

Company Update
Buy (maintained)

27 March 2020 – 5:30PM

 MARKET PRICE: **EUR4.05**

 TARGET PRICE: **EUR5.30 (from EUR6.00)**
IT services
Data

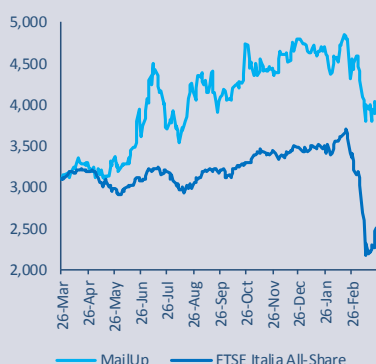
Shares Outstanding (m):	14.97
Market Cap. (EURm):	60.6
Enterprise Value (EURm):	58.5
Free Float (%):	34.7%
Av. Daily Trad. Vol. (m):	0.026
Main Shareholder:	Founders 53.6%
Reuters/Bloomberg:	MAIL.MI MAIL IM
52-Week Range (EUR)	3.1 4.9

Source: Factset, UbiBanca estimates

Performance

	1m	3m	12m
Absolute	-11.0%	-15.4%	-30.6%
Rel. to FTSE IT	14.9%	12.1%	49.2%

Source: Factset

Graph area Absolute/Relative 12 M


Source: Factset

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COVID-19: not immune but ready to face the change

In 2H19, MailUp recorded a significant growth (revenues up 45% YoY to EUR30.9 million, in line with expectations) and slightly positive surprised at EBITDA level (+39% to EUR2.65 million, 8.6% EBITDA margin) mainly thanks to IFRS16 impact (not split among business units). FY19 closed with revenues at above EUR59 million (+52% YoY reported, +46% organic), EBITDA at EUR4.8 million (+27% YoY reported, +37% YoY adjusted of IFRS16 and one off-costs) and net profit at EUR1.15 million vs. EUR1.26 million in FY18 (flattish ex IFRS16). Net cash position was EUR2.4 million (EUR7 million ex IFRS16 effect) with operating free cash flow at EUR4.6 million (96% EBITDA). As an effect of COVID-19, the activity of the Group is going on in smart working without evident impact on productivity and delivery. We confirm our BUY rating based on following reasons: (1) solid financial structure; (2) well balanced geographical presence with international revenues accounting for 48% of total in 2019; (3) exposure to digital marketing, e-commerce and transaction which are likely to play an increasing role for all companies. However, as an effect of the sector de-rating which incorporates the fear of prolonged global lockdown due to COVID-16, we have revised downwards our target price by 12% to EUR5.30 (31% potential upside). The stock remains trading at a 15% discount to European direct comparable DotDigital (EV/EBITDA 2020 of 10.1x vs 11.8x).

- > In the last 3 years MailUp recorded an outstanding VoP CAGR of 41% and EBITDA CAGR of 26%.
- > For 2020 we confirm our estimates of revenues up by ca. 25% to EUR75 million. In our view, at the moment, upside risk in traditional activity, mainly for Agile Telecom, counterbalances potential downside risk in the take-off of start-ups (difficult client meetings).
- > We have risen risk free from 2.5% to 3% to incorporate the new macro scenario; the revision of WACC from 7.9% to 8.4% hurt DCF valuation by 4.9% to EUR5.32. SoP valuation falls by 19% to EUR5.27 due to deep de-rating of the tech sector. Our target price is obtained as a weighted average of the two valuations and is equal to EUR5.30 (-12% vs previous target, +31% potential upside).
- > Main risks are: (1) potential delay in the take-off of Datatrics; (2) increasing competition in MarTech; (3) low liquidity.

Financials

	2019	2020E	2021E	2022E
Revenues (EURm)	59.3	74.9	86.9	95.2
EBITDA (EURm)	4.8	5.8	8.5	10.5
EBITDA margin (%)	8.1%	7.8%	9.8%	11.0%
EBIT (EURm)	1.9	2.7	5.1	6.8
EPS (EUR)	0.08	0.11	0.22	0.29
CFPS (EUR)	0.31	0.28	0.43	0.52
DPS (EUR)	0.00	0.00	0.00	0.00

Source: Company Data, UBI Banca Estimates

Ratios
priced on 26 March 2020

	2019 *	2020E	2021E	2022E
P/E(x)	44.6	37.9	18.7	13.7
P/CF(x)	11.9	14.4	9.4	7.8
P/BV(x)	3.2	3.3	2.8	2.3
Dividend Yield	0.0%	0.0%	0.0%	0.0%
EV/EBITDA(x)	11.2	10.1	6.5	4.9
Debt/Equity (x)	-0.1	-0.2	-0.3	-0.4
Debt/EBITDA (x)	-0.5	-0.6	-0.8	-1.0

Source: UBI Banca Estimates * Based on 2019 average price

Key Financials

(EURm)	2019	2020E	2021E	2022E
Revenues	59.3	74.9	86.9	95.2
EBITDA	4.8	5.8	8.5	10.5
EBIT	1.9	2.7	5.1	6.8
NOPAT	1.3	1.8	3.4	4.6
Free Cash Flow	-4.0	1.2	3.0	4.0
Net Capital Employed	14.6	15.0	15.3	15.7
Shareholders' Equity	17.0	18.6	21.9	26.3
Net Financial Position	-2.4	-3.6	-6.6	-10.6

Source: Company data, UBI Banca estimates

Key Profitability Drivers

	2019	2020E	2021E	2022E
Net Debt/Ebitda (x)	-0.5	-0.6	-0.8	-1.0
Net Debt/Equity (x)	-0.1	-0.2	-0.3	-0.4
Interest Coverage (%)	0.0%	0.0%	0.0%	0.0%
Free Cash Flow Yield (%)	-7.2%	2.0%	4.9%	6.6%
ROE (%)	7.4%	9.0%	16.0%	18.3%
ROI pre-tax (%)	10.7%	12.9%	24.0%	31.4%
ROCE (%)	10.7%	12.3%	22.6%	29.5%

Source: Company data, UBI Banca estimates

Key Valuation Ratios

	2019 *	2020E	2021E	2022E
P/E (x)	44.6	37.9	18.7	13.8
P/BV (x)	3.2	3.3	2.8	2.3
P/CF (x)	21.3	15.4	9.2	7.5
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%
EV/Sales (x)	0.9	0.8	0.6	0.5
EV/EBITDA (x)	11.2	10.1	6.5	4.9
EV/EBIT (x)	27.9	21.5	10.9	7.6
EV/CE (x)	3.7	3.9	3.6	3.3

Source: Company data, UBI Banca estimates

* Based on 2019 average price

Key Value Drivers

(%)	2019	2020E	2021E	2022E
Payout	0.0%	0.0%	0.0%	0.0%
NWC/Sales	-14.5%	-10.9%	-9.2%	-8.1%
Capex/Sales	5.1%	4.0%	4.0%	4.0%

Source: Company data, UBI Banca estimates

Recent Developments

- > MailUp closed FY19 with consolidated revenues at EUR59 million (up EUR20 million or 52% YoY rise, in line with preliminary gross sales announced on 10 January 2020). Significant growth was recorded by both SMS (+57% to EUR42.7 million) and BEE (+111% YoY to EUR2.6 million), which is included in Email business together with MailUp and Acumbamail. Total Value of Production (VoP) reached EUR60.8 million. In 2019, international revenues grew by 79% YoY to EUR28.8 million; main exposure is in Europe, while the US represents ca. 5% of total revenues. Datatrics closed 2019 with EUR2.3 million revenues generated by ca. 390 clients (250 net adds in 2019). In the last 3 years, VoP of MailUp Group recorded an outstanding 41% CAGR.
- > Consolidated EBITDA beat our forecast by 5.7%, closing at EUR4.8 million (+27.2% YoY), mainly due to higher than expected positive effect of IFRS 16 (EUR0.8 million). The contribution by Agile Telecom was hurt by over EUR1 million one-off cost. BEE contribution to margin moved from EUR0.4 million to EUR0.7 million such offset Datatrics loss of EUR0.6 million). EBIT has flattish to EUR1.9 million despite EUR1.1 million greater D&A mainly caused by IFRS16 (EUR0.8 million). Net profit closed at EUR1.15 million vs. EUR1.26 million in 2018; IFRS16 impact on the bottom line was negative for EUR16k. 2019 net cash was EUR2.4 million following EUR1.35 million cash out for M&A (EUR0.75 million for Datatrics, EUR0.6 million earn-out for Agile Telecom) and EUR0.96 million buy-back. Operating FCF was EUR4.6 million (96% of EBITDA); CAPEX was equal to EUR3 million (5% of sales). Total shareholder's equity amounted to EUR17 million. Fixed assets jumped by EUR5.6 million to EUR27.6 million of which EUR16.6 million goodwill and EUR4.6 million IRU due to IFRS16. As expected, MailUp will not distribute any dividends on 2019 results.
- > Next General Shareholders' Meeting in April will be asked to authorize the BoD to increase the share capital and/or issue convertible bonds up to a maximum amount of EUR30 million in the next 5 years; this proposal will substitute the authorization for a capital increase up to EUR30 million expiring on 20 December 2020. Regarding COVID-19 impact, the Group's entire workforce has been working remotely for several weeks without any substantial impact on operations and productivity. They will go on with their plans monitoring the evolution of the crisis.

Figure 1. 2H18-2H19 actual vs. estimated

In 2H19 organic growth was 38%. IFRS 16 impact on net cash was -EUR4.6 million.

(EURm)	2H18A	2H19A	% change	2H19A	2H19E	% delta
Revenues	21,34	30,89	44.8%	30,89	30,49	1.3%
email	4,63	7,00	51.3%	7,00	6,99	0.2%
SMS	15,23	21,89	43.7%	21,89	21,37	2.4%
Professional services	0,32	0,57	79.4%	0,57	0,57	0.7%
Predictive marketing		1,43		1,43	1,57	-8.8%
VoP	22,18	31,49	41.9%	31,49	31,26	0.7%
Ebitda	1,90	2,65	39.3%	2,65	2,39	10.9%
Ebitda margin	8.9%	8.6%	-0.3%	8.6%	7.8%	0.7%
Ebit	0,89	1,04	16.9%	1,04	0,68	52.7%
Ebit margin	4.2%	3.4%	-0.8%	3.4%	2.2%	1.1%
Net profit	0,74	0,74	-0.4%	0,74	0,43	72.6%
Net debt/(Cash)	-6,4	-2,4		-2,4	-2,9	

Source: Company data, UBI Banca estimates

Figure 2. FY18-FY19 actual vs. estimated

In FY19 organic growth was 46%.

(EURm)	FY18A	FY19A	% change	FY19A	FY19E	% delta
Revenues	39,0	59,3	51.9%	59,3	58,9	0.7%
email	10,1	13,3	31.8%	13,3	13,3	0.1%
SMS	27,2	42,7	57.2%	42,7	42,2	1.2%
Professional services	0,6	0,9	64.5%	0,9	0,9	0.4%
Predictive marketing		2,3		2,3	2,4	-5.7%
VoP	40,2	60,8	51.2%	60,8	60,6	0.4%
Ebitda	3,8	4,8	27.2%	4,8	4,5	5.7%
Ebitda margin	9.7%	8.1%	-1.6%	8.1%	7.7%	0.4%
Ebit	1,9	1,9	-2.5%	1,9	1,5	24.1%
Ebit margin	4.9%	3.1%	-1.7%	3.1%	2.5%	0.6%
Net profit	1,26	1,15	-8.4%	1,15	0,84	37.0%
Net profit margin	3.2%	1.9%	-1.3%	1.9%	1.4%	0.5%
Net debt/(Cash)	-6,4	-2,4		-2,4	-2,9	

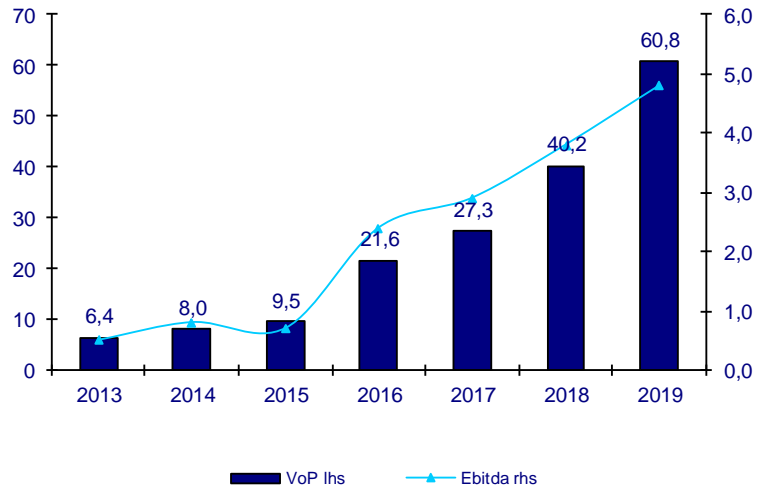
Source: Company data, UBI Banca estimates

Figure 3. FY18/19 breakdown of VoP and EBITDA by companies

(EURm)	FY18A	FY19A	% change	FY19A	FY19A	% change
Revenues	40,2	60,8	51.2%	60,8	60,6	0.4%
MailUp	13,8	15,1	9.6%	15,1	14,5	4.5%
Agile Telecom	26,3	41,5	57.9%	41,5	38,4	8.0%
Acumbamail	0,9	1,2	35.3%	1,2	1,2	1.2%
BEE	1,2	2,6	111%	2,6	3,2	-18.8%
Datatrix	-	2,4		2,4	2,4	
Intercompany&Holding	-2,0	-2,0		-2,0	0,9	
Ebitda	3,8	4,8	27.2%	4,8	4,5	5.9%
MailUp	2,30	2,8	19.9%	2,8	2,4	17.4%
Agile Telecom	2,50	1,3	-46.1%	1,3	1,8	-27.8%
Acumbamail	0,20	0,2	7.2%	0,2	0,3	-29.7%
BEE	0,40	0,7	98.1%	0,7	0,6	9.4%
Datatrix		-0,6		-0,6	-0,6	
Holding	-1,6	-0,6		-0,6		
IFRS 16 effect		0,8		0,8		
Ebitda margin on VoP	9.4%	7.9%	-1.5%	7.9%	7.4%	2.5%
MailUp*	16.7%	18.5%		18.5%	16.5%	
Agile Telecom*	9.5%	3.1%		3.1%	4.6%	
Acumbamail*	22.2%	16.7%		16.7%	20.0%	
BEE*	33.3%	26.9%		26.9%	24.0%	2.9%
Datatrix*	-	-22.9%		-22.9%	-26.3%	

Source: Company data, UBI Banca estimates *does not include IFRS16 positive effect in 2019

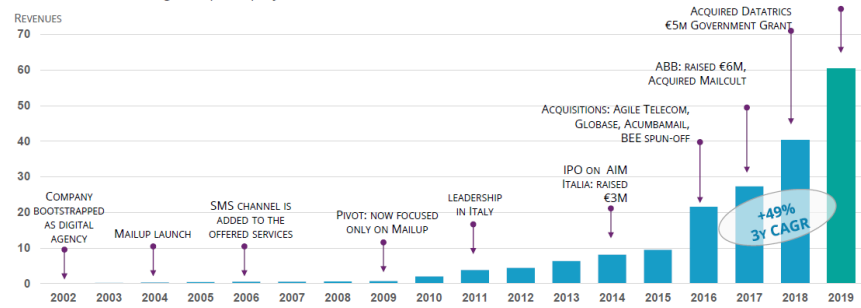
Figure 4. 2013-2019 evolution of revenues and EBITDA
2016-2019 CAGR of VoP was 41%.



Source: Company data and UBI Banca estimates

Figure 5. Historical Milestones

MailUp grew both organically and via acquisitions. In 2020, top line rose by >50% YoY.



Source: Company data

Financial Projections

- > Following the release of FY19 results, we have left broadly unchanged our estimates.
- > Regarding COVID-19 impact, MailUp can rely on the ability to deliver very significant part of the work remotely. Most of its clients are SMEs, which could be more vulnerable than large corporate to current crisis due to their limited access to financial resource. Anyway, digital marketing, e-commerce and transaction are likely to play an increasing role for all companies and digital investments and cost are to remain priority to face lockdown situation. International revenues accounts to 48% of total in 2019 and its geographical exposure is well balanced.
- > In our view there is an upside risk in Agile Telecom, due to expected boost of access code via SMS; a downside risk may be in Datatrics considering evident difficulty in acquiring new clients when there is limited access to prospects as an effect of spreading global lockdown. Overall, at the moment we estimate new opportunities to counterbalance risk.
- > In any case, we believe that in 2020 the Group have room to protect profitability by freezing the 2020 investment plan which would mean a potential one year delay of its trajectory of growth.

Figure 6 - VoP and EBITDA breakdown by segments in 2017-2022E

In FY19 the positive effect of IFRS16 was not split among business units.						
(EURm)	2017A	2018A	2019A	2020E	2021E	2022E
VoP (Consolidated)	27,3	40,2	60.8	76,6	89,0	97,6
MailUp	12,3	13,8	15,1	15,5	16,6	17,5
Agile Telecom	14,8	26,3	41,5	50,3	55,9	60,5
Acumbamail	0,7	0,9	1,2	1,5	1,7	2,0
BEE	0,6	1,2	2,6	6,0	8,5	10,5
Datatrics			2,4	5,8	8,8	9,8
Holding	1,5	1,4	3,5	3,5	3,5	3,5
Intercompany	-2,6	-3,4	-5,5	-5,9	-6,0	-6,2
EBITDA	2,86	3,80	4,80	5,81	8,49	10,49
MailUp	2,35	2,30	2,80	2,80	2,73	2,88
Agile Telecom	1,35	2,50	1,34	3,07	3,49	3,83
Acumbamail	0,25	0,20	0,24	0,30	0,35	0,40
BEE	-0,04	0,40	0,72	0,50	1,96	3,03
Datatrics			-0,55	-0,30	0,50	0,90
Holding	-1,05	-1,60	-0,55	-0,55	-0,55	-0,55
IFRS 16			0,80			
EBITDA margin on VoP %	10.5%	9.5%	7.9%	7.6%	9.5%	10.8%
MailUp	19.1%	16.7%	18.5%	18.0%	16.5%	16.5%
Agile Telecom	9.1%	9.5%	3.2%	6.1%	6.2%	6.3%
Acumbamail	35.7%	22.2%	20.2%	20.0%	20.0%	20.0%
BEE	-6.7%	33.3%	27.7%	8.3%	23.2%	28.9%
Datatrics			-22.9%	-5.2%	5.7%	9.1%

Source: Company data, UBI Banca estimates

Valuation

- > In our model we have increased the risk free rate from 2.5% to 3% to factor-in challenging macro scenario. Therefore, our WACC jumps to 8.4% such cutting DCF valuation by ca 5% to EUR5.32. At the moment, we continue not to incorporate the potential dilution due to EUR3 million earn-out to be paid at the end of 2021/2022 to Datatrics' shareholders, which would lead to a total 8% dilutive effect.
- > Regarding SoP, we highlight that median multiple of foreign peers of MailUp dropped to 9.8x from 13.3x EBITDA20E of latest update (dated 14 February 2020). The panel of the most representative American SaaS companies active in the communication/advertising technology like BEE have suffered a decrease of the median EV/Sales20E to 6.4x from 8.9x and of EV/EBITDA20E to 25.2x from 40x. Overall, the drop of SoP valuation based on current multiples is severe: -19% to EUR5.27.
- > Our new target price is obtained as average of DCF and SoP fair value by applying and is equal to EUR5.30 (31% upside).

Figure 7 – Valuation summary

(EUR)	Current valuation	Weight	Previous valuation (14/02/2020)	Delta
DCF Valuation	5.32	50%	5.60	-4.9%
SoP	5.28	50%	6.50	-19.0%
Target Price	5.30		6.00	-11.7%
Current price	4.05		4.72	-14.2%
Potential upside	30.8%		27.1%	

Source: UBI Banca estimates

DCF Valuation

To calculate the company's WACC, we used the following assumptions:

Figure 8. WACC and embedded DCF assumptions

WACC assumptions		Embedded DCF assumptions	
Risk-free rate	3.0%	Revenue CAGR 2019-2022 (%)	17.1%
Debt spread (%)		Target EBIT margin 2022 (%)	7.4%
Cost of debt [net] (%)		D&A. on sales (avg. 2019-2022) (%)	4.2%
Market risk premium (%)	4.5%	Capex on sales (avg. 2019-2022) (%)	4.3%
Beta (x)	1.20	Revenue CAGR 2023-2026 (%)	3.8%
Cost of equity (%)	8.4%	Target EBIT margin 2026 (%)	9.6%
Weight of Debt	0%	D&A. on sales (avg. 2023-2026) (%)	4.3%
Weight of Equity	100%	Capex on sales (avg. 2023-2026) (%)	4.4%
WACC	8.4%		

Source: UBI Banca estimates

Figure 9. DCF Valuation

Our DCF valuation implies an EV/EBITDA 2020E of 14.1x			
	Valuation (EURm)	% Weight	Per share (EUR)
Sum of PV 2020-22 FCF	7.2	9%	0.48
Sum of PV 2023-26 FCF	15.2	20%	1.02
Terminal Value	54.6	71%	3.64
Total Enterprise value	77.0	100%	5.14
- minorities	0.0		0.00
- financial assets	0.3		0.02
- net cash (debt) at end-2019	2.40		0.16
Total Equity value	79.7		5.32
Number of shares outstanding (m)	14.97		
Fair value per share (EUR)	5.32		

Source: UBI Banca estimates

Figure 10. Implicit multiples based on our EUR5.32 target price

(x)	2019A	2020E	2021E
P/E	64.7 x	49.5 x	24.4 x
EV/EBITDA	16.0 x	13.0 x	8.6 x
EV/EBIT	39.9 x	27.9 x	14.2 x
EV/Sales	1.30 x	1.01 x	0.84 x
P/BV	4.7 x	4.3 x	3.6 x
EV/ Capital employed	5.3 x	5.0 x	4.8 x

Source: UBI Banca estimates

Sum-of-the-Part valuation

Figure 11. SoP valuation based on multiples priced on 26 March 2020

Our SoP valuation implies an EV/EBITDA 2020E of 13.2x			
	Valuation (EURm)	Method	Per share (EUR)
MailUp+Acumbamail	30.3	9.8xEBITDA20 E	2.02
Agile Telecom	30.1	9.8xEBITDA20 E	2.01
BEE	12.7	3.2xSales20E	0.85
Datatics	3.8	Price tag	0.25
Total Enterprise value	76.9		5.13
- net cash (debt) at end-2019	2.4		0.16
- financial assets	0.3		0.02
- cash out for Datatics	-0.8		-0.05
Total Equity value	78.9		5.27
Number of shares outstanding (m)	14.97		
Fair value per share (EUR)	5.27		

Source: UBI Banca estimates

Figure 12 – Peer comparison for BEE based on multiples priced on 26 March 2020

As there is no direct comparable for BEE, we have taken the most representative American players in the Advertising technology/Communication Platform as a Service segments.

		Market Cap (EURm)	EV/Sales 20E	EV/EBITDA 20E	EBITDA margin 20E	Sales CAGR 19-21
Trade Desk Inc	USA	8,642	11.2	38.0	29.5%	26.6%
HubSpot Inc	USA	5,572	6.6	59.1	11.1%	21.8%
Terada Corp	USA	2,077	1.2	6.7	17.3%	1.5%
Adobe	USA	141,451	11.8	25.2	47.1%	16.6%
Salesforce	USA	125,620	6.2	22.9	27.4%	20.1%
ChannelAdvisor Corp	USA	182	1.0	6.6	15.5%	2.5%
Twilio Inc	USA	12,761	8.9	378.0	2.4%	27.6%
Slack Technologies	USA	14,386	18.0	Na	-11.8%	33.7%
Nuance Communication	USA	4,180	3.1	12.5	24.8%	-7.9%
Everbridge Inc	USA	3,499	14.4	607.4	2.4%	26.2%
LivePerson Inc	USA	1,313	4.3	Na	-0.3%	20.6%
8x8 Inc	USA	1,543	3.0	Na	-0.6%	20.3%
Median			6.4	25.2	13.3%	20.5%
Discount			50%	50%		
Median discounted			3.2	12.6		

Source: UBI Banca estimates and Factset consensus

Figure 13. Peer comparison based on multiples priced on 26 March 2020

Current stock price of MailUp is discounting a severe drop in the profitability projections since 2021 which in our view is unjustified.

	Market Cap (EURm)	EV/Sales		EV/EBITDA		EBITDA margin	
		20E	21E	20E	21E	20E	21E
Alkemy SpA	26	0.4x	Na	5.6x	Na	7.5%	8.7%
dotDigital Group plc	253	4.2x	3.5x	11.8x	10.1x	35.0%	34.9%
IMImobile	282	1.3x	1.3x	10.0x	10.4x	13.0%	13.5%
Kaleyra	137	0.9x	0.6x	9.5x	5.6x	7.9%	12.9%
SharpSpring	68	2.5x	2.1x	NA	NA	Neg.	Neg.
Median		1.3x	1.7x	9.8x	10.1x	10.5%	13.2%
MailUp	61	0.8x	0.6x	10.1x	6.5x	7.8%	10.0%
Premium/Discount to average		-42%	-62%	2.8%	-35%	-25%	-24%
MailUp at target		1.0x	0.8x	13.0x	8.6x		
Premium/Discount to peers		-24%	-50%	33%	-15%		
Premium/Discount to Dotdigital		-76%	-76%	-10%	-15%		

Source: UBI Banca estimates and Factset consensus

ESG Picture

Corporate Governance

Does the company have a combined Chair/CEO?	No
Percentage of independent directors	20% (1 out of 5)
Does the company have loyalty shares?	No
Does major shareholders (if any) have a "shareholders pact" in place?	Yes
Has the company adopted a "poison pill" or "change of control" clauses?	No
Potential dilution from stock options outstanding + not yet granted?	Around 8% in 21/22 due to earn-outs
CEO remuneration detail (fixed salary)	EUR170k
Chairman remuneration detail (fixed salary)	EUR170k
Is the share price included in the MBO criteria?	Yes
Percentage of treasury shares	0.47%

Climate related risk

Has the company defined GHG-emissions targets?	No
How does the company assess climate-related risk?	New sustainable office, internal recycling culture and CO2 compensation policy since 2007

Social Responsibilities

Does the company publish a separated Sustainability report?	In pipeline in 2019
Does the company have a Chief SRI/CSR officer (or a committee)?	No
Does the Chief SRI/CSR officer votes in any of the company's committee?	No
Is the Investor Relation officer a different person from CFO (or other officers)?	Yes
Is the ESG strategy integrated in the Business Plan (or in the group strategy)?	No
Does the company have an ethical code?	Yes
Percentage of female directors	20% (1 out of 5)
How is the cybersecurity issue managed?	The company is fully compliant with EU GDPR regulation. The company is member of M3AAWG to fight abuse

Income Statement

(EURm)	2019	2020E	2021E	2022E
Value of production	59,3	74,9	86,9	95,2
EBITDA	4,8	5,8	8,5	10,5
EBITDA margin	8,1%	7,8%	9,8%	11,0%
EBIT	1,9	2,7	5,1	6,8
EBIT margin	3,2%	3,6%	5,9%	7,2%
Net financial income /expense	0,0	0,0	0,0	0,0
Associates & Others	1,0	2,0	3,0	4,0
Profit before taxes	1,9	2,7	5,1	6,8
Taxes	-0,7	-1,1	-1,9	-2,4
Minorities & discontinuing ops	1,0	2,0	3,0	4,0
Net Income	1,2	1,6	3,2	4,4

Source: Company data, UBI Banca estimates

Balance Sheet

(EURm)	2019	2020E	2021E	2022E
Net working capital	-8,6	-8,1	-8,0	-7,7
Net Fixed assets	29,4	29,3	29,4	29,6
M/L term funds	-6,2	-6,2	-6,2	-6,2
Capital employed	14,6	15,0	15,3	15,7
Shareholders' equity	17,0	18,6	21,9	26,3
Minorities	0,0	0,0	0,0	0,0
Shareholders' funds	17,0	18,6	21,9	26,3
Net financial debt/(cash)	-2,4	-3,6	-6,6	-10,6

Source: Company data, UBI Banca estimates

Cash Flow Statement

(EURm)	2019	2020E	2021E	2022E
NFP Beginning of Period	-6,4	-2,4	-3,6	-6,6
Group Net Profit	1,2	1,6	3,2	4,4
Minorities	0,0	0,0	0,0	0,0
D&A	2,9	3,1	3,4	3,7
Change in Funds & TFR	-1,5	-0,8	0,0	0,0
Gross Cash Flow	2,6	3,9	6,6	8,1
Change In Working Capital	1,9	0,3	-0,2	-0,3
Other	0,1	0,0	0,0	0,0
Operating Cash Flow	4,6	4,2	6,4	7,8
Net Capex	-8,6	-3,0	-3,5	-3,8
Other Investments	0,0	0,0	0,0	0,0
Free Cash Flow	-4,0	1,2	3,0	4,0
Dividends Paid	0,0	0,0	0,0	0,0
Other & Chg in Consolid. Area	0,0	0,0	0,0	0,0
Chg in Net Worth&Capital Incr.	-0,1	0,0	0,0	0,0
Change in NFP	-4,0	1,2	3,0	4,0
NFP End of Period	-2,4	-3,6	-6,6	-10,6

Source: Company data, UBI Banca estimates

Financial Ratios

(%)	2019	2020E	2021E	2022E
ROE (%)	7,4%	9,0%	16,0%	18,3%
ROI pre-tax (%)	10,7%	12,9%	24,0%	31,4%
Net Fin. Debt/Equity (x)	-0,5	-0,6	-0,8	-1,0
Net Fin. Debt/EBITDA (x)	-0,1	-0,2	-0,3	-0,4
Interest Coverage	0,0	0,0	0,0	0,0
NWC/Sales	-14,5%	-10,9%	-9,2%	-8,1%
Capex/Sales	5,1%	4,0%	4,0%	4,0%
Pay Out Ratio	0,0%	0,0%	0,0%	0,0%

Source: Company data, UBI Banca estimates

Per Share Data

(EUR)	2019	2020E	2021E	2022E
EPS	0,08	0,11	0,22	0,29
DPS	0,00	0,00	0,00	0,00
Op. CFPS	0,31	0,28	0,43	0,52
Free CFPS	-0,26	0,08	0,20	0,27
BVPS	1,14	1,24	1,46	1,75

Source: Company data, UBI Banca estimates

Stock Market Ratios

(x)	2019 *	2020E	2021E	2022E
P/E	44,6	37,9	18,7	13,8
P/OpCFPS	21,3	15,4	9,2	7,5
P/BV	3,2	3,3	2,8	2,3
Dividend Yield (%)	0,0%	0,0%	0,0%	0,0%
Free Cash Flow Yield (%)	nm	2,0%	4,9%	6,6%
EV (EURm)	53,7	58,5	55,5	51,5
EV/Sales	0,9	0,8	0,6	0,5
EV/EBITDA	11,2	10,1	6,5	4,9
EV/EBIT	27,9	21,5	10,9	7,6
EV/Capital Employed	3,7	3,9	3,6	3,3

Source: Company data, UBI Banca estimates

* Based on 2019 average price

Growth Rates

(%)	2019	2020E	2021E	2022E
Growth Group Net Sales	51,9%	26,3%	16,1%	9,6%
Growth EBITDA	27,2%	21,3%	46,0%	23,6%
Growth EBIT	1,5%	41,1%	88,4%	33,1%
Growth Net Profit	-2,3%	30,5%	102,9%	35,5%

Source: Company data, UBI Banca estimates

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Date	Rating	Target Price (EUR)	Market Price (EUR)
17 October 2018	BUY	3.63	2.44
15 January 2019	BUY	3.72	2.52
26 April 2019	BUY	3.85	3.04
23 May 2019	BUY	3.89	3.31
11 July 2019	BUY	5.20	4.49
18 September 2019	BUY	5.07	4.40
14 November 2019	BUY	6.00	4.50
14 February 2020	BUY	6.00	4.72