Banca Profilo

Company Update

Company:	Rating:	Target Price:	Sector:
ETS S.p.A.	BUY (unchanged)	€10.2 (from €9.5)	Engineering Services

Record margins, cash firepower ready for deployment

April 28, 2026 at 08:00

FY25 results: record profitability, IPO proceeds bolster cash position

In FY25, ETS reported revenues from sales and services of €15.9mln (+5.3% yoy, slightly below our €16.6mln estimate *[Please refer to our Initial Coverage dated November 12, 2025]*), capping a 2021–25 CAGR of ~25%. EBITDA beat expectations at €5.1mln (+14.6% yoy, vs. our €4.5mln), with margin up to 31.4% (from 29.0%) on a favourable project mix that compressed cost of services to 42.1% of production (from 47.1%), partly offset by personnel expenses at 23.4% as FTEs grew to 58 (from 53). EBIT rose +9.6% to €4.6mln, held back by higher D&A from IPO cost amortization. Net profit was flat at €3.3mln, as the normalization of FY24 financial result absorbed operating growth. OWC absorbed €5.5mln (34.1% of revenues), compressing operating cash flow to €0.7mln (13.5% EBITDA). The €3.2mln net IPO proceeds lifted adj. net cash to €6.0mln (from €0.04mln). The Board proposed a DPS of €0.47 (70% payout, 9.1% yield), above the 30% policy floor.

Italian engineering: fragmented but resilient, NRRP tailwind through 2026

The Italian engineering market remains structurally fragmented but is consolidating, with the top 200 firms generating €4.9bn of revenues in 2024 (+10.7% yoy) and *Engineering* emerging as the best-performing AEC segment (net profit +14.3% vs. -22.2% for *Construction* and -6.1% revenues in *Architecture*). The NRRP remains a powerful tailwind ahead of the 2026 deadline, particularly in Infrastructure, while mission-critical assets (data centers, hydrogen, nuclear) emerge as structural growth drivers. Foreign subsidiaries now account for 15.0% of the market (up from 14.4%), and the long-awaited domestic M&A wave (Accenture–IQT, Mare–La Sia, Tecne JVs) signals that scale is becoming a competitive prerequisite. ETS climbed 10 positions to 72nd in the 2024 top 200 ranking, with profitability rivalling top-10 players.

Strategy: IPO proceeds at work, first M&A moves underway

ETS is executing its disciplined use-of-proceeds agenda along three axes: (i) human capital, with FTEs at 58 (+5 yoy) to build in-house specialized competences; (ii) technological innovation; (iii) selective M&A, with tangible FY25 progress: the establishment of ETS NH (72%-owned, nuclear and hydrogen engineering), which in February 2026 signed a framework agreement for a 51% stake in BAQ Suisse Sàrl (CERN spin-off in nuclear safety), alongside the ongoing assessment of a 51% stake in an engineering firm active in structural design and seismic retrofitting. Management's 2026–28 industrial plan reinforces these priorities, with further capacity expansion planned in Southern Italy.

2026-28E: top-line trimmed, EBITDA lifted across the horizon, OWC recalibrated

We revise revenues from sales and services to €17.6mln in 2026E (+10.7% yoy, vs. €18.0mln) and €17.9mln in 2027E (+1.8%, vs. €19.1mln), introducing FY28E at €19.0mln (+6.2%), a 2025–28 CAGR of +6.2%. Despite lower revenues, EBITDA is raised across the horizon at €5.2mln/€5.1mln/€5.3mln (margins of 29.2%/27.9%/27.6%) on the FY25 step-up, with the 31.4% peak normalizing gradually as specialized hiring continues. The main revision concerns working capital: OWC is now at ~27–31% of revenues (vs. a more benign prior profile), with DSO at ~170 days and CCC at ~29 days. Net cash is cut to €8.9mln/€10.5mln/€12.8mln (vs. €10.4mln/€14.3mln) as we apply a 70% payout across the plan (vs. 30%, the policy floor), reflecting the FY25 DPS proposal.

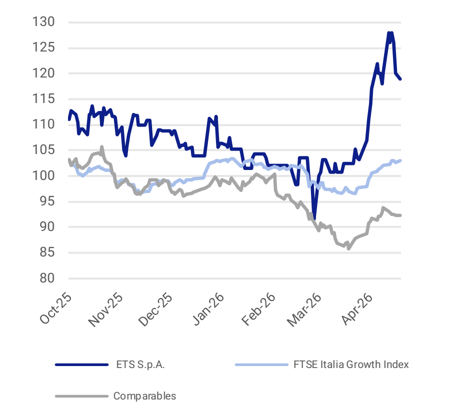
Valuation: TP raised to €10.2/share (from €9.5), BUY reiterated

Our updated TP of €10.2/share (from €9.5) is the simple average of DCF at €12.1/share (from €11.0) and EV/EBITDA multiples at €8.3/share (from €8.0). The DCF benefits from higher projected FCFs (€14.4mln over 2026–29E vs. €13.3mln over 2025–28E) and a TV of €55.5mln (from €49.8mln), only partly offset by a higher WACC at 8.5% (from 8.2%). The multiples valuation applies the average 2026–27E peer median EV/EBITDA of 6.7x (vs. 6.3x) on the European listed peer set. ETS trades at 4.5x FY26E and 4.6x FY27E, a meaningful discount despite its superior profile vs. peers (ROE 26.4% vs. 4.4% median, net margin 20.5% vs. 2.1%, zero financial debt). Combined with a 9.1% dividend yield, the risk/reward remains compelling: we reiterate our BUY.

Company Profile	
Bloomberg	ETS IM
FactSet	ETS-IT
Stock exchange	Italian Stock Exchange
Reference Index	FTSE Italia Growth Index
Market Data	
Price (as of April 27, 2026)	€ 5.95
Number of shares (mln)	4.9
Market cap. (mln)	€ 29.2
Performance since IPO	
Absolute	19.0%
Max/Min	6.4/4.58

(€/mln)	2024	2025	2026E	2027E	2028E
Revenues	**15.2**	**16.1**	**17.9**	**18.1**	**19.2**
yoy	*9.6%*	*5.7%*	*11.2%*	*1.4%*	*6.2%*
EBITDA	**4.4**	**5.1**	**5.2**	**5.1**	**5.3**
EBITDA margin	*29.0%*	*31.4%*	*29.2%*	*27.9%*	*27.6%*
EBIT	**4.2**	**4.6**	**4.9**	**4.7**	**4.9**
EBIT margin	*27.8%*	*28.8%*	*27.2%*	*25.9%*	*25.6%*
EBT	**4.5**	**4.6**	**4.9**	**4.7**	**4.9**
Pretax margin	*29.9%*	*28.9%*	*27.3%*	*26.0%*	*25.7%*
Net Profit/(Loss)	**3.3**	**3.3**	**3.5**	**3.4**	**3.6**
Net Profit margin	*21.6%*	*20.5%*	*19.7%*	*18.8%*	*18.6%*
Adj. Net Debt/(Cash)	**(0.0)**	**(6.0)**	**(8.9)**	**(10.5)**	**(12.8)**
Equity	5.9	12.4	13.7	14.6	15.8
Unlevered FCF	**3.3**	**2.3**	**4.2**	**2.9**	**3.8**

Performance since IPO



Francesca Sabatini
Head of Equity Research
francesca.sabatini@bancaprofilo.it
+39 02 58408 461

Enrico Luca, CFA
Equity Research Analyst
enrico.luca@bancaprofilo.it
+39 02 58408 752

Sales Desk
+39 02 58408 478

Contents

SWOT analysis

STRENGTHS	WEAKNESSES
• Broad market reach and specialized expertise • Well-established partnerships • Robust and visible backlog • Strong cash flow generation • Experienced and capable management team • Proven track record • Net cash position and low leverage	• Highly competitive market, especially in public tenders • Moderate exposure to execution and regulatory risks • Geographic concentration with limited international footprint

OPPORTUNITIES	THREATS
• Sustained demand from the National Recovery and Resilience Plan (NRRP) • Expansion into emerging sectors (data center, hydrogen, nuclear) • Potential for M&A • International market expansion	• Potential slowdown or reduction in public funding post-NRRP • Margin pressure from intense tender competition • Regulatory and economic uncertainty

The reference industry

Highlights and trends in the European Engineering industry

European Market Index edges up, but conditions grow more polarized

As of November 2025, EFCA's Market Index[1] rose 1.2 points to 97.7, indicating a slightly more positive outlook for Europe's Consultancy and Engineering sector. After peaking in 2021 at the end of the COVID-19 pandemic and a gradual downward trend, the index saw a strong rebound in 2024, a dip in Spring 2025, and now appears to be moving upward again. Still, over half of participating countries report stable or improving conditions, though the picture is becoming more polarized: good or strong markets climbed from 48% to 61%, while stable markets dropped sharply from 52% to 30% and weak conditions reappeared at 9%, absent in the previous wave.

Key growth drivers remain transport/infrastructure, energy systems and the green transition, alongside a growing focus on security and defence.

Italy, ETS's primary reference market, confirmed a good outlook ("Market is good (all staff is busy)"), in line with its last contribution in May 2024. As shown in **Figure 2**, all indicators show positive trends over the past 6 months, with equally positive expectations for the next 6.

Figure 1: Current state of European Markets

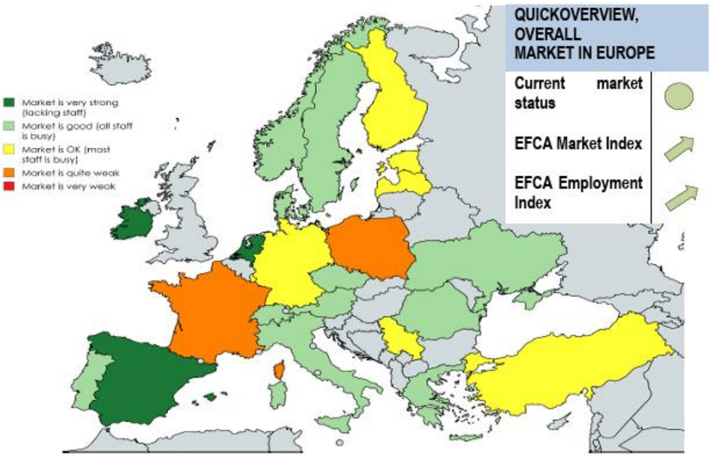


Figure 2: Italy Overview (Autumn 2025)

Italy, OICE			
Market		Good	
Staff		↗	→
Order stock	12	↗	↗
Turnover		↗	↗
Domestic/Public/Export	40	30	40
Profit ratio (EBITDA)		↗	↗

Market: current state

Staff, Turnover, Profit ratio: ↑st = past 6m, ↑2nd = next 6m

Order stock: col. 1 = current (months), arrows as above

Domestic/Public/Export: turnover split (%)

Figure 3: EFCA Market Index

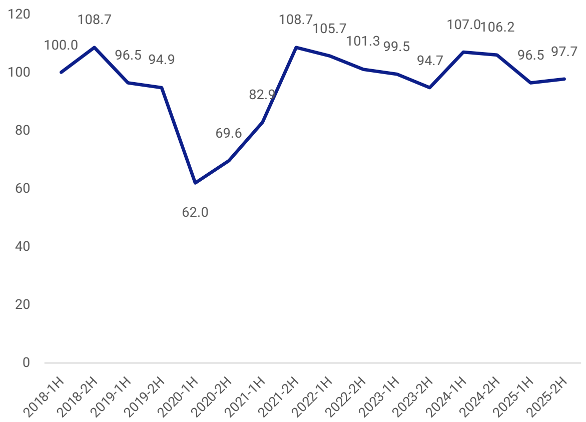
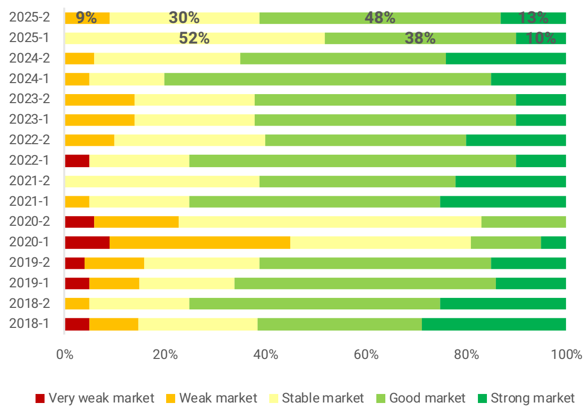


Figure 4: Market development in responding countries



Source: "The State of the Consulting Engineering Sector – Barometer Spring 2025" by EFCA, November 2025

[1] "The State of the Consulting Engineering Sector – Barometer Spring 2025", EFCA, November 2025. The survey was conducted during October–November 2025. 23 EFCA member associations responded (85%)

European order backlog nears record highs

The order backlog for European engineering consultancies has risen significantly to 10.2 months, now approaching its previous peak of 10.4 months. This level reflects both increased market uncertainty and somewhat concerning staff capacity across the sector. Industry momentum remains mixed but generally positive, with order stocks expected to fluctuate in the coming periods as markets have not yet fully stabilized after the pandemic.

Over the past decade, the overall trendline continues to show a slow but steady upward growth.

The near-term outlook is broadly neutral: 61% of countries expect no significant change in order stock, while only 9% anticipate a decline.

Figure 5: European average order backlog in months*

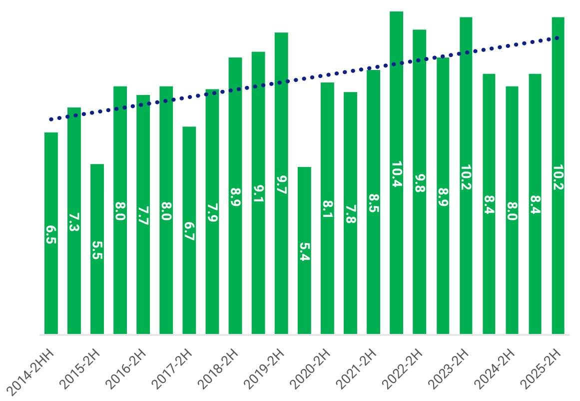
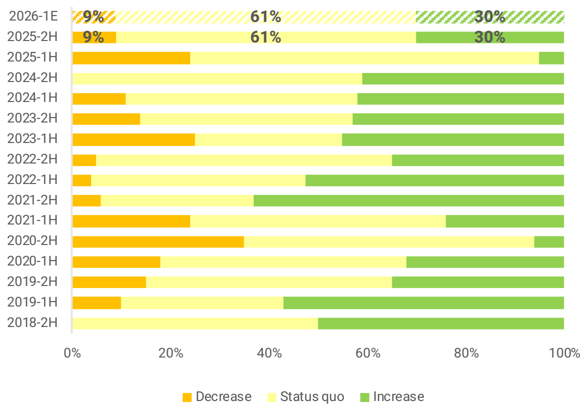


Figure 6: Order backlog development in responding countries



Source: "The State of the Consulting Engineering Sector – Barometer Spring 2025" by EFCA, November 2025

**The figure for average order backlog in months is weighted according to market size, based on Eurostat figures*

Turnover development remains positive

The outlook for turnover remains clearly positive: 39% of surveyed countries expect growth over the coming six months, and none forecast a decline, an improvement from the previous wave, when 4% anticipated a downturn. Since 2018, turnover has remained stable or increased in 90–100% of countries, with only a temporary dip during the 2020–21 pandemic.

The distribution of turnover has also remained fairly consistent, with an average split across Europe of 40% from domestic public clients, 40% from domestic private clients and 20% from exports.

Figure 7: Turnover development in responding countries

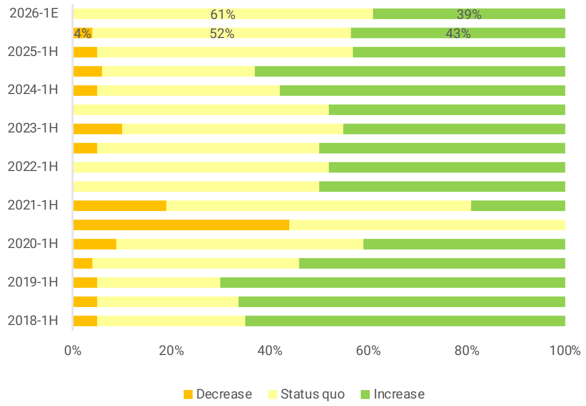
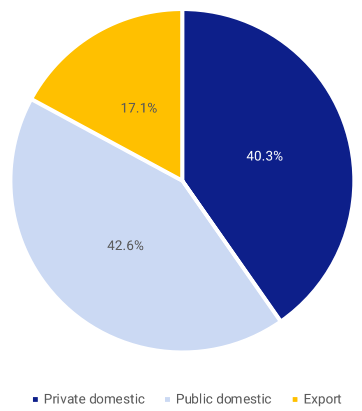


Figure 8: European average turnover by domestic (private/public) and export activity



Source: "The State of the Consulting Engineering Sector – Barometer Spring 2025" by EFCA, November 2025

Highlights and trends in the Italian Engineering industry

Italian construction defies expectations as public works offset residential decline

For 2025, ANCE[2] estimates a modest -1.1% decline in real construction investment, a significantly better outcome than the -7.0% contraction projected a year earlier. Production levels remain exceptionally high, with construction investment exceeding €200bn and representing 12% of GDP. The improved result reflects divergent sub-sector dynamics: residential investment fell sharply (-15.6% yoy), driven by the continued phase-out of tax incentives for extraordinary maintenance (-18.0% yoy) and a further decline in new housing (-5.0% yoy); in contrast, public works surged by +21.0% yoy, fuelled by the accelerated implementation of NRRP-funded projects in the Plan's final phase, with municipal CapEx up +15% and RFI railway investments reaching approximately €11bn (including €7bn from the NRRP).

2026 outlook: growth returns led by public works, but new construction lags behind

Looking ahead to 2026, ANCE forecasts a return to growth, with construction investment expected to rise by +5.6% yoy. The expansion will be driven primarily by a further +12.0% increase in public works, as the NRRP enters its most intensive completion phase (all milestones and targets must be achieved by August 31, 2026). A rebound in residential renovation (+3.5% yoy) is also expected, supported by the extension of tax incentive rates (50/36%) under the 2026 budget law. However, new housing (-4.5%) and new non-residential construction (-3.0%) remain weak, penalized by the persistent decline in building permits.

NRRP sites: 2/3 on track, but the South still lags

According to ANCE monitoring, as of December 2025, 15,978 NRRP-related construction sites have been identified, worth €46.8bn. Of these, 40% have been completed, 26% are at an advanced stage (>50% progress), 12% are at an intermediate stage, while 21% remain at an early phase (<25% progress). Territorial disparities persist, with slower advancement in Southern Italy.

Post-NRRP: €120bn in sight, but sustaining momentum is the real test

Beyond the NRRP horizon, ANCE identifies approximately €120bn in available resources through 2033 — including NRRP spillover funds (~€37bn), EU structural funds 2021–27, the Social Climate Fund and national infrastructure allocations. The key challenge will be to replicate the method, efficiency and accountability that characterized the NRRP implementation, in order to avoid a sharp contraction in public investment and ensure long-term infrastructure planning.

Focus on high-growth strategic sectors

Italy's Data Center boom

According to the latest *Osservatorio Data Center* by the Politecnico di Milano, Italy's data center sector is rapidly consolidating its position as a strategic European hub. The country's total installed IT power reached 609 MW in 2025, up from around 513 MW in 2024 (+19% yoy) and 281 MW in 2020 (a 5-year CAGR above 17%), while Milan alone accounts for 414 MW, positioning itself as the leading data center market in Southern Europe, in direct competition with the established FLAPD cities (Frankfurt, London, Amsterdam, Paris, Dublin), and already capturing 23% of European infrastructure investments. Milan's installed capacity is projected to exceed 1 GW within the next 3 years.

On the demand side, high-voltage grid connection requests submitted to Terna have surged to over 60 GW in 2025, nearly 100 times the current installed IT capacity, an emblematic signal of the sector's explosive growth trajectory. However, actual deployment is lagging behind announcements: of the €10.5bn in investments planned for new data centers in Italy between 2023 and 2025, only €7.1bn (68%) has materialized, highlighting a persistent gap between ambition and execution. The causes of this misalignment are twofold: on one hand, a tortuous bureaucratic process marked by the lack of a national regulatory framework, strong variability among local authorities, and absent standards and timelines; on the other, a rapidly evolving technological context where growing AI demand clashes with uncertainty over the

[2] Associazione Nazionale Costruttori Edili

architectural design of new facilities, prompting international cloud providers to revise their plans.

Looking ahead to 2026–28, the pipeline remains robust: 30 companies have announced investments, including 19 new market entrants, across 83 infrastructure projects with a total potential value of €25.4bn. Realizing this potential will require moving, as the Observatory puts it, "*from noise to value*": grounding plans in representative data and realistic expectations, fostering constructive dialogue between institutions, operators and investors, and avoiding speculative drift to ensure Italy's sustainable consolidation as a European data center hub.

Italy's Nuclear comeback: ambition is high

After decades of inactivity, Italy is re-opening the door to nuclear power. In October 2025, the Council of Ministers approved a framework bill on "Sustainable Nuclear Energy," giving the government 12 months, once the law clears parliament, to issue implementing decrees covering the full regulatory architecture: a national nuclear programme, the establishment of an independent Nuclear Safety Authority, siting procedures with municipal consultation and territorial compensation, R&D and training, fusion research and decommissioning of legacy facilities. The legislation adopts a technology-neutral approach, targeting the "best available technologies" — including both Small Modular Reactors (SMRs) and larger third/fourth-generation plants, as well as fusion — with the government targeting 8–16 GW of nuclear capacity by 2050, covering 11–22% of national electricity demand.

On the industrial side, in May 2025 Enel (51%), Ansaldo Energia (39%) and Leonardo (10%) launched Nuclitalia, a state-backed joint venture tasked with evaluating the most promising reactor designs, starting with water-cooled SMRs, and identifying industrial partnership and co-design opportunities to strengthen the domestic supply chain.

Key uncertainties remain: the bill still requires full parliamentary approval, with implementing decrees unlikely before late 2027, past the next general elections. Commercial deployment of new reactors is realistically expected in the mid-2030s at the earliest, and challenges persist around public acceptance, the identification of a national radioactive waste repository site (targeted for 2029) and the need for grid upgrades to accommodate new capacity alongside surging data center demand.

Italy's Hydrogen bet: €6bn EU boost meets slow rollout on the ground

Hydrogen remains a strategic pillar of Italy's energy transition. The 2024 National Hydrogen Strategy and updated INECP (Integrated National Energy and Climate Plan) target 3 GW of electrolyzer capacity and total hydrogen demand of around 1.7 Mtoe by 2030, about half from renewable ("green") sources. Implementation has advanced but remains behind schedule: 52 Hydrogen Valley projects are financed under the NRRP (over €250mln, with 28 in Southern Italy) and must be operational by end-2026, though as of early 2025 only a minority had reached the permitting and procurement stage, prompting the Ministry for the Environment and Energy Security (MASE) to revise the funding framework. Some flagship projects are now moving to construction, such as the Solvay–Sapio Hydrogen Valley in Rosignano (5 MW electrolyzer, 756 tons/year of green hydrogen, completion expected mid-2026), and 48 hydrogen refueling stations are being deployed along key transport corridors.

A major boost came on April 1, 2026, when the European Commission approved a €6bn Italian state aid scheme for renewable hydrogen production, structured as two-way contracts for difference with strike prices determined through competitive bidding. The scheme, running through 2029, aims to enable 200,000 tons per year of renewable hydrogen capacity, targeting the decarbonization of transport and hard-to-abate industrial sectors such as refining, chemicals, glass and steel.

Despite persistent challenges — grid capacity, electrolyzer supply chains and permitting timelines — medium-term prospects are strengthening thanks to EU incentives for Renewable Fuels of Non-Biological Origin (RFNBOs) and Italy's growing role as a potential Mediterranean hydrogen import hub.

Competitive arena

Italy's Design Services sector: 7th globally, fragmented locally, finally consolidating

According to the latest ENR data (analysed by Guamari), Italy ranks seventh across all three global and European benchmarks for design services (architecture and engineering combined), a position unchanged yoy. By export revenue (*Top 225 International Design Firms*), Italy holds a 1.8% global share (up from 1.6%) with 12 firms listed (up from 11), a count equivalent to South Korea and second only to the USA and China. Including domestic revenues (*Top 150 Global Design Firms*), Italy remains seventh (0.8%), though only 3 firms qualify: Maire (50th), Italferr (121st) and Rina Consulting (135th), reflecting the small size of Italian firms relative to competitors with larger home markets. Within Europe (*Top 56 exporting design firms*), Italy confirms seventh place with a 6.0% share (up from 4.9%), ahead of Germany. These results are achieved despite, or perhaps thanks to, a dense network of family-run, often small-to-mid-sized firms.

Domestically, the fragmentation of demand mirrors that of supply, though signs of consolidation are emerging, for now more among private clients, with some municipalities beginning to create joint procurement agencies. With the NRRP approaching its 2026 deadline, and Italy having secured more resources than any other European country, consolidating smaller tenders and pursuing economies of scale is essential. The public A/E market, estimated by OICE at ~€2bn for 2025, demands efficient public-private cooperation, yet fragmentation undermines trust: size serves as a proxy for reliability and procurement increasingly relies on third-party validation to bridge this gap.

The scale disadvantage is widening: in 2024, Italferr was 56.1 times smaller than PowerChina's engineering division (up from 52x in 2023), limiting competitiveness both internationally and at home, where foreign subsidiaries are increasingly dominant amid the NRRP investment wave.

That said, the long-awaited M&A wave is finally reaching Italy. Recent deals include Accenture's acquisition of IQT Consulting (February 2025), Mare Group's purchase of La Sia (mid-2025) and Tecne's creation of specialized joint ventures (TecneSperi, TecneSystra). Stable consortia are also gaining traction as an M&A alternative: the top ten reached €92.8mln in combined revenues (+18.8% yoy). Nevertheless, most Italian A/E firms continue to grow organically, relying on their reputation and informal networks, resilient enough to wait for a more favorable global scenario.

Top 200 Engineering firms: €4.9bn in FY24 revenue and the best AEC performance

In 2024, the top 200 Italian engineering firms reported a total turnover of €4.9bn, up 10.7% yoy, with exports accounting for 20.3% of revenues. Engineering was the best-performing segment of the AEC industry: while architecture saw turnover decline by 6.1% and construction contracting suffered drops in EBITDA (-10.9%) and net profit (-22.2%), engineering delivered a 14.3% increase in net profit despite a marginal EBITDA decline (-0.8%). Net cash improved by 2.9%, while equity grew by 11.7%, underscoring continued financial strengthening, albeit at a more moderate pace than the exceptional 2023 (when EBITDA, net profit and net cash had surged by 44.6%, 41.6% and 92.9% respectively).

Italferr (FS Group) once again leads the ranking, driven by high-speed rail procurement and international expansion. Rina Consulting ranks second, part of the broader Rina Group, which has expanded through strategic acquisitions including D'Appolonia (Italy), Edif (UK), Patrick Engineering (USA) and Comete Engineering (Tunisia). Tecne (Aspi Group) climbs to third from fifth, having replaced Spea Engineering. EniProgetti descends to fourth, followed by Proger in fifth, which has recently opened its capital to Azzurra Capital Investments, with a growing role in infrastructure monitoring. Acea Engineering & Infrastructures Projects ranks sixth, active in water and energy infrastructure. Italconsult follows in seventh, having diversified from road engineering into healthcare infrastructure and expanded internationally by acquiring Boswell Engineering (USA). Expertise enters the top ten at eighth, strong in oil & gas. DBA Group holds ninth, notable as the first engineering firm in the sector to be publicly listed, controlling Sjs (Italy), Proyectos IFG (Spain) and Actual IT (Slovenia). Sina, the engineering subsidiary of the Gavio Group, rounds out the top ten, bolstered by its May 2024 acquisition of Musinet Engineering.

Table 1: Top Italian engineering firms by 2024 revenues (€/mln)

Ranking			Firm	Revenue			EBITDA			Net income		Net Debt/(Cash)			Equity	
2024	2023	2022		2024	Δ % '24/'23	2024	2024	margin %	Δ % '24/'23	2024	Δ % '24/'23	2024	/EBITDA x	Δ % '24/'23	2024	Δ % '24/'23
1	1	1	Italferr	420.2	*11%*	*8%*	84.6	20%	*-8%*	52.1	*-11%*	86.9	1.0x	*144%*	125.7	*-5%*
2	2	2	Rina Consulting	279.8	*30%*	*48%*	29.0	10%	*26%*	15.3	*37%*	27.3	0.9x	*11%*	55.0	*11%*
3	5	4	Tecne	227.1	*31%*	-	28.3	12%	*57%*	18.2	*79%*	(11.9)	ns	*66%*	39.3	*86%*
4	3	3	EniProgetti	211.4	*15%*	*94%*	21.8	10%	*65%*	14.8	*170%*	115.8	5.3x	*70%*	52.1	*45%*
5	4	7	Proger	181.6	*2%*	*23%*	28.1	15%	*14%*	14.2	*0%*	(25.6)	ns	*-755%*	98.3	*17%*
6	8	6	Acea	133.0	*39%*	-	11.0	8%	*11%*	nd	*nd*	nd	nd	*nd*	nd	*nd*
7	7	5	Italconsult	132.7	*3%*	*87%*	21.9	17%	*8%*	12.1	*53%*	29.3	1.3x	*-9%*	84.1	*20%*
8	6	-	Expertise	121.4	*-7%*	*nd*	4.7	4%	*-16%*	0.6	*-19%*	11.2	2.4x	*-19%*	8.9	*2%*
9	9	9	DBA Group	115.8	*3%*	*37%*	12.0	10%	*-1%*	3.4	*-23%*	8.2	0.7x	*-2%*	24.8	*8%*
10	10	8	Sina	108.7	*5%*	-	29.3	27%	*-6%*	22.5	*1%*	(9.4)	ns	*55%*	92.2	*2%*
			Top 200 tot.	**4,844.8**	***11%***	***20%***	**655.7**	**14%**	***-1%***	**418.8**	***14%***	**(165.0)**	**ns**	***-3%***	**1,683.2**	***12%***
			Top 200 avg.	**24.3**	***11%***	***27%***	**3.3**	**14%**	***-1%***	**2.1**	***14%***	**(0.9)**	**ns**	***-3%***	**8.6**	***12%***
			Top 200 med.	**9.8**	***6%***	***16%***	**1.4**	**15%**	***5%***	**0.9**	***16%***	**(1.1)**	**ns**	***-25%***	**3.6**	***22%***
72	82	88	**ETS**	**15.2**	***10%***	**-**	**4.4**	**29%**	***17%***	**3.3**	***20%***	**(3.5)**	**ns**	***-43%***	**5.9**	***49%***

Source: Banca Profilo elaborations on "Report 2025 on the Italian Architecture, Engineering and Construction Industry" by Guamari res earch firm

**Consolidated data. (nd = not defined; ns = not significant)*

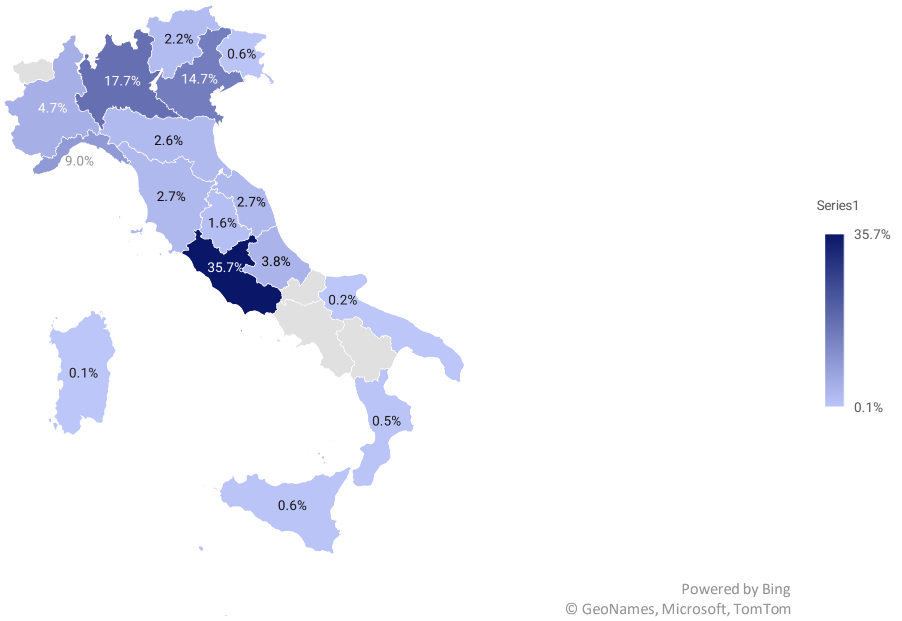
ETS jumps 10 spots to 72nd, with profitability that rivals the Top 10

In 2024, ETS rose from 82nd to 72nd among Italy's top 200 engineering firms, climbing 10 positions in a single year. Revenue reached €15.19mln (+9.6% yoy), broadly in line with the sector's 10.7% average, while profitability continued to stand out: the EBITDA margin rose to 29.0% (from 27.3%), far exceeding the industry average and outperforming most top-10 players. Net profit grew by 20.5%, and equity surged by 49.5% to €5.94mln, significantly reinforcing the firm's capital base. While historically ETS continues to operate solely in the domestic market, limiting access to larger contracts and global value chains, its consistent upward trajectory, exceptional profitability and strengthening balance sheet confirm a firm well positioned for further growth in future rankings.

Engineering firms' regional distribution

Italy's regional landscape remains highly decentralized. In 2024, 17 out of 20 regions hosted at least one top-200 engineering firm (the exceptions being Basilicata, Molise and Valle d'Aosta). The public sector's significant role gives Lazio a dominant position (49 firms, 35.7% of turnover), ahead of Lombardy (57 firms, 17.7%), Veneto (22 firms, 14.7%), Liguria (6 firms, 9.0%) and Piedmont (15 firms, 4.7%). Southern regions and the islands saw their collective share of national output fall from 3.3% to just 1.8%, a setback that underscores persistent geographical imbalances despite the NRRP's 40% allocation target for the Mezzogiorno.

Figure 9: Regional distribution of the Top 200 Engineering firms (2024 data)

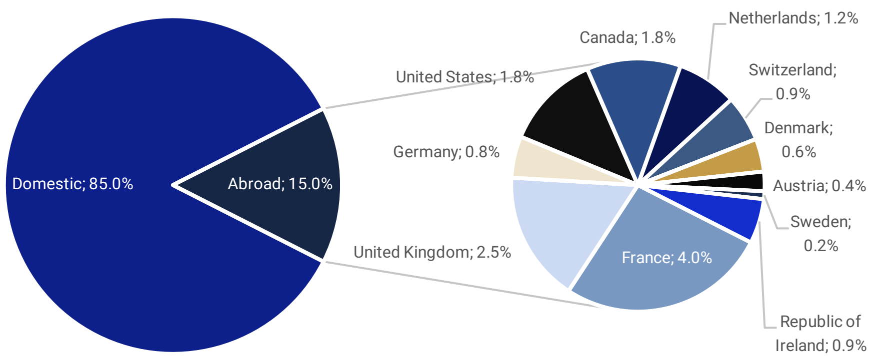


Source: Banca Profilo elaborations on "Report 2025 on the Italian Architecture, Engineering and Construction Industry" by Guamari research firm

A market built on bespoke expertise, with foreign presence on the rise

The Italian engineering market evolved primarily from professional practices rather than divisions of large, diversified groups, a structure that responds to demand for competitive, tailor-made solutions rather than standardized offerings. This distinctiveness carries through to the international dimension: foreign subsidiaries now account for 15.0% of the Italian market (up from 14.4%). France consolidated its lead in 2024 (26.7% of foreign subsidiaries' turnover, up sharply from 20.5%), while the UK fell to second (16.7%, down from 20.3%), followed by the USA (12.2%) and Canada (12.0%), with smaller shares held by the Netherlands, Switzerland, Ireland, Germany, Denmark, Austria and Sweden.

Figure 10: % of Top 200 Italian Engineering revenues from foreign subsidiaries (2024 data)



Source: Banca Profilo elaborations on "Report 2025 on the Italian Architecture, Engineering and Construction Industry" by Guamari research firm

Listed peers

We have identified a selection of European listed peers active in engineering services for building and construction. The sample includes Sweco (SE), Fugro (NL), Multiconsult (NO), Assystem (FR), Sitowise Group (FI), ABO-Group Environment (BE), DBA Group (IT, listed on EGM), Solwers (FI), Arcadis (NL), Rejlers (SE) and AFRY (SE).

Table 2: Listed peers' revenue growth and EBITDA margin

Company	Currency	Market Cap (mln)	Enterprise Value (mln)	Sales growth (yoy)				EBITDA margin			
27/04/2026				2024	2025	2026E	2027E	2024	2025	2026E	2027E
Sweco AB Class B	SEK	50,771	55,869	*7.5%*	*3.0%*	*7.5%*	*5.3%*	*14.4%*	*11.7%*	*12.0%*	*12.2%*
Fugro NV	EUR	1,298	1,694	*4.0%*	*-18.8%*	*-4.8%*	*6.0%*	*20.3%*	*14.5%*	*16.6%*	*17.9%*
Multiconsult ASA	NOK	4,422	5,890	*12.1%*	*5.1%*	*8.2%*	*6.5%*	*14.2%*	*11.6%*	*12.3%*	*12.8%*
Assystem SA	EUR	687	778	*5.9%*	*7.4%*	*2.3%*	*4.4%*	*9.3%*	*9.4%*	*9.4%*	*9.2%*
Sitowise Group Oyj	EUR	87	160	*-8.5%*	*-2.1%*	*1.8%*	*7.5%*	*8.3%*	*7.7%*	*10.3%*	*11.3%*
ABO-Group Environment NV	EUR	46	70	*14.7%*	*n.d.*	*n.d.*	*n.d.*	*12.7%*	*n.d.*	*n.d.*	*n.d.*
DBA Group SpA	EUR	42	52	*3.3%*	*9.3%*	*4.8%*	*n.d.*	*10.8%*	*11.1%*	*11.4%*	*n.d.*
Solwers Oyj	EUR	22	49	*18.6%*	*4.5%*	*7.0%*	*3.0%*	*8.3%*	*6.2%*	*8.5%*	*9.3%*
Arcadis NV	EUR	2,872	3,677	*3.2%*	*-3.1%*	*-0.4%*	*3.9%*	*14.4%*	*13.9%*	*14.1%*	*14.9%*
Rejlers AB Class B	SEK	3,603	4,243	*8.4%*	*7.0%*	*9.3%*	*4.9%*	*11.6%*	*11.7%*	*11.5%*	*12.2%*
AFRY AB Class B	SEK	14,406	19,634	*0.7%*	*-5.2%*	*0.5%*	*5.7%*	*10.5%*	*9.8%*	*10.7%*	*11.5%*
Mean				***6.4%***	***0.7%***	***3.6%***	***5.2%***	***12.2%***	***10.8%***	***11.7%***	***12.4%***
Median				***5.9%***	***3.7%***	***3.5%***	***5.3%***	***11.6%***	***11.4%***	***11.5%***	***12.2%***
ETS SpA	**EUR**	**29.2**	**23.3**	***9.6%***	***5.7%***	***11.2%***	***1.4%***	***29.0%***	***31.4%***	***29.2%***	***27.9%***

Source: Banca Profilo estimates and elaborations on FactSet data (as of April 27, 2026)

Sweco (SE):

FY25 net sales SEK 31.6bn;

EBITA margin 10.5%

Sweco is Europe's leading architecture and engineering consultancy, with approximately 23,000 experts across the continent. The firm advises on projects spanning energy, water, environment, infrastructure, buildings and defence/security, with a strong positioning around the green transition and sustainability. It operates through eight geographic business areas (Sweden, Norway, Finland, Denmark, Belgium, Netherlands, UK & Ireland, Germany & Central Europe) and pursues growth through a combination of organic expansion and bolt-on M&A.

In FY25, Sweco reported net sales of SEK 31.6bn (+3.0% yoy) and EBITA of SEK 3.3bn (+8.3% yoy), with the EBITA margin rising to 10.5% (+0.5pp). Net debt fell to SEK 1.4bn from SEK 1.5bn, keeping the net debt/EBITA ratio stable at 0.4x. On the demand side, energy, water, environment, infrastructure and defence/security remained solid, while residential and commercial buildings stayed weak.

Fugro (NL):

FY25 sales €1.8bn;

adj. EBITDA margin 14.5%

Fugro is the world's leading Geo-data specialist, providing geotechnical, survey, subsea and geoscience services to clients in the energy, infrastructure and water industries. The company operates globally through two segments, *Marine* and *Land*, deploying a fleet of vessels, remote-operated equipment and digital solutions. Key end-markets include offshore wind, traditional oil & gas, infrastructure, carbon capture, critical minerals and subsea cable/pipeline surveillance. Fugro is headquartered in Leidschendam, the Netherlands.

FY25 was a challenging year. Revenue fell to €1.8bn (-18.8% yoy) and EBITDA nearly halved to €268mln (-44.6% yoy), with the margin contracting to 14.5% (-5.8pp). The 12-month order backlog declined 11.5% to €1.4bn. Management notes early signs of recovery in offshore wind, though a meaningful rebound is expected to take time.

Multiconsult (NO):

FY25 net revenues NOK 5.7bn;

EBITDA margin 11.4%

Multiconsult is a Norwegian engineering, design and architecture consultancy. The company operates primarily in the Nordics (Norway, Sweden, Denmark, Poland) across four business areas: *Buildings & Properties*, *Mobility & Transportation*, *Energy & Industry* and *Water & Environment*. It serves both public and private clients on projects ranging from infrastructure and transport to energy transition and environmental services.

FY25 net operating revenues reached NOK 5.7bn (+5.1% yoy), while adj. EBITDA fell 15.5% to NOK 647mln, resulting in an EBITDA margin of 11.4% (-2.8pp). The company secured NOK 6.1bn (-5.8% yoy) in new orders, resulting in a backlog of NOK 4.2bn (-12.7% yoy). Defence, energy, industry and infrastructure are expected to drive future growth, while building and property is expected to remain challenging.

Assystem (FR):

Assystem is one of the world's leading independent nuclear engineering companies, committed to accelerating the energy transition. Listed on Euronext Paris, the group provides

FY25 revenue €657mln;

EBITA margin 6.8%

engineering, project management and digital services across 13 countries with approximately 8,000 employees. Nuclear activities account for 77% of consolidated revenue, with the balance in other energy, infrastructure and defence-related projects. The group also holds a significant equity stake in Expleo Group, a diversified engineering and technology services firm. Assystem is controlled by Chairman & CEO Dominique Louis.

In FY25, Assystem reported revenue of €657mln (+7.4% yoy) and EBITA of €45mln (+11.7% yoy) with the margin widening 0.2pp to 6.8%. For 2026, management guides for organic revenue growth of 2–4% and an EBITA margin of around 7%.

Sitowise Group (FI):

FY25 net sales €189mln;

adj. EBITA margin 4.7%

Sitowise Group is a Nordic company that offers sustainable design and consulting services for urban development. Listed since 2021, the group operates primarily in Finland and Sweden across four business areas: *Buildings*, *Infra*, *Digital Solutions* and *Sweden*. Services span engineering design, architecture, project management, environmental consulting and digital solutions for the built environment.

FY25 revenue was €189mln (-2.2% yoy), with adj. EBITA of €8.9mln (-7.2%), corresponding to a margin of 4.7% (-0.3pp). The balance sheet remains stretched: net debt/adj. EBITA improved to 4.9x at YE25 (from 5.0x at YE24). Under new management, Sitowise revised its mid-term targets: adj. EBITA margin above 10% (from 12% previously) and leverage below 3.0x (from 2.5x), acknowledging the distance from current performance.

ABO Group (BE):

FY25 turnover €106.5mln;

EBITDA margin 11.1%

ABO-Group Environment, founded 30 years ago, has evolved from a soil remediation company into a reference player in geotechnics and geosciences. The group operates across three divisions, *Geotechnics*, *Environment* and *Monitoring & Infrastructure*, primarily in Belgium, the Netherlands and France. It positions itself as a one-stop-shop for geotechnics, environmental research and monitoring, serving construction, infrastructure, defence and nuclear clients. Growth has been driven by a combination of niche bolt-on acquisitions and organic expansion.

In FY25, revenue reached €106.5mln (+11.1% yoy), but EBITDA declined to €11.8mln (-3.2% yoy) with margin contracting to 11.1% (-1.6pp). Looking ahead, the order book is at a record level, with ~30% of 2025 revenue already secured for 2026, driven by major contracts in nuclear, infrastructure and defence. Management expects 2026 revenue of around €110mln.

DBA Group (IT):

FY24 VoP €115.3mln;

EBITDA margin 10.8%

DBA Group, headquartered in Villorba (TV), is an Italian holding of companies active in ICT, project management and architecture & engineering. Founded by the De Bettin brothers in 1991, the group operates through three pillars: *Engineering & Project Management* (infrastructure design, BIM, data centres), *ICT Italy* (port community systems, smart mobility) and *ICT Slovenia* (telecom and energy digitalisation). It has 26 offices worldwide, including 15 in Italy, four in Slovenia and others in Spain and Portugal following recent acquisitions.

In FY24, DBA Group reported VoP of €115.3mln (+3.3% yoy) and EBITDA of €12.5mln (-0.4% yoy). FY25 results have not been published yet.

Solwers (FI):

FY25 revenue €80.6mln;

EBITDA margin 6.3%

Solwers is a Finnish group of expert companies providing architecture, infrastructure design, structural engineering, technical consulting, environmental monitoring, project management, HVAC systems, electrical and automation engineering and digital services (IoT, vibration analysis, digital platforms). Founded in 2017 and headquartered in Espoo, the group operates in Finland, Sweden and, since late 2025, Poland, serving both public and private clients. The growth strategy is primarily acquisition-driven, with over 20 companies acquired since the 2021 IPO.

Solwers reported FY25 revenue of €80.6mln (+2.9% yoy) and EBITDA of €5.1mln (-21.2% yoy), with the margin contracting to 6.3% (-2pp), weighed down by weak demand in buildings and real estate. Management expects performance to improve progressively through 2026.

Arcadis (NL):

FY25 revenue €3.8bn;

Arcadis is the world's leading company delivering data-driven sustainable design, engineering, and consultancy solutions for natural and built assets. Headquartered in Amsterdam, the group employs around 36,000 people globally and serves clients across environment, water,

Adj. EBITDA margin 10.7%

infrastructure, buildings and energy transition. Key end-markets include data centres, pharma, climate adaptation and water optimisation. Arcadis operates through four global business areas (*Resilience*, *Places*, *Mobility* and *Intelligence*) and has grown significantly through M&A, including the 2022 acquisition of IBI Group and the 2023 acquisition of DPS Group.

FY25 net revenues declined to €3.8bn (-3.1% yoy) and adj. EBITDA fell 6.1% to €523mln, with margin contracting to 10.7% (-1.5pp).

Rejlers (SE):

FY25 net sales SEK 4.7bn;

EBITA margin 8.0%

Rejlers AB, founded in 1942 and headquartered in Stockholm, is a Nordic technical consulting firm serving customers in buildings & properties, energy, industry and infrastructure. The group operates through three segments, *Sweden*, *Finland* and *Norway*, with approximately 3,360 employees. Services include project management, project engineering, design, programming and commissioning, with a growing focus on the energy transition and electrification.

FY25 revenue reached a record SEK 4.8bn (+7.0% yoy), with EBITA growing in line at SEK 378mln (+7.2% yoy) and a stable 8.0% margin. Management noted the company continued to gain market share despite a challenging macro backdrop.

AFRY (SE):

FY25 net sales SEK 25.8bn;

EBITA margin 6.0%

AFRY AB is a Sweden-based consulting, engineering and design company active mainly in energy, industry and infrastructure. With roots going back 130 years, the group employs approximately 18,000 people across some 50 countries. Operations are structured around three divisions: *Energy*, *Industry* and *Transportation & Places*. AFRY is positioned as a key partner in the energy transition, defense and transport infrastructure, with the Nordics accounting for around 72% of sales.

FY25 revenue fell to SEK 25.8bn (-5.2% yoy) and EBITA declined 26.2% to SEK 1.6bn, with the margin contracting to 6.0% (-1.7pp). The backlog was more encouraging at SEK 20.4bn (+5.4% organic), supported by strong demand in defence, energy and transport infrastructure, though real estate and parts of industry (including pulp & paper) remained subdued.

Best-in-class returns, peer-level valuation

Once again in 2025, ETS confirms its position at the top of the peer panel on profitability, with the highest ROE (26.4% vs 4.4% median) and net margin (20.5% vs 2.1%), combined with the lowest leverage (1.6x A/E) and a net cash position. The 9.1% dividend yield is more than triple the peer median. Despite this quality profile, P/BV of 2.0x remains broadly in line with the 1.7x median, confirming a valuation gap largely attributable to micro-cap illiquidity.

Table 3: Peers' key ratios

Company	Dividend yield	P/BV	ROE	Leverage (A/E)	Net debt/ EBITDA	Net Profit margin
27/04/2026	2025	2025	2025	2025	2025	2025
Sweco AB Class B	*2.5%*	4.4x	*18.3%*	2.4x	1.4x	*7.0%*
Fugro NV	*1.8%*	0.7x	*-1.5%*	1.8x	1.4x	*-1.1%*
Multiconsult ASA	*2.8%*	n.d.	*20.9%*	3.6x	2.2x	*3.8%*
Assystem SA	*2.3%*	2.2x	*2.5%*	2.2x	1.5x	*1.1%*
Sitowise Group Oyj	*0.0%*	1.2x	*-44.2%*	3.0x	5.0x	*-22.5%*
ABO-Group Environment NV	*0.0%*	2.1x	*2.5%*	3.8x	n.d.	*0.6%*
DBA Group SpA	*n.d.*	n.d.	*n.d.*	n.d.	0.7x	*n.d.*
Solwers Oyj	*n.d.*	0.6x	*-2.3%*	2.4x	5.3x	*-1.2%*
Arcadis NV	*3.0%*	3.0x	*18.3%*	3.7x	1.5x	*4.3%*
Rejlers AB Class B	*2.8%*	2.0x	*9.8%*	1.9x	1.2x	*4.2%*
AFRY AB Class B	*4.0%*	1.3x	*6.2%*	2.1x	2.1x	*3.1%*
Mean	***2.1%***	**1.9x**	***3.1%***	**2.7x**	**2.2x**	***-0.1%***
Median	***2.5%***	**2.0x**	***4.4%***	**2.4x**	**1.5x**	***2.1%***
ETS SpA	**9.1%**	**2.0x**	**26.4%**	**1.6x**	**n.m.**	**20.5%**

Source: Banca Profilo elaborations on FactSet data (as of April 27, 2026)

History, structure and people

Company's evolution

1992-1996: foundations and early growth

ETS S.p.A. (hereinafter the "Company" or "ETS") was established in 1992 by Giambattista Parietti and Donato Romano as a firm focused on design, construction supervision and integrated engineering consultancy. Operating out of a small garage near Bergamo, the founders began shaping the Company's identity. By 1995, ETS had secured contracts with the Italian Ministero della Difesa, marking its entry into plant engineering and expanding into mechanical, electrical, civil and industrial sectors.

2000: a landmark project, "Papa Giovanni XXIII" hospital

A major milestone came in 2000 with the award of the engineering and supervision contract for the "Papa Giovanni XXIII" hospital in Bergamo. This high-impact project allowed ETS to strengthen its technical expertise and organizational structure.

2005: BIM adoption

In 2005, the Company began investing in Building Information Modeling (BIM), adopting it as a core tool for optimizing project planning and management.

2010-2017: institutional integration and sector diversification

In 2010, ETS joined Confindustria Bergamo, reinforcing its institutional relationships and regional presence. Three years later, it entered the rapidly growing data center sector, securing major contracts for key facilities such as CRIF in Bologna, Data4 in Sesto San Giovanni, and STM. In 2017, ETS further expanded its presence in the healthcare sector by winning the "San Cataldo" hospital project in Taranto, confirming its role as a trusted player in complex public infrastructure projects.

2022-2023: recognition

In 2022, ETS became a member of FIRE (Federazione Italiana per l'uso Razionale dell'Energia) and was ranked among the top 100 Italian engineering companies by Guamari[3].

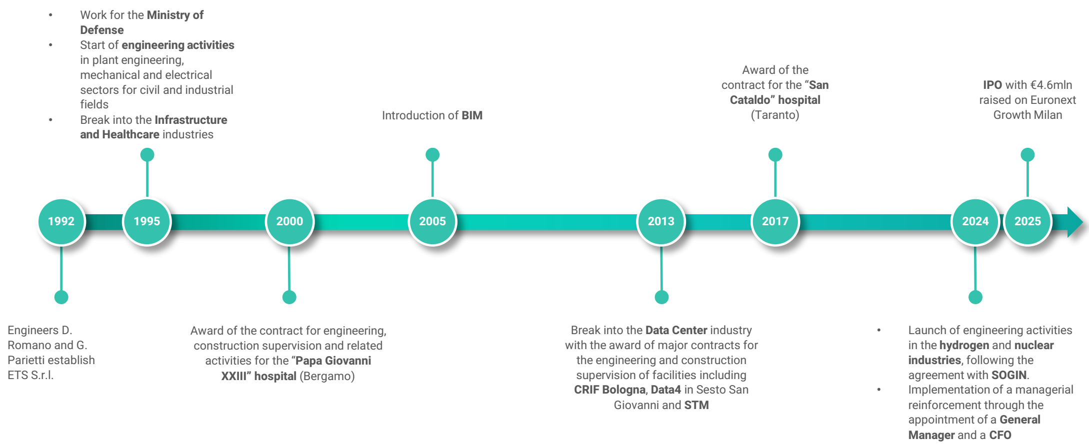
2024: strategic evolution and leadership

In 2024, ETS expanded into the hydrogen and nuclear sectors following a strategic agreement with SOGIN. To support this diversification and growth, the Company strengthened its leadership with the appointment of a General Manager and a CFO.

2025: listing on EGM, raising €4.6mln in IPO

On September 26, 2025, ETS listed on Euronext Growth Milan via a private placement capital increase aimed exclusively at institutional and professional investors. The offering comprised 915,000 newly issued ordinary shares (including a fully exercised 115,000-share greenshoe option) at €5.00/share. In total, ETS raised roughly €4.6mln in gross proceeds.

Figure 11: ETS timeline from 1992 to 2026



Source: Company data

[3] Italian research firm

Corporate structure

Founders retain control with 18-month lock-up post-IPO

Following the IPO, ETS maintains a concentrated ownership, with ETS Group Srl, equally owned by founders Romano and Parietti, holding 81.4%. Indépendance AM owns 6.1%, while the 12.5% free float ensures some market liquidity without diluting control.

The two founders, through ETS Group, are subject to an 18-month lock-up period starting from the IPO date.

ETS NH S.r.l., subsidiary focused on nuclear and hydrogen

On October 31, 2025, ETS S.p.A. announced the establishment of ETS NH S.r.l., a Bergamo-based subsidiary entirely dedicated to design, project management, and technical services for nuclear facilities and hydrogen production, storage, and transport plants. The creation of ETS NH represents a further step in implementing ETS's growth strategy, aimed at consolidating its presence in the strategic energy and advanced infrastructure sectors and supporting the energy transition and next-generation plant safety.

ETS NH S.r.l. is owned 72% by ETS S.p.A. and 14% each by Gianpietro Locatelli and Cinzia Giupponi, who serve respectively as CEO and CFO of the new company, while continuing in their roles as General Manager and CFO of ETS S.p.A. The participation of key executives in the subsidiary's share capital is intended to strengthen leadership continuity and enhance the Group's technical expertise in the nuclear and hydrogen sectors.

ETS NH signs framework deal for majority stake in CERN spin-off BAQ

In February 2026, ETS took a further step in its diversification toward mission-critical infrastructure by announcing that its newly established subsidiary, ETS NH, had signed a framework agreement to acquire a 51% majority stake in BAQ (Suisse) Sàrl, a Geneva-based engineering and consulting firm founded in 2019 as a spin-off of CERN, specializing in nuclear safety and innovative air purification systems for radioactive contaminants.

The envisaged equity investment amounts to CHF 50,000 (~€55,000), complemented by shareholder loans of up to CHF 250,000 (~€275,000) to support BAQ's development and its corporate transformation from Sàrl to SA. The founding partners will continue to hold their operational roles within the company, and together with FONGIT, one of Switzerland's leading technology incubators, will remain in the shareholder structure alongside ETS NH upon completion.

Figure 12: ETS' shareholder structure

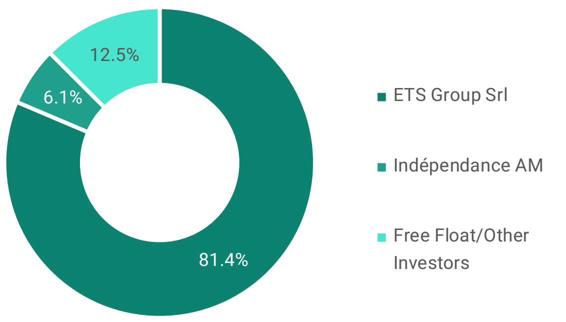
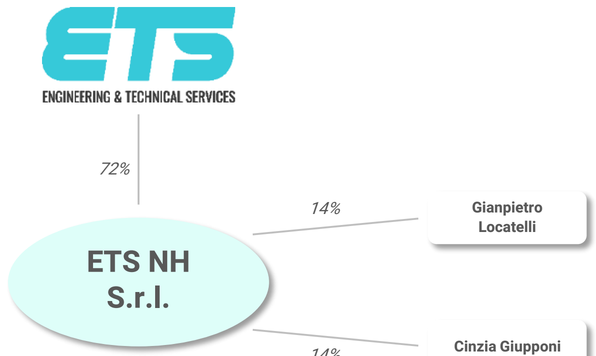


Figure 13: Group structure



Source: Company data

Key people

Donato Romano:

Co-Founder and Chairman

Donato Romano, co-founder and Chairman of ETS, holds a Mechanical Engineering degree from the Politecnico di Milano, with professional certifications in Project Management and Health & Safety Coordination. He co-founded "Studio Tecnico Associato Romano–Parietti" in 1984 and, together with longtime partner Giambattista Parietti, established ETS S.p.A. in 1992.

Under his leadership, ETS has delivered major infrastructure and healthcare projects worth hundreds of millions of euros, including the "Papa Giovanni XXIII" hospital in Bergamo, the "San

Cataldo" hospital in Taranto, the San Vittore waste-to-energy plant upgrade in Lazio and Taranto's Electric Bus Rapid Transit system.

Giambattista Parietti: Co-Founder and Vice Chairman

Giambattista Parietti, co-founder and Vice Chairman of ETS, holds a Mechanical Engineering degree from the Politecnico di Milano and certifications in Project Management; he is also registered on the official Register of Testers, Technical Consultants, Experts and Advisors.

Since co-founding ETS in 1992, his technical expertise and leadership have been pivotal to the Company's growth across public and private sectors. He has contributed to major projects such as the "Papa Giovanni XXIII" hospital in Bergamo, the Valle Seriana tramway (Bergamo–Albino), the "San Cataldo" hospital in Taranto and Bergamo's €62.5mln Electric Bus Rapid Transit system.

Gianpietro Locatelli: General Manager

Gianpietro Locatelli, General Manager of ETS, holds a Civil Engineering degree with a specialization in Structural Engineering from the Politecnico di Milano and is certified in Project Management and Health & Safety Coordination.

Since joining ETS in 2005 as Technical Director, he has significantly contributed to the Company's growth and led major projects such as the €115mln Sibaritide hospital in Calabria, the €161.8mln "San Cataldo" hospital design and the reconstruction of the Amatrice hospital. He also led the €251.7mln upgrade of the San Vittore waste-to-energy plant in Lazio and, more recently, has been directly involved in gas distribution networks, €23.3mln data center developments and the signing of a €5.9mln agreement with SOGIN (Società Gestione Impianti Nucleari) for decommissioning and future projects.

Cinzia Giupponi: Chief Financial Officer

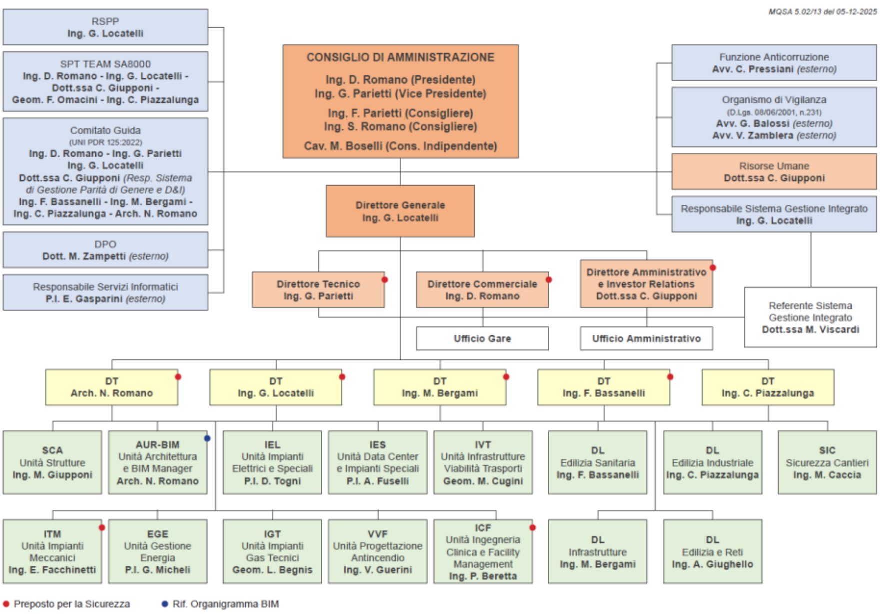
Cinzia Giupponi is the Chief Financial Officer of ETS, also serving as Head of Human Resources and a member of the Technical Committee.

With over two decades at ETS since joining in 2001, she was appointed to her current executive roles in 2024. She leverages deep knowledge of the Company's operations and financial processes to drive strategic administration, human capital management and corporate governance, playing a key role in ETS's long-term growth and operational excellence.

Experienced core team drives stability and low turnover

A key strength of the Company lies in its long-standing employees, whose continued presence ensures stability and deep expertise built over the years. This strong team contributes to the Company's exceptionally low staff turnover.

Figure 14: ETS Organizational Structure



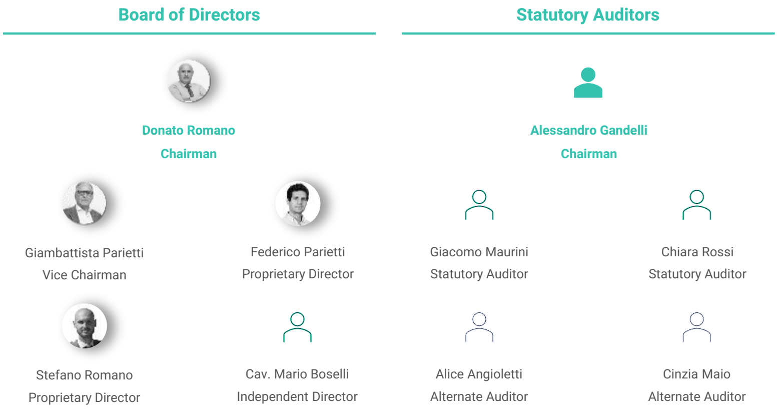
Source: Company data (as of December 5, 2025)

Board of Directors and Board of Statutory Auditors

Governance at ETS is overseen by a dedicated Board of Directors composed of five seasoned members, including one independent director, and supported by a Board of Statutory Auditors with three regular and two alternate members.

Appointed at the Shareholders' Meeting on June 25, 2025, both boards will serve until the approval of the financial statements for the year ending December 31, 2027.

Figure 15: BoD and Board of Statutory Auditors composition



Source: Company data

ESG commitment

ETS demonstrates a strong and structured commitment to ESG principles across environmental, social and governance dimensions.

On the environmental front, it has implemented waste reduction, CO_2 emission cuts, recycling initiatives, a 60kW photovoltaic system and EV charging stations at its headquarters.

Socially, ETS is certified for gender equality (UNI/PdR 125:2022), diversity and inclusion (UNI/ISO 30415:2021) and social accountability (SA8000:2014), embedding these principles into its processes and governance.

From a governance perspective, the Company follows Legislative Decree 231/2001 with a Supervisory Body and introduced a Whistleblowing Procedure in 2023, enhancing transparency and accountability.

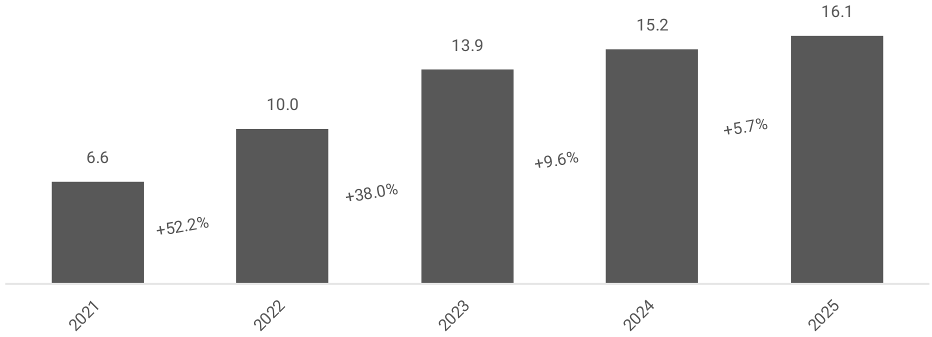
FY25 results

Revenues rise 5.7% to €16.1mln

In FY25, ETS S.p.A. extended its growth trajectory, with revenues from sales and services reaching €15.91mln, up 5.3% from €15.11mln in FY24 and roughly 2.5x the 2021 level of €6.44mln (CAGR ~25%). Other revenues added €0.15mln (vs. €0.08mln in 2024), bringing total value of production to €16.06mln, slightly below (-3.7%) our estimate of €16.68mln [*Please refer to our Initial Coverage dated November 12, 2025*].

Growth was entirely organic and 100% Italy-based, driven by ETS's core engineering and project management activities across infrastructure, healthcare, residential and mission-critical facilities (data centers, hydrogen and nuclear plants). Although the pace moderated vs. the sharper jumps of 2022 (+52%) and 2023 (+38%), FY25 consolidates the scale reached in 2024 and provides a solid base for the Company's 2026–28 industrial plan.

Figure 16: Revenues 2021–25 (€/mln)



Source: Banca Profilo elaborations on Company data

Favourable mix lifts FY25 EBITDA margin to 31.4%

On the cost side, FY25 confirmed the strong operating leverage of ETS's business model, with total operating costs up just +2.1% yoy to €11.01mln, well below the +5.7% revenue growth, driving EBITDA margin expansion to 31.4% (from 29.0% in FY24), comfortably above our estimate of €4.53mln (27.1% margin), with the beat of ~€0.52mln (+11.5%) and ~430bps of higher margin.

The mix shifted meaningfully: *Cost of Services* fell -5.5% yoy to €6.76mln, dropping to 42.1% of production (vs. 47.1% in FY24 and 52.9% in 2021). According to management, this reduction reflects primarily a different project mix that allowed ETS to execute a larger share of activities in-house, rather than a material internalization of previously outsourced resources, which had only a marginal contribution. *Personnel Expenses* rose +15.4% yoy to €3.76mln (23.4% of production vs. 21.4%), with total FTEs increasing to 58 from 53 in FY24, consistent with management's strategic push to strengthen internal headcount and build specialized in-house competences, a lever central to the 2026–28 plan. Remaining items had limited impact: *Raw Materials* immaterial at 0.4%, *Leases* stable at 0.8%, and *Other Operating Expenses* at €0.30mln (1.9%) from a low FY24 base.

Figure 17: Costs structure 2021–25 (% of revenues)

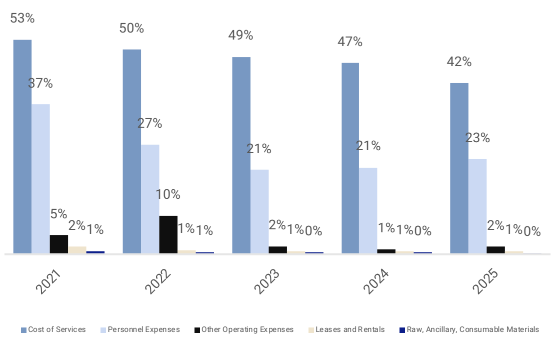
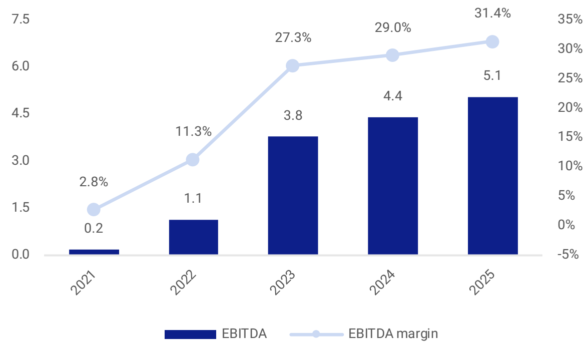


Figure 18: EBITDA (€/mln) and EBITDA margin (% of revenues) 2021–25



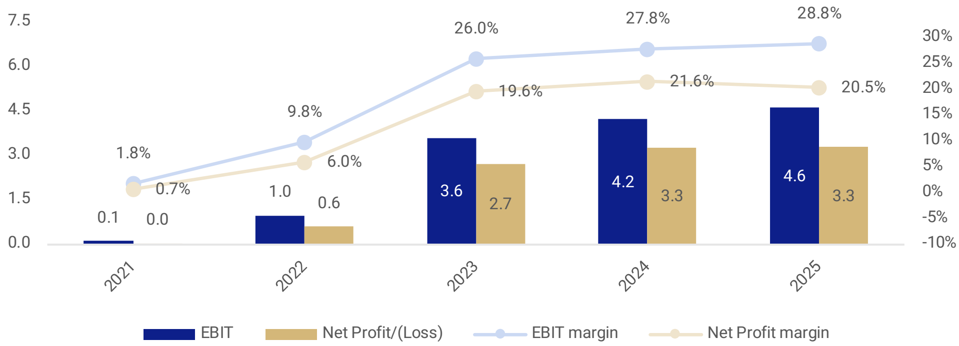
Source: Banca Profilo elaborations on Company data

Asset-light model and net cash position let margins flow through to the bottom line

EBIT reached €4.63mln in FY25, up +9.6% yoy from €4.23mln, with margin expanding to 28.8% (vs. 27.8%). EBIT growth lagged the +14.6% EBITDA expansion due to a step-up in D&A (€0.42mln vs. €0.18mln), largely reflecting the amortization of capitalized IPO-related costs booked as intangibles following the EGM listing.

Net profit came in at €3.28mln, essentially flat yoy (+0.1%), with net margin slightly compressing to 20.5% (from 21.6%). The gap vs. strong EBIT growth is almost entirely explained by a sharply lower financial result (€5k vs. €321k in FY24), where the prior year had benefited from materially higher "other financial income" (€296k vs. €12k in FY25).

Figure 19: EBIT, Net Profit (€/mln) and EBIT margin (%) 2021–25



Source: Banca Profilo elaborations on Company data

Table 4: Income Statement 2021–25 (€/th)

Profit & Loss (€/th)		2021	2022	2023	2024	2025 OLD	2025
Revenues from sales and services		6,435.8	9,851.3	13,660.8	15,112.0	16,563.7	15,910.8
	% on Revenues	*97.5%*	*98.1%*	*98.6%*	*99.5%*	*99.3%*	*99.1%*
	yoy	*n.m.*	*53.1%*	*38.7%*	*10.6%*	*9.6%*	*5.3%*
Other Revenues		164.4	191.0	199.4	78.7	120.0	150.4
	% on Revenues	*2.5%*	*1.9%*	*1.4%*	*0.5%*	*0.7%*	*0.9%*
	yoy	*n.m.*	*16.2%*	*4.4%*	*-60.5%*	*52.5%*	*91.2%*
Revenues		**6,600.2**	**10,042.3**	**13,860.2**	**15,190.7**	**16,683.7**	**16,061.2**
	yoy	*n.m.*	*52.2%*	*38.0%*	*9.6%*	*9.8%*	*5.7%*
Raw, Ancillary, Consumable Materials		(53.7)	(59.0)	(61.0)	(68.0)	(74.6)	(59.4)
	% on Revenues	*-0.8%*	*-0.6%*	*-0.4%*	*-0.4%*	*-0.4%*	*-0.4%*
Cost of Services		(3,491.6)	(5,064.4)	(6,747.6)	(7,161.8)	(7,808.4)	(6,764.6)
	% on Revenues	*-52.9%*	*-50.4%*	*-48.7%*	*-47.1%*	*-46.8%*	*-42.1%*
Personnel Expenses		(2,434.8)	(2,715.3)	(2,878.4)	(3,256.0)	(3,825.3)	(3,758.5)
	% on Revenues	*-36.9%*	*-27.0%*	*-20.8%*	*-21.4%*	*-22.9%*	*-23.4%*
Leases and Rentals		(125.7)	(107.1)	(112.7)	(117.4)	(161.2)	(129.1)
	% on Revenues	*-1.9%*	*-1.1%*	*-0.8%*	*-0.8%*	*-1.0%*	*-0.8%*
Other Operating Expenses		(312.2)	(958.6)	(275.9)	(179.1)	(286.4)	(299.1)
	% on Revenues	*-4.7%*	*-9.5%*	*-2.0%*	*-1.2%*	*-1.7%*	*-1.9%*
EBITDA		**182.1**	**1,137.9**	**3,784.6**	**4,408.3**	**4,527.8**	**5,050.5**
	EBITDA margin	*2.8%*	*11.3%*	*27.3%*	*29.0%*	*27.1%*	*31.4%*
	yoy	*n.m.*	*524.7%*	*232.6%*	*16.5%*	*2.7%*	*14.6%*
Intangible		(10.9)	(69.0)	(70.2)	(74.1)	(148.0)	(308.6)
Tangible		(53.5)	(58.9)	(80.3)	(85.7)	(69.1)	(82.5)
D&A		(64.4)	(127.9)	(150.5)	(159.8)	(217.1)	(391.1)
	% on Revenues	*-1.0%*	*-1.3%*	*-1.1%*	*-1.1%*	*-1.3%*	*-2.4%*
Provisions and write-downs		0.0	(24.5)	(35.0)	(22.7)	0.0	(27.4)
	% on Revenues	*0.0%*	*-0.2%*	*-0.3%*	*-0.1%*	*0.0%*	*-0.2%*
EBIT		**117.7**	**985.4**	**3,599.1**	**4,225.8**	**4,310.7**	**4,632.0**
	EBIT margin	*1.8%*	*9.8%*	*26.0%*	*27.8%*	*25.8%*	*28.8%*
Interest Income/(Expenses)		(23.1)	(109.2)	224.2	320.5	8.0	5.1
	% on Revenues	*-0.4%*	*-1.1%*	*1.6%*	*2.1%*	*0.0%*	*0.0%*
EBT		**94.6**	**876.3**	**3,823.3**	**4,546.4**	**4,318.7**	**4,637.1**
	Pretax margin	*1.4%*	*8.7%*	*27.6%*	*29.9%*	*25.9%*	*28.9%*
Taxes		(47.7)	(272.8)	(1,101.6)	(1,266.4)	(1,204.9)	(1,352.5)
	Tax rate	*36.7%*	*31.1%*	*28.8%*	*27.9%*	*27.9%*	*29.2%*
Net Profit/(Loss)		**46.9**	**603.4**	**2,721.7**	**3,280.0**	**3,113.8**	**3,284.5**
	Net Profit margin	*0.7%*	*6.0%*	*19.6%*	*21.6%*	*18.7%*	*20.5%*
	yoy	*n.m.*	*1186.1%*	*351.0%*	*20.5%*	*-5.1%*	*0.1%*

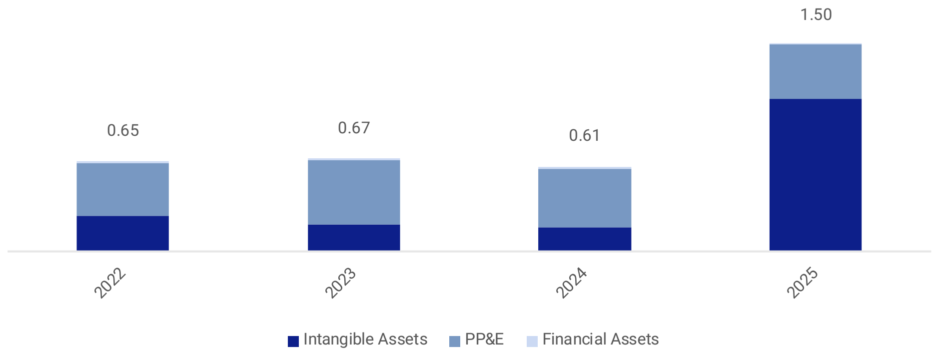
Source: Banca Profilo elaborations on Company data

IPO capitalization drives Intangibles higher, underlying asset-light profile intact

Fixed assets rose to €1.50mln at YE25 (from €0.61mln), entirely driven by *Intangible Assets* jumping to €1.10mln (from €0.17mln). The step-up reflects ~€1.16mln of IPO-related professional and ancillary costs capitalized during the year under "start-up and expansion costs" and amortized over 5 years, of which €0.23mln already charged in FY25 (leaving a net book value of €0.93mln). Excluding this, residual intangibles (€0.17mln, mainly software licenses and patents) were broadly in line with prior years. *PP&E* was essentially stable at €0.40mln (vs. €0.43mln), with modest CapEx of €0.05mln roughly matching depreciation, confirming the asset-light nature of ETS's engineering services model. *Financial Assets* remained immaterial at €0.01mln.

Overall, the asset-side expansion is a one-off reflection of the listing rather than a structural shift in capital intensity, which remains a key strength of the business model.

Figure 20: Fixed Assets 2022–25 (€/mln)

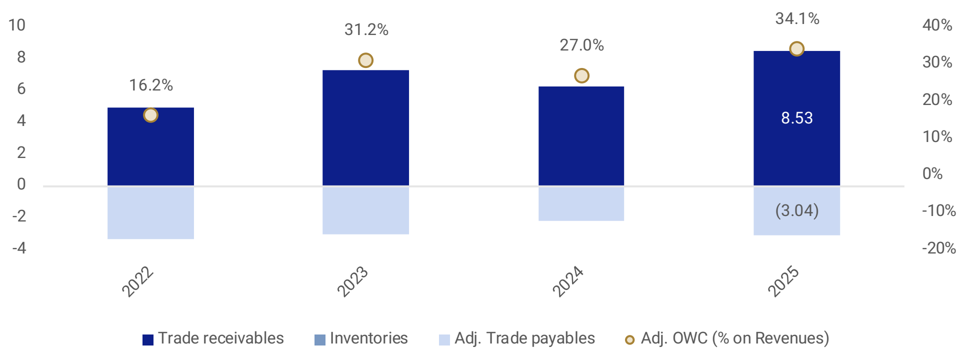


Source: Banca Profilo elaborations on Company data

Receivables build-up drives OWC absorption, weighing on FY25 cash conversion

OWC absorbed meaningful resources in FY25, rising to 34.1% of revenues (from 27.0% in FY24), with *Trade Receivables* jumping +36% yoy to €8.53mln, well above revenue growth, and adj. *Trade Payables* increasing to €3.04mln (from €2.17mln). The collection cycle lengthened modestly: DSO extended to ~170 days (from ~164 days in FY24), a structural feature of the engineering services business where ETS serves both private and public clients, with the latter in particular characterized by intrinsically long payment terms. On the other side, DPO (calculated on *Cost of Services*) rose to ~141 days (from ~132 days), signalling that ETS partly offset the receivables build-up by stretching supplier terms. Overall, OWC absorption was the main factor behind the gap between operating cash flow (€0.68mln) and EBITDA (€5.05mln) in FY25. Going forward, the receivables dynamic, and particularly the year-end build-up, will be worth monitoring as revenues continue to scale.

Figure 21: Adj. OWC 2022–25 (€/mln)



Source: Banca Profilo elaborations on Company data

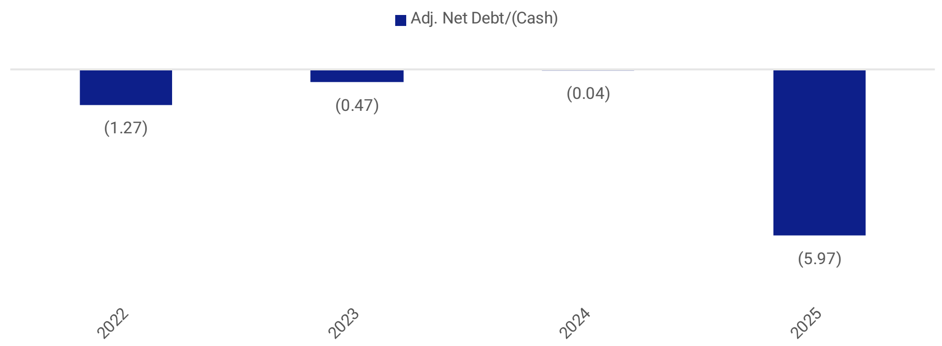
€0.47 DPS proposed, 70% payout well above 30% policy floor

In line with ETS's shareholder remuneration policy, the Board proposed a gross ordinary dividend of €0.47/share. The distribution corresponds to a total payout of ~€2.3mln, equivalent to a payout ratio of ~70% of FY25 net profit, well above the 30% floor set by the Company's dividend policy, and implies a dividend yield of 9.1% on the March 30, 2026 closing price. The residual net result will be allocated to the legal reserve (€0.27mln) and to retained earnings (€0.71mln).

IPO proceeds drive cash surplus to €6.0mln, fuelling M&A optionality

ETS closed FY25 with a cash surplus adj. of €5.97mln (vs. just €0.04mln at YE24). The uplift is primarily attributable to the €3.22mln of IPO proceeds cashed in during FY25, only partly absorbed by IPO-related costs and the OWC absorption discussed above. Excluding the listing proceeds, underlying cash generation was solid, supported by strong EBITDA and disciplined CapEx (~€1.29mln, of which ~€1.23mln related to capitalized IPO costs). The resulting net cash position provides meaningful strategic flexibility to pursue the M&A opportunities flagged by management, sustain the dividend policy, and fund organic growth under the 2026–28 plan.

Figure 22: Net Debt/(Cash) 2022–25 (€/mln)



Source: Banca Profilo elaborations on Company data

Table 5: Balance Sheet 2022–25 (€/th)

Balance Sheet (€/th)	2022	2023	2024	2025 OLD	2025
Intangible Assets	257.5	196.2	170.1	1,019.4	1,095.5
PP&E	376.1	457.9	427.0	379.1	397.4
Financial Assets	12.7	12.7	13.0	0.0	7.2
Fixed Assets	**646.3**	**666.8**	**610.2**	**1,398.5**	**1,500.1**
Inventories	0.0	0.0	0.0	0.0	0.0
% on Revenues	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Trade receivables	4,931.3	7,317.3	6,272.0	7,578.7	8,525.1
% on Revenues	*49.1%*	*52.8%*	*41.3%*	*45.4%*	*53.1%*
Adj. Trade payables	(3,304.2)	(2,999.6)	(2,170.6)	(3,008.8)	(3,042.9)
% on COGS	*37.1%*	*29.8%*	*20.1%*	*24.8%*	*27.6%*
Operating Working Capital	**1,627.1**	**4,317.7**	**4,101.5**	**4,569.9**	**5,482.3**
% on Revenues	*16.2%*	*31.2%*	*27.0%*	*27.4%*	*34.1%*
Other current assets	1,021.8	725.4	678.9	560.8	2,114.7
Other current liabilities	(1,403.7)	(2,790.8)	(1,742.4)	(2,472.3)	(1,908.7)
Net Working Capital	**1,245.2**	**2,252.3**	**3,037.9**	**2,658.3**	**5,688.3**
% on Revenues	*12.4%*	*16.3%*	*20.0%*	*15.9%*	*35.4%*
Non-current assets	245.7	2,328.8	4,156.8	2,856.8	1,285.8
Non-current liabilities	(1,657.4)	(1,745.8)	(1,912.0)	(2,057.6)	(2,002.5)
Net Invested Capital	**479.9**	**3,502.1**	**5,892.8**	**4,856.0**	**6,471.7**
Intangible Assets	296.6	8.9	48.1	997.2	1,233.9
PP&E	116.8	162.1	54.8	21.2	53.0
CapEx	**413.4**	**171.0**	**102.9**	**1,018.5**	**1,286.9**
% on Revenues	*4.1%*	*1.2%*	*0.7%*	*6.1%*	*8.0%*
Share Capital	500.0	500.0	500.0	614.4	1,863.4
Reserves and retained earnings	645.4	748.8	2,155.4	8,544.7	7,295.8
Net Profit/(Loss)	603.4	2,721.7	3,280.0	3,113.8	3,284.5
Dividend	***500.0***	***1,315.0***	***1,351.4***	***934.1***	***2,300.0***
Dividend Payout ratio	*82.9%*	*48.3%*	*41.2%*	*30.0%*	*70.0%*
Equity	**1,748.8**	**3,970.4**	**5,935.5**	**12,272.9**	**12,443.6**
Adj. Net Debt/(Cash)	**(1,268.8)**	**(468.4)**	**(42.6)**	**(7,416.9)**	**(5,971.9)**
Net Debt/(Cash)	**(1,268.8)**	**(2,439.4)**	**(3,480.8)**	**(7,416.9)**	**(6,104.2)**

Source: Banca Profilo elaborations on Company data

Table 6: FCFs 2022–25 (€/th)

Free Cash Flow (€/th)		2022	2023	2024	2025 OLD	2025
EBIT		985.4	3,599.1	4,225.8	4,310.7	4,632.0
	Tax rate	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*
NOPAT		**710.5**	**2,594.9**	**3,046.8**	**3,108.0**	**3,339.7**
D&A		152.4	185.5	182.5	217.1	418.5
Changes in OWC		(1,627.1)	(2,690.6)	216.2	(468.5)	(1,380.8)
CapEx		(413.4)	(171.0)	(102.9)	(39.9)*	(127.3)*
Unlevered FCF		**(1,177.6)**	**(81.1)**	**3,342.7**	**1,838.2**	**1,090.5**

Source: Banca Profilo elaborations on Company data

**ex-IPO cost*

Strategy and Estimates

Strategic guidelines

Following its listing on Euronext Growth Milan in 2025, ETS continues to execute its strategic plan aimed at consolidating its market position and supporting sustainable long-term growth, framed within a detailed industrial plan covering 2026–28.

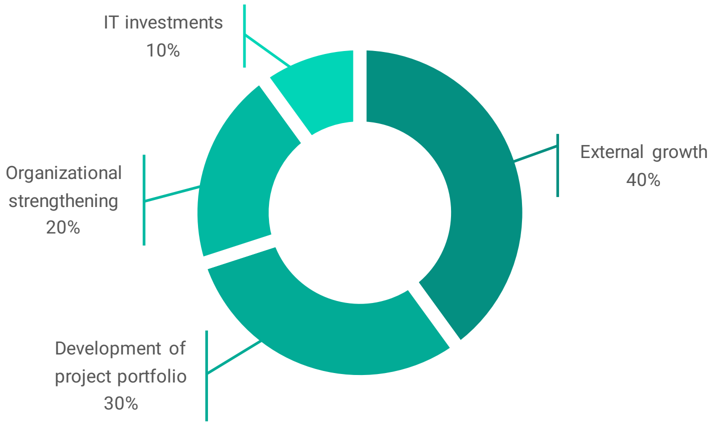
Strategy execution on track: headcount growth, first M&A moves and 2026–28 industrial plan in focus

Over the 2026–27 period, management intends to pursue the following strategic priorities:

- **Human capital investment:** hire specialized technical professionals and upskill existing staff to support domestic growth and selective international expansion. Progress already visible in FY25, with FTEs up to 58 (from 53).
- **Technological and process innovation:** continue investing in digital transformation, process efficiency and leveraging European/national funding programs.
- **Strategic collaborations:** strengthen partnerships in renewable energy, infrastructure, data centers and cybersecurity.
- **Expansion and capacity building:** increase production capacity, including new operational hubs in Southern Italy, and pursue targeted M&A. FY25 delivered tangible progress: (i) establishment of ETS NH Srl (72%-owned, nuclear and hydrogen engineering), which has signed a framework agreement for a 51% stake in a CERN spin-off; and (ii) assessment of a 51% stake in a structural/seismic retrofitting engineering firm.
- **Public-sector opportunities:** continue playing an active role in NRRP-related projects and public procurement.
- **Corporate culture and engagement:** promote a stimulating work environment to enhance productivity and retention.

Overall, the roadmap reflects a disciplined use of IPO proceeds with the first M&A moves already in motion less than a year after listing, while preserving ETS's asset-light and cash-generative model.

Figure 23: Use of IPO proceeds



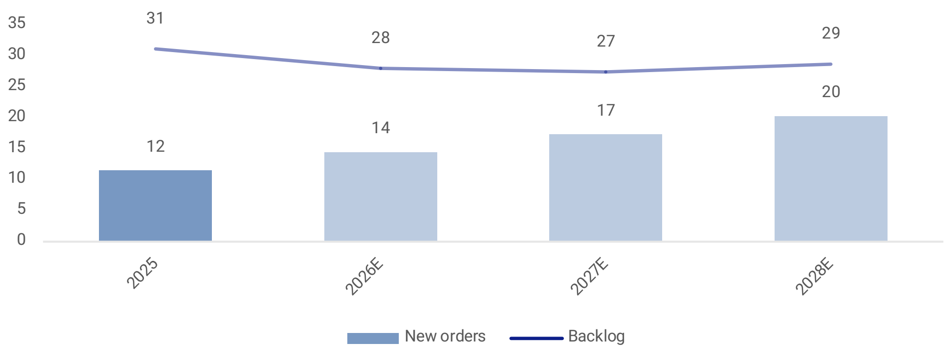
Source: Company data

Our 2026-28E estimates

Backlog execution drives near-term visibility

Given that ETS operates on a project basis, revenue visibility is primarily driven by its backlog, last disclosed at €33.6mln as of June 2025. While no updated year-end backlog figure was disclosed in the FY25 release, management confirmed a healthy order intake during the period; we therefore maintain our previous assumptions: net of residual components (~10% of the last reported backlog), the remainder will be executed by 2027 on a front-loaded basis over the four remaining periods (out of the original five), while new orders follow a three-year deployment cycle, also weighted toward earlier semesters and broadly tracking revenue growth to keep the backlog stable. On this basis, we estimate backlog at €31mln at YE25, gradually declining to €28mln in 2026E and €27mln in 2027E, before resuming growth to €29mln in 2028E. Order intake is expected to grow steadily over the plan horizon, from ~€12mln in 2025 to €14mln in 2026E, €17mln in 2027E and €20mln in 2028E (+26%, +20% and +17% yoy respectively), with the pace of growth gradually moderating as the base expands.

Figure 24: Backlog & New orders 2025–28E (€/mln)

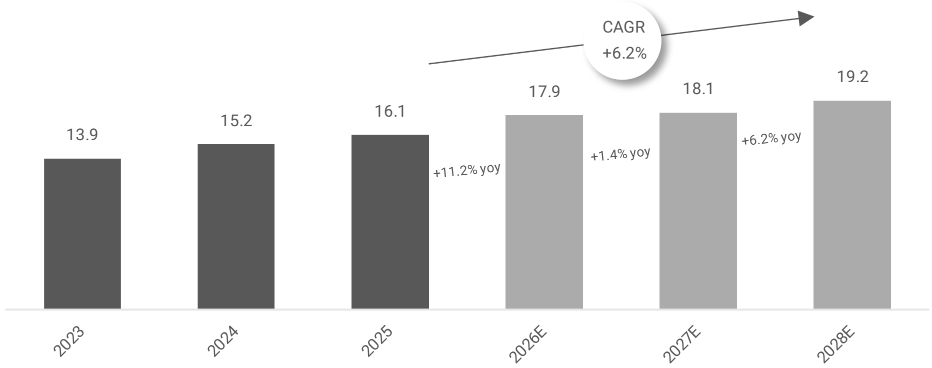


Source: Banca Profilo elaborations and estimates on Company data

Revenues fine-tuned: +6.2% CAGR over 2025–28E as growth normalizes

Based on these assumptions, we expect revenues from sales and services at €17.6mln in 2026E (+10.7% yoy, vs. €18.0mln previously, +8.9%), €17.9mln in 2027E (+1.8%, vs. €19.1mln, +6.2%) and €19.0mln in 2028E (+6.2%), implying a 2025–28 CAGR of +6.2%, a clear moderation from the +25.4% CAGR delivered over 2021–25, reflecting the natural maturation of the business at the current scale. The slight downward revision in 2026E reflects the softer FY25 starting point, partly offset by higher yoy growth, while the more material cut in 2027E recalibrates the pace to a more cautious post-NRRP transition. Including other revenues, boosted by the recognition of non-recurring public grants tied to IPO cost reimbursement, total revenues are projected at €17.9mln / €18.1mln / €19.2mln over 2026–28E.

Figure 25: Revenues 2023–28E (€/mln)



Source: Banca Profilo elaborations and estimates on Company data

FY25 beat lifts profitability trajectory, normalization still in play

Turning to EBITDA, we expect the cost structure to remain lean, with personnel expenses and cost of services as the main components, consistent with ETS's people-driven service model. On the back of the stronger-than-expected FY25 profitability, we now forecast EBITDA at €5.2mln in 2026E (29.2% margin, +3.1% yoy, vs. €5.1mln and 28.0% previously), €5.1mln in 2027E (27.9%, -2.9% yoy reflecting the softer top-line in the post-NRRP year, vs. €5.4mln and 27.7%) and €5.3mln in 2028E (27.6%, +4.9% yoy). Margins, while remaining high, should gradually normalize from the exceptional 31.4% of FY25, driven by the planned step-up in specialized hiring (personnel expenses rising to 24.6–26.0% of revenues over 2026–28E, from 23.4%), only partly offset by a slightly more favourable cost of services ratio (43.1–43.3% vs. 42.1%).

Figure 26: EBITDA (€/mln) and EBITDA margin (% of Revenues) 2023–28E

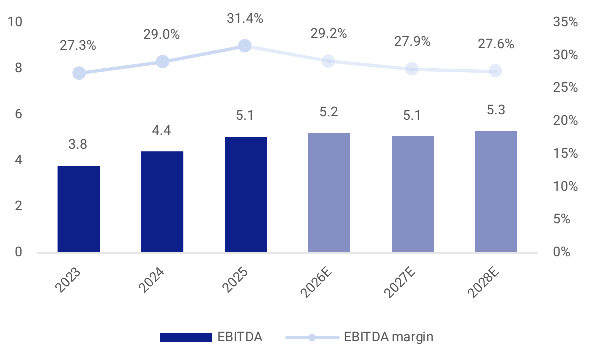
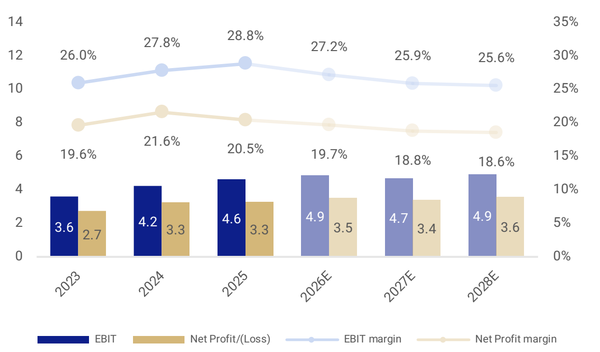


Figure 27: EBIT, Net Profit (€/mln) and EBIT margin (%) 2023-28E



Source: Banca Profilo elaborations and estimates on Company data

High-quality earnings profile

D&A will remain elevated over the forecast period, reflecting the amortization of the ~€1.2mln of IPO-related costs capitalized in FY25 and spread over five years. However, the impact on EBIT is contained given ETS's asset-light model, with EBIT margins gradually normalizing from the FY25 peak in line with the EBITDA trajectory.

On the bottom line, net profit is expected to grow steadily over the plan, with margins stabilizing well above industry averages.

Table 7: Income Statement 2023–28E (€/th)

Profit & Loss (€/th)	2024	2025	2026E OLD	2026E	2027E OLD	2027E	2028E
Revenues from sales and services	15,112.0	15,910.8	18,029.6	17,615.3	19,145.4	17,931.2	19,046.7
% on Revenues	*99.5%*	*99.1%*	*98.7%*	*98.7%*	*99.1%*	*99.0%*	*99.1%*
yoy	*10.6%*	*5.3%*	*8.9%*	*10.7%*	*6.2%*	*1.8%*	*6.2%*
Other Revenues	78.7	150.4	240.0	240.0	180.0	180.0	180.0
% on Revenues	*0.5%*	*0.9%*	*1.3%*	*1.3%*	*0.9%*	*1.0%*	*0.9%*
yoy	*-60.5%*	*91.2%*	*100.0%*	*59.6%*	*-25.0%*	*-25.0%*	*0.0%*
Revenues	**15,190.7**	**16,061.2**	**18,269.6**	**17,855.3**	**19,325.4**	**18,111.2**	**19,226.7**
yoy	*9.6%*	*5.7%*	*9.5%*	*11.2%*	*5.8%*	*1.4%*	*6.2%*
Raw, Ancillary, Consumable Materials	(68.0)	(59.4)	(81.2)	(79.3)	(86.2)	(80.7)	(85.8)
% on Revenues	*-0.4%*	*-0.4%*	*-0.4%*	*-0.4%*	*-0.4%*	*-0.4%*	*-0.4%*
Cost of Services	(7,161.8)	(6,764.6)	(8,499.4)	(7,704.0)	(9,025.4)	(7,842.2)	(8,330.0)
% on Revenues	*-47.1%*	*-42.1%*	*-46.5%*	*-43.1%*	*-46.7%*	*-43.3%*	*-43.3%*
Personnel Expenses	(3,256.0)	(3,758.5)	(4,077.7)	(4,390.9)	(4,341.7)	(4,650.1)	(4,996.7)
% on Revenues	*-21.4%*	*-23.4%*	*-22.3%*	*-24.6%*	*-22.5%*	*-25.7%*	*-26.0%*
Leases and Rentals	(117.4)	(129.1)	(175.4)	(142.9)	(186.3)	(145.5)	(154.5)
% on Revenues	*-0.8%*	*-0.8%*	*-1.0%*	*-0.8%*	*-1.0%*	*-0.8%*	*-0.8%*
Other Operating Expenses	(179.1)	(299.1)	(311.8)	(331.2)	(331.1)	(337.1)	(358.1)
% on Revenues	*-1.2%*	*-1.9%*	*-1.7%*	*-1.9%*	*-1.7%*	*-1.9%*	*-1.9%*
EBITDA	**4,408.3**	**5,050.5**	**5,124.1**	**5,207.0**	**5,354.7**	**5,055.6**	**5,301.7**
EBITDA margin	*29.0%*	*31.4%*	*28.0%*	*29.2%*	*27.7%*	*27.9%*	*27.6%*
yoy	*16.5%*	*14.6%*	*13.2%*	*3.1%*	*4.5%*	*-2.9%*	*4.9%*
Intangible	(74.1)	(308.6)	(242.2)	(278.2)	(249.1)	(289.0)	(302.3)
Tangible	(85.7)	(82.5)	(67.0)	(74.7)	(72.4)	(75.7)	(79.3)
D&A	(159.8)	(391.1)	(309.2)	(352.9)	(321.5)	(364.7)	(381.6)
% on Revenues	*-1.1%*	*-2.4%*	*-1.7%*	*-2.0%*	*-1.7%*	*-2.0%*	*-2.0%*
Provisions and write-downs	(22.7)	(27.4)	0.0	0.0	0.0	0.0	0.0
% on Revenues	*-0.1%*	*-0.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
EBIT	**4,225.8**	**4,632.0**	**4,814.9**	**4,854.1**	**5,033.2**	**4,690.9**	**4,920.1**
EBIT margin	*27.8%*	*28.8%*	*26.4%*	*27.2%*	*26.0%*	*25.9%*	*25.6%*
Interest Income/(Expenses)	320.5	5.1	13.4	20.6	19.0	24.3	29.8
% on Revenues	*2.1%*	*0.0%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*	*0.2%*
EBT	**4,546.4**	**4,637.1**	**4,828.4**	**4,874.8**	**5,052.1**	**4,715.2**	**4,949.8**
Pretax margin	*29.9%*	*28.9%*	*26.4%*	*27.3%*	*26.1%*	*26.0%*	*25.7%*
Taxes	(1,266.4)	(1,352.5)	(1,347.1)	(1,357.9)	(1,409.5)	(1,313.4)	(1,378.8)
Tax rate	*27.9%*	*29.2%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*
Net Profit/(Loss)	**3,280.0**	**3,284.5**	**3,481.2**	**3,516.9**	**3,642.6**	**3,401.8**	**3,571.1**
Net Profit margin	*21.6%*	*20.5%*	*19.1%*	*19.7%*	*18.8%*	*18.8%*	*18.6%*
yoy	*20.5%*	*0.1%*	*11.8%*	*7.1%*	*4.6%*	*-3.3%*	*5.0%*

Source: Banca Profilo elaborations and estimates on Company data

CapEx to normalize at low levels Post-IPO

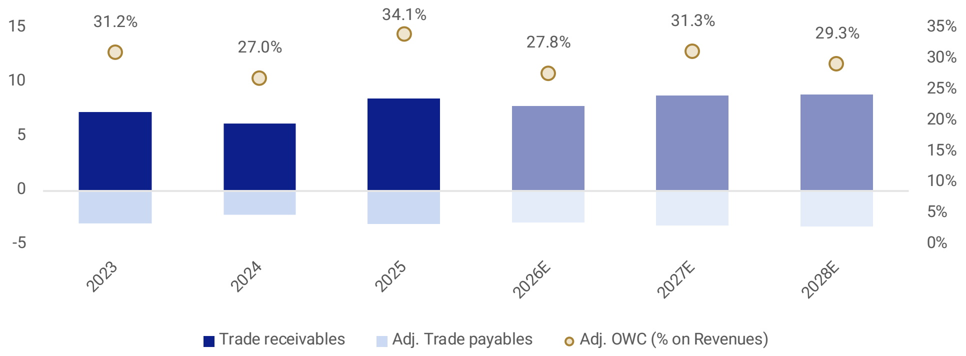
FY25 CapEx mostly reflects ~€1.2mln of listing costs capitalized as intangibles and amortized over the coming years. From FY26 onward, investments are expected to normalize at low levels consistent with ETS's asset-light model, with maintenance CapEx around 1% of revenues.

Structural OWC absorption to persist, CCC stable at ~29 days over 2026–28E

OWC is expected to remain a material absorption, stabilizing at around 27–31% of revenues after the 34.1% peak of FY25. We now forecast DSO broadly stable at ~170 days over 2026–28E, consistent with the structural nature of ETS's engineering services business, where long payment terms, particularly from public-sector clients, are a built-in feature. DPO is similarly assumed stable at ~141 days, maintaining the supplier-side offset achieved in FY25, with the cash conversion cycle settling at ~29 days (vs. a materially more optimistic CCC in our prior forecasts), representing the single largest change vs. our previous estimates. In absolute terms, OWC is expected to ease slightly to €5.0mln in 2026E (reflecting normalization from the abnormal FY25 year-end receivables build-up), before re-expanding to €5.7mln in 2027E and €5.6mln in 2028E in line with revenue growth.

Going forward, the pace of receivables collection will remain a key variable to monitor for cash conversion quality.

Figure 28: Adj. OWC 2023–28E (€/mln)



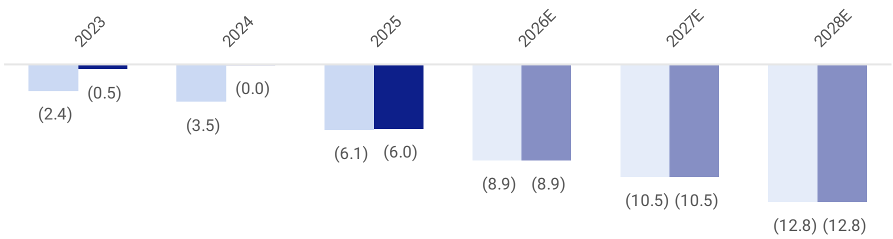
Source: Banca Profilo elaborations and estimates on Company data

Net cash builds further despite higher payout assumption

ETS's balance sheet is expected to remain structurally cash-positive throughout the forecast period, with Net Cash (Adj.) rising from €6.0mln at YE25 to €8.9mln in 2026E, €10.5mln in 2027E and €12.8mln in 2028E, reflecting strong cash generation, limited CapEx and the absence of financial debt, all hallmarks of the asset-light model. The build-up provides ample flexibility to fund the M&A agenda without external financing, while sustaining the generous shareholder remuneration policy.

Vs. our previous forecasts, Net Cash is revised materially downward (€8.9mln vs. €10.4mln in 2026E, €10.5mln vs. €14.3mln in 2027E), with the gap widening over time. The revision is almost entirely driven by the higher payout ratio now assumed: in light of the €0.47 DPS proposed for FY25 (70% payout), we apply a 70% payout for 2026–28E (vs. 30% previously, the dividend policy floor), translating into meaningfully higher cash distributions (€2.5mln / €2.4mln / €2.5mln vs. ~€1.0mln / €1.1mln previously).

Figure 29: Adj. Net Debt/(Cash) 2023–28E (€/mln)



Source: Banca Profilo elaborations and estimates on Company data

Table 8: Balance Sheet 2024–28E (€/th)

Balance Sheet (€/th)		2024	2025	2026E OLD	2026E	2027E OLD	2027E	2028E
Intangible Assets		170.1	1,095.5	858.8	911.1	696.0	717.3	516.1
PP&E		427.0	397.4	405.1	407.5	431.0	417.6	429.6
Financial Assets		13.0	7.2	0.0	7.2	0.0	7.2	7.2
Fixed Assets		**610.2**	**1,500.1**	**1,263.9**	**1,325.8**	**1,127.0**	**1,142.2**	**952.9**
Inventories		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	% on Revenues	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Trade receivables		6,272.0	8,525.1	8,264.4	7,857.2	8,706.1	8,818.9	8,894.6
	% on Revenues	*41.3%*	*53.1%*	*45.2%*	*44.0%*	*45.0%*	*48.7%*	*46.3%*
Adj. Trade payables		(2,170.6)	(3,042.9)	(3,276.5)	(2,894.5)	(3,499.1)	(3,149.4)	(3,270.5)
	% on COGS	*20.1%*	*27.6%*	*24.9%*	*22.9%*	*25.0%*	*24.1%*	*23.5%*
Operating Working Capital		**4,101.5**	**5,482.3**	**4,987.9**	**4,962.7**	**5,207.0**	**5,669.6**	**5,624.1**
	% on Revenues	*27.0%*	*34.1%*	*27.3%*	*27.8%*	*26.9%*	*31.3%*	*29.3%*
Other current assets		678.9	2,114.7	560.8	2,352.2	560.8	1,312.2	495.0
Other current liabilities		(1,742.4)	(1,908.7)	(1,888.7)	(1,908.7)	(1,935.8)	(1,908.7)	(1,908.7)
Net Working Capital		**3,037.9**	**5,688.3**	**3,659.9**	**5,406.2**	**3,832.0**	**5,073.1**	**4,210.4**
	% on Revenues	*20.0%*	*35.4%*	*20.0%*	*30.3%*	*19.8%*	*28.0%*	*21.9%*
Non-current assets		4,156.8	1,285.8	1,676.8	68.3	436.8	68.3	68.3
Non-current liabilities		(1,912.0)	(2,002.5)	(2,159.2)	(2,069.7)	(2,267.0)	(2,139.8)	(2,212.9)
Net Invested Capital		**5,892.8**	**6,471.7**	**4,441.4**	**4,730.6**	**3,128.7**	**4,143.8**	**3,018.6**
Intangible Assets		48.1	1,233.9	81.6	93.8	86.3	95.2	101.0
PP&E		54.8	53.0	93.0	84.7	98.4	85.9	91.2
CapEx		**102.9**	**1,286.9**	**174.6**	**178.6**	**184.6**	**181.1**	**192.3**
	% on Revenues	*0.7%*	*8.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Share Capital		500.0	1,863.4	614.4	1,863.4	614.4	1,863.4	1,863.4
Reserves and retained earnings		2,155.4	7,295.8	10,724.4	8,280.3	13,161.3	9,335.4	10,355.9
Net Profit/(Loss)		3,280.0	3,284.5	3,481.2	3,516.9	3,642.6	3,401.8	3,571.1
Dividend		***1,351.4***	***2,300.0***	***1,044.4***	***2,461.9***	***1,092.8***	***2,381.2***	***2,499.8***
	Dividend Payout ratio	*41.2%*	*70.0%*	*30.0%*	*70.0%*	*30.0%*	*70.0%*	*70.0%*
Equity		**5,935.5**	**12,443.6**	**14,820.0**	**13,660.6**	**17,418.2**	**14,600.5**	**15,790.3**
Adj. Net Debt/(Cash)		**(42.6)**	**(5,971.9)**	**(10,378.6)**	**(8,930.0)**	**(14,289.5)**	**(10,456.7)**	**(12,771.7)**
Net Debt/(Cash)		**(3,480.8)**	**(6,104.2)**	**(10,378.6)**	**(8,930.0)**	**(14,289.5)**	**(10,456.7)**	**(12,771.7)**

Source: Banca Profilo elaborations and estimates on Company data

Table 9: FCFs 2024–28E (€/th)

Free Cash Flow (€/th)		2024	2025	2026E OLD	2026E	2027E OLD	2027E	2028E
EBIT		4,225.8	4,632.0	4,814.9	4,854.1	5,033.2	4,690.9	4,920.1
	Tax rate	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*
NOPAT		**3,046.8**	**3,339.7**	**3,471.6**	**3,499.8**	**3,628.9**	**3,382.1**	**3,547.4**
D&A		182.5	418.5	309.2	352.9	321.5	364.7	381.6
Changes in OWC		216.2	(1,380.8)	(417.9)	519.6	(219.2)	(706.9)	45.5
CapEx		(102.9)	(127.3)*	(174.6)	(178.6)	(184.6)	(181.1)	(192.3)
Unlevered FCF		**3,342.7**	**2,250.1**	**3,188.3**	**4,193.8**	**3,546.6**	**2,858.8**	**3,782.2**

Source: Banca Profilo elaborations and estimates on Company data

**ex-IPO cost*

Valuation

DCF method and market multiples

Given ETS's expected cash flow generation and the availability of comparable European peers, both the DCF method and a relative valuation based on market multiples are appropriate for assessing the Company's value.

DCF

2026-29E FCFs at €14.4mln;

TV at €55.5mln

We based our valuation on projected FCFs for the explicit 2026–29E period, which now total €14.4mln vs. €13.3mln in our previous 2025-28E horizon, reflecting the effect of the one-year forward shift. The Terminal Value (TV) was derived by applying a 2.0% perpetual growth rate to the average FCF over the explicit forecast period, yielding €55.5mln (up from €49.8mln previously).

WACC up to 8.5% (from 8.2%)

We discount FCFs using a WACC of 8.5% (up from 8.2%), derived from:

- a risk-free rate of 4.47% (vs 4.42%), based on the 30Y Italian BTP yield curve (100-day MA);
- a market risk premium of 6.69%[4] (vs 5.5%);
- a beta of 0.76 (vs 0.86) across selected listed peers;
- a target D/E ratio of 20.0% (unchanged), in line with listed peers;
- a tax rate of 27.9% (IRES 24% + IRAP 3.9%, unchanged);
- a cost of debt of 4.4% (vs 4.5%);
- and a perpetual growth rate of 2.0%.

Table 10: WACC calculation

WACC Calculation	
Perpetual growth rate	2.0%
Risk free rate (30Y)	4.47%
Equity risk premium	6.69%
Unlevered Beta	0.66
D/(D+E)	16.7%
E/(D+E)	83.3%
Target D/E	20.0%
Tax rate	27.9%
Beta	0.76
KE	**9.5%**
Cost of debt	4.4%
KD	**3.2%**
WACC	**8.5%**

Table 11: DCF valuation

DCF Valuation (€/th)	2026E	2027E	2028E	2029E	Over
Unlevered FCF	**4,193.8**	**2,858.8**	**3,782.2**	**3,534.6**	**3,592.4**
Years	0.7	1.7	2.7	3.7	
Discount factor	0.95	0.87	0.80	0.74	
NPV Free Cash Flows	3,969.3	2,494.6	3,042.7	2,621.6	
Sum of NPVs					12,128.2
Terminal Value					55,547.8
NPV Terminal Value					41,198.9
Enterprise Value					**53,327.1**
Net Debt YE25					(5,971.9)
Equity Value					**59,299.0**
Number of shares (mln)					4.92
Per share value (€)					***12.06***
Current price (€)					5.95

Source: Banca Profilo estimates (as of April 27, 2026)

DCF valuation: €12.1/share (from €11.0) on higher FCFs

The DCF yields an Enterprise Value of €53.3mln (up from €49.6mln), as higher projected FCFs over the explicit forecast period more than offset a higher WACC. Adding the net cash position, Equity Value rises to €59.3mln (from €54.2mln), implying a fair value of €12.1 per share (up from €11.0 per share) [*Please refer to our Initial Coverage dated November 12, 2025*].

[4] Damodaran, January 5, 2026

Market multiples

EV/EBITDA multiples

The peer sample for the market multiples approach comprises Sweco (SE), Fugro (NL), Multiconsult (NO), Assystem (FR), Sitowise Group (FI), ABO-Group Environment (BE), DBA Group (IT), Solwers (FI), Arcadis (NL), Rejlers (SE) and AFRY (SE).

Table 12: Market multiples

Company	EV/EBITDA		
27/04/2026	**2025**	**2026E**	**2027E**
Sweco AB Class B	15.1x	13.7x	12.8x
Fugro NV	6.3x	5.8x	5.1x
Multiconsult ASA	9.0x	7.8x	7.0x
Assystem SA	12.6x	12.4x	12.1x
Sitowise Group Oyj	11.0x	8.1x	6.8x
ABO-Group Environment NV	n.d.	n.d.	n.d.
DBA Group SpA	3.7x	3.4x	n.d.
Solwers Oyj	9.6x	6.6x	5.8x
Arcadis NV	7.0x	7.0x	6.4x
Rejlers AB Class B	7.7x	7.1x	6.4x
AFRY AB Class B	7.8x	7.1x	6.2x
Mean	***9.0x***	***7.9x***	***7.6x***
Median	***8.4x***	***7.1x***	***6.4x***
ETS SpA	**4.6x**	**4.5x**	**4.6x**

Table 13: Relative valuation

Valuation on EV/EBITDA market multiples (€/th)		
	2026E	**2027E**
EV/EBITDA	**7.1x**	**6.4x**
EBITDA	5,207.0	5,055.6
Enterprise Value	**36,968.9**	**32,235.7**
Avg. EV	34,602.3	
Net Debt YE25	(5,971.9)	
Equity Value	**40,574.2**	
Number of shares (mln)	4.92	
Price per share (€)	***8.26***	
Current price (€)	5.95	

Source: Banca Profilo elaborations on FactSet data (as of April 27, 2026)

EV/EBITDA at 6.7x (up from 6.3x)

We apply the average 2026–27E EV/EBITDA median multiple of 6.7x (vs 6.3x previously). At current levels, ETS trades at 4.5x FY26E and 4.6x FY27E, implying a valuation discount relative to peers.

Market multiples valuation: €8.3/share (from €8.0)

Compared with the peer group, which trades at a median ROE of 4.4%, leverage (A/E) of 2.4x, net debt/EBITDA of 1.5x, and a median net profit margin of 2.1%[5], ETS stands out for its superior profitability and solid balance sheet, showing a ROE of 26.4%, leverage of 1.6x, zero financial debt and a net profit margin of 20.5%. These fundamentals support a premium positioning vs. the sector, despite the current trading discount on EBITDA multiples.

The relative valuation yields an EV of €34.6mln (up from €32.4mln) and an Equity Value of €40.6mln or €8.3/share (vs. €39.3mln or €8.0/share previously).

TP raised to €10.2/share (from €9.5);

BUY reiterated

Our updated target price (simple average of DCF and multiples) is €10.2/share, up from €9.5/share previously [*Please refer to our Initial Coverage dated November 12, 2025*]. Given the upside on ETS's closing price (as of April 27, 2026), we reiterate our BUY recommendation.

[5] Please refer to **Table 3: Peers' key ratios**

Appendix: ETS Business Model

Engineering services for construction provide essential support across all phases of the project cycle, including planning, design, procurement, environmental assessments and project management. These professional services are crucial for guiding and optimizing the construction value chain, ensuring that infrastructure is efficiently built, renovated and maintained. By doing so, they help address climate and energy challenges while promoting a safe, inclusive and sustainable built environment.

Business services:

Engineering and H&S Planning

Project Management and H&S

ETS is a full-spectrum engineering company offering integrated services across the entire project lifecycle. Its operations are structured into three main business areas:

1. **Engineering and Health & Safety Planning**. This area focuses on developing detailed project designs while proactively identifying and addressing potential safety risks. It plays a critical role in shaping projects before execution begins.
2. **Project Management and Health & Safety Coordination**. This segment includes construction supervision and Health & Safety coordination, ensuring that works are executed in full compliance with design specifications, quality standards and project timelines. It also encompasses on-site safety management — identifying hazards, enforcing safety regulations and protecting worker health throughout the construction process.
3. **Other services**. This category covers a range of specialized services that enhance and support core engineering activities. These include testing and commissioning, project management support, fire prevention consultancy and regulatory compliance. The Company's Project Management services cover planning, execution and control, helping clients meet time, cost and quality targets. In the field of Facility Management, ETS ensures efficient building operations and long-term maintenance. Additional offerings include tailored energy optimization solutions, acoustic assessments and sustainable energy strategies. Topographic surveying is another key service, enabling accurate mapping and data collection for precise design and execution.

Engineering and H&S Planning

As part of its design services, ETS manages the development of all project phases as defined by the Italian Public Procurement Code (Legislative Decree 36/2023) for public contracts.

Technical and Economic Feasibility Study

The process begins with the preparation of a technical and economic feasibility study, which aims to identify the most effective solution among various alternatives, balancing costs and benefits in relation to the specific needs and expected performance of the project. This phase involves conducting all necessary investigations and studies to define key project elements and outlines the dimensional, functional, typological and technological characteristics of the planned works. It also includes decisions regarding the potential subdivision into functional lots, provides the basis for any expropriation procedures if needed and ensures that all required documentation is in place for obtaining regulatory approvals and permits. The feasibility study further integrates a preliminary maintenance plan and, when digital information management tools are employed, includes the information requirements aligned with project objectives and the specifications set out in the project brief.

Executive Planning

Building on this foundation, a detail executive plan is developed, precisely defining each project component in terms of its function, performance requirements, quality standards and unit costs. The plan also incorporates a comprehensive maintenance strategy that spans the entire lifecycle of the project, along with a detailed breakdown of construction activities, including scope, costs and scheduling. Typically, the same entity responsible for the technical and economic feasibility study also prepares the executive plan, ensuring continuity and consistency.

H&S Planning

Given that construction activities often involve multiple contractors operating on the same site, ETS also provides safety coordination services through the appointment of a Safety Coordinator for the Planning Phase (CSP). This figure, legally required and appointed by the client or project supervisor, plays a crucial role in safeguarding the health and safety of all workers during the planning stage. The CSP is tasked with coordinating multiple contractors, even if not working simultaneously, by establishing preventive and protective measures, organizational choices and procedures aimed at minimizing workplace risks. The CSP's responsibilities include drafting the Safety and Coordination Plan (PSC), preparing the Worksite Health and Safety File (FO) and ensuring that general safety principles are incorporated into architectural, technical and organizational decisions, including the scheduling of construction phases.

Project Management and H&S Coordination

ETS offers a comprehensive construction management service that ensures the proper execution of work from both a technical and administrative standpoint. Acting on behalf of the client, ETS oversees all phases of construction, with a focus on ensuring that the work conforms to the design documents and contractual obligations.

Construction Supervision

The Construction Supervisor plays a central role in overseeing all site activities, ensuring the correct execution of the works in compliance with both the design and contractual terms. Acting as the primary liaison between the client and the contractor, the Construction Supervisor coordinates the work on-site, issues technical instructions and enforces project specifications. Depending on the project's size and complexity, the client may appoint assistant supervisors or operational supervisors (DLO) for additional support. Responsibilities also include monitoring construction quality, verifying material compliance, reviewing contractor documentation, managing design variations and producing key administrative records such as worksite logbook, measurement and provisions logs, progress reports (SAL), interim payment certificates and the final account statement.

H&S Control Coordinator

In addition to managing construction activities, ETS places strong emphasis on health and safety during execution. A critical figure in this process is the Health and Safety Coordinator during execution (CSE), who ensures that the safety and coordination plan (PSC) is correctly implemented. Prior to the start of construction, the CSE adapts and updates the work schedule in accordance with the PSC, in close coordination with the Construction Manager, contractors and any independent workers. The CSE is tasked with verifying safety documentation, conducting regular site inspections and coordinating the activities of main and subcontractors to avoid hazardous overlaps. If necessary, the CSE is authorized to temporarily suspend work in case of serious safety risks and must update the safety plan when site conditions change.

Through this integrated approach, ETS guarantees the highest standards of quality, compliance and safety across all stages of project execution.

From Opportunity to Delivery: ETS's full-cycle engineering model

Trusted partner for Public and Private sectors with a €32.2mln backlog

ETS operates with a structured and professional approach to project acquisition, serving both public and private clients.

As of June 2025, the Company holds a backlog of approximately €33.6mln across 169 active projects scheduled for completion by 2027. In FY24, approximately 65% of ETS's revenue was generated from public sector projects, with the remaining 35% coming from private clients.

Figure 30: Outstanding customer base

Source: Banca Profilo elaborations on Company data

Dual-track procurement

In the public sector, ETS secures contracts by participating in formal tenders, including both engineering service tenders and integrated tenders. The internal Ufficio Gare identifies opportunities through dedicated platforms and a robust professional network. Bid decisions are made following comprehensive assessments of feasibility, compliance and internal capacity. ETS prepares highly detailed tender documentation, leveraging a portfolio of over €3.3bn in Certificates of Execution of Works (CELs), which reinforce its qualification for high-value contracts. For public projects exceeding €1.0mln, ETS frequently enters Temporary Groupings of Professionals (RTPs) to enhance its competitiveness. It generally acts as the lead firm, coordinating technical roles and managing client relationships.

In the private sector, ETS employs a more agile, relationship-driven strategy. Lead generation relies on direct outreach, client referrals and longstanding partnerships. The Company is a qualified supplier to major clients including ENEL, RFI, ItalFerr, Leonardo, ANAS, Poste Italiane and TIM-Noovle, among others. Contracts are typically awarded through direct negotiations or limited tenders, supported by tailored proposals and internal pricing tools.

Engineering services

ETS manages most of its engineering activities in-house, maintaining quality control and timely delivery. Project managers are assigned based on technical expertise and workload, coordinating multidisciplinary teams. ETS typically acts as lead partner in RTPs, ensuring project coherence and effective coordination. External collaborators are used only when required for specialized skills or during peak activity.

Project planning is centrally overseen by the General Manager, with strategic oversight provided by a *Comitato Guida* of senior executives. Design timelines typically range from 90 to 120 days, with extended phases for complex validation processes.

Contract terms vary by service type:

- for feasibility studies (PFTE), ETS receives a 20% advance, with balance upon validation by the client's RUP;
- executive design contracts include down payments and milestone-based payments.

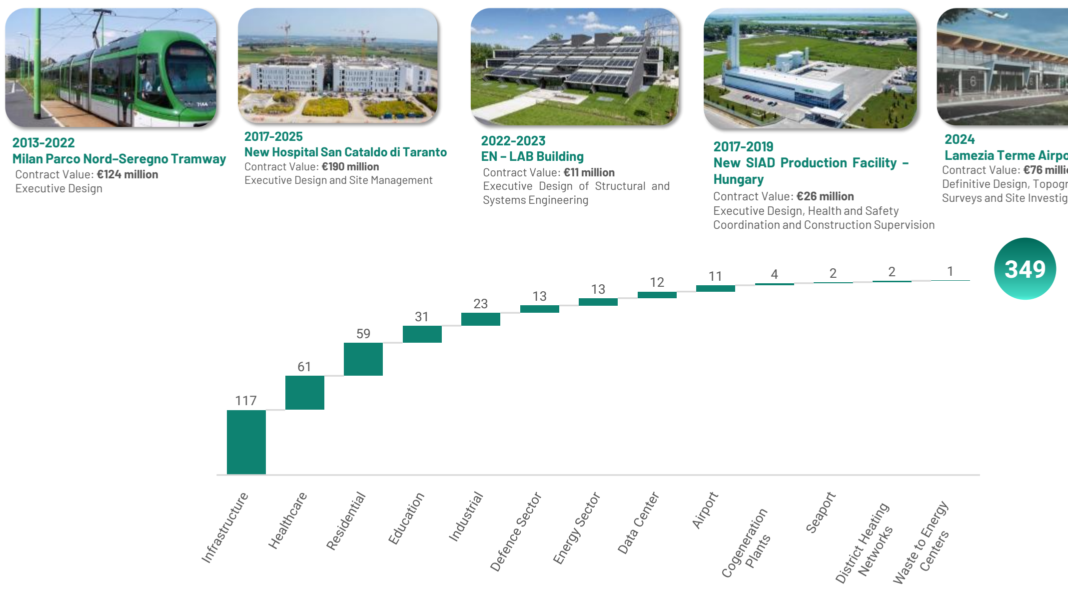
Building Information Modeling (BIM) capability

Building Information Modeling (BIM) is integral to ETS's value proposition. The Company is fully certified under UNI/PdR 74:2019 and relies on professionals accredited by ICMQ and Apave/CPM. This expertise enables ETS to develop integrated, high-precision designs in line with modern regulatory and technical standards. Since January 1, 2025, BIM use has been

	mandatory in Italy for public contracts exceeding €1.0mln, an area where ETS is fully equipped to compete.
Site Management services	After design, ETS supports project delivery through its Site Management team, ensuring alignment with the approved design, budget and timeline. The Construction Manager oversees site operations, monitors contractor performance and ensures compliance with safety and legal standards. ETS manages stakeholder communication and validates project milestones and modifications. Site management services are typically billed in phases based on work progress (*Stati di Avanzamento Lavori*, SAL).
Testing & Monitoring	ETS conducts post-construction inspections to confirm technical and regulatory compliance. Activities include on-site inspections, documentation review, system testing and final reporting. A provisional inspection certificate is issued and becomes definitive unless issues arise. In line with procurement rules, ETS does not inspect projects it has designed and managed, ensuring objectivity. The Company holds professional liability insurance covering all project roles.
First class track record: 349 projects delivered since 2000	ETS has completed 349 projects across Italy and abroad as of March 2025, spanning sectors such as:

- **Transport infrastructure**: Rome Metro Line C, Florence tramway, BRT lines in Bergamo, Perugia, Taranto.
- **Healthcare**: hospitals in Bergamo, Taranto and Udine, all leveraging BIM.
- **Real estate**: energy-efficient buildings in Bergamo; heritage renovation projects.
- **Education**: university and school upgrades, often in partnership with academic institutions.
- **Industrial**: turnkey engineering for Intercos, Saint-Gobain, SIAD, Air Liquide.
- **Airports**: civil and military projects in Bergamo, Verona, Bologna and others.
- **Data centers**: TIER IV-standard facilities for clients including CRIF and TIM-Noovle.
- **Emerging sectors**: projects in hydrogen and nuclear energy, including collaborations with SOGIN.

Figure 31: Completed projects since 2000

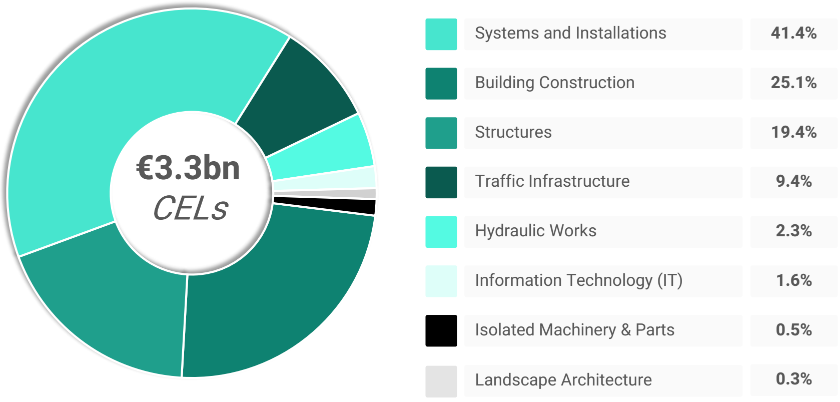


Source: Banca Profilo elaborations on Company data (as of March 2025)

Indisputable know-how: over €3.3bn in CELs

ETS possesses over €3.3bn in certified CELs. These documents, issued by contracting authorities at project completion, confirm performance quality and enable eligibility for large-scale public tenders. CELs support ETS's SOA certification, a prerequisite to bid for contracts over €150,000 in Italy. Higher SOA classes backed by substantial CEL portfolios grant access to complex, high-value contracts.

Figure 32: Certificates of Execution of Works (CELs) distribution



Source: Banca Profilo elaborations on Company data (as of March 2025)

Marketing & Communication

ETS employs a focused communication strategy to elevate brand visibility. Through its website and social media, primarily LinkedIn and Instagram, the Company shares updates on press coverage, project achievements, event participation and awards. External agency Belive supports communication activities to ensure consistency and professionalism.

ETS S.p.A.

Recommendation	Target Price	Upside
BUY	**10.2 €**	**71%**

Company Overview

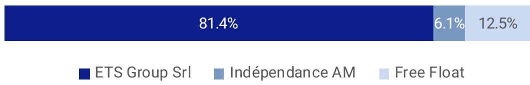
Founded in 1992, Engineering and Technical Services S.p.A. (ETS) is a leading Italian engineering firm specializing in design, project management and technical consulting for complex construction and infrastructure projects. ETS operates across Healthcare, Infrastructure, Industrial and Residential sectors, as well as mission-critical areas, including Data Centers, Nuclear and Hydrogen plants. The Company serves both public and private clients, ranging from government ministries and utilities to large industrial players. ETS participates in major public contracts either as the lead company or as a partner within temporary professional consortiums (RTP), leveraging its experience in high-profile, highly regulated projects. The Company handles all stages of a project, from feasibility studies and planning to design, permitting, site supervision and safety coordination. By positioning itself at the upstream end of the value chain—where value is generated through expertise rather than physical assets—ETS leverages an asset-light, people-driven business model that enables scalable, high-margin services. A testament to its experience and credibility, ETS holds a broad and diversified portfolio of Work Execution Certificates (CEL) with a total value exceeding €3.3bn (accumulated since 2000), a critical requirement for participating in public tenders. The Company's operational headquarters is in Villa d'Almè (BG) and it employs a total of 120 professionals, including 59 collaborators.

ETS is listed on the Euronext Growth Milan segment of the Italian Stock Exchange. ETS Group S.r.l., which is 50% owned by each of the two founding partners, Donato Romano and Giambattista Parietti, holds an 81.4% stake in the shares. Free Float stands at 12.5%.

P&L (€,k)	2024	2025	2026E	2027E	2028E
Revenues	15,112	15,911	17,615	17,931	19,047
Other	79	150	240	180	180
Total Revenues (VoP)	**15,191**	**16,061**	**17,855**	**18,111**	**19,227**
yoy (%)	10%	5.7%	11.2%	1.4%	6.2%
EBITDA	**4,408**	**5,051**	**5,207**	**5,056**	**5,302**
margin (%)	29.0%	31.4%	29.2%	27.9%	27.6%
EBIT	**4,226**	**4,632**	**4,854**	**4,691**	**4,920**
margin (%)	27.8%	28.8%	27.2%	25.9%	25.6%
Net Profit/(Loss)	**3,280**	**3,285**	**3,517**	**3,402**	**3,571**
margin (%)	21.6%	20.5%	19.7%	18.8%	18.6%

Company Description	
Company Sector	Engineering Services
Reference Index	FTSE Italia Growth Index
Main Shareholder	ETS Group Srl
Price	6.0 €
Daily Average Volumes (30D)	6,990

Shareholders



Share Data	2025	2026E	2027E	2028E
Market Cap (mln)	25.56	29.24	29.24	29.24
Number of Shares (mln)	4.92	4.92	4.92	4.92
EPS	0.67	0.72	0.69	0.73
DPS	0.47	0.50	0.48	0.51
BVPS	2.53	2.78	2.97	3.21

Balance Sheet (€,k)	2024	2025	2026E	2027E	2028E
Fixed Assets	610	1,500	1,326	1,142	953
Net Working Capital	3,038	5,688	5,406	5,073	4,210
Other Assets/(Liabilities)	2,245	(717)	(2,001)	(2,072)	(2,145)
Net Invested Capital	**5,893**	**6,472**	**4,731**	**4,144**	**3,019**
Equity	5,935	12,444	13,661	14,600	15,790
Adj. Net Debt/(Cash)	**(43)**	**(5,972)**	**(8,930)**	**(10,457)**	**(12,772)**

Key Ratios	2025	2026E	2027E	2028E
ROE	26.4%	25.7%	23.3%	22.6%
ROCE	71.6%	102.6%	113.2%	163.0%
Leverage	1.6	1.5	1.5	1.5
Net Debt (cash)/EBITDA	n.m.	n.m.	n.m.	n.m.
Working Capital/Sales	35%	30%	28%	22%
CapEx/Sales	8.0%	1.0%	1.0%	1.0%
CapEx/D&A	3.3	0.5	0.5	0.5

Cash Flow (€,k)	2024	2025	2026E	2027E	2028E
EBITDA	4,408	5,051	5,207	5,056	5,302
Financial Income/(Expenses)	321	5	21	24	30
Taxes	(1,266)	(1,353)	(1,358)	(1,313)	(1,379)
Change in NWC & Other	(2,470)	284	1,567	403	936
CapEx	(103)	(1,287)	(179)	(181)	(192)
FCF	**890**	**2,700**	**5,258**	**3,989**	**4,696**
Other investments	(0)	6	-	-	-
Equity Financing	-	4,575	-	-	-
Dividends	(1,315)	(1,351)	(2,300)	(2,462)	(2,381)
Change in Adj. Net Debt	**(426)**	**5,929**	**2,958**	**1,527**	**2,315**
Unlevered FCF	**3,343**	**2,250**	**4,194**	**2,859**	**3,782**

Multiples	2025	2026E	2027E	2028E
P/BV	2.4x	2.1x	2.0x	1.9x
EV/Sales	1.4x	1.3x	1.3x	1.2x
EV/EBITDA	4.6x	4.5x	4.6x	4.4x
EV/EBIT	5.0x	4.8x	5.0x	4.7x
P/E	8.9x	8.3x	8.6x	8.2x
Dividend yield	9.0%	8.4%	8.1%	8.5%
FCF yield	10.6%	18.0%	13.6%	16.1%

Peers	2025	2026E	2027E	2028E
EV/Sales	0.9x	0.9x	0.9x	0.9x
EV/EBITDA	8.4x	7.1x	6.4x	6.0x
EV/EBIT	17.3x	13.9x	10.8x	9.5x
P/E	16.2x	14.0x	11.3x	10.3x

Strengths

Broad market reach and specialized expertise
Well-established partnerships
Robust and visible backlog
Strong cash flow generation
Experienced and capable management team
Proven track record
Net cash position and low leverage

Weaknesses

Highly competitive market, especially in public tenders
Moderate exposure to execution and regulatory risks
Geographic concentration with limited international footprint

Opportunities

Sustained demand from the National Recovery and Resilience Plan (NRRP)
Expansion into emerging sectors (data center, hydrogen, nuclear)
Potential for M&A
International market expansion

Threats

Potential slowdown or reduction in public funding post-NRRP
Margin pressure from intense tender competition
Regulatory and economic uncertainty

Source: Bloomberg, Facset, Banca Profilo estimates and elaborations

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