

TAKE OFF

THE OUTLET COMPANY

OUTPERFORM

Current Share Price (€): 4.34

Target Price (€): 7.72

Take Off - Performance since IPO



Source: S&P Capital IQ - Note: 25/11/2021 (IPO offer price)=100

Company data

ISIN number	IT0005467425
Bloomberg code	TKO IM
Reuters code	TKO.MI
Industry	Apparel retail
Stock market	Euronext Growth Milan
Share Price (€)	4.34
Date of Price	14/10/2022
Shares Outstanding (m)	15.6
Market Cap (€m)	67.8
Market Float (%)	28.5%
Daily Volume	10
Avg Daily Volume YTD	13,293
Target Price (€)	7.72
Upside (%)	78%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	IPO
Take Off - Absolute (%)	0%	13%	9%
FTSE Italia Growth (%)	-7%	-4%	-21%
Range H/L (€) since IPO		5.50	3.32
YTD Change (€) / %	-0.005		-0.1%

Source: S&P Capital IQ

Analysts

Franco Gaudenti - Head of Research
fgaudenti@enventcapitalmarkets.co.uk

Luigi Tardella - Co-Head of Research
ltardella@enventcapitalmarkets.co.uk

EnVent Capital Markets Limited

42, Berkeley Square - London W1J 5AW (UK)
Phone +44 (0) 20 35198451

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Sales up, steady trade margin, retail network expansion fades profitability

Stock performance: above market and peers

Take Off share price, at +9% since IPO, outperformed both the Italia Growth Index, which in the same period lost over 20%, and selected peers, with a combined performance at -16%.

Organic sales growth through network expansion, consistent trade margin, profitability keeps being at the top end of industry peers although lower

H1 2022 consolidated sales were €12.9m, +12% YoY, driven by Take Off sales at €10.2m, up by 19% on H1 2021, while Over had €2.7m sales, -7% on H1 2021. Trade margin was consistent with recent level, close to 60% of sales. Higher retail and marketing costs related to openings (23), personnel and overheads resulted in EBITDA at €3.3m, -17% YoY, 25% on sales vs 34% in H1 2021. EBIT was €2.2m and net income €1.4m. Net cash decreased from €12.1m at FY21 year-end to €7.7m as of June 2022, mainly due to €2.6m working capital outflow and €2.8m dividend distribution.

As of June 2022, after 23 openings and 3 closedowns of underperforming stores during H1, Take Off had 163 stores, from 143 as of 2021 year-end, of which: Take Off 43 stores, from 31 at 2021 year-end, Overkids 120 stores, from 112 at 2021 year-end.

Outlook and estimates revision

Store openings continue apace: after June there were 16 more openings (7 Take Off and 9 Overkids). In addition, Take Off outlet sales up by 19% confirm the resilience of the off-price model. Despite the retail network expansion is running as promised to increase the geographical coverage across the country and is overall consistent with our targets, on the back of H1 results and considering an increasing pressure on consumer discretionary income, we shift through the following years a portion of our 2022 estimates. We also factor in the higher retail and marketing cost, resulting in a revised profitability.

Target Price €7.72 per share (from €8.03), OUTPERFORM rating confirmed

Our updated valuation, factoring in H1 performance and current net cash position, together with a rising Italian market risk, yields a target price of €7.72 per share, from €8.03 of our previous note, corresponding to 17x 2022 EV/EBITDA, while Take Off currently trades at 9x. Given the 78% upside potential on current share price, we confirm the OUTPERFORM rating on the stock.

KEY FINANCIALS AND ESTIMATES

€m	2019	2020	2021	2022E	2023E	2024E
Revenues	33.1	22.3	28.0	30.4	47.3	56.4
YoY %	-	-32.6%	25.3%	8.4%	55.8%	19.2%
EBITDA	6.2	6.5	9.5	8.2	13.5	17.1
Margin on Sales	19.3%	30.7%	36.1%	28.1%	29.3%	30.9%
EBIT	4.6	5.0	7.7	6.1	10.5	13.3
Margin on Sales	14.4%	23.7%	29.1%	20.9%	22.6%	24.1%
Net Income	3.5	3.8	5.6	3.9	7.0	9.1
Net (Debt) Cash	4.7	0.1	12.1	10.9	18.2	25.3
Equity	12.8	11.8	23.7	24.7	34.6	43.7

Source: Company data 2019-21A, EnVent Research 2022-24E

Market update

Trading price range €3.32-5.50 per share

+9% for Take Off since IPO, in the same period the Italia Growth Index lost -21%

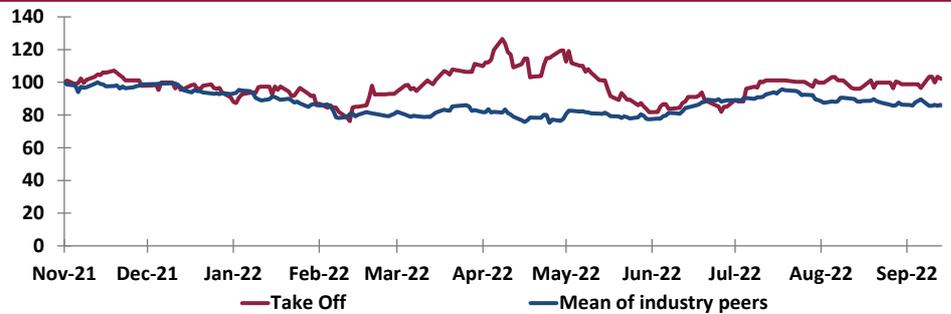
Take Off - Share price performance and trading volumes since IPO



Source: EnVent Research on S&P Capital IQ - Note: 25/11/2021 (IPO offer price)=100

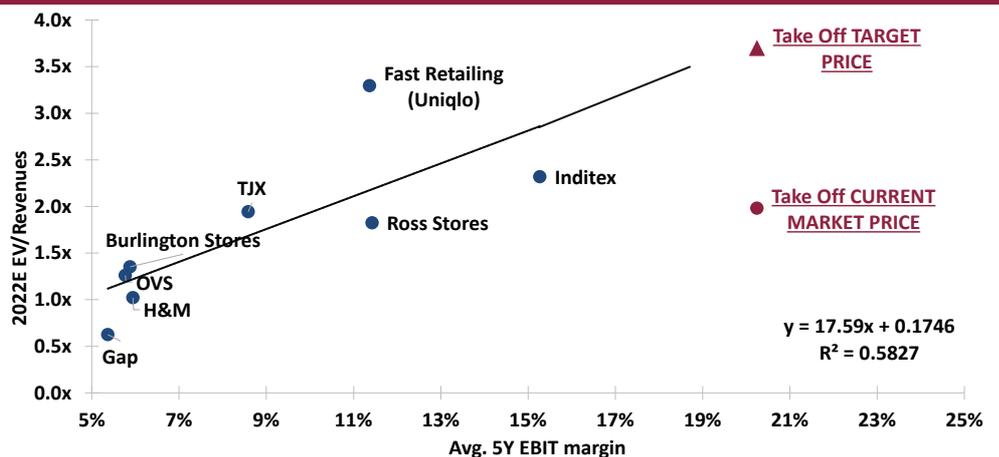
Take Off above industry peers (+9% vs -16%)

Industry peers - Market performance since Take Off IPO



Source: EnVent Research on S&P Capital IQ - Note: 25/11/2021 (IPO offer price)=100

Industry peers - Regression analysis and Take Off target positioning



Source: EnVent Research on S&P Capital IQ, October 2022

Investment case

The Italian fashion outlet

Take Off, listed on Euronext Growth Milan since November 2021, is an Italian fashion value-for-money retailer which operates through a chain of 49 stores selling women and men apparel and 126 stores selling childrenswear. Central-Southern Italy is presently the core geolocation scope and organic growth over the medium-term will be supported also by increasing territorial coverage.

Geographically focused

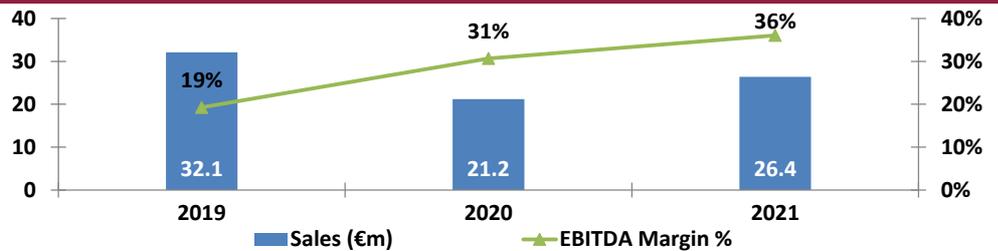
Differentiated business model

The Group operates with a joint business model, being an off-price retailer of products from designer brands and a typical vertically integrated apparel retailer with an internal team in charge of development of own brands and merchandise mix through external suppliers, with in-house logistics management.

Strategy

Take Off intends to pursue opportunities in current market areas and unexplored geographies, especially Northern Italy regions, also through acquisition of small retail fashion networks. Overall mid-term targets could be doubling Take Off and Overkids stores.

Historical Sales and EBITDA



Source: Company data

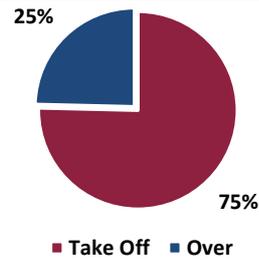
Industry and Company drivers

- Fashion goods is a market driven by both need and impulse
- Resilient demand for value and quality goods: a countercyclical and defensive market segment
- Making the most of apparel inventory, a burden typical of manufacturers and other retailers
- Diversified and balanced brand portfolio
- Selling proposition to serve a wide category of customers
- Growth without huge capex
- Opportunistic merchandise acquisition
- Customers' preferences analytics
- Efficient franchising network

Challenges

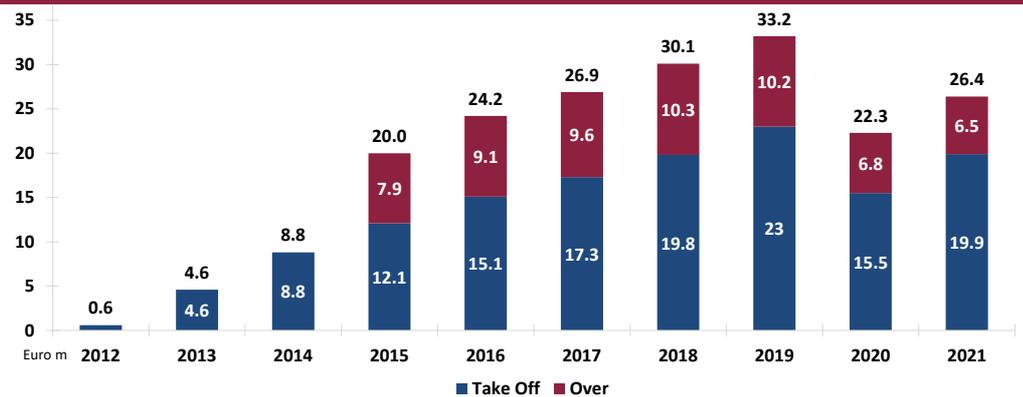
- Brand awareness and reputation buildup
- Market competitiveness and price pressure within the industry
- Geographic presence
- Rise of e-tailers offering branded products at discount
- Inventory requirement

Sales breakdown, 2021



Source: Company data

Historical aggregated revenues



Source: Company data - Note: In 2021 sales

Business update and corporate period facts

Retail network expansion update

- In H1 2022 there were 23 store openings and 3 closures, bringing Take Off total stores to 163. Breakdown: Take Off 43 stores, Overkids 120 stores. After June, there were 16 more openings, 7 for Take Off and 9 for Overkids, and 4 closedowns, bringing Take Off total stores to 175 (September 2022). Most openings were in Lombardy, Emilia-Romagna, Veneto, Latium, Apulia, Calabria, Sicily, Umbria, Campania and Friuli. Overall, the retail network is composed of 42 own stores and 133 franchised stores.

Warrants

- Take Off Warrant 2022-24 (IT0005467474) may be exercised during the first exercise period between November 14-25, 2022, at a strike price of €5.20, with a conversion ratio of 1 share:4 warrants

Sustainability report

- Last May, Take Off released its first sustainability report

H1 2022 results

Consolidated Profit and Loss

€m	H1 2021	H1 2022
Sales	11.5	12.9
Other income	0.4	0.6
Total Revenues	11.9	13.5
YoY %	21.9%	13.0%
Cost of sales	(5.2)	(5.8)
Trade margin	6.7	7.6
<i>Margin on Sales</i>	58.2%	59.1%
Personnel	(2.0)	(2.6)
Retail cost	(0.5)	(1.3)
Store margin	4.2	3.8
<i>Margin on Sales</i>	36.7%	29.3%
Services	(0.2)	(0.4)
Other operating costs	(0.1)	(0.1)
SG&A	(0.3)	(0.5)
EBITDA	4.0	3.3
<i>Margin on Sales</i>	34.2%	25.4%
Retail leases	(0.8)	(0.8)
EBITDA Adj.	3.2	2.5
<i>Margin on Sales</i>	27.6%	19.1%
D&A	(0.1)	(0.2)
EBIT	3.0	2.2
<i>Margin on Sales</i>	25.5%	16.5%
Interest	(0.2)	(0.4)
EBT	2.8	1.9
<i>Margin</i>	23.5%	13.8%
Income taxes	(0.7)	(0.4)
Net Income (Loss)	2.1	1.4
<i>Margin</i>	17.8%	10.6%

Consolidated Cash Flow

€m	H1 2021	H1 2022
EBIT	3.0	2.2
Current taxes	(0.7)	(0.4)
D&A	0.1	0.2
Provisions	0.1	(0.0)
Cash flow from P&L operations	2.6	2.0
Trade Working Capital	(0.4)	(1.3)
Other assets and liabilities	1.7	(1.3)
Capex / disposal	0.4	(0.2)
Retail leases - Right of use	0.7	(0.5)
Operating cash flow after WC and capex	4.9	(1.3)
Interest	(0.2)	(0.4)
Dividends	(4.5)	(2.8)
Net cash flow	0.2	(4.4)
Net (Debt) Cash - Beginning	0.1	12.1
Net (Debt) Cash - End	0.4	7.7
Change in Net (Debt) Cash	0.2	(4.4)

Consolidated Balance Sheet

€m	H1 2021	2021	H1 2022
Inventory	10.6	8.7	10.8
Trade receivables	0.1	0.2	0.1
Trade payables	(4.1)	(3.7)	(4.3)
Trade Working Capital	6.6	5.3	6.6
Other assets (liabilities)	(5.2)	(0.8)	0.5
Net Working Capital	1.4	4.5	7.1
Intangible assets	0.1	0.0	0.0
Retail leases - Right of use	7.1	6.6	7.1
Property, plant and equipment	1.3	1.4	1.4
Non-current assets	8.6	8.0	8.5
Provisions	(0.8)	(1.0)	(1.0)
Net Invested Capital	9.1	11.5	14.7
Bank debt	6.7	6.2	6.0
Other financial debt	7.4	6.9	7.5
Non-current trade and other payables	0.0	1.2	1.0
Cash and equivalents	(14.5)	(26.5)	(22.2)
Net Debt (Cash)	(0.4)	(12.1)	(7.7)
Equity	9.5	23.7	22.3
Sources	9.1	11.5	14.7

Ratio analysis

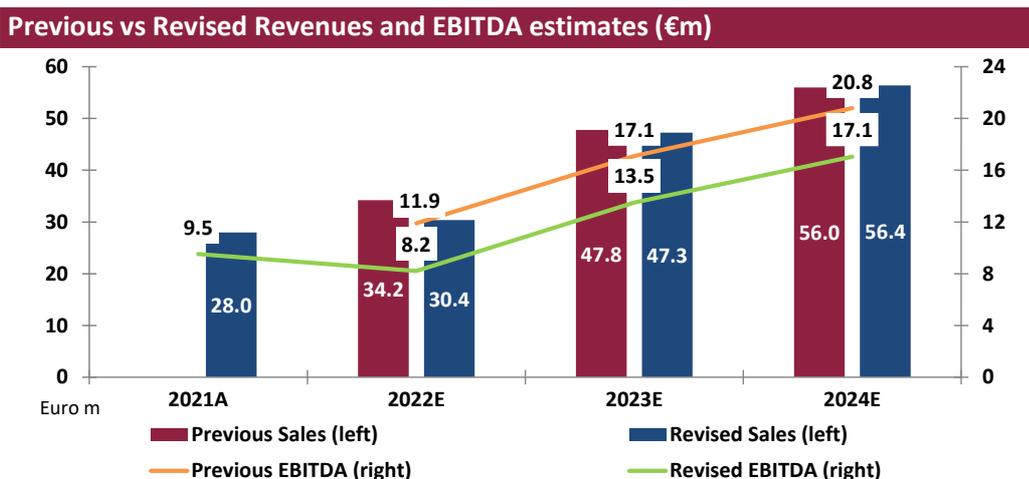
	H1 2021	H1 2022
ROE	56%	22%
ROS	26%	17%
ROIC	33%	15%
DSO	1	2
DPO	102	84
DOI	166	151
TWC/Sales	27%	24%
NWC/Sales	6%	26%
Net Debt/EBITDA	cash	cash
Net Debt/Equity	cash	cash
Net Debt/(Net Debt+Equity)	cash	cash
Cash flow from P&L operations/EBITDA	66%	62%
FCF/EBITDA	125%	neg

Source: Company data - Note: H1 KPIs calculated on LTM economics

Estimates revision

On the back of H1 results, considering the historical seasonality trend and an increasing pressure on consumer discretionary income, we shift through the following years a portion of our previous 2022 sales estimates. On the operating costs side, we factor in H1 higher retail and marketing cost, resulting in a lower profitability. We adjust yearly capex, on the back of H1 investments, and on the TWC, we adjust DOI from 120 to 140 days to factor in the recent level.

Change in estimates



Source: EnVent Research

€m	Revised				Previous			Change % (Rev vs Prev)		
	2021A	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Sales	26.4	29.2	46.2	55.3	33.1	46.7	54.9	-12%	-1%	1%
Revenues	28.0	30.4	47.3	56.4	34.2	47.8	56.0	-11%	-1%	1%
EBITDA	9.5	8.2	13.5	17.1	11.9	17.1	20.8	-31%	-21%	-18%
<i>Margin on Sales</i>	36%	28%	29%	31%	36%	37%	38%			
EBIT	7.7	6.1	10.5	13.3	9.4	13.4	16.2	-35%	-22%	-18%
<i>Margin on Sales</i>	29%	21%	23%	24%	28%	29%	29%			
Net Income	5.6	3.9	7.0	9.1	6.4	9.3	11.3	-39%	-24%	-20%
Net (Debt) Cash	12.1	10.9	18.2	25.3	13.2	22.1	31.3	-17%	-18%	-19%

Source: EnVent Research

Financial projections

Consolidated Profit and Loss

€m	2019	2020	2021	2022E	2023E	2024E
Sales	32.1	21.2	26.4	29.2	46.2	55.3
Other income	1.0	1.2	1.6	1.1	1.1	1.1
Total Revenues	33.1	22.3	28.0	30.4	47.3	56.4
YoY %	-	-32.6%	25.3%	8.4%	55.8%	19.2%
Cost of sales	(19.0)	(10.0)	(12.1)	(12.7)	(19.4)	(23.3)
Trade margin	14.1	12.4	15.9	17.7	27.9	33.1
<i>Margin on Sales</i>	44.0%	58.4%	60.3%	60.4%	60.5%	59.9%
Personnel	(4.7)	(3.9)	(4.3)	(5.5)	(8.0)	(8.5)
Retail cost	(2.1)	(1.3)	(1.1)	(2.7)	(4.3)	(5.1)
Store margin before lease	7.3	7.2	10.5	9.5	15.6	19.6
<i>Margin on Sales</i>	22.8%	33.8%	39.6%	32.4%	33.9%	35.4%
Services	(0.5)	(0.4)	(0.8)	(1.1)	(1.7)	(2.0)
Other operating costs	(0.7)	(0.2)	(0.2)	(0.2)	(0.5)	(0.6)
SG&A	(1.1)	(0.7)	(0.9)	(1.3)	(2.1)	(2.5)
EBITDA	6.2	6.5	9.5	8.2	13.5	17.1
<i>Margin on Sales</i>	19.3%	30.7%	36.1%	28.1%	29.3%	30.9%
Retail leases	(1.3)	(1.2)	(1.5)	(1.7)	(2.4)	(2.8)
EBITDA Adj.	4.8	5.3	8.0	6.5	11.1	14.2
<i>Margin on Sales</i>	15.1%	25.0%	30.3%	22.3%	24.1%	25.8%
D&A	(0.2)	(0.3)	(0.3)	(0.4)	(0.7)	(0.9)
EBIT	4.6	5.0	7.7	6.1	10.5	13.3
<i>Margin on Sales</i>	14.4%	23.7%	29.1%	20.9%	22.6%	24.1%
Interest	0.5	(0.0)	(0.5)	(0.7)	(0.7)	(0.7)
EBT	5.1	5.0	7.2	5.4	9.8	12.6
<i>Margin</i>	15.3%	22.3%	25.7%	17.9%	20.7%	22.4%
Income taxes	(1.5)	(1.2)	(1.6)	(1.5)	(2.8)	(3.6)
Net Income (Loss)	3.5	3.8	5.6	3.9	7.0	9.1
<i>Margin</i>	10.7%	17.1%	20.1%	12.9%	14.9%	16.1%

Source: Company data 2019-21A, EnVent Research 2022-24E - Note: aggregated financials for 2019

Consolidated Balance Sheet

€m	2019	2020	2021	2022E	2023E	2024E
Inventory	7.3	11.0	8.7	11.2	16.4	19.7
Trade receivables	0.7	0.2	0.2	0.3	0.5	0.6
Trade payables	(6.1)	(5.0)	(3.7)	(4.5)	(6.9)	(8.3)
Trade Working Capital	1.9	6.2	5.3	7.0	10.0	12.0
Other assets (liabilities)	(2.7)	(3.5)	(0.8)	(0.9)	(1.4)	(1.6)
Net Working Capital	(0.8)	2.7	4.5	6.2	8.7	10.3
Intangible assets	0.0	0.0	0.0	0.1	0.2	0.2
Retail leases - Right of use	6.7	7.8	6.6	6.6	6.6	6.6
Property, plant and equipment	2.7	2.0	1.4	2.2	2.7	3.0
Non-current assets	9.5	9.8	8.0	8.9	9.5	9.9
Provisions	(0.5)	(0.7)	(1.0)	(1.2)	(1.8)	(1.9)
Net Invested Capital	8.1	11.7	11.5	13.8	16.4	18.4
Net Debt (Cash)	(4.7)	(0.1)	(12.1)	(10.9)	(18.2)	(25.3)
Equity	12.8	11.8	23.7	24.7	34.6	43.7
Sources	8.1	11.7	11.5	13.8	16.4	18.4

Source: Company data 2019-21A, EnVent Research 2022-24E - Note: aggregated financials for 2019

Consolidated Cash Flow

€m	2020	2021	2022E	2023E	2024E
EBIT	5.0	7.7	6.1	10.5	13.3
Current taxes	(1.2)	(1.6)	(1.5)	(2.8)	(3.6)
D&A	0.3	0.3	0.4	0.7	0.9
Provisions	0.2	0.2	0.2	0.6	0.1
Cash flow from P&L operations	4.3	6.7	5.2	8.9	10.8
Trade Working Capital	(4.3)	0.9	(1.8)	(3.0)	(2.0)
Other assets and liabilities	0.8	(2.7)	0.1	0.5	0.3
Capex / disposal	0.4	0.3	(1.3)	(1.3)	(1.3)
Retail leases - Right of use	(1.1)	1.2	0.0	0.0	0.0
Operating cash flow after WC and capex	0.2	6.3	2.2	5.2	7.8
Interest	(0.0)	(0.5)	(0.7)	(0.7)	(0.7)
Paid-in capital - IPO proceeds 2021	0.6	12.0	0.0	2.8	0.0
Dividends	(1.0)	(6.8)	(2.8)	0.0	0.0
Change in Equity	(4.4)	1.0	0.0	0.0	0.0
Net cash flow	(4.6)	12.0	(1.2)	7.3	7.1
Net (Debt) Cash - Beginning	4.7	0.1	12.1	10.9	18.2
Net (Debt) Cash - End	0.1	12.1	10.9	18.2	25.3
Change in Net (Debt) Cash	(4.6)	12.0	(1.2)	7.3	7.1

Source: Company data 2020-21A, EnVent Research 2022-24E - Note: aggregated financials for 2019

Ratio analysis

KPIs	2019	2020	2021	2022E	2023E	2024E
ROE	28%	32%	24%	16%	20%	21%
ROS (EBIT/Revenues)	14%	23%	27%	20%	22%	24%
DSO	7	3	3	3	3	3
DPO	83	125	78	80	80	80
DOI	83	189	121	140	130	130
TWC/Revenues	6%	28%	19%	23%	21%	21%
NWC/Revenues	-3%	12%	16%	20%	18%	18%
Net Debt/EBITDA	cash	cash	cash	cash	cash	cash
Net Debt/Equity	cash	cash	cash	cash	cash	cash
Net Debt/(Net Debt+Equity)	cash	cash	cash	cash	cash	cash
Cash flow from P&L operations/EBITDA	na	67%	70%	64%	66%	63%
FCF/EBITDA	na	3%	66%	27%	38%	46%
Degree of operating leverage on EBITDA	na	na	189%	nm	112%	133%
Basic EPS (€)	na	na	0.36	0.25	0.45	0.58

Source: Company data 2019-21A, EnVent Research 2022-24E - Note: aggregated financials for 2019

Valuation

We have updated our DCF valuation and market multiples analysis.

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.8% (Italia 10-year government bonds interest rate - last 30 days average. Source: Bloomberg, October 2022)

Rising Italian market risk

- Market return: 13.1% (last 30 days average. Source: Bloomberg, October 2022)
- Market risk premium: 9.3%
- Beta: 1.0 (judgmental figure in absence of market volatility records)
- Cost of equity: 13.1%
- Cost of debt: 3.5%
- Tax rate: 24% IRES
- 40% debt/(debt + equity)
- WACC calculated at 8.9%, according to above data, vs previous 8.4%
- Perpetual growth rate after explicit projections (G): 2.5%, from 2%
- Terminal Value assumes a normalized sustainable EBITDA margin of 25%

DCF Valuation

€m	2019	2020	2021	2022E	2023E	2024E	Perpetuity
Revenues	33.1	22.3	28.0	30.4	47.3	56.4	57.8
EBITDA Adj.	4.8	5.3	8.0	6.5	11.1	14.2	14.4
<i>Margin on Sales</i>	<i>15.1%</i>	<i>25.0%</i>	<i>30.3%</i>	<i>22.3%</i>	<i>24.1%</i>	<i>25.8%</i>	<i>25.0%</i>
EBIT	4.6	5.0	7.7	6.1	10.5	13.3	12.7
<i>Margin on Sales</i>	<i>14.4%</i>	<i>23.7%</i>	<i>29.1%</i>	<i>20.9%</i>	<i>22.6%</i>	<i>24.1%</i>	<i>22.0%</i>
Taxes	(1.3)	(1.4)	(2.1)	(1.7)	(2.9)	(3.7)	(3.5)
NOPAT	3.3	3.6	5.5	4.4	7.5	9.6	9.2
D&A				0.4	0.7	0.9	1.7
Provisions				0.2	0.6	0.1	0.0
Cash flow from operations				5.1	8.8	10.6	10.9
Trade Working Capital				(1.8)	(3.0)	(2.0)	(1.2)
Other assets and liabilities				0.1	0.5	0.3	0.0
Capex				(1.3)	(1.3)	(1.3)	(1.7)
Yearly unlevered free cash flow				2.1	5.0	7.6	8.0
- H1 unlevered free cash flow				1.5			
Free Cash Flow to be discounted				3.6	5.0	7.6	8.0
WACC	8.9%						
Long-term growth (G)	2.5%						
Discounted Cash Flows				2.0	4.4	6.2	
Sum of Discounted Cash Flows	12.5						
Terminal Value							124.4
Discounted TV	100.4						
Enterprise Value	113.0						
Net Cash as of 30/06/22	7.7						
Equity Value	120.6						
Equity Value per share (€)	7.72						

DCF - Implied multiples	2020	2021	2022E	2023E	2024E
EV/Revenues	5.1x	4.0x	3.7x	2.4x	2.0x
EV/EBITDA Adj	21.3x	14.1x	17.3x	10.1x	7.9x
EV/EBIT	22.5x	14.7x	18.5x	10.8x	8.5x
P/E	31.6x	21.4x	30.9x	17.1x	13.3x
Discount of current market price vs DCF	-47%				
Current market price - Implied multiples	2020	2021	2022E	2023E	2024E
EV/Revenues	2.7x	2.1x	2.0x	1.3x	1.1x
EV/EBITDA Adj	11.3x	7.5x	9.2x	5.4x	4.2x
EV/EBIT	12.0x	7.8x	9.9x	5.8x	4.5x
P/E	17.8x	12.0x	17.4x	9.6x	7.5x

Source: EnVent Research

Market multiples

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2021	2022E	2023E	2021	2022E	2023E	2021	2022E	2023E	2021	2022E	2023E
TJX	3.2x	1.9x	1.7x	nm	16.0x	14.1x	nm	19.1x	16.8x	nm	23.6x	20.2x
Ross Stores	3.5x	1.8x	1.6x	nm	12.8x	13.2x	nm	14.9x	16.0x	nm	19.1x	20.4x
Burlington Stores	4.2x	1.4x	1.3x	neg	11.6x	16.4x	neg	15.0x	27.4x	neg	13.3x	26.9x
Inditex	4.3x	2.3x	2.1x	31.4x	8.5x	7.8x	nm	13.5x	12.0x	nm	18.6x	16.9x
Gap	0.9x	0.6x	0.6x	neg	7.7x	17.8x	neg	12.3x	neg	neg	8.1x	neg
H&M	1.7x	1.0x	1.0x	13.8x	6.8x	6.9x	21.8x	18.3x	17.1x	26.6x	20.7x	19.2x
Fast Retailing (Uniqlo)	2.9x	3.3x	3.1x	22.0x	15.7x	14.7x	24.6x	25.5x	22.7x	38.9x	41.0x	na
OVS	2.0x	1.3x	1.2x	25.9x	5.4x	na	nm	15.9x	17.1x	21.2x	9.8x	7.5x
Monnalisa	0.6x	0.9x	0.8x	neg	14.4x	11.2x	neg	nm	33.6x	neg	nm	20.8x
Mean	2.6x	1.6x	1.5x	23.3x	11.0x	12.8x	23.2x	16.8x	20.3x	28.9x	19.3x	18.9x
Median	2.9x	1.4x	1.3x	24.0x	11.6x	13.7x	23.2x	15.5x	17.1x	26.6x	18.9x	20.2x
Take Off	2.0x	2.0x	1.3x	7.0x	9.2x	5.4x	7.3x	9.9x	5.8x	12.0x	17.4x	9.6x

Source: S&P Capital IQ, 14/10/2022

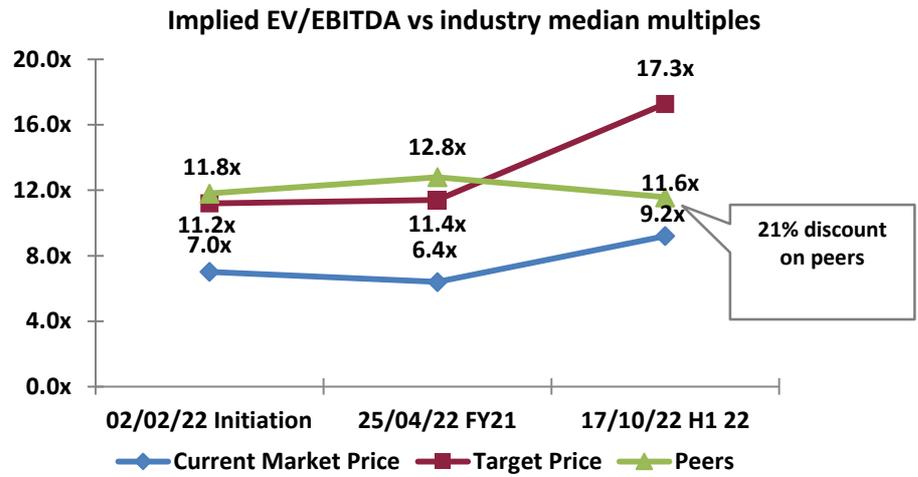
Application of market multiples

€m						
Market multiples		€m	Multiple	EV	Net Cash	Equity Value
Take Off						
2022E	Sales	29.2	1.4x	39.5	7.7	47.2
2023E	Sales	46.2	1.3x	60.1	7.7	67.8
Mean						57.5
2022E	EBITDA Adj	6.5	11.6x	75.7	7.7	83.3
2023E	EBITDA Adj	11.1	13.7x	152.1	7.7	159.8
Mean						121.6
2022E	EBIT	6.1	15.5x	94.3	7.7	102.0
2023E	EBIT	10.5	17.1x	178.3	7.7	186.0
Mean						144.0
2022E	Earnings	3.9	18.9x			73.6
2023E	Earnings	7.0	20.2x			142.3
Mean						107.9

Source: EnVent Research

We have applied to our 2022-23 estimates the corresponding EV/Revenues, EV/EBITDA, EV/EBIT, P/E from the peer group. Profitability-based multiples are overall consistent with the outcome of the DCF, sharing the expectation of growth over the next years and supporting the DCF-based value assessment.

Target Price



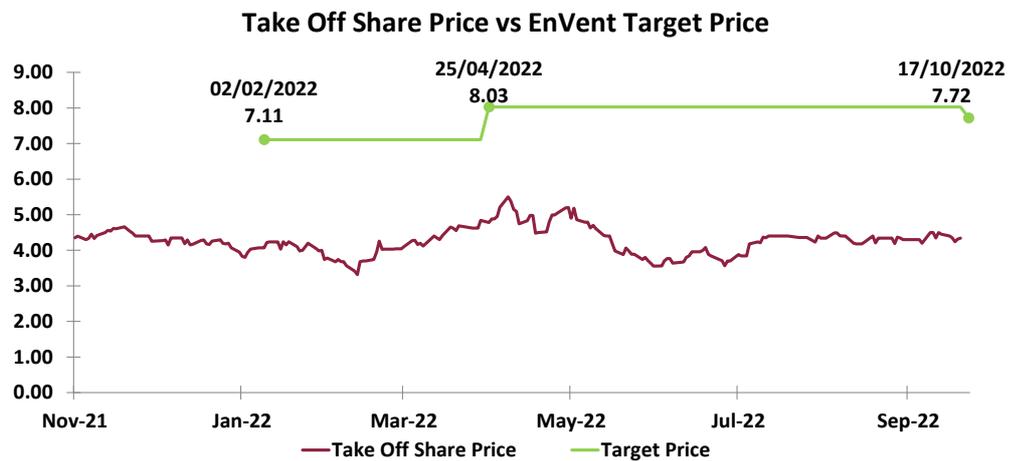
Source: EnVent Research on S&P Capital IQ, 17/10/2022

The DCF model applied to our estimates yields a Target Price of €7.72 per share, from €8.03 of our prior note, with a potential upside of 78% on current share price. We confirm the OUTPERFORM rating on the stock.

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

Take Off Price per Share	€
Target Price	7.72
Current Share Price (14/10/2022)	4.34
Premium (Discount)	78%

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 17/10/2022

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

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NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

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Date and time of Production: 14/10/2022 h. 6.18pm

Date and time of Distribution: 17/10/2022 h. 7.10pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
01/02/2022	OUTPERFORM	7.11	4.07
25/04/2022	OUTPERFORM	8.03	4.84
17/10/2022	OUTPERFORM	7.72	4.34

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