

Company Note

MID CORPORATE

EdiliziAcrobatica

New Heights Ahead

After extra-benefits related to fiscal incentives in Italy, which have supported the sector's strong expansion in 2021/22, we expect EdAc to take advantage from stronger contribution of foreign branches and from the newly-acquired Enigma Capital, a Dubai based company; Italy should continue to grow, although at a slower pace than in the past 2 years.

FY22 results

In FY22 EdAc still released record numbers: sales were up 54% yoy and EBITDA margin reached 23%. The net financial position was positive at EUR 11.9M. This good performance was helped by the backlog of Bonus Facciate 90% at YE21 and from the bonus at 60% in 2022 in Italy, which gave positive contribution to the overall renovation and new residential building sector (+20.4% in 2021 and +14.9% in 2022, according to Cresme).

Outlook and estimates

Despite an expected normalisation in the sector, in light of the end of the additional benefits related to the fiscal incentives, which could impair the sector's growth, we have assumed Italy to grow by a low single digit in FY23E. We remind readers that fiscal incentives are still in force, i.e. Superbonus until 2025; this should help Energy Acrobatica grow in the short term, while long-term growth for the overall sector should come from the Energy Performance Building Directive (EPBD). We expect other countries to increase their contribution to the top line (France, Spain, Montecarlo). Moreover, we have included in our estimates the contribution from the recently-acquired Enigma (51%, consolidated from June), which we expect to enhance sales and profitability considerably in the coming years. We assume Enigma to contribute for EUR 14M to FY24E sales with a 22% EBITDA margin (with almost no taxes at net income level).

Valuation

Following our estimates revision and increase in WACC to 10.6% (from 9.8%), our updated DCF model points to a **new target price of EUR 26.7/share** (from EUR 25.5/share). Given the implied potential upside of around 48%, **we confirm our BUY**.

21 April 2023: 12:21 CET
Date and time of production

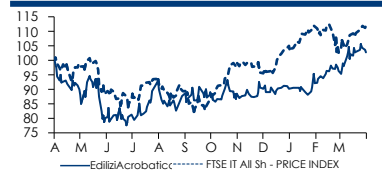
BUY

Target Price: EUR 26.7
(from EUR 25.5)

Italy/Building Maintenance Services
Results

EGM

Price Performance
(RIC: EDAC.MI, BB: EDAC IM)



EdiliziAcrobatica - Key Data

Price date (market close)	18/04/2023
Target price (EUR)	26.7
Target upside (%)	48.33
Market price (EUR)	18.00
Market cap (EUR M)	149.71
52Wk range (EUR)	18.5/13.6

Price performance %	1M	3M	12M
Absolute	6.6	13.9	1.4
Rel. to FTSE IT All Sh	-2.2	6.9	-8.6

Y/E Dec (EUR M)	FY22A	FY23E	FY24E
Revenues	133.7	167.0	192.0
EBITDA	30.74	33.10	39.18
EBIT	28.51	30.10	35.87
Net income	15.24	18.46	23.67
EPS (EUR)	1.83	2.22	2.85
Net debt/-cash	-11.89	-2.96	-4.69
Adj P/E (x)	8.4	8.1	6.3
EV/EBITDA (x)	3.9	5.3	5.1
EV/EBIT (x)	4.3	5.8	5.6
Div ord yield (%)	4.8	5.2	6.8

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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FY22 Results

The top line recorded a strong increase, better than our estimates, while EBITDA was lower than our assumptions. The net financial position topped EUR 11.9M net cash (better than our forecasts). In detail:

- Value of production jumped by 53% yoy to EUR 134.5M (4% better than our estimates). Revenues benefitted from the backlog of Bonus Facciate 90% at YE21 and from the bonus at 60% in 2022, which contributed to increase subscribed contracts by 17.4% to EUR 142M at YE22 vs. EUR 121M at YE21. Out of EUR 133.7M revenues, EUR 121M were recorded in Italy (up 46.3% yoy). The French subsidiary posted sales at EUR 4.7M (from EUR 3.4M in FY21), with no contribution from fiscal benefits, while the Spanish subsidiary posted sales at EUR 0.84M. Energy Acrobatica, in its second year of activity, reached EUR 7.8M revenues (from EUR 0.7M in FY21); it registered contracts for EUR 38M as of 31 December 2022, which should further support EdAc's growth;
- EBITDA reached EUR 30.7M** vs. EUR 21.3M in FY21, while the EBITDA margin was 23% (vs. 24.5% of FY21). The contribution from the French and Spanish subsidiaries to EBITDA was negative for EUR 1M and EUR 0.66M, respectively. Energy Acrobatica contributed positively for EUR 1.2M;
- EBIT came in at EUR 28.5M**, up by +55.7% yoy, with an EBIT margin of 21.3% as the company does not have significant D&A;
- The net income reached EUR 15.2M (+37% yoy)** after non-recurring EUR 4.7M charges related to interest expense accrued on the 2021 credit assignment;
- The net financial position was positive at EUR 11.9M** (from EUR 6.8M in June 2022 and EUR 3.6M YE21). Dividend proposal at EUR 0.5/share;

EdiliziAcrobatica – FY22 results

EUR M	FY21A	FY22E	FY22A	A/E%	yoy%
Value of production	87.7	129.0	134.5	4.3	53.4
Sales	86.9	129.0	133.7	3.6	53.7
EBITDA	21.3	39.6	30.7	-22.5	44.1
EBITDA margin (%)	24.5	30.7	23.0		
EBIT	18.3	36.6	28.5	-22.1	55.7
Net Income	11.1	20	15.2	-24.0	36.9
Net debt (-cash)	-3.6	-14.1	-11.9	-15.6	230.6

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

- Our estimates turned out to be too optimistic because of **the strong slowdown in growth in 2H22**, especially in profitability, after a very strong 1H22 (32% EBITDA margin) and 2H21 (28% EBITDA margin).

EdiliziAcrobatica – 1H/2H22 results

EUR M	1H21A	1H22A	yoy%	2H21A	2H22A	yoy%
Value of production	36.8	67.9	84.5	50.9	66.6	30.8
EBITDA	7.0	21.8	211.4	14.3	8.9	-37.8
EBITDA margin (%)	19.0	32.1	250.2	28.1	13.4	
EBIT	5.5	20.9	280.0	12.8	7.6	-40.6
Net Income	1.6	10.6	562.5	9.5	4.6	-51.6
Net debt (-cash)	7.7	-6.8		-3.6	-14.1	

A: actual; Source: Company data and Intesa Sanpaolo Research

Outlook and Estimates Revision

The sector in Italy

2022 was an exceptional year for the construction sector in Italy, both for renovations and for new residential buildings: according to Cresme, the sector grew at rates that had not been seen since the 1960s. The sector recorded EUR 232Bn in investments in 2020-2022, with 20.4% growth in 2021 and 14.9% in 2022. The subsector in which EdiliziAcrobatica operates, the ordinary and extraordinary maintenance activity, corresponds to over 70% of the production value of the construction sector. The fiscal incentives introduced in 2020 played a major role in supporting such growth rates; however, in management's view, renovation and maintenance activities are expected to keep increasing in the coming years due to the natural obsolescence of buildings, despite the recent restrictions on the use of fiscal benefits.

As a reminder, with the Legislative Decree of 16 February 2023 n. 11 the Minister of Economy put an end to both the credit assignment (so-called "cessione del credito") and invoice deduction of tax credits (so-called "sconto in fattura"). Once the decree entered into force on 17 February 2023, the alternative forms of tax deduction for works indicated by the previous Relaunch Decree were no longer available (however, the Law 11 April 2023, n. 38 includes various amendments to the Decree of 16 February 2023). In any case, a number of fiscal incentives (including Superbonus) will remain in force until 2025. The company believes that this decree will bring the market back to normal.

Going forward, we do not envisage a reduction in volumes, as we believe that many Italian buildings require constant maintenance works on their façades, also considering their average lifespan. Moreover, Energy Acrobatica, which operates works under the Superbonus activities, should continue to deliver mid-double-digit growth, also thanks to the possible opportunities coming from the EU Buildings' Energy Efficiency directive.

Acquisition of 51% stake in Enigma

In March 2023, EdiliziAcrobatica closed the acquisition of 51% stake in Enigma Capital Investments, a holding company based in Dubai, UAE, and active in building facility services also through rope access techniques. Leveraging on approx. 400 workers, Enigma provides its services in the Middle East region through many sub-companies controlled at 100% (SBC Global Contracting LCC, Magnum Plus, Spider Access Cladding Works & Building Cleaning and Vertico Xtreme).

In FY21A, Enigma recorded approx. EUR 6.4M in revenues with an EBITDA margin of 16% and a NI margin of 13%. The NFP at YE21 was approx. EUR 1.9M. The price agreed was EUR 7.2M (o/w EUR 5M already paid; the remaining part will be paid based on Enigma's 2023 financials; the agreement includes a mechanism of price-adjustment and an earn-out scheme related to Enigma's performance in 2023). We also recall that EdAc has granted an EUR 1.5M interest bearing loan to Enigma. Both operations (raising cash to strengthen the operative structure) allowed Enigma to acquire important contracts in the United Arab Emirates and Saudi Arabia, including an inherent maintenance and

cleaning work contract in Dubai for the world's tallest skyscraper, the Burj Khalifa. Enigma will be consolidated from June 2023.

We believe that this acquisition is coherent with management's plan to expand EdAc's services in different geographies and become a leading company in its reference field.

Estimates revision

For FY23E we have assumed a challenging environment for Italy, given the lower appeal of fiscal incentives (Superbonus still in force, but with a reduction in some extra-benefits such as "sconto in fattura" and "cessione del credito"). However, we expect EdAc's Italian business to return back to normal and to grow in the range of 3% in FY23E and by 8% and 9.6% in the following 2 years, driven by the opening of new branches and franchising points. We have included in our estimates a positive contribution from France (EUR 8M in FY23E), considering the good trend in the market, despite the absence of fiscal incentives. France represents a sizeable market whose value, with reference to EdAc's subsector, is in the range of EUR 60Bn, according to company management. We have also included a positive contribution from the Spanish market (EUR 2.8M). Energy Acrobatica, on the back of its orders (EUR 38M) should contribute for EUR 25M in our assumptions (considering that EUR 7.8M have already been released). We have reduced profitability estimates, since the trend started in 2H22 is likely to stay also in FY23E (especially in 1H23E) in our view. We expect Both France and Spain subsidiaries to be at least at break-even. We recall that EdAc has provided the overall amount of its initial orders in 1Q23, which were EUR 25.74M (vs. EUR 25.5M in 1Q22, +1% yoy), with an increase of 43% in the number of contracts. Orders in France were EUR 1.37M (from EUR 1.02M in 1Q22) and in Spain they amounted to EUR 0.27M (from EUR 0.23M in 1Q22). These orders should translate into revenues in a 6-month timeframe. We point out that the figure for 1Q22 orders includes the costs paid by the company to financial institutions for transferring tax credits, thus translating into lower revenues. As credit assignment is no longer an option after the new decree, the impact of these charges on the 1Q23 order figures should be negligible.

We have included the contribution of Enigma starting from 2H23E (as it will be consolidated from June): this would imply a 4% contribution to sales and profitability and lower FY23E cash generation for EdAc, given the EUR 5M 70% acquisition price already cashed out.

EdiliziAcrobatica – Estimates revision (FY23E)

EUR M	2023E Old	2023E New	New/Old Chg. %
Revenues	140.1	167.0	19.2
EBITDA	32.6	33.1	1.5
EBITDA margin (%)	23.3	19.8	
EBIT	29.2	30.1	3.1
EBIT margin (%)	20.8	18.0	
Net profit	16.7	18.5	10.6
Net margin (%)	11.9	11.1	
Net debt (-cash)	-22.0	-3.0	-86.6

E: estimates; Source: Company data and Intesa Sanpaolo Research

We expect Enigma to grow in the following years both in sales and profitability, thus materially impacting minority income, given also the near absence of taxes. A capital increase (at current prices) reserved to Enigma sellers in order to become EdAc shareholders and to pay for the remaining part of acquisition price would lead to an 1.4% EPS dilution in our estimates.

We also introduce our forecasts for FY24E and FY25E, when we expect a gradual recovery of Italy, higher contribution from France and Spain and growing Enigma (business increase).

EdiliziAcrobatica – Top line assumptions (2023E/25E)

EUR M	2021A	2022A	2023E	2024E	2025E
Revenues	86.9	133.7	167.0	192.0	215.0
o/w Italy	82.9	121.3	125.0	135.0	148.0
PoS (direct) no.	77	83	103	123	133
Franchisee points of sale no.	30	30	33	36	39
o/w Energy Acrobatica	0.7	7.8	25.0	27.0	29.0
o/w France	3.4	4.7	8.0	11.0	13.8
PoS (direct) no.	8	8	10	12	15
o/w Spain	0.5	0.8	2.8	4.7	7
o/w Enigma			6.0	14.0	17.0

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

We expect the net financial position to improve from EUR 3.0M of FY23E net cash.

EdiliziAcrobatica – New estimates (2023E/25E)

EUR M	2022A	2023E	yoy %	2024E	yoy %	2025E	yoy %
Revenues	133.7	167.0	24.9	192.0	15.0	215.0	12.0
EBITDA	30.7	33.1	7.7	39.2	18.4	44.6	13.7
EBITDA margin (%)	23.0	19.8		20.4		20.7	
EBIT	28.5	30.1	5.6	35.9	19.2	41.1	14.7
EBIT margin (%)	21.3	18.0		18.7		19.1	
Net profit	15.2	18.5	21.2	23.7	28.2	28.3	19.5
Net margin (%)	11.4	11.1	-3.0	12.3		13.2	
Net debt (-cash)	-11.9	-3.0	-75.1	-4.7	58.5	-7.6	61.5

A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Valuation

We value EdAc with a DCF valuation, due to the absence of listed companies of a similar size and background. Furthermore, we highlight that our valuation does not include any potential opportunities arising from external growth which, according to management, should be a key strategic pillar for the group in the next few quarters/years.

Our DCF model points to a **fair value of EUR 26.7/share** (from EUR 25.5/share previously) and, given the around 48% potential upside, **we confirm our BUY rating**.

DCF model

- A 4.0 % risk-free rate (previously 3%);
- A 6.50% equity risk premium (unchanged);
- A gearing ratio of 0%, as the company is cash positive.

EdiliziAcrobatica – WACC calculation (%)

Risk-free rate	4.0
Equity risk premium	6.5
Beta (x)	1.0
Cost of equity	10.6
Gross Cost of Debt	3.3
Tax rate	35
Gearing	0
WACC	10.6

Source: Intesa Sanpaolo Research

To calculate LT, we use a 0% terminal value growth to incorporate a growth path, which should go beyond FY25E but also the termination of fiscal incentives in Italy. As usual, in the long term, capex equals depreciation.

EdiliziAcrobatica – DCF calculation

EUR M	2023E	2024E	2025E	LT
Revenues	167.0	192.0	215.0	215.0
Change yoy (%)	24.9	15.0	12.0	0.0
EBIT	30.1	35.9	41.1	41.1
EBIT margin (%)	18.0	18.7	19.1	19.1
Taxes	-9.5	-11.9	-14.1	-14.1
NOPAT	20.6	24.0	27.1	27.1
D&A	3.0	3.3	3.4	
Capex	-7.5	-1.5	-1.5	
NWC changes	-11.7	-16.3	-14.4	
FCF	4.4	9.5	14.6	27.1
Discounted FCF	4.0	7.8	10.8	20.0
WACC (%)	10.6			
Perpetuity growth rate (%)	0.0			
NPV of cash flows	22.6			
NPV of terminal value	189.7			
EV	212.3			
NFP @FY22A	(11.9)			
Employee benefits	0.0			
Minorities	-2.0			
Equity value	222.2			
N. of shares fully diluted (M)	8.3			
Value per share (EUR)	26.7			
Vs. current price (%)	48			

Source: Company data and Intesa Sanpaolo Research

Multiples' analysis as a cross-check

There are no listed peers that perfectly match EdAc's business model, size and geographical presence. Therefore, in our peers' analysis, we selected companies active in a business similar to EdAc's one, but also in the larger industry of Facility Management services. We compared EV/EBITDA, EV/EBIT and P/E for FY23E, FY24E and FY25E multiples.

EdiliziAcrobatica – Multiples comparison

x	Mkt cap (EUR M)	EV/EBITDA			EV/EBIT			P/E		
		2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
ABM Industries	2,599.0	7.6	6.8	5.8	9.7	8.7	7.5	12.3	11.1	10.1
Mears Group	254.9				3.7			10.0		
Rentokil Initial	17,209.4	14.4	12.9	11.4	21.4	18.7	16.1	26.3	22.8	20.0
GDI Integrated Facility Services	452.8	8.7	8.0		20.9	21.9		31.6	27.8	29.0
Average		10.2	9.2	8.6	13.9	16.4	11.8	20.1	20.6	19.7
EdAc EBITDA (EUR M)		33.1	39.2	44.6						
EdAc EBIT (EUR M)					30.1	35.9	41.1			
EdAc net income (EUR M)								18.5	23.7	28.3
EdAc net debt/-cash (EUR M)		-3.0	-4.7	-7.6	-3.0	-4.7	-7.6			
EV (EUR M)		339.1	362.0	382.5	419.1	589.0	483.8			
Fair value (EUR M)		342.0	366.7	390.0	422.1	593.7	491.4	370.2	486.6	556.9
Fair value per share (EUR)		41.1	44.1	46.9	50.7	71.4	59.1	44.5	58.5	67.0

Price at market close of 18/04/2023; Source: FactSet and Intesa Sanpaolo Research estimates for EdAc

EdiliziAcrobatica – Key Data

Rating	Target price (EUR/sh)		Mkt price (EUR/sh)		Sector	
BUY	Ord 26.7		Ord 18.00		Building Maintenance Services	
Values per share (EUR)	2020A	2021A	2022A	2023E	2024E	2025E
No. ordinary shares (M)	8.32	8.32	8.32	8.32	8.32	8.32
Total no. of shares (M)	8.32	8.32	8.32	8.32	8.32	8.32
Market cap (EUR M)	46.11	102.66	128.72	149.71	149.71	149.71
Adj. EPS	0.21	1.33	1.83	2.22	2.85	3.40
BVPS	1.5	2.7	4.2	5.2	7.4	9.5
Dividend ord	0.21	0.49	0.74	0.93	1.22	0
Income statement (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Revenues	44.66	86.95	133.7	167.0	192.0	215.0
EBITDA	5.00	21.28	30.74	33.10	39.18	44.55
EBIT	3.15	18.33	28.51	30.10	35.87	41.14
Pre-tax income	2.84	17.09	22.93	27.10	33.87	40.14
Net income	1.76	11.09	15.24	18.46	23.67	28.28
Adj. net income	1.76	11.09	15.24	18.46	23.67	28.28
Cash flow (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net income before minorities	1.8	11.1	15.2	18.5	23.7	28.3
Depreciation and provisions	1.9	3.0	2.2	3.0	3.3	3.4
Others/Uses of funds	0	0	0	0	0	0
Change in working capital	-5.7	1.8	-3.2	-11.7	-16.3	-14.4
Operating cash flow	-2.1	15.8	14.4	10.6	12.4	19.5
Capital expenditure	-3.0	-2.8	-2.5	-7.5	-1.5	-1.5
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	0	0	0	0	0	0
Free cash flow	-5.1	13.0	11.9	3.1	11.9	20.0
Dividends	-0.8	-1.7	-4.1	-6.1	-7.7	-10.1
Equity changes & Non-op items	0.9	0	0.5	-5.9	-2.4	-7.0
Net cash flow	-5.0	11.3	8.3	-8.9	1.7	2.9
Balance sheet (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net capital employed	20.6	18.5	23.2	39.5	53.9	66.4
of which associates	0	0	0	0	0	0
Net debt/-cash	7.7	-3.6	-11.9	-3.0	-4.7	-7.6
Minorities	0	0.0	0.1	1.0	2.6	4.8
Net equity	12.9	22.1	35.1	42.4	58.6	73.9
Minorities value	0	1.2	4.5	28.7	54.9	78.2
Enterprise value	53.8	100.2	121.3	175.5	199.9	220.3
Stock market ratios (x)	2020A	2021A	2022A	2023E	2024E	2025E
Adj. P/E	26.2	9.3	8.4	8.1	6.3	5.3
P/CFPS	16.0	7.3	7.5	7.0	5.5	4.7
P/BVPS	3.6	4.6	3.7	3.5	2.4	1.9
Payout (%)	99	37	40	42	43	0
Dividend yield (% ord)	3.8	4.0	4.8	5.2	6.8	0
FCF yield (%)	-11.1	12.7	9.2	2.1	7.9	13.4
EV/sales	1.2	1.2	0.91	1.1	1.0	1.0
EV/EBITDA	10.8	4.7	3.9	5.3	5.1	4.9
EV/EBIT	17.1	5.5	4.3	5.8	5.6	5.4
EV/CE	2.6	5.4	5.2	4.4	3.7	3.3
D/EBITDA	1.5	Neg.	Neg.	Neg.	Neg.	Neg.
D/EBIT	2.4	Neg.	Neg.	Neg.	Neg.	Neg.
Profitability & financial ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA margin	11.2	24.5	23.0	19.8	20.4	20.7
EBIT margin	7.0	21.1	21.3	18.0	18.7	19.1
Tax rate	NM	NM	NM	NM	NM	NM
Net income margin	3.9	12.7	11.4	11.1	12.3	13.2
ROCE	15.3	98.9	122.7	76.3	66.5	62.0
ROE	14.4	63.3	53.2	47.6	46.9	42.7
Interest cover	-10.5	-14.8	-5.1	-10.0	-17.9	-41.1
Debt/equity ratio	59.8	Neg.	Neg.	Neg.	Neg.	Neg.
Growth (%)		2021A	2022A	2023E	2024E	2025E
Sales		94.7	53.7	24.9	15.0	12.0
EBITDA		NM	44.4	7.7	18.4	13.7
EBIT		NM	55.5	5.6	19.2	14.7
Pre-tax income		NM	34.2	18.2	25.0	18.5
Net income		NM	37.5	21.2	28.2	19.5
Adj. net income		NM	37.5	21.2	28.2	19.5

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

Company Snapshot

Company Description

EdiliziAcrobatica S.p.A. is the Italian leader in building maintenance services. The company offers renovation, securing and prompt intervention, installation, building cleaning, proofing, maintenance and rebuilding services. EdiliziAcrobatica is headquartered in Genova and has a capillary presence with 85 offices in Italy. In 2019, it entered the French market through the acquisition of "ETAIR méditerranée", as of 1 January 2021, the company can count on 8 offices in France. In May 2021, EdiliziAcrobatica entered the Spanish market. As of March 2022, the company can count on 1,473 employees (Direct and franchises).

Key data

Mkt price (EUR)	18.00	Free float (%)	23.9
No. of shares	8.32	Major shr	Arim holding
52Wk range (EUR)	18.5/13.6	(%)	74.0
Reuters	EDAC.MI	Bloomberg	EDAC IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	6.6	-1M	-2.2
-3M	13.9	-3M	6.9
-12M	1.4	-12M	-8.6

Key Risks

Company specific risks:

- Labour intensive business model, requiring highly-skilled workers;
- Still high exposure to the Italian market;
- Credit collection takes long time.

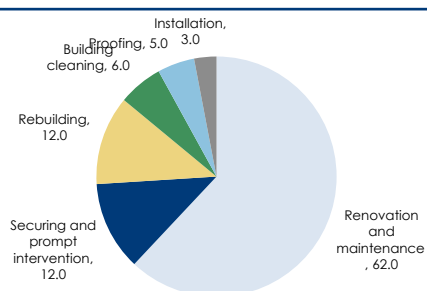
Sector generic risks:

- Possible rising competition from either the traditional business of construction works with scaffolds or from new competitors given low entry barriers;
- Difficulties to replicate the model outside Italy, also in light of different regulatory landscapes;
- A significant change in the Regulatory framework.

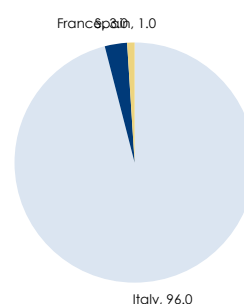
Estimates vs. consensus

EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Sales	133.7	167.0	135.1	192.0	152.0	215.0	NA
EBITDA	30.74	33.10	29.82	39.18	31.80	44.55	NA
EBIT	28.51	30.10	27.07	35.87	29.50	41.14	NA
Pre-tax income	22.93	27.10	26.23	33.87	NA	40.14	NA
Net income	15.24	18.46	16.55	23.67	19.40	28.28	NA
EPS (€)	1.83	2.22	2.05	2.85	2.44	3.40	NA

Sales breakdown by service - FY21 (%)



Sales breakdown by geography - FY21 (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 18/04/2023)

Our Mid Corporate Definition

Italy is characterised by a large number of non-listed and listed micro, small and medium-sized companies. Looking at the revenues of these Italian companies, around 5,000 companies eligible for listing have revenues below EUR 1,500M based on Intesa Sanpaolo elaborations. We define these companies as 'Mid Corporate'. Looking more specifically at Italian listed companies, we include in our Mid Corporate segment all STAR companies and those with a market capitalisation around EUR 1Bn.

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Equity rating key: (long-term horizon: 12M)

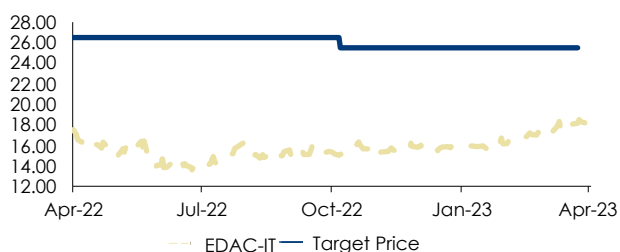
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Equity Rating Key (long-term horizon: 12M)

Long-term rating	Definition
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HOLD	If the target price is in a range 10% below or 10% above the market price.
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NO RATING	The company is or may be covered by the Research Department but no rating or target price is assigned either voluntarily or to comply with applicable regulations and/or firm policies in certain circumstances.
TENDER SHARES	We advise investors to tender the shares to the offer.
TARGET PRICE	The market price that the analyst believes the share may reach within a 12M time horizon.
MARKET PRICE	Closing price on the day before the issue date of the report, as indicated on the first page, except where otherwise indicated.
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Target price and market price trend (-1Y)**Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
12-Apr-23	Under Review	Under Review	18.5
25-Oct-22	BUY	25.5	15.1

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at April 2023)**

Number of companies considered: 131	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	63	11	21	0	0
of which Intesa Sanpaolo's Clients (%)**	75	45	43	0	0

* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

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