

## Digital Value

### Move to Euronext Milan Should Help Cut Down the Liquidity Discount

We believe that the recent move to the Euronext Milan should help reduce the liquidity discount applied to the stock. Note that Digital Value trades at a 2023E (2024E) EV/EBITDA of 7.3x (6.0x), i.e. an average discount of about 25% vs. peers, despite its above-average growth profile and resilient business model.

#### Appealing investment case

We expect Digital Value to outperform the reference market growth, based on: i) its direct relationships with the principal international IT vendors, which allows it to offer autonomous/independent choice of specific technologies to design the best solutions for customers; ii) margin expansion, by internalising activities provided by third parties and by including more services to its offering; iii) M&A opportunities, aimed at increasing its portfolio of clients and/or its offering. M&A remains also an important growth driver to acquire skilled personnel; iv) relevant exposure to the Recovery Fund, since it can address up to EUR 14Bn of the total EUR 50Bn allocated to Digitalisation; and v) in terms of risk profile, we believe the high-standing client base, combined with its direct contact with top vendors, should ensure business resilience also in a more adverse economic scenario. Overall, we think Digital Value's business model allows investors to gain exposure to digitalisation trends without being vulnerable to the performance of a single IT titan or product.

#### Positive outlook underpinned by solid market fundamentals

In light of current trading and solid market fundamentals, management provided a positive outlook for 2023, in which it expects to confirm a solid organic growth trend. Growth should continue to be driven by the Digital Business Transformation BU. Overall, our understanding is that the capability of the group to internalise activities currently provided by third parties in the segments of the business characterised by higher added value should become a key driver for the group's margin expansion. EBITDA margin should remain above 10%, also thanks to a better revenue mix and a careful control of operating and structural costs, which should offset a market context characterised by strong inflation. On this front, management stated that the impact has been co-shared with vendors and customers, resulting in a modest net erosion on margins.

#### Estimates almost unchanged

We only fine-tuned our estimates to incorporate higher capex/D&A, a different accounting effect on NFP (change to financial debt of vendor financing previously classified as long-term trade debt) and a slight increase in financial expenses.

#### Valuation considerations

Market valuations of Digital/IT companies strongly corrected in 1H22 on the back of the fears related to global supply issues and inflation. As of today, they have not rebounded despite the still solid market demand for digitalisation. Moreover, market valuations are highly volatile in this context. Digital Value stock registered a -3.3% YTD. Consequently, for the moment we decided to value the group using solely an absolute valuation method, as we think that the company is particularly resilient to the current situation and that it is well positioned to capture the opportunities arising from the NRRP, although we include the multiples' comparison as a cross-check. Our updated DCF model confirms a target price of EUR 122.5/share, over 85% above the current share price. Therefore, we reiterate our positive stance and our **BUY** rating.

17 May 2023: 12:20 CET  
Date and time of production

**BUY**

Target Price: EUR 122.5

Italy/IT Services Provider  
Company Update

#### MTA

Price Performance  
(RIC: DGV.MI, BB: DGV IM)



#### Digital Value - Key Data

Price date (market close)	15/05/2023
Target price (EUR)	122.5
Target upside (%)	88.75
Market price (EUR)	64.90
Market cap (EUR M)	647.03
52Wk range (EUR)	74.4/56.4

Y/E Dec (EUR M)	FY22A	FY23E	FY24E
Revenues	708.5	820.2	937.4
EBITDA	73.57	85.21	99.58
EBIT	51.06	62.71	76.58
Net income	33.95	43.18	53.77
EPS (EUR)	3.41	4.40	5.47
Net debt/-cash	-16.42	-28.58	-55.83
Adj P/E (x)	21.7	14.7	11.9
EV/EBITDA (x)	9.8	7.3	6.0
EV/EBIT (x)	14.1	9.9	7.8
Div ord yield (%)	1.1	1.7	2.1

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

#### Intesa Sanpaolo Research Dept.

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#### Corporate Broking Research

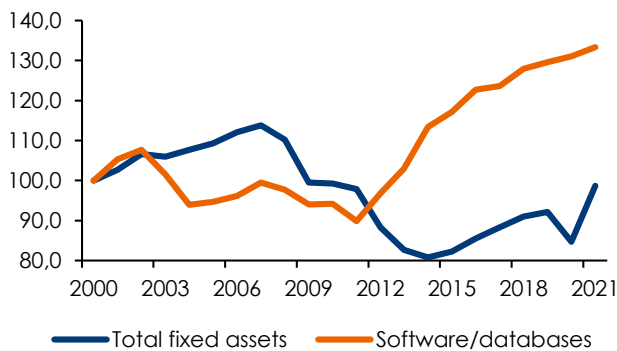
**A. Francese, G. Berti, G. Cabrino**  
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## Market Update

### The IT Services sector

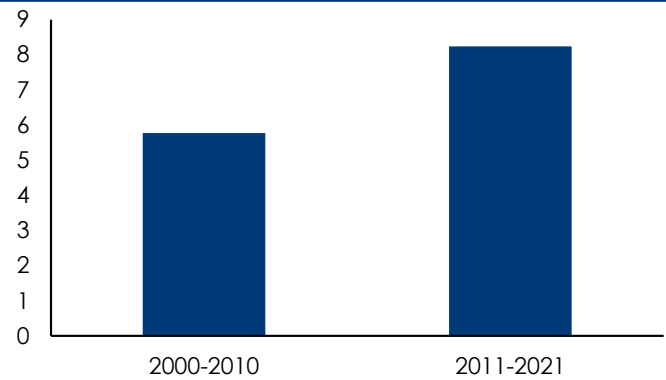
Over the past 20 years, there has been a growing trend of digital investments in Italy to support the digitalisation process of the economic system. Specifically, in 2021, expenditure on software and databases was 33% higher than in the pre-2000s (National Accounts data, at constant prices), showing a better trend than total investments, which were still lower than in the pre-2000s. This dynamic has led to an increase in the weighting of the digital component in total assets, from values close to 6% in the 2000-10 period to 8.2% in the 2011-21 period.

**Total fixed assets and Software and databases assets (index 2000=100, chain linked volumes)**



Source: Intesa Sanpaolo Research elaborations on ISTAT data, National Accounts

**Digital assets (software and databases) on total fixed assets (%)**



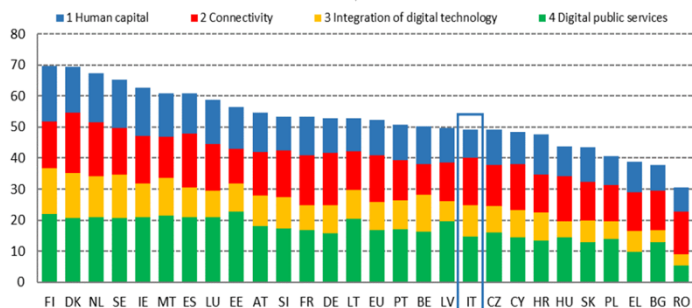
Source: Intesa Sanpaolo Research elaborations on ISTAT data, National Accounts

Despite the progress made, Italy still shows an important gap with other European countries. According to the European Commission's DESI index, which measures the level of digitalisation of an economic system, Italy is in 18th place in the ranking, below the European average, suffering in particular from a strong deficit in terms of human capital: in Italy, half of the citizens lack basic ICT skills, there is a lack of ICT professionals, and there are still few graduates in scientific-technological subjects.

However, the index also shows some strengths in the digital transformation process that Italy's economy is undergoing. In particular, Italy has a good positioning in the component related to the integration of digital technologies in industrial processes, with over 60% of SMEs showing at least a basic level, a higher share than in Europe<sup>1</sup>.

<sup>1</sup> <https://digital-strategy.ec.europa.eu/it/policies/desi>

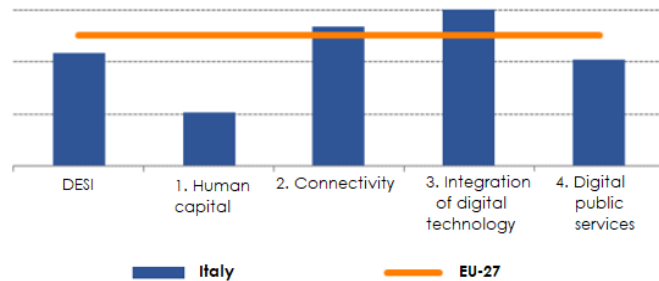
**The digitalisation index of EU27 countries**



Source: EU DESI report, 2022

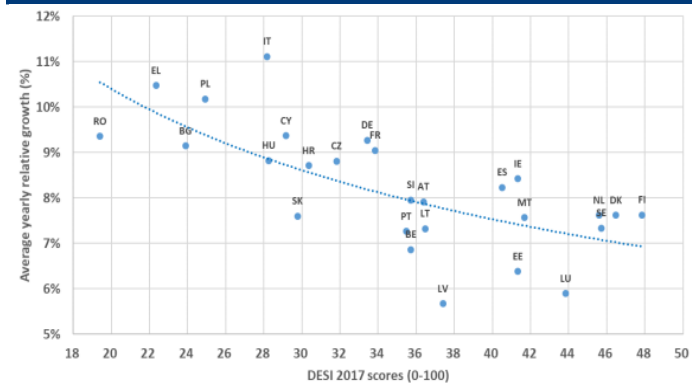
This significant gap versus other comparable European countries, such as France, Germany and Spain, could be the base for higher future growth, in our view. Indeed, during the 2017-22 period, Italy showed a higher growth rate of its digitisation level vs. the EU27 average, pointing to a recovery of the gap in the coming years and sustaining expectations for future growth. The following right-hand chart ranks outperforming (top part of the chart) and underperforming (bottom part of the chart) countries according to their gap vs. the convergence curve (blue line in the left-hand figure below). Italy leads the top group, outpacing other European countries in the 2017-22 period.

**Relative performance by each category**



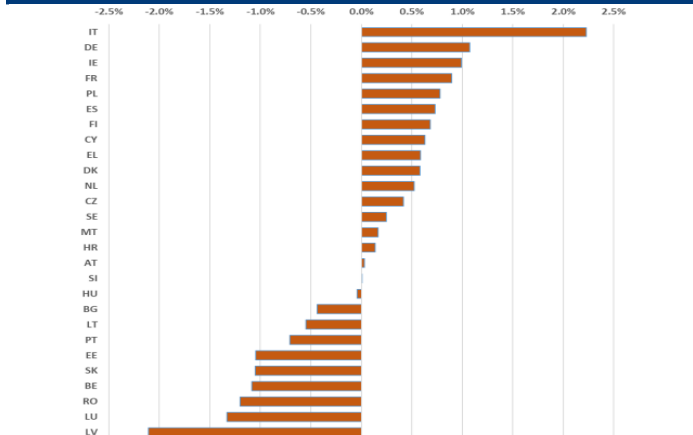
Source: EU DESI report, 2022

**Digitisation level – Growth vs. Score**



Source: DESI 2022, European Commission

**Outperforming and underperforming Member States (2017-22)**



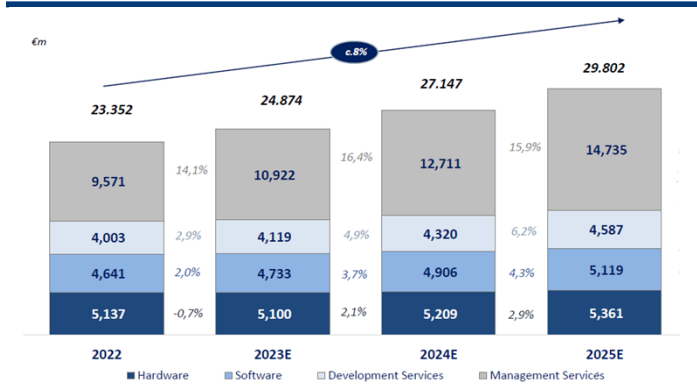
Source: DESI 2022, European Commission

**Demand should remain solid in 2023-25 and driven by PA and large enterprises**

Despite the difficult macroeconomic situation, the growth in digital investments continues. According to the Startup Intelligence Observatory and Digital Transformation Academy of the Politecnico di Milano, 43% of companies plan to increase their digital technology budgets in 2023, while in 2022 only 13% of companies slowed down or halted their digitalisation projects. After the strong increase in 2022 (+4%), the ICT budgets of Italian companies of all sizes are estimated to rise by 2.1% in 2023.

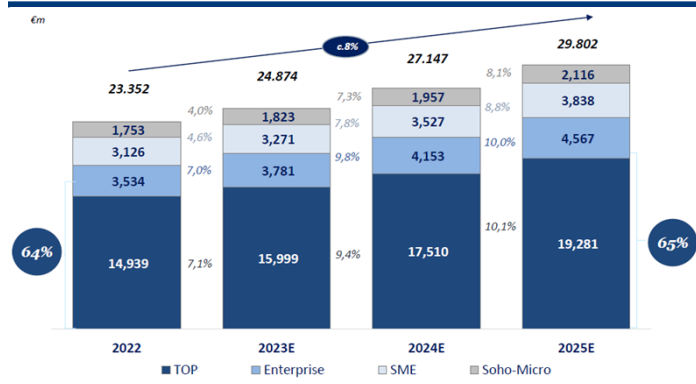
Overall, in Italy, the IT market is assumed to growth at CAGR of around 8%, supported by the abovementioned recovery expectations vs. major European peers.

IT Italian market by segment



Source: SIRMI, March 2023

IT Italian market by customer size



Source: SIRMI, March 2023

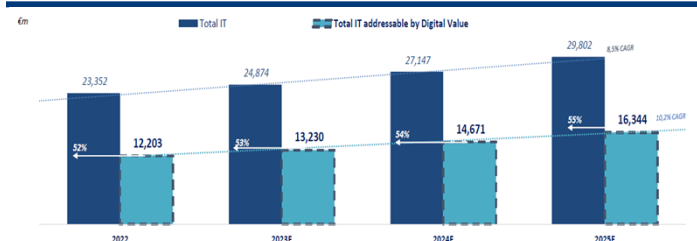
The main drivers of growth are: 1) digital transformation; 2) managed and security services; and 3) cloud. The market is characterised by the progressive adoption of the 'all as a service' approach and by a switch from hardware and software to Cloud services, at the infrastructural and application levels.

We underline that the area that should contribute the most to the market growth is Managed Services, mainly referring to: Data Processing; Outsourcing Information System; Outsourcing document management; Desktop & Fleet Management; Application Management; Cloud Computing (IaaS, PaaS, SaaS); Hosting; Housing & Colocation; Hardware Maintenance. In particular Cloud (IaaS, PaaS and SaaS) and Security Services drive the growing trend of Managed Services

Looking at the market breakdown by customers' size, we note that large companies' segment ('TOP' refers to companies and public entities totalling more than 500 employees, which is Digital Value's target segment) is worth more than 60% of the overall market with a growing share, thus confirming the trend of growing investments in technology/digitalisation by larger companies.

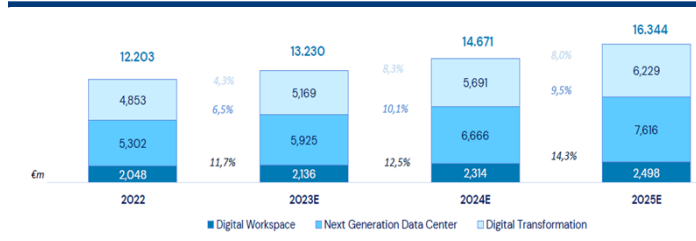
Of the total Italian IT Market, the share that in terms of technical skills, portfolio of offerings and strategic development guidelines is considered 'Addressable' for Digital Value is over 50% of the total. According to the company, managed services represent over 50% of the overall addressable market of Digital Value, showing that large customers have a greater focus on segments with higher added value and characterised by higher levels of profitability in the market. Overall, considering the group's pro-forma 2022 revenues at EUR 708.5M and a potential addressable market of EUR 12.2Bn, we roughly calculate an indicative market share of around 5.8%.

IT Italian market by segment



Source: SIRMI, March 2023

IT Italian market by customer size



Source: SIRMI, March 2023

### Italy's Recovery and Resilience Plan (NRRP)

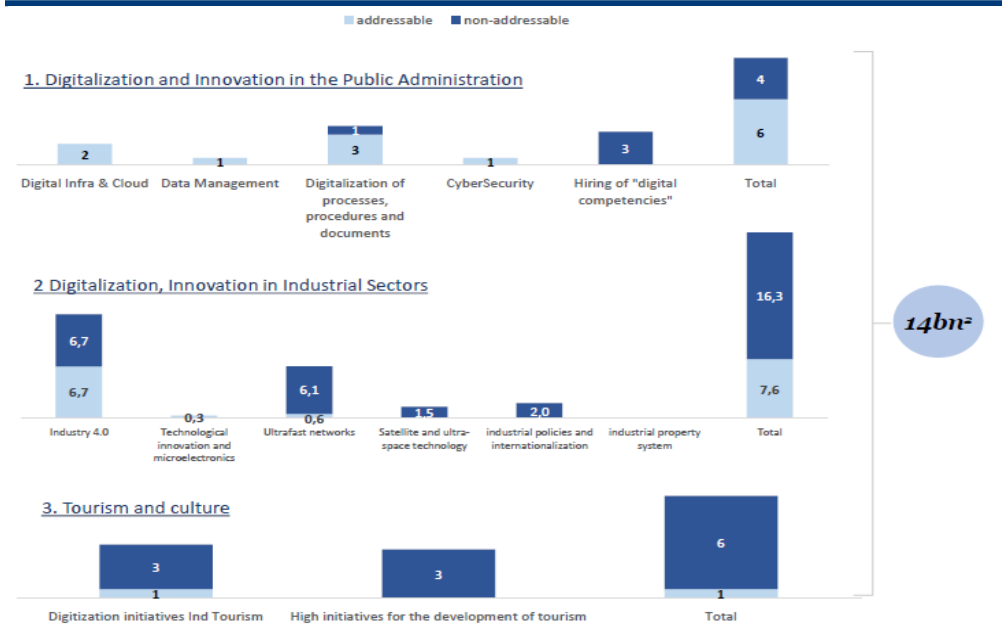
The implementation of Italy's NRRP plan should accelerate the country's digital transformation, further supporting the sector's growth. Reflecting its 'digital underdevelopment', Italy is the main beneficiary of funds from the Next Generation EU plan. Indeed, the government has asked the European Union for the maximum of the resources available, equal to EUR 191.5Bn (the total NextGen EU Plan is worth around EUR 750Bn over 2021-26), of which EUR 68.9Bn in grants and EUR 122.6Bn in loans. A total of EUR 40Bn is to be dedicated to Italy's digital transformation (which increases to EUR 49Bn if the around EUR 9Bn ad-hoc additional funds financed through the national deficit are included).

**Italy's NRRP plan should accelerate the country's digital transformation**

The digitalisation and modernisation of the production system and of the Public Administration should continue to represent the main spending areas in the period. Overall, out of the EUR 49Bn, around EUR 11Bn are to be dedicated to Digitalisation and Innovation in the Public Administration, around EUR 30Bn to Digitalisation, Innovation in Industrial Sectors, with the remaining EUR 8Bn to be allocated to Tourism and Culture 4.0.

Management estimated that the addressable potential for the group is around EUR 14Bn over the 2021-26 period.

### Initiatives falling within the scope of Digital Value's expertise and portfolio of offerings



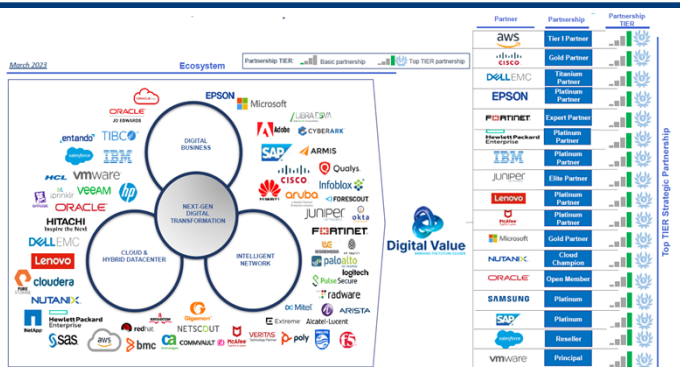
Source: Company data

## Competitive Positioning

In such a highly diversified and fragmented sector, characterised by generalist global players and specialised companies, Digital Value is positioned as a HyperVAR with a strong specialisation in the Top client market and with strong competencies in infrastructural services. Among this niche, our understanding is that the market scenario is rather concentrated and Digital Value is the biggest player in terms of revenues. In this context, we think that the key distinctive advantages of Digital Value vs. its peers/competitors are represented by:

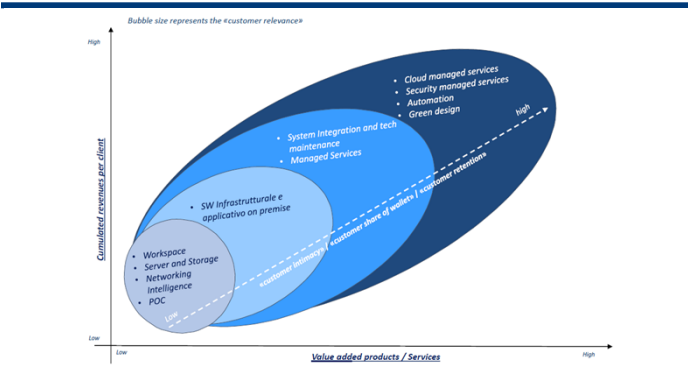
- The direct relationships with several international IT vendors, enabling it to offer an autonomous/independent choice of specific technologies to design the best solutions for customers. Consistent with its multi-vendor logic, Digital Value has certified expertise on a multitude of different technologies. We also appreciate the group's ability to constantly enrich the number of technology partners, expanding the group's solution offering;
- The ability to be an end-to-end player, which allows it to cover all the customer Infra ICT needs. The widening of the range of products and services sold to the customer is also associated with a higher level of 'customer retention', attributable both to the high standards of services guaranteed by DGV and to the increasing difficulty of replacing a single supplier present in a multitude of points of the customer information system.

### Strategic partnership with main tech players



Source: Company data

### Client relationship evolution paradigm over time



Source: Company data

The group's main competitors vary in relation to the industry vertical. In the large public administration, the number of competitors is particularly wide and includes global players, such as Accenture's division operating in some segments (Digital, Cloud, Cybersecurity), Capgemini's IT division, Telecom and IT global vendors, which sometimes sell solutions directly to their Top tier customers. Overall, other competitors are players like Lutech, Maticmind, R1 Group plus other local players, such as Project.it, Dedagroup, Gruppo SCAI.

Looking at similarities with other Italian listed players, we underline that the group's offering is partially comparable to the one of VAR group (SSI division of the SeSa group), although SeSa it is not a direct competitor of Digital Value as it is more focused on smaller accounts. Digital Value is also not entirely competing with Reply, which has no significant focus on IT infrastructures services.

Looking at competition drivers, our understanding is that price-based discrimination is increasingly diminishing in importance compared to the benefit of technical proposals based on technology and architecture solutions.

## Earnings Outlook

Management provided a positive outlook for 2023, in which it expects to confirm a solid organic growth trend. Growth should continue to be driven by the Digital Business Transformation BU.

Indeed, as the above-mentioned market trends show, managed services are becoming more important in the Italian IT landscape. Consequently, Digital Value will invest more resources to provide this kind of services such as network, application, infrastructure and security, through continuous and regular support, ensuring active logical and physical management both offsite and onsite. In this area, the service delivery model in Insourced/Outsourced mode is dependent on the 'premium price' and the strategy/complexity of the service provided. Overall, our understanding is that the capability of the group to internalise activities currently provided by third parties in the segments of the business characterized by higher added value should become a key driver for the group's margin expansion.

EBITDA margin should remain above 10%, also thanks to a better revenue mix and a careful control of operating and structural costs, which should offset a market context characterised by strong inflation. On this front, management stated that the impact has been co-shared with vendors and customers, resulting in a modest net erosion on margins.

### Estimates fine-tuning

We only fine-tuned our estimates to incorporate higher capex/D&A, a different accounting effect on NFP (change to financial debt of vendor financing previously classified as long-term trade debt) and a slight increase in financial expenses.

#### Digital Value – Estimates fine-tuning (2023E-25E)

EUR M	FY23E			FY24E			FY25E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Revenues	820.2	820.2	0.0	937.4	937.4	0.0	1081.6	1,081.6	0.0
EBITDA	85.2	85.2	0.0	99.6	99.6	0.0	120.4	120.4	0.0
margin %	10.4	10.4		10.6	10.6		11.1	11.1	
EBIT	65.2	62.7	-3.8	79.1	76.6	-3.2	99.9	97.4	-2.5
margin %	7.9	7.6		8.4	8.2		9.2	9.0	
Group's net profit	45.7	43.2	-5.5	55.9	53.8	-3.8	71.1	69.0	-3.0
Net debt/ - cash	-61.0	-28.6		-90.2	-55.8		-141.1	-92.9	

E: estimates; Source: Intesa Sanpaolo Research

## Peers' Multiples Comparison

### Digital Value - Peers multiples comparison

x	Country	Market		EV/sales			EV/EBITDA			EV/EBIT			P/E		
		Price	Cap	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Accenture	US	255.2	169,082	2.7	2.5	2.3	15.0	13.7	12.2	18.0	16.4	14.5	23.9	22.2	20.0
Bechtle	DE	38.5	4,846	0.7	0.7	0.6	9.8	8.9	7.9	12.8	11.5	10.1	18.2	16.7	15.3
CANCOM	DE	29.2	1,034	0.5	0.4	0.3	6.1	4.9	4.3	10.4	7.9	6.8	22.0	17.4	15.5
Capgemini	FR	163.4	28,355	1.3	1.2	1.0	8.3	7.3	6.4	10.1	8.8	7.7	14.5	13.1	11.9
CDW Corp	US	156.7	21,124	1.3	1.2	1.1	13.9	12.5	12.0	14.4	13.1	12.3	17.9	16.3	15.0
Computacenter	UK	27.7	3,166	0.4	0.3	0.3	6.8	6.2	5.7	9.1	8.3	7.7	14.3	13.8	13.1
Reply	IT	103.0	3,853	1.7	1.4	1.2	10.5	9.0	7.9	12.8	10.9	9.4	19.2	17.1	15.3
SeSa	IT	108.4	1,680	0.5	0.4	0.4	6.5	5.4	4.8	8.7	7.1	6.0	15.1	13.1	12.6
<b>Peers average</b>				<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>9.6</b>	<b>8.5</b>	<b>7.6</b>	<b>12.0</b>	<b>10.5</b>	<b>9.3</b>	<b>18.1</b>	<b>16.2</b>	<b>14.8</b>
<b>Digital Value*</b>	<b>IT</b>	<b>65.9</b>	<b>657</b>	<b>0.8</b>	<b>0.6</b>	<b>0.5</b>	<b>7.4</b>	<b>6.1</b>	<b>4.7</b>	<b>10.0</b>	<b>7.9</b>	<b>5.8</b>	<b>15.0</b>	<b>12.0</b>	<b>9.4</b>
vs. Peers				-31.7	-36.8	-43.2	-22.9	-28.2	-38.5	-16.9	-24.9	-37.6	-17.3	-26.0	-36.7

Priced at market price of 12/05/2023; E: estimates; Source: \*Intesa Sanpaolo Research estimates and FactSet

### Digital Value - Peers growth and profitability comparison

%	2022A-25E CAGR			EBITDA Margin (%)		
	Revenues	EBITDA		2023E	2024E	2025E
Accenture	2.7	2.9		18.1	18.3	18.7
Bechtle	8.0	7.2		7.6	7.6	7.6
CANCOM	17.9	15.9		7.6	7.4	7.7
Capgemini	6.0	7.6		15.9	16.2	16.5
CDW Corp	1.0	2.4		9.3	9.5	9.5
Computacenter	4.2	4.4		5.4	5.6	5.6
Reply	11.8	7.1		15.8	15.9	15.8
SeSa	7.6	9.6		7.3	7.5	7.6
<b>Peers median</b>	<b>6.8</b>	<b>7.1</b>		<b>8.5</b>	<b>8.5</b>	<b>8.6</b>
<b>Digital Value*</b>	<b>15.1</b>	<b>17.8</b>		<b>10.4</b>	<b>10.6</b>	<b>11.1</b>
vs. Peers	121.9	149.7		22.9	24.1	29.1

Priced at market price of 12/05/2023; E: estimates; Source: \*Intesa Sanpaolo Research estimates and FactSet



## Valuation and Key Risks

### Valuation basis

Our EUR 122.5 TP is derived with a DCF model, using a 7.78% WACC (RFR at 4%; ERP at 6.5%), a 2.5% terminal growth rate and a gearing of 20%.

### Key Risks

#### Company specific risks:

- Dependence on key talents
- Exposure to one single country

#### Sector generic risks:

- Increasing competition, especially in hiring talents in new technologies, may put pressure on profitability
- Current geopolitical issues may impact global economy potentially slowing down market demand
- M&A execution risk

## Company Snapshot

### Company Description

Digital Value S.p.A., with offices in Rome and Milan and operating throughout the national territory, is the parent company of a group including Italy's leading operators in the ICT services and solutions sector, with consolidated revenues of EUR 709M and over 300 employees. The group works in the research, design, development and sales of ICT services and solutions for the digitalization of large account clients working in strategic sectors of the country's economy - Telecommunications, Transport, Utilities, Finance, Industry and Public Administration - which represents the driving segment of the ICT market (over 50% of total national demand). The result of its significant constant growth, Digital Value embodies a unique range of specialist skills, providing complete coverage of all technological innovation requirements in key market segments. The group's success is the result of the unique combination of skills, know-how and the specialization of its human resources, as well as its acknowledged ability to plan, implement and manage innovative design solutions that are functional to the digitalisation needs of its clients.

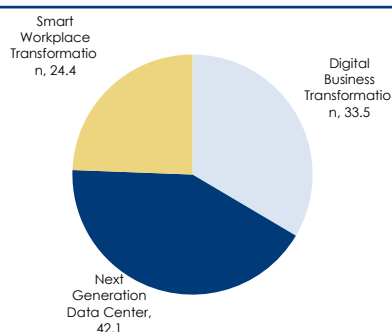
### Key data

Mkt price (EUR)	64.90	Free float (%)	35.3
No. of shares	9.97	Major shr	DV Holding SpA
52Wk range (EUR)	74.4/56.4	(%)	64.7
Reuters	DGV.MI	Bloomberg	DGV IM
<b>Performance (%)</b>	<b>Absolute</b>		<b>Rel. FTSE IT All Sh</b>
-1M	-6.8	-1M	-4.6
-3M	-8.5	-3M	-7.2
-12M	-6.6	-12M	-16.6

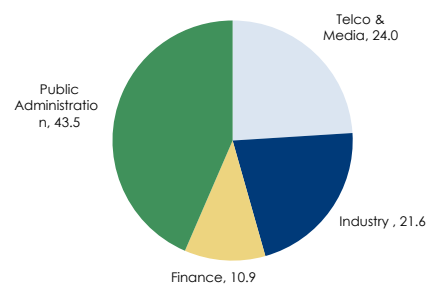
### Estimates vs. consensus

EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Sales	708.5	820.2	817.4	937.4	928.7	1,081.6	1,028.3
EBITDA	73.57	85.21	85.60	99.58	99.05	120.4	112.2
EBIT	51.06	62.71	62.34	76.58	74.19	97.37	85.20
Pre-tax income	47.97	61.21	60.94	75.58	72.78	96.37	83.36
Net income	33.95	43.18	42.82	53.77	51.24	68.97	58.57
EPS (EUR)	3.41	4.40	4.31	5.47	5.15	7.01	5.88

### FY22 revenues breakdown by line of business (%)



### FY22 revenues breakdown by industry vertical (%)



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 15/05/2023)

## Digital Value – Key Data

Rating BUY	Target price (EUR/sh) Ord 122.5		Mkt price (EUR/sh) Ord 64.90			Sector IT Services Provider
Values per share (EUR)	2020A	2021A	2022A	2023E	2024E	2025E
No. ordinary shares (M)	9.97	9.97	9.97	9.97	9.97	9.97
Total no. of shares (M)	9.97	9.97	9.97	9.97	9.97	9.97
Market cap (EUR M)	256.77	713.49	737.22	647.03	647.03	647.03
Adj. EPS	2.42	3.07	3.41	4.40	5.47	7.01
BVPS	9.4	13.0	15.8	21.1	27.6	36.0
Dividend ord	0	0	0.85	1.08	1.35	1.73
Income statement (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Revenues	442.3	557.8	708.5	820.2	937.4	1,081.6
EBITDA	45.37	57.48	73.57	85.21	99.58	120.4
EBIT	34.01	44.52	51.06	62.71	76.58	97.37
Pre-tax income	33.56	43.42	47.97	61.21	75.58	96.37
Net income	24.10	30.13	33.95	43.18	53.77	68.97
Adj. net income	24.12	30.62	34.03	43.88	54.57	69.87
Cash flow (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net income before minorities	24.1	30.6	34.0	43.9	54.6	69.9
Depreciation and provisions	11.4	13.0	22.5	22.5	23.0	23.0
Others/Uses of funds	1.4	1.1	0.9	-0.7	-0.8	-0.9
Change in working capital	-18.8	-29.9	-6.1	-18.1	-11.7	-14.4
Operating cash flow	18.1	14.7	51.3	47.6	65.0	77.5
Capital expenditure	-13.0	-27.4	-32.1	-25.0	-25.0	-25.0
Financial investments	0	0	0	0	0	0
Acquisitions and disposals	0	-4.3	-4.0	0	0	0
Free cash flow	5.1	-16.9	15.2	22.6	40.0	52.5
Dividends	0	0	0	-8.5	-10.8	-13.4
Equity changes & Non-op items	-0.2	-11.8	-3.0	-2.0	-2.0	-2.0
Net cash flow	4.9	-28.7	12.2	12.2	27.3	37.1
Balance sheet (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net capital employed	60.9	124.3	141.4	181.6	219.6	265.8
of which associates	0	0	0	0	0	0
Net debt/-cash	-32.9	-4.9	-16.4	-28.6	-55.8	-92.9
Minorities	0.2	5.5	0.9	1.6	2.4	3.3
Net equity	93.5	123.7	156.9	208.5	273.1	355.5
Minorities value	0.2	5.5	0.9	1.6	2.4	3.3
Enterprise value	224.1	714.1	721.7	620.1	593.6	557.4
Stock market ratios (x)	2020A	2021A	2022A	2023E	2024E	2025E
Adj. P/E	10.6	23.3	21.7	14.7	11.9	9.3
P/CFPS	7.5	16.9	13.3	9.9	8.5	7.1
P/BVPS	2.7	5.5	4.7	3.1	2.3	1.8
Payout (%)	0	0	25	25	25	25
Dividend yield (% ord)	0	0	1.1	1.7	2.1	2.7
FCF yield (%)	2.0	-2.4	2.1	3.5	6.2	8.1
EV/sales	0.51	1.3	1.0	0.76	0.63	0.52
EV/EBITDA	4.9	12.4	9.8	7.3	6.0	4.6
EV/EBIT	6.6	16.0	14.1	9.9	7.8	5.7
EV/CE	3.7	5.7	5.1	3.4	2.7	2.1
D/EBITDA	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
D/EBIT	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Profitability & financial ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA margin	10.3	10.3	10.4	10.4	10.6	11.1
EBIT margin	7.7	8.0	7.2	7.6	8.2	9.0
Tax rate	28.1	29.5	29.1	28.3	27.8	27.5
Net income margin	5.4	5.4	4.8	5.3	5.7	6.4
ROCE	55.9	35.8	36.1	34.5	34.9	36.6
ROE	29.6	27.7	24.2	23.6	22.3	21.9
Interest cover	74.9	61.7	29.8	41.8	76.6	97.4
Debt/equity ratio	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Growth (%)		2021A	2022A	2023E	2024E	2025E
Sales		26.1	27.0	15.8	14.3	15.4
EBITDA		26.7	28.0	15.8	16.9	20.9
EBIT		30.9	14.7	22.8	22.1	27.2
Pre-tax income		29.4	10.5	27.6	23.5	27.5
Net income		25.0	12.7	27.2	24.5	28.3
Adj. net income		26.9	11.1	29.0	24.3	28.0

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

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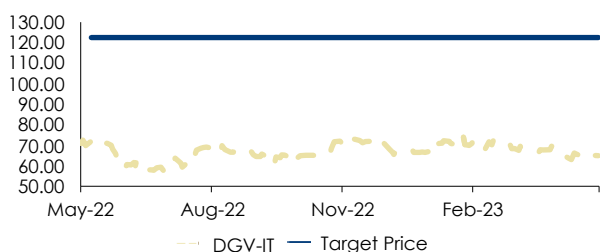
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**Target price and market price trend (-1Y)****Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
23-May-22	BUY	122.5	72.0

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