;
- **Brand and know-how synergies:** a more diversified brand portfolio (Embassy Summer and Global Achievers Academy alongside Giocamondo), shared operating know-how and the direct relationships with host universities;
- **Acceleration of the growth plan:** Embassy is by some distance the largest external-growth step taken so far, and the first one that moves the Group's scale outside Italy.

Embassy Summer: Rationale of the deal



Source: Giocamondo Study, Value Track Analysis

Impact on Financials

GMS Management has hinted that the financial impact of the deal can be split into two steps:

- **FY27, transition:** integration of the commercial portfolio into the Group and relaunch of the offer for the summer 2027 season, i.e. a first, partial revenue contribution;
- **FY28, full run-rate:** full commercial and profitability potential of the acquired business.

Two caveats on our side. First, the brand has to regain agents' and partners' trust after the EC collapse, and the 2027 season will be run on a client base that has just seen its provider fail. Second, Embassy's value/volume positioning points to lower-than-Group margins in the ramp-up phase, only slightly above

Group levels once fully up to speed, so the Top Line contribution should not be read through GMS's current profitability.

We now include Embassy in our estimates (see next section). In a nutshell: (i) FY26E is left untouched at P&L level, the deal closing after year-end; (ii) FY27E benefits from a first, partial Top Line contribution that pushes Group VoP well above the >€40mn guidance, while relaunch costs keep Embassy's margins below Group levels, so that the impact on profits is broadly neutral once combined with a more prudent stance on our organic estimates; (iii) the real upside is an FY28E story, in line with management's full run-rate timing, with the deal driving a double-digit uplift to both Top Line and profits, and Embassy's margins converging towards Group levels before moving slightly above them once fully ramped up. We will fine-tune our numbers once details on cost base and 2027 bookings become available, most likely with FY26 results.

Embassy Summer: Development Plan and Financial Impact



Source: Giocamondo Study, Value Track Analysis

Est. Rev. 2026E-28E: Embassy Now In

We leave FY26E P&L untouched — the year is essentially closed and already reflects the ~35% y/y EBITDA compression driven by the geopolitical backdrop (VoP €27.1mn, EBITDA €1.5mn). On FY27E-28E, instead, we make two changes that lift the Top Line, broadly offsetting each other on profits in FY27E and turning clearly positive in FY28E:

1. **Organic perimeter (GMS incl. Consip & other public tenders and Destinazione Lingue):** we trim VoP by ~€4mn p.a., to €44.3mn in FY27E (-8%) and €49.8mn in FY28E (-8%), as a more prudent stance on the pace of recovery in outbound demand and on the ramp-up of the public-schools channel. Margins are substantially unchanged, hence EBITDA down 8% to €3.5mn in FY27E and 5% to €4.5mn in FY28E, with EBIT at €3.0mn and €4.1mn respectively; NFP ~€0.8mn lower in FY27E and ~€0.6mn in FY28E;
2. **Embassy Summer (M&A):** consolidated from the start of FY27, we model €8.4mn of Top Line in FY27E (transition year, with relaunch costs capping EBITDA at ~€0.4mn, i.e. 5% margin) and €14.4mn in FY28E at full run-rate, with EBITDA of ~€1.3mn (9% margin) and EBIT of ~€1.1mn. A value/volume positioning implies a GPM of ~20% (above the Group's ~16-17%), largely absorbed by a heavier cost base during the relaunch. Embassy's operating margins are therefore below Group levels in FY27E, broadly in line in FY28E (9.0% vs. 9.1% EBITDA margin) and slightly above once fully ramped up (~11-12% from FY29E). The deal is thus dilutive at margin level in FY27E, but already accretive in absolute terms in FY28E;
3. All in, new Value of Production stands at €52.7mn in FY27E (+9% vs. old) and €64.2mn in FY28E (+18%), EBITDA at €3.9mn (+3%) and €5.8mn (+22%), Net Profit at €2.1mn (-2%) and €3.5mn (+24%), with NFP at €7.2mn and €10.0mn (vs. €7.8mn and €9.8mn previously).

GMS: New vs. Old estimates

FY26E, €mn	Old	Organic	Δ	Embassy	New	Δ
Value of Production	**27.1**	**27.1**	***0%***	**0.0**	**27.1**	***0%***
Gross Profit	4.0	4.0	*0%*	0.0	4.0	*0%*
Gross Margin (%)	*14.8%*	*14.8%*	*0bps*	*nm*	*14.8%*	*0bps*
EBITDA	**1.5**	**1.5**	***0%***	**0.0**	**1.5**	***0%***
EBITDA Margin (%)	*5.7%*	*5.7%*	*0bps*	*nm*	*5.7%*	*0bps*
EBIT	**1.1**	**1.1**	***0%***	**0.0**	**1.1**	***0%***
Net Profit	**0.7**	**0.7**	***0%***	**0.0**	**0.7**	***0%***
Net Financial Position	**6.2**	**5.4**	***-0.8***	**0.0**	**5.4**	***-0.8***

FY27E, €mn	Old	Organic	Δ	Embassy	New	Δ
Value of Production	**48.3**	**44.3**	***-8%***	**8.4**	**52.7**	***9%***
Gross Profit	7.5	6.9	*-8%*	1.7	8.6	*14%*
Gross Margin (%)	*15.6%*	*15.6%*	*-2bps*	*20.0%*	*16.3%*	*69bps*
EBITDA	**3.8**	**3.5**	***-8%***	**0.4**	**3.9**	***3%***
EBITDA Margin (%)	*7.9%*	*7.9%*	*3bps*	*5.0%*	*7.4%*	*-43bps*
EBIT	**3.2**	**3.0**	***-5%***	**0.2**	**3.2**	***1%***
Net Profit	**2.1**	**2.0**	***-7%***	**0.1**	**2.1**	***-2%***
Net Financial Position	**7.8**	**7.0**	***-0.8***	**0.2**	**7.2**	***-0.7***

FY28E, €mn	Old	Organic	Δ	Embassy	New	Δ
Value of Production	**54.3**	**49.8**	***-8%***	**14.4**	**64.2**	***18%***
Gross Profit	9.0	8.3	*-8%*	2.9	11.2	*24%*
Gross Margin (%)	*16.6%*	*16.6%*	*4bps*	*20.0%*	*17.4%*	*79bps*
EBITDA	**4.8**	**4.5**	***-5%***	**1.3**	**5.8**	***22%***
EBITDA Margin (%)	*8.8%*	*9.1%*	*32bps*	*9.0%*	*9.1%*	*29bps*
EBIT	**4.1**	**4.1**	***-1%***	**1.1**	**5.1**	***25%***
Net Profit	**2.8**	**2.7**	***-2%***	**0.7**	**3.5**	***24%***
Net Financial Position	**9.8**	**9.2**	***-0.6***	**0.8**	**10.0**	***0.1***

Source: Value Track Analysis

Our new 2026E-28E forecasts can be summarised as follows:

- **Value of Production rising from €27.1mn in FY26E to ~€64.2mn** by the end of the forecast period (34% CAGR25A-28E), driven by the Consip and other public tenders and the consolidation of Destinazione Lingue and, from FY27E, Embassy Summer;
- **Operating margins dipping in FY26E and then recovering slightly above FY25A level by 2028E,** with EBITDA and EBIT Margin at 9.1% and 8.0% respectively;
- **Favourable NWC dynamics**, underpinning sound operating cash conversion over the next three years;
- **Net Cash Position of €10.0mn as of 2028E,** on a cum. OpFCF b.t. / EBITDA ratio of around 85% — supported by favourable NWC dynamics and, beyond the ~€1.4mn one-off outflows in 2026E (new Ascoli Piceno offices and refurbishment, plus the Embassy Summer cash-out), limited capex requirements — with net FCF generation of ~€2.5mn over the period, after ~€2.0mn of cum. dividends.

GMS: P&L from FY25 to FY28E

(€mn)	FY25	FY26E	FY27E	FY28E
Value of Production	**26.5**	**27.1**	**52.7**	**64.2**
COGS	-0.2	-0.2	-0.4	-0.5
Costs of Services	-21.9	-22.9	-43.7	-52.5
Cost of Rent	-0.3	-0.3	-0.5	-0.6
Labour costs	-1.8	-2.0	-3.8	-4.4
Other OpEx	-0.1	-0.2	-0.4	-0.3
EBITDA	**2.3**	**1.5**	**3.9**	**5.8**
EBITDA Margin (%)	***8.8%***	***5.7%***	***7.4%***	***9.1%***
D&A	-0.4	-0.4	-0.7	-0.7
EBIT	**1.9**	**1.1**	**3.2**	**5.1**
EBIT Margin (%)	***7.2%***	***4.1%***	***6.0%***	***8.0%***
Net Financial Charges	0.0	0.0	0.0	0.0
Taxes	-0.6	-0.4	-1.1	-1.6
Net Profit (*)	**1.3**	**0.7**	**2.1**	**3.5**

Source: GMS, Value Track Analysis, (*) post minorities

GMS: Balance Sheet from FY25 to FY28E

(€mn)	FY25	FY26E	FY27E	FY28E
Net Working Capital	-2.3	-2.2	-2.5	-2.8
Net Fixed Assets	2.4	4.3	4.7	4.9
Provisions	0.4	0.5	0.7	0.7
Total Capital Employed	**-0.4**	**1.6**	**1.6**	**1.4**
Group Net Equity	**7.1**	**7.0**	**8.7**	**11.3**
NFP [i.e. Net Debt (-) Cash (+)]	**7.5**	**5.4**	**7.2**	**10.0**

Source: GMS, Value Track Analysis

GMS: Cash Flow Statement from FY25 to FY28E

(€mn)	FY25	FY26E	FY27E	FY28E
EBITDA	//	1.5	3.9	5.8
Δ NWC & Provisions	//	-0.1	0.4	0.4
Capex	//	-0.9	-0.7	-0.7
OpFCF b.t.	**//**	**0.6**	**3.6**	**5.5**
As a % of EBITDA	//	*36%*	*92%*	*94%*
Cash Taxes	//	-0.4	-1.1	-1.6
Others (incl. Financial Inv.)	//	-1.5	-0.4	-0.3
Net Financial Charges	//	0.0	0.0	0.0
Dividends Paid	//	-0.8	-0.4	-0.8
Δ Net Financial Position	**//**	**-2.0**	**1.7**	**2.8**

Source: GMS, Value Track Analysis

Valuation Update

Fair Equity Value Upwards at €2.6 p/s

We raise GMS's Fair Equity Value to €2.60 p/s, from €2.40 in our June report. The valuation rests on a peer comparison applying the median 2027E EV/EBIT multiple: we regard 2026E as an extraordinary year marked by a sharp contraction, weighed down by geopolitical tensions and the related flight cancellations and disruption to travel flows. 2027E, by contrast, is a more representative year of the Group's normalised earnings power, benefiting from a set of growth drivers now carrying greater visibility — the Consip contract, other public tenders and the contribution from recent M&A. Even after applying a 20% discount to reflect the Company's smaller scale, limited free float, and early-stage listing profile, these drivers support the higher fair value, which we regard as robust also in light of our cross-checks.

Furthermore, to fully capture the contribution of the M&A, we should look at FY28E, when Embassy Summer is expected to reach its full run-rate, generating approximately €1.1mn of EBIT. On this basis, our FY28E valuation points to a fair value of €3.3 p/s, compared with €2.6 p/s before the acquisition, implying approx. €9mn of additional equity value, of which around €7mn is directly attributable to Embassy Summer.

As **cross-checks**, we also ran the following valuation methodologies:

- **DCF model** under two capital structure scenarios. The DCF yields an implied equity value of €4.9 p/s under a target capital structure with 20% leverage (WACC: 9.38%), and €4.6 p/s under a rolling capital structure assumption (WACC: 10.01%). Both outcomes are supported by strong short-term FCF generation, with terminal value backing around 60% of EV;
- **Rolling Valuation** exercise, estimating equity value across future years by applying static EV/EBIT multiples (7.0x–10.0x) to forecasted results. This yields a valuation range evolving from €2.3–3.1 p/s in FY27E, up to €3.6–€4.8 p/s by FY28E.

At FV (€2.60 p/s), GMS would trade at **6.6x EV/EBITDA and 8.1x EV/EBIT on 2027E**, and **3.9x EV/EBITDA and 4.5x EV/EBIT on 2028E** — the latter slightly below the 4.3x and 5.0x of June despite the higher price, as the FY28E earnings uplift from Embassy Summer more than offsets the organic trim and the higher equity value.

GMS: Multiples Sensitivity at Various Equity Values

Equity Value p/s (€)	EV/EBITDA (x)			EV/EBIT (x)			P/E (x)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
1.80	11.4	4.0	2.2	15.7	5.0	2.5	32.0	10.7	6.5
2.00	13.0	4.7	2.6	18.0	5.8	3.0	35.6	11.9	7.2
2.20	14.6	5.3	3.1	20.2	6.5	3.5	39.2	13.1	7.9
2.40	16.2	6.0	3.5	22.5	7.3	4.0	42.7	14.3	8.6
2.60	**17.9**	**6.6**	**3.9**	**24.8**	**8.1**	**4.5**	**46.3**	**15.5**	**9.4**

Source: Value Track Analysis

Peers' Analysis

Stock Market Multiples

For valuation purposes, our peer group is limited to **Travel & Tour Operators** and **Education Providers**, given that GMS's EduTech initiatives remain at an early stage of development.

We rely primarily on the **EV/EBIT multiple**, as it enables a more consistent comparison across companies with differing capital intensity profiles. In more detail:

- **Travel & Tour Operators** are currently trading at around **8.8x / 9.5x EV/EBIT** and 12.7x / 12.1x P/E based on FY26E /FY27E figures;
- **Education Providers** show higher valuation levels, with approx. **10.9x / 10.3x EV/EBIT** and 14.6x / 12.9x P/E for FY26E /FY27E.

Blending these two categories, the **reference median multiple** for **EV/EBIT** stands at ca. **9.9x for FY27E (up from 8.6x in June)**. However, it should be noted that two specific peers — Rainbow Tours and TUI AG — are trading at significantly lower multiples (5.7x and 4.1x EV/EBIT 2027E, respectively), partially distorting the sector median. As always, **Pure EduTech platforms** have been excluded from our peer set at this stage. It is however worth noting that the sector has re-rated to median EV/EBIT multiples of 23.7x FY26E and 17.1x FY27E (vs 17.6x FY26E in our June report), while consolidation continues: on 11 May 2026 Coursera completed its acquisition and merger of Udemy, now a wholly-owned subsidiary and delisted from Nasdaq.

GMS: Peers' Market Multiples (*)

Peers by Cluster	Mkt Cap (€mn)	EV/EBITDA (x)			EV/EBIT (x)			P/E (x)		
		FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Duolingo, Inc. Class A	7,109	22.7	16.5	na	23.7	17.1	na	26.6	20.7	na
Docebo, Inc.	746	18.5	16.5	13.3	32.2	36.2	18.3	23.5	41.1	23.0
Coursera Inc	938	5.0	1.9	1.5	7.8	2.5	2.3	16.6	7.0	7.1
Pure EduTech Platforms - Average	**2,931**	**15.4**	**11.7**	**7.4**	**21.2**	**18.6**	**10.3**	**22.2**	**22.9**	**15.1**
Pure EduTech Platforms - Median	**938**	**18.5**	**16.5**	**7.4**	**23.7**	**17.1**	**10.3**	**23.5**	**20.7**	**15.1**
Flight Centre Travel Group Limited	1,537	5.8	5.3	4.8	8.8	8.2	7.1	16.5	13.6	11.5
iGrandiViaggi S.p.A.	91	9.6	8.1	6.8	14.8	12.1	10.0	25.9	22.7	19.7
Rainbow Tours S.A.	411	4.2	5.1	4.8	4.6	5.7	5.5	7.0	8.3	8.4
SosTravel.com S.p.A.	3	12.9	4.5	2.7	<0	<0	7.3	<0	<0	13.5
Travel + Leisure Co.	4,538	9.1	8.2	7.7	16.1	10.8	9.3	12.7	10.6	9.8
Travelzoo	48	7.0	>30	4.9	8.3	<0	6.2	11.9	<0	7.7
TUI AG	3,899	2.1	2.4	2.0	3.5	4.1	3.2	6.1	6.8	5.2
Voyageurs du Monde SA	958	9.8	10.3	9.0	11.0	11.8	10.5	19.8	21.5	19.4
Travel / Tour Operators - Average	**1,436**	**7.6**	**6.3**	**5.3**	**9.6**	**8.8**	**7.4**	**14.3**	**13.9**	**11.9**
Travel / Tour Operators - Median	**684**	**8.1**	**5.3**	**4.8**	**8.8**	**9.5**	**7.2**	**12.7**	**12.1**	**10.6**
AcadeMedia AB	1,121	5.8	6.0	5.6	13.6	14.3	12.7	15.2	13.1	10.9
Strategic Education, Inc.	1,070	4.0	3.8	4.0	5.6	5.1	4.9	10.0	11.4	8.1
Lumi Gruppen AS	84	11.2	8.4	7.1	18.7	13.5	11.2	32.5	19.8	16.3
Stride, Inc.	3,470	5.6	4.9	4.0	7.3	6.1	5.1	14.0	11.9	10.5
IDP Education Ltd.	444	5.9	5.0	6.2	8.3	7.1	9.8	12.3	12.7	13.6
Pearson PLC	9,303	11.6	10.6	9.9	14.9	13.6	12.6	19.5	17.9	16.6
Education Providers - Average	**2,582**	**7.4**	**6.5**	**6.1**	**11.4**	**9.9**	**9.4**	**17.2**	**14.5**	**12.7**
Education Providers - Median	**1,096**	**5.9**	**5.5**	**5.9**	**10.9**	**10.3**	**10.5**	**14.6**	**12.9**	**12.2**
ToT Average (excl. EduTech)	**2,104**	**7.5**	**6.4**	**5.7**	**10.5**	**9.4**	**8.4**	**15.8**	**14.2**	**12.3**
ToT Median (excl. EduTech)	**958**	**7.0**	**5.4**	**5.4**	**9.9**	**9.9**	**8.9**	**13.6**	**12.5**	**11.4**

Source: Factset, Value Track Analysis (*) Stock market prices as of 11th November 2026

Against this backdrop, GMS trades at a premium to peers on FY26E multiples, yet trades at a significant **65-85% discount on average FY27E–FY28E EV/EBIT multiples** relative to comparable listed players. While part of the gap reflects differences in scale, liquidity, and market maturity, we believe the current valuation offers meaningful further re-rating potential as visibility on execution and international expansion improves.

Fair Valuation based on Peers

To value GMS, we apply fair reference multiples derived from the peer group's median EV/EBIT multiples for 2027E, adjusted with a 20% discount to reflect the Company's smaller scale, limited free float, and early-stage listing profile. Based on this framework, we adopt a reference multiple of **8.0x (FY27E), resulting in a fair value of €2.60 p/s for GMS,** up from €2.40 p/s in June on the back of a higher peer median (9.9x from 8.6x) and broadly unchanged FY27E EBIT, with the first-year Embassy Summer contribution offsetting the trim to our organic estimates.

As a cross-check, rolling the valuation forward to 2028E and applying a higher 30% discount on the peer median — to account for the longer forecasting horizon — yields a fair reference multiple of **6.2x (FY28E), pointing to a fair value of €3.30 p/**s (from €2.60 p/s in June): the ~€9mn of additional equity value is largely

attributable to Embassy Summer at full run-rate (~€7mn, including ~€1.1mn of FY28E EBIT and its positive cash contribution), with the peers' re-rating more than covering the organic trim.

GMS: Stock Market Multiples at current market price and at fair value

Peers by Cluster	EV/EBIT (x)	
	FY27E	FY28E
Peers' Group – Median (x)	9.9	8.9
Premium vs. GMS @ current stock market price (%)	*231%*	*579%*
Fair Multiples (x)	**8.0**	**6.2**
Discount vs. Median (%)	*-20%*	*-30%*
Enterprise Value	**25.2**	**31.7**
Net Fin. Position	7.2	10.0
EV Adjustments (*)	-0.4	
Equity Value	**32.0**	**41.3**
Equity Value p/s (€)	**2.6**	**3.3**

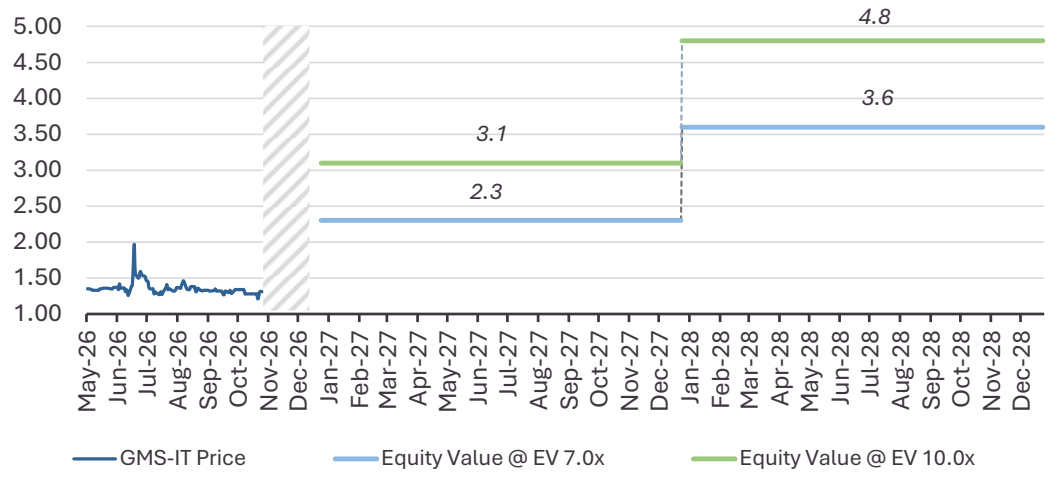
Source: Value Track Analysis, (*) Destinazione Lingue Minorities

Cross-Check Valuation

1# Rolling Valuation Analysis

The Rolling Valuation approach allows us to estimate the equity value of GMS at different points in the future based on the forecasted company's economic-financial performance. In order to keep the simulation simple, we would not assume any multiple rerating or derating. So, **assuming 7.0x and 10.0x EV/EBIT exit multiples** as bottom and top of the range, GMS equity value would evolve from €2.3–3.1 p/s in FY27E, up to €3.6-€4.8 p/s by FY28E.

GMS: Rolling Valuation Graphical Representation (*)



Source: Value Track Analysis (*) GMS share price as of November 11th market open

2# Discounted Cash Flow Model

Unlike market-based valuation approaches, our DCF aims to estimate the intrinsic value of GMS by projecting and discounting future FCF under two capital structure assumptions: (i) a fixed leverage framework reflecting a target capital structure, and (ii) a dynamic approach allowing capital structure to adjust over time.

While both methodologies are theoretically robust, they generate equity values that we view as inflated relative to observable market benchmarks, largely due to GMS's exceptionally strong near-term free cash flow generation, which concentrates a disproportionate share of value in the early years of the forecast period.

The resulting **Fair Equity Value averages €4.7 p/s** (vs. €3.6 in June update), within a €4.6–€4.9 range, depending on the capital structure applied.

WACC Assumptions

The DCF model is run using two WACC configurations:

- A **Fixed WACC of 9.38%**, assuming a 20% target Net Debt / (Net Debt + Equity) ratio;
- A **Rolling WACC of 10.01%**, which updates annually based on the forecasted evolution of capital employed.

Forecasts span from 2026E through 2034E, with the Terminal Value computed as of FY34E using a 2.0% perpetual growth rate — considered appropriate given the Company's sector exposure, scale, and long-term positioning. In both cases, the Terminal Value accounts for around 60% of total Enterprise Value, which is uncommon for high-growth companies and highlights the concentration of value in the early years of the forecast period.

Going into detail, the WACC is estimated using a CAPM-based framework, incorporating the following assumptions: (i) a 2.0% risk-free rate, consistent with the ECB's long-term inflation target; (ii) an equity risk premium (ERP) of 4.95% for the Italian market; (iii) an unlevered beta of 0.81 (source: *Damodaran*), calculated as a weighted average of sector betas reflecting the Group's exposure (Education: 0.48; Recreation: 0.89; Retail – Special Lines: 1.06); (iv) a 4.0% company-specific risk premium, embedded via an Expanded CAPM to account for small-cap risk; and (v) a resulting cost of equity (Ke) and cost of debt (Kd) of 10.77% and 3.80%, respectively.

DCF Outcomes

That said, the results of our DCF analysis are summarised below. Under a target capital structure with 20% leverage, the implied fair equity value stands at **€4.9 p/s**; instead, when applying a rolling capital structure and corresponding WACC, the valuation slightly decreases to **€4.6 p/s**.

GMS: DCF Model

€mn	Rolling	Target
PV of future cash flows 2026E-2034E	20.9	21.4
As a % of Enterprise Value	*42%*	*39%*
PV of Terminal Value	29.1	33.1
As a % of Enterprise Value	*58%*	*61%*
Fair Enterprise Value	**50.0**	**54.5**
Net Fin. Position 2025	7.5	
EV Adjustments (*)	-0.4	
Fair Equity Value	**57.1**	**61.6**
Number of Shares (mn)	12.5	
Fair Equity Value p/s (€)	**4.6**	**4.9**

Source:Value Track Analysis; (*) Destinazione Lingue Minorities

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