

## Surfing the Digital Transformation Wave

ADD | Fair Value: €3.33 (€3.33) | Current Price: €2.46 | Upside: 35.4%

### Research Update

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Ufficio Studi  
+39.02.83424008

Federica FIORENZA  
[ffiorenza@ktepartners.com](mailto:ffiorenza@ktepartners.com)

Mauro IACCINO  
[miaccino@ktepartners.com](mailto:miaccino@ktepartners.com)

€ Million	FY17A	FY18A	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E
Total Revenues	14.3	22.5	25.2	26.3	32.7	36.5	40.7	44.0
EBITDA	1.6	2.6	2.9	5.0	6.2	7.1	8.0	8.8
margin	11.5%	11.4%	11.5%	19.1%	19.0%	19.3%	19.6%	19.9%
Net Profit Adj.	0.5	0.3	0.0	1.8	3.1	3.4	4.2	5.3
margin	3.7%	1.4%	-0.1%	7.0%	9.5%	9.2%	10.3%	12.0%
EPS	0.03	0.02	0.00	0.11	0.18	0.19	0.24	0.30

Source: Company data, KT&Partners' estimates

**FY20 closed with sound results.** DIG reported topline growth of +4% to €26mn, leveraging on a portfolio of solutions that successfully meet the digital needs of enterprises and PAs which COVID-19 has accelerated. Demand Generation was almost flat (-2%YoY) whereas the Advisory & Coaching business unit increased by 12%, accounting for 49% of total revenue. "Digital-As-A-Service" continued to thrive by nearly doubling the number of clients, with a +50% jump to €6.4mn in the annual recurring value. EBITDA margin soared by 7.6pp to 19.1%, whereas NFP/EBITDA stood at 0.3x in 2020 vs 2.2x in 2019.

**Targeting new end-markets with digital marketing as-a-service solutions.** The COVID-19 pandemic has boosted the market of digital marketing technologies (over €120bn globally). According to "Osservatorio Multicanalità Politecnico di Milano", one business in four is planning to implement or upgrade innovative marketing automation solutions. Riding this wave, DIG is scaling its "Digital Marketing & Sales Engine" solutions outside the ICT sector. In pursuing its goal, the company has recently finalized the acquisition of IP Srl – a primary online portal for information dedicated to digital innovation in the manufacturing sector – for a total consideration of €180k. We think that DIG may leverage on its strong balance sheet to further expand through M&As.

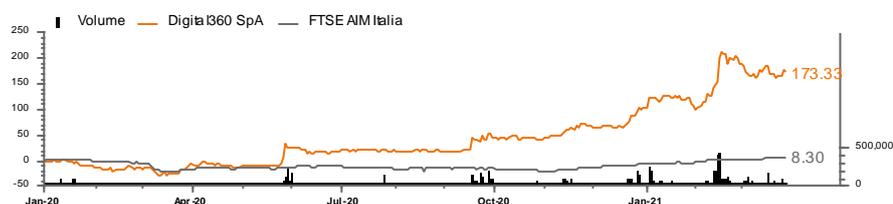
**Takeovers warm up the ICT market.** Leading global players are strengthening their competitive position with takeovers as well. In FY20, for example, Tech Target announced the acquisition for \$143.6mn of Bright TALK Ltd – a leading marketing platform for webinars and virtual events – and the successful integration of Data Science Central LLC – an independent digital publishing and media company focused on data science and business analytics – for \$14.5mn. In February 2021, HubSpot signed an agreement to acquire The Hustle, a digital media company that delivers tech and business contents through newsletters, podcasts, and premium research.

**Estimates review.** On the back of the FY20 results and DIG's plans to scale up "Digital Marketing & Sales Engine" solutions beyond the ICT sector, we now predict total revenue to grow at +13.7% CAGR2020–24, reaching €44mn in FY24. We kept our profitability forecast unchanged by expecting EBITDA margin to reach around 20% by 2024.

**Fair value confirmed at €3.33ps.** According to our valuation – based on a DCF and multiple methods – we obtain an average equity value of €57.9mn or €3.33ps, implying an upside of +35.4% on the current price. Today DIG is trading at EV/EBITDA 2021 of 6.8x vs 18.1x of its peers and at P/E2021 of 13.8x vs 27.7x comps average.

Market Data			
Main Shareholders			
Andrea Rangone			22.36%
Mariano Corso			11.05%
Alessandro Giuseppe Perego			10.91%
Mkt Cap (€ mn)			42.7
EV (€ mn)			43.5
Shares issued (mn)			17.4
Free Float (%)			28.5%
Market multiples			
	2020	2021	2022
EV/EBITDA			
Digital360	8.4x	6.8x	6.0x
Comps Average	21.3x	18.1x	15.6x
Digital360 vs Average	-60%	-63%	-62%
P/E			
Digital360	21.7x	13.8x	12.7x
Comps Average	29.7x	27.7x	12.5x
Digital360 vs Average	-27%	-50%	1%
Stock Data			
52 Wk High (€)			2.94
52 Wk Low (€)			0.75
Avg. Daily Trading 90d			71,500
Price Change 1w (%)			23.97
Price Change 1m (%)			14.50
Price Change YTD (%)			63.04

### Relative Performance Chart since January 2020



## Key Figures – Digital 360 Group

	Current price (€)	Fair Value (€)	Sector					Free Float (%)
	2.46	3.33	Digital					28.5%
Per Share Data	2017A	2018A	2019A	2020A	2021E	2022E	2023E	2024E
Total shares issued (mn)	16.26	16.26	16.26	16.31	17.38	17.38	17.38	17.38
Total shares outstanding (mn)	16.26	16.23	16.23	16.27	17.34	17.34	17.34	17.34
EPS	0.03	0.02	(0.00)	0.11	0.18	0.19	0.24	0.30
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend payout ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)								
Revenues	14.3	22.5	25.2	26.3	32.7	36.5	40.7	44.0
EBITDA	1.6	2.6	2.9	5.0	6.2	7.1	8.0	8.8
EBIT Adj.	0.8	1.1	1.2	3.3	4.2	4.6	5.7	7.2
EBT Adj.	0.5	0.8	0.5	3.2	4.1	4.4	5.6	7.1
Taxes	(0.0)	(0.2)	(0.2)	(0.9)	(1.0)	(1.1)	(1.4)	(1.8)
Tax rate	22%	355%	-70%	35%	29%	29%	29%	29%
Net Income Adj.	0.5	0.6	0.3	2.3	3.1	3.4	4.2	5.3
Net Income attributable to the Group Adj.	0.5	0.3	0.0	1.8	3.1	3.4	4.2	5.3
Balance Sheet (EUR million)								
Total fixed assets	7.1	10.5	9.9	9.1	9.2	7.8	6.5	6.0
Net Working Capital (NWC)	4.0	3.7	5.6	3.4	4.8	5.7	6.7	7.5
Provisions	(0.7)	(1.0)	(1.0)	(1.3)	(1.9)	(2.7)	(3.5)	(4.4)
Total Net capital employed	10.3	13.2	14.5	11.3	12.1	10.8	9.8	9.2
Net financial position/(Cash)	2.6	4.6	6.3	1.4	(0.5)	(4.3)	(8.8)	(13.9)
Group Shareholder's Equity	7.8	8.2	7.4	8.4	11.3	13.9	17.3	21.8
Minorities	0.0	0.4	0.8	1.3	1.3	1.3	1.3	1.3
Total Shareholder's Equity	7.8	8.6	8.1	9.7	12.6	15.2	18.6	23.1
Cash Flow (EUR million)								
Net operating cash flow	-	2.3	3.2	4.3	5.2	6.0	6.6	6.9
Change in NWC	-	0.3	(1.9)	2.2	(1.4)	(0.9)	(1.0)	(0.8)
Capital expenditure	-	(5.6)	(1.9)	(1.7)	(2.9)	(1.8)	(1.8)	(1.8)
Other cash items/Uses of funds	-	0.3	0.0	0.3	0.7	0.7	0.8	0.9
Free cash flow	-	(2.7)	(0.5)	5.1	1.5	3.9	4.5	5.2
Enterprise Value (EUR million)								
Market Cap	20.0	19.3	15.6	40.1	42.7	42.7	42.7	42.7
Minorities	0.0	0.4	0.8	1.3	1.3	1.3	1.3	1.3
Net financial position/(Cash)	2.6	4.6	6.3	1.4	(0.5)	(4.3)	(8.8)	(13.9)
Enterprise value	22.6	24.3	22.7	42.7	43.5	39.7	35.2	30.1
Ratios (%)								
EBITDA margin	11.5%	11.4%	11.5%	19.1%	19.0%	19.3%	19.6%	19.9%
EBIT margin Adj.	5.3%	5.1%	4.9%	12.5%	12.9%	12.4%	13.9%	16.4%
Gearing - Debt/equity	33.1%	55.7%	85.9%	16.2%	-4.1%	-31.0%	-50.7%	-63.8%
Interest cover on EBIT	28.3%	23.7%	27.4%	2.5%	3.5%	2.9%	2.0%	1.2%
NFP/EBITDA	156.7%	177.8%	217.7%	27.2%	-7.4%	-61.1%	-110.1%	-158.5%
ROCE	7.3%	8.7%	8.6%	29.2%	34.7%	41.9%	58.0%	78.6%
ROE	6.8%	3.9%	-0.5%	21.8%	27.4%	24.2%	24.1%	24.2%
EV/Sales	2.86x	1.82x	1.62x	1.60x	1.29x	1.16x	1.04x	0.96x
EV/EBITDA	25.75x	16.44x	14.51x	8.40x	6.78x	5.99x	5.29x	4.81x
P/E	n.m.	n.m.	n.m.	21.73x	13.75x	12.70x	10.23x	8.10x
Free cash flow yield	0	-0.2	0.0	0.3	0.1	0.2	0.3	0.3
Growth Rates (%)								
Sales	n.a.	57.2%	12.1%	4.4%	24.2%	11.7%	11.3%	8.1%
EBITDA	n.a.	56.6%	13.3%	72.7%	24.0%	13.2%	13.1%	10.0%
EBIT Adj.	n.a.	50.7%	8.8%	164.4%	27.7%	8.3%	24.7%	26.8%
Net Income Adj.	n.a.	-39.5%	-111.6%	n.m.	68.4%	8.3%	24.1%	26.3%

Source: Company data, KT&Partners' elaborations

Note: Data include NFP Adjusted for shares issued to serve the stock option plan.

## FY2020 Summary Results

COVID-19 has highlighted the need to speed up the process of digital transformation of businesses and PAs. The remarkable increase (over 70% YoY) in visitors to the Group's website and portals, with a monthly average of 2.6mn, has proved the ability of DIG to provide a focus for its users on the most relevant topics to fight back against the current emergency.

The Group's total revenues stood at €26.3mn, +4.4% compared to FY2019. Revenue growth was driven by a strong demand for digital and remotely deliverable services in both the Demand Generation and Advisory & Coaching business units:

- **Demand Generation's** revenues accounted for 51% of total revenues, amounting to €13.5mn. Revenues were almost in line with 2019 (-2% YoY) thanks to the switch to digital events (580 in FY20 vs 100 in FY19), which together with the sales of digital, innovative and more scalable solutions offset the decrease in revenues stemming from physical events. "Demand Generation As-A-Service" solutions were purchased by 90 customers (vs 67 in FY19) generating annual recurring revenues over €3.9mn (+30% YoY);
- **Advisory & Coaching** increased by 12% over last year, reaching €12.8mn or 49% of total revenue (vs 45% in 2019). Remote and "Advisory As-A-Service" has led to the growth of the company's BU. With 123 projects sold, "Advisory As-A-Service" generated €2.5mn of annual recurring revenue.

Results were more remarkable when looking at profitability. FY20 EBITDA came in at €5mn, nearly double the FY19 figure, with a margin of 19%. This was possible thanks to the change in revenue mix, with an increasing contribution from digital and recurring services, enabling a more efficient cost structure. In particular, the incidence of service costs on total revenues decreased from 54.8% in FY19 to 48.8% in FY20 vs 54.8% in FY2019. Personnel costs as a percentage of revenues amounted to 26.5% in FY20 vs 28.5% in FY19, also benefiting from the contribution of the redundancy fund (CIG) (€0.4mn).

FY20 EBIT reached €2.5mn with a margin of 9.6% (1.8% in FY19). EBIT adjusted stood at €3.3mn with a margin of 12.5%.

Net income reached €1.6mn, while the net income adjusted was €2.3mn with a margin of 8.9%. Net income adjusted after minorities came in at €1.1mn.

Strong cash generation power was recorded (€5mn) – thanks to an efficient management of NWC and despite €1.7mn of investments – leading NFP to improve to €1.4mn or at 0.3x EBITDA. NFP was also impacted by the closing of the second conversion period of the five-year convertible bond, which led to a conversion of 51,000 shares for a total amount of €81,600.

### FY2020 Income Statement

€ millions	FY18A	FY19A	FY20A	YoY %	FY20E	A vs E %
<b>Total Revenues</b>	<b>22.5</b>	<b>25.2</b>	<b>26.3</b>	<b>4%</b>	<b>26.5</b>	<b>-1%</b>
<i>Growth %</i>	57.2%	12.1%	4.4%		4.9%	
Products and Raw materials	(0.0)	(0.0)	(0.0)	71%	(0.0)	88%
<b>Gross Profit</b>	<b>22.5</b>	<b>25.2</b>	<b>26.3</b>	<b>4%</b>	<b>26.5</b>	<b>-1%</b>
<i>Growth %</i>	57.2%	12.1%	4.4%		4.9%	
Cost of Services	(13.0)	(13.8)	(12.9)	-7%	(12.8)	1%
Rental Costs	(0.7)	(0.8)	(0.8)	0%	(0.8)	0%
Personnel Expenses	(5.5)	(7.2)	(7.0)	-3%	(7.4)	-6%
Other Operating Expenses	(0.7)	(0.5)	(0.7)	29%	(0.6)	18%
<b>EBITDA</b>	<b>2.6</b>	<b>2.9</b>	<b>5.0</b>	<b>73%</b>	<b>5.0</b>	<b>0%</b>
<i>EBITDA margin</i>	11.4%	11.5%	19.1%		18.9%	
D&A and Provisions	(2.2)	(2.4)	(2.5)	9%	(2.6)	-2%
<b>EBIT</b>	<b>0.4</b>	<b>0.5</b>	<b>2.5</b>	<b>447%</b>	<b>2.4</b>	<b>3%</b>
<i>EBIT margin</i>	1.7%	1.8%	9.6%		9.2%	
<b>EBIT Adj</b>	<b>1.1</b>	<b>1.2</b>	<b>3.3</b>	<b>164%</b>	<b>3.2</b>	<b>2%</b>
<i>EBIT margin</i>	5.1%	4.9%	12.5%		12.2%	
Financial Income and Expenses	(0.27)	(0.34)	(0.08)	-151%	(0.16)	-91%
Extraordinary items	(0.1)	(0.4)	(0.0)		0	
<b>EBT</b>	<b>0.1</b>	<b>-0.3</b>	<b>2.4</b>	<b>n.m.</b>	<b>2.5</b>	<b>-4%</b>
Taxes	(0.24)	(0.18)	(0.86)	144%	(0.73)	15%
<i>Tax Rate</i>	355%	-70%	35%		29%	
<b>Net Income</b>	<b>-</b>	<b>0.2</b>	<b>1.6</b>	<b>n.m.</b>	<b>1.8</b>	<b>-15%</b>
<i>Net margin</i>	-0.8%	-1.8%	6.0%		6.8%	
<b>Net Income Adj</b>	<b>0.6</b>	<b>0.3</b>	<b>2.3</b>	<b>586%</b>	<b>2.6</b>	<b>-10%</b>
<i>Net margin</i>	2.6%	1.4%	8.9%		9.7%	
Minorities	0.3	0.4	0.5		0.36	28%
<b>Net Income attributable to the Group</b>	<b>-</b>	<b>0.4</b>	<b>1.1</b>	<b>n.m.</b>	<b>1.4</b>	<b>-34%</b>
<i>Net margin</i>	-1.9%	-3.3%	4.1%		5.4%	
<b>Net Income attributable to the Group Adj.</b>	<b>0.3</b>	<b>0.04</b>	<b>1.8</b>	<b>n.m.</b>	<b>2.2</b>	<b>-20%</b>
<i>Net margin</i>	1.4%	-0.1%	7.0%		8.4%	
<i>Growth %</i>	-39.5%	-111.6%	-5071.7%		20.4%	

Source: Company data

## Estimates Revision

Following results and DIG's plans to scale up "Digital Marketing & Sales Engine" solutions beyond the ICT sector, we revised our forecast for 2021–2024. We now anticipate revenues to increase at a CAGR2020–24 of 13.7%, reaching €44mn in 2024.

We left our profitability projections unchanged, expecting FY21 EBITDA margin to be almost in line with 2020 and to progressively improve to ca. 20% in FY24.

On the bottom line, we project net income after minorities adjusted to increase at a CAGR 2020–24 of 30%, totaling €5.3mn in FY24.

Finally, we expect DIG to turn cash positive in FY21 (€0.6mn), reaching a net cash position of €14.1mn in FY24.

### Estimates Revision

€ mn	2020	2021E	2021E	Change	2022E	2022E	Change	2023E	2023E	Change	2024E	2024E	Change	CAGR
	Actual	Old	New											
<b>Revenues</b>	26.3	31.8	32.7	2.9%	35.6	36.5	2.8%	39.6	40.7	2.7%	42.9	44.0	2.4%	13.7%
YoY Change (%)	4.4%	20.6%	24.2%		11.9%	11.7%		11.4%	11.3%		8.4%	8.1%		
<b>EBITDA</b>	5.0	6.0	6.2	3.3%	6.9	7.1	2.6%	7.7	8.0	3.0%	8.5	8.8	3.6%	14.9%
YoY Change (%)	72.7%	20.0%	24.0%		14.0%	13.2%		12.6%	13.1%		9.3%	10.0%		
EBITDA Margin	19.1%	19.0%	19.0%		19.3%	19.3%		19.5%	19.6%		19.7%	19.9%		1.1%
<b>EBIT adjusted</b>	3.3	3.8	4.2	10.7%	4.4	4.6	3.3%	6.2	5.7	-8.6%	6.5	7.2	9.8%	21.6%
YoY Change (%)	164.4%	15.4%	27.7%		16.0%	8.3%		40.9%	24.7%		5.6%	26.8%		
<b>Net Income after minorities adjusted</b>	1.8	2.8	3.1	10.3%	3.2	3.4	3.6%	4.5	4.2	-7.8%	4.8	5.3	10.5%	30.0%
YoY Change (%)	506.7%	52.7%	68.4%		15.3%	8.3%		39.4%	24.1%		5.4%	26.3%		
<b>NFP</b>	1.4	0.4	0.5	17%	3.8	4.3	13.4%	8.3	8.8	6.3%	13.3	13.9	4.6%	

Source: Company data, KT&Partners' elaborations

## Valuation

Following the projections of DIG's future financials, we carried out the valuations of the Company by applying the DCF and market multiples methods.

1. EV/EBITDA and P/E multiples, which returns a value of €3.77ps;
2. DCF analysis based on WACC of 11% and 2% perpetual growth, which returns a value of €2.90ps.

The average of the two methods yields a fair value of €3.33ps or an equity value of €57.9mn.

## Market Multiples Valuation

Following the comparables analysis, we proceeded with the definition of market multiples of the peer group, focusing on 2020, 2021 and 2022 data.

### Peers Comparison: Market Multiples 2021–22

Company Name	Exchange	Market Cap	EV/SALES 2020	EV/SALES 2021	EV/SALES 2022	EV/EBITDA 2020	EV/EBITDA 2021	EV/EBITDA 2022	EV/EBIT 2020	EV/EBIT 2021	EV/EBIT 2022	P/E 2020	P/E 2021	P/E 2022
Booz Allen	NYSE	9,310	1.6x	1.5x	1.4x	14.7x	14.0x	13.2x	16.3x	15.5x	14.6x	20.8x	19.5x	17.7x
Gartner, Inc.	NYSE	13,976	4.4x	4.2x	3.7x	23.6x	24.0x	21.0x	39.2x	36.7x	29.6x	n.m	44.3x	35.6x
HubSpot, Inc.	NYSE	17,280	21.8x	17.2x	13.6x	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m
ServiceNow, Inc.	NYSE	82,283	20.6x	16.8x	13.4x	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m
TechTarget, Inc.	NASDAQ	1,640	13.2x	8.7x	7.7x	n.m	26.1x	22.5x	n.m	n.m	33.9x	n.m	41.9x	36.1x
RELX PLC	London	40,824	6.1x	5.7x	5.3x	18.3x	15.5x	14.0x	28.4x	18.6x	16.5x	29.6x	21.1x	18.5x
Wolters Kluwer NV	Euronext Amsterdam	19,448	4.7x	4.6x	4.5x	15.1x	15.1x	14.4x	21.5x	18.7x	17.8x	26.7x	23.3x	21.7x
Future plc	London	2,660	7.1x	4.2x	3.6x	25.4x	14.1x	11.4x	37.3x	16.1x	13.0x	41.8x	19.0x	16.6x
Informa Plc	London	9,950	6.3x	5.2x	4.3x	30.4x	17.9x	12.8x	n.m	22.0x	14.9x	n.m	24.9x	16.6x
Average peer group		21,930	9.5x	7.6x	6.4x	21.3x	18.1x	15.6x	28.5x	21.3x	20.0x	29.7x	27.7x	12.5x
Median peer group		13,976	6.3x	5.2x	4.5x	20.9x	15.5x	14.0x	28.4x	18.7x	16.5x	28.1x	23.3x	16.6x
Digital360	Milan	40	1.6x	1.3x	1.2x	8.4x	6.8x	6.0x	91.7x	16.8x	12.3x	21.7x	13.8x	12.7x

Source: Company data, FactSet, KT&Partners' estimates

We based our valuation upon a size/liquidity discount of 25%, and our estimates of DIG's EBITDA and net income adjusted for 2021 and 2022.

### EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E
EV/EBITDA Comps	18.1x	15.6x
Digital360 EBITDA	6.23	7.05
<b>Enterprise value</b>	<b>112.9</b>	<b>110.0</b>
FY20 NFP	0.8	0.8
<b>Equity Value</b>	<b>112.1</b>	<b>109.1</b>
Average Equity Value	110.6	
Liquidity Discount	25%	
<b>Equity Value Post-Discount</b>	<b>82.9</b>	
Number of shares (thousand)	17.4	
<b>Value per Share €</b>	<b>4.8</b>	

Source: Company data, FactSet, KT&Partners' estimates

Note: Data include NFP Adjusted for shares issued to serve the stock option plan.

### P/E Multiple Valuation

Multiple Valuation (€mn)	2021E	2022E
P/E Comps	27.7x	12.5x
Digital360 Net Income Adj.	3.10	3.36
<b>Equity Value</b>	<b>86.0</b>	<b>42.1</b>
Average Equity Value	64.0	
Liquidity Discount	25%	
<b>Equity Value Post-Discount</b>	<b>48.0</b>	
Number of shares (thousand)	17.4	
<b>Value per Share €</b>	<b>2.8</b>	

## DCF Model

We have also conducted our valuation using a five-year DCF model, based on a 13% cost of equity, 5.5% cost of debt and a target capital structure of 77% equity and 23% debt. The cost of equity is a function of the risk-free rate of 0.6% (Italian 10y BTP), 5.4% equity risk premium (Damodaran for the mature market) and a premium for size and liquidity of 6.3%. We, therefore, obtained 11% WACC.

We discounted 2021E–24E annual cash flows and considered a terminal growth rate of 2%; then we carried out a sensitivity analysis on the terminal growth rate (+/– 0.25%) and on WACC (+/– 0.25%).

DCF Valuation				
€ millions	2021E	2022E	2023E	2024E
EBIT	3.43	3.78	4.90	6.42
Taxes	(1.00)	(1.10)	(1.42)	(1.86)
D&A	2.80	3.27	3.07	2.35
Change in Net Working Capital	(1.43)	(0.92)	(1.00)	(0.78)
Change in Funds	0.66	0.74	0.82	0.89
<b>Net Operating Cash Flow</b>	<b>4.47</b>	<b>5.77</b>	<b>6.38</b>	<b>7.02</b>
Capex	(2.93)	(1.83)	(1.83)	(1.83)
<b>FCFO</b>	<b>1.54</b>	<b>3.94</b>	<b>4.55</b>	<b>5.19</b>
g	2.0%			
Wacc	11.0%			
FCFO (discounted)	1.42	3.28	3.41	3.50
Discounted Cumulated FCFO	11.61			
TV	58.74			
TV (discounted)	39.63			
<b>Enterprise Value</b>	<b>51.24</b>			
FY20 NFP Adjusted	0.83			
<b>Equity Value</b>	<b>50.40</b>			
Current number of shares (k)	17.4			
<b>Value per share (€)</b>	<b>2.90</b>			

Source: Company data, FactSet, KT&Partners' estimates

Note: Data include NFP Adjusted for shares issued to serve the stock option plan.

Sensitivity Analysis						
€ millions	Terminal growth Rate	WACC				
		11.5%	11.3%	11.0%	10.8%	10.5%
	1.5%	45.5	46.8	48.1	49.5	51.0
	1.8%	46.5	47.8	49.2	50.7	52.3
	2.0%	47.6	48.9	50.4	52.0	53.6
	2.3%	48.6	50.1	51.6	53.3	55.0
	2.5%	49.8	51.3	52.9	54.7	56.5

Source: KT&Partners' estimates

Note: Data include NFP Adjusted for shares issued to serve the stock option plan.

## Appendix

### Peer Comparison

We carried out an in-depth analysis of potential public companies that could be considered as peers of DIG, taking into account its two business units together with its growth profile and the profitability structure.

We built a nine-company sample, which includes:

- **Booz Allen Hamilton Holding Corporation Class A (BAH-US):** listed on NYSE with a market capitalization of €9bn. BAH-US engages in the provision of management and technology consulting services. It offers analytics, digital solutions, engineering, and cyber expertise. In FY20, BAH-US reached €7bn of revenues.
- **Gartner, Inc. (IT-US):** listed on NYSE with a market capitalization of €14bn. IT-US Gartner, Inc. is a research and advisory company, which delivers technology-related insights to its clients to help them with decision-making. It operates through the following segments: Research, Consulting and Conferences. The Research segment gives advice on the mission-critical priorities of leaders. The Consulting segment offers customized solutions to unique client needs through on-site, day-to-day support, and proprietary tools for measuring and improving IT performance. The Conferences segment involves business professionals across the organization. In FY20, IT-US reached €3.6bn of revenues.
- **HubSpot, Inc. (HUBS-US):** listed on NYSE with a market capitalization of €17bn. It provides a cloud-based marketing and sales software platform that enables businesses to deliver an inbound experience. In FY20, HUBS-US reached €0.8bn of revenues.
- **ServiceNow, Inc. (NOW-US):** listed on NYSE with a market capitalization of €82bn. NOW-US engages in the provision of enterprise cloud computing solutions. It offers customer and facilities service management, orchestration core, service mapping, cloud and portfolio management, edge encryption, performance analytics, service portal design, visual task boards, and configuration management databases. In FY20, NOW-US reached €3.9bn of revenues.
- **TechTarget, Inc. (TTGT-US):** listed on NASDAQ with a market capitalization of €1.6bn. TTGT-US engages in the provision of online content for buyers of enterprise information technology products and services. It also offers purchase-intent marketing and sales services for enterprise technology vendors. Its product portfolio includes demand generation, brand consideration, sales enablement, and marketing intelligence. In FY20, TTGT-US reached €0.1bn of revenues.
- **RELX PLC (REL-GB):** listed on the London Stock Exchange with a market capitalization of €41bn. REL-GB engages in provision of information and analytics solutions for professional and business customers across industries. It operates through the following business segments: Scientific, Technical & Medical; Risk & Business Analytics; Legal; and Exhibitions. In FY20, REL-GB reached €8.9bn of revenues.
- **Wolters Kluwer NV (WKL-NL):** listed on the Euronext Stock Exchange with a market capitalization of €19bn. WKL-NL engages in the provision of information, software solutions, and services for professionals in the health, tax and accounting, finance, risk and compliance, and legal sectors. It operates through the following segments:

Health; Tax and Accounting; Governance, Risk and Compliance; and Legal and Regulatory. In FY20, **WKL-NL** reached €4.6bn of revenues.

- **Future plc (FUTR-GB):** listed on the London Stock Exchange, with a market capitalization of ca. €2.7bn. FUTR-GB engages in the publishing of special-interest consumer magazines and websites and the operation of events in the areas of technology; games and entertainment; music; knowledge; creative and photography; field sports; and home interest. It operates through the UK and US segments. In FY20, FUTR-GB's revenues reached €387mn.
- **Informa Plc (INF-GB):** listed on the London Stock Exchange, with a market capitalization of ca. €10bn. INF-GB is a holding company, which engages in the provision of international business-to-business events, academic publishing, and information services. It operates through the following segments: Global Exhibitions, Academic Publishing, Business Intelligence, and Knowledge and Networking. In FY20, INF-GB's revenues reached €1.9bn.

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- ADD – FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD – FOR A FAIR VALUE <15% o >-15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE < -15% ON CURRENT PRICE

KT&PARTNERS

Via della Posta, 10 – Piazza Affari, 20123 Milano – Italy  
Tel: +39.02.83424007 Fax: +39.02.83424011  
[segreteria@ktepartners.com](mailto:segreteria@ktepartners.com)