



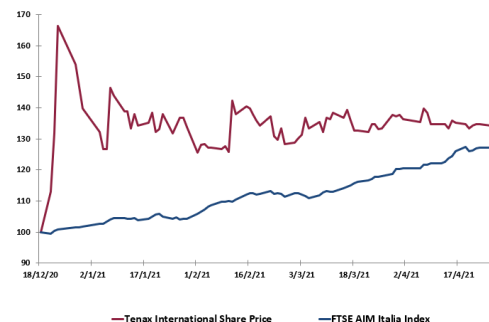
Electric street sweepers to run the expected European and global market growth 2020-2030

OUTPERFORM

Current Share Price (€): 3.21

Target Price (€): 4.38

Tenax International - Performance since IPO



Source: S&P Capital IQ - Note: 18/12/2020=100

Company data

ISIN number	IT0005428898
Bloomberg code	TNX IM
Reuters code	TNX.IM
Industry	Manufacturing
Stock market	AIM Italia
Share Price (€)	3.21
Date of Price	26/04/2021
Shares Outstanding (m)	3.2
Market Cap (€m)	10.1
Market Float (%)	31.7%
Daily Volume	4,200
Avg Daily Volume YTD	39,916
Target Price (€)	4.38
Upside (%)	36%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	IPO
Tenax - Absolute (%)	1%	0%	61%
FTSE AIM Italia (%)	8%	22%	27%
1Y Range H/L (€)	3.98	2.39	
YTD Change (€) / %	-0.13	-3.89%	

Source: S&P Capital IQ

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Painless 2020

FY20 report sales at €7.9m (vs. €8.4m in FY19), -5.9% YoY, while total revenues, which include year-end inventory increase, add up to €8.9m, no drop on FY19. EBITDA is confirmed at same level, with margin at 13% of sales vs 12% in FY19. Delays in orders experienced in most markets resulted in the higher than normal inventory, while receivables terms were extended to facilitate customers in managing their operating slowdowns.

Outlook: calls for green investment push public fleets electrification

We see as major driving factors rising pressures on *cleaner* infrastructure investments to stimulate economic recoveries after the pandemic, which will push public bodies and private delivery fleets to accelerate electrification plans for their vehicles to meet climate commitments and policy requirements.

A logical outcome should be a boost for the street sweeper market and a propitious position for smaller and lighter electric powered off-highway vehicles, those for which the battery technology is already adequate to the duties required.

FY20 business as usual and solid operating margin sustain mid-term outlook

Tenax's business in FY20 performed ahead of expectations, which continue to take into account macroeconomic uncertainties. The good start of FY21 adds confidence and confirms our view about Tenax visibility and expertise. Thus, we do not revise our estimates for FY21-2025, with just some fine tuning to factor in FY20 actual figures and will evaluate during FY21 the backlog evolution and possible estimates update.

Target Price €4.38 per share (from €3.97), confirming OUTPERFORM rating

Our updated valuation indicates a Target Price per share of €4.38 (from €3.97), 36% upside on current share price. We confirm an OUTPERFORM rating on the stock.

Key financials and estimates

€m	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Sales	7.9	8.4	7.9	10.0	12.3	15.8	19.3	22.0
Total revenues	8.4	8.9	8.9	9.9	13.1	16.9	20.2	22.4
EBITDA	1.1	1.0	1.0	1.1	1.6	2.4	2.8	3.0
Margin on revenues	12.8%	11.6%	11.4%	10.9%	11.9%	14.0%	13.7%	13.3%
Net (Debt) Cash	(3.3)	(3.8)	(2.9)	(2.8)	(2.0)	(0.8)	(0.0)	1.2
Equity	1.5	1.7	4.7	4.9	5.4	6.5	8.1	9.7

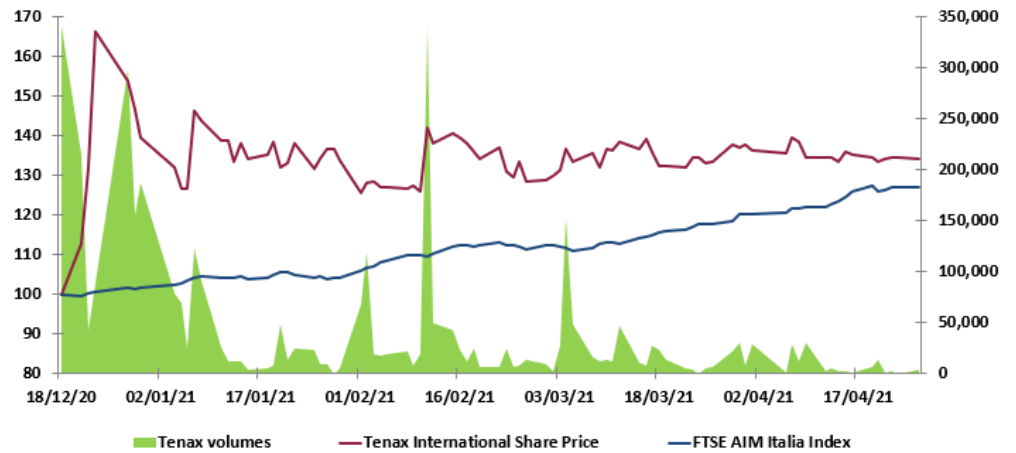
Source: Company data 2017-20A, EnVent Research 2021-25E

Market update

Tenax shares since IPO traded in the range €2.39-3.98, with beginning price at €2.39 and ending at €3.21, 34% increase

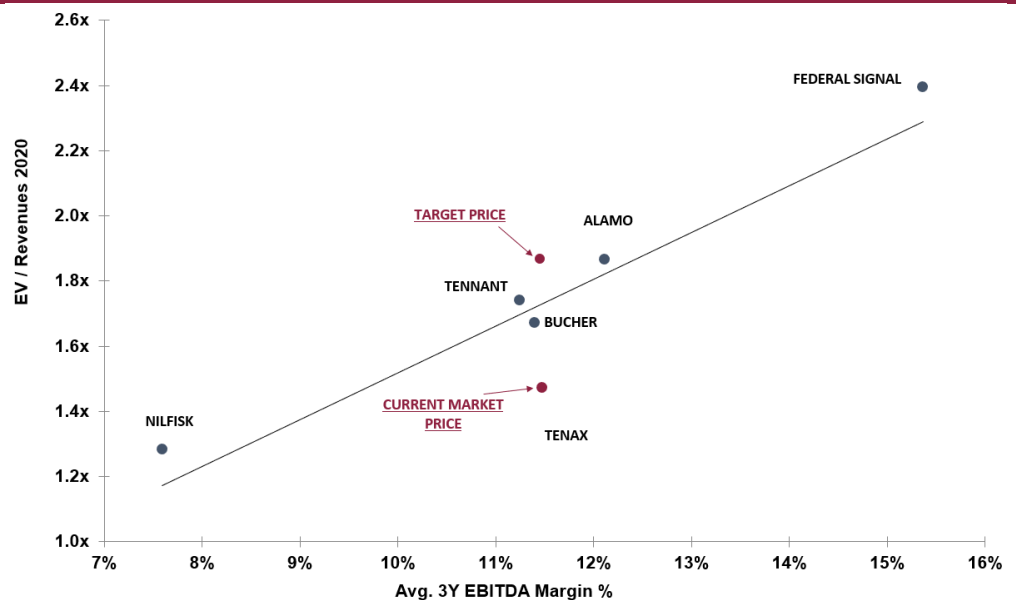
In the same period, the AIM Italia Index increased by 27%

Tenax- Share price performance and trading volumes since IPO



Source: EnVent Research on S&P Capital IQ - Note: 18/12/2020=100

Peer group - Regression analysis and Tenax target positioning



Source: EnVent Research, April 2021

FY20: sales €7.9m better than our estimates, EBITDA on sales 12.8% (vs 12.3% FY19) despite Covid impact.

Minor Covid-19 effects, ongoing profitability and workflow.

FY20 sales were €7.9m (vs. €8.4m in 2019), -5.9% YoY reflecting the impact of Covid-19 in H1. Total revenues (including inventory) at €8.9m, no drop on 2019. Operating costs were the same of the 2019. EBITDA was €1.0m, vs. €0.9m in 2019 (margin on Total revenues 11.4% vs. 10.3% in 2019). EBIT, after €0.4m D&A, at €0.4m. After tax, net income at breakeven €0.2m.

Trade Working Capital at year-end 2020 was €5.7 (72% of sales) increased by 48%

Working capital uses cash

compared to 2019, driven by higher receivables related to the need to grant extended terms to customers to facilitate the management of operation during the pandemic and to the increase in inventory caused by orders delays. Payables increased less than receivables gave a partial offset. Capital expenditure was €0.8m mostly related to € 0.6m of IPO cost.

Operations generated cash for € 1.0m offset by €2.9m of Working Capital, Capex and IPO expenses.

IPO proceeds of €2.3m and conversion of shareholders debt into equity of €0.7m concurred to year end Net Debt of €2.9m vs. €3.8m of FY19.

Business Update

Tenax, after our initiation of coverage on 1st of February, announced:

- Cumulated new orders for foreign markets (Germany, UK, Spain, Greece and Cyprus) to about €2.3m
- First order of new e-vehicles Electra Neo 2.0 from Germany
- Machine order backlog (excluding revenues from parts and services) over 108% of total recorded in the Q1 of 2020.

Outlook: opportunities unchanged, if not better

We see recurring signals suggesting that the electric vehicles market potential is among those taking advantages from the post pandemic investment programs.

Major driving factors (EnVent research on public sources):

- commercial fleets and public bodies are continuing their plans to electrify trucks and buses, in order to meet climate commitments and policy requirements
- increasing awareness and diffusion of ESG issues compliance policies
- stricter guidelines on the automotive industry emissions
- rising pressures on *cleaner* municipal fleets and private delivery fleets

There is also a renewed consensus about accelerated growth for smaller and lighter electric powered off-highway vehicles, those for which the battery technology is already adequate to the duties required:

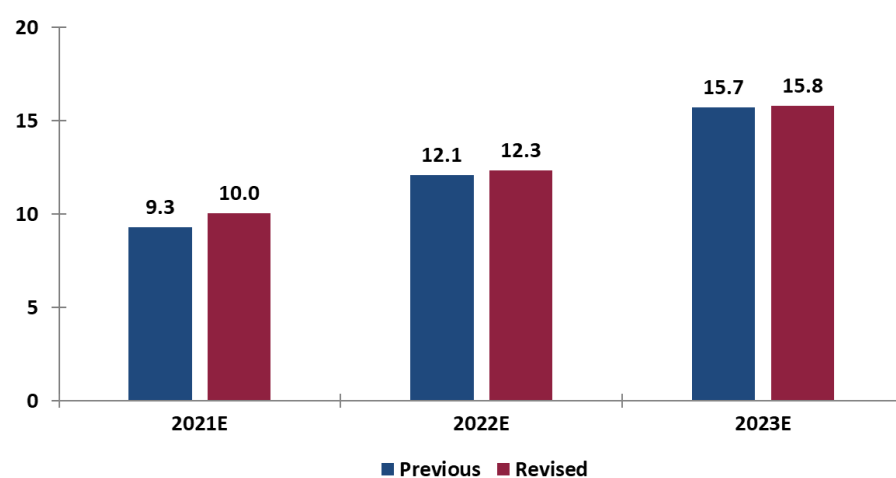
- The “Off-Highway Vehicles Market”, published by Interact Analysis – an international provider of market research for the Intelligent Automation sector – projects that most of the expected 36% of growing sales of off-highway electrified equipment will be represented by smaller vehicles. The same source states that the Covid-19 pandemic cut 2020 global off-highway equipment growth to 2.6% but a recovery to 6.5% is projected for 2021.
- Off-highway Electric Vehicle Market size is projected to reach about \$8,967m by 2026, from about US \$4,024m in 2021, at a CAGR of 14.3%. (source: www.thecowboychannel.com-February 2021)

- “Electrification of mobility will Continue despite market disruptions caused by the Covid-19 outbreak that has making 2020 a difficult year for the commercial vehicle market. The outlook for the next 5 years is to see marked growth in almost every market and vehicle application type...” (source: The Electrification of Transportation and Mobility -ARC Advisory - arcweb.com)
- The global street sweeper market is expected to register a CAGR 2020-30 of 3.5% in revenue and is expected to cross \$6.6Bn by 2030 from about \$4.7Bn in 2020. (source: transparencymarketresearch.com).

Estimates revision

FY20 key figures are consistent or better than our estimates. The increase in Trade Working Capital is a common issue for most industries and companies, as such not a source of concern. As a consequence and especially in view of the good trend of sales and profitability, we are overall confirming our estimates for 2021-2025, with just some fine tuning to factor in 2020 actual figures into our model with gradual readjustment in the following years.

Change in estimates



Source: EnVent Research

€m	Revised			Previous			Change %		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Sales	10.0	12.3	15.8	9.3	12.1	15.7	8%	2%	1%
EBITDA	1.1	1.6	2.4	1.2	1.7	2.2	-12%	-7%	6%
<i>Margin</i>	11%	13%	15%	14%	14%	14%			
EBIT	0.4	0.8	1.7	0.4	1.0	1.6	-4%	-23%	3%
<i>Margin</i>	4%	6%	11%	5%	8%	10%			
Net Income (Loss)	0.2	0.4	1.1	0.2	0.6	1.1	6%	-23%	6%
Net (Debt) Cash	(2.8)	(2.0)	(0.8)	0.9	0.7	0.1			
<i>Net (Debt) / EBITDA</i>	-2.6x	-1.3x	-0.3x	0.7x	0.4x	0.1x			

Source: EnVent Research

Financial projections

Profit and Loss

€m	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Sales	7.9	8.4	7.9	10.0	12.3	15.8	19.3	22.0
Change in inventory	0.4	0.4	0.7	(0.2)	0.7	1.1	0.9	0.4
Capitalization of Intangible assets			0.2					
Other income	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenues	8.4	8.9	8.9	9.9	13.1	16.9	20.2	22.4
YoY %	44.4%	6.4%	-0.1%	11.1%	32.8%	29.0%	19.5%	11.0%
Materials	(4.1)	(4.3)	(4.1)	(4.7)	(6.2)	(8.1)	(9.8)	(11.2)
Services	(1.7)	(1.6)	(1.8)	(2.0)	(2.5)	(3.2)	(3.9)	(4.4)
Personnel	(1.4)	(1.7)	(1.7)	(1.8)	(2.2)	(2.4)	(2.7)	(3.0)
Other operating costs	(0.1)	(0.2)	(0.2)	(0.3)	(0.7)	(0.9)	(1.1)	(0.9)
Operating charges	(7.3)	(7.9)	(7.9)	(8.8)	(11.5)	(14.5)	(17.4)	(19.4)
EBITDA	1.1	1.0	1.0	1.1	1.6	2.4	2.8	3.0
Margin on Sales	13.5%	12.3%	12.8%	10.8%	12.6%	15.0%	14.3%	13.6%
Margin on Total Revenues	12.8%	11.6%	11.4%	10.9%	11.9%	14.0%	13.7%	13.3%
D&A	(0.5)	(0.6)	(0.6)	(0.7)	(0.8)	(0.7)	(0.5)	(0.6)
EBIT	0.6	0.4	0.4	0.4	0.8	1.7	2.3	2.3
Margin	7.3%	4.4%	4.7%	4.2%	5.8%	10.0%	11.3%	10.4%
Interest	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
EBT	0.4	0.2	0.2	0.3	0.6	1.6	2.2	2.2
Margin	5.4%	2.8%	2.7%	2.9%	4.8%	9.3%	10.7%	9.9%
Income taxes	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.4)	(0.6)	(0.6)
Net Income (Loss)	0.4	0.1	0.2	0.2	0.4	1.1	1.5	1.6
Margin	4.8%	1.4%	1.9%	2.0%	3.4%	6.7%	7.7%	7.1%

Source: Company data 2018-20A, EnVent Research 2021-25E

Balance Sheet

€m	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
Inventory	3.1	3.9	4.9	4.7	5.4	6.5	7.4	7.8
Trade receivables	3.0	2.7	4.1	3.7	3.7	3.7	4.5	5.1
Trade payables	(2.3)	(2.6)	(3.2)	(2.8)	(3.7)	(4.8)	(5.9)	(6.6)
Trade Working Capital	3.8	4.0	5.7	5.5	5.4	5.3	6.0	6.4
Other assets (liabilities)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Net Working Capital	3.6	3.8	5.7	5.4	5.2	5.2	5.8	6.1
Intangible assets	0.9	1.5	2.0	1.7	1.3	1.2	1.2	1.2
Property, plant and equipment	0.3	0.5	0.4	1.0	1.3	1.5	1.6	1.7
Non-current assets	1.3	2.0	2.4	2.7	2.6	2.7	2.9	2.9
Provisions	(0.1)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.6)
Net Invested Capital	4.8	5.4	7.7	7.8	7.4	7.3	8.1	8.4
Bank debt	2.5	3.5	5.4	3.5	3.5	3.5	3.5	3.5
Other financial debt	1.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	(0.1)	(0.4)	(2.5)	(0.7)	(1.6)	(2.8)	(3.5)	(4.8)
Net Debt (Cash)	3.3	3.8	2.9	2.8	2.0	0.8	0.0	(1.2)
Equity	1.5	1.7	4.7	4.9	5.4	6.5	8.1	9.7
Sources	4.8	5.4	7.7	7.8	7.4	7.3	8.1	8.4

Source: Company data 2018-20A, EnVent Research 2021-25E

Cash Flow

€m	2018	2019	2020	2021E	2022E	2023E	2024E	2025E
EBIT	0.6	0.4	0.4	0.4	0.8	1.7	2.3	2.3
Current taxes	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.4)	(0.6)	(0.6)
D&A	0.5	0.6	0.6	0.7	0.8	0.7	0.5	0.6
Provisions	0.0	0.3	0.0	0.0	0.1	0.0	0.0	0.0
Cash flow from P&L operations	1.1	1.2	1.0	1.0	1.4	2.0	2.2	2.4
Trade Working Capital	(2.9)	(0.2)	(1.7)	0.2	0.2	0.0	(0.6)	(0.4)
Other assets and liabilities	0.5	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Capex	(0.2)	(1.1)	(0.5)	(1.0)	(0.7)	(0.7)	(0.7)	(0.7)
Capex - IPO cost	0.0	0.0	(0.6)	0.0	0.0	0.0	0.0	0.0
Operating cash flow after working capital and capex	(1.4)	(0.1)	(1.9)	0.2	0.9	1.3	0.9	1.4
Interest	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Goodwill allocation	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
IPO Proceeds	0.0	0.0	2.9	0.0	0.0	0.0	0.0	0.0
Net cash flow	(1.6)	(0.5)	0.9	0.1	0.8	1.2	0.8	1.2
Net Debt (Beginning)	(1.7)	(3.3)	(3.8)	(2.9)	(2.8)	(2.0)	(0.8)	(0.0)
Net Debt (End)	(3.3)	(3.8)	(2.9)	(2.8)	(2.0)	(0.8)	(0.0)	1.2
Change in Net Debt (Cash)	(1.6)	(0.5)	0.9	0.1	0.8	1.2	0.8	1.2

Source: Company data 2018-20A, EnVent Research 2021-25E

Valuation

Discounted Cash Flows

Updated assumptions (base case):

- Risk free rate: 1.5% (Italian 10-year government bonds interest rate - 3Y average. Source: Bloomberg, March 2021)
- Market return: 12.7% (3Y average. Source: Bloomberg, March 2021)
- Market risk premium: 11.1%
- Beta: 1
- Cost of equity: 12.7%
- Cost of debt: 3.5%
- Tax rate: 24% (IRES)
- 40% debt/(debt + equity)
- WACC 8.7%
- Perpetual growth rate after explicit projections: 2.5%
- Terminal Value assumes an EBITDA margin of 11%

DCF Valuation

€m	2020	2021E	2022E	2023E	2024E	2025E	Perpetuity
Revenues	8.9	9.9	13.1	16.9	20.2	22.4	23.0
EBITDA	1.0	1.1	1.6	2.4	2.8	3.0	2.5
<i>Margin</i>	11.4%	10.9%	11.9%	14.0%	13.7%	13.3%	11.0%
EBIT	0.4	0.4	0.8	1.7	2.3	2.3	2.0
<i>Margin</i>	4.7%	4.2%	5.8%	10.0%	11.3%	10.4%	8.8%
Taxes	(0.1)	(0.1)	(0.2)	(0.5)	(0.6)	(0.7)	(0.6)
NOPAT	0.3	0.3	0.5	1.2	1.6	1.7	1.5
D&A	0.6	0.7	0.8	0.7	0.5	0.6	0.5
Provisions	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Cash flow from operations	0.9	1.0	1.4	1.9	2.2	2.4	2.0
Trade Working Capital	(1.7)	0.2	0.2	0.0	(0.6)	(0.4)	(0.3)
Other assets and liabilities	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Capex	(0.5)	(1.0)	(0.7)	(0.7)	(0.7)	(0.7)	(0.5)
Capex - IPO costs	(0.6)	0.0	0.0	0.0	0.0	0.0	0.0
Unlevered free cash flow	(2.0)	0.2	0.9	1.3	0.9	1.3	1.2
WACC	8.7%						
Long-term growth (G)	2.5%						
Discounted Cash Flows	(2.0)	0.2	0.8	1.0	0.6	0.9	
Sum of Discounted Cash Flows	3.5						
Terminal Value							20.1
Discounted TV	13.3						
Enterprise Value	16.7						
Net Debt as of 31/12/21	(2.9)						
Equity Value	13.8						
DCF - Implied multiples	2020	2021E	2022E	2023E	2024E	2025E	
EV/Revenues	1.9x	1.7x	1.3x	1.0x	0.8x	0.7x	
EV/EBITDA	16.6x	15.5x	10.7x	7.1x	6.1x	5.6x	
EV/EBIT	39.7x	40.7x	22.2x	9.9x	7.4x	7.1x	
P/E	81.5x	68.3x	30.7x	12.2x	8.9x	8.7x	

Source: EnVent Research

Target Price

The application of our valuation model yields a share price of €4.38 (revising our previous €3.97 per share TP). With a potential upside of 36% on the current share price, we keep an OUTPERFORM recommendation.

Please refer to important disclosures at the end of this report.

	€
Target Price	4.38
Current Share Price (26/04/2021)	3.21
Premium (Discount)	36%

Source: EnVent Research

Annex

Peer Group - Market Multiples

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2020	2021E	2022E	2020	2021E	2022E	2020	2021E	2022E	2020	2021E	2022E
Tenax International	1.5x	1.3x	1.0x	13.0x	12.1x	8.4x	31.0x	31.8x	17.3x	59.9x	50.2x	22.6x
Bucher Industries	1.7x	1.5x	1.5x	16.0x	13.1x	11.6x	23.2x	17.2x	15.1x	33.0x	24.5x	20.8x
Nilfisk	1.3x	1.2x	1.1x	22.5x	9.2x	8.3x	33.1x	21.6x	17.3x	n.a.	23.7x	17.9x
Tennant	1.7x	1.6x	1.6x	14.6x	12.7x	11.7x	25.1x	21.5x	18.7x	45.4x	22.0x	n.a.
Federal Signal Corp.	2.4x	2.2x	2.0x	15.0x	13.2x	12.0x	20.4x	17.6x	15.7x	26.6x	22.5x	19.9x
Alamo Group	1.9x	1.7x	1.6x	15.0x	13.0x	11.8x	21.3x	17.7x	15.6x	33.9x	22.4x	19.0x
Mean	1.8x	1.7x	1.6x	16.6x	12.2x	11.1x	24.6x	19.1x	16.5x	34.7x	23.0x	19.4x
Median	1.7x	1.6x	1.6x	15.0x	13.0x	11.7x	23.2x	17.7x	15.7x	33.5x	22.5x	19.5x

Source: S&P Capital IQ, April 2021

Investment case

Company

Tenax International S.p.A. (Tenax), listed on AIM Italia since December 2020, is an Italian producer of high performance full electric road sweepers and washers. Tenax vehicles are designed and engineered from the ground up in-house, rather than electrifying older diesel-based models already available in the market. The internal development process unlocks the full potential of the electric power technology, providing light and efficient vehicles with zero emissions and with modulable power storage based on customers' needs. Major end customers are public administrations and municipalities which are reached through a comprehensive dealer network.

Revenue drivers

Major trends such as urbanization and growing population are generating growing demand of automated machinery, for efficient and sustainable urban and industrial surfaces cleaning and waste management. Sales are generated by selection and participation to public tenders by municipal organizations, with Tenax supplying cheaper and more efficient cleaning vehicles compared to conventional machines based on diesel engines and heavy powertrains of industrial machines.

Drivers

Industry drivers

Global continuing and growing demand for mobile machinery. Mega-trends are gradually shifting the addressable market towards emerging economies. While Europe holds a major share of the global street sweeper market, followed by North America, the market in Asia Pacific is likely to expand significantly, with Chinese and Indian governments investing in smart city projects.

Electric-based machines at the core of e-mobility innovation. The fight against climate change and decarbonization of transport is expected to bring huge benefits to cities and communities: an electric vehicle is not only cleaner than an internal combustion vehicle, it is also more efficient, consuming one-third of the energy of fuel-powered cars. The market penetration of electric cars is still low, but their growth is impressive: in 2018, the global number of electric vehicles reached over 5m, +63% YoY (Source: International Energy Agency. *Global EV Outlook 2019*, 2019).

Feeding sustainability demand in the road sweepers market: wide room for growth of full electric vehicles. Electric and hybrid street sweepers are gaining increased popularity among municipal organizations for reducing greenhouse gas emissions. Manufacturers are increasing their R&D activity to integrate into the machines high-capacity batteries and to introduce machines that consist of large hoppers and water tanks, resulting in fewer scheduled stops

and improving productivity levels.

European road safety legislation for mobile machinery evolving towards establishing standards for manufacturers. The European Commission is in the process of harmonizing the requirements for the road circulation of mobile machinery, especially sweepers, across the EU. Industry manufacturers are actively involved in the review of the relevant regulation to determine the more appropriate conformity procedures to industry's needs.

The mobile machinery industry is a Europe-based world-class industrial cluster. World-class manufacturers of road sweepers are mainly European companies, with Swiss and Italian manufacturers among the top worldwide operators.

Company drivers

Full-electric pioneer in a market segment destined to shift to electric. Tenax, producing 100% electric street cleaning machines, is in a niche market driven by growing demand for electric vehicles, which meet the ethical obligation for public bodies of leading the way for reducing pollution and energy consumption.

Development and innovation skills. R&D, innovation and new product development, are at the core of Tenax business model, addressing customers' service needs. The value chain is directly managed with main focus on value-added phases such as design and engineering.

Diversified product portfolio. Tenax product portfolio includes different models of sweepers and a washer, covering different needs as to water tank and waste tank capacity. In addition, the Company's machines are adaptable to different kinds of batteries based on specific customers' needs.

Global presence. Tenax has a global presence: one production plant in Italy and a network of dealers supporting sales, marketing and product distribution in 42 countries. Over 80% of Tenax machines are for export markets.

Ability to design and develop cost-effective cleaning vehicles. Tenax electric sweepers assure a 30-40% lower weight and lower engine voltage compared to most competitors' products. Electric vehicles eliminate efficiency losses and oil leaks and allow the choice of the most appropriate battery. Electric vehicles have lower operating and maintenance costs, compared to internal combustion vehicles. Electrical systems last longer and break down less often. As such, the life-cycle cost of a full electric vehicle is lower than that of the earlier technology, so that in 18 months, according to management, its higher purchase price compared to a diesel vehicle is repaid.

Challenges

High rivalry. Competition in the industry is based on several factors, including product quality, reliability, innovation and technology, pricing. For the full electric products, the ability to

compete in the industry depends also on the cost savings generated along the learning curve.

Second and fast second movers may populate market and increase competition. According to Fact.MR, a market intelligence firm, electric vehicles represent around 12% of total street sweepers market, increasing to around 21% in 2027. As mass market and dominant design emerge, Tenax might face traditional trailblazer trials. Growth may lead giants and well-established players to consolidate their electric vehicles share fleet exploiting their existing sales network, manufacturing capabilities and brands.

Municipal organizations dependency. Tenax products are sensitive to capital spending policies and availability of public bodies and agencies.

International markets exposure. Total revenues coming from foreign operations accounted for more than 80% of 2019 total revenues. International operations are in principle subject to risks, such as political and economic instability, local labor markets, trade relations and variety of regulatory frameworks. In addition, foreign operations outside the Euro-area can impact the financial position due to fluctuations in currency exchange rates.

Sustainability of operating margins. Tenax is enjoying sound profitability and operating margins since the beginning of operations, higher than several industry competitors. As operations progress, with capital expenditure aimed at widening the product portfolio, together with the high rivalry in the industry, in the long-term operating margins may be aligned to the industry trends.

Retention of quality management and people. Tenax top management has gained a solid industry experience, as such they are critical to operations and marketing. Moreover, technology development and marketing effectiveness in managing the growth program are dependent on the ability to attract and retain qualified staff.

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Tenax International

Date	Recommendation	Target Price (€)	Share Price (€)
01/02/2021	OUTPERFORM	3.97	3.00
26/04/2021	OUTPERFORM	4.38	3.21

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