

Company Update
Buy (maintained)

25 March 2021 – 5:30PM

MARKET PRICE: **EUR4.42**

TARGET PRICE: **EUR6.7 (from EUR7.1)**
IT services
Data

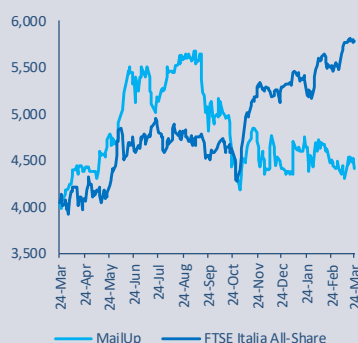
Shares Outstanding (m):	14.97
Market Cap. (EURm):	66.2
Enterprise Value (EURm):	63.0
Free Float (%):	36.6%
Av. Daily Trad. Vol. (m):	0.012
Main Shareholder:	Founders 53.0%
Reuters/Bloomberg:	MAIL.MI MAIL IM
52-Week Range (EUR)	4.0 5.7

Source: Factset, UbiBanca estimates

Performance

	1m	3m	12m
Absolute	-1.8%	0.2%	9.4%
Rel. to FTSE IT	-6.7%	-9.2%	-33.8%

Source: Factset

Graph area Absolute/Relative 12 M


Source: Factset

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4Q20: EBITDA up 6.6% YoY on flat revenues

FY20 EBITDA closed up 6.1% YoY to EUR5.1 million (+3.3% compared to our forecast) and cash flow from operation was EUR1.1 million, as expected. Final net cash was EUR2.5 million, which was below our assumption by EUR1 million due to financial activity. Datatrics closed FY20 with sales at EUR2.9 million and EBITDA loss at EUR1.4 million. It is leaving the re-organization which should take approx. a year to bear fruit at the top line. The management confirmed that the strong balance sheet will allow the Group to protect the strategic investments as well as to continue to look for M&A opportunities and will propose to the GSM the change of the legal name of the parent company from MailUp SpA to Growens SpA as to reflect the corporate value of bring grow and technological innovation. Considering the prolonged period of partial lockdowns in Italy and negative forex effect for BEE, we cut our estimates 2021 by 5.5% on sales, while we leave broadly unchanged our expectation for 2022; 2021-2022 EBITDA forecast is revised down by 11% on average. Overall, our DCF valuation decreases by 5.4% to EUR5.2 per share while we SoP valuation reduced by 4.1% to EUR9 per share. We set a new target of EUR6.7 per share (52% upside). We confirm our positive view based on the followings: (1) well balanced geographical presence with international revenues accounting for 54% in FY20 (vs 48% in FY19, +20% YoY); (2) solid financial structure (EUR6.2 million net cash ex IFRS16 at end 2020); (3) impressive self-provisioning sales of BEE (>50% YoY sales growth to EUR3.9 million in 2020); (4) the value creation from Datatrics at the end of this transition period could be significant (in our SoP is currently valued the price tag of EUR3 million or 0.8x Sales 20).

- > 4Q20 sales were EUR16.87 million (in line with last year) while EBITDA increased by 6.6% YoY to EUR1.57 million, equal to 9.3% EBITDA margin (+50bp): the Group confirmed the resilience of the top line during the lockdown periods while a favourable sales mix boosted margin.
- > Our new FY21 sales forecast is EUR77 million (+21% YoY vs +50% average growth in 2018-2019). We are incorporating a 20-23 revenues CAGR at 16% and EBITDA CAGR at 29%.
- > Our target price of EUR6.7 per share is obtained as the weighted average of our DCF valuation (EUR5.2, WACC 7.4%, g 2%) and SoP (EUR9); the latter is weighted at 40%. At our TP the stock would trade at 17.3x EV/EBITDA 21E, equal to over 40% discount to foreign peers. Main risks are: (1) low liquidity; (2) increasing competition in MarTech; (3) M&A disappointment.

Financials

	2020	2021E	2022E	2023E
Revenues (EURm)	63,7	77,0	93,1	98,9
EBITDA (EURm)	5,1	5,6	9,7	11,0
EBITDA margin (%)	8,0%	7,3%	10,5%	11,1%
EBIT (EURm)	1,4	2,1	5,9	6,9
EPS (EUR)	0,04	0,09	0,26	0,31
CFPS (EUR)	0,28	0,35	0,45	0,57
DPS (EUR)	0,00	0,00	0,00	0,00

Source: Company Data, UBI Banca Estimates

Ratios
priced on 24 March 2021

	2020 *	2021E	2022E	2023E
P/E(x)	126,9	48,7	16,7	14,3
P/CF(x)	16,9	12,6	9,8	7,7
P/BV(x)	4,1	3,5	2,9	2,4
Dividend Yield	0,0%	0,0%	0,0%	0,0%
EV/EBITDA(x)	13,9	11,2	6,1	5,0
Debt/Equity (x)	-0,1	-0,2	-0,3	-0,5
Debt/EBITDA (x)	-0,5	-0,8	-0,8	-1,2

Source: UBI Banca Estimates * Based on 2020 average price

Key Financials

(EURm)	2020	2021 E	2022E	2023E
Revenues	63,7	77,0	93,1	98,9
EBITDA	5,1	5,6	9,7	11,0
EBIT	1,4	2,1	5,9	6,9
NOPAT	0,9	1,4	4,0	4,6
Free Cash Flow	1,2	2,2	3,2	4,8
Net Capital Employed	15,0	14,2	14,9	14,7
Shareholders' Equity	17,5	18,8	22,8	27,4
Net Financial Position	-2,5	-4,7	-7,9	-12,8

Source: Company data, UBI Banca estimates

Key Profitability Drivers

	2020	2021 E	2022E	2023E
Net Debt/Ebitda (x)	-0,5	-0,8	-0,8	-1,2
Net Debt/Equity (x)	-0,1	-0,2	-0,3	-0,5
Interest Coverage (%)	0,0%	0,0%	0,0%	0,0%
Free Cash Flow Yield (%)	1,7%	3,3%	4,9%	7,3%
ROE (%)	3,3%	7,5%	19,0%	18,4%
ROI pre-tax (%)	6,8%	10,2%	29,0%	33,3%
ROCE (%)	6,2%	9,6%	27,2%	31,1%

Source: Company data, UBI Banca estimates

Key Valuation Ratios

	2020 *	2021 E	2022E	2023E
P/E (x)	126,9	48,7	16,7	14,3
P/BV (x)	4,1	3,5	2,9	2,4
P/CF (x)	16,9	12,6	9,8	7,7
Dividend Yield (%)	0,0%	0,0%	0,0%	0,0%
EV/Sales (x)	1,1	0,8	0,6	0,6
EV/EBITDA (x)	13,9	11,2	6,1	5,0
EV/EBIT (x)	51,2	30,3	10,1	8,0
EV/CE (x)	4,7	4,4	4,0	3,7

Source: Company data, UBI Banca estimates

* Based on 2020 average price

Key Value Drivers

(%)	2020	2021 E	2022E	2023E
Payout	0,0%	0,0%	0,0%	0,0%
NWC/Sales	-12,0%	-10,4%	-7,5%	-6,9%
Capex/Sales	4,8%	4,0%	3,8%	3,8%

Source: Company data, UBI Banca estimates

Recent Developments

- MailUp announced the following FY20 results: revenues were up 7.5% to EUR63.7 million (in line with +7.7% of preliminary gross sales); EBITDA increased by 6.1% to EUR5.1 million, equal to EBITDA margin at 8% (slightly better than our forecast of 7.7%). The labour cost rose by 13.5% YoY to EUR13 million; the total number of employees were 243 (+6 in the year). The cost of capitalized personal was EUR1.8 million. EBIT was impacted by EUR0.155 million partial write-off of the goodwill of Globase. As expected, D&A increased from EUR2.8 million to EUR3.6 million. Negative financial charges for EUR0.136 million due to forex and a tax rate at over 52% vs 34.8% in 2019 moved net profit down 51% YoY to EUR0.57 million. The net profit of BEE reduced tax shield at consolidated level.
- Reported net cash was EUR2.5 million vs EUR2 million at the end of September and EUR2.4 million in FY19; the cash flow from operation was in line with expectation at EUR1.1 million after EUR3 million CAPEX. Anyway, the effect of the buy-back (EUR0.32 million) and of financing activity lead final net cash below our assumption of EUR3.5 million. Net cash ex-IFRS 16 at the end of December 2020 was EUR6.2 million.
- The BoD proposed to change the legal name of the parent company from MailUp SpA to Growens SpA; the new name reflects the corporate value to bring grow and technological innovation.
- During the conference call the management team specified that they continue to look favourably to M&A opportunities and that they are looking on three main potential targets, all mostly exposed abroad with sales in the range of EUR4-5 million; an advisor has been appointed to follow up the dossiers.
- Regarding the plan of recruitment of 60 people in 2021, it was announced that the new Head of Marketing and Head of Sales of both BEE and Datatrics are now on board; the main position still open is the Head of Marketing of MailUp. In Italy there will be 20 new hires.

Figure 1. 4Q20 results vs forecast

In 4Q20 EBITDA margin reached 9.3%.

(EURm)	4Q19A	4Q20A	change	4Q20E	delta
Revenues	16,80	16,87	0,4%	17,28	-2,4%
email	3,95	4,31	9,2%	4,53	-4,8%
SMS	12,08	11,89	-1,6%	12,87	-7,6%
Predictive marketing	0,77	0,67	-13,3%	0,48	40,3%
VoP	17,2	17,4	1,1%	17,9	-2,8%
Ebitda	1,47	1,57	6,6%	1,36	15,1%
Ebitda margin	8,8%	9,3%		7,9%	

Source: Company data and UBI Banca estimates

Figure 2. FY20 results vs forecast

In 2020 R&D cost amounted to EUR4.7 million, equal to 7.4% of sales; ca 40% were capitalised. In 2019 they were EUR3.3 million (5.6% of sales).

(EURm)	FY19A	FY20A	change	FY20E	delta
Revenues	59,27	63,70	7,5%	64,11	-0,6%
email	14,26	16,47	15,5%	16,09	2,4%
SMS	42,72	44,52	4,2%	45,50	-2,2%
Predictive marketing	2,28	2,71	18,9%	2,52	7,6%
VoP	60,80	65,23	7,3%	65,73	-0,7%
Ebitda	4,80	5,09	6,1%	4,92	3,4%
Ebitda margin	8,1%	8,0%		7,7%	
Ebit	1,85	1,38	-25,4%	1,52	-9,2%
Ebit margin	3,1%	2,2%		2,4%	
Net profit	1,15	0,57	-50,9%	1,00	-43,5%
Net cash	2,4	2,5		3,5	
Net cash pre IFRS16	7,0	6,2		7,7	

Source: Company data and UBI Banca estimates

Figure 3. 1H-2H20 results

In 2H20 the growth of revenues was more moderate than in 1H20 but EBITDA margin improved by 30bp although the loss of Datatrics was stable at EUR0.7 million.

(EURm)	1H19A	1H20A	% change	2H19A	2H20A	% change
Revenues	28,38	30,90	8,9%	30,89	32,80	6,2%
email	6,34	7,67	21,1%	7,93	8,80	11,0%
SMS	20,84	21,47	3,0%	21,89	23,05	5,3%
Predictive marketing	0,85	1,43	67,2%	1,43	1,29	-9,9%
VoP	29,31	31,69	8,1%	31,49	33,54	6,5%
Ebitda	2,14	2,18	1,6%	2,65	2,91	9,8%
Ebitda margin	7,6%	7,0%		8,6%	8,9%	
Ebit	0,81	0,53	-34,8%	1,04	0,85	-18,1%
Ebit margin	2,9%	1,7%		3,4%	2,6%	
Net profit	0,41	0,41	-1,4%	0,74	0,16	-78,4%
Net cash	4,4	3,7		2,4	2,5	
Net cash pre IFRS16	6,8	7,9		7,0	6,2	

Source: Company data

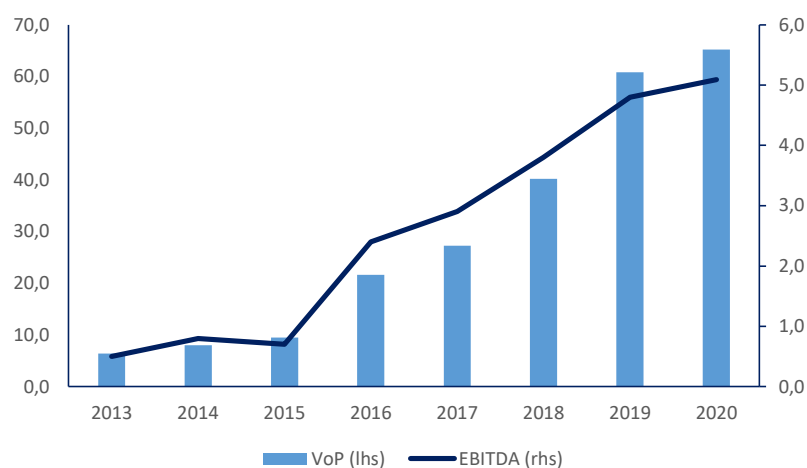
Figure 4. 1H-2H20 breakdown of VoP and EBITDA by companies

(EURm)	1H19A	1H20A	% change	2H19A	2H20A	% change
VoP	29,31	31,69	8,1%	31,49	33,54	6,5%
MailUp	7,32	8,06	10,2%	7,78	7,64	-1,9%
Agile Telecom	20,49	20,69	1,0%	21,01	22,31	6,2%
BEE	1,07	1,83	71,2%	1,53	2,07	35,2%
Acumbamail	0,57	0,75	30,5%	0,63	0,86	35,9%
Datatics	1,03	1,72	67,6%	1,37	1,18	-14,1%
Holding	1,54	2,59		1,96	3,81	
Intercompany	-2,70	-3,94		-2,80	-4,33	
Ebitda	2,14	2,18	1,6%	2,65	2,91	9,8%
MailUp	1,48	1,95	31,4%	1,32	2,35	78,5%
Agile Telecom	0,74	0,62	-16,0%	0,60	0,88	46,7%
Acumbamail	0,32	0,09	-70,4%	0,40	0,41	1,0%
BEE	0,11	0,13	11,4%	0,13	0,17	37,3%
Datatics	-0,35	-0,74		-0,20	-0,66	
Holding&IFRS effect	-0,29	-0,05		0,49	0,05	
Ebitda margin on VoP	7,3%	6,9%		8,4%	8,7%	
MailUp	20,3%	24,1%		16,9%	30,8%	
Agile Telecom	3,6%	3,0%		2,8%	3,9%	
Acumbamail	29,7%	5,1%		26,3%	19,6%	
BEE	20,0%	17,0%		20,0%	20,2%	
Datatics	-34,5%	-43,0%		-14,3%	-55,9%	

Source: Company data

Figure 5. 2013-2020 evolution of VoP and EBITDA

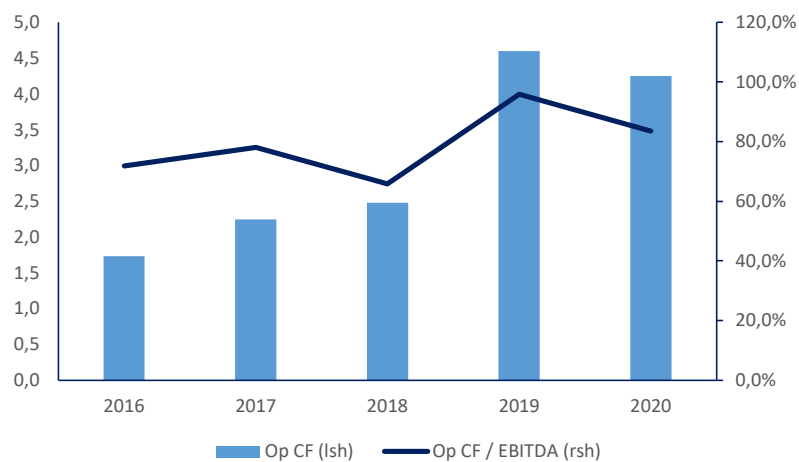
In 2016-2020 period revenues CAGR was 32% and EBITDA CAGR was 21%.



Source: Company data

Figure 6. 2016-2020 Evolution of OpCF and OpCF/EBITDA

In 2020 Operative cash flow/EBITDA was over 80%. In the last 5 year the average ratio was 79%.



Source: Company data

Financial Projections

➤ As a consequence of the prolonged period of partial lockdown in Europe in 1Q21, we are reducing by 7% our forecast of revenues for Agile Telecom; we now incorporate a 6% negative impact of forex for BEE (we assume USD at 1.21). Overall, we cut our estimates 2021 by 5.5% on sales, while we leave broadly unchanged our expectation for 2022; 2021-2022 EBITDA forecast is revised by 11% on average.

Figure 7. Old vs. New estimates

(EURm)	2020A	2021E		2022E		2023E
		Old	New	Old	New	
Sales	63,7	81,5	77,0	92,9	93,1	98,9
% change			-5,5%		0,2%	
EBITDA	5,09	6,66	5,64	10,41	9,74	11,00
% change			-15,4%		-6,4%	
EBIT	1,38	3,19	2,08	6,65	5,90	6,87
% change			-34,7%		-11,4%	
Net Profit	0,56	2,12	1,36	4,51	3,97	4,63
% change			-36,0%		-12,1%	
Net debt/(net cash)	-2,5	-5,8	-4,7	-9,5	-7,9	-12,8
EBITDA margin	8,0%	8,2%	7,3%	10,7%	10,5%	11,1%
EBIT margin	2,2%	4,1%	2,7%	6,7%	6,3%	6,9%

Source: Company data, UBI Banca estimates

Figure 8. VoP and EBITDA breakdown by segments in 2018-2023E

(EURm)	2018A	2019A	2020A	2021E	2022E	2023E
VoP (Consolidated)	40,2	60,8	65,2	78,8	95,1	101,2
MailUp	13,8	15,1	15,7	17,0	18,3	19,8
Agile Telecom	26,3	41,5	43,0	51,0	61,4	64,5
Acumbamail	0,9	1,2	1,60	2,1	2,4	2,6
BEE	1,2	2,6	3,9	7,4	9,8	11,1
Datatrix		2,4	2,9	3,4	5,8	6,3
Holding	1,4	3,5	6,4	4,0	3,5	3,5
Intercompany	-3,4	-5,5	-8,3	-6,0	-6,2	-6,6
EBITDA	3,80	4,80	5,09	5,64	9,74	11,00
MailUp	2,30	2,80	4,27	4,07	4,58	4,94
Agile Telecom	2,50	1,34	1,48	1,73	2,09	2,19
Acumbamail	0,20	0,24	0,30	0,42	0,61	0,64
BEE	0,40	0,72	0,50	1,00	2,76	3,12
Datatrix		-0,55	-1,40	-1,40	-0,10	0,30
Holding	-1,60	-0,55	-0,44	-0,44	-0,44	-0,44
IFRS 16		0,80	0,38	0,25	0,25	0,25
EBITDA margin on VoP %	9,5%	7,9%	7,8%	7,1%	10,3%	10,9%
MailUp	16,7%	18,5%	27,2%	24,0%	25,0%	25,0%
Agile Telecom	9,5%	3,2%	3,4%	3,4%	3,4%	3,4%
Acumbamail	22,2%	20,2%	18,8%	20,0%	25,0%	25,0%
BEE	33,3%	27,7%	12,7%	13,6%	28,0%	28,0%
Datatrix		-22,9%	-48,3%	-40,9%	-1,7%	4,7%

Source: Company data, UBI Banca estimates

Valuation

- We are not incorporating 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. This assumption is consistent with the latest scenario of reorganization and restart of growth prospects after the high dropout rate of 2020 in travel & retail.
- The lower than expected net cash at the end of 2020 (EUR2.5 million vs EUR3.5 million of our forecast) and the revision of 2021-2022 estimates reduces our DCF valuation (WACC 7.4%, g 2%) by 7.4% to EUR5.2 per share.
- In our SoP valuation, we value MailUp+Acumbamail by applying 15.9x to EBITDA21E, which corresponds to the median multiple of foreign peers discounted by a 35% (+15% compared to latest report dated 11 January 2021 to incorporate the higher liquidity risk due to the increasing volatility of tech stocks). Agile Telecom is valued 0.5x Sales 21E. Datatrics is conservatively incorporated at the price tag (EUR3.8 million before potential earn-out). Regarding BEE, which is a Silicon-Valley company, we continue to take a panel of the most representative American SaaS companies active as providers in the vertical software market.
- Overall, our SoP valuation reduced by 4% to EUR132 million of EUR9.0 per share; BEE represents 23% of it.
- We set a new target price of EUR6.7 (-4.7% compared to previous, 52% upside); it is equal to the weighted average of DCF valuation (60% weight) and SoP (40% weight).
- At our new TP MailUp would trade at EV/EBITDA 21E-22E of 17.3-9.7x, corresponding to a respectively 40% and 51% discount to peers.

Figure 9. Valuation summary

(EUR)	Current valuation	Weight	Previous (11/1/2021)	Delta
DCF Valuation	5,2	60%	5,5	-5,4%
Relative Valuation	9,0	40%	9,4	-4,1%
Target Price	6,7		7,1	-3,6%
Current price	4,4		4,7	-5,7%
Potential upside	52%		51%	

Source: UBI Banca estimates

Figure 10. Implicit multiples based on our EUR6.7 target price

(x)	2021E	2022E	2023E
P/E	74,0 x	25,4 x	21,7 x
EV/EBITDA	17,3 x	9,7 x	8,1 x
EV/EBIT	46,9 x	16,0 x	13,0 x
EV/Sales	1,27 x	1,01 x	0,90 x
P/BV	5,3 x	4,4 x	3,7 x
EV/ Capital employed	6,9 x	6,3 x	6,1 x

Source: UBI Banca estimates

DCF Valuation

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

Figure 11. WACC and embedded DCF assumptions

WACC assumptions		Embedded DCF assumptions	
Risk-free rate	2.0%	Revenue CAGR 2020-2023 (%)	15.8%
Debt spread (%)		Target EBIT margin 2023 (%)	6.9%
Cost of debt [net] (%)		D&A. on sales (avg. 2021-2023) (%)	3.9%
Market risk premium (%)	4.5%	Capex on sales (avg. 2021-2023) (%)	4.3%
Beta (x)	1.20	Revenue CAGR 2023-2026 (%)	4.0%
Cost of equity (%)	7.4%	Target EBIT margin 2026 (%)	8.3%
Weight of Debt	0%	D&A. on sales (avg. 2023-2026) (%)	4.6%
Weight of Equity	100%	Capex on sales (avg. 2023-2026) (%)	4.5%
WACC	7.4%		

Source: UBI Banca estimates

Figure 12. DCF Valuation

Our DCF valuation implies an EV/EBITDA 2021E of 13.3x and EV/Sales of 1x			
	Valuation (EURm)	% Weight	Per share (EUR)
Sum of PV 2021-23 FCF	9,1	13%	0,6
Sum of PV 2024-26 FCF	12,6	16%	0,8
Terminal Value	53,3	71%	3,6
Total Enterprise value	75,0	100%	5,0
- minorities	0,0		0,0
- financial assets	0,3		0,0
- net cash (debt) at end-2020	2,5		0,2
Total Equity value	77,9		5,2
Number of shares outstanding (m)	14,97		
Fair value per share (EUR)	5,2		

Source: UBI Banca estimates

Sum-of-the-Part valuation

Figure 13. SoP valuation based on multiples priced on 24 March 2021

Our SoP valuation implies an EV/EBITDA 2021E of 23.4x and EV/Sales of 1.7x			
	Valuation (EURm)	Method	Per share (EUR)
MailUp+Acumbamail	71,4	15.9x EBITDA21E, 3.7x Sales21E	4,8
Agile Telecom	26,0	15x EBITDA21E, 0.5x Sales21E	1,7
BEE	30,9	30.9x EBITDA21E, 4.2x Sales21E	2,1
Datatrix	3,8	Price tag	0,3
Total Enterprise value	132,1		8,8
- net cash (debt) at end-2019	2,5		0,2
- financial assets	0,3		0,0
Total Equity value	139,4		9,0
Number of shares outstanding (m)	14,97		
Fair value per share (EUR)	9,0		

Source: UBI Banca estimates

Figure 14. Peer comparison for BEE based on multiples priced on 24 March 2021

As there is no direct comparable for BEE, we have taken the most representative American players active as provider of vertical software.

	Country	Market Cap (EURm)	EV/Sales 21E	EV/EBITDA 21E	EBITDA margin 21E	Sales CAGR 19-21
2U, Inc.	USA	2.384	2,8	46,8	6,0%	23%
Veeva Systems Inc Class A	USA	32.569	20,6	53,6	38,5%	23%
RealPage, Inc.	USA	7.528	7,2	25,2	28,6%	10%
Pluralsight, Inc. Class A	USA	2.801	7,8		-0,4%	14%
CoreLogic, Inc.	USA	4.882	4,4	11,9	36,8%	-6%
CDK Global Inc	USA	5.389	4,1	10,4	39,4%	-9%
Blackbaud, Inc.	USA	2.817	4,2	16,8	24,9%	-4%
Black Knight, Inc.	USA	9.742	9,5	19,2	49,7%	5%
Average			7,6	26,3	25,1%	14,3%
Median			5,8	19,2	28,8%	9,6%

Source: UBI Banca estimates and Factset consensus

Figure 15. Peer comparison for MailUp Group based on multiples priced on 24 March 2021

In our peer analysis we have added CM.com and Sinch which are both players offering Communication Platform as a Service (CPaaS). Anyway, we have excluded Sinch in our mean calculation because its intense M&A activity boosts growth and multiples. On 2021-2022, MailUp is trading at a deep discount compared to foreign players which have got similar business model.

	Market Cap (EURm)	EV/Sales 21E	EV/Sales 22E	EV/EBITDA 21E	EV/EBITDA 22E	EBITDA margin 21E	Sales growth 21E
dotDigital Group plc	603	8,7	7,6	26,2	23,6	33,1%	23,8%
Kaleyra	388	2,2	1,6	31,5	15,7	10,6%	48,6%
SharpSpring	167	5,8	4,9	n.a.	n.a.	negative	17,3%
CM.com	718	3,7	2,8	n.a.	n.a.	negative	35,5%
Sinch	9.857	7,3	5,5	62,5	39,8	11,7%	77,8%
Median		5,8	4,9	31,5	23,6	11,7%	35,5%
Median ex Sinch		4,7	3,9	28,9	19,6	21,9%	29,7%
MailUp	66	0,8	0,6	11,2	6,1	8,0%	20,9%
Premium/Discount to peers ex Sinch		-82,7%	-83,5%	-61,3%	-68,8%	-63,3%	-29,6%
MailUp at target		1,3	1,0	17,3	9,7		
Premium/Discount to peers		-73,1%	-74,0%	-40,0%	-50,7%		
Premium/Discount to dotDigital		-85,4%	-86,7%	-34,0%	-59,0%		

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	0.59%

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?	Yes
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)	2020	2021 E	2022E	2023E
Value of production	63,7	77,0	93,1	98,9
EBITDA	5,1	5,6	9,7	11,0
EBITDA margin	8,0%	7,3%	10,5%	11,1%
EBIT	1,4	2,1	5,9	6,9
EBIT margin	2,2%	2,7%	6,3%	6,9%
Net financial income /expense	-0,2	0,0	0,0	0,0
Associates & Others	0,0	0,0	0,0	0,0
Profit before taxes	1,2	2,1	5,9	6,9
Taxes	-0,6	-0,7	-1,9	-2,3
Minorities & discontinuing ops	0,0	0,0	0,0	0,0
Net Income	0,6	1,4	4,0	4,6

Source: Company data, UBI Banca estimates

Balance Sheet

(EURm)	2020	2021 E	2022E	2023E
Net working capital	-7,6	-8,0	-7,0	-6,8
Net Fixed assets	28,5	28,0	27,7	27,4
M/L term funds	-5,8	-5,8	-5,8	-5,8
Capital employed	15,0	14,2	14,9	14,7
Shareholders' equity	17,5	18,8	22,8	27,4
Minorities	0,0	0,0	0,0	0,0
Shareholders' funds	17,5	18,8	22,8	27,4
Net financial debt/(cash)	-2,5	-4,7	-7,9	-12,8

Source: Company data, UBI Banca estimates

Cash Flow Statement

(EURm)	2020	2021 E	2022E	2023E
NFP Beginning of Period	-2,3	-2,5	-4,7	-7,9
Group Net Profit	0,6	1,4	4,0	4,6
Minorities	0,0	0,0	0,0	0,0
D&A	3,6	3,6	3,8	4,1
Change in Funds & TFR	-0,2	0,0	0,0	0,0
Gross Cash Flow	4,0	4,9	7,8	8,8
Change In Working Capital	-0,2	0,4	-1,0	-0,2
Other	0,5	0,0	0,0	0,0
Operating Cash Flow	4,3	5,3	6,8	8,6
Net Capex	-3,0	-3,1	-3,5	-3,8
Other Investments	0,0	0,0	0,0	0,0
Free Cash Flow	1,2	2,2	3,2	4,8
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.	-1,1	0,0	0,0	0,0
Change in NFP	0,2	2,2	3,2	4,8
NFP End of Period	-2,5	-4,7	-7,9	-12,8

Source: Company data, UBI Banca estimates

Financial Ratios

(%)	2020	2021 E	2022 E	2023 E
ROE (%)	3,3%	7,5%	19,0%	18,4%
ROI pre-tax (%)	6,8%	10,2%	29,0%	33,3%
Net Fin. Debt/Equity (x)	-0,5	-0,8	-0,8	-1,2
Net Fin. Debt/EBITDA (x)	-0,1	-0,2	-0,3	-0,5
Interest Coverage	0,0	0,0	0,0	0,0
NWC/Sales	-12,0%	-10,4%	-7,5%	-6,9%
Capex/Sales	4,8%	4,0%	3,8%	3,8%
Pay Out Ratio	0,0%	0,0%	0,0%	0,0%

Source: Company data, UBI Banca estimates

Per Share Data

(EUR)	2020	2021 E	2022 E	2023 E
EPS	0,04	0,09	0,26	0,31
DPS	0,00	0,00	0,00	0,00
Op. CFPS	0,28	0,35	0,45	0,57
Free CFPS	0,08	0,15	0,22	0,32
BVPS	1,17	1,26	1,52	1,83

Source: Company data, UBI Banca estimates

Stock Market Ratios

(x)	2020 *	2021 E	2022 E	2023 E
P/E	126,9	48,7	16,7	14,3
P/OpCFPS	16,9	12,6	9,8	7,7
P/BV	4,1	3,5	2,9	2,4
Dividend Yield (%)	0,0%	0,0%	0,0%	0,0%
Free Cash Flow Yield (%)	1,7%	3,3%	4,9%	7,3%
EV (EURm)	70,7	63,0	59,7	54,9
EV/Sales	1,1	0,8	0,6	0,6
EV/EBITDA	13,9	11,2	6,1	5,0
EV/EBIT	51,2	30,3	10,1	8,0
EV/Capital Employed	4,7	4,4	4,0	3,7

Source: Company data, UBI Banca estimates

* Based on 2020 average price

Growth Rates

(%)	2020	2021 E	2022 E	2023 E
Growth Group Net Sales	7,5%	20,9%	20,9%	6,3%
Growth EBITDA	6,1%	10,7%	72,9%	12,9%
Growth EBIT	-29,6%	50,8%	183,3%	16,6%
Growth Net Profit	-55,1%	140,7%	191,7%	16,8%

Source: Company data, UBI Banca estimates

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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
27 March 2020	BUY	5.30	4.05
14 May 2020	BUY	5.40	4.60
13 July 2020	BUY	6.30	5.50
21 September 2020	BUY	6.80	5.20
16 November 2020	BUY	6.90	4.69
11 January 2021	BUY	7.1	4.68