



EGM Analysis – 2023

16 January 2024

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Agenda



EGM ALL COMPANIES



2023 NEW LISTINGS



OUR COVERAGE



EGM in 2023

Euronext Growth Milan is dedicated to dynamic and competitive listed SMEs seeking capital to finance growth through a balanced regulatory approach. Euronext Growth Milan offers a simplified path to listing, compared to the Euronext Milan, with minimum access requirements and fulfilments tailored to SMEs.

At the end of December 2023,

- EGM included **202 companies**, of which **33 new listings** and a SPAC. In 2022, there were 26 IPOs.
- EGM collected **€205mln** through **IPO proceeds** (including greenshoe option if exercised), with an average of €6.4mln.
- 2 companies moved from EGM to STAR (Unidata and Cy4gate).
- 3 companies moved from EGM to Euronext Milan (EXM) (Technoprobe, Digital Value and Comer).
- The **average market capitalization** was €39mln.
- Total market capitalization was €9.1bn.

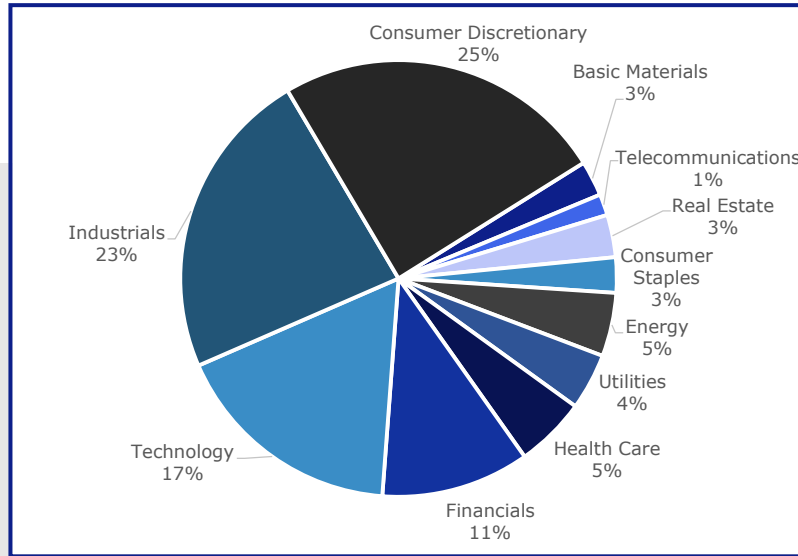
Moreover, in 2023 Sicily by Car was combined with the SPAC Industrial Stars of Italy 4. This transaction was worth €100mln of which €61mln as a capital increase.

EGM by sector and geography



At the end of 2023, ~65% of companies were classified as Consumer Discretionary, Industrials and Technology.

EGM companies come mainly from the North of Italy, more precisely from the Milan area.



EGM segment by Sector
(as of December 29)



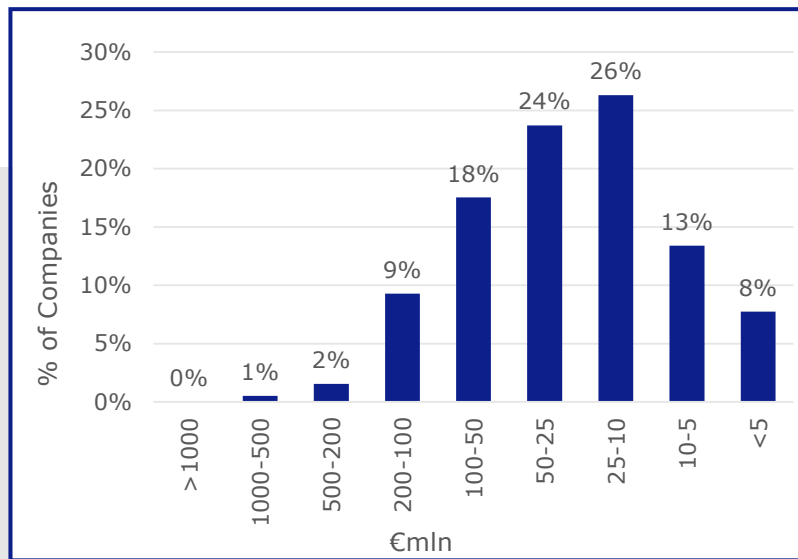
Geographical distribution of EGM segment

EGM by market capitalization and revenue

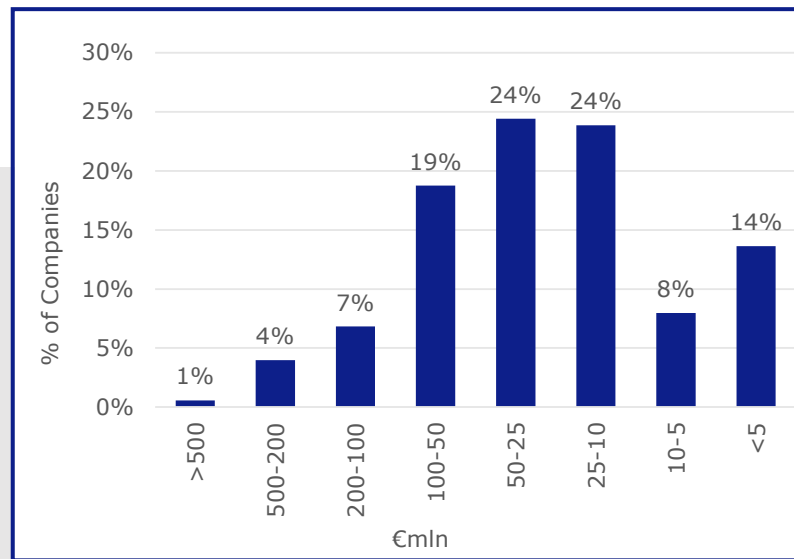


In terms of **market capitalization**, at the end of December 2023, 89% of EGM companies had **a size below €100m** and 47% below €25m.

A similar distribution in terms of revenue: in 2022, 89% of EGM companies had **revenue below €100m** and 45% below €25m.



EGM segment by market capitalization
(as of December 29)



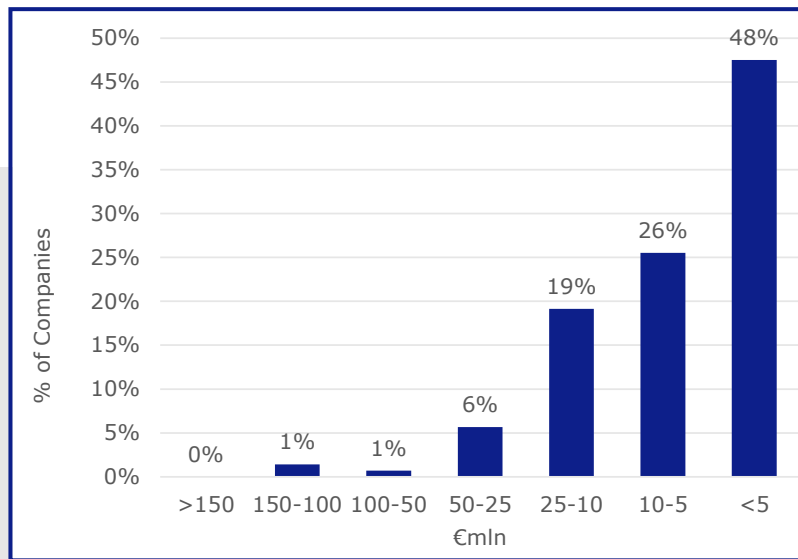
EGM* segment by FY22 Revenues

EGM by EBITDA

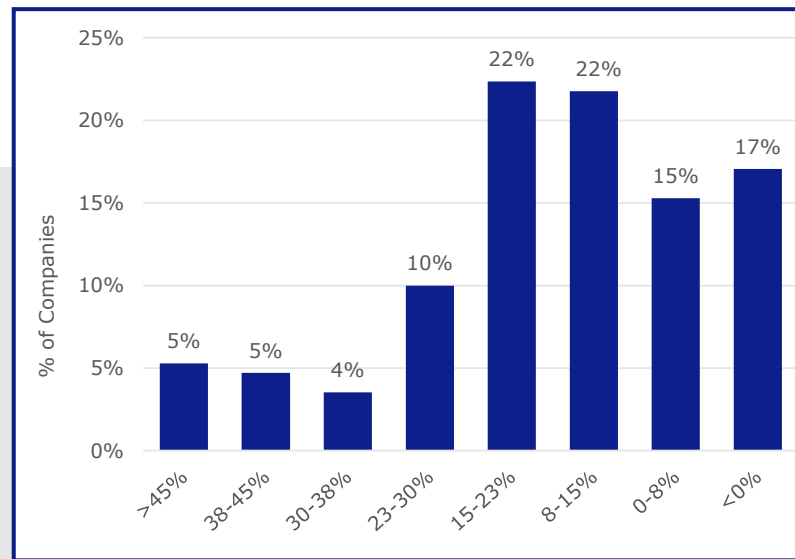


Almost half of companies generated **less than €5m In EBITDA** in 2022.

However, more than 45% showed an **EBITDA margin above 15%** in 2022.



EGM* segment by EBITDA 2022



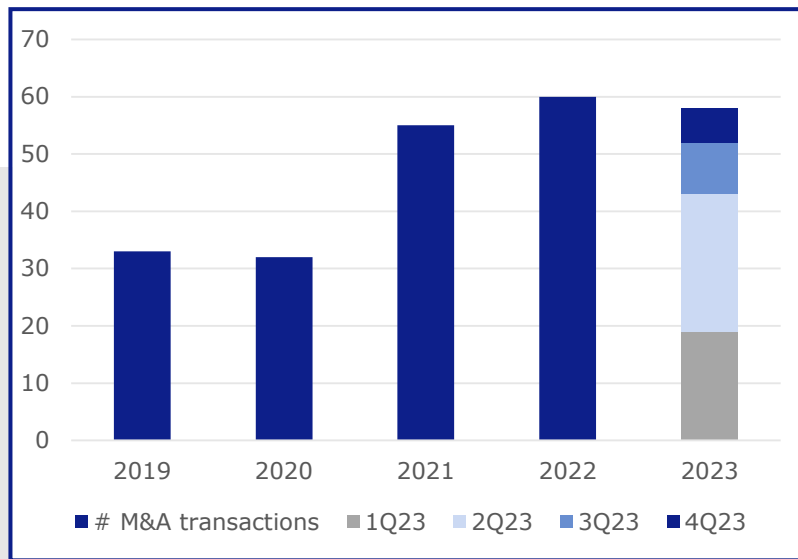
EGM* segment by EBITDA margin 2022

EGM by M&A transactions

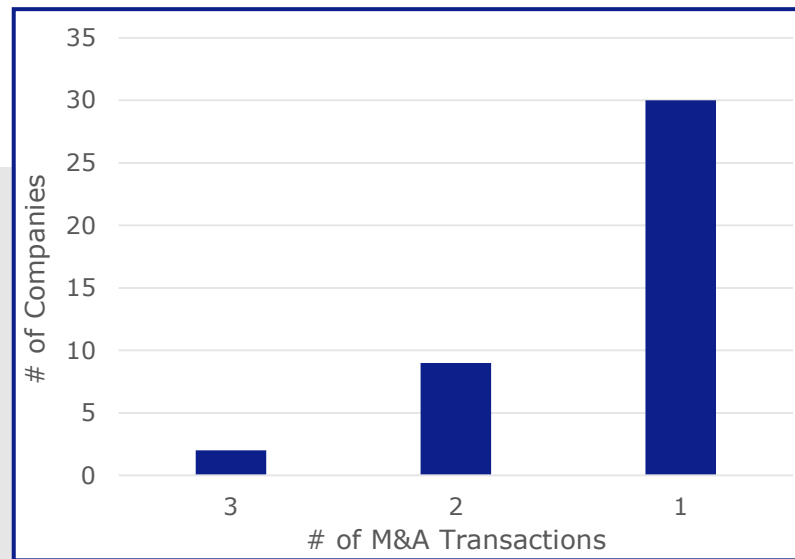


Over the past 5 years, **M&A transactions have been growing** except for the pandemic period. In 2023, 58 M&A deals have been completed, slightly below 2022 (60). There was a slowdown in M&A transactions in 4Q 2023 compared to the other quarters of 2023.

In 2023, 30 companies have concluded one deal, while 9 companies have completed two M&A transactions.



of M&A transactions in EGM from 2019 to 2023



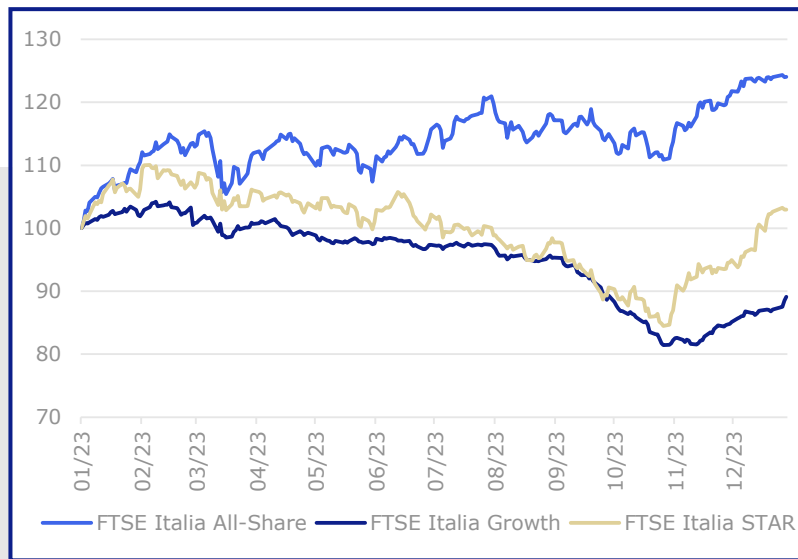
companies* that have filed for M&A in 2023

EGM relative performance in 2023

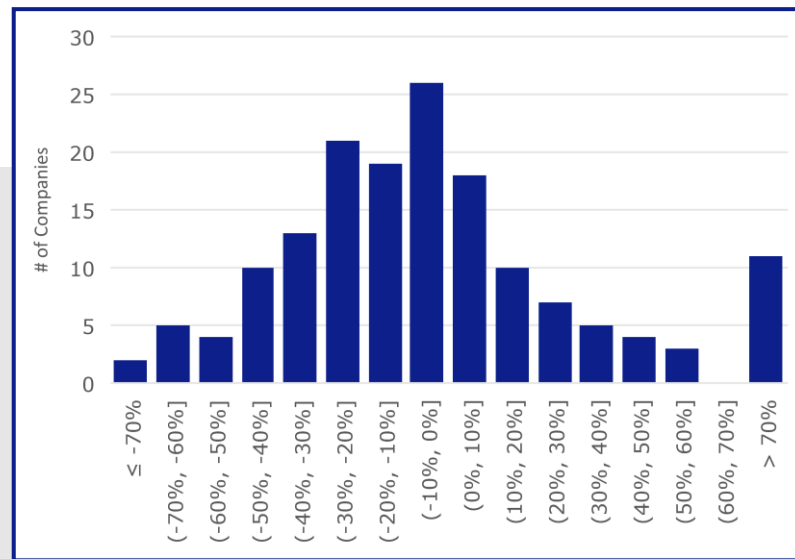


In relative terms, in 2023 **EGM declined** by 10.9%, **underperforming** STAR which was up 3% and FTSE Italia All Share, which surged by some 24%.

103 companies reported negative returns in 2023, of which 26 between 0% and -10%.



Relative performance in 2023



Returns distribution in 2023

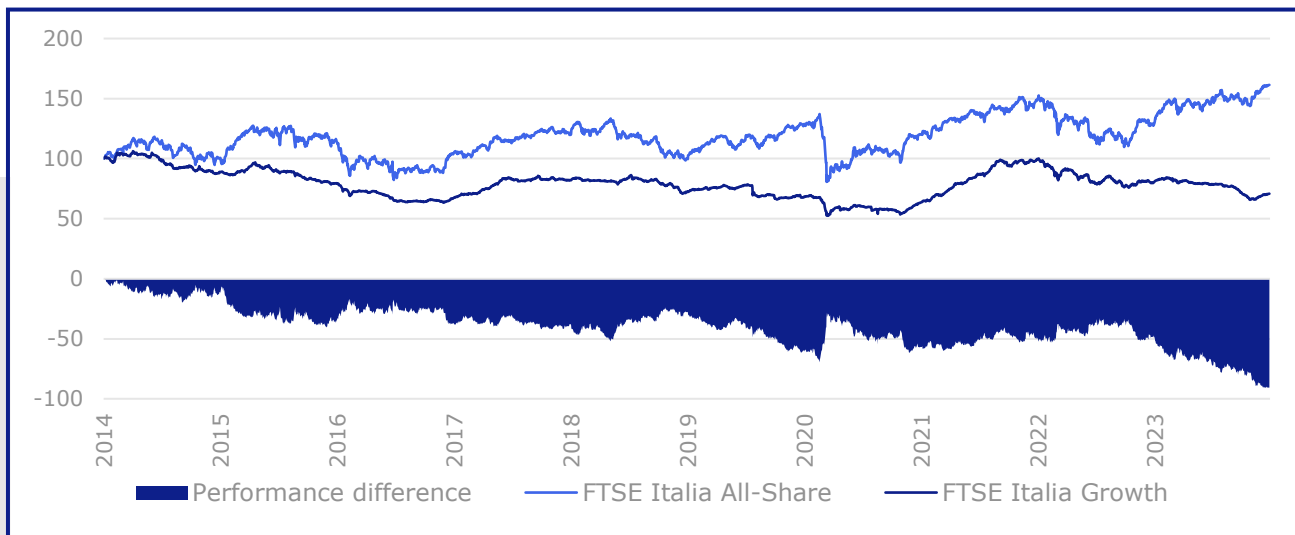
EGM performance divergence in 2023



Over the past 10 years, **EGM** has showed a **lower performance compared to FTSE All Shares**.

This **performance divergence significantly worsened in 2023**.

This is not due to worse fundamentals of EGM companies, but mainly to: i) **very little liquidity**; ii) the **expiring of some supporting measures** and iii) **alternative more profitable assets** mostly linked to higher interest rates.



Relative performance and performance divergence in 2023

EGM and supporting measures

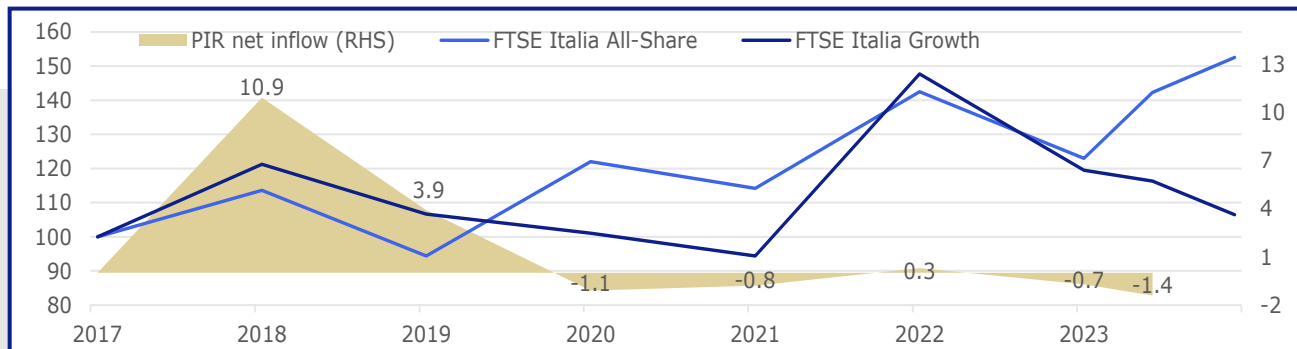


PIR equity funds were set in 2017 with the aim **to attract investments into Italian small caps** with high growth potential. At the end of June 2023, more than €4bn were invested in equity PIRs. Of these, €230mln were invested in EGM companies, €440mln in Small Cap non-EGM companies and the remaining in Mid Cap companies. Since their set up, equity PIRs have represented, on average, some **10% of EGM market capitalization**. Equity PIRs have been invested for more than 45% **into companies** with **revenue below €50mln** and for more than 50% into companies with **less than 250 employees**.

Hence, equity PIRs **have contributed to EGM listings and free float**.

The five-year period needed for tax-exemption on capital gains on PIR investments has expired in 2022. Since 2022, equity PIRs have experienced **net outflows** for €2.1bn of which €1.4bn in the 1H23 only, putting **strong pressure on the EGM stock prices**.

In fact, in 2018-2019, the year of most net inflows to equity PIRs, EGM reduced its negative relative performance to FTSE All Shares. Conversely, in 2023, a year of massive outflows from equity PIRs, the performance divergence significantly worsened.



Net inflows (outflows) of PIR equity funds. Source: Assogestioni, Osservatorio Piani Individuali di Risparmio, novembre 2023

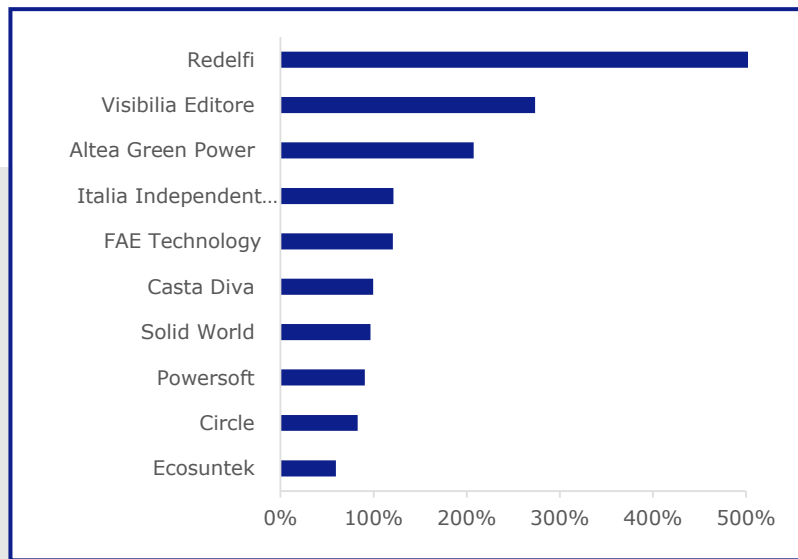
EGM was set as a **de-regulated equity segment** with **very low minimum free float** requirements (10% including 7.5% held by at least 5 institutional investors), **IPO incentives** (tax-benefit on IPO costs) and tax-exempted capital gain if included into **PIR equity funds** and kept there for at least 5 years.

These **supporting measures** have been **key incentives** for accessing to **public capital** by small e micro-Italian SME's. But these have not been enough to create a liquid, stable equity segment to host growing and profitable SME's. **What can be done next ?**

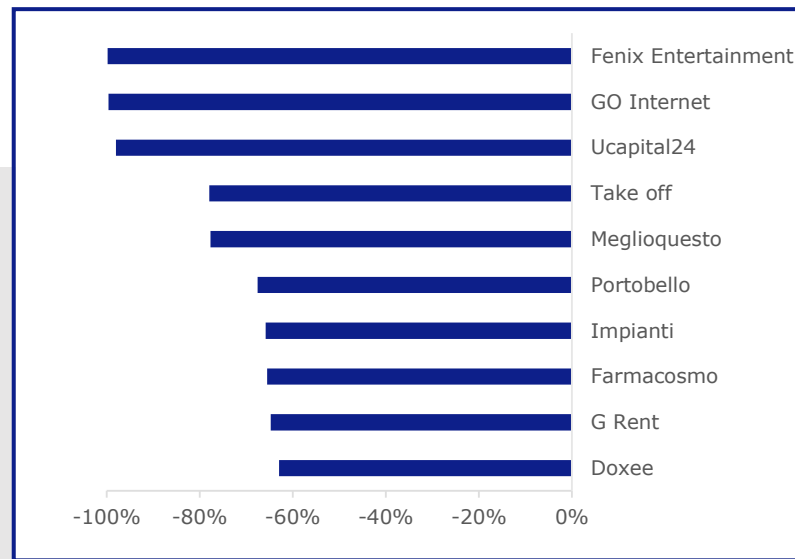
EGM best and worst performers



In 2023, Redelfi and Visibilia were the best performers whereas Illa and Fenix showed the biggest losses.



Best 12M returns in 2023



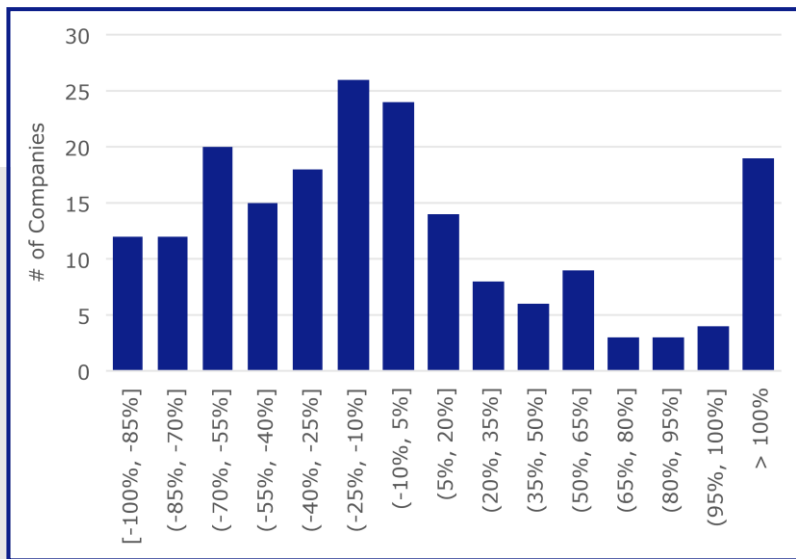
Worst 12M returns in 2023

EGM performance from IPO

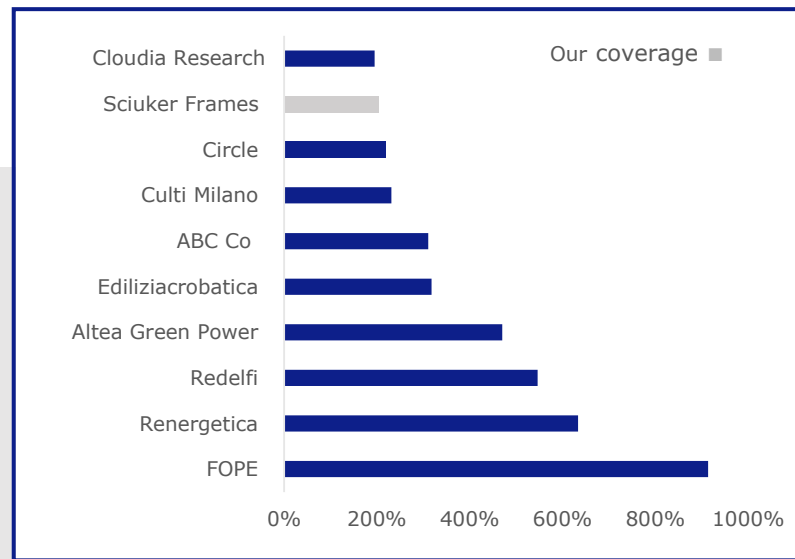


Since their IPO, 39 companies gained over 50%.

Sciuker Frames (our coverage) is among top 10 performers; its stock price rose from €1.4 at IPO to ~€4.2 at the end of December 2023.



Performance since IPO
(as of December 29)



10 best performer since IPO
(as of December 29)

EGM by daily traded volumes

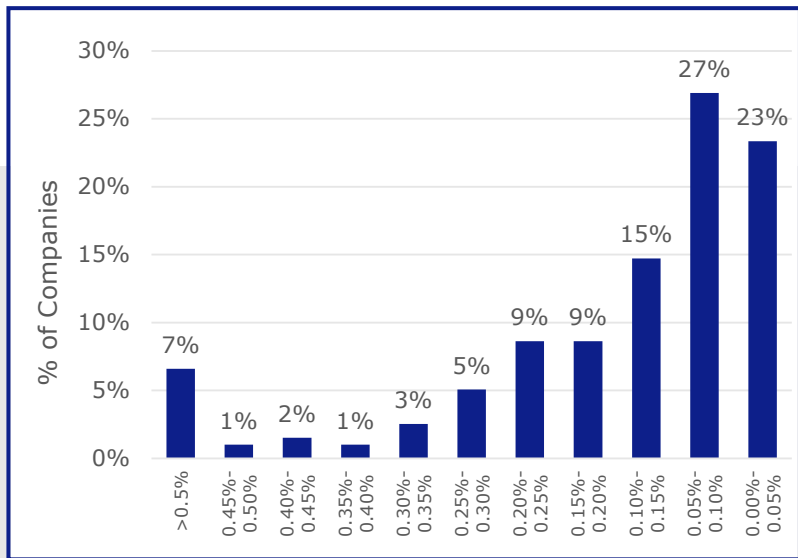


Liquidity remains the critical issue in the EGM.

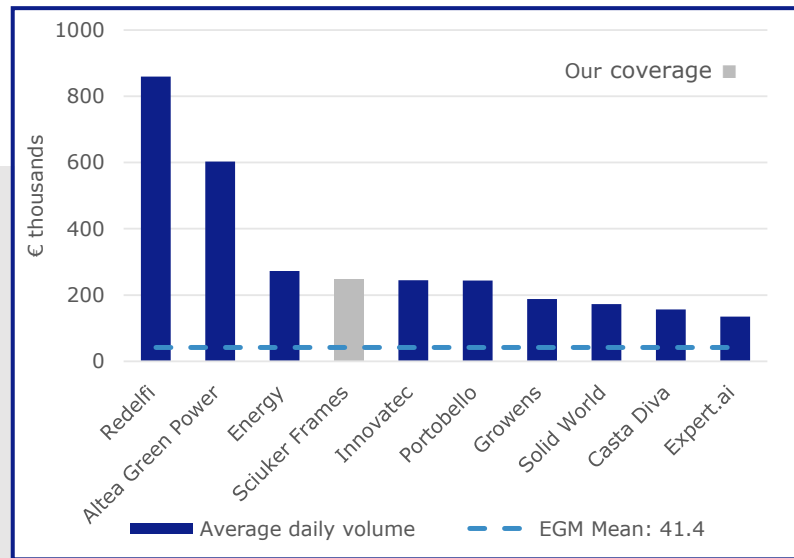
In 2023, **50% of companies** traded **less than 0.1% of their market capitalization**.

In the 4Q23, the average daily traded value was €41k.

Sciuker Frames is among top 10 companies in terms of average daily volumes in the 4Q23. Sciuker traded volumes have improved thanks to its size growth coming from M&A, business diversification, and an effective marketing communication policy.



Daily traded volumes ratio to market capitalization in 2023



Top 10 for daily traded volume in 4Q23

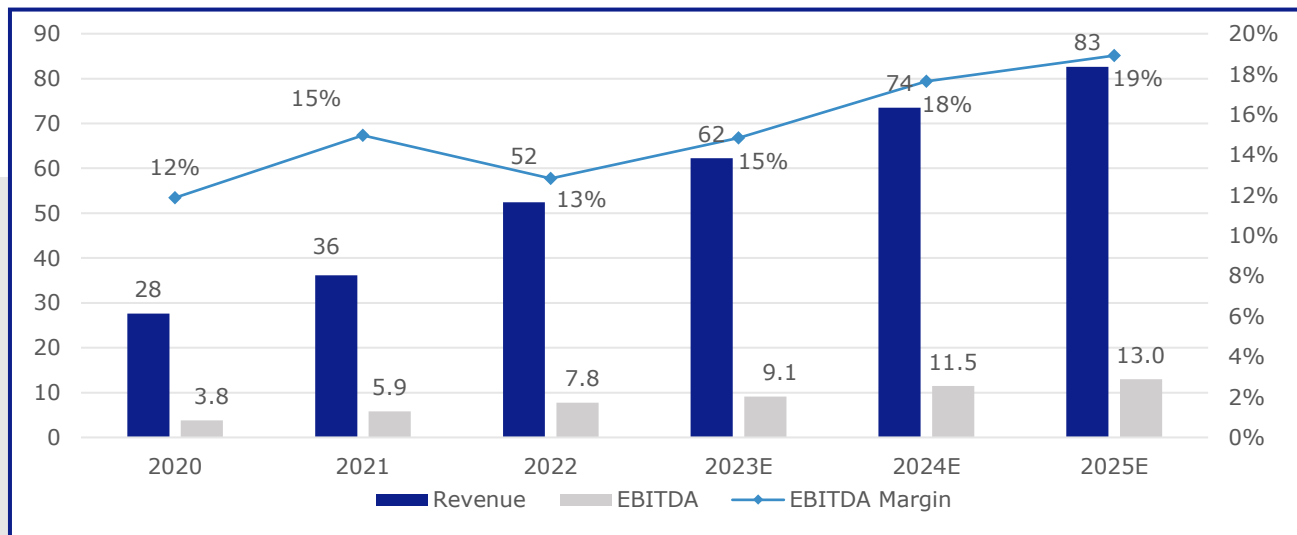
EGM results and consensus estimates



Since **2021**, EGM companies have been **growing** in terms of revenue.

EBITDA margin has begun **contracting** in 2H21 due to increasing raw material and services costs, but it has **likely recovered in 2023**.

Revenue growth is **expected** to continue with revenue 2022-2025 CAGR at 16% and **EBITDA margin** is projected **to improve above 2021 peak**.



EGM* Revenue, EBITDA and EBITDA margin (rhs) 2020-2025E

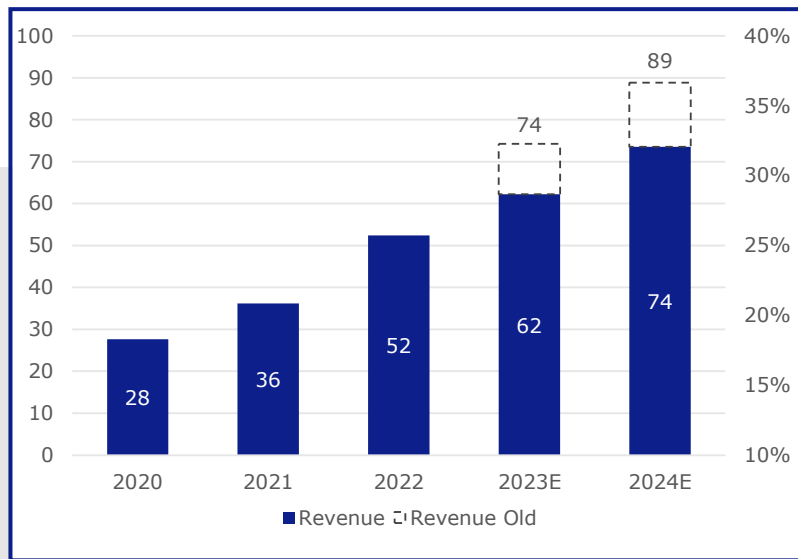
EGM and consensus estimates: what has changed?



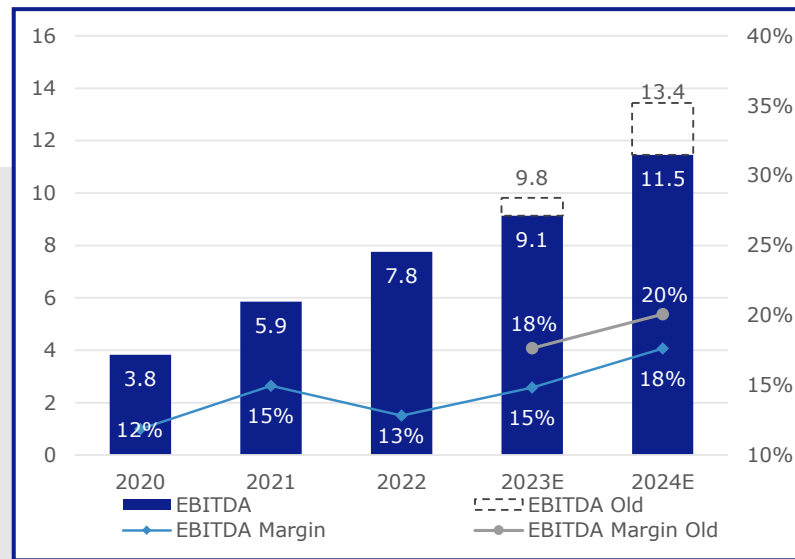
Since our last EGM report (October) consensus has **reduced revenue and EBITDA expectations** for both 2023 and 2024

In 2024, consensus now expects, on average, revenue at €74m, down from previous €89m.

In terms of EBITDA margin, consensus reduced its expectations in 2024 to 18% from previous 20%.



EGM* segment by Average Revenue



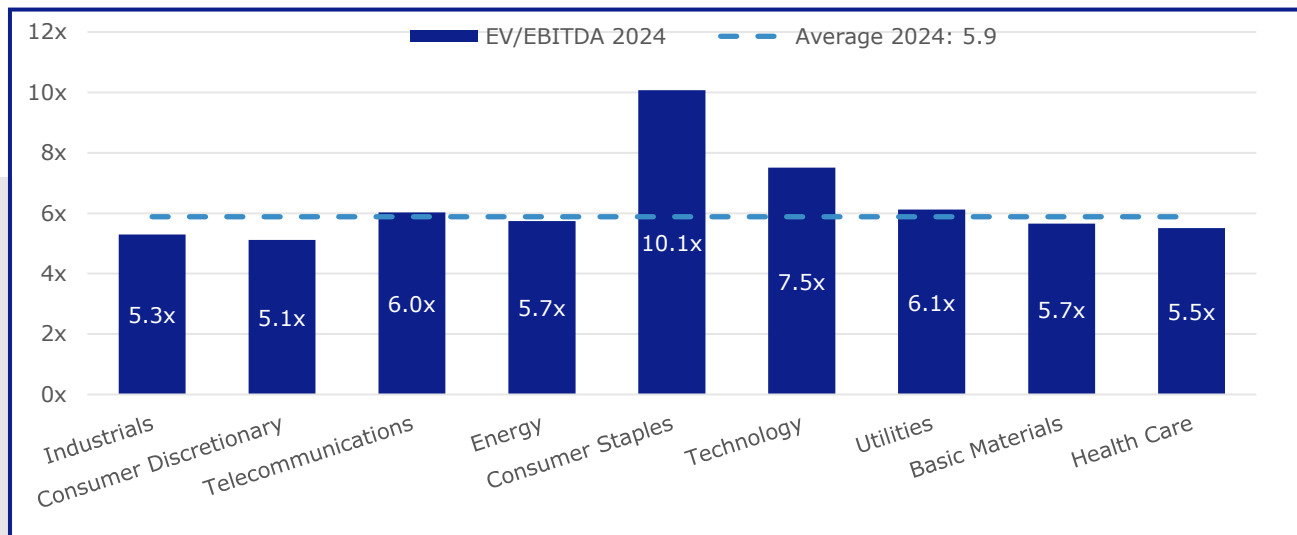
EGM* segment by Average EBITDA

EGM by market multiples



EGM shows an average EV/EBITDA 2024E of 5.9x

Among sectors, in 2023, Health Care left **the cheapest** ranked (our last report in October) to **Consumer Discretionary** with 5.1x while **Consumer Staples** remained **the most expensive** in the EGM with 10.1x



EGM EV/EBITDA 2024E by Sector

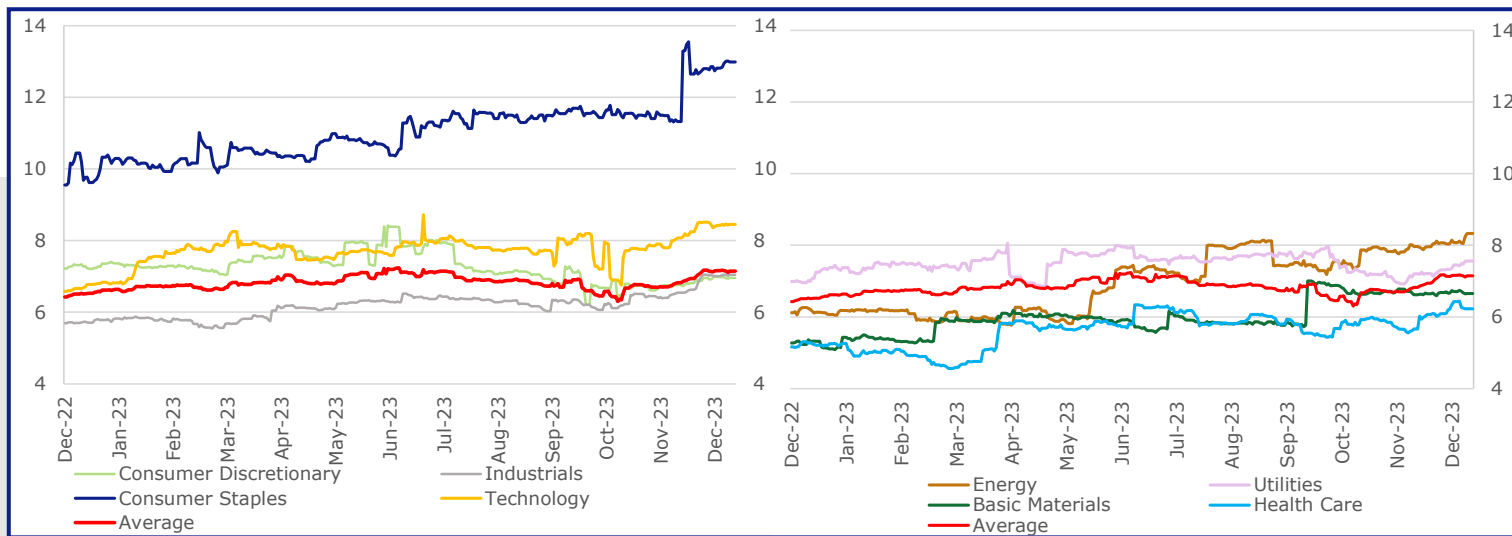
EGM market multiples 1-year trend



In 2023, the **average EGM EV/EBITDA 1-year forward** moved from 6.4 to 7.3

Consumer Discretionary experienced **the biggest 12M de-rating**, from 7.2 to 7.

Consumer Staples and Energy showed **the largest 12M re-rating**, from 9.5 to 13.2 and from 6.1 to 8.4, respectively.



EV/EBITDA 1FY by sector (as of December 29)



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EGM ALL COMPANIES



2023 NEW LISTINGS



OUR COVERAGE

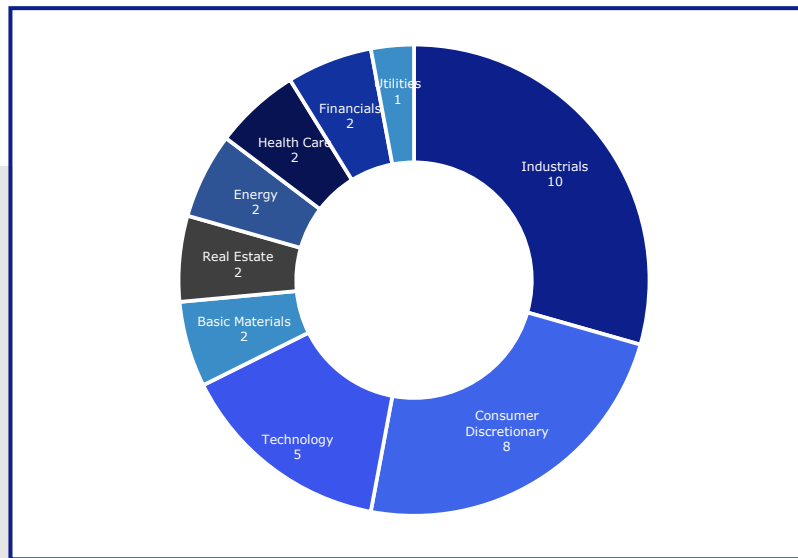
EGM IPOs by sector and market cap



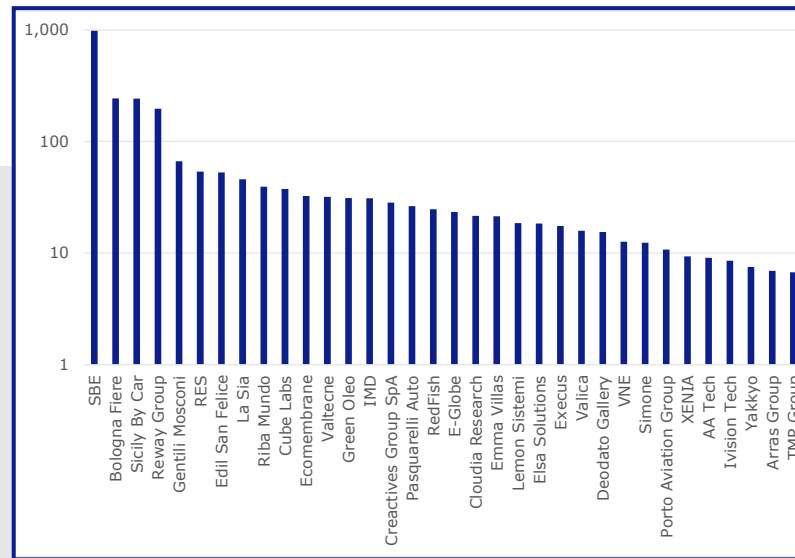
In 2023, there has been **a general boost in the IPO activity**, with 33 new listings and a SPAC, which compares to 26 in 2022.

Industrials confirmed as the dominant sector.

In terms of size, at the end of December, 78% of new listings had a capitalization of less than €50mIn.



2023 New Listings by Sector



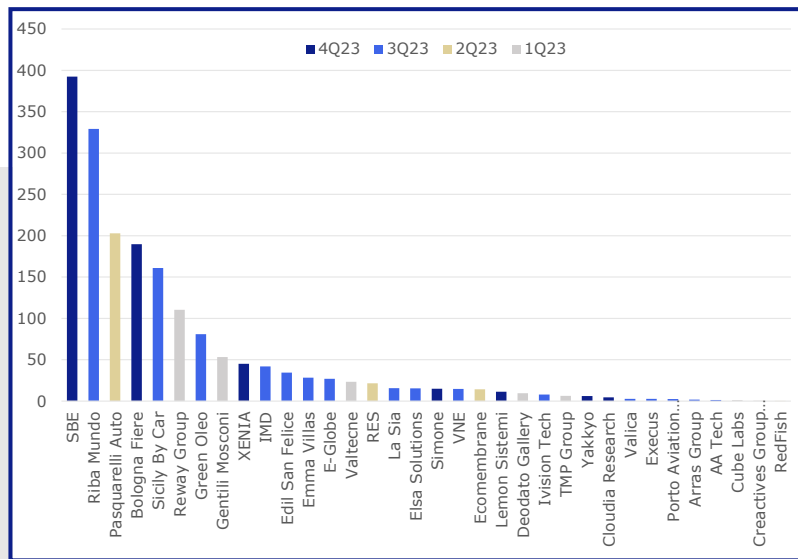
2023 New Listings by Market Capitalization
(as of December 29)

EGM IPOs by revenue and margin

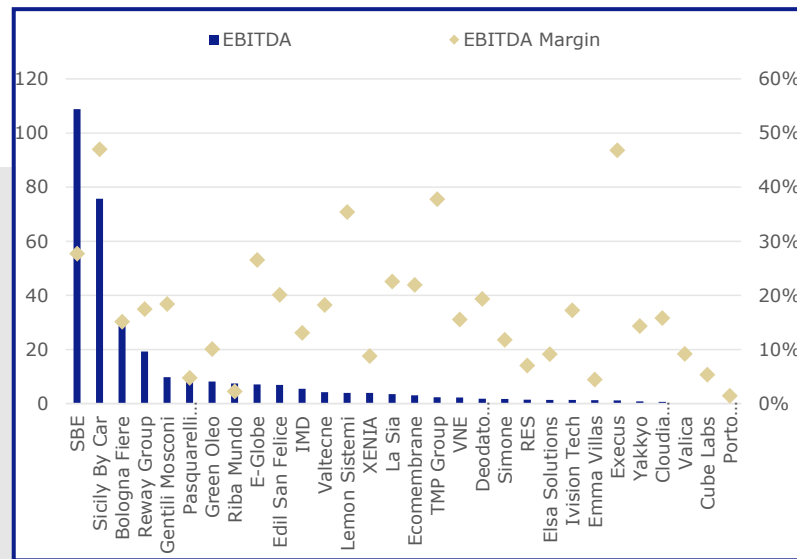


Among the EGM listings in 2023, **Riba Mundo** (our coverage) reported **the second to the highest sales in 2022**.

Sicily by Car and Execus showed **the best EBITDA margin** in 2022, followed by **TMP Group** (our coverage).



2023 IPOs by 2022 sales



2023 IPOs by 2022 EBITDA and EBITDA margin



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2023 NEW LISTINGS



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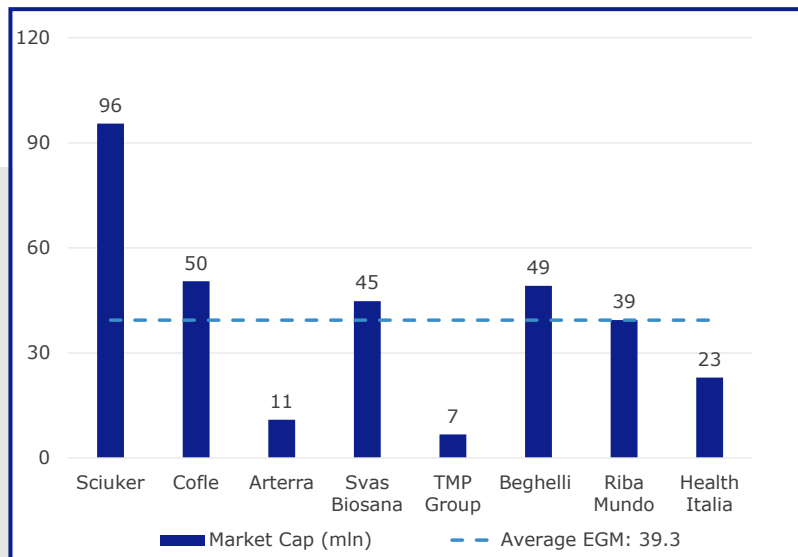
*Find out our Equity Research [here](#)

Our Coverage by market data

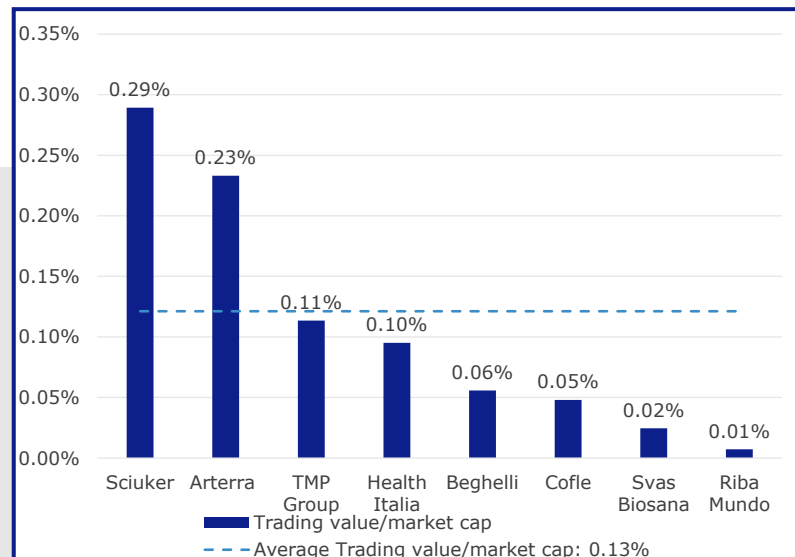


In 2023, Companies in our Coverage had an **average market capitalization of €40mIn**, in line with EGM average (€39mIn).

In 2023, the **average ratio between daily traded value and market capitalization at 0.11%**, slightly below the EGM average.



Our Coverage by Market Capitalization
(as of December 29)



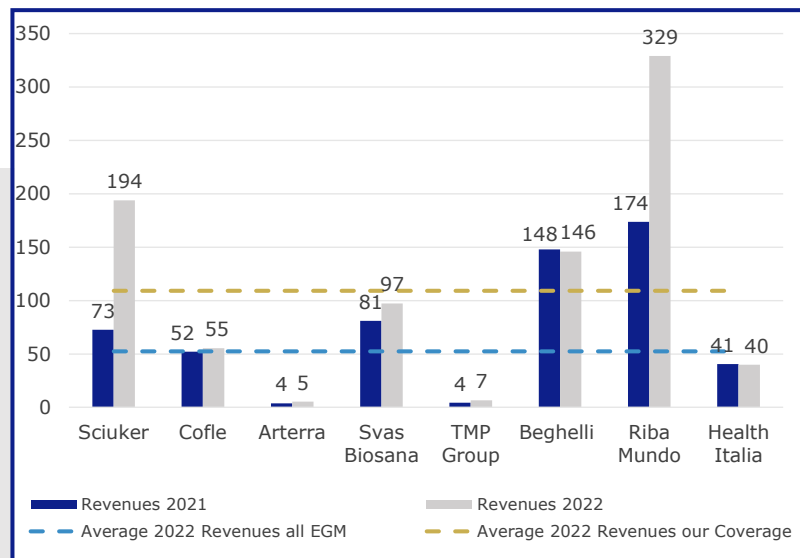
Average daily traded value/market cap (last 3 months)
(as of December 29)

Our Coverage by FY22 Revenue and EBITDA

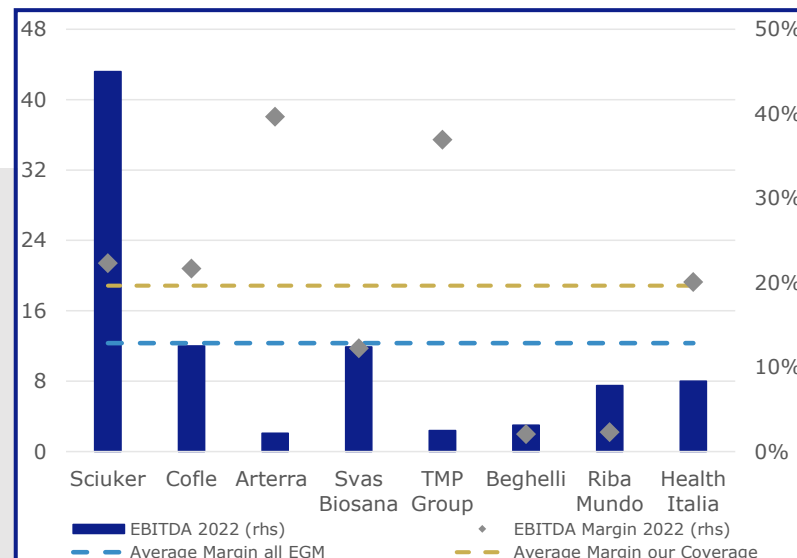


In terms of **2022 revenue**, our Coverage showed an average of **€110m**, **well above** the EGM average at €52m.

In 2022, the average **2022 EBITDA margin** in our Coverage was **20%**, **higher** than the EGM average at 13%.



Our Coverage by 2021 & 2022 revenues



Our coverage by 2022 EBITDA and EBITDA margin

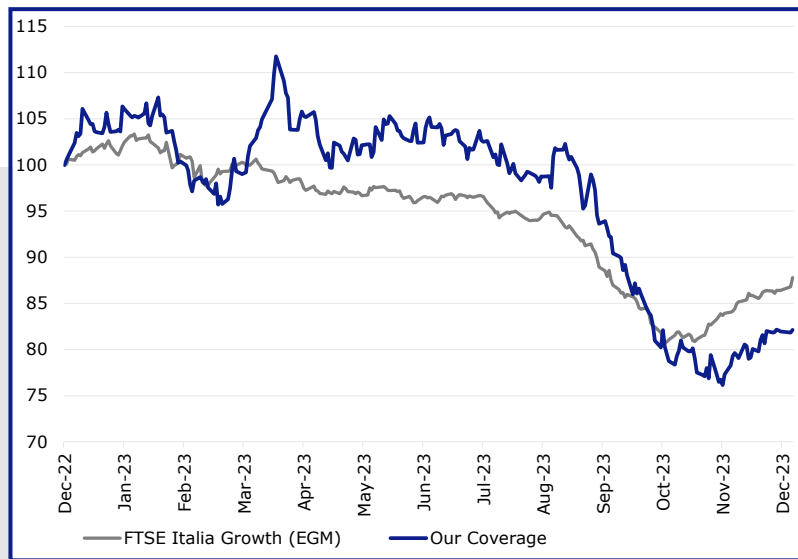
Performance and EV/EBITDA: our Coverage vs EGM



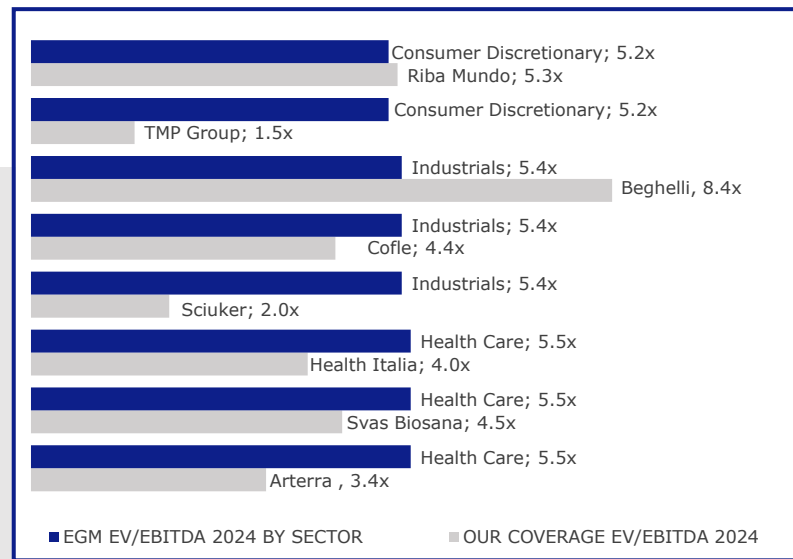
Except for the 4Q23, **our Coverage overperformed the EGM** Index in 2023.

Nevertheless, most of companies in our Coverage **trade at a discount** to its corresponding macro sector, in terms of EV/EBITDA 2024E.

This leaves a potential upside.



2023 relative performance: our coverage vs EGM



EV/EBITDA 2024E of our coverage compared to EGM by sector

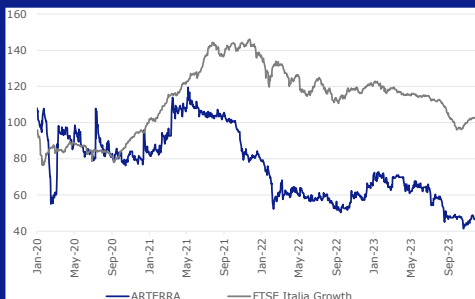
ARTERRA BIOSCIENCE

| Recommendation | BUY |
|----------------|------|
| TP | €3.2 |

1-year Relative Performance



Relative Performance since IPO



- 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.
- 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 (production optimization and business development.
- 1H23 results:** turnover at €1.6mln, down by 25% yoy. Cosmetics turnover declined by almost 30% yoy continuing the slowdown which had started in 3Q22 (from +28% yoy in 1H22 to +5% yoy in 9M22) mainly due to China introducing new rules on active ingredients to be used in Chinese cosmetics. In fact, sales rose in Europe and North America where demand for make-up ingredients had been growing. EBITDA declined to €366k from €1.2mln in 1H22 with a margin at 17% vs 44% a year earlier. At the end of June, despite a significant reduction in EBIT, adjusted Net cash (which excludes current financial assets) rose to €3.9mln, from €3.7mln at the end of 2022. The recovery has started in 3Q23 with selling volumes up by more than 40% driven by the demand of functional-make up from Europe and the US and to a less extent from China. **In the 9M23** revenue reduced its decrease to -10% yoy at €2.6mln.

| Company | EV / Sales | | EV / EBITDA | |
|-----------------------------|------------|-------|-------------|-------|
| | 2023E | 2024E | 2023E | 2024E |
| BRAIN | 1.9x | 1.6x | n.m. | 25.7x |
| Croda | 4.1x | 4.0x | 17.2x | 16.4x |
| Symrise | 3.4x | 3.2x | 17.5x | 15.9x |
| Evolva | 0.4x | 0.2x | n.m. | n.m. |
| Fermentalg | 1.6x | 0.7x | n.m. | n.m. |
| Plant Advanced Technologies | 4.9x | 2.9x | n.m. | n.m. |
| Novozymes | 4.9x | 4.7x | 14.9x | 13.7x |
| Codexis | 2.1x | 2.3x | n.m. | n.m. |
| Yield10 Bioscience | 14.3x | 1.7x | n.m. | n.m. |
| Lonza Group | | | 13.7x | 14.3x |
| Ashland | | | 10.5x | 10.1x |
| OCI NV | | | 7.7x | 5.5x |
| Wacker Chemie AG | | | 7.4x | 6.5x |
| Mean best peers | 2.2x | 1.5x | 12.7x | 11.8x |
| Arterra | 1.6x | 1.4x | 5.7x | 3.4x |

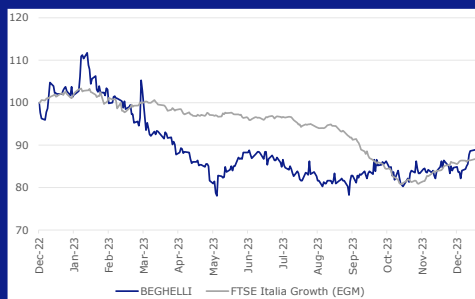
- Market performance:** Except for 4Q23, Arterra outperformed the EGM index in 2023.
- Multiple valuation:** Arterra trades at some 17% discount on peers' EV/Sales and approximately 73% below its peers' EV/EBITDA.



BEGHELLI

| Recommendation | BUY |
|----------------|--------|
| TP | € 0.35 |

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 drive the demand for LED lighting and new technologies and one of main drivers in the Industry. Also, within the Emergency, the increasing attention to energy-saving is pushing the penetration of LEDs also in this sub-industry, which is expected to witness significant growth.
- **1H23 results:** Total Revenues rose by 10.1% yoy to €82.4mln. EBITDA margin came in at 7.1%, down ~2pp yoy due to (i) different sales mix, (ii) higher advertising and promotional expenses and (iii) higher personnel costs following salary adjustments. The Group reported a Net loss equal to -€1.6mln due to (i) the increase in financial expenses caused by the rise in interest rates and (ii) the change in fair value of related derivatives instruments compared to the previous year. At the end of June 2023, Net Debt declined to €55.3mln from €61.9mln (end of 2022), for the reduction of net working capital and the sale of the two plots owned by the Chinese subsidiary.

| Company | EV / EBITDA | |
|---------------------|--------------|-------------|
| | 03/01/2024 | |
| | 2023E | 2024E |
| Zumtobel Group AG | 3.1x | 3.0x |
| Signify NV | 6.3x | 5.9x |
| Fagerhult Group AB | 10.4x | 9.7x |
| Dialight plc | 6.3x | 5.6x |
| Acuity Brands, Inc. | 10.2x | 10.7x |
| Mean | 7.3x | 7.0x |
| Beghelli | 11.0x | 8.4x |

- **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 75% and 40% respectively.

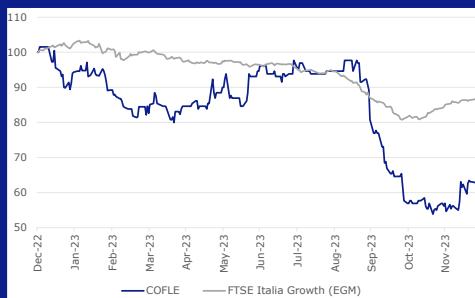


COFLE



| Recommendation | BUY |
|----------------|-------|
| TP | €11.9 |

1-year Relative Performance



Relative Performance since IPO



- **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.
- **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.
- **1H23 results:** Total revenues (VoP) were €30.8mln. Adjusted EBITDA was €5.4mln, declining by 21% yoy with EBITDA margin losing 6pp to 18% driven by higher labour cost (+20% yoy) in Turkey due to collective bargaining coming from inflation adjustments. At the end of June 2023, net debt increased to €3.3mln from €-0.2mln (cash positive) at the end of 2022, driven by higher investments levels at €4.8mln. **In the 9M23** unaudited revenues came in at €46.8mln and up by 17.9% yoy (on a comparable basis).

| Company | EV / EBITDA | |
|-----------------------------|-------------|-------------|
| | 2023E | 2024E |
| Brembo SpA | 6.2x | 5.8x |
| Comer Industries SpA | 4.9x | 4.9x |
| SKF AB | 6.2x | 6.4x |
| CIE Automotive SA | 6.0x | 5.7x |
| Kongsberg Automotive ASA | 4.4x | 4.1x |
| Suprajit Engineering Ltd | 16.8x | 12.6x |
| Mayville Engineering Co Inc | 7.3x | 6.3x |
| SAF-Holland SE | 4.6x | 5.0x |
| Mean | 7.0x | 6.3x |
| Cofle SpA | 5.3x | 4.4x |

- **Market performance:** In the past year, Cofle underperformed the EGM index.
- **Multiple valuation:** Cofle trades at some 28% discount on peers' EV/EBITDA 2023-24

HEALTH ITALIA



| Recommendation | BUY |
|----------------|------|
| TP | €4.5 |

1-year Relative Performance



Relative Performance since IPO



- **Business Description:** Health Italia SpA is a leading Italian operator in Healthcare and Welfare offering integrated solutions to corporates, their employees, and families. Health Italia provides solutions for better access to Healthcare and Welfare, also through its own (Health Point) facilities and best-in-class Telemedicine services.
- **Investment case:** Over the past 10 years, there has been an increasing demand for private integrated Health Insurance and Welfare plans as both an alternative to public offerings. Welfare has been recently expanding as a corporate benefit and a means of employee retention as it can be integrated with different Healthcare services.
- **1H23 results:** turnover declined by 7.5% yoy to €17.8mln, as expected, for the IFRS 5 accounting of Be Health and Health Property (currently in the spin-off process) as “activities to be disposed”. EBITDA rose to €3.3mln from €3.2mln a year earlier and the margin improved to 18% from 17% driven by a better service mix and persisting cost optimization. Net debt at the end of June 2023 improved to €5.6mln from €11.5mln at the end of December 2022, following the repayment of the Convertible bond in April 2023. **In the 9M23**, turnover and EBITDA were in line with our FY projections at respectively €25mln and 16.5% margin.

| Company | EV / EBITDA | |
|----------------------------------|--------------|--------------|
| | 2023E | 2024E |
| Marsh & McLennan Companies, Inc. | 16.6x | 15.2x |
| Aon Plc Class A | 15.6x | 14.5x |
| Willis Towers Watson PLC | 11.7x | 10.9x |
| Arthur J. Gallagher & Co. | 17.9x | 15.0x |
| Elevance Health, Inc. | 11.6x | 10.2x |
| Humana Inc. | 11.0x | 10.1x |
| Edenred SA | 12.6x | 10.9x |
| Mean | 13.9x | 12.4x |
| Health Italia | 4.4x | 4.0x |

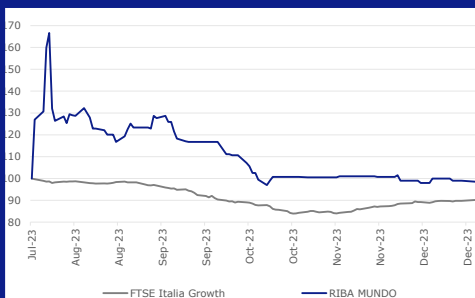
- **Market performance:** In the last year, Health Italia outperformed the EGM index.
- **Multiple valuation:** Health Italia trades at a discount on peers’ EV/EBITDA 2023-2024E at some 70%.

RIBA MUNDO TECNOLOGIA



| Recommendation | BUY |
|----------------|-------|
| TP | €35.8 |

Relative Performance since IPO



- **Business Description:** Riba Mundo is a Tech Company operating in the global B2B commerce of Consumer Electronics. Its competitive advantage is its unique proprietary Big Data software, MarVin, which matches worldwide supply and demand of Consumer Electronics and releases the best price; furthermore, MarVin manages stock availability securing the best inventory turnover and time to market.
- **Investment case:** Global Consumer Electronics turnover in 2022 was \$1.1tn and is expected to grow at 2.5% CAGR in 2022-2027E.
- **1H23 results:** Riba Mundo Tecnologia released 1H23 revenues at €183.6mln (+51.3% yoy). EBITDA came in at €3.9mln (+79% yoy) with a margin of 2.1%. Net income dropped to €0.9mln from €2.3mln in 1H22 due to (i) the sale and leaseback of the warehouse in Valencia, (ii) the increase in financial expenses from €0.2mln in 1H22 to €1.6mln in 1H23 for higher seasonal debt, and (iii) the impact of the write-down of PB Online for a total amount of €0.5mln. At the end of June 2023, Net Debt increased to €33mln from €17.1mln at the end of 2022, mainly for the policy adopted to reduce the number of DPOs in order to improve margins. **In the 9M23** Total Revenues came in at €306.2mln (+36% yoy), the no. of orders increased by 87% yoy while the no. of units sold increased by +51% yoy to 2,638,766 units as of 30 September 2023.

| Company | EV/SALES | |
|-------------------------|-------------|-------------|
| | 03/01/2024 | |
| | 2023E | 2024E |
| Esprinet S.p.A. | 0.1x | 0.1x |
| ALSO Holding AG | 0.2x | 0.2x |
| DistIT AB | 0.2x | 0.2x |
| Arrow Electronics, Inc. | 0.3x | 0.3x |
| TD SYNnex Corporation | 0.2x | 0.2x |
| PC Connection, Inc. | 0.4x | 0.4x |
| SeSa S.p.A. | 0.5x | 0.4x |
| Median | 0.2x | 0.2x |
| RIBA MUNDO | 0.1x | 0.1x |

- **Market performance:** Riba Mundo outperformed EGM Index, since its IPO.
- **Multiple valuation:** Riba Mundo trades at a discount on peers' EV/SALES 2023-2024E at some 35%.

SCIUKER FRAMES

| Recommendation | BUY |
|----------------|-----|
| TP | €9 |

1-year Relative Performance



Relative Performance since IPO



- **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.
- **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.
- **1H23 results:** Total Revenues came in at €65mln (-22.1% yoy); the decrease derived from Ecospace with its activities related to the Ecobonus, hit by an uncertain regulatory framework including and lack of liquidity in the fiscal credit trade. EBITDA came in at €17.9mln with a margin improved to 27.5% from 23.9% in 1H22, despite the slowdown in Ecospace, which usually brings in more marginality. At the end of June 2023, Net Debt was €10.6mln from €1.4mln of Net Cash at the end of 2022 mainly due to cash absorption from Net Operating Working Capital.

| Company | EV / EBITDA | |
|-----------------------|-------------|-------------|
| | 2023E | 2024E |
| Deceuninck NV | 2.7x | 2.7x |
| Inwido AB | 6.3x | 6.5x |
| Eurocell Plc | 5.5x | 4.7x |
| SafeStyle UK Plc | n.m. | n.m |
| Apogee Enterprises | 7.5x | 7.6x |
| Pgt innovations | 11.3x | 10.5x |
| Ediliziacrobatika | 3.2x | 2.9x |
| Nusco | 4.6x | 3.8x |
| Median | 5.5x | 4.7x |
| Sciuker Frames | 2.1x | 2.0x |

- **Market performance:** SCK Group significantly outperformed the EGM index since its IPO.
- **Multiple valuation:** SCK Group trades at some 60% and 55% discount on peers' EV/EBITDA 2023-24E, respectively.

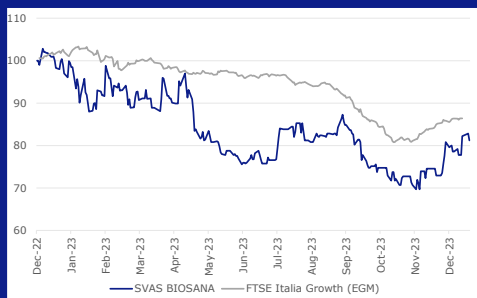


SVAS BIOSANA



| Recommendation | BUY |
|----------------|-------|
| TP | €13.5 |

1-year Relative Performance



Relative Performance since IPO



- **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.
- **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 product range with a focus on the incontinence business, medical gel portfolio, pain therapy products, and custom packs.
- **1H23 results:** revenues rose by 25.3% yoy (+9% like-for-like) to €54.9mIn, supported by higher sale prices. EBITDA was €6.9mIn (+21.5% yoy) and EBITDA margin was 12.6%. Compared to 2H22, marginality has improved by 1pp thanks to a decline in raw material and energy costs, which peaked in 2H22. Net debt increased to €25.2mIn from 21.7mIn at the end of December 2022. **In the 9M23**, unaudited revenues came in at €81.6mIn and up by 17.4% yoy (+7.2% like-for-like), driven by revenue growth of incontinence products (Farmex) and distribution of medical devices in Eastern Europe (Mark Medical).

| Company | EV / EBITDA | |
|-------------------------------|--------------|--------------|
| | 2023E | 2024E |
| GVS SpA | 12.2x | 10.2x |
| Medtronic PLC | 15.2x | 13.6x |
| Coloplast A/S | 24.0x | 21.4x |
| ConvaTec Group PLC | 14.6x | 13.1x |
| Stryker Corp | 23.4x | 20.8x |
| Becton Dickinson & Co | 18.9x | 15.7x |
| Cardinal Health Inc | 10.6x | 9.5x |
| Terumo Corp | 18.7x | 16.8x |
| Teleflex Inc | 15.3x | 14.2x |
| Integra LifeSciences Holdings | 12.8x | 11.7x |
| Shandong Weigao Group Medic | 7.0x | 6.2x |
| Ontex Group NV | 8.0x | 6.6x |
| Medica SpA | 7.7x | 5.1x |
| Mean | 15.0x | 13.3x |
| Svas Biosana SpA | 5.0x | 4.5x |

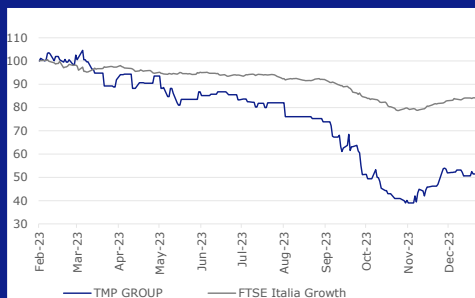
- **Market performance:** In the past year, Svas Biosana underperformed the EGM index.
- **Multiple valuation:** SVAS Biosana trades at some 67% discount on peers' EV/EBITDA 2023-24.

TMP GROUP



| Recommendation | BUY |
|----------------|-------|
| TP | €11.6 |

Relative Performance since IPO



- **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.
- **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.
- **1H23 results:** total revenues rose by 16% to €3.3mln. EBITDA was €0.7mln and down by 3% yoy driven by higher labour (+27% yoy) leases and rentals (x3 vs 1H22). EBITDA margin was 22% (-4pp yoy). In June, net debt improved to €-1.8mln (cash positive) from €0.4mln at the end of 2022. We remind that in February the Company raised €~4.3mln through the IPO, therefore the net cash position was offset by investments in intangible and NWC cash absorption due to higher receivables and lower payables.

| Company | EV / EBITDA | |
|-------------------------------|-------------|-------------|
| | 2023E | 2024E |
| Websolute SpA | 4.2x | 3.4x |
| Publicis Groupe SA | 8.2x | 7.9x |
| Alkemy SpA | 5.9x | 5.1x |
| WPP PLC | 6.6x | 6.6x |
| Interpublic Group of Cos Inc/ | 9.0x | 8.7x |
| Entravision Communications | 8.9x | 5.8x |
| S4 Capital PLC | 4.8x | 3.5x |
| Dentsu Group Inc | 4.2x | 3.9x |
| Mean | 6.5x | 5.6x |
| TMP Group | 2.1x | 1.5x |

- **Market performance:** TMP Group underperformed the EGM index since the IPO.
- **Multiple valuation:** TMP Group trades at some 70% discount on peers' EV/EBITDA 2023-24.



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Report written on 09/01/2024 at 18:00

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