EQUITY RESEARCH
Italy | Software & Services

EQUITA

DIGITAL VALUE

Earnings Review

BUY ord. *(Unchanged)*
Target: **€ 84.00** *(Unchanged)*
Risk: High

STOCKDATA	ORD
Price (as of 04 Oct 2023)	46.8
Bloomberg Code	DGV IM
Market Cap (€ mn)	467
Free Float	35%
Shares Out (mn)	10.0
52 week Range	€ 46.8 - 74.4
Daily Volume	7,512

Performance (%)	1M	3M	1Y
Absolute	-28.2	-21.2	-28.3
Rel to STOXX Europe 600 (EUR)	-25.3	-17.4	-34.4

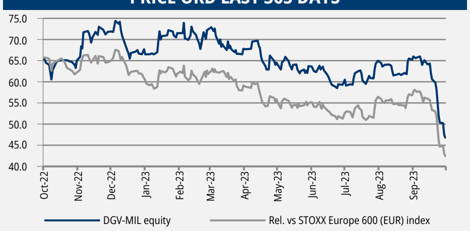
MAIN METRICS	2022	2023E	2024E
SALES Adj	709	833	943
EBITDA Adj	73.6	90.0	103
EBIT Adj	51.1	56.4	69.3
NET INCOME Adj	34.9	37.1	46.4
EPS Adj - €c	341	365	465
EPS Adj FD - €c	341	365	465
DPS Ord - €c	85.0	91.1	116

MULTIPLES	2022	2023E	2024E
P/E ord Adj	19.6x	12.8x	10.1x
P/E ord Adj FD	19.6x	12.8x	10.1x
EV/EBITDA Adj	8.7x	5.6x	4.4x
EV/EBIT Adj	12.5x	8.9x	6.6x

REMUNERATION	2022	2023E	2024E
Div. Yield ord (A)	1.1%	1.9%	2.5%
FCF Yield Adj	1.6%	-2.8%	5.2%

INDEBTEDNESS	2022	2023E	2024E
NFP Adj	16.4	-5.0	10.3
D/Ebitda Adj	n.m.	0.1x	n.m.

PRICE ORD LAST 365 DAYS



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ONE-OFF CAPEX HIT 1H23, BUT BET ON FCF GENERATION REMAINS

Despite an outstanding top-line and EBITDA growth (+23% yoy and +29% yoy, respectively), 1H23 results posted a weak FCF due to NWC absorption of €-30mn (partially expected, since already announced in August) and extraordinary capex of €30mn (unexpected, on top of run-rate capex of €10mn included in our estimate). On the positive side, management seemed very confident in double-digit growth also for the coming months, combined with expectations in generating positive FCF in 2H23 thanks to normalization of both NWC and capex. We maintain our constructive view on the company, trusting in management's ability to achieve positive cash generation, a turning point for the equity story, in our view. We also confirm our TP at €84ps (using a target PE adj. multiple of 18x, applied to 2024E estimates).

1H23 results worse than expected at FCF level, FY23 outlook remains positive

- **Revenues: €416mn (+23% YoY, fully organic) vs. €417mn exp.;**
- **EBITDA: €44.9mn (+29% YoY) vs. €44.2 exp.;**
- **Net income: €17.1mn (+1% YoY) vs. €19.4mn exp.;**
- **NFP: €-30mn (vs. FY22 €16mn) vs. €9mn exp..**

1H23 results were in line at operational level, but extra one-off capex (> €40mn of total capex, or €30mn higher than our estimate) **hurt FCF and NFP**. Despite no official FY23 outlook was provided, during the call management expressed a **positive sentiment of double-digit growth in top-line and EBITDA also in 2H23**. The **positive effects of €30mn extra capex** are expected to be seen **partially in 2023, and more materially in 2024E and beyond**. Indeed, such capex will lock-in customers in multi-year contracts with DGV, with future cash-ins more than compensating 2023 capex spending and creating potential for upselling opportunities. Furthermore, the company seemed **confident in going back to positive FCF generation in 2H23 and beyond,** since both capex and NWC are expected to normalize from 2H23 onwards. Finally, management highlighted its **continued focus on M&A**, which is seen a further step to increase market share and to add new sets of clients and offering to DGV's existing portfolio.

2023-25E estimate revision to incorporate effect of extra capex. TP confirmed at €84ps (implied 2024E PE adj. of 18x)

After the results, **we have adjusted our estimates to account for additional capex**. More in detail, the revision entails: **i) revenues up +2% and EBITDA +3% on average over 2023-25E**, due to new contracts' contribution to P&L; ii) **NI adj. -9% in 2023E and -3% in 2024-25E, mainly due to higher D&A**; iii) **NFP at €-5mn in 2023E (vs. €+24mn previous estimate), turning positive in the following years.**

We have also maintained our **TP at €84ps (implied 2024E PE adj. multiple 18x),** considering double-digit growth, even in a challenging environment. Furthermore, we have confidence in management's ability to generate positive FCF already in 2H23 (thanks to improved NWC and normalization of capex). We think the **ability to become cash-generative is a key element for the equity story and a clear turning point for stock performance**.

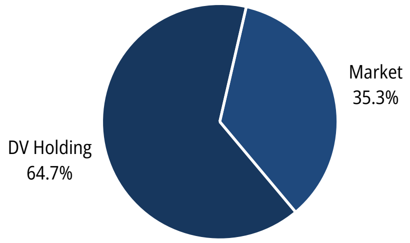
Investment case

- **Double-digit organic growth** in both top-line and operating margins in 2023-25E with CAGR of +14% in revenues, +15% in EBITDA and NI adj., also supported by a solid balance sheet (2023E NFP almost at breakeven, turning positive in next years);
- **Exposure to Italian Recovery Fund**, with >€50bn of funds dedicated to digitalization in 2021-2026;
- **Resilient EBITDA margin close to 11%, even in an inflationary environment**, with a potential for margin expansion thanks to further acceleration of offerings in value-added services; we also remind that DGV has a low level of fixed costs, which allows the company to avoid large drops in operating margins if revenues decline;
- **Room for growth via M&A**, allowing it to play an aggregator role in the fragmented Italian market;
- Confidence in the ability **to start generating positive FCF**.
- The company currently **trades with a 2023-24E PE adj. of 13x-10x**, at a discount vs. other mid-cap Italian tech players despite higher organic growth.

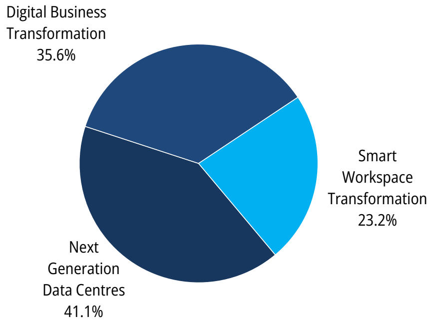
MAIN FIGURES - EURmn	2020	2021	2022	2023E	2024E	2025E
SALES Adj	442	558	709	833	943	1,037
Growth	21.2%	26.1%	27.0%	17.6%	13.2%	10.0%
EBITDA Adj	45.4	57.5	73.6	90.0	103	113
Growth	42.1%	26.7%	28.0%	22.3%	14.4%	10.1%
EBIT Adj	34.0	44.5	51.1	56.4	69.3	79.7
Growth	25.7%	30.9%	14.7%	10.4%	23.0%	14.9%
PBT Adj	33.6	43.4	48.0	51.5	65.8	76.1
Growth	25.4%	29.4%	10.5%	7.3%	27.8%	15.7%
Net Income Adj	24.1	30.4	34.9	37.1	46.4	53.6
Growth	27.0%	26.1%	14.9%	6.2%	25.1%	15.4%
MARGIN - %	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
EBITDA Adj Margin	10.3%	10.3%	10.4%	10.8%	10.9%	10.9%
Ebit Adj margin	7.7%	8.0%	7.2%	6.8%	7.3%	7.7%
Pbt Adj margin	7.6%	7.8%	6.8%	6.2%	7.0%	7.3%
Net Income Adj margin	5.4%	5.4%	4.9%	4.5%	4.9%	5.2%
SHARE DATA	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
EPS Adj - €c	242	302	341	365	465	597
Growth	26.1%	25.0%	12.7%	7.2%	27.6%	28.3%
DPS ord(A) - €c	0.0	0.0	85.0	91.1	116	134
BVPS	9.4	12.4	15.7	18.5	22.3	29.4
VARIOUS	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Capital Employed	63.0	128	143	192	214	228
FCF	4.9	-12.0	19.1	-13.0	24.5	39.6
CAPEX	13.2	27.4	32.1	53.0	28.0	28.0
Working capital	12.4	41.4	43.8	74.0	102	122
INDEBTNESS	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Nfp Adj	32.9	4.9	16.4	-5.0	10.3	38.3
D/E Adj	n.m.	n.m.	n.m.	0.03	n.m.	n.m.
Debt / EBITDA Adj	n.m.	n.m.	n.m.	0.1x	n.m.	n.m.
Interest Coverage	99.9x	79.7x	43.0x	23.1x	29.3x	32.3x
MARKET RATIOS	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
P/E Ord Adj	15.9x	37.7x	19.6x	12.8x	10.1x	7.8x
P/E Ord Adj FD	15.9x	37.7x	19.6x	12.8x	10.1x	7.8x
PBV	2.7x	5.8x	4.7x	2.5x	2.1x	1.6x
EV FIGURES	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
EV/Sales	0.7x	2.1x	0.9x	0.6x	0.5x	0.3x
EV/EBITDA Adj	6.7x	19.9x	8.7x	5.6x	4.4x	2.9x
EV/EBIT Adj	8.9x	25.8x	12.5x	8.9x	6.6x	4.1x
EV/CE	4.8x	9.0x	4.5x	2.6x	2.1x	1.4x
REMUNERATION	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Div. Yield ord	0.0%	0.0%	1.1%	1.9%	2.5%	2.9%
FCF Yield Adj	1.9%	-3.9%	1.6%	-2.8%	5.2%	9.4%
Roce Adj	45.8%	32.9%	26.8%	23.9%	24.2%	25.6%

Source: Company data and Equita SIM estimates

SHAREHOLDERS



REVENUES BY SEGMENT



BUSINESS DESCRIPTION

Digital Value is a leading player in the ICT Value Chain in Italy, acting as **a highly specialized Value-Added Reseller of IT products and services to large corporate accounts and public sector entities.** More specifically, DGV activities can be summarized as follows: **i) advisory activity** - help clients understand and design their IT needs; **ii) distribution and value-added-reselling activity** - find and resell to clients the most suitable IT technology or services; **iii) system integration activity** - implement and integrate those technologies within clients' IT infrastructures; iv) **IT service activity** - provide maintenance and upgrade services on installed technology.

The company has split its business into **3 divisions**: **i) Next Generation Data Centers (42% of 2022 revenues); ii) Smart Workplace Transformation (24% of 2022 revenues); iii) Digital Business Transformation (34% of 2022 revenues)**. **In terms of value proportion, DGV's main strengths include a multi-brand and best-of-breed technological offering**, also holding **>600 vendor certifications.** Another reason for DGV's success is its **long-term relationships with top clients, ensuring revenue stability.** It is worth mentioning the high client concentration (**top 1 client represents approx. 20/25% of** revenues – including both direct and sell-through sales - and top 10 clients approx. 60/70% of revenues). However, to improve this weakness, the company is undergoing a gradual client diversification process.

The company was created in 2018 following the combination of the two separate entities, Italware and ITD Solutions. The **original founders** (Massimo Rossi, Carlo Brigada and Riccardo Benedini) are still **part of DGV's management team and shareholding** through the **vehicle, DV Holding (which owns 65% of Digital Value).** Although it has a short track-record as a single company, Digital Value has experienced astonishing growth over the past few years: **2018-22 revenue CAGR of +24%, +32% EBITDA CAGR and +24% NI adj. CAGR, maintaining a positive NFP.**

STRENGTHS / OPPORTUNITIES	WEAKNESSES /THREATS
- Multi-brand and best-of-breed offering	- High client concentration
- Strong relationship with vendors, with >600 top vendor certifications	- No geographical diversification (Italy only) - Unpredictability of capex
- Solid client base with long-lasting relationships	- Volatile NWC dynamics
- Exposure to large accounts	- Limited track record as a single company
- Exposure to Italian Recovery Fund (NRRP)	- Slowdown in demand for digitalization
- M&A opportunities in a fragmented market	- Prolonged supply chain disruption
- New verticals to be addressed soon	- Shortage of skilled personnel
- Start using indirect channels to grow faster	- M&A execution risk
	- Key people leaving the company

1H23 RESULTS: SOLID P&L BUT FCF IS LAGGING BEHIND

- **Revenues: €416mn (+23% YoY, fully organic) vs. €417mn exp.;**
- **EBITDA: €44.9mn (+29% YoY) vs. €44.2 exp.;**
- **Net income: €17.1mn (+1% YoY) vs. €19.4mn exp.;**
- **NFP: €-30mn (vs. FY22 €16mn) vs. €9mn exp..**

Revenues were broadly in line with the preview figure provided in early August (i.e., €415.5mn actual revenues vs. €416.6mn disclosed in August 2023), confirming also the trend in the 3 main divisions:

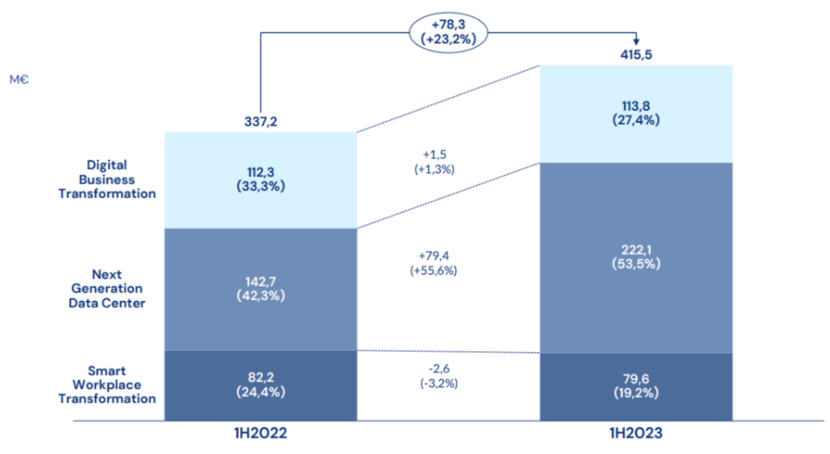
- **A strong acceleration in the division "Next Generation Data Center", with 1H23 revenues at €222mn (+56% yoy)**, as a result of winning new large clients and upselling to existing clients (active in banking, utilities, defense, as well as PA entities); data center expansion and upgrade has become a priority in order to increase computing & storage capacity and further migrate to IaaS cloud services. This new wave of investment in infrastructure/data centers follows a period of focus on software driven investments; indeed, customers now need to improve infrastructure capacity in order to run more efficiently and to scale-up all the software investments done in past years;

- **Sluggish growth in the division "Digital Business Transformation"** (=software-driven revenues, such as SaaS-PaaS cloud services, SW applications, video communication software, etc.) **with 1H23 revenues at €114mn (+1% yoy)**, witnessing a normalization trend after the boom during the Covid years;

- **Decline in the division "Smart Workplace Transformation"** (resale of hardware, such as PCs, printers, etc.), **with 1H23 revenue down -3% to €80mn**, reflecting the slowdown following the spike in purchase of IT devices during Covid. Moreover, management expects such trend to reverse in the coming years, after the ongoing data center/infrastructure wave will stabilize.

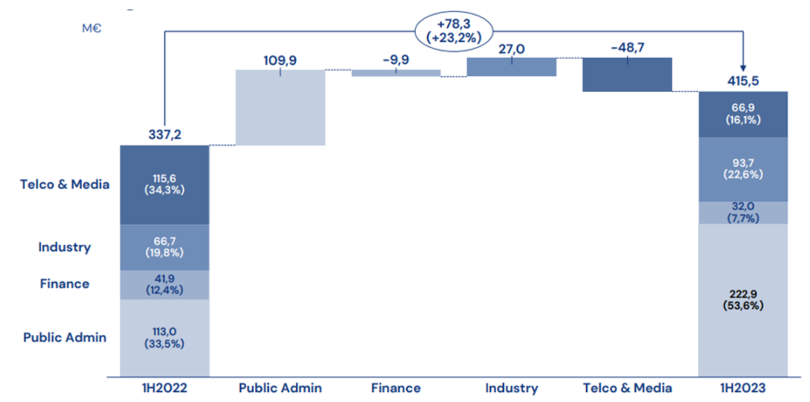
At client level, we also highlight **a significant slowdown in the telco segment** (mainly driven by the **uncertainty witnessed by some of the main operators in the Italian market**), which was more than **offset by a strong acceleration in public administration clients** (also partially **underpinned by Recovery Fund grants/financing**).

REVENUE BREAKDOWN BY DIVISION



Source: Company Presentation

REVENUE BREAKDOWN BY CLIENT SECTOR



Source: Company Presentation

We appreciated the operating performance of EBIDTA, growing +29% yoy to €45mn. EBITDA margin came in at 10.8%, slightly higher than our estimate at 10.6%, thus witnessing the **gradual shift to service-driven revenues** with higher profitability than resale of products. Indeed, this is also proven by an increasing portion in of personnel & services costs in the cost structure (personnel & services in 1H23 were ca. 24% of total costs vs. 15% in 1H22), combined with a decline in COGS (76% of total costs in 1H23 vs. 85% in 1H22).

On the other hand, 1H23 results were negatively impacted at net income and FCF level by unexpected capex (and consequently also higher D&A). Indeed, NFP was €-30mn, turning negative from the first time since the IPO. We remind that **NWC absorbed approx. €-30mn in 1H23, an impact already announced in August** (when DGV presented a preview of 1H23 revenues), and was already incorporated in our previous estimates. On the other hand, **extra capex of €30mn were the actual surprise**. In our understanding the **extra one-off capex on behalf of clients are relate to infrastructure/data center assets purchased and managed on behalf of 2 large new customers.** Company considers such capex as a sort of "goodwill" investment to create "loyalty" and increase opportunities for upselling to those new customers.

Highlights from the call & further considerations:

- **FY23 outlook: it is reasonable to assume top-line growth in a mid/high-teen digit range for the FY23 (i.e., in line with our estimate of +18% yoy growth)**, thus implying a low-teens growth rate for 2H23. Company reminded that 1H23 growth (+23% yoy, fully organic) was partially due to the anticipation of contracts originally expected to be closed in 2H23. Thus, without this effect, 1H23 revenues would have grown in a mid/high-teen digit range; similarly, without this shift of revenues from 2H23 to 1H23, 2H23 revenues were also expected to grow in a mid/high-teens range.

- **EBITDA margin is expected to remain solid and close to 11%.** This is possible thanks to: i) sharing the burden of inflation pressures with both vendors and clients (e.g., increased costs of IT hardware and software, higher shipment & logistics costs, etc.); ii) gradually higher portion of revenues from services (characterized by higher margins) rather than from resale of IT products;

- **Net Income was hit by higher D&A costs** (mainly due to higher capex) and **slightly higher interest expenses** (due to higher interest rates);

- **FCF was negatively impacted by capex > €40mn**, including extraordinary capex on behalf of 2 new customers (**i.e., extra capex of €30mn vs. our estimate €10mn in 1H23)**, as well as NWC absorption due higher-than-expected acceleration in revenues (especially in the month of June, thus leading to cash in of receivables in 2H). **Management expects a normalized level of FCF in 2H23** (i.e., **we estimate €10mn in 2H**, thus a total of approx. €50mn capex in FY23), as well as in coming years. Similarly, **NWC dynamics are expected to normalize in 2H23;**

- It is reasonable to consider **a positive contribution in terms of higher revenues and EBITDA generated by the extra capex;**

- **M&A remains a focus for management**, with **a target ND/EBITDA of 2x**. Extra capex in 1H23 and any opportunity of further investments to accelerate organic growth are not expected to limit DGV's capacity to pursue M&A.

1H23 RESULTS

Group/€ mn	1H22	1H23 Exp.	1H23 Act.	change Vs. Equita
Revenues	**337.2**	**416.9**	**415.5**	-0.3%
change YoY		24%	23%	
Total Costs	**(302.5)**	**(372.7)**	**(370.6)**	-0.5%
change YoY		23%	23%	
EBITDA	**34.7**	**44.2**	**44.9**	1.6%
change YoY		27%	29%	
margin %	10.3%	10.6%	10.8%	
EBIT	**24.6**	**30.2**	**28.1**	-7.1%
change YoY		23%	14%	
margin %	7.3%	7.2%	6.8%	
EBT	**24.0**	**27.3**	**24.9**	-8.8%
change YoY		14%	4%	
margin %	7.1%	6.6%	6.0%	
Net Income of the Group	**16.9**	**19.4**	**17.1**	-11.9%
change YoY		15%	1%	
margin %	5.0%	4.7%	4.1%	
NFP	**20.9**	**8.8**	**(30.4)**	n.m.

Source: Equita SIM estimates and company data

CHANGE IN ESTIMATES TO ACCOUNT FOR IMPACT OF EXTRA CAPEX

After the results, we have adjusted our estimates to account for extra capex in 1H23. More in detail, **€30mn of extra capex are expected to bring**:

- **Revenues up +2%** on average over 2023-25E, resulting in **EBITDA +3%** on average over the same period (i.e., €1.7mn in EBITDA in 2023E and +€3/4mn in 2024-25E);
- **Net income adj. down by -9% in 2023E and -3% in 2024-25E**, since it is reasonable to assume a lower EBITDA contribution of new projects in the first year (2023) of the contracts, followed by a more material impact in next years, combined with a negative impact of D&A from new capex.
- **FCF and NFP were adjusted downward by €-30mn capex**; this was slightly offset by a small positive effect (approx. €1mn/€2mn per year) of higher FCF generated by the projects related to extra capex in 1H23.

Our new estimates envisage a **2023-25E CAGR of +14% in revenues (100% organic), +15% in both EBITDA and NI adj., as well as a NFP turning positive from 2024E onwards (thanks to a FCF of €24mn/€40mn in 2024E/2025E, or 4%/7% FCF yield).**

CHANGE IN ESTIMATES

Group/€ mn	2022	2023E Prev.	2023E Curr.	% change	2024E Prev.	2024E Curr.	% change	2025E Prev.	2025E Curr.	% change
Revenues	**706.9**	**829.6**	**833.1**	0.4%	**926.7**	**943.1**	1.8%	**1,010.1**	**1,037.4**	2.7%
change YoY	27%	17%	18%		12%	13%		9%	10%	
Total Costs	**(635.2)**	**(741.3)**	**(743.1)**	0.2%	**(827.9)**	**(840.2)**	1.5%	**(900.5)**	**(924.1)**	2.6%
change YoY	27%	17%	17%		12%	13%		9%	10%	
EBITDA	**71.7**	**88.3**	**90.0**	2.0%	**98.8**	**103.0**	4.2%	**109.6**	**113.3**	3.4%
change YoY	25%	20%	22%		12%	14%		11%	10%	
margin %	10.1%	10.6%	10.8%		10.7%	10.9%		10.8%	10.9%	
D&A and Proovisions	(18.8)	(27.0)	(33.7)		(27.5)	(33.7)		(28.0)	(33.7)	
EBIT	**52.9**	**61.3**	**56.4**	-8.1%	**71.4**	**69.3**	-2.9%	**81.6**	**79.7**	-2.4%
change YoY	19%	20%	10%		16%	23%		14%	15%	
margin %	7.5%	7.4%	6.8%		7.7%	7.3%		8.1%	7.7%	
EBT	**52.3**	**56.8**	**51.5**	-9.4%	**67.8**	**65.8**	-3.0%	**78.1**	**76.1**	-2.5%
change YoY	20%	18%	7%		19%	28%		15%	16%	
margin %	7.4%	6.8%	6.2%		7.3%	7.0%		7.7%	7.3%	
Net Income of the Group	**37.1**	**40.1**	**36.4**	-9.3%	**47.9**	**46.4**	-3.1%	**54.9**	**53.6**	-2.5%
change YoY	23%	18%	7%		19%	28%		15%	15%	
margin %	5.3%	4.8%	4.4%		5.2%	4.9%		5.4%	5.2%	
Net Income adj. of the Group	**37.1**	**40.8**	**37.1**	-9.2%	**47.9**	**46.4**	-3.1%	**54.9**	**53.6**	-2.5%
change YoY	n.a.	17%	6%		17%	25%		15%	15%	
margin %	5%	5%	4%		5%	5%		5%	5%	
NFP	**16**	**23.8**	**(5.0)**	n.m.	**38.0**	**10.3**	n.m.	**65.2**	**38.3**	n.m.

Source: Equita SIM estimates and company data

VALUATION

We confirm our TP at €84ps, with implied 2023-24E PE adj. 23x-18x and EV/EBITDA of 10x-8x.

DGV PE MULTIPLE VALUATION

		Sensitivity				
(A) Target PE adj. multiple	18 x	12 x	15 x	18 x	22 x	27 x
(B) Adj. Net Income 2024	46	46.4	46.4	46.4	46.4	46.4
(C) (A) x (B) Total Equity Value (EUR mn)	**857**	**548**	**685**	**857**	**1028**	**1234**
(D) Distributed dividends	0.0	0.0	0.0	0.0	0.0	0.0
(E) (C) + (D) Total Stock Value (EUR mn)	**857**	**548**	**685**	**857**	**1028**	**1234**
(F) Discount (1+ke)	1.02	1.0	1.0	1.0	1.0	1.0
(G) (E) / (F) Total Equity Value (EUR mn)	**837**	536	670	837	1005	1206
(I) # shares (mn)	10	10.0	10.0	10.0	10.0	10.0
(L) Target (€ PS)	**84**	**54**	**67**	**84**	**101**	**121**
Implied PE adj. 2023E	23 x					
Implied PE adj. 2024E	18 x					
Implied EV/EBITDA adj. 2023E	10 x					
Implied EV/EBITDA adj. 2024E	8 x					
Current price (€)	**47**					
Potential upside	**77%**					

Source: Equita SIM estimates

STATEMENT OF RISKS FOR DIGITAL VALUE

The main factors that could negatively affect our positive view on DGV are the following:

- Slowdown in demand for digitalization
- Client concentration (Top 1 client accounts for approx. 20/25% of revenues)
- Margin squeeze due to strong bargaining power of vendors and/or large clients
- Unpredictability of capex on behalf of clients
- Volatile NWC dynamics (i.e., extensive use of factoring and vendor financing)
- Prolonged supply chain disruption
- Shortage of skilled personnel
- Limited track-record as a single company (DGV born in 2018 from the integration of 2 separate firms)
- M&A execution risk

P&L - €mn	2020	2021	2022	2023E	2024E	2025E
SALES Rep	**442**	**558**	**709**	**833**	**943**	**1,037**
Growth	21.2%	26.1%	27.0%	17.6%	13.2%	10.0%
EBITDA Rep	**45.4**	**57.5**	**73.6**	**90.0**	**103**	**113**
Growth	42.1%	26.7%	28.0%	22.3%	14.4%	10.1%
Margin	10.3%	10.3%	10.4%	10.8%	10.9%	10.9%
Depr. & Amort	-10.3	-12.1	-21.5	-33.7	-33.7	-33.7
Other Provisions & Write Do	-1.0	-0.8	-1.0	0.0	0.0	0.0
D&A	**-11.4**	**-13.0**	**-22.5**	**-33.7**	**-33.7**	**-33.7**
EBIT Rep	**34.0**	**44.5**	**51.1**	**56.4**	**69.3**	**79.7**
Growth	25.7%	30.9%	14.7%	10.4%	23.0%	14.9%
Margin	7.7%	8.0%	7.2%	6.8%	7.3%	7.7%
Net Interest Charges	-0.5	-0.7	-1.7	-3.9	-3.5	-3.5
Equity & Financials	0.0	0.0	0.0	0.0	0.0	0.0
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Financial Expenses	**-0.5**	**-0.7**	**-1.7**	**-3.9**	**-3.5**	**-3.5**
PBT Rep	**33.6**	**43.4**	**48.0**	**51.5**	**65.8**	**76.1**
Growth	25.4%	29.4%	10.5%	7.3%	27.8%	15.7%
Income Taxes	-9.4	-12.8	-13.9	-14.9	-19.1	-22.1
Tax rate	28.1%	29.5%	29.1%	29.0%	29.0%	29.0%
Minority Interest	**0.0**	**-0.5**	**-0.1**	**-0.2**	**-0.3**	**-0.5**
Net Income Rep	**24.1**	**30.1**	**33.9**	**36.4**	**46.4**	**53.6**
Growth	27.0%	25.0%	12.7%	7.2%	27.6%	15.4%
Margin	5.4%	5.4%	4.8%	4.4%	4.9%	5.2%
Net Income Adj	**24.1**	**30.4**	**34.9**	**37.1**	**46.4**	**53.6**
Growth	27.0%	26.1%	14.9%	6.2%	25.1%	15.4%
Margin	5.4%	5.4%	4.9%	4.5%	4.9%	5.2%

CF Statement	2020	2021	2022	2023E	2024E	2025E
FFO	37.3	44.1	56.5	70.2	80.4	87.7
Chg. in Working Capital	-16.7	-29.0	-2.4	-30.2	-27.9	-20.1
Other chg. in OCF	-2.4	0.3	-3.0	0.0	0.0	0.0
CAPEX	-13.2	-27.4	-32.1	-53.0	-28.0	-28.0
Financial Investments	0.0	0.0	0.1	0.0	0.0	0.0
Other chg in investments	-0.1	-16.0	-7.7	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	-8.5	-9.1	-11.6
Capital Increases	0.0	0.0	0.0	0.0	0.0	0.0
Other changes in financing	0.0	0.0	0.0	0.0	0.0	1.0
CHG IN NFP	**4.8**	**-28.0**	**11.6**	**-21.5**	**15.4**	**28.0**

Source: Company data and Equita SIM estimates

INFORMATION PURSUANT TO EU REGULATION 2016/958 supplementing Regulation EU 596/2014 (c.d. MAR)

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Date	Rec.	Target Price	Risk.	Comment
August 3, 2023	Buy	84.00	High	-
March 20, 2023	Buy	92.00	High	-

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