TENAX INTERNATIONAL CLEANAIR SWEEPERS

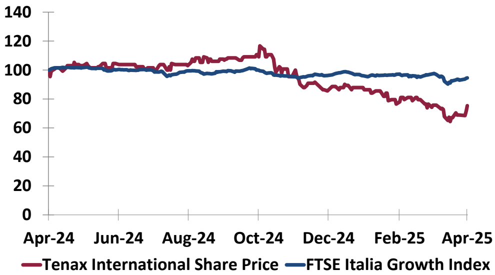
Global turmoil weakening 2024 performance, keeping on working to multiply product range

OUTPERFORM

Current Share Price (€): 1.99

Target Price (€): 4.50

Tenax International - 1Y Performance



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

Company data

ISIN number	IT0005428898
Bloomberg code	TNX IM
Reuters code	TNX.IM
Industry	Manufacturing
Stock market	Euronext Growth Milan
Share Price (€)	1.99
Date of Price	24/04/2025
Shares Outstanding (m)	3.7
Market Cap (€m)	7.3
Market Float (%)	33.6%
Daily Volume	2,100
Avg Daily Volume YTD	2,206
Target Price (€)	4.50
Upside (%)	126%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
Tenax - Absolute (%)	-1%	-13%	-35%	-21%
FTSE Italia Growth (%)	-3%	-1%	-5%	-6%
1Y Range H/L (€)			3.08	1.70
YTD Change (€) / %			-0.35	-15.0%

Source: S&P Capital IQ

Analysts

Luigi Tardella - Head of Research
ltardella@envent.it
Mauro Durante mdurante@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

Stock performance

Tenax share price trend was in line with market trend until November 2024; since then, share price fell to current level, below €2.00. Over the last 12 months, Tenax is underperforming the Italia Growth index (-21% vs -6%).

FY24: Sales 6% up, profitability in line YoY

Tenax FY24 sales were €21.7m, (+6% YoY), with total revenues at €23.4m, somewhat below expectations. According to management, sales slowdown finds explanation in uncertainties about macrotrends and standstill in PAs budget allocations, which are affecting all industry players and other sustainability industries. Profitability was overall in line with previous year, with EBITDA at €2.2m, 9% margin. Net income at breakeven. Inventory increased to cope with new model launch, +21% on 2023 year-end, with Trade Working Capital at €10.8m, from €9.5m at FY23. Net financial debt was €8.3m, from €5.4m as of December 2023, after €2.1m capex and €0.5m Esagono acquisition.

2025 gap year, new model and acquisition effect

Uncertainties are affecting 2025 so far, as we recall order backlog as of February 2025 of €10.1m compared to €13.9m in the same period in 2024: fleets electrification is still ongoing, albeit at a slower pace compared to previous estimates. Progress of investment in production capacity and product range is crucial to pursue growth: Electra 5.0 first orders delivery will support sales and profitability rise from 2025 on, while further synergies are expected by Esagono acquisition (€4.1m FY23 sales), going full capacity from 2026 onwards, after integration in 2025. All of the above depicts a richer and more diversified product range, whose sales would be in operation mostly from 2026 onwards.

Target Price €4.50 per share (from €5.40), OUTPERFORM rating confirmed

Relying in FY24 performance, current backlog, Electra 5.0 market entry and industry trend, we have revised our projections, resulting in conservative sales and profitability upgrade shift since 2026E. Management guidelines 2025-28E are expected in May 2025, providing additional information on current investments plan, Electra 5.0 backlog and market appreciation and Esagono integration progress. Tenax is currently trading at over 50% discount versus peers, despite having proven sound technical and financial fundamentals - with solid EBITDA and Net Income - while developing global presence over the years. Our updated valuation takes into account timing and resources needed to face market issues and accelerate growth, pointing to €4.50 per share target price (from previous €5.40), 126% potential upside on current share price, thus confirming the OUTPERFORM rating.

KEY FINANCIALS AND ESTIMATES

€m	2023	2024	2025E	2026E	2027E
Sales	**20.5**	**21.5**	**25.0**	**28.1**	**31.5**
EBITDA	**2.3**	**2.2**	**2.5**	**3.4**	**4.3**
Margin on Sales	*11.0%*	*10.2%*	*10.1%*	*12.2%*	*13.5%*
Net (Debt) Cash	**(5.4)**	**(8.3)**	**(8.8)**	**(9.0)**	**(8.4)**
Equity	**7.3**	**7.4**	**8.1**	**9.3**	**10.9**
Key Ratios	**2023**	**2024**	**2025E**	**2026E**	**2027E**
ROE	10%	1%	9%	13%	14%
TWC/Sales	47%	50%	47%	47%	46%
Net Debt/EBITDA	2.4x	3.8x	3.5x	2.6x	2.0x
DCF - Implied multiples	**2023**	**2024**	**2025E**	**2026E**	**2027E**
EV/Revenues	1.2x	1.1x	1.0x	0.9x	0.8x
EV/EBITDA	11.8x	15.7x	10.6x	7.8x	6.3x

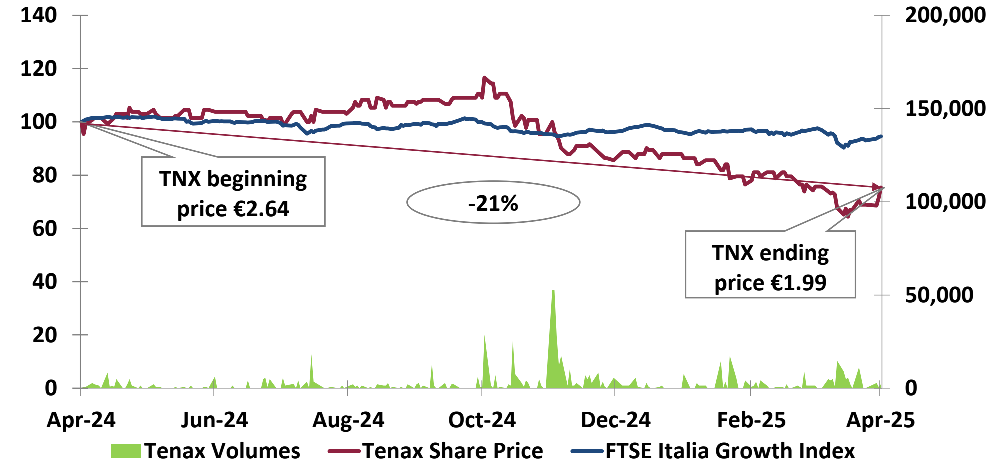
Source: Company data 2023-24A, EnVent Research 2025-27E

Market update

Trading price range €3.08-1.70 per share

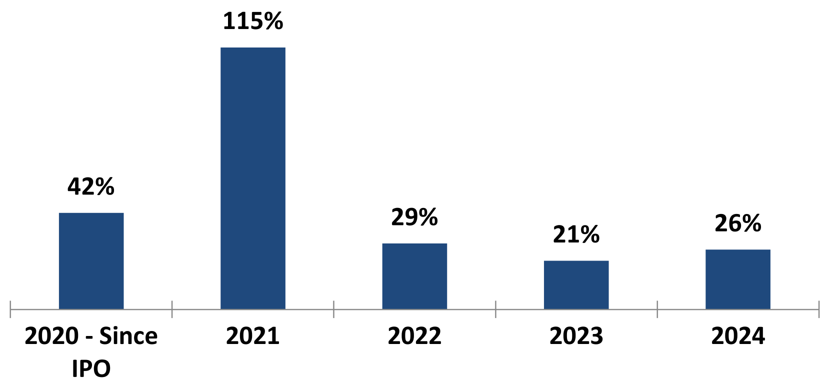
-21% for Tenax, vs -6% of the Italia Growth Index

Tenax International - 1Y Share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 23/04/2024=100

Tenax International – Liquidity analysis and velocity turnover



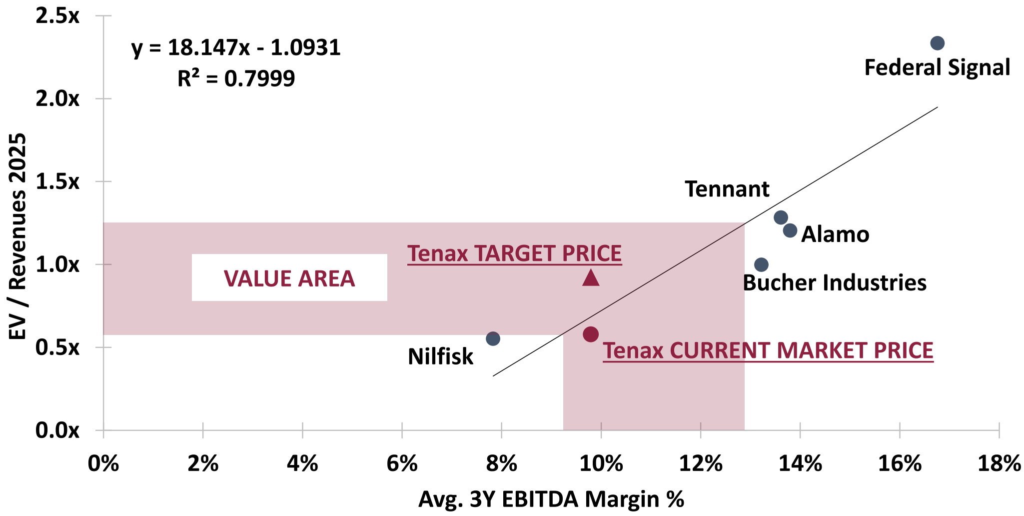
Note: Velocity turnover on total shares: ratio of total trades to total ordinary shares in a given period
Source: EnVent Research on S&P Capital IQ

Fair correlation within the group

Industry-like positioning, progressing towards the profitability high-side of the group

Clear EV/Revenues unjustified gap

Industry peer group - Regression analysis and Tenax target positioning



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

Investment case

Pioneer of zero emission city cleaning

In-house full electric vehicles

Tenax International is an Italian producer of high performance full electric road sweepers and washers for cleaning on public and private roads or areas designed and engineered in-house. The major purpose of internal development is to unlock the full potential of electric power technologies, compared to electrification of competitors' older diesel-based models, providing light and efficient vehicles with zero emissions and with exchangeable power storage based on customers' needs. Tenax owns active patents for its in-house technology.

Public tenders worldwide, over 90% export

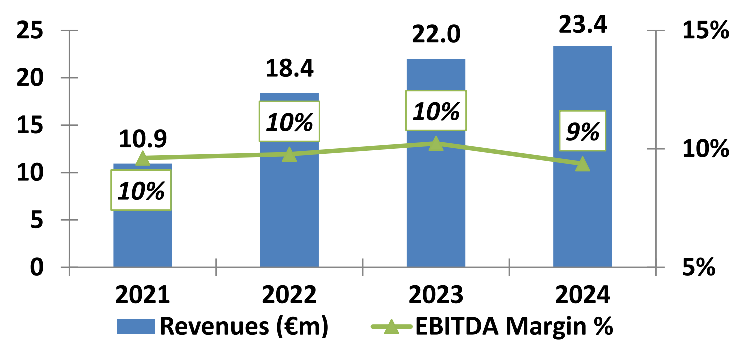
Major end-customers are public administrations and municipalities which are reached through a comprehensive dealer network. Sales are generated by selection and participation in public tenders. Tenax operates in the compact street sweepers segment and its full-electric vehicles are sold worldwide, with over 90% revenues generated internationally.

Strategy

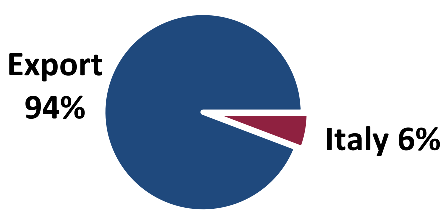
Main strategic goal is to play as a forerunner the full-electric B2B vehicles industry, developing next-generation sweepers for segments in which Tenax is not present and improving the existing range in response to customer requirements. Tenax will continue the geographical expansion into new markets and to leverage acquisitions to enrich product and customer portfolio.

In 2024 Tenax has acquired from Esagono Energia their electric vehicles BU (in consolidation scope from 2027), manufacturer of a homologated compact light trucks common platform suitable to be equipped with waste treatment devices as well as for passenger and equipment transport. Deal rationale was broadening product range, with complementary products and reaching new market. Integration is ongoing: management expects to generate both sales and operational synergies from 2026, as target customers are mostly the same and Esagono could benefit from Tenax technical knowhow and supply chain sharing.

Historical sales and EBITDA



Sales breakdown by geography, FY24



Source: EnVent Research on Company data

Drivers

Industry and Company drivers

- Electric-based machines at the core of e-mobility innovation
- Feeding sustainability demand in the road sweepers market: wide room for growth of full electric vehicles
- The mobile machinery industry is a Europe-based world class industrial cluster
- Full-electric pioneer in a niche market segment destined to shift to electric
- Development and innovation skills, ability to design and develop cost-effective cleaning vehicles
- Diversified product portfolio for sweepers' sizes and options, also including small passenger and equipment transport EVs after Esagono acquisition
- Global presence

Challenges

- High rivalry: second movers populate market and increase competition
- International market exposure
- Manufacturing cost efficiency and sustainability of operating margins
- Investment in inventory and working capital
- Esagono integration timing and profitability

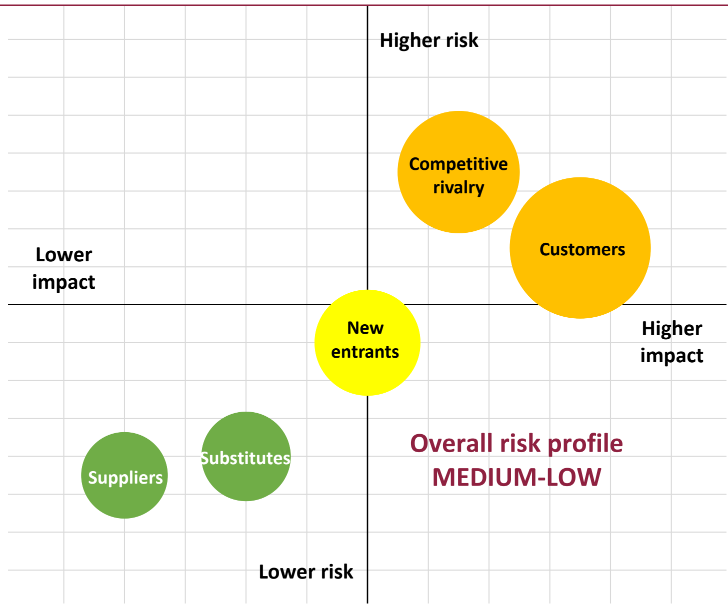
Risk / opportunity assessment

Business risk: medium-low

Competitive forces

Force	Factors
Competitive rivalry	• High competition • Major players offering electric vehicles
Customers	• Competitive auction process for municipalities • Compliance with public regulations
New entrants	• Investments to develop product range • Investments to establish international sales network • Niche market but increasing demand
Substitutes	• Small market size discouraging investments • No smarter alternative to full electric
Suppliers	• Easy access to components • Wide range of suppliers

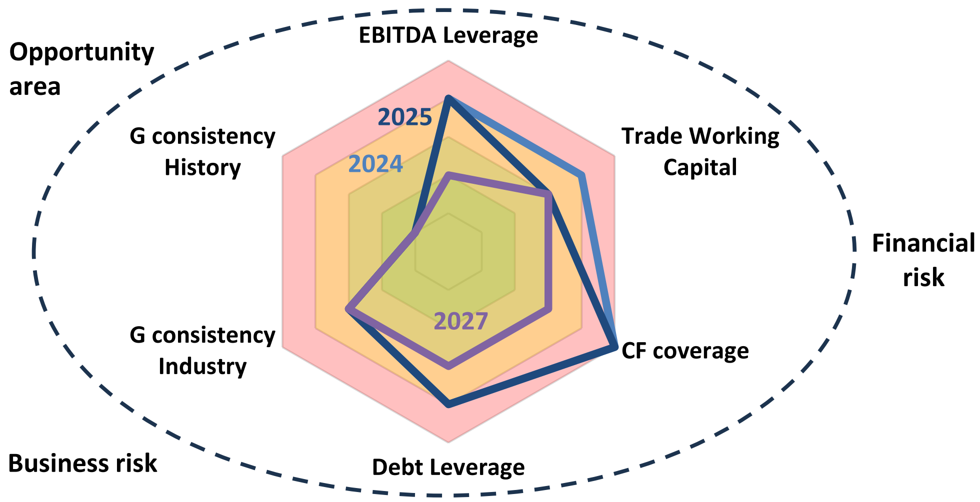
Materiality of risk map



Source: EnVent Research

Financial risk: medium

Ratios map



Source: EnVent Research

Trade working capital and capex major cash flow absorber

ESG

ESG profile

Analysis and reporting

Sustainability reports and reporting standards	▪
Sustainability initiatives and memberships	✓
Sustainability risk management information	✓
Governance information	▪
Stakeholdels and stakeholders dialogue	✓

Sustainability targets

Scope 1 emissions (Direct emissions)	▪
Scope 2 emissions (Energy consumption)	▪
Scope 3 emissions (Value chain)	▪

Social targets

Past target achievements	✓
Policies implementation	✓

Source: EnVent Research on Company's website

FY24 results

Tenax FY24 sales were overall in line YoY, according to management considering €2.0m orders shift to FY25 (for technical issues on optional requested by customers and for Electra 5.0 development delays) and uncertainty on PAs budgets allocation, resulting in longer purchase decisions in H2 2024. Orders flow has required investments in inventory and additional personnel to increase production capacity, respectively resulting in higher Net Debt and lower profitability.

Consolidated Profit and Loss

€m	2023	2024
Sales	20.5	21.7
Change in work in progress	0.8	0.8
Capitalization of intangible assets	0.5	0.6
Other income	0.2	0.3
Total Revenues	**22.0**	**23.4**
YoY %	*19.6%*	*6.2%*
Materials	(11.4)	(12.3)
Services	(4.2)	(4.5)
Personnel	(3.6)	(3.9)
Other operating costs	(0.5)	(1.0)
Operating charges	**(19.8)**	**(21.7)**
EBITDA	**2.3**	**1.7**
Margin	*10.2%*	*7.2%*
Non recurring items	0.0	(0.5)
EBITDA Adj.	**2.3**	**2.2**
Margin	*10.2%*	*9.4%*
D&A	(0.8)	(1.0)
EBIT	**1.5**	**0.7**
Margin	*6.6%*	*3.1%*
Interest	(0.3)	(0.4)
EBT	**1.1**	**0.3**
Margin	*4.8%*	*1.1%*
Income taxes	(0.4)	(0.2)
Net Income (Loss)	**0.7**	**0.1**
Margin	*3.2%*	*0.4%*

Source: Company data

Consolidated Balance Sheet

€m	2023	2024
Inventory	8.6	10.5
Trade receivables	6.1	5.6
Trade payables	(4.9)	(5.2)
Trade Working Capital	9.5	10.8
Other assets (liabilities)	(0.2)	(0.1)
Net Working Capital	**9.4**	**10.7**
Intangible assets	3.5	4.1
Property, plant and equipment	0.5	1.0
Non-current assets	**4.0**	**5.7**
Provisions	**(0.7)**	**(0.7)**
Net Invested Capital	**12.7**	**15.7**
Bank debt	4.9	8.4
Other financial debt	2.7	2.0
Cash and equivalents	(2.2)	(2.1)
Net Debt (Cash)	**5.4**	**8.3**
Shareholders' Equity	7.3	7.4
Equity	**7.3**	**7.4**
Sources	**12.7**	**15.7**

Consolidated Cash Flow

€m	2023	2024
EBIT	**1.5**	**0.7**
Current taxes	(0.4)	(0.2)
D&A	0.8	1.0
Provisions	0.2	0.1
Cash flow from P&L operations	**2.1**	**1.6**
Trade Working Capital	(2.5)	(1.3)
Other assets and liabilities	0.8	(0.1)
Capex	(1.5)	(2.1)
Operating cash flow after WC and capex	**(1.1)**	**(1.9)**
Interest	(0.3)	(0.4)
Equity investments and financial assets	0.0	(0.5)
Net cash flow	**(1.0)**	**(2.9)**
Net (Debt) Cash - Beginning	(4.3)	(5.4)
Net (Debt) Cash - End	(5.4)	(8.3)
Change in Net (Debt) Cash	**(1.0)**	**(2.9)**

Source: Company data

Ratio analysis

KPIs	2023	2024
ROE	10%	1%
ROS (EBIT/Sales)	7%	3%
DOI	148	170
DSO	86	75
DPO	90	87
TWC/Sales	47%	50%
Net Debt / EBITDA	2.4x	4.9x
Net Debt / Equity	0.7x	1.1x
Net Debt / (Net Debt+Equity)	0.4x	0.5x
Cash flow from P&L operations / EBITDA	94%	94%
FCF / EBITDA	neg.	neg.

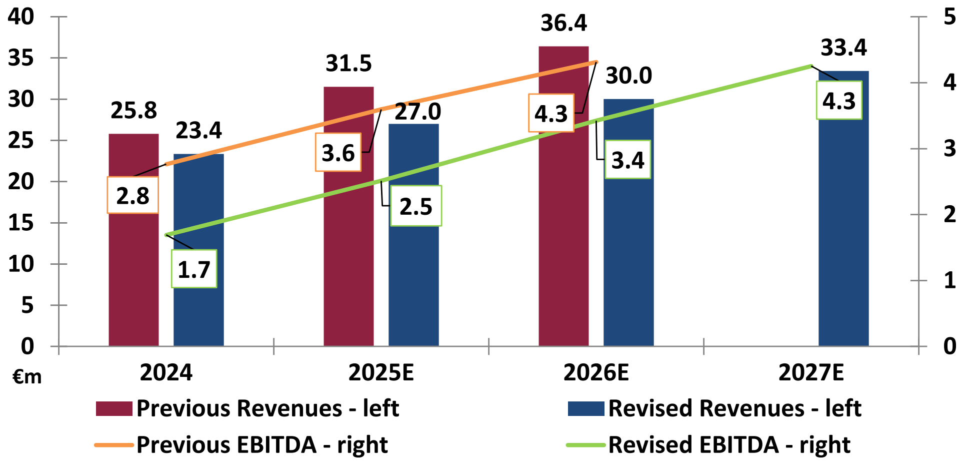
Estimates revision

Conservatives revenues during investment phase

Relying in FY24 performance, current backlog, Electra 5.0 market entry and industry trend, we revised our previous projections, resulting in sales and profitability upgrade shift to 2026E onwards. We also factor in current working capital and capex dynamics to fine tune our estimates and we add 2027E to projection period. We will reassess our estimates after 2025-28E guidelines in May 2025, with up-to-date information on Electra 5.0 backlog for 2025 and market perspectives, as well as further information on Esagono integration progress (in consolidation scope from 2027E): Tenax aims to generate supply chain and sales synergies with Esagono smaller multipurpose models and to improve their production efficiency, leveraging on in-house know how to exploit potential.

Change in estimates

Previous vs Revised Revenues and EBITDA estimates (€m)



Source: EnVent Research

	Revised				Previous			Change %		
€m	2024	2025E	2026E	2027E	2024E	2025E	2026E	2024	2025E	2026E
Sales	21.7	25.0	28.1	31.5	24.5	29.5	34.5	-12%	-15%	-19%
Revenues	23.4	27.0	30.0	33.4	25.8	31.5	36.4	-9%	-14%	-18%
EBITDA	1.7	2.5	3.4	4.3	2.8	3.6	4.3	-39%	-30%	-21%
Margin on Revenues	*7%*	*9%*	*11%*	*13%*	*11%*	*11%*	*12%*			
EBIT	0.7	1.4	2.0	2.6	1.8	2.2	2.7	-59%	-37%	-24%
Margin on Revenues	*3%*	*5%*	*7%*	*8%*	*7%*	*7%*	*7%*			
Net Income (Loss)	0.1	0.7	1.2	1.6	1.0	1.4	1.7	-91%	-45%	-28%
Net (Debt) Cash	(8.3)	(8.8)	(9.0)	(8.4)	(6.3)	(6.5)	(5.8)	32%	36%	56%
Net Debt/EBITDA	*4.9x*	*3.5x*	*2.6x*	*2.0x*	*2.3x*	*1.8x*	*1.3x*			

Source: EnVent Research

Financial projections

Sales growth shifted to 2025 and 2026

Consolidated Profit and Loss

€m	2023	2024	2025E	2026E	2027E
Sales	20.5	21.7	25.0	28.1	31.5
Change in inventory	0.8	0.8	1.2	1.1	1.1
Capitalization of R&D	0.5	0.6	0.6	0.6	0.6
Other income	0.2	0.3	0.3	0.3	0.3
Total Revenues	**22.0**	**23.4**	**27.0**	**30.0**	**33.4**
YoY %	*19.6%*	*6.2%*	*15.6%*	*11.2%*	*11.3%*
Materials	(11.4)	(12.3)	(14.1)	(15.3)	(16.9)
Services	(4.2)	(4.5)	(5.2)	(5.6)	(6.0)
Personnel	(3.6)	(3.9)	(4.1)	(4.5)	(5.0)
Other operating costs	(0.5)	(1.0)	(1.0)	(1.1)	(1.3)
Operating charges	**(19.8)**	**(21.7)**	**(24.5)**	**(26.6)**	**(29.2)**
EBITDA	**2.3**	**1.7**	**2.5**	**3.4**	**4.3**
Margin on Sales	*11.0%*	*7.8%*	*10.1%*	*12.2%*	*13.5%*
Margin on Revenues	*10.2%*	*7.2%*	*9.3%*	*11.4%*	*12.7%*
Non-recurring cost	0.0	(0.5)	0.0	0.0	0.0
EBITDA Adj.	**2.3**	**2.2**	**2.5**	**3.4**	**4.3**
Margin on Revenues	*10.2%*	*9.4%*	*9.3%*	*11.4%*	*12.7%*
D&A	(0.8)	(1.0)	(1.1)	(1.4)	(1.7)
EBIT	**1.5**	**0.7**	**1.4**	**2.0**	**2.6**
Margin	*6.6%*	*3.1%*	*5.2%*	*6.8%*	*7.7%*
Interest	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
EBT	**1.1**	**0.3**	**1.1**	**1.7**	**2.2**
Margin	*4.8%*	*1.1%*	*3.9%*	*5.6%*	*6.6%*
Income taxes	(0.4)	(0.2)	(0.3)	(0.5)	(0.6)
Net Income (Loss)	**0.7**	**0.1**	**0.7**	**1.2**	**1.6**
Margin	*3.2%*	*0.4%*	*2.8%*	*4.0%*	*4.7%*

Source: Company data 2023-24, EnVent Research 2025-27E

€0.5m investment in Esagono in FY24

Consolidated Balance Sheet

€m	2023	2024	2025E	2026E	2027E
Inventory	8.6	10.5	11.6	12.7	13.8
Trade receivables	5.7	5.5	6.3	7.0	7.9
Trade payables	(4.9)	(5.2)	(6.1)	(6.6)	(7.3)
Trade Working Capital	9.5	10.8	11.8	13.1	14.4
Other assets (liabilities)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Net Working Capital	**9.4**	**10.7**	**11.7**	**13.0**	**14.3**
Intangible assets	3.5	4.1	4.1	3.9	3.6
Property, plant and equipment	0.5	1.0	1.4	1.6	1.7
Equity investments and financial assets	0.1	0.6	0.6	0.6	0.6
Non-current assets	**4.0**	**5.7**	**6.0**	**6.1**	**5.8**
Provisions	**(0.7)**	**(0.7)**	**(0.7)**	**(0.8)**	**(0.8)**
Net Invested Capital	**12.7**	**15.7**	**17.0**	**18.3**	**19.3**
Net Debt (Cash)	**5.4**	**8.3**	**8.8**	**9.0**	**8.4**
Equity	**7.3**	**7.4**	**8.1**	**9.3**	**10.9**
Sources	**12.7**	**15.7**	**17.0**	**18.3**	**19.3**

Source: Company data 2023-24, EnVent Research 2025-27E

€0.8m for Electra 5.0 development and €1.2m capex in 2024, investment cycle in course

Consolidated Cash Flow

€m	2023	2024	2025E	2026E	2027E
EBIT	**1.5**	**0.7**	**1.4**	**2.0**	**2.6**
Current taxes	(0.4)	(0.2)	(0.3)	(0.5)	(0.6)
D&A	0.8	1.0	1.1	1.4	1.7
Provisions	0.2	0.1	0.0	0.0	0.0
Cash flow from P&L operations	**2.1**	**1.6**	**2.2**	**3.0**	**3.7**
Trade Working Capital	(2.5)	(1.3)	(1.0)	(1.3)	(1.3)
Other assets and liabilities	0.8	(0.1)	0.0	0.0	0.0
Capex	(1.5)	(2.1)	(1.5)	(1.5)	(1.5)
Operating cash flow after WC and capex	**(1.1)**	**(1.9)**	**(0.2)**	**0.2**	**0.9**
Interest	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
Equity investments and financial assets	0.0	(0.5)	0.0	0.0	0.0
Warrant exercise	0.4	0.0	0.0	0.0	0.0
Changes in equity	0.0	(0.0)	0.0	0.0	0.0
Net cash flow	**(1.0)**	**(2.9)**	**(0.5)**	**(0.1)**	**0.6**
Net Debt (Beginning)	(4.3)	(5.4)	(8.3)	(8.8)	(9.0)
Net Debt (End)	(5.4)	(8.3)	(8.8)	(9.0)	(8.4)
Change in Net Debt (Cash)	**(1.0)**	**(2.9)**	**(0.5)**	**(0.1)**	**0.6**

Source: Company data 2023-24, EnVent Research 2025-27E

Ratio analysis

KPIs	2023	2024	2025E	2026E	2027E
ROE	10%	1%	9%	13%	14%
ROS (EBIT/Sales)	7%	3%	6%	7%	8%
ROIC (NOPAT/Invested Capital)	8%	3%	6%	8%	10%
TWC/Sales	47%	50%	47%	47%	46%
TWC/Net Debt	177%	130%	133%	146%	172%
Net Debt/EBITDA	2.4x	3.8x	3.5x	2.6x	2.0x
Net Debt/(Net Debt+Equity)	0.4x	0.5x	0.5x	0.5x	0.4x
FCF/EBITDA	-48%	-113%	-8%	6%	22%
Operating CF after WC&Capex/Total Debt	-10%	-14%	-1%	1%	6%
FFO/Total Debt	14%	7%	12%	16%	20%

Source: Company data 2023-24, EnVent Research 2025-27E

Valuation

We have updated our Tenax valuation through the Discounted Cash Flows and market multiples methods.

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)
- Cost of equity: 13.3%
- Cost of debt: 6.0%
- Tax rate: 24% (IRES)
- 40% debt/(debt + equity) as target capital structure
- WACC calculated at 9.8%, according to above data, from 8.4%
- Perpetual growth rate after explicit projections (G): 3.0%
- Terminal Value assumes a 13% EBITDA margin on revenues

DCF Valuation

€m		2024	2025E	2026E	2027E	Perpetuity
Revenues		**23.4**	**27.0**	**30.0**	**33.4**	**34.4**
EBITDA		**1.7**	**2.5**	**3.4**	**4.3**	**4.5**
Margin		*7.2%*	*9.3%*	*11.4%*	*12.7%*	*13.0%*
EBIT		**0.7**	**1.4**	**2.0**	**2.6**	**3.5**
Margin		*3.1%*	*5.2%*	*6.8%*	*7.7%*	*10.1%*
Taxes		(0.2)	(0.4)	(0.6)	(0.7)	(1.0)
NOPAT		**0.5**	**1.0**	**1.5**	**1.8**	**2.5**
D&A		1.0	1.1	1.4	1.7	1.0
Provisions		0.1	0.0	0.0	0.0	0.0
Cash flow from operations		**1.6**	**2.1**	**2.9**	**3.6**	**3.5**
Trade Working Capital		(1.3)	(1.0)	(1.3)	(1.3)	(0.3)
Other assets and liabilities		(0.1)	0.0	0.0	0.0	0.0
Capex		(2.1)	(1.5)	(1.5)	(1.5)	(1.0)
Yearly unlevered free cash flow		***(1.9)***	***(0.3)***	***0.1***	***0.8***	***2.2***
Free Cash Flow to be discounted			**(0.3)**	**0.1**	**0.8**	**2.2**
WACC	9.8%					
Long-term growth (G)	3.0%					
Discounted Cash Flows			**(0.3)**	**0.1**	**0.6**	
Sum of Discounted Cash Flows	0.5					
Terminal Value						**32.4**
Discounted TV	24.5					
Enterprise Value	**25.0**					
Net Debt as of 31/12/24	(8.3)					
Equity Value	**16.7**					

Source: EnVent Research

DCF - Implied multiples		2024	2025E	2026E	2027E
EV/Revenues		1.1x	0.9x	0.8x	0.7x
EV/EBITDA		14.8x	9.9x	7.3x	5.9x
EV/EBIT		34.2x	17.8x	12.3x	9.7x
P/E		180.9x	22.4x	14.0x	10.5x
Discount of current mkt price vs DCF	***-37%***				
Current market price - Implied multiples		**2024**	**2025E**	**2026E**	**2027E**
EV/Revenues		0.7x	0.6x	0.5x	0.5x
EV/EBITDA		9.2x	6.2x	4.6x	3.7x
EV/EBIT		21.4x	11.1x	7.7x	6.1x
P/E		79.4x	9.8x	6.1x	4.6x

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
Bucher Industries	1.0x	1.0x	0.9x	8.2x	7.6x	6.9x	10.4x	9.9x	8.9x	15.5x	14.0x	12.7x
Nilfisk	0.6x	0.5x	0.5x	4.2x	3.8x	3.6x	7.1x	6.2x	5.6x	7.1x	5.9x	5.0x
Tennant	1.2x	1.2x	na	7.4x	6.9x	na	11.7x	9.6x	na	11.7x	10.6x	na
Federal Signal	2.3x	2.2x	na	12.0x	11.1x	na	14.5x	13.1x	na	19.7x	17.4x	na
Alamo	1.3x	1.2x	na	9.3x	8.4x	na	12.2x	10.7x	na	16.7x	14.3x	na
Mean	**1.3x**	**1.2x**	**0.7x**	**8.2x**	**7.6x**	**5.3x**	**11.2x**	**9.9x**	**7.3x**	**14.1x**	**12.4x**	**8.9x**
Median	**1.2x**	**1.2x**	**0.7x**	**8.2x**	**7.6x**	**5.3x**	**11.7x**	**9.9x**	**7.3x**	**15.5x**	**14.0x**	**8.9x**

Source: EnVent Research on S&P Capital IQ, 24/04/2025

We have updated our multiples valuation, applying the EV/Revenues and EV/EBITDA median multiples from the peer group to our 2025-26 estimates. We recall that those peers present limited comparability to Tenax, and we thus consider more reliable the valuation through the DCF method; nevertheless, market multiples represent a valuable indication of ground for a rising performance.

Market multiples above DCF

Market multiples application

€m

Tenax (€m)		Market Multiples	EV	Net Debt as of 31/12/24	Equity value
2025E Revenues	27.0	1.2x	32.5	(8.3)	**24.2**
2026E Revenues	30.0	1.2x	34.6	(8.3)	**26.3**
Mean					**25.3**
2025E EBITDA	2.5	8.2x	20.6	(8.3)	**12.3**
2026E EBITDA	3.4	7.6x	26.0	(8.3)	**17.7**
Mean					**15.0**

Source: EnVent Research

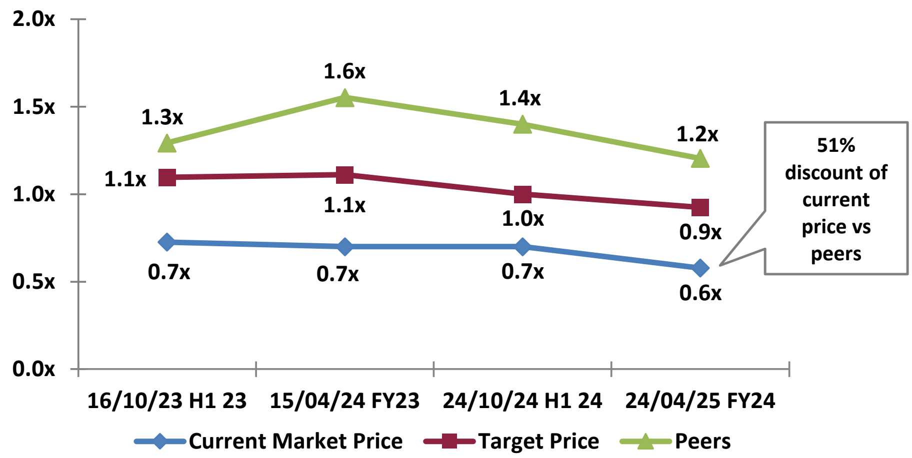
Target Price

2025 year begin has been unruly, following an H2 2024 with uncertainties about macrotrends and standstill in PAs budget allocation slowing down sales, also hitting sustainability related industries and supply chain. Tenax has proven resilience, confirming previous year results; investments to upgrade and diversified product range are still ongoing and are expected to pay off from 2026 on. In view of 2025-28E management guidelines to be disclosed in May, our updated estimates and DCF valuation, supported by market multiples, point to €4.50 target price from the previous €5.40 (126% potential upside on current stock price); we thus confirm the OUTPERFORM rating on the stock.

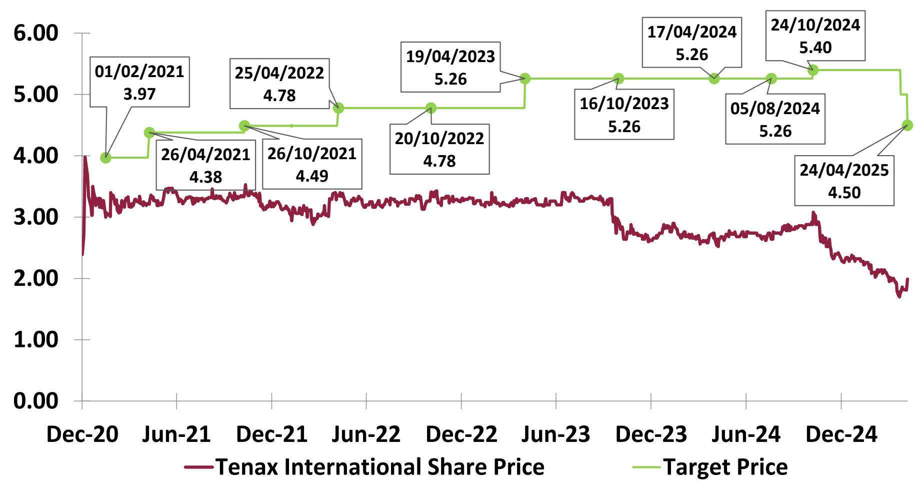
Please refer to important disclosures at the end of this report.

Tenax International Price per Share	€
Target Price	**4.50**
Current Share Price (24/04/2025)	1.99
Premium (Discount)	**126%**

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 24/04/2025



Source: EnVent Research on S&P Capital IQ, 24/04/2025

DISCLAIMER (for more details go to www.enventgroup.eu under "Disclaimer")
This publication has been prepared by Luigi Tardella, Head of Research Division, and Mauro Durante, Equity Analyst, 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

Tenax International 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 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: 24/04/2025 h. 6.20pm
Date and time of Distribution: 24/04/2025 h. 6.35pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
01/02/2021	OUTPERFORM	3.97	3.00
26/04/2021	OUTPERFORM	4.38	3.21
26/10/2021	OUTPERFORM	4.49	3.38
25/04/2022	OUTPERFORM	4.78	3.35
18/10/2022	OUTPERFORM	4.78	3.26
19/04/2023	OUTPERFORM	5.26	3.24
16/10/2023	OUTPERFORM	5.26	2.98
13/02/2024	OUTPERFORM	5.26	2.68
15/04/2024	OUTPERFORM	5.26	2.72
08/08/2024	OUTPERFORM	5.26	2.70
24/10/2024	OUTPERFORM	5.40	2.92
13/02/2025	OUTPERFORM	5.40	2.22
24/04/2025	OUTPERFORM	4.50	1.99

ENVENT RECOMMENDATION DISTRIBUTION (March 31th, 2025)

Number of companies covered: 29	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %	86%	10%	3%	0%	0%	0%
of which EnVent clients % *	87%	67%	100%	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.