

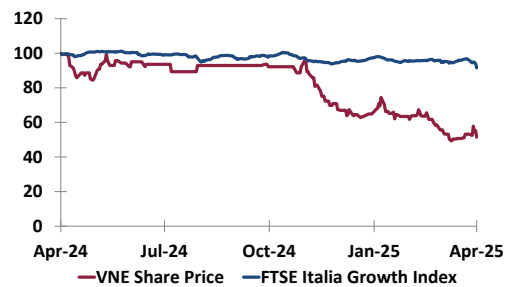


## OUTPERFORM

Current Share Price (€): 1.45

Target Price (€): 3.70

### VNE - 1Y Performance



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

### Company data

ISIN number	IT0005556110
Bloomberg code	VNE IM
Reuters code	VNE.MI
Industry	Manufacturing
Stock market	Euronext Growth Milan
Share Price (€)	1.45
Date of Price	04/04/2025
Shares Outstanding (m)	3.1
Market Cap (€m)	4.5
Market Float (%)	24.4%
Daily Volume	25200
Avg 1Y Daily Volume	5,099
Target Price (€)	3.70
Upside (%)	155%
Recommendation	OUTPERFORM

### Share price performance

	1M	3M	6M	1Y
VNE - Absolute (%)	-8%	-22%	-44%	-49%
FTSE Italia Growth Index (%)	-4%	-6%	-7%	-9%
1Y Range H/L (€)			2.82	1.39
YTD Change (€) / %			-0.38	-21%

Source: S&P Capital IQ

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## On track to catch rising automation trends

### Trading update

VNE share price has been experiencing a bearish trend since November 2024 and is currently trading in the region of €1.50, -49% LTM, while the FTSE Italia Growth index held the line (-9%).

### FY24: recovery of volumes with better margins and profitability

VNE FY24 sales were €14.4m, +10% YoY, in line with our estimate, of which €9.9m from machine sales, €1.2m from renting and €3.3m from maintenance and services. Profitability improved more than sales, with EBITDA almost doubling at €2.0m, over 14% margin on sales. Period net income €0.3m, vs €(1.1)m in FY23. Trade Working Capital was stable, with inventory increase offset by higher trade payables and receivables reduction; operating cash flow, after €1.5m capex, was €0.1m, compared to €(1.5)m in FY23. Net financial debt increased at €3.5m as of December 2024, from €2.5m as of December 2023.

### Focus on retail machines and on recurring revenues

Based on data disclosed by management, we estimate retail machine orders worth €9.7m in FY24, +113% YoY, more than offsetting gaming machines orders slowdown (-9%, according to management due to industry investment cycle). Machine sales have been 86%, from previous 95%, rentals the remaining 14%. VNE is currently working on new solutions for both retail and gaming industries, targeting recurring revenues by rents and service fees increase.

### Target price €3.70 per share (from €4.00), OUTPERFORM rating confirmed

We appreciate the recovery of sales volumes and operating margins improvement and have fine-tuned our estimates, factoring in current revenue mix and costs. The updated valuation yields a target price per share of €3.70, from previous €4.00, +155% on current share price (0.9x 2025E EV/Sales, vs current trading at 0.5x), with OUTPERFORM rating confirmed.

KEY FINANCIALS AND ESTIMATES (€m)	2022PF	2023	2024	2025E	2026E	2027E
<b>Sales</b>	<b>14.6</b>	<b>13.0</b>	<b>14.4</b>	<b>17.2</b>	<b>23.2</b>	<b>26.5</b>
<b>EBITDA</b>	<b>2.3</b>	<b>1.1</b>	<b>2.0</b>	<b>2.7</b>	<b>4.0</b>	<b>4.5</b>
<i>Margin</i>	<i>15.8%</i>	<i>8.3%</i>	<i>14.2%</i>	<i>15.4%</i>	<i>17.2%</i>	<i>17.2%</i>
<b>EBIT</b>	<b>0.8</b>	<b>(0.4)</b>	<b>0.5</b>	<b>1.1</b>	<b>2.3</b>	<b>2.6</b>
<i>Margin</i>	<i>5.2%</i>	<i>-3.2%</i>	<i>3.8%</i>	<i>6.4%</i>	<i>9.8%</i>	<i>10.0%</i>
<b>Net Income (Loss)</b>	<b>(0.0)</b>	<b>(1.1)</b>	<b>0.3</b>	<b>0.6</b>	<b>1.5</b>	<b>1.8</b>
<b>Trade Working Capital</b>	<b>9.8</b>	<b>8.5</b>	<b>8.6</b>	<b>9.7</b>	<b>11.0</b>	<b>12.5</b>
<b>Net (Debt) Cash</b>	<b>(4.8)</b>	<b>(2.5)</b>	<b>(3.5)</b>	<b>(3.4)</b>	<b>(2.7)</b>	<b>(2.2)</b>
<b>Equity</b>	<b>13.3</b>	<b>15.1</b>	<b>15.4</b>	<b>16.0</b>	<b>17.5</b>	<b>19.3</b>

KEY RATIOS AND MULTIPLES	2022PF	2023	2024	2025E	2026E	2027E
<b>Net Debt/EBITDA</b>	2.1x	2.3x	1.7x	1.3x	0.7x	0.5x
<b>EV/Sales</b>	0.5x	0.6x	0.6x	0.5x	0.3x	0.3x
<b>EV/EBITDA</b>	3.5x	7.4x	3.9x	3.0x	2.0x	1.8x

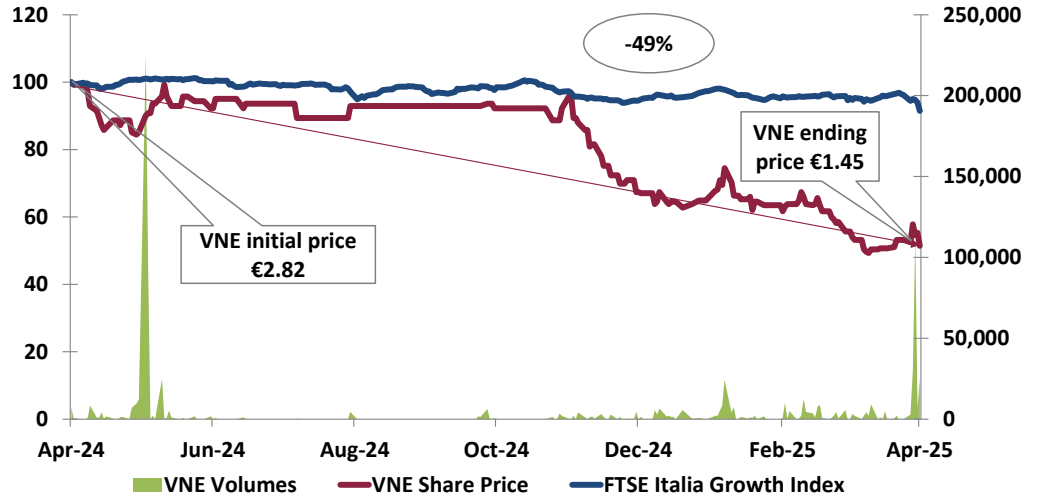
Source: Company data 2022PF-24A, EnVent Research 2025-27E

## Market update

### VNE - 1Y Share price performance and trading volumes

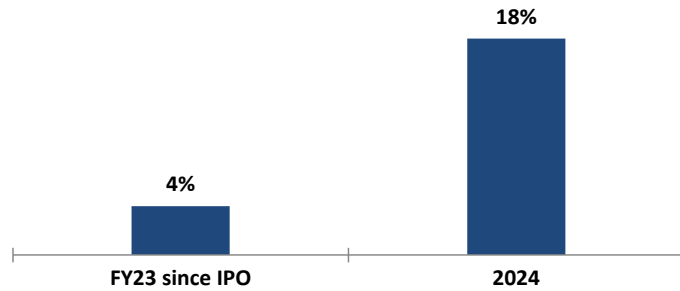
Trading price range €2.82-1.39 per share

-49% for VNE, vs -9% of the Italia Growth Index



Source: EnVent Research on S&P Capital IQ - Note: 04/04/2024=100

### VNE - Liquidity analysis and velocity turnover

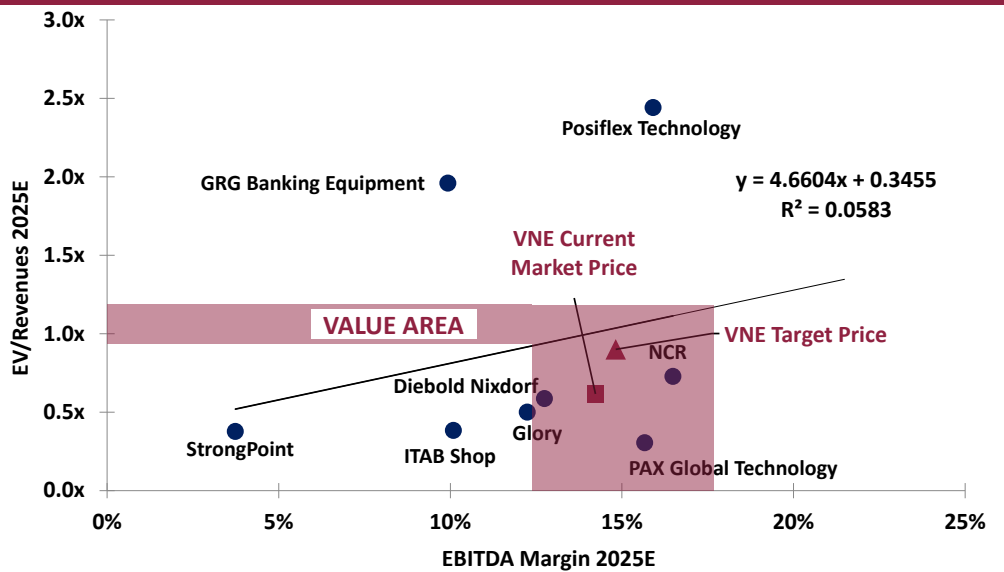


Note: Velocity turnover on total shares: ratio of total trades to total ordinary shares in a given period

Source: EnVent Research on S&P Capital IQ

### Industry peers - Regression analysis and VNE target positioning

Wide differences in business model and size imply low correlation among industry players



Note: VNE Current market price on FY24

Source: EnVent Research on S&P Capital IQ, April 2025

## Investment case

### Customizable self-checkout machines specialist

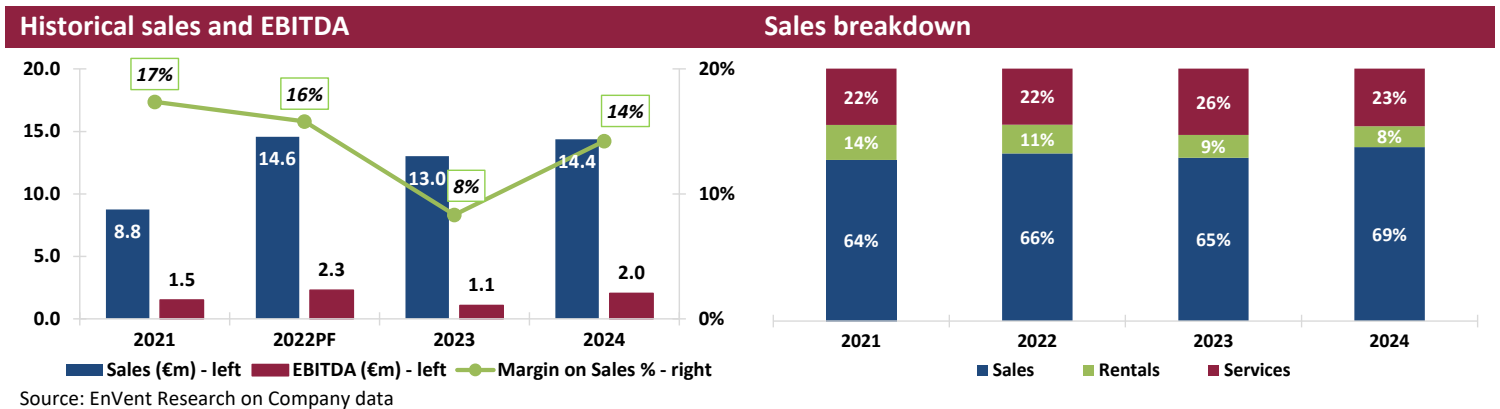
### Bringing tech to physical stores

### Strategy: leveraging on service offer, quality and reputation to enter additional market segments

VNE is an Italian producer of self-checkout automated machines for cash and digital payment transactions in physical points of sale. Self-checkouts, installed at merchants' premises, deliver payment services through interaction with a centralized multiservice IT platform owned and operated by VNE. In addition, self-checkouts automatically interface with merchants' operation systems providing data and analytics. End-markets are commercial enterprises with contact with public and visiting customers, like stores, retailers and chains in various industry segments, willing to use digitalization to evolve into *smart phygital* premises, to offer an improved customer experience and more efficient points of sale management.

VNE key strategy pillars:

- Geographies expansion, targeting new markets in Europe and overseas
- Extension of distributors network and new partnerships in the retail segment
- R&D and marketing investments Acquisition of technology and know-how



## Drivers

### Industry drivers

- Self-checkouts driven by digitalization benefits both consumers and retailers
- Nowadays emotional buying experience implies *phygital* stores
- Self-checkout machines keep up with evolution of payment methods
- *Platform-as-a-service* interfacing management system is what everyone will be compelled to bring in
- Saving resources and time

### Company drivers

- Superior service, smart business model
- Customization, aptitude and skills
- Renting and product-as-a-service business model implying revenues visibility
- Flexible business model based on teamwork and partnerships with customers
- In-house design, development, innovation and manufacturing
- On site immediate assistance as a safety measure for customer business
- International network prepares for further expansion
- Platform scalability
- Relationships with selected B2B and B2C customers

### Challenges

- Keep up market pace and international exposure
- Intensity of competition, with global and powerful competitors
- Digital payments channels proliferation
- Cybersecurity protection and impact

## Risk /opportunity assessment

### Business risk: medium-high

Competitive forces		Materiality of risk map	
Force	Factors	Lower impact	Higher impact
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Low concentration</li> <li>• Heavy impact of large customers</li> </ul>		Higher risk
<b>Competitive rivalry</b>	<ul style="list-style-type: none"> <li>• High fragmentation, no clear leader</li> <li>• Large potential market</li> </ul>		
<b>Substitutes</b>	<ul style="list-style-type: none"> <li>• No smarter alternatives</li> <li>• Ready for payment tech advancement</li> <li>• Tech obsolescence requires continuous investments</li> </ul>	Substitutes	Competitive rivalry
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Most components are easy available</li> <li>• Critical components suppliers' delays could impact production</li> <li>• 3D printing to cut costs</li> </ul>		Suppliers
<b>New entrants</b>	<ul style="list-style-type: none"> <li>• Investment for sales network</li> <li>• Investment for product range</li> <li>• Room for new players</li> </ul>	New entrants	
			Overall risk profile <b>MEDIUM-HIGH</b>
		Lower risk	

Source: EnVent Research

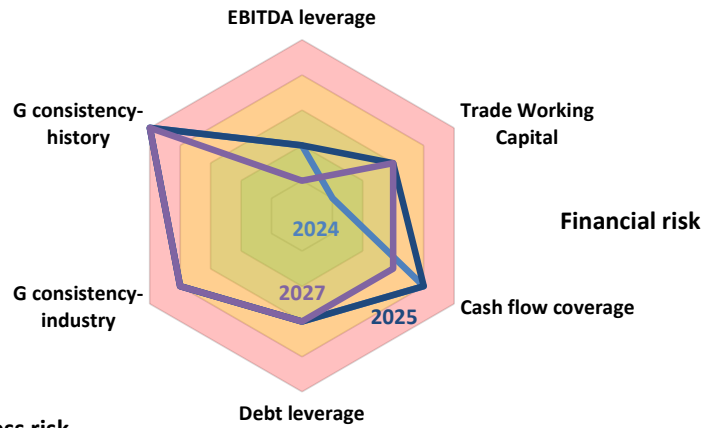
## Financial risk: medium

### Ratios map

Opportunity area

Challenging sales projections

Sustainable financial fundamentals



Source: EnVent Research

## FY24 results

### Consolidated Profit and Loss

€m	2023	2024
Sales	13.0	14.4
Change in inventory	(0.1)	0.6
Other income	0.5	0.5
<b>Revenues</b>	<b>13.4</b>	<b>15.5</b>
COGS	(6.5)	(7.0)
<b>Gross profit</b>	<b>6.9</b>	<b>8.5</b>
<i>Margin on Sales</i>	<i>52.7%</i>	<i>59.2%</i>
Services	(2.2)	(2.5)
Personnel	(2.7)	(2.6)
Other operating costs	(0.9)	(1.3)
Operating charges	(5.8)	(6.5)
<b>EBITDA</b>	<b>1.1</b>	<b>2.0</b>
<i>Margin on Sales</i>	<i>8.3%</i>	<i>14.2%</i>
D&A	(1.5)	(1.5)
<b>EBIT</b>	<b>(0.4)</b>	<b>0.5</b>
<i>Margin on Sales</i>	<i>-3.2%</i>	<i>3.8%</i>
Interest	(0.2)	(0.2)
Write-down of equity inv. and receivables	(0.3)	(0.3)
<b>EBT</b>	<b>(0.9)</b>	<b>0.1</b>
<i>Margin on Sales</i>	<i>-7.2%</i>	<i>0.7%</i>
Income taxes	(0.1)	0.2
<b>Net Income (Loss)</b>	<b>(1.1)</b>	<b>0.3</b>
<i>Margin on Sales</i>	<i>-8.3%</i>	<i>2.0%</i>

Source: Company data

### Consolidated Balance Sheet

€m	2023	2024
Inventory	3.3	4.6
Trade receivables	9.2	8.6
Trade payables	(4.0)	(4.6)
Trade Working Capital	8.5	8.6
Other assets (liabilities)	1.4	1.9
<b>Net Working Capital</b>	<b>9.9</b>	<b>10.5</b>
Goodwill and other intangible assets	4.9	4.5
Property, plant and equipment	2.0	2.3
Equity investments and financial assets	1.4	2.0
<b>Non-current assets</b>	<b>8.3</b>	<b>8.8</b>
<b>Provisions</b>	<b>(0.5)</b>	<b>(0.5)</b>
<b>Net Invested Capital</b>	<b>17.6</b>	<b>18.9</b>
Bank debt	7.9	6.2
Marketable securities	(1.0)	(0.2)
Cash and equivalents	(4.4)	(2.5)
<b>Net Debt (Cash)</b>	<b>2.5</b>	<b>3.5</b>
<b>Equity</b>	<b>15.1</b>	<b>15.4</b>
<b>Sources</b>	<b>17.6</b>	<b>18.9</b>

### Consolidated Cash Flow

€m	2023	2024
<b>EBIT</b>	<b>(0.4)</b>	<b>0.5</b>
Current taxes	(0.1)	0.2
D&A	1.5	1.5
Provisions	(0.2)	(0.0)
<b>Cash flow from P&amp;L operations</b>	<b>0.8</b>	<b>2.2</b>
Trade Working Capital	1.3	(0.2)
Other assets and liabilities	(0.4)	(0.5)
Capex	(0.8)	(1.5)
<b>Operating cash flow after WC and capex</b>	<b>0.9</b>	<b>0.1</b>
Interest	(0.2)	(0.2)
Write-down of equity inv. and receivables	(0.3)	(0.3)
Equity investments and financial assets	(0.4)	(0.6)
IPO Proceeds	3.1	0.0
Changes in equity and adjustments	(0.2)	0.0
Capex - IPO cost	(0.6)	0.0
<b>Net cash flow</b>	<b>2.3</b>	<b>(1.0)</b>
Net (Debt) Cash - Beginning	(4.8)	(2.5)
Net (Debt) Cash - End	(2.5)	(3.5)
<b>Change in Net (Debt) Cash</b>	<b>2.3</b>	<b>(1.0)</b>

Source: Company data

### Ratio analysis

Key ratios	2023	2024
ROE	-7%	2%
ROS	-3%	4%
ROIC	-2%	3%
DOI	103	122
DSO	210	179
DPO	127	130
TWC/Sales	66%	58%
NWC/Sales	76%	70%
Capex/Sales	23%	10%
Net Debt/EBITDA	2.3x	1.7x
Net Debt/Equity	0.2x	0.2x
Cash flow from P&L operations/EBITDA	71%	108%
FCF/EBITDA	neg	3%

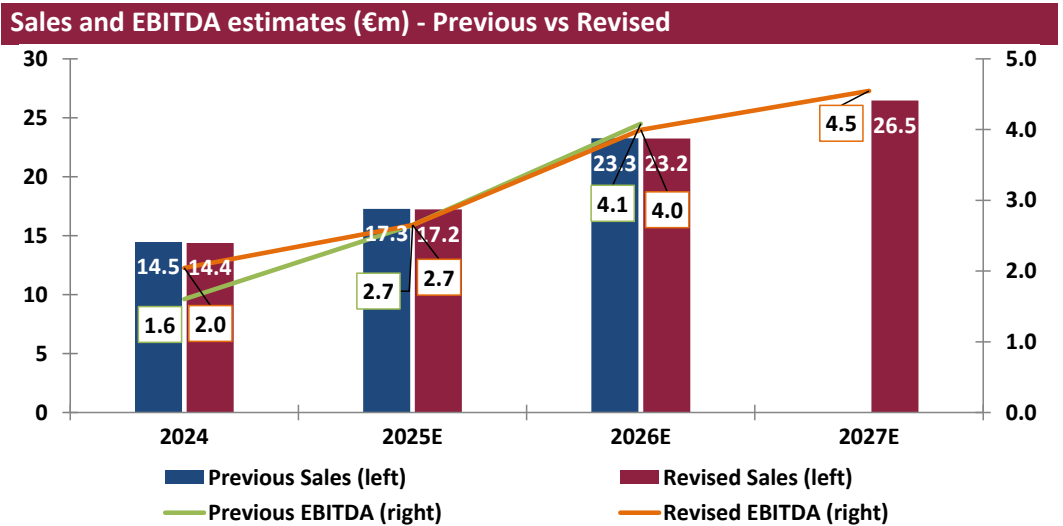
## Corporate facts

At IPO, VNE issued 588k Price Adjusting Shares (PAS), to be converted in ordinary shares at 1:1 ratio subject to FY24 target performance achievements. As EBITDA minimum threshold (€3.8m) has not been met by VNE, PAS will be voided.

## Estimates revision

We factor in current revenue and costs mix, resulting in sales and profitability fine tuning, overall in line with previous estimates for following years. We update our assumptions on Trade Working Capital to consider FY24 higher DOI and lower DPO. 2027E has been included into our estimates period.

## Change in estimates



Source: EnVent Research - Note: columns left axe, curves right axe

€m	Revised				Previous			Change %		
	2024	2025E	2026E	2027E	2024	2025E	2026E	2024	2025E	2026E
<b>Sales</b>	14.4	17.2	23.2	26.5	14.5	17.3	23.3	-1%	0%	0%
<b>Revenues</b>	15.5	17.9	24.5	27.7	15.2	18.2	24.8	2%	-2%	-1%
<b>EBITDA</b>	2.0	2.7	4.0	4.5	1.6	2.7	4.1	27%	0%	-2%
<i>Margin on Sales</i>	14%	15%	17%	17%	11%	15%	18%			
<b>EBIT</b>	0.5	1.1	2.3	2.6	0.0	0.9	2.2	1723%	18%	4%
<i>Margin on Sales</i>	4%	6%	10%	10%	0%	5%	9%			
<b>Net Income (Loss)</b>	0.3	0.6	1.5	1.8	(0.1)	0.5	1.4	-332%	23%	5%
<b>Net (Debt) Cash</b>	(3.5)	(3.4)	(2.7)	(2.2)	(3.1)	(3.6)	(3.9)			

Source: EnVent Research

## Financial projections

### Consolidated Profit and Loss

€m	2022PF	2023	2024	2025E	2026E	2027E
<b>Sales</b>	<b>14.6</b>	<b>13.0</b>	<b>14.4</b>	<b>17.2</b>	<b>23.2</b>	<b>26.5</b>
Change in inventory	(0.5)	(0.1)	0.6	0.2	0.8	0.7
Other income	1.1	0.5	0.5	0.5	0.5	0.5
<b>Revenues</b>	<b>15.2</b>	<b>13.4</b>	<b>15.5</b>	<b>17.9</b>	<b>24.5</b>	<b>27.7</b>
YoY %	48.6%	-11.8%	15.6%	15.7%	36.8%	13.1%
COGS	(7.4)	(6.5)	(7.0)	(8.1)	(11.1)	(12.6)
<b>Gross profit</b>	<b>7.8</b>	<b>6.9</b>	<b>8.5</b>	<b>9.8</b>	<b>13.3</b>	<b>15.1</b>
<i>Margin on Sales</i>	<i>53.5%</i>	<i>52.7%</i>	<i>59.2%</i>	<i>57.0%</i>	<i>57.4%</i>	<i>57.1%</i>
Services	(2.2)	(2.2)	(2.5)	(2.9)	(4.0)	(4.8)
Personnel	(2.1)	(2.7)	(2.6)	(2.8)	(3.4)	(3.5)
Other operating costs	(1.2)	(0.9)	(1.3)	(1.4)	(2.0)	(2.2)
Operating charges	(5.5)	(5.8)	(6.5)	(7.2)	(9.3)	(10.6)
<b>EBITDA</b>	<b>2.3</b>	<b>1.1</b>	<b>2.0</b>	<b>2.7</b>	<b>4.0</b>	<b>4.5</b>
<i>Margin on Sales</i>	<i>15.5%</i>	<i>8.3%</i>	<i>14.2%</i>	<i>15.4%</i>	<i>17.2%</i>	<i>17.2%</i>
D&A	(1.5)	(1.5)	(1.5)	(1.6)	(1.7)	(1.9)
<b>EBIT</b>	<b>0.8</b>	<b>(0.4)</b>	<b>0.5</b>	<b>1.1</b>	<b>2.3</b>	<b>2.6</b>
<i>Margin on Sales</i>	<i>5.2%</i>	<i>-3.2%</i>	<i>3.8%</i>	<i>6.4%</i>	<i>9.8%</i>	<i>10.0%</i>
Interest	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Write-down equity inv. & receivables	(0.5)	(0.3)	(0.3)	0.0	0.0	0.0
<b>EBT</b>	<b>0.1</b>	<b>(0.9)</b>	<b>0.1</b>	<b>0.9</b>	<b>2.1</b>	<b>2.4</b>
<i>Margin on Sales</i>	<i>0.8%</i>	<i>-7.2%</i>	<i>0.7%</i>	<i>5.2%</i>	<i>9.0%</i>	<i>9.2%</i>
Income taxes	(0.2)	(0.1)	0.2	(0.3)	(0.6)	(0.7)
<b>Net Income (Loss)</b>	<b>(0.0)</b>	<b>(1.1)</b>	<b>0.3</b>	<b>0.6</b>	<b>1.5</b>	<b>1.8</b>
<i>Margin on Sales</i>	<i>-0.3%</i>	<i>-8.3%</i>	<i>2.0%</i>	<i>3.7%</i>	<i>6.4%</i>	<i>6.6%</i>

Source: Company data 2022-24, EnVent Research 2025-27E

### Consolidated Balance Sheet

€m	2022PF	2023	2024	2025E	2026E	2027E
Inventory	3.3	3.3	4.6	4.8	5.5	6.3
Trade receivables	11.0	9.2	8.6	10.3	13.2	15.0
Trade payables	(4.5)	(4.0)	(4.6)	(5.4)	(7.7)	(8.8)
Trade Working Capital	9.8	8.5	8.6	9.7	11.0	12.5
Other assets (liabilities)	1.0	1.4	1.9	1.3	1.0	1.1
<b>Net Working Capital</b>	<b>10.8</b>	<b>9.9</b>	<b>10.5</b>	<b>11.0</b>	<b>12.0</b>	<b>13.6</b>
Goodwill and other intangible assets	4.9	4.9	4.5	4.4	4.3	4.2
Property, plant and equipment	2.2	2.0	2.3	2.5	2.5	2.3
Equity inv. and financial assets	1.0	1.4	2.0	2.0	2.0	2.0
<b>Non-current assets</b>	<b>8.0</b>	<b>8.3</b>	<b>8.8</b>	<b>8.9</b>	<b>8.8</b>	<b>8.5</b>
<b>Provisions</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.6)</b>	<b>(0.6)</b>
<b>Net Invested Capital</b>	<b>18.1</b>	<b>17.6</b>	<b>18.9</b>	<b>19.4</b>	<b>20.2</b>	<b>21.4</b>
<b>Net Debt (Cash)</b>	<b>4.8</b>	<b>2.5</b>	<b>3.5</b>	<b>3.4</b>	<b>2.7</b>	<b>2.2</b>
<b>Equity</b>	<b>13.3</b>	<b>15.1</b>	<b>15.4</b>	<b>16.0</b>	<b>17.5</b>	<b>19.3</b>
<b>Sources</b>	<b>18.1</b>	<b>17.6</b>	<b>18.9</b>	<b>19.4</b>	<b>20.2</b>	<b>21.4</b>

Source: Company data 2022-24, EnVent Research 2025-27E

### Consolidated Cash Flow

€m	2022PF	2023	2024	2025E	2026E	2027E
<b>EBIT</b>	<b>0.8</b>	<b>(0.4)</b>	<b>0.5</b>	<b>1.1</b>	<b>2.3</b>	<b>2.6</b>
Current taxes	(0.2)	(0.1)	0.2	(0.3)	(0.6)	(0.7)
D&A	1.5	1.5	1.5	1.6	1.7	1.9
Provisions	0.0	(0.2)	(0.0)	0.0	0.1	0.0
<b>Cash flow from P&amp;L operations</b>	<b>2.1</b>	<b>0.8</b>	<b>2.2</b>	<b>2.4</b>	<b>3.5</b>	<b>3.9</b>
Trade Working Capital	(0.9)	1.3	(0.2)	(1.1)	(1.3)	(1.4)
Other assets and liabilities	0.7	(0.4)	(0.5)	0.6	0.4	(0.1)
Capex	(2.2)	(0.8)	(1.5)	(1.6)	(1.6)	(1.6)
<b>Operating cash flow after WC &amp; capex</b>	<b>(0.3)</b>	<b>0.9</b>	<b>0.1</b>	<b>0.3</b>	<b>0.9</b>	<b>0.7</b>
Interest	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Write-down equity inv. & receivables	(0.5)	(0.3)	(0.3)	0.0	0.0	0.0
Equity inv. and financial assets	(0.5)	(0.4)	(0.6)	0.0	0.0	0.0
Changes in equity and adjustments	2.0	(0.2)	(0.0)	0.0	0.0	0.0
IPO Proceeds	0.0	3.1	0.0	0.0	0.0	0.0
Capex - IPO cost	0.0	(0.6)	0.0	0.0	0.0	0.0
<b>Net cash flow</b>	<b>0.5</b>	<b>2.3</b>	<b>(1.0)</b>	<b>0.1</b>	<b>0.7</b>	<b>0.5</b>
Net Debt (Beginning)	(5.3)	(4.8)	(2.5)	(3.5)	(3.4)	(2.7)
Net Debt (End)	(4.8)	(2.5)	(3.5)	(3.4)	(2.7)	(2.2)
<b>Change in Net Debt (Cash)</b>	<b>0.5</b>	<b>2.3</b>	<b>(1.0)</b>	<b>0.1</b>	<b>0.7</b>	<b>0.5</b>

Source: Company data 2022-24, EnVent Research 2025-27E

### Ratio analysis

	2022PF	2023	2024	2025E	2026E	2027E
ROE	0%	-7%	2%	4%	9%	9%
ROS	5%	-3%	4%	6%	9%	10%
ROIC	4%	-2%	3%	6%	11%	12%
TWC/Sales	67%	65%	60%	56%	47%	47%
TWC/CF from Operations	44%	-172%	7%	44%	38%	37%
NWC/Sales	74%	76%	73%	64%	52%	51%
Capex/Sales	15%	6%	10%	10%	7%	6%
Net Debt/EBITDA	2.1x	2.3x	1.7x	1.3x	0.7x	0.5x
Net Debt/Equity	0.4x	0.2x	0.2x	0.2x	0.2x	0.1x
Operating CF after WC&Capex/Tot. Debt	-3%	13%	1%	3%	8%	6%
FFO/Total Debt	15%	6%	21%	24%	29%	31%
Cash flow from P&L operations/EBITDA	95%	71%	108%	91%	88%	86%
FCF/EBITDA	neg	83%	3%	11%	23%	15%

Source: Company data 2022-24, EnVent Research 2025-27E

## Valuation

Key value drivers:

- Quality and service reputation, proven by historical growth in target markets
- Strategy: penetration in European markets with product-service combination
- Revenue visibility from customers with mid/long-term contracts

We have updated our VNE valuation through Discounted Cash Flows method and market multiples. We recall that industry peers are mostly large and diversified companies and thus they might provide a misleading value indication; as such, we attribute higher significance to DCF results.

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.

### Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.9% (last 30 days average. Source: Bloomberg, April 2025)
- Market return: 13.3% (last 30 days average. Source: Bloomberg, April 2025)
- Market risk premium: 9.4%
- Beta: 1.0 (judgmental as per financial risk assessment)
- Cost of equity: 13.3%
- Cost of debt: 6.0%
- Tax rate: 24% (IRES)
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 10.7%, according to above data, from 9.2%
- Perpetual growth rate after explicit projections (G): 3%
- Terminal Value assumes a 17.5% EBITDA margin on revenues

**High volatility framework**

**Sudden rise of market risk records impacts cost of capital**

**DCF Valuation**

€m	2024	2025E	2026E	2027E	Perpetuity
<b>Revenues</b>	<b>15.5</b>	<b>17.9</b>	<b>24.5</b>	<b>27.7</b>	<b>28.5</b>
<b>EBITDA</b>	<b>2.0</b>	<b>2.7</b>	<b>4.0</b>	<b>4.5</b>	<b>5.0</b>
<i>Margin on Sales</i>	14.2%	15.4%	17.2%	17.2%	17.5%
<b>EBIT</b>	<b>0.5</b>	<b>1.1</b>	<b>2.3</b>	<b>2.6</b>	<b>3.0</b>
<i>Margin on Sales</i>	3.8%	6.4%	9.8%	10.0%	10.5%
Taxes	(0.2)	(0.3)	(0.6)	(0.7)	(0.8)
<b>NOPAT</b>	<b>0.4</b>	<b>0.8</b>	<b>1.6</b>	<b>1.9</b>	<b>2.2</b>
D&A	1.5	1.6	1.7	1.9	2.0
Provisions	(0.0)	0.0	0.1	0.0	0.0
<b>Cash flow from operations</b>	<b>1.9</b>	<b>2.4</b>	<b>3.5</b>	<b>3.8</b>	<b>4.2</b>
Trade Working Capital	(0.2)	(1.1)	(1.3)	(1.4)	(0.7)
Other assets and liabilities	(0.5)	0.6	0.4	(0.1)	0.0
Capex	(1.5)	(1.6)	(1.6)	(1.6)	(2.0)
<b>Unlevered free cash flow</b>	<b>(0.3)</b>	<b>0.2</b>	<b>0.9</b>	<b>0.7</b>	<b>1.4</b>
<b>Free Cash Flow to be discounted</b>		<b>0.2</b>	<b>0.9</b>	<b>0.7</b>	<b>1.4</b>
WACC	10.7%				
Long-term growth (G)	3.0%				
<b>Discounted Cash Flows</b>		<b>0.2</b>	<b>0.7</b>	<b>0.5</b>	
Sum of Discounted Cash Flows	1.4				
<b>Terminal Value</b>					<b>18.6</b>
Discounted TV	13.7				
<b>Enterprise Value</b>	<b>15.1</b>				
Net debt as of 31/12/2024	(3.5)				
<b>Equity Value</b>	<b>11.6</b>				
<b>DCF - Implied multiples</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	
EV/Sales	1.1x	0.9x	0.7x	0.6x	
EV/EBITDA	7.4x	5.7x	3.8x	3.3x	
EV/EBIT	27.9x	13.8x	6.6x	5.7x	
P/E	39.6x	18.2x	7.8x	6.6x	
<b>Discount of current market price vs DCF</b>	<b>-47%</b>				
<b>Current market price - Implied multiples</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	
EV/Sales	0.6x	0.5x	0.3x	0.3x	
EV/EBITDA	3.9x	3.0x	2.0x	1.8x	
EV/EBIT	14.8x	7.3x	3.5x	3.0x	
P/E	15.3x	7.0x	3.0x	2.6x	

Source: EnVent Research

### Market multiples

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
<b>Producers, mostly retail segment</b>												
ITAB Shop	0.4x	0.4x	0.3x	3.8x	3.2x	2.7x	6.0x	4.7x	3.9x	10.6x	7.9x	6.1x
Posiflex Technology	2.5x	2.3x	na	15.5x	11.3x	na	14.2x	12.7x	na	28.5x	22.8x	na
StrongPoint	0.4x	0.3x	0.3x	9.9x	5.7x	4.4x	nm	10.3x	6.6x	neg	13.1x	7.5x
Azkoyen	na	na	na	na	na	na	na	na	na	na	na	na
Firich Enterprises	na	na	na	na	na	na	na	na	na	na	na	na
<b>Mean</b>	<b>1.1x</b>	<b>1.0x</b>	<b>0.3x</b>	<b>9.7x</b>	<b>6.7x</b>	<b>3.5x</b>	<b>10.1x</b>	<b>9.3x</b>	<b>5.2x</b>	<b>19.6x</b>	<b>14.6x</b>	<b>6.8x</b>
<b>Mean w/out extremes</b>	<b>0.4x</b>	<b>0.4x</b>	<b>na</b>	<b>9.9x</b>	<b>5.7x</b>	<b>na</b>	<b>na</b>	<b>10.3x</b>	<b>na</b>	<b>na</b>	<b>13.1x</b>	<b>na</b>
<b>Median</b>	<b>0.4x</b>	<b>0.4x</b>	<b>0.3x</b>	<b>9.9x</b>	<b>5.7x</b>	<b>3.5x</b>	<b>10.1x</b>	<b>10.3x</b>	<b>5.2x</b>	<b>19.6x</b>	<b>13.1x</b>	<b>6.8x</b>
<b>Large and diversified corporations, with focus on banking</b>												
NCR	0.7x	0.9x	0.9x	4.4x	4.1x	4.2x	8.5x	7.5x	7.2x	9.8x	7.2x	7.4x
Diebold Nixdorf	0.6x	0.6x	0.6x	4.6x	4.3x	4.0x	7.0x	6.1x	5.3x	9.9x	8.2x	7.6x
Glory	0.5x	0.5x	0.5x	4.1x	4.7x	4.1x	5.9x	7.1x	5.8x	na	na	na
GRG Banking Equipment	2.0x	1.8x	1.6x	nm	nm	nm	nm	nm	nm	na	na	na
PAX Global Technology	0.3x	0.3x	0.2x	2.0x	1.6x	1.5x	2.0x	1.8x	1.5x	6.9x	5.9x	5.3x
<b>Mean</b>	<b>0.8x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>3.8x</b>	<b>3.7x</b>	<b>3.4x</b>	<b>5.8x</b>	<b>5.6x</b>	<b>5.0x</b>	<b>8.8x</b>	<b>7.1x</b>	<b>6.8x</b>
<b>Mean w/out extremes</b>	<b>0.6x</b>	<b>0.7x</b>	<b>0.6x</b>	<b>4.3x</b>	<b>4.2x</b>	<b>4.0x</b>	<b>6.4x</b>	<b>6.6x</b>	<b>5.6x</b>	<b>9.8x</b>	<b>7.2x</b>	<b>7.4x</b>
<b>Median</b>	<b>0.6x</b>	<b>0.6x</b>	<b>0.6x</b>	<b>4.3x</b>	<b>4.2x</b>	<b>4.0x</b>	<b>6.4x</b>	<b>6.6x</b>	<b>5.6x</b>	<b>9.8x</b>	<b>7.2x</b>	<b>7.4x</b>

Source: EnVent Research on S&P Capital IQ, 04/04/2025

We have updated our multiples valuation, applying to our 2025-26 estimates the mean EV/Revenues and EV/EBITDA from the *Producers* cluster.

### Market multiples application

		€m				
Market multiples over DCF	VNE (€m)	Market Multiple	EV	Net debt as of 31/12/2024	Equity value	
		<b>2025E Sales</b>	17.2	1.1x	18.4	(3.5)
	<b>2026E Sales</b>	23.2	1.0x	23.2	(3.5)	<b>19.8</b>
	Mean			20.8		<b>17.4</b>
	<b>2025E EBITDA</b>	2.7	9.7x	25.7	(3.5)	<b>22.3</b>
	<b>2026E EBITDA</b>	4.0	6.7x	26.9	(3.5)	<b>23.5</b>
	Mean			26.3		<b>22.9</b>

Source: EnVent Research

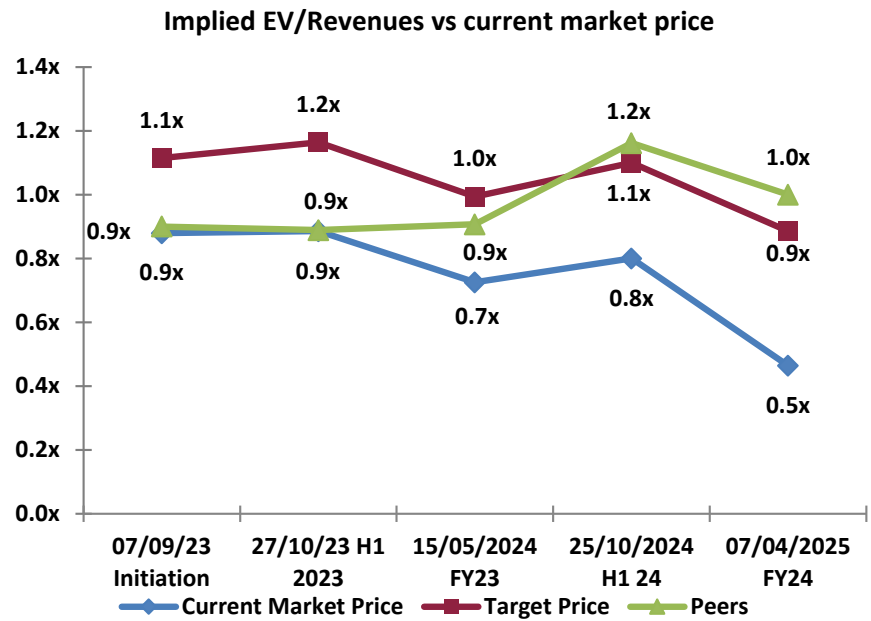
## Target Price

Our updated estimates and DCF valuation yield a target price of €3.70, from previous €4.00, over 100% upside on current stock price. We thus confirm the OUTPERFORM rating on the stock.

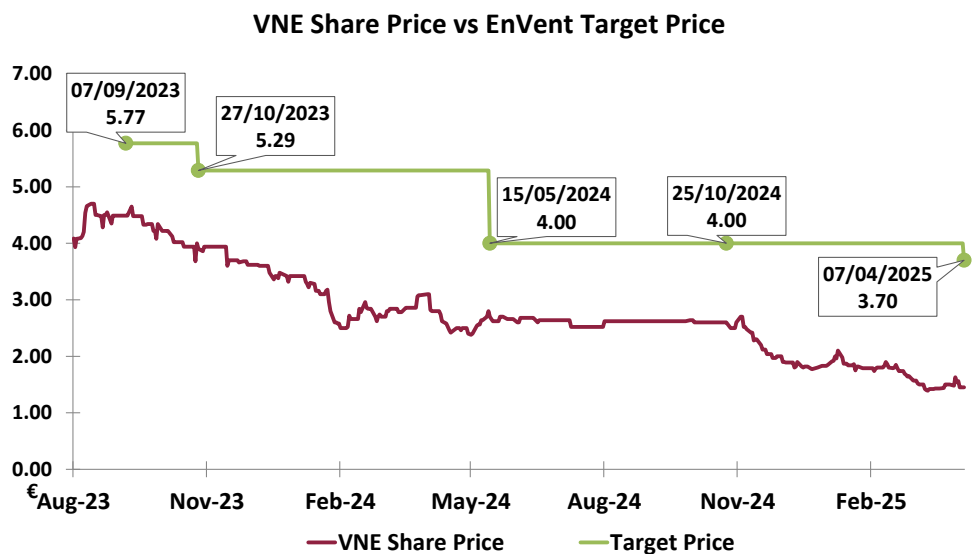
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VNE Price per Share	€
<b>Target Price</b>	<b>3.70</b>
Current Share Price (04/04/2025)	1.45
<b>Premium (Discount)</b>	<b>155%</b>

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 07/04/2025



Source: EnVent Research on S&P Capital IQ, 07/04/2025

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Date and time of Production: 04/04/2025 h. 6.30pm

Date and time of Distribution: 07/04/2025 h. 6.30pm

## DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
07/09/2023	OUTPERFORM	5.77	4.49
27/10/2023	OUTPERFORM	5.29	3.90
15/05/2023	OUTPERFORM	4.00	2.70
25/10/2024	OUTPERFORM	4.00	2.60
07/04/2025	OUTPERFORM	3.70	1.45

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