

## Italy – Marketing Technology

## Resilient results, business acceleration expected in H2

21<sup>st</sup> September 2020

### H1-20 RESULTS RELEASE

RIC: MAIL.MI  
BBG: MAIL IM

MailUp reported resilient 2020 interim results, although in Q2 SMS business was affected by the falling demand of drive-to-store SMS. The margin decline reflects the decision not to suspend or postpone the investments and projects already planned.

#### Rating:

**Neutral**

#### Price Target:

**€ 6.30 (4.60)**

Upside/(Downside): 21.2%

Last Price: € 5.20

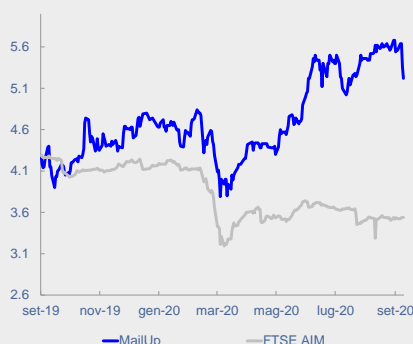
Market Cap.: € 77.9m

1Y High/Low: € 5.74 / € 3.45

Free Float: 36.6%

#### Major shareholders:

Alberto Miscia	10.9%
Matteo Monfredini	10.7%
Luca Azzali	10.7%
Nazzareno Gorni	10.6%
Matteo Bettoni	10.1%



#### Stock price performance

	1M	3M	12M
<b>Absolute</b>	<b>-7.5%</b>	<b>-4.4%</b>	<b>25.3%</b>
<b>Rel.to FTSE AIM</b>	<b>-8.4%</b>	<b>0.2%</b>	<b>41.9%</b>
<b>Rel.to Peers median</b>	<b>-6.3%</b>	<b>-28.9%</b>	<b>3.7%</b>

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#### New FD PT of € 6.30/s (€ 4.60). Neutral stance confirmed

Although H1-20 results showed top line growth slightly lower than forecast by CFO SIM with regard to FY-20, we believe in H2 the group will be able to unveil a business acceleration on the back of: 1) its widespread client portfolio, 2) the ample amount of recurring revenues and 3) certain recovery of the SMS business. Thus, we left our estimates unchanged. On the back of the swinging peer groups' median stock performances in the last 6M, we now base our valuation on DCF rather than on SOTP, in order to avoid to factor in the increasing volatility of the tech sector in our MailUp equity value assessment. As a consequence, we set our fully diluted PT at € 6.30/s (€ 4.60), 21.2% upside. We confirm the NEUTRAL rating on the stock: we believe the group will have to unveil a demanding growth in the second half of the year in these difficult business conditions to match our FY-20 projections.

#### H1-20 revenues grew by 8.1% YoY. Foreign sales were 56% of total

In H1-20 revenues were € 31.7m, up 8.1% YoY, entirely organic. Foreign sales accounted for € 17.7m (56% of total revenues), up 32.2% YoY. Email, the steadiest business line of the group, totalled € 7.7m, up 21.1% YoY, with a positive contribution of both MailUp (€ 8.1m, up 10.2% YoY) and BEE (€ 1.8m, up 71.2% YoY). SMS, the most dynamic, volatile and highly price-oriented segment, increased by 3.0% YoY at € 21.5m. Agile Telecom totalled € 20.7m, up 1.0% YoY. Predictive marketing grew by 67.1% YoY at € 1.4m, mainly thanks to Datatrics' performance (€ 1.7m, up 67.6% YoY). Professional services sales were slightly lower compared to the previous year (€ 0.3m, down 3.5% YoY).

#### Profitability reflects the decision to not postpone the investments already planned

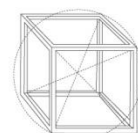
EBITDA totalled € 2.2m, 6.9% margin down by 40bps YoY. The decrease in margin was ascribable to the decision to not suspend the strategic investments and the projects already planned despite lower than expected top line growth stemming from the crisis generated by the COVID-19 pandemic. In particular, in H1-20 the group strengthened the commercial and sales structures, mainly as for the BEE and Datatrics business units. EBIT declined to € 0.5m (vs € 0.8m in H1-19), after D&A increased by € 0.3m YoY, of which € 0.2m related to the IFRS16 application. Net profit came in at € 0.4m, broadly in line with H1-19, after negligible financial charges. NFP was € 3.7m cash, rising from € 2.4m cash at year end-19, after 1) positive operating cash flow for € 3.1m and 2) capex for € 1.6m.

#### Medium term strategy confirmed despite the unavoidable impact of COVID-19

After the first-rate growth since its establishment, MailUp is now aiming at continuing its expansion and consolidating its competitive positioning in the reference market. The strategy is based on four pillars: 1) organic growth, expanding the range of technological solutions provided to clients; 2) exploitation of the synergies stemming from the recent acquisitions; 3) technological innovation and R&D investments in order to carry out incremental development activities; 4) pursuing external growth opportunities.

#### MailUp, key financials and ratios

€ m	2018	2019	2020e	2021e	2022e
Total Revenues	40.2	60.8	68.0	79.0	89.2
EBITDA	3.8	4.8	4.9	6.8	8.1
EBIT	1.9	1.8	1.9	3.8	5.1
Net profit	1.3	1.2	1.2	2.4	3.2
NFP (cash)/debt	(6.4)	(2.4)	(1.6)	(3.8)	(6.3)
EBITDA margin	9.4%	7.9%	7.2%	8.6%	9.1%
EBIT margin	4.7%	3.0%	2.8%	4.8%	5.8%
EPS €	0.08	0.08	0.08	0.16	0.22
EPS growth	128.6%	-8.4%	4.5%	99.6%	34.5%
Free Cash Flow Yield	-0.3%	-2.1%	0.0%	2.8%	3.2%
PER x	26.4	67.7	64.8	32.5	24.1
PCF x	10.6	19.0	18.8	14.5	12.6
EV/Sales x	0.67	1.24	1.12	0.94	0.80
EV/EBITDA x	7.1	15.8	15.6	10.9	8.9
EV/EBIT x	14.1	40.9	39.4	19.4	14.0





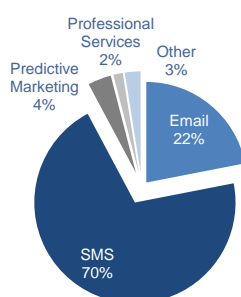
## The Company at a Glance

Founded in Cremona (Italy) in 2002 as an email service provider, MailUp is now a leading international scale-up company in the European Cloud Marketing Technologies market, one of the fastest growing industries worldwide. The group is a vertically integrated player focusing on messaging and data-driven/multi-channel marketing automation, providing over 23,000 clients in 115 countries with a wide range of solutions. MailUp develops and sells 1) technologies for the mass sending of emails and mobile messages, 2) sophisticated email and newsletter editing tools, 3) innovative technological solutions for predictive marketing and 4) professional consulting services.

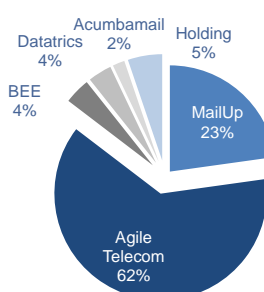
The group operates five synergic business units, corresponding to five different companies: MailUp, Agile Telecom, BEE, Datatrics and Acumbamail. The group achieved a significant growth path since its establishment: born as a start-up in 2002, MailUp closed FY-19 with revenues of € 60.8m, EBITDA of € 4.8m and over 240 employees. Since the IPO in 2014 the group's revenues increased by a CAGR<sub>13-19</sub> of 42.7%, thanks to organic growth boosted by a few acquisitions.

In 2019, revenues were € 60.8m, EBITDA reached € 4.8m, 7.9% margin. EBIT stood at € 1.8m and Net Income totalled € 1.2m. Net Financial Position was € 2.4m cash, thanks to huge cash-flow generation.

## 2019 breakdown by service...



## ... and by business unit



## Shareholder structure

Shareholders	%	# m
Alberto Miscia	10.9%	1.626
Matteo Monfredini	10.7%	1.606
Luca Azzali	10.7%	1.599
Nazzareno Gorni	10.6%	1.591
Matteo Bettoni	10.1%	1.505
Pronti Gianluca	6.1%	0.913
BMC Holding B.V. *	3.7%	0.558
Treasury shares	0.6%	0.088
<b>Free Float</b>	<b>36.6%</b>	<b>5.486</b>
o/w Employees	0.4%	0.053
<b>Total</b>	<b>100.0%</b>	<b>14.971</b>

Source: Company data

\* subject to lock-up (does not enter the free float)

## Peer group absolute performance

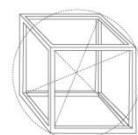
%	1D	1W	1M	3M	6M	YTD
<b>dotDigital Group PLC</b>	<b>1.5</b>	<b>3.8</b>	<b>(0.4)</b>	<b>28.6</b>	<b>66.7</b>	<b>40.6</b>
IMImobile PLC	(4.2)	0.6	0.0	32.0	47.7	17.9
Sinch AB (publ)	0.8	5.1	(1.1)	5.8	142.0	175.4
Vonage Holdings Corp	2.0	1.1	(8.6)	4.1	98.7	39.1
<b>Mobile Messaging median</b>	<b>0.8</b>	<b>1.1</b>	<b>(1.1)</b>	<b>5.8</b>	<b>98.7</b>	<b>39.1</b>
HubSpot Inc	1.4	(2.0)	(3.7)	24.5	132.5	72.8
Neosperience SpA	(0.4)	(0.2)	(13.0)	(13.1)	22.5	(30.9)
SharpSpring Inc	(0.9)	5.0	6.4	25.6	67.4	(8.8)
<b>Predictive Marketing median</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(3.7)</b>	<b>24.5</b>	<b>67.4</b>	<b>(8.8)</b>
<b>MailUp SpA</b>	<b>(0.4)</b>	<b>(6.5)</b>	<b>(7.5)</b>	<b>(4.4)</b>	<b>32.0</b>	<b>9.9</b>

Source: Thomson Reuters Eikon

## Peer group multiples table

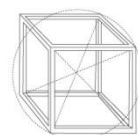
Price & EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
<b>dotDigital Group PLC (Email Marketing)</b>	<b>7.94</b>	<b>7.40</b>	<b>20.9</b>	<b>20.1</b>	<b>28.5</b>	<b>29.0</b>	<b>34.0</b>	<b>34.7</b>
IMImobile PLC	n.a.	1.76	n.a.	13.0	n.a.	17.9	27.6	24.0
Sinch AB (publ)	6.28	3.46	53.5	34.2	75.5	45.7	110.2	65.7
Vonage Holdings Corp	2.36	2.21	18.9	17.6	33.3	34.2	71.6	62.7
<b>Mobile Messaging median</b>	<b>4.32</b>	<b>2.21</b>	<b>36.2</b>	<b>17.6</b>	<b>54.4</b>	<b>34.2</b>	<b>71.6</b>	<b>62.7</b>
HubSpot Inc	14.19	11.70	129.0	95.1	222.7	148.1	274.8	185.3
Neosperience SpA	1.48	0.99	6.7	4.1	18.4	7.8	35.5	14.8
SharpSpring Inc	n.a.	n.a.	n.m.	n.a.	n.m.	n.m.	n.m.	n.m.
<b>Predictive Marketing median</b>	<b>7.83</b>	<b>6.34</b>	<b>67.9</b>	<b>49.6</b>	<b>120.5</b>	<b>78.0</b>	<b>155.1</b>	<b>100.0</b>
<b>MailUp SpA</b>	<b>1.12</b>	<b>0.94</b>	<b>15.6</b>	<b>10.9</b>	<b>39.4</b>	<b>19.4</b>	<b>64.8</b>	<b>32.5</b>

Source: CFO SIM, Thomson Reuters Eikon





Income statement (€ m)	2018	2019	2020e	2021e	2022e
Total revenues	40.2	60.8	68.0	79.0	89.2
Purchases	(22.7)	(35.9)	(39.5)	(45.0)	(50.8)
Services	(5.7)	(6.3)	(5.8)	(7.1)	(9.8)
Personnel expenses	(7.2)	(12.6)	(16.8)	(18.9)	(19.1)
Other opex	(0.9)	(1.2)	(1.0)	(1.2)	(1.3)
EBITDA	3.8	4.8	4.9	6.8	8.1
D&A	(1.9)	(2.9)	(3.0)	(3.0)	(3.0)
EBIT	1.9	1.8	1.9	3.8	5.1
Financials	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Re/(Devaluation) of financial assets	0.0	0.0	0.0	0.0	0.0
Extraordinary	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	1.9	1.8	1.9	3.8	5.1
Income taxes	(0.7)	(0.7)	(0.7)	(1.4)	(1.9)
Minorities	0.0	0.0	0.0	0.0	0.0
Net Profit	1.3	1.2	1.2	2.4	3.2
Net Profit adj.	1.3	1.2	1.2	2.4	3.2
Balance sheet (€ m)	2018	2019	2020e	2021e	2022e
Net Working Capital	0.3	(1.7)	(0.6)	(0.9)	(1.0)
Net Fixed Assets	21.8	22.8	22.8	22.9	22.9
Equity Investments	0.1	0.2	0.2	0.2	0.2
Other M/L Term A/L	(12.7)	(6.7)	(5.9)	(5.5)	(4.6)
Net Invested Capital	9.6	14.6	16.6	16.8	17.5
Net Financial Position	(6.4)	(2.4)	(1.6)	(3.8)	(6.3)
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	15.9	17.0	18.2	20.6	23.8
Financial Liabilities & Equity	9.6	14.6	16.6	16.8	17.5
Cash Flow statement (€ m)	2018	2019	2020e	2021e	2022e
Total net income	1.3	1.2	1.2	2.4	3.2
Depreciation	1.9	2.9	3.0	3.0	3.0
Other non-cash charges	1.3	(4.6)	(0.1)	(0.5)	(0.8)
Cash Flow from Oper. (CFO)	4.4	(0.5)	4.1	4.9	5.4
Change in NWC	(1.3)	2.0	(1.1)	0.3	0.1
FCF from Operations (FCFO)	3.1	1.5	3.0	5.2	5.5
Net Investments (CFI)	(5.2)	(5.4)	(3.7)	(3.0)	(3.0)
Free CF to the Firm (FCFF)	(2.1)	(3.9)	(0.8)	2.2	2.5
CF from financials (CFF)	(0.9)	5.2	(0.0)	0.0	0.0
Free Cash Flow to Equity (FCFE)	(3.0)	1.2	(0.8)	2.2	2.5
Financial ratios	2018	2019	2020e	2021e	2022e
EBITDA margin	9.4%	7.9%	7.2%	8.6%	9.1%
EBIT margin	4.7%	3.0%	2.8%	4.8%	5.8%
Net profit margin	3.1%	1.9%	1.8%	3.0%	3.6%
Tax rate	34.6%	36.9%	37.0%	37.0%	37.0%
Op NWC/Sales	0.7%	-2.8%	-0.9%	-1.1%	-1.1%
Interest coverage x	(0.01)	0.01	0.02	0.00	0.00
Net Debt/EBITDA x	(1.69)	(0.49)	(0.33)	(0.56)	(0.78)
Debt-to-Equity x	(0.40)	(0.14)	(0.09)	(0.18)	(0.26)
ROIC	13.1%	7.9%	7.3%	14.3%	18.4%
ROCE	9.7%	7.0%	6.9%	12.3%	14.9%
ROACE	9.9%	8.1%	7.1%	12.9%	15.7%
ROE	7.9%	6.8%	6.6%	11.7%	13.6%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Per share figures	2018	2019	2020e	2021e	2022e
Number of shares # m	14.93	14.97	14.97	14.97	14.97
Number of shares Fully Diluted # m	14.93	16.24	16.24	16.24	16.24
Average Number of shares Fully Diluted # m	14.55	15.58	16.24	16.24	16.24
EPS stated FD €	0.09	0.07	0.07	0.15	0.20
EPS adjusted FD €	0.09	0.07	0.07	0.15	0.20
EBITDA €	0.26	0.31	0.30	0.42	0.50
EBIT €	0.13	0.12	0.12	0.24	0.32
BV €	1.07	1.05	1.12	1.27	1.47
FCFO €	0.21	0.09	0.18	0.32	0.34
FCFF €	(0.14)	(0.25)	(0.05)	0.13	0.15
FCFE €	(0.21)	0.08	(0.05)	0.13	0.15
Dividend €	0.00	0.00	0.00	0.00	0.00



## Resilient interim results, Q2 affected by COVID-19

MailUp reported resilient 2020 interim results, although in Q2 SMS business was affected by the falling demand of drive-to-store SMS, usually used by firms operating in the retail sector for several marketing campaigns. The profitability, broadly unchanged YoY in absolute terms, reflects the decision to not suspend or postpone the strategic investments and projects already planned.

**Table 1 – MailUp, H1-20 results**

€ m	H1-20	H1-19	% YoY
Email	7.7	6.3	21.1
SMS	21.5	20.8	3.0
Predictive Marketing	1.4	0.9	67.1
Professionals Services	0.3	0.4	(3.5)
Other revenues	0.8	0.9	(15.5)
<b>Total revenues</b>	<b>31.7</b>	<b>29.3</b>	<b>8.1</b>
Total costs	(29.5)	(27.2)	
<b>EBITDA</b>	<b>2.2</b>	<b>2.1</b>	<b>1.6</b>
% margin	6.9	7.3	
D&A	(1.6)	(1.3)	
<b>EBIT</b>	<b>0.5</b>	<b>0.8</b>	<b>(34.7)</b>
% margin	1.7	2.8	
Financials	(0.0)	(0.0)	
<b>Pre-Tax profit</b>	<b>0.5</b>	<b>0.8</b>	<b>(37.8)</b>
% margin	1.5	2.7	
Income taxes	(0.1)	(0.4)	
Tax rate	17.2%	47.7%	
<b>Net Profit</b>	<b>0.4</b>	<b>0.4</b>	<b>(1.4)</b>
% margin	1.3	1.4	
<b>Net Financial Position (cash)</b>	<b>(3.7)</b>	<b>(4.4)</b>	<b>n.m.</b>

Source: Company data, CFO SIM analysis

In H1-20 **total revenues** reached **€ 31.7m, up by 8.1% YoY**, slightly lower compared to the growth of 11.9% expected by CFO SIM for FY-20. Foreign revenues accounted for € 17.7m, up by 32.2% YoY and corresponding to 56% of total revenues (vs. 46% in H1-19).

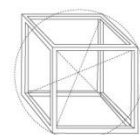
- **SMS**, the group's most dynamic, volatile and price-oriented business line, **totalled € 21.5m, up by 3.0% YoY**, on the back of Agile Telecom's weak volume growth in Q2 stemming from lower demand from customers operating in the retail segment.
- **Email**, the steadiest business line within the group, **increased by 21.1% YoY**, reaching **€ 7.7m**, mainly as a result of the excellent performance of both MailUp (€ 8.1m, +10.2% YoY) and BEE (€ 1.8m, +71.2% YoY).
- **Predictive marketing** sales **were € 1.4m, up by 67.1% YoY**. Nevertheless, the COVID-19 pandemic caused a shrinkage in clients' investments in this kind of services with a possible growth slowdown for the Datatrics business unit in H2.
- **Professional services** (i.e. on-demand consulting for customisation and training on the group platforms) **reached € 0.3m, down 3.5% YoY**.

**EBITDA totalled € 2.2m, 6.9% margin down by 40bps YoY**. The decrease in margin was ascribable to the decision to not suspend the strategic investments and the projects already planned despite lower than expected top line growth stemming from the crisis generated by COVID-19 pandemic. In particular, **in H1-20 the group strengthened the commercial and sales structures**, mainly for BEE and Datatrics business units.

**EBIT declined to € 0.5m** (vs € 0.8m in H1-19), after D&A up by € 0.3m YoY, of which € 0.2m related to the IFRS 16 application.

**Net profit came in at € 0.4m**, broadly in line with H1-19, after negligible financial charges.

**Net Financial Position was € 3.7m cash**, rising from € 2.4m cash at year end-19, after 1) positive operating cash flow for € 3.1m and 2) capex for € 1.6m.



**Table 2 – MailUp, H1-20 results – breakdown by business unit**

€ m	H1-20	H1-19	% YoY
MailUp	8.1	7.3	10.2
Agile Telecom	20.7	20.5	1.0
BEE	1.8	1.1	71.2
Datatics	1.7	1.0	67.6
Acumbamail	0.7	0.6	30.5
Holding	2.6	1.5	68.3
Consol. Adj.	(3.9)	(2.7)	n.m.
<b>Total revenues</b>	<b>31.7</b>	<b>29.3</b>	<b>8.1</b>
EBITDA MailUp	1.9	1.5	31.4
EBITDA Agile Telecom	0.6	0.7	(16.0)
EBITDA BEE	0.1	0.3	(70.4)
EBITDA Datatics	(0.7)	(0.4)	(109.0)
EBITDA Acumbamail	0.1	0.1	11.4
EBITDA Holding	(0.0)	(0.3)	83.6
Consol. Adj.	0.2	0.1	36.2
<b>Total EBITDA</b>	<b>2.2</b>	<b>2.1</b>	<b>1.6</b>
EBITDA % MailUp	24.1	20.3	
EBITDA % Agile Telecom	3.0	3.6	
EBITDA % BEE	5.1	29.7	
EBITDA % Datatics	(43.0)	(34.5)	
EBITDA % Acumbamail	17.0	20.0	
EBITDA % Holding	(1.8)	(18.6)	
<b>Total EBITDA %</b>	<b>6.9</b>	<b>7.3</b>	

Source: Company data, CFO SIM analysis

Worthy of note is that all the business units contributed to the turnover increase except for Agile Telecom, which reported revenues broadly in line with H1-19:

- **MailUp** closed at **€ 8.1m in terms of revenues**, up by 10.2% YoY, continuing its steady growth.
- **Agile Telecom** totalled **€ 20.7m, up by 1.0% YoY** as a consequence of a sharp slowdown of the SMS traffic related to customers' marketing campaigns during the lockdown period.
- **BEE**, the innovative drag-n-drop email builder for designing mobile-responsive emails, **totalled € 1.8m, up by 71.2% YoY**.
- **Datatics**, totalled **€ 1.7m in terms of turnover, up by 67.6% YoY**.
- The Spanish subsidiary **Acumbamail** **grew by 30.5% YoY**, reaching **€ 0.7m** revenues.

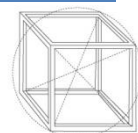
On a quarterly basis, **in Q2-20 the group showed some slowdown: revenues totalled € 15.9m, down 0.6% YoY**, mainly as a result of the 10.2% decrease YoY recorded by Agile Telecom stemming from the fall of the drive-to-store SMS volume due to the total lockdown of the retail sector, coupled with growth rates lower than Q1 for the other business units.

**EBITDA totalled € 1.6m, down 2.3% YoY**, as a consequence of the continuing investments for the strengthening of the commercial and sales structures, mainly for BEE and Datatics.

**Table 3 – MailUp, 2020 quarterly results**

€ m	Q1-20	Q1-19	% YoY	Q2-20	Q2-19	% YoY
Email	3.8	3.1	21.3	3.9	3.2	20.8
SMS	10.9	9.4	15.3	10.6	11.4	(7.1)
Predictive Marketing	0.8	0.4	124.3	0.6	0.5	27.2
Professionals Services	0.2	0.2	2.4	0.2	0.2	(8.9)
Other revenues	0.2	0.3	(21.4)	0.5	0.6	(12.7)
<b>Total revenues</b>	<b>15.8</b>	<b>13.4</b>	<b>18.6</b>	<b>15.9</b>	<b>16.0</b>	<b>(0.6)</b>
<b>Gross Profit</b>	<b>4.4</b>	<b>3.4</b>	<b>30.3</b>	<b>5.3</b>	<b>5.1</b>	<b>3.9</b>
% margin	28.1	25.5		33.6	32.2	
<b>EBITDA</b>	<b>0.5</b>	<b>0.5</b>	<b>14.9</b>	<b>1.6</b>	<b>1.7</b>	<b>(2.3)</b>
% margin	3.4	3.6		10.3	10.5	

Source: Company data, CFO SIM analysis





**Table 4 – MailUp, 2020 quarterly results – breakdown by business unit**

€ m	Q1-20	Q1-19	% YoY	Q2-20	Q2-19	% YoY
MailUp	4.0	3.5	12.2	4.1	3.8	8.3
Agile Telecom	10.5	9.2	14.7	10.2	11.3	(10.2)
BEE	0.9	0.5	79.3	0.9	0.6	64.2
Datatics	0.8	0.4	94.3	0.9	0.6	49.1
Acumbamail	0.4	0.3	33.2	0.4	0.3	28.2
Holding	1.1	0.6	95.0	1.5	1.0	52.1
Consol. Adj.	(1.8)	(1.1)	(66.7)	(2.1)	(1.6)	(32.0)
<b>Total revenues</b>	<b>15.8</b>	<b>13.4</b>	<b>18.6</b>	<b>15.9</b>	<b>16.0</b>	<b>(0.6)</b>

Source: Company data, CFO SIM analysis

## Valuation & Risks

MailUp reported resilient 2020 interim results, showing high single digit organic growth YoY even though Q2 was affected by a slowdown in the SMS business. The necessary severe restrictions on people's mobility in order to contain the dramatic spread of COVID-19 had a significant impact on certain client categories, namely firms operating in the travel, retail and hospitality sectors. In particular, the demand for drive-to-store SMS (almost 2/3 of Agile Telecom's turnover), normally used by retail players in their marketing campaigns, collapsed during the lockdown period.

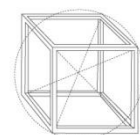
Although H1-20 results showed top line growth slightly lower than forecast by CFO SIM with regard to FY-20, we believe in H2 the group will be able to unveil a business acceleration on the back of: 1) its **widespread client portfolio**, 2) the **ample amount of recurring revenues** (generally 1/3 of FY turnover) stemming from its **SaaS business model** and 3) **some recovery of the SMS business** as from June, as confirmed by management. Thus, **we left our estimates unchanged**.

In the last 6M, peer groups' median stock performances were swinging and remarkable: Email Marketing, Mobile Messaging and Predictive Marketing were up 66.7%, 98.7% and 67.4%, respectively. In order to avoid to factor in the increased volatility of the tech sector in our MailUp equity value assessment, we now base our valuation on DCF rather than a sum-of-the-parts. As a consequence, **we set our fully diluted PT at € 6.30/s (€ 4.60)**, 21.2% upside.

We also updated our sum-of-the-parts valuation, now applying 2021 expected multiples to MailUp metrics instead of 2020-21 (30-70 weighted). We believe as of today peers' stock prices have already discounted a weak 2020 scenario stemming from the COVID-19 pandemic and factor in a recovery in 2021. The result is an equity value of MAIL of € 8.20/s (€ 4.60/s), evidence of the massive volatility of the market.

**We confirm the NEUTRAL rating on the stock.** We remain strongly convinced MailUp is a high quality company, with a solid, proven strategy and is led by top notch management. However, stemming from weaker than expected H1-20 results, we believe the group will have to unveil a demanding growth in the second half of the year to benefit from a rating upgrade. The next topic event will be the Q3 results release in Nov-20, when there will be more visibility on short-medium term business evolution.

Worthy of note is that, after the top-notch +32.0% performance registered in the last six months, at current price the **MAIL stock is still trading at a huge discount compared to the closest peer dotDigital Group**: EV/EBITDA<sub>21</sub> and EV/Sales<sub>21</sub> of 10.9x and 0.94x vs 20.1x and 7.40x, respectively.





## DCF

In the valuation via the DCF method, we assess explicit estimates until 2024 and long-term growth of 1.5%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

**Table 5 – WACC derived from:**

Interest costs, pre-tax	2.5%
Tax rate	37.0%
<b>Int. costs, after taxes</b>	<b>1.6%</b>
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	1.35%
Beta levered (x)	0.56
<b>Required ROE</b>	<b>6.4%</b>

Source: CFO SIM, Thomson Reuters Eikon

**Risk premium at 9.0%** factors in the minute size of the company and basically all the AIM Italia market segment related concerns and disquiet that an investor might have. In order to reduce the incidence of the market volatility on WACC calculation we decided to enlarge the time span for the risk-free and beta calculation. **Beta at 0.56** corresponds to the 5Y beta levered of MailUp (prev. 1Y). **Risk-free rate at 1.35%** corresponds to 200 days moving average of 10Y Italian Government Bond yield (prev. 2W average). The WACC is computed using 0/100% debt/equity current balance sheet structure, thus penalising the valuation of the group.

**Table 6 – MailUp, DCF model**

€ m	2020e	2021e	2022e	2023e	2024e	Term. Val.
EBIT	1.9	3.8	5.1	6.7	8.7	
Tax rate	37.0%	37.0%	37.0%	37.0%	37.0%	
<b>Operating profit (NOPAT)</b>	<b>1.2</b>	<b>2.4</b>	<b>3.2</b>	<b>4.2</b>	<b>5.5</b>	
Change working capital	(1.1)	0.3	0.1	0.1	0.1	
Depreciation	3.0	3.0	3.0	3.0	2.5	
Investments	(3.0)	(3.0)	(3.0)	(2.5)	(2.5)	
<b>Free Cash Flows</b>	<b>0.1</b>	<b>2.6</b>	<b>3.3</b>	<b>4.8</b>	<b>5.5</b>	<b>114.0</b>
Present value	0.1	2.4	2.9	3.9	4.2	87.4
WACC	6.4%	6.4%	6.4%	6.4%	6.4%	
<b>Long-term growth rate</b>	<b>1.5%</b>					

Source: CFO SIM

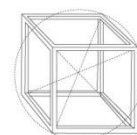
**Table 7 – MailUp, DCF derived from:**

€ m	
Total EV present value € m	101.0
thereof terminal value	87%
NFP last reported - FY-19	2.4
Pension last reported - FY-19	(1.7)
<b>Equity value € m</b>	<b>101.6</b>
# shares FD m	16.2
<b>Equity value €/s FD</b>	<b>6.30</b>
% upside/(downside)	21.2%

Source: CFO SIM

**The outcome of our DCF model set up an equity value of € 101.6m for MailUp, € 6.30/s (€ 4.80), 21.2% upside.** The upgrade was mainly ascribable to the aforementioned new calculation of both risk-free rate (1.35% vs. 1.80%) and beta (0.56x vs 0.65x).

The following tables illustrate that sensitivity 1) compared to changes in the terminal growth rate produces an equity value between **€ 5.53-7.31/s (perpetuity range between 0.75% and 2.25%)**, while 2) compared to changes in the free risk rate produces an equity value of **€ 5.41-7.48/s (free risk range between 2.10% and 0.60%)** and 3) compared to changes in the risk premium, including small size premium results into an equity value of **€ 5.32-7.65/s (risk premium range between 10.5% and 7.50%)**.



**Table 8 – MailUp, equity value sensitivity to changes in terminal growth rate**

€ m	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%
Present value of CF	13.6	13.6	13.6	13.6	13.6	13.6	13.6
PV of terminal value	75.3	79.0	83.0	87.4	92.4	97.8	104.0
<b>Total value</b>	<b>88.8</b>	<b>92.5</b>	<b>96.5</b>	<b>101.0</b>	<b>105.9</b>	<b>111.4</b>	<b>117.5</b>
NFP last reported - FY-19	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Pension last reported - FY-19	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
<b>Equity value € m</b>	<b>89.5</b>	<b>93.1</b>	<b>97.2</b>	<b>101.6</b>	<b>106.5</b>	<b>112.0</b>	<b>118.2</b>
# shares FD m	16.2	16.2	16.2	16.2	16.2	16.2	16.2
<b>Equity value €/s FD</b>	<b>5.53</b>	<b>5.76</b>	<b>6.01</b>	<b>6.30</b>	<b>6.59</b>	<b>6.93</b>	<b>7.31</b>

Source: CFO SIM

**Table 9 – MailUp, equity value sensitivity to changes in free risk rate**

€ m	0.60%	0.85%	1.10%	1.35%	1.60%	1.85%	2.10%
Present value of CF	13.8	13.7	13.7	13.6	13.5	13.4	13.3
PV of terminal value	106.4	99.3	93.1	87.4	82.4	77.8	73.6
<b>Total value</b>	<b>120.2</b>	<b>113.1</b>	<b>106.7</b>	<b>101.0</b>	<b>95.8</b>	<b>91.1</b>	<b>86.9</b>
NFP last reported - FY-19	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Pension last reported - FY-19	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
<b>Equity value € m</b>	<b>120.9</b>	<b>113.7</b>	<b>107.3</b>	<b>101.6</b>	<b>96.5</b>	<b>91.8</b>	<b>87.5</b>
# shares FD m	16.2	16.2	16.2	16.2	16.2	16.2	16.2
<b>Equity value €/s FD</b>	<b>7.48</b>	<b>7.03</b>	<b>6.64</b>	<b>6.30</b>	<b>5.97</b>	<b>5.68</b>	<b>5.41</b>

Source: CFO SIM

**Table 10 – MailUp, equity value sensitivity to changes in risk premium**

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	13.9	13.8	13.7	13.6	13.4	13.3	13.2
PV of terminal value	109.2	101.0	93.8	87.4	81.8	76.7	72.1
<b>Total value</b>	<b>123.1</b>	<b>114.8</b>	<b>107.5</b>	<b>101.0</b>	<b>95.2</b>	<b>90.1</b>	<b>85.4</b>
NFP last reported - FY-19	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Pension last reported - FY-19	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
<b>Equity value € m</b>	<b>123.7</b>	<b>115.4</b>	<b>108.1</b>	<b>101.6</b>	<b>95.9</b>	<b>90.7</b>	<b>86.0</b>
# shares FD m	16.2	16.2	16.2	16.2	16.2	16.2	16.2
<b>Equity value €/s FD</b>	<b>7.65</b>	<b>7.14</b>	<b>6.69</b>	<b>6.30</b>	<b>5.93</b>	<b>5.61</b>	<b>5.32</b>

Source: CFO SIM

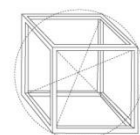
## Sum of the parts

The sum-of-the-parts valuation, also known as breakup value analysis, is a process of valuing a company by determining what its aggregate divisions would be worth if spun off or acquired. The valuation provides the company value by aggregating the standalone value of each of its business units. The equity value is then derived by adjusting by net debt, pension provisions, minorities assessment and the perpetuity of holding costs. Please note that MailUp has no minority interests in its consolidated balance sheet.

**MailUp is a vertically integrated player operating in the marketing technology sector.** Through its **five synergic business units**, the group is able to manage an entire marketing campaign, from data collection to omni-channel activation. In order to better appraise the different business units of the MailUp group, we conducted an analysis on three clusters: 1) companies operating in the email marketing arena, 2) players working in the mobile messaging sector and 3) firms operating in the predictive marketing niche.

To evaluate the MailUp, Acumbamail and BEE business units, providing email marketing products and services, we considered **dotDigital Group PLC (United Kingdom)** as the closest comparable: the group provides software, service technology and tools for digital marketing. Furthermore, it offers Software as a Service (SaaS) technologies, email marketing consultancy and managed services for businesses.

Amongst mobile messaging players, suitable to appraise the Agile Telecom business unit, we selected the following:







**IMImobile PLC (United Kingdom):** IMImobile provides mobile applications and other software solutions to assist companies in customer relations management, revenue generation, and productivity enhancement. The company serves customers globally.

**Sinch AB (Sweden):** Sinch develops cloud communication platforms. The company offers personalised messaging, number masking, video calling, voicemail, and other related services. Sinch serves customers mainly in Sweden.

**Vonage Holdings Corp. (USA):** Vonage's fully-integrated cloud communications platform enables businesses to collaborate more productively and engage their customers more effectively across all channels, including messaging, chat, social media, video and voice. In particular, **Nexmo**, controlled by Vonage Holdings, is a global leader in the Communication Platforms as a Service (CPaaS) sector, providing APIs for text messaging and voice communications.

Amongst the firms operating in the predictive marketing relevant to assess the Datatrics business unit, we picked the following:

**HubSpot Inc (USA):** HubSpot provides a cloud-based marketing and sales software platform. The company offers integrated applications that help in lead generation and social marketing.

**Neosperience SpA (Italy):** Neosperience, listed on AIM Italia, provides digital marketing and e-commerce technologies. The company develops AI proprietary models that extract personality traits, lifestyle, attitudes, and behaviour from the interaction with their website, application, chat, social media, and aggregators.

**SharpSpring Inc (USA):** SharpSpring provides cloud-based marketing solutions. The company offers email automation, CRM, call tracking, social platform, and analytical solutions. SharpSpring serves customers in the United States.

**Table 11 – MailUp, peer group summary table**

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA %	Sales CAGR <sub>19-22</sub>	EBITDA CAGR <sub>19-22</sub>	EBIT CAGR <sub>19-22</sub>	EPS CAGR <sub>20-22</sub>	NFP /EBITDA
<b>dotDigital Group PLC (Email Marketing)</b>	<b>UK</b>	<b>441</b>	<b>52</b>	<b>20</b>	<b>38.1%</b>	<b>9.7%</b>	<b>10.6%</b>	<b>8.5%</b>	<b>4.2%</b>	<b>(1.4)</b>
IMImobile PLC	UK	364	195	25	12.9%	3.5%	10.9%	31.2%	12.4%	n.a.
Sinch AB (publ)	Sweden	4,482	695	82	11.7%	44.1%	44.8%	53.6%	56.4%	(1.4)
Vonage Holdings Corp	USA	2,139	1,040	130	12.5%	4.7%	26.3%	164.3%	58.9%	2.5
<b>Mobile Messaging median</b>		<b>2,139</b>	<b>695</b>	<b>82</b>	<b>12.5%</b>	<b>4.7%</b>	<b>26.3%</b>	<b>53.6%</b>	<b>56.4%</b>	<b>0.5</b>
HubSpot Inc	USA	10,542	701	77	11.0%	20.1%	n.s.	n.s.	52.3%	(7.6)
Neosperience SpA	Italy	36	20	4	22.1%	38.6%	44.5%	82.4%	119.1%	(1.4)
SharpSpring Inc	USA	102	25	(2)	n.m.	n.a.	n.a.	n.a.	n.a.	n.m.
<b>Predictive Marketing median</b>		<b>102</b>	<b>25</b>	<b>4</b>	<b>16.6%</b>	<b>29.3%</b>	<b>44.5%</b>	<b>82.4%</b>	<b>85.7%</b>	<b>(4.5)</b>
<b>MailUp SpA</b>	<b>Italy</b>	<b>78</b>	<b>68</b>	<b>5</b>	<b>7.2%</b>	<b>13.6%</b>	<b>19.0%</b>	<b>40.5%</b>	<b>63.8%</b>	<b>(0.3)</b>

Source: CFO SIM, Thomson Reuters Eikon

**Table 12 – MailUp, peer group EV multiple table**

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
<b>dotDigital Group PLC (Email Marketing)</b>	<b>7.94</b>	<b>7.40</b>	<b>6.39</b>	<b>20.9</b>	<b>20.1</b>	<b>17.4</b>
IMImobile PLC	n.a.	1.76	1.62	n.a.	13.0	11.6
Sinch AB (publ)	6.28	3.46	3.11	53.5	34.2	26.9
Vonage Holdings Corp	2.36	2.21	1.91	18.9	17.6	13.9
<b>Mobile Messaging median</b>	<b>4.32</b>	<b>2.21</b>	<b>1.91</b>	<b>36.2</b>	<b>17.6</b>	<b>13.9</b>
HubSpot Inc	14.19	11.70	9.30	129.0	95.1	64.7
Neosperience SpA	1.48	0.99	0.61	6.7	4.1	2.4
SharpSpring Inc	n.a.	n.a.	n.a.	n.m.	n.a.	n.a.
<b>Predictive Marketing median</b>	<b>7.83</b>	<b>6.34</b>	<b>4.95</b>	<b>67.9</b>	<b>49.6</b>	<b>33.5</b>
<b>MailUp SpA</b>	<b>1.12</b>	<b>0.94</b>	<b>0.80</b>	<b>15.6</b>	<b>10.9</b>	<b>8.9</b>
% Prem./(disc.) to dotDigital PLC	(85.9)	(87.3)	(87.4)	(25.2)	(45.7)	(49.0)
% Prem./(disc.) to Mobile Messaging	(74.1)	(57.4)	(57.9)	(56.9)	(38.1)	(36.3)
% Prem./(disc.) to Predictive Marketing	(85.7)	(85.2)	(83.8)	(77.0)	(78.0)	(73.6)

Source: CFO SIM, Thomson Reuters Eikon

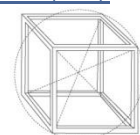




Table 13 – MailUp, peer group EV &amp; price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
<b>dotDigital Group PLC (Email Marketing)</b>	<b>28.5</b>	<b>29.0</b>	<b>24.5</b>	<b>34.0</b>	<b>34.7</b>	<b>31.3</b>
IMImobile PLC	n.a.	17.9	16.1	27.6	24.0	21.8
Sinch AB (publ)	75.5	45.7	33.2	110.2	65.7	45.1
Vonage Holdings Corp	33.3	34.2	20.1	71.6	62.7	28.3
<b>Mobile Messaging median</b>	<b>54.4</b>	<b>34.2</b>	<b>20.1</b>	<b>71.6</b>	<b>62.7</b>	<b>28.3</b>
HubSpot Inc	222.7	148.1	92.9	274.8	185.3	118.4
Neosperience SpA	18.4	7.8	3.3	35.5	14.8	7.4
SharpSpring Inc	n.m.	n.m.	n.a.	n.m.	n.m.	n.a.
<b>Predictive Marketing median</b>	<b>120.5</b>	<b>78.0</b>	<b>48.1</b>	<b>155.1</b>	<b>100.0</b>	<b>62.9</b>
<b>MailUp SpA</b>	<b>39.4</b>	<b>19.4</b>	<b>14.0</b>	<b>64.8</b>	<b>32.5</b>	<b>24.1</b>
% Prem./disc.) to dotDigital PLC	38.2	(33.1)	(43.0)	90.5	(6.5)	(22.9)
% Prem./disc.) to Mobile Messaging	(27.6)	(43.4)	(30.7)	(9.4)	(48.2)	(14.8)
% Prem./disc.) to Predictive Marketing	(67.3)	(75.2)	(71.0)	(58.2)	(67.5)	(61.6)

Source: CFO SIM, Thomson Reuters Eikon

In our SOTP valuation, we used 1) the EV/EBITDA multiple of dotDigital Group to evaluate the MailUp, Acumbamail and BEE business units, 2) the median EV/EBITDA multiple of the Mobile Messaging panel to appraise the Agile Telecom business unit and 3) the median EV/Sales multiple of the Predictive Marketing cluster to assess the Datatrics business unit. We applied a **20% discount to peer multiples**, mainly due to MailUp smaller size and the low level of the stock liquidity on the back of the listing on the AIM Italia.

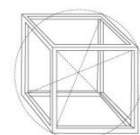
In order to price the growth potential and the decent degree of visibility linked to the MailUp business model (namely 1/3 of FY revenues are recurring) into our valuation, **we decided to assess the equity value using 2021e figures** (prev. 2020-21e figures, 30-70 weighted). As a result, we attain a new **equity value of € 8.20/s** (€ 4.60), **57.7% upside**.

As of today, we believe the sum-of-the-parts valuation is not the best method to assess a fair equity value of MailUp, as it factors in the current massive volatility of the market.

Table 14 – MailUp, Sum of the Parts equity value assessment

	€ m	% on EV	Methodology
MailUp BU	57.4	42.8	16.1x peer multiple on € 3.6 m BU EBITDA 2021
Acumbamail BU	5.2	3.9	16.1x peer multiple on € 0.3 m BU EBITDA 2021
BEE BU	11.7	8.7	16.1x peer multiple on € 0.7 m BU EBITDA 2021
Agile Telecom BU	33.0	24.6	14.1x peer multiple on € 2.3 m BU EBITDA 2021
Datatrics BU	26.8	20.0	5.07x peer multiple on € 5.3 m BU Sales 2021
<b>Total EV</b>	<b>134.1</b>	<b>100.0</b>	
Holding costs	(3.7)		Perpetuity of holding costs @ 6.4%
NFP	3.8		FY-21e Net Financial Position
Pension Provision	(1.7)		Pension last reported - FY-19
<b>Equity Value</b>	<b>132.5</b>		
<b>Per share FD</b>	<b>8.20</b>		
% upside/(downside)	57.7%		

Source: CFO SIM, Thomson Reuters Eikon



## Peer Stock Performance

MailUp was listed on AIM Italia (Alternative Investment Market) on 29 July 2014 at € 2.50/share (**adjusted IPO price of € 1.92/share** as a result of the free capital increase of 11-Apr-16), corresponding to a post-money market capitalisation of € 20.0m. **MailUp trades well above the IPO price**, registering top-notch performance: +32.0% 6M and +170.8% since the IPO. The stock reached a 1Y intraday maximum price of € 5.74/s on 25-Aug-20 and a minimum price of € 3.45/s on 9-Mar-20.

**Table 15 – MailUp, peer group and index absolute performance**

	1D	1W	1M	3M	6M	YTD	1Y
<b>dotDigital Group PLC (Email Marketing)</b>	<b>1.5</b>	<b>3.8</b>	<b>(0.4)</b>	<b>28.6</b>	<b>66.7</b>	<b>40.6</b>	<b>46.7</b>
IMImobile PLC	(4.2)	0.6	0.0	32.0	47.7	17.9	21.6
Sinch AB (publ)	0.8	5.1	(1.1)	5.8	142.0	175.4	459.6
Vonage Holdings Corp	2.0	1.1	(8.6)	4.1	98.7	39.1	(17.4)
<b>Mobile Messaging median</b>	<b>0.8</b>	<b>1.1</b>	<b>(1.1)</b>	<b>5.8</b>	<b>98.7</b>	<b>39.1</b>	<b>21.6</b>
HubSpot Inc	1.4	(2.0)	(3.7)	24.5	132.5	72.8	69.2
Neosperience SpA	(0.4)	(0.2)	(13.0)	(13.1)	22.5	(30.9)	(41.8)
SharpSpring Inc	(0.9)	5.0	6.4	25.6	67.4	(8.8)	(4.0)
<b>Predictive Marketing median</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(3.7)</b>	<b>24.5</b>	<b>67.4</b>	<b>(8.8)</b>	<b>(4.0)</b>
<b>MailUp SpA</b>	<b>(0.4)</b>	<b>(6.5)</b>	<b>(7.5)</b>	<b>(4.4)</b>	<b>32.0</b>	<b>9.9</b>	<b>25.3</b>
MSCI World Index	(0.7)	(0.0)	(1.0)	7.2	43.4	0.4	7.4
EUROSTOXX	(0.8)	(0.5)	1.2	1.9	30.0	(10.3)	(5.5)
FTSE Italia All Share	(1.0)	(1.5)	(0.8)	(0.1)	24.4	(16.6)	(11.3)
FTSE STAR Italia	(0.1)	(0.0)	3.5	11.5	42.2	0.8	12.1
FTSE AIM Italia	0.3	0.7	1.0	(4.6)	8.2	(14.1)	(16.6)

Source: Thomson Reuters Eikon

**Table 16 – MailUp relative performances**

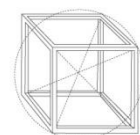
	1D	1W	1M	3M	6M	YTD	1Y
To dotDigital Group PLC	(1.9)	(10.3)	(7.1)	(33.0)	(34.7)	(30.7)	(21.4)
To peer Mobile Messaging median	(1.1)	(7.6)	(6.3)	(10.2)	(66.7)	(29.2)	3.7
To peer Predictive Marketing median	(0.0)	(6.3)	(3.8)	(28.9)	(35.4)	18.7	29.3
To MSCI World Index	0.3	(6.5)	(6.5)	(11.6)	(11.5)	9.5	17.9
To EUROSTOXX	0.4	(6.0)	(8.7)	(6.3)	2.0	20.2	30.8
To FTSE Italia All Share	0.6	(5.0)	(6.7)	(4.3)	7.6	26.6	36.6
To FTSE STAR Italia	(0.2)	(6.5)	(11.0)	(15.9)	(10.2)	9.2	13.2
To FTSE AIM Italia	(0.6)	(7.2)	(8.4)	0.2	23.8	24.0	41.9

Source: Thomson Reuters Eikon

## Risks

The principal investment **risks** associated with MailUp include the following:

- Fast technological development might increase competitive pressure;
- Risks due to ICT malfunctions;
- Dilution on profitability stemming from the acquisition campaign;
- Impacts on profit and loss and balance sheet profiles triggered by a deep decline in global economic growth or geopolitical instability;
- The departure of one or a few of the key relevant people;
- M&A execution might be hampered by potential consolidating actors in the industry with higher fire power.



## ANALYST CERTIFICATION

This publication was prepared by **LUCA ARENA**, Head of the Equity Research Department of "Corporate Family Office SIM S.p.A." ("CFO SIM") and **GIANLUCA MOZZALI**, Equity Analyst of CFO SIM. This is to certify that the views expressed on the companies mentioned in this document reflect the analysts' personal opinions and that no direct or indirect recompense has been, or will be, received by the analyst further to the views expressed herein.

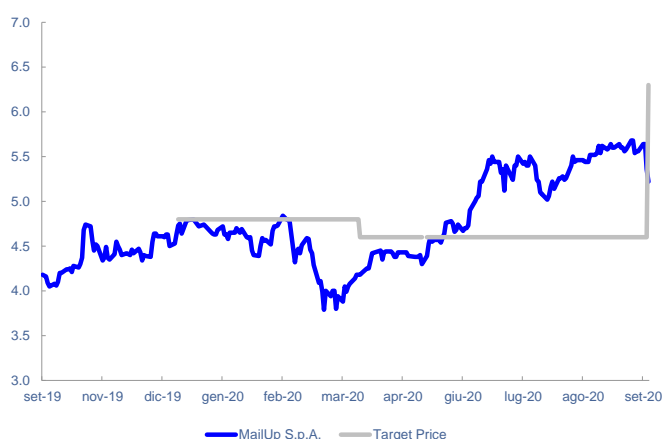
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DATE	TARGET PRICE	RATING
21/09/2020	€6.30	NEUTRAL
14/05/2020	€4.60	NEUTRAL
02/04/2020	€4.60	NEUTRAL
18/12/2019	€4.80	NEUTRAL

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- ☐ a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- ☐ a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- ☐ a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% bands identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return 12 months forward** and not on the basis of the estimated out/underperformance relative to a market index. Thus, the rating can be directly linked with the estimated percentage difference between current price and target price. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

