

CIRCLE

Digitalising the Supply Chain for the port and the intermodal logistics sectors

Technology

IRTOP RESEARCH

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COMPANY DESCRIPTION

CIRCLE, listed on AIM Italia since October 26th 2018 is an "Innovative SME" founded in 2012 and, specialized in the provision of innovative technological solutions for the optimization and digitization of the supply chain for the port and intermodal logistics sector. Through a vertically integrated business model, the Company completes its offering with services for focused exploitation of European funding and digital marketing.

In November 2017 the Company acquired 51% of Info.Era Srl, owner of *Sinfomar*®. The new Group counts 45 employees and recorded pro-forma revenues of 4.1 Eu m in FY 2017 and an EBITDA margin of 24%. The Company realizes c. 35% of revenues outside Italy, with focus on Europe and the Middle East.

INNOVATION

CIRCLE has developed internally two innovative technological solutions for the digital supply chain of its niche market:

- *Milos*®, an innovative modular software for the digitalisation and optimisation of intermodal logistics operations.
- *Sinfomar*® software that provides IT solutions for companies in the maritime and port sectors and in particular connects all involved actors of the port community in one single platform.

REFERENCE MARKET

CIRCLE operates in the niche market of digital transformation and supply chain optimization for the port and intermodal logistics sector in countries bordering the Mediterranean Sea.

Digitalisation and the arrival of innovative IoT technologies have created a disruption (digital disruption) in the local market of the logistics and the multimodal Supply Chain.

AIM POSITIONING

Compared to average values of AIM Italia "Technology" Sector, CIRCLE shows:

- lower revenues (4.1 vs. 40 Eu m), but strongly higher yoy growth rate (+74% vs. +18%);
- higher EBITDA margin (24% vs. 14%);
- net financial position broadly in line (net cash of 1.0 vs. 1.5 Eu m);
- lower market capitalisation (8 vs. 39 Eu m), free float (20% vs. 34%) and ADTT year-to-date (25 vs. 69 Eu k).

2018-2021 ESTIMATES

We believe revenues can grow at a 2017pf-2021 CAGR of 19% through strengthening and development of products portfolio, cross-selling and up-selling activities, new opportunities deriving from EU projects and internationalisation.

EBITDA CAGR of 22% with an increase in EBITDA margin to 26% in 2021 mainly thanks to lower incidence of personnel costs, that is the main cost item for the Company.

We expect that CIRCLE will remain cash positive in the period.

VALUATION

We set a target price of 3.71 Eu p.s. providing a 48% upside to the current share price. Our valuation is based on a DCF (WACC=10.25% and g=1%) and on a multiple comparison (2018-2019 EV/EBITDA, EV/EBIT and P/E), weighted equally. We used two separate peer groups for our relative valuation: companies in the "Technology" sector listed on AIM Italia and national and European industry peers.

Target Price (Eu)	3.71
Market Price (Eu)	2.50
Capitalisation (Eu m)	8
Enterprise Value (Eu m)	7
<i>(as of November 14th, 2018)</i>	

AIM Positioning

FY 2017 (Eu m)	Company ¹	AIM Sector ²	AIM Italia
Revenues	4.1	40	44
Revenues YoY growth	+74%	+18%	+12%
EBITDA Margin	24%	14%	14%
Net Debt (Cash)	(1.0)	(1.5)	11.2
NFP/EBITDA (x)	-1.0	0.9	1.6
Market Data (Eu m)	Company	AIM Sector ²	AIM Italia
Capitalisation	8	39	67
Perf. from IPO	+4%	-18%	-5%
Free Float	20%	34%	40%
ADTT YTD (Eu)	25,499	69,332	99,406

Source: Company data and Osservatorio AIM Italia as of November 14th, 2018

¹ FY 2017 pro-forma data

² Technology: Alkemy, CIRCLE, DHH, Digital Value, Esautomotion, Expert System, Finlogic, MailUp, Neurosoft, Prismi, Softec, Vetrya, Wilit

Results & Estimates

Key Figures (Eu m)	16A	17PF	18E	19E	20E	21E
Value of Production	2.3	4.1	5.0	5.9	7.0	8.3
VoP YoY growth	+14%	+74%	+24%	+18%	+18%	+18%
EBITDA	0.6	1.0	1.3	1.5	1.8	2.1
EBITDA%	24%	24%	26%	25%	26%	26%
EBIT	0.5	0.7	1.0	1.1	1.4	1.6
EBIT%	21%	17%	20%	19%	20%	20%
Group's Net Profit	0.4	0.5	0.7	0.7	0.9	1.1
EPS (Eu)	n.a.	0.19	0.21	0.23	0.29	0.36
Net Debt (Cash)	(1.1)	(1.0)	(3.1)	(3.7)	(4.7)	(6.0)

Source: Company data (Italian accounting principles) for FY 2016 and 2017 pro-forma, IRTop Research estimates for FY 2018-2021
n.a. = not available

Peers Comparison

EV/EBITDA (x)	18E	19E	20E
CIRCLE	3.7	2.8	1.8
AIM peers' median	7.2	5.2	3.6
Small & Mid Cap peers' median	11.5	9.5	8.4

P/E (x)	18E	19E	20E
CIRCLE	11.7	10.7	8.5
AIM peers' median	20.9	14.9	11.6
Small & Mid Cap peers' median	20.2	17.8	15.7

Source: IRTop Research estimates for CIRCLE, Osservatorio AIM Italia for AIM peers and FactSet data as of November 14th, 2018 for peers

Performance

	1M	3M	1Y
Absolute	n.a.	n.a.	n.a.
Relative (FTSE AIM Italia)	n.a.	n.a.	n.a.
52-week High / Low (Eu)*	2.68 / 2.35		

Source: FactSet data as of November 14th, 2018

* Intraday

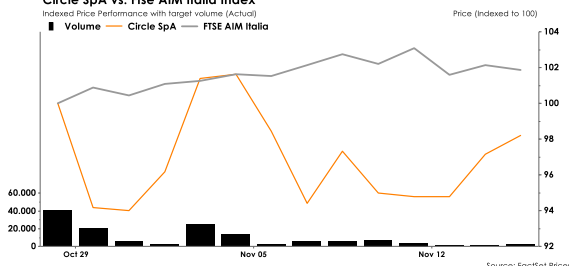
n.a. = not available

Please, read important disclaimer on the last page of this report.

SHARE DATA

Market	AIM Italia
Ticker Bloomberg / Ticker Reuters	CIRC IM / CIRC.MI
ISIN ordinary shares	IT0005344996
N. of outstanding shares	3,154,650
Free float	20.24%
Main shareholder	Luca Abatello (66.48%)
CEO	Luca Abatello

Circle SpA vs. Fse AIM Italia Index
Indexed Price Performance with target volume (Actual)



AIM ITALIA

Dimension

113 companies
7.5 Eu bn of capitalisation

Growth

81 IPOs in 2015-18
4.1 Eu bn of capital raised since 2009

Performance

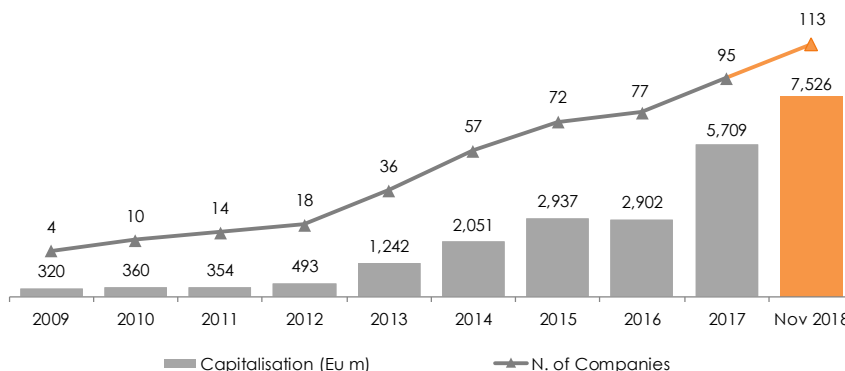
FTSE AIM Italia +17% since 2017

Liquidity

TTT in 2018 so far is 2.2 Eu bn vs. 295 Eu m in 2016

AIM Italia, the Italian equity capital market dedicated to small growing companies, has shown a significant growth since 2013 and counted, as of November 14th, 113 companies for a total capitalisation of 7.5 Eu bn.

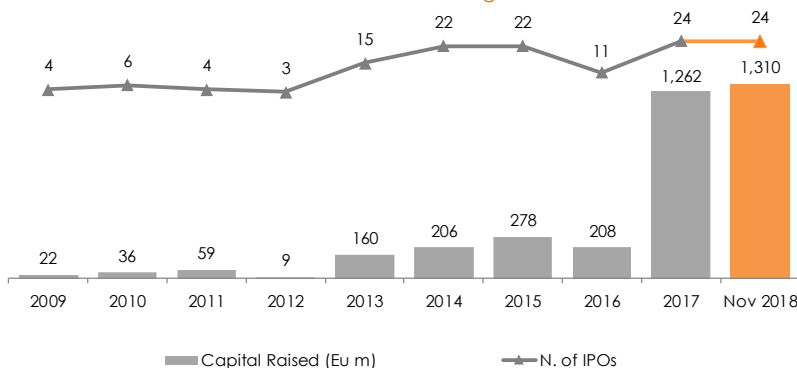
AIM Italia: 2009-2018 market dimension trend



Over the years, the number of IPOs and the amount raised has increased significantly with a peak registered in 2018, with the listing of 24 new companies and 1.3 Eu bn of capital raised so far. When compared to the Italian main market (MTA), AIM Italia has been far more dynamic with 81 listings vs. 22 on MTA in the 2015-2018 period.

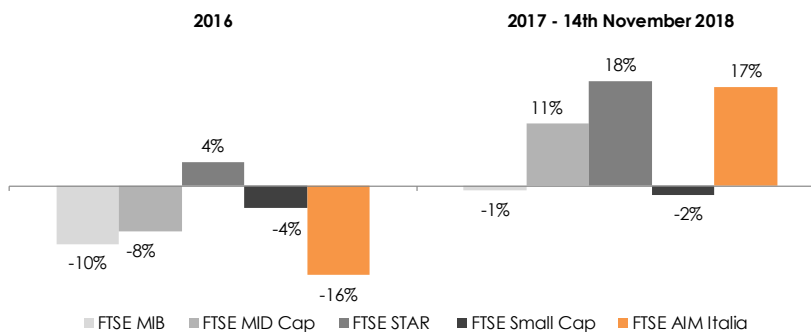
Since 2009, total equity raised in IPO on AIM Italia is 3.6 Eu bn; if including capital increases, warrant exercise and bond subscription, total capital raised is 4.1 Eu bn.

AIM Italia: 2009-2018 market growth trend



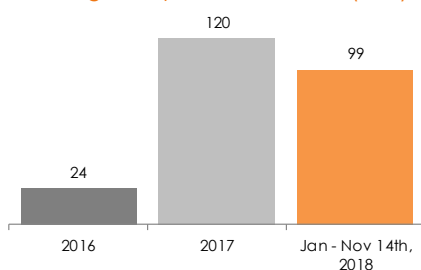
After the introduction of PIR (Piani Individuali di Risparmio, the Italian equivalent of UK Individual Savings Accounts) in 2017, all Italian indices showed positive trends. FTSE AIM Italia, in particular, grew by +17% in 2017-2018 vs. -16% in 2016.

FTSE Indices: 2016 vs. 2017-2018 trend (post PIR)

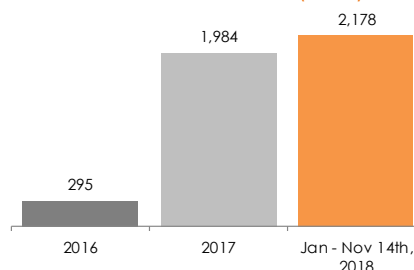


Also market liquidity improved significantly in 2017 thanks to PIRs, with Average Daily Traded Turnover (ADTT) increased to 120 Eu k (5.1x the 24 Eu k registered in 2016). Total Traded Turnover (TTT) amounted to 2.0 Eu bn in 2017 and 2.2 Eu bn so far in 2018, 6.7x and 7.4x the 295 Eu m in 2016.

Average Daily Traded Turnover (Eu k)



Total Traded Turnover (Eu m)



AIM ITALIA BY SECTOR

Finance is the main sector in terms of n. of companies (21%) and capitalisation (30%)

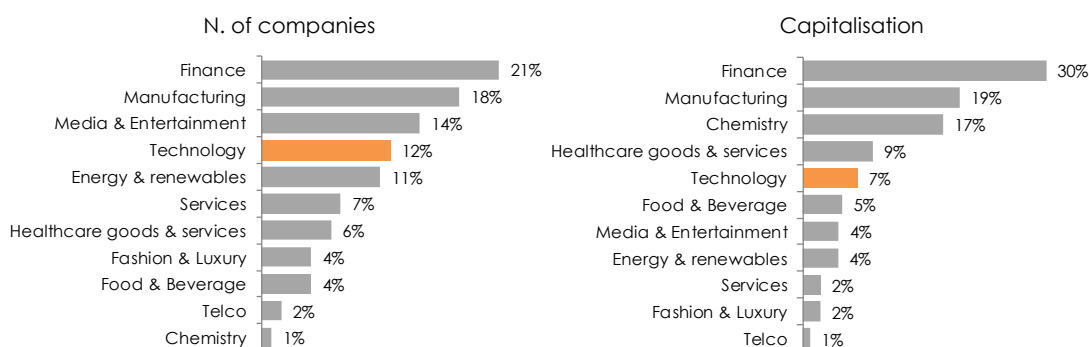
Best share performance 2017-2018: Chemistry (+366%) and Services (+39%)

Highest 2017 revenues yoy growth, excluding Chemistry: Energy and Healthcare (+25%)

Average 2017 EV/EBITDA multiple: 13.4x

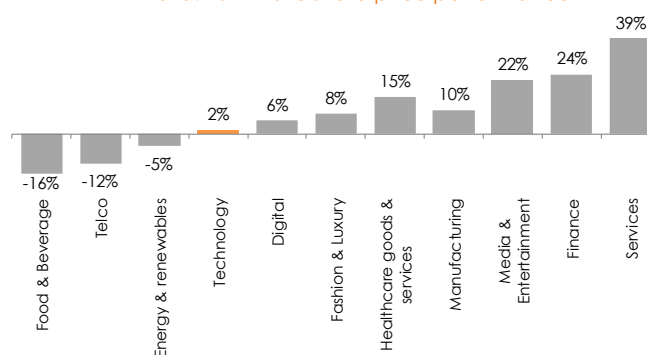
The most important sectors in terms of number of companies are: Finance including SPACs (21%), Manufacturing (18%) and Media & Entertainment (14%); main sectors in terms of capitalisation are Finance (30%), Manufacturing (19%) and Chemistry (17%).

AIM Italia: breakdown by Sector



Excluding Chemistry (+366%), which is represented only by 1 single company, Services is the sector that has shown best share performance in 2017-2018 (+39%), followed by Finance (+24%).

AIM Italia: 2017-2018 share price performance



In 2017 Manufacturing registered the highest level of average revenues (82 Eu m), followed by Healthcare goods & services (74 Eu m). Excluding Chemistry, the highest yoy growth was realised by Energy & renewables and Healthcare (both +22%). The sector that registered the highest level of average indebtedness (37.9 Eu m) was Energy & renewables.

AIM Italia: average 2017 financial data

Sector	Revenues (Eu m)	Revenue YoY % change (%)	EBITDA margin (%)	Net Debt (Cash) (Eu m)	NFP/EBITDA (x)
Chemistry	11	+114%	62%	(24.2)	-3.6
Energy & renewables	33	+22%	22%	37.9	7.5
Fashion & Luxury	39	+7%	10%	6.4	0.8
Food & Beverage	73	+3%	8%	13.8	0.9
Healthcare goods & services	74	+22%	17%	14.0	1.5
Manufacturing	82	+8%	13%	17.7	1.3
Media & Entertainment	22	-1%	2.2%	6.3	1.1
Services	15	+21%	19%	(0.8)	0.1
Technology	40	+18%	14%	(1.5)	0.9
Telco	11	+14%	40%	4.3	1.2
AIM Italia	44	+12%	14%	11.2	1.6

Looking at average capitalization and, again, excluding Chemistry, the first sector is Finance (93 Eu m), followed by Healthcare goods & services (92 Eu m) and Food & Beverage (73 Eu m). In terms of 2017 EV/EBITDA multiples, Energy & renewables shows the highest value (17.3x), followed by Technology (15.0x).

AIM Italia: average market data

Sector	N. of companies	Market Cap (Eu m)	Free Float (%)	ADTT YTD (Eu)	2017 EV/EBITDA (x)
Chemistry	1	1,293	37.0%	4,008,488	n.m.
Energy & renewables	12	27	24.9%	28,729	17.3
Fashion & Luxury	5	32	22.1%	32,563	8.5
Finance	24	93	73.0%	92,308	n.m.
Food & Beverage	5	73	41.2%	90,570	9.9
Healthcare goods & services	7	92	33.0%	66,582	12.2
Manufacturing	20	72	32.4%	84,431	13.1
Media & Entertainment	16	21	28.3%	35,861	9.3
Services	8	20	29.3%	44,164	12.3
Technology	13	39	34.1%	69,332	15.0
Telco	2	33	36.8%	59,967	8.6
AIM Italia	113	67	39.7%*	99,406	13.4

Source: Osservatorio AIM Italia and FactSet data as of November 14th, 2018
* 30% as median value
n.m. = not meaningful

AIM POSITIONING

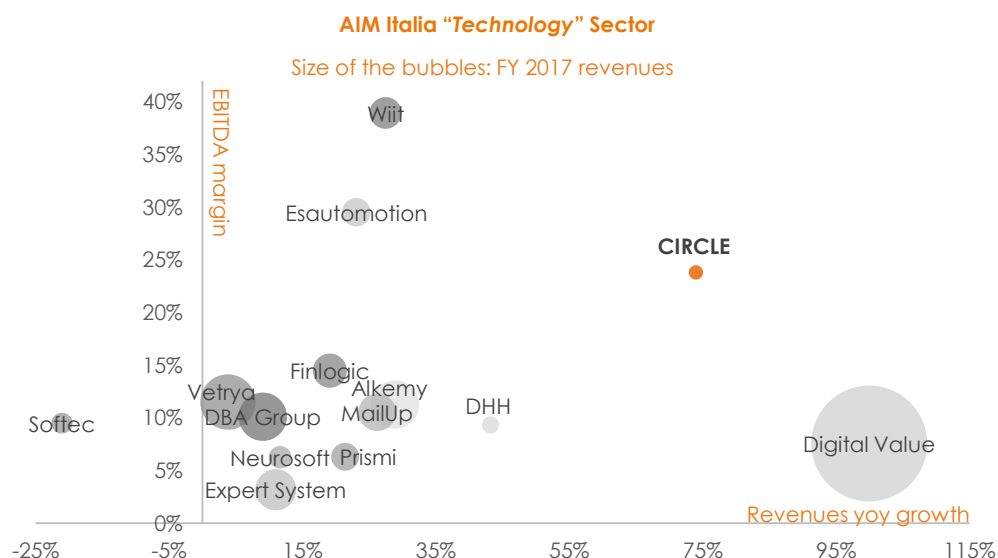
Higher revenues growth rate and EBITDA margin within the AIM "Technology" Sector

CIRCLE is positioned within the AIM "Technology" Sector.

Compared to average values of AIM Italia "Technology" Sector, CIRCLE shows:

- lower revenues (4.1 vs. 40 Eu m), but strongly higher yoy growth rate (+74% vs. +18%);
- higher EBITDA margin (24% vs. 14%);
- net financial position broadly in line (net cash of 1.0 vs. 1.5 Eu m).

Within this panel, CIRCLE, DHH, Esautomotion, Expert System, MailUp and WIIT are "Innovative SMEs".



FY 2017 Data	Revenues (Eu m)	Revenues YoY growth (%)	EBITDA margin (%)	Net Debt (Cash) (Eu m)	EV/EBITDA (x)	NFP/EBITDA (x)
Alkemy	44.9	+28.9%	11.3%	(19.2)	7.5	-3.8
CIRCLE ¹	4.1	+73.7%	23.8%	(1.0)	7.2	-1.0
DHH	5.7	+43.2%	9.4%	(2.5)	10.0	-4.7
Digital Value	259.0	n.a.	7.6%	1.8	3.6	0.1
Esautomotion	15.6	+23.1%	29.5%	0.03	9.5	0.01
Expert System	32.8	+11.0%	3.2%	8.8	50.2	8.4
Finlogic	22.4	+19.1%	14.5%	(4.3)	10.5	-1.3
MailUp	27.3	+26.2%	10.5%	(7.3)	9.8	-2.5
Neurosoft	9.8	+11.7%	6.3%	(1.7)	n.m.	-2.8
Prismi	15.0	+21.4%	6.3%	19.1	45.4	20.1
Sofftec	8.4	-21.0%	9.5%	1.4	10.3	1.7
Vetrya	58.8	+3.8%	11.5%	(6.6)	5.1	-1.0
Wiit	19.6	+27.5%	39.0%	(7.9)	11.2	-1.0
Technology²	40.2	+17.7%	14.0%	(1.5)	15.0	0.9
DBA Group	45.2	+9.1%	10.1%	(2.7)	6.7	-0.6
AIM Italia²	44.4	+11.7%	13.6%	11.2	13.4	1.6

Source: Osservatorio AIM Italia and FactSet data as of November 14th, 2018 for EV

¹ FY 2017 pro-forma data

² Average values (revenues yoy growth does not include CIRCLE's figure)
n.a. = not available; n.m. = not meaningful

Compared to average values of AIM Italia "Technology" Sector, CIRCLE shows:

- lower market capitalisation (8 vs. 39 Eu m);
- lower free float (20% vs. 34%);
- lower average daily traded turnover year-to-date (25 vs. 69 Eu k).

The share performance from IPO is positive and above average (+4% vs. -18%).

Market Data	Market Cap (Eu m)	Free Float (%)	Perf. from IPO (%)	ADIT YTD (Eu)
Alkemy	57.4	56.1%	-10.8%	67,118
CIRCLE	7.9	20.2%	+4.3%	25,499
DHH	7.8	30.0%	-45.0%	7,855
Digital Value	68.2	18.0%	+9.5%	19,947
Esautomotion	43.5	17.5%	+24.0%	190,251
Expert System	43.7	74.9%	-32.2%	103,600
Finlogic	38.4	23.7%	+53.3%	17,210
MailUp	35.7	34.2%	+30.1%	35,990
Neurosoft	35.1	16.0%	-82.0%	15,939
Prismi	23.9	83.1%	-88.9%	147,284
Sofftec	6.9	7.2%	-82.8%	27,639
Vetrya	41.2	31.0%	+4.3%	163,869
WIIT	92.9	31.5%	-20.4%	79,117
Technology*	38.7	34.1%	-18.2%	69,332
DBA Group	33.4	43.9%	-27.5%	25,974
AIM Italia*	66.6	39.7%	-5.1%	99,406

Source: Osservatorio AIM Italia and FactSet data as of November 14th, 2018

* Average values

REFERENCE MARKET

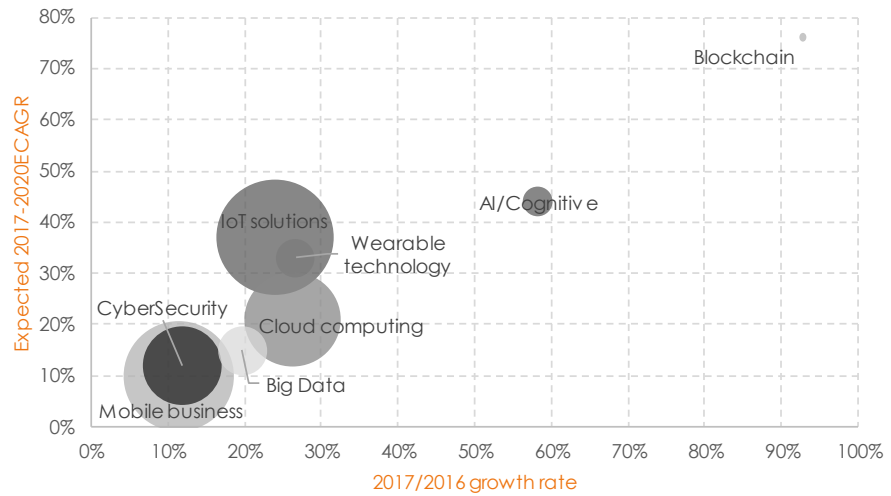
CIRCLE operates in the **niche market of digital transformation and supply chain optimization for the port and intermodal logistics sector** in countries bordering the Mediterranean Sea.

In 2017 the Italian digital market grew by 2.3%, reaching 68.7 Eu billion, continuing the trend started at the end of 2015 after years of continuous drops.

Growth, both worldwide and domestically, is mainly driven by investments directed at **Digital Transformation** and markets of principal **Digital Enablers are characterized by double-digit expected growth rates.**

Investments in Digital Enablers worldwide are concentrated in the Internet of Things (IoT) sector, that in 2017 was worth 194.7 USD billion, +24% vs. 2016 and with an expected growth rate 2017-2020E above 35%. However, the highest expected growth rates are in Blockchain and Artificial Intelligence/Cognitive solutions, with a 2017-2020E CAGR of 76% and ~45% respectively.

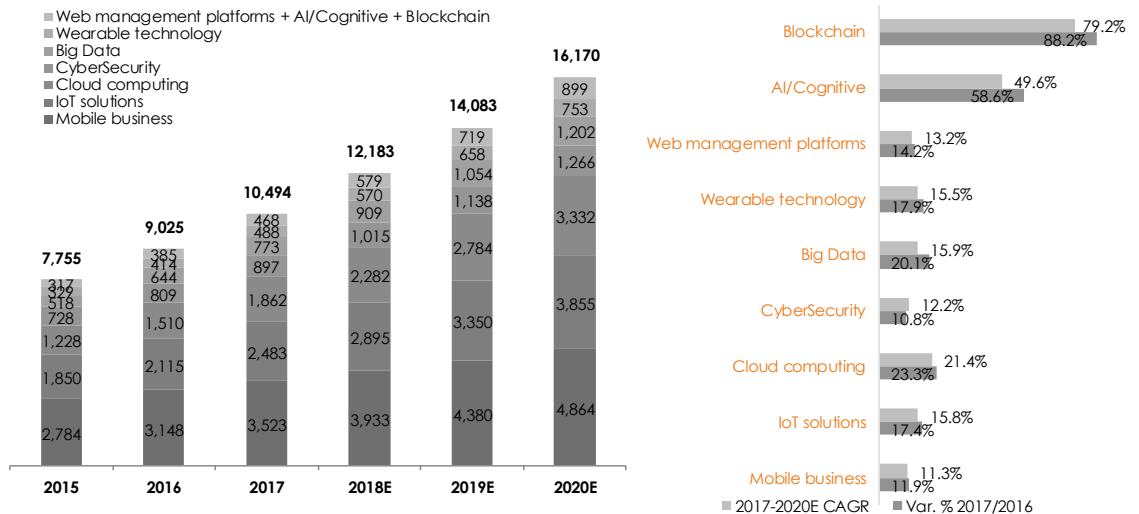
Size and growth of the global Digital Enablers market
(2017, USD b)



Source: ASSINTEC & ASSINFORM – Il mercato digitale italiano 2017-2020 (June 2018)

In Italy investments appear concentrated on mobile business (3.5 Eu b in 2017) and IoT solutions (2.5 Eu b). As regards future expected growth, the most attractive digital enabler are Blockchain solutions and Artificial Intelligence/Cognitive: expected 2017-2020E CAGR of expenditure in these areas are estimated equal to 79.2% and 49.6% respectively. Positive effects are to be expected also from the **Industry 4.0** strategy, launched in September 2016, with the aim of modernising Italy's manufacturing sector, mainly through the adoption of digital technologies and digital business models. Similar boost may also come from the recent relaunch of the Digital Strategy for Italy.

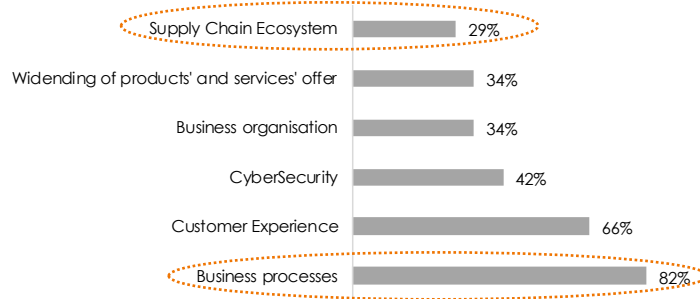
Size and growth of the Italian Digital Enablers market
(2015-2020E, Eu m)



Source: ASSINTEC & ASSINFORM – Il mercato digitale italiano 2017-2020 (June 2018)

Digital transformation initiatives of the companies expected in the short term are characterized by different strategic areas of intervention. Business processes (82%) and Customer Experience (66%) are the top two priority areas where Italian enterprises expect to focus digital transformation initiative in the short term.

Priority areas for Digital Transformation



Source: Asinform & Confindustria Digitale – Il Digitale in Italia 2017, Mercati, Dinamiche, Policy (July 2017)

FOCUS ON DIGITAL TRANSFORMATION OF SUPPLY CHAINS

Logistics is considered an essential part of the services offered by a company and in its value chain, and its management therefore affects the competitiveness of a company. A study by BVL International detects 15 trends in the logistics sector that influence the strategy and the execution. Main external factors that force companies to draw up strategic responses are cost pressure, individualisation and complexity (exogenous trends). **The most important endogenous trends that the companies themselves need to move forward on are the digitisation of business processes and the greater transparency of supply chains.**

Exogenous trends

- Cost pressure
- Individualisation
- Complexity
- Demand fluctuations
- Personnel shortages
- Sustainability
- State regulations/Compliance
- Risks/Interruptions
- Changed consumer behaviour

Endogenous trends

- Digitisation of business processes
- Transparency of the value added chain
- Interconnection/Collaboration
- Business analytics
- Automation
- Decentralisation

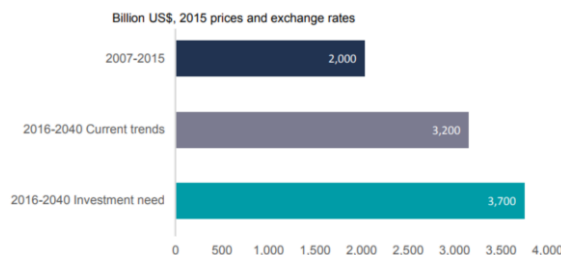
Source: BVL International, 2017 – Trends and Strategies in Logistics and Supply Chain Management, Digital Transformation Opportunities

The demand for digitalisation of logistics systems and shipping involves and impacts different players (port terminals, terminal for inland navigation, shipping companies, customs agencies, maritime agents) that seek greater process efficiency by optimizing the complexity of information flows between the various actors involved, speeding up and making operations safer, increasing the traceability of goods, reducing transit times and related costs.

Digitalisation and the arrival of innovative IoT technologies have created a disruption (digital disruption) in the local market of the logistics and the multimodal Supply Chain.

FOCUS ON INFRASTRUCTURE

Global infrastructure investments are estimated equal to 94 USD trillion in the 2016-2040 period, with average annual investments of 3.7 USD trillion.



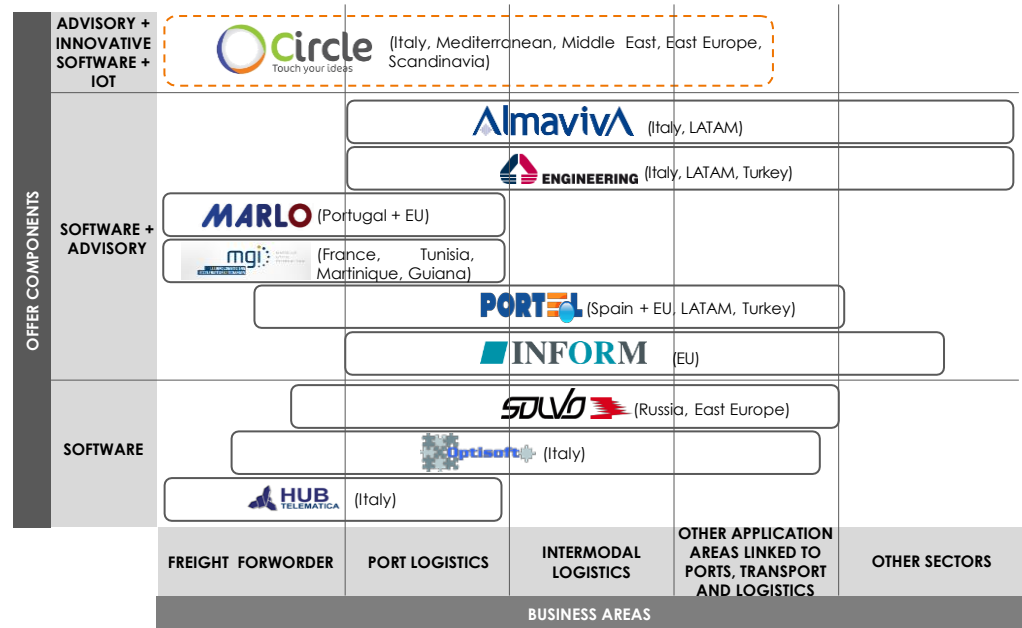
Key factors for Infrastructure and engineering services' demand

- 1) Connectivity
- 2) IoT
- 3) Broad band
- 4) Optic fiber
- 5) Population
- 6) Urbanisation
- 7) Mobility

Source: Oxford Economics, Source: Global Infrastructure Hub – Global Infrastructure Outlook, Infrastructure investment needs

COMPETITIVE LANDSCAPE AND CIRCLE'S POSITIONING

CIRCLE operates in a niche market (software for port and intermodal logistics sector) which is characterized by the presence of a few middle sized (Almaviva and Engineering > 700 Eu m) and many smaller European players (< 160 Eu m). CIRCLE distinguishes itself as the only player able to provide a complete offering in terms of components, while at the same time covering the whole value chain (including freight forwarder).



Source: CIRCLE's Analyst Presentation

The table below shows a scheme of the competitors with a brief description of their activities, nationality and the main key financials.

Company	Country	Overview	FY 2016 sales EBITDA margin
Almaviva	Italy	A consolidated partner of the main central government agencies, it accompanies the process of digitization and technological innovation of the country. It offers the market a complete range of IT services based on certified technological infrastructures that guarantee continuity of service, privacy and data security.	739.2 Eu m 4.8%
Engineering	Italy	A leading player in the outsourcing and cloud computing market, Engineering has a consolidated presence on all vertical markets and operates through 4 business units (Public Administration and Health, Telco & Utilities, Industry and Services, Finance) supported by cross-cutting expertise and the Research & Innovation Department.	934.6 Eu m 11.6%
Marlo	Norway	Company specialized in consulting and issuing of technological solutions for customers engaged in the transport and logistics sector (port and sea transport, intermodal solutions and logistics).	0.93 Eu m -26%
Mgi	France	Player specialized in offering IT solutions for logistics in the port and airport transport sector. It provides 4 types of services: - Innovative solutions - artificial intelligence for the development of Cargo and Port Community systems - Audit / Consulting - review of logistics processes - Project management support - Training	6.6 Eu m 24.25%
Portel	Spain	Portel, founded in 1995, operates in the port sector, acting as a sole interlocutor for the Spanish maritime port system in order to facilitate the exchange of information between the parties involved in a transport operation. The company operates through 3 business lines: i. software; ii. IT solutions; iii. Consulting.	5.2 Eu m -19.4%
Inform	Germany	Company specialized in providing IT solutions and software dedicated to the optimization and advanced management of business processes production and planning in the decision-making process. The company operates globally with over 600 analysts and engineers serving over 1,000 customers globally distributed to provide turnkey solutions with support 24/24 hours and 7/7 days.	78 Eu m 9.2%
Solvo	Russia	Russian company specialized in the Supply Chain Execution sector. The core business is the development of software for logistics management: - Warehouse management software - customized solutions aimed at different sectors for any type of warehouse - Terminal operating software - for the management of both sea and land container terminals	1.1 Eu m n.a.
Optisoft	Italy	Optisoft S.r.l. was founded in 1994 by the initiative of some freelancers specialized in the development of system software and in the realization of Optimization Algorithms. The systems that Optisoft has developed and commercializes are Travel and LimesOS. Optisoft boasts, among its customers, national and international companies (ie IBM, Almaviva TSF, Reply Group, Dalmine, Selex ES SpA, Marconi Communications, Eli Lilly, Maggioli Group, JMAC, SET), large groups that require consulting and skills in the Internet environment.	0.795 Eu m 14.0%
Hub telematica	Italy	Hub Telematica is a company that deals with online services in the transport sector and has as its partners the association of Genoese shippers, Spediporto and the Association of Maritime Agents of Genoa. Hub is the direct expression of the Shipping and Maritime Agents community of the port of Genoa, founded with the aim of spreading information and communication services in shipping and logistics, at local and national level.	0.936 -0.7%

Source: CIRCLE's Analyst Presentation

GROUP PROFILE

CIRCLE, founded in Genova in July 2012, is specialised in the provision of **innovative technological solutions for the optimization and digitization of the supply chain for the port and intermodal logistics sector**. Through a vertically integrated business model, the Company completes its offering with services for focused exploitation of European funding and digital marketing.

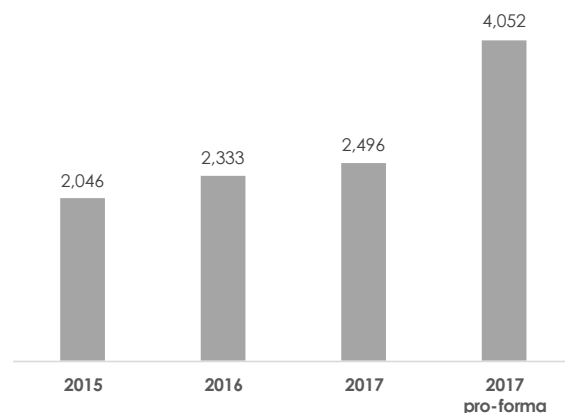
Thanks to its two proprietary suites *Milos®* and *Sinfomar®*, CIRCLE meets the emerging need for clients in its niche market to accelerate, simplify and connect information flows between the different actors and economic operators.

With local offices in 8 countries (Italy, Belgium, Portugal, Spain, Romania, Turkey, Saudi Arabia, Iran) and **45 highly specialised employees**, the new Group recorded pro-forma 2017 revenues of 4.1 Eu m (+74% vs. 2016) and an EBITDA margin of 24%. The Company realizes c. 35% of revenues outside Italy, with focus on Europe and the Middle East.

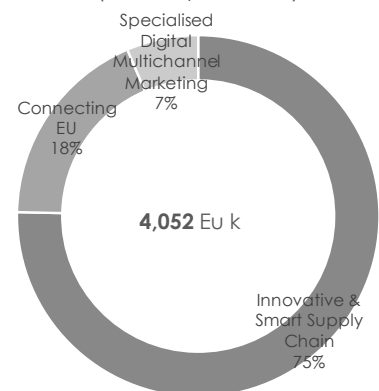
In November 2017 the Company acquired 51% of Info.Era Srl, a software house with 20-year of experience and owner of *Sinfomar®*. The investment will allow important synergies between the two companies as well as the strengthening of both companies software products in the intermodal logistics (*MILOS®* of CIRCLE) and port logistics (*Sinfomar®* of Info.Era).

CIRCLE is included in the Milan Register of "Innovative SMEs" since June, 2016 (Law no. 33 of March 24th, 2015 "Investment Compact").

Value of Production (VoP) trend
(FY 2015-2017 pro-forma, Eu k)



Value of Production (VoP) breakdown by business units
(FY 2017 pro-forma)



CIRCLE listed on the Italian AIM market on October 26th, 2018. The IPO price was set at a 2.40 Eu per share, corresponding to a market capitalisation of 7.57 Eu m. The offer consisted of a capital increase of 638,400 m new shares for 1.5 Eu m and a resulting free float of 20.24%.

BUSINESS MODEL AND BUSINESS UNITS

CIRCLE operates with a business model based on **three strategic synergic and vertically integrated business units**. The Company relies on innovative proprietary technological solutions and internal know-how to offer advanced process and management consulting services to help clients in the process of supply chain digitalisation.

- **Innovative & Smart Supply Chain (75% of FY 2017 revenues):** software solutions and advanced management consulting services to digitalize and optimise workflow management for actors involved in the port logistics supply chain. The Company offers two proprietary software platforms, *Milos®* and *Sinfomar®*, both standardized solutions sold on a turn key basis or in Saas mode (software as a service) with duration of licences usually of about 5 years.
- **Connecting EU (18% of FY 2017 revenues):** thanks to the management team's specific experience in EU-funded projects, CIRCLE assists public actors and private companies in developing new businesses by supporting them in obtaining funds through advice on the European financing systems.
- **Specialised Digital Multichannel Marketing (7% of FY 2017 revenues):** a set of services including analysis, definition and consultancy of how to use digital communication tools. CIRCLE's Smart Visual Merchandising is a system of tools for communication and loyalty marketing that, by interacting with each other and with customers physical and offline channels, allows precise profiling and the multiplication and enhancement of opportunities for contact.

CIRCLE has developed and is currently managing with the ANP (agency of all Moroccan ports) www.onthemosway.eu, a multi-channel digital information platform which is becoming the industry benchmark on the Motorways of the Sea (MoS) for international operators along the fast trade lane. The platform offers several channels through which news and analysis on shipping, ports, transportation, logistics, digitalisation, environment, safety, security and training between Europe, Morocco, Turkey and Iran are released.

INNOVATION

Milos® is an innovative **modular software** that by digitalising, automating and optimizing procedures allows logistics terminals, shippers and port authorities to speeding up their procedures, enhancing their visibility of goods and reduce transit time along the entire supply chain. The various **Milos®** modules can be combined and are mainly focused on 4 areas:

- terminal automation;
- intermodal terminal management;
- customs management;
- Port Community System/Terminal Operating System (TOS) integration .

Sinfomar® is a software that connects, in a single technological platform, all the actors interacting in a port, guaranteeing the interoperability between the different ICT systems used by the individual stakeholders in order to digitise and optimise all the operations related to the management of the processes port. **Sinfomar®** is currently the port community system used by the Port of Trieste.

STRATEGICAL PARTNERSHIPS

To be able to operate in markets adherent to its own target market, Management has chosen to establish industrial and commercial partnerships with selected players offering niche solutions. In particular, the Company signed agreements with Log@sea (40% CIRCLE), that offers gate automation solutions, for the Shipping&Automation industry and Binary System Srl, which offers software solutions for the integration with rail undertaking companies.

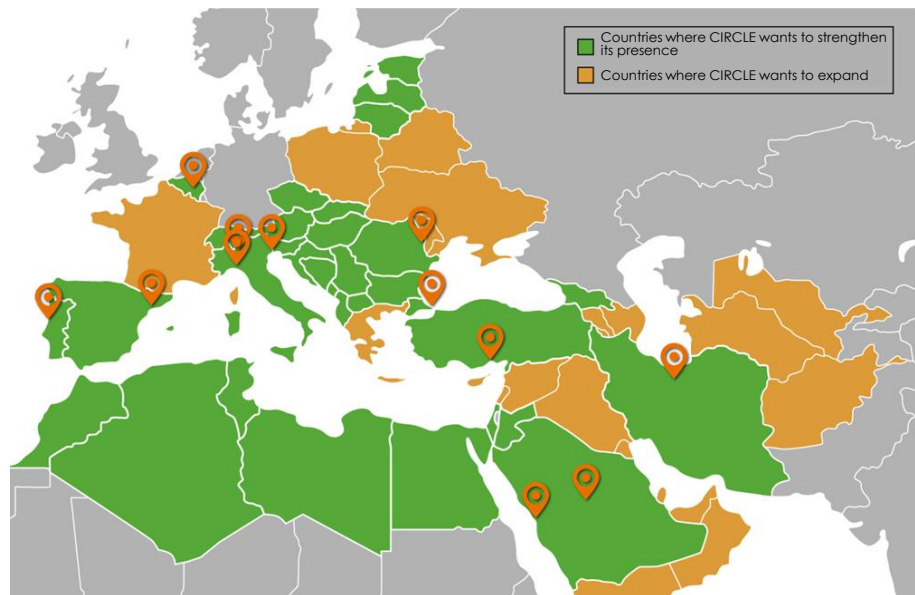
CLIENTS' BASE

CIRCLE's client base includes shippers, port terminal in-land, port authorities, multimodal transport operators (MTO) and railways firms. 60% of clients are Italian, while the remaining 40% are most of all extra EU. 85% of clients are private companies that buy through licences. In 2017 **top 10 clients represented 62% of total revenues**. The No. 1 client represented 14% of total revenues. Client portfolio includes clients as IKEA, Orsero, Ralph Lauren and Coop.

STRATEGY

In the next years Management intends to make the Company grow along the following strategic guidelines:

- 1) **Development of new products and services, in order to always be ahead of the market. Particular focus on software** related to the "last mile" of the Supply Chain (logistic and/or railway node), Optimization, IoT, Big Data, Blockchain, Data Analytics and Artificial Intelligence. Recruitment of qualified resources is a key activity.
- 2) **Strengthening and expansion of geographical presence** by (i) consolidating in markets where already present in the Mediterranean area (in particular: Turkey, Spain, Portugal, Morocco, Tunisia, Albania, Serbia, Israel, Eastern Europe, Saudi Arabia, Iran, Switzerland) and (ii) by entering new territories (France, Poland, Ukraine, Belarus, Greece, Jordan, Oman,).



Source: CIRCLE's Admission Document

- 3) **External growth through acquisitions of companies and/or strategic assets and joint ventures.** Focus on targets active in digitalisation of railway and/or maritime procedures; automation & IoT consultancy; technical development and innovative IoT / blockchain solutions; digital magazines/portals/vertical information hubs for the supply chain; process consultancy activities; European projects for geographic market coverage; companies complementary to CIRCLE in terms of geographical presence and/ or reference commodity targets.
- 4) **Exploit cross and up-selling opportunities between the 3 business units.**

OPPORTUNITIES

- **Growing international trade and need of modernisation and automation of obsolete infrastructure in ports and intermodal hubs.**
- Well positioned to exploit opportunities in growing markets thanks to its **already extended international footprint.**
- Historical track-record and **long lasting relations with clients.**
- **Technological innovation and two proprietary software** (*Milos®* and *Sinfomar®*).
- **Solid expertise** in business process reengineering and project management, as well as of **EU policies**, allowing the Company to offer a **product portfolio anticipating EU regulations.**
- Solid financial structure (no indebtedness with 1 Eu m of net cash at the end of 2017) and **backlog pipeline of 3.5 Eu m.**

MAIN RISKS

- **Highly competitive market**, characterized by the presence of a large number of highly specialized and competent operators of relatively small size with lean and competitive cost structure
- **Difficulty in recruiting new skilled human resources** able to conceive, develop and implement the Company's new products internally.
- **Rather high sales concentration:** In 2017 **top 10 clients represented 62% of total revenues**
- **Limited brand awareness and bargaining power.**
- Implementation of the strategies and future development plans: growth objectives depends on the success in implementing its growth strategy as well as content and service development plans.
- Obsolete IT systems of clients and **hacking risks.**

OWNERSHIP

CIRCLE is owned by the CEO Abatello (66.5%)

Free Float is 20.2%

CIRCLE is owned by the co-founder, and CEO Luca Abatello, who holds 66.48% of the outstanding shares. The share capital subscribed and paid up is 211,000 Eu, made up by n. 3,154,650 ordinary shares without nominal value.

Innotech, LigurCapital, CapitallImpresa and Alcaela have a **lock-up agreement** with the NomAd on their shares **for 30 months from the IPO date.**

Free float is 20.24%.

Shareholder	N° of shares	%
Innotech Srl ¹	2,097,060	66.48%
LigurCapital SpA ²	154,410	4.89%
CapitallImpresa SpA ²	154,410	4.89%
Alcaela Srl ³	110,370	3.50%
Market	638,400	20.24%
Total	3,154,650	100.00%

Source: Company data as of October 26th, 2018

¹ 100% Luca Abatello

² Funds

³ Related to Alexio Picco, CIRCLE's co-founder, Director and Head of the business unit Connecting EU

GOVERNANCE

3 Board members, of which 1 Independent

List vote: 5% of share capital.

The Board of Directors has 3 members, 1 of which is Independent.

Luca Abatello – Co-founder, Chairman and CEO

Degree in Economics and Commerce at the University of Genoa (1999) and Executive MBA - PIM at SDA Bocconi in Milan (2007). Over 20 years of experience in the ICT, business advice and digital marketing sectors.

Co-founder and CEO of Circle Srl since 2012, Chairman of the Board of Info.Era since December 2017.

Alexio Picco – Co-founder, Director and Head of the business unit Connecting EU

Degree in Transportation Engineering at the University of Genoa (2004). Since 2007 he is independent expert for the evaluation of innovative projects at the European Commission.

He is co-founder and advisor for the development of Circle Srl since 2012.

Stefano Messina – Independent Director

Since 1994 he has been part of the companies of the family group (Messina Group) mainly dealing with planning, administration, finance and control within the core-business of armament and international maritime transport services.

He is currently Chairman of the company Gruppo Messina SpA, vice-president of Ignazio Messina & C. SpA, president of Frou Jolly SpA (shipowning company in the tanker segment) and president of Yarpa SpA (private equity company). Since January 2018 he holds the position of president of the association AssArmatori.

**FY 2017 PRO-FORMA AND
1H 2018 RESULTS**

CIRCLE completed the acquisition of Info.Era in November 2017 and data for FY 2017 has therefore been presented on a pro-forma basis including Info.Era for the full year. Pro-forma financials are not available for the 1H 2017. 2015 and 2016 financials represent Circle Srl stand alone.

FY 2017 pro-forma **Value of Production reached 4.1 Eu m, +73.7% vs. FY 2016**, mainly driven by the acquisition of Info.Era. On a like-for like basis, Circle Srl grew by +7.0% to 2.5 Eu m. In 1H 2018 CIRCLE Group recorded a VoP of 2.4 Eu m.

In FY 2017 **EBITDA** came in at **1 Eu m**, with an **EBITDA margin of 23.8%**. Personnel costs amounted to 1.6 Eu m (2.4 Eu m including external workforce), 52% of total operating costs, and represent the most important cost item. In the first half of 2018 the EBITDA of the Group reached 0.6 Eu m, with an EBITDA margin of 26.5% thanks to lower personnel costs (0.9 Eu m), the shift of the listing costs to the 2H 2018 and also some operational efficiencies.

After 0.3 Eu m of D&As mainly on patents rights, CIRCLE recorded a FY 2017 pro-forma **EBIT of 0.7 Eu m**. In 1H 2018 D&As were 0.2 Eu m and EBIT was 0.5 Eu m.

In FY 2017 **Group's Net Profit pro-forma reached 0.5 Eu m**, with a net margin of 11.6%. CIRCLE benefits from the Patent Box regime and in FY 2017 tax rate was 22.6%. In the first half-year 2018 the Group recorded a Net profit of 0.3 Eu m with a net margin of 12.8%.

Eu m – ITA GAAP	FY 2015	FY 2016	FY 2017	FY 2017 pro-forma	1H 2018
Value of Production (VoP)	2.0	2.3	2.5	4.1	2.4
VoP YoY % growth	n.a.	+14.0%	+7.0%	+73.7%	n.a.
EBITDA	0.4	0.6	0.7	1.0	0.6
EBITDA margin	19.8%	24.4%	28.3%	23.8%	26.5%
EBIT	0.4	0.5	0.6	0.7	0.5
EBIT margin	18.6%	21.4%	22.8%	16.9%	19.7%
Pre-tax Profit (Loss)	0.4	0.5	0.6	0.7	0.5
EBT margin	18.4%	21.3%	23.0%	16.9%	19.8%
Group's Net Profit (Loss)	0.3	0.4	0.5	0.5	0.3
Net margin	13.1%	17.0%	18.7%	11.6%	12.8%

Source: Company data (Italian accounting principles). FY 2015, FY 2016 and FY 2017 financials reflect the results of Circle Srl stand alone
n.a. = not available

CIRCLE's **net working capital** is highly influenced by the timing of payments for EU projects, that usually have cash flows difficult to predict at a certain date. At year-end 2017pf Net working capital was of **0.3 Eu m** and 0.6 Eu m at the end of June 2018.

As of December 31st, 2017 CIRCLE was **cash positive for 1.0 Eu m** (0.9 Eu m as of 06/30/2018), with total **equity of 1.8 Eu m** (2.2 Eu m as of 06/30/2018).

Eu m – ITA GAAP	12/31/2015	12/31/2016	12/31/2017	12/31/2017 pro-forma	06/30/2018
Net working capital (NWC)	(0.1)	0.2	0.2	0.3	0.6
Net fixed assets	0.1	0.1	0.3	0.8	1.0
Funds	(0.1)	(0.1)	(0.1)	(0.3)	(0.3)
Net Capital Employed	(0.1)	0.3	0.4	0.8	1.3
Net financial Debt (Cash)	(0.9)	(1.1)	(1.2)	(1.0)	(0.9)
Group's Equity	0.8	1.4	1.6	1.6	2.0
Minorities	0.0	0.0	0.0	0.2	0.2
Sources	(0.1)	0.3	0.4	0.8	1.3

Source: Company data (Italian accounting principles). Financials as of 12/31/2015, 12/31/2016 and 12/31/2017 reflect the results of Circle Srl stand alone

2018-2021 ESTIMATES

We believe CIRCLE can grow **revenues** at a 2017pf-2021 CAGR of 19.5% (from 4.1 to 8.3 Eu m) by continuous development of product portfolio, leverage on cross-selling and up-selling opportunities on current client base and focus on international expansion.

EBITDA should grow at a CAGR of 22.0% (from 1.0 to 2.1 Eu m) with an increase in **EBITDA margin** from 23.8% in 2017pf to 25.9% in 2021 mainly thanks to operational leverage, in particular personnel costs spread over higher level of revenues, although somewhat offset by strengthening of commercial and R&D structure in support of strategic guidelines.

Tax rate in line with FY 2017 (between 22-23.9%), as the Company will continue to benefit from Patent Box on software sold. Consequently, **Group's net profit** should more than double to 1.1 Eu m in FY 2021.

Total capex is estimated at 1.6 Eu m in the period considered and related in particular to R&D, trademarks and patents. We assumed only maintenance capex in tangible assets (18 Eu k per year).

We expect that CIRCLE will remain **cash positive in the period considered**.

Our estimates do not include M&A activities nor new medium-long term loans during the period.

Eu m – ITA GAAP	FY 2017 pro-forma	FY 2018E	FY 2019E	FY 2020E	FY 2021E
Value of Production (VoP)	4.1	5.0	5.9	7.0	8.3
VoP YoY % growth	+73.7%	+24.0%	+18.0%	+18.0%	+18.0%
EBITDA	1.0	1.3	1.5	1.8	2.1
EBITDA margin	23.8%	25.9%	25.3%	25.9%	25.9%
EBIT	0.7	1.0	1.1	1.4	1.6
EBIT margin	16.9%	20.3%	19.0%	19.7%	19.9%
Pre-tax profit	0.7	1.0	1.1	1.4	1.6
EBT margin	16.9%	20.3%	19.0%	19.7%	19.9%
Group's Net Profit	0.5	0.7	0.7	0.9	1.1
Net margin	11.6%	13.5%	12.4%	13.3%	13.7%
EPS (Eu)	0.19	0.21	0.23	0.29	0.36

Eu m – ITA GAAP	FY 2017 pro-forma	FY 2018E	FY 2019E	FY 2020E	FY 2021E
Net working capital (NWC)	0.3	0.2	0.5	0.7	0.9
Net fixed assets	0.8	1.2	1.1	1.0	0.8
Funds	(0.3)	(0.4)	(0.4)	(0.4)	(0.5)
Net Capital Employed	0.8	1.0	1.2	1.3	1.3
Net financial Debt (Cash)	(1.0)	(3.1)	(3.7)	(4.7)	(6.0)
Total Equity	1.8	4.1	4.9	6.0	7.3
Sources	0.8	1.0	1.2	1.3	1.3

Source: Company data (Italian accounting principles) for FY 2017 pro-forma, IRTop Research estimates for FY 2018-2021

VALUATION

We valued CIRCLE through two different approaches:

- market multiples comparison
- Discounted Cash Flow (DCF) model.

AIM POSITIONING DISCOUNT/PREMIUM

When using market multiples to determine the fair value of an AIM Italia listed company, we apply a discount on the average peer multiple based on an algorithm that measures the positioning of the company compared to the AIM Italia market as a whole and to the relevant AIM Sector .

In partnership with "Osservatorio AIM" (IR Top proprietary database) all companies listed on AIM Italia have been analysed over 4 dimensions:

1. Market Data (capitalisation, liquidity, free float)
2. Financials (growth and profitability)
3. Sustainability (ESG)
4. Transparency (strategic plan)

The Market Data establishes a base discount that runs from 20% to 30%. According to a scoring system, the other 3 dimensions (Financials, Sustainability and Transparency) determine an additional discount/premium in a range of +/- 5%.

Applying the algorithm on CIRCLE, we consider fair a discount of 27.50% to peers based on:

- Market Data discount of 30%;
- a 2.5% premium as a sum of the scoring for Financials, Sustainability and Transparency.

The figure below summarizes CIRCLE's relative positioning for the items considered.

CIRCLE's AIM Positioning	AIM Sector		AIM Italia		YES	NO
	<AVG	>AVG	<AVG	>AVG		
Market Data						
Capitalisation	X		X			
Liquidity (ADTT YTD)	X		X			
Free Float	X		X			
Financials						
YoY Revenues growth		X		X		
EBITDA Margin		X		X		
Dividend policy						X
Sustainability (ESG)						
Independent Directors					X	
List vote					X	
Relevant Environmental Data						X
Relevant Social Data						X
Transparency						
Strategic Plan						X

Source: Osservatorio AIM Italia and FactSet data as of November 14th, 2018

27.5% discount vs. peers according to AIM Positioning

RELATIVE VALUATION (MARKET MULTIPLES)

For our relative valuation of CIRCLE we identified two separate peer groups (i) AIM Italia listed peers active in IT industry and software development, and (ii) Italian and European industry peers operating in the process consultancy, supply chain and logistics software. According to our AIM Positioning (see above) we apply a 27.5% discount on Small & Mid Cap peers. No discount is applied on AIM Italia listed peers. Using 2018-2019 EV/EBITDA, EV/EBIT and P/E medians, our market multiple comparison yields a fair value of **3.72 Eu per share**.

	Country	Market Cap (Eu m)	2017 revenue (Eu m)	Revenue % change 2017/2016	2018 revenue (Eu m)	2017 EBITDA margin	2018E EBITDA margin
Alkemy	Italy	57.4	44.9	28.9%	64.4	11.3%	11.0%
DHH	Italy	7.8	5.7	43.2%	6.2	9.4%	10.8%
Esautomotion	Italy	43.5	15.6	23.1%	18.0	29.5%	30.8%
Finlogic	Italy	38.4	22.4	19.1%	31.1	14.5%	14.7%
MailUp	Italy	35.7	27.3	26.2%	35.2	10.5%	10.2%
Vetrya	Italy	41.2	58.8	3.8%	64.7	11.5%	11.9%
Wiiit	Italy	92.9	19.6	27.5%	24.9	39.0%	41.4%
DBA Group	Italy	33.4	45.2	9.1%	55.2	10.1%	11.9%
AIM peers' median		39.8	24.8	24.7%	33.1	11.4%	11.9%
Datalogic	Italy	1,271	606	+5.1%	637	16.6%	17.0%
Generix Group France	France	78	70	+11.6%	77	8.1%	10.2%
Piteco	Italy	81	16	+21.5%	21	32.7%	40.0%
PSI Software	Germany	255	186	+5.2%	200	7.3%	10.3%
Reply	Italy	1,796	884	+13.3%	1,000	11.9%	14.0%
SeSa	Italy	364	1,351	+7.2%	1,482	3.4%	4.8%
TXT e-solutions	Italy	107	36	+8.4%	40	10.4%	11.3%
Small & Mid Cap peers' median		255	186	+8.4%	200	10.4%	11.3%
CIRCLE	Italy	7.9	4.1	+73.7%	5.0	23.8%	25.9%

Source: Osservatorio AIM Italia for AIM peers, FactSet data as of November 14th, 2018 for Small & Mid Cap peers, Company data and IRTop Research estimates for CIRCLE

	EV/EBITDA (x)			EV/EBIT (x)			P/E (x)		
	18E	19E	20E	18E	19E	20E	18E	19E	20E
Alkemy	6.8	4.3	3.4	6.8	4.3	3.4	29.8	23.6	17.3
DHH	7.6	5.4	3.3	7.6	5.4	3.3	24.5	19.4	12.7
Esautomotion	6.3	5.0	3.8	6.3	5.0	3.8	13.6	11.4	9.6
Finlogic	7.8	6.3	5.1	7.8	6.3	5.1	16.6	12.7	10.5
MailUp	8.0	5.7	4.0	8.0	5.7	4.0	37.6	19.8	13.2
Vetrya	4.9	3.8	3.1	4.9	3.8	3.1	13.2	9.6	9.0
Wiiit	9.0	6.6	5.5	9.0	6.6	5.5	24.1	17.1	14.3
DBA Group	5.4	3.8	2.4	10.3	6.4	3.6	17.6	12.4	8.0
AIM peers' median	7.2	5.2	3.6	7.7	5.5	3.7	20.9	14.9	11.6
Datalogic	11.5	10.0	9.0	13.9	11.6	10.2	20.1	17.5	15.8
Generix Group France	10.0	7.5	n.a.	14.4	9.9	n.a.	29.2	18.4	n.a.
Piteco	13.0	9.5	7.9	16.7	11.8	9.5	17.2	12.1	10.2
PSI Software	12.1	10.6	9.4	15.6	13.3	11.6	22.6	19.2	17.0
Reply	12.5	10.6	9.1	13.4	11.4	9.9	20.2	17.8	15.6
SeSa	4.2	3.6	3.1	5.6	4.8	4.1	11.2	10.0	9.0
TXT e-solutions	8.1	6.4	5.3	13.3	9.5	7.5	45.7	31.9	24.6
Small & Mid Cap peers' median	11.5	9.5	8.4	13.9	11.4	9.7	20.2	17.8	15.7
CIRCLE	3.7	2.8	1.8	4.7	3.7	2.3	11.7	10.7	8.5
Discount/Premium to AIM peers	-48%	-47%	-51%	-39%	-33%	-37%	-44%	-28%	-27%
Discount/Premium to Small & Mid Cap peers	-68%	-71%	-79%	-66%	-67%	-76%	-42%	-40%	-46%

Source: Osservatorio AIM Italia for AIM peers, FactSet data as of November 14th, 2018 for Small & Mid Cap peers, IRTop Research estimates for CIRCLE
n.a. = not available

At current market prices, CIRCLE trades at a significant discount to peers: average of 61% for EV/EBITDA, 53% for EV/EBIT and 38% for P/E).

DISCOUNTED CASH FLOW

WACC assumptions:

- Risk-free interest rate: 3.0% (3-month average of Italian 10y BTP yield)
- Perpetual growth: 1%
- Market risk premium: 8.06%
- Beta: 0.9
- WACC: 10.25% = Cost of equity (K_E) as we expect that CIRCLE will remain cash positive

Our DCF valuation yields a fair value of **3.70 Eu per share**.

+ Sum of PV 2018-2021 FCFO (Eu m)	2.87	29%
+ Discounted Terminal Value (Eu m)*	7.14	71%
= Enterprise Value (Eu m)	10.02	100%
- Net financial Debt (Cash) as of June 30 th , 2018 (Eu m)	(0.85)	
+ IPO proceeds (Eu m)	1.53	
- Minorities (6% DCF) (Eu m)	0.74	
= Equity Value (Eu m)	11.66	
÷ Number of outstanding shares after IPO (m)	3.15	
= Fair Value per share (Eu)	3.70	

Source: Company data (Italian accounting principles) and IRTop Research estimates as of November 14th, 2018
 * Computed on the basis of 2019-2021 FCFO average

Sensitivity analysis

Eu		WACC				
		9.0%	9.5%	10.0%	10.5%	11.0%
g	0.5%	4.0	3.8	3.7	3.5	3.4
	1.0%	4.2	4.0	3.8	3.6	3.5
	1.5%	4.4	4.1	3.9	3.7	3.6

VALUATION SUMMARY

Weighting the two approaches equally, we set a **target price of 3.71 Eu per share**, implying an upside of 48% and an implicit 2018-2019 EV/EBITDA multiples of 8.3x and 7.2x respectively.

Method	Weight	Price (Eu)
Multiple analysis	50%	3.72
DCF	50%	3.70
Target Price	100%	3.71

Our valuation yields a Target Price of 3.71 Eu p.s.

CIRCLE ON AIM ITALIA

+4% from IPO

IPO

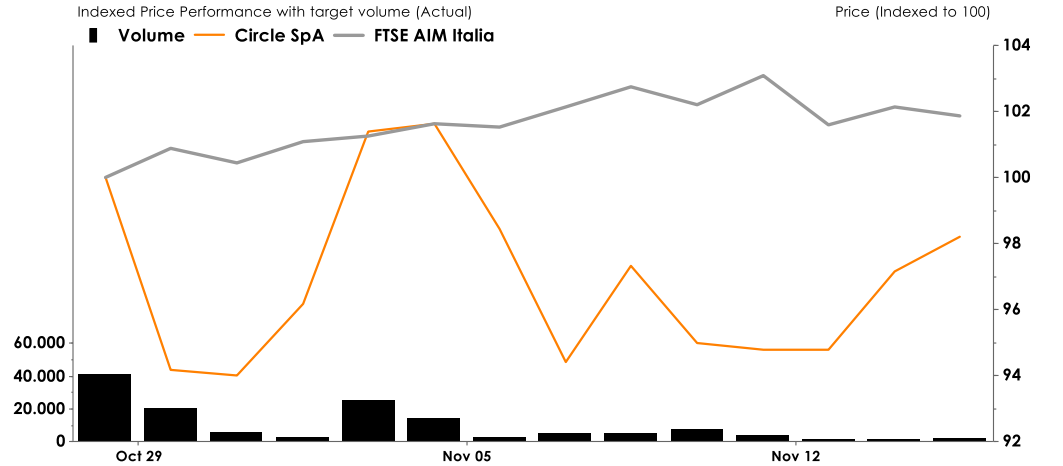
Trading Market: AIM Italia – Borsa Italiana SpA
 Date: October 26th, 2018
 Price: 2.40 Eu
 Capital raised: 1,532,160 Eu
 Capitalisation: 7.57 Eu m

SHARE DATA (as of November 14th, 2018)

Alphanumeric Code: CIRC
 Ticker Bloomberg: CIRC IM
 Ticker Reuters: CIRC.MI
 ISIN: IT0005344996
 Outstanding shares: 3,154,650
 Share capital: 211,000 Eu
 Price: 2.5025 Eu
 Performance from IPO: +4.3%
 Capitalisation: 7.9 Eu m
 Free Float: 20.24%
 Nominated Adviser (NomAd) and Specialist: Integrae SIM SpA
 Auditing firm: BDO Italia SpA

Circle SpA vs. Ftse AIM Italia Index

Indexed Price Performance with target volume (Actual)



KEY FIGURES

Eu m	2017PF	2018E	2019E	2020E	2021E
Profit & Loss Statement					
Value of Production (VoP)	4.1	5.0	5.9	7.0	8.3
EBITDA	1.0	1.3	1.5	1.8	2.1
EBIT	0.7	1.0	1.1	1.4	1.6
Financial income (charges)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Pre-tax profit (loss)	0.7	1.0	1.1	1.4	1.6
Taxes	(0.2)	(0.2)	(0.3)	(0.3)	(0.4)
Net Profit (Loss)	0.5	0.8	0.9	1.1	1.3
Minorities	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Group's Net Profit (Loss)	0.5	0.7	0.7	0.9	1.1
Balance Sheet					
Net working capital (NWC)	0.3	0.2	0.5	0.7	0.9
Net fixed assets	0.8	1.2	1.1	1.0	0.8
M/L Funds	(0.3)	(0.4)	(0.4)	(0.4)	(0.5)
Net Capital Employed	0.8	1.0	1.2	1.3	1.3
Net financial Debt (Cash)	(1.0)	(3.1)	(3.7)	(4.7)	(6.0)
Group's Equity	1.6	3.8	4.6	5.5	6.6
Minorities	0.2	0.3	0.4	0.5	0.7
Total Equity	1.8	4.1	4.9	6.0	7.3
Cash Flow					
EBIT	0.7	1.0	1.1	1.4	1.6
D&A	0.3	0.3	0.4	0.4	0.5
Taxes	(0.2)	(0.2)	(0.3)	(0.3)	(0.4)
Change in M/L Funds	0.3	0.0	0.0	0.0	0.0
Gross Cash Flow	1.1	1.1	1.2	1.5	1.8
Change in NWC	(0.1)	0.1	(0.3)	(0.2)	(0.2)
Operating Cash Flow	1.0	1.2	1.0	1.3	1.6
Capex	(1.0)	(0.6)	(0.3)	(0.3)	(0.3)
Financial income (charges)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Free Cash Flow	0.0	0.5	0.7	1.0	1.3
Dividends	0.0	0.0	0.0	0.0	0.0
Change in Equity	(0.2)	1.5	0.0	0.0	0.0
Change in Net financial Debt (Cash)	(0.1)	2.1	0.7	1.0	1.3
Per Share Data					
Current Price		€ 2.5025			
Total outstanding shares (m)	2.52	3.15	3.15	3.15	3.15
EPS	0.19	0.21	0.23	0.29	0.36
DPS	0.00	0.00	0.00	0.00	0.00
FCF	n.a.	0.17	0.21	0.31	0.41
Pay-out ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Ratios					
EBITDA margin	23.8%	25.9%	25.3%	25.9%	25.9%
EBIT margin	16.9%	20.3%	19.0%	19.7%	19.9%
Net Debt/Equity (Gearing)	-56.2%	-74.8%	-75.3%	-78.1%	-82.3%
Net Debt/EBITDA	-1.0x	-2.3x	-2.5x	-2.6x	-2.8x
Interest cover EBIT	n.m.	n.m.	n.m.	n.m.	n.m.
ROE	29.1%	17.7%	16.1%	16.9%	17.1%
ROCE	68.7%	77.0%	70.1%	80.8%	99.0%
Free Cash Flow Yield	n.a.	8.5%	8.8%	12.6%	16.9%
Growth Rates					
Value of Production (VoP)	+73.7%	+24.0%	+18.0%	+18.0%	+18.0%
EBITDA	+69.5%	+35.1%	+15.0%	+20.8%	+18.1%
EBIT	+37.3%	+48.9%	+10.5%	+22.4%	+19.5%
Group's Net Profit (Loss)	+18.6%	+44.3%	+8.4%	+26.4%	+21.7%

Source: Company data (Italian accounting principles) for FY 2017 pro-forma, IRTop Research estimates for FY 2018-2021
n.a. = not available; n.m. = not meaningful

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