



Management guidance on FY24 EBITDA in the region of €0.4-0.6m, considering acquisition opportunities to change size

Trading update

TrenDevice share price mirrored the market until July, then the stock started a bearish trend to current €0.20 area. Overall, the stock is down by 18% LTM, vs +6% of FTSE Italia Growth index.

H1 2024: Sales in line with prior year, profitability under pressure

Sales were €8.4m in H1 2024, with channels breakdown at 80% online and 20% retail stores, +3% on H1 2023. Including capitalization of R&D costs and tax incentives, revenues were €8.8m. EBITDA was €0.2m, 2.7% margin, vs €0.6m in H1 2023 (7.4%), which included also a non-recurring grant by Regione Campania worth €0.4m. Period net loss was €(1.3)m, compared to €(0.5)m in H1 2023. Net financial debt went up to €5.3m, from €4.7m as of December 2023, mainly for TWC and capex absorption.

KPIs 9M 2024 update

Sales were €12.3m, -4% on 9M 2023, EBITDA was €0.4 (3.3% margin) vs €0.9m in 9M 2023 (7.4%).

Management guidelines: EBITDA expected in the €0.4-0.6m range

According to Management, the lower than expected revenue growth and the pressure on margins from online competition have been affecting profitability. In this framework, Management expects FY24 EBITDA in the €0.4-0.6m range. In addition, Management stated that it is considering acquisition opportunities, also abroad, to target break-even.

Outlook: EU promotes repair and reuse

The European Directive "Right to Repair" represents a significant step towards a green and sustainable transition. New rules established in the European Union aim to reduce waste and bolster the repair economy by making it easier and more cost-effective to repair devices.

Target Price €0.22 per share (from €0.50), NEUTRAL rating (from OUTPERFORM)

On the back of Management guidance and recent results, we revise 2024-25E estimates, factoring in the expected profitability decrease. According to updated projections, the accumulated losses eroding equity and the weight of financial debt would result in the need for equity injection. The DCF valuation leads to a Target Price of €0.22 per share - undiluted - (from €0.50), +7% on current share price, resulting in a NEUTRAL rating (from OUTPERFORM).

KEY FINANCIALS AND ESTIMATES

€m	2019	2020	2021	2022	2023	2024E	2025E
Revenues	7.4	9.8	16.6	21.0	21.0	19.2	21.0
EBITDA	0.7	0.8	0.5	0.7	2.0	0.5	1.3
<i>Margin</i>	8.8%	7.7%	2.9%	3.5%	9.4%	2.4%	6.2%
Net Income (Loss)	0.0	(0.2)	(1.0)	(1.4)	(0.8)	(1.9)	(1.4)
Net (Debt) Cash Equity	(1.8)	(1.5)	(4.1)	(5.6)	(4.7)	(5.5)	(5.4)

KEY RATIOS AND MULTIPLES

TWC/Sales	2%	6%	10%	6%	3%	5%	5%
Capex/Revenues	14%	25%	11%	11%	11%	5%	5%
Net Debt/EBITDA	2.7x	2.0x	8.4x	7.6x	2.4x	11.7x	4.2x

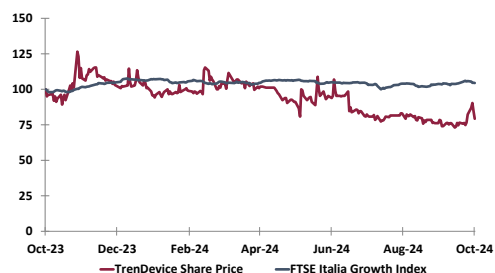
Source: Company data 2019-23A, EnVent Research 2024-25E

NEUTRAL

Current Share Price (€): 0.21

Target Price (€): 0.22

TrenDevice - 1Y Performance



Source: S&P Capital IQ - Note: 24/10/2023=100

Company data

ISIN number	IT0005422792
Bloomberg code	TD IM
Reuters code	TD.IM
Industry	Online consumer electronics retail
Stock market	Euronext Growth Milan
Share Price (€)	0.21
Date of Price	24/10/2024
Shares Outstanding (m)	19.3
Market Cap (€m)	4.0
Market Float (%)	46.8%
Daily Volume	159,000
Avg Daily Volume YTD	97,392
Target Price (€)	0.22
Upside (%)	7%
Recommendation	NEUTRAL

Share price performance

	1M	3M	6M	1Y
TrenDevice - Absolute (%)	1%	-2%	-22%	-18%
FTSE Italia Growth (%)	1%	1%	-1%	6%
1Y Range H/L (€)			0.33	0.19
YTD Change (€) / %			-0.06	-22%

Source: S&P Capital IQ

Analysts

Viviana Sepe vsepe@envent.it
Ivan Tromba itromba@envent.it

EnVent Italia SIM S.p.A.

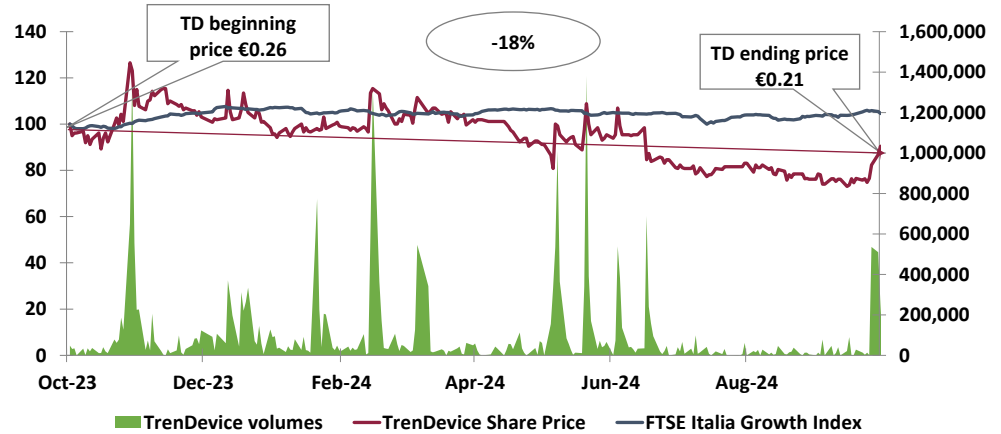
Via degli Omenoni, 2 - 20121 Milano (Italy)
Phone +39 02 22175979

This Note is issued by arrangement with MIT SIM, Issuer's Specialist

This document may not be distributed in the United States, Canada, Japan or Australia or to U.S. persons.

Market update

TrenDevice - 1Y Share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 24/10/2023=100

Trading price range €0.19-0.33 per share

-18% for TrenDevice, +6% for the Italia Growth Index

Investment case

Pioneer in the circular economy, a landmark for refurbished smart devices in Italy

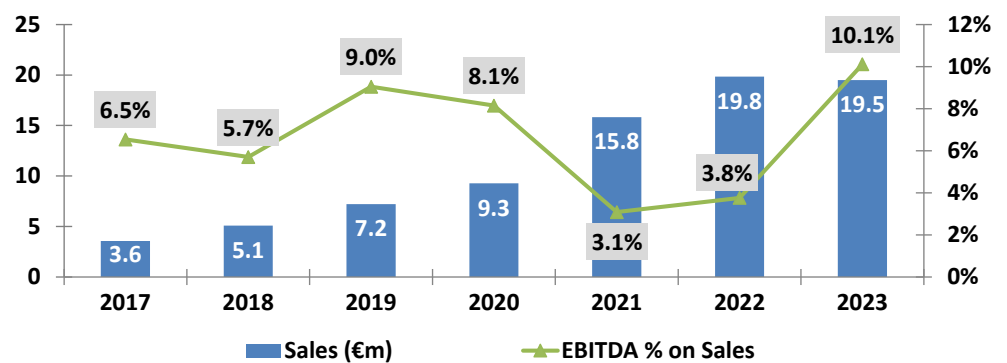
Diversified sales channels and product&service portfolio

Strategy: from a pure B2C online retailer to a multi-service partner for the mobile industry

TrenDevice, listed on Euronext Growth Milan, is an Italian online re-commerce platform of refurbished premium smartphones, tablets, laptops and wearables, which offers fully performing products with mint/near mint appearance at a lower price than a brand-new item. Founded in 2013, TrenDevice is among the circular economy pioneers in Italy, providing a quality and hassle-free service to saving and sustainability-conscious customers. Products are sold through own online e-commerce website TrenDevice.com and retail stores. Additional revenues come from: sale of own-branded accessories; services such as memberships, repair, warranty extension, insurance; device rental.

TrenDevice strategy: opening directly owned retail stores in key Italian cities to develop physical channel for refurbished devices; the continuing expansion and diversification of the product and service portfolio.

Historical Sales (€m) and EBITDA



Source: Company data

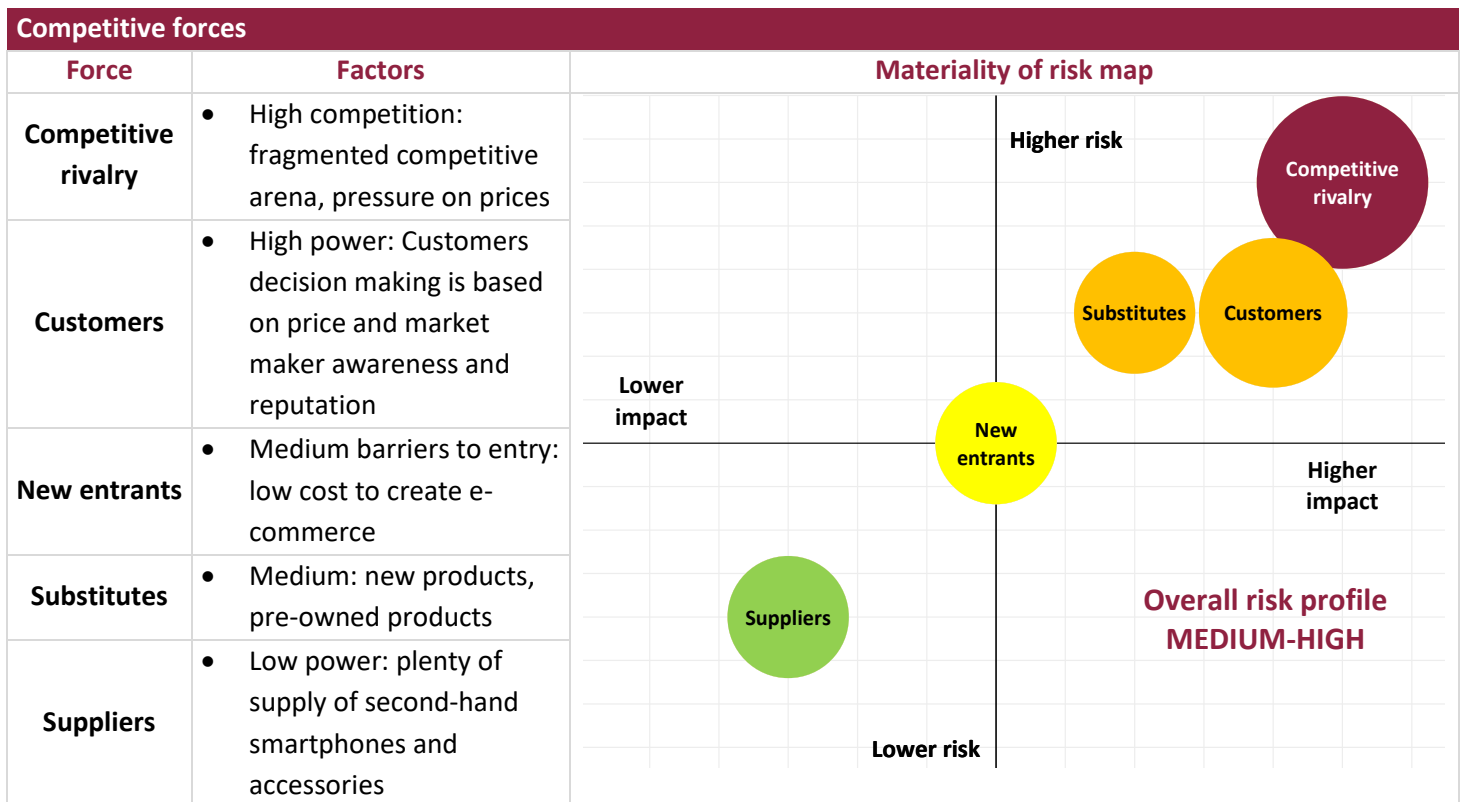
Industry and Company drivers

- Smartphones’ sales driven by both new launches and replacement needs
- Smartphones become underperforming, refurbished ones are smarter options
- Amplified awareness on ESG themes
- Lifetime service of the used device, with control over the entire value chain
- Proprietary e-commerce platform and data
- Ancillary value-added services

Challenges

- Highly competitive arena
- Well-funded foreign competitors
- Price pressure within the industry challenges profitability
- Inventory required to meet retail stores and devices rental business demand

Risk profile: *medium-high*



Source: EnVent Research

H1 2024 results

- Sales €8.4m, +2.8% on H1 2023
- Channel breakdown: 80% e-commerce, 20% retail stores
- Revenues including capitalization of R&D costs and tax incentives €8.8m, in line with H1 2023
- Material costs on sales 79%, 77% in H1 2023
- EBITDA €0.2m, 2.7% margin, vs €0.6m in H1 2023 (7.4%) which included a €0.4m non-recurring grant by Regione Campania (for “ReFive” project)
- Period net loss €(1.3)m, vs €(0.5)m in H1 2023
- Net financial debt €5.3m as of June 2024, from €4.7m as of December 2023
- Trade working capital increased to €1m, from €0.6m at year-end 2023, resulting from lower inventory (€1.7m vs €2.1m), receivables (€0.4m vs €0.7m) and payables (€1m vs €2.2m)

Profit and Loss

€m	H1 2023	H1 2024
Sales	8.2	8.4
Other income	0.6	0.4
Total revenues	8.8	8.8
YoY %	-13%	0%
Materials	(6.3)	(6.6)
Services	(0.9)	(0.9)
Personnel	(0.9)	(0.9)
Other operating costs	(0.1)	(0.1)
Operating costs	(8.2)	(8.5)
EBITDA	0.6	0.2
Margin on Sales	7.9%	2.8%
Margin on Revenues	7.4%	2.7%
D&A	(1.0)	(1.1)
Provisions	(0.1)	(0.1)
EBIT	(0.5)	(0.9)
Margin	neg	neg
Interest	(0.4)	(0.3)
EBT	(0.9)	(1.3)
Margin	neg	neg
Income taxes	0.3	0.0
Net Income (Loss)	(0.5)	(1.3)
Margin	neg	neg

Balance Sheet

€m	H1 2023	2023	H1 2024
Inventory	1.6	2.1	1.7
Trade receivables	0.3	0.7	0.4
Trade payables	(1.3)	(2.2)	(1.0)
Trade Working Capital	0.7	0.6	1.0
Other assets (liabilities)	1.5	1.1	0.6
Net Working Capital	2.2	1.7	1.6
Intangible assets	5.9	5.8	5.3
Property, plant and equipment	0.9	1.1	0.9
Non-current assets	6.8	6.9	6.3
Provisions	(0.6)	(0.7)	(0.7)
Net Invested Capital	8.4	8.0	7.3
Bank debt	2.6	2.4	2.4
Bonds	3.9	3.9	3.4
Cash and equivalents	(0.6)	(1.6)	(0.6)
Net Debt (Cash)	5.9	4.7	5.3
Equity	2.5	3.3	2.0
Sources	8.4	8.0	7.3

Source: Company data

Cash Flow

€m	H1 2023	H1 2024
EBIT	(0.5)	(0.9)
Current taxes	0.3	0.0
D&A	1.0	1.1
Provisions	(0.0)	0.0
Cash flow from P&L operations	0.9	0.2
Trade Working Capital	0.6	(0.4)
Capex	(0.8)	(0.5)
Other assets and liabilities	(0.5)	0.5
Operating cash flow after WC and capex	0.2	(0.2)
Interest	(0.4)	(0.3)
Net cash flow	(0.2)	(0.5)
Net (Debt) Cash - Beginning	(5.6)	(4.7)
Net (Debt) Cash - End	(5.9)	(5.3)
Change in Net (Debt) Cash	(0.2)	(0.5)

Source: Company data

Ratio analysis

KPIs	H1 2023	H1 2024
ROE	neg	neg
ROS	neg	neg
DSO	6	7
DPO	26	20
DOI	36	36
TWC/Sales	4%	5%
Net Debt / EBITDA	4.2x	3.4x
Net Debt / Equity	2.3x	2.6x
Cash flow from P&L operations / EBITDA	142%	77%
FCF / EBITDA	33%	neg

Source: H1 KPIs calculated on LTM economics

Sustainability update

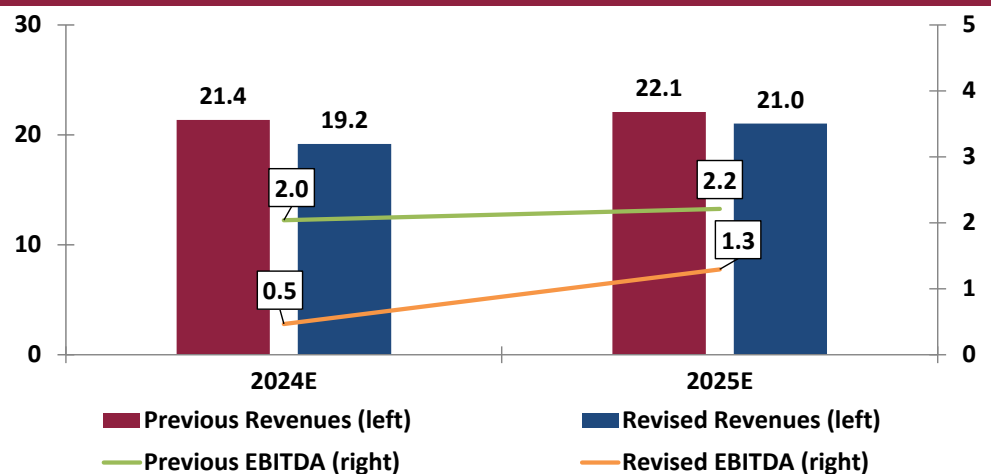
In H1 2024, TrenDevice saved an estimated 1,100 tons of CO₂, up by 19% on H1 2023.

Estimates revision

Based on H1 results and Management guidelines, we revised our FY24 estimates, resulting in a lower profitability in the middle end of Management €0.4-0.6m guidance. We have also adjusted sales and operating cost forecasts for FY25E.

Change in estimates

Previous vs Revised Revenues and EBITDA estimates (€m)



Source: EnVent Research

€m	Revised		Previous		Change %	
	2024E	2025E	2024E	2025E	2024E	2025E
Sales	18.2	20.0	20.4	21.1	-11%	-5%
Revenues	19.2	21.0	21.4	22.1	-10%	-5%
EBITDA	0.5	1.3	2.0	2.2	-77%	-41%
<i>Margin</i>	2%	6%	10%	0.1		
EBIT	(1.9)	(1.3)	(0.6)	0.2	na	na
<i>Margin</i>	-10%	-6%	-3%	1%		
Net Income (Loss)	(1.9)	(1.4)	(1.0)	(0.4)	na	na
Net Cash (Debt)	(5.5)	(5.4)	(5.2)	(4.6)		
<i>Net Debt / EBITDA</i>	11.7x	4.2x	2.5x	2.1x		

Source: EnVent Research

Financial projections

€m	Profit and Loss						
	2019	2020	2021	2022	2023	2024E	2025E
Sales	7.2	9.3	15.8	19.8	19.5	18.2	20.0
Other income	0.2	0.5	0.8	1.2	1.5	1.0	1.0
Total revenues	7.4	9.8	16.6	21.0	21.0	19.2	21.0
<i>YoY %</i>	44.2%	32.4%	69.9%	26.6%	-0.1%	-8.7%	9.7%
Materials	(5.6)	(7.4)	(12.8)	(16.4)	(15.4)	(14.9)	(16.0)
Services	(0.7)	(1.0)	(2.2)	(2.1)	(1.8)	(1.8)	(1.7)
Personnel	(0.3)	(0.5)	(1.1)	(1.7)	(1.7)	(1.8)	(1.8)
Other operating costs	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Operating costs	(6.7)	(9.0)	(16.1)	(20.3)	(19.0)	(18.7)	(19.7)
EBITDA	0.7	0.8	0.5	0.7	2.0	0.5	1.3
<i>Margin on Sales</i>	9.0%	8.1%	3.1%	3.8%	10.1%	2.6%	6.5%
<i>Margin on Revenues</i>	8.8%	7.7%	2.9%	3.5%	9.4%	2.4%	6.2%
D&A	(0.4)	(0.9)	(1.4)	(1.9)	(2.4)	(2.3)	(2.5)
Provisions	(0.0)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)
EBIT	0.2	(0.2)	(1.0)	(1.3)	(0.6)	(1.9)	(1.3)
<i>Margin</i>	2.3%	neg	neg	neg	neg	neg	neg
Interest	(0.2)	(0.2)	(0.4)	(0.8)	(0.8)	(0.6)	(0.6)
EBT	0.0	(0.4)	(1.3)	(2.1)	(1.4)	(2.6)	(1.9)
<i>Margin</i>	0.1%	neg	neg	neg	neg	neg	neg
Income taxes	(0.0)	0.2	0.4	0.7	0.6	0.7	0.5
Net Income (Loss)	0.0	(0.2)	(1.0)	(1.4)	(0.8)	(1.9)	(1.4)
<i>Margin</i>	0.0%	neg	neg	neg	neg	neg	neg

Source: Company data 2019-23A, EnVent Research 2024-25E

**Management €0.4-0.6m EBITDA
guidance for FY24**

Losses eroding equity result in equity injection need in 2025

Balance Sheet

€m	2019	2020	2021	2022	2023	2024E	2025E
Inventory	0.7	1.5	1.9	1.9	2.1	1.7	1.9
Trade receivables	0.0	0.1	0.3	0.5	0.7	0.5	0.5
Trade payables	(0.6)	(1.1)	(0.6)	(1.1)	(2.2)	(1.4)	(1.4)
Trade Working Capital	0.1	0.5	1.6	1.3	0.6	0.9	1.0
Other assets (liabilities)	(0.1)	0.2	0.4	1.0	1.1	1.1	1.1
Net Working Capital	0.0	0.8	2.0	2.3	1.7	2.0	2.1
Intangible assets	2.5	4.0	4.3	6.2	5.8	4.6	3.3
Property, plant and equipment	0.1	0.1	0.3	0.9	1.1	0.9	0.8
Non-current assets	2.5	4.1	4.6	7.0	6.9	5.6	4.0
Provisions	(0.1)	(0.1)	(0.2)	(0.7)	(0.7)	(0.7)	(0.7)
Net Invested Capital	2.5	4.7	6.3	8.7	8.0	6.9	5.5
Net Debt (Cash)	1.8	1.5	4.1	5.6	4.7	5.5	5.4
Equity	0.7	3.2	2.3	3.1	3.3	1.4	0.0
Sources	2.5	4.7	6.3	8.7	8.0	6.9	5.5

Source: Company data 2019-23A, EnVent Research 2024-25E

Cash Flow

€m	2019	2020	2021	2022	2023	2024E	2025E
EBIT	0.2	(0.2)	(1.0)	(1.3)	(0.6)	(1.9)	(1.3)
Current taxes	(0.0)	0.2	0.4	0.7	0.6	0.7	0.5
D&A	0.4	0.9	1.4	1.9	2.4	2.3	2.5
Provisions	0.1	0.0	0.1	0.4	0.0	0.0	0.0
Cash flow from P&L operations	0.7	0.9	0.9	1.7	2.4	1.1	1.7
Trade Working Capital	0.2	(0.4)	(1.0)	0.3	0.6	(0.2)	(0.1)
Other assets and liabilities	0.1	(0.3)	(0.2)	(0.6)	(0.1)	0.0	0.0
Capex	(1.0)	(2.5)	(1.9)	(2.4)	(2.3)	(1.0)	(1.0)
Operating cash flow after WC and capex	(0.1)	(2.3)	(2.2)	(1.0)	0.7	(0.1)	0.6
Interest	(0.2)	(0.2)	(0.4)	(0.8)	(0.8)	(0.6)	(0.6)
Paid-in capital - IPO proceeds 2020	0.4	2.7	0.0	1.2	1.0	0.0	0.0
Other equity adjustments	0.0	0.0	0.0	(1.0)	0.0	0.0	0.0
Net cash flow	0.2	0.2	(2.5)	(1.6)	0.9	(0.7)	0.0
Net Debt (Beginning)	(2.0)	(1.8)	(1.5)	(4.1)	(5.6)	(4.7)	(5.5)
Net Debt (End)	(1.8)	(1.5)	(4.1)	(5.6)	(4.7)	(5.5)	(5.4)
Change in Net Debt (Cash)	0.2	0.2	(2.5)	(1.6)	0.9	(0.7)	0.0

Source: Company data 2019-23A, EnVent Research 2024-25E

Ratio analysis

KPIs	2019	2020	2021	2022	2023	2024E	2025E
ROE	0%	neg	neg	neg	neg	neg	neg
ROS (EBIT/Sales)	2%	neg	neg	neg	neg	neg	neg
ROIC (NOPAT/Invested Capital)	5%	neg	neg	neg	neg	neg	neg
DSO	1	3	5	7	11	8	8
DPO	28	39	12	18	38	24	24
DOI	36	60	44	35	39	35	35
TWC/Sales	2%	6%	10%	6%	3%	5%	5%
Capex/Revenues	14%	25%	11%	11%	11%	5%	5%
Net Debt/EBITDA	2.7x	2.0x	8.4x	7.6x	2.4x	11.7x	4.2x
Net Debt/Equity	2.4x	0.5x	1.8x	1.8x	145%	391%	na
Cash flow from P&L operations/EBITDA	101%	121%	175%	229%	122%	229%	131%
FCF/EBITDA	neg	neg	neg	neg	34%	neg	47%

Source: Company data 2019-23A, EnVent Research 2024-25E

Weight of financial debt over EBITDA

Valuation

We have updated our DCF and market multiples.

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.0% (Italy 10-year government bonds interest rate last 30 days average. Source: Bloomberg, October 2024)
- Market return: 11.0% (last 30 days average. Source: Bloomberg, October 2024)
- Market risk premium: 8.0%
- Beta: 1.4 (judgmental), from 1.1
- Cost of equity: 14.2%
- Cost of debt: 6%, from 5%
- Tax rate: 24% IRES
- 50% debt/(debt + equity)
- WACC calculated at 9.4%, according to above data
- Perpetual growth rate after explicit projections (G): 3%
- Terminal Value assumes a normalized sustainable EBITDA margin of 8%, from 10%

DCF Valuation

€m	2019	2020	2021	2022	2023	2024E	2025E	Perpetuity
Revenues	7.4	9.8	16.6	21.0	21.0	19.2	21.0	21.7
EBITDA	0.7	0.8	0.5	0.7	2.0	0.5	1.3	1.7
<i>Margin</i>	<i>8.8%</i>	<i>7.7%</i>	<i>2.9%</i>	<i>3.5%</i>	<i>9.4%</i>	<i>2.4%</i>	<i>6.2%</i>	<i>8.0%</i>
EBIT	0.2	(0.2)	(1.0)	(1.3)	(0.6)	(1.9)	(1.3)	0.7
<i>Margin</i>	<i>2.3%</i>	<i>-2.1%</i>	<i>-6.0%</i>	<i>-6.3%</i>	<i>-3.0%</i>	<i>-10.1%</i>	<i>-6.2%</i>	<i>3.4%</i>
Taxes	(0.0)	0.1	0.3	0.4	0.2	0.5	0.4	(0.2)
NOPAT	0.1	(0.1)	(0.7)	(0.9)	(0.5)	(1.4)	(0.9)	0.5
D&A	0.4	0.9	1.4	1.9	2.4	2.3	2.5	1.0
Provisions	0.1	0.0	0.1	0.4	0.0	0.0	0.0	0.0
Cash flow from P&L operations	0.6	0.8	0.7	1.4	2.0	0.9	1.6	1.5
Trade Working Capital	0.2	(0.4)	(1.0)	0.3	0.6	(0.2)	(0.1)	0.1
Other assets and liabilities	0.1	(0.3)	(0.2)	(0.6)	(0.1)	0.0	0.0	0.0
Capex	(1.0)	(2.5)	(1.9)	(2.4)	(2.3)	(1.0)	(1.0)	(1.0)
Yearly unlevered free cash flow	(0.1)	(2.4)	(2.3)	(1.3)	0.3	(0.3)	0.5	0.6
- H1 unlevered free cash flow						(0.1)		
Free Cash Flow to be discounted						(0.3)	0.5	0.6
WACC	9.4%							
Long-term growth (G)	3.0%							
Discounted Cash Flows						(0.3)	0.4	
Sum of Discounted Cash Flows	0.1							
Terminal Value								9.9
Discounted TV	9.4							
Enterprise Value	9.5							
Net Debt as of 30/06/24	(5.3)							
Equity Value	4.3							
Equity Value per share (€)	0.22							

DCF - Implied multiples	2019	2020	2021	2022	2023	2024E	2025E
EV/Revenues	1.3x	1.0x	0.6x	0.5x	0.5x	0.5x	0.5x
EV/EBITDA	14.6x	12.6x	19.5x	12.8x	4.8x	20.4x	7.3x
EV/EBIT	nm	neg	neg	neg	neg	neg	neg
P/E	nm	neg	neg	neg	neg	neg	neg
Discount of current market price vs DCF	-3%						
Current market price - Implied multiples	2019	2020	2021	2022	2023	2024E	2025E
EV/Revenues	1.3x	0.9x	0.6x	0.4x	0.4x	0.5x	0.4x
EV/EBITDA	14.2x	12.2x	18.9x	12.4x	4.7x	19.8x	7.1x
EV/EBIT	54.3x	neg	neg	neg	neg	neg	neg
P/E	nm	neg	neg	neg	neg	neg	neg

Source: EnVent Research

Market multiples

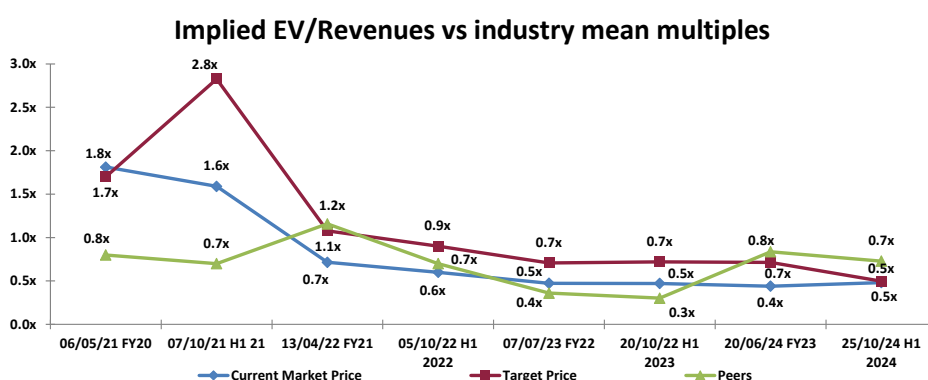
The analyzed peer group, except for Largo, includes a variety of business models. Losses or unfavorable performances within this group can result in outlier multiples, thereby unsuitable as references for valuation. Consequently, our rating process is based on DCF methodology, offering a more solid approach to valuation, considering the trends in multiples as a secondary metric.

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E		
	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
Jumia	1.3x	2.2x	1.8x	neg	na	neg	neg	neg	neg	neg	na	na
Largo	0.3x	0.2x	0.2x	neg	neg	9.3x	neg	neg	na	neg	neg	na
Cellularline	0.5x	0.5x	0.4x	5.8x	3.3x	2.8x	20.5x	8.3x	5.6x	13.7x	5.8x	4.3x
UniDevice	na	0.0x	0.0x	na	5.1x	3.0x	na	5.3x	3.0x	na	0.1x	0.1x
musicMagpie	0.2x	na	na	9.8x	na	na	neg	51.1x	na	neg	na	na
Mean	0.6x	0.7x	0.6x	7.8x	4.2x	5.0x	20.5x	21.6x	4.3x	13.7x	3.0x	2.2x
Median	0.4x	0.3x	0.3x	7.8x	4.2x	3.0x	20.5x	8.3x	4.3x	13.7x	3.0x	2.2x

TrenDevice	0.4x	0.5x	0.4x	4.7x	19.8x	8.4x	neg	neg	neg	neg	neg	neg
-------------------	-------------	-------------	-------------	-------------	--------------	-------------	------------	------------	------------	------------	------------	------------

Source: EnVent Research on S&P Capital IQ, 24/10/2024

Target Price



Source: EnVent Research on S&P Capital IQ, 25/10/2024

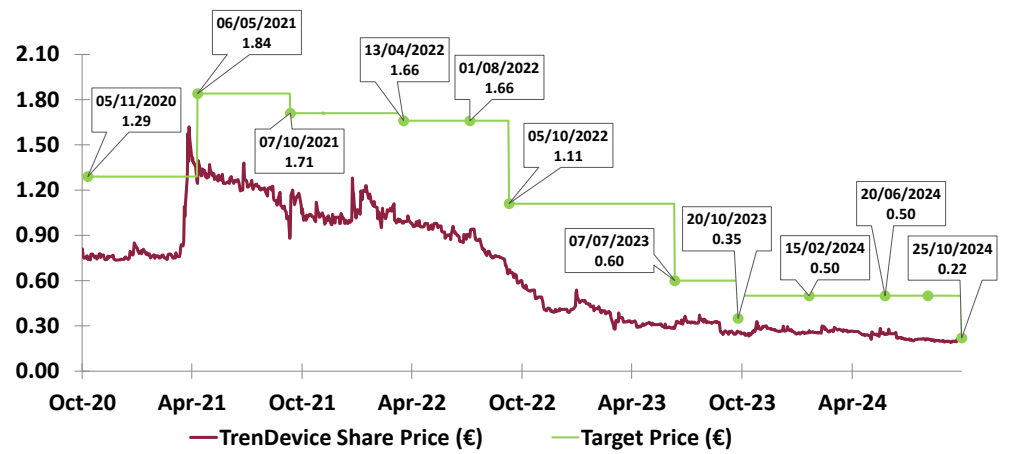
On the back of Management guidance and recent results, we revise 2024-25E estimates, factoring in the expected profitability decrease. Based on our updated projections, the accumulated losses eroding equity and the weight of financial debt would result in the need for equity injection in 2025. The DCF valuation leads to a Target Price of €0.22 per share - undiluted - (from €0.50), +7% on current share price, resulting in a NEUTRAL rating (from OUTPERFORM).

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

TrenDevice Price per Share	€
Target Price	0.22
Current Share Price (24/10/2024)	0.21
Premium (Discount)	7%

Source: EnVent Research

TrenDevice Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 25/10/2024

DISCLAIMER (for more details go to www.enventgroup.eu under “Disclaimer”)

This publication has been prepared by Luigi Tardella, Head of Research Division, Viviana Sepe and Ivan Tromba, Equity Analysts, on behalf of the Research & Analysis Division of EnVent Italia SIM S.p.A. (“EnVent”). EnVent Italia SIM is authorized and regulated in Italy by Consob (Register of Investment Firms Reg. No. 315).

According to article 35, paragraph 2b of Euronext Growth Milan Rules for Companies (Regolamento Emittenti Euronext Growth Milan), EnVent has been commissioned to produce Equity Research, and particularly this publication, for the Company by arrangement with MIT SIM, the Specialist engaged by the Company.

This publication does not represent to be, nor can it be construed as being, an offer or solicitation to buy, subscribe or sell financial products or instruments, or to execute any operation whatsoever concerning such products or instruments. This publication is not, under any circumstances, intended for distribution to the general public. Accordingly, this document is only for persons who are Eligible Counterparties or Professional Clients only, i.e. persons having professional experience in investments who are authorized persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 and COBS 4.12 of the FCA’s New Conduct of Business Sourcebook. For residents in Italy, this document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation n. 16190 of the 29th October 2007, as subsequently amended and supplemented.

This publication, nor any copy of it, can not be brought, transmitted or distributed in the United States of America, Canada, Japan or Australia. Any failure to comply with these restrictions may constitute a violation of the securities laws provided by the United States of America, Canada, Japan or Australia.

EnVent does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. The price of the investments and the income derived from them can go down as well as up, and investors may not get back the amount originally invested. Therefore, EnVent and/or the author(s) of the present publication cannot in any way be held liable for any losses, damage, or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

The purpose of this publication is merely to provide information that is up to date and as accurate as possible. The information and each possible estimate and/or opinion and/or recommendation contained in this publication is based on sources believed to be reliable. Although EnVent makes every reasonable endeavour to obtain information from sources that it deems to be reliable, it accepts no responsibility or liability as to the completeness, accuracy or exactitude of such information and sources. Past performance is not a guarantee of future results.

Most important sources of information used for the preparation of this publication are the documentation published by the Company (annual and interim financial statements, press releases, company presentations, IPO prospectus), the information provided by business and credit information providers (as Bloomberg, S&P Capital IQ, AIDA) and industry reports.

EnVent has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the case that any matter, opinion, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if the research on the subject company is withdrawn. The estimates, opinions, and recommendations expressed in this publication may be subject to change without notice, on the basis of new and/or further available information.

EnVent intends to provide continuous coverage of the Company and the financial instrument forming the subject of the present publication, with a semi-annual frequency and, in any case, with a frequency consistent with the timing of the Company’s periodical financial reporting and of any exceptional event occurring in its sphere of activity.

A draft copy of this publication may be sent to the subject Company for its information and review (without valuation, target price and recommendation), for the purpose of correcting any inadvertent material inaccuracies. EnVent did not disclose the rating to the issuer before publication and dissemination of this document.

ANALYST DISCLOSURES

For each company mentioned in this publication, all of the views expressed in this publication accurately reflect the financial analysts’ personal views about any or all of the subject company (companies) or securities.

Neither the analysts nor any member of the analysts’ households have a financial interest in the securities of the subject Company. Neither the analysts nor any member of the analysts’ households serve as an officer, director or advisory board member of the subject company. Analysts’ remuneration was not, is not or will be not related, either directly or indirectly, to specific proprietary investment transactions or to market operations in which EnVent has played a role (as Euronext Growth Advisor, for example) or to the specific recommendation or view in this publication. EnVent has adopted internal procedures and an internal code of conduct aimed to ensure the independence of its financial analysts. EnVent research analysts and other staff involved in issuing and disseminating research reports operate independently of EnVent Group business. EnVent, within the Research & Analysis Division, may collaborate with external professionals. It may, directly or indirectly, have a potential conflict of interest with the Company and,

for that reason, EnVent adopts organizational and procedural measures for the prevention and management of conflicts of interest (for details www.enventgroup.eu under “Disclaimer”, “Procedures for prevention of conflicts of interest”).

MIFID II DISCLOSURES

TrenDevice S.p.A. (the “Issuer or the “Company”) is a corporate client of EnVent. This document, being paid for by a corporate Issuer, is a Minor Non-monetary Benefit as set out in Article 12 (3) of the Commission Delegated Act (C2016) 2031.

This note is a marketing communication and not independent research. As such, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and this note is not subject to the prohibition on dealing ahead of the dissemination of investment research.

CONFLICTS OF INTEREST

In order to disclose its possible conflicts of interest, EnVent states that it acts or has acted in the past 12 months as Corporate Broker and Euronext Growth Advisor to the subject Company on the Euronext Growth Milan market, a Multilateral Trading Facility regulated by Borsa Italiana (for details www.enventgroup.eu under “Disclaimer”, “Potential conflicts of interest”).

CONFIDENTIALITY

Neither this publication nor any portions thereof (including, without limitation, any conclusion as to values or any individual associated with this publication or the professional associations or organizations with which they are affiliated) shall be reproduced to third parties by any means without the prior written consent and approval from EnVent.

VALUATION METHODOLOGIES

EnVent Research & Analysis Division calculates range of values and fair values for the companies under coverage using professional valuation methodologies, such as the discounted cash flows method (DCF), dividend discount model (DDM) and multiple-based models (e.g. EV/Revenues, EV/EBITDA, EV/EBIT, P/E, P/BV). Alternative valuation methodologies may be used, according to circumstances or judgement of non-adequacy of most used methods. The target price could be also influenced by market conditions or events and corporate or share peculiarities.

STOCK RATINGS

The “OUTPERFORM”, “NEUTRAL”, AND “UNDERPERFORM” recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

Equity ratings and valuations are issued in absolute terms, not relative to market performance.

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 expected to have a downside within the reference market or industry, with a target price more than 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

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

Date and time of Production: 24/10/2024 h. 7.00pm

Date and time of Distribution: 25/10/2024 h. 6.45pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
05/11/2020	OUTPERFORM	1.29	0.74
06/05/2021	OUTPERFORM	1.84	1.25
07/10/2021	OUTPERFORM	1.71	0.91
13/04/2022	OUTPERFORM	1.66	0.99
01/08/2022	OUTPERFORM	1.66	0.89
05/10/2022	OUTPERFORM	1.11	0.67
07/07/2023	OUTPERFORM	0.60	0.28
20/10/2023	OUTPERFORM	0.50	0.27
15/02/2024	OUTPERFORM	0.50	0.27
20/06/2024	OUTPERFORM	0.50	0.24
25/10/2024	NEUTRAL	0.22	0.21

ENVENT RECOMMENDATION DISTRIBUTION (September 30th, 2024)

Number of companies covered:	26	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		88%	12%	0%	0%	0%	0%
of which EnVent clients % *		73%	33%	na	na	na	na

* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

This disclaimer is constantly updated on the website at www.enventgroup.eu under "Disclaimer".

Additional information available upon request.

© Copyright 2024 by EnVent Italia SIM S.p.A. - All rights reserved