

## Towards an End-to-End Advisory Firm with BTO Acquisition

ADD | Fair Value: €4.90 (€4.40) | Current Price: €2.22 | Upside: +121%

| € Million           | FY18A | FY19A | FY20A | FY21A | FY22EPF | FY23E | FY24E  |
|---------------------|-------|-------|-------|-------|---------|-------|--------|
| Value of production | 14.9  | 21.3  | 24.3  | 33.7  | 96.3    | 110.6 | 124.4  |
| EBITDA              | 2.5   | 4.9   | 5.9   | 6.9   | 17.6    | 22.4  | 26.7   |
| margin              | 16.7% | 23.1% | 24.2% | 20.6% | 18.3%   | 20.3% | 21.5%  |
| Net Profit          | 1.6   | 2.5   | 2.6   | 3.7   | 7.9     | 9.7   | 12.6   |
| margin              | 10.5% | 11.9% | 10.5% | 10.9% | 8.2%    | 8.7%  | 10.2%  |
| Net Profit adjusted | 1.6   | 3.0   | 3.2   | 3.4   | 10.6    | 10.6  | 12.6   |
| margin              | 10.5% | 14.1% | 13.2% | 10.0% | 11.0%   | 9.6%  | 10.2%  |
| EPS                 | n.a.  | 0.27  | 0.24  | 0.10  | 0.18    | 0.22  | 0.3    |
| EPS adj.            | n.a.  | 0.32  | 0.31  | 0.35  | 0.24    | 0.24  | 0.3    |
| NFP                 | 1.1   | (0.7) | (0.0) | (1.7) | 8.0     | 1.2   | (10.4) |

Source: Company data, KT&Partners' elaborations.

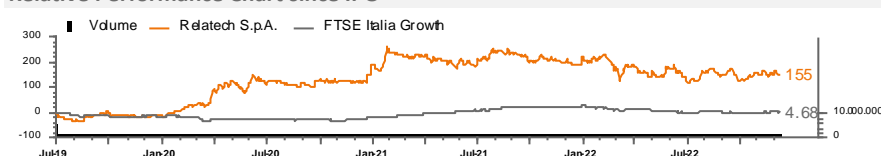
**9M2022 management account results.** On October 26<sup>th</sup>, 2022, RLT-IT disclosed 9M22 results that confirm business growth showing the increasing weight of recurring revenues. In line with our expectations, on a pro-forma basis, 9M22 sales came in at €40.7mn, of which €8.6mn came from companies acquired in September 2022 (Venticento and IoT Catalyst). According to our estimates, on an organic basis, namely without considering the contribution of companies acquired in 2022 (EFA Automazione, Venticento and IoT Catalyst), sales were up by ca. 25%. The management has increased its visibility on future revenues thanks to a higher contribution from recurring sales that over the January - September period amounted to €13.6mn, accounting for 35% of pro-forma 9M22 sales. As of September 30<sup>th</sup>, 2022, the company reported a net financial position of €5mn (including a €2.7mn call option for the acquisition of the remaining stake in EFA Automazione), worsening by ca. €1mn from 1H22 figures, mainly following the €0.9mn and €0.7mn cash-out for M&A and buy-back, respectively.

**From a digital enabler to an end-to-end advisory firm with the acquisition of BTO.** On November 23<sup>rd</sup>, Relatech closed its ninth deal since IPO, acquiring an 80% stake in BTO S.p.A. for a total consideration of €13mn. With 300 professionals and an international presence, BTO is an Italian group that offers advisory services - also leveraging on its research hub - helping enterprises to innovate in their business. Thanks to the acquisition of BTO, RLT-IT is expected to provide an end-to-end offer that will be the result of advisory services combined with technology solutions, covering each phase of the innovation process: feasibility, project and change management, and implementation of new technologies. Furthermore, leveraging on the strong ties of BTO with the academic community, the company will strengthen both its open innovation approach and the recruitment of new talents. In FY21, BTO Group generated ca. €20mn of total revenues with an EBITDA margin adjusted of 17.5%.

**Estimates update.** Following the BTO acquisition, we updated our 2022PF-2024 estimates. We now expect value of production to increase at a CAGR21-24 of 54.6% (+9.6pp vs our previous estimates), reaching €124.4mn in 2024. We expect FY22PF EBITDA margin at 18.3%, improving to 21.5% in FY24E confirming our old estimates, thanks to an expected BTO profitability almost in line with the Group on the back of growing synergies at fixed costs level. Finally, considering the net impact of the acquisition of BTO on RLT-IT's net debt, we now expect a FY22PF NFP of €8mn in FY22, resulting in a net cash position of €10.4mn in FY24E.

**Valuation update.** We updated our valuation – based on both DCF and a market multiples model – that returns an average equity value of €212.4mn or €4.90ps, implying a potential upside of 121% on the current market price.

### Relative Performance Chart since IPO



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## Research Update

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### Market Data

|                         |       |
|-------------------------|-------|
| Pasquale Lambardi       | 51.8% |
| Mkt Cap (€ mn)          | 96.2  |
| EV (€ mn)               | 106.8 |
| Number of shares (mn)   | 43.4  |
| Shares outstanding (mn) | 43.4  |
| Free Float (%)          | 42.5  |

| Market multiples | 2021A | 2022E | 2023E |
|------------------|-------|-------|-------|
| EV/EBITDA        |       |       |       |
| RLT-IT           | 15.4x | 6.1x  | 4.8x  |
| Comps median     | 20.9x | 13.6x | 10.7x |
| RLT-IT vs Median | -26%  | -56%  | -56%  |
| P/E              |       |       |       |
| RLT-IT           | 15.3x | 10.9x | 9.1x  |
| Comps median     | 30.4x | 28.9x | 23.0x |
| RLT-IT vs Median | -49%  | -62%  | -61%  |

### Stock Data

|                        |        |
|------------------------|--------|
| 52 Wk High (€)         | 2.97   |
| 52 Wk Low (€)          | 1.82   |
| Avg. Daily Trading 90d | 35,477 |
| Price Change 1w (%)    | -3.48  |
| Price Change 1m (%)    | -4.72  |
| Price Change YTD (%)   | -20.71 |

Note: Multiples are calculated on 2021 reported and 2022 pro-forma data

## Key Figures – Relatech S.p.A.

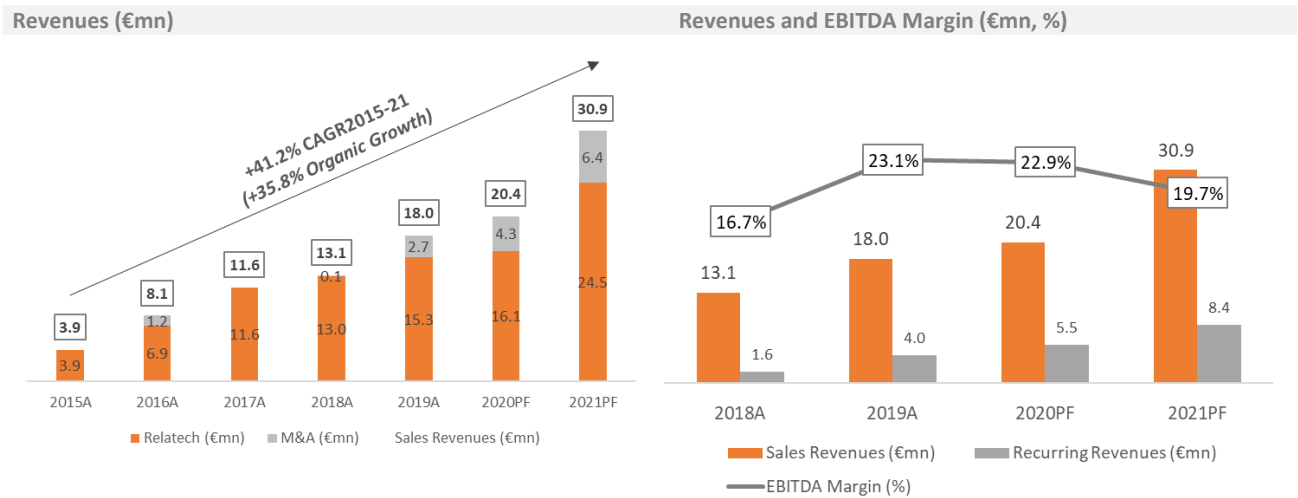
|   | Current price (€) | Fair Value (€) |        | Sector             |          |        |        | Free Float (%) |
|---|-------------------|----------------|--------|--------------------|----------|--------|--------|----------------|
|   | 2.22              | 4.90           |        | Digital Innovation |          |        |        | 42.5           |
| Per Share Data                                | 2018A             | 2019A          | 2020A  | 2021A              | 2022E PF | 2023E  | 2024E  | 2025E          |
| Number of shares (mn)                         | n.a.              | 9.33           | 10.92  | 37.75              | 43.35    | 43.35  | 43.35  | 43.35          |
| Treasury shares (mn)                          | n.a.              | 0.00           | 0.42   | 0.91               | 0.00     | 0.00   | 0.00   | 0.00           |
| Shares outstanding (mn)                       | n.a.              | 9.33           | 10.50  | 36.84              | 43.35    | 43.35  | 43.35  | 43.35          |
| EPS   | n.a.              | 0.27           | 0.24   | 0.10               | 0.10     | 0.22   | 0.29   | 0.34           |
| EPS Adjusted                                  | n.a.              | 0.32           | 0.31   | 0.14               | 0.20     | 0.24   | 0.29   | 0.34           |
| Dividend per share (ord)                      | n.a.              | n.a.           | n.a.   | n.a.               | n.a.     | n.a.   | n.a.   | n.a.           |
| Dividend payout ratio (%)                     | n.a.              | n.a.           | n.a.   | n.a.               | n.a.     | n.a.   | n.a.   | n.a.           |
| Profit and Loss (EUR million)                 |                   |                |        |                    |          |        |        |                |
| Value of Production                           | 14.9              | 21.3           | 24.3   | 33.7               | 96.3     | 110.6  | 124.4  | 139.7          |
| EBITDA  | 2.5               | 4.9            | 5.9    | 6.9                | 17.6     | 22.4   | 26.7   | 31.2           |
| EBIT  | 2.4               | 4.3            | 4.1    | 4.0                | 13.2     | 14.8   | 17.8   | 20.5           |
| EBT   | 2.4               | 3.8            | 3.4    | 3.2                | 10.8     | 13.3   | 17.6   | 20.4           |
| Taxes   | (0.7)             | (1.2)          | (0.6)  | 0.7                | (2.4)    | (3.0)  | (4.2)  | (4.9)          |
| Tax rate                                      | 32%               | 31%            | 19%    | -20%               | 22%      | 22%    | 24%    | 24%            |
| Net Income                                    | 1.6               | 2.6            | 2.7    | 3.9                | 8.4      | 10.3   | 13.5   | 15.5           |
| Net Income attributable to the Group          | 1.6               | 2.5            | 2.6    | 3.7                | 7.9      | 9.7    | 12.6   | 14.6           |
| Net Income attributable to the Group Adjusted | 1.6               | 3.0            | 3.2    | 5.3                | 8.9      | 10.6   | 12.6   | 14.6           |
| Balance Sheet (EUR million)                   |                   |                |        |                    |          |        |        |                |
| Total fixed assets                            | 2.8               | 6.9            | 13.5   | 21.7               | 38.6     | 41.3   | 44.0   | 46.4           |
| Net Working Capital (NWC)                     | 2.1               | 3.1            | 3.1    | 6.7                | 17.8     | 21.3   | 23.5   | 25.9           |
| Provisions                                    | (0.9)             | (2.0)          | (3.2)  | (5.8)              | (7.4)    | (10.1) | (13.1) | (16.4)         |
| Total Net capital employed                    | 4.0               | 8.0            | 13.4   | 22.5               | 49.1     | 52.6   | 54.4   | 55.9           |
| Net financial position/(Cash)                 | 1.1               | (0.7)          | (0.0)  | (1.7)              | 8.0      | 1.2    | (10.4) | (24.5)         |
| Group Shareholder's Equity                    | 2.8               | 8.5            | 12.7   | 23.1               | 34.2     | 43.9   | 56.5   | 71.1           |
| Minorities                                    | 0.1               | 0.2            | 0.7    | 1.1                | 6.9      | 7.5    | 8.3    | 9.3            |
| Total Shareholder's Equity                    | 2.9               | 8.7            | 13.4   | 24.2               | 41.1     | 51.4   | 64.8   | 80.4           |
| Cash Flow (EUR million)                       |                   |                |        |                    |          |        |        |                |
| Net operating cash flow                       | 1.7               | 3.6            | 5.2    | 6.1                | 14.4     | 19.0   | 22.5   | 26.3           |
| Change in NWC                                 | (1.3)             | (1.0)          | (0.0)  | (3.6)              | (1.2)    | (3.5)  | (2.2)  | (2.4)          |
| Capital expenditure                           | (2.6)             | (3.1)          | (8.4)  | (9.1)              | (31.4)   | (10.3) | (11.6) | (13.1)         |
| Other cash items/Uses of funds                | 0.5               | 1.1            | 1.2    | 0.5                | 1.9      | 2.7    | 3.0    | 3.3            |
| Free cash flow                                | (1.6)             | 0.5            | (2.0)  | (6.0)              | (16.3)   | 7.9    | 11.7   | 14.1           |
| Enterprise Value (EUR million)                |                   |                |        |                    |          |        |        |                |
| Market Cap                                    | n.a.              | 21.0           | 52.1   | 96.7               | 96.2     | 96.2   | 96.2   | 96.2           |
| Minorities                                    | 0.1               | 0.2            | 0.7    | 1.1                | 6.9      | 7.5    | 8.3    | 9.3            |
| Net financial position/(Cash)                 | 1.1               | (0.7)          | (0.0)  | (1.7)              | 8.0      | 1.2    | (10.4) | (24.5)         |
| Enterprise value                              | n.a.              | 20.5           | 52.8   | 96.1               | 111.1    | 104.9  | 94.1   | 81.0           |
| Ratios (%)                                    |                   |                |        |                    |          |        |        |                |
| EBITDA margin                                 | 16.7%             | 23.1%          | 24.2%  | 20.6%              | 18.3%    | 20.3%  | 21.5%  | 22.3%          |
| EBIT margin                                   | 16.2%             | 20.1%          | 16.9%  | 11.8%              | 13.7%    | 13.4%  | 14.3%  | 14.7%          |
| Gearing - Debt/equity                         | 40.1%             | -8.2%          | -0.4%  | -7.4%              | 23.4%    | 2.7%   | -18.5% | -34.4%         |
| Interest cover on EBIT                        | 0.0%              | 0.0%           | 0.0%   | 0.0%               | 0.0%     | 0.0%   | 0.0%   | 0.0%           |
| NFP/EBITDA                                    | 0.4x              | -0.1x          | 0.0x   | -0.2x              | 0.5x     | 0.1x   | -0.4x  | -0.8x          |
| ROCE  | 59.7%             | 53.4%          | 30.6%  | 17.6%              | 27.0%    | 28.1%  | 32.6%  | 36.7%          |
| ROE   | 56.4%             | 29.8%          | 20.1%  | 15.8%              | 23.2%    | 22.0%  | 22.4%  | 20.5%          |
| EV/Sales                                      | n.a.              | 5.0x           | 4.4x   | 3.2x               | 1.1x     | 1.0x   | 0.9x   | 0.8x           |
| EV/EBITDA                                     | n.a.              | 21.6x          | 18.1x  | 15.4x              | 6.1x     | 4.8x   | 4.0x   | 3.4x           |
| P/E   | n.a.              | 8.1x           | 7.2x   | 15.3x              | 10.9x    | 9.1x   | 7.6x   | 6.6x           |
| Free cash flow yield                          | -1.5%             | 0.5%           | -1.9%  | -5.6%              | -15.2%   | 7.4%   | 11.0%  | 13.2%          |
| Growth Rates (%)                              |                   |                |        |                    |          |        |        |                |
| Sales   | 28.0%             | 43.5%          | 14.2%  | 38.3%              | 186.0%   | 14.9%  | 12.4%  | 12.3%          |
| EBITDA  | 82.0%             | 98.3%          | 19.6%  | 17.5%              | 154.6%   | 27.0%  | 19.1%  | 16.8%          |
| EBIT  | 94.6%             | 78.5%          | -4.3%  | -3.5%              | 234.3%   | 11.6%  | 20.2%  | 15.5%          |
| Net Income                                    | 90.8%             | 59.0%          | -10.8% | 41.9%              | 118.8%   | 22.0%  | 30.7%  | 15.4%          |

Source: Company data, KT&Partners' elaborations

Note: FY22PF data include the full-year contributions of EFA automazione, IoT Catalyst (excl. Fair Wind Digital), Venticento and BTO.

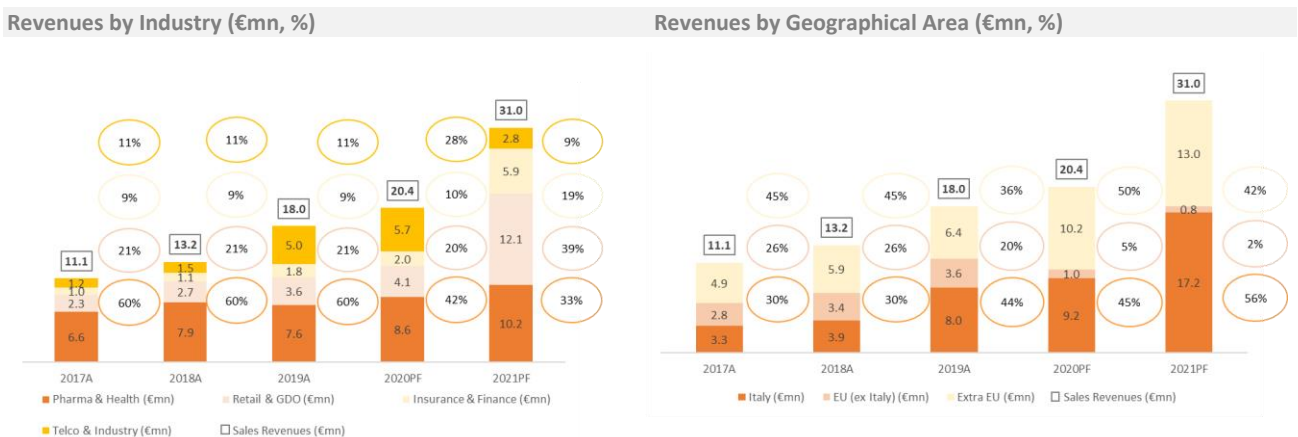
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## Key Charts



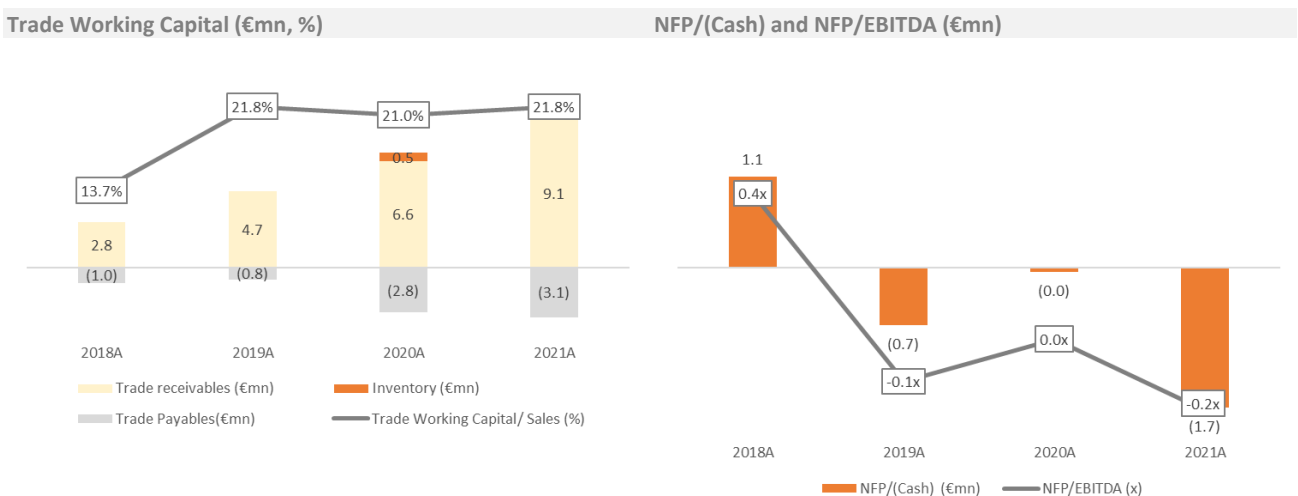
Source: Company data, KT&Partners' elaborations

Note: Pro-forma data refer to accrued and not accrued revenue of companies acquired in the year.



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## Overview

### Company description

Relatech (RLT), a Digital Enabler Solution Know-how (DESK) Company, provides innovative services and digital solutions, enabling the digital innovation of enterprises. The Group's offer is centered on the RePlatform, an internally developed digital cloud-based platform that leverages on the next frontier technologies (i.e., Big Data, Artificial Intelligence (AI), Internet of Things (IoT), Cloud, Augmented and Virtual Reality, Cybersecurity, and Blockchain). RePlatform is based on five modules of software (ReYou, ReData, ReThing, ReSec, and ReHub), making RLT the only Italian player able to satisfy customers' technological needs with a unique comprehensive platform. RLT provides both "vertical solutions" (i.e., ReZone – an AI Customer Engagement Solution for the retail industry – and ReFab4.0 – an AIoT predictive maintenance solution for Industry 4.0) and "innovation services" for a wide range of end-markets (i.e., Pharma & Healthcare, TelCo, Finance, Utilities, Distribution, and Retail).

RLT was listed on Euronext Growth Milan (EGM) on June 28<sup>th</sup>, 2019, with an IPO market capitalization of €20mn and ca. €4.1mn of capital raised. IPO proceeds have been used to: i) grasp M&As opportunities; ii) develop scalable solutions while investing in new technologies; and iii) reinforce the management team and expand the commercial workforce to acquire new clients and enter new end-markets.

### Investment case

- **A scalable business model with an increasing incidence of recurring revenues.** Over the years, RLT has enriched RePlatform with scalable solutions generating recurring revenues. In FY21, recurring revenues rose by +53% YoY to ca. €7.5mn, accounting for 27% of reported sales.
- **An ongoing focus on R&D.** RLT-IT is committed to continuously innovating its solutions with the aim of enriching RePlatform with new applications. Over the 2016-21 period, the company has invested ca. +€15mn in R&D and ca. 18% of revenue in 2021. RLT has also embraced an open innovation approach, carrying out R&D in collaboration with universities, academic spin-offs, and research institutes (e.g., the NRC) to spot new trends.
- **Consolidating partnerships with key IT vendors and system integrators.** Over the years, RLT-IT has established long-lasting relationships with key IT vendors and system integrators (e.g., IBM, TechData, NTTData, Atos, etc.) which in some cases are also RLT-IT's clients. Business partnerships have allowed RLT to i) add value to its offer by integrating key enabling technologies and services provided by IT suppliers; and ii) expand its market coverage by leveraging on IT vendors' and system integrators' networks.
- **Grasping M&As opportunities to boost growth.** Since the IPO, RLT-IT has carried out 9 M&As (14 since its foundation) with the aim of: i) enriching its offer with new cutting-edge and complementary technologies/solutions; ii) expanding its customer base and partners portfolio (e.g., Microsoft, Oracle, etc.); and ii) strengthening its positioning by entering new markets.
- **Positioned in the digital enablers segment, which is expected to keep driving the Italian digital market growth.** RLT-IT is active in the digital innovation market, especially in the Digital Enabler market, which has been the fastest-growing segment of the ICT sector for several years. According to our estimates (based on the Anitec Assinform report and PNRR data), in 2021 the Italian digital market is expected to be worth ca. €75.4bn and it is expected to grow at +6.5% CAGR2021–24, reaching ca. €94bn in 2024. RLT-IT is increasingly investing in Blockchain, AI, IoT and Cybersecurity, which are the four biggest markets in terms of investments within the Horizon Europe and PNRR programs.

### Recent developments

- Merger through incorporation of Relatech Consulting Srl and Xonne Srl.** On November 21<sup>st</sup>, RLT-IT announced the closing of the merger through incorporation related to Relatech Consulting Srl and Xonne Srl (approved as of August 1<sup>st</sup>, 2022). The merger with the two subsidiaries – already 100% owned – is aimed at simplifying the Group’s structure.
- Stock performance, warrant exercise, and stock grant attribution.** Since its IPO occurred in June 2019, RLT-IT’s stock have achieved an outstanding return of +133.1%, based on the first trading day closing price (or +186% on the IPO price), more than 2x the performance registered by the FTSE Italia Growth Index of -0.2% over the same period. As a result of the closing of the last exercise period for the “Warrants Relatech 2019-2022,” which occurred in May 2022, RLT-IT issued 5,188,158 shares, raising €4.9mn that will be employed to further boost the company’s growth in Italy and abroad through M&As as well as to reinforce its organizational structure. Finally, RLT has assigned ca. 460,034 shares newly issued to the top management, executing the “Stock Grant Plan 2021.” The total shares outstanding are 42.5mn, with 42.8% of free float. It worth pointing out that Pasquale Lambardi and Silvio Cosoleto exercised 1,320,050 and 100,000 warrants (equal to 1,980,075 and 150,000 shares) for more than €2mn of investment, highlighting the top management’s growing commitment to the company’s business expansion path.
- Discovering the Metaverse through academic institutions.** IULM University has chosen RLT-IT as partner for “IULM AI LAB,” a laboratory of scientific research on AI, with the aim of developing innovative solutions for private firms and PAs (i.e. Metaverse).
- Welcome to ReSoc, RLT-IT’s new cybersecurity service.** Seizing on the growing needs of the market, RLT-IT has developed the innovative ReSoc, the Security Operation Center, leveraging on the high-level skills of the company Mediatech, the Group’s aggregator pole for services and solutions in the Cybersecurity and Cloud segments.
- External line growth.** In September, RLT-IT strengthened its growth through external lines by closing the acquisition – previously announced in May – of: a i) 100% stake in IoT Catalyst (excl. Fair Wind Digital Srl) and ii) a further 9.71% stake in Venticento Srl reaching the controlling stake of 51%. Previously, on February 18<sup>th</sup>, 2022, RLT-IT acquired an 81.66% stake in EFA Automazione. On December 23<sup>rd</sup>, 2021, the company acquired a 51% stake of DtoK Lab Srl through its subsidiary, Ithea Srl. Furthermore, on November 26<sup>th</sup>, 2021, RLT-IT closed in advance the acquisition of the remaining 46.5% stake in Xonne whereas on June 30<sup>th</sup>, 2021, the company acquired the remaining 40% of Mediatech. Finally, in May and June of 2021, RLT-IT acquired a 60% stake in Dialog Sistemi and Gruppo SIGLA.
- Release of the first non-financial statement.** Based on GRI Standards, RLT has released its first Environmental, Social and Governance (ESG) report on June 21<sup>st</sup>, 2021, with the aim of steering its business increasingly toward sustainable and cutting-edge systems.
- Buyback program and stock split.** In January 2021, the company announced: i) a buy-back plan for a maximum of €1,500,000; and ii) a 3:1 stock split of the total number of 10,922,507 ordinary shares.

## From Digital Enabler to End-to-End Advisory Firm

On November 23<sup>rd</sup>, 2022, RLT-IT closed its ninth M&A deal since IPO with the acquisition of an 80% stake in BTO SpA (announced as of October 28<sup>th</sup>, 2022), an Italian-based company that provides research and consulting services, enabling enterprises to innovate in their business.

The deal was structured as follows:

- acquisition of a 36.90% stake in BTO SpA for €6.83mn, of which €1.55mn of earn-out is to be paid only in event that the target company reaches a minimum turnover for the year 2022 of €20mn. The deal consideration amount includes: i) a cash-out of €1.23mn already paid at the closing date and ii) the remaining amount (including the eventual earn-out) to be paid in RLT-IT's shares valued at the higher of (i) €5.00 or (ii) the weighted average closing price of Relatech's shares in the 90 days prior to the date of fulfillment of the relevant payment conditions. We note that the payment in kind has been adjusted depending on the outcome of the due diligence procedure carried out on some of the BTO Group's tax liabilities.
- subscription of a capital increase for a total of €6.17 million, attributing a 43.10% stake in BTO's share capital.

After the completion of both transactions, RLT-IT will own an 80% stake in BTO. This is the ninth M&A since IPO and the fourth of 2022.

Thanks to the acquisition of BTO, RLT-IT is expected to provide an end-to-end offer that will be the result of advisory services combined with technology solutions, covering each phase of the innovation process: feasibility, project and change management, and implementation of new technologies. Furthermore, leveraging on the strong ties of BTO with the academic community, the company will strengthen both its open innovation approach and the recruitment of new talents. BTO is also expected to accelerate RLT-IT's internationalization process – begun with the acquisition of Venticento and its overseas offices in New York and Hong Kong – thanks to its offices in Germany, Austria and Luxembourg.

In recent years, the advisory industry has undertaken a consolidation process, enabling vertical integration of the value chain. In 2021, 60% (or €3bn) of turnover in the industry (€3bn) was generated by big players, which attract ca. 40% of the total workforce employed. The integration of BTO will allow RLT-IT not only to present itself as a management advisory firm with a technological vocation, but also to immediately cover some of the market's critical areas of specialization, such as IT, Operations and HR & Change Management, which account for more than 40% of the total turnover of the advisory industry in Italy.

## Relatech's M&amp;A deals since IPO

| Company Name            | Announcement date | Acquisition Stake | Deal Value (€mn) | Cash (€mn)   | Payment in Kind (€mn) | Revenues (€mn) | EBITDA (€mn) | Net Income (€mn) | NFP (€mn)    | EV/Sales    | EV/EBITDA   | P/E          |
|-------------------------|-------------------|-------------------|------------------|--------------|-----------------------|----------------|--------------|------------------|--------------|-------------|-------------|--------------|
| Mediatech Srl           | giu-20            | 60.0%             | 1.50             | 1.00         | 0.50                  | 3.58           | 0.44         | 0.19             | 0.26         | 0.8x        | 6.2x        | 12.9x        |
| Xonne Srl               | lug-20            | 53.5%             | 0.32             | 0.16         | 0.16                  | 0.71           | -0.02        | 0.10             | 0.09         | 1.0x        | n.m         | 6.1x         |
| SIGLA Srl               | mag-21            | 60.0%             | 2.30             | 1.73         | 0.57                  | 4.99           | 0.70         | 0.43             | 1.20         | 1.0x        | 7.2x        | 8.9x         |
| Dialog Sistemi Srl      | mag-21            | 60.0%             | 0.94             | 0.70         | 0.23                  | 1.12           | 0.15         | 0.11             | -0.60        | 0.9x        | 6.4x        | 14.2x        |
| Mediatech Srl           | giu-21            | 40.0%             | 1.70             | 0.38         | 1.32                  | 3.37           | 0.33         | 0.30             | n.a.         | n.a.        | n.a.        | 14.1x        |
| Xonne Srl               | nov-21            | 46.5%             | 0.49             | 0.00         | 0.49                  | 0.94           | -0.01        | 0.08             | -0.10        | 1.0x        | n.m         | 13.9x        |
| DtoK Lab Srl            | dic-21            | 51.0%             | n.a.             | n.a.         | n.a.                  | n.a.           | n.a.         | n.a.             | n.a.         | n.a.        | n.a.        | n.a.         |
| E.F.A. Automazione SpA* | dic-21            | 81.7%             | 7.35             | 7.35         | 0.00                  | 13.62          | 1.47         | 0.95             | -0.59        | 0.6x        | 5.7x        | 9.5x         |
| IoT Catalyst**          | mag-22            | 100%              | 0.31             | 0.31         | 0.00                  | 2.54           | 0.47         | 0.06             | -0.17        | 0.1x        | 0.3x        | 5.3x         |
| Venticento Srl***       | mag-22            | 9.7%              | 0.35             | n.a.         | n.a.                  | 10.00          | 0.71         | 0.29             | -0.09        | 0.4x        | 5.0x        | 12.4x        |
| BTO****                 | ott-22            | 80.0%             | 13.00            | 7.40         | 5.60                  | 19.50          | 3.50         | 0.62             | 1.20         | 0.8x        | 4.4x        | 23.0x        |
| <b>Average</b>          |                   |                   | <b>2.83</b>      | <b>1.45</b>  | <b>0.41</b>           | <b>4.54</b>    | <b>0.47</b>  | <b>0.28</b>      | <b>0.00</b>  | <b>0.7x</b> | <b>5.1x</b> | <b>10.8x</b> |
| <b>Median</b>           |                   |                   | <b>0.94</b>      | <b>0.54</b>  | <b>0.36</b>           | <b>3.37</b>    | <b>0.44</b>  | <b>0.19</b>      | <b>-0.09</b> | <b>0.8x</b> | <b>6.0x</b> | <b>12.4x</b> |
| <b>Total</b>            |                   |                   | <b>15.25</b>     | <b>11.63</b> | <b>3.27</b>           |                |              |                  |              |             |             |              |

\*Financials are related to FY20

\*\* ex Fair Wind Digital

\*\*\* KT&Part's EBITDA FY21 estimates

\*\*\*\* Deal value includes earn-out. EBITDA 2021 reported on an adjusted basis

Source: Leanus, KT&Partners' elaborations

Note: Revenues, EBITDA and NFP are related to the previous fiscal years of the announcement date.

## Change in Estimates

Following the closing of the acquisition of 80% share capital of Exeo, a holding of the BTO group, we updated our 2022PF-2024 estimates.

The acquisition of BTO will allow RLT-IT to strengthen its competitive positioning by targeting new domestic and international end-markets/customers. As a result, we now anticipate the 2022PF value of production, €96.3mn, to grow at CAGR21–24 of 54.6% (+9.4pp vs our previous research), reaching €124.4mn in 2024.

We now expect FY22PF EBITDA at €17.6mn, growing at 56.8% CAGR21-24 (+9.6pp above our previous estimates), reaching €26.7mn in 2024. On the profitability side, we anticipate a FY22PF EBITDA margin at 18.3%, confirming our estimates for FY23 and FY24 expecting the new acquired company to record a profitability in line with the Group, also leveraging on growing Group's synergies. EBITDA margin is then expected to gradually improve to 21.5% by FY24E thanks to business growth and OpEx's economies of scale between group's companies.

As for the bottom line, we now foresee net income adjusted to grow at 33.4% CAGR21–24 (+7pp of our previous projections), amounting to €12.6mn in 2024.

Finally, factoring in the net impact of the acquisition of BTO Group on FY22PF NFP, we now anticipate a net debt of €8mn, resulting in a net cash position of €10.4mn in FY24E. We note that FY23E NFP is also impacted by the payment of €1.55mn of earn-out, to be paid only if BTO Group reaches €20mn of revenues in FY22.

### Change in Estimates

| € Million                  | 2021        | 2022E PF    | 2022E PF    | Change       | 2023E       | 2023E        | Change       | 2024E        | 2024E        | Change       | CAGR        | CAGR     | Change      |
|----------------------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|----------|-------------|
|                            | Actual      | Old         | New         |              | Old         | New          |              | Old          | New          |              | Old         | New      |             |
|                            |             | KT&P        | KT&P        |              | KT&P        | KT&P         |              | KT&P         | KT&P         |              |             |          |             |
| <b>Value of Production</b> | <b>33.7</b> | <b>76.1</b> | <b>96.3</b> | <b>26.5%</b> | <b>89.8</b> | <b>110.6</b> | <b>23.2%</b> | <b>103.0</b> | <b>124.4</b> | <b>20.8%</b> |             |          |             |
| YoY Change (%)             | 57.9%       | 126.0%      | 186.0%      |              | 18.0%       | 14.9%        |              | 14.7%        | 12.4%        |              |             |          |             |
| <b>EBITDA</b>              | <b>6.9</b>  | <b>13.9</b> | <b>17.6</b> | <b>27.2%</b> | <b>18.2</b> | <b>22.4</b>  | <b>23.2%</b> | <b>22.1</b>  | <b>26.7</b>  | <b>20.8%</b> |             |          |             |
| YoY Change (%)             | 40.5%       | 100.1%      | 154.6%      |              | 31.2%       | 27.0%        |              | 21.5%        | 19.1%        |              |             |          |             |
| EBITDA Margin              | 20.6%       | 18.2%       | 18.3%       |              | 20.3%       | 20.3%        |              | 21.5%        | 21.5%        |              |             |          |             |
| <b>EBIT</b>                | <b>4.0</b>  | <b>9.5</b>  | <b>13.2</b> | <b>38.8%</b> | <b>12.1</b> | <b>14.8</b>  | <b>22.4%</b> | <b>15.1</b>  | <b>17.8</b>  | <b>17.6%</b> |             |          |             |
| YoY Change (%)             | -7.7%       | 140.8%      | 234.3%      |              | 26.6%       | 11.6%        |              | 25.1%        | 20.2%        |              |             |          |             |
| EBIT Margin                | 11.8%       | 12.5%       | 13.7%       |              | 13.4%       | 13.4%        |              | 14.7%        | 14.3%        |              |             |          |             |
| <b>Net Income</b>          | <b>3.7</b>  | <b>5.3</b>  | <b>7.9</b>  | <b>48.6%</b> | <b>7.7</b>  | <b>9.7</b>   | <b>25.0%</b> | <b>10.8</b>  | <b>12.6</b>  | <b>17.4%</b> |             |          |             |
| YoY Change (%)             | 43.6%       | 46.0%       | 117.0%      |              | 45.2%       | 22.0%        |              | 39.1%        | 30.7%        |              |             |          |             |
| Net Margin                 | 10.9%       | 7.0%        | 8.2%        |              | 8.6%        | 8.7%         |              | 10.5%        | 10.2%        |              |             |          |             |
| <b>Net Income Adjusted</b> | <b>5.3</b>  | <b>6.3</b>  | <b>8.9</b>  | <b>41.4%</b> | <b>8.7</b>  | <b>10.6</b>  | <b>22.3%</b> | <b>10.8</b>  | <b>12.6</b>  | <b>17.4%</b> |             |          |             |
| YoY Change (%)             | 65.9%       | 17.7%       | 66.3%       |              | 38.4%       | 19.7%        |              | 24.1%        | 19.2%        |              |             |          |             |
| Net Margin Adjusted        | 15.8%       | 8.2%        | 9.2%        |              | 9.7%        | 9.6%         |              | 10.5%        | 10.2%        |              |             |          |             |
| <b>NFP</b>                 | <b>-</b>    | <b>1.7</b>  | <b>1.4</b>  | <b>8.0</b>   | <b>6.6</b>  | <b>-</b>     | <b>5.6</b>   | <b>1.2</b>   | <b>6.7</b>   | <b>-</b>     | <b>15.9</b> | <b>-</b> | <b>10.4</b> |
|                            |             |             |             |              |             |              |              |              |              |              |             |          |             |

Source: Company data, KT&Partners' elaborations



## Valuation

Following the projections of RLT's future financials, we carried out the valuation of the company by applying the DCF and market multiples methods:

1. EV/EBITDA and P/E multiples, which returns a value of €235.1mn or €5.42ps;
2. DCF analysis based on WACC of 8.3% and 2% perpetual growth, returns a value of €189.7mn or €4.38ps.

The average of the two methods yields a fair value of €4.90ps or an equity value of €212.4mn.

### Valuation Recap

|                          | Equity Value €mn | Value per share € |
|--------------------------|------------------|-------------------|
| DCF                      | 189.70           | 4.38              |
| EV/EBITDA                | 244.45           | 5.64              |
| P/E                      | 225.73           | 5.21              |
| <b>Average Multiples</b> | <b>235.09</b>    | <b>5.42</b>       |
| <b>Total Average</b>     | <b>212.39</b>    | <b>4.90</b>       |

Source: FactSet, KT&Partners' elaboration

## Market Multiples Valuation

Following the comparables analysis, we proceeded with the definition of market multiples for each peer, focusing on 2021–24 data.

### Peer Comparison – Market Multiples 2021–24

| Company Name       | Exchange | Market Cap | EV/SALES 2021 | EV/SALES 2022 | EV/SALES 2023 | EV/SALES 2024 | EV/EBITDA 2021 | EV/EBITDA 2022 | EV/EBITDA 2023 | EV/EBITDA 2024 | EV/EBIT 2021 | EV/EBIT 2022 | EV/EBIT 2023 | EV/EBIT 2024 | P/E 2021 | P/E 2022 | P/E 2023 | P/E 2024 |
|--------------------|----------|------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|----------|----------|----------|----------|
| Reply S.p.A.       | Milan    | 4,310      | 2.8x          | 2.2x          | 1.9x          | 1.8x          | 16.8x          | 13.4x          | 12.0x          | 10.9x          | 20.9x        | 16.1x        | 14.3x        | 12.8x        | 29.6x    | 25.1x    | 21.7x    | 19.4x    |
| CY4Gate SpA        | Milan    | 235        | 13.9x         | 3.9x          | 2.8x          | 2.6x          | 33.2x          | 12.7x          | 8.6x           | 7.9x           | n.m          | 17.8x        | 11.7x        | 10.6x        | 28.9x    | 25.5x    | 17.2x    | 15.6x    |
| Neosperience SpA   | Milan    | 36         | 2.5x          | 1.8x          | 1.4x          | 1.2x          | 8.2x           | 5.5x           | 4.5x           | 3.8x           | n.m          | 21.6x        | 10.5x        | 7.3x         | n.m      | 26.3x    | 14.2x    | 9.2x     |
| SECO S.p.A.        | Milan    | 679        | 7.3x          | 4.1x          | 3.3x          | 2.6x          | n.m            | 18.6x          | 13.7x          | 10.3x          | n.m          | 26.6x        | 18.3x        | 13.1x        | n.m      | 38.0x    | 25.7x    | 18.0x    |
| Almawave S.p.A.    | Milan    | 120        | 3.5x          | 2.6x          | 2.1x          | 1.8x          | 17.8x          | 15.3x          | 11.4x          | 8.4x           | 34.2x        | 21.1x        | 15.7x        | 9.9x         | 32.6x    | 29.8x    | 22.0x    | 15.4x    |
| WIIT SpA           | Milan    | 503        | 8.6x          | 5.6x          | 5.0x          | 4.6x          | 28.3x          | 16.4x          | 14.1x          | 12.4x          | n.m          | 35.4x        | 27.3x        | 22.6x        | n.m      | n.m      | 37.2x    | 28.2x    |
| Average peer group |          | 981        | 6.4x          | 3.4x          | 2.8x          | 2.4x          | 20.9x          | 13.6x          | 10.7x          | 9.0x           | 27.6x        | 23.1x        | 16.3x        | 12.7x        | 30.4x    | 28.9x    | 23.0x    | 17.6x    |
| Median peer group  |          | 369        | 5.4x          | 3.2x          | 2.4x          | 2.2x          | 17.8x          | 14.3x          | 11.7x          | 9.3x           | 27.6x        | 21.3x        | 15.0x        | 11.7x        | 29.6x    | 26.3x    | 21.8x    | 16.8x    |
| Relatech S.p.A.    | Milan    | 96         | 3.2x          | 1.1x          | 1.0x          | 0.9x          | 15.4x          | 6.1x           | 4.8x           | 4.0x           | 27.0x        | 8.1x         | 7.2x         | 6.0x         | 15.3x    | 10.9x    | 9.1x     | 7.6x     |

Source: FactSet, KT&Partners' elaboration

We decide to base our valuation upon: i) 2022, 2023 and 2024 multiples; and ii) our estimates of RLT's EBITDA and net income adjusted for 2022, 2023 and 2024. We also consider NFP adjusted for i) the cash-in following the warrant exercise and ii) the cash-out on the back of the acquisition of EFA Automazione, IoT Catalyst (ex Fair Wind Digital), Venticento and BTO.

### EV/EBITDA Multiple Valuation

| Multiple Valuation (€mn)            | 2022E        | 2023E        | 2024E        |
|-------------------------------------|--------------|--------------|--------------|
| EV/EBITDA Comps                     | 14.3x        | 11.7x        | 9.3x         |
| Relatech SpA EBITDA                 | 17.6         | 22.4         | 26.7         |
| <b>Enterprise value</b>             | <b>252.6</b> | <b>262.7</b> | <b>249.6</b> |
| Relatech SpA FY21 Net Debt Adjusted | 3.9          | 3.9          | 3.9          |
| Relatech SpA FY21 Minorities Adj    | 6.6          | 6.6          | 6.6          |
| <b>Equity Value</b>                 | <b>242.1</b> | <b>252.2</b> | <b>239.0</b> |
| Average Equity Value                |              | 244.4        |              |
| Liquidity Discount                  |              | 0%           |              |
| <b>Equity Value Post-Discount</b>   |              | <b>244.4</b> |              |
| Number of shares (mn)               |              | 43.4         |              |
| <b>Value per Share €</b>            |              | <b>5.64</b>  |              |

Source: FactSet, KT&Partners' elaboration

### P/E Multiple Valuation

| Multiple Valuation (€mn)          | 2022E        | 2023E        | 2024E        |
|-----------------------------------|--------------|--------------|--------------|
| P/E Comps                         | 26.3x        | 21.8x        | 16.8x        |
| Relatech SpA Net Income Adjusted  | 8.9          | 10.6         | 12.6         |
| <b>Equity Value</b>               | <b>233.1</b> | <b>231.4</b> | <b>212.6</b> |
| Average Equity Value              |              | 225.7        |              |
| Liquidity Discount                |              | 0%           |              |
| <b>Equity Value Post-Discount</b> |              | <b>225.7</b> |              |
| Number of shares (thousand)       |              | 43.4         |              |
| <b>Value per Share €</b>          |              | <b>5.21</b>  |              |

Source: FactSet, KT&Partners' elaboration

## DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 8.8% cost of equity, 4% cost of debt and a D/E ratio of 9.3% (Damodaran for Software, System & Application). The cost of equity is a function of the risk-free rate of 4.2% (Italian 10y BTP), 5.1% equity risk premium (Damodaran – September ERP T12 m with sustainable payout) and a premium for size and liquidity of 1.8% (source: Duff&Phelps). We, therefore, obtained 8.3% WACC (+0.6pp vs our latest research).

In our valuation, we also consider a FY21 NFP adjusted for €4.9mn of cash-in following warrant exercise.

We discounted 2022E–25E annual cash flows and considered a terminal growth rate of 2%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

| DCF Valuation                  |               |             |             |             |
|--------------------------------|---------------|-------------|-------------|-------------|
| € Million                      | 2022E         | 2023E       | 2024E       | 2025E       |
| <b>EBIT</b>                    | <b>13.2</b>   | <b>14.8</b> | <b>17.8</b> | <b>20.5</b> |
| Taxes                          | (3.2)         | (3.4)       | (4.2)       | (4.9)       |
| D&A                            | 4.4           | 7.6         | 8.9         | 10.7        |
| Change in Net Working Capital  | (1.2)         | (3.5)       | (2.2)       | (2.4)       |
| Change in Funds                | 1.6           | 2.7         | 3.0         | 3.3         |
| <b>Net Operating Cash Flow</b> | <b>14.8</b>   | <b>18.2</b> | <b>23.3</b> | <b>27.2</b> |
| Capex                          | (31.1)        | (10.3)      | (11.6)      | (13.1)      |
| <b>FCFO</b>                    | <b>(16.3)</b> | <b>7.9</b>  | <b>11.7</b> | <b>14.1</b> |
| <b>g</b>                       | <b>2.0%</b>   |             |             |             |
| <b>Wacc</b>                    | <b>8.3%</b>   |             |             |             |
| FCFO (discounted)              | (16.2)        | 7.2         | 9.9         | 11.0        |
| Discounted Cumulated FCFO      | 12.0          |             |             |             |
| TV                             | 226.7         |             |             |             |
| TV (discounted)                | 177.6         |             |             |             |
| <b>Enterprise Value</b>        | <b>189.6</b>  |             |             |             |
| FY21 NFP Adj                   | (6.6)         |             |             |             |
| FY21 Minorities Adj            | 6.6           |             |             |             |
| <b>Equity Value</b>            | <b>189.7</b>  |             |             |             |
| Current number of shares (mn)  | 43.35         |             |             |             |
| <b>Value per share (€)</b>     | <b>4.38</b>   |             |             |             |

Source: Company data, KT&Partners' elaboration

## Sensitivity Analysis

| € Million | Terminal growth Rate | WACC  |       |       |       |       |
|-----------|----------------------|-------|-------|-------|-------|-------|
|           |                      | 8.8%  | 8.6%  | 8.3%  | 8.1%  | 7.8%  |
|           | 1.5%                 | 162.3 | 168.9 | 175.9 | 183.5 | 191.6 |
|           | 1.8%                 | 168.0 | 175.0 | 182.5 | 190.7 | 199.4 |
|           | 2.0%                 | 174.1 | 181.6 | 189.7 | 198.4 | 207.9 |
|           | 2.3%                 | 180.7 | 188.7 | 197.5 | 206.9 | 217.2 |
|           | 2.5%                 | 187.8 | 196.5 | 205.9 | 216.1 | 227.3 |

Source: Company data, KT&Partners' elaboration

## Appendix

### Peer Comparison

We carried out an in-depth analysis of public companies that could be considered as peers of RLT, considering its offerings, business model, growth, and profitability profile. Looking at the Italian market, we notice that selected companies – some of which are also RLT's competitors – do not provide a range of solutions for different technology needs as does RLT but each one of them is focused on one of RLT's verticals.

We built a six-company sample, based on RLT's offerings (Innovation Services, ReYou, ReData, ReHub, ReThing and ReSec), which includes:

- **Reply S.p.A.** (REY-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €4.3bn, REY-IT focuses on conception, design, and development of solutions based on the new communication channels and digital media. It supports the main European industrial groups in defining and developing new business models utilizing big data, cloud computing, customer relationship management, mobile, social media, and IoT paradigms. The firm also offers consultancy, system integration and application management, and business process outsourcing. In FY21, REY reached ca. €1.5bn of sales.
- **CY4Gate S.p.A.** (CY4-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €235mn, CY4-IT engages in the design, development, and production of technologies, products, systems, and services to provide solutions for cyber intelligence, cyber security, and cyber electronic warfare. It operates through the Cyber Intelligence and Cyber Security business divisions. In FY21, CY4-IT reached ca. €17mn of sales.
- **Neosperience S.p.A.** (NSP-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €36mn, NSP-IT provides digital customers with experience services through its cloud-based platform named "Neosperience Cloud." The company offers AI proprietary models to enhance brand and product experience. In FY21, NSP-IT reached €18mn of sales.
- **SECO S.p.A.** (IOT-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €679mn, IOT-IT designs and manufactures proprietary technological solutions for microcomputers and other integrated systems for personal computer miniaturization. It operates through the following product and service areas: Custom Edge Systems, Edge Platforms, and IoT Solutions. In FY21, ETH reached €112mn of sales.
- **Almawave S.p.A.** (AIW-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €120mn, AIW-IT develops software technologies for artificial intelligence, natural language analysis, and big data management. The firm owns and distributes patented technologies which offer solutions for text and speech analytics, knowledge management, multi-channel contact management and virtual agent, and customer experience management under the platform brands Iride and Audioma. Its software products also feature automatic speech recognition under its platform brands Audioma, FlyScribe, and Verbamatic. In FY21, AIW-IT reached €33mn of sales.
- **WIIT S.p.A.** (WIIT-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €503mn, WIIT-IT is a holding company, which engages in the provision of hosted private and hybrid cloud services. It offers cloud computing, critical applications, business continuity and disaster recovery, cybersecurity, technology migrations, service desk, and digital transformation solutions. In FY21, WIIT reached €76mn of sales.

We analyzed the peer companies by considering their average revenue and EBITDA growth and compared them to RLT-IT's historical and expected financials. By looking at 2018–21 revenue growth, the peers' average experienced a CAGR18–21 of +15% while RLT-IT's revenues registered a CAGR18–21 of 31.3%, higher than comparable growth by 16pp. Over the 2021–24 period, RLT-IT's sales are expected to grow at a 54.6% CAGR vs 19.9% CAGR of the peer's average. Looking at EBITDA, RLT-IT registered a CAGR19–21 of 40.7%, outperforming the peers' average by ca. +15.1pp. According to our financial projection, RLT-IT's EBITDA shows an expected 56.8% CAGR21–24, compared with expected growth of the peers' average of +23.3%.

**Peers Comparison – Sales (€mn) and Sales CAGR (%)**

| Company Name         | RePlatform          | Sales      |            |            |            |              | CAGR 18-21 | Sales      |            |              | CAGR 21-24 |
|----------------------|---------------------|------------|------------|------------|------------|--------------|------------|------------|------------|--------------|------------|
|                      |                     | 2018       | 2019       | 2020       | 2021       | 2022         |            | 2023       | 2024       |              |            |
| Reply S.p.A.         | Innovation Services | 1,036      | 1,183      | 1,250      | 1,484      | 12.7%        | 1,862      | 2,114      | 2,353      | 16.6%        |            |
| CY4Gate SpA          | ReSec               | 5          | 7          | 13         | 17         | 48.5%        | 61         | 85         | 93         | n.m.         |            |
| Neosperience SpA     | ReYou               | 9          | 14         | 16         | 18         | 28.5%        | 26         | 32         | 37         | 27.2%        |            |
| SECO S.p.A.          | ReThing             | 54         | 65         | 76         | 112        | 27.3%        | 202        | 252        | 314        | 40.9%        |            |
| Almawave S.p.A.      | ReData              | 16         | 21         | 27         | 33         | 27.1%        | 45         | 56         | 64         | 24.6%        |            |
| WIIT SpA             | ReHub               | 24         | 34         | 52         | 76         | 46.3%        | 117        | 130        | 141        | 22.8%        |            |
| <b>Peers Average</b> |                     | <b>191</b> | <b>221</b> | <b>239</b> | <b>290</b> | <b>15.0%</b> | <b>385</b> | <b>445</b> | <b>500</b> | <b>19.9%</b> |            |
| <b>Relatech SpA</b>  |                     | <b>15</b>  | <b>21</b>  | <b>26</b>  | <b>34</b>  | <b>31.3%</b> | <b>96</b>  | <b>111</b> | <b>124</b> | <b>54.6%</b> |            |

| Company Name         | RePlatform          | EBITDA    |           |           |           |              | CAGR 18-21 | EBITDA    |           |              | CAGR 21-24 |
|----------------------|---------------------|-----------|-----------|-----------|-----------|--------------|------------|-----------|-----------|--------------|------------|
|                      |                     | 2018      | 2019      | 2020      | 2021      | 2022         |            | 2023      | 2024      |              |            |
| Reply S.p.A.         | Innovation Services | 130       | 168       | 189       | 245       | 23.6%        | 308        | 343       | 378       | 15.5%        |            |
| CY4Gate SpA          | ReSec               | -1        | 3         | 7         | 7         | n.m.         | 19         | 27        | 30        | n.m.         |            |
| Neosperience SpA     | ReYou               | 2         | 2         | 4         | 6         | 34.0%        | 8          | 10        | 12        | 29.7%        |            |
| SECO S.p.A.          | ReThing             | 8         | 12        | 13        | 15        | 23.6%        | 44         | 60        | 80        | n.m.         |            |
| Almawave S.p.A.      | ReData              | 3         | 4         | 5         | 6         | 24.9%        | 8          | 10        | 14        | 28.6%        |            |
| WIIT SpA             | ReHub               | 10        | 12        | 16        | 23        | 32.3%        | 40         | 47        | 53        | 31.5%        |            |
| <b>Peers Average</b> |                     | <b>25</b> | <b>33</b> | <b>39</b> | <b>50</b> | <b>25.5%</b> | <b>71</b>  | <b>83</b> | <b>94</b> | <b>23.3%</b> |            |
| <b>Relatech SpA</b>  |                     | <b>2</b>  | <b>5</b>  | <b>6</b>  | <b>7</b>  | <b>40.7%</b> | <b>18</b>  | <b>22</b> | <b>27</b> | <b>56.8%</b> |            |

Source: FactSet, KT&Partners' elaborations

Note: Historical sales revenues, EBITDA are related to reported data.

We then compared peers' marginalities with RLT-IT's historical and expected margins. The peer sample have a level of marginality that is on average 3/4pp above Relatech margins.

**Peers Comparison – EBITDA Margin, EBIT Margin and Net Margin**

| Company Name         | EBITDA Margin |              |              |              |              |              | EBIT Margin  |              |              |              |              |              | Net Margin   |              |              |             |              |              |
|----------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|
|                      | 2019          | 2020         | 2021         | 2022         | 2023         | 2024         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2019         | 2020         | 2021         | 2022        | 2023         | 2024         |
| Reply S.p.A.         | 14.2%         | 15.1%        | 16.5%        | 16.5%        | 16.2%        | 16.1%        | 11.1%        | 11.7%        | 13.3%        | 13.8%        | 13.6%        | 13.7%        | 9.6%         | 9.9%         | 10.2%        | 9.5%        | 9.8%         | 9.9%         |
| CY4Gate SpA          | 42.9%         | 52.1%        | 41.8%        | 30.4%        | 32.2%        | 32.3%        | 33.7%        | 39.8%        | 21.9%        | 21.7%        | 23.7%        | 24.1%        | 26.2%        | 42.0%        | 30.4%        | 14.8%       | 17.6%        | 18.0%        |
| Neosperience SpA     | 11.5%         | 23.3%        | 30.3%        | 32.2%        | 31.9%        | 32.1%        | neg          | neg          | 6.0%         | 8.2%         | 13.6%        | 16.6%        | 6.6%         | 1.6%         | 3.4%         | 3.9%        | 7.9%         | 10.2%        |
| SECO S.p.A.          | 17.8%         | 17.1%        | 13.3%        | 22.0%        | 23.9%        | 25.5%        | 13.0%        | 9.9%         | 5.1%         | 15.4%        | 17.9%        | 20.0%        | 8.0%         | 5.3%         | 3.7%         | 8.6%        | 10.7%        | 12.6%        |
| Almawave S.p.A.      | 19.7%         | 20.1%        | 19.7%        | 16.8%        | 18.2%        | 21.7%        | 9.8%         | 10.4%        | 10.3%        | 12.1%        | 13.3%        | 18.4%        | 9.6%         | 5.0%         | 10.5%        | 8.1%        | 9.0%         | 12.6%        |
| WIIT SpA             | 35.7%         | 31.0%        | 30.3%        | 34.2%        | 35.8%        | 37.3%        | 15.5%        | 9.7%         | 6.7%         | 15.8%        | 18.4%        | 20.5%        | 14.8%        | 3.1%         | neg          | 6.3%        | 9.5%         | 11.4%        |
| <b>Peers Average</b> | <b>23.6%</b>  | <b>26.5%</b> | <b>25.3%</b> | <b>25.3%</b> | <b>26.4%</b> | <b>26.6%</b> | <b>16.6%</b> | <b>16.3%</b> | <b>10.5%</b> | <b>14.5%</b> | <b>16.7%</b> | <b>18.9%</b> | <b>12.5%</b> | <b>11.1%</b> | <b>11.6%</b> | <b>8.5%</b> | <b>10.8%</b> | <b>12.4%</b> |
| <b>Relatech SpA</b>  | <b>23.1%</b>  | <b>22.9%</b> | <b>20.6%</b> | <b>18.3%</b> | <b>20.3%</b> | <b>21.5%</b> | <b>20.1%</b> | <b>16.1%</b> | <b>11.8%</b> | <b>13.7%</b> | <b>13.4%</b> | <b>14.3%</b> | <b>11.9%</b> | <b>10.2%</b> | <b>10.9%</b> | <b>8.2%</b> | <b>8.7%</b>  | <b>10.2%</b> |

Source: FactSet, KT&Partners' elaborations

Note: Historical sales revenues, EBITDA are related to reported data.

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- ADD – FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD – FOR A FAIR VALUE <15% AND >-15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE <-15% ON CURRENT PRICE



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