



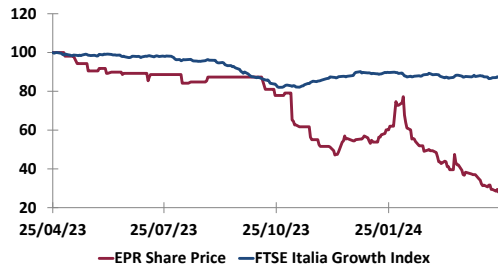
FY23 as expected, a transformative year after IPO, ongoing clients' wins to recover and fuel growth

OUTPERFORM

Current Share Price (€): 0.89

Target Price (€): 2.85

EPRcomunicazione - 1Y Performance



Source: S&P Capital IQ - Note: 25/04/2023=100

Company data

ISIN number	IT0005519837
Bloomberg code	EPRB IM
Reuters code	EPRB.MI
Industry	PR - Digital Marketing
Stock market	Euronext Growth Milan
Share Price (€)	0.89
Date of Price	24/04/2024
Shares Outstanding (m)	2.8
Market Cap (€m)	2.5
Market Float (%)	21.5%
Daily Volume	2,450
Avg Daily Volume since YTD	1,442
Target Price (€)	2.85
Upside (%)	222%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
EPR - Absolute (%)	-29%	-53%	-64%	-72%
FTSE Italia Growth Index (%)	-1%	-3%	6%	-13%
1Y Range H/L (€)			3.16	0.89
YTD Change (€) / %			-2.87	-76%

Source: S&P Capital IQ

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Stock performance: share price drop

Over LTM EPR share price lost -72%, with the Italia Growth index recording -13% in the same period.

FY23 results: revenues up by 14% YoY, driven by Justbit digital communication services

EPR FY23 consolidated revenues were €9.3m, +14% YoY. We estimate that Justbit was the main contributor to revenue growth, at around 30% YoY. EBITDA was €1m, overall in line with prior year at €1.1m (11% of revenues vs 13%). Net income at breakeven as in FY22. Net of goodwill amortization, bottom line would be over €0.3m. 2023 year-end net financial debt was €1.2m, from €0.4m as of June 2023 and breakeven as of year-end 2022, mainly absorbed by working capital.

Target Price €2.85 per share (from €3.92), OUTPERFORM rating confirmed

FY23 results met our estimates, with the year archived as expected as a transitional period where EPR was engaged in post-M&A operational integration and ongoing expansion of the client portfolio. We confirm our expectations for 2024 and years to come, with already revised estimates in our last note, backed by a comfortable backlog of €3.5m (as of end of Feb 2024) and possibly fueled by further M&A. We recall that 2024 and following years will undergo a portfolio reshaping to recover the churn rate, after the announcement, last September, of the loss of a key client from 2024. However, new clients' wins are ongoing: in the first months of the current year, new engagements have been awarded by GSE, Unidata and ACE, to name a few.

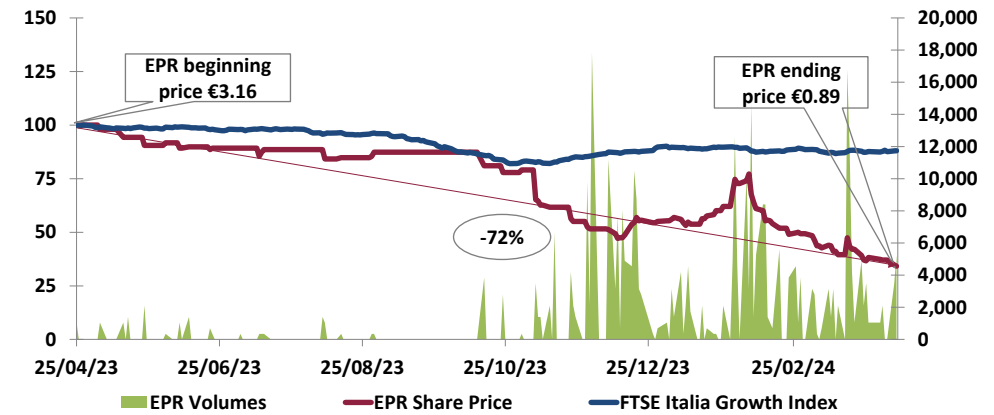
EPR stock recently suffered significant value drops, but its fundamentals are overall unchanged and do not justify such a decline. Our updated valuation blending analytical and market methods suggests an adjustment to target price from €3.92 to €2.85 per share, 222% upside on current share price, with EPR currently trading at 0.4x 2024E EV/Revenues vs 1.1x peers median. Rating OUTPERFORM confirmed.

KEY FINANCIALS AND ESTIMATES (€m)	2019A	2020A	2021A	2021PF	2022PF	2023A	2024E	2025E	2026E
Revenues	4.7	4.2	5.1	7.4	8.1	9.3	8.9	10.6	12.0
YoY %	-	-9.6%	20.9%	45.4%	8.6%	14.4%	-4.0%	19.6%	13.3%
EBITDA	0.3	0.4	0.4	1.1	1.1	1.0	1.2	1.8	2.2
Margin	6.6%	8.9%	7.0%	14.6%	13.2%	10.8%	13.4%	17.1%	17.9%
Net Income	0.1	0.1	0.0	0.3	0.3	0.2	0.5	0.9	1.2
Net (Debt) Cash	(0.3)	(0.1)	(0.1)	(2.5)	0.0	(1.2)	(0.3)	0.8	2.4
Equity	0.1	0.8	0.6	1.7	4.2	3.9	4.3	5.2	6.4
KEY RATIOS AND MULTIPLES	2019A	2020A	2021A	2021PF	2022PF	2023A	2024E	2025E	2026E
Per-capita sales (€k)	154	135	159	130	119	127	112	128	140
Net Debt/EBITDA	1.0x	0.3x	0.2x	2.3x	cash	1.2x	0.2x	cash	cash
Basic EPS (€)	na	na	na	na	0.10	0.06	0.16	0.33	0.42
EV/Revenues	na	na	na	na	0.5x	0.4x	0.5x	0.4x	0.3x
EV/EBITDA	na	na	na	na	3.8x	4.1x	3.4x	2.2x	1.9x
P/E	na	na	na	na	8.5x	15.5x	5.5x	2.7x	2.1x

Source: Company data 2019-23A, EnVent Research 2024-26E - Note: 2020-21A EPR unconsolidated figures; 2021-22PF showing effect of Justbit 51% stake acquisition since year begin, from 2023A on consolidated figures

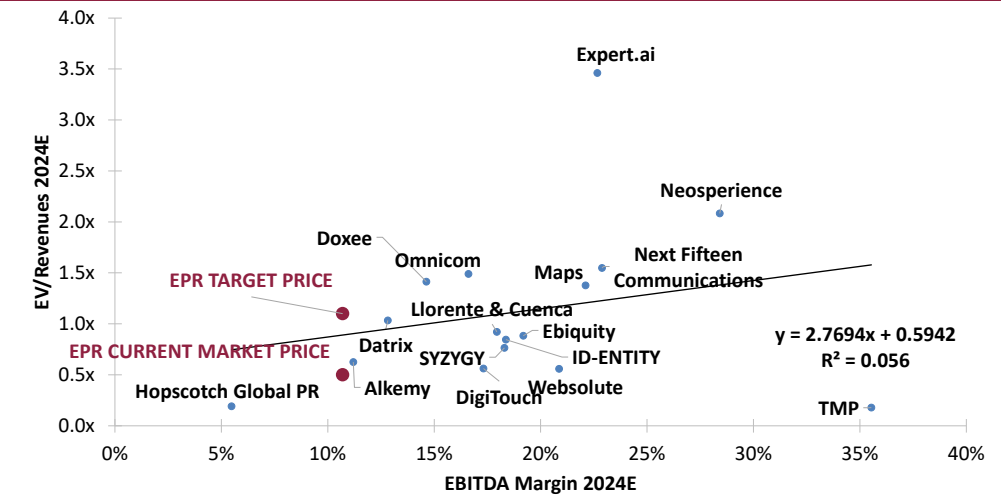
Market update

EPR - 1Y Share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 25/04/2023=100

Peer group - Regression analysis and EPR target positioning



Source: EnVent Research on S&P Capital IQ, April 2024

Investment case

Eprcomunicazione *Benefit Corporation* and B Corp, listed on Euronext Growth Milan since 2022, is a Public Relations and Digital Communication firm, whose core competence is building reputation and interaction with stakeholders of its clients, proven by over 30 years' experience within the inner circle of Italian PR firms. Media relations, press office, public affairs and advocacy support, publishing and event management, and crisis communication expertise are major specialties. EPR Institutional Relations practice long-standing reputation has gained over time prominent recurring clients among large domestic and global corporations, institutions and public authorities, industry and business associations, nonprofit environmental organizations.

The digital factory Justbit offers a full array of technology solutions, positioning EPR as an integrated firm which has already accomplished the urge of a

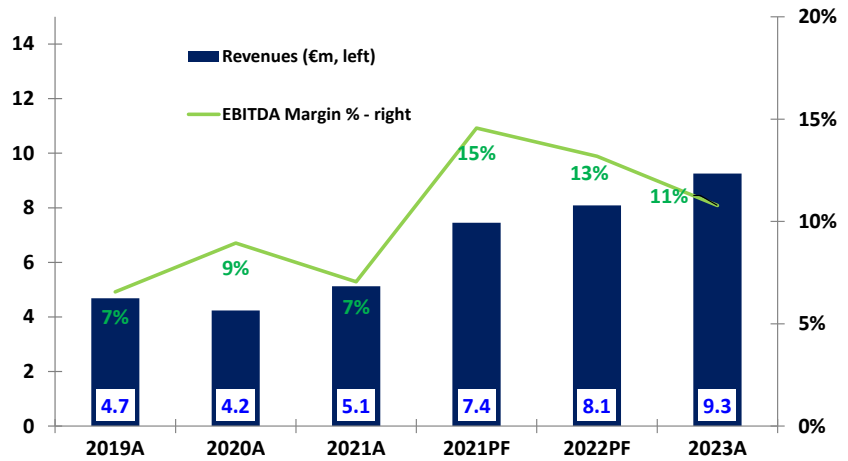
Technology transition completed comprehensive digital technology transition, an investment of time and money that the global industry is still undertaking to cope with the traditional services disruption.

Strategy

Main strategic goals are:

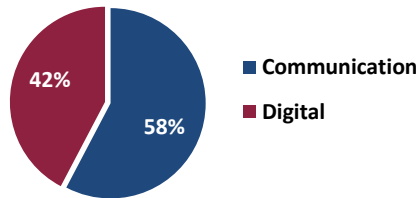
- R&D investment in additional tech applications
- acquisition program of PR teams
- recruiting of mid-management

Historical Revenues and EBITDA



Source: Company data - Note: 2019-21A EPR unconsolidated figures; 2021-22PF showing effect of Justbit 51% stake acquisition since year begin

Sales breakdown 2023A



Source: EnVent Research estimate on Company data

Industry and Company drivers

- PR becoming more effective than advertising in the new media anarchy
- PR crucial for reputation in booming ESG market of broader stakeholders communities
- Digital technology is a *must have*
- Expertise and premium clients
- Native digital team as a state-of-the-art boost to quality of service
- Widespread relations with Institutions and Public Authorities
- Widest service portfolio within the industry
- Reputation in ESG and sustainability

Challenges

- Low entry barriers to competition
- High rank clients require sizeable agencies
- Acquisition and integration risk
- Weight of outsourced services

Financial projections

2024 slight shift effect of portfolio recovery after a large client turnover

Consolidated Profit and Loss

€m	2019A	2020A	2021A	2021PF	2022PF	2023A	2024E	2025E	2026E
Sales	4.6	4.2	5.1	7.4	8.1	9.1	8.8	10.5	11.9
Other income	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Revenues	4.7	4.2	5.1	7.4	8.1	9.3	8.9	10.6	12.0
YoY %	-	-9.6%	20.9%	45.4%	8.6%	14.4%	-4.0%	19.6%	13.3%
Services	(3.5)	(2.9)	(3.5)	(4.3)	(4.8)	(5.2)	(5.0)	(5.8)	(6.5)
Personnel	(0.7)	(0.7)	(0.8)	(1.5)	(1.7)	(2.5)	(2.0)	(2.3)	(2.6)
Other operating costs	(0.3)	(0.2)	(0.4)	(0.6)	(0.5)	(0.5)	(0.7)	(0.7)	(0.7)
Operating costs	(4.4)	(3.9)	(4.8)	(6.4)	(7.0)	(8.3)	(7.7)	(8.8)	(9.9)
EBITDA	0.3	0.4	0.4	1.1	1.1	1.0	1.2	1.8	2.2
Margin	6.6%	8.9%	7.0%	14.6%	13.2%	10.8%	13.4%	17.1%	17.9%
D&A	(0.1)	(0.2)	(0.2)	(0.4)	(0.3)	(0.5)	(0.5)	(0.5)	(0.5)
EBIT	0.2	0.2	0.2	0.7	0.7	0.4	0.7	1.3	1.6
Margin	3.4%	5.1%	3.5%	9.0%	8.9%	4.9%	7.7%	12.3%	13.6%
Interest	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)
EBT	0.1	0.2	0.2	0.6	0.7	0.4	0.6	1.3	1.6
Margin	2.3%	4.8%	3.3%	8.2%	8.5%	3.9%	7.1%	12.0%	13.4%
Income taxes	(0.0)	(0.1)	(0.1)	(0.3)	(0.4)	(0.2)	(0.2)	(0.4)	(0.5)
Net Income (Loss)	0.1	0.1	0.0	0.3	0.3	0.2	0.5	0.9	1.2
Margin	1.5%	3.4%	0.8%	3.7%	3.6%	1.7%	5.1%	8.6%	9.7%

Source: Company data 2019-23A, EnVent Research 2024-26E - Notes: 2019-21A EPR unconsolidated figures; 2021-22PF showing effect of Justbit 51% stake acquisition since year begin

Consolidated Balance Sheet

€m	2019A	2020A	2021A	2021PF	2022PF	2023A	2024E	2025E	2026E
Accounts receivable	1.2	1.0	1.2	2.3	2.9	4.4	4.1	4.6	4.8
Accounts payable	(1.1)	(0.8)	(0.9)	(1.0)	(1.5)	(1.5)	(1.4)	(1.5)	(1.7)
Working Capital	0.1	0.2	0.3	1.3	1.4	2.9	2.7	3.0	3.1
Other assets (liabilities)	0.1	0.1	(0.2)	(0.6)	(0.6)	(0.9)	(0.9)	(0.9)	(0.9)
Net Working Capital	0.3	0.3	0.1	0.7	0.9	2.0	1.9	2.2	2.2
Intangible assets	0.3	0.7	0.6	0.7	1.5	1.3	1.2	1.1	0.9
Goodwill	0.0	0.0	0.0	2.2	2.2	2.2	1.9	1.7	1.4
Property, plant and equipment	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.0
Equity investments and financial assets	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0
Non-current assets	0.3	0.8	0.7	3.7	3.8	3.6	3.2	2.8	2.4
Provisions	(0.2)	(0.2)	(0.2)	(0.3)	(0.5)	(0.6)	(0.5)	(0.5)	(0.6)
Net Invested Capital	0.4	0.9	0.7	4.2	4.2	5.1	4.6	4.5	4.0
Bank debt	0.4	0.2	0.4	3.2	2.7	1.7	0.6	0.4	0.1
Cash and equivalents	(0.1)	(0.1)	(0.3)	(0.7)	(2.7)	(0.5)	(0.4)	(1.1)	(2.5)
Net Debt (Cash)	0.3	0.1	0.1	2.5	(0.0)	1.2	0.3	(0.8)	(2.4)
Equity	0.1	0.8	0.6	1.7	4.2	3.9	4.3	5.2	6.4
Sources	0.4	0.9	0.7	4.2	4.2	5.1	4.6	4.5	4.0

Source: Company data 2019-23A, EnVent Research 2024-26E - Notes: 2019-21A EPR unconsolidated figures; 2021-22PF showing effect of Justbit 51% stake acquisition since year begin

Consolidated Cash Flow

€m	2020A	2021A	2021PF	2022PF	2023A	2024E	2025E	2026E
EBIT	0.2	0.2	0.7	0.7	0.4	0.7	1.3	1.6
Current taxes	(0.1)	(0.1)	(0.3)	(0.4)	(0.2)	(0.2)	(0.4)	(0.5)
D&A	0.2	0.2	0.4	0.3	0.5	0.5	0.5	0.5
Provisions	0.0	(0.0)	0.1	0.2	0.1	(0.1)	0.1	0.1
Cash flow from P&L operations	0.3	0.2	0.8	0.9	0.9	0.9	1.5	1.8
Working Capital	(0.0)	(0.2)	(1.1)	(0.1)	(1.5)	0.2	(0.3)	(0.0)
Other assets and liabilities	0.0	0.3	0.7	(0.0)	0.3	0.0	0.0	0.0
Operating cash flow before capex	0.3	0.4	0.4	0.7	(0.3)	1.1	1.2	1.7
Capex	(0.1)	0.0	(0.0)	(1.0)	(0.4)	(0.1)	(0.1)	(0.1)
Operating cash flow after WC and capex	0.2	0.4	0.4	(0.2)	(0.7)	1.0	1.1	1.6
Interest	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)
Equity investments and financial assets	0.0	(0.1)	(2.6)	(0.2)	0.0	0.0	0.0	0.0
Paid-in Capital	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
IPO Proceeds	0.0	0.0	0.0	3.0	0.0	0.0	0.0	0.0
Dividends and other equity changes	0.0	(0.2)	0.0	0.0	(0.5)	0.0	0.0	0.0
Net cash flow	0.2	0.1	(2.4)	2.6	(1.2)	0.9	1.0	1.6
(Net Debt) Cash - Beginning	(0.3)	(0.1)	(0.1)	(2.5)	0.0	(1.2)	(0.3)	0.8
(Net Debt) Cash - End	(0.1)	(0.1)	(2.5)	0.0	(1.2)	(0.3)	0.8	2.4
Change in (Net Debt) Cash	0.2	0.1	(2.4)	2.6	(1.2)	0.9	1.0	1.6

Source: Company data 2019-23A, EnVent Research 2024-26E - Notes: 2019A-21A EPR unconsolidated figures; 2021PF cash flow may represent just a proxy of consolidated figures; 2021-22PF showing effect of Justbit 51% stake acquisition since FY21 year begin

Ratio analysis

KPIs	2019A	2020A	2021A	2021PF	2022PF	2023A	2024E	2025E	2026E
ROE	53%	19%	6%	16%	7%	4%	11%	17%	18%
ROS (EBIT/Sales)	3%	5%	4%	9%	9%	5%	8%	12%	14%
DSO	77	72	73	93	108	143	140	130	120
DPO	85	79	69	61	70	73	73	70	70
WC/Sales	3%	4%	7%	17%	18%	32%	31%	29%	26%
NWC/Sales	6%	7%	3%	10%	11%	22%	21%	21%	19%
Net Debt/EBITDA	1.0x	0.3x	0.2x	2.3x	cash	1.2x	0.2x	cash	cash
Net Debt/Equity	2.4x	0.1x	0.1x	1.5x	cash	0.3x	0.1x	cash	cash
Net Debt/(Net Debt+Equity)	0.7x	0.1x	0.1x	0.6x	cash	0.2x	0.1x	cash	cash
Operating cash flow before capex/EBITDA	nm	84%	102%	37%	69%	-27%	91%	65%	80%
Per-capita (total workforce) sales (€k)	154	135	159	130	119	127	112	128	140
Per-capita cost per employee (€k)	37	38	43	51	42	53	44	46	49

Source: Company data 2019A-23A - EnVent Research 2024-26E; Notes: 2019A-21A EPR unconsolidated figures; 2021-22PF showing effect of Justbit 51% stake acquisition since FY21 year begin; Per-capita sales and costs per employee EnVent Research for 2022PF-26E

Valuation

Value drivers:

- Market hungry of unprecedented digital solutions
- Appeal of relationships among institutions and media
- Quality clients and engagements
- Creativity by technology
- Client loyalty and repeat engagements

Our projections consider Justbit integration with EPR for the intrinsic higher growth rate and profitability of the digital business and cross-selling opportunities. Within the communication and advertising industry, we have identified clusters of companies that could represent benchmarks to EPR. The peer groups include companies diversified on size, business mix and scope of practice. However,

growth is driven by the same factors and dynamics, exposure to the same reference market and continuity of relationships with clients. We have excluded from our market multiples application of the pure Advertising cluster, given the difference of core services.

The valuation of EPR has been performed through:

- Discounted Cash Flows applied to our 2024-26E financial projections
- Market multiples
- Sum of the Parts approach

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.2% (Italian 10-year government bonds interest rate - last 30 days average. Source: Bloomberg, April 2024)
- Market return: 11.9% (last 30 days average. Source: Bloomberg, April 2024)
- Market risk premium: 8.6%
- Beta: 1.2 (judgmental due to continuing volatility of market indicators)
- Cost of equity: 13.6%
- Cost of debt: 6.0%
- Tax rate: 24% IRES
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 10.9%, according to above data
- Perpetual growth rate after explicit projections (G): 2.0%
- Terminal Value: sensitivity analysis on long-term EBITDA margin in the range 13%-17% and long-term growth rate in the range 1.5%-2.5%

DCF Valuation

€m	2022PF	2023A	2024E	2025E	2026E	Perpetuity
Revenues	8.1	9.3	8.9	10.6	12.0	12.3
EBITDA	1.1	1.0	1.2	1.8	2.2	1.8
<i>Margin</i>	13.2%	10.8%	13.4%	17.1%	17.9%	15.0%
EBIT	0.7	0.4	0.7	1.3	1.6	1.6
<i>Margin</i>	8.9%	4.9%	7.7%	12.3%	13.6%	13.4%
Taxes - full rate estimates in case of earnings	(0.2)	(0.1)	(0.2)	(0.4)	(0.5)	(0.5)
NOPAT	0.5	0.3	0.5	0.9	1.2	1.2
D&A	0.3	0.5	0.5	0.5	0.5	0.2
Provisions	0.2	0.1	(0.1)	0.1	0.1	0.0
Cash flow from operations	1.1	1.0	0.9	1.5	1.7	1.4
Trade Working Capital	(0.1)	(1.5)	0.2	(0.3)	(0.0)	(0.2)
Capex	(1.0)	(0.4)	(0.1)	(0.1)	(0.1)	(0.2)
Equity investments and financial assets	(0.2)	0.0	0.0	0.0	0.0	0.0
Yearly unlevered free cash flows	(0.2)	(0.6)	1.0	1.1	1.6	1.0
Unlevered free cash flows			1.0	1.1	1.6	1.0
WACC	10.9%					
Long-term growth (G)	2.0%					
Discounted Cash Flows			0.9	0.9	1.2	
Sum of Discounted Cash Flows	2.9					
Terminal Value						11.2
Discounted TV	8.2					
Enterprise Value	11.2					
Net (Debt) Cash as of 31/12/2023	(1.2)					
Minorities as of 31/12/2023	(0.4)					
Equity Value	9.6					

DCF - Implied multiples	2022PF	2023A	2024E	2025E	2026E
EV/Revenues	1.4x	1.2x	1.3x	1.1x	0.9x
EV/EBITDA	10.5x	11.2x	9.4x	6.1x	5.2x
EV/EBIT	15.5x	24.8x	16.3x	8.6x	6.8x
P/E	33.0x	59.8x	21.1x	10.5x	8.2x
Discount of current market price vs DCF	-64%				
Current market price - Implied multiples	2022PF	2023A	2024E	2025E	2026E
EV/Revenues	0.5x	0.4x	0.5x	0.4x	0.3x
EV/EBITDA	3.8x	4.1x	3.4x	2.2x	1.9x
EV/EBIT	5.6x	9.0x	5.9x	3.1x	2.5x
P/E	8.5x	15.5x	5.5x	2.7x	2.1x

Source: EnVent Research

Sensitivity analysis

DCF Valuation (€m) - Sensitivity Analysis						
		13.0%	14.0%	15.0%	16.0%	17.0%
		6.8	7.3394	7.92371	8.50803	9.09234
Long-term growth (G)	1.50%	7.7	8.4	9.1	9.8	10.5
	1.75%	7.9	8.6	9.3	10.0	10.8
	2.00%	8.1	8.9	9.6	10.3	11.0
	2.25%	8.3	9.1	9.9	10.6	11.4
	2.50%	8.6	9.4	10.1	10.9	11.7

Source: EnVent Research

Market multiples

Company	EV/REVENUES					EV/EBITDA					EV/EBIT					P/E				
	2021	2022	2023	2024E	2025E	2021	2022	2023	2024E	2025E	2021	2022	2023	2024E	2025E	2021	2022	2023	2024E	2025E
PR and communication																				
Omnicom	1.3x	1.6x	1.4x	1.5x	1.4x	7.7x	9.8x	8.9x	9.0x	8.5x	8.5x	10.8x	9.8x	9.8x	9.3x	11.1x	14.0x	12.3x	11.6x	11.0x
Next Fifteen Communications	4.1x	1.9x	1.2x	1.5x	1.5x	39.7x	12.9x	8.4x	6.8x	6.4x	88.6x	18.4x	11.5x	7.4x	6.9x	neg	neg	514.5x	10.1x	9.4x
Llorente & Cuenca	2.1x	1.3x	n.a.	0.9x	0.8x	12.5x	7.6x	n.a.	5.1x	4.6x	16.1x	9.7x	n.a.	6.2x	5.7x	25.1x	14.8x	n.a.	9.2x	8.3x
Hopscotch Global PR	0.2x	0.2x	n.a.	0.2x	0.2x	4.4x	5.8x	n.a.	3.5x	3.2x	5.5x	6.6x	n.a.	4.8x	4.4x	5.4x	10.4x	n.a.	8.3x	7.6x
Mean	2.5x	1.6x	1.3x	1.3x	1.2x	20.0x	10.1x	8.6x	7.0x	6.5x	37.7x	13.0x	10.6x	7.8x	7.3x	18.1x	14.4x	263.4x	10.3x	9.6x
Median	2.1x	1.6x	1.3x	1.5x	1.4x	12.5x	9.8x	8.6x	6.8x	6.4x	16.1x	10.8x	10.6x	7.4x	6.9x	18.1x	14.4x	263.4x	10.1x	9.4x
Technology, AI, Big Data and analytics																				
Alkemy	1.4x	0.7x	0.6x	0.6x	0.6x	16.0x	8.2x	7.0x	5.6x	4.7x	18.0x	9.7x	8.9x	8.4x	6.6x	29.4x	10.5x	14.7x	10.4x	7.5x
Doxee	4.0x	1.4x	1.9x	1.4x	1.1x	nm	nm	neg	9.7x	4.6x	nm	nm	neg	neg	15.3x	nm	13.8x	neg	neg	15.0x
Datrix	2.0x	1.2x	n.a.	1.0x	0.8x	neg	neg	n.a.	8.1x	3.9x	neg	neg	n.a.	neg	6.5x	neg	neg	n.a.	neg	10.9x
Maps	1.8x	1.6x	1.6x	1.4x	1.3x	9.0x	7.5x	10.5x	6.2x	5.2x	19.4x	14.5x	37.4x	13.0x	9.7x	15.1x	10.8x	41.8x	n.a.	n.a.
Expert.ai	3.1x	3.3x	n.a.	3.5x	3.0x	neg	neg	n.a.	15.3x	10.6x	neg	neg	n.a.	neg	37.0x	neg	neg	n.a.	neg	51.3x
TMP	0.1x	0.3x	n.a.	0.2x	0.1x	0.5x	0.9x	n.a.	0.5x	0.4x	0.6x	1.9x	n.a.	0.6x	0.5x	0.0x	3.7x	n.a.	0.8x	0.7x
Mean	2.5x	1.6x	1.4x	1.6x	1.4x	12.5x	7.8x	8.7x	9.0x	5.8x	18.7x	12.1x	23.1x	10.7x	15.0x	22.2x	11.7x	28.2x	10.4x	21.2x
Median	2.5x	1.6x	1.4x	1.6x	1.4x	12.5x	7.8x	8.7x	9.0x	5.8x	18.7x	12.1x	23.1x	10.7x	15.0x	22.2x	11.7x	28.2x	10.4x	21.2x
Digital marketing																				
Ebiquity	0.8x	1.0x	n.a.	0.9x	0.8x	neg	nm	n.a.	4.6x	4.1x	neg	neg	n.a.	5.5x	4.9x	neg	neg	n.a.	6.9x	5.7x
SVZGY	1.8x	0.8x	0.8x	0.8x	0.7x	14.4x	8.0x	10.2x	4.2x	4.1x	18.8x	10.8x	16.4x	7.6x	6.8x	21.3x	neg	neg	8.7x	7.8x
DigiTouch	0.8x	0.8x	0.7x	0.6x	0.5x	5.5x	5.0x	3.1x	3.2x	3.0x	9.6x	7.5x	4.0x	4.9x	4.6x	12.1x	11.6x	14.8x	9.2x	n.a.
Neosperience	2.5x	2.2x	n.a.	2.1x	1.7x	8.7x	8.4x	n.a.	7.3x	5.7x	34.6x	35.8x	n.a.	27.5x	13.9x	72.9x	53.8x	n.a.	30.5x	18.6x
Websolute	1.7x	0.6x	n.a.	0.6x	0.4x	11.9x	6.7x	n.a.	2.7x	2.1x	30.2x	neg	n.a.	5.6x	3.3x	68.1x	neg	n.a.	7.2x	4.1x
ID-ENTITY	3.3x	1.9x	1.1x	0.8x	0.7x	11.5x	9.4x	7.8x	4.6x	3.5x	13.3x	11.0x	9.9x	5.6x	4.0x	15.6x	14.7x	14.4x	8.8x	5.5x
The Mission	0.5x	0.3x	0.3x	0.6x	0.5x	8.9x	6.1x	2.8x	4.1x	3.7x	10.8x	7.4x	14.2x	5.8x	5.2x	10.6x	na	neg	3.7x	3.2x
Mean	1.7x	1.1x	0.7x	0.9x	0.8x	10.1x	7.2x	6.0x	4.4x	3.8x	19.5x	14.5x	11.1x	8.9x	6.1x	33.4x	26.7x	14.6x	10.7x	7.5x
Median	1.7x	1.1x	0.7x	0.9x	0.8x	10.1x	7.2x	6.0x	4.4x	3.8x	19.5x	14.5x	11.1x	8.9x	6.1x	33.4x	26.7x	14.6x	10.7x	7.5x
Combined Mean	2.1x	1.4x	1.1x	1.2x	1.1x	13.3x	8.1x	7.3x	6.4x	5.0x	24.3x	13.6x	14.0x	8.9x	9.3x	28.1x	18.0x	102.1x	10.6x	12.2x
Combined Median	1.8x	1.3x	1.1x	0.9x	0.8x	11.5x	8.0x	8.1x	5.6x	4.6x	18.0x	10.8x	10.7x	6.8x	6.6x	18.5x	13.9x	14.7x	9.2x	8.3x
Advertising																				
WPP	1.3x	1.0x	0.9x	1.2x	1.1x	11.2x	8.8x	16.7x	6.1x	6.1x	13.3x	10.4x	25.3x	7.5x	7.2x	20.2x	13.0x	72.9x	8.8x	8.2x
Publicis Groupe	1.4x	1.9x	1.5x	2.0x	1.9x	8.0x	10.8x	8.4x	9.2x	8.7x	10.3x	13.4x	10.2x	11.1x	10.5x	14.4x	21.5x	16.0x	14.3x	13.5x
Hakuhodo DY	0.5x	0.5x	0.3x	0.4x	0.4x	10.7x	5.0x	4.2x	7.4x	7.4x	14.3x	6.4x	6.1x	14.7x	12.2x	26.8x	7.9x	11.9x	n.a.	n.a.
Dentsu	1.1x	1.0x	1.0x	1.1x	1.1x	5.6x	5.4x	6.5x	6.8x	6.5x	8.6x	7.7x	10.6x	10.7x	9.7x	10.4x	16.0x	neg	n.a.	n.a.
The Interpublic	1.6x	1.3x	1.4x	1.5x	1.4x	9.4x	7.9x	8.5x	7.9x	7.6x	11.2x	9.3x	10.1x	9.1x	8.7x	15.5x	12.5x	11.4x	10.8x	10.2x
BlueFocus Intelligent Com.	0.6x	0.4x	0.3x	0.2x	0.2x	25.9x	nm	437.1x	18.5x	14.8x	30.0x	nm	732.1x	27.6x	20.8x	50.7x	neg	153.2x	45.0x	41.4x
Mean	1.1x	1.0x	0.9x	1.1x	1.0x	11.8x	7.6x	80.3x	9.3x	8.5x	14.6x	9.5x	13.2x	13.4x	11.5x	23.0x	14.2x	53.1x	19.7x	18.4x
Median	1.2x	1.0x	1.0x	1.1x	1.1x	10.0x	7.9x	8.5x	7.7x	7.5x	12.2x	9.3x	10.4x	10.9x	10.1x	17.8x	13.0x	16.0x	12.5x	11.9x
EPR	na	0.5x	0.7x	0.5x	0.4x	na	3.9x	6.5x	4.4x	2.7x	na	5.8x	14.4x	9.3x	4.0x	na	9.0x	30.4x	9.1x	3.6x

Source: EnVent Research on S&P Capital IQ, 24/04/2024 - Note: Hopscotch Global PR and TMP not included in mean and median

We have applied to our 2024-25E projections:

- the combined mean and median EV/Revenues and EV/EBITDA multiples of PR, Technology and Digital Marketing clusters
- a Sum of The Parts (SOP) approach, based on PR and Technology EV/Revenues mean, minimum and maximum multiples applied to communication and digital revenues respectively

Market multiples application

Multiples - Comparables		(€m)	Combined Multiples	EV (€m)	Net (Debt) Cash (€m) 31/12/23	Minorities (€m) 31/12/23	Equity Value (€m)
EPR							
2023A	Revenues	9.3	Mean	1.1x	9.8	(1.2)	8.3
			Median	1.1x	9.9	(1.2)	8.4
2024E	Revenues	8.9	Mean	1.2x	10.8	(1.2)	9.2
			Median	0.9x	8.2	(1.2)	6.6
2025E	Revenues	10.6	Mean	1.1x	11.3	(1.2)	9.7
			Median	0.8x	8.8	(1.2)	7.3
Mean 2023-25E							8.2
2023A	EBITDA	1.0	Mean	7.3x	7.3	(1.2)	5.7
			Median	8.1x	8.1	(1.2)	6.5
2024E	EBITDA	1.2	Mean	6.4x	7.6	(1.2)	6.1
			Median	5.6x	6.6	(1.2)	5.1
2025E	EBITDA	1.8	Mean	5.0x	9.1	(1.2)	7.5
			Median	4.6x	8.4	(1.2)	6.8
Mean 2023-25E							6.3

Source: EnVent Research

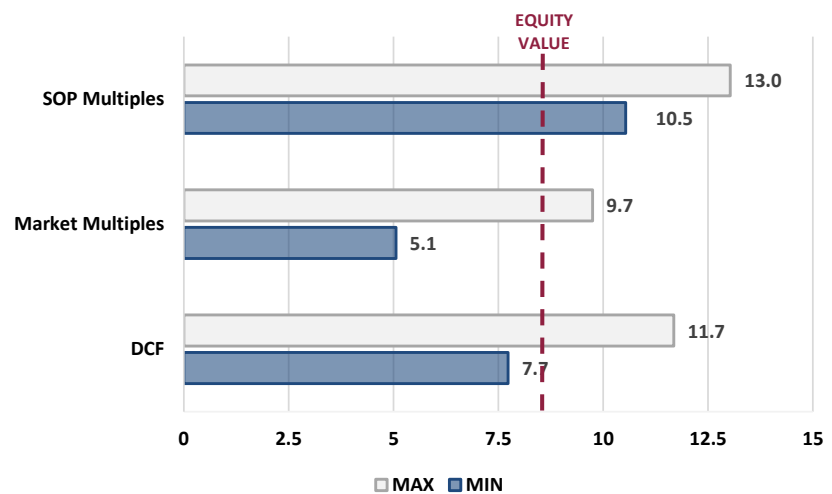
SOP application

Multiples - Comparables	(€m)	EV/Rev multiple	EV/Rev multiple	Sum of the parts EV (€m)	Net (Debt) Cash (€m) 31/12/23	Minorities (€m) 31/12/23	Equity Value (€m)			
EPR Communication Rev.		EPR Digital Rev. (incl. capit. R&D)								
2023A	5.2	Mean	1.3x	3.9	Mean	1.4x	12.1	(1.2)	(0.4)	10.5
		Median	1.3x		Median	1.4x				
2024E	4.2	Mean	1.3x	4.6	Mean	1.6x	12.8	(1.2)	(0.4)	11.2
		Median	1.5x		Median	1.6x				
2025E	5.0	Mean	1.2x	5.5	Mean	1.4x	13.7	(1.2)	(0.4)	12.1
		Median	1.4x		Median	1.4x				
AN							11.5			

Source: EnVent Research

Target Price

Equity value range (€m)



Source: EnVent Research

EPR stock recently suffered significant value drops, but its fundamentals are overall unchanged and do not justify such a decline. FY23 results met our estimates, with the year archived as expected as a transitional period where EPR was engaged in post-M&A operational integration and ongoing expansion of the client portfolio. We confirm our expectations for 2024 and years to come, since our estimates, revised in our last note, are now backed by a comfortable backlog and possibly fueled by further M&A.

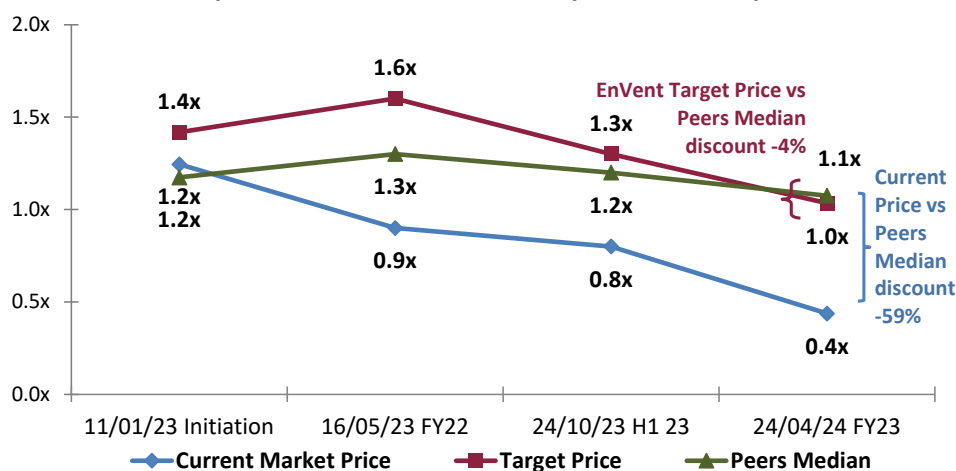
Blending analytical and market valuation methodologies, we identify an equity value of €8m, suggesting an adjustment to target price from €3.92 to €2.85 per share, 222% upside on current share price. We confirm the OUTPERFORM rating on the stock.

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

EPR Price per Share	€
Target Price	2.85
Current Share Price (24/04/2024)	0.89
Premium (Discount)	222%

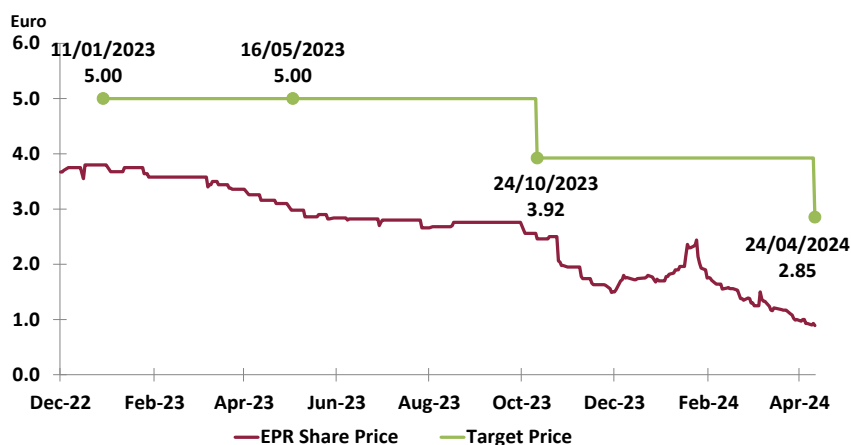
Source: EnVent Research

Implied EV/Revenues vs industry median multiples



Source: EnVent Research on S&P Capital IQ, 24/04/2024

EPR Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 24/04/2024

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Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

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The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 24/04/2024 h. 6.20pm

Date and time of Distribution: 24/04/2024 h. 8.00pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
11/01/2023	OUTPERFORM	5.00	3.80
16/05/2023	OUTPERFORM	5.00	2.98
24/10/2023	OUTPERFORM	3.92	2.46
24/04/2024	OUTPERFORM	2.85	0.89

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