

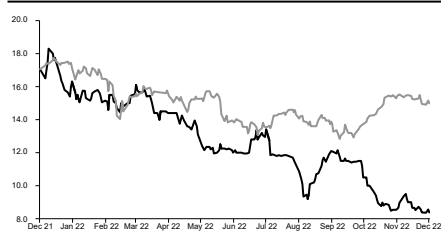


Company Update

Buy			
Recommendation unchanged			
Share price: EUR		8.38	
closing price as of 22/12/2022			
Target price: EUR		15.50	
Target Price unchanged			
Upside/Downside Potential		85.0%	
Reuters/Bloomberg SPN.MI/SPN IM			
Market capitalisation (EURm)		50	
Current N° of shares (m)		6	
Free float		18%	
Daily avg. no. trad. sh. 12 mth (k)		2	
Daily avg. trad. vol. 12 mth (k)		13.51	
Price high/low 12 months		18.30 / 8.30	
Abs Perfs 1/3/12 mths (%)		-1.87/-30.74/-50.85	
Key financials (EUR)	12/21	12/22e	12/23e
Sales (m)	68	80	98
EBITDA (m)	5	6	8
EBITDA margin	7.8%	7.9%	8.5%
EBIT (m)	4	4	6
EBIT margin	5.9%	4.9%	6.0%
Net Profit (adj.)(m)	3	3	5
ROCE	119.8%	19.8%	28.2%
Net debt/(cash) (m)	(1)	7	3
Net Debt Equity	0.0	0.4	0.1
Net Debt/EBITDA	-0.1	1.0	0.4
Int. cover(EBITDA/Fin.int)	15.9	15.7	14.1
EV/Sales	1.4	0.6	0.4
EV/EBITDA	18.4	7.3	5.1
EV/EBITDA (adj.)	18.4	7.3	5.1
EV/EBIT	24.6	11.6	7.2
P/E (adj.)	38.6	15.0	10.9
P/BV	8.0	3.1	2.5
OpFCF yield	-1.6%	9.1%	9.8%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	0.47	0.56	0.77
BVPS	2.30	2.73	3.38
DPS	0.00	0.00	0.00

Shareholders

Managers and founders 66%; Treasury shares 8%; Other 8%;



Source: FactSet

— SPINDOX — FTSE Italy All Share (Rebased)

Analyst(s)

Andrea Devita, CFA
andrea.devita@bancaakros.it
+39 02 4344 4031

Gian Marco Gadini
gianmarco.gadini@bancaakros.it
+39 02 4344 4236

Reason: Company newsflow

23 December 2022

Spinning towards EUR 100m revenue mark

9M 2022 results support our view of a solid FY 2022, while the acquisition of Deep Consulting should push SPN group's turnover to just below EUR 100m in 2023. Despite the general uncertainty, we believe that current trading conditions and long-term trends in ICT Services remain solid. In this context, with continuous investments (skilled personnel) and M&A, SPN has widened its offer and is ready to tap into new opportunities, spanning the TLC, banking, public administrations markets and diversified "mid-sized" customers.

- ✓ **H1 2022 results.** Revenue growth in Q2 accelerated slightly vs. Q1 (+12.4% Y/Y), as it included less than EUR 300K contribution (c. 1/1.5pp on Q2 growth) from the consolidation of TMLAB as of May 1 and Stackhouse as of June 1. Q2 EBITDA margin in the quarter suffered from the postponement of some relevant project in the Banking & Insurance vertical, mostly due to the growing uncertainty in the macro scenario.
- ✓ **9M 2022 KPIs. Turnover** in 9M was up by 15% Y/Y; the M&A contribution to the top line was not disclosed as Plan Net and Plan Soft were merged into the parent company Spindox during Q3 (in H1 22, the contribution was c.9.5pp). TMLab and Stackhouse contributed EUR 0.7m in 9M (just above 1pp within the reported growth). The Q3 **EBITDA margin** was better than expected (8.6% vs. est. 8%), almost stable Y/Y on a pro-forma basis (8.8%), thanks to cost control actions. In absolute value, EBITDA met our expectations of EUR 1.6m/4.5m in Q3/9M 2022 respectively. The **net financial position** turned to EUR 2.6m net debt (vs. EUR 1.67m net cash at the end of June), mainly due to the NWC seasonal dynamics.
- ✓ **IT Market.** In the last market review (November 2022), Anitec-Assinform has revised down its expectation for ICT Market growth for the current year from +3.6% to +2.1%. The dynamics of H2 2022 are influenced by a general deterioration of the economy, including a decline in household consumption and a slowdown in the GDP trend. In any case, the majority of sectors are still expected to grow, albeit with a lower rate than Assinform's forecast of last June. Importantly, we note that the expected >5% growth of Software and ICT Solutions segment is confirmed while the ICT Services segment has been upgraded by 0.9pp in the latest estimate thanks to the accelerating digitization processes in all segments with the use of Cloud services and, more generally, of Managed Services. The **"Digital Enablers"** and **"Digital Transformers"** are well positioned to continue driving IT sector growth with mid-teens growth estimate for the foreseeable future.
- ✓ **Estimates revision.** We have adjusted our estimates to take into account the consolidation of Deep Consulting and current market trends. In the longer term to FY 2024 and beyond, supported by estimates by Assinform and also Gartner on a European level, we basically confirm our view, with organic growth of c. 8% p.a. and EBITDA margin improving gradually to above 9%.
- ✓ **Valuation.** Following our estimates revision and assuming slightly more conservative terminal EBITDA margin (trimmed by 50bp to 9.5%, WACC 9% and g 2.5% unchanged), **we confirm our TP of EUR 15.5/sh.** The stock appears significantly undervalued vs. national and international IT players.



CONTENTS

9m 2022 results	3
M&A activity	7
Updated Market forecasts: ICT still up this year and in 2023	9
Forecasts Update	13
Valuation	15
Peers' comparison	17



9m 2022 results

H1 2022 full release

SPN published its H1 2022 results on a consolidated basis, including the contribution of Plan Net and Plan Soft as of January 1, 2022 and of TMLab since the acquisition in May.

Revenue growth in Q2 accelerated slightly vs. Q1 (+12.4% Y/Y), as it included less than EUR 300K contribution (c. 1/1.5pp on Q2 growth) from the consolidation of TMLAB as of May 1 and Stackhouse as of June 1.

However, the Q2 EBITDA margin in the quarter suffered from the postponement of some relevant project in the Banking & Insurance vertical, mostly due to the growing uncertainty in the macro scenario. Nevertheless, the chairwoman Giulia Gestri highlighted the positive development in this vertical, as well as in the newly acquired business, where the integration was going on according to plan.

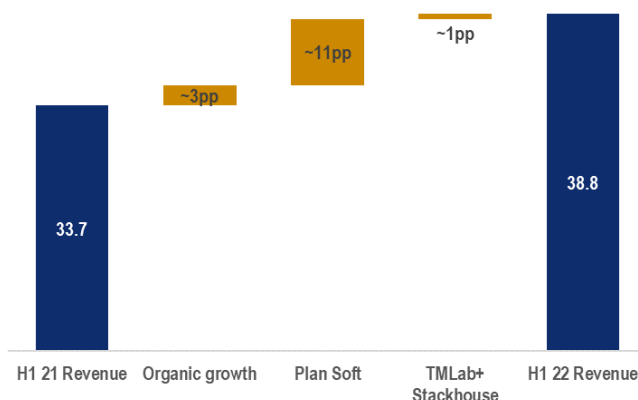
SPN FY 2019/22 accounts (EUR m)

(EUR m)	FY 2020	H1 2021	FY 2021	Y/Y	H1 2021pf	H1 2022	Y/Y
Net Sales	56.5	33.4	66.8	18.1%	33.7	37.8	12.0%
IT Services	40.5	23.4	47.2	16.4%	na	28.0	nm
Consulting	7.68	4.30	8.64	12.5%	na	4.08	nm
Network Services	6.25	3.20	6.19	-1.0%	na	3.37	nm
AI Technology	2.07	2.30	4.71	128%	na	2.31	nm
Other revenues	0.85	0.27	1.04	21.9%	0.41	1.07	161.4%
Total Turnover	57.4	33.7	67.8	18.1%	34.1	38.8	13.8%
Labour cost	(36.7)	(20.1)	(39.9)	8.6%	(21.4)	(26.4)	23.2%
Other Opex	(16.6)	(10.9)	(22.6)	36.2%	(9.8)	(9.5)	-3.1%
EBITDA	4.09	2.71	5.32	30.1%	2.84	2.89	1.9%
Margin	7.1%	8.1%	7.8%	0.7pp	8.6%	7.4%	-1.1pp
EBITA	3.04	2.17	4.23	39.1%	2.16	1.80	-16.7%
Margin	5.3%	6.5%	6.3%	1.0pp	6.0%	4.8%	-1.2pp
Goodwill amortization	(0.13)	(0.12)	(0.25)	98.6%	(0.12)	(0.31)	149.2%
EBIT	2.91	2.05	3.98	36.5%	2.03	1.49	-26.8%
Margin	5.1%	6.1%	5.9%	0.8pp	6.0%	3.8%	-2.1pp
Net financial charges	(0.39)	(0.18)	(0.33)	-15.2%	(0.19)	(0.14)	-26.2%
EBT	2.52	1.87	3.65	44.6%	1.846	1.35	-26.9%
Taxes	(1.01)	(0.59)	(0.98)	-3.2%	(0.59)	(0.72)	21.5%
Net Income	1.51	1.27	2.66	76.8%	1.25	0.56	-55.0%

Source: Company Data, Banca Akros estimates



Revenue bridge H1 2021/22

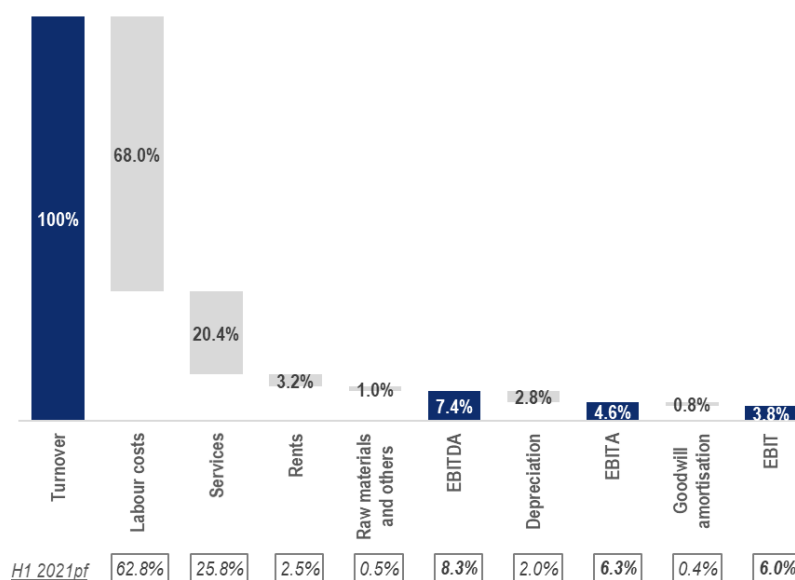


Source: Banca Akros on company data

Cost-wise, we note that the personnel expense, which is by far the heaviest item in P&L, increased by 23% Y/Y with 5pp higher impact on the value of production, to 68% of the total, since SPN had already hired the needed employees to carry out the aforementioned projects in the Banking & Insurance vertical.

On the other hand, the group has controlled other operating costs effectively, as they decreased by c. 3% Y/Y in absolute value (or 4pp less on value of production).

Cost analysis H1 2022

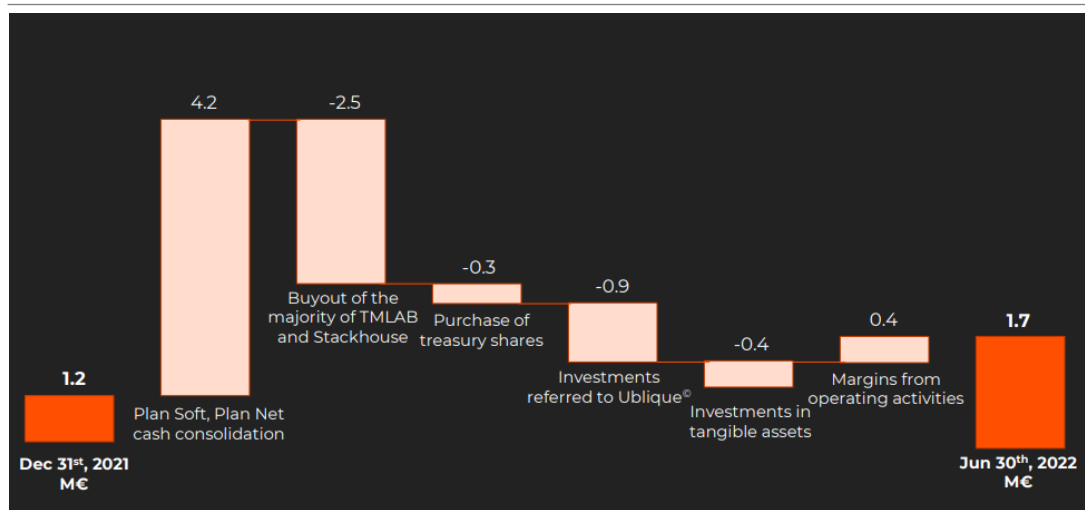


Source: Banca Akros on company data



The net cash position stood at EUR 1.7m, up by EUR 0.5m YTD and down by EUR 4m in Q2. In H1 2022, SPN consolidated the net cash position of Plan Net and Plan Soft (EUR 4.2m), while it invested EUR 2.5 in M&A, EUR 0.9m in operating capex (Ublique) and EUR 0.3m to purchase treasury shares.

Net cash position evolution H1 2022



Source: company presentation



9m22 Key Economic/financial indicators

In Q3 2022, revenues were a touch lower than our estimates (“>EUR 58.5m” in 9M), with a EUR 1m Q/Q decline to c. EUR 19m (vs. our estimate of c. EUR 20m, flattish Q/Q). The M&A contribution to the 9M top line was not disclosed as Plan Net and Plan Soft were merged into the parent company Spindox during Q3 (in H1 22, the contribution was c.9.5pp). TMLab and Stackhouse contributed EUR 0.7m in 9M (just above 1pp within the reported growth).

The Q3 EBITDA margin was better than expected (8.6% vs. est. 8%), almost stable Y/Y on a pro-forma basis (8.8%), thanks to cost control actions. In absolute value, EBITDA met our expectations of EUR 1.6m/4.5m in Q3/9M 2022 respectively.

The net financial position turned to EUR 2.6m net debt (vs. EUR 1.67m net cash at the end of June), mainly due to the NWC seasonal dynamics, which drove the cash from operations to -EUR 2.8m (vs. EUR +0.4m in H1 22). SPN expects the NWC cycle to be the same as in the previous years, with a significant recovery and a positive operating cash flow in Q4. As regards other outflows in Q3, we note further EUR 0.7m (EUR 1.1m in 9M) in capex and EUR 0.3m (EUR 0.6m in 9M) to purchase treasury shares.

Spindox 9m 2022 KPIs (2021 pro-forma)

(EURm)	Q1 2021pf*	Q1 2022a	Q2 2021pf*	Q2 2022a	H1 2021 rep	H1 2021pf*	H1 2022a	Q3 2021pf*	Q3 2022a	9m2021 rep	9m 2021pf*	9m 2022a
Sales	na	na	na	na	33.4	33.7	37.8	na	na	na	na	na
Y/Y	nm	nm	nm	nm	20.4%	nm	12.0%	na	na	nm	nm	nm
Turnover	16.9	19.0	17.2	19.8	33.7	34.1	38.8	16.0	18.8	49.7	50.1	57.6
Y/Y	na	12.4%	nm	15.2%	20.8%	nm	13.8%	nm	17.5%	19.8%	nm	15.0%
EBITDA	1.30	1.46	1.53	1.43	2.71	2.84	2.89	1.41	1.61	3.95	4.25	4.50
Y/Y	na	12.4%	na	-7.0%	37.5%	nm	1.9%	nm	14.2%	39.9%	nm	6.0%
margin	7.7%	7.7%	8.9%	7.2%	8.1%	8.3%	7.4%	8.8%	8.6%	7.9%	8.5%	7.8%
EBIT	na	na	na	na	2.05	2.03	1.49	na	na	na	na	na
margin	nm	nm	nm	nm	6.1%	6.0%	3.8%	nm	nm	nm	nm	nm
NFP	na	-5.70	na	-1.67	0.55	na	-1.67	na	2.60	3.66	na	2.60

Source: Company Data (*) pro-forma data are Akros' estimates based on the Y/Y change disclosed.



M&A activity

The company has completed five deals so far (see below), ACT Technology in 2020, Plan Soft at the end of 2021 after the IPO, TMLab, Stackhouse and Deep Consulting in 2022.

Spindox: M&A at a glance

Target	Date announced/ Completed	Activity	Deal value (EUR m)	Detail	Employees	Economics
ACT Operations Research	Feb 10, 2020/ Sept 2, 2020	AI, predictive analytics software	3.1m for 100%	EUR 2.6m in cash EUR 0.8m in SPN shares	23	FY 2021: revs EUR 2.9m, EBITDA EUR -38K
Plan Soft+Plan Net	Nov 8, 2021/ Mid-Dec 2021	ICT for pharmaceutical industry	9.7m for 100%	EUR 3.56m in advance EUR 1.96m at closing EUR 2.17m by Jan23 EUR 2.00m by Jan24 Up to EUR 0.3m earn-out	114	FY 2021: revs EUR 5.58m, EBITDA EUR 0.52m
TMLab	Apr 29, 2022	Salesforce specialist	1.2m for 51%	Paid upfront; put&call option on 49%	10	FY 2021: revs EUR 0.93m, EBITDA EUR 0.24m
Stackhouse	Jun 28, 2022	Full stack development	1.3m for 51%	All paid up front	8	FY 2021: revs EUR 0.58m, EBITDA EUR 54K
Deep Consulting	Sep 30, 2022/ Oct 7, 2022	End-to-end ICT solutions for 5G	11m for 100%	EUR 0.3m upfront EUR 2.98m at closing EUR 2.60m after approval FY22 results; up to 5.8m earn-out until 2025	122	FY 2021: revs EUR 10m, EBITDA EUR 0.92m

Source: Company Data

Through **ACT Technologies**, SPN basically acquired a “product company” which involves “Boomy Decision”, a powerful framework for the configuration of analytical and vertical applications designed to improve productivity, revenues, risk profiles and the performance of processes and systems. The deal allows SPN to **strengthen its position in the AI techniques**, in the domains of dynamic simulation and predictive models, on which the company has been already working on its internal research hubs. SPN also acquires new important clients in the sectors of retail, fashion, logistics, travel and manufacturing.

We understand that ACT accounted for most of FY 2021 revenue growth in the AI segment (c. EUR 2.8m out of EUR 4.7m of the whole segment).

The **Plan Soft deal allowed SPN to acquire a portfolio of major Italian and foreign clients in the Pharma sector**. Plan Soft is a well-established operator in the field of consultancy and software development, with a significant presence especially in the sectors of large-scale distribution and the pharmaceutical industry where it generates around 40% of its revenues. Thanks to the deal SPN also entered a new Italian region, Tuscany, and secured the cooperation with the incumbent management. Plan Soft's skills range from the world of analytics to that of cloud computing, covering the main software development technologies: .Net, Java, embedded (Yocto and Buildroot) and hybrid and native mobile (Xamarin, Flutter, Cordova, React, Android and Swift).

SPN consolidated PS for just few weeks in FY 2021, with estimated impact below 5% of annual revenues. For FY 2022, the contribution to the top-line should be close to 10pp. The deal is also accretive on profitability, with 80bp positive impact on aggregated EBITDA margin (8.7% FY 2021 proforma).



TMLab designs, develops and integrates solutions and services related to the Salesforce.com platform, of which is a qualified specialist and consulting partner. SPN will widen its offer with the component related to the Salesforce ecosystem, the world's number one cloud platform for process management marketing, sales, e-commerce and customer service.

The contribution to FY 2022 sales growth could be 1pp, the margin accretion on a pro-forma basis is around 25bp. The EUR 1.2m cash outflow should be absorbed by organic cash flow generation in FY 2022. The deal should generate a goodwill of around EUR 1m.

The acquisition of **Stackhouse**, based in Cagliari, **adds to SPN's portfolio a full-stack developer specialised in multiplatform applications** (mobile and web), with both front-end and back-end programming skills covering the main languages (HTML, CSS; JavaScript, PHP and Python among the others). SPN has already started a significant hiring plan, with the aim of doubling the personnel in a few months (starting from 8 as at June 2022).

On September 28, SPN founded a new company, **Ultra**, of which SPN owns a 55% stake. Ultra will design, realise and market virtual reality, augmented reality and mixed reality solutions for industrial and GLAM applications.

Acquisition of Deep Consulting

On September 30, SPN announced that it had signed the preliminary binding agreement to acquire **Deep Consulting**, with closing expected on October 7, 2022. DC specializes in designing and implementing end-to-end ICT solutions, particularly concerning mobile and 5G networks. DC's skills span basic technologies (Java and .NET), ERP and CRM systems, cloud, robotics and IoT, as well as the "cubesat" nanosatellites.

Economics. In FY 2021, DC booked EUR 10m in revenues and EUR 0.92m in EBITDA (9.2% margin), with 122 employees. The net cash position was EUR 0.28m.

Deal value and terms. The total consideration is in the region of EUR 5.9m (o/w EUR 5.6 equity value and EUR 0.3m net cash). The earn-outs are worth up to further c. EUR 5m, depending on the following conditions:

- 1) EUR 0.8m if DC wins a tender by Regione Puglia;
- 2) EUR 1m if FY 2022 revenues exceed EUR 14m and EBITDA margin exceeds 10%;
- 3) EUR 3m if DC makes at least EUR 5m/6.5m/8m in revenues with selected customers (TIM, Ericsson, Leonardo, Ferrovie dello Stato, other telecom, aerospace and defense companies); in FY 2022/23/24 respectively.
- 4) EUR 1m if DC receives EUR 25m in public subsidies for R&D projects in the 2023/25 timeframe.

The upfront consideration (EUR 5.9m) implies an EV/EBITDA multiple of nearly 6.4x, whereas we estimate that the maximum value (c. EUR 11m) implies an EV/EBITDA multiple of less than 8x on FY 22 EBITDA.

Financial impact. We estimate that DC (taking into account a consolidation period of less than 3 months, may contribute up to EUR 2/3m), or 3pp additional growth to FY 22 revenue. At the EBITDA level, the positive impact ought to be in the region of 20/30 bps.



Updated Market forecasts: ICT still up this year and in 2023

DM resilient in the pandemic, up mid-single digit in 2021 and slowing down H1 2022

Spindox competes in the Italian market for ICT products and services, which is a subsegment of the broader “Digital Market” (DM) as measured by Assinform. The latter, which includes communication services as well as digital advertising and consumer/home devices, was worth above EUR 75bn last year, up by 5.3% (slightly below the November 2021 estimate of +5.5%) on a 2020 that closed in any case better than the original low single digit decline expected back in April 2020. Indeed, the pandemic triggered the migration to remote working and learning and accelerated the digital transition of Italian companies. In line with the general trend of the Italian economy, in H1 2022, the Italian Digital Market was also characterized, by lower growth than that recorded in the same period of 2021 (+5.7%), with all segments excluding Network Services up Y/Y.

Italian digital market (November 2022 update) 2016/2022a

EUR m	2016	2017	2018	2019	2020	2021e*	2021a	H1 2022
HW & Systems	18,299	18,333	18,807	19,125	19,368	21,385	21,138	10,142
Y/Y	na	0.2%	2.6%	1.7%	1.3%	10.4%	9.1%	3.4%
Software & ICT Solutions	6,259	6,626	7,136	7,694	7,517	8,116	8,116	3,852
Y/Y	na	5.9%	7.7%	7.8%	-2.3%	8.0%	8.0%	5.4%
ICT Services	10,632	11,057	11,623	12,302	12,702	13,708	13,672	6,921
Y/Y	na	4.0%	5.1%	5.8%	3.3%	7.9%	7.6%	7.2%
Network Services	22,358	22,346	21,752	20,718	19,391	18,604	18,746	9,268
Content and digital ADV	9,622	10,360	11,156	12,093	12,526	13,598	13,616	6,979
Total Digital Market	67,170	68,722	70,473	71,932	71,505	75,410	75,287	37,162
Y/Y	na	2.3%	2.5%	2.1%	-0.6%	5.5%	5.3%	3.0%

Source: Assinform, November 2022 (*) Assinform estimate in November 2021

The Devices and Systems segment was up by 3.4% Y/Y (the slowest growth among positive segments). In this market segment, Assinform points out the growth of TV sets (+20%), of streaming video display devices and decoders (+83.5%), of servers and more generally of all enterprise systems (storage and networking). On the other hand, the PC sector, both Desktop (-9.4%) and Laptop (-10.1%) were characterized by a sharp decrease.

The SW and ICT Solutions segment was up by 5.5%, thanks to increased spending on middleware SW, in the segments of Information management, security and application SW.

ICT Services confirmed the growth trends seen in the previous year. Assinform highlights the continuous and constant growth of the cloud market (+25.5%) and of the consultancy & system integration sectors, even if, the latter, with lower growth rate compared to H1 2021.

Network Services was down by 3.8% Y/Y continuing in its negative trend (-4.1% in H1 2021), including -4.1% Y/Y in fixed network services (-1.6% in H1 2021). Mobile network services also decreased (-3.6%), however with a slower rate than H1 2021 (-6.4%).

The Content & Digital Advertising reported a modest slow-down compared to the 9.2% growth achieved in H1 2021. The Digital Advertising segment has been slowing down (+4.8% in 2022 compared to +11.5% in H1 2021), while the Mobile Entertainment and Mobile App markets confirmed their positive trends.

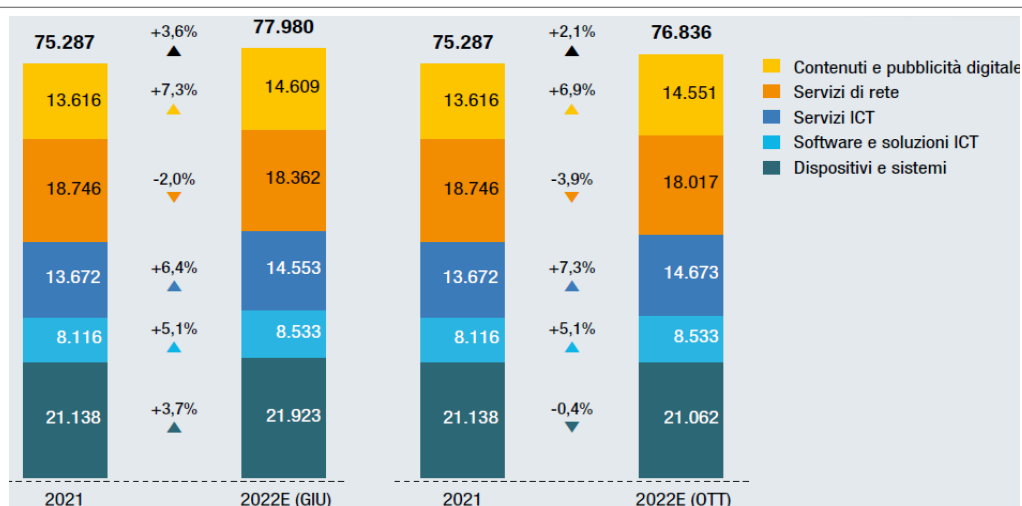


Estimates for 2022 onwards are revised down, still growth ahead

In the last market review (November 2022), **Anitec-Assinform** has revised down its expectation for ICT Market growth for the current year from **+3.6% to +2.1%**.

The dynamics of H2 2022 are influenced by a general deterioration of the economy, including a decline in household consumption and a slowdown in the GDP trend. In any case, the majority of sectors are still expected to grow, albeit with a lower rate than Assinform's forecast of last June. We note that the EUR 1.14bn cut in DM estimate, EUR 0.86bn (-3.9%) is related to HW & Systems, EUR 0.35bn (-1.9%) to Network Services. The reverse in trend for Devices and Systems is due to the more pronounced decline in the segments of TV sets (-13%), PC (-11%) and Tablets (-3.1%). Assinform expects the continuation of a negative trend for Network Services, with a steeper decline than that seen in June. The cut in the Digital Content segment is minimal. Importantly, we note that the expected >5% growth of Software and ICT Solutions segment is confirmed while the ICT Services segment has been upgraded by 0.9pp in the latest estimate thanks to the of accelerating digitization processes in all segments with the use of Cloud services and, more generally, of Managed Services.

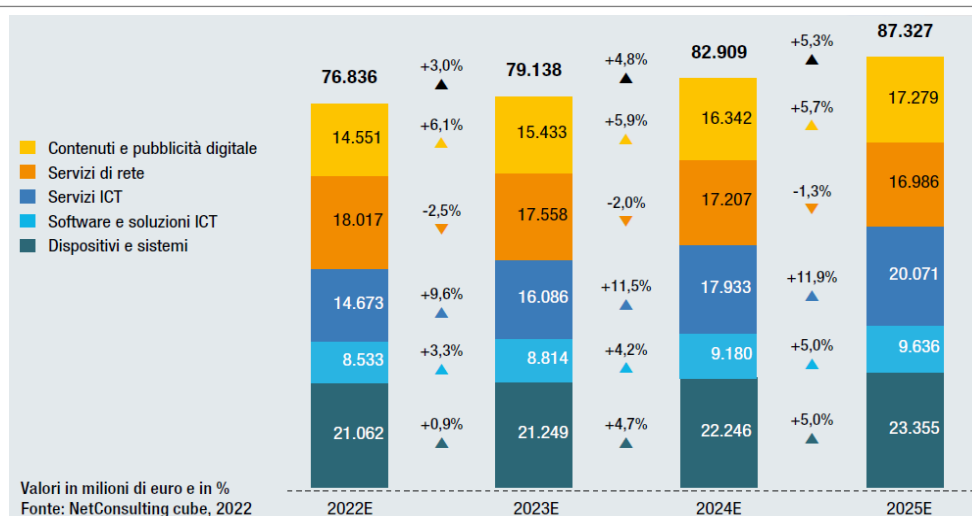
Italian digital market 2022 estimate review



Source: Assinform, November 2022

The estimates to 2025 onwards have also been revised, with 4.3% cut in absolute value for the final year. The expected 2021/25 CAGR is now 3.8%, vs. previous 4.9%.

Italian digital market 2022 estimate review



Source: Assinform, November 2022



Already in the July 2022 report, Assinform acknowledged the complex conditions characterizing the final part of 2021 and H1 2022, considering the cost increases in energy and raw materials and the shortage of components, in turn affected by Covid resurgence and lock downs and the further uncertainty from an ongoing war in Europe. Other key factors included a shortage and a gap in digital skills, and lower/slower than expected implementation of PNRR especially for SMEs. Most of these drags have hardly eased in the past few months, apart from some relief in the supply chain (increased production capacity + softening of demand) and the war is still ongoing. Therefore, the new revision does not surprise.

We note that the deterioration in household consumption, with lower TV and handset sales, is well visible in the Consumer segment, which is cut by 3.7% (vs. June forecast) for 2022 and by 9% for FY 2025 (4Y CAGR revised from +3.0% to +0.5%). The estimate revision has been softer for the Business DM, even if affected by Network Services, with 0.7% cut in 2022 and 3.9% for 2025. All the verticals are due to remain in positive growth trends across the whole forecast period, however there are some major forecast revisions, in particular in Local and Central PA (16.3% and 8.7% cut in 2025 respectively), and Telco&Media (-10.1%); Defense forecast was increased by 8.6%, Banks by 3.4% and Utilities by 3.2%.

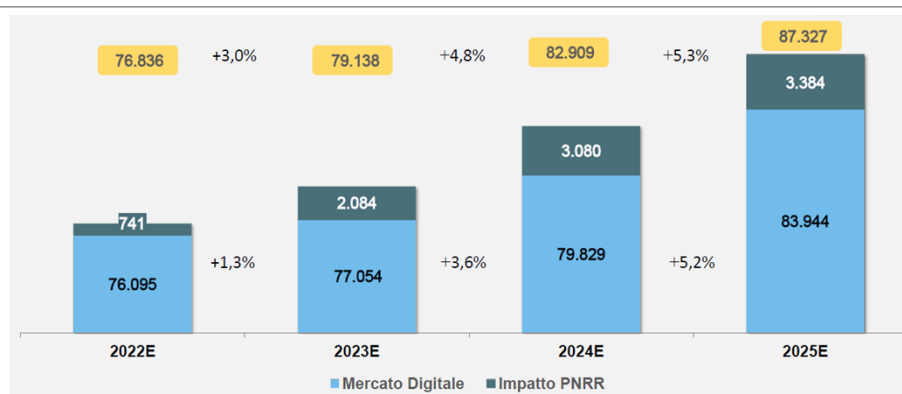
Italian digital market (November 2022 update) 2016/2022a

EUR m	2021	2022e	2023e	2024e	2025e	22/21	23/22	24/23	25/24
Manuf	8,534	8,793	9,109	9,680	10,509	3.0%	3.6%	6.3%	8.6%
Banks	8,647	9,129	9,767	10,719	11,671	5.6%	7.0%	9.7%	8.9%
Insurance/Finance	2,325	2,434	2,563	2,733	2,903	4.7%	5.3%	6.6%	6.2%
Central PA	2,253	2,490	2,778	3,134	3,541	10.5%	11.6%	12.8%	13.0%
Defense	1,090	1,161	1,250	1,363	1,499	6.5%	7.7%	9.0%	10.0%
Local PA	1,359	1,486	1,629	1,821	2,059	9.3%	9.7%	11.7%	13.1%
HealthCare	1,869	2,034	2,249	2,496	2,795	8.8%	10.5%	11.0%	12.0%
Utilities	2,035	2,111	2,222	2,360	2,499	3.7%	5.2%	6.2%	5.9%
TLC+ Media	9,368	9,510	9,750	9,980	10,342	1.5%	2.5%	2.4%	3.6%
Distrib/Services	4,607	4,736	4,874	5,060	5,269	2.8%	2.9%	3.8%	4.1%
Travel & Transp	2,511	2,597	2,682	2,812	2,953	3.4%	3.3%	4.8%	5.0%
Consumer	30,689	30,357	30,265	30,753	31,287	-1.1%	-0.3%	1.6%	1.7%
Total DM	75,287	76,836	79,138	82,909	87,327	2.1%	3.0%	4.8%	5.3%
Total DM Business	44,598	46,479	48,873	52,157	56,041	4.2%	5.1%	6.7%	7.4%

Source: Assinform, November 2022 (*) Assinform estimate in November 2021

The other bid factor is the actual implementation of PNRR, which is slower than expected and having a lower impact in both short term and expected long term.

Italian digital market 2022 estimate review



Source: Assinform, November 2022

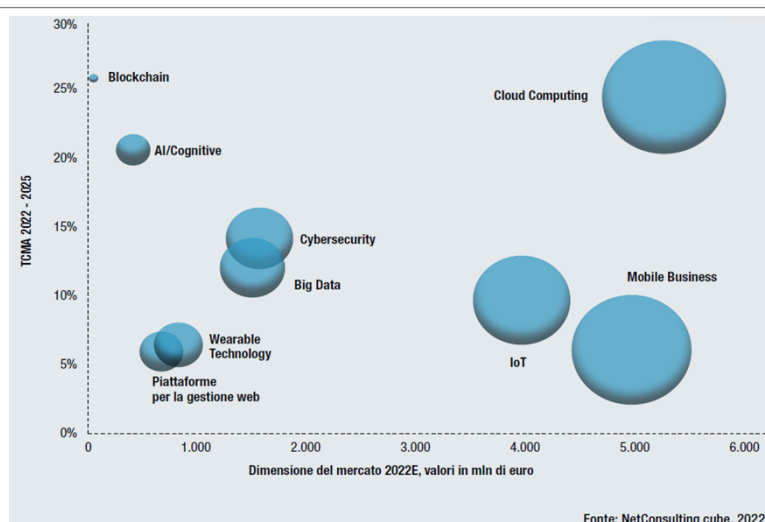
Indeed, the November 2021 estimate considered two different scenarios, based on the effective utilization of 50% (pessimistic scenario) vs. 100% (optimistic scenario) of the annual funds estimated to be released in 2021/24. The pessimistic scenario assumed that released funds would amount to EUR 14.6bn in 2021/24 and EUR 20.5bn in total to 2026. The optimistic scenario sees funds of EUR 29.2bn and EUR 41.1bn (as mentioned above) respectively. The pessimistic scenario involved EUR 3.92bn positive impact in 2022, EUR 4,57bn in 2023 and EUR 4.46bn in 2024.

Already in the June 2022 forecast, Assinform expected the EUR 91bn “pessimistic scenario” level originally in sight for 2024, to be reached one year later. In the new forecast, the 2022 impact is less than a fifth of the Nov 2021 estimate, while in 2024 it is still 24% below.

The “**Digital Enablers**” and “**Digital Transformers**” are well positioned to continue driving IT sector growth with mid-teens growth estimate for the foreseeable future. Assinform identifies three clusters, namely.

- a) The first includes solutions and platforms that have achieved significant market values and that still have good growth prospects. This is the case of Cloud Computing, which is seen above EUR 10bn in 2025 (24.5% 3Y CAGR). The Cloud has taken on a central role in digital transformation and in supporting technological and business priorities thanks to proven advantages in terms of flexibility and scalability compared to “on-premises”. IoT (EUR 4bn billion, +8.8% in 2022), is the basis of the technological innovation of operating and production processes and of the development lines of the PNRR. Lastly, the Mobile Business (EUR 5bn, +6.1%) driven by the continuous increase in worker mobility.
- b) The second cluster includes Cybersecurity (EUR 1.6bn, +14% in 2022) and Big Data (EUR 1.6bn, +12.7%): the former continues its constant growth driven by the need to protect data and applications from relentless threats.
- c) The third cluster includes niche solutions and technologies, either because they are characterized by a very specific use or because their use cases have not yet found full realization. The first subgroup includes Web Management Platforms (EUR 674m, +5.2% Y/Y), which are used in the context of social or e-commerce platforms; and Wearable Technologies (EUR 828m, +6.7%) which, integrated with digital solutions, support activities of technical assistance, maintenance, physical safety as well as solutions related to the world of health and wellness. The second subgroup includes artificial intelligence (EUR 422m, +21.7%), which enables innovative data analysis and interpretation scenarios in the most disparate business areas and is applied to intelligent process automation; and the Blockchain (EUR 43m, +26.5%).

Italian market estimates 2022/25, “Digital Enablers”



Source: Assinform, November 2022



Forecasts Update

We have adjusted our estimates to take into account the consolidation of Deep Consulting and current market trends.

In particular, for Q4 2022 we expect M&A contribution of around EUR 2.6m, implying above 15pp incremental growth. This is on top of organic increase of around 5% (slightly downward revised from previous +8% mainly due to the delays in some relevant projects as announced with H1 release). On balance, we have revised our FY 22 turnover estimates upwards by roughly 2%, including organic growth of c. 6.5pp and M&A contribution of just above 11pp.

At the EBITDA level, we expect Q4 margin to be broadly in line with H1 (of c. 8%), thus pointing to a slightly lower estimate for the full year (7.9% vs. the previous 8.2%) due to the aforementioned delays that affected the H1 22 performance. Deep Consulting ought to post an EBITDA margin in line with the SPN group (c. 8%), thus leading to a broadly neutral impact on group profitability. The end of year net debt position should be in the range of EUR 6/7m, after the EUR 5.6m cash-out related to Deep Consulting acquisition.

On 2023 perspectives, we highlight the following:

- ✓ We estimate the full year proforma FY 2022 turnover in the region of EUR 87m.
- ✓ We forecast organic growth to pick up compared with 2022 (to around +11% Y/Y), as the delayed projects are expected to be completed and the underlying market is set to remain robust. Indeed, we note that Assinform's estimates, albeit a bit less positive on the broader Italian Digital Market, point to (unaltered) healthy growth rates for the IT service segment (c 10% 2021/25 CAGR, see above).
- ✓ The consolidation of Deep Consulting for the whole 2023, implying 9m additional months (and the full consolidation of TMLab) ought to contribute some EUR 9m or 11pp to the top line; we understand that Stackhouse's business is mainly captive and mostly performed within SPN' scope of consolidation, with an almost negligible impact on revenues.

Therefore, we expect SPN FY 2023 revenues to be close to EUR 100m, with a 22% Y/Y growth equally split between organic and consolidation perimeter impact.

Looking at end markets, we expect the finance vertical to be among the main drivers, along with public administration. The TLC segment (Network services) is affected by the peculiar situation at TIM (ongoing discussion over network separation/single network, cost review), one of SPN's main customers, whereas Vodafone should continue to provide sound business as the management change is at group level. We also have a positive view on the automotive vertical, as supply chain issues have started to ease their pressure on the sector. Profitability ought to benefit from new business opportunities, as well as the favourable operating leverage and the integration of acquired companies; we forecast an improvement at the EBITDA margin level in the region of 50/100bps.

In the longer term to FY 2024 and beyond, supported by estimates by Assinform and also Gartner on a European level, we basically confirm our view, with organic growth of c. 8% p.a. and EBITDA margin improving gradually to above 9%. As a medium-term driver, we highlight that SPN is looking to expand its target market into the "mid-sized customers", i.e. large companies with less than EUR 10m budget earmarked annually for IT and digital transformation investments.



SPN: change in estimates 2022/2025e

	FY 2021	FY 2022e		FY 2023e		FY 2024e		FY 2025e	
	Proforma*	Old	New	Old	New	Old	New	Old	New
Sales	72.3	77.5	78.8	83.8	96.5	90.9	104.6	98.6	113.5
Total Turnover	73.4	78.4	79.7	84.9	97.6	92.0	105.8	99.8	114.9
EBITDA	5.8	6.4	6.3	7.2	8.3	8.1	9.3	9.0	10.4
Margin	8.0%	8.2%	7.9%	8.5%	8.5%	8.8%	8.8%	9.0%	9.0%
D&A	(1.4)	(1.4)	(1.4)	(1.6)	(1.5)	(1.8)	(1.8)	(2.0)	(2.0)
EBITA	na	5.2	5.0	5.7	6.9	6.4	7.6	7.1	8.5
Margin	nm	6.6%	6.2%	6.7%	7.0%	6.9%	7.2%	7.2%	7.4%
Goodwill amort.	na	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)	(0.5)	(1.0)
EBIT	4.4	4.7	4.0	5.2	5.9	5.9	6.7	6.7	7.5
Margin	6.0%	6.0%	5.0%	6.2%	6.1%	6.4%	6.3%	6.7%	6.6%
Fin charges	na	(0.4)	(0.4)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)
Taxes	na	(1.1)	(0.9)	(1.2)	(1.3)	(1.3)	(1.5)	(1.5)	(1.8)
Minorities	na	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Net Income	3.0	3.1	2.6	3.4	3.9	3.9	4.5	4.5	5.1
Capex	na	(1.8)	(1.8)	(1.9)	(2.2)	(2.1)	(2.4)	(2.3)	(2.6)
Delta NWC (+decr/-incr)	na	(4.2)	(1.4)	(2.8)	(0.8)	(1.5)	(1.3)	(0.4)	(1.5)
FCFE	na	(1.0)	1.8	0.8	3.5	2.7	3.7	4.4	4.2
Net Debt (cash)	na	4.3	6.5	3.5	3.0	0.8	(0.7)	(3.6)	(4.8)

Source: Company Data, Banca Akros estimates (**) FY 2021pf data based on Akros' estimates



Valuation

We base our valuation on a DCF model, since we believe it effectively prices in the robust growth profile and the increasing cash generation we expect.

We have rolled forward the DCF time window, thus including all the M&A effects on SPN's scope of consolidation and the NFP at the end of FY 2022 as our entry point. We have also included the expected earn-outs linked to the Deep Consulting deal. Our financial parameters (cost of equity 11.0%, beta 1.5, D/D+E 25%, g 2.5%) are unchanged.

We have confirmed our assumptions on the forecast period to FY 2030, with a 9% revenue CAGR in the second stage between 2026/2030, EBITDA margin broadly stable in the 9/10% range. We have slightly lowered the TV EBITDA margin from 10% to 9.5% to factor-in the likely inflation in labour cost.

In this respect, we note that the sensitivity between 9% to 10% TV EBITDA margins still points to a fair value in the region of EUR 15/16 per share. **Therefore, we confirm our Target Price of EUR 15.5/share.**

SPN: DCF model (EURm)

DCF Model	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	TV
Net Sales	97.6	105.8	114.9	124.8	135.7	147.7	161.0	175.5	179.9
EBITDA	8.3	9.3	10.4	11.6	12.9	14.3	15.9	17.7	17.1
% margin	8.5%	8.8%	9.0%	9.3%	9.5%	9.7%	9.9%	10.1%	9.5%
EBITA	6.8	6.9	7.8	8.7	9.8	11.0	12.3	13.7	13.0
Taxes	-1.7	-1.7	-1.9	-2.2	-2.5	-2.7	-3.1	-3.4	-3.3
NOPLAT	5.1	5.2	5.8	6.6	7.4	8.2	9.2	10.3	9.8
D&A	1.5	2.4	2.6	2.8	3.1	3.4	3.7	4.0	4.1
FCF	6.6	7.6	8.4	9.4	10.4	11.6	12.8	14.2	13.8
Capex	-2.2	-2.4	-2.6	-2.8	-3.1	-3.4	-3.7	-4.0	-4.1
WCR	-0.8	-1.3	-1.5	-0.1	-0.1	-0.1	-0.1	-0.1	0.0
Cash Flow	3.7	3.9	4.4	6.5	7.3	8.2	9.1	10.2	9.8

Source: Banca Akros estimates

DCF Analysis

Cumulated Cash Flows (Present Value) EUR m	34.4
Perpetual Growth Rate (g)	2.5%
Normalised Annual Cash Flow (EUR m)	9.8
Terminal Value (EUR m)	154.1
Discounted Terminal Value (EUR m)	71.2
Financial Assets (EUR m)	0.5
Enterprise Value (EUR m)	105.9
NFP (2022) (EUR m)	(6.5)
Minorities & others (EUR m)	0.0
TFR and risk provisions (EUR m)	(1.5)
Off-balance sheet commitments (estimated earn-outs)	(3.0)
Equity Market Value (EUR m)	95.0
Number of shares - fully diluted (m)	6.0
Fair Value per share (EUR)	15.9

Source: Banca Akros estimates



In the following tables we provide a sensitivity analysis.

SPN Fair Value: Sensitivity to WACC/g

WACC/g	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	4.0%
7.50%	17.4	18.7	20.1	21.9	24.0	26.7	30.1
8.00%	15.9	16.9	18.1	19.5	21.2	23.2	25.8
8.50%	14.5	15.4	16.4	17.5	18.9	20.5	22.5
9.00%	13.3	14.1	14.9	15.9	17.0	18.3	19.9
9.50%	12.3	12.9	13.6	14.4	15.4	16.4	17.7
10.00%	11.4	11.9	12.5	13.2	14.0	14.9	15.9
10.50%	10.6	11.0	11.6	12.1	12.8	13.6	14.4

Source: Banca Akros estimates

SPN Fair Value: Sensitivity to WACC/terminal EBITDA margin

WACC/Terminal EBITDA margin	8.75%	9.00%	9.25%	9.50%	9.75%	10.00%	10.25%
7.5%	20.1	20.7	21.3	21.9	22.5	23.1	23.7
8.0%	17.9	18.4	19.0	19.5	20.0	20.5	21.1
8.5%	16.1	16.6	17.1	17.5	18.0	18.4	18.9
9.0%	14.6	15.0	15.4	15.9	16.3	16.7	17.1
9.5%	13.3	13.7	14.1	14.4	14.8	15.2	15.5
10.0%	12.2	12.6	12.9	13.2	13.5	13.9	14.2
10.5%	11.3	11.6	11.9	12.1	12.4	12.7	13.0

Source: Banca Akros estimates



Peers' comparison

After the sharp decline in H1 2022, multiples across various IT sectors have remained broadly stable on an international basis, whereas SPN has dropped significantly below the sectors' average according to all metrics.

On the other hand, valuations of Italian peers have continued to suffer from the broader market volatility, while consensus estimates have remained basically unchanged or have slightly improved compared with our previous run (July 2022).

As such, we argue that any relative valuation would be affected by the mismatch between market perception and forecast and would not completely capture a fairly "normalised" multiple these companies should trade at.

Therefore, on top of the peers' comparison based on current market prices, which shows that SPN is trading at multiples broadly in line with its peers, we continue to report the respective equity values at the average analysts' target prices, in particular on the "IT Service and Consulting" and the "Italian peers" clusters. This theoretical exercise would lead to range of price targets for SPN between EUR 13/sh and 22/sh, in which our DCF Fair Value falls.

SPN: multiples at current prices vs. target prices

at current prices	EV/EBITDA		EV/EBIT		P/E	
	2023e	2024e	2023e	2024e	2023e	2024e
Median AI	20.2	17.3	21.9	18.8	27.2	24.5
Median IT Service and Consultancy	8.7	8.2	11.2	10.3	13.5	12.7
Median Italian Peers	7.3	3.5	11.9	7.5	16.9	18.4
Spindox	5.0	4.1	7.2	5.8	10.8	9.6

at target prices	EV/EBITDA		EV/EBIT		P/E	
	2023e	2024e	2023e	2024e	2023e	2024e
Median AI	20.2	17.3	21.9	18.8	27.2	24.5
Median IT Service and Consultancy	11.0	10.3	13.9	12.8	17.6	16.5
Median Italian Peers	10.9	6.6	17.4	13.4	21.0	22.0
Spindox	14.9	13.2	20.8	18.5	31.4	28.4

Source: Bloomberg data, Banca Akros estimates



Spindox: AI cluster multiples

	Market Cap (m)	EV/Sales		EV/EBITDA		EV/EBIT		P/E	
		2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e
Commvault Systems Inc	2,664	3.2	3.0	14.4	12.5	15.6	13.8	23.9	21.1
Elastic Nv	4,818	4.5	3.7	110	58.9	187.6	40	n.a.	62.9
Epam Systems Inc	18,343	3.2	2.6	17.3	13.8	19.1	15.4	27.2	22.0
Fair Isaac Corp	14,432	11.6	10.6	23.1	20.8	24.7	22.2	31.4	26.9
Kainos Group Plc	2,218	5.0	4.4	26.4	23.2	29.1	25.3	36.6	33.4
Open Text Corp	7,447	3.1	3.0	8.3	7.9	10.8	10.1	9.3	8.9
Tpximpact Holdings Plc	59	0.7	0.7	9.4	5.7	11.0	6.2	12.7	7.0
Splunk Inc	13,245	4.7	4.1	30.9	23	41.8	28	46.8	35
Average		4.5	4.0	29.9	20.8	42.5	20	26.8	27.2
Median		3.9	3.4	20.2	17.3	21.9	18.8	27.2	24.5

Source: Bloomberg data as at 22 December 2022

Spindox: IT Service and Consultancy cluster multiples

	Market Cap (m)	EV/Sales		EV/EBITDA		EV/EBIT		P/E	
		2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e
Accenture Plc-CI A	166,819	2.7	2.5	14.4	13.4	17.7	16.3	23.4	21.4
Capgemini Se	27,504	1.4	1.3	8.9	8.2	11.3	10.3	13.5	12.2
Tietoevry Oyj	3,207	1.3	1.3	8.1	7.8	11.2	10.4	11.1	10.4
Cancom Se	1,000	0.6	0.6	6.8	6.2	10.4	9.1	18.8	16.4
Sopra Steria Group	2,934	0.7	0.7	6.0	5.6	8.6	8.7	9.5	8.7
Alten Sa	4,104	1.1	1.0	8.7	8.2	10.6	9.8	13.5	12.7
Gft Technologies Se	900	1.1	1.0	9.8	8.4	12.5	10.3	16.7	13.7
Average		1.3	1.2	9.0	8.2	11.8	10.7	15.2	13.6
Median		1.1	1.0	8.7	8.2	11.2	10.3	13.5	12.7

Source: Bloomberg data as at 22 December 2022

Italian peers

	Market Cap (m)	EV/Sales		EV/EBITDA		EV/EBIT		P/E	
		2023e	2024e	2023e	2024e	2023e	2024e	2023e	2024e
Reply Spa	4,175	1.9	1.7	11.8	10.8	14.1	12.7	20.3	18.4
Expert.Ai Spa	31.2	0.6	0.5	7.3	2	n.a.	7.5	n.a.	22.1
Neosperience Spa	33.4	1.3	1.1	4.1	3.5	9.7	6.7	13.4	8.7
Relatech Spa	93.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cy4Gate Spa	219	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average		1.3	1.1	7.8	5.4	11.9	9.0	16.9	16.4
Median		1.3	1.1	7.3	3.5	11.9	7.5	16.9	18.4

Source: Bloomberg data as at 22 December 2022



Spindox: Summary tables

PROFIT & LOSS (EURm)	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Sales	52.4	57.4	67.8	79.7	97.6	106
Cost of Sales & Operating Costs	-49.7	-53.3	-62.5	-73.5	-89.3	-96.5
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	2.7	4.1	5.3	6.3	8.3	9.3
EBITDA (adj.)*	2.7	4.1	5.3	6.3	8.3	9.3
Depreciation	-1.1	-1.0	-1.1	-1.4	-1.5	-1.8
EBITA	1.6	3.0	4.2	4.9	6.8	7.5
EBITA (adj)*	1.6	3.0	4.2	4.9	6.8	7.5
Amortisations and Write Downs	-0.1	-0.1	-0.3	-1.0	-1.0	-1.0
EBIT	1.5	2.9	4.0	3.9	5.8	6.6
EBIT (adj.)*	1.5	2.9	4.0	3.9	5.8	6.6
Net Financial Interest	-0.3	-0.4	-0.3	-0.4	-0.6	-0.5
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	1.2	2.5	3.6	3.5	5.2	6.0
Tax	-0.4	-1.0	-1.0	-0.9	-1.3	-1.5
<i>Tax rate</i>	<i>35.5%</i>	<i>40.2%</i>	<i>26.9%</i>	<i>25.6%</i>	<i>25.4%</i>	<i>25.4%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	0.7	1.5	2.7	2.6	3.9	4.5
Net Profit (adj.)	0.8	1.6	2.8	3.4	4.6	5.2
CASH FLOW (EURm)	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Cash Flow from Operations before change in NWC	2.0	2.7	4.0	5.0	6.4	7.2
Change in Net Working Capital	0.3	-1.7	-4.2	1.4	0.8	1.3
Cash Flow from Operations	2.3	1.0	-0.2	6.4	7.2	8.5
Capex	-1.3	-2.5	-1.5	-1.8	-2.2	-2.4
Net Financial Investments	0.0	-2.0	-10.6	-9.0	0.0	0.0
Free Cash Flow	1.0	-3.5	-12.3	-4.4	4.9	6.1
Dividends	0.0	0.0	-0.3	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Net Financial Debt	1.0	-3.5	-12.7	-4.4	4.9	6.1
NOPLAT	0.9	1.7	2.4	2.4	3.5	3.9
BALANCE SHEET & OTHER ITEMS (EURm)	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Net Tangible Assets	2.3	1.6	1.4	1.8	2.5	3.2
Net Intangible Assets (incl. Goodwill)	1.0	2.8	4.9	13.0	12.0	11.0
Net Financial Assets & Other	1.6	2.4	11.3	11.3	11.3	11.3
Total Fixed Assets	4.9	6.8	17.6	26.0	25.8	25.5
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	17.6	20.0	22.3	25.3	30.4	33.0
Other current assets	0.0	1.6	2.1	2.4	2.9	3.1
Cash (-)	-6.0	-7.8	-16.8	-13.1	-14.5	-16.2
Total Current Assets	23.7	29.4	41.1	40.7	47.8	52.3
Total Assets	28.5	36.2	58.7	66.8	73.6	77.8
Shareholders Equity	2.1	4.4	13.8	16.4	20.3	24.7
Minority	0.0	0.0	0.0	0.1	0.2	0.3
Total Equity	2.1	4.4	13.8	16.5	20.5	25.1
Long term interest bearing debt	3.8	6.2	10.7	13.0	11.6	10.3
Provisions	0.1	0.1	0.1	0.2	0.2	0.2
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Long Term Liabilities	3.9	6.3	10.8	13.2	11.8	10.5
Short term interest bearing debt	5.0	3.8	5.5	6.6	5.9	5.2
Trade payables	4.1	6.1	8.3	10.8	13.2	12.9
Other current liabilities	13.4	15.7	20.3	19.7	22.2	24.1
Total Current Liabilities	22.5	25.5	34.1	37.1	41.3	42.2
Total Liabilities and Shareholders' Equity	28.5	36.2	58.7	66.8	73.6	77.8
Net Capital Employed	5.0	6.7	13.3	23.2	23.7	24.6
Net Working Capital	0.1	-0.1	-4.3	-2.9	-2.1	-0.9
GROWTH & MARGINS	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
<i>Sales growth</i>	<i>22.8%</i>	<i>9.5%</i>	<i>18.1%</i>	<i>17.6%</i>	<i>22.5%</i>	<i>8.4%</i>
EBITDA (adj.)* growth	23.6%	50.6%	30.1%	18.0%	32.6%	11.8%
<i>EBITA (adj.)* growth</i>	<i>22.2%</i>	<i>90.6%</i>	<i>39.1%</i>	<i>15.8%</i>	<i>38.7%</i>	<i>11.0%</i>
<i>EBIT (adj)* growth</i>	<i>24.4%</i>	<i>96.9%</i>	<i>36.5%</i>	<i>-1.2%</i>	<i>48.2%</i>	<i>12.9%</i>



Spindox: Summary tables

GROWTH & MARGINS	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Net Profit growth	33.4%	93.3%	80.0%	17.7%	37.1%	12.9%
EPS adj. growth	33.4%	93.3%	-91.0%	17.7%	37.1%	12.9%
DPS adj. growth		<i>n.m.</i>	<i>n.m.</i>			
EBITDA (adj)* margin	5.2%	7.1%	7.8%	7.9%	8.5%	8.8%
EBITA (adj)* margin	3.0%	5.3%	6.2%	6.1%	7.0%	7.1%
EBIT (adj)* margin	2.8%	5.1%	5.9%	4.9%	6.0%	6.2%
RATIOS	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Net Debt/Equity	1.3	0.5	0.0	0.4	0.1	0.0
Net Debt/EBITDA	1.0	0.5	-0.1	1.0	0.4	-0.1
Interest cover (EBITDA/Fin.interest)	8.3	10.4	15.9	15.7	14.1	17.7
Capex/D&A	111.7%	239.3%	141.7%	132.1%	146.0%	137.0%
Capex/Sales	2.4%	4.4%	2.3%	2.3%	2.3%	2.3%
NWC/Sales	0.1%	-0.2%	-6.4%	-3.6%	-2.2%	-0.8%
ROE (average)	44.9%	48.6%	31.3%	22.2%	25.1%	23.1%
ROCE (adj.)	26.6%	40.4%	119.8%	19.8%	28.2%	29.6%
WACC	9.0%	9.0%	0.0%	0.0%	0.0%	0.0%
ROCE (adj.)/WACC	3.0	4.5	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
PER SHARE DATA (EUR)***	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Average diluted number of shares	0.3	0.3	6.0	6.0	6.0	6.0
EPS (reported)	2.48	5.02	0.44	0.44	0.65	0.75
EPS (adj.)	2.73	5.27	0.47	0.56	0.77	0.86
BVPS	7.01	14.69	2.30	2.73	3.38	4.12
DPS	0.00	1.16	0.00	0.00	0.00	0.00
VALUATION	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
EV/Sales			1.4	0.6	0.4	0.4
EV/EBITDA			18.4	7.3	5.1	4.1
EV/EBITDA (adj.)*			18.4	7.3	5.1	4.1
EV/EBITA			23.2	9.3	6.2	5.1
EV/EBITA (adj.)*			23.2	9.3	6.2	5.1
EV/EBIT			24.6	11.6	7.2	5.9
EV/EBIT (adj.)*			24.6	11.6	7.2	5.9
P/E (adj.)			38.6	15.0	10.9	9.7
P/BV			8.0	3.1	2.5	2.0
Total Yield Ratio			0.0%	0.0%	0.0%	0.0%
EV/CE			<i>n.m.</i>	3.8	3.4	2.9
OpFCF yield			-1.6%	9.1%	9.8%	12.1%
OpFCF/EV			-1.8%	10.1%	11.7%	15.8%
Payout ratio	0.0%	23.1%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)			0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2019	12/2020	12/2021	12/2022e	12/2023e	12/2024e
Price** (EUR)			18.30	8.38	8.38	8.38
Outstanding number of shares for main stock	0.3	0.3	6.0	6.0	6.0	6.0
Total Market Cap			109.8	50.3	50.3	50.3
Gross Financial Debt (+)	8.8	9.9	16.1	19.7	17.5	15.5
Cash & Marketable Securities (-)	-6.0	-7.8	-16.8	-13.1	-14.5	-16.2
Net Financial Debt	2.7	2.2	-0.6	6.5	3.0	-0.7
Lease Liabilities (+)						
Net Debt	2.7	2.2	-0.6	6.5	3.0	-0.7
Other EV components	-1.5	-2.3	-11.2	-11.1	-11.1	-11.1
Enterprise Value (EV adj.)			98.0	45.7	42.2	38.5

Source: Company, Banca Akros estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.)= EBITDA (or EBITA) +/- Non Recurrent Expenses/Income and where EBIT (adj.)= EBIT +/- Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

***EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

Sector: Technology/Computer Services

Company Description: Spindox is an Italian ICT player. It designs, develops and implements services and solutions in order to help its customers (mostly large corporations) in their digital transformations, by offering consultancy, IT and network engineering services, technology solutions and research support. SPN manages two research hubs, as well as relationships with universities and research organizations.



European Coverage of the Members of ESN

Automobiles & Parts	Mem(*)	Kaufman & Broad	IAC	Banca Ifis	BAK	Theracion	CIC
Brembo	BAK	Kering	CIC	Banca Mediolanum	BAK	Vetoquinol	CIC
Cie Automotive	GVC	L'Oreal	CIC	Banca Sistema	BAK	Virbac	CIC
Faurecia	CIC	Lvmh	CIC	Bff Bank	BAK	Vytrus Biotech	GVC
Ferrari	BAK	Maisons Du Monde	CIC	Dea Capital	BAK	Industrial Goods & Services	Mem(*)
Gestamp	GVC	Moncler	BAK	Dws	CIC	Alstom	CIC
Indelb	BAK	Monnalisa	BAK	Finecobank	BAK	Applus	GVC
Landi Renzo	BAK	Ovs	BAK	Generalfinance	BAK	Arteche	GVC
Michelin	CIC	Piaggio	BAK	Illimity Bank	BAK	Avio	BAK
Pirelli & C.	BAK	Richemont	CIC	Mediobanca	BAK	Biesse	BAK
Plastic Omnium	CIC	Safilo	BAK	Poste Italiane	BAK	Bollore	CIC
Renault	CIC	Salvatore Ferragamo	BAK	Rothschild & Co	CIC	Bureau Veritas	CIC
Sogefi	BAK	Smcp	CIC	Food & Beverage	Mem(*)	Caf	GVC
Stellantis	BAK	Swatch Group	CIC	Ab Inbev	CIC	Catonen	GVC
Valeo	CIC	Technogym	BAK	Advini	CIC	Cellnex Telecom	GVC
Banks	Mem(*)	Tod'S	BAK	Bonduelle	CIC	Cembre	BAK
Banca Mps	BAK	Trigano	CIC	Campari	BAK	Chargeurs	CIC
Banco Sabadell	GVC	Ubisoft	CIC	Carlsberg As-B	CIC	Clasquin	IAC
Banco Santander	GVC	Energy	Mem(*)	Danone	CIC	Cnh Industrial	BAK
Bankinter	GVC	Cgg	CIC	Diageo	CIC	Corticeira Amorim	CBI
Bbva	GVC	Ecoslops	CIC	Ebro Foods	GVC	Ctt	CBI
Bnp Paribas	CIC	Eni	BAK	Enervit	BAK	Danieli	BAK
Bper	BAK	Galp Energia	CBI	Fleury Michon	CIC	Datalogic	BAK
Caixabank	GVC	Gas Plus	BAK	Heineken	CIC	Enav	BAK
Credem	BAK	Gtt	CIC	Italian Wine Brands	BAK	Enogia	CIC
Credit Agricole Sa	CIC	Maurel Et Prom	CIC	Lanson-Bcc	CIC	Exel Industries	CIC
Intesa Sanpaolo	BAK	Neoen	CIC	Laurent Perrier	CIC	Fiera Milano	BAK
Societe Generale	CIC	Plc	BAK	Ldc	CIC	Fincantieri	BAK
Unicaja Banco	GVC	Repsol	GVC	Lindt & Sprüngli	CIC	Getlink	CIC
Unicredit	BAK	Rubis	CIC	Nestle	CIC	Global Dominion	GVC
Basic Resources	Mem(*)	Saipem	BAK	Orsero	BAK	Haulotte Group	CIC
Acerinox	GVC	Technip Energies	CIC	Pernod Ricard	CIC	Interpump	BAK
Altri	CBI	Technipfmc Plc	CIC	Remy Cointreau	CIC	Inwit	BAK
Arcelormittal	GVC	Tecnicas Reunidas	GVC	Tipiak	CIC	Legrand	CIC
Ence	GVC	Tenaris	BAK	Vilmorin	CIC	Leonardo	BAK
Neodecortech	BAK	Totalenergies	CIC	Viscofan	GVC	Logista	GVC
Semapa	CBI	Vallourec	CIC	Vranken	CIC	Manitou	CIC
The Navigator Company	CBI	Fin. Serv. Holdings	Mem(*)	Healthcare	Mem(*)	Nbi Bearings Europe	GVC
Tubacex	GVC	Cir	BAK	Abionyx Pharma	CIC	Nexans	CIC
Chemicals	Mem(*)	Corp. Financiera Alba	GVC	Amplifon	BAK	Nicolas Correa	GVC
Air Liquide	CIC	Digital Magics	BAK	Atrys Health	GVC	Openjobmetis	BAK
Arkema	CIC	Eurazeo	CIC	Biomerieux	CIC	Osai	BAK
Plasticos Compuestos	GVC	Gbl	CIC	Crossject	CIC	Prima Industrie	BAK
Consumer Products & Services	Mem(*)	Peugeot Invest	CIC	Diasorin	BAK	Prosecur	GVC
Abeo	CIC	Rallye	CIC	El.En.	BAK	Prosecur Cash	GVC
Beneteau	CIC	Tip Tamburi Investment Partners	BAK	Fermentalg	CIC	Prysman	BAK
Brunello Cucinelli	BAK	Wendel	CIC	Fine Foods	BAK	Rai Way	BAK
Capelli	CIC	Fin. Serv. Industrials	Mem(*)	Genfit	CIC	Rexel	CIC
De Longhi	BAK	Dovalue	BAK	Gpi	BAK	Saes	BAK
Fila	BAK	Nexi	BAK	Guerbet	CIC	Salcef	BAK
Geox	BAK	Tinexta	BAK	Ipsen	CIC	Schneider Electric Se	CIC
Givaudan	CIC	Financial Services Banks	Mem(*)	Korian	CIC	Somfy	CIC
Groupe Seb	CIC	Amundi	CIC	Oncodesign	CIC	Talgo	GVC
Hermes Intl.	CIC	Anima	BAK	Orpea	CIC	Teleperformance	CIC
Hexaom	CIC	Azimut	BAK	Prim Sa	GVC	Verallia	CIC
Interparfums	CIC	Banca Generali	BAK	Recordati	BAK	Vidrala	GVC



Zignago Vetro	BAK	Mfe-Mediaforeurope	BAK	Stmicroelectronics	BAK	Ren	CBI
Insurance	Mem(*)	Miogroup	GVC	Tier1 Technology	GVC	Seche Environnement	CIC
Axa	CIC	Nrj Group	CIC	Visiativ	CIC	Snam	BAK
Catalana Occidente	GVC	Prisa	GVC	Vogo	CIC	Solaria	GVC
Cattolica Assicurazioni	BAK	Publicis	CIC	Telecommunications	Mem(*)	Solarprofit	GVC
Generali	BAK	Rcs Mediagroup	BAK	Bouygues	CIC	Terna	BAK
Linea Directa Aseguradora	GVC	Tf1	CIC	Ekinops	CIC	Veolia	CIC
Mapfre	GVC	Universal Music Group	CIC	Nos	CBI	Volitalia	CIC
Net Insurance	BAK	Vivendi	CIC	Orange	CIC		
Unipolsai	BAK	Vocento	GVC	Telecom Italia	BAK		
Materials, Construction	Mem(*)	Personal Care, Drug & Grocery S	Mem(*)	Telefonica	GVC		
Abp Nocivelli	BAK	Carrefour	CIC	Tiscali	BAK		
Acs	GVC	Casino	CIC	Unidata	BAK		
Aena	GVC	Jeronimo Martins	CBI	Vodafone	BAK		
Atlantia	BAK	Marr	BAK	Travel & Leisure	Mem(*)		
Buzzi Unicem	BAK	Sonae	CBI	Accor	CIC		
Cementir	BAK	Unilever	CIC	Autogrill	BAK		
Cementos Molins	GVC	Winfarm	CIC	Compagnie Des Alpes	CIC		
Clerhp Estructuras	GVC	Real Estate	Mem(*)	Edreams Odigeo	GVC		
Crh	CIC	Igd	BAK	Elior	CIC		
Eiffage	CIC	Inmobiliaria Colonial	GVC	Fdj	CIC		
Fcc	GVC	Inversa Prime	GVC	Groupe Partouche	IAC		
Ferrovial	GVC	Lar España	GVC	Hunyvers	CIC		
Groupe Adp	CIC	Merlin Properties	GVC	I Grandi Viaggi	BAK		
Groupe Poujoulat	CIC	Realia	GVC	Ibersol	CBI		
Groupe Sfpj S.A.	CIC	Retail	Mem(*)	Int. Airlines Group	GVC		
Heidelberg Cement	CIC	Aramis Group	CIC	Melia Hotels International	GVC		
Herige	CIC	Burberry	CIC	Nh Hotel Group	GVC		
Holcim	CIC	Fnac Darty	CIC	Pierre Et Vacances	CIC		
Imerys	CIC	Inditex	GVC	Sodexo	CIC		
Maire Tecnimont	BAK	Unieuro	BAK	Utilities	Mem(*)		
Mota Engil	CBI	Technology	Mem(*)	A2A	BAK		
Obrascon Huarte Lain	GVC	Agile Content	GVC	Acciona	GVC		
Sacyr	GVC	Akka Technologies	CIC	Acea	BAK		
Saint-Gobain	CIC	Almawave	BAK	Albioma	CIC		
Sciuker Frames	BAK	Alten	CIC	Alerion Clean Power	BAK		
Sergeferrari Group	CIC	Amadeus	GVC	Audax	GVC		
Spie	CIC	Atos	CIC	Derichebourg	CIC		
Tarkett	CIC	Axway Software	CIC	Edf	CIC		
Thermador Groupe	CIC	Capgemini	CIC	Edp	CBI		
Vicat	CIC	Cast	CIC	Enagas	GVC		
Vinci	CIC	Dassault Systemes	CIC	Encavis Ag	CIC		
Webuild	BAK	Digital Value	BAK	Endesa	GVC		
Media	Mem(*)	Esi Group	CIC	Enel	BAK		
Arnoldo Mondadori Editore	BAK	Exprivia	BAK	Engie	CIC		
Atresmedia	GVC	Gigas Hosting	GVC	E-Pango	CIC		
Believe	CIC	Indra Sistemas	GVC	Erg	BAK		
Cairo Communication	BAK	Izertis	GVC	Greenvolt	CBI		
Digital Bros	BAK	Lleida.Net	GVC	Hera	BAK		
GI Events	CIC	Memscap	IAC	Holaluz	GVC		
Il Sole 24 Ore	BAK	Neurones	CIC	Iberdrola	GVC		
Ipsos	CIC	Ovhcloud	CIC	Iren	BAK		
Jcdecoux	CIC	Reply	BAK	Italgas	BAK		
Lagardere	CIC	Sii	CIC	Naturgy	GVC		
M6	CIC	Sopra Steria Group	CIC	Opdenenergy	GVC		
Mediaset Espana	GVC	Spindox	BAK	Redeia	GVC		

LEGEND: BAK: Banca Akros; CIC: CIC Market Solutions; CBI: Caixa-Banco de Investimento; GVC: GVC Gaesco Valores

as at 17 October 2022



List of ESN Analysts (**)

Artur Amaro	CBI	+351 213 89 6822	artur.amaro@caixabi.pt
Andrea Bonfà	BAK	+39 02 4344 4269	andrea.bonfa@bancaakros.it
Pierre Chédeville	CIC	+33 1 53 48 80 97	pierre.chedeville@cic.fr
Emmanuel Chevalier	CIC	+33 1 53 48 80 72	emmanuel.chevalier@cic.fr
Matteo Cuconato	BAK	+39 02 4344 4784	matteo.cuconato@bancaakros.it
David Da Maia	CIC	+33 1 53 48 89 36	david.damaia@cic.fr
Dominique Descours	CIC	+33 1 53 48 81 12	dominique.descours@cic.fr
Christian Devismes	CIC	+33 1 53 48 80 85	christian.devismes@cic.fr
Andrea Devita, CFA	BAK	+39 02 4344 4031	andrea.devita@bancaakros.it
Enrico Esposti, CIIA	BAK	+39 02 4344 4022	enrico.esposti@bancaakros.it
Rafael Fernández de Heredia	GVC	+34 91 436 78 08	rafael.fernandezdeheredia@gvgaesco.es
Gian Marco Gadini	BAK	+39 02 4344 4236	gianmarco.gadini@bancaakros.it
Gabriele Gambarova	BAK	+39 02 43 444 289	gabriele.gambarova@bancaakros.it
Alexandre Gérard	CIC	+33 1 53 48 80 93	alexandre.gerard@cic.fr
Ebrahim Homani	CIC	+33 1 53 48 80 94	ebrahim.homani@cic.fr
Carlos Jesus	CBI	+351 21 389 6812	carlos.jesus@caixabi.pt
Jean-Christophe Lefèvre-Moulenq	CIC	+33 1 53 48 80 65	jeanchristophe.lefevremoulenq@cic.fr
Eric Lemarié	CIC	+33 1 53 48 64 25	eric.lemarie@cic.fr
João Miguel Lourenço	CBI	+35 121 389 6841	joao.lourenco@caixabi.pt
Marisa Mazo, Ph.D, CFA	GVC	+34 91 436 7817	marisa.mazo@gvgaesco.es
Fanny Meindre, PhD	CIC	+33 1 53 48 80 84	fanny.meindre@cic.fr
Jaime Pallares Garcia	GVC	+34 91 436 7818	jaime.pallares@gvgaesco.es
Anaud Palliez	CIC	+33 1 41 81 74 24	arnaud.palliez@cic.fr
Victor Peiro Pérez	GVC	+34 91 436 7812	victor.peiro@gvgaesco.es
Juan Peña	GVC	+34 91 436 78 16	juan.pena@gvgaesco.es
Alexandre Plaud	CIC	+33 1 53 48 80 90	alexandre.plaud@cic.fr
Francis Prêtre	CIC	+33 4 78 92 02 30	francis.pretre@cic.fr
Eric Ravary	CIC	+33 1 53 48 80 71	eric.ravary@cic.fr
Iñigo Recio Pascual	GVC	+34 91 436 7814	inigo.recio@gvgaesco.es
Jean-Luc Romain	CIC	+33 1 53 48 80 66	jeanluc.romain@cic.fr
Virginie Royère, CFA	CIC	+33 1 53 48 76 52	virginie.royere@cic.fr
Paola Saglietti	BAK	+39 02 4344 4287	paola.saglietti@bancaakros.it
Francesco Sala	BAK	+39 02 4344 4240	francesco.sala@bancaakros.it
Luigi Tramontana	BAK	+39 02 4344 4239	luigi.tramontana@bancaakros.it

(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

Il presente documento è stato redatto da Andrea Devita e Gian Marco Gadini (soci AIAF) che svolgono funzioni di analista presso Banca Akros SpA ("Banca Akros"), soggetto responsabile della produzione del documento stesso. **Esso è prodotto e distribuito dal giorno 23 Dicembre 2022, ore 08:42 italiane.** Gli analisti di Banca Akros, che hanno redatto il presente documento, hanno maturato una significativa esperienza presso Banca Akros e altri intermediari. Detti analisti e i loro familiari non detengono Strumenti Finanziari emessi dagli Emittenti oggetto di analisi, né svolgono ruoli di amministrazione, direzione o consulenza per gli Emittenti, né gli analisti ricevono bonus, stipendi o altre forme di retribuzione correlate, direttamente o indirettamente, al successo di operazioni di investment banking.

Banca Akros, nell'ultimo anno, ha pubblicato sulla società oggetto di analisi tre studi in data 10 e 11 novembre e 1 dicembre 2022.

Ai sensi degli artt. 5 e 6 del Regolamento Delegato 2016/958, **Banca Akros ha specifici interessi nei confronti della società oggetto di analisi nel presente documento, in quanto Banca Akros svolge il ruolo di Corporate Broker**

Banca Akros è una banca autorizzata anche alla prestazione di servizi di investimento appartenente al Gruppo Banco BPM (il "Gruppo"), ed è soggetta all'attività di direzione e coordinamento di Banco BPM (la "Capogruppo"). La banca è iscritta all'albo delle Banche al n. 5328 ed è soggetta alla regolamentazione e alla vigilanza di Banca d'Italia e Consob.

La banca ha prodotto il presente documento solo ed esclusivamente per i propri clienti professionali ai sensi della Direttiva 2014/65/EU, del Regolamento Delegato 2016/958 e dell'Allegato 3 del Regolamento Intermediari Consob (Delibera Consob n. 20307).

Banca Akros rende disponibili informazioni sui conflitti di interesse, ai sensi delle disposizioni contenute nell'art. 20 del Regolamento EU 2014/596 (Regolamento sugli Abusi di Mercato) e in particolare ai sensi degli artt. 5 e 6 del Regolamento Delegato EU 2016/958, sul proprio sito internet:

<https://www.bancaakros.it/documentazione/avvertenze-legali/>

Le informazioni e le opinioni contenute in questo documento si basano su fonti ritenute attendibili. La provenienza di dette informazioni e il fatto che si tratti di informazioni già rese note al pubblico è stata oggetto di ogni ragionevole verifica da parte di Banca Akros. Banca Akros tuttavia, nonostante le suddette verifiche, non può garantire in alcun modo né potrà in nessun caso essere ritenuta responsabile qualora le informazioni alla stessa fornite, riprodotte nel presente documento, ovvero sulla base delle quali è stato redatto il presente documento, si rivelino non accurate, complete, veritiere ovvero non corrette.

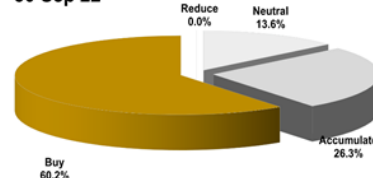
Il documento è fornito a solo scopo informativo; esso non costituisce proposta contrattuale, offerta o sollecitazione all'acquisto e/o alla vendita di strumenti finanziari o, in genere, all'investimento, né costituisce consulenza in materia di investimenti. Banca Akros non fornisce alcuna garanzia di raggiungimento di qualunque previsione e/o stima contenute nel documento stesso.

Inoltre, Banca Akros non assume alcuna responsabilità in merito a qualsivoglia conseguenza e/o danno derivante dall'utilizzo del presente documento e/o delle informazioni in esso contenute. Le informazioni o le opinioni ivi contenute possono variare senza alcun conseguente obbligo di comunicazione in capo a Banca Akros, fermi restando eventuali obblighi di legge o regolamentari. E' vietata la riproduzione e/o la redistribuzione, in tutto o in parte, direttamente o indirettamente, del presente documento, se non espressamente autorizzata da Banca Akros. **In ogni caso è espressamente vietata la trasmissione con qualsiasi mezzo del presente documento o del suo contenuto, anche solo in parte, a soggetti che non siano classificati come clienti professionali o controparti qualificate ai sensi della Direttiva UE 2014/65.**

Percentuale delle raccomandazioni al 30 settembre 2022

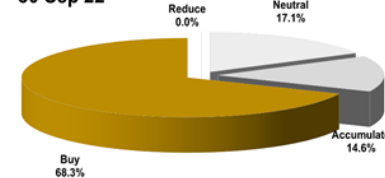
Tutte le raccomandazioni

30 Sep 22



Raccomandazioni su titoli in conflitto di interessi (*)

30 Sep 22



(*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 34.75% del totale degli emittenti oggetto di copertura

Recommendation history for SPINDOX

Date	Recommendation	Target price	Price at change date
08-Jul-22	Buy	15.50	12.80

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Banca Akros continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

Current analyst: Andrea Devita, CFA (since 01/12/2018)





ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated based on **total return**, measured by the upside/downside potential (including dividends and capital reimbursement) over a **12-month time horizon**. The final responsible of the recommendation of a listed company is the analyst who covers that company. The recommendation and the target price set by an analyst on one stock are correlated but not totally, because an analyst may include in its recommendation also qualitative elements as market volatility, earning momentum, short term news flow, possible M&A scenarios and other subjective elements.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

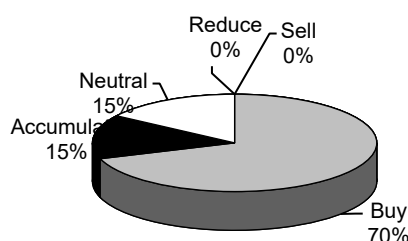
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
- **Rating Suspended:** the rating is suspended due to: a) a capital operation (take-over bid, SPO, etc.) where a Member of ESN is or could be involved with the issuer or a related party of the issuer; b) a change of analyst covering the stock; c) the rating of a stock is under review by the Analyst.
- **Not Rated:** there is no rating for a stock when there is a termination of coverage of the stocks or a company being floated (IPO) by a Member of ESN or a related party of the Member.

Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Banca Akros Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

Date and time of production: 23 December 2022: 8:41 CET

First date and time of dissemination: 23 December 2022: 8:46 CET

Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ('ESN'). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ('related investments'). These reports are prepared for the professional clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members or in the local disclaimer of the Members or contacting directly the Members. Research is available through the ESN Members sales representative. ESN and/or ESN Members will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report, you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document. For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members, on the "interests" and "conflicts" of the analysts and on each "company recommendation history", please visit the ESN website (https://www.esnpartnership.eu/research_and_database) or refer to the local disclaimer of the Members, or contact directly the Members:

www.bancaakros.it regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

www.caixabi.pt regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

www.cic-marketsolutions.eu regulated by the AMF - Autorité des marchés financiers

www.gvcgaesco.es regulated by the CNMV - Comisión Nacional del Mercado de Valores

Members of ESN (European Securities Network LLP)

CIC Market Solutions
6, avenue de Provence
75441 Paris - Cedex 09
France
Phone: +33 1 5348 8193



GVC Gaesco Valores, S.V., S.A.
C/- Fortuny, 17
28010 Madrid
Spain
Phone: +34 91 436 7813

