

MailUp (MAIL-IT)

Buy

Raising rev. estimates on higher organic growth.

Xhois Hatibi

Analyst

+39 02 36705202

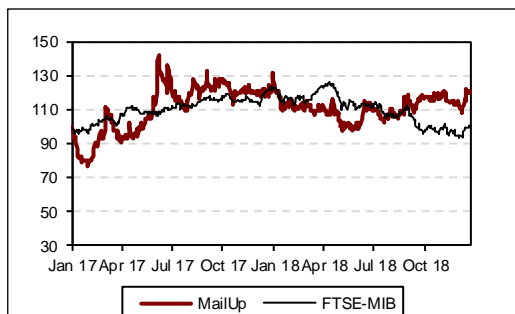
xh@fidentiis.com

Fidentiis Equities S.V., S.A. has entered into an agreement with the Company relating to the provision of investment services which has been in effect over the previous 12 months or has given rise during the same period to the payment of a compensation or to the promise to get a compensation paid from the Company.

Last (€)	2.8
Valuation Range (€)	3.5-3.7
Mkt Cap (€ m)	39
Free Float	32%
Avg Daily Vol (sh m)	0.01
YTD	19.83%

- We have raised our FY18 rev. est. from €35.5m to €37.3m, FY19 rev. est. to €48m, +29% YoY, from €44m and FY20 rev. est. to €58m from the previous €54.5m to incorporate the acceleration in the organic growth reported in preliminary 4Q18 by the Agile and Telecom divisions.
- We confirm our Buy rating and slightly raise our VR from the previous €3.4-3.6/share to €3.5-3.7/shares, which offers 29% upside.
MailUp will release its full FY18 results on March 19th. MailUp is trading at 30.2x '19 PE and 6.3x '19 EV/EBITDA. FCF yield is 4%.
- MailUp announced preliminary 4Q18 sales at €12.6m, posting +56% organic growth YoY, above our previous estimates of €8.2m for Q4 (FY18 revenues €39.6m, +48% YoY vs. our previous estimate of €35.5m).
- Revenues growth was driven by the business unit Agile Telecom (63% of total Q4) that reported €7.9m, +93% YoY and by MailUp, +14% YoY.
- The positive performance by the Agile Telecom division is the result of the rising focus of investments on the wholesale market (resellers, SMS aggregators, telecom providers).
- 4Q18 prel. results include certain multi-annual contracts; hence they may differ from final revenue data due to possible adjustments.
- 4Q18 revenues in details:
 - MailUp €3.9m, +14% YoY;
 - Agile Telecom €7.9m, +93% YoY;
 - BEE €0.468m, +172% YoY;
 - Acumbamail €0.255m, +22% YoY;
 - Globase €0.107m, -43% YoY.

MailUp vs. FTSE-MIB



Source: Factset

	Sales (€ m)	EBITDA (€ m)	vs. Cons	Net Profit (€ m)	EPS (old) (€)	EPS (new) (€)	vs. Cons	P/E (x)	EV/EBITDA (x)	DPS (€)	DIV Yield
2016	21.6	2.4	n.a.	0.8	n.a.	0.05	n.a.	n.a.	n.a.	0.00	0.0%
2017	27.3	2.9	n.a.	0.6	n.a.	0.04	n.a.	n.a.	n.a.	0.00	0.0%
2018 E	37.3	3.6	n.a.	0.9	n.a.	0.06	n.a.	46.4	9.1	0.00	0.0%
2019 E	48.0	5.0	n.a.	1.4	n.a.	0.09	n.a.	30.2	6.3	0.00	0.0%
2020 E	58.2	7.2	n.a.	2.4	n.a.	0.16	n.a.	17.6	4.0	0.00	0.0%
Est 4 Yr Sales CAGR:			28.1%					14.9			
Est 4 Yr EPS CAGR:			31.0%					39			

PLEASE HELP US TO PROTECT OUR RESEARCH AND DO NOT FORWARD THIS REPORT OUTSIDE YOUR FIRM

This publication has been reviewed and approved by the "Committee for the Independence of the Publications of the Research Department".



Estimates revision after Preliminary 4Q18 revenues

- We have incorporated in our estimates the acceleration in the organic growth reported by the Agile and Telecom divisions, raising our FY18 rev. est. from €35.5m to €37.3m, FY19 rev. est. to €48m, +29% YoY, from €44m and FY20 rev. est. to €58m from previous €54.5m.
- MailUp will release its full FY18 results on March 19th.

Figure 1: MAIL – Estimates Revision 18E-20E

	2018E	2019E	2020E
Sales new	37.3	48.0	58.2
Sales old	35.5	44.2	54.5
Change	5.1%	8.6%	6.8%
EBITDA new	3.6	5.0	7.2
EBITDA old	3.4	4.9	7.2
Change	6%	3%	0%
EBIT new	1.4	2.2	3.7
EBIT old	1.3	2.2	3.7
Change	10%	0%	0%
Net income new	0.9	1.4	2.4
Net income old	0.8	1.4	2.4
Change	11%	0%	0%
Net debt new	6.6	7.4	10.4
Net debt old	6.5	5.4	7.9
Change	1%	37%	32%
EPS new	0.06	0.10	0.17
EPS old	0.05	0.10	0.17
Change	11%	0%	0%

Source: Fidentiis Estimates, company data

Figure 2a: MAIL – Income Statement FY18E-FY22E

IS (€m)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Total Sales	21.6	27.3	37.3	48.0	58.2	68.9	80.5
% growth	<i>nm</i>	26.2%	37%	29%	21%	18%	17%
Revenues from Email	8.5	9.4	11.9	14.1	16.8	20.2	24.4
% growth	23%	11%	26%	19%	19%	20%	21%
% on total sales	39%	35%	32%	29%	29%	29%	30%
Revenues from SMS	11.3	15.9	22.5	27.0	30.7	34.7	38.9
% growth	4.1	41%	41%	20%	14%	13%	12%
% on total sales	52%	58%	60%	56%	53%	50%	48%
Revenues from BEE	0.2	0.6	1.4	2.7	4.1	6.2	8.0
% growth		300%	125%	97%	55%	50%	30%
% on total sales	1%	2%	4%	6%	7%	9%	10%
Revenues from Artificial Intelligence				2.4	4.8	6.0	7.2
% growth				n.a.	19%	100%	103%
% on total sales				5%	8%	9%	9%
Revenues from Professional Services	1.1	0.6	0.8	1.0	1.2	1.4	1.7
% growth	n.m.	-48%	39%	25%	20%	18%	18%
% on total sales	5%	2%	2%	2%	2%	2%	2%
Other revenues	0.6	0.9	0.8	0.8	0.5	0.3	0.2
% growth	130%	60%	-9%	0%	-38%	-40%	-33%
% on total sales	3%	3%	2%	2%	1%	0%	0%
COGS	-11.6	-15.8	-22.8	-28.8	-34.6	-40.6	-47.1
% sales	53%	58%	61%	60%	60%	59%	59%

Source: Fidentiis Estimates, company data



Figure 2b: MAIL – Revenues by business division FY18E-FY22E

Revenues by business divisions	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
MailUp	10.2	11.7	13.1	15.6	17.5	22.3	26.6
% growth		14%	12%	19%	12%	28%	19%
% on total sales	47%	43%	35%	33%	30%	32%	33%
Agile Telecom	9.7	14.7	23.1	28.3	30.9	33.7	39.0
% growth		52%	57%	22%	9%	9%	16%
% on total sales	45%	53.8%	62%	59%	53%	49%	49%
Acumbamail	0.5	0.7	1.0	1.6	2.3	2.5	2.9
% growth		40%	49%	56%	39%	12%	14%
% on total sales	2%	3%	3%	3%	4%	4%	4%
Globase	1.7	1.0	0.6	1.3	1.6	2.0	2.2
% growth		-41%	-44%	131%	26%	23%	9%
% on total sales	8%	4%	2%	3%	3%	3%	3%
BEE	0.2	0.6	1.4	2.7	4.1	6.2	8.0
% growth		200%	125%	97%	55%	50%	30%
% on total sales	1%	2%	4%	6%	7%	9%	10%
Holding	1.1	1.1	1.5	1.6	2.0	2.0	2.2
% growth		4%	31%	9%	25%	-2%	9%
% on total sales	5%	4%	4%	3%	4%	3%	3%
Interc. Elisions	-1.8	-2.6	-3.3	-5.5	-5.0	-5.9	-7.7
% growth		44%	27%	67%	-9%	18%	31%
Revenues from Artificial Intelligence				2.4	4.8	6.0	7.2
% growth				n.a.	19%	100%	103%
% on total sales				5%	8%	9%	9%

Source: Fidentiis Estimates, company data

Datatrix will be consolidated starting from FY19.

Figure 3: MAIL – Gross profit and EBITDA FY18E-FY22E

	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Gross profit	10.1	11.5	14.6	19.2	23.6	28.2	33.4
margin	46.6%	42.2%	39.0%	40.0%	40.5%	41.0%	41.5%
Sales & Marketing Costs	3.2	3.2	3.8	4.5	5.5	6.5	7.6
Research & Development Costs	0.7	0.9	1.1	1.3	1.6	1.9	2.2
General & Admin Costs	4.0	4.5	5.1	5.6	6.1	6.6	7.3
Tot. Operating Costs	7.8	8.6	10.0	11.4	13.2	15.0	17.1
%	56%	11%	16%	14%	16%	14%	14%
Tot.costs	19.2	24.4	33.8	43.0	51.1	59.0	67.7
EBITDA	2.4	2.9	3.6	5.0	7.2	9.9	12.8
% growth		nm	20%	23%	40%	44%	38%
margin	11.1%	10.5%	9.5%	10.4%	12.3%	14.3%	15.8%

Source: Fidentiis Estimates, company data

Figure 4: MAIL – EBITDA by business divisions FY18E-FY22E

EBITDA by business divisions	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
MailUp	2.6	2.8	2.7	2.9	3.2	3.6	3.9
% growth		8%	-4%	7%	11%	13%	8%
% on total sales	12%	10%	7%	6%	5%	5%	5%
Agile Telecom	1.4	1.4	1.7	2.0	2.4	2.6	3.1
% growth		0%	21%	18%	20%	8%	19%
% on total sales	6%	5%	5%	4%	4%	4%	4%
Acumbamail	0.1	0.3	0.5	0.6	0.9	1.0	1.1
% growth		200%	67%	20%	50%	11%	10%
% on total sales	0%	1%	1%	1%	2%	1%	1%
Globase	-0.1	-0.5	-0.1	0.1	0.2	0.3	0.4
% growth		400%	-80%	-200%	100%	50%	33%
% on total sales	0%	-2%	0%	0%	0%	0%	0%
BEE	-0.1	0.0	0.5	0.8	1.2	1.4	1.7
% growth		-100%	n.a.	n.a.	n.a.	n.a.	n.a.
% on total sales	0%	0%	1%	2%	2%	2%	2%
 Holding	-1.3	-1.0	-1.6	-1.3	-1.1	-0.1	1.0
% growth		-23%	60%	-19%	-15%	-91%	-1100%
% on total sales	-6%	-4%	-4%	-3%	-2%	0%	1%
Interc. Elisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
% growth		n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
% on total sales	0%	0%	0%	0%	0%	0%	0%
Artificial Intelligence			-0.1	-0.1	0.4	1.1	1.6
% growth				n.m.	-450%	200%	48%
% on total sales				0%	1%	2%	2%
D&A	1.3	1.6	2.2	2.8	3.4	4.2	5.0
margin %	6.0%	5.9%	5.8%	5.8%	5.9%	6.1%	6.2%

Source: Fidentis Estimates, company data

Figure 5: MAIL – Ebit and Net Income FY18E-FY22E

	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
EBIT	1.1	1.3	1.4	2.2	3.7	5.6	7.8
margin	5.2%	4.7%	3.7%	4.6%	6.4%	8.2%	9.6%
Net financial charges	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	1.1	1.2	1.3	2.1	3.6	5.6	7.7
margin	5.0%	4.4%	3.5%	4.4%	6.2%	8.1%	9.5%
Taxes	-0.3	-0.6	-0.5	-0.7	-1.3	-2.0	-2.7
tax rate	-29.4%	-47.8%	-35.0%	-35.0%	-35.0%	-35.0%	-35.0%
Minorities	0	0	0.0	0.0	0.0	0.0	0.0
Net income	0.8	0.6	0.9	1.4	2.4	3.6	5.0
% growth	-852.8%	-17.0%	35.5%	61.7%	72.1%	53.2%	37.9%
margin	3.5%	2.3%	2.3%	2.9%	4.1%	5.3%	6.2%
No. Of shares	14.1	14.1	14.9	14.9	14.9	14.9	14.9
Treasury shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS	0.05	0.04	0.06	0.09	0.16	0.24	0.33

Source: Fidentis Estimates, company data

Figure 6: MAIL – Capex FY18E-FY22E

Capex (€m)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Capex	1.8	2.1	2.5	2.7	2.9	3.1	3.3
as % of sales	8.3%	7.7%	6.7%	5.6%	5.0%	4.5%	4.1%

Source: Fidentis Estimates, company data

Figure 7: MAIL – Cash Flow Statement FY18E-FY22E

Cash flow	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
EBIT	1.1	1.3	1.4	2.2	3.7	5.6	7.8
D&A	1.3	1.6	2.2	2.8	3.4	4.2	5.0
Cash taxes	-0.3	-0.6	-0.5	-0.7	-1.3	-2.0	-2.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WC change	0.1	1.4	1.2	0.8	0.9	1.0	1.2
Operating cash flow	2.2	3.7	4.3	5.0	6.8	8.9	11.2
net financial charges (cash)	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Capex	-1.8	-2.1	-2.5	-2.7	-2.9	-3.1	-3.3
Free cash flow	0.4	1.6	1.7	2.2	3.8	5.7	7.8
Acquisitions	0.0	0.0	-0.8	-0.8	-0.8	0.0	0.0
Dividends / Buybacks / New equity	0.0	6.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	-1.6	-0.6	0.0	0.0	0.0
Net cash flow	0.4	7.6	-0.6	0.8	3.0	5.7	7.8

Source: Fidentiis Estimates, company data

Figure 8: MAIL – Trade WC FY18-FY22E

Trade WC (€m)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Trade receivables	3.4	3.7	4.9	6.2	7.6	9.0	10.5
%sales	16%	14%	13.0%	13.0%	13.0%	13.0%	13.0%
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
%sales	0%	0%	0%	0%	0%	0%	0%
Trade payables	-2.9	-4.7	-7.1	-9.2	-11.4	-13.8	-16.5
%sales	25%	30%	31.0%	32.0%	33.0%	34.0%	35.0%
Trade WC	0.4	-1.0	-2.2	-3.0	-3.9	-4.9	-6.0

Source: Fidentiis Estimates, company data

Figure 9: MAIL – Net Financial Position FY18E-FY22E

Net Financial Position (NFP)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Cash and cash equivalents	4.5	10.7	10.1	10.9	13.9	19.6	27.5
Payables to banks	-1.3	-1.7	-0.5	-0.5	-0.5	-0.5	-0.5
Private placement and bond issues, others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term NFP	3.2	9.0	9.6	10.4	13.4	19.1	27.0
Financing for NIMP project			0.0	-1.3	-1.3	-1.3	0.0
Private placement and bond issues, others	-2.2	-1.8	-1.4	-1.7	-1.7	-1.7	-3.0
Liabilities for put option and earn-out payments	0.0	0.0	-1.6	0.0	0.0	0.0	0.0
NFP	1.0	7.3	6.6	7.4	10.4	16.1	24.0

Source: Fidentiis Estimates, company data

**Figure 10: MAIL – Balance Sheet FY18E-FY22E**

Balance sheet (€m)	FY2016	FY2017	FY2018E	FY2019E	FY2020E	FY2021E	FY2022E
Trade working capital	0.4	-1.0	-2.2	-3.0	-3.9	-4.9	-6.0
Other	-8.4	-6.2	-4.0	-4.0	-4.0	-4.0	-4.0
Net working capital	-7.9	-7.2	-6.2	-7.1	-7.9	-8.9	-10.0
%sales	-37%	-26%	-17%	-15%	-14%	-13%	-12%
Tangible fixed assets	0.7	1.0	1.2	1.3	1.4	1.2	1.1
Intangible fixed assets	14.1	13.8	14.0	14.1	14.2	14.3	14.4
Financial	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Fixed assets	15.0	15.0	15.4	15.6	15.8	15.7	15.7
Provisions & Pension fund	-1.0	-1.2	-1.4	-1.7	-2.0	-2.3	-2.6
Net Invested capital	6.1	6.6	7.7	6.8	5.9	4.5	3.1
Shareholders' equity	7.0	13.9	14.8	16.2	18.5	22.2	27.2
Minorities	0.1	0.1	0.0	0.0	0.0	0.0	0.0
NFP	-1.0	-7.3	-6.6	-7.4	-10.4	-16.1	-24.0
Invested capital	6.1	6.6	7.7	6.8	5.9	4.5	3.1

Source: Fidentis Estimates, company data

Q18 Preliminary revenues

Figure 11: MAIL – Business Units 4Q18

Business Unit	4Q18	4Q17	y/y
MailUp	3,869	3,389	14%
Agile Telecom	7,919	4,111	93%
BEE	468	172	172%
Acumbamail	255	210	21%
Globase	107	189	-43%
Tot.	12,618	8,071	56%

Source: Company data

Valuation

MailUp trades at a discount compared to marketing technology companies on EV/Sales and EV/EBITDA multiples. However, we believe that such a valuation does not take into account the company's superior growth projections and profitability, as well as the rather limited competition in this segment.

Figure 12: MAIL - Peers

Company	1M Chg. (%)	YTD Chg. (%)	19E EV/Sales	20E EV/Sales	19E EV/EBITDA	20E EV/EBITDA
HubSpot, Inc.	29.2%	30.3%	9.6	7.6	80.1	57.1
dotDigital Group plc	18.6%	15.4%	4.5	3.7	15.1	12.7
salesforce.com, inc.	15.2%	16.1%	7.3	6.0	32.0	24.9
Twilio, Inc. Class A	28.6%	27.5%	13.0	9.9	n.m.	n.m.
Link Mobility Group ASA	8.2%	20.7%	5.3	4.5	n.a.	n.a.
SharpSpring, Inc.	26.4%	25.3%	13.2	10.7	n.a.	n.a.
SendGrid, Inc.	21.0%	22.5%	8.8	7.0	42.4	31.6
Average Peer Companies	22.5%	23.0%	8.8	7.0	37.2	28.2
Median Peer Companies	17.3%	19.6%	0.7	0.5	6.3	4.0
MailUp			-93%	-93%	-85%	-87%
Discount % vs. average			-93%	-93%	-83%	-86%
Discount % vs. med.	29.2%	30.3%	9.6	7.6	80.1	57.1

Source: Fidentis Estimates, Facset

Summarised P&L Account and key ratios

€m	2016	2017	2018	2019 E	2020 E	2021 E
Sales	21.6	27.3	37.3	48.0	58.2	68.9
EBITDA	2.4	2.9	3.6	5.0	7.2	9.9
Depr/Prov	1.3	1.6	2.2	2.8	3.4	4.2
EBIT	1.1	1.3	1.4	2.2	3.7	5.6
Net Int. Cost	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Impairment & Other	0.0	0.0	0.0	0.0	0.0	0.0
PBT	1.1	1.2	1.3	2.1	3.6	5.6
Taxes	(0.3)	(0.6)	(0.5)	(0.7)	(1.3)	(2.0)
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	0.8	0.6	0.9	1.4	2.4	3.6
EPS adj	0.05	0.04	0.06	0.09	0.16	0.24
Sales growth	nm	26.2%	36.6%	28.6%	21.3%	18.3%
EBITDA growth	nm	20.0%	23.3%	40.1%	43.7%	37.8%
Net Profit growth	nm	(17.0%)	35.5%	61.7%	72.1%	53.2%
EBITDA margin	11.1%	10.5%	9.5%	10.4%	12.3%	14.3%
EBIT margin	5.2%	4.7%	3.7%	4.6%	6.4%	8.2%
Net Pr. Margin	3.5%	2.3%	2.3%	2.9%	4.1%	5.3%
Gross Int. Cover (x) (1)	19.4	16.5	17.8	28.2	47.8	72.6

Summarised Balance Sheet and key ratios

€m	2016	2017	2018	2019 E	2020 E	2021 E
Fixed assets	15.0	15.0	15.4	15.6	15.8	15.7
Goodwill	10.4	10.4	10.4	10.4	10.4	10.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade Receivables	3.4	3.7	4.9	6.2	7.6	9.0
Cash + S/T Invest. + Other	4.5	10.7	10.1	10.9	13.9	19.6
Total Assets	33.3	39.8	40.7	43.1	47.6	54.7
Sharehold. Equity	7.0	14.0	14.8	16.2	18.5	22.2
L-T Financial Debt	(2.2)	(1.8)	(3.0)	(1.7)	(1.7)	(1.7)
S-T Financial Debt	(1.3)	(1.7)	(0.5)	(0.5)	(0.5)	(0.5)
Trade Payables	(2.9)	(4.7)	(7.1)	(9.2)	(11.4)	(13.8)
Provisions + Other	32.7	34.0	36.4	38.4	42.7	48.5
Total Liabilities	33.3	39.8	40.7	43.1	47.6	54.7
Net Cash	(1.0)	(7.3)	(6.6)	(7.4)	(10.4)	(16.1)
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Debt/Equity	(0.1)	(0.5)	(0.4)	(0.5)	(0.6)	(0.7)
ROCE (2)	13%	10%	12%	21%	41%	81%
ROE	11%	4%	6%	8%	13%	16%
ROCE/WACC (x)	1.3	1.0	1.2	2.1	4.1	8.1

Simplified Cash Flow Statement and key ratios

€m	2016	2017	2018	2019 E	2020 E	2021 E
Net Profit	0.8	0.6	0.9	1.4	2.4	3.6
+ Depr. & Amortis.	(1.3)	(1.6)	(2.2)	(2.8)	(3.4)	(4.2)
+/- other	2.8	4.7	5.6	6.4	7.8	9.5
= Operating CF	2.2	3.7	4.3	5.0	6.8	8.9
- Change in Working K	(0.1)	(1.4)	(1.2)	(0.8)	(0.9)	(1.0)
- CAPEX of which	(1.8)	(2.1)	(2.5)	(2.7)	(2.9)	(3.1)
expansionary CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
- Dividends	0.0	6.0	0.0	0.0	0.0	0.0
= FCF	0.3	6.2	0.6	1.5	3.0	4.8
FCF Yield (Mkt Cap)	0.8%	0.5%	1.5%	4.0%	7.7%	12.4%
FCF Yield (EV)	2.0%	3.6%	4.0%	5.0%	7.9%	10.6%
FCF (3)	0.3	6.2	0.6	1.5	3.0	4.8
FCF Yield (Mkt Cap)	0.8%	0.5%	1.5%	4.0%	7.7%	12.4%
FCF Yield (EV)	2.0%	3.6%	4.0%	5.0%	7.9%	10.6%

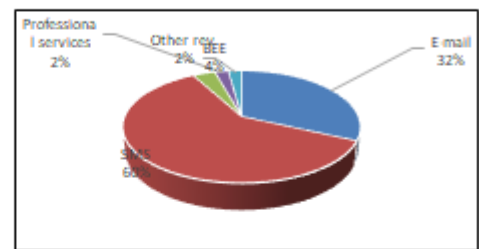
1) calculated as EBIT/Int. expenses (2) calculated as ROCE after taxes (3) calculated ex-expansionary CAPEX

(*) Source: company data and Fidentii estimates

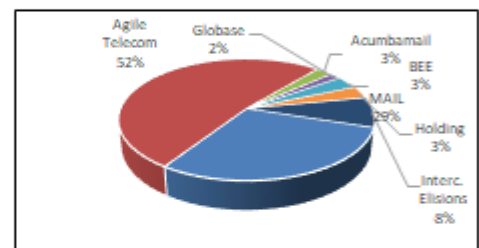
EV VALUATIONS

€m	2018	2019	2020
+ Mkt Cap	38.7	38.7	38.7
+ Net Debt	-6.6	-7.4	-10.4
- Non-core assets	0.2	0.2	0.2
+/- Other	0.0	0.0	0.0
= EV	32.3	31.5	28.5
EV/Sales (x)	0.9	0.7	0.5
EV/EBITDA (x)	9.1	6.3	4.0
EV/EBIT (x)	23.3	14.4	7.7
EV/IC (x)	4.8	3.9	3.3

Sales BreakDown



Divisional Sales BreakDown



Debt Structure (€m)

Total Debt in the B.Sheet	(3.5)
Short Term	(1.3)
Long Term	(2.2)
maturing in 24 months	0.0
maturing in 36 months	0.0
maturing in 48 months or more	0.0
Cost Range	0.00%
Rating (Moody's)	0
Short term	0
Long term	0
Estimated Off B/S Liabilities	0

Share Information

Outstanding # shares (m)	15
Market Cap (€ m)	39
Avg daily volume (€ m, last 6 months)	0.013
Free float %	32%
Total shares	68.3%

Management shares option scheme

% of Capital	
Nearest to vest	



Fidentiis Equities S.V.S.A.

C/ Velázquez 140 • 28006 Madrid • Tel.: +34 /91 566 24 00 • Fax: +34 /91 566 24 50 1

info@fidentiis.com • www.fidentiis.com

CIF A-83563767

Fidentiis Equities S.V., S.A. is an investment firm regulated and supervised by the Comisión Nacional de Mercado de Valores (CNMV) and registered in the CNMV's Registry with number 205

Milan Branch

Galleria del Corso 1 • 20122 Milano • Tel.: +39 /02 928 02 00 Fax: +39 /02 367 052 39

infoit@fidentiis.com • www.fidentiis.com

P. Iva: 06793880962

The Milan Branch of Fidentiis is also regulated and supervised by the Commissione Nazionale per le Società e la Borsa (CONSOB) and registered in the CONSOB's Registry with number 2723

Information in compliance with applicable laws and regulations

Analyst Certification

Each research analyst(s) as indicated on the first page of each report or note primarily responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security that the research analyst covers in this research report, all of the views expressed in this research report accurately reflect their personal views about those issuer (s) or securities.

Each research analyst(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report nor to the positive outcome of investment banking transactions.

Neither the research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report, nor his/her/their relatives have any significant financial interest in the securities which are the subject of this report or are officers or directors of any company mentioned in this report.

Disclaimer

This publication has been prepared by Fidentiis Equities, Sociedad de Valores S.A., including the Italian Branch, ("Fidentiis Equities") solely for the information of clients of Fidentiis Equities. This product is not for retail clients. This product is only available to persons qualifying as eligible counterparties or professional clients, as defined under the relevant applicable regulations. This product is distributed primarily in electronic form. No part of this document may be reproduced, distributed or published by any person for any purpose without the prior express consent of Fidentiis Equities. Acceptance of this product implies that the relevant recipient is bound by the above mentioned limitations.

This document and its contents do not constitute an offer, invitation or solicitation to purchase, sell or subscribe to any securities or other instruments or otherwise constitutes a personal recommendation. The information herein has been obtained from, and any opinions herein are based upon sources believed reliable, but Fidentiis Equities makes no representation as to its accuracy, integrity or completeness. Neither the research analyst(s) primarily responsible for the preparation and content of all or any identified portion of this research report, nor Fidentiis Equities intend to provide an exhaustive analysis of the commercial or financial situation or the growth perspectives of the companies mentioned in this report and the relevant recipient should not rely on this report for such purposes.

The information contained herein is subject to change without notice. Fidentiis may also cease, update or initiate coverage of a stock at its sole discretion. The investments and the strategies described in this report may not be suitable for all the recipients; accordingly, at the time of considering them, we invite you to take into account your own profile and characteristics as a professional investor.

Neither Fidentiis Equities nor any officer or employee of Fidentiis Equities accepts any liability whatsoever for any direct, indirect or consequential loss arising from any use of this publication or its contents.

Conflict of interests

From time to time, Fidentiis Equities, any other company of its group and/or any of its officers, directors or employees may, to the extent permitted by the law, have a position or otherwise be interested in any transactions or investments directly or indirectly in securities which are the subject of this report. Fidentiis Equities and/or any other company of its group may from time to time perform services for or solicit business from any company mentioned in this report.

As a result thereof, investors should be aware that Fidentiis Equities may have a conflict of interests. The disclosure of all relevant conflict of interests of Fidentiis Equities is available in www.fidentiis.com/legal/conflictinterest.asp.

Fidentiis Equities has adopted internal rules of conduct, procedures and policies in order to guarantee the independence of the research analysts and has developed and implemented a set of measures to: (i) identify the possibilities of having conflicts of interest, (ii) try to avoid them, and, if necessary, (iii) solve them. It is possible to consult the conflicts of interest policy of Fidentiis Equities by clicking on "legal" at www.fidentiis.com.

In accordance with this policy, Fidentiis Equities has implemented a segregation of functions aimed to prevent potential conflict of interests. In particular, Fidentiis Equities and the other companies within its group have segregated functions in order to prevent the exchange of (insider) information between conflicting activities that may impair or damage one or more clients' interests. This segregation implies an organizational structure through restricted IT access privileges, Chinese walls and separate reporting channels. Moreover, Fidentiis Equities assure segregated management and supervision of different departments (or individuals in the same department), with a real or potential risk of generating a conflict of interest in the provision of the relevant services to its clients. An internal commission is responsible for reviewing and guaranteeing the independence of our opinions. There is a "Restricted list" of equities that are being covered by our research



analysts to which our reports and our daily recommendations refer to. The Compliance Department manages the “Restricted list” and it is permanently updated and distributed to the staff.

Guide to fundamental research

Reports on companies under coverage are published normally on a quarterly basis, to comment on results and important news flow. Valuation and risks: For valuation methodology and risks associated with covered companies or price targets for covered companies, please see the most recent company specific research report at <http://www.fidentiis.com/> or contact your Fidentiis representative.

A redacted draft of this document may have been sent to the issuer for the limited purpose of review of factual information. No material changes were made to the document as a result of this review.

In its recommendations, Fidentiis uses an “absolute” rating system, which is not related to market performance. Ratings are as follows:

BUY: 12-month valuation is at least 10% higher than the current market price.

HOLD: 12-month valuation is 0%-10% higher than the current market price.

SELL: 12-month valuation is lower than the current market price.

The prices of the financial instruments that are the subject of this report (referred as current market prices) are the closing price of the day prior to the publication of the report (i.e. prices at 5.30 p.m. of the day prior to the publication of the report).

The reports are finalised at 9.00 AM before the market opening.

Please refer to the most recently published report on this company for detailed analysis on the relevant strategy/profile, risks and basis of valuation or methodology used to evaluate or to set a price target for the equities subject of this report, which is available at <http://fidentiiseq.cloudapp.net/equities/home.aspx>

The recommendation history and target price trends and the updated recommendation allocation (buy / hold /sell) is available at <http://fidentiiseq.cloudapp.net/equities/recommendationHistory.aspx>