



**1H23: EFFICIENT INTEGRATION OF M&A, INCREASED PROFITABILITY**

Sector: Luxury

**1H23 sales stood at Euro 21.70 m, in line with 1H22 results, but margins increased.**

G.M. Leather, a manufacturing company that fully represents 'Made in Italy' through high value-added processing of leather to produce products for the luxury and lifestyle industries, reached Euro 21.70 m of sales, in line with 1H22 results (Euro 21.53 m). In detail, the breakdown of sales by geographical area showed that the Group reported Euro 10.89 m (50.2% of total sales) in Extra-EU countries, about the same as in 1H22 (Euro 10.72 m corresponding to 49.8%); Euro 8.55 m in the Italian market (39.4% of total turnover), up from 5.98 m (27.8%) in 1H22 and Euro 2.27 m (10.5% of total sales volume) in EU countries, lower than Euro 4.83 m (22.4%) in the first half of 2022, mainly due to the retention of the German market.

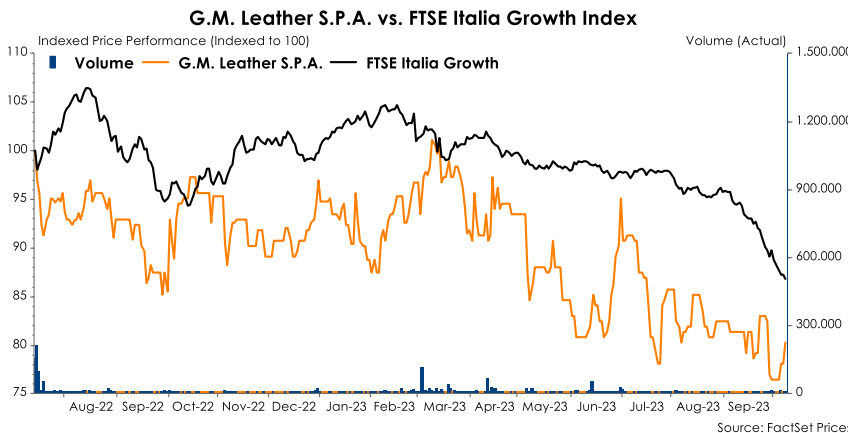
Thanks to the lease of a business unit and the sublease of properties instrumental to the operation of the business with Conceria Palladio Spa, outsourced work was considerably reduced. Consequently, the industrial margin significantly increased to 44,0% compared with 32,0% in the same period of the previous year. EBITDA also rose to 3.02 m (vs. 2.60 m in 1H22) with a 13.9% margin on sales (vs. 12.1% in 1H22) and up 16.2% YoY, despite higher costs for services, costs for use of third-party assets and costs of personnel.

EBIT stood at Euro 2.02 m (vs. Euro 1.97 m in 1H22) mainly due to the increasing depreciation following the Group's acquisition of machinery, equipment, and movables assets from Conceria Palladio. Net income amounted to Euro 1.12 m (Euro 1.30 m in the first half of 2022), because of greater financial expenses, also due to the rising interest rates.

Net financial debt came in at Euro 21.49 m related to 15.39 m in FY22, as an effect of both extraordinary transaction finalized in February 2023 previously mentioned, and the strategic decision to invest heavily in raw materials. This strategy made it possible to take advantage of the most favourable market conditions to improve the Group's commercial competitiveness in short to medium term.

**An efficient procurement policy enables the group to increase its commercial competitiveness.** The Group has long been organized to contain the impact of exogenous dynamics deriving from a macroeconomic context, that continues to show strong tensions. The ample availability of stock resulting from the efficient procurement policy enables the group to increase its commercial competitiveness in the short to medium term by guaranteeing normal business continuity for all stakeholders and regular and timely order processing for customers. The Group strategy continues to focus on developing the luxury sector (leather goods and footwear) and entering new markets and geographic areas through the greater development of the sales agents' network.

**Estimates and valuation.** Based on the above, we updated our estimates for the current year and the following years. We have set our sales estimates at Euro 44.50 m in 2023 and EBITDA at Euro 5.79 m with a 13.0% margin on sales (vs 12.2% in 2022). For the coming years, we expect an increase in sales to Euro 68.77 m in 2026 (CAGR 22A-26E 13.9%) and EBITDA to Euro 9.30 m with a 13.5% margin on sales. We now assume Net Debt of Euro 22.04 m in 2023 (vs Euro 15.39 m in 2022). Running our valuation model on the new estimates and up-to-date market data we adjusted our target price now at Euro 4.69 p.s. (Euro 5.85 pr.), providing for a potential upside on the current market price of +219%.



**Target Price € 4.69 (5.85 pr.)**

Price (€) **1.47**

Market Cap (€ m) **16.52**

EV (€ m) **38.00**

**Share Data**

Market	Euronext Growth Milan
Reuters/Bloomberg	GML.MI/GML:IM
ISIN	IT0005498610
N. of Shares	11,235,750
Free Float	13.62%
CEO	Simone Voltolin

**Financials**

	2022A	2023E	2024E	2025E
<b>Sales</b>	<b>40.83</b>	<b>44.50</b>	<b>55.63</b>	<b>63.97</b>
YoY %	(17.8%)	9.0%	25.0%	15.0%
<b>EBITDA</b>	<b>4.98</b>	<b>5.79</b>	<b>7.34</b>	<b>8.41</b>
EBITDA %	12.2%	13.0%	13.2%	13.2%
<b>EBIT</b>	<b>3.30</b>	<b>3.75</b>	<b>4.95</b>	<b>5.54</b>
EBIT %	8.1%	8.4%	8.9%	8.7%
<b>Net Income</b>	<b>2.01</b>	<b>2.19</b>	<b>2.75</b>	<b>3.19</b>
<b>Net Debt</b>	<b>15.39</b>	<b>22.04</b>	<b>19.17</b>	<b>16.72</b>

**Performance**

	1M	3M	6M
Absolute %	(1.3%)	(12.0%)	(12.0%)
Relative (FTSE Italia Growth)	7.3%	(1.1%)	2.7%
52-week High/Low (Eu)	1.85	/	1.34

Research Department of

**IRTOP CONSULTING**

Luca Previtali

l.previtali@irtop.com



## KEY FINANCIALS

<b>Profit&amp;Loss Statement</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Sales	49.69	40.83	44.50	55.63	63.97	68.77
EBITDA	4.42	4.98	5.79	7.34	8.41	9.30
EBIT	3.58	3.30	3.75	4.95	5.54	6.29
Financial Income (charges)	(0.29)	(0.69)	(0.91)	(1.37)	(1.50)	(1.80)
Pre-tax profit (loss)	3.28	2.32	2.73	3.44	3.87	4.30
Taxes	(0.83)	(0.31)	(0.54)	(0.68)	(0.69)	(0.82)
Net profit (loss)	2.45	2.01	2.19	2.75	3.19	3.48
<b>Balance Sheet</b>						
Net working capital	16.82	21.64	25.12	26.06	28.35	29.96
Net fixed assets	5.75	5.84	11.09	9.75	8.06	6.13
M/L Funds	(0.31)	(0.37)	(0.74)	(0.82)	(0.89)	(0.97)
Net Capital Employed	22.27	27.10	35.47	35.00	35.51	35.12
Net Debt (Cash)	14.22	15.39	22.04	19.17	16.72	13.63
Equity	8.05	11.72	13.42	15.82	18.79	21.49
<b>Cash Flow</b>						
Net Profit	2.45	2.01	2.19	2.75	3.19	3.48
Non cash items	0.92	1.74	2.41	2.47	2.94	3.09
Change in Working Capital	(5.67)	(4.81)	(3.48)	(0.95)	(2.29)	(1.61)
Cash Flow from Operations	(2.30)	(1.06)	1.12	4.27	3.84	4.95
Capex	(1.90)	(1.77)	(7.30)	(1.05)	(1.18)	(1.09)
Operating Free Cash Flow	(4.20)	(2.82)	(6.18)	3.22	2.67	3.87
Dividend	-	-	0.48	0.35	0.22	0.78
Other (equity)	(1.20)	1.66	(0.96)	(0.70)	(0.43)	(1.56)
Free Cash Flow	(5.40)	(1.17)	(6.66)	2.87	2.45	3.09
<b>Per Share Data</b>						
<b>Current Price</b>	1.47					
Total shares out fully diluted (mn)	11.24					
EPS	0.22	0.18	0.19	0.24	0.28	0.31
DPS	-	-	0.04	0.03	0.02	0.07
FCF	(0.48)	(0.10)	(0.59)	0.26	0.22	0.27
Pay out ratio	0.0%	0.0%	21.9%	12.8%	6.8%	22.5%
<b>Ratios</b>						
EBITDA margin	8.9%	12.2%	13.0%	13.2%	13.2%	13.5%
EBIT margin	7.2%	8.1%	8.4%	8.9%	8.7%	9.1%
Net Debt/Equity	176.7%	131.3%	164.2%	121.2%	89.0%	63.4%
Net Debt/(Net Debt + Equity)	63.9%	56.8%	62.2%	54.8%	47.1%	38.8%
Net Debt/EBITDA	3.22	3.09	3.81	2.61	1.99	1.47
Interest cover EBIT	12.37	4.81	4.12	3.63	3.69	3.49
ROE	30.5%	17.2%	16.3%	17.4%	17.0%	16.2%
ROCE	19.8%	13.3%	12.1%	16.1%	17.5%	20.3%
<b>Growth Rates</b>						
Sales		(17.8%)	9.0%	25.0%	15.0%	7.5%
EBITDA		12.6%	16.3%	26.9%	14.5%	10.6%
EBIT		(7.9%)	13.5%	32.3%	11.9%	13.5%
Net Profit		(18.0%)	8.6%	25.9%	15.8%	9.2%

Source: Group Consolidated Data and PMI Capital Research Estimates

### Key Financials – Euro m

Income Statement	1H23A	1H22A	FY22A	FY21A
Sales	21.70	21.53	40.83	49.69
Yoy	0.8%	n.a.	(17.8%)	70.0%
<b>EBITDA</b>	<b>3.02</b>	<b>2.60</b>	<b>4.98</b>	<b>4.42</b>
% on sales	13.9%	12.1%	12.2%	8.9%
<b>EBIT</b>	<b>2.02</b>	<b>1.97</b>	<b>3.30</b>	<b>3.58</b>
% on sales	9.3%	9.1%	8.1%	7.2%
<b>Net Income</b>	<b>1.12</b>	<b>1.30</b>	<b>2.01</b>	<b>2.45</b>

Balance Sheet	1H23A	1H22A	FY22A	FY21A
<b>Fixed Assets</b>	<b>10.77</b>	<b>6.70</b>	<b>5.84</b>	<b>5.75</b>
<b>Net Working Capital</b>	<b>23.87</b>	<b>20.42</b>	<b>21.64</b>	<b>16.82</b>
Funds	(0.58)	(0.36)	(0.37)	(0.31)
<b>NET INVESTED CAPITAL</b>	<b>34.07</b>	<b>26.76</b>	<b>27.10</b>	<b>22.27</b>
Net Debt/(Cash)	21.49	17.41	15.39	14.22
Net Equity	12.58	9.35	11.72	8.05
<b>TOTAL SOURCES</b>	<b>34.07</b>	<b>26.76</b>	<b>27.10</b>	<b>22.27</b>

Source: Company Data

**Estimates Revision – Euro m**

Income Statement	2022A	2023E Old	2023E New	2024E Old	2024E New	2025E Old	2025E New	2026E Old	2026E New
<b>Sales</b>	<b>40.83</b>	<b>59.20</b>	<b>44.50</b>	<b>66.31</b>	<b>55.63</b>	<b>75.26</b>	<b>63.97</b>	<b>85.79</b>	<b>68.77</b>
yoy	(17.8%)	45.0%	9.0%	12.0%	25.0%	13.5%	15.0%	14.0%	7.5%
<b>Revenues (VoP)</b>	<b>41.19</b>	<b>60.28</b>	<b>45.58</b>	<b>67.05</b>	<b>56.34</b>	<b>76.04</b>	<b>64.71</b>	<b>86.61</b>	<b>69.53</b>
yoy	(17.8%)	46.3%	10.7%	11.2%	23.6%	13.4%	14.9%	13.9%	7.4%
<b>EBITDA</b>	<b>4.98</b>	<b>6.27</b>	<b>5.79</b>	<b>7.03</b>	<b>7.34</b>	<b>7.87</b>	<b>8.41</b>	<b>9.93</b>	<b>9.30</b>
EBITDA margin	12.2%	10.6%	13.0%	10.6%	13.2%	10.5%	13.2%	11.6%	13.5%
<b>EBIT</b>	<b>3.30</b>	<b>4.07</b>	<b>3.75</b>	<b>5.02</b>	<b>4.95</b>	<b>5.86</b>	<b>5.54</b>	<b>7.98</b>	<b>6.29</b>
EBIT margin	8.1%	6.9%	8.4%	7.6%	8.9%	7.8%	8.7%	9.3%	9.1%
<b>Net Profit</b>	<b>2.01</b>	<b>2.85</b>	<b>2.19</b>	<b>3.56</b>	<b>2.75</b>	<b>4.26</b>	<b>3.19</b>	<b>5.98</b>	<b>3.48</b>
Net Profit margin	4.9%	4.8%	4.9%	5.4%	4.9%	5.7%	5.0%	7.0%	5.1%

Balance Sheet	2022A	2023E Old	2023E New	2024E Old	2024E New	2025E Old	2025E New	2026E Old	2026E New
Net Working Capital	21.64	19.14	25.12	21.55	26.06	23.89	28.35	24.64	29.96
Fixed net assets	5.84	10.22	11.09	10.51	9.75	10.83	8.06	11.04	6.13
Funds	(0.37)	(0.74)	(0.74)	(0.82)	(0.82)	(0.89)	(0.89)	(0.93)	(0.97)
<b>Net Capital Employed</b>	<b>27.10</b>	<b>28.61</b>	<b>35.47</b>	<b>31.25</b>	<b>35.00</b>	<b>33.83</b>	<b>35.51</b>	<b>34.75</b>	<b>35.12</b>
Net Debt (Cash)	15.39	<b>14.04</b>	22.04	<b>13.12</b>	19.17	11.44	16.72	6.39	13.63
Total Equity	11.72	<b>14.57</b>	13.42	<b>18.13</b>	15.82	22.38	18.79	28.36	21.49
<b>Sources</b>	<b>27.10</b>	<b>28.61</b>	<b>35.47</b>	<b>31.25</b>	<b>35.00</b>	<b>33.83</b>	<b>35.51</b>	<b>34.75</b>	<b>35.12</b>

Source: Company Data for FY22 and PMI Capital Research for FY23E-26E.

## VALUATION

Our valuation was obtained by weighting equally a DCF and the multiple comparison analysis. At our TP, our valuation offers implicit FY 23-24 EV/EBITDA multiples of 12.9x and 9.8x respectively and FY 23-24 P/E multiples of 34.2x and 26.1x respectively.

### Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA, P/E, EV/SALES 23/25 Luxury and EGM Peers	50%	3.96	44.55
DCF (WACC 8,1% and g 1.0%)	50%	5.41	60.81
<b>Target Price</b>	<b>100%</b>	<b>4.69</b>	<b>52.68</b>

Source: PMI Capital Research estimates.

### DCF model

DCF Valuation		
Euro m		
WACC		8.1%
g		1.0%
Sum of PV 2023-27 FCFs	12.20	14.8%
Discounted terminal value	70.10	85.2%
<b>Enterprise Value</b>	<b>82.30</b>	
Net Cash (1H23)	21.49	
<b>Equity Value</b>	<b>60.81</b>	
N. of outstanding shares (m)	11.24	
<b>Fair Value p.s.</b>	<b>5.41</b>	

Source: PMI Capital Research estimates.

### Multiples Comparison

To capture the Group's target sector, which will potentially have the greatest growth in absolute and relative terms on total sales, we selected peers directly referring to the EGM market that are segmented into luxury and included the GM Leather group by positioning it in the luxury field, so that we could compare prospective results to this panel.

We have summarized the main characteristics of the peers in the table below. As can be seen the sizes of the selected companies vary (with market caps ranging from c. Euro 18 m to c. Euro 210 m).

Companies	Market Cap	Price	Sales	Sales	EBITDA	NI	2022A-2025E CAGR	
			2023E	YoY 23/22	% 2023E	% 2023E	Sales	EBITDA
<b>EGM Peers</b>								
FOPE	137.15	25.40	69.24	11%	24%	15%	12%	800%
Gismondi 1754	17.97	4.42	16.50	12%	15%	7%	23%	226%
Gentili Mosconi	68.02	3.58	55.70	5%	18%	11%	7%	8%
Franchi Umberto Marmi	210.15	6.40	72.38	(5%)	38%	24%	2%	1%
Pattern	88.33	6.15	139.50	28%	11%	17%	10%	16%
<b>Average</b>	<b>104.32</b>		<b>70.66</b>	<b>10%</b>	<b>21%</b>	<b>15%</b>	<b>11%</b>	<b>210%</b>
<b>GM LEATHER</b>			<b>44.50</b>	<b>9%</b>	<b>13%</b>	<b>5%</b>	<b>14%</b>	<b>17%</b>

Source: Factset Data as of October 09<sup>th</sup>, 2023, and PMI Capital Research Estimates

Companies	EV/SALES				EV/EBITDA				P/E			
	22A	23E	24E	25E	22A	23E	24E	25E	22A	23E	24E	25E
<b>EGM Peers</b>												
FOPE	2.19	2.50	2.23	1.99	8.94	10.20	8.90	8.14	13.66	13.37	11.34	9.64
Gismondi 1754	1.55	1.28	0.96	0.78	8.24	8.45	5.87	4.49	11.05	14.73	9.40	n.a.
Gentili Mosconi	1.15	1.10	1.01	0.93	6.15	6.01	5.65	5.14	8.42	10.27	9.72	8.81
Franchi Umberto Marmi	2.89	3.05	2.88	2.73	6.82	8.05	7.50	7.05	12.31	12.80	11.93	11.23
Pattern	0.98	0.77	0.81	0.75	10.11	7.24	7.05	6.13	34.17	26.74	24.60	17.83
<b>Average</b>	<b>1.75</b>	<b>1.74</b>	<b>1.58</b>	<b>1.44</b>	<b>8.05</b>	<b>7.99</b>	<b>6.99</b>	<b>6.19</b>	<b>15.92</b>	<b>15.58</b>	<b>13.40</b>	<b>11.88</b>
<b>GM LEATHER</b>	<b>0.93</b>	<b>0.85</b>	<b>0.68</b>	<b>0.59</b>	<b>7.63</b>	<b>6.57</b>	<b>5.17</b>	<b>4.52</b>	<b>8.21</b>	<b>7.55</b>	<b>6.00</b>	<b>5.18</b>
<i>Premium/Discount to Peers</i>	(47%)	(51%)	(57%)	(59%)	(5%)	(18%)	(26%)	(27%)	(48%)	(52%)	(55%)	(56%)

Source: Factset Data as of October 09<sup>th</sup>, 2023, and PMI Capital Research Estimates

## INDUSTRY COMPARISON

**GM Leather Spa (GML-IT):** PMI Capital Research estimates and Factset Data

**EGM Sector:** average data for listed on EGM included in the Luxury sub sector: FOPE, Gismondi 1754, Gentili Mosconi, Franchi Umberto Marmi, Pattern.

**Industry Peers:** average data for a selected group of industrial peers (see tables above)

**Euronext Growth Milan:** average financial and market data for all the companies listed on EGM, reported price performance data are related to the FTSE Italia Growth Index.

	G.M. Leather	Luxury EGM Sector	FTSE Italia Growth
<b>Key Financials</b>			
Revenues	40.83	63.03	35.68
EBITDA	4.98	13.67	5.81
EBITDA %	12.2%	21.7%	16.3%
EBIT	3.30	11.34	2.52
EBIT %	8.1%	18.0%	7.1%
Earnings	2.01	7.88	1.55
Earnings %	4.9%	12.5%	4.3%
Net Debt	15.39	4.44	3.84
ND/EBITDA	3.09	0.33	0.66
FY21-23 Revenues CAGR	(5.4%)	25.4%	25.9%
FY22-24 Revenues CAGR	16.7%	8.2%	17.0%
FY21-23 Earnings CAGR	(5.6%)	62.4%	56.9%
FY22-24 Earnings CAGR	16.9%	4.2%	50.5%
<b>Market Data</b>			
Market Cap	16.52	108.32	37.88
EV	38.00	136.07	43.23
Free Float	13.6%	17.1%	33.8%
ADTT YTD (Eu k)	13.40	45.00	46.00
<b>Market Multiples</b>			
EV/Sales 2022	0.93	1.75	1.59
EV/Sales 2023	0.85	1.74	1.27
EV/Sales 2024	0.68	1.58	1.27
EV/EBITDA 2022	7.63	8.05	17.08
EV/EBITDA 2023	6.57	7.99	9.56
EV/EBITDA 2024	5.17	6.99	6.49
EV/EBIT 2022	11.51	13.53	27.41
EV/EBIT 2023	10.15	10.42	13.93
EV/EBIT 2024	7.67	8.89	15.67
P/E 2022	8.21	15.92	35.31
P/E 2023	7.55	15.58	22.86
P/E 2024	6.00	13.40	20.02
Earnings Yield	12.2%	6.3%	2.8%
<b>Stock Performance</b>			
1D	2.8%	(2.4%)	(0.6%)
1W	5.0%	(8.8%)	(3.3%)
1M	(1.3%)	(12.2%)	(8.1%)
3M	(12.0%)	(14.9%)	(11.0%)
6M	(12.0%)	(19.4%)	(14.3%)
YTD	(17.2%)	(22.0%)	1.0%
1Y	(15.0%)	(5.6%)	(9.8%)

Source: FactSet and PMI Capital data as of October 09<sup>th</sup>, 2023. Group data and PMI Capital Research Estimates

## G.M. LEATHER IN BRIEF

### Group Description

The G.M. Leather Group was founded in Arzignano (Vicenza), within Italy's largest tanning district, through the establishment of SNAM by the Marcigaglia family in 1976, and it is a manufacturing reality that fully represents "Made in Italy" through high value-added processing of leathers intended mainly for the "Luxury" (leather goods and footwear) and "Life-Style" (furniture) mid/high-end markets.

The Group is characterized by a highly integrated structure and offers its customers a tailor-made product that meets, at the same time, their requirements, and the high-quality standards they demand. In detail, G.M. Leather S.p.A. and its subsidiary SNAM S.r.l. carry out the activities of sourcing raw materials (raw bovine hides and semi-finished hides), the processing of the hides, from liming/tanning to quality control, is entrusted to another subsidiary, Genesi S.r.l., while the sales network is in charge of marketing the finished products in Italy and abroad (mainly USA, UK, Germany, Hong Kong, and China).

On 23 February 2023, the Group finalized, with "Conceria Palladio S.p.A.", an extraordinary transaction that allowed it to internalize production processes with a high added value and strategic in a GREEN perspective.

### Strategy

- Developing the luxury sector (leather goods and footwear) and consolidating its presence in the furniture industry
- Entering new markets and geographic areas through the greater development of the sales agents' network
- Strengthening the partnership with historic clients leveraging on the Group's value proposition (tailor-made product, customer engagement, high quality, wide product portfolio, timeliness)
- Enhancement and incentive plans to preserve the sector expertise and know-how of managers and the high specialization of the technical personnel

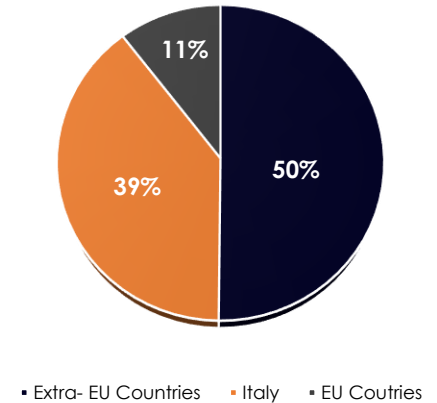
### Key Managers

- **Carmen Marcigaglia** – Chairman
- **Simone Voltolin** – CEO
- **Marco Malagutti** – CFO
- **Carlo Carpano** – Director
- **Massimo Folador** – Independent Director
- **Elia Bonacina** – Director

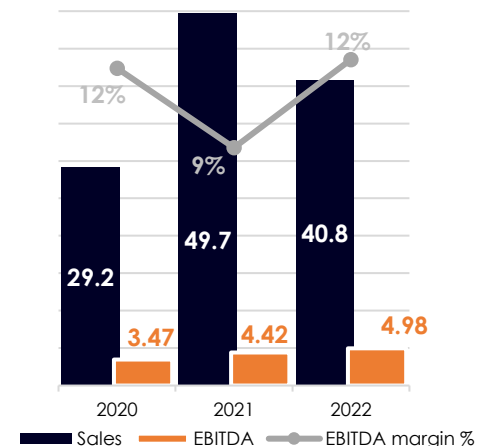
### Sustainability Committee

- **Carmen Marcigaglia** – Chairman
- **Massimo Folador** – Independent Director and Professor of 'Business Ethics and Sustainable Development' at LIUC
- **Manuel Lovato**

### 1H23 Sales breakdown by Geographic area



### Sales & EBITDA evolution





## GM LEATHER ON EURONEXT GROWTH MILAN

### IPO

Trading Market: Euronext Growth Milan  
Date: July 13<sup>th</sup>, 2022  
Price: Euro 1.75  
Capital raised: Euro 3.9 m  
Capitalisation: Euro 19.66 m

### SHARES (as of October 09<sup>th</sup>, 2023)

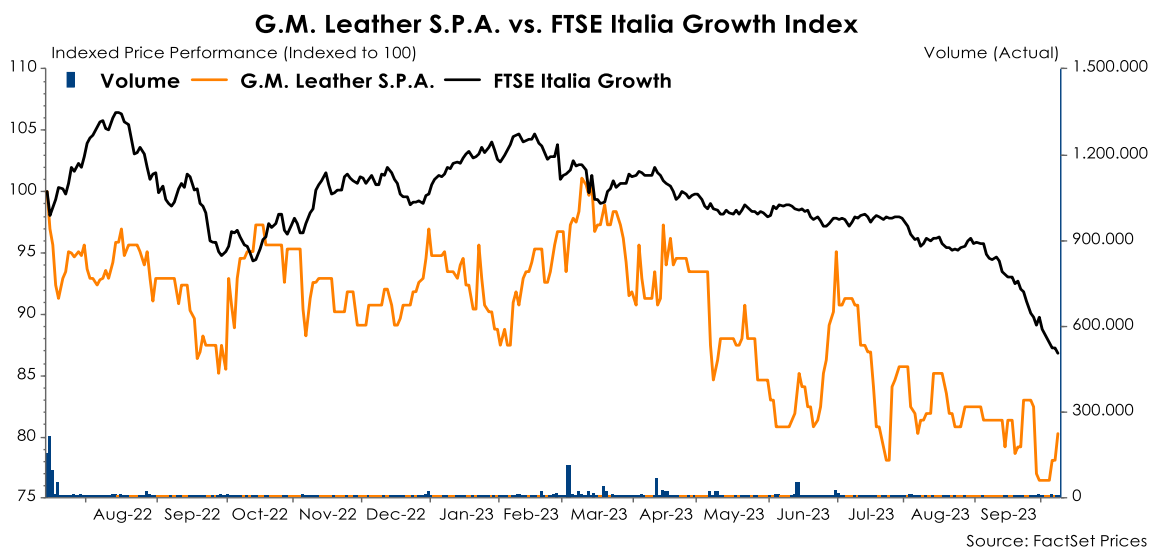
Code: GML  
Bloomberg: GML:IM  
Reuters: GML.MI  
ISIN: IT0005498610  
Shares: 11.235.750  
Price: Euro 1.47  
Performance from IPO: -16%  
Capitalisation: Euro 16.52 m  
Free Float: 13.62%  
EGA: Integrae Sim  
Specialist: Integrae Sim  
Auditing firm: Nexia Audirevi

Shareholder	N. of Shares	%
Assunta S.r.l.*	9,020,000	80.28%
Smart Capital S.p.A.	686,000	6.10%
Free Float	1,529,750	13.62%
<b>Total</b>	<b>11,235,750</b>	<b>100.00%</b>

Source: Group website

\*Company 100% owned by Carmen Marcigaglia (G.M. Leather's President of Board of Directors)

## STOCK PERFORMANCE



**DISCLAIMER**

**UPDATES:** This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on GM Leather Spa (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released on 12 June 2023.

Opinions and estimates of this Research are as the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results.

	Date	Target Price (€)	Market Price (€)	Validity Time
	10 October 2023	4.69	1.47	12 months
	12 June 2023	5.85	1.48	12 months

**VALUATION METHODOLOGY (HORIZON: 12M):** IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top used a proprietary model, "EGM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio Euronext Growth Milan", managed by IR Top and focused on research about performance of Companies listed on EGM.

Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

**RESEARCH TEAM:**

Luca Previtali (Analyst)

No other people or companies participated or anyhow contributed to the Research. Neither the members of the research team, nor any person closely associated with them have any relationships or are involved in circumstances that may reasonably be expected to impair the objectivity of the Research, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them who was involved in producing the Research.

**INTERESTS INVOLVED AND CONFLICTS:** This document has been prepared by IR Top, *Partner Equity Markets* of Italian Stock Exchange, part of e, on behalf of the Company according to a contract, under which IR Top undertook to prepare this report expressing only independent, fair and balanced views on the Company. The fees agreed for this Research do not depend on the results of the Research.

This Research has been disclosed to the issuer to which the Research, directly or indirectly, relates before its release. It is incumbent on the Company to provide timely and constructive feedback on draft Research prior to publication. It is IR Top's sole discretion as to whether comment and feedback from the Company is incorporated into the Research prior to publication and where it is, a further iteration to the draft will be sent to the Company for comment.

IR Top is also engaged in investor relations services in the interest of the Company and might occasionally be involved in other consulting activities intended to increase the value of the Company. In any case, Chinese Walls and other information barriers are in place to avoid the exchange of confidential information between the Equity Research Department and other services areas; employees and advisors involved in such services have restrictions preventing them from the access to confidential information that cannot be published.

IR Top restricts research analysts from performing roles, which could prejudice the independence of their research. In particular:

- they are permitted to attend and speak at widely attended conferences or other widely attended events at which IR Top colleagues and clients, among others, may also be present, provided that their independence may not be affected. These widely-attended conferences/events may include some investor presentations by clients of investor relations services.

- Analysts are also permitted to attend and speak at conference calls or meetings between analysts and bankers, investors or customers in which are discussed Research reports already published or general view on specific sectors. In such cases, at the start of that meeting, bankers, investors or customers need to be clarified that the discussion cannot involve the communication of privileged information to the analyst as the analyst would be prohibited from producing new research report on the companies whose privileged information has been disclosed.

Members of the Research Team do not receive salaries, commissions, bonuses or any other form of compensation based upon specific investment banking transactions or securities' performances.

Apart from Anna Lambiase (CEO and founder of IR Top) being on the Board of the Company, IR Top and the members of the Research Team do not have any further interest or conflict of interest directly or indirectly related with the Research, the Company or the securities, that may reasonably be expected to impair the objectivity of the Research.

There are no other interests or conflicts of interest of any person belonging to the same group of IR Top that are: (a) known, or reasonably expected to be known, to the persons involved in the production of the recommendation; or (b) known to persons who, although not involved in the production of the recommendation, have or could reasonably be expected to have, access to the recommendation prior to its completion.

In any case, as a general Policy, nobody of the Research Team nor IR Top is allowed to have a financial interest in the securities of the client company or serve as an officer, director or advisory board member of the client company.

Analysts must not undertake personal transactions on financial instruments that are object of the investment research or that relate to the same industry. Exceptions may be made with the prior approval of IR Top's CEO in special circumstances such as for disposal of (a) positions already held before the employment or before the implementation of the company policy, or when initiating coverage and (b) positions obtained as a result of the issuer extraordinary activities. By the way, when analysts hold instruments to which Equity Research relates, they are required to disclose their interests in Research reports. Any trades that analysts make must be in line with their recommendation(s), contained in the last published Research. An analyst is prohibited from producing a Research on an issuer if the analyst carries out activities for which he receives compensation from the issuer. If an analyst's household member / relative / relative in-law (within the second degree) serves in such a high capacity for the issuer (i.e. manager or director), the analyst has to inform IR Top's CEO and the analyst will cease covering the issuer.

**POLICY:** IR Top has in place a "Joint conflict management policy" in order to effectively manage any conflicts of interest, and an "Equity Research Policy", in order to rule research services in compliance with Parliament Regulation (EU) no.596/2014 and Commission Delegated Regulation (EU) no. 958/2016 on Market Abuse.

IR Top has adopted the "Joint conflict management policy" in accordance with best practice regarding "information barriers" to restrict the flow of information to prevent the misuse of information and/or prevent any conflicts of interest arising from other activities of IR Top. A copy of these policies is available to the recipient of this Research upon making a request to IR Top by e-mail.

**DISCLAIMER:** This report has been prepared solely for information purpose and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. IR Top does not accept any liability for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published together with the name of IR Top. Opinions and estimates in this Research are as at the date of release and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this Research may not be suitable for all investors. In any case, you should consult your investment advisor. This document is intended for distribution only to E.U. "qualified investors" and to "qualified counterparties" resident in Italy, within the meaning of article 2(1)(e) of the prospectus directive (directive 2003/71/EC) and Consob Reg. 16190, as subsequently amended and supplemented; its distribution in USA, Canada, Australia, Japan is not allowed.

In Italy, this document is being distributed only to, and is directed at qualified investors within the meaning of article 100 of legislative decree no. 58 of 24 February 1998, as amended, and article 34-ter, paragraph 1, letter b), of Consob regulation on issuers no. 11971 of May 14, 1999, provided that such qualified investors will act in their capacity and not as depositaries or nominees for other shareholders, such as persons authorized and regulated to operate in financial markets, both Italian and foreign.

**DISTRIBUTION:** In the United Kingdom, this document is not for distribution to persons that would be defined as private customers under rules of the FSA; it is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (as amended, the "financial promotion order"), (ii) are persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the financial promotion order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FINANCIAL SERVICES AND MARKETS ACT 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons").

This document is not addressed to any member of the general public and under no circumstances should this document circulate among, or be distributed to (i) a member of the general public, (ii) individuals or entities falling outside the definition of "qualified investors" as specified above or (iii) distribution channels through which information is or is likely to become available to a large number of persons.

**IR TOP CONSULTING SPECIFIC DISCLOSURES:** We disclose that IR Top acts as Investor Relations and Financial Communication advisor for the Company.