

## Company Update



**Fair Value: €5.95**  
(Prev. €6.24)

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## Relative Performance Chart YTD



## Market Data:

|                        |        |
|------------------------|--------|
| Current Price (€)      | 4.67   |
| Fair Value (€)         | 5.95   |
| Market Cap (€mn)       | 58.24  |
| 52 Wk High (€)         | 6.49   |
| 52 Wk Low (€)          | 2.96   |
| Free Float (%)         | 0.5    |
| Avg. Daily Trading 90d | 71242  |
| Price Change 1w (%)    | 1.30   |
| Price Change 1m (%)    | -5.27  |
| Price Change YTD (%)   | -10.54 |
| EV/EBITDA 2019E        | 17.22  |
| EV/EBITDA 2020E        | 10.57  |
| P/E 2019E              | 136.12 |
| P/E 2020E              | 34.48  |

## 2019: A Strong Year for ELES' Stock

**Overview.** ELES S.p.A. (ELES) is an Italian SME, active in the reliability testing equipment market for semiconductors since 1988. Thanks to its 30 years of experience and a rich IP library, ELES has developed an innovative semiconductor testing solution (RETE) - based on the Test-During-Burn-In approach - which allows for the testing of both reliability and performance of semiconductor devices, with important advantages in terms of time and cost savings with respect to traditional tests (Burn-In test + ATE test).

**Warrant 2020-2024.** On January 13<sup>th</sup>, 2020 ELES' shareholders received the remaining warrant still embedded in the shares. Each shareholder received one free warrant for every two shares held for a total of 5,578,500. Summing up, ELES issued a total of 11,157,000 warrant - of which ca. half of them have been issued to shareholders at the IPO date. The warrant gives the right to underwrite 1 new share for every 2 warrants held during July or November, starting from July 2020 and up to July 2024. The strike price is €2.00 and increases by €0.05 each year (up to a maximum of €2.20 in 2024). The maximum number of shares that could be issued are 5,578,500 for a capital increase up to €12.3mn.

**Last update from China.** After the partnership signed with the Chinese Xi'An XCET West Measurement Electronic Technology Service Co. Ltd., ELES kept working on penetrating the Chinese market. On December 13<sup>th</sup>, 2019, ELES received the first order from China, made by the ELES' partner XCET. The order is for an equipment with features specific for the Chinese market and will drive future commercial expansion in this country.

**Great market signals.** On January 23<sup>rd</sup>, 2020 STMicroelectronics, the leader in the semiconductor market and one of the main ELES' clients, reported Q4 2019 results. Net Revenues grew by 7.9% with respect Q3 2019 overperforming by 2.9% company guidance. Looking at 2020, the first quarter is expected to bring a 13.7% YoY growth, and the 2020 full year results are expected to register a solid growth.

**A great stock performance.** In 2019 ELES has been among the top ten best performer in the AIM market, placing at the 5<sup>th</sup> place with a return of 175%. The stock price (cum-warrant) at the end of the year was equal to €5.2 almost three times the IPO Price of €1.9.

**Valuation.** Following the warrant detachment, we updated our valuation since the warrant is no more embedded in the share price. Our valuation is based on DCF and EV/EBITDA multiple method and keep into account the potential dilution of the issued warrant (only for the floating shares). The valuation results in a diluted fair value of €5.95ps (+28% on current price).

| € Million | Total Revenues | EBITDA | EBITDA Margin | EBIT | Net Profit | Net Margin |
|-----------|----------------|--------|---------------|------|------------|------------|
| 2017A     | 14.4           | 2.8    | 19.4%         | 0.6  | 0.2        | 1.3%       |
| 2018A     | 22.6           | 3.8    | 16.7%         | 1.5  | 0.8        | 3.3%       |
| 2019E     | 17.6           | 3.0    | 17.2%         | 0.8  | 0.4        | 2.2%       |
| 2020E     | 25.3           | 4.9    | 19.5%         | 2.3  | 1.5        | 6.0%       |
| 2021E     | 32.0           | 7.3    | 22.7%         | 4.9  | 3.4        | 10.5%      |
| 2022E     | 39.8           | 9.6    | 24.1%         | 7.5  | 5.2        | 13.1%      |
| 2023E     | 44.9           | 11.3   | 25.2%         | 9.0  | 6.2        | 13.8%      |

Source: Company data, KT&Partners' estimates

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KT&PARTNERS PREPARED THIS DOCUMENT PURSUANT TO AN ENGAGEMENT LETTER ENTERED INTO WITH BPER BANCA S.P.A. ACTING AS SPECIALIST IN ACCORDANCE TO ART. 35 OF AIM ITALIA MARKET RULES FOR COMPANIES

## ELES - Key Figures

| Current price (€)                    | Fair Value (€) |       | Sector                |        |        |        | Free Float (%) |
|--------------------------------------|----------------|-------|-----------------------|--------|--------|--------|----------------|
| 4.67                                 | 5.95           |       | Semiconductor Testing |        |        |        | 45%            |
| Per Share Data                       | 2017A          | 2018A | 2019E                 | 2020E  | 2021E  | 2022E  | 2023E          |
| Total shares outstanding (mn)        | n.m.           | n.m.  | 11.16                 | 11.16  | 11.16  | 11.16  | 11.16          |
| EPS                                  | n.m.           | n.m.  | 0.03                  | 0.14   | 0.30   | 0.47   | 0.56           |
| Dividend per share (ord)             | n.a.           | n.a.  | n.a.                  | n.a.   | n.a.   | n.a.   | n.a.           |
| Dividend pay out ratio (%)           | n.a.           | n.a.  | n.a.                  | n.a.   | n.a.   | n.a.   | n.a.           |
| Profit and Loss (EUR million)        |                |       |                       |        |        |        |                |
| Revenues                             | 14.4           | 22.6  | 17.6                  | 25.3   | 32.0   | 39.8   | 44.9           |
| EBITDA                               | 2.8            | 3.8   | 3.0                   | 4.9    | 7.3    | 9.6    | 11.3           |
| EBIT                                 | 0.6            | 1.5   | 0.8                   | 2.3    | 4.9    | 7.5    | 9.0            |
| EBT                                  | 0.4            | 1.2   | 0.5                   | 2.2    | 4.8    | 7.4    | 8.8            |
| Taxes                                | (0.2)          | (0.5) | (0.2)                 | (0.6)  | (1.4)  | (2.2)  | (2.7)          |
| Tax rate                             | 47%            | 39%   | 30%                   | 30%    | 30%    | 30%    | 30%            |
| Net Income*                          | 0.2            | 0.8   | 0.4                   | 1.5    | 3.4    | 5.2    | 6.2            |
| Net Income attributable to the Group | 0.2            | 0.8   | 0.4                   | 1.5    | 3.4    | 5.2    | 6.2            |
| Balance Sheet (EUR million)          |                |       |                       |        |        |        |                |
| Total fixed assets                   | 9.6            | 8.3   | 8.5                   | 9.7    | 10.1   | 10.3   | 9.7            |
| Net Working Capital (NWC)            | 4.0            | 4.4   | 6.2                   | 6.1    | 6.6    | 7.4    | 8.1            |
| Provisions                           | (1.3)          | (1.3) | (1.6)                 | (1.9)  | (2.3)  | (2.8)  | (3.3)          |
| Total Net capital employed           | 12.4           | 11.4  | 13.1                  | 13.9   | 14.4   | 14.9   | 14.4           |
| Net financial position/(Cash)        | 6.6            | 4.9   | 1.4                   | 0.7    | (2.2)  | (6.9)  | (13.6)         |
| Group Shareholder's Equity           | 5.8            | 6.5   | 11.7                  | 13.2   | 16.6   | 21.8   | 28.0           |
| Minorities                           | -              | -     | -                     | -      | -      | -      | -              |
| Total Shareholder's Equity           | 5.8            | 6.5   | 11.7                  | 13.2   | 16.6   | 21.8   | 28.0           |
| Cash Flow (EUR million)              |                |       |                       |        |        |        |                |
| Net operating cash flow              | -              | -     | 2.8                   | 4.3    | 5.8    | 7.3    | 8.6            |
| Change in NWC                        | -              | -     | (1.8)                 | 0.1    | (0.5)  | (0.9)  | (0.6)          |
| Capital expenditure                  | -              | -     | (2.2)                 | (3.9)  | (2.8)  | (2.3)  | (1.8)          |
| Other cash items/Uses of funds       | -              | -     | 0.3                   | 0.3    | 0.4    | 0.5    | 0.5            |
| Free cash flow                       | -              | -     | (1.0)                 | 0.8    | 3.0    | 4.7    | 6.8            |
| Enterprise Value (EUR million)       |                |       |                       |        |        |        |                |
| Market Cap                           | n.a.           | n.a.  | 58.2                  | 52.1   | 52.1   | 52.1   | 52.1           |
| Minorities                           | -              | -     | -                     | -      | -      | -      | -              |
| Net financial position/(Cash)        | 6.6            | 4.9   | 1.4                   | 0.7    | (2.2)  | (6.9)  | (13.6)         |
| Enterprise value                     | n.a.           | n.a.  | 60                    | 53     | 50     | 45     | 39             |
| Ratios                               |                |       |                       |        |        |        |                |
| EBITDA margin                        | 19.4%          | 16.7% | 17.2%                 | 19.5%  | 22.7%  | 24.1%  | 25.2%          |
| EBIT margin                          | 4.2%           | 6.5%  | 4.7%                  | 9.0%   | 15.3%  | 19.0%  | 20.0%          |
| Gearing - Debt/equity                | 114.9%         | 74.5% | 11.7%                 | 5.0%   | -13.4% | -31.5% | -48.5%         |
| Interest cover on EBIT               | 41.6%          | 16.0% | 13.9%                 | 5.1%   | 2.4%   | 1.5%   | 1.3%           |
| NFP/EBITDA                           | 2.37x          | 1.29x | 0.45x                 | 0.14x  | -0.31x | -0.71x | -1.20x         |
| ROCE                                 | 4.9%           | 12.8% | 6.4%                  | 16.4%  | 34.1%  | 50.5%  | 62.2%          |
| ROE                                  | 3.2%           | 11.5% | 3.3%                  | 11.4%  | 20.2%  | 23.8%  | 22.1%          |
| EV/Sales                             | 3.6x           | 2.3x  | 3.0x                  | 2.1x   | 1.6x   | 1.3x   | 1.2x           |
| EV/EBITDA                            | 18.7x          | 13.8x | 17.2x                 | 10.6x  | 7.2x   | 5.4x   | 4.6x           |
| P/E                                  | 281.6x         | 69.2x | 136.1x                | 34.5x  | 15.5x  | 10.0x  | 8.4x           |
| Free cash flow yield                 | 0.00%          | 0.00% | -0.76%                | 0.62%  | 2.34%  | 3.72%  | 5.36%          |
| Growth Rates (%)                     |                |       |                       |        |        |        |                |
| Sales                                | n.a.           | n.m.  | -22.1%                | 43.5%  | 26.6%  | 24.2%  | 13.0%          |
| EBITDA                               | n.a.           | n.m.  | -19.8%                | 62.9%  | 47.0%  | 32.3%  | 18.0%          |
| EBIT                                 | n.a.           | n.m.  | -42.9%                | 172.1% | 115.5% | 53.7%  | 19.0%          |
| Net Income                           | n.a.           | n.m.  | -55.5%                | 294.8% | 121.8% | 55.0%  | 19.3%          |

Source: Company data, KT&amp;Partners' elaborations

## Valuation

Following the projections of ELES's future financials, we carried out the valuations of the company by applying both the DCF and EV/EBITDA methods and considering ELES's warrant. Our fair value is the result of:

- **Average of valuation methods:** fair value of €6.84ps;
- **Warrant dilution effect:** we carried out a simulation considering the exercise of the warrant distributed to the market. We considered the 5.1mn of warrant (coming from both the first release at the IPO and the second release in January 2020) that will be exercisable by the market (based on 45% free float), for an estimated capital increase of ca. €5.1mn (2.5mn of new shares). The diluted fair value would be equal to €5.95ps (based on 13.7mn shares).

By summing up the result of the valuation methods and the warrant effects we project a fair value of €5.95ps.

### Valuation Recap

|                       | Value per share € |
|-----------------------|-------------------|
| Valuation model avg   | 6.84              |
| Post Warrant Dilution | 5.95              |
| <b>Fair Value</b>     | <b>5.95</b>       |

Source: KT&Partners' elaborations

## Peer Comparison

In order to define ELES's peer sample, we carried out an in-depth analysis of listed companies active in the ATE, Burn-In and System Level Test market. Given the increasing market requests for not only higher performance but also higher reliability, ATE market leaders (i.e. Advantest and Teradyne) have recently moved towards the Burn-In/System Level Test market through M&A activities. In February 2019, for example, Advantest Corp. acquired Test Systems, a provider of system level tests for semiconductor components and modules, from Astronics Corporation for \$100 million, plus an earn-out payment of up to \$35 million based on certain performance milestones. Test Systems is highly complementary to Advantest's existing suite of automated test equipment solutions and broadens Advantest's position in system level tests, an increasingly critical test modality.

For peer analysis, we built a sample of 6 companies which includes:

- **Advantest Corp.:** listed on the Tokyo stock exchange with a market capitalization of €10bn, Advantest Corp. is the leading producer of automatic test equipment (ATE) for the semiconductor industry and a manufacturer of mechatronic products used in the design and production of electronic instruments and systems. In FY18, the company reached revenue of €2.2bn. It operates through the:
  - Semiconductor and Components Test Systems segment which offers test systems for semiconductor and electronic component industries (75% of FY18 total sales) with a particular focus on DRAM and more recently on SoC;
  - Mechatronic segment which provides the semiconductor devices handling mechatronic applied products such as testers,

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- handlers, device interfaces and nanotechnology products (14% of FY18 total sales);
  - Others segment which is involved in the customer solution, support and equipment leasing services;
  - **Aehr Test Systems:** listed on Nasdaq with a market capitalization of €50mn, Aehr Test Systems engages in the design, manufacture, and marketing of test and Burn-In products to the semiconductor manufacturing industry. Its products include wafer contact test systems (70% of FY19 total sales), test during Burn-In systems (31% of FY19 total sales), test fixtures and dye carriers. In FY19, the company reached revenue of €18bn;
  - **Chroma ATE Inc.:** listed on the Taiwan stock exchange with a market capitalization of €2bn, Chroma ATE Inc. engages in the design and manufacture of precision electronic measuring instruments. Its products include a power electronics test, electric vehicle test, battery test and automation, passive component test, electrical safety test, video and color test, flat panel display test, lighting and driver test, optical devices test, photovoltaic and inverter test, automated optical inspection, semiconductor and integrated circuit test, manufacturing execution systems, turnkey test and automation solutions. In FY18, the company reached revenue of €0.5bn;
  - **Cohu Inc.:** listed on Nasdaq with a market capitalization of €1bn, Cohu Inc. engages in the provision of back-end semiconductor equipment and services. It operates through the Semiconductor Test and Inspection (98% of FY18 total revenue), and Printed Circuit Board Test segments. In FY18, the company reached revenue of €0.4bn;
  - **Teradyne Inc.:** listed on Nasdaq with a market capitalization of €11bn, Teradyne Inc. supplies automation equipment for test and industrial applications. In FY18, the company reached revenue of €1.8bn. It operates through the:
    - Semiconductor Test segment (71% of FY18 total revenue) which designs, manufactures, sells, and supports semiconductor test products and services, which are used both for wafer level and device package testing;
    - Systems Test segment (10% of FY18 total revenue) which comprises the defense and aerospace, storage test, and production board test business unit;
    - Wireless Test segment (6% of FY18 total revenue) which designs, develops, and supports advanced wireless test equipment for the manufacturing of wireless devices such as smartphones, tablets, notebooks, laptops, personal computer peripherals, and other Wi-Fi, Bluetooth, near-field communication and cellular enabled devices;
    - Industrial Automation segment (12% of FY18 total revenue) which supplies collaborative robots that work side by side with production workers.

We analyzed the peer companies by considering their marginalities and revenue growth, and compared their average results to ELES's financials.

By looking at revenue growth, ELES outperformed its comps by ca. 18%, growing at the higher pace of 34.5% CAGR16-18 and showed a higher average EBITDA margin (18.7% vs 18.0% of its average comps over the 2016-18 period). Over the 2016-18 period, ELES reported lower EBIT margin and net margin than the comps' average, mainly as a result of the high level of investments carried out during the 2016-18 period.

#### Peer Comparison - Revenue (€mn) and Revenue CAGR (%)

| Company Name           | Sales |       |       | CAGR<br>2016-18 | Sales |       | CAGR<br>2018-'20 |
|------------------------|-------|-------|-------|-----------------|-------|-------|------------------|
|                        | 2016  | 2017  | 2018  |                 | 2019  | 2020  |                  |
| Advantest Corp.        | 1,313 | 1,600 | 2,201 | 29.5%           | 2,199 | 2,423 | 4.9%             |
| Aehr Test Systems      | 17    | 25    | 18    | 3.0%            | 27    | 33    | 34.2%            |
| Chroma Ate Inc.        | 326   | 434   | 476   | 20.9%           | 419   | 482   | 0.6%             |
| Cohu, Inc.             | 313   | 383   | 521   | 29.1%           | 601   | 686   | 14.7%            |
| Teradyne, Inc.         | 1,894 | 1,781 | 2,050 | 4.0%            | 2,370 | 2,559 | 11.7%            |
| Peers' Revenue Average | 773   | 845   | 1,053 | 16.8%           | 1,123 | 1,237 | 5.5%             |
| ELES S.p.A.            | 12    | 14    | 23    | 34.5%           | 18    | 25    | 5.7%             |

Source: FactSet

#### Peer Comparison - EBITDA margin, EBIT margin and Net margin

| Company Name      | EBITDA Margin |       |       |       |       |       | EBIT Margin |       |       |       |       |       | Net Margin |       |       |       |       |       |
|-------------------|---------------|-------|-------|-------|-------|-------|-------------|-------|-------|-------|-------|-------|------------|-------|-------|-------|-------|-------|
|                   | 2016          | 2017  | 2018  | 2019  | 2020  | 2021  | 2016        | 2017  | 2018  | 2019  | 2020  | 2021  | 2016       | 2017  | 2018  | 2019  | 2020  | 2021  |
| Advantest Corp.   | 12.0%         | 14.0% | 23.3% | 24.5% | 25.8% | 29.2% | 8.7%        | 11.6% | 21.6% | 20.3% | 22.5% | 23.9% | 9.1%       | 8.7%  | 20.2% | 17.2% | 18.6% | 19.5% |
| Aehr Test Systems | neg           | 4.5%  | neg   | n.a.  | n.a.  | n.a.  | neg         | 3.1%  | neg   | 5.0%  | 10.0% | n.a.  | neg        | 1.8%  | neg   | 5.2%  | 10.2% | n.a.  |
| Chroma Ate Inc.   | 20.2%         | 22.5% | 19.8% | 19.2% | 23.8% | 25.3% | 17.3%       | 20.4% | 18.0% | 16.1% | 21.2% | 22.8% | 14.8%      | 17.2% | 15.0% | 14.7% | 18.8% | 19.9% |
| Cohu, Inc.        | 13.8%         | 9.8%  | 4.0%  | 14.5% | 18.2% | n.a.  | 11.2%       | 4.1%  | neg   | 11.5% | 14.9% | n.a.  | 9.4%       | neg   | neg   | neg   | 5.1%  | n.a.  |
| Teradyne, Inc.    | 29.7%         | 28.3% | 28.8% | 30.3% | 30.7% | 30.5% | 24.7%       | 23.0% | 23.5% | 25.6% | 26.4% | 26.5% | 12.1%      | 21.5% | 20.9% | 21.6% | 22.3% | 21.7% |
| Peers' Average    | 18.7%         | 16.7% | 19.0% | 22.4% | 24.7% | 28.2% | 14.3%       | 12.5% | 18.7% | 15.6% | 18.6% | 22.9% | 11.0%      | 12.5% | 16.7% | 14.2% | 14.8% | 19.2% |
| ELES S.p.A.       | 19.9%         | 19.4% | 16.7% | 17.2% | 19.5% | 22.7% | 3.3%        | 4.2%  | 6.5%  | 4.7%  | 9.0%  | 15.3% | 0.2%       | 1.3%  | 3.3%  | 2.2%  | 6.0%  | 10.5% |

Source: FactSet

## Market Multiple Valuation

Following our peer analysis, we evaluate ELES by using 2020-21 EV/EBITDA market multiples of the peer sample. Our valuation also includes a 15% liquidity/size discount and takes into account our estimates of ELES's EBITDA for 2020 and 2021.

We did not take into account the P/E market multiples, since the investment made in the past years by ELES strongly penalizes the net income of the following years.

### Peers Comparison - Market Multiples 2019-21

| Company Name       | Exchange | Market Cap | EV/SALES 2019 | EV/SALES 2020 | EV/SALES 2021 | EV/EBITDA 2019 | EV/EBITDA 2020 | EV/EBITDA 2021 | EV/EBIT 2019 | EV/EBIT 2020 | EV/EBIT 2021 | P/E 2019 | P/E 2020 | P/E 2021 |
|--------------------|----------|------------|---------------|---------------|---------------|----------------|----------------|----------------|--------------|--------------|--------------|----------|----------|----------|
| Advantest Corp.    | Tokyo    | 9,656      | 3.8x          | 3.5x          | 3.2x          | 15.6x          | 13.5x          | 11.0x          | 18.9x        | 15.5x        | 13.4x        | 25.5x    | 21.4x    | 18.9x    |
| Aehr Test Systems  | NASDAQ   | 50         | 1.8x          | 1.4x          | n.a.          | n.a.           | n.a.           | n.a.           | 36.2x        | 14.5x        | n.a.         | 24.0x    | 12.0x    | n.a.     |
| Chroma Ate Inc.    | Taiwan   | 2,053      | 5.0x          | 4.4x          | 3.9x          | 26.3x          | 18.4x          | 15.5x          | 31.2x        | 20.6x        | 17.2x        | 33.9x    | 23.0x    | 19.5x    |
| Cohu, Inc.         | NASDAQ   | 981        | 2.0x          | 1.7x          | n.a.          | 13.5x          | 9.5x           | n.a.           | 17.0x        | 11.6x        | n.a.         | 23.5x    | 13.8x    | n.a.     |
| Teradyne, Inc.     | NASDAQ   | 11,243     | 4.7x          | 4.3x          | 4.1x          | 15.4x          | 14.0x          | 13.3x          | 18.2x        | 16.3x        | 15.3x        | 22.4x    | 19.7x    | 18.0x    |
| Average peer group |          | 4,797      | 3.5x          | 3.1x          | 3.7x          | 17.7x          | 13.8x          | 13.3x          | 24.3x        | 15.7x        | 15.3x        | 25.9x    | 18.0x    | 18.8x    |
| Median peer group  |          | 2,053      | 3.8x          | 3.5x          | 3.9x          | 15.5x          | 13.8x          | 13.3x          | 18.9x        | 15.5x        | 15.3x        | 24.0x    | 19.7x    | 18.9x    |

Source: FactSet, KT&Partners' elaborations

### EV/EBITDA Multiple Valuation

| Multiple Valuation (€mn)    | 2020E | 2021E |
|-----------------------------|-------|-------|
| EV/EBITDA Comps             | 13.8x | 13.3x |
| ELES S.p.A. EBITDA          | 4.94  | 7.26  |
| Enterprise value            | 67.9  | 96.6  |
| Eles S.p.A. NFP Adj.        | 0.1   | 0.1   |
| Equity Value                | 67.8  | 96.5  |
| Average Equity Value        | 82.2  |       |
| Liquidity/Size Discount     | 15%   |       |
| Equity Value Post-Discount  | 69.8  |       |
| Number of shares (thousand) | 11.2  |       |
| Value per Share €           | 6.26  |       |

Source: FactSet, KT&Partners' elaborations

## DCF Model

We have also conducted our valuation using a 5-year DCF model, based on 10.0% cost of equity, 3% cost of debt and a target capital structure with 16.6% debt (Damodaran for semiconductor equipment sector). The cost of equity is a function of the risk-free rate of 1.35% (Italian 10y BTP), 5.96% equity risk premium (Damodaran for a mature market). We, therefore, obtained 8.9% WACC.

We discounted 2019E-2023E annual cash flows and considered a terminal growth rate of 2.0%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

## DCF Valuation

| € thousand                     | 2019E         | 2020E        | 2021E        | 2022E        | 2023E        |
|--------------------------------|---------------|--------------|--------------|--------------|--------------|
| EBIT                           | 836           | 2,275        | 4,904        | 7,535        | 8,964        |
| Taxes                          | (251)         | (683)        | (1,471)      | (2,261)      | (2,689)      |
| D&A                            | 2,194         | 2,660        | 2,352        | 2,063        | 2,363        |
| Change in Net Working Capital  | (1,813)       | 84           | (462)        | (851)        | (626)        |
| Change in Funds                | 257           | 349          | 396          | 483          | 535          |
| <b>Net Operating Cash Flow</b> | <b>1,223</b>  | <b>4,686</b> | <b>5,718</b> | <b>6,968</b> | <b>8,547</b> |
| Capex                          | (2,189)       | (3,900)      | (2,750)      | (2,250)      | (1,750)      |
| <b>FCFO</b>                    | <b>-966</b>   | <b>786</b>   | <b>2,968</b> | <b>4,718</b> | <b>6,797</b> |
| g                              | 2.0%          |              |              |              |              |
| Wacc                           | 8.9%          |              |              |              |              |
| FCFO (discounted)              | (976)         | 729          | 2,528        | 3,690        | 4,881        |
| Discounted Cumulated FCFO      | 10,852        |              |              |              |              |
| TV                             | 100,322       |              |              |              |              |
| TV (discounted)                | 72,043        |              |              |              |              |
| <b>Enterprise Value</b>        | <b>82,895</b> |              |              |              |              |
| NFP Adj.                       | 75            |              |              |              |              |
| <b>Equity Value</b>            | <b>82,820</b> |              |              |              |              |
| Current number of shares (mn)  | 11.2          |              |              |              |              |
| <b>Value per share (€)</b>     | <b>7.42</b>   |              |              |              |              |

Source: FactSet, KT&Partners' elaborations

## DCF Sensitivity Analysis

| € thousand           |      | WACC   |        |        |        |        |
|----------------------|------|--------|--------|--------|--------|--------|
| Terminal growth Rate |      | 9.4%   | 9.2%   | 8.9%   | 8.7%   | 8.4%   |
|                      | 1.5% | 72,142 | 74,795 | 77,630 | 80,664 | 83,921 |
|                      | 1.8% | 74,306 | 77,121 | 80,134 | 83,368 | 86,847 |
|                      | 2.0% | 76,616 | 79,609 | 82,820 | 86,274 | 90,001 |
|                      | 2.3% | 79,088 | 82,277 | 85,707 | 89,408 | 93,411 |
|                      | 2.5% | 81,739 | 85,145 | 88,820 | 92,795 | 97,109 |

Source: FactSet, KT&Partners' elaborations



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