

UPDATE

EQUITY RESEARCH

ISIM
INTEGRÆ

Circle

Euronext Growth Milan | Engineering | Italy

Production 03/04/2024, h. 18:30

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Rating

BUY

unchanged

Target Price

€ 8,00

prev. € 7,70

Risk

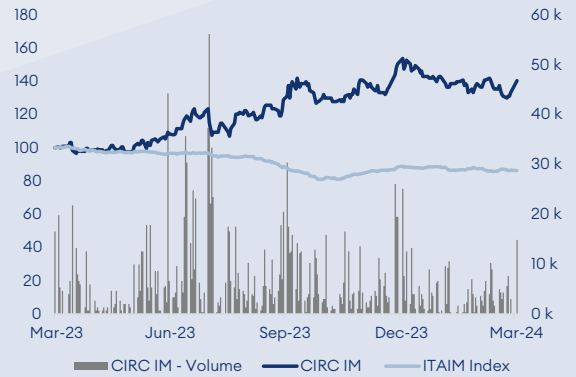


Medium

Upside potential

25,0%

Stocks performance relative to FTSE Italia Growth



Stock Data

Price	€ 6,40
Target price	€ 8,00
Upside/(Downside) potential	25,0%
Ticker	CIRC IM
Market Cap (€/mln)	€ 25,77
EV (€/mln)	€ 21,67
Free Float	32,22%
Share Outstanding	4.026.495
52-week high	€ 7,10
52-week low	€ 4,38
Average daily volumes (3 months)	4.269

Key Financials (€/mln)	FY23A	FY24E	FY25E	FY26E
Revenues	10,3	13,4	16,6	19,7
VoP	13,2	15,7	19,4	23,0
EBITDA	3,2	3,8	4,7	5,6
EBIT	2,0	2,7	3,6	4,4
Net Income	1,7	2,1	2,7	3,3
EBITDA margin	24,1%	24,2%	24,3%	24,4%
EBIT margin	15,5%	17,2%	18,3%	19,2%
Net Income margin	12,7%	13,4%	14,0%	14,4%

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Stock performance	1M	3M	6M	1Y
Absolute	0,0%	-9,9%	5,8%	38,5%
to FTSE Italia Growth	1,3%	-6,8%	7,5%	52,3%
to Euronext STAR Milan	-2,3%	-10,7%	-7,9%	41,7%
to FTSE All-Share	-4,2%	-21,7%	-17,1%	14,0%
to EUROSTOXX	-3,6%	-22,2%	-16,7%	21,0%
to MSCI World Index	-1,4%	-19,1%	-13,6%	15,5%

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	6,8x	5,7x	4,6x	3,9x
EV/EBIT	10,6x	8,0x	6,1x	4,9x
P/E	15,3x	12,3x	9,5x	7,8x

FY23A Results

The value of production amounted to € 13.21 million, compared to € 10.85 million recorded at the end of 2022, and € 14.60 million estimated in our previous report. EBITDA, equal to € 3.19 million, saw an increase of 62.5% compared to € 1.96 million in the previous year, and came in slightly better than our expectation of € 3.10 million. The EBITDA margin, equal to 24.1%, came in higher than both the previous year's figure (18.1%) and our estimate (21.2 %). EBIT, after depreciation and amortization of € 1.14 million, stands at € 2.05 million (€ 1.00 million in FY22A). Net Income amounted to € 1.68 million, marking a relevant growth of 101.8% compared to € 0.83 million in FY22A.

Estimates Update

In light of the results published in the annual report for FY23A, we have adjusted our estimates for both the current year and the following years. In particular, we now estimate an FY24E value of production of € 15.70 million, and an EBITDA of € 3.80 million, corresponding to a margin of 24.2%. In the following years, we expect the value of production to reach € 26.00 million (CAGR 23A-27E: 18.4%) in FY27E, with EBITDA equal to € 6.40 million (corresponding to a margin of 24.6%), up from € 3.19 million in FY23A (corresponding to an EBITDA margin of 24.1%).

Valuation Update

We conducted our valuation of the equity value of Circle based on the DCF method and multiples of a sample of comparable companies. The DCF method (including, for prudential purposes, a specific risk of 2.5% in the calculation of the WACC) returned an equity value of € 31.5 million. Using market multiples, the equity value of Circle was calculated as € 33.0 million (including a 25.0% discount). The result is an average equity value of approximately € 32.2 million. The target price is € 8.00, with a BUY rating, and MEDIUM risk.

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E	FY27E
Revenues	9,06	10,35	13,40	16,60	19,65	22,50
Other revenues	1,79	2,86	2,30	2,75	3,30	3,50
Value of Production	10,85	13,21	15,70	19,35	22,95	26,00
COGS	0,43	0,05	0,10	0,10	0,15	0,20
Services	3,85	4,17	5,00	6,25	7,35	8,25
Use of assets owned by others	0,17	0,41	0,40	0,45	0,50	0,55
Employees	4,31	5,10	6,05	7,45	8,90	10,10
Other operating costs	0,12	0,29	0,35	0,40	0,45	0,50
EBITDA	1,96	3,19	3,80	4,70	5,60	6,40
<i>EBITDA Margin</i>	<i>18,1%</i>	<i>24,1%</i>	<i>24,2%</i>	<i>24,3%</i>	<i>24,4%</i>	<i>24,6%</i>
D&A	0,97	1,14	1,10	1,15	1,20	1,30
EBIT	1,00	2,05	2,70	3,55	4,40	5,10
<i>EBIT Margin</i>	<i>9,2%</i>	<i>15,5%</i>	<i>17,2%</i>	<i>18,3%</i>	<i>19,2%</i>	<i>19,6%</i>
Financial management	(0,03)	(0,02)	(0,05)	(0,10)	(0,15)	(0,15)
EBT	0,97	2,03	2,65	3,45	4,25	4,95
Taxes	0,13	0,35	0,55	0,75	0,95	1,15
Net Income	0,83	1,68	2,10	2,70	3,30	3,80
CONSOLIDATED BALANCE SHEET (€/mln)	FY22A	FY23A	FY24E	FY25E	FY26E	FY27E
Fixed Assets	3,82	4,13	4,90	5,60	6,20	6,65
Account receivable	5,63	5,92	7,40	8,50	9,60	10,50
Inventory	0,04	0,04	0,05	0,05	0,05	0,05
Account payable	2,56	2,31	3,00	4,00	4,85	5,50
Operating Working Capital	3,11	3,65	4,45	4,55	4,80	5,05
Other receivable	1,70	1,29	1,40	1,60	2,10	2,50
Other payable	2,13	2,04	2,60	2,90	3,50	4,00
Net Working Capital	2,68	2,90	3,25	3,25	3,40	3,55
Severance & other provisions	1,06	1,18	1,45	1,75	2,00	2,20
NET INVESTED CAPITAL	5,43	5,86	6,70	7,10	7,60	8,00
Share capital	0,27	0,27	0,27	0,27	0,27	0,27
Reserves	7,21	8,01	9,69	11,79	14,49	17,79
Net Income	0,83	1,68	2,10	2,70	3,30	3,80
Equity	8,31	9,96	12,06	14,76	18,06	21,86
Cash & cash equivalents	2,34	2,08	2,96	4,86	7,46	10,66
Short term financial debt	0,52	0,43	0,20	0,00	0,00	0,00
M/L term financial debt	0,00	0,00	0,00	0,00	0,00	0,00
Net Financial Position	(1,82)	(1,65)	(2,76)	(4,86)	(7,46)	(10,66)
Other financial receivable	1,06	2,45	2,60	2,80	3,00	3,20
NFP Adjusted	(2,88)	(4,10)	(5,36)	(7,66)	(10,46)	(13,86)
SOURCES	5,43	5,86	6,70	7,10	7,60	8,00

CONSOLIDATED CASH FLOW (€/mln)	FY23A	FY24E	FY25E	FY26E	FY27E
EBIT	2,05	2,70	3,55	4,40	5,10
Taxes	0,35	0,55	0,75	0,95	1,15
NOPAT	1,70	2,15	2,80	3,45	3,95
D&A	1,14	1,10	1,15	1,20	1,30
Change in NWC	(0,23)	(0,35)	0,00	(0,15)	(0,15)
Change in receivable	(0,29)	(1,48)	(1,10)	(1,10)	(0,90)
Change in inventory	0,00	(0,01)	0,00	0,00	0,00
Change in payable	(0,26)	0,69	1,00	0,85	0,65
Change in others	0,31	0,46	0,10	0,10	0,10
Change in provisions	0,11	0,28	0,30	0,25	0,20
OPERATING CASH FLOW	2,72	3,18	4,25	4,75	5,30
Capex	(1,46)	(1,87)	(1,85)	(1,80)	(1,75)
FREE CASH FLOW	1,27	1,31	2,40	2,95	3,55
Financial management	(0,02)	(0,05)	(0,10)	(0,15)	(0,15)
Change in Financial debt	(0,09)	(0,23)	(0,20)	0,00	0,00
Change Other financial receivable	(1,39)	(0,15)	(0,20)	(0,20)	(0,20)
Change in equity	(0,03)	0,00	0,00	0,00	0,00
FREE CASH FLOW TO EQUITY	(0,26)	0,88	1,90	2,60	3,20

Source: Circle and Integrae SIM estimates

Company Overview

Founded in Genoa in 2012, Circle SpA is the innovative SME at the head of CIRCLE Group, specialized in the analysis and development of products for the innovation and digitalization of port sectors and intermodal logistics, and in international consultancy on the Green Deal and the energy transition. In addition to Circle, forming part of the Group are the software houses Info.era, NEXT Freight (formerly “Progetto Adele”) and Cargo Start, acquired respectively at the end of 2017, in July 2019 and in December 2022, the consultancy companies Magellan Circle and Magellan Circle Italy, and the newco NEXT Customs. The synergies between the individual components of Circle Group have made it possible to expand the portfolio of solutions offered in the fields of IoT, Optimization, Digital Twins, Big Data and Process Automation, and to further develop the related software products: Milos® (a suite aimed at all intermodal logistics players, including inland terminals, port terminals, ports, marine terminal operators - MTOs, and shipping agencies); Sinfomar Port Community System; Master SPED® and Milos® Global Supply Chain Visibility, dedicated to shipping and logistics, and to commerce and industry, respectively; and Star Tracking®, a solution for airport-to-airport tracking.

Completing the offer in the Supply Chain field are so-called “federation services” that facilitate the migration of customers to a more efficient cloud-based digital business model, integrated with customer systems that are already in place. Through Magellan Circle (with its offices in Porto and Brussels) and Magellan Circle Italy, Circle operates in the field of European institution advocacy, supporting public bodies and companies in identifying their

European positioning (Strategic Communications and Advocacy) and funding opportunities (e.g. EU Funding Accelerator), with verticalization regarding themes of the Green Deal and the Energy Transition.

The acquisition in December 2022 of 51% of Cargo Start, an innovative start-up specialized in the development and sale of innovative technological air cargo products and services, has allowed Circle to strengthen its offerings in a rapidly expanding and strategic segment on the Connect 4 Agile Growth industrial roadmap.

Circle also leads the Log@Sea business network, functional to strengthening its offerings of advanced Gate Automation solutions for port and intermodal hubs.

In December 2023, Circle subscribed to the 20% capital increase of the share capital of Accudire. This innovative Venetian startup offers a collaborative digital platform that facilitates actors along global supply chains in exchanging information and managing document flows that accompany goods shipments, including primarily the e-CMR (the electronic waybill, standardized in international and European law, and approved by the Italian Parliament, as published in its Official Journal on March 27, 2024).

Finally, Circle established NEXT Customs in February 2024, a newco dedicated to digital customs optimization services and oriented to the continuing harmonization of customs processes and the exploitation of innovative digital customs procedures, a highly strategic area for the development of the Connect 4 Agile Growth roadmap.

FY23A Results

TABLE 2 – ACTUAL VS ESTIMATES FY23A

€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP Adjusted
FY23A	13,21	3,19	24,1%	2,05	1,68	(4,10)
FY23E	14,60	3,10	21,2%	2,10	1,60	(4,01)
<i>Change</i>	-9.5%	2,8%	2.9%	-2,6%	5,1%	n/a

Source: *Integrae SIM*

In the annual results press release, Luca Abatello, CEO and President of Circle SpA, commented: “2023 was a very complex year, full of changes in the market and in the geopolitical context. However, for CIRCLE Group, it was a year of considerable satisfaction. The growth of the Group has, in fact, continued along the two key lines of development of proprietary software products and of innovative projects. In terms of products, a fundamental contribution was made by Milos® Federative Services, on the basis of the Connect for Agile Growth roadmap, and by new products including Milos® MTO, Milos® Global Supply Chain Visibility, and Milos® Intelligence. The focus increasingly concerns activities capable of bringing immediate added value to customers, and concretely responding to the daily challenges that require dematerialization and proactive management. On the European side, we have advanced on the key pillars of the Green & Energy Transition, signed numerous new European projects, and are working on the European implementation, in nine Member States, of the new eFTI Regulation 2020/1056, for the totally dematerialized management of goods transport documents and the standardized management of European controls along multimodal logistics chains. Adding to this are excellent prospects for 2024: we have finally entered the key phase of Next Generation EU and Energy Transition plans, which will peak between mid-2024 and mid-2026, also with the National Recovery and Resilience Plan and 5.0 funds”.

The value of production amounted to € 13.21 million, compared to a value of € 10.85 million recorded at the end of 2022, and € 14.60 million estimated in our previous report.

The growth compared to 2022 was attributable above all to the increase in revenues from proprietary software products, also offered as cloud-platform SaaS (Software as a Service), which saw a 100.0% increase (€ 3.20 million), confirming the significant growth trend already evident in the previous year. Furthermore, we note the validity of the strategic choice, made towards the end of 2022, to reduce market sales of non-essential components not associated with proprietary products, federation services and specialist consultancy, such as hardware and related services, confirmed by the excellent margin achieved by the Group.

EBITDA, equal to € 3.19 million, saw an increase of 62.5% compared to € 1.96 million in the previous year, and came in slightly better than our expectation of € 3.10 million. The EBITDA margin, equal to 24.1%, came in higher than the figure for the previous year of 18.1% and our estimate of 21.2%.

EBIT, after depreciation and amortization of € 1.14 million, stands at € 2.05 million (€ 1.00 million in FY22A), compared to our estimate of € 2.10 million. The EBIT margin amounted to 15.5%, compared to an FY22A figure of 9.2%.

Net Income amounted to € 1.68 million, marking a relevant growth of 101.8% compared to € 0.83 million in FY22A, and exceeding the € 1.60 million of our previous estimate.

Despite the completion of the Magellan Circle operation, the Accudire capital increase and the investment in proprietary products totaling € 1.30 million, the NFP remains stable at a cash positive value of € 1.82 million in FY23A, compared to the cash positive value of € 1.65 million in FY22A. The Adjusted NFP, including receivables from the European Union structurally deferred due to EU rules, was cash positive for an amount equal to € 4.10 million in FY23A (compared to the cash positive value of € 2.88 million in FY22A).

FY24E – FY27E Estimates

TABLE 3 – ESTIMATES UPDATES FY24E-27E

€/mln	FY24E	FY25E	FY26E	FY27E
Value of Production				
New	15,70	19,35	22,95	26,00
Old	17,10	19,85	23,10	n/a
Change	-8,2%	-2,5%	-0,6%	n/a
EBITDA				
New	3,80	4,70	5,60	6,40
Old	3,75	4,60	5,50	n/a
Change	1,3%	2,2%	1,8%	n/a
EBITDA %				
New	24,2%	24,3%	24,4%	24,6%
Old	21,9%	23,2%	23,8%	n/a
Change	2,3%	1,1%	0,6%	n/a
EBIT				
New	2,70	3,55	4,40	5,10
Old	2,70	3,50	4,40	n/a
Change	0,0%	1,4%	0,0%	n/a
Net Income				
New	2,10	2,70	3,30	3,80
Old	2,05	2,60	3,30	n/a
Change	2,4%	3,8%	0,0%	n/a
NFP Adjusted				
New	(5,36)	(7,66)	(10,46)	(13,86)
Old	(5,61)	(7,61)	(10,41)	n/a
Change	n/a	n/a	n/a	n/a

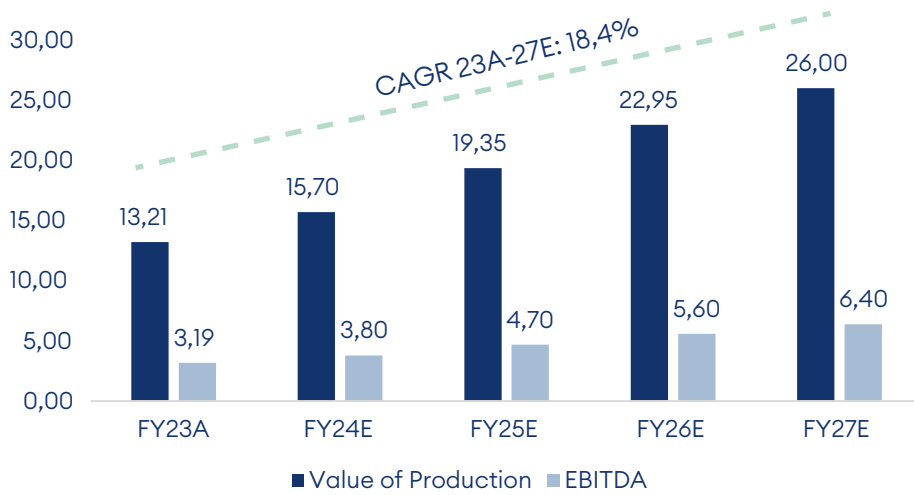
Source: Integrae SIM

In light of the results published in the annual report for FY23A, we have adjusted our estimates for both the current year and the following years.

In particular, we now estimate an FY24E value of production of € 15.70 million, and an EBITDA of € 3.80 million, corresponding to a margin of 24.2%. In the following years, we expect the value of production to reach € 26.00 million (CAGR 23A-27E: 18.4%) in FY27E, with EBITDA equal to € 6.40 million (corresponding to a margin of 24.6%), up from € 3.19 million in FY23A (corresponding to an EBITDA margin of 24.1%).

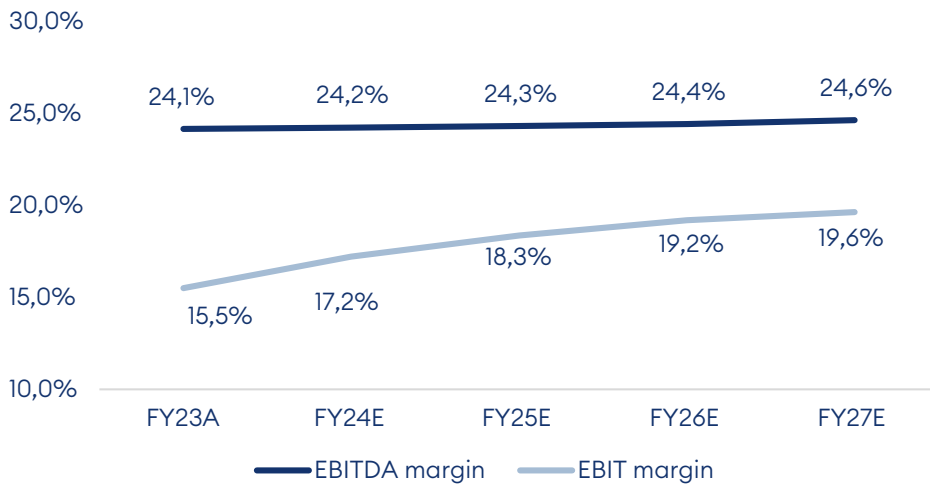
Regarding the considered investments, we expect Capex 2024E-2027E to come in at approximately € 7.27 million. Finally, we estimate a cash positive Adjusted NFP (including receivables from the European Union structurally deferred through EU regulation) for FY27E of € 13.86 million.

CHART 1 - VOP AND EBITDA FY23A-27E



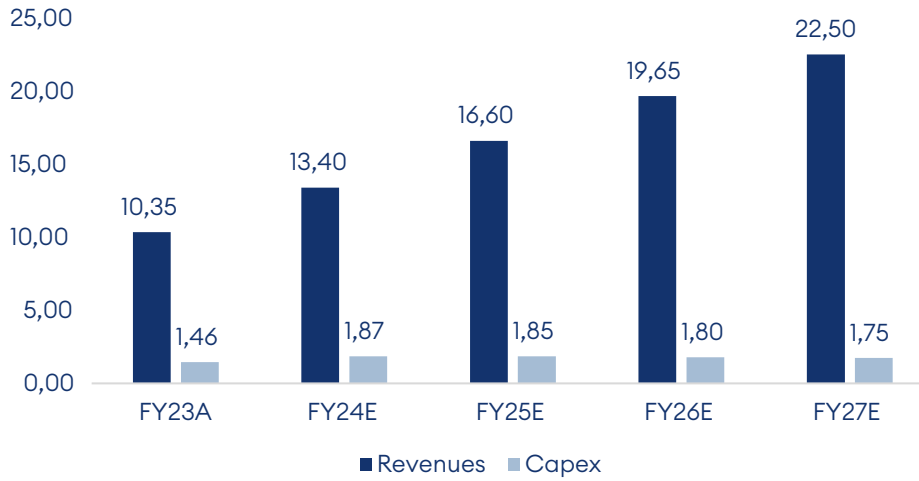
Source: Integrae SIM

CHART 2 - MARGIN FY23A-27E



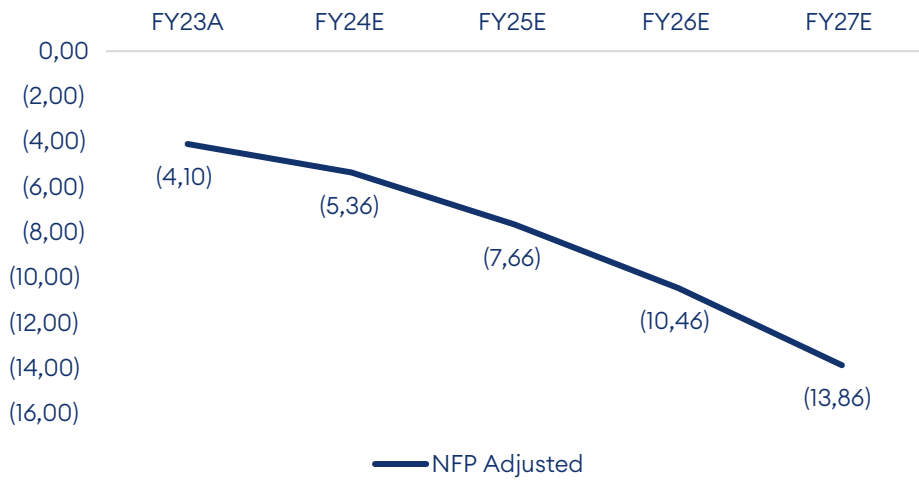
Source: Integrae SIM

CHART 3 – CAPEX FY23A-27E



Source: Integrae SIM

CHART 4 – NFP ADJUSTED FY23A-27E



Source: Integrae SIM

Valuation

We conducted our valuation of the equity value of Circle based on the DCF method and multiples of a sample of comparable companies.

DCF Method

TABLE 4 - WACC

WACC			12,07%
D/E 5,26%	Risk Free Rate 3,14%	β Adjusted 0,9	α (specific risk) 2,50%
K_d 1,00%	Market Premium 7,81%	β Relevered 0,9	K_e 12,67%

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%. The result is therefore a WACC of 12.07%.

TABLE 5 – DCF VALUATION

DCF	% of EV
FCFO actualized	6,9 25%
TV actualized DCF	20,4 75%
Enterprise Value	27,4 100%
NFP Adjusted (FY23A)	(4,1)
Equity Value	31,5

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, the result is an equity value of **€ 31.5 million**.

TABLE 6 - EQUITY VALUE - SENSITIVITY ANALYSIS

€/mln	Growth Rate (g)	WACC						
		10,6%	11,1%	11,6%	12,1%	12,6%	13,1%	13,6%
	3,0%	41,2	38,8	36,7	34,8	33,1	31,6	30,3
	2,5%	39,4	37,2	35,3	33,6	32,0	30,6	29,4
	2,0%	37,7	35,8	34,0	32,5	31,0	29,8	28,6
	1,5%	36,3	34,5	32,9	31,5	30,1	28,9	27,8
	1,0%	35,0	33,3	31,9	30,5	29,3	28,2	27,2
	0,5%	33,8	32,3	30,9	29,7	28,6	27,5	26,5
	0,0%	32,7	31,3	30,1	28,9	27,9	26,9	26,0

Source: Integrae SIM

Market multiples

Our panel is made up of companies operating in the same sector as Circle, many of which have a larger capitalization. These companies are the same used to calculate Beta for the DCF method. The panel is made up of:

TABLE 7 – MARKET MULTIPLES

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Capgemini SE	11,1 x	9,9 x	9,1 x	12,0 x	11,0 x	10,2 x	17,3 x	15,7 x	14,3 x
Reply S.p.A.	13,5 x	12,3 x	11,2 x	16,5 x	14,8 x	13,2 x	23,8 x	20,9 x	19,0 x
Computacenter Plc	7,9 x	7,5 x	7,1 x	10,3 x	9,6 x	9,4 x	15,0 x	13,9 x	14,3 x
Indra Sistemas, S.A.	6,9 x	6,4 x	5,8 x	8,8 x	8,1 x	7,3 x	13,4 x	12,0 x	10,4 x
PSI Software SE	7,7 x	6,7 x	5,6 x	11,3 x	9,5 x	8,4 x	17,4 x	14,4 x	12,1 x
Peer median	7,9 x	7,5 x	7,1 x	11,3 x	9,6 x	9,4 x	17,3 x	14,4 x	14,3 x

Source: *Infinancials*

TABLE 8 – MARKET MULTIPLES VALUATION

€/mln	FY24E	FY25E	FY26E
Enterprise Value (EV)			
EV/EBITDA	30,1	35,3	39,7
EV/EBIT	30,4	34,1	41,4
P/E	36,4	38,8	47,0
Enterprise Value post 25% discount			
EV/EBITDA	22,6	26,5	29,8
EV/EBIT	22,8	25,6	31,0
P/E	27,3	29,1	35,3
Equity Value			
EV/EBITDA	27,9	34,1	40,2
EV/EBIT	28,2	33,2	41,5
P/E	27,3	29,1	35,3
Average	27,8	32,2	39,0

Source: *Integrae SIM*

The equity value of Circle was calculated using EV/EBITDA, EV/EBIT and P/E market multiples. After applying a 25.0% discount, the result is an **equity value of € 33.0 million.**

Equity Value

TABLE 9 – EQUITY VALUE

Average Equity Value (€/mln)	32,2
Equity Value DCF (€/mln)	31,5
Equity Value multiples (€/mln)	33,0
Target Price (€)	8,00

Source: Integrae SIM

The results give an average equity value of approximately € 32.2 million. **The target price is therefore € 8.00 (prev. € 7.70). We confirm a BUY rating and MEDIUM risk.**

TABLE 10 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	8,8 x	7,4 x	6,0 x	5,0 x
EV/EBIT	13,7 x	10,4 x	7,9 x	6,4 x
P/E	19,2 x	15,3 x	11,9 x	9,8 x

Source: Integrae SIM

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	6,8 x	5,7 x	4,6 x	3,9 x
EV/EBIT	10,6 x	8,0 x	6,1 x	4,9 x
P/E	15,3 x	12,3 x	9,5 x	7,8 x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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The table below, shows INTEGRÆ SIM's recommendation, target price and risk issued during the last 12 months:

Date	Price	Recommendation	Target Price	Risk	Comment
04/05/2023	4,58	Buy	6,20	Medium	Breaking News
17/05/2023	4,68	Buy	6,20	Medium	Breaking News
23/05/2023	4,58	Buy	6,20	Medium	Breaking News
31/07/2023	5,60	Buy	6,70	Medium	Update
03/08/2023	5,15	Buy	6,70	Medium	Breaking News
07/08/2023	5,05	Buy	6,70	Medium	Breaking News
18/08/2023	4,94	Buy	6,70	Medium	Breaking News
23/08/2023	5,55	Buy	6,70	Medium	Breaking News
29/08/2023	5,65	Buy	6,70	Medium	Breaking News
01/09/2023	5,60	Buy	6,70	Medium	Breaking News
14/09/2023	5,60	Buy	6,70	Medium	Breaking News
09/10/2023	6,45	Buy	7,70	Medium	Update
21/11/2023	6,10	Buy	7,70	Medium	Breaking News
29/11/2023	6,40	Buy	7,70	Medium	Breaking News
05/12/2023	6,40	Buy	7,70	Medium	Breaking News
13/12/2023	6,20	Buy	7,70	Medium	Breaking News
04/01/2024	6,80	Buy	7,70	Medium	Breaking News
04/01/2024	6,80	Buy	7,70	Medium	Breaking News
10/01/2024	6,80	Buy	7,70	Medium	Breaking News
16/01/2024	6,80	Buy	7,70	Medium	Breaking News

27/02/2024	6,20	Buy	7,70	Medium	Breaking News
06/03/2024	6,30	Buy	7,70	Medium	Breaking News
14/03/2024	6,40	Buy	7,70	Medium	Breaking News

The list of all recommendations on any financial instrument or issuer produced by Integrae SIM Research Department and distributed during the preceding 12-month period is available on the Integrae SIM website.

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The BUY, HOLD and SELL ratings are based on the expected total return (ETR – absolute performance in the 12 months following the publication of the analysis, including the ordinary dividend paid by the company), and the risk associated to the share analyzed. The degree of risk is based on the liquidity and volatility of the share, and on the rating provided by the analyst and contained in the report. Due to daily fluctuations in share prices, the expected total return may temporarily fall outside the proposed range

Equity Total Return (ETR) for different risk categories

Rating	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR <= -5%	ETR <= -5%	ETR <= 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

Valuation methodologies (long term horizon: 12 months)

The methods that INTEGRÆ SIM SpA prefers to use for value the company under analysis are those which are generally used, such as the market multiples method which compares average multiples (P/E, EV/EBITDA, and other) of similar shares and/or sectors, and the traditional financial methods (RIM, DCF, DDM, EVA etc). For financial securities (banks and insurance companies) Integrae SIM SpA tends to use methods based on comparison of the ROE and the cost of capital (embedded value for insurance companies).

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- *It plays, or has played in the last 12 months, role of specialist financial instruments issued by Circle SpA;*
- *In the IPO phase, Integrae SIM played the role of global coordinator.*