

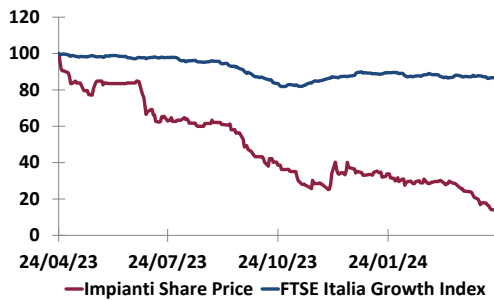


## OUTPERFORM

Current Share Price (€): 0.20

Target Price (€): 0.70

### Impianti – 1Y Performance



Source: S&P Capital IQ - Note: 24/04/2023 (IPO offer price)=100

### Company data

ISIN number	IT0005518953
Bloomberg code	MPT IM
Reuters code	MPT.MI
Industry	Technology Distributors
Stock market	Euronext Growth Milan
Share Price (€)	0.20
Date of Price	22/04/2024
Shares Outstanding (m)	7.7
Market Cap (€m)	1.5
Market Float (%)	21.3%
Daily Volume	12,000
Avg Daily Volume YTD	28,462
Target Price (€)	0.70
Upside (%)	254%
Recommendation	OUTPERFORM

### Share price performance

	1M	3M	6M	1Y
Impianti - Absolute (%)	-49%	-59%	-64%	-86%
FTSE Italia Growth Index (%)	-2%	-3%	4%	-13%
1Y Range H/L (€)			1.42	0.20
YTD Change (€) / %			-0.30	-60%

Source: S&P Capital IQ

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## Innovation engine

We initiate coverage of Impianti: **OUTPERFORM** rating, Target Price €0.70 per share. Impianti, listed on Euronext Growth Milan since December 2022, is a specialist in innovations for professional last-generation corporate communication systems and other mission-critical technologies, addressed to large organizations, those whose concern for reputation obliges state-of-the-art quality of communication with all stakeholders, and those feeling a urge to have avant-garde tech innovations for effective security and efficient modern workplaces.

**Moving core business towards an Innovation Engine profile.** Impianti has a three decade long history as an ICT specialist, provider of communication technology for office infrastructures and plant engineering activities. In last years Pro-Audio & Video critical applications have been core, as System Integrator and Business Developer of vertical solutions for large and complex organizations, leveraging on the rapidly evolving digital tech innovators global ecosystem.

**Turning point: upgrading to key tech partner to cope with global trends.** The current achievements with large public administrations, institutional bodies and corporations depict an upgraded profile of tech proactive discoverer and promoter of new technologies within the hyper-fast telecommunication and digitalization spread. Unified Collaboration and Communication and Modern Workplace are examples of cloud platform-based services revolutionizing the global Professional Communication Industry to cope with global trends: work-from-anywhere, proliferation of international videoconference-based meetings, tele-medicine, civil protection fleets security, as examples.

**Delays in recent awards slowdown 2023 revenues, current backlog up.** Impianti 2023 financials, revenues at € 7.5m versus € 10m of prior year, recorded a parallel decrease in the three major business lines. Plausible concurring factors are: 1. multiple macroeconomic hurdles still softening global demand across geographies and industries, observed in many other companies along the industry supply chain; 2. according to management, unpredictable delays in launching and processing many public tenders shifted over 2023 year-end sizable awards to Impianti, which in turn activated a bold increase in Q1 2024 backlog.

**Harvesting after investment in Innovator reputation.** Based on our analysis above, we evaluate as a fairly meaningful strategy targeting those emerging market segments and stress the hi-tech component of the portfolio, which may face a weaker competition while requiring a time to market effort. Our key assumptions are a revenue recover during 2024, together with ground to catch increasing opportunities. Then we expect a progressive revenue and profitability growth, taking into account the slow-moving public tender process, and a backlog-based value building as recent investments payback. We deem the recent market price trend as over-drowning, being affected of an exogenous combination of contingencies. We have applied our valuation model in the mixed framework of investment costs and rising backlog. We point at €0.70 per share as a suitable reference to evaluate the potential of Impianti.

### KEY FINANCIALS AND ESTIMATES

€m	2022	2023	2024E	2025E	2026E
<b>Sales</b>	<b>10.0</b>	<b>7.5</b>	<b>9.3</b>	<b>10.8</b>	<b>12.4</b>
Total Revenues	10.4	7.8	9.6	11.1	12.7
<b>EBITDA</b>	<b>0.1</b>	<b>(1.2)</b>	<b>0.1</b>	<b>0.5</b>	<b>1.0</b>
Margin on Sales	1%	-16%	1%	4%	8%
<b>EBIT</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.8</b>
<b>Net Income (Loss)</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>0.2</b>	<b>0.6</b>
<b>Net (Debt) Cash</b>	<b>0.5</b>	<b>0.1</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>0.3</b>
<b>Equity</b>	<b>2.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.3</b>	<b>1.9</b>

Source: Company data 2022-23A, EnVent Research 2024-26E

# 1. INVESTMENT CASE

## Company

Impianti SpA is an Italian long-standing specialist in professional last-generation corporate communication systems and other mission-critical technologies, offering tailor-made solutions, massive installations and post-sale assistance. Reference industries and markets are Unified Collaboration and Communication platforms (UCC), Security/Defense systems and Healthcare for digital innovation. Main prospect customers are Public Administrations and Government Bodies, large corporations, Education system.

Main services:

- UCC System integration
- Professional Audio/Visual
- Security and Defense devices
- After sale assistance
- E-commerce

## Mission – Innovation Engine

Tech Innovation Engine for Professional Communication Systems and other Mission-critical technologies, addressed to large organizations whose concern for reputation obliges high quality of communication with all stakeholders, and for those feeling urge to have avant-garde tech innovations for effective security and efficient modern workplaces.

## Drivers

### Industry drivers

**Leading edge Integrated communication systems: a *must have* spreading across industries and organizations.** Integrated high-end collaboration systems are bound to become a global *must have*, not just a *nice to have* limited to certain leading organizations or in a small number of countries. The rise of disruptions brought by global portable devices and social media *free-for-all*, is multiplying chances of spreading comparisons among diverse experiences, which in turn are likely to become challenges to effectiveness of communication and to the reputation of most organizations.

**Interactive audio-visual digital technology.** Communication is undergoing its digital revolution driven by creativity and power of technologies. Major changes: rise of remote working and *work-from-everywhere*; big data analytics as indispensable knowledge to collect and use relevant information driving intelligence; Artificial Intelligence tools, which will drive the automation of interactions between users.

**Challenges to reputation call for action.** A digital transformation by-product is ungoverned communication between organizations and their stakeholders. A common awareness about industries and most organizations is that their reputation is carrying risk of being heavily impacted by spreading at high speed of any dissatisfaction or criticism, including deliberated adverse competition, coming from perceptions on their operations and quality of communication. A call for continuing improvement of communication policy and quality.

**Quality of communication crucial among stakeholders' communities.** Governmental, non-governmental and most other public interest organizations are inherently committed in building reputation and trust with their stakeholders in the widest sense and extension. Unique meeting environments and multiple languages demand advanced conference systems, while facing unusual challenges coming from the easy ways of spreading of audio and visual communication from the most various sources. Poor quality of large audience meetings would result in an immediate loss of reputation. As a consequence, there is an increasing need of event and meeting equipment with audio and visual systems whose quality could support effective public relations, efficient discharge of duties and decision-making when involving a wide and busy audience.

**Smart city security, mobility and public services need AI driven solutions.** Digital control and AI are accelerating evolution trends: unmanned vehicles, security control devices, interactive audio-visuals. Some current civilian uses for unmanned vehicles are search and rescue, crop monitoring, wildlife conservation, aerial photography, environmental research, infrastructure inspection and disaster management. Smart city and territory evolution means involving extensive use of digital devices, for mobility, sport and art venues security, open air unwanted drones, support to rescue operations, as examples. A promising huge market for innovative brands and technology designers and providers.

**Digital and visual trend in Education.** Flexible schooling trend is the next education model. Flexible schooling delivers more scheduling options for learners and enhances personalization of degree programs. Covid pandemic has been a catalyst for hybrid learning and some new approaches are here to stay. Digital and visual infrastructure is becoming predominant and digital transformation in the education system is set to accelerate over the medium term, delivering more accessible and engaging products thanks to innovations like virtual reality.

**Networking and customer portfolio.** Building and consolidating relationships is a key success factor in this industry, especially for traditional communication services and for small players/consultants. As a consequence, a skilled, experienced and strongly networked team of professionals is a crucial driver to acquire and retain clients.

### **Company drivers**

**Core competencies.** Over the years Impianti has developed core competencies: tech know-how and scouting, wide services and products offer integration and business development capabilities. These are key to operate as enabler for businesses going towards the next level of digital collaboration with their stakeholders and those organizations needing cutting edge technology and solutions.

**Expertise and premium customers.** Impianti has a comprehensive experience with prominent domestic and multinational customers and major government bodies and institutions, leveraging on its key set of certifications. Quality of credentials and size of customers are witnessed by registration in over 100 registers of approved suppliers and the obligation of confidentiality for most public administration projects.

**Partnerships with the industry ecosystem.** Impianti has established strategic partnerships with ICT developers and technology brands globally in order to support its customers with innovative and integrated solutions and services. Partnerships aim at providing products and services in different technical areas. Some partnerships are exclusive for the Italian market with no risk of competition. Cutting edge products and exclusive distribution agreements are crucial in order to attract new customers interested in partners' technology, as well as partners are aware that Impianti is the "bridge" to access Italian market.

**Widespread relations with Institutions and Public Authorities.** Impianti has built over time consolidated relationships with government and local public bodies and entities. The ongoing program of renewal and digitalization of the Italian public administration pushed by NRRP (in Italian: Piano Nazionale di Ripresa e Resilienza), increasing opportunities of tenders to support digital communication projects.

**Business mix around innovative technologies.** Impianti selling proposition enrichment, adding to portfolio, security defense and healthcare solutions is opening access to fast evolving and growing markets

**Self-commitment for social responsibility.** ESG are a core value for Impianti, committed to compliance with international standards and protocols and releasing its annual sustainability report since 2020. In addition, Impianti has undertaken voluntary initiatives such as "Zero Paper" and "No Waste" to reduce its environmental impact. Since 2022, Impianti is a WHP network partner, awarded as a company that promotes health in the workplace and has received a special mention in "Virtuous equality" and the "Sharing to reconcile" award, organized by the Equal Opportunities Committee of Regione Lombardia.

**Capital-free business model.** Impianti, as most tech consulting companies, is an asset-light business.

## Challenges

**Technological change.** Technology and services are in a continuous change and development. To be forefront and updating skills are crucial tasks in order to not being left behind.

**Delays in projects and challenging payment terms.** Part of Impianti's business strategy is participation in tenders whose financing may come from governments and/or international institutions. While governments and other institutions' spending is a driver for industry growth, at the same time, limited or insufficient public funding might cause delays in projects, thereby exposing contractors to slow capital turnover or claims in payments.

**Competition.** Tech sector is quite fragmented and varied. Though Impianti occupies a sort of niche, due to its specific value proposition, its size does not prevent or protect from decision of more traditional or “slower” market players, such as other system integrators, to attack its niche and/or to attract most talented professionals with remuneration offers.

**Highly competitive markets.** The wider digitalization consulting and solutions industry, despite continuing evolution, is highly populated and competitive. In addition, being a tech scout, when targeting cutting edge and newborn technology, Impianti may encounter competition from larger players.

**High rank clients requiring sizeable tech suppliers.** Domestic and international players offering generalist IT services across a wide range of technology products and applications may be more attractive for clients requiring integrated solutions.

**Global turmoil.** While recalling that the entire industry expects long term benefits from the hi-tech visual revolution trend, the recent global geopolitical and logistic challenges have been - and may continue - counteracting towards the growth trend. Examples of challenges coming from the macroeconomic environment are interest rate and foreign exchange fluctuations, uncertainties about inflation, consumer confidence and declines in enterprise spending.

**Supplier risk.** Impianti purchases most of its products from a limited number of sources. Events like suppliers delaying deliveries or suffering constrains because of shortages of electronic components impacted by global shortages of semiconductor chips, or delayed product shipments could adversely affect operations.

## 2. PROFILE

### Technology scouting

Impianti, listed on Euronext Growth Milan since December 2022, is a technology scout, system integrator and business developer, looking for cutting edge technologies to offer its customers turnkey solutions in ICT, audio&video, collaboration, modern workplace and UCC, health, defense and law enforcement sectors; full offer includes massive installations and after sale maintenance. Reference customers are Public Administrations, Education and large private companies. Impianti headquarter is in Carate Brianza (MB). Team size is around 20 employees.

### History and key developments

#### Key milestones

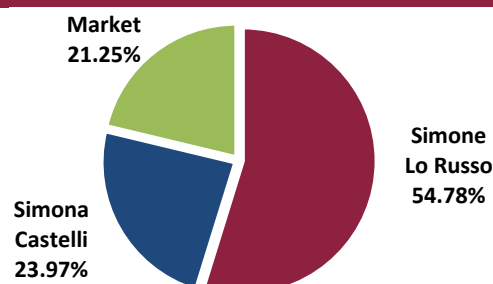
<b>1992</b>	• Establishment of Impianti
<b>2000</b>	• SOA OS19 and OS30 certifications mandatory for public work
<b>2005</b>	• Rome office opening to manage relationship with PA and cover the Centre/South Italy market
<b>2006</b>	• ISO 9001 certification • Joining the MEPA portal
<b>2015</b>	• Impianti USA branch inception
<b>2019</b>	• ISO 14001 and ISO/IEC 27001 certifications
<b>2020</b>	• ISO 45001 certification • First sustainability report
<b>2022</b>	• Listing on Euronext Growth Milan, IPO proceeds €1.2m

Source: Company data

### 2024 market awareness initiatives

- Organizer of “Drones: a tool for security and territory” conference at Deputies Chamber (Rome)
- Awarded by Open-es Camp for “N.I.C.E. Learning”, an ecosystem of training proposals in sustainability, conveyed by an AI powered cloud-based platform and in-presence activities with workshops, aimed at translating content proposed by Open-es platform into action

### Shareholders



Source: Company data

Certifications		
Name	Year	Description
SOA	2000	Mandatory for public work Cat.OS19, OS30
UNI EN ISO 9001:2015	2006	Quality management systems and business process
ISO/IEC 27001:2013	2019	Data security, cybersecurity and privacy protection
ISO 45001:2018	2019	Occupational health and safety management systems
Art. 28 TULPS	2019	National defense and law enforcement approved provider
UNI EN ISO 14001:2015	2020	Environmental management systems
UNI EN ISO 14064-1:2019	2023	Quantification/reporting of greenhouse gas emissions
UNI 11799:2020	2023	Audio Video and Control system integration services
UNI/Pdr 125:2022	2023	Gender equality

Source: Company data

### Recent international partners

#### Audio/Video and UCC ecosystem



Tailor-made, sustainable, high quality and design acoustic and lighting solutions for meeting rooms and phone booths



RE MAGO



Software solutions for hybrid collaboration for simplified, inclusive and engaging meetings



Verkada



Integrated, scalable and innovative security solutions cloud based for work environments



A full portfolio of pioneering devices that address any space in modern workplace, integrated with major communication software



Videoconferencing devices powered by Artificial Intelligence to provide an immersive and engaging experience

#### Defense



Dronus



Drones for smart cities, surveillance and public security or for the inspection of industrial sites located in extreme or remote areas with low or no GPS coverage



FORTEM TECHNOLOGIES



Drone and Anti-drone system which identifies, captures and neutralizes potential threats through Artificial Intelligence



Interdiction and protection systems for boats and rescue systems for drifting vessels (Vessel Arrest System)

#### Healthcare



Air purification solutions for personal use or meeting rooms exploiting photocatalytic technology

Source: Company data

### Key people

<b>Simone Lo Russo</b> Co-Founder, CEO	<b>Simona Castelli</b> Co-Founder, Chairman and COO	<b>Lucrezia Toscana</b> CFO HR Director
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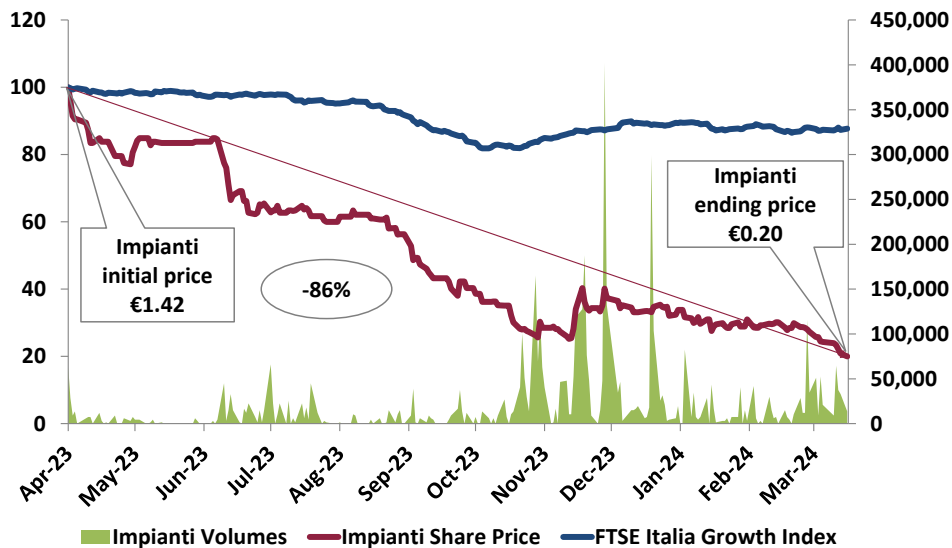
Source: Company data

### IPO and stock market performance on Euronext Growth Milan

Impianti on Euronext Growth Milan	
Stock market	Euronext Growth Milan
Bloomberg code	MPT IM
Reuters code	MPT.MI
IPO date	16/12/2022
Offer Price (€)	1.20
Money raised (€m)	2.0
Market Cap at IPO (€m)	9.0
Free float at IPO	19.6%
Ordinary shares - ISIN number	IT0005518953
Shares outstanding	7,666,875
Current Share Price (€)	0.20
Current Market Cap (€m)	1.5

Source: Company data and S&P Capital IQ, update: 24/04/2024

### Share price performance and volumes since IPO



Source: S&P Capital IQ - Note: 24/04/2024 price=100



### 3. INDUSTRY INSIGHTS, MARKET TRENDS AND OUTLOOK

#### **New frontiers: Unified Communication and Critical Environments Devices**

##### **Emerging disruptive tech devices...**

The convergence of more advanced telecommunication and processing technologies has been fueling accelerated evolutions and substitutions of state-of-the-art devices and systems. Internet of Things applications, video equipped drones, control devices, military electronic weapons, are driving disrupting innovation in various fields and are creating increasingly powerful, at the same time vulnerable, digitally operated products and systems.

##### **...call for tech-oriented innovation partners**

Impianti has as main reference ecosystems the scouting of tech innovations for the professional audio video industry and other high tech digital devices segments. Target markets and organizations are those most concerned with complexity and innovation to cope with their audiences and stakeholders' perception. The range is wide and diversified, from large corporates, government bodies and public service organizations dealing with massive internal and external communication and mission critical environments. Examples are defense and control of sensitive environments devices, urban monitoring, civil and security drone fleets, telemedicine, advanced and international education using UCC platforms.

##### **Tech innovation: reputation matter for trust among stakeholders**

**Cost no object when reputation is under challenge**

According to the general concept that any organization ultimately depends on its reputation for survival and success, reputation management is a corporate/social goal and institutional communication primary interest is creating identity and image, with a long-term view, and improving reputation. These purposes belong to most businesses and go beyond to public institutions, up to government and inter-government organizations, which must be - and actually are - over-worried about reputation impairment risk. This could happen any time when carrying image issues at public events involving public and press, meaning a huge audience of stakeholders with whom share mutual trust. Reputation safeguard is worth any effort.

#### **Digital Communication Ecosystems**

##### **The Professional Communication Industry**

**Never one-size-fits-all**

A professional audio/visual (AV) system is an interaction system typically custom designed to provide private and public locations with applications such as conferencing systems, electronic displays to deliver videos, web content, graphics, and texts. Projection systems, lighting and sound devices, and digital signage, whiteboard recording represent other feature available, also used in classrooms, presentations, and on-site product demonstrations. The industry mission is to improve user communication and connectivity.

## What is Video Conferencing Equipment?

Video Conferencing Equipment is audio-visual hardware that enables video conference calls. This includes cameras, microphones, speakers, remote controls, etc. installed in a meeting room with a monitor so that conference participants can collaborate with colleagues in a remote location. Up to date deployments may support one-to-many conferences (e.g. a livestream broadcast), or many-to-many collaborations with peers spread across disparate locations able to talk to and see each other.

Video conferencing solutions spaces come in all shapes and sizes and the businesses that use them can vary from those willing the latest and best regardless of cost to those who could not afford it but need it to cope with competition.

## Meeting Space Collaboration System

"Meeting space collaboration system" and "Conference room system" are other common names for video conferencing equipment. Many vendors in this space offer room system or collaboration system packages that include both the hardware and software necessary to set up a virtual meeting room. Other vendors instead offer web conferencing software and partner with companies that provide the hardware.

### Products and services

- Wireless conference system for conference rooms (in offices, schools, hospitals, ...) where multiple people need to move without interrupting each other's conversation
- Noise reduction technology to reduces background noises
- Collaboration platforms, also providing groupware functionalities such as contact management and mail alerts
- Other professional products designed to provide business with a variety of options for capturing meetings, enhancing productivity, and boosting the image of their organization

Video conferencing hardware like displays, cameras, and microphones typically have a one-time, upfront cost. Other costs such as service plans or hardware upgrades and maintenance may have a recurring fee.

### Video conferencing equipment features and capabilities

While Video Conferencing Equipment is an expansive category which includes the various components that make up digital communication, there are some characteristics to look for that can make a difference:

- HD video and audio quality
- Support for multiple microphones and monitor
- Interoperability with web conferencing software and VoIP services
- Self-diagnostic & easy troubleshooting
- Room booking, calendaring, scheduling and event reminders
- Event recording
- Dynamic responsive video camera (focus on speaker)
- Screen-sharing, support for web conferencing type features

### Key purchase factors

#### Cost no object

- Voice, sound and video quality as lifelike as possible make video conferencing better acceptable to replace travel and in-person meetings to improve productivity
- Noise reduction systems, insulated rooms and devices with superior technological development – such as innovative algorithms – able to take and adaptively follow unwanted noises and changes in the noise spectrum to reduce or shape them for an improved sound experience
- Apart from the quality of meetings, an efficient system also would minimize time spent by IT administrators because of troubleshooting equipment
- Interoperability with web conferencing software and VoIP providers, appointment scheduling functionality and ability to upgrade by adding multiple cameras and/or microphones for larger spaces and groups are other key considerations for buyers

### Work from anywhere/hybrid work

Adjusting to more flexible ways of working is a global trend. Employers have to deal with advantages and inconveniences, anyway, work must be comfortable, creative and efficient, being home, office, traveling or anywhere, so the right tools are a must have.

#### Doomed global trend

People working from more locations need workspaces that require the right equipment to communicate effectively. Video, the new telephone, is everywhere: wherever there is a workspace or a meeting room, there is a need to connect, and a huge number of office meeting rooms still miss a proper equipment. Modern deployments may support one-to-many conferences (e.g. a livestream broadcast), or many-to-many collaborations with peers spread across disparate locations able to talk to and see each other.

### Unified Communication and Collaboration: ultimate solution

Unified Communications and Collaboration (UCC) could be defined as the combination in one integrated interface or solution of multiple forms of communications and collaboration technologies. Until recently, enterprise collaboration vendors (industry dominant software companies like Microsoft and IBM) were distinct from those for enterprise communications, comprising by telephony and networking vendors. This distinction has become blurred: software companies now offer voice and telephony features, while vendors like Cisco have moved into the collaboration market. Final goal is providing products that make easier for people to communicate remotely and manage meetings, training, and other professional activities, prioritizing better user experiences, deeper customization, higher levels of interoperability, and robust security protocols. Wireless systems are designed to be used in conjunction with existing wired infrastructure, which allows to use existing technology while eliminating any unnecessary cabling. Cloud solutions integrate working and communication tools, bringing the *work from anywhere* concept to a further level.

#### Wireless meeting wired

## Unified Communication and Collaboration



Source: EnVent Research

### Hardware and software competencies mix

Industry engineering is based upon:

- expertise in key engineering disciplines such as sensors, acoustics, optics, wireless, and power management as core competitive advantage
- more advanced technologies such as software, apps, cloud, data analytics, machine learning, artificial intelligence, augmented reality or virtual reality

### Audio-Video System market data and trend

According to a report from research company Mordor Intelligence, the Professional Audio-Visual System market value is expected at \$279 b in 2024 and it's expected to reach \$357 b by 2029, recording a 5.1% 2024-29 CAGR (source: Mordor Intelligence, *Professional Audio-Visual Systems Market Size & Share Analysis – Growth Trends & Forecasts 2024 – 2029, 2024*).

Major technological developments which are becoming factors of market growth are innovations such as the convergence of professional audio-visual devices with the Internet of Things (IoT) and cloud computing platforms. These technologies are becoming game changers through applications for live events, international meetings, collaboration, learning, conferencing, security.

According to Mordor Intelligence, a selection of players in the Professional Audio-Visual System is: AVI-SPL Inc., Diversified, AVI Systems Inc., Ford Audio-Video LLC, CCS Presentation Systems Inc., Solutionz Inc., Electrosonic Group, Avidex, Solotech Inc., Conference Technologies Inc. and Vistacom Inc.

### Game changers

### Competition, no listed peers

## Focus on Education rising demand

Globalization boosts international schools. Globalization drives demand for high quality education and communication skills with an international scope. According to International Schools Consultancy (ISC Research), a market intelligence firm specialized in K-12 international school data, in the last 20 years international schools fee income has grown ten times between 2000 and 2020 from \$5bn to \$54bn, and it is set to reach \$85bn in 2027.

## Beyond conventional defense

### A new scenario

In response to a new era of geopolitical uncertainty and rapidly shifting national security environment, countries across the world are evolving their military capabilities. National security demands new tools, mostly sourced by tech firms outside the traditional defense industry: an ecosystem of start-ups and non-incumbent is driving innovation, attracting significant venture capital funding, well positioned to fulfill critical national security needs, complementing defense incumbents that might not have enough skills to cope with the evolving demands. Technology-enabled missions require decentralized cloud computing, data management, edge analytics, autonomy-enabling systems, and a plethora of hardware solutions and novel materials and this is likely to further increase in the foreseeable future.

In a globally intertwined world, security goes beyond armed defense. It can encompass industrial and supply chain resilience; the long-term physical and cyber integrity of critical infrastructure; strengthening digital sovereignty; securing global trade routes and food supply; and mitigating the effects of climate change on national security.

### Investment flow

European countries have already started to increase their defense expenses. According to consulting firm McKinsey, based on announced spending plans defense budgets are expected to increase from €700b to €800b between 2022 and 2028 (source: McKinsey, *The future of European defense and security*, 2024). The US Department of Defense has undertaken initiative to access commercial technology, such as the Replicator initiative in 2023 to rapidly field autonomous systems. NATO has established an innovation accelerator (DIANA) to foster collaboration with start-ups and other tech companies, also announcing a €1b Innovation Fund focused on dual-use technologies (source: McKinsey, *A rising wave of tech disruptors: The future of defense innovation?*, 2024).

Private capitals are also pursuing defense tech opportunities: venture capital investment in defense technologies went from \$4.2b in 2019 to \$11.0b in 2022, mostly financing disaggregated platforms, fast and resilient networks, and cutting-edge technologies (source: McKinsey, *The future of European defense and security*, 2024). Furthermore, incumbent defense firms have increased their corporate venture funds to access those emerging tech.

**Sudden hyper digitalization of weapons**

**Huge investments ahead**

### Dual use, a powerful industry opportunity

#### Business development

To reach large-scale supply for national security users, once a product's validity has been demonstrated, partnership with an established industrial defense company could facilitate its market entry. Alternatively, leveraging dual-use technology (suitable for both military and nonmilitary applications) could be critical to accelerated growth for successful organizations in this environment. Companies that find nonmilitary applications for their technologies can scale commercial markets, while buying the time needed to secure a long-term defense contract. However, pursuing dual-use innovations may also mean designing a two-speed business model to accommodate disparate timelines and unique international security requirements.

Selling to defense customers can be challenging for companies without experience in government affairs. Defense customers generally are comfortable with purchasing integrated hardware and software products, rather than stand-alone software to be applied to a range of hardware: for new companies opting to sell a piece of differentiated software packaged within hardware can be beneficial (for example, a fleet of ready-to-deploy drones rather than a drone operating system).

### Looking at the smart city evolution

#### Advanced Air Mobility

The Advanced Air Mobility (AAM) includes a large family of recreational and professional, Manned or Unmanned Aerial Vehicles (MAVs and UAVs) and electrical/hybrid Vertical Take-off and Landing aircrafts (eVTOLs). Born for aircraft defense applications, they are a perfect example of dual-use technology as continuous developments are leading to a constantly growing number of applications, such as:

- passengers transportation, with new low range aircrafts to offer air taxi services, first aid solutions or entertainment activities
- goods movement, mostly through UAVs for last mile deliveries in remote and poorly connected areas or in smart cities, or for urgent medical equipment delivery (first examples during COVID-19 pandemic)
- data and image acquisition, to inspect and monitor infrastructures and sites as well as mapping and surveying of areas
- in-flight work, such as maintenance activities, objects collecting or farming activities

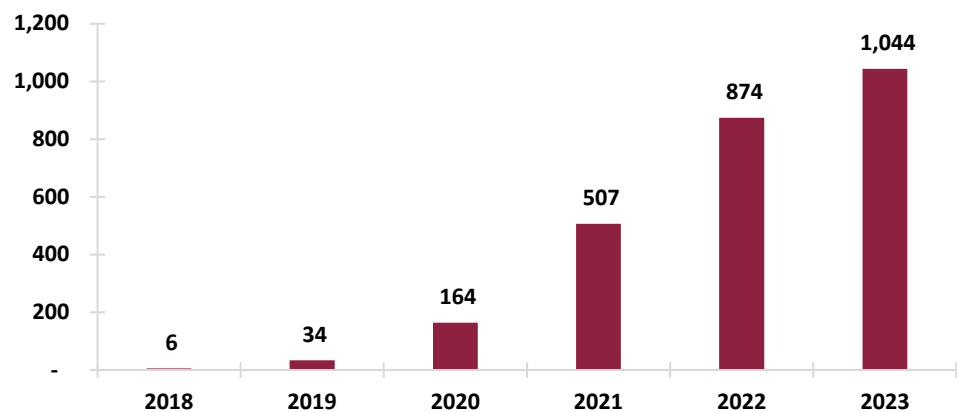
According to a report from Politecnico di Milano, there are currently 97 vertiports under development around the world, of which 16 will be ready in 2024 (source: Politecnico di Milano School of Management, *Drones and Advanced Air Mobility: market trend and regulation*, 2023). Vertiports development is essential for smart mobility: as smart city transports should guarantee efficient, fast and hassle-free commuting in and between urban areas, minimizing environmental impact, air mobility is a viable alternative to ground transports and is expected to be integrated in smart cities transport network for both passengers and goods delivery.

## Drones

As an example, besides defense purposes drones could become a relevant component of the delivery supply chain as this technology has the potential to meet a range of last-mile consumer use cases and B2B needs. As the industry makes steps forward, drones may become cost competitive and under certain conditions (such as regions with poor infrastructures) drones may already be the most cost-effective delivery; furthermore, they are environmentally friendly, with CO2 emissions lower than other delivery vehicles.

Consulting firm McKinsey report shows that the number of packages delivered by drone increased by more than 80% from 2021 to 2022, reaching almost 875,000 deliveries worldwide, and 2023 estimated data points to another record year, with over 1m commercial deliveries, thanks to a range of new applications enabling the delivery of food, medication, goods, and more to consumers across the globe (source: McKinsey Future Air Mobility Blog, *Commercial drone deliveries are demonstrating continued momentum in 2023*, 2023). In the next years, commercial deliveries are expected to scale faster due to new regulations enabling broader operations, consumer adoption improving and scale economies.

### Commercial drone deliveries



Source: McKinsey Drone Delivery Tracker and Forecast on McKinsey, *Commercial drone deliveries are demonstrating continued momentum in 2023*, 2023

## Anti-Drones

As drones are becoming increasingly advanced and capable, they're now being used from terrorist or criminals as constant threat. The rising incidence of critical infrastructure security breaches and concerns for terrorist attack to civilian population is pushing the anti-drone (or counter-drone or counter-UAS) market. Counter-drone technology encompasses a wide range of solutions to detect, classify, and mitigate drones and unmanned aerial vehicles, such as:

- Drone monitoring equipment and detection radar
- Radio frequency analyzers and jammers
- Optical and/or acoustical sensors
- GPS spoofers
- High Power Microwave devices and Cyber Takeover Systems
- Nets, Net guns and High energy laser

According to research firm Markets and Markets, the global anti-drone market is expected to reach \$5.2b in 2028, with an expected 26.6% CAGR (source: Markets and Markets, *Anti-Drone Market Size, Share and Industry Growth Analysis*, 2023).

## Digital health, the next revolution

**Health digitalization  
urge to cope with  
efficiency need**

Healthcare systems around the world are under pressure, mainly due to:

- population aging
- healthcare consumerization
- costs reduction
- staffing shortage

Those are driving health administrators to shift toward more accessible and cost-effective models of care, driven by digitalization, consumer expectations, and fragile existing infrastructures.

**The future of  
healthcare is now**

COVID-19 pandemic has changed the game for the healthcare sector, ushering a widespread acceptance of telehealth and other digital innovations in medicine. Digital healthcare is substantially changing how care is delivered today. People were already using digital healthcare, this use increased over COVID-19 and, although there has been a decline since pandemic when in-office visits ramped back up, telehealth usage still exceeded pre-pandemic levels and is only going to increase further, with technological innovation accelerating at a faster pace than ever before.

### A new approach

**Telemedicine to  
support rising  
demand and  
rationalize timing of  
assistance**

Telehealth is poised to become a permanent care delivery model as it has the potential to improve patient experience and sustainability of care delivery. Physicians willing to adopt telemedicine and other digital channels could easily reach their patients, particularly those in areas with less access to care; patients will be able to access physicians more comfortably through teleconsultations, rather than spend hours waiting in line at a hospital. Furthermore, virtual hospitals could provide comprehensive and enhanced digitally enabled care, including remote patient monitoring and integrated data analytics.

### Investment trend

Investors are taking note of this trend, with many non-traditional entrants looking to come into digital health; a long-term horizon is needed to build all the core elements for patient journey and to orchestrate the relationships with providers, patients, and regulators. Public and private investments are going into chronic-disease management and rehabilitation, both in virtual and real form. Investments in healthcare technologies are addressed to the business-model side as well as to the science-driven side.

Investment flows to data scientists and engineers, integrated data sets, and technology to changes how work gets done and this trend is expected to accelerate. Data analysis represent a unique tool for improving medical affairs decision making. Nevertheless, despite a lag compared to other industries, Artificial Intelligence adoption in healthcare has a considerable potential, as it could foster digital and automation growth in healthcare, thereby offering some answers to the twin challenges of affordability and workforce availability.

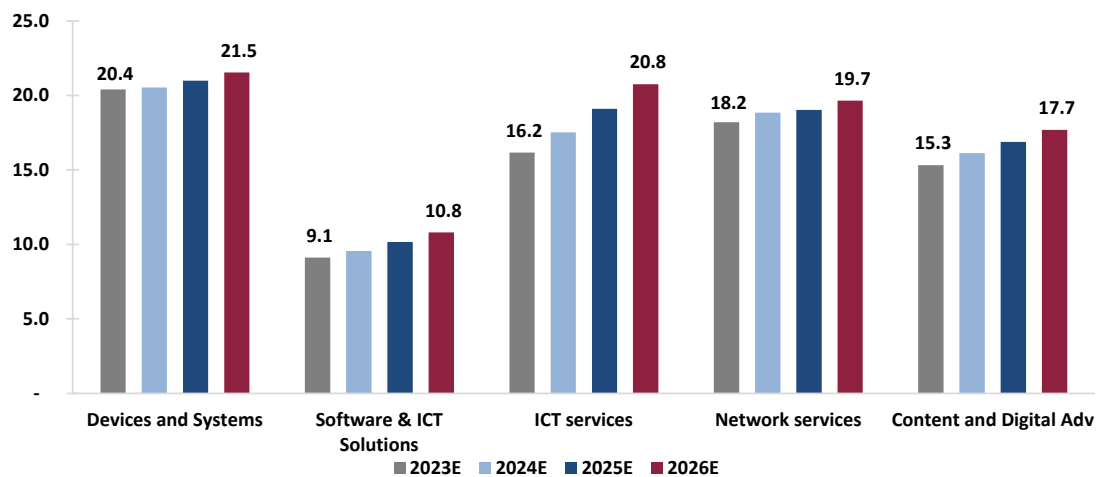


## Market data and trends in Italy

### Digitalization in Italy: growth across all sectors

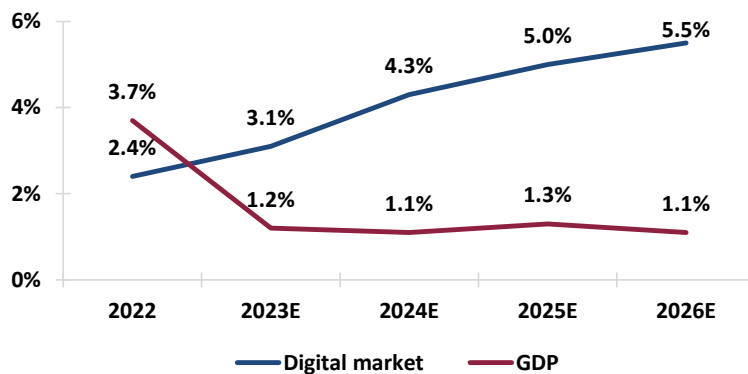
The digitalization market as a whole in Italy is worth over €79b in 2023 and is estimated to reach nearly €90b within 2026, 4.5% CAGR in the period, with all subsectors expected to grow, driven by ICT services and software & solutions (Anitec-Assinform & NetConsulting Cube, *Il Digitale in Italia 2023 - Previsioni 2023-2026 e Policy*, 2024). Devices and Systems segment recorded a drop in 2023 and is estimated to recover in 2026, reaching €21.5b; this segment includes the Enterprise & Specialized Systems subsegment, i.e. High-End Systems, Midrange Servers, Workstations, Storage, PC Servers and Communication Systems as video conferencing equipment, networking devices, etc. Digitalization market is expected to grow faster than the Italian economy.

#### Digitalization market value by segment (€b)



Source: Anitec-Assinform & NetConsulting Cube, *Il Digitale in Italia 2023 - Previsioni 2023-2026 e Policy*, 2024

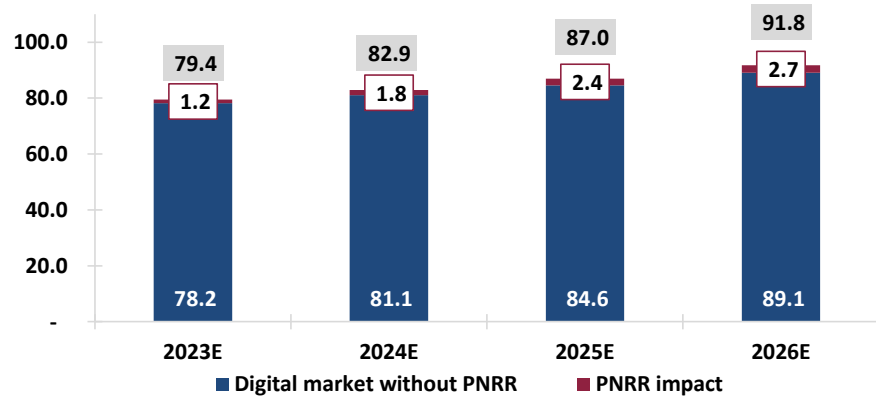
#### Digitalization market vs GDP, YoY growth in Italy



Source: Anitec-Assinform & NetConsulting Cube, *Il Digitale in Italia 2023 - Previsioni 2023-2026 e Policy*, 2024

Next Generation EU program for Italy will play a key role for the sector, due to the direct and indirect support offered to the digital transition. Overall, about €50b are allocated to the digitalization of businesses, public sector, infrastructure, schools, and R&D. In June 2023, approximately 75k digitalization projects were underway (Anitec-Assinform & NetConsulting Cube, *Il Digitale in Italia 2023 - Previsioni 2023-2026 e Policy*, 2024).

**Next Generation EU program for Italy impact (€b)**



Source: Anitec-Assinform & NetConsulting Cube, *Il Digitale in Italia 2023 - Previsioni 2023-2026 e Policy, 2024*

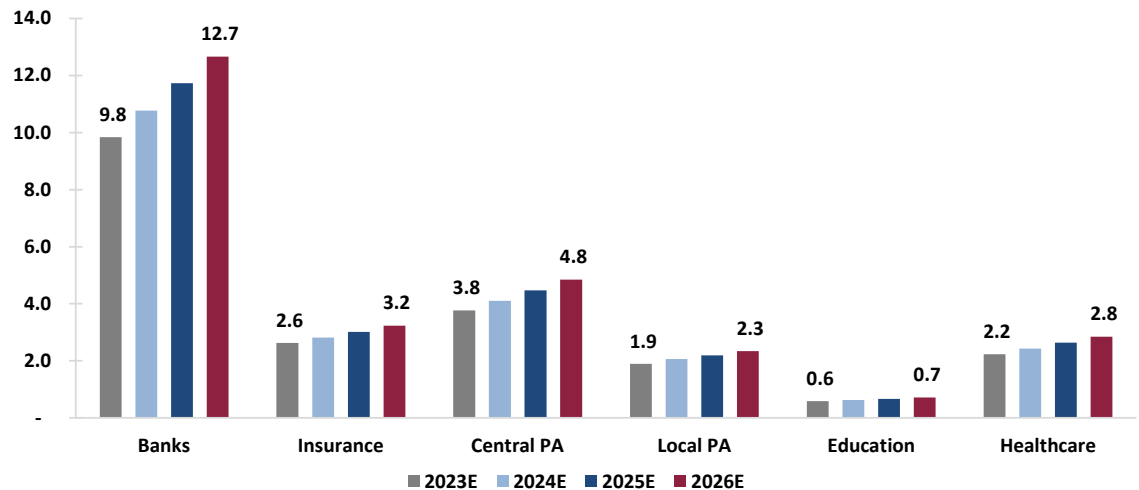
**New challenges ahead**

While reiterating that the entire industry is going to experience long term benefits from the secular trends of hi-tech visual revolution, the recent global geopolitical and logistic challenges have been - and may continue - counteracting towards the growth trend. Examples of challenges coming from the macroeconomic environment are interest rates and foreign exchange fluctuations, uncertainties about inflation, consumer confidence and declines in enterprise spending. Other uncertainties for the corporate customers demand of video and other devices as collaboration products are office occupation and travel trends.

**Digital healthcare accelerating the transition**

After a slowdown with the pandemic, the healthcare digital market in Italy is now back to grow, reaching €2.1b in 2022 (+10% YoY) and is deemed to grow by 8.6% from 2023 to 2024, reaching €2.2b. This trend is expected to continue steadily with an average annual increase of 6%. Italy's public healthcare initiatives include Electronic Health Records, telemedicine, remote patient monitoring, electronic prescriptions and AI projects for diagnostic imaging. Ultimate purpose of healthcare ecosystem digitalization is to enhance medical information management, access to consultations, prescription accuracy, and diagnostic precision.

**The Italian digital market (€bn)**



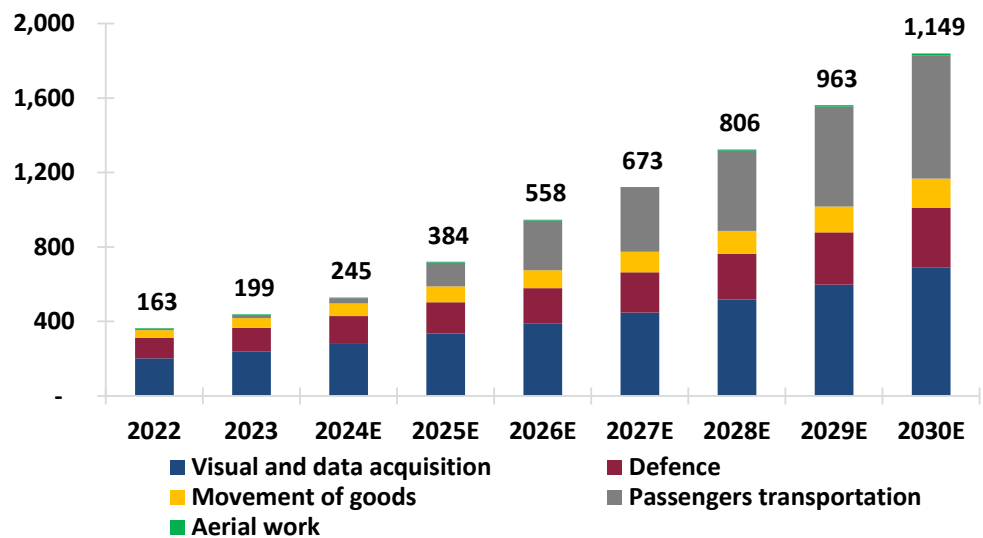
Source: Anitec-Assinform & NetConsulting Cube, *Il Digitale in Italia 2023 - Previsioni 2023-2026 e Policy, 2024*

**25% annual market growth**

**Advanced Air Mobility and drones**

The Advanced Air Mobility (AAM) market was worth €363m in 2022 and is expected to reach €1.8b in 2030, recording a 25.6% CAGR in 2022-25, slowing down to 20.6% CAGR in 2025-30, according to a report by consulting and audit firm PwC. The Italian ecosystem growth persists, supported by a great interest from both industrial and public entities recognizing the disruptive potential of these technologies, calling for full scale integration of mobility plans, new regulations sets and advancement in terms of vehicles, systems and infrastructure technologies. As the consumer market expands and matures, current leader segments (Visual and data acquisition and Defence) are expected to lose market share in favor of passenger transportation (source: PwC Strategy&, *Advanced Air Mobility. Italian market study and recommendations for the national ecosystem*, 2023).

**The Italian AAM market (€m)**



Source: PwC, Strategy&, *Advanced Air Mobility. Italian market study and recommendations for the national ecosystem*, 2023

A report from Politecnico di Milano School of Management shows that drones' market in Italy reached €145m in 2023, +23% YoY, of which 97% for Aerial Operations and 3% for Air Mobility and Delivery services; 47% of project drones related are realized by Public Administrations (source: Osservatorio Droni e Mobilità Aerea Avanzata by Politecnico di Milano School of Management, *droni e mobilità aerea avanzata: trend di mercato e normativa*, 2023).

## Industry key takeaways

### Industry insights

- Professional Audio&Video systems industry is populated by ecosystems rather than companies
- After home working exploit with pandemic, work from anywhere is here to stay, calling for collaboration and communication integration services to offer employees working flexibility
- Advanced Air Mobility ecosystem is expected to play a crucial role in the future mobility landscape, fully integrated in smart cities network for people transport and goods delivery
- Digital medicine is becoming fully integrated in healthcare business model as its advantages are improving patient experience and sustainability of care delivery
- The variety of hardware and software involved and the high level of customization of solutions implies global players for hardware design and industrialization and fragmented local players at country or smaller regional level for customer tailored hardware and software mix

### Industry key success factors

- Identify new features, functionality and opportunities
- Anticipate technology, market trends and consumer preferences
- Develop innovative, high-quality, and reliable new products and enhancements in a cost-effective and timely manner
- Distinguish products from those of competitors
- Offer prices and terms attractive to customers and consumers

## 4. BUSINESS MODEL

### Innovation engine

#### Mission

##### Historical core business

Impianti has been operating since its foundation as an Information Communication Technology (ICT) specialist, especially for professional Audio & Video critical applications as System Integrator and Business Developer of vertical solutions for large and complex organizations, leveraging on the global ecosystem of the rapidly evolving digital electronics innovators.

##### Tech-oriented partner

Impianti started its three decades long history as a provider of technology for office infrastructures and plant engineering activities, then upgrading to proactive discoverer and promoter of new technologies within the hyper fast telecommunication and digitalization spread, developing expertise in bringing together many innovation technologies, across hardware and software to develop a high-tech portfolio.

#### The tasks to act as *Innovation Engine*

The Impianti business model is based on:

- study of trends and evolution of global technological ecosystems
- targeting industries with a high pace of change and emerging needs for unexplored solutions
- search for customizable latest tech solutions
- establishment of partnerships as promoter and provider in a defined market or industry
- full customer service: design, project and consulting to offer turn-key solutions and after sale services which fit with customers' needs

**Ahead of the time  
promise**

Impianti verticals and products are addressed to organizations subject to mission-critical internal and external communication practice and events. Thus, the target industries and organizations include corporations, government and other public interest entities, needing effective and quality communication with audiences ranging from small professional teams to massive attendees of events. Beyond corporations, examples may be sport venues, conventions, entertainment events, public services, private and public education, healthcare, security organizations.

**Mission critical  
customer needs**

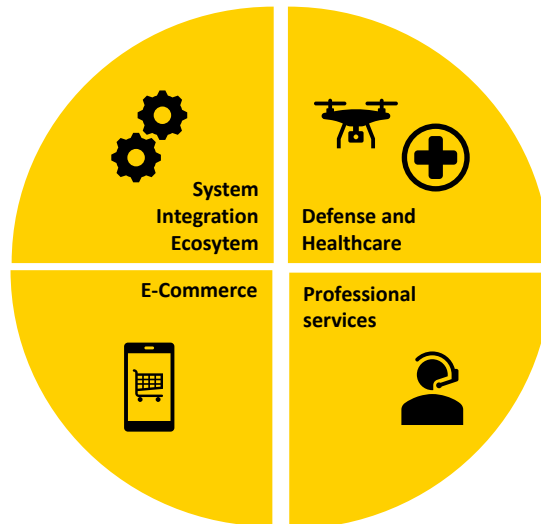
Typical customers:

- Central and Local Public Administration and Participating Companies
- Corporate/Large Enterprise and Multinational Companies
- Connection operators and ISPs (both Internal needs and Customers' needs)
- SMEs, SOHO, and Professionals (via E-commerce)

## Business lines and products

Impianti selects international brands and emerging technologies with which it designs and creates innovative solutions, offering professional services through its own salesforce. The offering model is able to provide both "tailor-made" solutions (design, supply, installation and technical support for any type of Voice/Data/Video/IP infrastructure) and massive supplies in the context of public and private tenders. Impianti Business Lines are: System Integration of verticals, Professional Collaboration Services, E-Commerce and Healthcare & Defence.

### Impianti business model



Source: Company name

## Value Chain

### Supply

Impianti has distribution agreements with suppliers as both:

- Direct purchase from manufacturer (VAD, value add distributor): directly deals with logistics and storage, sales, marketing and after-sales services
- Purchase through official distributors (VAR, value adding reseller): directly deals with sales, marketing and after-sales and professional services

### Sales channels

- Public tenders and/or direct negotiations with the central and local PA
- Electronic Market reserved for the PA (MEPA, SDAPA, AGID)
- CONSIP Agreements or Framework Agreements with ISP and Telephone Operators
- E-commerce through both Amazon Business and IMPIANTI.biz internal platform
- Internal Sales structure

Impianti is registered supplier for over 100 corporates, multinationals and public administrations, including centralized procurement bodies. Compliance about sustainability values is a consistently applied policy along the value chain.

### **Sales and promotion**

Impianti explores the global industry and ecosystems, seeking innovative and products and solutions, and participates at the global audio-visual tech exhibitions, looking for last generation products:

- "Integrated Systems Europe" world fair in Barcelona for integrated systems, digital technology and audiovisuals
- World fair "Mobile World Congress" in Barcelona on telecommunication systems, mobile telephony and application software - CES "Consumer Electronics Show" in Las Vegas on technology trends.

Communication with the public and prospect customers is made through participation and organization of events, webinars and roadshows. Participation to tenders and on purpose visits are planned for established relationships as registered approved supplier.

### **Seasonality**

Sales are generally highest during the second half of the year due to frequent year-end concentration of spending or project approval by enterprises and organizations.

### **Strategy**

Key strategy pillars:

- Discover innovative technologies to become a recognized tech partner in Video Communication, Law Enforcement&Defense and Healthcare
- Step up market positioning by turn-key solutions integrating dedicated hi-tech audio&video systems, office furniture and multipurpose areas
- Customer base expansions towards corporate clients
- First Advanced Air Mobility Impianti product launch
- Cybersecurity and cloud services development to integrate current offer
- International expansion

## Products and services portfolio

### COLLABORATION AND MODERN WORKPLACE

#### Videoconference and acoustic solutions - UCC

- Technology and software to make enterprise communication and e-learning portals working real-time and through asynchronous cooperation - Google, Microsoft and Zoom major framework ecosystem of reference, major global hardware and software providers for tailor made projects
- UCC Systems for real-time or deferred collaboration, effective and coordinated management of information flow within a single interface



#### Coworking and Legacy Phone systems - coworking spaces design, providing soundproof environment, tech devices and software for booking of meeting rooms, workstations, underground parking etc.

- Cloud Collaboration - Teamwide access to information at any time and from authorized devices, real time sharing and edit of digital assets and tasks to improve efficiency and flexibility and to maintain an organized workflow, prevent overlaps and keep track of the work done.
- Design and set-up of dedicated meeting rooms and board rooms

#### Cloud networking services for companies and Public Administrations

Features:

- Reduction of dependence on physical hardware
- Lower cost and investment
- Easier integration between different functionalities
- Security and robustness of networks

#### Data center & infrastructure applications for SMEs and public organizations

Solutions for storage, precision climate control, power supply, structured cabling, power distribution, access management, and facility supervision.

#### Network cabling

Design and provision of data center services: high performance copper cables and high-density fiber optic cabling systems; network port accessibility; simplified optical cabling management.



## DEFENSE / SECURITY AND MILITARY GRADE DEVICES

### Bodycams and professional security devices

Bodycams designed for security and communication in critical or risky situations, through covert recording and remote response, quality capture, data integrity and remote overview. Typical application industries: Security, Healthcare, Transport, Retail.

- Body cameras
- Bodycam management and monitoring software
- Digital evidence management software

### Secure communication devices - Low latency, Military Grade

Li-Fi: high-speed, wireless, bidirectional & mobile communication using light - delivers internet & local network connections and device-to-device connections that can use the entire light spectrum, visible or invisible. Key features:

- Speed and bandwidth - multiple Gbps full bandwidth available to multiple users
- Latency - 3x lower latency than WiFi, no buffering, no dropout
- Near zero electromagnetic signature - differently from radio frequencies
- Quality of connection - interference free 1.000x data density
- Military grade security - Physically contained - immune to interference
- Unlicensed spectrum - operates in spectrum which is not subject to licensing in any country

### Kitefin System: a mission deployable, non-RF wireless communication solution for both the battlefield tactical edge and operational facilities.

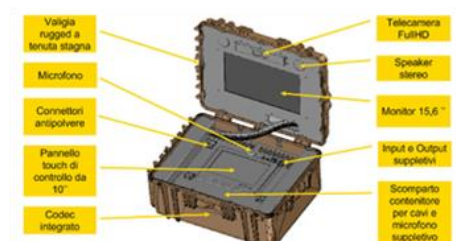
- Non jammable
- Fully cyber secure
- Near Zero EM Signal
- Enhanced force protection and security
- Rapid set up with low logistical impact



### Tactical Rugged Videoconference "Vtc-R"

Adverse and extreme weather conditions All-in-one, transportable and fully secure solution rugged suitcase with certified codec, audio/video and integrated management system, equipped with military connectors to monitors, microphones, and external speakers. Capable to integrate resistance and innovation. Features:

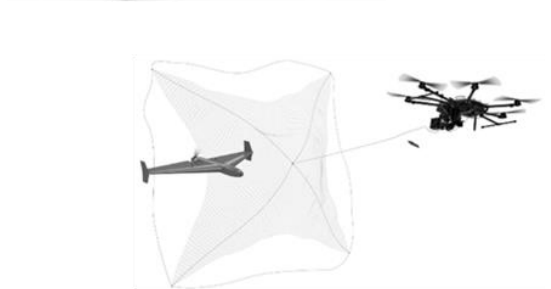
- Rugged
- Watertight
- Codec
- Touch panel
- Full HD camera
- Microphone
- Additional inputs and outputs
- Dustproof connectors



**Hostile drone hunter - Drones and Radar Technologies for areas that require protection from unauthorized drones: airports, stadiums, military installations**

Fortem Technologies develops systems to detect, assess and defeat drone threats. DroneHunter F700 intercepts and stops threatening drones. Integrated radars track UAVs, while operators receive direct information from sensors about the intercepted target. The system will intercept drones of any size. DroneHunter can act alone or in cooperation with other units to extend the protection range. Features:

- Accurate Detection: 360-degree coverage and detection of drones in the monitored area, avoiding false alarms and enabling timely response. Even for automatic rogue drones non radio controlled
- Threat Mitigation: secure and controlled neutralization of unauthorized drones
- Threats Recovery: defeat of drone threats with safe collateral damage effectors, transport to a dedicated area.
- Centralized Management: Real-time monitoring and data storage for forensic purposes, facilitating supervision and drone activities control



**Automated Drones, for inspection, security, smart city applications**

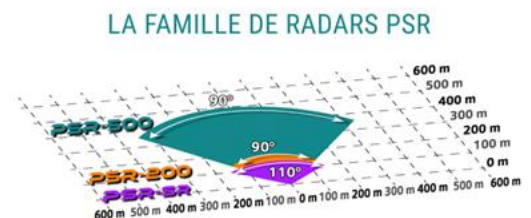
NEST 250, a drone-in-a-box system developed by Dronus, for inspection and security tasks in industrial and smart city environments, autonomously. Versatile system whose missions are planned without time limits and without the need for pilots. Features:

- Fully autonomous
- Superior visual capabilities
- Ease of use
- Safety for places and people
- Small weight and size

**Terrestrial Radar Systems for securitization of large areas**

PSR system: continuous wave radars with features adaptable to the needs of each individual area. The integrated software suite enables deployment, management and maintenance. Each PSR radar has its own processing unit (PSB) that sends real-time location and progress of intrusions to the PSR server, making them available to the operator. Features:

- High resolution
- Detection and reduction of false alarm rate



## HEALTHCARE

**Photocatalytic technologies for air purifying, food conservation, gyms and public places, air sanitization and purification effects, from food preservation to the use of individual devices.**

### Telemedicine technologies

Health care services, through innovative Information and Communication Technologies (ICT), for health professionals and patients not in the same location:

- Virtual rounding assistant: subitizable wireless medical cart for video consultations and video conferencing, from patient's bedside. Features: all-in-one, customization, security, time optimization
- Remote examination device: Through a telehealth device kit, FDA-approved, paired with the patient's smartphone, multiple physical examinations are performed anywhere. Features: security, step-by-step instructions, multi-platform (both android and IOS)



### INSTALLATION AND MAINTENANCE

Impianti provides also installation, maintenance and post-sales services and training, remotely or on site, by the internal technical team, local associated teams, or support by the producer.

### E-COMMERCE

Impianti is present on Amazon B2B international marketplace in Italy, Spain, France, Germany, Netherlands, UK, Turkey, Sweden and Poland, as exclusive distributor of market-leading products, including:

- Video conference solutions
- Notebook and tablet
- Pc and workstation
- Software

Source: Company data

## 5. COMPETITION

### Fragmented local players for customer tailored projects

### Mapping the UCC system integration landscape in Italy

The ITC industry is vast and fragmented, populated by a significant number of players. Impianti operates in the Audio, Video and Communication niche, impacted by new technologies developed by major global players such as Cisco Systems, Microsoft, Google, and Zoom and multinational hardware developers and providers like Logitech, Shure and Polycom. Target customers' needs could range from standard services (such as audio-video systems development, communication, video conferencing, etc.) to solutions tailored for specific industries (i.e.: healthcare, military, or education). Target customers are mostly large enterprise from various industries, while few competitors deal with public administrations. As trust is a crucial driver for purchase decisions, offering an extensive portfolio of products and services, diversifying outside its own target niche to seize cross selling opportunities, represent a key strategy for winning players. Besides internal strategy, companies usually look for partnership with complementary players or M&A deals to expand their offering. The fast and continuous technological evolution requires ongoing offering and skills updating to preserve competitiveness and not losing ground to rivals.

Key criteria to seize a comparable domestic competitive environment:

- Audio, video and communication system integration services plus other tech driven service or product categories as a value added
- Multi-industry reach and specialization
- Reference market: Italy

### Competition factors: services quality and cutting-edge technology

Crucial factors for reaching and cultivating a competitive position:

- **Technological innovation.** Being at the forefront in adopting and integrating latest technologies developed by major global players or highly innovative startups
- **Flexibility and adaptability.** Ability to customize solutions to specific client needs
- **Wide service portfolio.** Offering a wide range of product and solutions, including specialized ones for specific industry
- **Service quality and customer support.** Providing excellent customer support and impeccable service management to earn clients' trust
- **Strategic partnerships.** Collaborations with other technology providers or complementary companies to expand the service portfolio and access new markets

### International industry competitors profile

While not direct competitors to Impianti or engaged in a different role within the supply chain, below we provide a brief overview of major international players.

#### AVI-SPL (USA)

Integrator of audio-visual and collaboration systems for companies worldwide.

**Diversified (USA)**

Technology solutions partner offering to organizations audio-visual, collaboration and communication systems.

**AVI Systems (USA)**

System integrator for audiovisual and unified collaboration technologies.

**Ford AV (USA)**

Enterprise-level technology solutions, installs audio-visual, videoconferencing, IT and security systems in the US and internationally.

**CCS Presentation Systems (USA)**

Full-service integration, installation, training and maintenance of audio-visual equipment, audio and videoconferencing systems etc. for corporate, government and education customers.

**Solutionz (USA)**

Audio-visual integration and voice, collaboration and security solutions and videoconferencing equipment.

**Electrosonic Group (USA)**

Audio-visual and technology services, including system integration and technology design consulting.

**Avidex (USA)**

Audio-visual solutions for organizations through unified communication, audio, display and collaboration technologies.

**Solotech (Canada)**

Provider of audio-visual and entertainment technologies, including audio, video, lighting, rigging, conferencing and collaboration, virtual technology

**Conference Technologies (USA)**

CTI develops, installs and integrates audio-visual, IT, unified communication and collaboration solutions.

**Italian competitors profiles**

Based on Impianti business model, we have selected a group of competitors with similar service offering in order to provide an overview of the domestic competitive landscape.

**N & C - 2022 Sales: €46.5m**

Operates in ICT sector as system integrator and deploying IT infrastructure management services. N&C also offers healthcare services as telemedicine and tracking software.

**Stim Tech Group - 2022 Sales: €25.7m**

ICT company, offering solutions for networking and infrastructure, UCC, IT services and cybersecurity. Customers of various industries such as Telco, Education, Healthcare, Finance, etc.

**3P Technologies - 2022 Sales: €23.2m**

System integrator providing consulting, integration, installation and building of multimedia-audio-video systems.

**Durante - 2022 Sales: €19.8m**

Part of Vag group, Durante offering includes design, development and integration of technologies and processes of unified communications, videoconferencing, LAN management and smart workplace. Main focus is TelCo network.

**Team Office - 2022 Sales: €12.3m**

System integrator, provides consulting, integration, installation and building of multimedia-audio-video systems.

**Ayno Videoconferenze - 2022 Sales: €9.3m**

Part of Stim Tech Group, AYN0 provides consulting, design and development of videoconferencing systems.

**VRM Italia - 2022 Sales: €8.9m**

Virtual communication specialist provides solutions for unified communication, multimedia systems and domotics.

**Mosaico - 2022 Sales: €8.3m**

System integrator provides solutions for industrial automation and electronic engineering. Mosaico also designs and develops audio-video systems.

**Essedi - 2022 Sales: €7.4m**

System integrator offering design and development of audio-video, videoconferencing and unified communication systems. End-markets: Corporate; Retail; Education; PA.

**General Energy - 2022 Sales: €7.3m**

Develops and integrates unified communication and collaboration platforms. It also designs solutions for remote working and smart workplaces.

**Yooda – 2022 Sales: €5.5m**

Part of Stim Tech Group, Yooda offers digital transformation consulting services, focusing on modern workplace, cloud and security systems.

## Benchmark on financial data

### Key financial performance comparison, €m

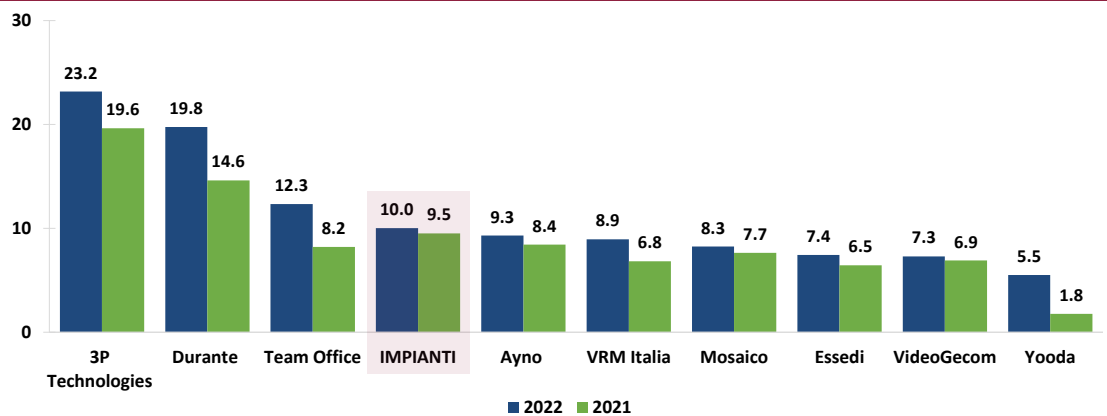
N&C and Stim not considered in the analysis below as they're not UCC focus

2022 figures may imply low significance

Company name	UCC Focus	Sales		VoP		EBITDA		EBITDA %		Net Debt (Cash)	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
N & C		46.5	43.7	47.7	44.5	3.7	3.5	7.8%	7.8%	5.5	3.4
Stim		25.7	20.9	25.8	21.1	4.3	3.7	16.5%	17.7%	(7.3)	(8.5)
3P Technologies	✓	23.2	19.6	23.4	19.7	1.9	2.4	8.1%	12.3%	(0.1)	1.2
Durante	✓	19.8	14.6	21.0	13.7	1.8	1.7	8.7%	12.2%	(3.9)	(6.5)
Team Office	✓	12.3	8.2	12.4	8.3	1.5	1.2	11.8%	14.1%	(0.4)	(0.5)
IMPIANTI	✓	10.0	9.5	10.4	9.9	0.1	1.0	1.3%	10.2%	(0.5)	(0.4)
Ayno	✓	9.3	8.4	9.2	8.7	0.5	(0.5)	5.3%	-5.3%	(1.0)	(0.3)
VRM Italia	✓	8.9	6.8	9.9	7.6	0.7	0.6	7.1%	8.3%	3.2	3.3
Mosaico		8.3	7.7	8.2	7.9	0.4	0.4	4.5%	4.9%	0.2	(1.2)
Essedi	✓	7.4	6.5	7.7	6.5	1.3	1.4	17.3%	21.7%	4.7	(4.2)
VideoGecom	✓	7.3	6.9	7.5	7.1	0.5	0.4	6.7%	5.5%	0.1	0.2
Yooda	✓	5.5	1.8	5.6	1.9	0.4	0.1	6.7%	2.8%	(0.3)	(0.1)

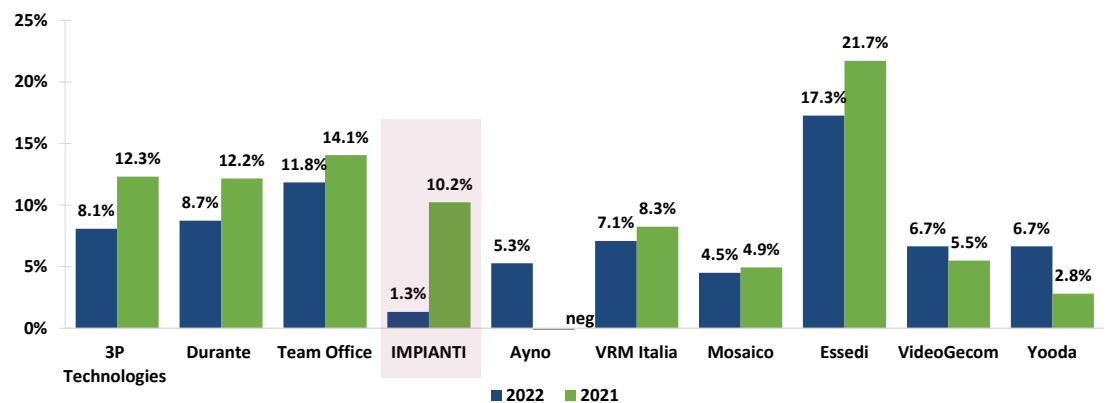
Source: EnVent Research on Creditsafe

### Revenues 2022A, €m



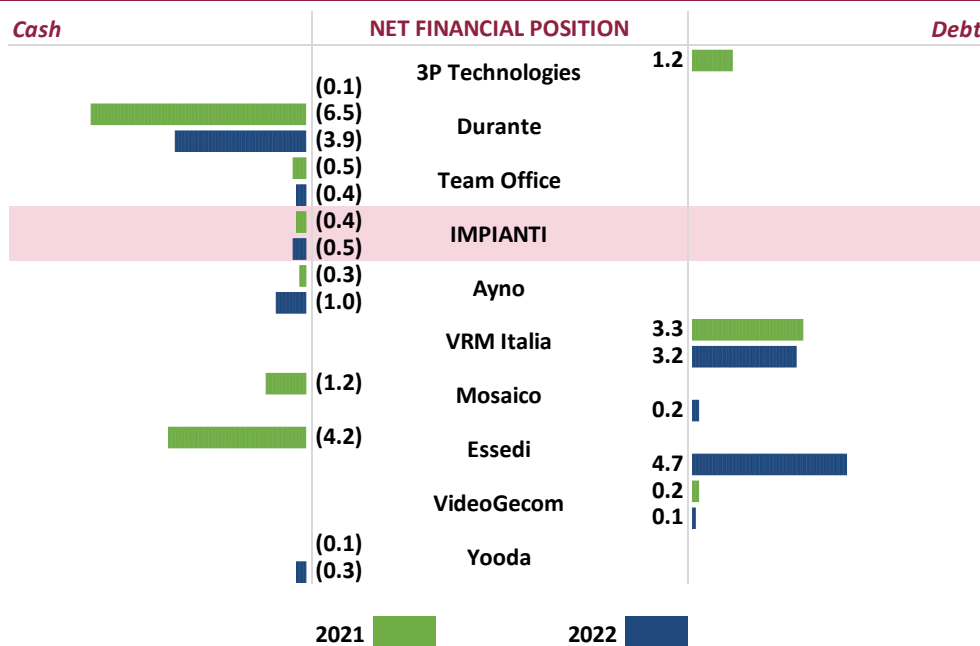
Source: EnVent Research on Creditsafe

### EBITDA margin 2021-22A, %



Source: EnVent Research on Creditsafe

**Net Financial Position 2021-22A, €m**



Source: EnVent Research on Creditsafe

**Winning PA tenders has a downside in timing and pricing of major deals**

With few exceptions, competitors offering a wide range of services are those recording higher revenues and growth YoY. Profitability shows high variability among competitors, mainly related to services offered and customer target. We recall that 2022 Impianti profitability was affected by delays in public tenders awarding and execution, the downside of being a winner in PA tenders. As most tech consulting businesses, debt levels among the industry are low, with many competitors at breakeven as Impianti. Cash dynamics are affected by sales seasonality and by target customers, as competitors whose business model is more focused on corporate customers direct sales rather than public tenders have less cash variability over the year.

**Key takeaways**

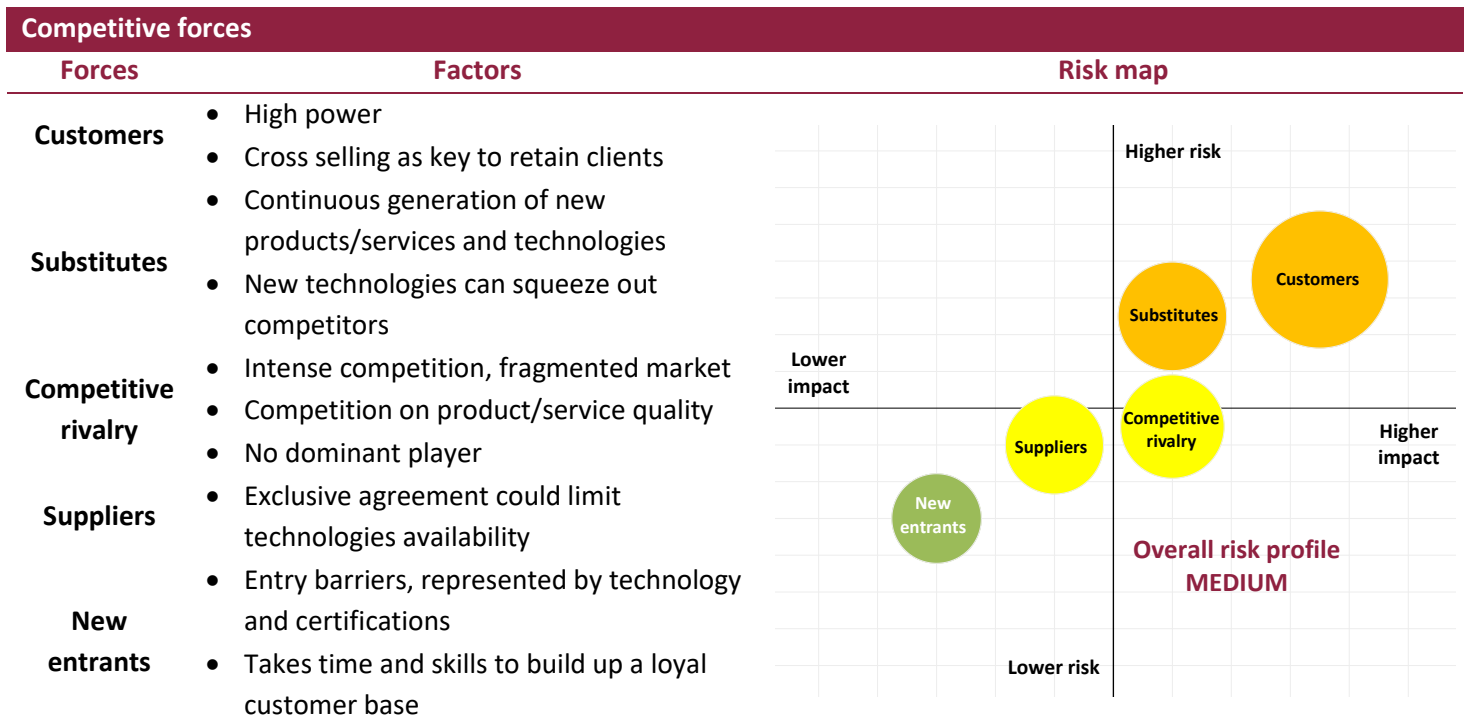
- Focus on corporate customers and UCC
- No clear leader
- ICT diversified offer of product/services as system integrators
- High variability on profitability; low debt, mostly cash positive

**Different strategy to build a competitive advantage**

Impianti is following a different strategy compared to other players analyzed before, focusing in anticipating technology development, market trends and consumer preferences, identifying new features, functionality, and opportunities. Diversification strategy is expected to pay off in the next years, aiming to close the gap with market leaders.



## Competitive forces and risk assessment



Source: EnVent Research

## 6. MARKET METRICS

### Market value of listed companies

#### Selection criteria

Key factors:

- Audio, Video and Communication system integration
- Business mix including defense and digital healthcare product
- Target customers B2B
- Geographical scope: International

#### Comparability assessment: no pure comparable listed player

Based on the above factors, there are no industry players matching Impianti business mix and model. We have analyzed, as a wider scope, several companies sharing with Impianti some business dynamics as reference markets and underlying industry logics. However, in addition to business model features, there are some main differences among the selected players, such as size, geographical scope of operations, stage of maturity and financial performance.

#### Industry segmentation – Value added reseller supply chain

We have segmented the selected public companies into clusters to detect possible performance consistencies and to understand the key market metrics for the industry:

- **Audio, Video and Communication** – manufacturer of technological devices or developer of software for UCC and modern workplace
- **Drones and Defense** – manufacturer of drones and other defense devices
- **Digital Health** – manufacturer of devices for at home patient treatment

#### Profiles – Audio, Video and Communication

##### **Logitech International (Switzerland) - 2022 Revenues: €4.1bn - Comparability: Low**

Logitech - through its subsidiaries and brands - designs, manufactures and sells products to connect people to work, create, play, and stream worldwide. Product range includes pointing devices, keyboards, headsets, and simulation products; mobile speakers, PC speakers and headsets, microphones, in-ear headphones wireless audio wearables; video conferencing products (from conference cams and webcams to controller for conferencing room solutions). Logitech also offers accessories for mobile devices. Its channel network includes consumer electronics distributors, retailers, tech stores, value-added resellers, and online merchants.

##### **Zoom Video Communications (USA) - 2023 Revenues: €4.0bn - Comparability: Low**

Zoom provides unified communications platforms. Core products are: Zoom Meetings, that offers HD video, voice, chat, and content sharing through any device and conference room systems; Zoom Phone, an enterprise cloud phone system; and Zoom Chat, which enables users to share messages, images, audio files, and content in any device. It also provides software-based conference room systems, virtual event and webinars platforms and omnichannel contact center solution. Besides individuals, it serves retail, education, entertainment,

Varied companies subject to the same industry logics and trends

infrastructure, finance, government, healthcare, manufacturing, non-profit and social impact and software industries.

**8x8 (USA) - 2023 Revenues: €684m - Comparability: Low**

8x8 provides voice, video, chat, contact center, and enterprise-class API Software-as-a-Service solutions for small and mid-size businesses, mid-market and larger enterprises, government agencies, and other organizations worldwide. It provides 8x8 Work, a self-contained end-to-end united communications solution that delivers enterprise voice with public switched telephone network connectivity, video meetings and unified messaging, as well as direct messages, public and private team messaging rooms, and short and multimedia services. It markets its services through industry trade shows, webinars, and digital advertising channels.

**B&C Speakers (Italy) - 2023 Revenues: €94m - Comparability: Low**

B&C designs, manufactures and distributes professional loudspeakers internationally, providing low frequency and high frequency drivers, tweeters, coaxial components, high frequency coaxials, horns, triaxials, crossovers, and line array systems. It supplies OEM components to professional audio brands in the market.

**Powersoft (Italy) - 2022 Revenues: €65m - Comparability: Medium - Low**

Powersoft design, produces and sell power amplifiers, loudspeaker components, and software for installed and live sound applications internationally. Offers includes install AMPS, touring AMPS, AMP modules, DSP, transducers, controllers, accessories, software, cloud services, and safety and entertainment devices, with applications in hospitality and retail industry, houses of worship, corporate buildings, fitness and leisure centers, smart cities, government and educational venues.

**Profiles – Drones and Defense**

**Kratos Defense & Security Solutions (USA) - 2023 Revenues: €0.9bn - Comparability: Low**

Kratos is a technology company that addresses the defense, national security, and commercial markets. It operates through two segments, Kratos Government Solutions and Unmanned Systems, offering: ground systems for satellites and space vehicles; jet-powered unmanned aerial drone systems, hypersonic vehicles, and rocket systems; propulsion and launch systems; command, control, communication, computing, combat, intelligence surveillance and reconnaissance products; counter unmanned aircraft systems, and virtual reality training systems for warfighters. Kratos serves national security-related, international government, intelligence and classified agencies, Defense Departments, and commercial customers.

**AeroVironment (USA) - 2023 Revenues: €0.5bn - Comparability: Low**

AeroVironment develops, produces and supports a portfolio of robotic systems and related services for government agencies and businesses internationally. It operates in Small Unmanned Aircraft Systems (SUAS), Tactical Missile System (TMS), Medium Unmanned Aircraft Systems (MUAS), and High-Altitude Pseudo-Satellite Systems (HAPS) segments. In addition, the company offers small UAS products, including training, spare parts, product repair, product replacement, and the customer contracted operation.

**Parrot (France) - 2022 Revenues: €65m - Comparability: Low**

Parrot provides professional drones internationally, also offering open-source development software kits and platforms for autonomous drones. In addition, it offers Sphinx, a 3D photorealistic drone simulation tool, and C.A.D. modeling used for accessories 3D printing or additive manufacturing. Parrot offers its products for inspection, first responders, firefighters, search-and-rescue teams, security agencies, and surveying professionals.

**Ehang Holdings (China) - 2022 Revenues: €15bn - Comparability: Low**

EHang operates as an autonomous aerial vehicle (AAV) technology platform company, mostly in Asia. It develops, manufactures, sells, and operates AAVs, as well as their supporting systems and infrastructure for various industries and applications, including passenger transportation, logistics, smart city management, and aerial media solutions.

**Joby Aviation (USA) - 2023 Revenues: €0.9m - Comparability: Low**

Joby is a vertically integrated air mobility company which builds electric vertical takeoff and landing aircrafts optimized for air transportation. Mission is creating an aerial ridesharing service, as well as developing an application-based platform to enable rides booking.

**Profiles – Digital Health****ResMed (USA) - 2023 Revenues: €3.8bn - Comparability: Low**

ResMed develops and manufactures medical devices and cloud-based software applications. It offers products and solutions for sleep and respiratory disorders, including technologies to be applied in medical and consumer products, ventilation devices, diagnostic products, mask systems for in hospital and home use, headgear and other accessories. Cloud-based software solutions are both for in-hospital (patient outcomes management, remote patient monitoring and change device settings) and out-of-hospital care (providing support, education and tools to increase patient engagement for senior living, skilled nursing, life plan communities, home care, and hospice organizations). It also offers software solution for healthcare management. ResMed markets its products to sleep clinics, home healthcare dealers, and hospitals through a network of distributors and direct sales force.

**DexCom (USA) - 2023 Revenues: €3.3bn - Comparability: Low**

DexCom is a medical device company which develops continuous glucose monitoring (CGM) systems for remote monitoring of people with diabetes, as well as for healthcare providers use. It markets its products directly to endocrinologists, physicians, and diabetes educators.

**Insulet Corporation (USA) - 2023 Revenues: €1.5bn - Comparability: Low**

Insulet develops and manufactures insulin delivery systems for people with insulin-dependent diabetes, with a proprietary AID algorithm embedded integrated with third-party glucose monitor to obtain glucose values through Bluetooth, controlled by a smartphone-like Personal Diabetes Manager with a color touch screen user interface. It also produces a standalone wearable insulin delivery system that provides a fixed rate of continuous rapid-acting insulin for 72 hours. Insulet sells its products primarily through independent distributors and pharmacy channels, and directly in United States, Canada, Europe, Middle East and Australia.

**Fisher&Paykel Healthcare (New Zealand) - 2023 Revenues: €0.9bn - Comparability: Low**

Fisher&Paykel designs and manufactures medical devices and systems for acute and chronic respiratory care and surgery, as well as for obstructive sleep apnea treatment at home or hospital. Fisher&Paykel offers respiratory products for both adult (optiflow nasal high flow therapy, invasive ventilation, and noninvasive ventilation) and infant (resuscitation, invasive ventilation, continuous positive airway pressure and nasal high flow therapy). Further, Fisher&Paykel offers hospital (humidification products, breathing circuits, chambers, masks, nasal cannulas, surgical, accessories, and interfaces) and homecare products (masks, CPAP devices, software and data management products, humidifiers).

**Inspire Medical System (USA) - 2023 Revenues: €0.5bn - Comparability: Low**

Inspire Medical is a medical technology company focused on minimally invasive solutions for obstructive sleep apnea (OSA) in the United States. The Inspire system is a neurostimulation technology that provides a safe and effective treatment for moderate to severe OSA. It also develops a closed-loop solution to continuously monitor patient’s breathing and deliver mild hypoglossal nerve stimulation to maintain an open airway.

**Cue Health (USA) - 2023 Revenues: €64m - Comparability: Low**

Cue Health is a healthcare technology company which provides a proprietary platform to offers individuals and healthcare providers customizable access to lab-quality diagnostic tests at home or at point-of-care, as well as on-demand telehealth consultations and treatment for a range of health and wellness needs. Cue Integrated Care offer include hardware, software and diagnostic components with cloud-based data and analytics capability, integrated with electronic medical record system, pharmacies, clinician networks, and laboratories.

Source: EnVent Research on Capital IQ

**Key data comparison**

Company	Revenues 2023 (€m)	YoY '23 on '22	CAGR '23-26E	EBITDA % 2023	EBITDA % avg. 3Y
<b>Audio, Video and UCC</b>					
Logitech	4,177.5	-15%	1%	13%	18%
Zoom	4,044.6	10%	4%	7%	20%
8x8	684.7	19%	2%	neg	neg
B&C Speakers	94.0	15%	8%	23%	21%
Powersoft	65.7	35%	15%	25%	19%
<b>Drones and Defense</b>					
Kratos	938.3	11%	11%	6%	6%
AeroVironment	489.8	16%	20%	14%	14%
Parrot	65.0	-10%	na	neg	neg
Ehang	15.0	149%	117%	neg	neg
Joby Aviation	0.9	na	421%	neg	na
<b>Digital Health</b>					
ResMed	3,868.3	13%	9%	31%	31%
DexCom	3,277.1	20%	20%	22%	18%
Insulet	1,535.4	26%	19%	18%	16%
Fisher & Paykel	911.5	-13%	10%	26%	33%
Inspire Medical	565.3	48%	24%	neg	neg
Cue Health	64.2	-86%	45%	neg	neg

Source: EnVent Research on S&P Capital IQ, 22/04/2024

Smaller companies are in the investment phase of their lifecycle, thus profitability is hampered

## Market multiples

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E		
	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
<b>Audio, Video and UCC</b>												
Logitech	3.0x	2.6x	2.5x	22.6x	15.6x	14.4x	27.1x	17.5x	16.3x	40.0x	20.0x	19.7x
Zoom	3.7x	2.6x	2.5x	nm	6.3x	6.3x	nm	6.7x	6.6x	nm	12.2x	11.7x
8x8	1.2x	0.9x	0.9x	neg	5.6x	5.3x	neg	6.9x	6.5x	neg	4.9x	4.6x
B&C Speakers	2.2x	1.9x	1.7x	9.8x	8.4x	7.6x	10.1x	9.2x	8.2x	14.4x	12.3x	11.6x
Powersoft	1.8x	2.1x	1.8x	7.3x	7.9x	6.9x	9.1x	9.8x	8.4x	12.6x	13.5x	11.6x
<b>Mean</b>	<b>2.4x</b>	<b>2.0x</b>	<b>1.9x</b>	<b>13.2x</b>	<b>8.8x</b>	<b>8.1x</b>	<b>15.5x</b>	<b>10.0x</b>	<b>9.2x</b>	<b>22.3x</b>	<b>12.6x</b>	<b>11.8x</b>
<b>Median</b>	<b>2.2x</b>	<b>2.1x</b>	<b>1.8x</b>	<b>9.8x</b>	<b>7.9x</b>	<b>6.9x</b>	<b>10.1x</b>	<b>9.2x</b>	<b>8.2x</b>	<b>14.4x</b>	<b>12.3x</b>	<b>11.6x</b>
<b>Drones and Defense</b>												
Kratos	2.8x	2.6x	2.4x	44.1x	28.1x	24.0x	89.3x	73.3x	50.7x	neg	46.0x	34.8x
AeroVironment	6.6x	5.9x	5.1x	48.1x	32.8x	26.4x	nm	59.2x	43.2x	neg	55.8x	43.6x
Parrot	0.8x	na	na	neg	na	na	neg	na	na	neg	na	na
Ehang	nm	19.3x	9.5x	neg	neg	46.2x	neg	neg	93.8x	neg	na	na
Joby Aviation	nm	nm	nm	neg	neg	neg	neg	neg	neg	neg	neg	neg
<b>Mean</b>	<b>3.4x</b>	<b>9.3x</b>	<b>5.7x</b>	<b>46.1x</b>	<b>30.5x</b>	<b>32.2x</b>	<b>89.3x</b>	<b>66.3x</b>	<b>62.5x</b>	<b>nm</b>	<b>50.9x</b>	<b>39.2x</b>
<b>Median</b>	<b>2.8x</b>	<b>5.9x</b>	<b>5.1x</b>	<b>46.1x</b>	<b>30.5x</b>	<b>26.4x</b>	<b>89.3x</b>	<b>66.3x</b>	<b>50.7x</b>	<b>nm</b>	<b>50.9x</b>	<b>39.2x</b>
<b>Digital Health</b>												
ResMed	6.2x	5.9x	5.5x	20.4x	17.9x	16.3x	22.9x	19.4x	17.6x	27.8x	24.0x	21.3x
DexCom	13.2x	11.6x	9.7x	61.0x	39.9x	31.7x	80.0x	58.1x	45.3x	88.5x	70.1x	55.3x
Insulet	9.4x	6.3x	5.3x	51.5x	31.0x	25.2x	67.4x	48.4x	36.7x	73.4x	52.7x	40.3x
Fisher & Paykel Healthcare	8.7x	9.1x	8.1x	33.5x	33.4x	27.2x	41.3x	43.7x	34.4x	54.7x	59.6x	46.5x
Inspire Medical Systems	8.9x	8.3x	6.9x	neg	nm	nm	neg	neg	nm	neg	neg	nm
Cue Health	neg	neg	neg	nm	nm	nm	nm	nm	nm	neg	neg	neg
<b>Mean</b>	<b>9.3x</b>	<b>8.2x</b>	<b>7.1x</b>	<b>41.6x</b>	<b>30.5x</b>	<b>25.1x</b>	<b>52.9x</b>	<b>42.4x</b>	<b>33.5x</b>	<b>61.1x</b>	<b>51.6x</b>	<b>40.8x</b>
<b>Median</b>	<b>8.9x</b>	<b>8.3x</b>	<b>6.9x</b>	<b>42.5x</b>	<b>32.2x</b>	<b>26.2x</b>	<b>54.4x</b>	<b>46.0x</b>	<b>35.5x</b>	<b>64.1x</b>	<b>56.1x</b>	<b>43.4x</b>
<b>Mean</b>	<b>5.3x</b>	<b>6.1x</b>	<b>4.8x</b>	<b>33.1x</b>	<b>20.6x</b>	<b>19.8x</b>	<b>43.4x</b>	<b>32.0x</b>	<b>30.6x</b>	<b>44.5x</b>	<b>33.7x</b>	<b>27.3x</b>
<b>Mean w/out extremes</b>	<b>5.0x</b>	<b>5.3x</b>	<b>4.7x</b>	<b>32.9x</b>	<b>20.2x</b>	<b>18.6x</b>	<b>41.5x</b>	<b>30.2x</b>	<b>26.7x</b>	<b>42.1x</b>	<b>32.9x</b>	<b>26.8x</b>
<b>Median</b>	<b>3.7x</b>	<b>5.9x</b>	<b>5.1x</b>	<b>33.5x</b>	<b>17.9x</b>	<b>20.2x</b>	<b>34.2x</b>	<b>19.4x</b>	<b>26.0x</b>	<b>40.0x</b>	<b>24.0x</b>	<b>21.3x</b>

Source: EnVent Research on S&P Capital IQ, 22/04/2024

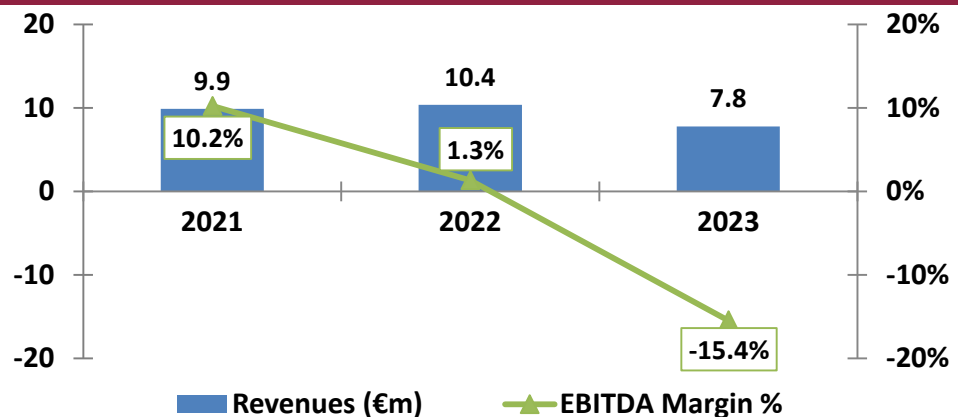
## 7. FINANCIAL ANALYSIS AND PROJECTIONS

### Abnormal delays in PA tenders impact on 2023

#### Changing regulation postponed PA tenders

Until 2023, Impianti revenues have been in the region of €10m. Revenues dynamic is mostly affected by delays in public tender procedures: 2021 revenues include €2.5m from 2020 PA tender procedure, while €1.1m of 2022 revenues shifted in 2023; according to management delay in Procurement Code enactment and implementation affected revenues in H1 2023 as public administration postponed public tenders after September to be compliant with new regulations.

#### 3Y Historical financial performance



Source: EnVent Research on Company data

#### Revenue and profitability analysis

Impianti reported €7.5m consolidated revenues in 2023A, €7.8m value of production including other income (-25% YoY). Italy accounted for 86% of sales, with foreign sales at 14%, in line with previous year. According to management, besides tender procedures stop in the first half, 2023 sales drop was due to:

- €0.7m sales shift to 2024 after delays in tender procedure award
- PA maintenance contracts expiration in May 2023, partially renewed until year end
- Amazon sales stop for 3 months in Germany to comply with new EPR RAEE regulation

Cost of sales (-21% YoY) was in in the region of 56% of sales, slightly higher than previous years as lower sales volumes implies lower vendor rebate. Services (-8% YoY) in the region of 32% of sales from 26% in 2022, as order execution shift from 2022 to 2023 required additional expenses for external services. EBITDA was €(1.2)m, -15% on revenues from breakeven in 2022. Net loss €(1.3)m after interest and taxes.

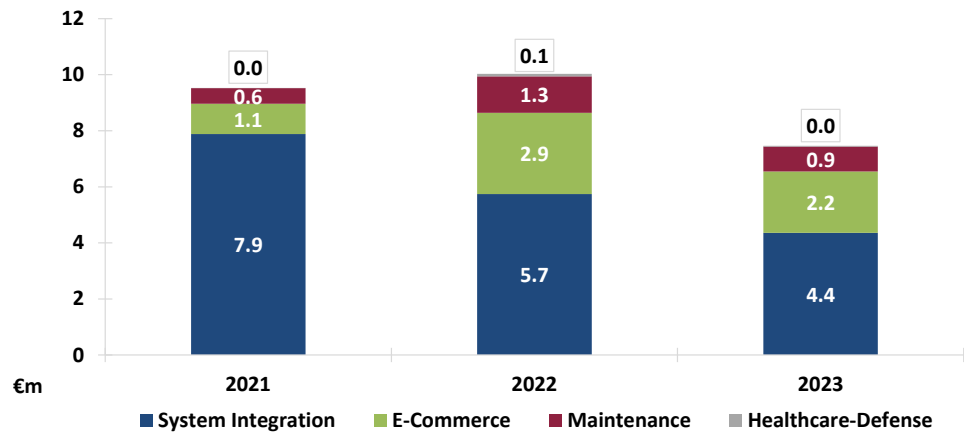
#### Segment performance

Over the last years, sales mix is substantially unchanged, with System Integration around 60% of sales, followed by E-Commerce close to 30% of sales. International sales come from E-Commerce.

**2023 sales breakdown (%)**



**Sales mix evolution (€m)**



**Light and decreasing  
Net Invested Capital**

**Balance sheet analysis**

Decreasing net working capital following sales trend has made lighter already light net invested capital and balance sheet. The operating cash absorption was partially offset by working capital release and other receivables. Net cash flow at €(0.4)m, after €0.2m greenshoe option and warrant exercise.

Source: Company data

**Current trading in H1 2024**

According to management, sales and backlog as of February 2024 were respectively €0.7m and €2.3m (+14.7% YoY). Latest achievements:

- Award of tender procedure from national PA entity for the supply of 8,000 audio and video kit, worth €0.7m
- Temporary Grouping including Impianti awards a tender procedure from a large energy industry organization for the supply of *Ledwall* systems, worth €2.1m during 2024 and 2025

**2024 market awareness initiatives**

- Organizer of “Drones: a tool for security and territory” conference at Parliament
- Awarded by Open-es Camp for “N.I.C.E. Learning”, an ecosystem of training proposals in sustainability, conveyed by an AI powered cloud-based platform and in-presence activities with workshops, aimed at translating content proposed by Open-es platform into action



## Our estimates

### Use of market data

- The outlook for the Italian digital market envisages a 6% CAGR 2022A-25E, while a over 25% CAGR in 2022A-25E is expected for the Advanced Air Mobility market
- The current and future market trends of healthcare technologies indicate growing demand for at home care products

### Key growth drivers and risk profile

- Enrichment of current product portfolio by *avant-garde* tech devices
- Restart of public tender procedures
- Healthcare and defense marketing in course
- Higher sales in H2

### Estimates construction

Based on our market and competition analysis, there is evidence of global increasing demand for hi-tech innovations, with well positioned players already seizing opportunities and showing sound profitability. Also, offer restless evolution implies unpredictable timing to market awareness and building commitment typical of novelties. Accordingly, we are inclined to look at 2023 revenues step back as an intelligible circumstance which has affected also well-established competitors.

Our critique of Impianti performance has recognized financial and operational discipline and has led us to weigh a mix of favorable factors, such as the progressive building of a qualified portfolio of large and prestigious customers, while establishing partnerships with global developers of ahead of the times technologies. Conversely, we notice that even when competitive advantages and a clear strategy are well visible, timing of deployment and external obstacles can be part of the mix.

As a result, we have designed our set of projections and discount rate with some conservative assumptions on revenues, to deal with both risks and a challenging set of goals targeting industry-like profitability, for 2024-26E.

#### Assumptions

<b>Revenues</b>	Build-up per revenue stream: - System integration recover on 2024 to 2022 level and over 10% 2023A-26E CAGR - Maintenance services over 10% 2023A-26E CAGR - E-commerce 15% 2023A-26E CAGR - Healthcare and defense expected to generate revenues since 2024 - Other income €0.3m per year
<b>Operating charges</b>	- Cost of sales 55-50% of revenues - Services 25% of revenues - Personnel 3% 2023A-26E CAGR - Other operating costs below 2% of revenues

<b>Income taxes</b>	- Corporate tax (IRES): 24% - Regional tax (IRAP): 3.90%
<b>Working Capital</b>	- Working Capital: - DOI: historical, 35 days - DSO: gradually decreasing from 75 in 2024E to 70 in 2026E (over 75 historically) - DPO: historical, 80 days - Other assets (liabilities): historical
<b>Capex</b>	€0.1m per year in tangible and intangible assets
<b>Equity</b>	No dividend distribution

Source: EnVent Research

## Financial projections

<b>Profit and Loss</b>					
€m	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Sales	10.0	7.5	9.3	10.8	12.4
Other income	0.3	0.3	0.3	0.3	0.3
<b>Total Revenues</b>	<b>10.4</b>	<b>7.8</b>	<b>9.6</b>	<b>11.1</b>	<b>12.7</b>
<i>YoY %</i>	4.8%	-25.1%	24.2%	15.7%	14.1%
Cost of sales	(5.5)	(4.3)	(5.3)	(5.9)	(6.5)
Services	(2.7)	(2.5)	(2.4)	(2.8)	(3.2)
Personnel	(1.7)	(1.7)	(1.7)	(1.8)	(1.9)
Other operating costs	(0.3)	(0.4)	(0.1)	(0.2)	(0.2)
<b>Operating charges</b>	<b>(10.2)</b>	<b>(9.0)</b>	<b>(9.6)</b>	<b>(10.7)</b>	<b>(11.8)</b>
<b>EBITDA</b>	<b>0.1</b>	<b>(1.2)</b>	<b>0.1</b>	<b>0.5</b>	<b>1.0</b>
<i>Margin on Sales</i>	1.4%	-16.0%	0.7%	4.4%	7.8%
<i>Margin on Total Revenues</i>	1.3%	-15.4%	0.7%	4.3%	7.6%
D&A	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<b>EBIT</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.8</b>
<i>Margin</i>	-0.5%	-17.4%	-0.9%	2.8%	6.2%
Interest	(0.0)	(0.0)	(0.0)	(0.0)	0.0
<b>EBT</b>	<b>(0.1)</b>	<b>(1.4)</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.8</b>
<i>Margin</i>	-1.3%	-17.7%	-0.9%	2.7%	6.3%
Income taxes	0.1	0.1	0.0	(0.1)	(0.2)
<b>Net Income (Loss)</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>0.2</b>	<b>0.6</b>
<i>Margin</i>	-0.5%	-16.9%	-0.7%	2.0%	4.5%

Source: Company data 2022-23A, EnVent Research 2024E-26E

### Balance Sheet

€m	2022	2023	2024E	2025E	2026E
Inventory	1.2	0.7	0.9	1.1	1.2
Trade receivables	2.5	1.9	2.3	2.5	2.9
Trade payables	(3.2)	(1.9)	(2.0)	(2.3)	(2.5)
Trade Working Capital	0.6	0.8	1.2	1.3	1.6
Other assets (liabilities)	0.9	0.0	0.1	0.1	0.1
<b>Net Working Capital</b>	<b>1.5</b>	<b>0.8</b>	<b>1.3</b>	<b>1.4</b>	<b>1.7</b>
Intangible assets	0.4	0.4	0.3	0.3	0.2
Property, plant and equipment	0.2	0.2	0.2	0.2	0.2
<b>Non-current assets</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.4</b>
<b>Provisions</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.5)</b>
<b>Net Invested Capital</b>	<b>1.7</b>	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>
<b>Net Debt (Cash)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>0.4</b>	<b>0.1</b>	<b>(0.3)</b>
<b>Equity</b>	<b>2.2</b>	<b>1.2</b>	<b>1.1</b>	<b>1.3</b>	<b>1.9</b>
<b>Sources</b>	<b>1.7</b>	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>

### Cash Flow

€m	2022	2023	2024E	2025E	2026E
<b>EBIT</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.8</b>
Current taxes	0.1	0.1	0.0	(0.1)	(0.2)
D&A	0.2	0.2	0.2	0.2	0.2
Provisions	0.1	(0.0)	0.0	0.0	0.0
<b>Cash flow from P&amp;L operations</b>	<b>0.3</b>	<b>(1.2)</b>	<b>0.1</b>	<b>0.4</b>	<b>0.8</b>
Trade Working Capital	0.5	(0.1)	(0.4)	(0.1)	(0.3)
Other assets and liabilities	(1.7)	0.8	(0.0)	(0.0)	(0.0)
Capex	0.2	(0.1)	(0.1)	(0.1)	(0.1)
<b>Operating cash flow after WC and capex</b>	<b>(0.7)</b>	<b>(0.6)</b>	<b>(0.5)</b>	<b>0.2</b>	<b>0.4</b>
Interest	(0.0)	(0.0)	(0.0)	(0.0)	0.0
Equity adjustment	(0.8)	0.0	0.0	0.0	0.0
IPO Proceeds	1.8	0.2	0.0	0.0	0.0
<b>Net cash flow</b>	<b>0.1</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>0.2</b>	<b>0.4</b>
Net Debt (Beginning)	0.4	0.5	0.1	(0.4)	(0.1)
Net Debt (End)	0.5	0.1	(0.4)	(0.1)	0.3
<b>Change in Net Debt (Cash)</b>	<b>0.1</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>0.2</b>	<b>0.4</b>

### Ratio analysis

KPIs	2022	2023	2024E	2025E	2026E
ROE	-2%	-112%	-6%	17%	30%
ROS (EBIT/Sales)	-1%	-18%	-1%	3%	6%
ROIC (NOPAT/Invested Capital)	-2%	-93%	-4%	15%	35%
DOI	45	35	35	35	35
DSO	76	77	75	70	70
DPO	110	77	77	77	77
TWC/Sales	6%	10%	13%	12%	13%
Net Debt /EBITDA	neg	0.1x	5.6x	0.3x	-0.3x
Net Debt/Equity	cash	cash	0.3x	0.1x	cash
Net Debt/(Net Debt+Equity)	cash	cash	0.2x	0.1x	cash
Cash flow from P&L operations/EBITDA	199%	97%	139%	86%	79%
FCF/EBITDA	neg	50%	neg	47%	41%

Source: Company data 2022-23A, EnVent Research 2024E-26E

## 8. VALUATION

### Diversification strategy to create value

#### Valuation rationale

As previously commented, Impianti is currently facing a turning point while repositioning as hi-tech multi-industry provider, and thus we have designed our set of projections with conservative assumptions on revenues to deal with both risks and a challenging set of goals targeting industry-like profitability.

We consider the high rank of certain projects and the growing presence as prominent customers provider of technologies as supports to the ability to generate repeat engagements. The value expectation counts on diversification strategy success, whose main pillars are expansion of portfolio, increasing number of market awareness events and experiences and continuous acquisition of technologies.

#### Relevant market metrics and valuation issues

- Market and industry analyses suggest growth based on the pervasive technology innovations
- *Medium* risk profile as per competition analysis
- Competitive advantage based on comprehensive certifications as entry barriers
- Competitive framework with vivid rivalry may challenge market share and profitability growth
- Industry market multiples might be misleading as a source of valuable indications
- The valuation is run in a framework of volatility, including domestic and international turbulence and erratic inflation perspective: certain value determinants may be subject to judgmental adjustments

#### Valuation metrics

We recall that revenue projections are generally considered a reliable base for established companies, however discount rates or multiples based on market metrics could not fully measure all risks affecting the likelihood of recovering the revenues projected.

#### Discounted Cash Flows

A key feature of the Discounted Cash Flow method of valuation is the assumption that uncertainty in the financial performance and the risk that forecasted revenues would not be as expected, can be addressed by a proper discount factor.

### Metrics and assumptions:

- Risk free rate: 3.2% (Italian 10-year government bonds interest rate - last 30 days average. Source: Bloomberg, April 2024)
- Market return: 11.8% (last 30 days average. Source: Bloomberg, April 2024)
- Market risk premium: 8.6%
- Beta: 1.0 (judgmental)
- Cost of equity: 11.8%
- Cost of debt: 6.0%
- Tax rate: 24% IRES
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 9.6%, according to above data
- Perpetual growth rate after explicit projections (G): 3.0%
- Terminal Value assumes a 8% EBITDA margin

### DCF valuation

€m	2022	2023	2024E	2025E	2026E	Perpetuity
<b>Revenues</b>	<b>10.4</b>	<b>7.8</b>	<b>9.6</b>	<b>11.1</b>	<b>12.7</b>	<b>13.1</b>
<b>EBITDA</b>	<b>0.1</b>	<b>(1.2)</b>	<b>0.1</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>
<i>Margin</i>	1.3%	-15.4%	0.7%	4.3%	7.6%	8.0%
<b>EBIT</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>0.3</b>	<b>0.8</b>	<b>0.8</b>
<i>Margin</i>	-0.5%	-17.4%	-0.9%	2.8%	6.2%	6.5%
Taxes	0.0	0.4	0.0	(0.1)	(0.2)	(0.2)
<b>NOPAT</b>	<b>(0.0)</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>0.2</b>	<b>0.6</b>	<b>0.6</b>
D&A	0.2	0.2	0.2	0.2	0.2	0.2
Provisions	0.1	(0.0)	0.0	0.0	0.0	0.0
<b>Cash flow from operations</b>	<b>0.2</b>	<b>(0.8)</b>	<b>0.1</b>	<b>0.4</b>	<b>0.8</b>	<b>0.8</b>
Trade Working Capital	0.5	(0.1)	(0.4)	(0.1)	(0.3)	(0.2)
Other assets and liabilities	(1.7)	0.8	(0.0)	(0.0)	(0.0)	0.0
Capex	0.2	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
<b>Yearly unlevered free cash flow</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>(0.5)</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>
<b>Free Cash Flow to be discounted</b>			<b>(0.5)</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>
WACC	9.6%					
Long-term growth (G)	3.0%					
<b>Discounted Cash Flows</b>			<b>(0.4)</b>	<b>0.2</b>	<b>0.3</b>	
Sum of Discounted Cash Flows	0.1					
<b>Terminal Value</b>						<b>6.8</b>
Discounted TV	5.2					
<b>Enterprise Value</b>	<b>5.2</b>					
Net Debt as of 31/12/23	0.1					
<b>Equity Value</b>	<b>5.4</b>					
<b>DCF - Implied multiples</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	
EV/Revenues	0.5x	0.7x	0.5x	0.5x	0.4x	
EV/EBITDA	38.1x	neg	82.4x	10.9x	5.4x	
EV/EBIT	neg	neg	neg	16.7x	6.6x	
P/E	neg	neg	neg	24.4x	9.3x	
<b>Discount of current market price vs DCF</b>	<b>-73%</b>					
<b>Current market price - Implied multiples</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	
EV/Revenues	0.1x	0.2x	0.1x	0.1x	0.1x	
EV/EBITDA	10.2x	neg	22.0x	2.9x	1.4x	
EV/EBIT	neg	neg	neg	4.4x	1.8x	
P/E	neg	neg	neg	6.9x	2.6x	

Source: EnVent Research

## Market multiples

### Market multiples - Summary of reference market listed companies positioning

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E		
	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
<b>Audio, Video and UCC</b>												
Mean	2.4x	2.0x	1.9x	13.2x	8.8x	8.1x	15.5x	10.0x	9.2x	22.3x	12.6x	11.8x
Median	2.2x	2.1x	1.8x	9.8x	7.9x	6.9x	10.1x	9.2x	8.2x	14.4x	12.3x	11.6x
<b>Drones and Defense</b>												
Mean	3.4x	9.3x	5.7x	46.1x	30.5x	32.2x	89.3x	66.3x	62.5x	nm	50.9x	39.2x
Median	2.8x	5.9x	5.1x	46.1x	30.5x	26.4x	89.3x	66.3x	50.7x	nm	50.9x	39.2x
<b>Digital Health</b>												
Mean	9.3x	8.2x	7.1x	41.6x	30.5x	25.1x	52.9x	42.4x	33.5x	61.1x	51.6x	40.8x
Median	8.9x	8.3x	6.9x	42.5x	32.2x	26.2x	54.4x	46.0x	35.5x	64.1x	56.1x	43.4x

Source: EnVent Research, 22/04/2024

### Key takeaways

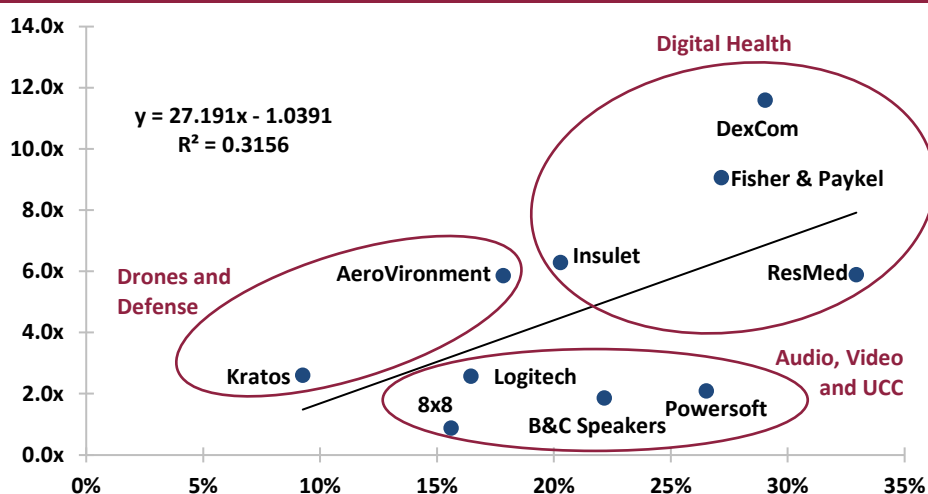
- Audio, Video and UCC peers look in the growth life cycle, whose lower multiples reflects their advanced life stage and expectations of further value building
- Drones and Defense and Digital Health life cycles look at introduction stage, with an expectation of accelerated growth and multiples suggesting high revenues and profitability perspective

### Regression analysis

A combined regression analysis showing consistency among peers, with consistently high EV/Revenues multiples, which might be an indicator of the embedded value of know-how, whereas operating profit is a good measure of investment return and maturity. Operating margins are quite variable among industries. Loss making companies – mostly in Drones and Defense industry – enjoy similar EV/Revenues scores.

The resulting profile is a picture of a high potential and brilliant perspective for companies involved in those ecosystems value chains.

### Regression analysis



Source: EnVent Research on S&P Capital IQ, 22/04/2024

## Valuation summary and Target price

### Careless market trend?

We see that Impianti, although its drop in revenues and share price, is actively marketing its tech portfolio, progressing along its strategy of building value by technological foundations and diversification over the mid/long-term. The wider reference tech ecosystem in 2023 shows healthy performance despite some fluctuations. In this framework, we see a value recovery perspective, regardless of contingent lower performances. Our DCF model points to an equity value of €5.9m. We initiate the coverage of Impianti with an OUTPERFORM rating, based on a Target Price per share of €0.70, with a 254% potential upside on €0.24 current share price.

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

<b>Impianti Price per Share</b>	<b>€</b>
<b>Target Price</b>	<b>0.70</b>
Current Share Price (22/04/2024)	0.20
<b>Premium (Discount)</b>	<b>254%</b>

Source: EnVent Research

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Date	Recommendation	Target Price (€)	Share Price (€)
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