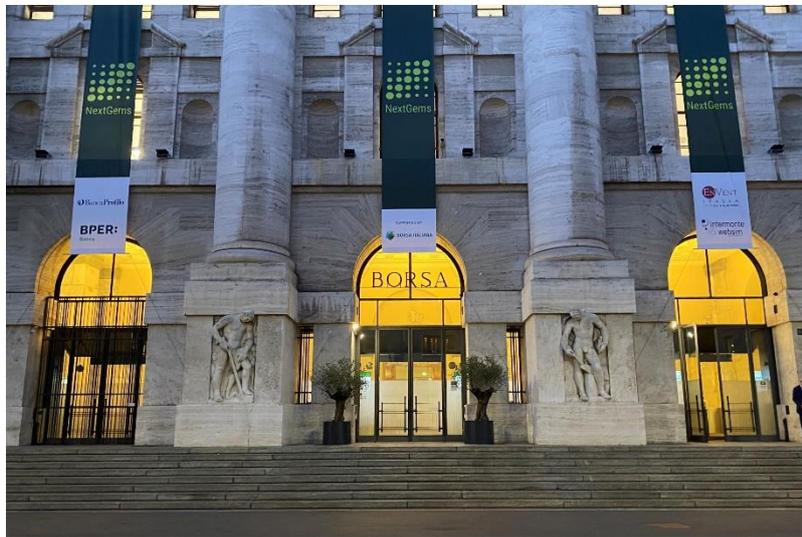


## Sector Research Report GBC Italian Champions

### New investment opportunities in Bella Italia ?!



## Background analysis on the Italian capital market with GBC SmallCap Top Picks

**IMPORTANT NOTICE:**

Please note the disclaimer/risk notice  
as well as the disclosure of possible conflicts of interest pursuant to § 85 WpHG and Art. 20 MAR from page 53

Note pursuant to MiFID II regulation for research "Minor Non-Monetary Benefits": This research meets the requirements for classification as "Minor Non-Monetary Contribution". For further information, please refer to the disclosure under "I. Research under MiFID II".

Editorial deadline: 06.11.2023

Date and time of completion of the research report (German version): 09.11.2023 (08:13 am)

Date and time of the first disclosure of the research report (German version): 09.11.2023 (10:00 am)

Date and time of completion of the research report (English version): 09.11.2023 (8:07 pm)

Date and time of the first disclosure of the research report (English version): 10.11.2023 (10:30 am)

# Conference Calendar 2023/2024



<b>Date</b>	15./16. November 2023	24./25. April 2024	13./14. November 2024
<b>Conference</b>	36th MKK Munich Capital Market Conference	37th MKK Munich Capital Market Conference	38th MKK Munich Capital Market Conference
<b>Company</b>	60	50	60
<b>Location</b>	The Charles Hotel München	The Charles Hotel Munich	The Charles Hotel Munich



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## FOREWORD TO GBC ITALIAN CHAMPIONS

Dear investors,

The trend is clear: for some years now, fewer and fewer companies in Germany have dared to go public. The number of IPOs has been particularly low in recent years. Since the beginning of 2022, there have only been five new issues on the regulated market. At the same time, many companies have decided to leave the German capital market. The number of companies listed in Germany in the four segments of Deutsche Börse currently stands at 514. This structural development is compounded by the current difficult capital market environment, which does not suggest a trend reversal.

In contrast, the Italian capital market presents a positive picture. In the past calendar year, 49 new issues took place in Italy, breaking the record set in 2000. Last year is not an outlier, because in previous years there were also about 40 new issues a year, interrupted only by a pandemic-related restraint in IPOs. In the meantime, 419 issuers are listed on the Italian stock exchange and the Italian capital market has thus caught up considerably with the German capital market. In addition to the increasing willingness of Italian companies to focus their financing mix more on equity, the Italian capital market also offers structural advantages. One example is the multiple voting rights, which enable better control of the founders and good takeover protection. For medium-sized companies in particular, this is a good argument for capital market orientation. In addition, investors benefit from attractive tax advantages, which can lead to tax exemption of profits and current income if certain conditions are met. Issuers can also benefit from tax advantages when going public.

From the perspective of German investors, the Italian capital market currently offers attractive valuation levels. With a P/E ratio of 8, the Italian market was already clearly undervalued last year and thus quoted at a level that was otherwise only reached in times of crisis (2008 - P/E ratio = 6 and 2011 - P/E ratio = 6.5). This picture continues today, so it is not surprising that more than half of the 200 companies listed on Euronext Growth Milan have announced share buybacks.

In our first "GBC Italian Champions" study 2023, we present 13 particularly promising companies. With a market capitalisation of € 22 million to € 3.5 billion, our selection covers a wide range of sizes and also features broad sector diversification.

We wish you an exciting read and successful investments,

Cosmin Filker  
Deputy Chief Analyst

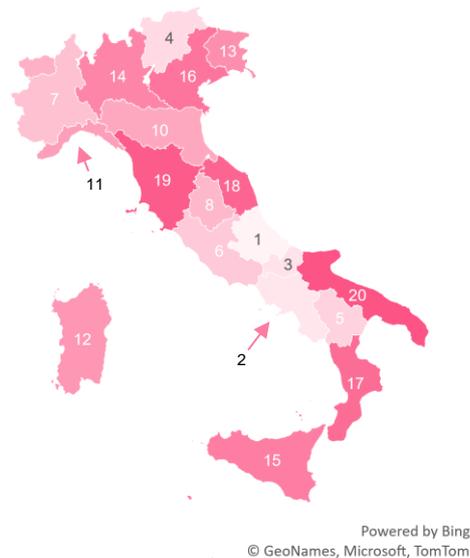
## COUNTRY PROFILE AND ECONOMIC CLASSIFICATION OF THE REPUBLIC OF ITALY

### The North - the Heart of the Republic

The Republic of Italy has a total population of around 58.86 million people, with a total area of 302.1 km<sup>2</sup>, making it the third largest country in the EU in terms of total population. Italy borders Austria, Switzerland, France and Slovenia, while also completely enclosing the two countries of San Marino and the Vatican.

#### Overview of the regions of Italy

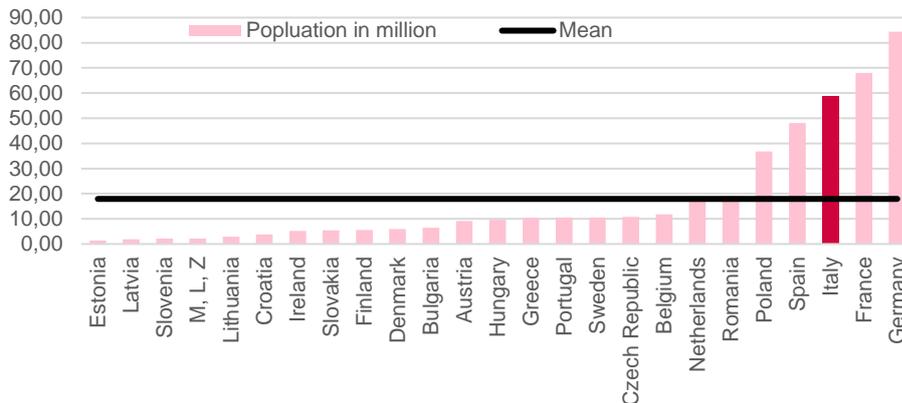
Abruzzo	1
Campania	2
Molise	3
Trentino-Alto Adige	4
Basilicata	5
Lazio	6
Piedmont	7
Aosta Valley	9
Emilia-Romagna	10
Liguria	11
Sardinia	12
Friuli-Venezia Giulia	13
Lombardy	14
Sicily	15
Veneto	16
Calabria	17
Marche	18
Tuscany	19
Apulia	20



Source: GBC AG

Italy is divided into 20 regions, with more than 40% of the population living in the north of the country. Lombardy in particular is one of the most important regions of the country, with a population of more than 10 million people. Not only is it home to more than 15% of the country's population, it is also one of the most densely populated urban areas in Europe. Only the French capital (Île-de-France) has a higher population, with more than 12.3 million inhabitants.

### Population of the European Union by country



Sources: Eurostat; M, L, Z = Malta, Luxembourg and Cyprus; GBC AG

### The political system

As a founding member of the EU and as part of NATO, Italy is a parliamentary democratic republic, with Rome serving as its capital and as home to its Supreme Court and other important institutions of the country.

The head of government (prime minister) is appointed by the head of state (president). The Parliament consists of two chambers, the Chamber of Deputies and the Senate of the Republic. Of Italy's 20 regions, five have a special autonomy status that allows them to enact their own legislation in certain local matters.

The political landscape is extremely heterogeneous, so that broad electoral alliances are common. The conservative spectrum includes parties such as Forza Italia, Fratelli d'Italia, Alternativa Popolare and the populist Lega Nord. Parties such as Scelta Civica or Civici e Innovatori are assigned to the political centre and the liberal spectrum. Parties such as the Partito Democratico belong to the more left-wing factions. Furthermore, there are numerous smaller parties that mainly influence regional politics, such as the South Tyrolean People's Party.

It should be noted that the country's recent political past has seen a change in politics, with the right-wing Fratelli d'Italia party elected last year as the country's strongest party with 25.99% of the vote. Its leading candidate, Giorgia Meloni, is the first woman ever to hold the office of prime minister of the country. A look at Italy's current economic policy leads to the conclusion that, due to the country's high debt level, a moderate approach can be expected in the future as well. Market confidence is of central importance for the Italian state - a fact that has been proven only recently. The strong price movements in the wake of the introduction of an excess profits tax in the summer of this year can be interpreted as a sign that investors and market players currently have the country firmly in their focus.

## Normalisation after difficult times

Like the rest of the continent, Italy is currently facing the difficult task of reducing inflation, maintaining economic growth and not jeopardising its financial stability. The country was one of the first in Europe to feel the effects of the global COVID-19 pandemic and, so, the early outbreak, compounded by high mortality rates and intensive lockdown measures, led to a drastic slump in the Italian economy. The consequences were noticeable in the country's gross domestic product. The state reacted with quick support and the country's production capacity was maintained through financial aid, short-time work schemes and a ban on layoffs. This helped the economy to stabilise quickly, which means that the country's GDP is currently even above the level of 2019.

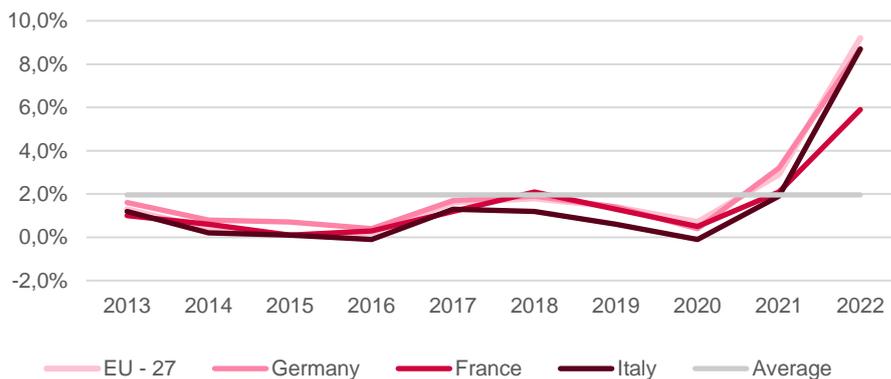
### Long-term development of real GDP from 1997 to 2022 (in thousands of millions)



Sources: GBC AG, IMF

In addition to the consequences of the pandemic, the country is currently confronted with other negative factors. These include, above all, the economic effects of Russia's invasion of Ukraine, which have been reflected in a sharp rise in inflation to 8.7% at present.

### Inflation development of the most important euro countries in a 10-year comparison



Sources: GBC AG, Eurostat

The historical comparison shows that the Italian inflation rate rose significantly in the wake of the COVID-19 pandemic and, accelerated by the consequences of the Russo-Ukrainian war (e.g. raw material shortages, rising energy prices, etc). Among the most important European economies, the country is thus on a par with Germany, which also has an inflation rate of 8.7%. Inflation is currently a huge burden on all EU countries, but Italy is currently still below the European rate of 9.2% and also far removed from countries such as Estonia, which is currently suffering from an inflation rate of around 19.4%.

Since a permanently high inflation rate has devastating effects on the population as well as on the Italian business environment, the Italian government started a series of targeted aid measures as early as 2021. These were intensified again last year and increased by a further package of measures. For example, the latest government actions focus particularly on lowering energy prices and supporting low-income families. In addition, numerous tax measures were enacted to support businesses and thus secure the economy. In addition, the Italian central bank, driven by the ECB, has initiated a turnaround in interest rate policy to counter the further increase in inflation.

Due to the measures taken as well as the significantly more restrictive financing conditions, a positive development of the country's economy is currently emerging. The Central Bank of Italy assumes that the effects of the Ukraine conflict will not have a further negative impact on price development within the country and especially on energy prices. Within the next three years, inflation is expected to decrease drastically and reach a level of around 2.0% in 2025.

The stabilisation of the economic environment will also lead to a normalisation of the strong growth rates of Italy's gross domestic product over the past two years. In the course of this, an approximation of the long-term trend of the past 10 years of around 0.51% is to be expected. Estimates currently assume moderate growth of around 1.3% in 2023.

### **The social factor - opportunity and risk at the same time**

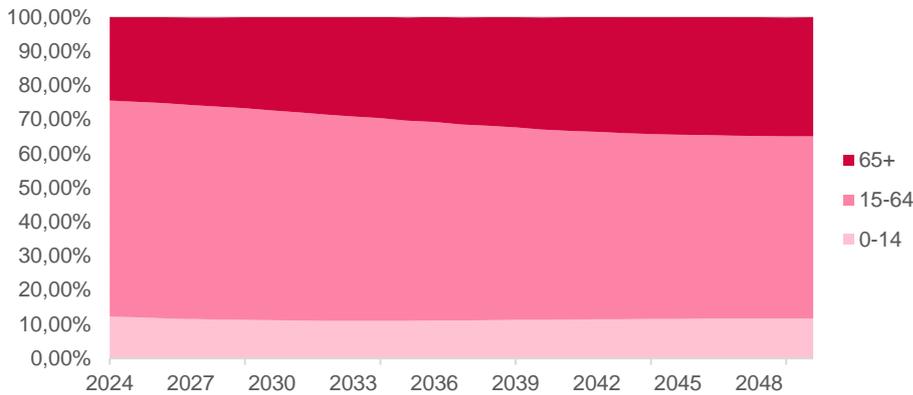
But not only the economic factors are of central importance to Italy. In addition to these aspects, the social issues of an increasingly ageing population and unemployment play a fundamental role in Italy, as they do in a majority of southern European economies. The two aforementioned factors, in addition to their high social importance for the Italian state and also for the country's economy, could point the way ahead.

In view of the increasingly ageing population, the Italian state is facing a major challenge. This trend, which is likely to have an enormous economic impact, can be observed almost everywhere in Europe. A shrinking of the Italian labour force can already be observed. This is mainly due to a long period of low birth rates and an unfavourable net migration policy for the country.

The 10-year comparison already reveals the shift in the population strata and clearly shows that the share of the population group over 65 years of age has increased by 3%, whereas the number of young people has decreased by one percentage point. Even this short-term comparison illustrates the great challenges facing Italian society and its economy in the coming years. The transition of the baby boomers and thus the reduction of the working population will steadily increase. Estimates by the United Nations assume a reduction in the working population of around 30% within the next 25 years.

This forecast is also reflected in an estimate of Italian population development until 2050. Calculations by the Office of Statistics currently assume that the proportion of young people will first decline slightly within the next 25 years and later remain constant. The long-term forecast assumes a share of around 11% of the total population. However, there will be significant changes in the 15-64 age group, whose overall share will decrease from 63% in 2024 to only 53% in 2050. A mirror image is an increase in the population group aged over 65, whose share will rise from 24% in 2024 to over 34% in 2050.

**Forecast of Italy's population composition 2024 to 2050**

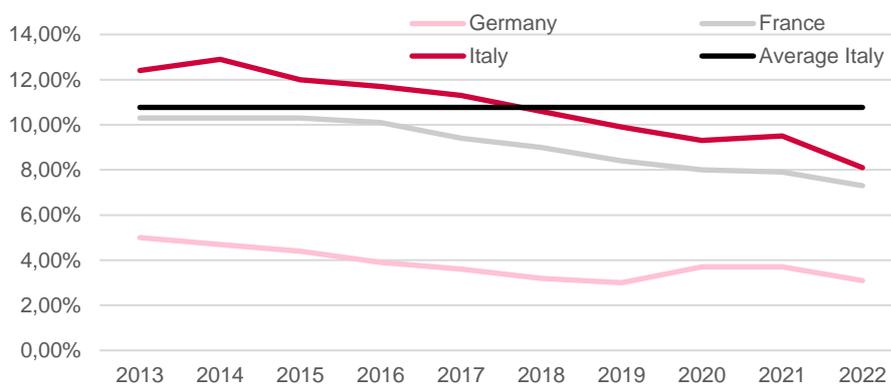


Sources: GBC AG, Istat

An increasingly ageing society is shifting the focus of social and economic discussion to measures that increase productivity and promote employment. It can be assumed that an increase in the retirement age will only be realised to a limited extent. Despite a statutory retirement age of 67, the effective retirement age has fallen to just under 64 on average due to various early retirement regulations. Raising this age would therefore be associated with a large number of political and legal debates. This directs the focus particularly to measures to increase labour force participation and reduce gender-specific differences. In particular, the participation of women in the Italian labour force and, more specifically, the transfer of young people into the labour market can be a way to solve this problem.

In addition to the increasingly ageing population, high youth unemployment in particular is a growing burden. An overall view of the development of unemployment among people aged 15-74 initially reveals a fundamentally positive trend. According to this, unemployment could be reduced from its peak of around 12.9% in the aftermath of the euro crisis in 2014 to a current value of 8.1 % in 2022. This means that unemployment has not only fallen significantly but is also consistently below the long-term trend (10.8%) and only slightly above the European average of 7.0%.

**Unemployment in the most important euro countries in a 10-year comparison**



Sources: GBC AG, Eurostat

The north and the centre of the country are particularly attractive economically and have a correspondingly low unemployment rate of 6.6%. However, special attention must be paid to the south of the republic (colloquially known as the "Mezzogiorno"), where

unemployment is almost twice as high as in the rest of the country, averaging 14.1%. These rates are based on our own calculations on the basis of Eurostat data.

Negative consequences can be observed above all in the 15-29 age group, where unemployment in the south of the country is more than 30%. This means that unemployment among young people in this part of Italy is more than twice as high as in the north of the country (13.8%). The causes of this development lie not only in the lower economic importance of the regions, but also in the local industries. These are dominated by agriculture and the tourism sector, two fundamentally cyclical sectors in which workers are often only employed temporarily. This means that when demand is insufficient or demand is reduced, workers are only hired on a seasonal basis and contracts are often not renewed.

The current situation, especially in view of the high unemployment rate among the younger population, extended by an increasingly ageing society, can represent a considerable socio-political as well as economic risk for the Republic if not taken into account. The youth unemployment rate is already one of the highest in the European Union.

Nevertheless, it is worth mentioning that these factors can be equally positive for the Italian economy in the future. If the state succeeds in improving the education of Italians by focusing future investments on public infrastructure and on the education sector, not only could high youth unemployment be reduced but the country and, thus, also the Italian economy would have a large number of well-educated and young workers at its disposal who could significantly counteract the reduction of the labour force. Furthermore, the use of the potential of the young generation, especially in times of a shortage of skilled workers, represents an opportunity for the future of the country that should not be underestimated.

## HISTORY OF THE ITALIAN CAPITAL MARKET

Like the stock exchange, the Italian capital market can look back on a long and traditional history, and the two are inextricably linked. The country's most important and only trading venue is the Borsa Italiana, based in Milan in northern Italy. It has been part of the Euronext Group since April 2021, but has existed in its current form since 1998 and comprises the country's entire securities trading.

The Italian capital market has its origins in the Middle Ages, when cities such as Genoa, Florence and Venice developed into important trading and financing centres. In addition to trade, the demand for capital was also concentrated in these centres, and so the need developed for a place where a standardised and centralised exchange of trade goods and capital was possible. As a result of this development, unspecialised stock exchanges were established at the beginning of the 17th century in cities such as Trieste (1775), Rome (1802) and Milan (1808), where goods, precious metals and securities were traded.

Supported by the silk trade and its processing, the Italian stock exchanges experienced their first heyday in the 1830s. The economic boom accelerated and the increasing demand for capital, augmented by the first signs of industrialisation, transferred the growth to other sectors and gave rise to one of the most modern transport and communication networks in Italy, alongside a large industrial sector. Building on these successes, the industrial revolution was able to take full hold of the now newly founded Italian kingdom in the early 1860s, ensuring a continuation of the positive economic trend. This development was transferred to the Italian capital market, which was characterised by a large number of industrial companies during this period, with their issuance leading to an enormous growth in listed shares at all regional trading centres in the country, especially between 1895 and 1900.

Particularly noteworthy, however, is the north of the country, where in regions such as Lombardy or Emilia-Romagna, in addition to a strong industrial sector, numerous railway companies and banks were founded. The Italian capital market landscape is still characterised by this today, which can also be seen in the Italian benchmark index (the FTSE MIB Index). The dominance of the Milan Stock Exchange is also rooted in this history and can be seen as the cause of Milan's establishment as one of the country's most important trading centres.

The war years of the 20th century were also characterised by a high degree of uncertainty and large fluctuations in Italy, so that trading only returned to normal from the 1950s onwards. This was followed by a long phase of expansion, with the increasing digitalisation and automation of trade also taking hold in Italy and permanently changing the capital market landscape.

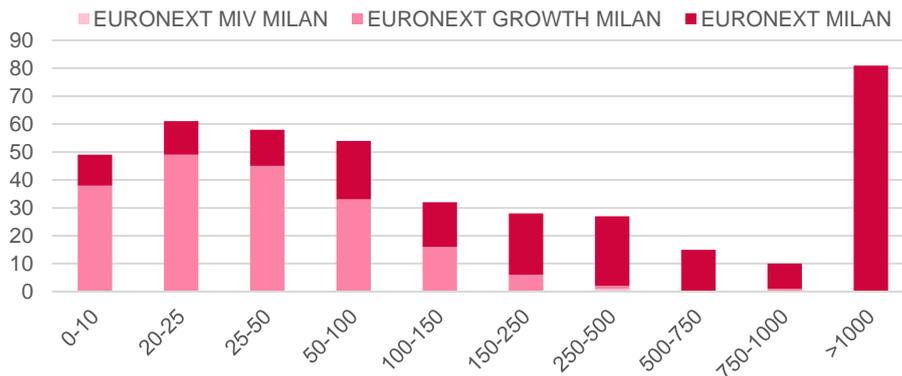
The establishment of a centralised stock exchange marked the end of the country's numerous regional exchanges, with almost all smaller exchanges being closed in 1998 and trading being centralised in Milan's marketplace. This led to the establishment of a single securities trading exchange in the heart of the northern Italian metropolis - the Borsa Italiana. This institution has shaped trading ever since and thus constitutes the face of the Italian capital market.

## THE ITALIAN CAPITAL MARKET: AN OVERVIEW

### Small and medium-sized enterprises (SMEs) shape the picture

The Italian capital market currently comprises 419 listed companies with a total market capitalisation of EUR 761 billion. It should be noted that small and medium-sized enterprises (SMEs for short) make up around 80% of the Italian capital market. 334 of them fall into this category and have a market capitalisation of less than EUR 1 billion.

#### Overview: company distribution by market capitalisation and market segment

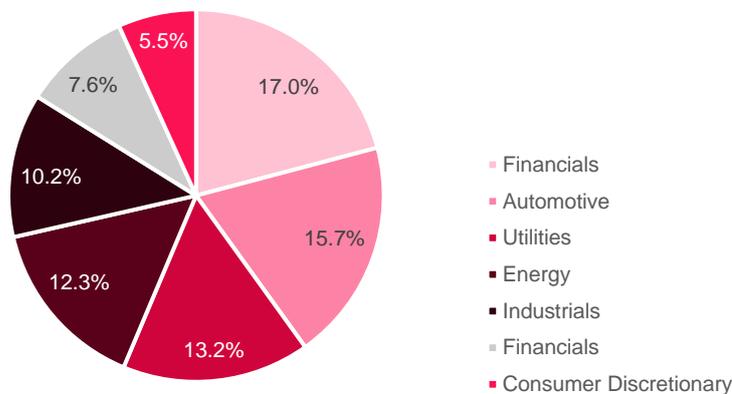


Source: Borsa Italiana (as of June 2023)

### Focus on the most important sectors

A sectoral breakdown (by market capitalisation) of the market illustrates the historical context and the Italian capital market is primarily characterised by the financial sector and the industrial sector. The dominant role of the banks (17.0%) and the automotive industry (15.7%) is particularly noteworthy. Somewhat behind these two sectors, the utilities (13.2%) and energy (12.3%) sectors also have a considerable influence on the Italian capital market.

#### Overview: The most important sectors of the Italian capital market



Source: Borsa Italiana (Note: capitalisation excluding suspended and foreign shares. As at: February 2023)

## Geographical distribution

A look at the regional distribution of companies also underlines the central importance of the North to the country's economy and thus its significance for the capital markets.

### The distribution of companies at the country level



*Source: GBC AG (data selectively taken from Borsa Italiana, as of February 2023)*

More than 150 of the listed companies are based in Lombardy, a region which, along with Trentino and South Tyrol, is one of the strongest economic locations in the country. Centrally located, the region of Lazio is also highly significant. In addition to the national capital Rome, which has always been an important commercial and economic centre, it is home to the headquarters of more than 40 companies.

The figure above also shows that the south of the country is of secondary importance in terms of capital market activity. Its low economic relevance is also reflected in the capital market, where only six companies from this part of the country are represented.

## MARKET SEGMENTS - EQUITY SECURITIES

### Innovations in the course of integration

As part of the integration of the Borsa Italiana into the Euronext Group, the previous market segments also underwent a change as of October 2021. In the course of this integration, the exchange also enacted a number of simplifications in the area of listing and admission procedure in order to enable market participants to access the exchange in the most labour- and time-efficient way possible.

The primary intention is to open up access to the capital market for small-and-medium-sized enterprises (SMEs). This promotes their growth and offers both international and domestic investors the opportunity to participate in the potential of the Italian capital market. In this context, the following listing options are now available to issuers of equity securities, whereby a distinction must be made between the regulated market and the segments of the Multilateral Trading Facility (MTF).

Overview of market segments - the regulated market for listed companies	
Euronext Milan	The Euronext Milan segment was created specifically for companies with medium-to-large market capitalisation. As a regulated market, it is subject to regulatory requirements and obliges companies to comply with the highest transparency obligations. To ensure the best possible access for national and international investors, its admission and ongoing disclosure standards are based on international standards. A listing in this segment also forms the basis for inclusion in the Italian benchmark index (FTSE MIB).
Euronext STAR MILAN	As part of the Euronext Milan segment, the Euronext STAR Milan sub-segment is aimed specifically at medium-sized companies that wish to voluntarily submit to the high requirements for transparency, liquidity and corporate governance. As a result, they benefit from high visibility through Borsa Italiana events (e.g. within the framework of the STAR Conference in Milan and London) as well as increased attention from investors.

Source: *Borsa Italiana*

Overview of market segments - MTF	
Professional segment	This segment forms the basis and enables companies to access the capital market for the first time. It is particularly suitable for companies that are initially aiming for a pure listing. Should there be a need for capital at a later date, for example, the basic segment forms the optimal basis for addressing professional investors in a targeted manner. It is particularly attractive due to its regulatory flexibility and low entry barriers.
Euronext Growth Milan	The Euronext Growth Milan segment is particularly targeted at SMEs and is specifically tailored to their needs. Due to the lower level of regulation compared to the Euronext Milan segment, the segment serves as an accelerator for growth projects and the competitiveness of dynamic SMEs on their way into the regulated market.

Source: *Borsa Italiana*

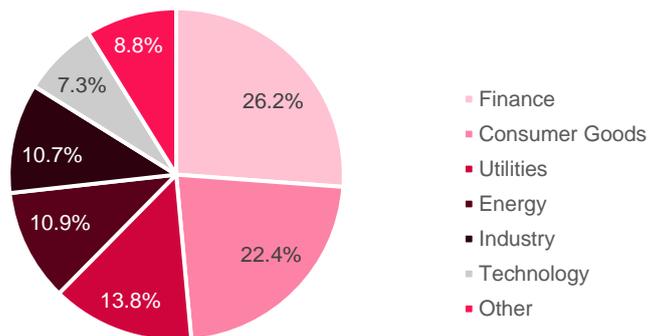
## The segments in focus

### *Euronext Milan*

Within the regulated market, the Euronext Milan segment represents the quality segment of the Italian capital market. A listing in this segment gives issuers maximum visibility and access to a broad investor base at both national and international level.

Currently, 226 companies from 11 sectors are represented in this segment, representing a market capitalisation of around EUR 752 billion. 144 of these companies can be assigned to the SME segment. Particularly noteworthy is the good transition between the different segments of the Italian capital market. Since 2011, 27 companies have been able to migrate from a listing in the Euronext Growth Milan segment to the regulated market due to their positive development. This is a clear indication of the functionality of the Italian capital market and its ability to accompany and support issuers on their growth path. Like the market as a whole, this market segment is also clearly characterised by companies from the financial sector, the consumer goods sector, the utilities sector and the energy sector. Together, these account for more than 70% of the market capitalisation and once again illustrate the industrial and financial character of the Italian market.

### Sector allocation within Euronext Milan



Source: Borsa Italiana

Finally, it should be mentioned that a listing within this segment is the basis for inclusion in one of the Italian selection indices. Inclusion in the FTSE MIB Index, the FTSE Italia Mid-Caps Index or the FTSE Italia Small-Cap Indices cannot only be seen as a sign of the good development and positive management work of an issuer. Rather, the companies benefit from a significantly increased visibility among investors, which is of inestimable value especially in the context of follow-up issues.

### Comparison of the three Italian selection indices



Source: S&P Capital IQ

### Euronext STAR Milan

As part of the regulated market (Euronext Milan), the Euronext STAR Milan segment is particularly dedicated to medium-sized companies with high growth potential and can be seen as a stepping stone on the way to the top. The segment is currently home to 73 companies from 10 sectors with a total market capitalisation of around EUR 51.5 billion. Euronext STAR Milan stands for entrepreneurial excellence. A quality that is also reflected in the performance of the selection index of the same name, which has significantly outperformed the Italian standard index over the past ten years. The segment thus illustrates the strength and attractiveness of the Italian capital market, especially in the area of small and medium-sized enterprises.

### Comparison of FTSE MIB Index vs. FTSE Italia STAR Index



Source: S&P Capital IQ

### Professional segment and Euronext Growth Milan

In addition to the segments of the regulated market, Borsa Italiana also offers issuers the opportunity to access the capital market via the Professional and Euronext Growth Milan segments.

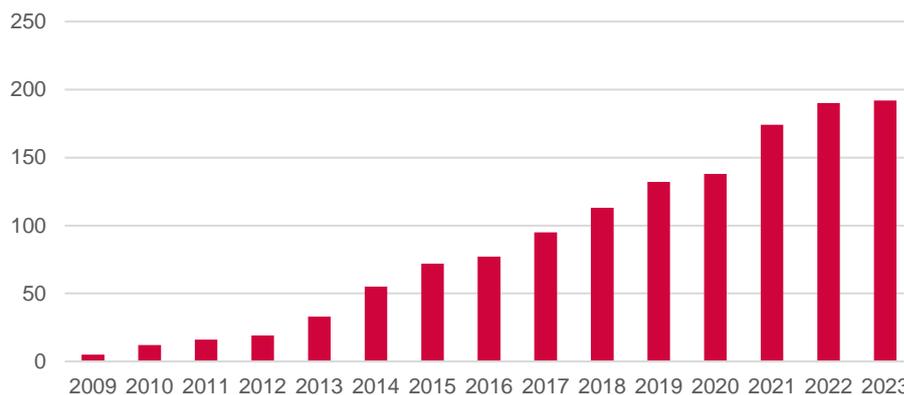
Created to allow companies gradual access, the Professional segment offers the perfect basis for start-ups as well as for already-established companies to take their first steps on the capital market. This special approach, which is characterised by regulatory flexibility,

minimal bureaucracy and fast decision-making processes, allows for optimal adaptation to the needs of SMEs. Regardless of the specific project (pure listing or listing including the issue of new securities), an easy and cost-effective process can be ensured for issuers.

As an important building block on the way to the regulated market, the Euronext Growth Milan segment also offers ambitious and dynamic companies the opportunity to combine high visibility with a broad investor base with a balanced regulatory framework. The higher regulatory requirements allow companies to specifically address a larger investor base and thus offer an optimal basis for financing further growth. In addition, the support of a growth advisor, who assists issuers with both the listing and the being public, ensures that they are perfectly prepared for the transition to the regulated market. Companies can draw on a wide range of experienced advisors (e.g. Banca Akros, Unicredit Bank) to support them in all matters.

Euronext Growth Milan currently includes 192 listed companies from 11 sectors with a cumulative market capitalisation of around EUR 9.1 billion. This segment is becoming increasingly popular with issuers, so that the number of listed companies has increased by a factor of 38 since its launch in 2009. As already mentioned above, this segment forms the basis for further growth for a large number of companies and thus for the transition to the regulated market.

#### **Growth history of the Euronext Growth Milan segment (2009 - 2023)**



Source: *Borsa Italiana*

## PORTRAIT OF THE ACCESS REQUIREMENTS FOR EQUITY ISSUERS

As already described, the Borsa Italiana offers issuers a wide variety of possibilities to realise an initial listing in one of the four segments for equity securities. The entry requirements for the Italian quality segment are characterised by an increased degree of transparency and publicity. Issuers seeking a listing on Euronext Milan or Euronext STAR Milan must be supported by a so-called “main advisor” (listing agent). The main advisor supports the issuer with his expertise and network. He monitors compliance with the exchange obligations and thus ensures that the quality, accuracy and completeness of the information submitted by the issuers are maintained.

### Prerequisite for share issuers for listing

	Euronext Milan	Euronext Star Milan	Euronext Growth Milan	Professional Segment
Free float	25 %	35 %	10 % (5 institutional investors)	10 % (5 investors) <sup>1</sup>
Audited financial statements	3	3	1 (if available)	1 (if available)
Accounting standards	IFRS	IFRS	IFRS, Italian or US GAAP	IFRS, Italian or US GAAP
Target group	Institutional investors / private investors	Institutional investors / private investors	Institutional investors, private investors at < € 8 million)	Professional investors
Documents	Brochure	Brochure	Approval document	Approval document
Market capitalisation	At least EUR 40 Million	At least EUR 40 million up to max. EUR 1 billion	No requirements	No requirements
Supervisory board (independent number)	TUF <sup>2</sup>	Mandatory <sup>3</sup>	Supervisory board (at least 1 independent member)	Supervisory board
Control and Risk Committee	Recommended	Mandatory	Mandatory	No requirements
Remuneration Committee	Recommended	Mandatory	Mandatory	No requirements
Incentives for management	Recommended	Mandatory (performance-related remuneration)	Mandatory (performance-related remuneration)	No requirements
Investor Relations	Recommended	Mandatory	Mandatory	Not obligatory
Website	Mandatory	Mandatory (IT or UK)	Mandatory	Mandatory
Main advisor	Listing agent / Global coordinator	Listing agent / Global coordinator	Euronext Growth advisor Global coordinator	Euronext Growth advisor

<sup>1</sup> If the criterion is not met for a period of two years, then an automatic delisting from the segment takes place.

<sup>2</sup> TUF = Testo Unico della Finanza, which is the law regulating the Italian financial sector.

<sup>3</sup> if there are eight members on the board, then at least two independent members are required; if there are nine to 17 members, then there must be at least three independent members; and if there are more than 14 members on the board, then at least four have to be independent members.

Source: *Borsa Italiana*

The requirements for a listing include: ensuring a free float of at least 25% (or 35%), having three audited annual financial statements and reaching a minimum capitalisation of EUR 40 million. The admission requirements also include that the issuer must maintain a website that provides investors with information and news relevant to the capital market.

Particularly in the Euronext STAR Milan sub-segment, there are other factors to be taken into account that are intended to ensure transparency and, thus, in the final analysis, the quality of the segment. These are primarily aimed at corporate governance and oblige companies to meet higher standards with regard to the composition of the supervisory board, risk control and management remuneration.

An admission to trading in the segments of the MTF (Professional and Euronext Growth Milan) impresses with its lower requirements. Both segments have significantly lower entry hurdles, especially in the area of the free float (10%), and the issuer is not required to have a minimum capitalisation. The documentation requirement is also significantly reduced and companies can already apply for admission to one of the two segments with audited annual financial statements (according to international, Italian or American accounting standards), using an admission document.

In this market segment, too, the issuer is assisted by a main advisor and companies may only apply for admission to one of the segments of the MFT after a Euronext Growth advisor has been mandated. This role can only be performed by companies that are registered as authorised partners in the Borsa Italiana register. Issuers can view them on the exchange's website and choose from a variety of banks, securities trading firms and management consultancies.

If all the necessary documentation is submitted, the time required for the admission procedure at the stock exchange is around ten days. The application is submitted via the Borsa Italiana's dedicated "QUiCK" tool and is fully electronic. QUiCK allows for the complete transmission of all necessary documentation as well as efficient and joint communication between all parties involved.

## SUBSEQUENT OBLIGATIONS OF A SHARE QUOTATION

There are numerous follow-up obligations that issuers are obliged to comply with and which are also monitored by the stock exchange. Non-compliance can lead to the initiation of delisting proceedings by the stock exchange.

Compliance with the Corporate Governance Code is mandatory for the quality segments. Companies in the segments of the MTF may bind themselves to it at their own discretion. In order to ensure the tradability of the shares, the Borsa Italiana obliges issuers to appoint a specialist who guarantees the stock exchange that the shares can be traded at any time. In addition, issuers are obliged to publish at least two company studies per year and to participate in two investor conferences. Only companies in the Professional segment are exempt from this requirement.

### Follow-up obligations for share issuers

	Euronext Milan	Euronext Star Milan	Euronext Growth Milan	Professional segment
Corporate Governance Code	Compliance mandatory or explanation of deviations	Partially mandatory	At own discretion	At own discretion
Specialist	Mandatory for companies with market capitalisation of less than €1 billion for the first three years after the IPO	Mandatory (ensure minimum liquidity / publish two company studies p.a. and participate in at least two investor conferences p.a.)	Mandatory (ensure minimum liquidity / publish two company studies p.a.)	Not obligatory
Disclosure	Price sensitive information and extraordinary transactions (according to TUF <sup>1</sup> and Consob issuer Rule) <sup>2</sup>		Price-relevant information and extraordinary transactions (according to the Euronext Growth Milan rules)	
Takeovers	Notifications and procedures according to TUF	Legal takeovers	Legal takeovers	Legal takeovers
Quarterly Information	Not obligatory	Reports for the first to third quarter within 45 days (exception for fourth quarter cf. annual accounts)	Not obligatory	Not obligatory
Half-yearly Information	Yes, within 90 days from the end of the half year	Yes, within 75 days from the end of the half year	Yes, within three months from the end of the six-month period	Yes, within three months from the end of the six-month period
Annual accounts	Yes, within 120 days from the end of the year	Yes, if published within 90 days after year-end, the need to publish a fourth quarter report is waived	Yes, within six months from the end of the year	Yes, within six months from the end of the year

<sup>1</sup> TUF = Testo Unico della Finanza, law regulating the Italian financial sector.

<sup>2</sup> Consob Issuer Rule = Regulation of the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa) to monitor the activities of issuers and maintain the integrity of the capital market.

Source: *Borsa Italiana*

## MARKET SEGMENTS - DEBT CAPITAL

In addition to equity financing, the Borsa Italiana also offers bond issuers the opportunity to list their securities. Three markets are available to debt issuers: MOT, Extra MOT and EuroTLX Bond-X. All three markets have their own segment for green, social and sustainable bonds. This enables investors to obtain targeted information, identify climate and sustainability aspects and integrate them into their investment process.

The MOT segment is the only regulated bond market in the country and is one of the leading markets in Europe in terms of turnover and trading volume. MOT focuses on trading Italian and EU government bonds, domestic and international bank and corporate bonds, supranational securities and asset-backed securities for retail investors through its two sub-segments: DomesticMOT and EuroMOT. A listing in this segment is possible through an application by the issuer or through an application by an intermediary (in the case of EU government bonds and supranational securities).

The ExtraMOT segment is an MTF established in 2009 that allows investors to trade bonds already listed on other EU markets. In 2013 and 2019, two sub-segments were added to this segment (ExtraMOT PRO and ExtraMOT PRO3). Thus, issuers of Italian corporate bonds, commercial papers, asset-backed securities, project and infrastructure bonds as well as SME bonds were given the opportunity to have their securities listed on the capital market and thus gain access to a broad investor base. Debt instruments are admitted to listing upon application by the issuer or a listing sponsor appointed by the issuer, with trading reserved exclusively for professional investors. Both sub-segments thus offer issuers the ideal platform to make themselves known to potential investors, as it has an internationally recognised brand and a broad network of intermediaries.

The EuroTLX Bond-X segment, which was taken over by the Borsa Italiana in 2013, is also available to issuers as a segment for fixed-income products. It is intended for trading corporate bonds and financial instruments. Basically, this is a market for issues where the applicant commits to corresponding listing obligations on the secondary market based on the type of security and/or the associated risk profile.

In summary, the Borsa Italiana thus offers a diverse range of opportunities for bond issuers to list their securities, to trade in the various markets and thus forms the basis of a multifaceted debt financing for Italian companies.

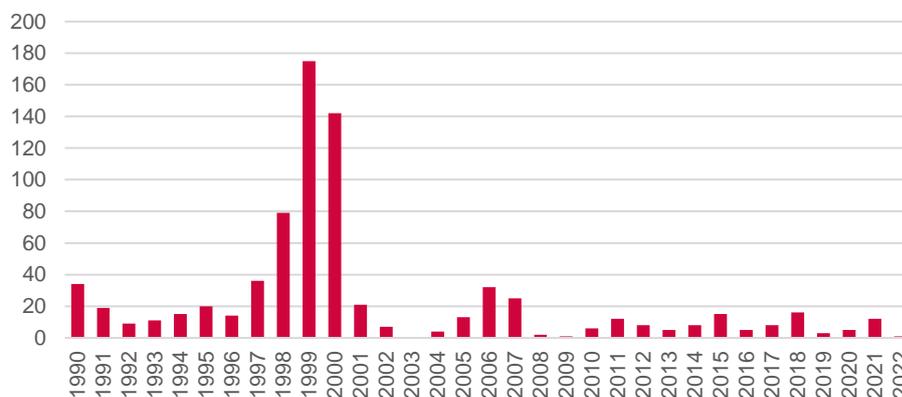
## FIVE REASONS FOR AN INVESTMENT IN ITALY

### High IPO activity vs. few IPOs

The figures speak for themselves, and a comparison of the absolute values of the Italian and German stock markets shows why investors should not ignore the market south of the Alps. With an absolute number of 419 issuers, the number of listed companies on the Italian stock exchange is hardly inferior to the total number of listed issuers on the German capital market. The Deutsche Börse currently has 514 issuers within the four segments of the German capital market.

However, a look at the IPO statistics reveals the actual ratios and relations between the two markets. While IPO activity in Germany has been at a low level for years, new companies are constantly being listed on the Milan stock exchange. The German capital market experienced its heyday at the time of the so-called "Neuer Markt". In 1995, with 175 IPOs, the highest level of issues to date was reached. Since then, the number of issues has been significantly below the levels of the 1990s. Especially within the last decade, new issues have almost come to a standstill and, so, last year only one IPO was recorded within the regulated market of the Deutsche Börse Group. Accompanied by an increasing withdrawal of a large number of companies, a negative picture must be stated for the German market. A prominent and at the same time ominous example is the recent delisting of Linde plc (delisting in Q1 2023), which has also withdrawn from the Frankfurt Stock Exchange. There are currently no signs of a reversal of the trend. Taking into account the recent rise in interest rates as well as the high market penetration of banks and the prevailing financing alternatives, this does not paint a positive picture for the future of the German capital market.

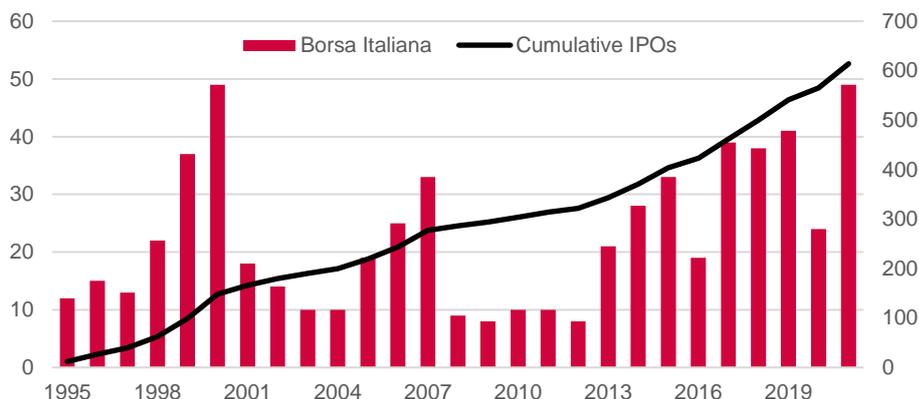
#### Number of IPOs in Germany compared over time 1990-2022



Source: GBC AG, Deutsche Börse AG

In contrast, a look at the Milan stock exchange and, thus, the Italian capital market shows a completely opposite development. The Italian market also recorded a temporary peak in issues around the turn of the millennium. However, a comparison of the development clearly shows that the increase in issues was only interrupted by the economic crises of the past two decades. In addition, constantly rising growth figures were achieved, which are clearly above the German values. The record level of 49 listings from 1999 was reached again last year and a look at the total number of listed companies indicates an equally positive development for the near future. In our view, the development of the Italian capital market is a clear argument in favour of Italy.

### Growth of the Italian capital market over time 1995-2021



Sources: GBC AG, Borsa Italiana - Note: excluding foreign issuers.

### Positive development - the trend towards equity financing

The recent interest rate hikes by the European Central Bank have also led to a noticeable tightening of financing conditions in the Italian banking sector. This phenomenon has had a significant impact, particularly in the context of small and medium-sized enterprises (SMEs). A study by PricewaterhouseCoopers underlines that as a result of the restrictive interest rate policy, more than 50 percent of Italian SMEs are expected to face increased difficulties in accessing bank loans.

At first glance, this development raises some concern, but a closer look reveals a more complex picture. For example, an analysis of external financing options conducted by the Deutsche Bundesbank highlighted that the share of conventional bank loan financing has declined significantly since the global financial crisis of 2008. Italian companies in particular have shifted their financing dynamics from leveraged approaches to a greater emphasis on equity financing.

### Strong increase in the main refinancing rate



Sources: GBC AG, Deutsche Bundesbank

This is likely to be a key driver of growth in Italian capital market issuance. As a result of the change in the financing structure, Italian companies are also showing a clear propensity to raise debt capital through the issuance of debt securities, replacing the former bank loans. This dynamic has also helped to positively influence the market for debt-financing instruments on the Borsa Italiana. The overall positive performance of this market is therefore partly due to the reversal of this trend, with companies increasingly relying on debt

securities to reduce their previous dependence on bank loans. The environment is thus favourable for the issuance of equity securities and thus attractive for equity investors.

## Multiple voting rights

The implementation of multiple voting rights empowers holders of certain classes of shares of an issuer to exercise a higher number of voting rights per share than holders of other securities. As a result, they gain the power to exercise greater influence over corporate decisions, even if their shareholding is limited. Issuing shares with multiple voting rights offers issuers a wide range of advantages. For companies with a capital market orientation, the aspects of founder control, takeover protection and long-term stability are of particular importance.

Shares with multiple voting rights enable founders in the context of an IPO to sell a large part of their shares and still retain a significant share of the voting rights, even in the case of minority shareholding. On the one hand, this approach preserves the original vision of the founders and, on the other, makes it easier for investors to enter extremely promising companies. Multiple voting rights also serve to protect against hostile takeovers by enabling investors to fend off such takeover bids with the help of the higher number of voting rights. Finally, long-term stability is a significant advantage of multiple voting shares for both investors and issuers. They allow companies to protect long-term investors from dilution through multiple voting rights, thereby rewarding their long-term loyalty and support.

Multiple voting rights were also permitted on the German capital market before they were banned again in the course of the introduction of the Control and Transparency Act in 1998. This decision is still valid today and is reflected in Section 12 (2) of the German Stock Corporation Act (AktG). Especially in view of the low level of IPO activity in Germany, this decision must be described as negative, as it impedes the positive development and attractiveness of the German capital market. Issuers planning an IPO in Germany still receive only one voting right per share.

Here, too, a look at the Italian capital market reveals a contrary development. According to Italian regulations, it is possible to issue shares with multiple voting rights. The necessary modalities for this must be laid down in the company's articles of association. To obtain the increased voting rights, shareholders must apply for inclusion in a register kept by the issuer.

The previously described form of multiple voting rights represents a special arrangement within Italian law. This "loyalty programme" was developed to specifically reward long-term investors and differs from the issuance of shares with multiple voting rights under the Codice Civile. Accordingly, public limited companies are allowed to issue shares with a voting ratio of 1:3, which distinguishes them from the previously described form of multiple voting rights. However, this type of share can only be issued as long as the company is not yet listed on the stock exchange. Private companies thus have the opportunity to significantly increase their voting rights compared to listed companies. The decisive advantage of this regulation is that companies are allowed to retain the issued shares in the event of an IPO. This clearly sets them apart from already-listed companies, where the issuance of shares with multiple voting rights is limited to a maximum of 1:2. A look into the future also shows that the regulator is currently planning to increase multiple voting rights to a ratio of up to 1:10.

In summary, taking into account the enormous difference in the development of both markets, this can be seen as a reason for the high attractiveness of the Italian capital market.

Entrepreneurs have the chance to benefit from the advantages of a public listing, such as easier investor acquisition through access to a broad investor base or higher visibility. At the same time, investors are rewarded for their loyalty and given the chance to increase their influence. The multiple voting right is thus a clear argument for an investment in the companies there.

## **Attractive tax advantages - for issuers as well as investors**

### ***PIR - An investment for long-term investors\****

Long-term investors in particular benefit from Italian tax legislation. In the course of the introduction of the Stability Act in 2017, the Italian regulator created a new investment instrument, the so-called long-term individual savings plans (Piani Individuali di Risparmio = PIR for short). This instrument specifically serves to promote investments in small and medium-sized Italian companies and offers investors a variety of tax incentives for this purpose.

The advantages of investing in a so-called PIR vehicle are enormous. On the one hand, the profits made and the current income (interest and dividends) are completely tax-free after a holding period of five years (Italian final withholding tax is otherwise 26%) and, on the other hand, these instruments enjoy exemption from Italian inheritance tax.

However, since the tax incentives mentioned are of considerable effect, investors must fulfil a number of criteria that serve to ensure a long-term investment in Italian small and mid-cap companies and thus guarantee the investment incentive. These include a minimum investment period of five years, a maximum investment amount of EUR 40,000 p.a. or EUR 200,000 in total and that at least 70% of the investment amount is invested in Italian financial instruments/issuers. It should be noted that at least 30% of the funds are invested in securities of companies that are not part of the Italian share index FTSE MIB. Finally, no more than 10% may be invested in products of one issuer and natural persons may only invest in one PIR construct at a time. Failure to comply with the regulations and premature disposal will result in the loss of tax benefits.

Due to the great success of this regulation, an extension of this law was decided in 2021, whereby the 'traditional PIRs' were supplemented by so-called 'alternative PIRs'. These are characterised by the fact that they contain a higher proportion of securities from small and mid-cap companies on the Italian capital market. This makes them significantly riskier as these issuers often have only low liquidity or are not traded at all on a stock exchange. At least 70% of the capital must be invested in instruments issued by Italian companies which are not part of the FTSE MIB, FTSE Mid-Cap or comparable equity indices.

Accordingly, they are only aimed at investors with advanced financial knowledge as well as high investment sums, as the investment limits are increased to € 300,000 p.a. or, at maximum, € 1,500,000.

### ***Tax advantages for issuers through an IPO***

However, the Italian capital market does not only offer tax incentives for investors. In addition to the numerous advantages associated with an IPO for issuers, which have already been described in detail in this document, there are also concrete tax benefits for them. Small and mid-caps in particular can benefit from a tax credit if they decide to be listed on the regulated market or MTF. Specifically, up to 50% of the IPO costs incurred (including for prospectus, investor relations costs and auditors) are tax-deductible. The companies

receive a tax credit of up to € 500,000 if they decide to go public. In this way, the Italian state wants to specifically support SMEs in going public and thus increase the attractiveness of the capital markets for these very companies. This is made particularly clear by the fact that the taxable maximum amount has been raised from the previous € 200,000 to the current € 500,000.

The tax bonus is claimed after an application by the issuer to its national tax authority. All costs associated with the IPO must be substantiated by appropriate documents. In addition, certain requirements must be met, including the size of the company and its business history. These measures are intended to ensure that the law unfolds its promotional effect and that abuse is prevented.

Overall, Italian tax legislation offers attractive incentives to both long-term investors and issuers. This underlines Italy's ongoing efforts to promote investment in small and medium-sized enterprises, to strengthen the resilience of its capital market and to be seen as an attractive market for investors. For us, this is all a clear argument for investment.

## GBC ITALIAN CHAMPIONS - THE SHARES AT A GLANCE

In addition to the generally positive development of the Italian capital market, the favourable environment for equity investors and the legal and tax advantages, the attractive valuation of Italian small and mid caps should not go unmentioned.

The undervaluation has been going on since last year. With a P/E ratio of 8, the Italian markets were already clearly undervalued last year and thus quoted at a level that was otherwise only reached in times of crisis (2008 - P/E ratio = 6 and 2011 - P/E ratio = 6.5). A picture that is still constant at present and so it is not surprising that more than half of the 200 or so companies listed on Euronext Growth Milan have announced plans for share buybacks.

That is why we present to you, dear investors, the GBC Best of Italy 2023 selection on the following pages. A series of promising companies from a wide range of sectors and with attractive valuations that we believe make the perfect addition to your portfolio.

Issuer	Industry	ISIN	Share price in € as of 03.11.2023	Marketcap. as of 03.11.2023	Target price in €	Rating
B&C Speakers S.p.A. <sup>*7,11</sup>	Consumer	IT0001268561	15.40	166.94	23.00	Buy
Cembre S.p.A. <sup>*7,11</sup>	Electrical	IT0001128047	32.70	555.90	42.00	Buy
ENAV S.p.A. <sup>*11</sup>	Industrial	IT0005176406	3.30	1.787.76	5.15	Buy
Energy S.p.A. <sup>*7,11</sup>	Energy	IT0005500712	1.18	72.43	2.75	Buy
Giglio.com S.p.A. <sup>*11</sup>	Entertain-	IT0005453003	2.00	24.72	4.00	Buy
Health Italia S.p.A. <sup>*5a,6a,11</sup>	Healthcare	IT0005221004	1.43	27.14	4.00	Buy
IDNNT SA <sup>*11</sup>	Entertain-	CH111885259	2.96	22.24	7.10	Buy
Landi Renzo S.p.A. <sup>*6a,11</sup>	Automobiles	IT0004210289	0.41	92.25	0.70	Buy
MEXEDIA S.p.A. <sup>*5a,6a,11</sup>	Finance	IT0005450819	22.00	125.40	46.50	Buy
Reply S.p.A. <sup>*11</sup>	Technology	IT0005282865	95.75	3.582.10	122.00	Buy
Sanlorenzo S.p.A. <sup>*11</sup>	Consumer	IT0003549422	37.00	1.290.56	52.75	Buy
Solid World Group S.p.A. <sup>*11</sup>	Technology	IT0005497893	3.61	50.67	6.00	Buy
Zignago Vetro S.p.A. <sup>*7,11</sup>	Industrial	IT0004171440	12.66	1.118.64	25.00	Buy

\* Catalogue of possible conflicts of interest on page 54

## B&C Speakers S.p.A. <sup>\*7,11</sup>

**Rating: BUY**  
**Target price: € 23.00**

Current price: 15.40  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: IT0001268561  
WKN: AOMXCK  
Stock exchange symbol: BEC  
Number of shares<sup>3</sup>: 10.84  
Marketcap<sup>3</sup>: 166.94  
Enterprise value<sup>3</sup>: 183.47  
<sup>3</sup> in million / in EUR million

Free float: 32.4%

Market segment:  
Euronext STAR Milan

Accounting:  
IFRS

Financial year: 31.12.

### Analysts:

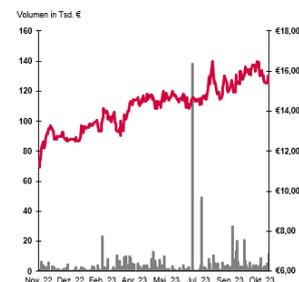
Cosmin Filker  
filker@gbc-ag.de

Niklas Ripplinger  
riplinger@gbc-ag.de

\* Catalogue of possible conflicts of interest on page 54

### Company profile

Industry: Technology  
Focus: Loudspeakers  
Employees: 168 (30.06.2023)  
Foundation: 1944  
Headquarters: Bagno di Ripoli, Tuscany  
Board of Directors: Lorenzo Coppini



The B&C Speakers Group is one of the largest and most renowned manufacturers of professional electroacoustic transducers in the world. The core business is divided into two parts: on the one hand, production for consumers and, on the other hand, production of loudspeakers for OEM manufacturers (Original Equipment Manufacturers). B2B business accounts for the majority of the company's turnover. The company designs, manufactures and distributes all its products in its factory in Bagno di Ripoli. In addition, the B&C Speakers Group has distribution centres in the USA and Brazil. The special feature is that all high-frequency drivers and diaphragms are still handmade by B&C Speakers Group employees. The B&C Speakers Group was founded in Florence in 1944.

P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	82.10	96.88	113.35	119.02
EBITDA	20.25	24.11	26.46	27.76
EBIT	18.14	21.93	24.34	25.64
Net profit for the year	12.24	15.46	17.48	18.50

### Key figures in EUR

Earnings per share	1.13	1.43	1.61	1.71
Dividend per share	0.60	0.70	0.80	0.85

### Key figures

EV/Revenues	2.23	1.89	1.62	1.54
EV/EBITDA	9.06	7.61	6.93	6.61
EV/EBIT	10.12	8.37	7.54	7.16
P/E-Ratio	13.64	10.80	9.55	9.03

### Financial Calendar

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

**"Strong sound, even on the stock market" Strong margins, promising growth and an attractive dividend yield allow considerable share price potential, target price: € 23.00 and BUY rating**

The B&C Speakers Group has focused on the development, production and distribution of professional loudspeakers. Over the years, B&C Speakers Group has advanced to become a world market leader and premium manufacturer in the professional audio segment. The company produces and distributes components for private customers on the one hand and directly to OEMs (Original Equipment Manufacturers) on the other, with three quarters of its turnover being generated by direct sales to OEMs. Its customers include many of the best-known manufacturers of loudspeakers. After a corona-related decline in turnover and earnings of -43.2% and -77.7% respectively in 2020, the company has returned to its successful growth path. Between 2017 and 2022, the sales CAGR amounts to 12.6%, which is an extraordinarily good value in view of the fact that this is purely organic in nature.

In the past 2022 financial year, the B&C Speakers Group achieved record revenues of € 82.1 million (previous year: € 45.23 million), almost doubling the previous year's revenues due to catch-up effects and price increases. EBIT developed disproportionately to € 18.14 million (previous year: € 6.55 million) and the company succeeded in significantly improving its EBIT margin to 22.1% (previous year: 14.5%).

This trend was also continued in the first half of 2023, in which a further increase in turnover to € 48.54 million (previous year: € 37.39 million) was generated. This increase is due in particular to significant volume growth and an improved sales mix. EBIT for the first half of 2023 also increased significantly to € 11.02 million (previous year: € 7.24 million). The EBIT margin increased further to 22.7% (previous year: 19.4%). This margin increase is primarily due to the reduction of material costs.

The basis for further corporate growth was further increased with the acquisition of Eminence Speakers LLC as announced in September 2023. Eminence Speakers LLC is also based in the field of electro-acoustic transducers and gives the B&C Speakers Group better access to the American market. Thus, the described transaction represents a further step forward in the group's internationalisation strategy. Eminence Speakers was acquired for a purchase price of around 4.5 million US dollars and is expected to contribute revenues of over 18 million euros and an EBITDA in the high single-digit or low double-digit margin range from the coming financial year.

The general industry environment for professional audio equipment has experienced a significant upturn since the corona crisis and has clearly surpassed the pre-crisis level. B&C Speakers also expects extremely positive growth prospects over the next three years. The positive business outlook is complemented by an attractive dividend of € 0.60 per share. At the current share price level, this corresponds to a dividend yield of 3.75%.

For the current financial year 2023, we expect a growth in turnover of 18% to € 96.88 million and a slightly higher profitability due to the lower cost of materials. In the coming financial years, the revenue level should increase to well over € 100 million, also due to anorganic effects. On this basis, we have valued the B&C Speakers Group using our DCF model and determined a fair value of € 23.00 per share. Due to the positive business outlook, we assign a BUY rating and see good future share price potential.

## Cembre S.p.A. <sup>\*7,11</sup>

**Rating: BUY**  
**Target price: € 42.00**

Current price: 32.70  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: IT0001128047  
WKN: 911069  
Stock exchange symbol: CMB  
Number of shares<sup>3</sup>: 17.00  
Marketcap<sup>3</sup>: 555.90  
Enterprise value<sup>3</sup>: 561.13  
<sup>3</sup> in million / in EUR million

Free float: 29.7 %

Market segment:  
Euronext Milan

Accounting: IFRS

Financial year: 31.12.

### Analysts:

Matthias Greiffenberger  
greiffenberger@gbc-ag.de

Eric Geßwein  
gesswein@gbc-ag.de

### Company profile

Industry: Industrials

Focus: Electrical connectors and wiring tool sets

Employees: 870 (30.06.2023)

Foundation: 1969

Headquarters: Brescia, Italy

Management: Giovanni Rosani, Aldo Bottini Bongrani,  
Claudio Bornati, Felice Albertazzi, Franco Celli



Cembre S.p.A. holds a preeminent position in Italy, excelling in the development, manufacturing, and distribution of electrical connectors, comprehensive crimping and cutting tools, cable glands and identification systems. The company's core operations span five distinct product categories. Firstly, their connectors are designed to cater from low to medium-voltage cables both in copper and aluminium. Secondly, Cembre offers a versatile array of tools, encompassing mechanical, hydraulic and pneumatic options for tasks such as crimping, cutting and stripping. Moreover, the company specializes in railroad sector materials, providing crucial components for the railroad industry. Their product range includes connections for contact wires, nut breakers, crimping tools, drills, and crossties, all essential in the construction and maintenance of rail infrastructure. Cembre further enhances electrical installations with cable glands and accessories, designed to optimize safety and performance. Lastly, their diverse range of connecting terminals facilitates secure and efficient electrical connections.

P&L in EUR million \ FY-end	31.12.2021	31.12.2022	31.12.2023e	31.12.2024e
Revenues	166.84	198.80	220.10	245.55
EBITDA	45.60	54.59	65.10	73.50
EBIT	34.19	42.57	53.00	61.30
Net profit for the year	25.32	31.92	39.12	43.00

### Key figures in EUR

Earnings per share	1.49	1.88	2.30	2.53
Dividend per share	1.20	1.40	1.44	1.47

### Key figures

EV/Revenues	3.36	2.82	2.55	2.29
EV/EBITDA	12.31	10.28	8.62	7.63
EV/EBIT	16.41	13.18	10.59	9.15
P/E-Ratio	21.95	17.42	14.21	12.93

### Financial Calendar

14.11.23: Board of Directors to approve Interim Management Report for September 30, 2023

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

\* Catalogue of possible conflicts of interest on page 54

## **"Full steam ahead" Strong First Half 2023: Success paves the way for future growth of the specialist for the railway industry**

Cembre stands as the foremost European manufacturer specializing in electrical crimp-type connectors and the accompanying installation tools. Over the past two decades (2003-2022), the Group has exhibited impressive growth, achieving a remarkable 6.5% Compound Annual Growth Rate (CAGR), surging from € 59.87 million in 2003 to an impressive € 198.80 million in 2022. The most recent five years (2018-2022) have seen even more impressive expansion, with a CAGR of 8.4%. In addition to its remarkable growth, Cembre has maintained a strong commitment to its shareholders by consistently paying dividends. Over the past 20 years, the company has boasted an average dividend payout ratio of 48.6% and an average dividend yield of 3.7% (2003-2022). Notably, in the last five years, the average dividend yield has increased to 4.1% (2018-2022). At the moment Cembre's product portfolio comprises an extensive offering of over 18,000 end products, which are distributed to a global clientele of approximately 5,000 individual customers. The top ten clients' purchases make up approximately 20.3% of the consolidated turnover, reflecting the company's diversified customer base and global reach.

The key operating figures for the first half of 2023 show that the company was able to continue on its growth course, achieving double-digit growth in both turnover and earnings. The first half year 2023 figures showcase a robust performance with Group sales reaching € 117.64 million, marking a 12.7% year-on-year increase (PY: € 104.36 million). In the first half of 2023, the company's EBITDA achieved an impressive € 38.6 million (PY: € 30.51 million), marking a substantial 26.7% year-on-year growth. The EBITDA margin also demonstrated significant improvement, rising from 29.2% in the first half of 2022 to 32.9% in the first half of 2023.

Cembres's strategy for revenue growth has been instrumental in propelling themselves forward. They have focused on continuous innovation by developing new products and renewing their product range, driven by intensive R&D. This strategy also involves improving distributor channels in foreign markets and expanding their presence in high-potential regions, such as the United States and Germany. Furthermore, they concentrate on high-growth potential products and manage costs efficiently through economies of scale and process innovations. Investments in high-tech, highly automated machinery have bolstered their manufacturing capabilities. In summary, Cembre's comprehensive approach has led to remarkable revenue growth, combining innovation, market expansion, cost efficiency and advanced technology for sustained success.

Although the company's forecast is kept vague due to the prevailing uncertainty in the face of ongoing geopolitical tensions, increased inflation and rising interest rates, the company expects to grow its consolidated turnover in 2023 and anticipates a positive consolidated economic performance. For the 2023 financial year, we expect turnover to reach € 220.10 million, a robust increase of 10.7% year-on-year. This growth is expected to continue in 2024, with a projected turnover of € 245.55 million, representing a further increase of 11.6%. Our EBITDA forecast for 2023 is € 65.10 million, followed by an increase to € 73.50 million in 2024.

Based on our valuation model, we have established a target share price of € 42.00. Given the substantial upside potential, we assign a Buy rating.

## ENAV S.p.A.\*11

**Rating: BUY**  
**Target price: € 5.15**

Current price: 3.30  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: IT0005176406  
WKN: A2ANNA  
Stock exchange symbol: ENAV  
Number of shares<sup>3</sup>: 541.74  
Marketcap<sup>3</sup>: 1,787.76  
Enterprise value<sup>3</sup>: 2,140.79  
<sup>3</sup>in million / in EUR million

Free float: 46.6%

Market segment:  
Euronext Milan

Accounting:  
IFRS

Financial year: 31.12.

### Analysts:

Cosmin Filker  
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Eric Geßwein  
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\* Catalogue of possible conflicts of interest on page 54

### Company profile

Industry: Services

Focus: Air traffic control and management services

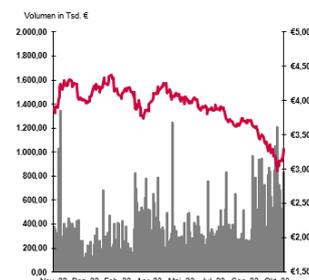
Employees: 4,185 (31.12.2022)

Foundation: 2001

Headquarters: Rome

Board of Directors: Alessandra Bruni, Pasqualino Monti

ENAV S.p.A. focuses its core business on the provision of air traffic control and management services in Italian airspace. The company is one of the leading players in this field within Europe and is also the fifth largest player in the air navigation services industry internationally. The Group is divided into a total of four segments, of which the air navigation services business accounts for the majority of revenues. In addition, through its subsidiary Techno Sky S.r.l., the company provides maintenance and repair services that ensure the operational efficiency and uninterrupted availability of the equipment and systems in use. Through its Aeronautical Information Management division, the company also develops and sells software solutions for the technical operation of the systems. In addition, it develops satellite systems for optimising air traffic worldwide and offers training and meteorological services. ENAV S.p.A. was founded in 2001 and is based in Rome, Italy.



P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	944.31	957.87	996.19	1036.04
EBITDA	280.66	298.81	310.80	313.32
EBIT	147.78	170.45	185.01	190.04
Net profit for the year	104.50	95.24	104.74	107.56

### Key figures in EUR

Earnings per share	0.19	0.18	0.19	0.20
Dividend per share	0.20	0.20	0.20	0.21

### Key figures

EV/Revenues	2.27	2.23	2.15	2.07
EV/EBITDA	7.63	7.16	6.89	6.83
EV/EBIT	14.49	12.56	11.57	11.26
P/E-Ratio	17.11	18.77	17.07	16.62

### Financial Calendar

14.11.2023: 9-month figures 2023

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

-

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

**"Security above the clouds with high planning ability" Continuous recovery and solid growth combined with a unique business model offer future share price potential, target price: € 4.50 and BUY rating**

The Italian ENAV S.p.A., which operates in the air traffic control and air navigation services sector, generates attractive margins in a solid environment. Hit by the global COVID-19 pandemic, ENAV S.p.A., the world's only listed provider of air navigation services, suffered a severe drop in total revenue of around 15% in the 2020 financial year. As a result, these fell from € 902.89 million to just € 771.30 million. Since then, however, the company has been on a steady recovery path and has been able to fully recover the effects of the pandemic and return to its former strength within the last two financial years.

ENAV S.p.A. closed the past 2022 financial year with total revenues of € 944.31 million. This confirms the ongoing recovery trend and the company also presents solid figures for the first six months of 2023. With a total revenue increase to € 441.61 million (PY: € 416.40 million), the extremely solid EBITDA margin of more than 20% was also confirmed. The EBITDA of € 99.74 million (previous year: € 97.01 million) did, however, show a slight decline, as the increasing recovery in air traffic and the renewed growth in business made it necessary to recruit new staff. In addition, a change in the financing mix (higher proportion of variable loans) and a planned rescheduling of two loans due to the increase in key interest rates led to an increase in financing costs in the first half of the 2023 financial year, which meant, that the after-tax result of € 18.37 million (previous year: € 27.72 million) was significantly below the previous year's figure. For the further course of business, however, a continued normalisation of flight operations is to be expected, whereby the business development should seamlessly continue the positive trend of the past years.

Particularly noteworthy is the broadly diversified customer structure, which includes not only international players such as Lufthansa or easyJet, but also national companies. The mix of national and international business can be seen as the basis for the stable development of turnover. As a result, not only are attractive and predictable results achieved, but these are also continuously distributed to the shareholders within the framework of the attractive dividend policy. Finally, the business model also enjoys a special regulatory framework, which creates a moat effect and makes it difficult or impossible for new competitors to enter the market.

The increasing digitalisation and automation of air traffic should also be named as a future growth driver. On the one hand, the development of our software solutions is an essential growth factor. In addition, the development of the first global satellite monitoring system, which is based within the subsidiary Aireon Holdings LLC, is promising. The aim is to create a system that will enable air traffic control of all flight routes worldwide, covering in particular the polar, oceanic and remote areas that are currently not covered by radar-based air traffic control services. This makes it possible to optimise flight routes even in remote regions.

For the 2023 financial year, the company expects single-digit revenue growth in the mid-range. This is in line with our estimates, which is why we have valued ENAV S.p.A. on the basis of the business outlook and history using our DCF model. We have determined a fair value of € 5.15 per share. In view of the current share price level, we assign a Buy rating and see good upside potential.

## Energy S.p.A.<sup>\*7,11</sup>

**Rating: BUY**  
**Target price: € 2.75**

Current price: 1.18  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: IT0005500712  
WKN: A3DRZU  
Stock exchange symbol: S2I  
Number of shares<sup>3</sup>: 61.38  
Marketcap<sup>3</sup>: 72.43  
Enterprise value<sup>3</sup>: 80.62  
<sup>3</sup> in million / in EUR million

Free float: 13.6%

Market segment:  
Euronext Growth Milan

Accounting:  
OIC

Financial year: 31.12.

### Analysts:

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Cosmin Filker  
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\* Catalogue of possible conflicts of interest on page 54

### Company profile

Industry: Renewable energies equipments

Focus: Energy storage systems

Employees: 53 (30.06.2023)

Foundation: 2013

Headquarters: San't Angelo di Piove di Sacco (Padua)

Board of Directors: Davide Tinazzi (CEO & Founder), Alessandro Granuzzo (Chairman), Andrea Taffurelli (Director)



Energy S.p.A. (Energy) was founded in 2013 and has been listed on the Euronext Growth segment of the Milan Stock Exchange since 1 August 2022. The company is headquartered in the province of Padua (Italy) and is a leader in the field of energy storage systems (ESS) for residential and large commercial and industrial applications. Energy's systems enable the storage from renewable sources and delivery of energy according to customers' energy needs. The company has sold and installed more than 60,000 systems nationwide to date, with a focus on the residential, commercial/industrial, utility and electric mobility markets. The company's distribution channels include general electronics distributors and PV specialists (value-added resellers) as well as major European EPCs. The company purchases components from leading international suppliers and combines them with its proprietary "Zero Co2" software to produce EU-regulation compliant systems. With its energy storage solutions, the company makes an active contribution to the success of the energy transition.

P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	126.45	65.78	104.35	125.63
EBITDA	32.17	11.19	17.79	21.56
EBIT	31.58	10.43	16.96	20.68
Net profit for the year	22.61	6.45	11.06	13.71

### Key figures in EUR

Earnings per share	0.37	0.11	0.18	0.22
Dividend per share	0.00	0.00	0.00	0.00

### Key figures

EV/Revenues	0.64	1.23	0.77	0.64
EV/EBITDA	2.51	7.20	4.53	3.74
EV/EBIT	2.55	7.73	4.75	3.90
P/E-Ratio	3.20	11.23	6.55	5.28

### Financial dates

16.11.2023: MKK - Munich Capital Market Conference

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

**"Important technology for the green energy transition" The advancing energy transition opens up growth potential; clearly profitable growth with energy storage systems is expected; target price: € 2.75 and Buy rating**

Energy S.p.A. (Energy) is a company active in the field of energy storage systems (ESS), which play a key role in the energy transition and increasing independence from fossil fuels. The company's energy-storage solutions promote self-consumption, grid stability and support CO<sub>2</sub> reduction. Due primarily to the ongoing boom in renewable energies, Energy has been able to grow dynamically in recent years (2019 to 2022) with an average annual growth rate of 116.3% (CAGR) and has thus benefited significantly from the "green" transformation in the energy and mobility sector (e-mobility) with its product portfolio.

In the past 2022 financial year, the company achieved record sales of € 126.45 million (previous year: € 51.51 million) and thus once again recorded significant sales growth. The main growth driver proved to be the increased sales of energy storage systems, which doubled compared to the previous year to more than 18,851 systems sold (previous year: 9,150). In addition to the strong revenue growth in the Italian domestic market (share of revenues in 2022: 84.9%), increased foreign business also boosted Group revenues.

However, due to negative regulatory effects, the first six months of the current 2023 financial year saw a slowdown in revenue compared to the same period of the previous year to € 39.30 million (previous year: € 53.30 million). The main reason for this reduction was the freezing of tax credits for BESS plants and other remediation measures by the Italian government. However, this regulatory situation has eased since the middle of the year. Due to the decrease in turnover, EBITDA and EBITDA margin also decreased to € 8.50 million and 21.8% respectively. Energy expects a further upturn in the export business in the second half of the year and further progress in gaining new customers in the industrial, agricultural module and large building sectors.

In view of the current uncertainties, the management remains confident that the communicated mid-term targets (revenue CAGR: 30.0%; EBITDA 20.0%) can be achieved, although over a longer period than communicated at the IPO. In view of the strong demand in the Commercial & Industrial, Utility Grade, Agricultural Photovoltaics and Energy Communities segments, this company is in a good starting position to return to its dynamic growth path.

For the current financial year, we expect a turnover of € 65.78 million and an EBITDA of € 11.19 million. From the 2024 financial year onwards, the return to profitable growth mode should be successful. The main growth drivers should be the increased expansion of their foreign business, the expansion of their product portfolio and the improvement of brand visibility.

Based on our estimates, we have determined a fair value of € 2.75 per share with the help of our DCF model. In relation to the current share price level, we assign a "Buy" rating and see significant share price potential.

## GIGLIO.COM S.p.A.\*11

**Rating: BUY**  
**Target price: € 4.00**

Current price: 2.00  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: IT0005453003  
WKN: A3CVXY  
Stock exchange symbol: 5JR0  
Number of shares<sup>3</sup>: 12.36  
Marketcap<sup>3</sup>: 24.72  
Enterprise value<sup>3</sup>: 21.78  
<sup>3</sup> in million / in EUR million

Free float: 31.3 %

Market Segment:  
Euronext Growth Milan

Accounting: OIC 30

Financial year: 31.12.

### Analysts:

Matthias Greiffenberger  
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Eric Geßwein  
gesswein@gbc-ag.de

### Company profile

Industry: Retail

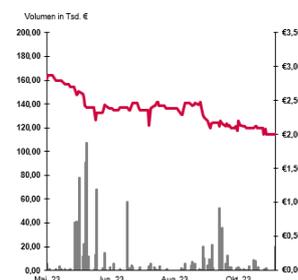
Focus: Online distribution of clothing and accessories

Employees: 137 (30.06.2023)

Foundation: 1996

Headquarters: Milan

Board of Directors: Giuseppe Giglio, Federico Giglio,  
Michele Giglio, Matteo Gatti, Alessandro Varisco, Fran-  
cesco Tombolini, Luca Cuomo



GIGLIO.COM, a leading player in the global online luxury fashion retail industry, serves as a premier destination for style enthusiasts in over 150 countries. It offers a selection of the world's most esteemed fashion and luxury brands catering to women, men, and children. The company's journey began in 1965 when the Giglio family, renowned for their high-end fashion boutiques in Palermo, Italy, embarked on a pioneering mission. In 1996, they introduced Italy's first online fashion store, establishing themselves as early trailblazers in the country's e-commerce fashion landscape. GIGLIO.COM has evolved into a distinguished international e-tailer within the fashion and luxury sector. They have achieved this status through the development and in-house management of their proprietary platform, featuring innovative technological solutions. At the core of Giglio.com's business model is a thriving community of over 200 connected boutiques. Giglio.com operates by acquiring products only upon their sale to final consumers, effectively mitigating inventory risk and maintaining a positive cash flow. In essence, Giglio.com functions as a marketplace while retaining full control over the logistics chain.

P&L in EUR million \ FY-end	31.12.2021	31.12.2022	31.12.2023e	31.12.2024e
Revenues	37.92	51.11	66.65	88.90
EBITDA	-1.81	-1.04	0.62	3.12
EBIT	-2.72	-2.25	-0.78	1.15
Net profit for the year	-2.87	-2.30	-1.01	1.10

### Key figures in EUR

Earnings per share	-0.23	-0.19	-0.08	0.09
Dividend per share	0.00	0.00	0.00	0.00

### Key figures

EV/Revenues	0.57	0.43	0.33	0.25
EV/EBITDA	neg.	neg.	35.41	6.97
EV/EBIT	neg.	neg.	neg.	19.01
P/E-Ratio	neg.	neg.	neg.	22.47

### Financial dates

07.11.23: approval date q3-report  
16.11.2023: MKK - Munich Capital Market  
Conference

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

\* Catalogue of possible conflicts of interest on page 54

## **"Innovative online platform for luxury fashion from Italy" Strong Performance Amidst Challenging Market Conditions in 1H23**

GIGLIO.COM has a robust business model that sets it apart from other marketplaces by exercising control over the entire value chain, from fulfilment to invoicing, offering a level of independence that is rare in the industry. This approach is made possible through a fully-owned, adaptable, and cutting-edge technology infrastructure, reducing reliance on third-party platforms. Notably, GIGLIO.COM has proven its resilience with a long-term track record of revenue growth, a testament to its adaptability, even during and after the pandemic. The company maintains a positive cash flow and keeps Capex requirements low, due to the nature of its business model. GIGLIO.COM's competitive customer acquisition cost and moderate marketing investments further support its growth strategy, maximizing returns. The platform's selection includes hundreds of fashion luxury brands, all without the burden of inventory management, resulting in an efficient and cost-effective approach.

GIGLIO.COM has established an impressive track record of long-term gross merchandise value (GMV) growth, showcasing resilience and continued progress even in challenging macro-economic scenarios. From 2015 to 2022, the company achieved a remarkable +45% CAGR in GMV. In 2022, GIGLIO.COM reached a significant milestone, surpassing € 57 million in GMV while also reporting revenues exceeding € 51 million, underscoring its ability to convert sales into substantial revenue.

The Group continued to deliver a robust performance in the first half of 2023, against the backdrop of challenging market conditions. Giglio.com reported a strong set of results for this period. Their gross merchandise volume reached € 31.55 million (PY: € 24.63 million), and revenues stood at € 27.13 million (PY: € 21.97 million), with year-on-year growth of 28.1% and 23.5%, respectively. Notably, the company's international expansion strategy has proved successful, as foreign markets contributed 66% of the total gross merchandise volume, compared to 55% in the first half of 2019. These revenue gains were primarily driven by improvements in key performance indicators, including an active customer base exceeding 145,000 over the last 12 months, marking a 23% year-on-year increase. Additionally, average spending increased by 10% year-on-year, and the conversion rate showed a 6% year-on-year improvement. The company's profitability also witnessed notable improvements. Adjusted EBITDA nearly reached breakeven, standing at approximately € -0.25 million (PY: € -1.05 million), significantly improving its margin from -4.8% in the first half of 2022 to -0.9%. These profitability gains were primarily attributed to enhancements in logistics costs, despite an inflationary environment. The new logistics hub in Vimodrone and Palermo played a significant role in these improvements.

Despite their strong performance in the first half of 2023, the company acknowledges the current macroeconomic challenges and maintains a cautious approach. They anticipate further improvements in profitability in the second half of 2023, with a focus on cost rationalization. Several growth opportunities are on the horizon, including the launch of a new app in May 2023 and the move of the logistics hub in Palermo to a larger facility (7,000 sqm), which will also accommodate catalog production and photo shoots from the second half of 2023. However, the persistent macroeconomic deceleration and subdued consumer spending pose potential challenges in the coming months.

Based on our valuation model, we have established a target share price of € 4.00. Given the substantial upside potential, we assign a Buy rating.

## Health Italia S.p.A. <sup>\*5a,6a,11</sup>

**Rating: BUY**  
**Target price: € 4.00**

Current price: 1.43  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: IT0005221004  
WKN: A2DHVL  
Stock exchange symbol: 615  
Number of shares<sup>3</sup>: 18.98  
Market capitalisation<sup>3</sup>: 27.14  
Enterprise value<sup>3</sup>: 33.83  
in m / in EUR m

Free float: 41.3%

Market segment:  
Euronext Growth Milan

Accounting:  
IFRS

Financial year: 31.12.

### Analysts:

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\* Catalogue of possible conflicts of interest on page 54

### Company profile

Industry: Health care

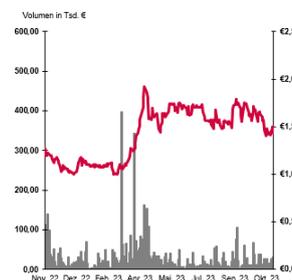
Focus: Services in the health sector

Employees: 104 (31.12.2022)

Foundation: 2001

Headquarters: Rome, Italy

Board of Directors: Livia Foglia (CEO), Roberto Anzanello (Chairman), Oscar Pischettu (Board Member), Diego Facchini (Board Member)



Health Italia S.p.A. is a leading company in the health services sector, specializing in promoting and providing a wide range of healthcare services in Italy. With a network of over 2,000 promoters and more than 5,000 affiliated healthcare establishments, the company serves approximately 450,000 clients. Their services include managing healthcare facilities, offering home-care services, handling client-related services such as claims and social protection schemes, and providing web development and supplementary training services for healthcare professionals. Health Italia also facilitates online advertising and booking services for health insurance, making it easier for individuals to find suitable coverage. With a strong focus on delivering high-quality healthcare and improving access to medical services, Health Italia remains committed to serving the diverse needs of its clients across Italy.

P&L in EUR million \ FY-end	31.12.2021	31.12.2022	31.12.2023e	31.12.2024e
Revenues	39.39	39.13	38.30	41.58
EBITDA	5.62	8.34	6.58	7.77
EBIT	3.06	6.27	5.27	6.59
Net profit for the year	1.06	3.70	3.07	4.04

### Key figures in EUR

Earnings per share	0.06	0.19	0.16	0.21
Dividend per share	0.00	0.00	0.00	0.00

### Key figures

EV/Revenues	0.86	0.86	0.88	0.81
EV/EBITDA	6.02	4.06	5.14	4.35
EV/EBIT	11.06	5.40	6.42	5.13
P/E-Ratio	25.61	7.34	8.84	6.72

### Financial Calendar

16.11.2023: MKK - Munich Capital Market Conference

13 - 17 November 2023: Board of Directors - Review of the 9-month figures

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

12.09.2023: RS / 4.00 / BUY

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

**"Health care specialist from Italy" Health care specialist from Italy. Focus on profitable core business as basis for future growth and innovation. Significant increase in turnover and result expected**

Health Italia S.p.A. The Health Italia Group is a healthcare and welfare organization aiming to enhance the quality and accessibility of health and welfare services. The primary focus of the group revolves around enrolling new members into Mutual Health Funds (new members will become beneficiaries of the healthcare coverages provided by the Funds). Commissions are offered for successfully recruiting new members. The acquisition of these new members is accomplished through a multi-channel strategy, with a significant emphasis on leveraging the support of over 2,000 independent promoters and a network of banks. Additionally, the group operates successfully in the telemedicine sector and provides valuable services to mutual healthcare funds.

Health Italia S.p.A. reported total revenues of € 42.51 million in 2022, up from € 40.51 million in 2021. The largest portion of the revenue came from promotion and services, contributing € 39.13 million. There was also an extraordinary revenue of € 2.6 million from a real estate transaction involving the company's headquarters. Segment-wise, the promotion-and-services segment was the largest revenue generator, but it faced a slight decrease due to the effects of the COVID pandemic. The health-benefits segment showed strong growth, largely due to the success of telemedicine services.

On the earnings side, the company reported an adjusted EBITDA of € 7.82 million in 2022, an increase of 3.5% from 2021. Cost reductions across all profit and loss positions helped achieve substantial non-adjusted EBITDA growth of 48.5%, raising it to € 8.34 million (PY: € 5.62 million). The promotion-and-services segment was the leading contributor to EBITDA. The overall net result significantly improved to € 3.7 million, up from € 1.06 million the previous year.

Health Italia is undergoing a strategic transformation, focusing on promotion, telemedicine, medical services, and healthcare plans while scaling back investments in the nutraceutical and real estate sectors. The COVID-19 pandemic has accelerated the demand for telemedicine services, which the company aims to capitalize on, while improving service quality and efficiency. Health Italia is also investing in digital platforms. They are expanding their sales channels to include an online platform, thus broadening their customer base. The company's agility and commitment position it for significant growth in the coming years. Their revenue guidance for 2023 to 2026 aims for revenues between € 50.0 to € 52.0 million, with a focus on reinvestment, cost-saving, and sustainability. According to our projections, the company's revenue is expected to experience a slight decline to € 38.2 million in 2023. This can be attributed to the impact of extraordinary real estate income in 2022 and a strategic shift in their operations. However, we anticipate the revenue to grow by 8.6% in 2024 to reach € 41.58 million.

In the DCF model we are in sync with the guidance and forecast revenues of € 50.31 million and an EBITDA of € 13.12 million by 2026. Based on our DCF model, we have arrived at a target price of € 4.00. Given the significant upside potential, we assign a Buy rating.

## IDNTT SA<sup>\*11</sup>

**Rating: BUY**  
**Target price: € 7.10**

Current price: 2.96  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: CH1118852594  
WKN: A3CT5K  
Stock exchange symbol: N7W  
Number of shares<sup>3</sup>: 7.51  
Marketcap<sup>3</sup>: 22.24  
Enterprise value<sup>3</sup>: 20.90  
<sup>3</sup> in million / in EUR million

Free float: 36.3%

Market segment:  
Euronext Growth Milan

Accounting:  
IFRS

Financial year: 31.12.

### Analysts:

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Eric Geßwein  
gesswein@gbc-ag.de

### Company profile

Industry: Digital advertising and content

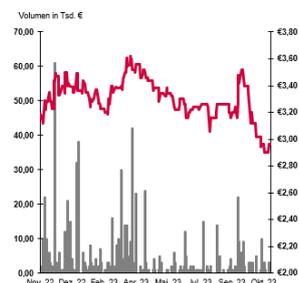
Focus: Production, management and development of omnichannel content

Employees: 105 (30.06.2023)

Foundation: 2010

Headquarters: Balerna (CH)

Board of Directors: Christian Traviglia



IDNTT SA (formerly ID-ENTITY SA) from Switzerland operates as an innovative marketing technology company based on a data-driven omnichannel approach through proprietary software platform. IDNTT offers content creation, digital marketing, advertising solutions to a worldwide customer base for website, e-commerce, and physical stores. With the acquisition of the talent agency in-Sane!, IDNTT has acquired a multi-channel network contract with YouTube and +170 influencers exclusively to communicate very effectively with Z- gen consumers. Following the recent participation in the capital of an historical signature of the Italian creativity, Aldo Biasi Comunicazione Srl, the IDNTT Group opens up to the business of large productions with the "ID-NTT STUDIOS" with Aldo Biasi in the role of Creative Director for a complete and integrated content offer. IDNTT is based in Switzerland with branches in Italy, Netherlands, Romania and Spain. Listed on Euronext Growth Milan since July 2021 and on Frankfurt Stock Exchange since 2022

P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	9.91	20.26	23.50	25.96
EBITDA	2.68	3.63	5.13	5.67
EBIT	2.30	3.23	4.72	5.26
Net profit for the year	1.40	2.48	3.71	4.14

### Key figures in EUR

Earnings per share	0.19	0.33	0.49	0.55
Dividend per share	0.02	0.03	0.04	0.05

### Key figures

EV/Revenues	2.11	1.03	0.89	0.81
EV/EBITDA	7.80	5.75	4.08	3.69
EV/EBIT	9.08	6.48	4.43	3.97
P/E-Ratio	15.84	8.96	6.00	5.37

### Financial Calendar

16.11.2023: MKK - Munich Capital Market Conference

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

\* Catalogue of possible conflicts of interest on page 54

## **"Marketing technology company with innovative software platform" High-margin MarTech player with positive growth prospects; increasing sales and earnings development expected**

As a so-called MarTech Content Factory, IDNTT enables its clients to plan and implement marketing activities in a targeted manner and to evaluate their impact. In this context, the company ultimately offers a comprehensive service that covers all phases, from conception and production to delivery and management of digital content. This approach enables IDNTT's clients to substantially increase both the efficiency and flexibility of the marketing activities launched. The operational focus of this Italian MarTech company is currently exclusively on the European market, mainly Italy, Switzerland, the Netherlands, Romania and Spain. Their customer portfolio ranges from SMEs and public administration to large multinational companies.

Despite the current difficult framework conditions, which are characterised by high inflation and a tense economic situation, IDNTT continued their positive business development of the past few years in the last financial year 2022. With sales revenues of € 9.91 million (previous year: € 8.48 million), an increase in sales of +16.8% was achieved. On the one hand, this reflects the viability and resilience of their business model; on the other hand, the company operates in a steadily growing market segment. Between 2019 and 2022, the average annual growth in turnover was a very high 33.6%. The strong sales growth of the past few financial years was accompanied by a high level of profitability. In the past three financial years, their EBITDA margin was always above 20%.

Their impressive growth course was continued in the first half of 2023. In concrete terms, IDNTT generated half-year revenues of € 9.01 million (1 HY 2022: € 4.68 million) and was thus able to significantly increase the top line compared to the same period of the previous year (+92.9%). In this context, it should be mentioned that sales increases were achieved in all sales regions and customer segments. On the one hand, the growth spurt is of an inorganic nature. In November 2022, a 60% stake was acquired in In-Sane S.r.l., an Italian media agency with a focus on the growth segment of influencer marketing. Through this acquisition, the IDNTT Group is now in a position to successively expand and develop both the target group and the content. In addition, the company has gained access to new sources of income from sponsoring, licensing and merchandising through its stake in In-Sane S.r.l. and will participate in the rapidly growing influencer market in the future. In addition to the inorganic effect, IDNTT has also grown organically by winning new contracts. The lower EBITDA margin of the acquired company led to a reduction of group-wide profitability and, therefore, the EBITDA of € 0.99 million (previous year: € 1.02 million) was at the previous year's level.

Based on the positive business development in the first half of the year, we expect a significant increase in revenue to € 20.26 million for the full year 2023 and anticipate a continuation of the growth course in the following years. From 2024 onwards, the company should be able to return to its usual margin level. Based on our DCF valuation model, we have determined a target price of € 7.10 and thus see significant upside potential for the IDNTT share. We assign the rating BUY.

## Landi Renzo S.p.A. <sup>\*6a,11</sup>

**Rating: BUY**  
**Target price: € 0.70**

Current price: 0.41  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: IT0004210289  
WKN: A0MUQC  
Stock exchange symbol:  
LDRZF  
Number of shares<sup>3</sup>: 225.00  
Market cap<sup>3</sup>: 92.25  
Enterprise value<sup>3</sup>: 138.85  
<sup>3</sup> in million / in EUR million  
Free float: 25.5%

Market segment:  
Euronext STAR Milan

Accounting:  
IFRS

Financial year: 31.12.

### Analysts:

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Cosmin Filker  
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\* Catalogue of possible conflicts of interest on page 54

### Company profile

Industry: Green Mobility & Clean Tech

Focus: products and systems for gas and hydrogen mobility, alternative compressor technologies for gas and hydrogen and hydrogen infrastructures

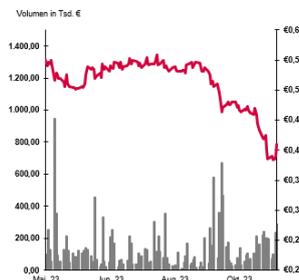
Employees: 976 (30.06.2022)

Foundation: 1954

Headquarters: Reggio Emilia (Italy)

Board of Directors: Annalisa Stupenengo (CEO)

With a presence in over 50 countries and an export share of around 80.0%, Landi Renzo S.p.A. (Landi Renzo) is a major player in the international market for technologies that enable greener mobility. Landi Renzo develops, produces and distributes components and alternative propulsion systems for gas and hydrogen mobility (natural gas, LPG/autogas, bio-gas/RNG, hydrogen fuel systems), addressing two customer segments: Car/truck manufacturers (OEMs) and installers and dealers (aftermarket). Through the company SAFE & CEC S.r.l. (shareholding: 51.0%), the Landi Renzo Group is also active in the field of compression solutions for gas and hydrogen infrastructures (CNG, biogas/RNG, hydrogen filling stations). In this segment of alternative compression solutions, the company also offers high-margin maintenance and service for its installed compressors (global installed base: > 6,000 compressors). Through this positioning, the Group is very much involved in the energy transition (decarbonisation of the economy - and the transport sector) and can make a decisive contribution to countries and companies achieving their environmental and climate policy goals through the product portfolio it offers.



P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	306.30	323.88	357.17	379.73
EBITDA	11.04	9.58	24.76	37.94
EBIT	-6.03	-14.37	3.55	18.17
Net profit for the year	-14.28	-27.08	-5.78	5.45

### Key figures in EUR

Earnings per share	-0.06	-0.12	-0.03	0.02
Dividend per share	0.00	0.00	0.00	0.00

### Key figures

EV/Revenues	0.45	0.42	0.38	0.35
EV/EBITDA	12.58	6.48	4.39	3.38
EV/EBIT	neg.	39.90	10.89	6.57
P/E-Ratio	neg.	neg.	66.85	15.32

### Financial dates

13.11.2023: Quarterly Report Q3 2023

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

20.09.2023: RS / 0.70 / BUY

08.12.2022: RS / 0.98 / BUY

08.11.2022: RS / 0.98 / BUY

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

**"Specialist for gas and hydrogen mobility" After the transition year 2023, significant increases in turnover and earnings are expected for the following years; significant profit driver of the green energy turnaround**

Landi Renzo S.p.A. (Landi Renzo) is a technology group active in the natural gas, biogas and hydrogen mobility sector and in the infrastructure sector (natural gas, biogas/RNG and hydrogen refuelling stations). With its two divisions (Automotive; SAFE&CEC), Landi Renzo operates in over 50 countries worldwide and generates around 90.0% of its revenues abroad.

With its extensive technology portfolio, the company is involved in the advancing energy transition and covers the entire value chain with a wide range of products and applications. These range from compression solutions for biogas and hydrogen grid feed-in (including transport) to compression solutions for gas and hydrogen mobility for cars and commercial vehicles/trucks. In recent years, the technology group has started to focus more on gas and hydrogen mobility for heavy commercial vehicles and on alternative compression solutions for gas and hydrogen infrastructures in order to further fuel its growth momentum. In the course of this, various acquisitions (e.g. Metatron or Idro Meccanica) were also made.

The growth course is reflected in a steady increase in revenues. In spite of difficult conditions, the group's turnover increased significantly by 26.6% to € 306.30 million (previous year: € 241.99 million). Organic growth effects in both business fields - Green Transportation and Clean Tech Solutions - contributed significantly to the dynamic increase in Group turnover. The main growth drivers were the infrastructure business (Clean Tech Solutions business) and the European automotive supplier business (OEM business in the passenger car sector) of the Green Transportation division. In contrast to the dynamic development of Group turnover, Landi Renzo had to accept a significant decline in EBITDA of 12.5% to € 11.04 million (previous year: € 12.62 million) compared to the previous year due to high pressure on margins (high inflation on the procurement and energy markets, etc.) and price adjustments that only took effect after a time lag. Consequently, the EBITDA margin also fell to 3.6% (previous year: 5.2%).

In the first six months of the current financial year, the Landi Renzo Group was able to continue its growth streak despite a challenging environment with a moderate 5.1% increase in turnover to € 151.81 million (previous year: € 144.45 million). In contrast, the company recorded a decline in earnings to € -0.31 million (previous year: € 5.31 million), mainly due to an unfavourable revenue mix in the core segment "Green Transportation".

For the current financial year 2023, we expect an increase in revenue to € 323.88 million and a decline in EBITDA to € 9.58 million due to the continuing pressure on margins. From financial year 2024 onwards, we expect significant earnings growth, which should result from a recovery in the after-market business and the increased expansion of the high-margin MHD & infrastructure business. Based on our DCF model, we have determined a price target of € 0.70 per share. With regard to the current share price level, we assign a "BUY" rating and see significant share price potential.

## Mexedia S.p.A. SB<sup>\*5a,6a,11</sup>

**Rating: BUY**  
**Target price: € 46.50**

Current price: 22.00  
03.11.23 / Euronext Growth  
Paris / Closing Price  
Currency: EUR

### Key data:

ISIN: IT0005450819  
WKN: A3C33K  
Stock exchange symbol: 41R  
Number of shares<sup>3</sup>: 5.70  
Market capitalisation<sup>3</sup>: 125.40  
Enterprise value<sup>3</sup>: 152.10  
in m / in EUR m

Free float: 8.1%

Market segment:  
Euronext Growth Paris

Accounting standard:  
IFRS

Financial year: 31.12.

### Analysts:

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\* Catalogue of possible conflicts of interest on page 54

### Company profile

Industry: Technology and Telecommunications

Focus: TLC business, Messaging, and other customer engagement business services

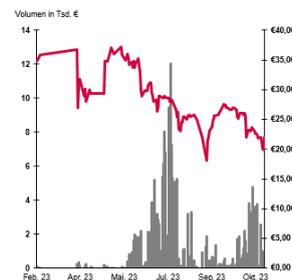
Employees: 39 (08.05.2023)

Foundation: 2017

Headquarters: Rome, Italy

Board of Directors: Elio Cosimo Catania (Chairman), Orlando Taddeo (CEO), Paolo Bona (Chief Business Officer), Giovanni Mannarino (Sales & Operation Director)

Mexedia is a tech company, which became a Benefit Corporation in July 2022. Initially focused on the international sale of voice and SMS termination services, the company today also offers advanced technological services through a wide range of innovative technologies and tools for Customer Experience, Business Automation, and Business Intelligence, simplifying the adoption and integration of AI models, IoT systems, and unconventional channels such as Virtual Reality and Augmented Reality. The business model of Mexedia is based on two main business units of a highly synergistic and complementary nature, which can multiply the cross-selling potential among the services offered: provision of voice and SMS termination services in a consolidated market, also via advanced and innovative technological tools. Delivery of new-generation, multi-channel technological services.



P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	140.90	324.11	361.22	397.29
EBITDA	8.37	16.10	22.15	27.96
EBIT	8.36	13.90	21.15	27.01
Net profit for the year	4.43	5.53	10.48	14.49

### Key figures in EUR

Earnings per share	0.78	0.97	1.84	2.54
Dividend per share	0.00	0.00	0.00	0.00

### Key figures

EV/Revenues	1.08	0.47	0.42	0.38
EV/EBITDA	18.17	9.45	6.87	5.44
EV/EBIT	18.19	10.94	7.19	5.63
P/E-Ratio	28.29	22.68	11.97	8.65

### Financial Calendar

15.11.2023: MKK - Munich Capital Market Conference

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

11.05.2023/ RS: 46.50 EUR / BUY

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

## **"Technology company with communication Super App" Transformation into a technology company in the area of Customer Engagement Business Services**

Mexedia S.p.A. – Società Benefit (Mexedia) is a tech company that started in the telecom business. Mexedia serves as an intermediary for wholesale SMS and voice traffic, facilitating interconnections between carriers. In the telecommunications industry, international phone calls and SMS messages are treated as tradable commodities that are exchanged wholesale between telcos. Voice traffic pertains to international calls while A2P SMS traffic refers to messages received through apps. Mexedia also offers fixed and cost-effective real-time liquidity to its partners for voice and SMS services trading. This liquidity is secured against the receivables of insured debtors of its partners. To accomplish this, Mexedia conducts auctions of insured receivables from debtors to investors in asset-backed securities and liquidity providers through the Mexedia Exchange. This activity generates an arbitrage margin for Mexedia by capitalizing on the spread gained from advancing money in real-time against the auction of its receivables. Mexedia's telecom business has exhibited strong growth and profitability and the transition into a tech company is focused on offering advanced customer engagement business services to its clients. To achieve this, Mexedia has developed the Super App Mexedia ON, an innovative platform, which Gartner defined as a "technological composer", that integrates modular and easily manageable solutions, allowing businesses to enhance customer interaction and optimize company operations, leading to significant savings in both costs and time.

Mexedia ON specializes in services such as Customer Experience, Business Automation, and Business Intelligence. It leverages the latest technologies, from AI models to IoT systems, and unconventional channels, like Augmented Reality and Virtual Reality, which companies can use simply and intuitively within the platform.

In 2022, the company experienced a 6.9% increase in revenue, reaching € 140.9m (PY: € 131.8m) due to new and better deals in voice and SMS traffic. The majority of revenue was generated by their Irish subsidiary using a classic business model. Despite an increase in expenses, the EBITDA showed a significant improvement with an 18.7% increase to € 8.37m (€ 7.05m). The net result increased by 49.8% to € 4.43m (PY: € 2.96m).

A key cornerstone of their growth strategy is going to be the new Mexedia ON platform, designed as a Super App for businesses, especially in the phone industry, to improve customer engagement and provide a seamless and consistent experience. The platform offers many features including virtual agents and assistants, omnichannel communications, automation, data analytics, and innovative channels such as augmented reality and virtual reality. It also includes an app store to activate both proprietary and third-party Mini-Apps, ensuring a wider range of choices. A catalog of tailor-made solutions can be activated based on individual needs: SMS, chat, voice, relational AI, payments, and authentications; but also augmented reality and voice smart assistants. A mini-App for every objective.

We expect Mexedia to generate revenues of € 324.11m in 2023, followed by € 361.22m in 2024 and € 397.29m in 2025. The company has expanded into the US, strengthened its position in existing markets and diversified its customer base. We forecast a steady upward trend for Mexedia in the coming financial years.

Based on our DCF model, we have determined a price target of € 46.50 and, against the backdrop of the high upside potential, we assign a BUY rating.

## Reply S.p.A.\*11

**Rating: BUY**  
**Target price: € 122.00**

Current price: € 95.75  
 03.11.23 / Euronext Milan /  
 Closing price  
 Currency: EUR

### Key data:

ISIN: IT0005282865  
 WKN: A2G9K9  
 Stock exchange symbol: REY  
 Number of shares<sup>3</sup>: 37.41  
 Market cap<sup>3</sup>: 3,582.10  
 Enterprise value<sup>3</sup>: 3,582.30  
<sup>3</sup>in million / in EUR million

Free float: 37.8 %

Market segment:  
 Euronext STAR Milan

Accounting:  
 IFRS

Financial year: 31.12.

### Analysts:

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Niklas Ripplinger  
 ripplinger@gbc-ag.de

\* Catalogue of possible conflicts of interest on page 54

### Company profile

Industry: Technology

Focus: technology, industry, logistics, financial services, energy, retail and consumer goods

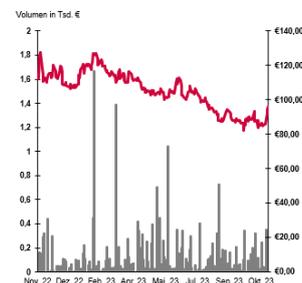
Employees: 14,307 (30.06.2023)

Foundation: 1996

Headquarters: Turin, Piedmont

Board of Directors: Mario Rizzante (Chairman; CEO), Tatiana Rizzante (CEO); 4 other operating members and 3 non-operating members

The core business of Reply S.p.A. includes the programming of various software solutions, as well as business consulting. The industries served include automotive and manufacturing, energy and utilities, financial services, logistics, retail and consumer goods, telecommunications and media. Reply S.p.A.'s core competences are mainly in the sector of new technologies such as artificial intelligence, metaverse, cloud computing, Internet of Things and cybersecurity. The various software solutions serve to optimise processes and implement new application areas. Reply S.p.A. has a total of 57 locations in 13 different countries, making it an internationally active company. The strategic goal is to grow both organically and inorganically through acquisitions.



P&L in € million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	1,891.11	2,136.96	2,372.02	2,609.23
EBITDA	344.09	344.11	382.57	427.42
EBIT	285.47	281.11	319.57	364.42
Net profit for the year	191.02	185.95	219.34	251.23

### Key figures in €

Earnings per share	5.11	4.97	5.86	6.72
Dividend per share	1.00	1.00	1.20	1.40

### Key figures

EV/Revenues	1.87	1.65	1.49	1.35
EV/EBITDA	10.25	10.25	9.22	8.25
EV/EBIT	12.36	12.55	11.04	9.68
P/E-Ratio	18.75	19.26	16.33	14.26

### Financial Calendar

14.11.2023: 9-month figures 2023

27.-29.11.2023: Equity Forum

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

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\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

**"Strong technology consultant with innovative expertise" High demand for software solutions and services such as AI and Metaverse ensure strong revenue and earnings potential in the future, target price: €122.00 and BUY rating**

Reply S.p.A. specialises in consulting, systems integration and digital services to develop innovative solutions based on new communication channels and digital media. Undeterred by the corona crisis, the Group has increased its turnover by an average of 16.9% per year since 2019. The higher demand from companies for digitalisation services and software solutions means that Reply S.p.A.'s products are more in demand than ever.

In the past financial year 2022 Reply S.p.A. was able to achieve sales revenues in the record amount of € 1,891.11 million, thus recording a significant increase in sales (previous year: € 1,483.8 million). EBIT developed disproportionately to € 285.47 million (previous year: € 209.28 million) and the company succeeded in further improving the EBIT margin to 15.1% (previous year: 14.1%). To some extent this development was due to temporary savings from pandemic. This trend was also continued in the first half of 2023, in which a further increase in turnover to € 1,038.91 million (previous year: € 889.72 million) was generated. Among other things, this is also attributable to two major acquisitions that were completed in the second half of 2022. Although EBIT for the first half of 2023 increased slightly to € 123.68 million (PY: € 122.88 million), the EBIT margin suffered from higher personnel costs, which rose by 24% compared to the first half of 2022. This increase is entirely due to an expansion of the number of employees, which is essential for the further growth of the operating business.

Due to the absence of the base effects of the two acquisitions, slightly weaker sales growth is expected in the second half of the year compared to the first half. As in the past, Reply S.p.A. will continue to focus on inorganic growth in addition to organic growth. It is also worth mentioning the positive capitalisation with an equity ratio of 47.8% and a high cash balance of € 285.04 million at the half-year 2023, in order to also complete further company acquisitions in the future.

Due to the large number of customer groups, which can be assigned to six different industries, Reply S.p.A. has a broadly diversified distribution of revenues and a low dependence on industries, which makes the business less dependent on economic fluctuations. The increasing digitalisation of all industries and the associated need for services and consulting will continue to have a positive impact on Reply S.p.A.'s business development in the future. The company's services include cybersecurity or cloud, quantum computing and Internet of Things, which continue to be subject to extraordinarily high demand. In addition, there are topics such as artificial intelligence or the metaverse, which offer further enormous growth potential for Reply S.p.A. In addition to these growth opportunities, Reply S.p.A. has continuously increasing dividends. Since 2010, the dividend has been successively increased from € 0.11 to € 1.00 in 2022.

For the current financial year 2023, we expect double-digit revenue growth to € 2,136.96 million and slightly lower profitability due to higher personnel expenses and a lack of extraordinary income compared to the previous year. On this basis, we have valued Reply S.p.A. using our DCF model and determined a fair value of € 122.00 per share. Due to the positive business outlook, we assign a BUY rating and see good future share price potential.

## Sanlorenzo S.p.A. <sup>\*11</sup>

**Rating: BUY**  
**Target price: € 52.75**

Current price: 37.00  
 03.11.23 / Euronext Milan /  
 Closing price  
 Currency: EUR

### Key data:

ISIN: IT0003549422  
 WKN: A2PV7P  
 Stock exchange symbol: SL  
 Number of shares<sup>3</sup>: 34.91  
 Market cap<sup>3</sup>: 1,290.56  
 Enterprise value<sup>3</sup>: 1,179.91  
<sup>3</sup> in million / in EUR million

Free float: 38.8%

Market segment:  
 Euronext STAR Milan

Accounting:  
 IFRS

Financial year: 31.12.

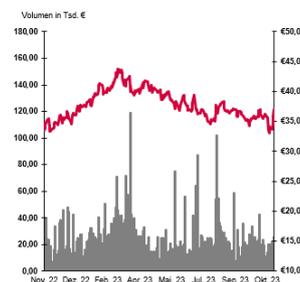
### Analysts:

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 greiffenberger@gbc-ag.de

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 gesswein@gbc-ag.de

### Company profile

Sector: Cyclical consumer products  
 Focus: Sailing yachts and motor boats  
 Employees: 967 (30.06.2023)  
 Foundation: 1958  
 Headquarters: Ameglia (Liguria), Italy  
 Board of Executives: Massimo Perotti (CEO),  
 Carla Demaria, Ferruccio Rossi



Sanlorenzo S.p.A. is one of the leading players in the luxury nautical sector, focusing on the design, construction and sale of luxury motor yachts. The products are distributed both directly and through a network of brand representatives in Europe, Asia Pacific, North and South America, the Middle East and Africa. The company is divided into three business segments: Yachts (24m to 38m overall length), Superyacht (40m to 73m overall length) and Bluegame (13m to 23m overall length). This is complemented by maintenance and charter services for various vessels. Under the heading of 'Timeless', Sanlorenzo also offers its customers a wide range of design and boat-fitting services. In addition to customised products, the company also sells used yachts. Founded in 1958, Sanlorenzo is based in Ameglia, Italy, with production facilities spread across four locations within the region between the Apuan Alps and the Tyrrhenian Sea.

P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Net proceeds	811.03	851.59	945.26	1049.24
EBITDA	139.86	161.81	186.85	216.19
EBIT	113.12	132.31	155.85	184.19
Net profit for the year	74.74	84.73	100.28	119.17

### Key figures in EUR

Earnings per share	2.14	2.43	2.88	3.42
Dividend per share	0.66	0.75	0.85	1.00

### Key figures

EV/Revenues	1.45	1.39	1.25	1.12
EV/EBITDA	8.44	7.29	6.31	5.46
EV/EBIT	10.43	8.92	7.57	6.41
P/E-Ratio	17.27	15.23	12.87	10.83

### Financial dates

09.11.2023: Q3 Report 2023

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

\* Catalogue of possible conflicts of interest on page 54

**"Maritime luxury with high growth momentum" A high order backlog as well as a large number of M&A activities ensure sustainable profitable growth; renowned cooperations in the field of hydrogen fuel cells offer additional potential**

Timeless masterpieces in the interplay of art and design - this is what San Lorenzo S.p.A. has stood for for more than half a century. This manufacturer of luxury yachts has grown steadily over the past few years and has thus been able to profit from the worldwide increase in demand for high-quality, unique maritime boats. The company was thus able to increase its Net Revenues New Yachts from € 327.29 million in 2018 to € 740.68 million in 2022 (factor 2.3). The net profit for the year increased by around 585% in the same period, and thus also significantly from € 12.66 million to € 74.15 million.

Sanlorenzo S.p.A. closed the past financial year 2022 with Net Revenues New Yachts of € 740.68 million and was thus able to continue the positive growth trend of recent years (previous year: € 585.90 million). The company also presents very convincing figures for the first half of 2023. With an increase in Net Revenues New Yachts of 12.6% to € 388.43 million (previous year: € 344.87million), the net profit for the period rose significantly by 18% to € 38.91 million (previous year: € 32.93 million). The company can look back on a constantly high order backlog, which already covers 75% of the expected total turnover for the current year. Due to the low availability of high-quality yachts, a high backlog is also expected in the coming years, so that an order volume of more than € 450 million has already been secured until 2026.

An important factor in the operating business is the complementary inorganic growth strategy with the integration of strategically important materials and processes into the company's own value chain. Vertical integration and entering into partnerships with key suppliers enables the company to control its own cost structure and ensure the necessary agility and flexibility within the business model. In the past financial year, investments were made in the suppliers Duerre S.r.l. (high-quality furniture) and Sa.La. S.r.l. (sheet metal processing) and Sea Energy S.r.l. (electronic ship equipment). In the current business year, their portfolio has also been expanded in the area of production capacities (49% share in Sea Energy S.r.l.) and by increasing their share in Duerre S.r.l. (now 33% share). Their investment activities are covered by the constantly high level of liquid funds amounting to € 222.55 million (30.06.2023).

Another growth driver is the continuous development of the company's own drives. In this context, the use of sustainable forms of propulsion is being targeted. Together with Siemens Energy and Rolls-Royce Solution, the company is also working on the implementation of hydrogen fuel cells in maritime shipbuilding, with the first delivery planned for 2024.

For the current business year, we expect a turnover of € 851.59 million and a net profit of € 84.73 million. In the coming years 2024 and 2025, revenue and net income should continue to increase, whereby we currently assume a revenue target of over € 1 billion in 2025 within the scope of our estimates. On this basis, we have valued Sanlorenzo S.p.A. with our DCF model and determined a fair value of € 52.75 per share. In view of the current price level, we give the stock a BUY rating and see good upside potential.

## Solid World GROUP S.p.A. \*11

**Rating: BUY**  
**Target price: € 6.00**

Current price: 3.61  
03.11.23 / Euronext Milan /  
Closing price  
Currency: EUR

### Key data:

ISIN: IT0005497893  
WKN: A3DQXK  
Stock exchange symbol: S3D  
Number of shares<sup>3</sup>: 15.44  
Marketcap<sup>3</sup>: 55.74  
Enterprise value<sup>3</sup>: 67.45  
<sup>3</sup> in million / in EUR million

Free float: 34.8%

Market segment:  
Euronext Growth Milan

Accounting:  
OIC

Financial year: 31.12.

### Analysts:

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filker@gbc-ag.de

Niklas Ripplinger  
riplinger@gbc-ag.de

### Company profile

Industry: Technology

Focus: 3D printing, biomedicine, solar

Employees: 172 (30.06.2023)

Foundation: 2003

Headquarter: Treviso

Board of Directors: Roberto Rizzo, Marco Calini, Lucio Ferranti, Paolo Pescetto



Solid World Group S.p.A. is Italy's leading 3D systems integrator for 3D digital innovation. Founded in 2003, the group covers all stages of the 3D digital manufacturing supply chain with its current subsidiaries. In total, Solid World Group S.p.A. operates throughout Italy with 14 locations and three technological centres, providing 3D printing services, training services and services to design and production departments of various manufacturing companies. The group is also active in the biomedical and renewable energy sectors. Customers are mostly from the automotive, aerospace, mechanical, design and fashion sectors. The group's mission is to support the innovation process of customers and to cover the entire chain of technological solutions for a digital factory. Thus, Solid World Group S.p.A. offers modern and comprehensive Industry 4.0 technologies and is Italy's largest service provider in this segment.

P&L in EUR million \ FY-end	31.12.2022	31.12.2023e	31.12.2024e	31.12.2025e
Revenues	57.75	62.37	67.36	73.42
EBITDA	4.02	5.41	6.85	8.14
EBIT	1.40	2.48	3.78	4.92
Net profit for the year	0.12	1.22	2.15	3.03

### Key figures in EUR

Earnings per share	0.01	0.08	0.14	0.20
Dividend per share	0.00	0.00	0.00	0.00

### Key figures

EV/Revenues	1.17	1.08	1.00	0.92
EV/EBITDA	16.78	12.46	9.85	8.29
EV/EBIT	48.14	27.23	17.86	13.70
P/E-Ratio	484.68	45.54	25.89	18.43

### Financial Calendar

16.11.2023: MKK - Munich Capital Market Conference

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

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**“Innovative 3D printing company with focus on industry and biotechnology” High revenue potential through attractive growth markets; price target: € 6.00 and BUY rating**

Solid World Group S.p.A. specialises in 3D printing and integration services for design and production departments to develop innovative solutions based on 3D printing. Recently, BIO3DMODEL and BIO3DPRINTING have also joined the group, complementing their portfolio in the biomedical field. The group occupies every process step of 3D technology from design to printing to structuring the production process of prototypes or finished products. So far, the company is mainly active in the Italian market for additive manufacturing. This market is flanked by activities in the biomedical sector, in photovoltaic construction and in the construction of production lines for industrial companies, for example.

The company, which has been listed in the Euronext Growth Milan segment since 2022, has grown by an average of 5.9% per year over the past three financial years, with an EBITDA margin in the mid-single digits. The increase in turnover is attributable to both organic and inorganic growth.

In the past 2022 business year, Solid World Group S.p.A. was able to continue its positive business development with revenues of € 57.75 million, thus recording a moderate increase in revenues of 4.8% (previous year: € 55.09 million). EBITDA increased disproportionately by 18.8% to € 4.02 million (previous year: € 3.82 million). Their growth course was also continued in the first half of 2023 with an increase in turnover of 9.3% to € 33.14 million (previous year: € 30.31 million). A smaller company acquisition (purchase price: € 2.6 million) also had a supporting effect here. EBITDA rose to € 2.76 million (previous year: € 2.48 million), which corresponds to a constant EBITDA margin of 8.3% (previous year: 8.2%).

The Group is active in numerous growth markets such as Industry 4.0, 3D printing, renewable energies and biomedicine. In the area of Industry 4.0, the Group is increasingly focusing on the distribution of its own software Integr@ and is launching a cooperation in the aerospace industry. In addition, the Solid World Group is pushing the introduction of the SolidFactory platform, which offers customised consulting for the automation of production processes. Through an acquisition, the Solid World Group is also active in the renewable energy segment and can now offer its customers machines for the construction of photovoltaic plants. In the biomedical sector, Solid World Group has founded two start-ups in collaboration with the University of Pisa: BIO3DMODEL and BIO3DPRINTING. The start-up BIO3DPRINTING has developed a so-called electrospider that makes it possible to produce human cell constructs using the first 3D bio-printing technology. This enables missing organs to be produced from specific patient cells and transplanted. As part of its internationalisation strategy, the Group is targeting the Middle Eastern market, in particular to offer solutions in the biomedical field.

For the current financial year 2023, we expect mid-single-digit revenue growth to € 62.37 million and slightly higher profitability. On this basis, we have valued Solid World Group S.p.A. using our DCF model and determined a fair value of € 6.00 per share. Due to the positive business outlook, we assign a BUY rating and see good future share price potential.

## Zignago Vetro S.p.A.\*7,11

**Rating: Buy**  
**Target price: € 25.00**

Current price: 12.66  
 03.11.23 / Euronext Milan /  
 Closing price  
 Currency: EUR

### Key data:

ISIN: IT0004171440  
 WKN: A0MSP6  
 Stock exchange code: ZVB  
 Number of shares<sup>3</sup>: 88.36  
 Marketcap<sup>3</sup>: 1,118.64  
 Enterprise value<sup>3</sup>: 1,379.80  
<sup>3</sup> in million / in EUR million

Free float: 35.9%

Market segment:  
 Euronext Milan

Accounting: IFRS

Financial year: 31.12.

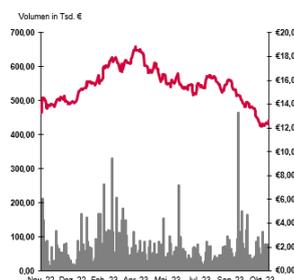
### Analysts:

Matthias Greiffenberger  
 greiffenberger@gbc-ag.de

Eric Geßwein  
 gesswein@gbc-ag.de

### Company profile

Industry: Industrials  
 Focus: glass bottles and containers  
 Employees: 2,787 (30.06.2023)  
 Foundation: 1950  
 Headquarter: Fossalta di Portogruaro (Venice)  
 Board of Directors: Roberto Cardini (CEO)



The Zignago Vetro Group is engaged in the production and promotion of premium hollow glass containers, primarily catering to the food and beverage, cosmetics and perfumery, and "specialty glass" sectors, which involve the crafting of custom glass containers in small quantities, commonly employed for wine, spirits, and oils. Operating within a business-to-business framework, the Zignago Vetro Group supplies containers to its clients, which are subsequently utilized in their respective industrial processes. In the Italian market, the Group holds a prominent position as one of the primary manufacturers and distributors of glass containers for the food and beverage sector, while on a global scale, it commands a significant market presence in the cosmetics and perfumery as well as specialty glass sectors.

P&L in EUR million \ FY-end	31.12.2021	31.12.2022	31.12.2023e	31.12.2024e
Revenues	492.99	640.79	761.23	799.80
EBITDA	130.27	162.16	223.65	228.46
EBIT	75.77	99.18	151.47	155.31
Net profit for the year	60.02	86.60	120.99	126.65

### Key figures in EUR

Earnings per share	0.67	0.97	1.36	1.42
Dividend per share	0.40	0.60	0.86	0.88

### Key figures

EV/Revenues	2.80	2.15	1.81	1.73
EV/EBITDA	10.59	8.51	6.17	6.04
EV/EBIT	18.21	13.91	9.11	8.88
P/E-Ratio	18.64	12.92	9.25	8.83

### Financial Calendar

07.11.2023: Q3 Report

### \*\*last research from GBC:

Date: Publication / Target price in EUR / Rating

\*\* The research studies listed above can be viewed at [www.gbc-ag.de](http://www.gbc-ag.de) or requested from GBC AG, Halderstr. 27, D86150 Augsburg.

\* Catalogue of possible conflicts of interest on page 54

## **"Highly profitable glass specialist made in Italy" Cost efficiency and margin improvement: Zignano Vetro's path to success**

Zignano Vetro is part of Zignano Holding S.p.A., a group of companies based in Italy, which includes companies from the wine trade, fashion and renewable-energy sectors. Within the group, Zignano Vetro covers the glass-container sector, with a special focus on the beverage and cosmetics industries. For its part, Zignano Vetro has built up a portfolio of companies in Italy, Poland, France and the USA that have a similar product range and thus a similar industry focus. The majority of the Group's turnover is generated in Italy, mainly with the production of glass containers for the food and beverage industry. In markets outside Italy, on the other hand, the company has a high market share in glass containers for the cosmetics and perfume industry as well as in special glass (e.g. individual glass bottles).

A look at the long-term development of the key operating figures shows that the group has been on a growth path for several years in terms of both turnover and earnings. Between 2016 and 2022, turnover roughly doubled from € 322.87 million to € 640.79 million. During the same period, the EBITDA margin was always between 25.1% and 28.1% and also doubled in line with the growth in turnover from € 80.92 million to € 162.17 million.

However, the company developed particularly dynamically in the past financial year 2022, which was characterised by a 30.0% increase in turnover and a 24.5% increase in EBITDA. This development was almost exclusively of an organic nature and can be attributed in particular to the implementation of higher price levels with the company's customers. Overall, demand from customer industries was high, but this was offset by a supply side characterised by difficulties. Plant closures as a result of the war in Ukraine and cost increases (material, energy) were decisive factors. Zignano Vetro was able to maintain its ability to deliver and has grown in this market environment.

After their excellent performance in the 2022 financial year, the high market demand continued in the first half of 2023, with a normalisation observed in the second quarter of 2023. Demand in the global cosmetics and fragrance markets also developed strongly. Revenues increased by 28.4% to € 384.76 million (previous year: € 299.63 million), showing an unchanged growth rate compared to the 2022 financial year. EBITDA was even 87.8% higher than the previous year's figure at € 120.36 million (previous year: € 64.1 million) due to a declining cost-of-materials ratio.

The company expects the market environment to remain positive. On the one hand, this is due to the fact that the trade must replenish its stocks. On the other hand, the market for cosmetics and perfume containers is expected to remain dynamic, with sustained demand, especially in the premium and branded product segments. This target is accompanied by a gradual normalisation of costs for most production factors, especially energy and material costs.

Based on our estimates, we have identified a target price of € 25.00. In view of the considerable upside potential, we rate the share as BUY.

## APPENDIX

### I.

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