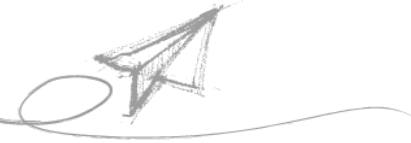


EGM Analysis – 1H23



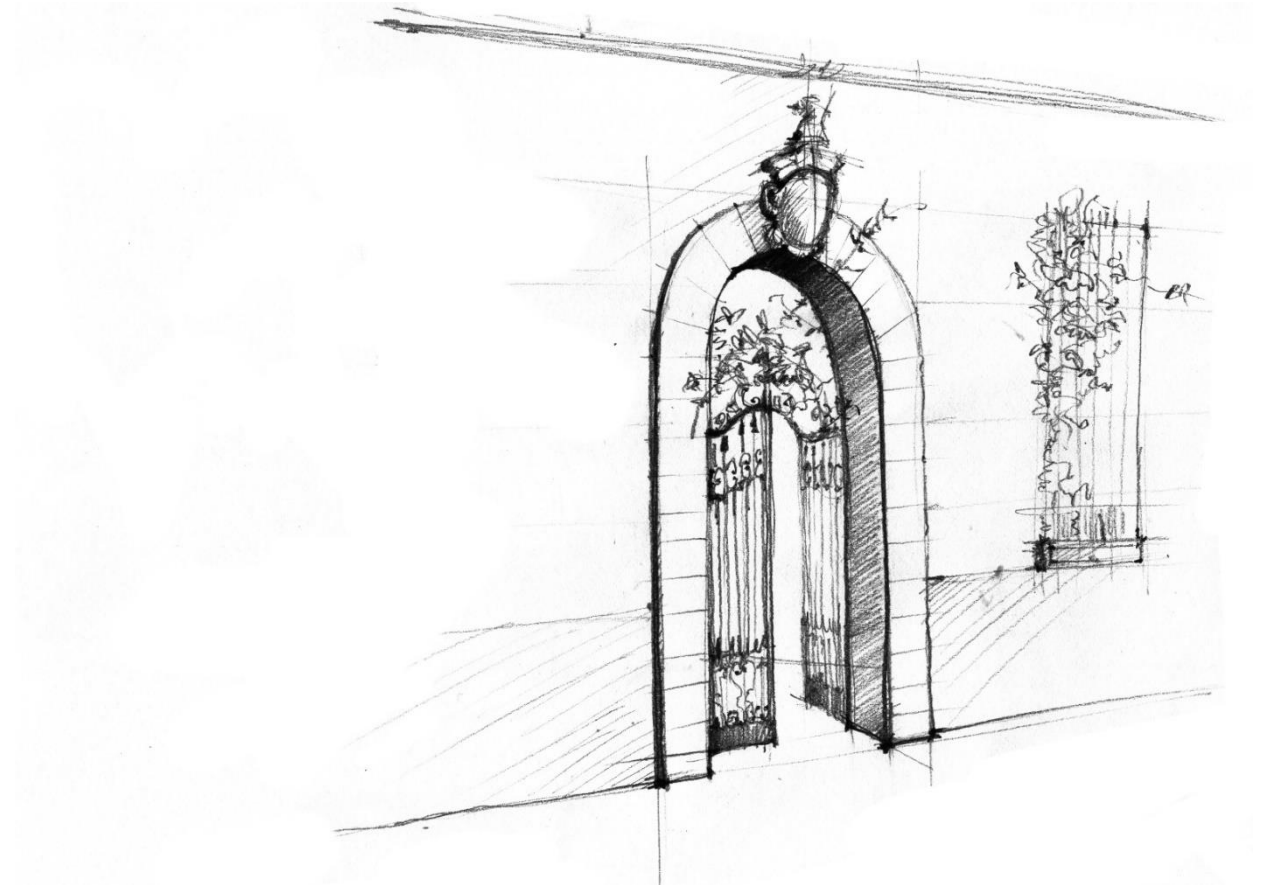
4 July 2023

Banca Profilo Research

Francesca R. Sabatini – Head of Equity Research

Eleonora Chettri – Equity Research Analyst

Michele Calusa - Equity Research Analyst



Agenda



EGM ALL COMPANIES



1H23 NEW LISTINGS



OUR COVERAGE

EGM in 2022

Euronext Growth Milan is dedicated to dynamic and competitive listed SMEs seeking capital to finance growth through a balanced regulatory approach. Through listing, EGM offers a pathway calibrated to the structure of Small and Medium-sized Enterprises, relying on the central figure of an advisor - Euronext Growth Advisor - who supports the companies since the listing admission phase. Euronext Growth Milan was created in 2009 and offers a simplified path to listing, compared to the Euronext Milan market, with minimum access requirements and fulfilments tailored to SMEs.

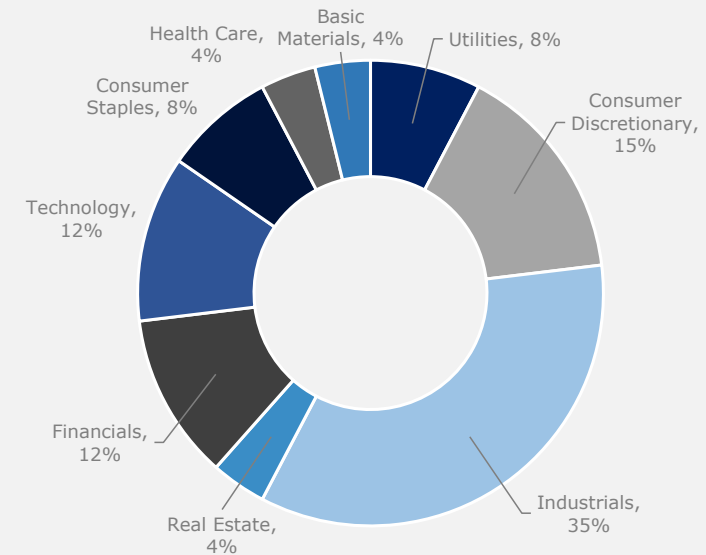
EGM IN 2022

In 2022,

- EGM included 190 companies (end of December 2022), of which 26 new IPOs with a positive trend of +16 companies compared to 2021
- EGM collected €899mln IPO proceeds, including Technoprobe (€644.1mln) with an average (ex Technoprobe) of €7.5mln.
- 2 companies moved from EGM to STAR segment (Revo Insurance and Net Insurance)
- 3 companies were delisted (Vetry, Sirio and Costamp)
- the average market capitalization was €56.5mln
- total market capitalization was €10.6bn (end of December 2022).

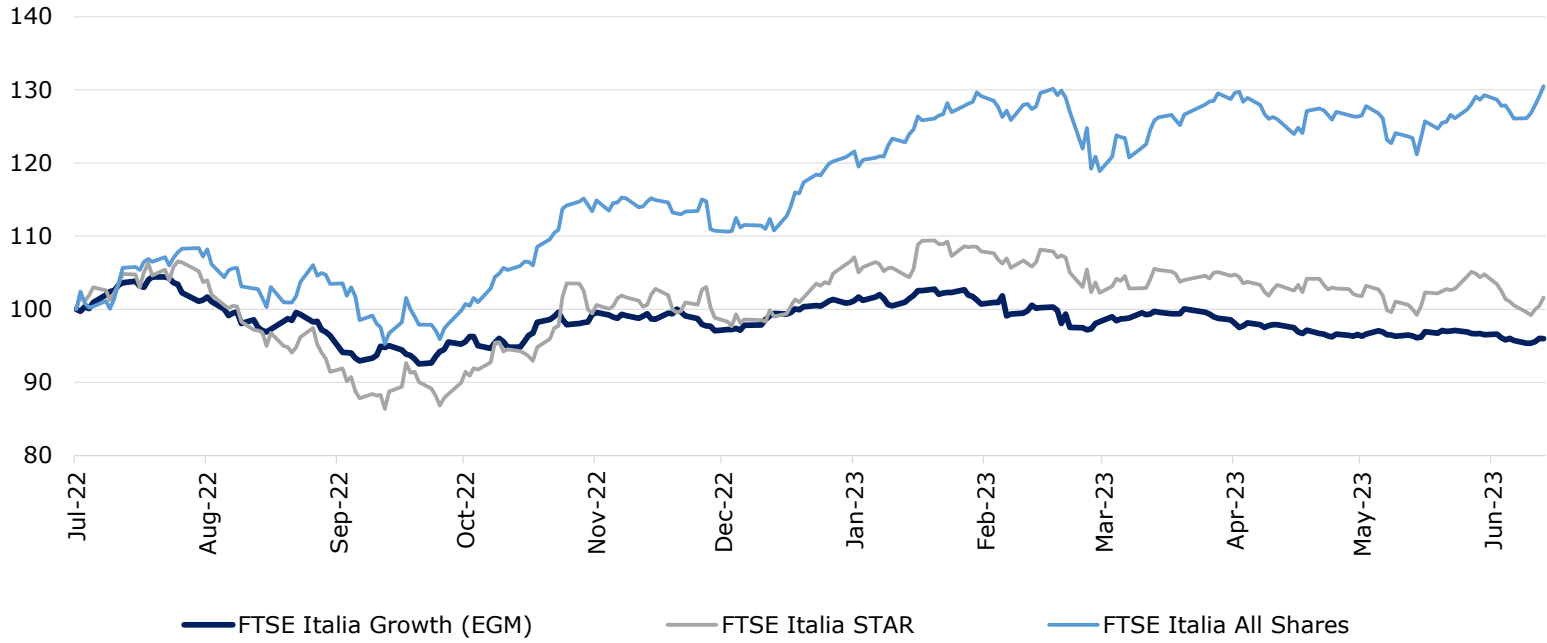
Finally, since 2009, EGM average performance has been 40.8%

26 IPO during 2022 by Sector:



EGM performance

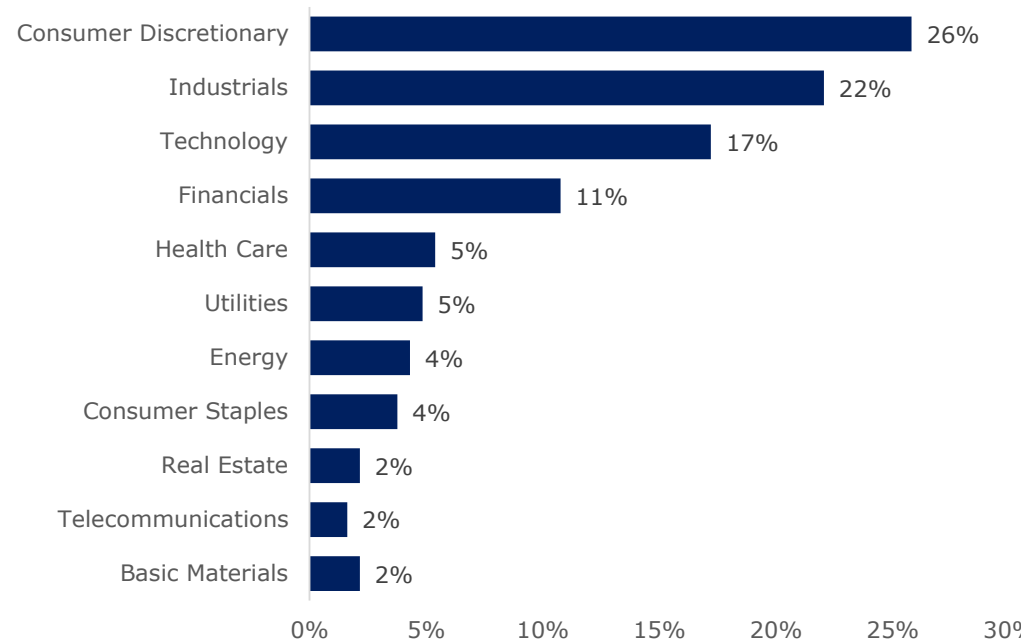
1-year relative EGM performance vs other segments



In absolute terms, last year EGM performed -4%, below +1.6% of STAR and +30.5% of FTSE Italia All Share.

EGM by sector and geography

EGM segment by Sector



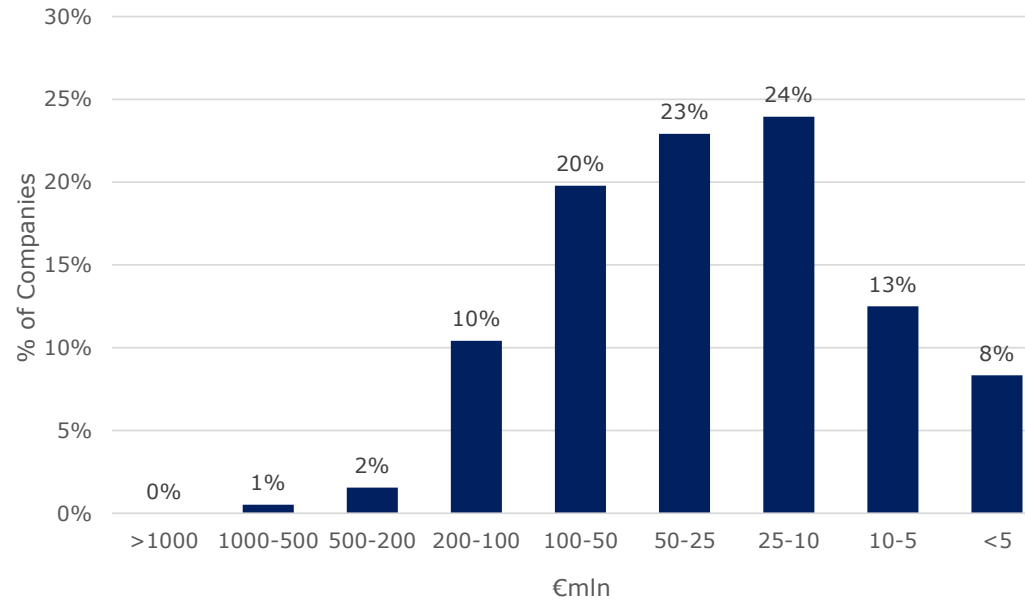
EGM segment by Region



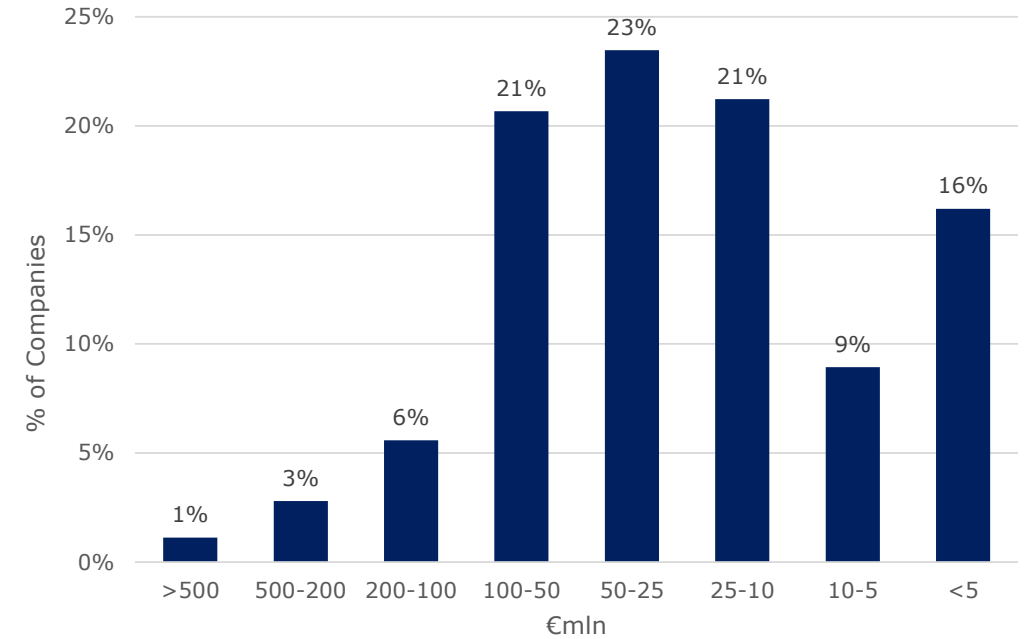
65% of companies are classified as Consumer Discretionary, Industrials and Technology. We observe a concentration of EGM companies in Northern Italy, more precisely in the Milan area.

EGM by market capitalization and revenue

EGM segment based on market capitalization (as of the 30th June)



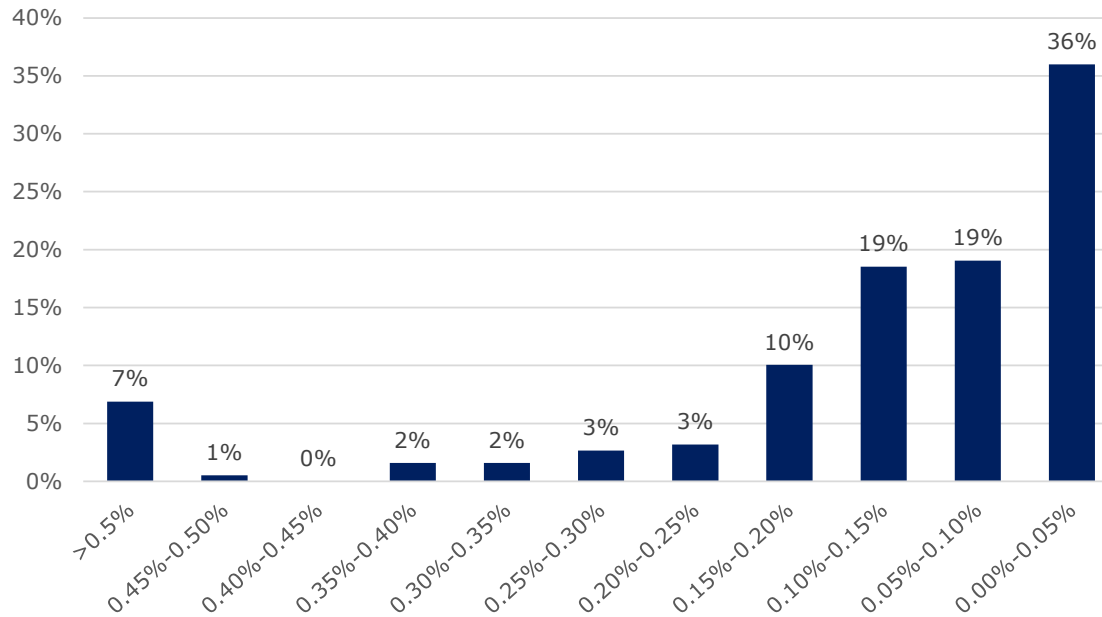
EGM segment based on FY22 Revenues



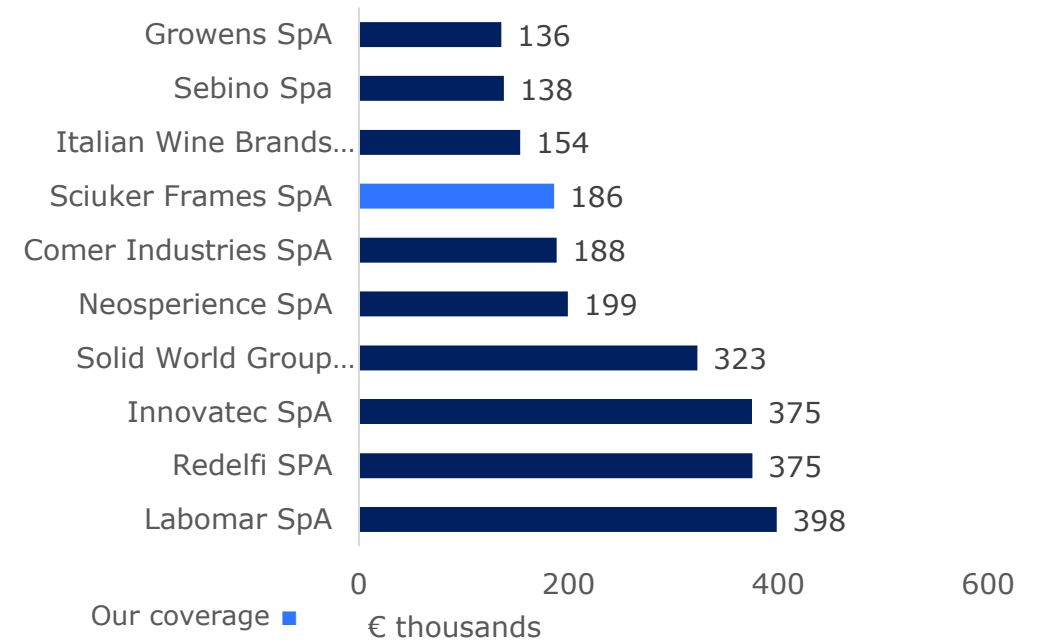
More than 85% of companies had a size below €100mIn, with ¼ in the €10-25mIn range, both in terms of market capitalization (as of the 30th June) and FY22 revenues.

EGM by daily trading volumes

3-month average daily trading value/market cap



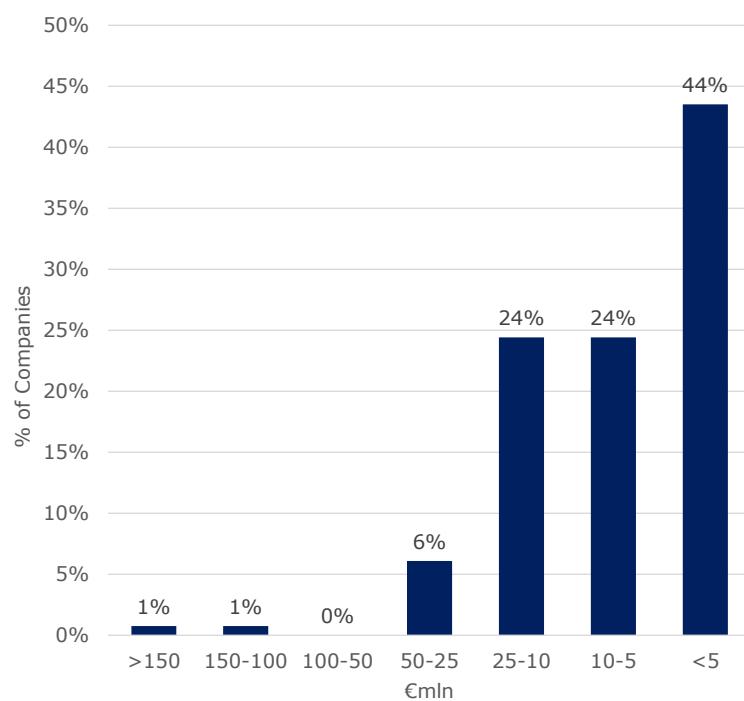
Largest 3-month average daily trading volume



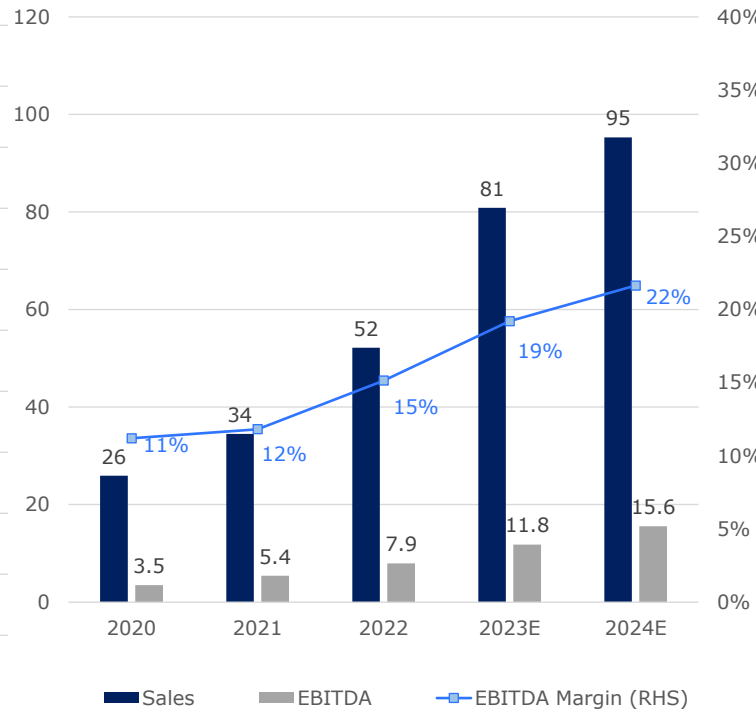
Liquidity remains the critical issue in EGM, with more than 55% of companies trading less than 0.1% of their market capitalization (average daily data of the last 3 months). Within our coverage, Sciuker Frames is among the companies with highest average daily volumes, which had been driven by size growth, even through M&A, business diversification and evolution and an effective marketing and communication policy.

EGM by EBITDA

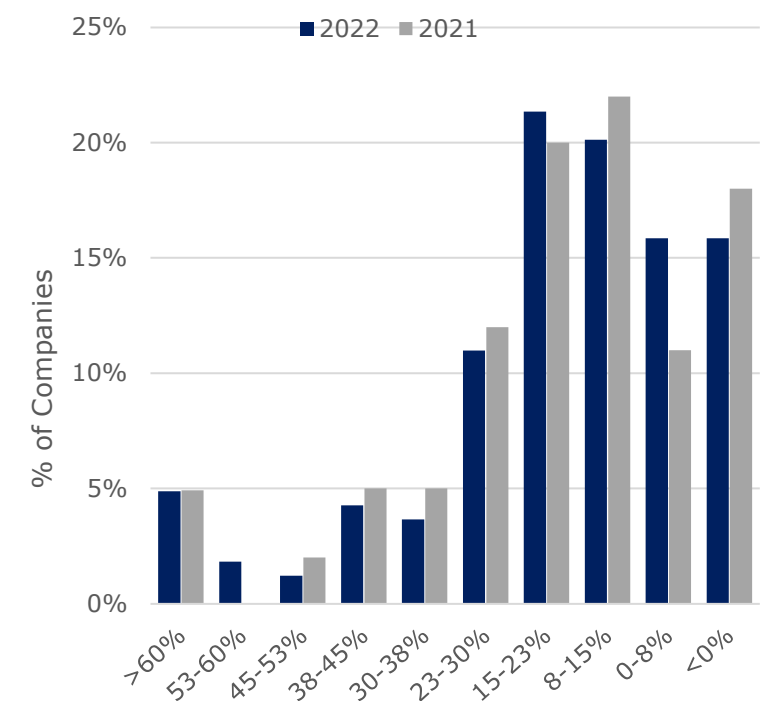
EGM segment by EBITDA 2022 range



Average Sales, EBITDA and EBITDA Margin



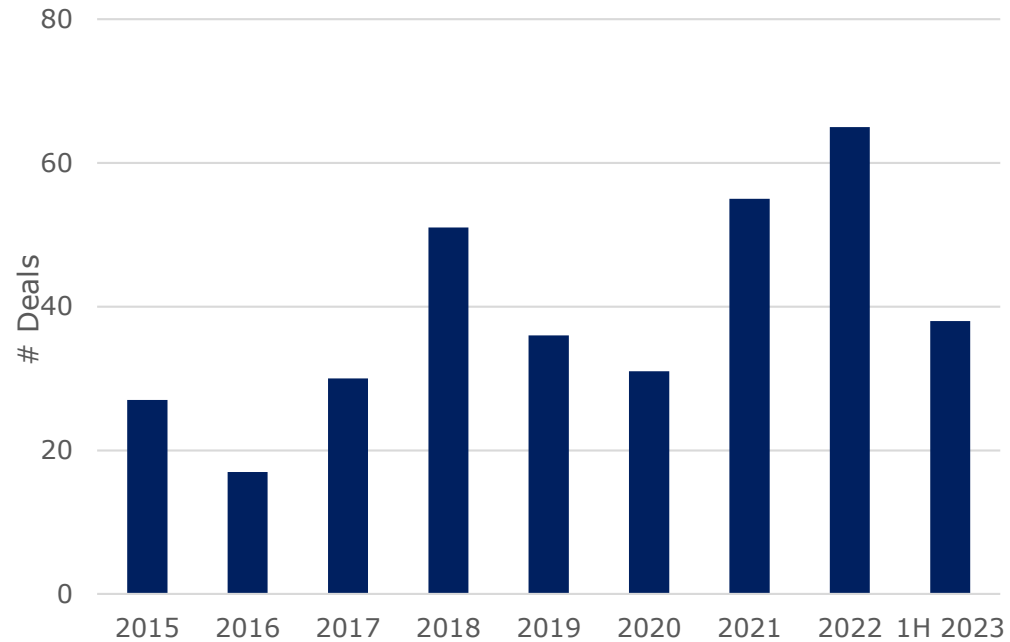
EGM segment by EBITDA margin 2022 range



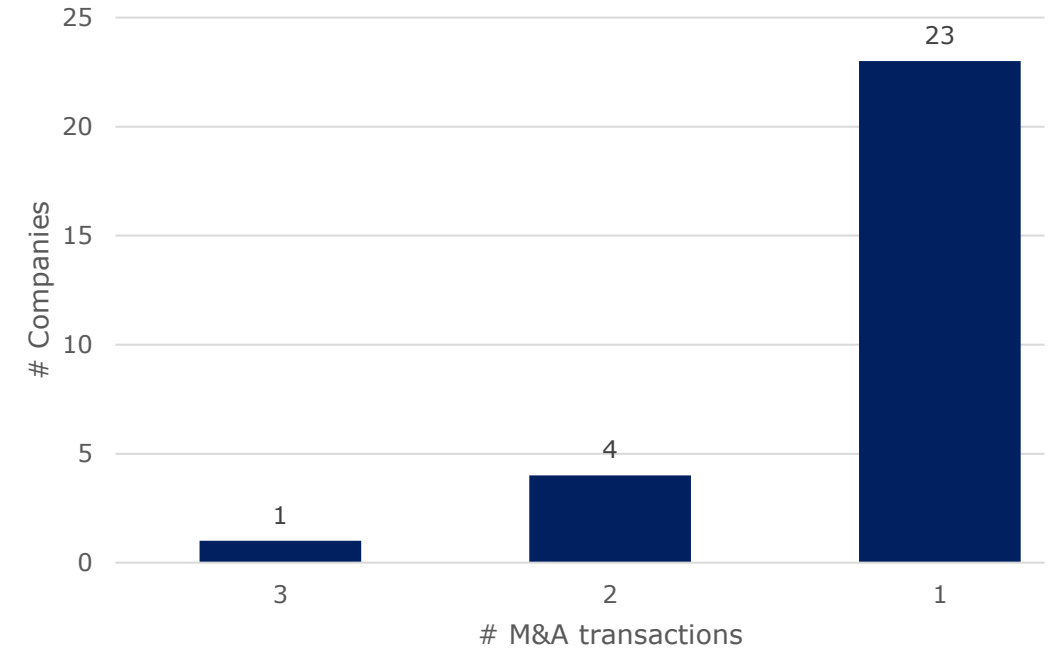
Since 2020, EGM companies have been growing in terms of revenue and EBITDA with improving EBITDA margin. Moreover, almost 50% of companies show an EBITDA margin above 16% in 2022.

M&A transactions in EGM

of M&A transaction of all EGM from 2015 to 1H23



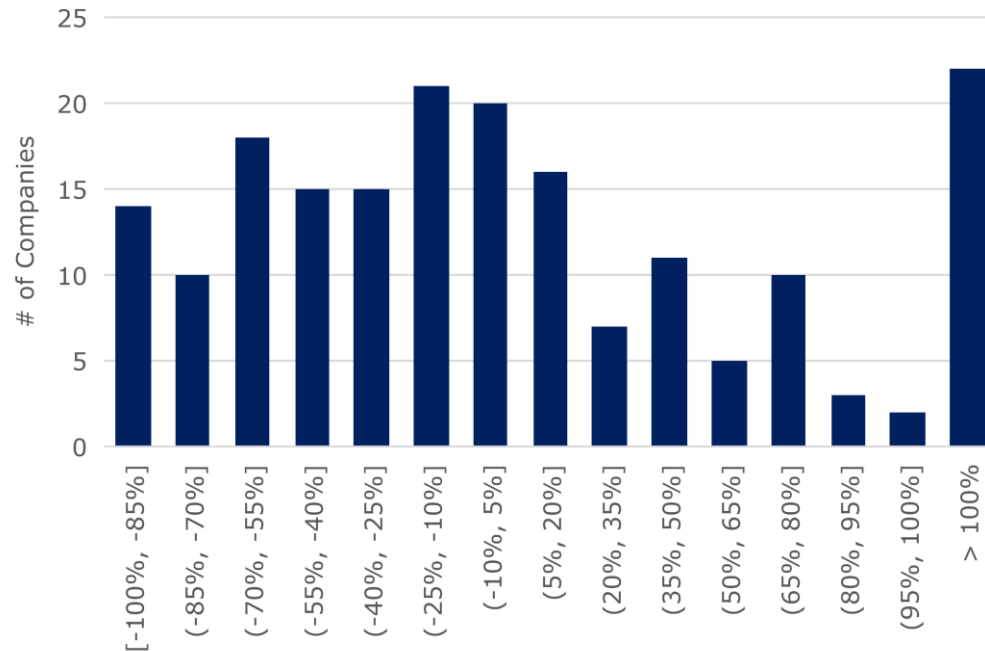
#Companies that carried out #M&A transactions in 1H23



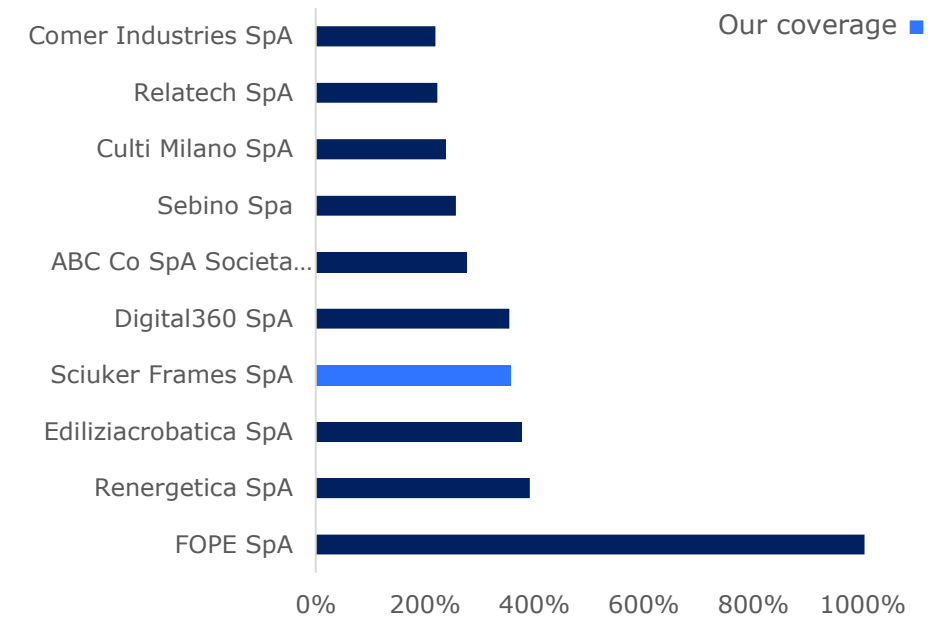
Since 2020 M&A transactions have been growing with a peak in 2022: 43 companies completed at least one acquisition. 25 companies completed at least one acquisition during 1H23, with a total of 38 deals, more than half of the 65 transactions in 2022.

EGM performance from IPO

Returns since IPO



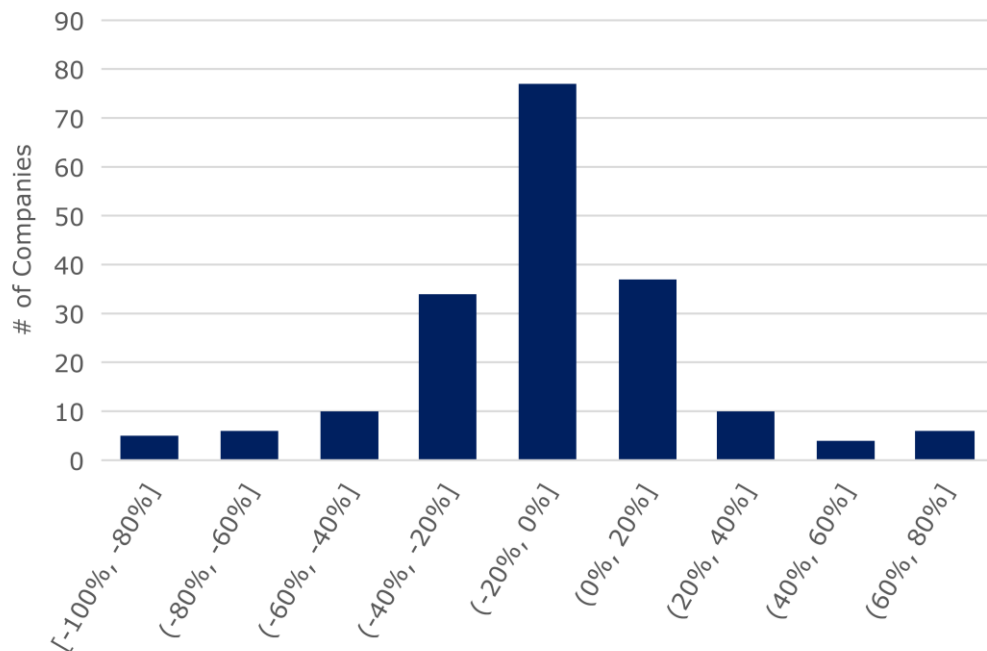
Best ten performance since IPO



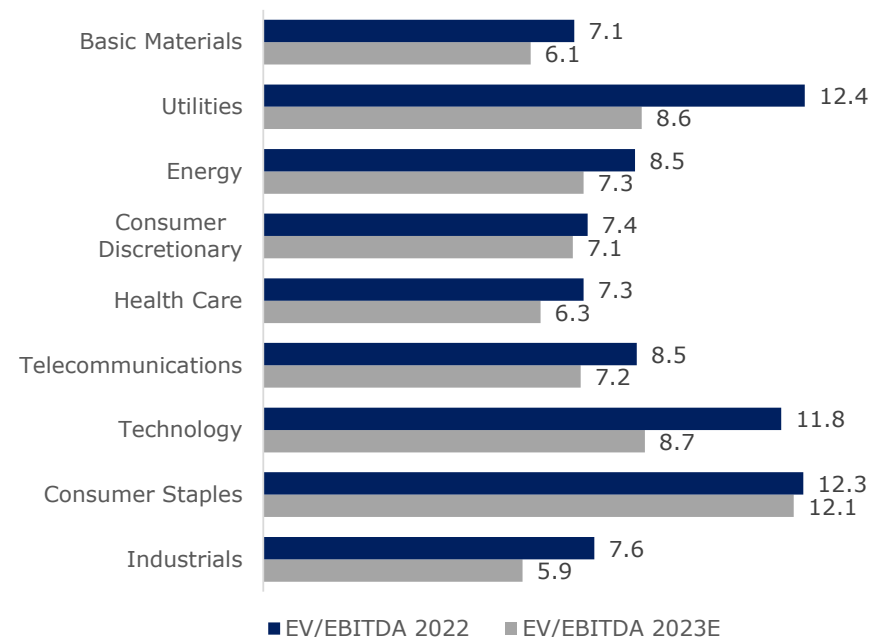
Since their IPO, 24% of EGM companies gained over 50%. Within top 10 performers, there is Sciuker, from our coverage, which price rose from €1.4 at IPO to c. €6.4 as of 30 June.

EGM performance and market multiples

1-year returns distribution (as of the 30th June)



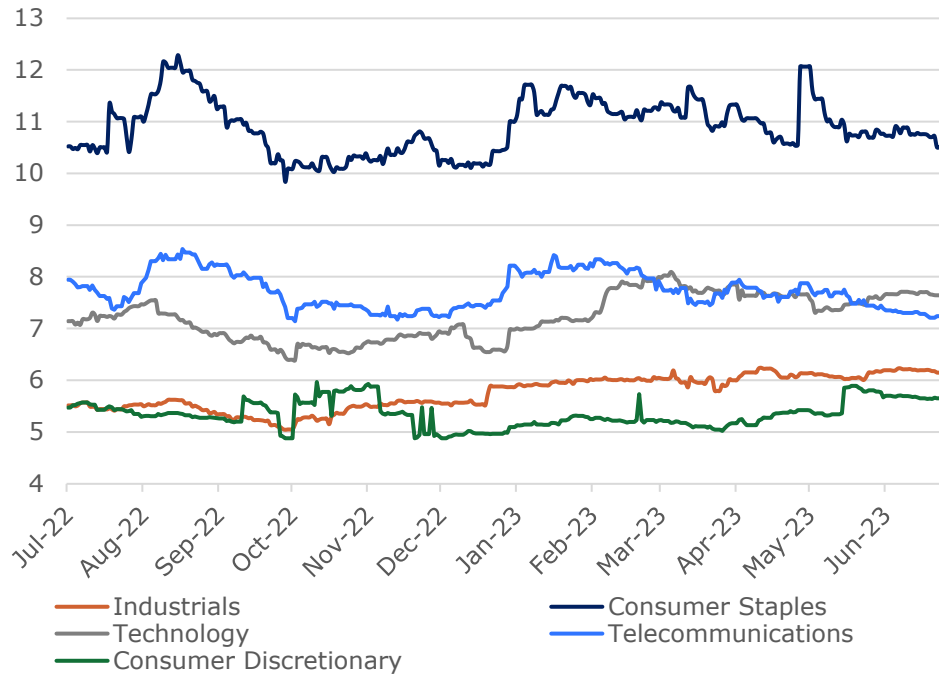
EV/EBITDA 22-23 by sector



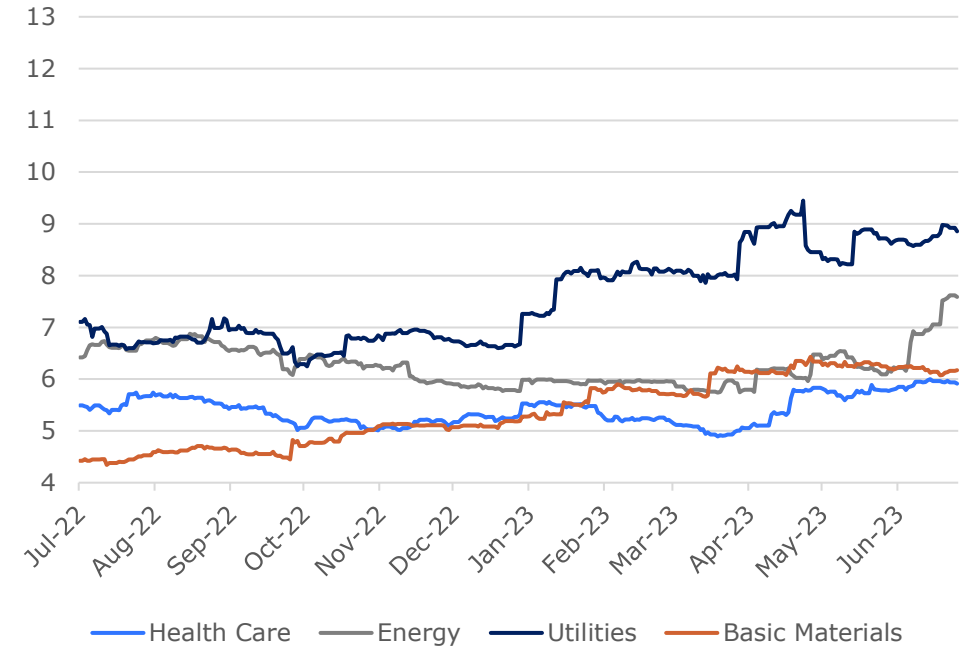
2022 was a negative year, but we observe a gradual recovery in 2Q23, with 60 companies generating positive returns in the last 12 months.

EGM historical market multiples

EV/EBITDA 22 by sector (as of the 30th June)



EV/EBITDA 22 by sector (as of the 30th June)



The first chart shows that over the last 12 months, Consumer Discretionary was the cheapest sector (average 5.4x), while Consumer Staples (average 10.9x) remained the most expensive sector in the EGM; other sectors stayed within their range.

In the second chart, Utilities is the sector with the largest re-rating (from 6.8x in 2H22 to 8.4x in 1H23) followed by Basic Materials (from 4.8x in 2H22 to 6.0x in 1H23).

Agenda



EGM ALL COMPANIES



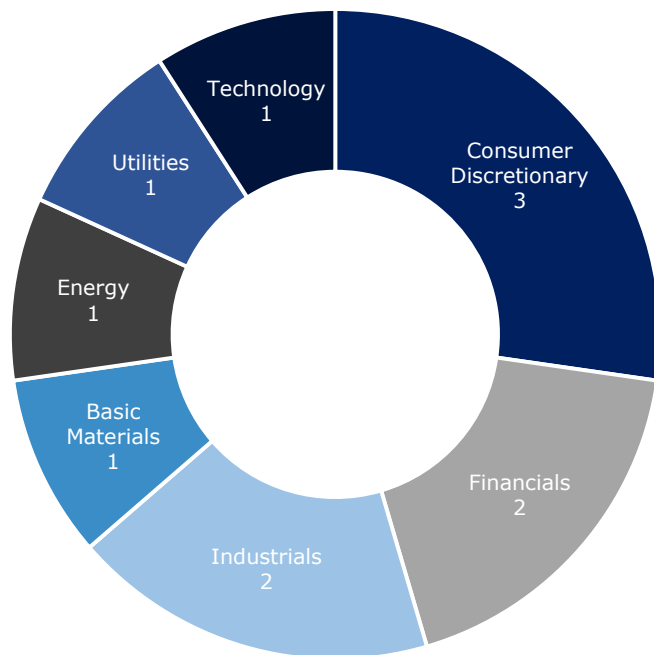
1H23 NEW LISTINGS



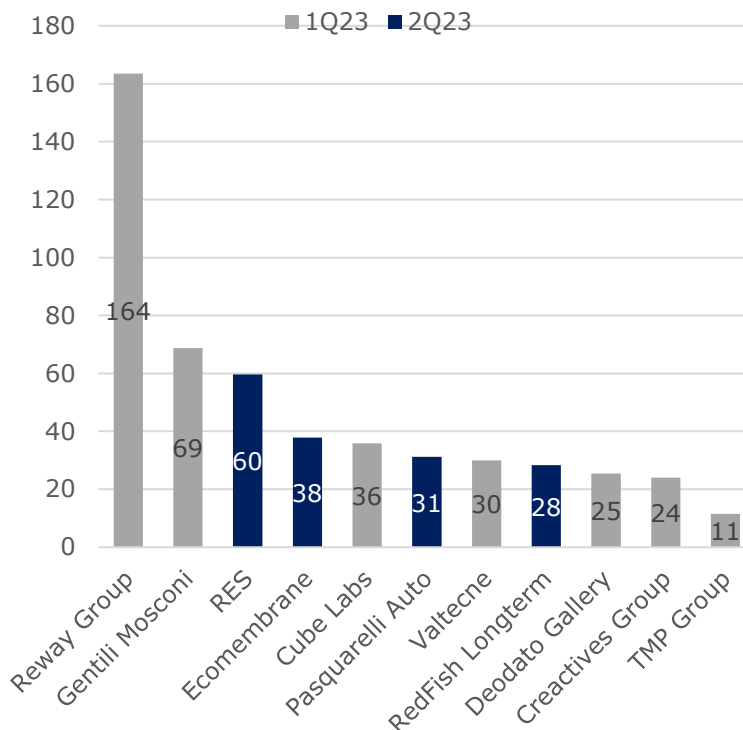
OUR COVERAGE

1H23 NEW LISTINGS BY SECTOR, MARKET CAP, TRADING VALUE

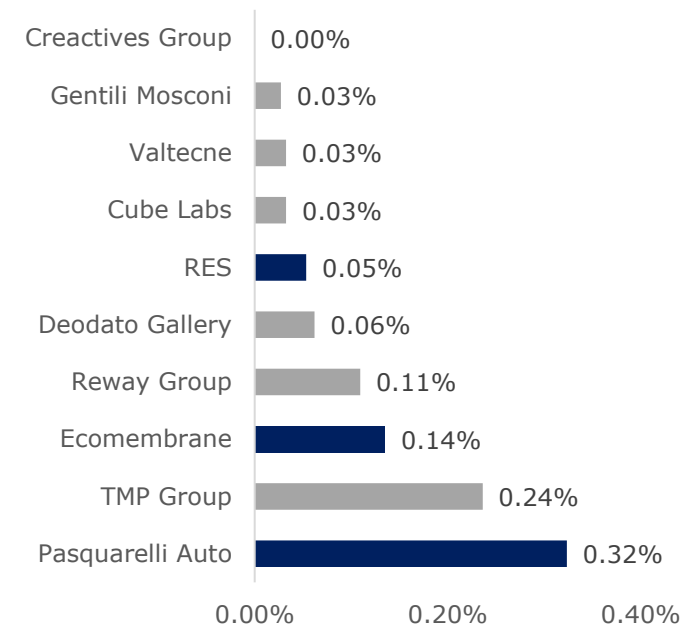
1H23 New Listings by Sector



1H23 New Listing by Market Capitalization



% of average daily trading value/market cap (3M)

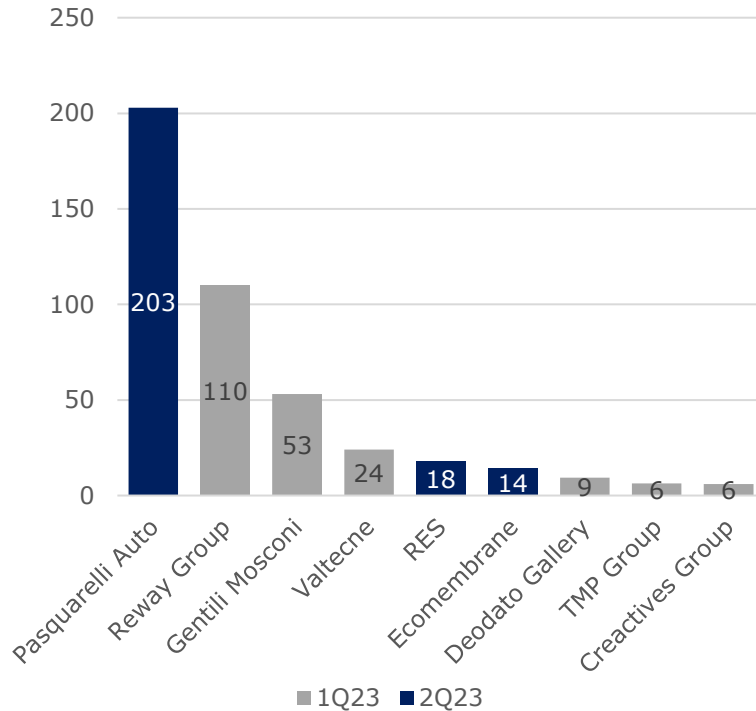


We observed a general slowdown in EGM IPO activity, with only 4 new listings during 2Q23, compared to 7 in 1Q23. We note that 4 companies left the Euronext Growth, with Unidata and CY4Gate moving to the Euronext STAR Milan while Digital Value and Technoprobe were admitted to the Euronext Milan.

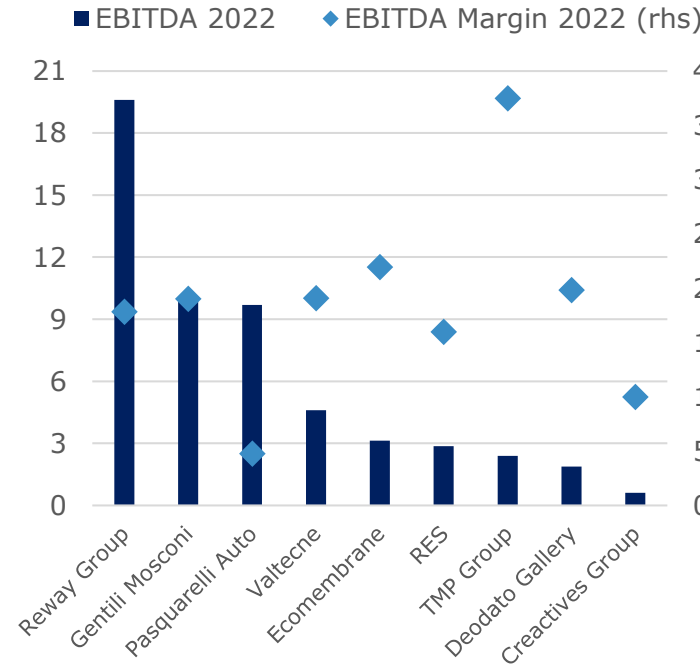
The dominant sector is Consumer Discretionary. In terms of size there is a concentration of EGM companies with a capitalization of less than €50mln. Among the new companies, Pasquarelli Auto registered the highest average daily volumes, followed by TMP Group (Our Coverage) and Ecomembrane.

1H23 NEW LISTINGS REVENUES, MARGIN and VALUATION

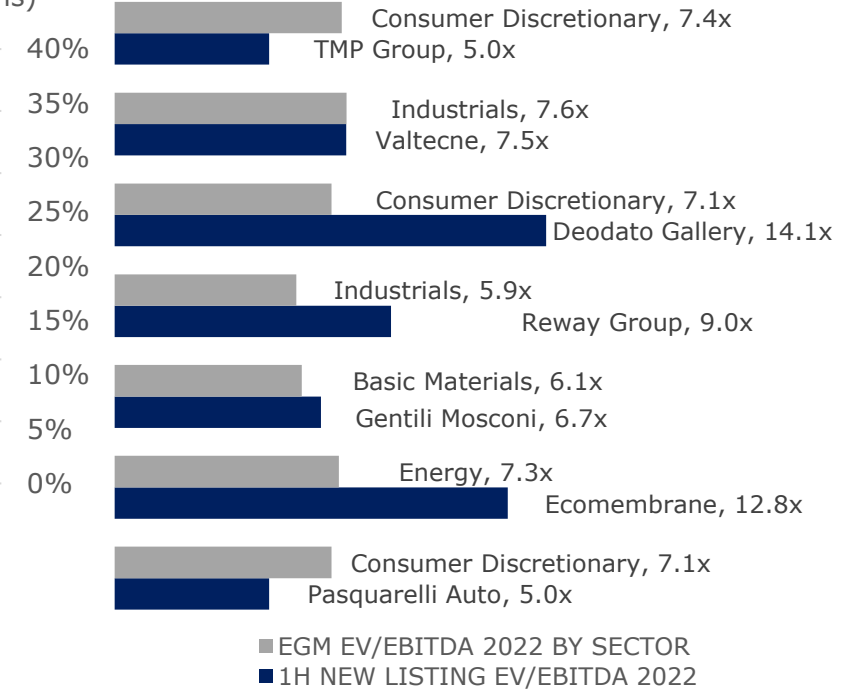
New listing by FY22 revenues



New listing by 2022 EBITDA and EBITDA margin



EV/EBITDA 22 1Q23 new listings compared to EV/EBITDA 22 by sector of all EGM companies



In 2022 Concerning EBITDA margin, TMP Group (from our coverage) has the highest value (c.37%), followed by Ecomembrane and Deodato Gallery with 22% and 20% respectively. In terms of multiples, only 3 companies show an EV/EBITDA 2022 higher than their reference sector.

Agenda



EGM ALL COMPANIES



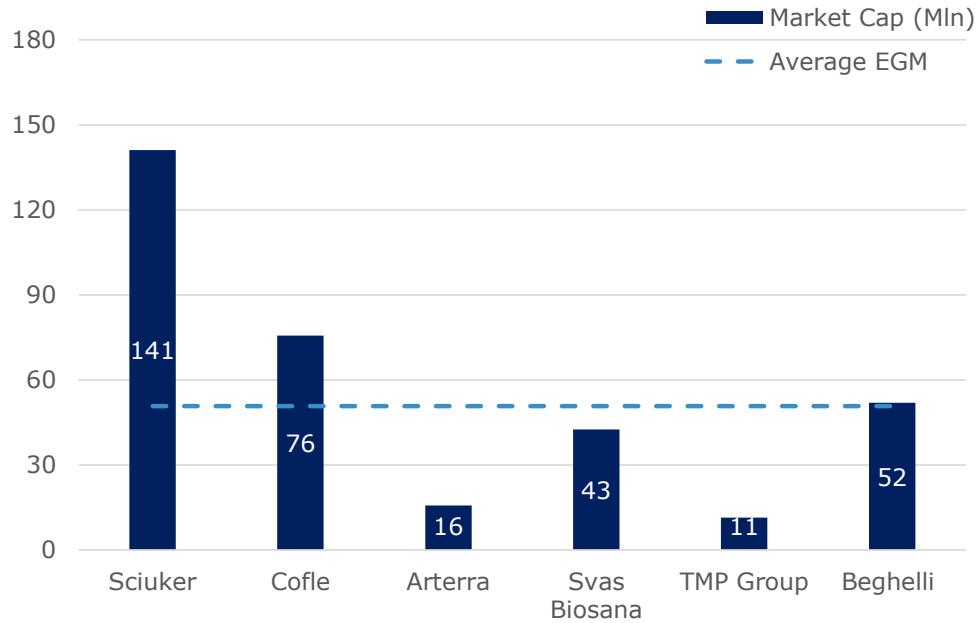
1H23 NEW LISTINGS



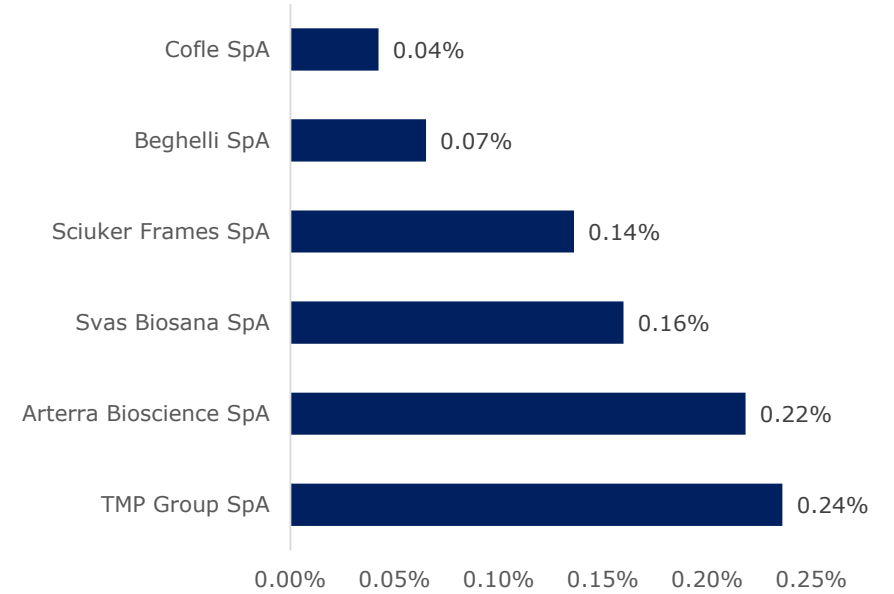
OUR COVERAGE

OUR COVERAGE

Our Coverage by Market Capitalization



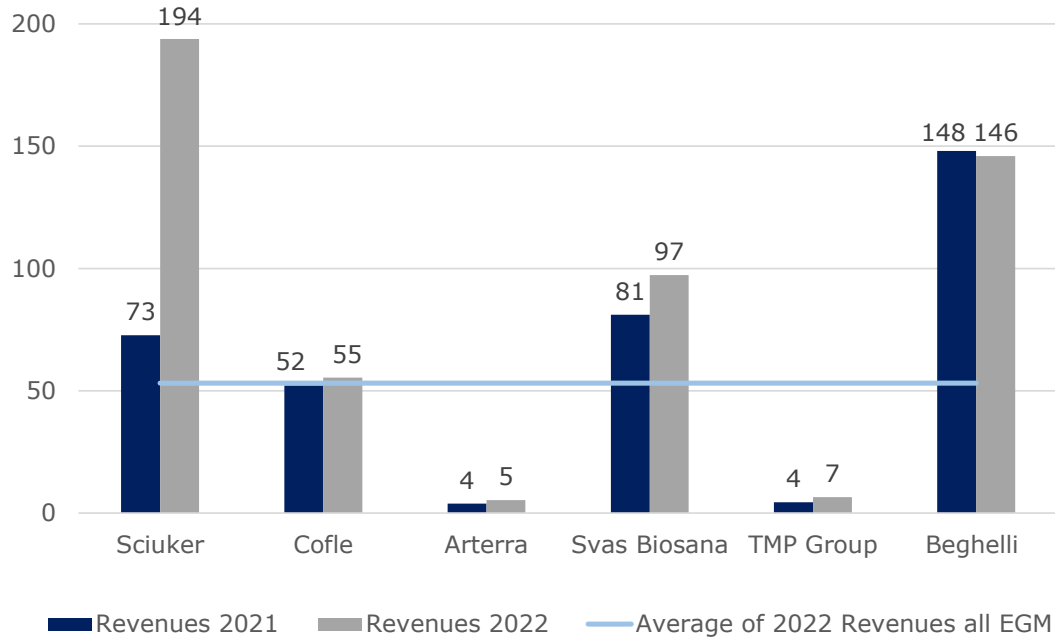
% of average daily trading value/market cap (3M)



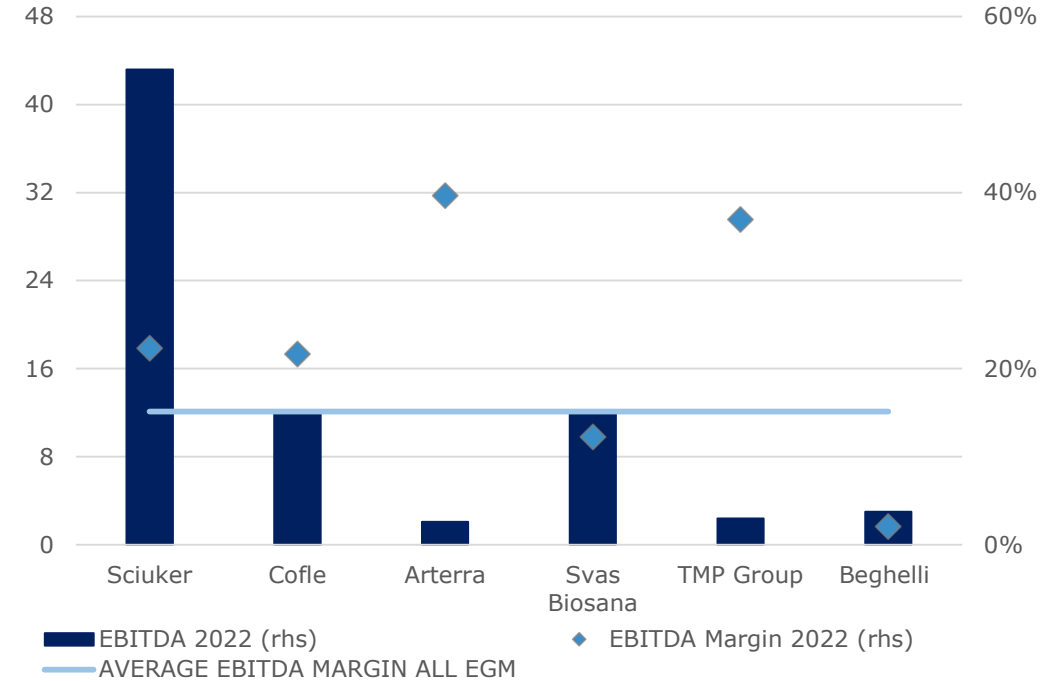
Companies in our coverage have an average market capitalization of €56mIn which is slightly above the average of all EGM companies (€49mIn). As of the 30th June, the average daily traded value of our coverage stood at 0.15%, in line with the average of the EGM.

OUR COVERAGE BY FY22 REVENUES, EBITDA and EBITDA MARGIN

Our Coverage by FY21 & FY22 revenues



Our coverage by EBITDA and EBITDA margin

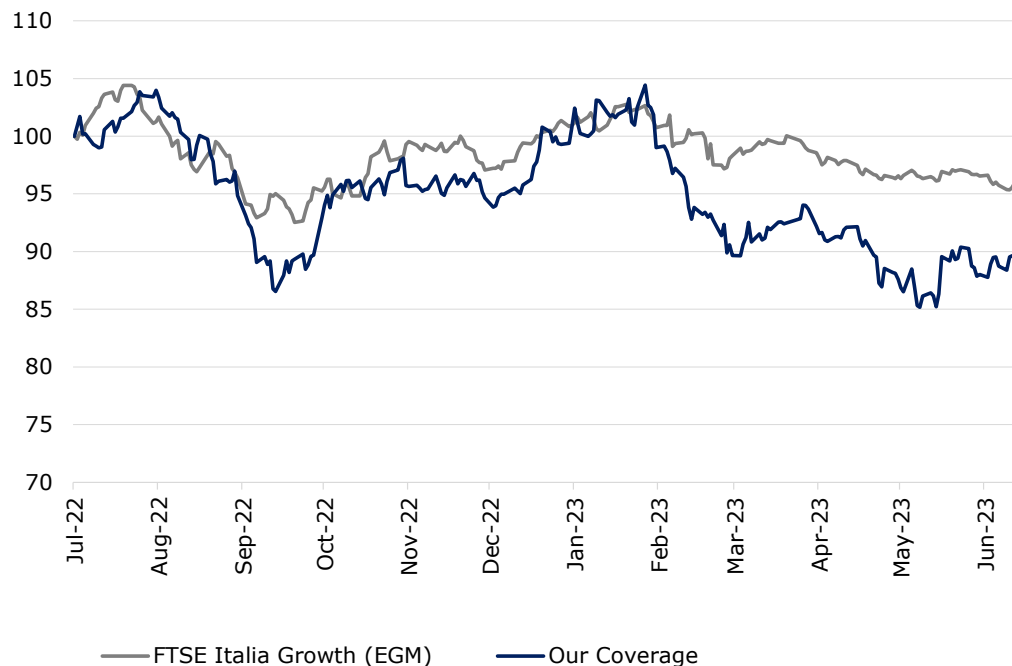


In terms of revenue all companies grew in 2022, our coverage has an average 2022 revenues of €84mln compared to the average of €52mln of the EGM.

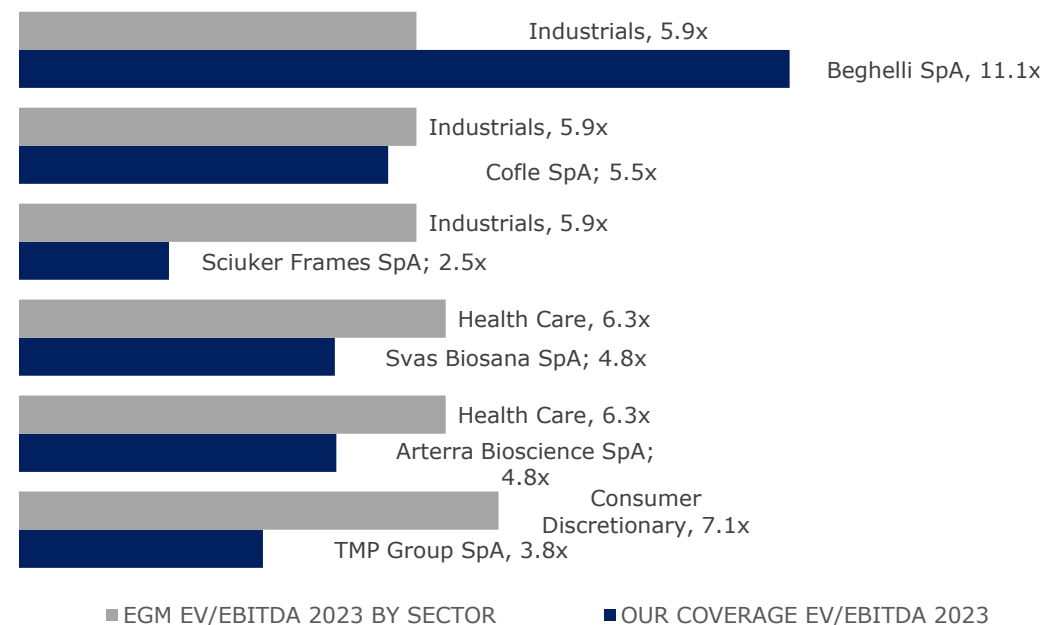
In terms of EBITDA margin, companies in our coverage have an average 2022 EBITDA margin of 25% compared to the average of 15% of the EGM.

PERFORMANCE and EV/EBITDA 2022: OUR COVERAGE vs EGM

1-Year relative performance: our coverage vs EGM segment



EV/EBITDA 2023 of our coverage compared to EV/EBITDA 2023 by sector of all EGM companies



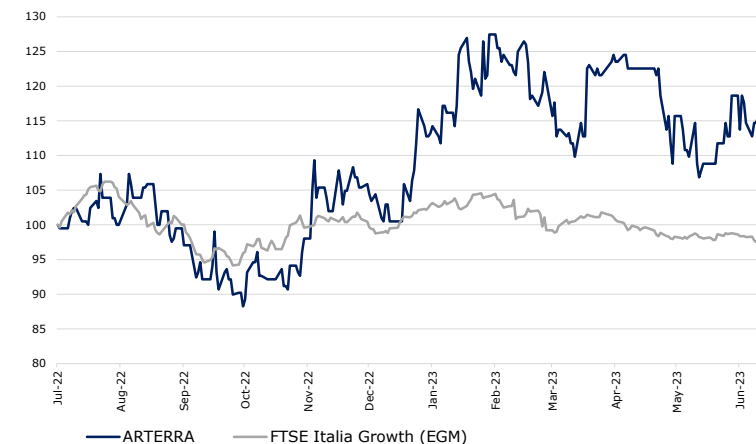
Companies in our coverage underperformed the EGM Index. Concerning EV/EBITDA 2023, our coverage trades at a discount to its corresponding macro sector. This leaves a potential upside.

- **Investment case:** Arterra keeps working on its corporate strategy to diversify into new-end markets and grow in Cosmetics even beyond Intercos and through Vitalab. In fact, the Company set up a team of experienced managers in research and extraction processes (V.Fogliano), production optimization (G. Ferrante) and business development (B. Cicatiello).
- **Business Description:** Arterra Bioscience is an Italian, innovative SME, research-based biotech company with a strong know-how in biological science and an extensive experience in screening for the discovery of new active compounds with potential multiple industrial applications, such in Cosmetics, Nutraceutical, Agriculture and Agri-food. By studying signal transduction mechanisms in plants, animals and human cells, Arterra uses its technological platforms to verify the existence of molecular activity in various type of natural resources.
- **FY2022 results:** total revenue rose by 15% yoy to €5.3mln and EBITDA increased to €2.1mln from €1.7mln in 2021 with margin improving 200bps to 40%. Cosmetic turnover was basically flat. The slowdown of revenue growth seen in the 3Q22 (cosmetic turnover growth from +28% yoy in 1H22 to +5% yoy in 9M22) has continued in the 4Q22, mainly due to China's persisting zero-Covid policy and consequent lockdowns. Raw materials and cost of services increased their weight on total revenue to 31% from 28% in 2021, due to the increase of outsourcing and to higher energy costs. Net cash at the end of 2022 was €5.5mln up from €4.2 mln at the end of 2021.
- **Market performance:** In the past year, Arterra outperformed the EGM index.
- **Multiple valuation:** Arterra trades at some 12% discount on peers' EV/Sales and more approximately 50% below its peers' EV/EBITDA.

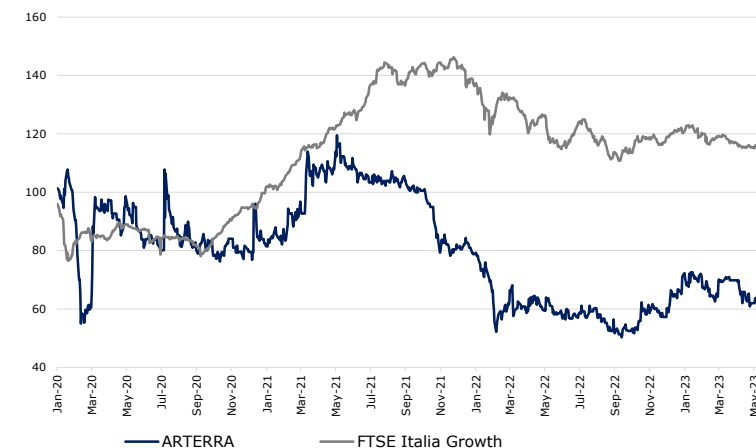
Company	EV / Sales		EV / EBITDA	
	2023E	2024E	2023E	2024E
<i>28/06/2023</i>				
BRAIN	1.9x	1.7x	26.4x	13.3x
Croda	4.3x	4.1x	16.4x	14.1x
Symrise	3.2x	3.0x	15.6x	14.6x
Evolva	1.0x	0.7x	n.m.	n.m.
Fermentalg	3.2x	1.6x	n.m.	n.m.
Plant Advanced Technologies	6.5x	3.9x	n.m.	n.m.
Novozymes	4.3x	4.1x	12.7x	11.8x
Codexis	1.2x	1.0x	n.m.	n.m.
Yield10 Bioscience	36.2x	4.3x	n.m.	n.m.
Lonza Group			20.0x	16.2x
Ashland			8.5x	8.0x
OCI NV			4.7x	4.5x
Wacker Chemie AG			6.1x	5.7x
Mean best peers	2.8x	1.8x	12.0x	10.7x
Arterra	2.4x	2.0x	6.4x	4.6x
<i>premium (discount) on best peers</i>	<i>-12%</i>	<i>12%</i>	<i>-47%</i>	<i>-57%</i>

Fonte: Banca Profilo Research, Bloomberg, Factset

1-year Relative Performance

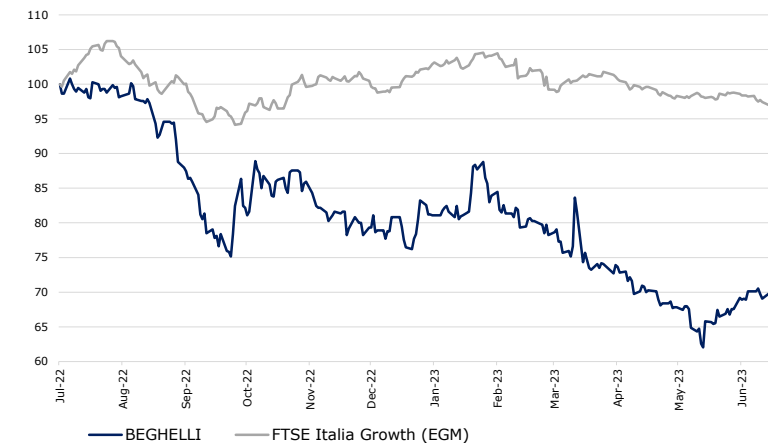


Relative Performance since IPO



- **Business Description:** Beghelli Group is an Italian company specialized in projecting, developing, manufacturing, and marketing emergency and non-emergency lighting systems for industrial plants and home use. To a lesser extent, the Company is engaged in manufacturing electronic systems for domestic and industrial safety and in developing and producing safety wearable electronic devices..
- **Investment case:** Global Energy savings targets is expected to continue to drive the demand for LED lighting and new technologies and one of main drivers in the Industry. Recent development in light-emitting diode technology has allowed LED lighting products to penetrate the commercial lighting market, with enormous potential for growth. Also, within the Emergency (lighting), the increasing attention to energy-saving is pushing the penetration of LEDs also in this sub-industry, which is expected to witness significant growth.
- **FY2022 results:** Total Revenues decreased by €2mIn to €145.9mIn. Describing the revenues by segment, Lighting sales came in at €139.3mIn (+1.3% yoy), while Other Revenues stood at €6.6mIn (-37% yoy). EBITDA came in at €3mIn, a decrease of €12.1mIn compared to FY21. At the end of December 2022, Net Debt rose to €61.9mIn from €42.8mIn at the end of 2021 significantly higher than expected cash absorption by Operating Net Working Capital, especially stock piling, and higher investments.
- **Market performance:** Beghelli performed in line with EGM Index, since its IPO.
- **Multiple valuation:** Beghelli trades at premium on peers' EV/EBITDA 2023-2024E at some 70% and 20% respectively.

1-year Relative Performance



Relative Performance since IPO



Company	EV / EBITDA		
	28/06/2023	2023E	2024E
Zumtobel Group AG		3.2x	3.3x
Signify NV		5.5x	4.9x
Fagerhult AB		11.1x	10.7x
Lena Lighting S.A.		5.3x	5.0x
Dialight plc		7.1x	6.3x
Acuity Brands, Inc.		8.5x	8.5x
Mean		6.8x	6.5x
Median		6.3x	5.7x

Beghelli	10.8x	7.1x
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premium (discount) on median 71% 26%

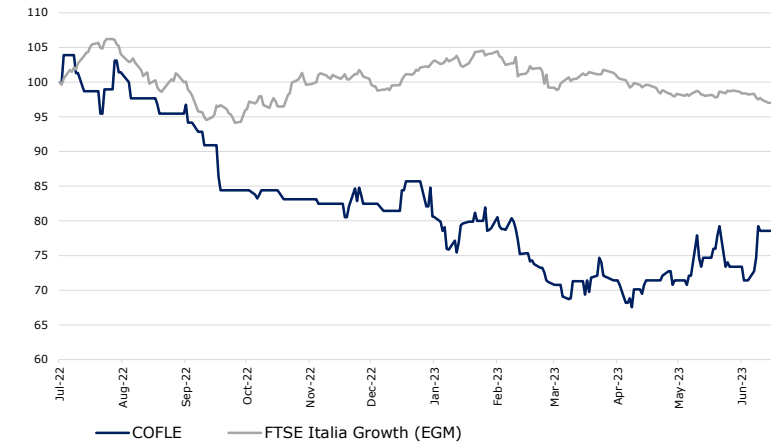
Fonte: Banca Profilo Research, Bloomberg, Factset

- **Business Description:** Cofle is a multinational company operating as Original Equipment Manufacturer (OEM) mainly for top worldwide producers of Agricultural & Earthmoving machineries, but also for Luxury Automotive and Light Commercial vehicles manufacturers. Cofle is also active in the Aftermarket, specialized in the production of automotive aftermarket parts on a global scale. Key competitive advantage is leveraging on its established local presence especially in Turkey and India to lower production costs and boost market shares.
- **Investment case:** The OEM division is exposed to solid underlying growth trends in Agriculture, such as the European Stage V Regulation to reduce pollutant emissions from off-road. Moreover, in 2023, the Company should benefit from the production ramp-up of the INEOS Grenadier and the development of its new French subsidiary.
- **FY2022 results:** Consolidated revenues increased by 6% yoy to €55.4mln, with OEM turnover up by 20% yoy to €38.8mln, whereas the Aftermarket sales declined by 17% yoy to €16.6mln. Total revenue increased by 5% to €58mln. EBITDA was €12mln declining by 7% yoy with EBITDA margin losing more than 2pp to 21% due to higher raw materials cost which had only partially transferred to final customers. EBIT came in at €8.4mln, declining by 19% yoy due to higher amortization, while net profit was €2.6mln, down by 71% yoy. Net profit declined significantly because Turkey had been added to the list of hyperinflationary countries by the IMF, therefore a €4.1mln charge was added to comply with specific accounting standards (which does not affect cash) as Cofle operates a Turkish division. Net cash decreased to €0.8mln from €3.6mln at the end of June 2022. Cofle BoD approved a €0.25DPS.
- **Market performance:** In the past year, Cofle underperformed the EGM index.
- **Multiple valuation:** Cofle trades at some 16% discount on peers' EV/EBITDA 2023-24.

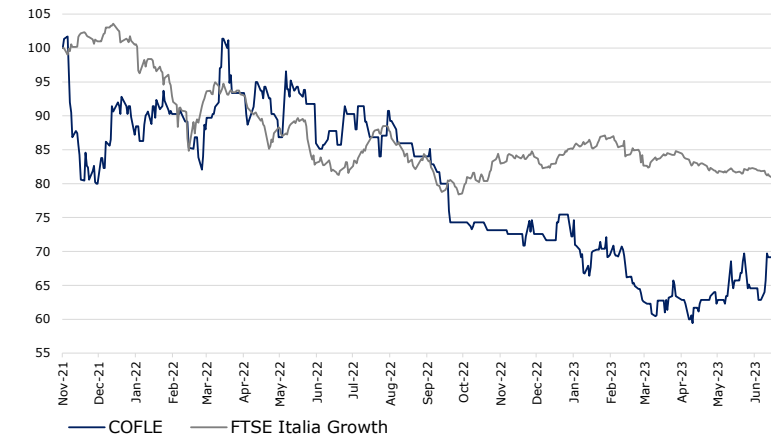
Company	EV / EBITDA	
28/06/2023	2023E	2024E
Brembo SpA	7.2x	6.6x
Comer Industries SpA	5.3x	5.0x
SKF AB	6.2x	6.0x
CIE Automotive SA	6.5x	6.1x
Kongsberg Automotive ASA	5.0x	4.7x
Suprajit Engineering Ltd	12.9x	10.7x
Mayville Engineering Co Inc	6.3x	5.5x
SAF-Holland SE	5.6x	5.5x
Mean	6.9x	6.3x
Cofle SpA	6.0x	5.1x
<i>premium (discount) on mean</i>	<i>-13%</i>	<i>-18%</i>

Fonte: Banca Profilo Research, Bloomberg, Factset

1-year Relative Performance



Relative Performance since IPO

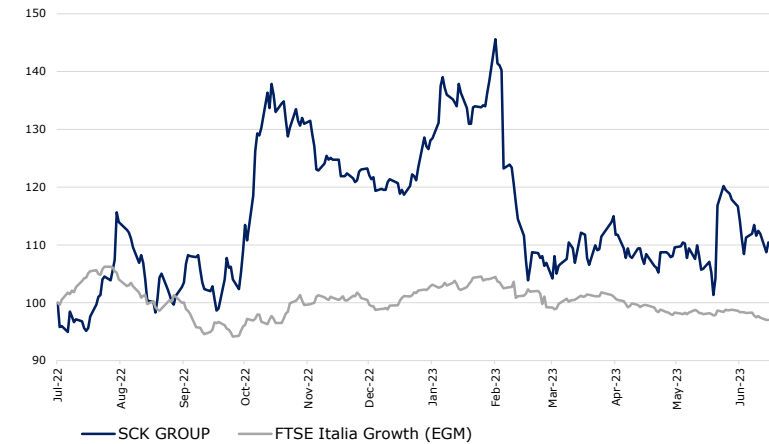


SCIUKER FRAMES

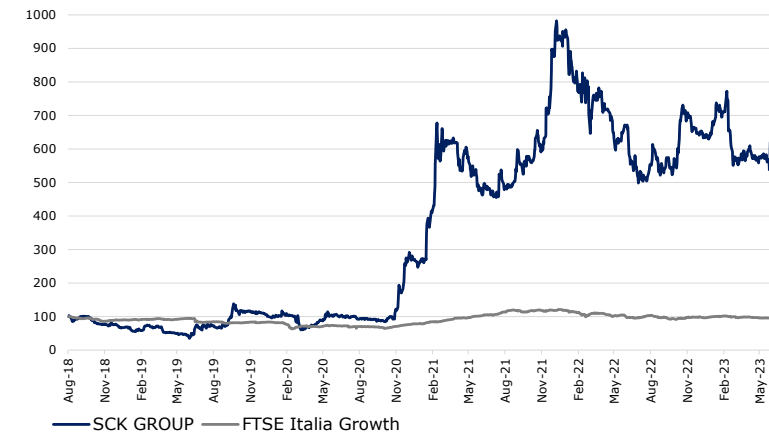
Reccomendation	BUY
TP	€15.1

- Business Description:** SCK Group is the leading Italian company in the design and production of environmentally sustainable windows and has established the first Made in Italy window and sunscreen design cluster. Through Ecospace, SCK Group offers solutions for achieving thermal insulation and increasing the energy efficiency of residential buildings. Following the Teknika acquisition, SCK Group has become the first “Centre of Frames” with a Made-in-Italy design. The Group has set up its HOLE BOX, a complete and integrated offering including frames, fixtures and accessories ready able to upgrade the energy class of the Italian residential housing market.
- Investment case:** There are approximately 25mln residential buildings in Italy and around 60% of these are in inefficient energy classes (class F-G), responsible for 45% of CO2 emissions. According to Eurostat, 40% of the population intends to renovate their homes in the next 3-5 years. The “window” plays a crucial role in urban development and energy efficiency upgrade of our cities. The European Commission is committed to a 55% reduction in GhG by 2030 (compared to 1990) and to become the first climate-neutral continent by 2050. Moreover, the Paris agreement set the 1.5°C target for our planet temperature and calls for countries to take concerted climate action to reduce gas emission and limit global warming.
- FY2022 results:** confirming strong VdP growth at €193.8mln (+88.3% yoy) above budget target of €175mln. The revenue breakdown was: Industrial pole with €92mln (+57% yoy) and Ecospace with €101.8mln (+109% yoy). EBITDA increased by 50% yoy to €43.2mln with margin contracting to 22.3% (27.2% in 2021). Net income came in at €20.7mln (+38.8% yoy). At the end of 2022 Net Cash stood at €1.4mln, improving from net debt of €2.2mln at the end 2021 due to higher Fixed investments.
- Market performance:** SCK Group significantly outperformed the EGM index since its IPO.
- Multiple valuation:** SCK Group trades at some 45% and 50% discount on peers’ EV/EBITDA 2023-24E, respectively.

1-year Relative Performance



Relative Performance since IPO



Company	EV / EBITDA	
	2023E	2024E
Deceuninck NV	4.1x	3.8x
Inwido AB	5.8x	5.7x
Eurocell Plc	4.5x	4.0x
SafeStyle UK Plc	2.3x	1.3x
Apogee Enterprises	7.1x	6.8x
Pgt innovations	8.6x	8.3x
Ediliziacrobatica	3.9x	3.6x
Nusco	6.9x	5.5x
Median	5.1x	4.7x
Sciuker Frames	2.9x	2.3x
<i>premium (discount)</i>	<i>-44%</i>	<i>-50%</i>

Fonte: Banca Profilo Research, Bloomberg, Factset

SVAS BIOSANA

Reccomendation

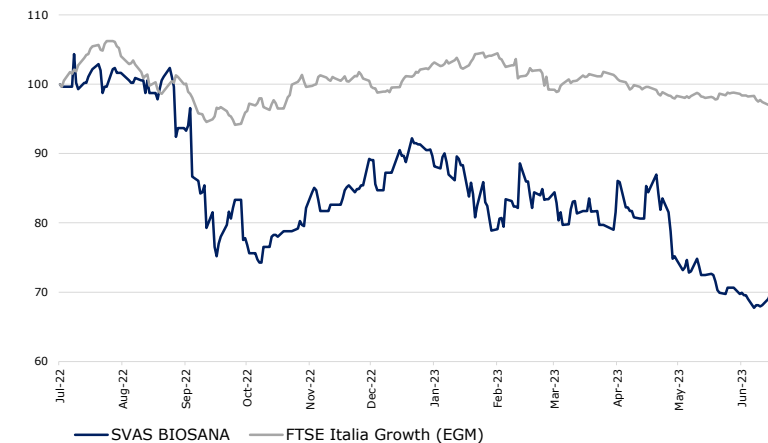
BUY

TP

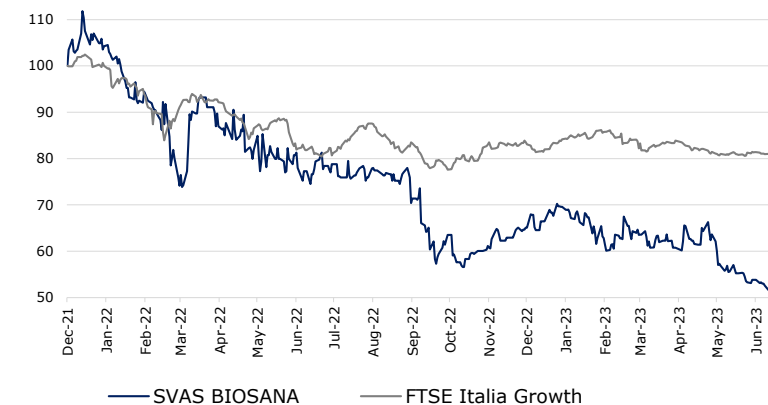
€17

- **Business Description:** Svas operates in Medical Devices, acting as a producer and distributor through 5 business units. Farmex produces and sells incontinence products; Svas distributes consumables addressed to a vast range of medical and surgical situations; Medical produces and sales procedural packs; Mark Medical and Bormia are both distributors of medical devices in foreign countries (Slovenia, Croatia, Serbia, Bosnia and Herzegovina).
- **Investment case:** Svas Biosana has a solid M&A track record highlighted by the recent acquisition of Bormia; moreover, the Company plans to expand its products range with focus on the incontinence business, medical gel portfolio, pain therapy products and custom packs.
- **FY2022 results:** Revenue increased by 20% yoy (7% like-for-like) to €97.3mln. Revenue breakdown by Business unit (including €1.7mln infra-group sales) is as follows: Farmex €29.6mln, Svas €20.7mln, Medical €9.2mln, Mark Medical €32.8mln, Bormia's (consolidated in 2H22) €6.6mln. Most of growth was volumes driven and only partially (especially Farmex) was price driven. EBITDA increased by 12% yoy to €11.9mln, while the margin contracted by 1pp to 12%, due to higher raw materials costs. EBIT increased by 8% yoy to €6.3mln with margin at 6%, also due to €0.3mln provision against the risk related to the Payback institution set for the medical devices sector, activated retroactively in 2022 for the period 2015/2018. Net income was up by 13% at €3.6mln (-23% below our estimates).
- **Market performance:** In the past year, Svas Biosana underperformed the EGM index.
- **Multiple valuation:** SVAS Biosana trades at some 70% discount on peers' EV/EBITDA 2023-24.

1-year Relative Performance



Relative Performance since IPO

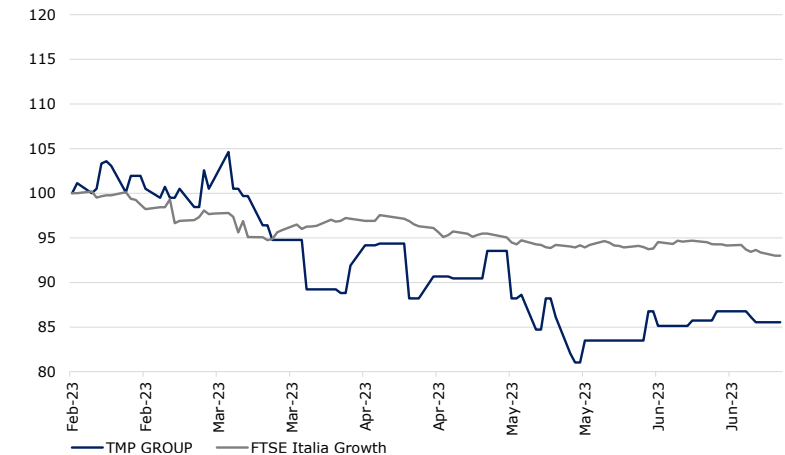


Company	EV / EBITDA	
	2023E	2024E
28/06/2023		
GVS SpA	12.7x	10.6x
Medtronic PLC	15.9x	14.6x
Coloplast A/S	24.6x	22.0x
ConvaTec Group PLC	13.2x	11.7x
Stryker Corp	24.0x	21.6x
Becton Dickinson & Co	16.7x	15.6x
Cardinal Health Inc	9.9x	8.9x
Terumo Corp	18.5x	16.6x
Teleflex Inc	14.9x	13.8x
Integra LifeSciences Holdings	11.9x	10.7x
Shandong Weigao Group Medical	8.6x	7.6x
Ontex Group NV	8.8x	7.2x
Medica SpA	7.3x	5.8x
Mean	15.0x	13.4x
Svas Biosana SpA	4.6x	4.0x
<i>premium (discount) on mean</i>	<i>-69%</i>	<i>-70%</i>

Fonte: Banca Profilo Research, Bloomberg, Factset

- **Business Description:** TMP Group provides digital communications solutions and designs hybrid events with high technological content. The Group organizes physical, digital and hybrid events through its Experience division; it provides technological services in relation to NFTs, metaverse, VR and AR, through its Technology division; it carries out marketing activities as a digital agency with its Digital unit and creates video and podcasting content with its Production department.
- **Investment case:** the Company is involved in sectors with solid underlying growth such as Media & Entertainment, Advertising spending on social media channels and AR & VR markets. TMP Group has transversal capabilities that enable cross-divisional synergies, up-selling different services as well as gaining new potential clients given the extensive range of offering. Finally, the Company superior marginality compared to competitors represents a competitive advantage.
- **FY2022 results:** Total revenues were €6.5mln (+14% yoy vs FY21 pro-forma), in line with Company's indications during the prelisting roadshow. The revenue breakdown was: Digital with €0.9mln up by 39% yoy, Production with €0.7mln by 66% yoy, Experience with €2.7mln up by 2% and Technology with €2mln up by 29%. EBITDA increased by 50% yoy to €2.4mln, with the margin expanding to 36.6% (+8.8pp yoy) thanks to the yoy decrease in cost of services. EBIT declined to by 19% yoy to €1.2mln with the margin contracting to 18% mainly in relation to receivables write-off. At the end of FY22 net debt decreased to €353k from €635k, which comprises €0.7mln of liquidity, €0.7mln Long-term debt and €0.4mln Short term debt.
- **Market performance:** TMP Group underperformed the EGM index since the IPO.
- **Multiple valuation:** TMP Group trades at some 67% discount on peers' EV/EBITDA 2023-24.

Relative Performance since IPO



Company	EV / EBITDA	
	2023E	2024E
28/06/2023		
Websolute SpA	5.1x	4.4x
Digital360 SpA	7.5x	6.3x
Publicis Groupe SA	7.1x	6.8x
Alkemy SpA	6.1x	5.5x
WPP PLC	6.4x	6.1x
Interpublic Group of Cos Inc/T	9.9x	9.5x
Entravision Communications Co	6.1x	4.2x
S4 Capital PLC	5.2x	4.2x
Dentsu Group Inc	5.6x	5.2x
Mean	6.6x	5.8x
TMP Group	2.4x	1.8x
<i>premium (discount) on mean</i>	<i>-63%</i>	<i>-70%</i>



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