

UBALDI costruzioni S.p.A.

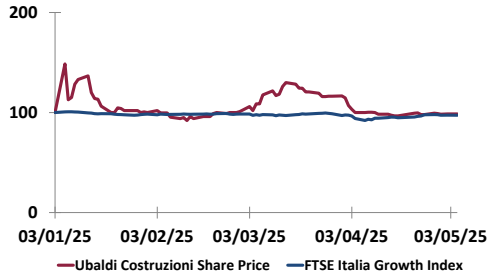
FY24: solid profitability with EBITDA adjusted over 20% margin

OUTPERFORM

Current Share Price (€): 2.96

Target Price (€): 5.00

Ubaldi Costruzioni - Performance since IPO



Source: S&P Capital IQ - Note: 03/01/2025 (IPO offer price)=100

Company data

ISIN number	IT0005628158
Bloomberg code	UBA IM
Reuters code	UBA.MI
Industry	Construction
Stock market	Euronext Growth Milan
Share Price (€)	2.96
Date of Price	05/05/2025
Shares Outstanding (m)	9.6
Market Cap (€m)	28.4
Market Float (%)	21.8%
Daily Volume	23,800
Avg Daily Volume since IPO	15,575
Target Price (€)	5.00
Upside (%)	69%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	IPO
Ubaldi Costruzioni - Absolute (%)	-1%	-1%	48%
FTSE Italia Growth Index (%)	4%	-1%	-3%
IPO Range H/L (€)		4.46	2.76
IPO Change (€) / %		0.96	48%

Source: S&P Capital IQ

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Trading update: almost +50% since listing

After the IPO in January 2025 at an offer price of €2.00 per share, Ubaldi's stock initially surged by over 120% before stabilizing around €3.00. Since IPO, Ubaldi is up 48%, significantly outperforming the FTSE Italia Growth index (-3%) over the same period.

FY24: Revenues up 45% YoY, supported by solid profitability

Ubaldi reported FY24 revenues of €36.3m, +45% YoY and above our €32.8m estimates, driven by the awarding of new tenders and increased activity in post-earthquake building renovations in central Italy. EBITDA reported stood at €6.1m vs €3.7m in FY23 (16.9% margin vs 14.8%) and above our €5.7m estimates, driven by higher-margins works. EBITDA adjusted, excluding non-recurring costs such as €0.96m IPO expenses and €0.34m shareholder exit, stood at €7.4m (20.5% margin). Net income rose to €3.5m, +78% YoY, 9.6% margin vs 7.8% in FY23. As of December 2024, net cash was €1.3m, compared to €0.6m net debt at FY23, excluding €4.2m IPO proceeds raised in January 2025.

Outlook: Italy's infrastructure push gathers pace

Public investment in infrastructure is accelerating in Italy, supported by the ongoing implementation of the National Recovery and Resilience Plan (NRRP). After strong growth in 2024, spending is expected to accelerate further in 2025, driven by a robust pipeline of projects entering the execution phase. As of late 2024, only around 30% of the NRRP funds had been utilized, leaving a significant amount still to be deployed, pointing to substantial investment potential ahead.

Target price €5.00 per share (from €4.70), OUTPERFORM rating confirmed

We factored FY24 results and fine-tuned our 2025–27E estimates, matching Ubaldi ability to deliver projects, intake new orders and cash generation capacity. Our updated estimates and valuation lead to update our Target Price per share to €5.00 (from €4.70), implying a 69% potential upside on current share price, confirming OUTPERFORM rating.

KEY FINANCIALS AND ESTIMATES (€m)	2023	2024	2025E	2026E	2027E
Total Revenues	24.9	36.3	46.3	50.5	54.7
YoY %	71.5%	45.4%	27.8%	9.0%	8.4%
EBITDA	3.7	6.1	8.8	9.6	10.4
Margin	14.8%	16.9%	19.0%	19.0%	19.0%
Net Income	2.0	3.5	5.7	6.1	6.6
Margin	7.8%	9.6%	12.2%	12.1%	12.1%
Trade Working Capital	4.7	10.3	13.9	16.2	17.8
Net Debt (Cash)	0.6	(1.3)	(6.6)	(10.1)	(14.8)
Equity	7.3	10.5	19.9	26.0	32.6

KEY RATIOS AND MULTIPLES

Net Debt/EBITDA	cash	cash	cash
EV/Revenues	0.6x	0.5x	0.5x
P/E	5.0x	4.6x	4.3x

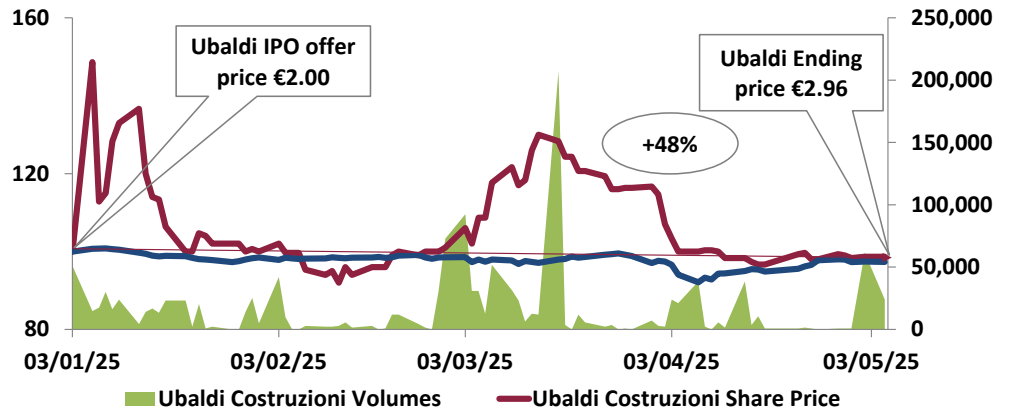
Source: Company data 2023-24A, EnVent Research 2025-27E

Market update: outperforming the market

Ubaldi Costruzioni - Share price performance and trading volumes since IPO

Trading price range €2.76-4.46 per share

+48% for Ubaldi since IPO, vs -3% of the Italia Growth Index



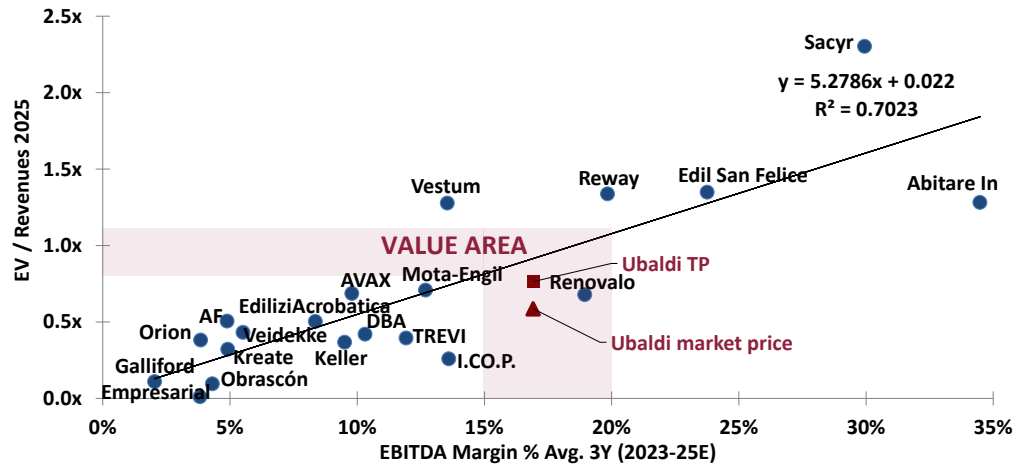
Source: EnVent Research on S&P Capital IQ - Note: 03/01/2024 (IPO offer price)=100

Industry peers - Regression analysis and Ubaldi target positioning

Fair correlation within the group

EV/revenues lags international peers despite stronger profitability

Italian peers enjoy a higher valuation thanks to their specializations



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

Investment case

Track record of over 75 years

Ubaldi Costruzioni is specialized in construction of public infrastructures, industrial, corporate and residential buildings, also in niche segments such as marine and river works and the assembly of seismic restraint devices. The Company has several SOA qualifications, crucial to compete in the industry and secure tenders classified by category and amount.

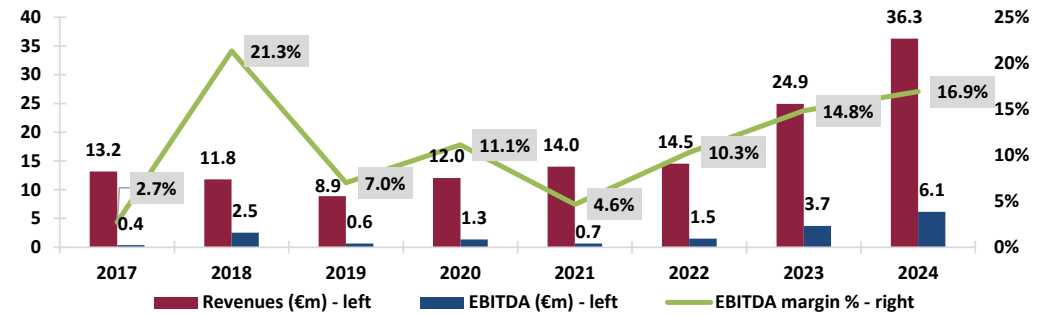
€176m backlog as of October 2024

As of October 31st, 2024, Ubaldi has a backlog of €176m, almost all in roadworks and civil construction, divided into 46 orders (mostly in buildings construction and roadworks) to be fulfilled over the four years.

Work and specializations:

- Buildings construction
- Roadworks
- Aqueducts, gas and oil pipelines
- Maritime and river works
- Technological systems
- Special structural equipment
- Road barriers
- Structural construction
- Sewage plants
- Demolition
- Seismic restraints

Historical revenues and EBITDA



Almost 17% EBITDA margin in 2024, after €964k fully expensed IPO costs

Source: EnVent Research on Company data

Drivers

Industry drivers

NRRP funds to transform Italy. The NRRP supported by EU funding, represents for Italy the largest investment in infrastructure in its history. Key targets are energy transition and modernization of airports, road networks and railways. Another substantial commitment for the industry is the urge to complete works in the areas impacted by earthquakes, where there have been serious delays in financing and executing re-construction of communication infrastructure and damaged private buildings (Source: *Italia Domani website*).

Maintenance services, a gap to fill across infrastructures. Maintenance is what keeps critical infrastructures safe and properly running. It also ensures that the infrastructure lasts for as long as possible, delivering a good return on collective investments. A large proportion of existing national infrastructure, such as bridges, power grids and buildings were built shortly before or not long after the end of WWII. This means much of today’s key infrastructure is nearing the end of its lifespan, and will soon be, in need of repair and replacement.

Permanent appeal of the residential market. Diversification in the type of housing offers opportunities going forward: demand for multi-family properties, student-housing and new formats like co-living. Senior housing, such as assisted care and living facilities, are experiencing investment interest, also supported by long-term demographics. Overall, residential assets have proven their resilience.

Sustainability as a priority. Preserving resources and environmental concerns are more than ever crucial factors in the analysis of real estate projects. Climate change is in the spotlight and ESG is now secured as a long-term priority for investors and tenants. Industry players are called to contribute in reducing the climate impact and mitigating environmental risks.

Company drivers

Experience and execution. Experience and a successful track record of project execution are critical factors when bidding for public work tenders and can be a key determinant of public procurement committees decision making process. Proven expertise and successful delivery of previous assignments are a door opener for the tenders and, ultimately, drive award of projects, as testified by the regular flow of new work from top customers in recent years.

A balanced specializations portfolio. Ubaldi Costruzioni is specialized in works across various areas such as buildings construction, roadworks, aqueducts, maritime and river works. The variety of specializations enables to deliver a consistent service offering while representing a balanced portfolio approach.

Increased visibility post-IPO could strengthen public tender success. Ubaldi listing enhances its financial transparency, governance standards, and perceived solidity—factors which are relevant in the evaluation criteria of public tenders. In regions like Marche, where the Company already has a strong presence, the IPO could strengthen its positioning in securing of future tenders, potentially increasing its market share.

ESG and sustainability. Quality and sustainability are not just the raison d'être of Ubaldi supply to its customers, but also drive its management along the whole supply chain. Ubaldi adheres to internationally recognized best practices in areas such as road safety, quality assurance, environmental, workplace health and safety, and anti-bribery compliance."

SOA certified. Ubaldi has several SOA certifications, crucial to compete in the industry and secure tenders, required for various classes and sizes of tenders for public works.

Regional Marche market so far, potential expansion. So far, revenues have been concentrated in Marche area. Central Italy regions could represent an additional target market.

Industry experts, management-shareholders alignment of interests. The CEO Massimo Ubaldi is the only owner of the Company, directly involved in the Company's operations and execution of the growth strategy, leveraging on more than 35 years background and industry expertise.

M&A to expand the portfolio. Acquisition of maritime and river works under consideration.

Reliable cash collection track record. The construction sector is often affected by delayed payments and collection risks, which can put pressure on financial stability and cash flow. However, in recent years, Ubaldi has received timely payments from its clients, with no significant delays in collections.

Challenges

Intense competition, low barriers. The competitive arena, populated by both large players with nationwide reach and a number of smaller local firms with experience in their territories is a permanent feeder of fierce competition. Barriers to entry are generally low/medium, however, specific domain knowledge, certifications and track record may represent barriers to new entrants.

Infrastructure investment cycles. Macroeconomic cycles are a determinant of changes to private sector infrastructure spending or to government public infrastructure capex budgets. Demand is growing, but at the same time it is vulnerable due to economic downturns and changes in private investments and government infrastructure financing and spending, which may result in customers delaying, curtailing or cancelling proposed and existing projects. Operation and maintenance contracts on completed projects may represent a mitigation factor.

Delays or claims in projects might impact future tender awards. Among other things, tender awards in infrastructure maintenance are highly dependent upon a good track record. A potential delay in projects or claims could have negative implications in the award of new tenders.

Execution delivery risk. Delivering services which are not in line with contractor expectations due to cost/time overruns, and quality issues, may impact margins and reputation.

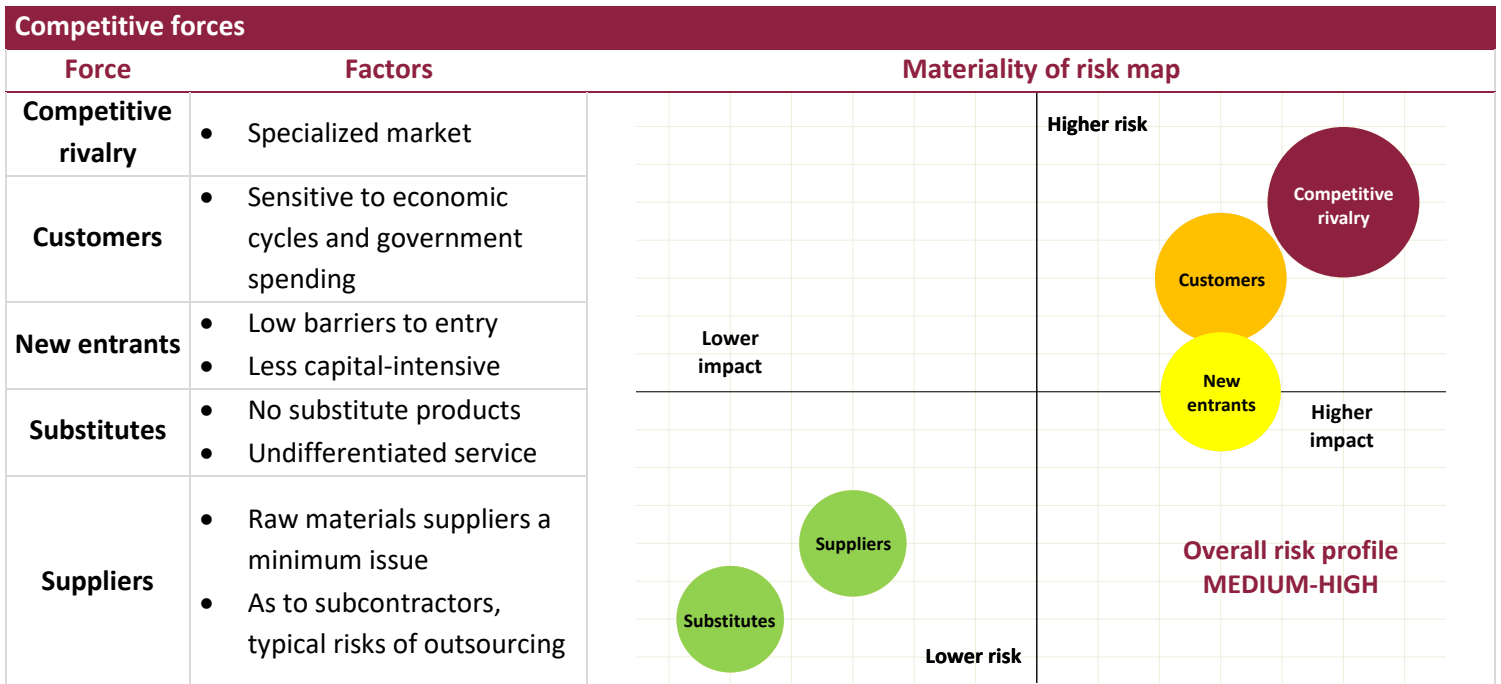
Ongoing headwinds for geopolitical instability and inflationary pressures. In the last decade, low interest rates and increased funding activities have triggered prices, especially in the residential market segment. Uncertainty in interest rates may become a challenge for investors and private property buyers. Geopolitical risks may impact market dynamics and governments influence in economies. Current uncertainties may also counterbalance the real estate perception as defensive investment.

Delay on accounts receivable collection. The construction industry is notorious for delayed payments and collection risk, which could put significant financial stress on the business and deeply impact cash flow.

Cyclical industry, opportunity to extend operations outside national market. Construction investments follow general economic cycles, as a result most players tend to extend operations outside their country. Different construction cycles in other regions may help to mitigate the volatility in the domestic market and allow to benefit from stronger growth prospects elsewhere.

Risk /opportunity assessment

Business risk: medium-high



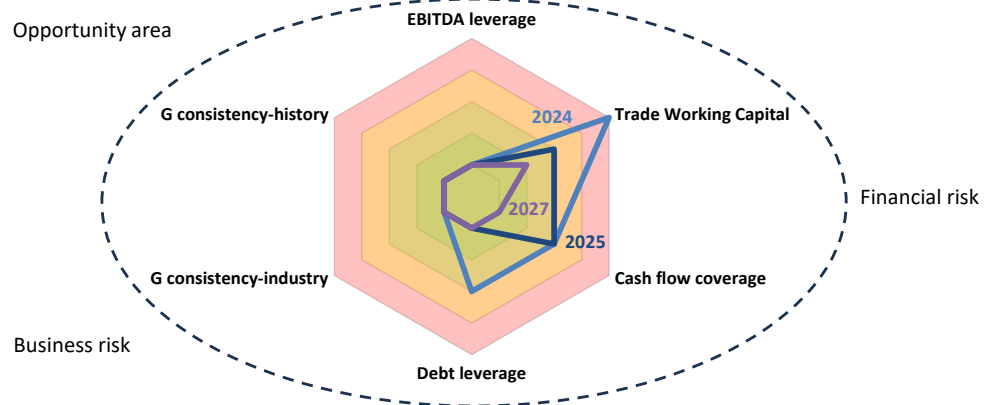
Source: EnVent Research

Financial risk: medium

Ratios map

Debt leverage: no issue

Growth in line with historical performance and industry



Source: EnVent Research

ESG

Overview and communication of the Company's sustainability strategy

Analysis and reporting

Sustainability reports and reporting standards	☒
Sustainability initiatives and memberships	●
Sustainability risk management information	●
Governance information	●
Stakeholders 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: Company data

FY24 results: revenues up +45% YoY

- Revenues €36.3m, +45% YoY, driven by the awarding of new tenders and increased activity in post-earthquake building renovations in central Italy
- Work under Suberbons 110 accounted for €4.3m (12% of sales)
- Cost of materials on sales at 47%, vs 45% in FY23
- Interest €0.8m, including €0.5m loss from sale of Superbonus receivables
- EBITDA €6.1m vs €3.7m in FY23 (16.9% margin vs 14.8%), driven by higher profitability works.
- EBITDA adjusted €7.4 m (20.5% margin), excluding non-recurring costs such as €0.96m IPO expenses and €0.34m shareholder exit
- Net income €3.5m, +78% YoY, 9.6% margin vs 7.8% in FY23
- Net cash at €1.3m as of December 2024, from €0.6m net debt as of year-end 2023, excluding €4.2m IPO proceeds raised in January 2025

Consolidated Profit and Loss

€m	2023	2024
Revenues	22.1	33.7
WIP change	2.6	2.0
Other income	0.2	0.6
Total Revenues	24.9	36.3
YoY %	71.5%	45.4%
Materials	(10.0)	(15.8)
Services	(6.4)	(8.0)
Personnel	(2.4)	(2.8)
Other operating costs	(2.4)	(3.6)
Operating costs	(21.2)	(30.1)
EBITDA	3.7	6.1
Margin	14.8%	16.9%
D&A	(0.4)	(0.2)
Amortization - intangibles	(0.0)	(0.0)
Depreciation - fixed assets	(0.3)	(0.2)
EBIT	3.3	5.9
Margin	13.4%	16.3%
Interest	(0.3)	(0.8)
EBT	3.0	5.1
Margin	12.0%	14.0%
Income taxes	(1.0)	(1.6)
Net Income (Loss)	2.0	3.5
Margin	7.8%	9.6%

Source: Company data

Consolidated Balance Sheet

€m	2023	2024
Work in progress and inventory	7.7	12.2
Trade receivables	4.4	11.4
Trade payables	(7.4)	(13.3)
Trade Working Capital	4.7	10.3
Other assets (liabilities)	3.3	(0.8)
Net Working Capital	8.0	9.5
Intangible assets	0.0	0.0
Fixed Assets	0.4	0.2
Non-current assets	0.4	0.3
Provisions	(0.5)	(0.6)
Net Invested Capital	7.9	9.2
Bank debt	0.7	0.3
Other financial debt	1.9	1.5
Receivables from shareholders	0.0	(0.4)
Cash and equivalents	(2.0)	(2.7)
Net Debt (Cash)	0.6	(1.3)
Equity	7.3	10.5
Sources	7.8	9.2

Note: receivables from shareholders represent unpaid capital subscribed during the IPO

Consolidated Cash Flow

€m	2024
EBIT	5.9
Current taxes	(1.6)
D&A	0.2
Provisions	0.1
Cash flow from P&L operations	4.6
Trade Working Capital	(5.6)
Other assets and liabilities	4.0
Operating cash flow before capex	3.1
Capex	(0.1)
Operating cash flow after working capital and capex	3.0
Interest	(0.8)
Changes in Equity	(0.3)
Net cash flow	1.8
Net (Debt) Cash - Beginning	(0.6)
Net (Debt) Cash - End	1.3
Change in Net (Debt) Cash	1.8

Source: Company data

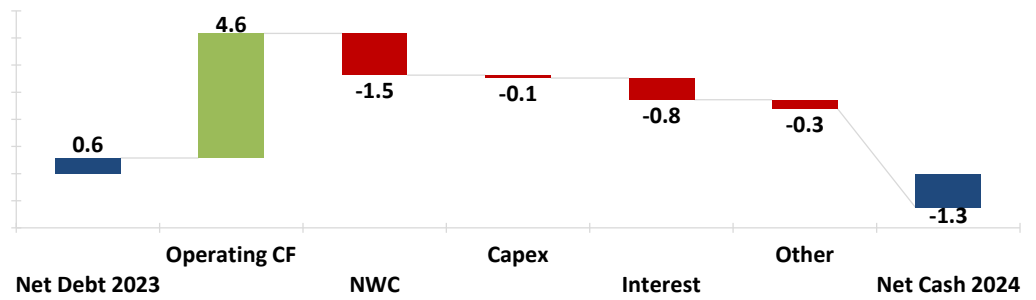
Note: pro forma financials from 2023. Changes in equity refers to the loss of subsidiary IperAnconaNord.

Ratio analysis

	2023	2024
ROE	18%	39%
ROS	15%	18%
DOI	127	132
DSO	60	102
DPO	118	147
TWC/Sales	21%	31%
NWC/Sales	36%	28%
Net Debt/EBITDA	0.2x	cash
Net Debt/Equity	0.1x	cash
Net Debt/(Net Debt+Equity)	0.1x	cash
Operating cash flow before capex/EBITDA	na	50%

Net financial debt bridge FY24 (€m)

Robust operating cash flow



Source: Company data

Corporate facts

- IPO in January 2024 with an offer price of €2.00 per share, raising €4.2m
- Approval of a share buyback program in february 2024 (up to max 10% of share capital). To date, Ubaldi has 9,100 treasury shares, 0.09% of share capital.

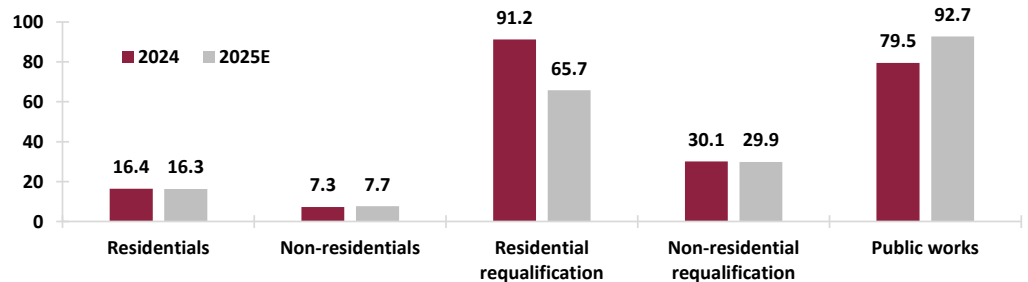
Outlook

Construction investments snapshot in Italy

In 2024, according to Italian Construction entrepreneurs association ANCE, public works investments in Italy saw a 16.6% uptick, exceeding €79b, as the implementation of the National Recovery and Resilience Plan (NRRP) accelerated, with many financed projects entering the execution phase.

Construction investments in Italy (€bn) – 2024-25E

Public works investments in 2024: +16.6% YoY



Source: ANCE, Osservatorio congiunturale sull'industria delle costruzioni, 2025

Public works investments set to exceed €93bn in 2025, driven by NRRP momentum

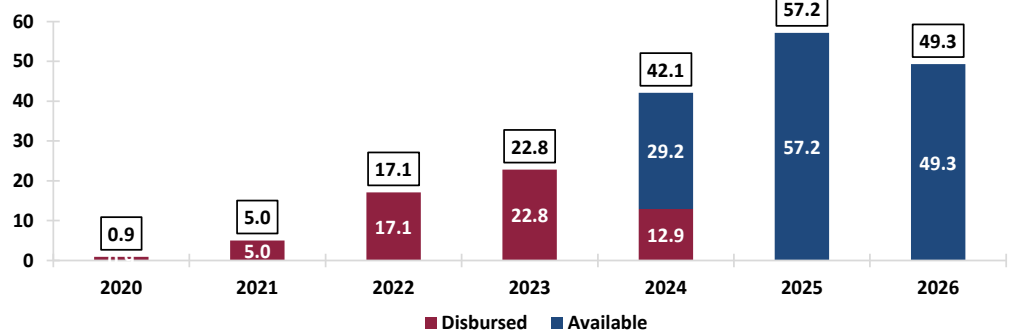
Looking ahead, investments in public works are expected to reach almost €93bn in 2025, suggesting a YoY rise in the range of 16%, as the momentum of NRRP implementation continues and additional tenders reach the construction phase.

Significant NRRP funds still to be invested

As of October 2024, Italy had spent almost €59bn of its total National Recovery and Resilience Plan (NRRP) allocation, approximately 30% of the total available funds. With more than €135bn still to be invested over the next two years, Italy faces a substantial wave of public investment yet to materialize. To date, the construction sector currently accounts for approximately 54% of total investments.

NRRP investments in Italy (€bn) – 2020-26E

Over €135bn still to be deployed over the next two years, underscoring the significant investment potential ahead



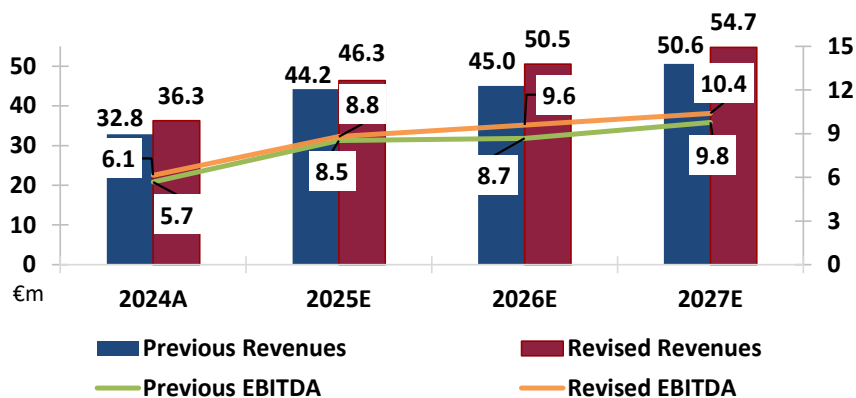
Source: ANCE, Osservatorio congiunturale sull'industria delle costruzioni, 2025

Estimates revision

We have factored actual FY24 results in our model and fine-tuned FY25-27E revenue and trade working capital dynamics.

Change in estimates

Sales and EBITDA estimates (€m) - Previous vs Revised



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

€m	Revised				Previous				Change %			
	2024A	2025E	2026E	2027E	2024E	2025E	2026E	2027E	2024E	2025E	2026E	2027E
Revenues	36.3	46.3	50.5	54.7	32.8	44.2	45.0	50.6	10%	5%	12%	8%
EBITDA	6.1	8.8	9.6	10.4	5.7	8.5	8.7	9.8	8%	3%	11%	6%
<i>Margin</i>	16.9%	19.0%	19.0%	19.0%	17.3%	19.3%	19.3%	19.3%				
EBIT	5.9	8.5	9.2	9.8	5.4	8.0	8.1	9.1	10%	6%	13%	8%
<i>Margin</i>	16.3%	18.3%	18.1%	18.0%	16.3%	18.2%	18.0%	18.0%				
Net Income (Loss)	3.5	5.7	6.1	6.6	3.6	5.5	5.6	6.3	-3%	3%	10%	5%
Net Debt (Cash)	(1.3)	(6.6)	(10.1)	(14.8)	3.0	(1.9)	(5.5)	(9.8)	-141%	244%	83%	50%
<i>Net Debt/EBITDA</i>	-0.2x	-0.8x	-1.1x	-1.4x	cash	-0.2x	-0.6x	-1.0x				

Source: EnVent Research

Financial projections

Profit and Loss

€m	2023	2024	2025E	2026E	2027E
Total Revenues	24.9	36.3	46.3	50.5	54.7
YoY %	71.5%	45.4%	27.8%	9.0%	8.4%
Materials	(10.0)	(15.8)	(20.0)	(21.8)	(23.6)
Services	(6.4)	(8.0)	(10.2)	(11.2)	(12.2)
Personnel	(2.4)	(2.8)	(3.4)	(3.7)	(3.9)
Other operating costs	(2.4)	(3.6)	(3.9)	(4.3)	(4.6)
Operating costs	(21.2)	(30.1)	(37.5)	(40.9)	(44.3)
EBITDA	3.7	6.1	8.8	9.6	10.4
Margin	14.8%	16.9%	19.0%	19.0%	19.0%
D&A	(0.4)	(0.2)	(0.3)	(0.4)	(0.6)
EBIT	3.3	5.9	8.5	9.2	9.8
Margin	13.4%	16.3%	18.3%	18.1%	18.0%
Interest	(0.3)	(0.8)	(0.5)	(0.5)	(0.5)
EBT	3.0	5.1	8.0	8.6	9.3
Margin	12.0%	14.0%	17.2%	17.1%	17.0%
Income taxes	(1.0)	(1.6)	(2.3)	(2.5)	(2.7)
Net Income (Loss)	2.0	3.5	5.7	6.1	6.6
Margin	7.8%	9.6%	12.2%	12.1%	12.1%

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

Balance Sheet

€m	2023	2024	2025E	2026E	2027E
Work in progress and inventory	7.7	12.2	15.2	17.1	18.7
Trade receivables	4.4	11.4	13.6	15.2	16.7
Trade payables	(7.4)	(13.3)	(14.8)	(16.2)	(17.6)
Trade Working Capital	4.7	10.3	13.9	16.2	17.8
Other assets (liabilities)	3.3	(0.8)	(1.0)	(1.1)	(1.2)
Net Working Capital	8.0	9.5	13.0	15.1	16.6
Intangible assets	0.0	0.0	0.2	0.3	0.4
Fixed Assets	0.4	0.2	0.8	1.3	1.6
Non-current assets	0.4	0.3	1.1	1.6	2.1
Provisions	(0.5)	(0.6)	(0.7)	(0.8)	(0.9)
Net Invested Capital	7.9	9.2	13.3	15.9	17.9
Net Debt (Cash)	0.6	(1.3)	(6.6)	(10.1)	(14.8)
Equity	7.3	10.5	19.9	26.0	32.6
Sources	7.8	9.2	13.3	15.9	17.9

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

Cash Flow

€m	2024	2025E	2026E	2027E
EBIT	5.9	8.5	9.2	9.8
Current taxes	(1.6)	(2.3)	(2.5)	(2.7)
D&A	0.2	0.3	0.4	0.6
Provisions	0.1	0.1	0.1	0.1
Cash flow from P&L operations	4.6	6.6	7.1	7.7
Trade Working Capital	(5.6)	(3.6)	(2.2)	(1.7)
Other assets and liabilities	4.0	0.2	0.1	0.1
Operating cash flow before capex	3.1	3.2	5.0	6.2
Capex	(0.1)	(1.1)	(1.0)	(1.0)
Operating cash flow after working capital and capex	3.0	2.1	4.0	5.2
Interest	(0.8)	(0.5)	(0.5)	(0.5)
IPO proceeds	0.0	3.8	0.0	0.0
Changes in Equity	(0.3)	0.0	0.0	0.0
Net cash flow	1.8	5.4	3.5	4.7
(Net Debt)/Cash Beginning	(0.6)	1.3	6.6	10.1
(Net Debt)/Cash End	1.3	6.6	10.1	14.8
Change in (Net Debt)/Cash	1.8	5.4	3.5	4.7

Source: Company data 2024, EnVent Research 2025-27E

Note: IPO proceeds net of €0.4m receivables from shareholders

Ratio analysis

	2023	2024	2025E	2026E	2027E
ROE	18%	39%	37%	27%	23%
ROS	13%	16%	18%	18%	18%
DOI	127	132	130	130	130
DSO	59	102	95	95	95
DPO	117	146	130	130	130
TWC/Sales	19%	28%	30%	32%	33%
NWC/Sales	32%	26%	28%	30%	30%
Net Debt/EBITDA	0.2x	cash	cash	cash	cash
Net Debt/Equity	0.1x	cash	cash	cash	cash
Net Debt/(Net Debt+Equity)	0.1x	cash	cash	cash	cash
Operating cash flow before capex/EBITDA	0%	50%	36%	52%	60%

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

Valuation

Based on the exposure of industry to cyclicity and intensity of competition, we consider:

- Being construction a cyclical and volatile business, making forecasts and estimates is more challenging and subjective than in other sectors. Contracts tend to come in waves, resulting in irregular patterns of revenues.
- The intensity of competition and the pressure on pricing in tenders make companies vulnerable to economic forces, a key issue which can substantially influence the valuation of construction companies.
- Entry barriers are low and competition on price may impact margins. As a result, earnings can fluctuate, making them more meaningful in the medium to long term.
- The financial reporting peculiarities require analytical accounting approach in the valuation process, having work in progress direct implications on value, distinct from other industries.

Regardless of these industry traits, as of October 2024 Ubaldi has a backlog of €176m, to which new orders intake is to be added, also considering the NRRP favorable environment.

We have updated our valuation through Discounted Cash Flows method and market multiples. 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.

Treasury shares

We calculate per share values using net outstanding number of shares (9,593,000).

Discounted Cash Flows

Metrics and 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: 1.1 (based on risk assessment)
- Cost of equity: 14.2%
- Cost of debt: 6%
- Tax rate: 24% IRES
- 20% debt/(debt + equity) as target capital structure
- WACC calculated at 12.3%, according to above data, from 10.8%
- Perpetual growth rate after explicit projections (G): 2% as inflation coverage
- Terminal Value assumes a 15% EBITDA margin
- Surplus asset €3.2m IperAnconaNord greenfield land

Note: IperAnconaNord owns a 100,000 square meter greenfield land for the construction of a commercial structure, once a suitable customer would be identified. Current market value €3.2m.

The NRRP estimated investment implies more appealing opportunities compared to last decades

High volatility framework

Sudden rise of market risk records impacts cost of capital

DCF Valuation

€m	2024	2025E	2026E	2027E	Perpetuity
Revenues	36.3	46.3	50.5	54.7	55.7
EBITDA	6.1	8.8	9.6	10.4	8.4
<i>Margin</i>	<i>16.9%</i>	<i>19.0%</i>	<i>19.0%</i>	<i>19.0%</i>	<i>15.0%</i>
EBIT	5.9	8.5	9.2	9.8	7.9
<i>Margin</i>	<i>16.3%</i>	<i>18.3%</i>	<i>18.1%</i>	<i>18.0%</i>	<i>14.1%</i>
Taxes	(1.7)	(2.4)	(2.6)	(2.8)	(2.3)
NOPAT	4.2	6.1	6.5	7.0	5.6
D&A	0.2	0.3	0.4	0.6	0.5
Provisions	0.1	0.1	0.1	0.1	0.0
Cash flow from operations	4.5	6.5	7.0	7.6	6.1
Trade Working Capital	(5.6)	(3.6)	(2.2)	(1.7)	(1.7)
Capex	(0.1)	(1.1)	(1.0)	(1.0)	(0.5)
Other assets and liabilities	4.0	0.2	0.1	0.1	0.0
Unlevered free cash flow		2.0	3.9	5.1	3.9
WACC	12.3%				
Long-term growth (G)	2.0%				
Discounted Cash Flows		1.8	3.1	3.6	
Sum of Discounted Cash Flows	8.4				
Terminal Value					38.2
Discounted TV	27.0				
Enterprise Value	35.4				
Net (Debt) Cash as of 31/12/2024	1.3				
IPO proceeds	3.8				
Surplus Asset	3.2				
Equity Value	43.7				
Equity Value per share (€)	4.6				

DCF - Implied multiples	2025E	2026E	2027E
EV/Revenues	0.8x	0.7x	0.6x
EV/EBITDA	4.0x	3.7x	3.4x
EV/EBIT	4.2x	3.9x	3.6x
P/E	7.7x	7.1x	6.6x

Discount of current market price vs DCF -23%

Current Market Price- Implied multiples	2025E	2026E	2027E
EV/Revenues	0.6x	0.5x	0.5x
EV/EBITDA	3.1x	2.8x	2.6x
EV/EBIT	3.2x	3.0x	2.8x
P/E	5.0x	4.6x	4.3x

Source: EnVent Research

Note: IPO proceeds net of €0.4m receivables from shareholders

Market multiples

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E			
	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E	
Ubaldi Costruzioni	0.6x	0.5x	0.5x	3.1x	2.8x	2.6x	3.2x	3.0x	2.8x	5.0x	4.6x	4.3x	
International large and diversified													
Cluster 1	Mota-Engil	0.7x	0.7x	0.7x	5.6x	4.6x	4.3x	7.9x	7.6x	7.1x	7.1x	8.7x	6.7x
	Sacyr Vallehermoso	2.3x	2.3x	2.2x	7.9x	7.6x	7.1x	8.8x	8.4x	8.1x	21.7x	15.5x	11.9x
	Veidekke	0.4x	0.4x	0.4x	8.1x	6.5x	6.2x	11.2x	10.8x	10.3x	15.2x	14.8x	14.1x
	Keller Group	0.4x	0.4x	0.4x	4.2x	3.5x	3.4x	6.0x	5.4x	5.1x	7.4x	6.8x	6.6x
	Obrascón Huarte Lain	0.1x	0.1x	0.1x	2.3x	2.4x	2.0x	4.6x	4.0x	3.5x	neg	nm	11.5x
	AF Gruppen	0.6x	0.5x	0.5x	12.8x	7.2x	6.7x	16.6x	10.3x	9.5x	22.9x	16.4x	14.8x
	Galliford Try Holdings	0.1x	0.1x	0.1x	7.8x	3.6x	3.4x	8.6x	5.8x	5.4x	10.9x	11.9x	11.3x
	Grupo Empresarial San José	0.0x	0.0x	0.0x	neg	0.2x	0.3x	neg	0.3x	0.4x	10.2x	9.8x	10.2x
	Orion Group Holdings	0.5x	0.4x	0.3x	11.5x	7.1x	5.5x	nm	nm	13.5x	neg	nm	12.9x
	Vestum	1.3x	1.3x	1.1x	11.4x	8.2x	7.0x	nm	nm	18.9x	neg	nm	29.2x
	AVAX	0.7x	0.7x	0.7x	5.1x	5.3x	5.0x	6.3x	6.5x	6.2x	5.9x	5.5x	5.0x
	Wästbygg Gruppen	0.2x	0.2x	0.2x	neg	15.2x	6.8x	neg	nm	8.4x	neg	nm	5.8x
	Kreate Group	0.3x	0.3x	0.3x	6.7x	5.7x	5.0x	10.6x	9.6x	7.8x	14.4x	na	9.0x
	Mean	0.6x	0.6x	0.5x	7.6x	5.9x	4.8x	9.0x	6.9x	8.0x	12.9x	11.2x	11.5x
Median	0.4x	0.4x	0.4x	7.8x	5.7x	5.0x	8.6x	7.0x	7.8x	10.9x	10.8x	11.3x	
Italian companies													
Cluster 2	TREVI - Finanziaria Industriale	0.4x	0.4x	0.4x	3.9x	3.2x	3.0x	6.7x	5.8x	5.2x	nm	8.9x	5.1x
	Abitare In	8.6x	1.3x	1.2x	13.7x	4.8x	4.6x	14.4x	4.9x	4.8x	19.2x	3.0x	2.9x
	EdiliziAcrobatica	0.6x	0.5x	0.5x	17.1x	5.6x	4.6x	nm	13.7x	9.4x	neg	nm	13.8x
	Reway Group	1.4x	1.3x	1.2x	7.4x	6.6x	5.9x	9.5x	8.4x	7.4x	13.6x	9.9x	8.7x
	I.CO.P.	0.4x	0.3x	0.2x	2.3x	1.9x	1.5x	3.1x	3.0x	2.3x	11.3x	9.6x	6.9x
	Renovalo	1.3x	0.7x	0.7x	9.7x	3.5x	3.6x	11.6x	3.8x	4.0x	6.4x	3.9x	4.1x
	DBA Group	0.4x	0.4x	0.4x	3.8x	3.8x	3.5x	6.2x	5.8x	5.3x	10.6x	7.5x	7.0x
	Edil San Felice	2.0x	1.3x	1.1x	8.5x	6.5x	5.1x	9.9x	7.5x	5.9x	12.8x	9.9x	7.7x
	Mean	1.9x	0.8x	0.7x	8.3x	4.5x	4.0x	8.8x	6.6x	5.5x	12.3x	7.5x	7.0x
Median	1.0x	0.6x	0.6x	7.9x	4.3x	4.1x	9.5x	5.8x	5.2x	12.1x	8.9x	7.0x	
Full sample													
Mean	1.1x	0.6x	0.6x	7.9x	5.4x	4.5x	8.9x	6.8x	7.1x	12.7x	9.5x	9.8x	
Median	0.5x	0.4x	0.4x	7.8x	5.3x	4.6x	8.7x	6.2x	6.2x	11.3x	9.6x	8.7x	

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

We applied to our 2025E-26E projections the median multiples of two clusters deriving from 2Y analyst consensus. Based on industry accounting practices, it would be more meaningful to rely on EV/EBITDA, as a proxy of cash flow.

Market multiples application

Ubaldi (€m)	Market Multiples (median)	Enterprise Value	Net (Debt) Cash 31.12.2024	Surplus Asset	IPO proceeds	Equity value	
2024E Revenues	36.3	0.5x	16.4	1.3	3.2	3.8	24.7
2025E Revenues	46.3	0.4x	20.0	1.3	3.2	3.8	28.3
2026E Revenues	50.5	0.4x	20.9	1.3	3.2	3.8	29.1
Mean (2025-26E)			20.4				28.7
2025E EBITDA	8.8	5.3x	46.5	1.3	3.2	3.8	54.8
2026E EBITDA	9.6	4.6x	44.1	1.3	3.2	3.8	52.3
Mean (2025-26E)			45.3				53.6
2025E EBIT	8.5	6.2x	52.3	1.3	3.2	3.8	60.6
2026E EBIT	9.2	6.2x	56.4	1.3	3.2	0.0	60.9
Mean (2025-26E)			54.3				60.7
2025E Earnings	5.7	9.6x			3.2		57.6
2026E Earnings	6.1	8.7x			3.2		56.3
Mean (2025-26E)							57.0

Source: EnVent Research

Market multiples over DCF

Regression analysis application

Ubaldi (€m)	EBITDA %	EV/Rev.	Revenues	EV	Net Debt	Surplus Asset	IPO proceeds	Equity value	Equity value Disc.
2025E	19.0%	1.0x	46.3	47.5	1.3	3.2	3.8	55.7	49.6
2026E	19.0%	1.0x	50.5	51.8	1.3	3.2	3.8	60.0	47.6

Source: EnVent Research

Target Price

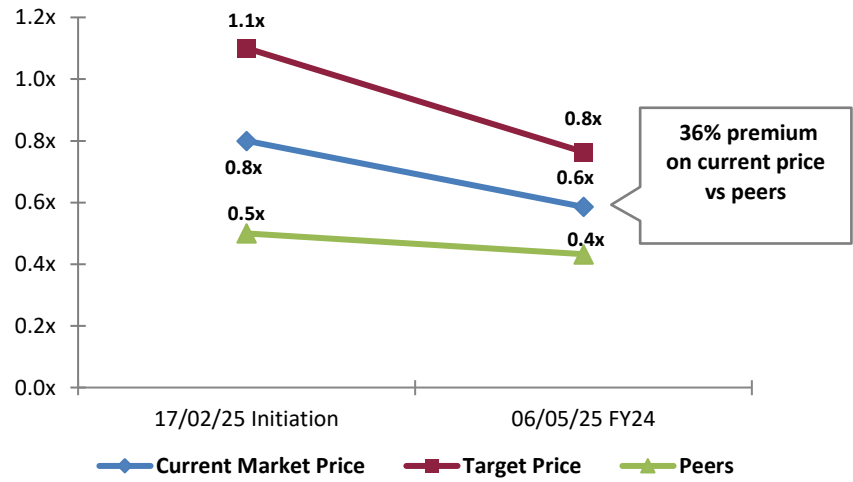
Our updated estimates and valuation yield a target price of €5.00 per share (mean of DCF, EV/EBITDA and regression analysis), from €4.70, 69% upside on current stock price. We thus confirm the OUTPERFORM rating on the stock.

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

Ubaldi Costruzioni	€
Target Price	5.00
Current Share Price (05/05/2025)	2.96
Premium (Discount)	69%

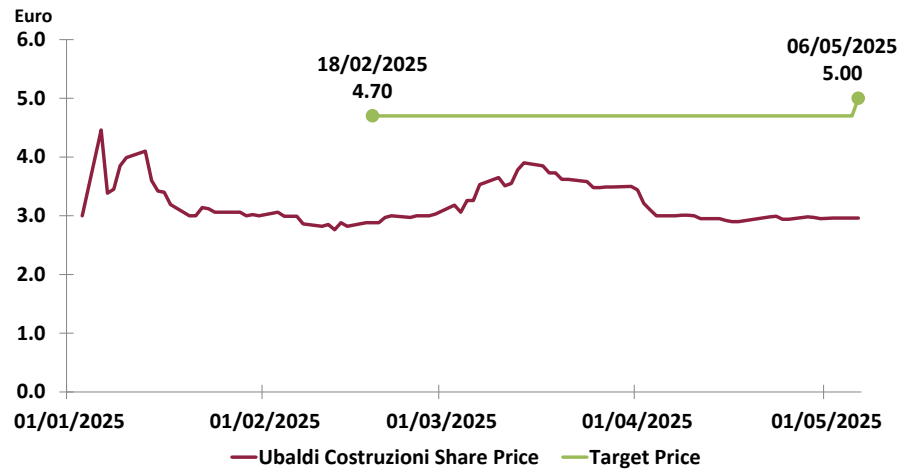
Source: EnVent Research

Implied EV/Revenues vs current market price



Source: EnVent Research on S&P Capital IQ, 06/05/2025

Ualdi Costruzioni Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 06/05/2025

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

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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;

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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: 05/05/2025 h. 6.45pm

Date and time of Distribution: 06/05/2025 h. 7.00pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
17/02/2025	OUTPERFORM	4.70	2.82
08/05/2025	OUTPERFORM	5.00	2.96

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