EQUITY RESEARCH

UPDATE

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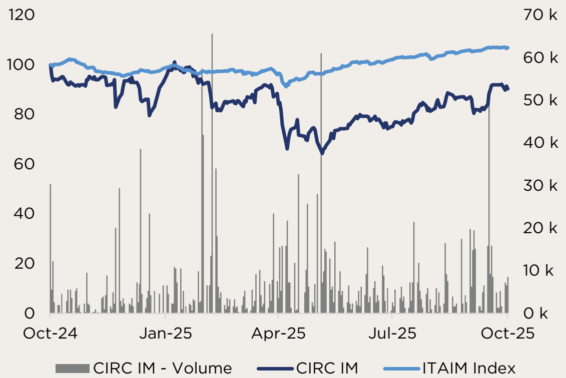
Circle

Euronext Growth Milan | Engineering | Italy

Rating	Target Price
BUY	€ 10,50
unchanged	prev. 10,00

Stocks performance relative to FTSE Italia Growth



Key Multiples	FY24A	FY25E	FY26E	FY27E
EV/Sales	3,5x	1,8x	1,6x	1,3x
EV/EBITDA	12,3x	6,8x	5,7x	4,8x
EV/EBIT	22,0x	14,8x	10,7x	8,0x
P/E	28,3x	20,1x	15,3x	11,4x
NFP/EBITDA	n/a	n/a	n/a	n/a

Key Financials (€/mln)	FY24A	FY25E	FY26E	FY27E
Revenues	10,7	20,0	23,5	28,0
Value of Production	14,6	25,0	27,5	31,8
EBITDA	3,0	5,4	6,5	7,8
EBIT	1,7	2,5	3,5	4,6
Net Income	1,5	2,1	2,7	3,6
EBITDA Margin	*20,7%*	*21,6%*	*23,6%*	*24,4%*
EBIT Margin	*11,5%*	*10,0%*	*12,5%*	*14,5%*
Net income Margin	*10,0%*	*8,2%*	*9,8%*	*11,3%*

Stock Data

Risk	Medium
Price	€ 8,62
Target price	€ 10,50
Upside/(Downside) potential	21,8%
Ticker	CIRC IM
Market Cap (€/mln)	€ 41,22
EV (€/mln)	€ 36,92
Free Float	31,72%
Share Outstanding	4.781.865
52-week high	€ 9,00
52-week low	€ 5,42
Average Daily Volumes (3 months)	7.340

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Stock performance	1M	3M	6M	1Y
Absolute	12,2%	29,4%	27,1%	7,7%
to FTSE Italia Growth	12,0%	25,3%	13,5%	2,9%
to Euronext STAR Milan	11,3%	25,3%	9,4%	2,3%
to FTSE All-Share	12,6%	23,0%	9,5%	-14,4%
to EUROSTOXX	7,9%	23,6%	14,2%	-6,5%
to MSCI World Index	11,2%	23,1%	3,5%	-6,0%

Source: FactSet

Main Ratios	FY24A	FY25E	FY26E	FY27E
Current ratio	1,5x	1,7x	2,0x	2,3x
ROIC	11,6%	15,3%	21,2%	31,9%
ROE	10,0%	13,7%	16,4%	18,7%
ROA	5,9%	7,6%	9,5%	11,3%

Source: Integrae SIM

1H25A Results

In 1H25A, the Group recorded a value of production of €11.78 million, up 62.1% compared to €7.27 million in 1H24A. EBITDA amounted to €2.66 million, increasing from €1.75 million in 1H24A, with an EBITDA margin of 22.6% (24.1% in 1H24A). EBIT stood at €1.25 million, slightly down from €1.29 million in the prior-year period, with an EBIT margin of 10.6%, compared to 17.8% in 1H24A. The contraction in margin is attributable to higher depreciation and amortisation expenses, which amounted to €1.42 million. Net Income totalled €1.05 million, broadly in line with the €1.03 million reported in 1H24A. From a balance sheet perspective, the adjusted Net Financial Position was cash positive by €2.20 million, slightly down from the cash positive position of €4.30 million reported at year-end 2024.

Estimates and Valuation Update

In light of the results published in the half-year report for 1H25A, we have revised our estimates for both the current year and the coming years. In particular, we estimate FY25E production value at €25.00 million and EBITDA at €5.40 million, corresponding to a margin of 21.6%. For the following years, we expect the production value to increase to €34.50 million in FY28E (CAGR 24A–28E: 24.0%), with EBITDA reaching €8.70 million (corresponding to a margin of 25.2%), up from €3.01 million in FY24A (EBITDA margin of 20.7%). With regard to estimated investments, we forecast Capex for 2025E–2028E at approximately €9.12 million; finally, we estimate an adjusted Net Financial Position for FY25E at €4.24 million cash positive. 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 € 48.2 million. Using market multiples, the equity value of Circle was calculated as € 52.2 million (including a 25.0% discount). The results give an average equity value of approximately € 50.2 million. **The target price is € 10.50, with a BUY rating and MEDIUM risk.**

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E
Revenues	10,35	10,69	20,00	23,50	28,00	31,00
Other revenues	2,86	3,88	5,00	4,00	3,80	3,50
Value of Production	**13,21**	**14,58**	**25,00**	**27,50**	**31,80**	**34,50**
COGS	0,05	0,23	0,50	0,50	0,50	0,55
Services	4,17	4,81	8,00	8,75	10,10	10,85
Use of assets owned by others	0,41	0,47	1,00	1,05	1,10	1,10
Employees	5,10	5,83	9,80	10,35	11,95	12,85
Other operating costs	0,29	0,22	0,30	0,35	0,40	0,45
EBITDA	**3,19**	**3,01**	**5,40**	**6,50**	**7,75**	**8,70**
EBITDA Margin	*24,1%*	*20,7%*	*21,6%*	*23,6%*	*24,4%*	*25,2%*
D&A	1,14	1,34	2,90	3,05	3,15	3,30
EBIT	**2,05**	**1,68**	**2,50**	**3,45**	**4,60**	**5,40**
EBIT Margin	*15,5%*	*11,5%*	*10,0%*	*12,5%*	*14,5%*	*15,7%*
Financial management	(0,02)	0,02	(0,10)	(0,10)	(0,10)	(0,05)
EBT	**2,03**	**1,69**	**2,40**	**3,35**	**4,50**	**5,35**
Taxes	0,35	0,24	0,35	0,65	0,90	1,10
Net Income	**1,68**	**1,45**	**2,05**	**2,70**	**3,60**	**4,25**

CONSOLIDATED BALANCE SHEET (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E
Fixed Assets	**4,13**	**10,78**	**10,75**	**10,00**	**8,90**	**7,50**
Account receivable	5,92	7,07	11,00	12,80	14,40	15,90
Inventory	0,04	0,30	0,30	0,30	0,35	0,40
Account payable	2,31	2,75	4,30	4,75	5,55	6,15
Operating Working Capital	**3,65**	**4,62**	**7,00**	**8,35**	**9,20**	**10,15**
Other receivable	1,29	4,40	4,20	3,40	2,75	2,50
Other payable	2,04	5,82	5,90	6,00	6,10	6,10
Net Working Capital	**2,90**	**3,19**	**5,30**	**5,75**	**5,85**	**6,55**
Severance & other provisions	1,18	1,53	2,00	2,55	3,15	3,50
NET INVESTED CAPITAL	**5,86**	**12,44**	**14,05**	**13,20**	**11,60**	**10,55**
Share capital	0,27	0,32	0,32	0,32	0,32	0,32
Reserves	8,01	14,97	15,92	17,97	20,67	24,27
Net Income	1,68	1,45	2,05	2,70	3,60	4,25
Equity	**9,96**	**16,74**	**18,29**	**20,99**	**24,59**	**28,84**
Cash & cash equivalents	2,08	3,40	2,49	5,19	9,39	14,19
Short term financial debt	0,43	1,43	0,60	0,30	0,20	0,10
M/L term financial debt	0,00	0,00	1,65	1,60	1,20	0,80
Net Financial Position	**(1,65)**	**(1,96)**	**(0,24)**	**(3,29)**	**(7,99)**	**(13,29)**
Other financial receivable	2,45	2,34	4,00	4,50	5,00	5,00
NFP Adjusted	**(4,10)**	**(4,30)**	**(4,24)**	**(7,79)**	**(12,99)**	**(18,29)**
SOURCES	**5,86**	**12,44**	**14,05**	**13,20**	**11,60**	**10,55**

CONSOLIDATED CASH FLOW (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E
EBIT	**2,05**	**1,68**	**2,50**	**3,45**	**4,60**	**5,40**
Taxes	0,35	0,24	0,35	0,65	0,90	1,10
NOPAT	**1,70**	**1,44**	**2,15**	**2,80**	**3,70**	**4,30**
D&A	1,14	1,34	2,90	3,05	3,15	3,30
Change in NWC	**(0,23)**	**(0,29)**	**(2,11)**	**(0,45)**	**(0,10)**	**(0,70)**
Change in receivable	*(0,29)*	*(1,15)*	*(3,93)*	*(1,80)*	*(1,60)*	*(1,50)*
Change in inventory	*0,00*	*(0,26)*	*0,00*	*0,00*	*(0,05)*	*(0,05)*
Change in payable	*(0,26)*	*0,45*	*1,55*	*0,45*	*0,80*	*0,60*
Change in others	*0,31*	*0,68*	*0,28*	*0,90*	*0,75*	*0,25*
Change in provisions	0,11	0,36	0,47	0,55	0,60	0,35
OPERATING CASH FLOW	**2,72**	**2,84**	**3,41**	**5,95**	**7,35**	**7,25**
Capex	(1,46)	(7,98)	(2,87)	(2,30)	(2,05)	(1,90)
FREE CASH FLOW	**1,27**	**(5,14)**	**0,54**	**3,65**	**5,30**	**5,35**
Financial management	(0,02)	0,02	(0,10)	(0,10)	(0,10)	(0,05)
Change in Financial debt	(0,09)	1,01	0,82	(0,35)	(0,50)	(0,50)
Change Other financial receivable	(1,39)	0,11	(1,66)	(0,50)	(0,50)	0,00
Change in equity	(0,03)	5,33	(0,50)	0,00	0,00	0,00
FREE CASH FLOW TO EQUITY	**(0,26)**	**1,32**	**(0,90)**	**2,70**	**4,20**	**4,80**

Source: Circle and Integrae SIM estimates

Company Overview

Founded in Genoa in 2012, Circle S.p.A. is an Innovative SME at the helm of Circle Group, a company listed on Euronext Growth Milan since 2018. It specialises in the analysis and development of innovative and digital solutions for the port and intermodal logistics sectors, as well as in international consultancy related to the Green Deal and the energy transition.

The Group includes the software houses Info.era, NEXT Freight, eXyond, Cargo Start, the consultancy firms Magellan Circle and Magellan Circle Italy, NEXT Customs, and the affiliated company ACCUDIRE.

In the field of digital innovation, the Milos® Intelligence platform integrates advanced technologies such as Artificial Intelligence, simulation and Digital Twin to support decision-making processes and the digital transformation of systems. Key solutions include the Extended Port Community System, MasterSPED®, Milos® TOS, Milos® MTO, Milos® TFP, Milos® Global Supply Chain Visibility, and StarTracking®. The offering is further enhanced by Federative Services (cloud-based), which enable more efficient transitions towards digital business models.

Through Magellan Circle and Magellan Circle Italy, the Group operates in Brussels and across Europe, engaging in advocacy activities with EU institutions and supporting public bodies and private companies with services such as Strategic Communication and Advocacy and the EU Funding Accelerator. These activities focus in particular on the Green Deal and energy transition.

With Cargo Start, which specialises in technological solutions for air cargo, Circle has strengthened its position in a strategic segment of its Connect 4 Agile Growth industrial plan. Through eXyond, the Group provides advanced infomobility services (InfoBluNewGen) and telematics solutions for the logistics, transport and insurance sectors (Kmaster).

Circle also holds a 22% stake in the innovative start-up ACCUDIRE, which offers a collaborative platform for document management along global supply chains, starting with the electronic consignment note (e-CMR) and the electronic delivery note (e-DDT). Through NEXT Customs, the Group develops digital services for customs optimisation, contributing to the harmonisation of processes in line with the strategic guidelines of Connect 4 Agile Growth.

1H25A Results

TABLE 2 – 1H25A VS 1H24A

€/mln	VoP	EBITDA	EBITDA %	EBIT	Net Income	NFP Adj.
1H25A	11,78	2,66	22,6%	1,25	1,05	(2,20)
1H24A	7,27	1,75	24,1%	1,29	1,03	(4,30)*
Change	*62,1%*	*52,1%*	*-1,5%*	*-3,7%*	*1,7%*	*n/a*

Source: Integrae SIM

*NFP al 31/12/2024

In a press release, Luca Abatello, CEO and Chairman of Circle SpA, commenting on the half-year results, stated: *"As highlighted earlier, we are very satisfied with the results achieved in a semester marked by a complex macroeconomic environment. Despite this, we have significantly exceeded our expectations (we had already clearly indicated that the first half would be weaker than the second) and we are now in a position to revise our forecasts upwards for both 2025 and 2026. The first half of 2025 represented an intense period of work and strong integration of the acquisitions completed at the end of 2024 (eXyond and Circle Garage) and their respective solutions. The projects linked to the NRRP have finally been unlocked (by the end of the semester): a process that, as anticipated, was not without initial delays, but one we have managed to overcome with determination, laying the foundations for structured growth that will become even more substantial in the coming months. At the same time, we have enriched our offering with new modules of the MILOS® TFP suite, enabling interaction with port, airport, and intermodal nodes; the first European eFTI platform with federative services; the first fleet management platform, KMaster®, integrated with inbound and outbound truck communications across Europe (e.g. the Puesc service in Poland); as well as new modules within the MILOS® TOS, MTO, and MILOS® Intelligence suites, innovative solutions that address our clients' concrete needs and have also opened highly promising prospects for both existing and potential clients to participate in the Login Business call. This initiative represents an opportunity to enhance multimodal logistics efficiency at the national level, has attracted strong interest, and is expected to see major applications as early as Q4 2025 and throughout 2026. We are currently awaiting the publication of the related decree in the coming days; meanwhile, many transport and logistics companies have accelerated their investments and launched new projects."*

In the first half of 2025, the Group carried out intensive project activities, accompanied by the consolidation of the acquisitions completed at the end of 2024. In this context, there was a significant unlocking of NRRP-related projects and the launch of innovative solutions: from the modules of the Milos® TFP suite, designed for interconnection with port, airport, and intermodal nodes, to the first European eFTI platform with federative services, and to KMaster®, the fleet management platform integrated with inbound and outbound truck communications across Europe. This was complemented by the release of new modules within the Milos® TOS, MTO, and Intelligence suites. The Group also signed strategic contracts for the provision of Port Community System Services in several Mediterranean ports and with leading intermodal operators (MTOs and 3PLs), further strengthening the increasingly central role of the Federative Services. At the same time, the MasterSPED® platform, enhanced with the new digital customs procedures (Aida 2.0 and the ICS2 roadmap), recorded further growth in demand.

At the international level, the Group has strengthened its overseas growth strategy, focusing in particular on Turkey, Egypt, Greece, and Central Europe, and has launched new collaborations following the award of a tender by the European Maritime Safety Agency (EMSA) for the development of the One Stop Maritime Shop platform, targeting countries such as Algeria, Morocco, Tunisia, Jordan, Libya, Moldova, Georgia, and Ukraine. At the same time, partnership initiatives are underway with entities in the Gulf, the Middle East, India, and Africa, with the aim of providing expertise in the transport and energy sectors. During the first six months of the year, the second phase of support to the Portuguese Ministry of Transport for the implementation of the eFTI Regulation was completed, while a similar initiative has been launched in Greece, also through the partnership with Online Data, as well as in Slovenia, Cyprus, and the Czech Republic. In parallel, the project for the European Maritime Safety Agency (EMSA) aimed at extending the European Maritime Single Window Environment Regulation to non-EU countries has been successfully completed.

The value of production for 1H25A amounted to €11.78 million, representing a +62.1% increase compared with €7.27 million recorded in the same period of 2024. This growth was driven by the strong performance of proprietary software products, also offered in SaaS (Software as a Service) mode on a cloud platform, which recorded a +105.0% increase, as well as by the Milos® Federative Services, which grew by 80.0% compared with 1H24A. Moreover, the results for the first half of 2025 reflect both organic growth and the integration of solutions and the expansion of the Group’s offering (eXyond, Circle Garage, KMaster, Infoblu NewGen), initiated at the end of 2024. These factors supported performance despite a challenging macroeconomic environment, marked by delays in orders related to European initiatives and the NRRP, as well as by the postponement (though not cancellation) of certain client investments due to uncertainty surrounding tariffs.

EBITDA for 1H25A amounted to €2.66 million, up from €1.75 million in 1H24A (+52.1%). The EBITDA margin stood at 22.6%, compared with 24.1% recorded in the same period of the previous year. The increase in EBITDA, achieved in a context not without challenges, reflects the robustness of the business model and the Group’s ability to capitalise on its innovative solutions, as demonstrated by the expansion of its digital offering and the strengthening of federative services.

After depreciation and amortisation of approximately €1.42 million, EBIT for 1H25A amounted to €1.25 million, broadly in line with the €1.29 million reported in 1H24. The increase in amortisation reflects both product investments made during 2025 and the consolidation of eXyond and Circle Garage. In particular, the eXyond business entails tangible amortisation related to the lease of KMaster On Board Units (OBUs), which are integrated with federative services and the Telepass K1 device, targeting a potential fleet of around one million vehicles across Europe. Net of these effects, adjusted EBIT amounted to €1.50 million, up 15.0% compared with 1H24.

Net Income for 1H25A amounted to €1.05 million, a slight increase of +1.7% compared with €1.03 million in 1H24, despite the higher impact of tangible amortisation related to the investments and the consolidation of eXyond and Circle Garage, as previously mentioned.

From a balance sheet perspective, during 2025 the Group finalised a new medium/long-term loan of €1.00 million with UniCredit in support of eXyond, in addition to the transfer of the previous €1.00 million facility originally taken out by Circle at the end of 2024 for the acquisition of the business unit from Telepass Innova. This transaction enables the optimisation of the balance between financial sources and provides greater tax efficiency compared with the capital increases carried out in 2024.

As at 30 June 2025, adjusted Net Financial Position (including EU receivables collectible within the fiscal year but structurally deferred due to EU rules) stood at €2.20 million cash positive (compared with €4.30 million cash positive at the end of 2024). The NFP amounted to €0.80 million, versus €2.00 million cash positive as at 31 December 2024, mainly due to the second instalment payments related to the acquisitions of eXyond (€2.27 million) and Circle Garage, the capital increase and shareholder loan in favour of Accudire, as well as ongoing product investments and the current share buyback programme.

With regard to investments, approximately €1.00 million were incurred in 1H25A, up from €0.50 million in 1H24A. These investments mainly concerned the enhancement of the Milos® suite services (MTO, TOS, Intelligence, Global Supply Chain Visibility, TFP, and MasterSped®), the development of the KMaster platform, the expansion of innovative Federative Services, the introduction of the Green Dashboard, the ACS airport suite by CargoStart, and the new InfobluNewGen infomobility services. Looking ahead, a key role will be played by the NRRP Login Business tender, which, after three years of waiting, is making approximately €157.00 million available and unlocking over €200.00 million in investments for the sector. In the coming months, the focus will be on consolidating and expanding client services, particularly in light of the surge in demand recorded during the summer, driven by product developments, industry events, institutional partnerships, and the tender itself.

This scenario is further supported by the introduction of e-CMR (September 2024) and the implementation of eFTI (January–July 2025), which are accelerating the digitalisation and integration of controls along the multimodal logistics chain, generating positive impacts in terms of efficiency and cost reduction. Additional opportunities are expected to arise from the Single Special Economic Zone (ZES UNICA), the relaunch of the Simplified Logistics Zones, and the streamlining initiatives under the Transizione 5.0 programme. At the same time, the Group, also leveraging the integration of eXyond and Circle Garage, is strengthening innovative solutions at the European level (such as Puesc in Poland and the launch of RO e-Transport in Romania), while Magellan Circle is increasingly focusing on energy, environment, and military mobility, shaping a connected, interoperable, and sustainable logistics ecosystem. In this context, Circle reports that it is assessing potential alliances and M&A transactions for 2026, while maintaining continuous monitoring of the macroeconomic and geopolitical environment to adapt strategies and seize new opportunities.

Finally, the Connect 4 Agile Growth project represents the strategic framework through which Circle is consolidating its growth trajectory. On one hand, through the acquisition of Cargo Start and the integration of eXyond, Accudire, and NEXT Customs, the Group has expanded its offering in high-potential segments such as air cargo, infomobility, telematics solutions, and digital customs services, thereby strengthening its capability to cover the entire global supply chain. On the other hand, on the internal front, Circle has developed people-focused initiatives such as the "Conciliamo" project and the extension of smart working, promoting work-life balance, flexible benefits, and personalised training programmes. These initiatives are part of the so-called "Pyramid of Value", which places engagement, skills enhancement, and collective intelligence at its core. In this way, the Connect 4 Agile Growth plan stands not only as an industrial lever but also as a sustainable and inclusive development model, oriented towards the long term.

FY25E – FY28E Estimates

TABLE 3 – ESTIMATES UPDATES FY25E-28E

€/mln	FY25E	FY26E	FY27E	FY28E
Value of Production				
New	25,00	27,50	31,80	34,50
Old	23,00	25,50	30,35	33,00
Change	*8,7%*	*7,8%*	*4,8%*	*4,5%*
EBITDA				
New	5,40	6,50	7,75	8,70
Old	5,20	6,00	7,40	8,30
Change	*3,8%*	*8,3%*	*4,7%*	*4,8%*
EBITDA %				
New	21,6%	23,6%	24,4%	25,2%
Old	22,6%	23,5%	24,4%	25,2%
Change	*-1,0%*	*0,1%*	*0,0%*	*0,1%*
EBIT				
New	2,50	3,45	4,60	5,40
Old	2,70	3,35	4,55	5,30
Change	*-7,4%*	*3,0%*	*1,1%*	*1,9%*
Net Income				
New	2,05	2,70	3,60	4,25
Old	2,20	2,60	3,50	4,05
Change	*-6,8%*	*3,8%*	*2,9%*	*4,9%*
NFP Adjusted				
New	(4,24)	(7,79)	(12,99)	(18,29)
Old	(5,24)	(8,74)	(13,74)	(18,94)
Change	*n/a*	*n/a*	*n/a*	*n/a*

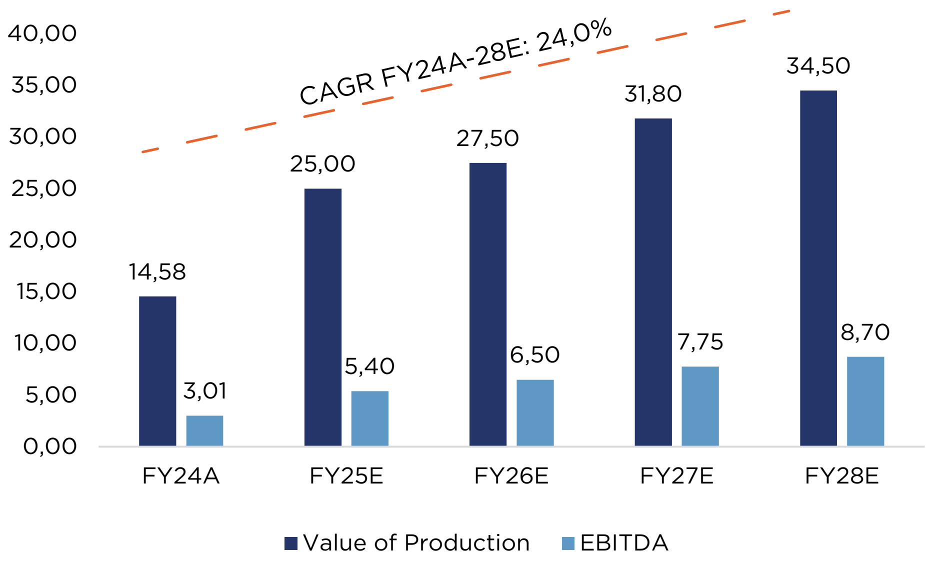
Source: Integrae SIM

In light of the results published in the half-year report for 1H25A, we have revised our estimates for both the current year and the coming years.

In particular, we estimate FY25E production value at €25.00 million and EBITDA at €5.40 million, corresponding to a margin of 21.6%. For the following years, we expect the production value to increase to €34.50 million in FY28E (CAGR 24A–28E: 24.0%), with EBITDA reaching €8.70 million (corresponding to a margin of 25.2%), up from €3.01 million in FY24A (EBITDA margin of 20.7%).

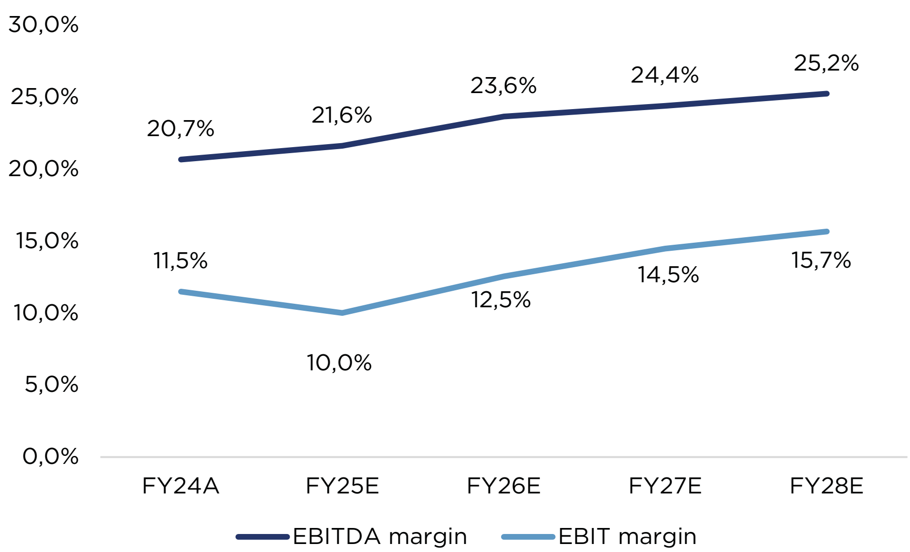
With regard to estimated investments, we forecast Capex for 2025E–2028E at approximately €9.12 million; finally, we estimate an adjusted Net Financial Position for FY25E at €4.24 million cash positive.

CHART 1 – VOP AND EBITDA FY24A-28E



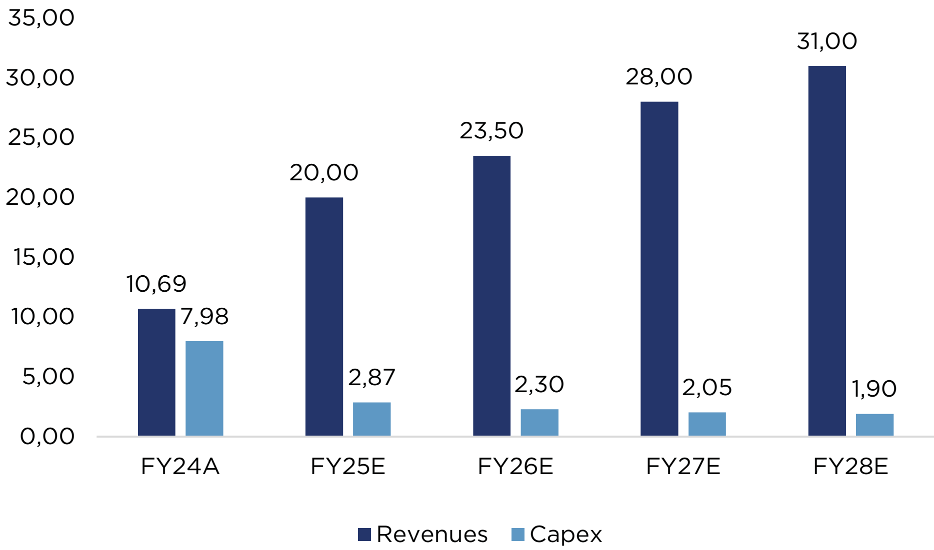
Source: Integrae SIM

CHART 2 – MARGIN FY24A-28E



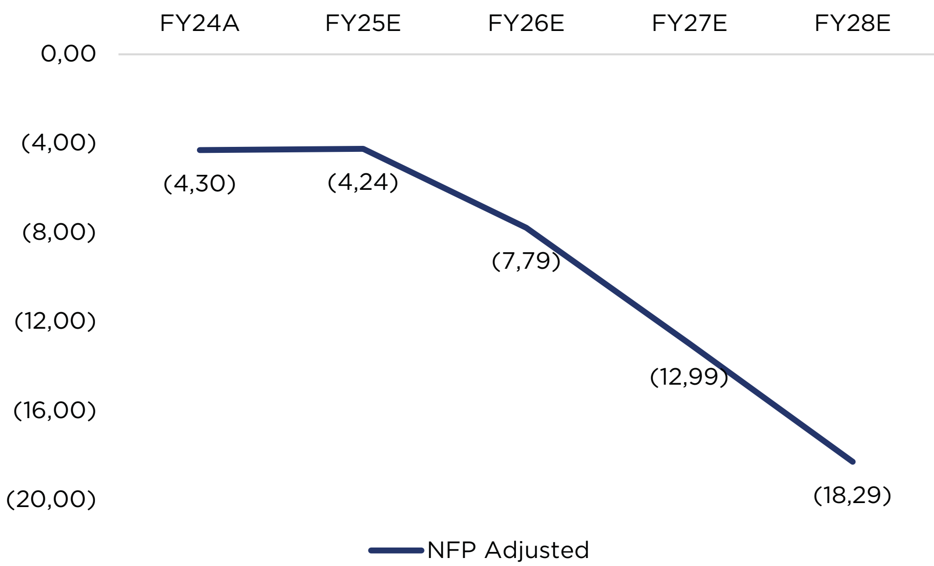
Source: Integrae SIM

CHART 3 – CAPEX FY24A-28E



Source: Integrae SIM

CHART 4 – NFP ADJUSTED FY24A-28E



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			11,08%
D/E **11,11%**	Risk Free Rate **2,55%**	β Adjusted **0,9**	α (specific risk) **2,50%**
Kd **3,00%**	Market premium **7,46%**	β Relevered **0,9**	Ke **12,07%**

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%. The result is therefore a WACC of 11.08%.

TABLE 5 – DCF VALUATION

DCF		% of EV
FCFO actualized	10,7	24%
TV actualized DCF	33,2	76%
Enterprise Value	**43,9**	**100%**
NFP Adjusted (FY24A)	(4,3)	
Equity Value	**48,2**	

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, the result is an **equity value of € 48.2 million.**

TABLE 6 – EQUITY VALUE SENSITIVITY ANALYSIS

€/mln	WACC							
		9,6%	**10,1%**	**10,6%**	**11,1%**	**11,6%**	**12,1%**	**12,6%**
Growth Rate (g)	**3,0%**	65,7	61,4	57,6	54,4	51,5	48,9	46,6
	2,5%	62,1	58,3	55,0	52,1	49,4	47,1	45,0
	2,0%	59,1	55,7	52,7	50,0	47,6	45,5	43,5
	1,5%	56,4	53,3	50,6	48,2	46,0	44,0	42,2
	1,0%	54,0	51,2	48,8	46,6	44,5	42,7	41,1
	0,5%	51,8	49,3	47,1	45,1	43,2	41,5	40,0
	0,0%	49,9	47,6	45,6	43,7	42,0	40,4	39,0

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		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Capgemini SE	7,1 x	7,1 x	6,8 x	8,7 x	8,3 x	7,9 x
Reply S.p.A.	8,9 x	8,5 x	7,9 x	10,7 x	10,2 x	9,3 x
Computacenter Plc	8,3 x	7,6 x	7,2 x	10,9 x	9,9 x	9,3 x
Accenture Plc	12,3 x	10,6 x	10,0 x	15,0 x	12,9 x	12,1 x
PSI Software SE	37,0 x	20,9 x	15,9 x	97,5 x	37,2 x	24,6 x
Trimble Inc.	20,1 x	18,5 x	16,4 x	21,3 x	19,4 x	17,8 x
Wisetech Global Ltd.	61,8 x	31,4 x	24,3 x	78,4 x	41,0 x	31,0 x
Peer median	**12,3 x**	**10,6 x**	**10,0 x**	**15,0 x**	**12,9 x**	**12,1 x**

Source: FactSet

TABLE 8 – MARKET MULTIPLES VALUATION

€/mln	FY25E	FY26E	FY27E
Enterprise Value (EV)			
EV/EBITDA	66,7	69,1	77,5
EV/EBIT	37,4	44,5	55,5
Enterprise Value post 25% discount			
EV/EBITDA	50,0	51,8	58,2
EV/EBIT	28,0	33,4	41,6
Equity Value			
EV/EBITDA	54,2	59,6	71,2
EV/EBIT	32,3	41,2	54,6
Average	**43,3**	**50,4**	**62,9**

Source: Integrae SIM

The equity value of Circle was calculated using EV/EBITDA and EV/EBIT market multiples. After applying a 25.0% discount, the result is an **equity value of € 52.2 million.**

Equity Value

TABLE 9 – EQUITY VALUE

Average Equity Value (€/mln)	50,2
Equity Value DCF (€/mln)	48,2
Equity Value Multipes (€/mln)	52,2
Target Price (€)	**10,50**

Source: Integrae SIM

The results give an average equity value of approximately € 50.2 million.

The target price is therefore € 10.50 (prev. € 10.00). We confirm a BUY rating and MEDIUM risk.

TABLE 10 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	15,2 x	8,5 x	7,1 x	5,9 x
EV/EBIT	27,4 x	18,4 x	13,3 x	10,0 x
P/E	34,5 x	24,5 x	18,6 x	13,9 x

Source: Integrae SIM

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	12,3 x	6,8 x	5,7 x	4,8 x
EV/EBIT	22,0 x	14,8 x	10,7 x	8,0 x
P/E	28,3 x	20,1 x	15,3 x	11,4 x

Source: Integrae SIM

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Upside Potential (for different risk categories)

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SELL	Upside <= -5%	Upside <= -5%	Upside <= 0%

U.R.	Under Review
N.R.	Not Rated

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