

Italy – Digital

DIGITAL360 is definitely a serial acquirer

14th July 2022

M&As – PREL. H1-22 RESULTS

RIC: DIGT.MI
BBG: DIG IM

After the five acquisitions finalised in 2021 and the two closed at the beginning of 2022, the group completed a further four strategic M&As, adding some € 17m revenues and € 3m EBITDA. Thus, DIGITAL360's pro-forma turnover for FY-22 is set to be in excess of € 60m, with about € 12m EBITDA. Moreover, on the back of the credit lines for € 14m recently obtained by the group, further M&A deals seem to be on the cards.

Rating:

Buy

Price Target:

€ 6.40 (€ 6.20)

Upside/(Downside): 46.8%

Last Price: € 4.36

Market Cap.: € 85.4m

1Y High/Low: € 5.28/€ 2.50

Avg. Daily Turn. (3M, 6M): € 35k, € 53k

Free Float: 27.6%

Major shareholders:

Andrea Rangone	19.7%
Mariano Corso	10.1%
Alessandro Giuseppe Perego	9.7%



Stock price performance

	1M	3M	12M
Absolute	3.6%	-4.0%	73.0%
Rel.to FTSE IT Growth	4.8%	7.1%	80.9%
Rel.to peers	-3.4%	3.7%	64.6%

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Estimates upgraded. New PT at € 6.40/s (€ 6.20), 46.8% upside. Buy

Following the latest four acquisitions and H1-22 preliminary results, we have updated our model by factoring in the consolidation of these companies for 6M in 2022 and for the whole year starting from 2023 as well as the related cash-out. The combined result is an average 28.9%, 25.0% and 33.5% increase in revenues, EBITDA and adj. Net Profit, respectively, in 2022-24. We also updated our DCF valuation criteria by bringing the free risk rate up to date as well as the appraisal of DIGT through the market multiples approach. As a combined result, the new PT is set at € 6.40/s (€ 6.20), 46.8% upside. The increase in the free risk rate has partially offset the value brought in by the recent acquisitions. Buy reiterated.

Three domestic acquisitions aimed at reinforcing the Advisory & Coaching BU

DIGITAL360 acquired: 1) 75% of CryptoNet Labs, a company operating in the cybersecurity field, for € 11.2m (3.4x EV/Sales₂₁ and 7.0x EV/EBITDA₂₁, considering the € 2.1m net cash as of the end of May-22). In 2021, CryptoNet's sales were € 2.8m, with EBITDA of € 1.35m (47% margin) and Net Cash equal to € 1.5m. In 2022, DIGITAL360 expects a pro-forma turnover of € 5.5m with regard to cybersecurity solutions, almost half of which recurrent; 2) 51% of Methodos, a group focused on consulting for cultural change management projects, for € 4.6m, in addition to a maximum earn-out of € 1.1m upon reaching certain FY-22 results. The price paid corresponds to 1.1x EV/Sales₂₁ and 6.5x EV/EBITDA₂₁ (0.8x and 5.0x excluding the earn-out). In 2021, Methodos' revenues were € 9.0m, with EBITDA of € 1.5m; 3) 51% of Del Monte & Partners, a company specialised in MarTech and SalesTech solutions and among the main partners of HubSpot in Italy, for maximum € 490k. In 2021, the company reported sales of € 1.1m, EBITDA of € 0.1m and NFP of € 0.5m debt.

The first step to replicating the group's business model abroad

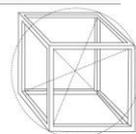
The acquisition of Business Publications Spain, a Madrid-based company specialised in the creation of digital content, allows DIGITAL360 to enter the Spanish digital market: the goal is to replicate in Spanish-speaking countries the innovative and scalable business model successfully built up in Italy. DIGITAL360 acquired 70% of BPS for € 1.19m (5.6x EV/EBITDA₂₁). In 2021, BPS reported revenues of € 1.4m, EBITDA to the tune of € 0.25m (18% margin) and Net Cash equal to € 0.3m.

H1-22 preliminary figures unveiled double-digit organic growth boosted by M&As

In H1-22, DIGITAL360 reported preliminary revenues of € 24.5m, up by 51% YoY thanks to organic growth to the tune of 20% coupled with the consolidation of the companies acquired in H2-21. EBITDA was € 4.9m, 20% margin, up by 32% YoY. Organically, EBITDA grew by 10% YoY. Net Cash stood at € 2.0m (vs € 3.1m in FY-21), after investments in new technological developments, the payment of vendor loans 2021 and the acquisitions finalised before the end of June 2022. On a pro-forma basis, namely consolidating as of the beginning of the year the acquisitions made in the first half of 2022, H1-22 turnover would be € 33.8m, with EBITDA to the tune of € 6.9m, 20% margin.

DIGITAL360, key financials and ratios

€ m	2020	2021	2022e	2023e	2024e
Total Revenues	26.3	34.4	55.5	71.0	80.1
EBITDA	5.0	6.9	10.2	14.1	16.4
EBIT	2.5	3.6	4.4	8.8	11.7
EBIT adj.	3.3	5.0	6.6	11.8	14.7
Net profit	1.1	1.8	1.9	4.2	5.9
Net profit adj.	1.8	3.2	4.1	7.2	8.9
NFP (cash)/debt	1.4	(3.1)	6.2	2.8	(5.6)
EPS adj. FD €	0.10	0.17	0.21	0.35	0.44
EPS adj. FD growth	460.1%	68.6%	21.2%	71.4%	24.1%
Free Cash Flow Yield	25.3%	-3.9%	-16.1%	7.4%	9.9%
PER x	9.8	19.1	20.8	11.9	9.6
PCF x	4.8	11.9	11.0	9.0	8.1
EV/Sales x	0.71	1.66	1.65	1.24	1.00
EV/EBITDA x	3.7	8.3	9.0	6.2	4.9
EV/EBIT x	5.7	11.5	14.0	7.4	5.4



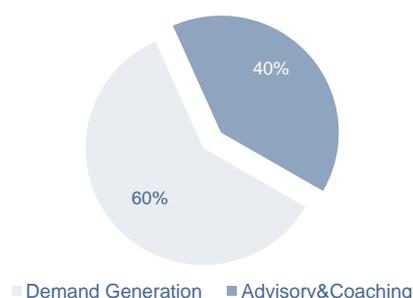
The company at a glance

DIGITAL360 is a leading Italian B2B player in the digital innovation arena, offering support to companies and the public administration in understanding and implementing digital innovation processes. Established in 2012, the company runs a match-making platform for the demand for and supply of digital innovation. The company operates two business units: 1) Demand Generation - focusing on tech providers and supporting them in marketing and lead generation activities, through a unique model, based on a *Digital Marketing & Sales Engine* approach; and 2) Advisory & Coaching - aimed at companies and the public administration via a unique business model based on engineered methodologies, data, assets and know-how.

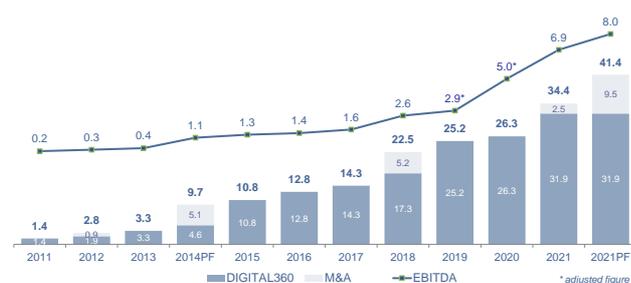
The group has grown significantly in recent years: turnover CAGR_{11-21PF} is 40% (organic CAGR₁₁₋₂₁ is 37%), boosted by acquisitions, 13 companies between 2012 and 2021, generating additional sales of almost € 21m. In the same period, EBITDA soared from € 0.2m to € 8.0m (on a pro-forma basis), 45% CAGR. In 2021, revenues totalled € 34.4m, up 30.5% YoY, EBITDA reached € 6.9m, 20.2% margin and adjusted net profit came in at € 3.1m, 9.2% of sales. Net Financial Position reached € 3.1m cash. Currently, 100% of DIGITAL360's business is generated in Italy. 60% of FY-21 pro-forma sales were generated by the Demand Generation business unit, the remainder came from the Advisory & Coaching business unit.

DIGITAL360 was listed on 13th June 2017 at € 1.15 per share, corresponding to a market capitalisation of € 17.7m. The offer encompassed a capital increase of € 4.0m on offer to professional and retail investors, with a portion reserved to employees. In addition, a convertible bond of € 2.0m was issued: 5-year duration, 4.5% coupon and € 1.60 strike.

2021PF revenues breakdown by BU



2011-2021PF revenues and EBITDA growth



Shareholder structure

	%	# m
Andrea Rangone	19.7%	4.0
Mariano Corso	10.1%	2.1
Alessandro Giuseppe Perego	9.7%	2.0
Raffaello Balocco	4.0%	0.8
Gabriele Faggioli	5.1%	1.0
Other <4.0%*	23.1%	4.7
Treasury shares	0.6%	0.1
Free Float	27.6%	5.6
Total	100.0%	20.3

Source: company data

* including the two capital increases reserved to Methodos's and CryptoNet Labs's selling shareholders

Peer group absolute performance

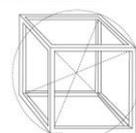
	1D	1W	1M	3M	6M	YTD
Booz Allen Hamilton Holding	(0.5)	(2.1)	8.2	2.2	4.9	6.1
CY4GATE SpA	(0.4)	10.2	3.8	(7.7)	(11.2)	(20.0)
Cyberoo SpA	(2.1)	3.1	9.5	(7.1)	(1.6)	(0.8)
Future PLC	(2.3)	0.1	11.5	(26.4)	(48.9)	(53.5)
Gartner Inc	0.2	(1.4)	1.1	(19.3)	(21.0)	(28.7)
Informa PLC	(0.3)	0.7	5.3	(11.3)	(3.1)	4.5
Relx PLC	(0.1)	(0.1)	7.0	(6.4)	2.3	(5.7)
TechTarget Inc	(3.8)	(8.6)	(12.8)	(21.5)	(32.3)	(37.1)
Wolters Kluwer NV	1.1	2.3	13.9	0.2	2.7	(5.3)
Peers median	(0.4)	0.1	7.0	(7.7)	(3.1)	(5.7)
DIGITAL360 SpA	2.1	(0.9)	3.6	(4.0)	(5.6)	(12.1)

Source: Thomson Reuters Eikon

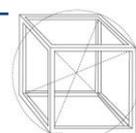
Peers group multiples table

Price & EV multiples x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3	PER FY1	PER FY2	PER FY3
Booz Allen Hamilton Holding Corp	1.58	1.47	1.37	15.4	13.6	12.7	20.7	18.9	17.4
CY4GATE SpA	3.66	2.80	2.66	12.4	9.0	8.3	22.1	15.5	14.2
Cyberoo SpA	4.18	2.39	1.34	11.7	4.2	2.1	19.2	8.1	4.5
Future PLC	3.19	2.78	2.43	8.9	7.6	6.5	11.0	10.2	9.6
Gartner Inc	4.10	3.60	3.30	18.6	17.3	15.9	30.2	28.4	25.1
Informa PLC	3.72	3.14	2.67	14.3	10.3	8.2	23.8	16.4	13.6
Relx PLC	6.11	5.65	5.29	16.3	14.9	13.8	23.1	21.0	19.4
TechTarget Inc	n.a.	4.94	4.03	n.a.	11.9	9.3	21.8	18.3	15.2
Wolters Kluwer NV	5.40	5.16	4.91	17.0	16.2	15.0	27.1	25.3	23.6
Median	3.91	3.14	2.67	14.9	11.9	9.3	22.1	18.3	15.2
DIGITAL360 SpA	1.65	1.24	1.00	9.0	6.2	4.9	20.8	11.9	9.6
Premium/(discount) to median	(57.8)	(60.4)	(62.7)	(39.6)	(47.8)	(47.9)	(5.9)	(34.6)	(36.6)

Sources: CFO Sim, Thomson Reuters Eikon



Income statement (€ m)	2020	2021	2022e	2023e	2024e
Total Revenues	26.3	34.4	55.5	71.0	80.1
Value of Production	27.6	36.0	56.9	72.8	82.1
Services	(12.9)	(16.5)	(28.3)	(35.5)	(40.1)
Personnel expenses	(8.3)	(11.4)	(16.4)	(20.9)	(23.2)
Other opex	(1.4)	(1.2)	(1.9)	(2.1)	(2.4)
EBITDA	5.0	6.9	10.2	14.1	16.4
EBITDA adj.	4.9	6.9	10.2	14.1	16.4
D&A	(2.5)	(3.3)	(5.8)	(5.3)	(4.7)
EBIT	2.5	3.6	4.4	8.8	11.7
EBIT adj.	3.3	5.0	6.6	11.8	14.7
Financials	(0.1)	(0.3)	(0.4)	(0.4)	(0.3)
Re/(Devaluation) of financial assets	(0.0)	(0.0)	0.0	0.0	0.0
Extraordinary	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	2.4	3.3	4.0	8.5	11.4
Income taxes	(0.9)	(1.3)	(1.4)	(3.0)	(4.0)
Minorities	(0.5)	(0.2)	(0.7)	(1.4)	(1.5)
Net Profit	1.1	1.8	1.9	4.2	5.9
Net Profit adj.	1.8	3.2	4.1	7.2	8.9
Balance sheet (€ k)	2020	2021	2022e	2023e	2024e
Net Working Capital	6.8	6.5	11.6	14.6	16.5
Net Fixed Assets	9.0	14.9	28.6	25.9	22.7
Equity Investments	0.1	0.1	0.1	0.1	0.1
Other M/L Term A/L	(3.4)	(6.5)	(9.3)	(7.4)	(7.3)
Net Invested Capital	12.5	15.1	31.0	33.1	32.1
Net Financial Position	1.4	(3.1)	6.2	2.8	(5.6)
Minorities	1.3	1.7	2.4	3.8	5.3
Group's Shareholders Equity	9.8	16.4	22.4	26.5	32.4
Financial Liabilities & Equity	12.5	15.1	31.0	33.1	32.1
Cash Flow statement (€ k)	2020	2021	2022e	2023e	2024e
Total net income	1.1	1.8	1.9	4.2	5.9
Depreciation	2.5	3.3	5.8	5.3	4.7
Other non-cash charges	3.0	1.5	3.1	2.5	1.3
Cash Flow from Oper. (CFO)	6.6	6.6	10.8	11.9	11.9
Change in NWC	(0.5)	0.3	(5.1)	(3.0)	(2.0)
FCF from Operations (FCFO)	6.1	6.9	5.8	8.9	9.9
Net Investments (CFI)	(1.5)	(9.2)	(19.5)	(2.6)	(1.5)
Free CF to the Firm (FCFF)	4.6	(2.4)	(13.7)	6.3	8.4
CF from financials (CFF)	(0.3)	8.7	12.4	(3.0)	0.0
Free Cash Flow to Equity (FCFE)	4.3	6.4	(1.3)	3.3	8.4
Financial ratios	2020	2021	2022e	2023e	2024e
EBITDA margin	19.1%	20.1%	18.4%	19.9%	20.4%
EBIT margin	9.6%	10.5%	7.8%	12.5%	14.6%
Net profit margin	4.1%	5.2%	3.4%	5.8%	7.3%
Tax rate	35.3%	40.4%	35.0%	35.0%	35.0%
Op NWC/Sales	24.6%	18.1%	20.4%	20.0%	20.1%
Interest coverage x	0.03	0.09	0.09	0.04	0.03
Net Debt/EBITDA x	0.27	(0.45)	0.60	0.20	(0.34)
Debt-to-Equity x	0.14	(0.19)	0.28	0.11	(0.17)
ROIC	8.6%	12.0%	6.2%	12.5%	18.3%
ROCE	13.2%	12.2%	9.6%	17.3%	20.2%
ROACE	13.6%	14.8%	11.6%	18.3%	21.5%
ROE	10.9%	11.0%	8.5%	15.6%	18.1%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Per share figures	2020	2021	2022e	2023e	2024e
Number of shares # m	16.26	18.68	20.29	20.29	20.29
Number of shares Fully Diluted # m	17.51	19.66	20.29	20.29	20.29
Average Number of shares Fully Diluted # m	17.51	18.59	19.98	20.29	20.29
EPS stated FD €	0.06	0.10	0.10	0.20	0.29
EPS adjusted FD €	0.10	0.17	0.21	0.35	0.44
EBITDA €	0.29	0.37	0.51	0.70	0.81
EBIT €	0.14	0.19	0.22	0.44	0.58
BV €	0.63	0.92	1.22	1.49	1.86
FCFO €	0.35	0.37	0.29	0.44	0.49
FCFF €	0.26	(0.13)	(0.69)	0.31	0.42
FCFE €	0.25	0.34	(0.07)	0.16	0.42
Dividend €	0.00	0.00	0.00	0.00	0.00



A remarkable M&A campaign

Following the acquisition of Innovation Post, CTMobi, Imageware, ICT Lab and Corecube in 2021 as well as XONA and Digital Sales at the beginning of 2022, **DIGITAL360 speedily continued its M&A campaign: in June 2022**, the group announced the **acquisition of four companies**, three of which in Italy and one in Spain:

- **CryptoNet Labs**, a domestic company operating in the cybersecurity field;
- **Del Monte & Partners Comunicazione**, specialised in digital solutions to support B2B marketing and sales (i.e. MarTech and SalesTech);
- **Methodos**, a group of companies based in Milan focused on consulting with regard to cultural change management projects;
- **Business Publications Spain (BPS)**, based in Madrid (Spain), is specialised in the creation of content with regard to digital innovation and ICT.

Overall, **these acquisitions add some € 17m in revenues and € 3m in terms of EBITDA**, thus, DIGITAL360's **pro-forma turnover for FY-22 is set to be in excess of € 60m, with about € 12m EBITDA (~ 20% margin)**.

The group's **M&A activity** is aimed at **consolidating its leading positioning in the domestic digital arena**. Furthermore, the acquisition campaign is also devoted to **international expansion**, in order to replicate abroad the innovative and scalable business model successfully built up in Italy. The main targeted geographies are **Spain and LATAM**, on the back of certain similarities in the domestic environment (i.e. culture, the presence of a lot of SMEs, a low digitalisation rate, a very fragmented market and the significant financial resources available to relaunch the economy and boost the digitalisation process in the aftermath of the pandemic-related crisis). These two promising geographical areas are now covered by BPS (acquired in Jun-22) and XONA (acquired in Jan-22).

Moreover, in order to support the acquisition campaign, **DIGITAL360 recently signed a financing agreement with Illimity Bank entailing credit lines for up to € 14.0m**.

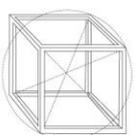
i. CryptoNet Labs

CryptoNet Labs Srl is a domestic company operating in the **cybersecurity** field. This acquisition allows DIGITAL360 to strengthen its competitive position in an increasingly strategic industry, such as cybersecurity.

DIGITAL360 purchased 75% of CryptoNet Labs Srl for € 11.2m, including the 75% of the net cash of the company as of the end of May-22, which was € 2.1m, as follows:

1. **€ 8.6m cash at the closing date** on 13-July-22, including 70% of the value of the net cash position to be acquired. At the same time, **the selling shareholder is required to subscribe a reserved capital increase of € 2.5m**, obtaining 534,389 newly-issued ordinary shares of DIGITAL360 valued at € 4.70/s (2.6% of DIGITAL360's share capital post capital increase)
2. **€ 2.6m cash**, including the remaining 30% of the value of the net cash position to be acquired, **within 12 months from the closing date**.

The price paid corresponds to **3.4x EV/Sales₂₁ and 7.0x EV/EBITDA₂₁**, considering the NFP at the end of May-22 and net of the reserved capital increase of € 2.5m subscribed by the selling shareholder.



The DIGITAL360 shares that were assigned to the seller are subjected to a lock-up period of three years. Furthermore, the seller will remain as CEO of the company and is subject to a non-competition agreement for four years after the closing date. **A Put & Call option was set on the remaining 25% of the company**, whose value will be calculated on the basis of the FY-24 EBITDA, in addition to the NFP.

Established in 2017, CryptoNet Labs provides its customers with **services, consulting and technological platforms aimed at monitoring and defending the company's sensitive data**. DIGITAL360 has been working with CryptoNet Labs for many years through its subsidiary Partners4Innovation thanks to their synergic and complementary portfolio of products and services.

In 2021, CryptoNet Labs totalled **€ 2.8m in revenues**, with **EBITDA to the tune of € 1.35m (48% margin)** and **net cash position of € 1.5m**.

Thanks to the acquisition of CryptoNet Labs, **in 2022, DIGITAL360 expects a pro-forma turnover of € 5.5m (up by over 25% YoY) with regard to cybersecurity products and services, almost half of which recurrent**. In particular, thanks to the acquisition of CryptoNet Labs, DIGITAL360 reinforced its presence in the cybersecurity niche leveraging on a highly synergic and complementary offer. The acquisition allows the group to enlarge the offer of innovative **SaaS solutions in the ConsulTech** field, with products such as the 'CISO As-A-Service', the 'Application Security Managed Service' and the 'Digital bodyguard'.

ii. Del Monte & Partners Comunicazione

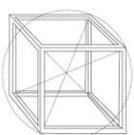
Del Monte & Partners Comunicazione is a domestic company specialised in **digital solutions to support B2B marketing and sales** (i.e. **MarTech and SalesTech**). In particular, the company is **one of the main partners of HubSpot in Italy**.

DIGITAL360 will acquire 51% of the company in two steps:

1. 35.3% at the closing date by subscribing a reserved capital increase for € 0.24m.
2. 15.7% following the approval of FY-22 financial statements, with a price ranging between € 0.18m and € 0.25m, depending on the company's performance in FY-22.

In 2021, the company totalled **€ 1.1m revenues** with **EBITDA equal to € 0.1m and Net Financial Position of € 0.5m debt**.

The acquisition of Del Monte & Partners Comunicazione allows DIGITAL360 to **better oversee the MarTech and SalesTech sectors**, which are becoming increasingly important for B2B companies who were forced to rethink their marketing and sales processes during and after the pandemic. Thanks to this acquisition, **DIGITAL360 created the largest domestic hub able to provide its customers with MarTech and SalesTech solutions based on HubSpot's platform**. In fact, the group can now rely on **Annual Recurrent Revenues of over € 6.4m** with regard to the implementation of HubSpot's solutions: 274 platforms installed, a competence centre with more than 80 specialists and over 280 HubSpot certifications.



iii. Methodos

The Methodos group is based in Milan and is focused on consulting with regard to **cultural change management** projects. The deal will contribute to enriching DIGITAL360's offer in the buoyant advisory market for the digital transformation of companies, strengthened by the impetus given by the pandemic as well as the fresh resources stemming from the National Recovery and Resilience Plan (NRRP).

DIGITAL360 acquired 51% of the Methodos group for € 4.6m (including € 340k Net Cash). The selling shareholders are required to subscribe a reserved capital increase of € 0.57m, obtaining 120,284 newly-issued ordinary shares of DIGITAL360 valued at € 4.70/s (0.6% of DIGITAL360's share capital post capital increase), with a 3-year lock-up period. Furthermore, the selling shareholders entered into a non-competition agreement of 3 years starting from the closing date. Specifically, the transaction provides for the indirect acquisition of:

1. **51% of Methodos SpA and Accompany Srl** (acquired through the acquisition of 100% of the holding Methodos Group SpA);
2. **51% of Digital Attitude Srl** (28% of which indirectly acquired through the holding Methodos Group SpA and the remaining 23% directly acquired from other selling shareholders).

Moreover, **a maximum earn-out of € 1.1m** to be paid entirely in cash is provided to the selling shareholders upon reaching certain 2022 economic results following the approval of FY-22 financial statements. Thus, **including the maximum earn-out**, the price paid corresponds to **1.1x EV/Sales₂₁** and **6.5x EV/EBITDA₂₁** (0.8x and 5.0x excluding the earn-out), net of the reserved capital increase of € 0.57m subscribed by the selling shareholders.

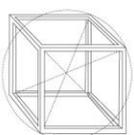
The deal also envisages a **Put & Call option to be exercised starting from the approval of FY-25 results**, whose price will be agreed on the basis of the weighted average of Methodos' EBITDA recorded in the 2024-25 period, in addition to the NFP.

Finally, the deal also provides for the **active involvement of the selling shareholders in the management of the group**. In particular, they will be able to designate two of the five board members of the acquired companies. Moreover, management roles have already been defined as follows: 1) Filippo Muzi Falconi and Alessio Vaccarezza as CEOs of Methodos, 2) Giovanni Sgalambro and Filippo Muzi Falconi as CEOs of Accompany and, 3) Luca Argenton and Filippo Muzi Falconi as CEOs of Digital Attitude.

Established in 1979 in Milan, **Methodos is a leading management consulting company engaged in organisational, stakeholder engagement and cultural change management projects** for many international leading companies, which chiefly operate in the automotive, pharmaceutical, telco and banking sectors. Methodos has recently enlarged its activities thanks to the two start-ups Digital Attitude and Accompany, which operate in the ConsulTech and digital transformation fields, respectively.

In detail, the company provides its customers with specific advisory services with the aim of managing the organisational changes as well as supporting the digital transformation. This comprehensive plethora of services are performed by a professional team made up of 60 professional figures with diverse backgrounds, from economics and engineering to human sciences, architecture and design. **In 2021, the group totalled € 9.0m revenues with EBITDA equal to € 1.5m, 17% margin.**

The acquisition of Methodos will enable DIGITAL360 to further enrich its comprehensive offer in the Advisory & Coaching business unit as well as vertically integrate HR Transformation and Change Management services to support SMEs in the entire organisational, managerial and cultural transformation processes. Furthermore, this acquisition contributes to strengthening the ConsulTech services provided to customers through a SaaS approach, thus increasing the share of recurring revenues on total turnover.



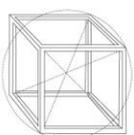
iv. Business Publications Spain

DIGITAL360, through its recently-established subsidiary Digital360 Iberia S.L., **acquired 70% of Business Publications Spain S.L. (BPS) for € 1.19m**, € 790k of which was paid in cash at the closing date and the remaining € 400k will be paid by 12 months, also in cash. The price agreed corresponds to **5.6x EV/EBITDA₂₁**.

DIGITAL360 also undertook to acquire the remaining 30% BPS in two tranches: 15% following the approval of FY-23 financial statements and the remaining 15% following the approval of FY-24 financial statements. For each of the two tranches, the price agreed will be the higher between i) € 255k and ii) 15% of EV calculated using a certain multiple of the last reported EBITDA. Only with regard to the last 15%, DIGITAL360 has the possibility to pay in shares subjected to a 1-year lock-up. The company will continue to be led by the current CEO, Anunciación López García, in order to guarantee business continuity. The selling shareholders entered into a non-competition agreement for three years.

Business Publications Spain S.L., based in Madrid (Spain), is specialised in the **creation of content with regard to digital innovation and Information & Communication Technology**. It owns a few online portals representing an important reference point in Spain for managers, entrepreneurs and professionals who deal with digital transformation. BPS provides tech companies with a wide range of services, including events, webinars, content, communication campaigns, and lead generation programs. **In 2021, BPS reported revenues of € 1.4m, EBITDA to the tune of € 0.25m (18% margin) and Net Cash equal to € 0.3m.**

The acquisition of BPS allows DIGITAL360 to enter the Spanish digital market, which is characterised by several similarities with the domestic environment, namely culture, the presence of a lot of SMEs, a low digitalisation rate, a very fragmented market and the significant financial resources available to relaunch the economy and to boost the digitalisation process in the aftermath of the pandemic-related crisis. **The goal is to replicate abroad the innovative and scalable business model successfully built up in Italy**, leveraging on a wide range of innovative services and the strategic internally-developed proprietary assets and solutions.



H1-22 preliminary results

DIGITAL360's H1-22 preliminary results showed double-digit organic growth both in terms of revenues and EBITDA, coupled with the consolidation of the companies acquired in H2-21 (i.e. Imageware and ICT Lab).

On a pro-forma basis, namely consolidating as of the beginning of the year the acquisitions made in the first semester 2022, **H1-22 turnover would be € 33.8m, with EBITDA to the tune of € 6.9m, 20% margin.**

Table 1 – DIGITAL360, H1-22 preliminary results

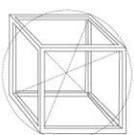
€ m	H1-22	H1-21	% YoY
Revenues reported	24.5	16.2	51
Revenues latest acquisitions (FY-22)	9.3	-	
Pro-Forma Revenues	33.8	16.2	110
EBITDA reported	4.9	3.7	32
EBITDA latest acquisitions (FY-22)	2.0	-	
Pro-Forma EBITDA	6.9	3.7	84

Source: company data

In H1-22, DIGITAL360 reported **preliminary revenues of € 24.5m, up by 51% YoY** thanks to **organic growth to the tune of 20%** coupled with the consolidation of the companies acquired in H2-21.

EBITDA was € 4.9m, 20% margin, up by 32% YoY. **Organically, EBITDA grew by 10% YoY**, despite the strengthening of the top management and corporate staff in order to properly cope with the significant increase in size.

Net Cash stood at € 2.0m (vs € 3.1m at the end of 2021), after investments in new technological developments, the payment of 2021 vendor loans and the acquisitions finalised before the end of June 2022.



Estimates, valuation & risks

DIGITAL360 is definitely a serial acquirer: after the five acquisitions finalised in 2021 and the two closed at the beginning of 2022, the group completed a further four acquisitions in June. Overall, these acquisitions add some € 17m in revenues and € 3m in terms of EBITDA, thus, DIGITAL360's **pro-forma turnover for FY-22 is set to be in excess of € 60m, with about € 12m EBITDA (~ 20% margin).**

Furthermore, it is worth noting that **the group massively strengthened its presence in the cybersecurity field**, thanks to the acquisition of CryptoNet Labs, which in 2021 reported revenues of € 2.8m and EBITDA to the tune of € 1.35m (47% margin). **In 2022, DIGITAL360 expects pro-forma turnover of € 5.5m with regard to cybersecurity products and services**, almost half of which recurrent.

Following the H1-22 preliminary results release and the acquisition of BPS, Methodos, Del Monte & Partners and CryptoNet Labs **we have updated our model** by factoring in the consolidation of the aforementioned companies for six months in 2022 and for the whole year starting from 2023 as well as the related cash-out. Moreover, we left unchanged our assumptions with regard to organic growth. The combined result is **an average 28.9%, 25.0% and 33.5% increase in revenues, EBITDA and adjusted Net Profit in 2022-24.**

Table 2 – DIGITAL360, 2022e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Total revenues	55.5	47.6	16.5	7.9
EBITDA	10.2	8.9	14.2	1.3
% margin	18.4	18.8		
EBIT adj.	6.6	5.8	12.5	0.7
% margin	11.8	12.2		
Net Profit adj.	4.1	3.7	12.5	0.5
% margin	7.4	7.7		
Y/E net debt (net cash)	6.2	(5.7)	n.m.	11.9

Source: CFO Sim

Table 3 – DIGITAL360, 2023e new/old estimates

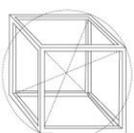
€ m	New	Old	% Diff.	€ m Diff.
Total revenues	71.0	53.1	33.8	17.9
EBITDA	14.1	10.8	31.1	3.4
% margin	19.9	20.3		
EBIT adj.	11.8	7.9	49.8	3.9
% margin	16.7	14.9		
Net Profit adj.	7.2	4.9	45.1	2.2
% margin	10.1	9.3		
Y/E net debt (net cash)	2.8	(11.5)	n.m.	14.3

Source: CFO Sim

Table 4 – DIGITAL360, 2024e new/old estimates

€ m	New	Old	% Diff.	€ m Diff.
Total revenues	80.1	58.7	36.4	21.4
EBITDA	16.4	12.6	29.8	3.8
% margin	20.4	21.5		
EBIT adj.	14.7	10.0	46.8	4.7
% margin	18.4	17.1		
Net Profit adj.	8.9	6.2	42.9	2.7
% margin	11.1	10.6		
Y/E net debt (net cash)	(5.6)	(18.6)	69.9	13.0

Source: CFO Sim

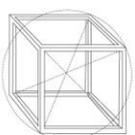


We also updated our DCF valuation criteria by bringing the free risk rate up to date as well as the appraisal of DIGITAL360 through the market multiples approach. As a combined result, **the new PT is set at € 6.40/s** (€ 6.20). The increase in the free risk rate, now at 1.95% vs 1.05% at the time of the last valuation update, partially offset the value brought in by the acquisitions.

PT is calculated by weighting 70% the fair value based on the DCF model and 30% that obtained through the multiples comparison method, in order to mitigate the underlying massive volatility amongst peers which might penalise the assessment of DIGITAL360.

We reiterate our Buy rating, 46.8% upside to current price levels.

Moreover, it is worth remembering that, in order to support the acquisition campaign, DIGITAL360 recently signed a financing agreement with Illimity Bank entailing **credit lines for up to € 14.0m**, only partially used for these four acquisitions. Thus, **further M&A deals seem to be on the cards.**



Market multiples

We conducted an analysis on a cluster of **seven foreign companies operating in the digital and advisory arena**. Size, profitability and growth rates vary a lot within the sample. With respect to the last update, we decided to exclude from the sample HubSpot and ServiceNow as their business model is actually not so similar to that of DIGITAL360. Furthermore, we added **two domestic players operating in the cybersecurity industry** which are listed on Euronext Growth Milan (i.e. Cyberoo and CY4GATE) to the peer group, on the back of the significant presence of DIGITAL360 in this field following the acquisition of CryptoNet Labs.

The companies we have selected are the following:

Booz Allen Hamilton Holding Corp provides management and technology consulting services to the US government in the defence, intelligence, and civil markets. The company offers economic and business analysis, information technology, intelligence and operations analysis, modelling and simulation, organisation, and other consulting services.

CY4GATE SpA provides software security solutions. The company offers unprecedented cyber electronic warfare and intelligence solutions, serving corporate and government sector in Italy.

Cyberoo SpA provides solutions which enable the protection, monitoring and management of Information technology (IT) infrastructure and the automation of the detection of threats and anomalies. Additionally, the company invests in a number of technologies, including artificial intelligence and big data.

Future PLC is a special interest media company with locations in the United States, United Kingdom and Australia. The company produces special interest magazines, websites, and events, with portfolios in the computing, games, music, automotive, sports, crafts, and leisure sectors.

Gartner Inc. provides research and analysis in the computer hardware, software, communications, and related information technology industries. The company's business segments include research, consulting, measurement, events, and executive programs.

Informa PLC provides business intelligence and academic publishing services. The company offers information in the finance and insurance, maritime transport, trade, law and tax, telecommunication, media, commodity, energy, and biomedical and pharmaceutical markets. Informa provides its information through newspapers, magazines, electronic media, books, and journals.

Relx PLC is a global provider of information and analytics for professional and business customers across industries. The group serves customers in more than 180 countries and has offices in about 40 countries.

TechTarget Inc. operates a portfolio of industry-specific portals. The company focuses on portals that deliver resources to information technology professionals within specific vertical market segments.

Wolters Kluwer NV is a global information services and solutions provider. The company provides its services to professionals in the health, tax and accounting, risk and compliance, finance, and legal sectors.

DIGITAL360 presents lower-than-median profitability but **higher growth potential compared to the peer median**. Furthermore, the group has amply demonstrated the goodness of its development strategy, both organically and via M&A. Thus, we decided to reduce the discount applied to the peers' median multiple: by applying the 20% (previously 35%) discounted median EV/EBITDA multiples to the DIGITAL360 metrics we attain an **appraisal of DIGITAL360's equity value of € 6.00/s** (€ 5.60). In the appraisal of DIGITAL360, 2023 estimates and multiples were used, in order to factor in the full consolidation of the companies recently acquired.

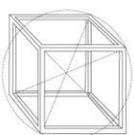


Table 5 - DIGITAL360, peer group summary table

€ m	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA %	Sales CAGR ₂₁₋₂₄	EBITDA CAGR ₂₁₋₂₄	EBIT CAGR ₂₁₋₂₄	EPS CAGR ₂₂₋₂₄	NFP FY1	NFP/EBITDA FY1
Booz Allen Hamilton Holding Corp	11,837	8,845	909	10.3%	10.4%	9.2%	11.3%	9.1%	2,177	2.4
CY4GATE SpA	232	65	19	29.4%	76.3%	54.8%	70.2%	24.8%	5	0.3
Cyberoo SpA	73	17	6	35.9%	63.2%	117.8%	288.2%	106.9%	(3)	n.m.
Future PLC	2,543	961	344	35.8%	14.2%	18.9%	28.5%	7.4%	519	1.5
Gartner Inc	19,076	5,092	1,120	22.0%	14.4%	9.0%	8.2%	9.7%	1,790	1.6
Informa PLC	9,267	2,605	677	26.0%	14.3%	23.6%	84.5%	32.4%	428	0.6
Relx PLC	51,402	9,526	3,561	37.4%	7.9%	10.6%	16.7%	8.9%	6,778	1.9
TechTarget Inc	1,767	294	119	40.4%	18.1%	50.6%	70.6%	19.8%	n.a.	n.a.
Wolters Kluwer NV	25,692	5,149	1,631	31.7%	5.5%	6.6%	10.1%	7.2%	2,103	1.3
Median	9,267	2,605	677	31.7%	14.3%	18.9%	28.5%	9.7%	1,154	1.5
DIGITAL360 SpA	85	56	10	18.4%	32.6%	33.4%	43.6%	47.0%	6	0.6

Sources: CFO Sim, Thomson Reuters Eikon

Table 6 - DIGITAL360, peer group EV & price multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3	PER FY1	PER FY2	PER FY3
Booz Allen Hamilton Holding Corp	1.58	1.47	1.37	15.4	13.6	12.7	20.7	18.9	17.4
CY4GATE SpA	3.66	2.80	2.66	12.4	9.0	8.3	22.1	15.5	14.2
Cyberoo SpA	4.18	2.39	1.34	11.7	4.2	2.1	19.2	8.1	4.5
Future PLC	3.19	2.78	2.43	8.9	7.6	6.5	11.0	10.2	9.6
Gartner Inc	4.10	3.60	3.30	18.6	17.3	15.9	30.2	28.4	25.1
Informa PLC	3.72	3.14	2.67	14.3	10.3	8.2	23.8	16.4	13.6
Relx PLC	6.11	5.65	5.29	16.3	14.9	13.8	23.1	21.0	19.4
TechTarget Inc	n.a.	4.94	4.03	n.a.	11.9	9.3	21.8	18.3	15.2
Wolters Kluwer NV	5.40	5.16	4.91	17.0	16.2	15.0	27.1	25.3	23.6
Median	3.91	3.14	2.67	14.9	11.9	9.3	22.1	18.3	15.2
DIGITAL360 SpA	1.65	1.24	1.00	9.0	6.2	4.9	20.8	11.9	9.6
Premium/(discount) to median	(57.8)	(60.4)	(62.7)	(39.6)	(47.8)	(47.9)	(5.9)	(34.6)	(36.6)

Sources: CFO Sim, Thomson Reuters Eikon

Table 7 - DIGITAL360, equity value assessment 1#2

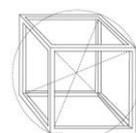
€ m	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3	PER FY1	PER FY2	PER FY3
Median peers x	3.91	3.14	2.67	14.9	11.9	9.3	22.1	18.3	15.2
DIGITAL360 metrics	55.5	71.0	80.1	10.2	14.1	16.4	4.1	7.2	8.9
NFP	(6.2)	(2.8)	5.6	(6.2)	(2.8)	5.6			
Put & call adjustment	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)			
DIGITAL360 Equity Value	155.4	163.5	164.6	103.2	120.2	116.0	72.6	104.5	107.7
# shares m (ex. Treasury shares)	20.2	20.2	20.2	20.2	20.2	20.2	20.2	20.2	20.2
DIGITAL360 Equity Value €/s	7.71	8.11	8.16	5.12	6.00	5.75	3.60	5.18	5.34

Sources: CFO Sim, Thomson Reuters Eikon

Table 8 - DIGITAL360, equity value assessment 2#2

€ m	FY1	FY2	FY3
Equity Value (EV/EBITDA, € m)	103.2	120.2	116.0
€ / share	5.12	6.00	5.75
FY2 €/s	6.00		
% upside/(downside)	37.6%		

Sources: CFO Sim, Thomson Reuters Eikon



DCF

In the valuation via the DCF method, explicit estimates until 2026 and a long-term growth of 2.5% were used. Cash flows were discounted back at a weighted average cost of capital calculated in accordance with the following parameters:

Table 9 - WACC derived from:

Interest costs, pre-tax	2.5%
Tax rate	35.0%
Int. costs, after taxes	1.6%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200 days simple moving average)	1.95%
Beta levered (x)	0.90
Required ROE	10.0%

Source: CFO Sim

Risk premium at 9.0% factors in the minute size of the company and basically all the concerns and disquiet that an investor might have with regard to the Euronext Growth Milan market. **Beta at 0.90x** (previously 0.98x) corresponds to the median of the 5Y unlevered beta of the peers, re-levered for DIGITAL360's balance-sheet structure. The WACC is computed by using a sustainable 30:70% debt/equity balance-sheet structure.

Table 10 - DIGITAL360, DCF model

€ m	2022e	2023e	2024e	2025e	2026e	Term. Val.
EBIT	4.4	8.8	11.7	13.3	14.6	
Tax rate	35.0%	35.0%	35.0%	35.0%	35.0%	
Operating profit (NOPAT)	2.8	5.7	7.6	8.6	9.5	
Change working capital	(5.1)	(3.0)	(2.0)	(1.2)	(0.5)	
Depreciation	5.8	5.3	4.7	3.1	1.5	
Investments	(19.5)	(2.6)	(1.5)	(1.5)	(1.5)	
Free Cash Flows	(15.9)	5.5	8.8	9.0	9.0	183.2
Present value	(15.4)	4.9	7.4	7.0	6.5	132.5
WACC	7.5%	7.5%	7.5%	7.5%	7.5%	
Long-term growth rate	2.5%					

Source: CFO Sim

Table 11 - DIGITAL360, DCF derived from:

€ m	
Total EV present value € m	142.9
<i>thereof terminal value</i>	92.7%
NFP FY-21 adjusted for bond conversion	4.1
Put & call	(12.0)
Pension last reported	(2.4)
Equity value € m	132.6
# shares m (ex. treasury shares)	20.2
Equity value €/s	6.60
% upside/(downside)	51.4%

Source: CFO Sim

By applying our DCF model we attained an **equity value of € 132.6m**, which corresponds to **€ 6.60/s** (€ 6.40).

The following tables illustrate that sensitivity 1) compared to changes in the terminal growth rate produces an equity value of **€ 5.68 – 7.79 (perpetuity range between 1.75% and 3.25%)**, while, 2) compared to changes in the free risk rate, it produces an equity value of **€ 5.81 – 7.52 (free risk range between 2.70% and 1.20%)** and, 3) compared to changes in the risk premium, including small size premiums, it results in an equity value of **€ 5.29 – 8.46 (risk premium range between 10.50% and 7.50%)**.

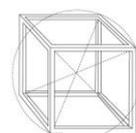


Table 12 – DIGITAL360, equity value sensitivity to changes in terminal growth rate

€ m	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
Present value of CF	10.4	10.4	10.4	10.4	10.4	10.4	10.4
PV of terminal value	114.5	119.9	125.9	132.5	139.8	147.9	156.9
Total value	124.8	130.3	136.3	142.9	150.2	158.3	167.3
NFP FY-21 adj. for bond conv.	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Put & call	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
Pension last reported	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Equity value € m	114.6	120.0	126.0	132.6	139.9	148.0	157.0
# shares m (ex. treas. shares)	20.2	20.2	20.2	20.2	20.2	20.2	20.2
Equity value €/s	5.68	5.95	6.25	6.60	6.94	7.34	7.79

Source: CFO Sim

Table 13 – DIGITAL360, equity value sensitivity to changes in free risk rate

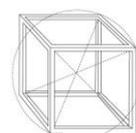
€ m	1.20%	1.45%	1.70%	1.95%	2.20%	2.45%	2.70%
Present value of CF	10.7	10.6	10.5	10.4	10.3	10.1	10.0
PV of terminal value	151.3	144.5	138.3	132.5	127.1	122.1	117.4
Total value	162.0	155.1	148.8	142.9	137.4	132.2	127.4
NFP FY-21 adj. for bond conv.	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Put & call	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
Pension last reported	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Equity value € m	151.7	144.9	138.5	132.6	127.1	122.0	117.2
# shares m (ex. treas. shares)	20.2	20.2	20.2	20.2	20.2	20.2	20.2
Equity value €/s	7.52	7.18	6.87	6.60	6.30	6.05	5.81

Source: CFO Sim

Table 14 – DIGITAL360, equity value sensitivity to changes in risk premium

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	11.0	10.8	10.6	10.4	10.2	10.0	9.8
PV of terminal value	169.8	155.6	143.3	132.5	123.1	114.7	107.3
Total value	180.8	166.4	153.8	142.9	133.2	124.7	117.0
NFP FY-21 adj. for bond conv.	4.1	4.1	4.1	4.1	4.1	4.1	4.1
Put & call	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
Pension last reported	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Equity value € m	170.5	156.1	143.6	132.6	123.0	114.4	106.7
# shares m (ex. treas. shares)	20.2	20.2	20.2	20.2	20.2	20.2	20.2
Equity value €/s	8.46	7.74	7.12	6.60	6.10	5.67	5.29

Source: CFO Sim



Peer stock performance

DIGITAL360 was listed on Euronext Growth Milan on 13-Jun-17 at € 1.15/share, corresponding to a post-money market capitalisation of € 17.7m. DIGITAL360 now trades **well above the IPO price (+279% since the IPO)**, and reached a 1Y maximum price of € 5.28/s on 05-Oct-21 and a minimum level of € 2.50/s on 14-Jul-21. The stock has consistently outperformed its peer group median and indices over the last 12 months.

Table 15 – DIGITAL360, peer group absolute performance

	1D	1W	1M	3M	6M	YTD	1Y
Booz Allen Hamilton Holding Corp	(0.5)	(2.1)	8.2	2.2	4.9	6.1	1.3
CY4GATE SpA	(0.4)	10.2	3.8	(7.7)	(11.2)	(20.0)	8.8
Cyberoo SpA	(2.1)	3.1	9.5	(7.1)	(1.6)	(0.8)	21.4
Future PLC	(2.3)	0.1	11.5	(26.4)	(48.9)	(53.5)	(44.9)
Gartner Inc	0.2	(1.4)	1.1	(19.3)	(21.0)	(28.7)	(6.8)
Informa PLC	(0.3)	0.7	5.3	(11.3)	(3.1)	4.5	8.4
Relx PLC	(0.1)	(0.1)	7.0	(6.4)	2.3	(5.7)	10.0
TechTarget Inc	(3.8)	(8.6)	(12.8)	(21.5)	(32.3)	(37.1)	(19.1)
Wolters Kluwer NV	1.1	2.3	13.9	0.2	2.7	(5.3)	8.9
Peers median	(0.4)	0.1	7.0	(7.7)	(3.1)	(5.7)	8.4
DIGITAL360 SpA	2.1	(0.9)	3.6	(4.0)	(5.6)	(12.1)	73.0

Source: Thomson Reuters Eikon

Table 16 – DIGITAL360 relative performances

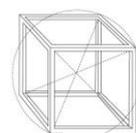
	1D	1W	1M	3M	6M	YTD	1Y
To Peers median	2.5	(1.0)	(3.4)	3.7	(2.6)	(6.4)	64.6
To MSCI World Index	2.5	(0.3)	4.0	10.8	15.2	9.2	89.8
To EUROSTOXX	3.0	(2.1)	6.3	6.4	14.3	7.8	89.1
To FTSE Italia All Share	3.0	(2.6)	8.5	9.6	17.2	10.0	88.6
To FTSE Italia STAR	3.1	(0.5)	2.3	8.9	18.9	16.3	91.4
To FTSE Italia Growth	2.2	(3.2)	4.8	7.1	12.4	7.2	80.9

Source: Thomson Reuters Eikon

Risks

The principal investment **risks** associated with DIGITAL360 include:

- Risks linked to the algorithm used by search engines;
- Risks related to personal data collection, holding and processing;
- Risks due to ICT malfunctions;
- Risks connected to significant technological evolution;
- Risks due to heavy competition in the reference market;
- Impact on P&L account and balance sheet profiles triggered by a sharp decline in local and global economic growth;
- Profit margin dilution stemming from the acquisition campaign;
- Departure of key people.



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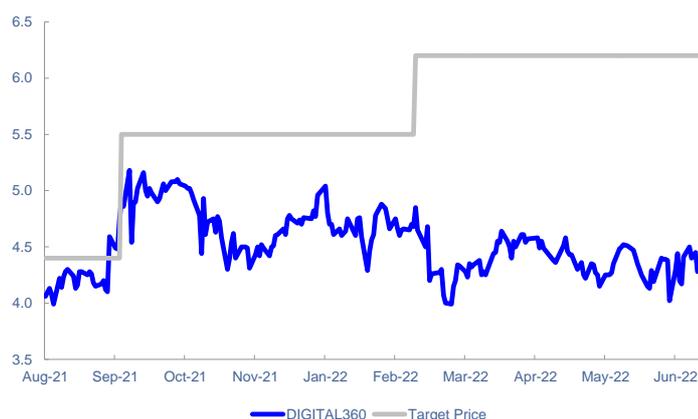
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DATE	TARGET PRICE	RATING
14/07/2022	€6.40	BUY
29/03/2022	€6.20	BUY
17/02/2022	€6.20	BUY
26/01/2022	€5.50	BUY
23/09/2021	€5.50	BUY
19/07/2021	€4.40	BUY

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- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/-15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

