

FY22: Setting the Stage to the Digital Renaissance!

ADD | Fair Value: €5.26 (€4.90) | Current Price: €1.99 | Upside: +164.2%

€ Million	FY19A	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E
Value of production	21.3	24.3	33.7	70.0	114.9	126.8	140.0
EBITDA	4.9	5.9	6.9	13.2	22.0	26.0	30.4
margin	23.1%	24.2%	20.6%	18.8%	19.2%	20.5%	21.7%
Net Profit	2.5	2.6	3.7	1.7	9.9	13.3	15.1
margin	11.9%	10.5%	10.9%	2.4%	8.6%	10.4%	10.8%
Net Profit adjusted	3.0	3.2	3.4	5.4	10.7	13.3	15.1
margin	14.1%	13.2%	10.0%	7.7%	9.4%	10.4%	10.8%
EPS	0.27	0.24	0.10	0.04	0.23	0.31	0.35
EPS adj.	0.32	0.31	0.35	0.13	0.25	0.31	0.35
NFP	(0.7)	(0.0)	(1.7)	9.5	0.2	(11.8)	(26.7)

Source: Company data (2018–22), KT&Partners' elaborations (2023–26). Note: EBITDA and EBIT data are reported on an adjusted basis (without considering extraordinary items). Margins are calculated on the value of production.

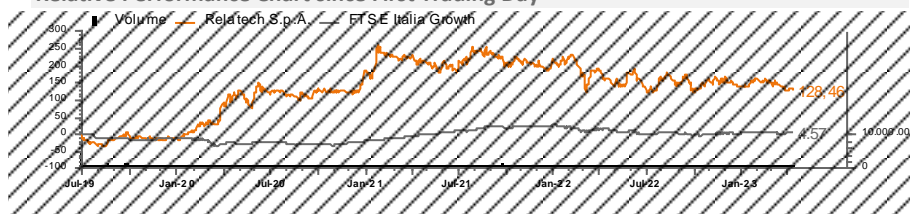
FY22: an extremely dynamic year. In FY22, RLT-IT remained focused on pursuing its strategy, closing 4 M&A deals (EFA Automazione, Venticento, IoT Catalyst, and BTO Research), 9 since the IPO. We believe that RLT-IT, following the growth path pursued over the last years, is well positioned to seize future opportunities thanks to: i) an enriched offer, based on RePlatform, able to satisfy customers' needs throughout their entire innovation process; ii) synergies among all the companies within the group to exploit cross- and up-selling opportunities on 1,000+ clients; iii) 800 talents and strengthened partnerships with the academic and scientific world.

FY22 results. RLT-IT ended 2022 with €60.7mn, experiencing a +117.1% growth and beating our estimates by 8%. Without considering the contribution from the newly acquired companies of €26.1mn, RLT-IT recorded an organic growth of ca. 12% YoY. Recurring revenues experienced a remarkable +151% YoY growth, accounting for 35% of total reported sales. Including €9.3mn of other revenues, RLT-IT's Value of Production (VoP) reached ca. €70mn in FY22 from €33.7mn in FY21, 9.2% higher than our estimates. Looking at profitability, the change in revenue mix following M&As led EBITDA margin (without considering extraordinary items) to decrease by 1.8pp to 18.8pp, -1pp lower than our estimates. In absolute terms, EBITDA increased by 90.2%, amounting to €13.2mn (of which €5.6mn came from companies acquired in FY22), beating our expectations by 3.5%. At the bottom line, net income after minorities came at €1.7mn, down by 53.5% YoY mainly due to extraordinary items related to i) M&A consultancy services, ii) stock grant plan, and iii) tax provision related to previous fiscal years of the newly acquired companies. By adjusting for extraordinary expenses, net income would have been €5.4mn, almost in line with the previous year and with our estimates. Finally, NFP worsened to €9.5mn in 2022 (including €4.7mn of IFRS 9 adjustment) from a net cash position of €1.7mn, mainly following strong M&A investments made during 2022 and despite €4.9mn of cash-in from warrant conversion.

Estimates review. We revised our forecast on the back of FY22 financial results. We now expect value of production to increase at a CAGR22–25 of 26%, reaching €140mn in 2025. On the profitability side, we expect EBITDA margin will be positively impacted by cost synergies going from 19.2% in FY23E to 21.7% in FY25E. Finally, we anticipate a net cash position of €0.2mn in FY23E, reaching a net cash position of €26.7mn in FY25E.

Valuation Update. We updated our valuation – based on both DCF and a market multiples model – which returns an average equity value of €225.2mn or €5.26ps, implying a potential upside of +164.2% on the current market price and +7.3% on our previous fair value.

Relative Performance Chart since First Trading Day



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Research Update

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Market Data

Pasquale Lambardi	51.8%
Mkt Cap (€ mn)	85.2
EV (€ mn)	95.0
Number of shares (mn)	43.4
Shares outstanding (mn)	42.8
Free Float (%)	40.4

Market multiples	2022A	2023E	2024E
EV/EBITDA			
RLT-IT	7.2x	4.3x	3.6x
Comps median	14.8x	11.0x	8.9x
RLT-IT vs Median	-51%	-61%	-59%
P/E			
RLT-IT	15.5x	7.9x	6.4x
Comps median	25.0x	23.5x	17.3x
RLT-IT vs Median	-38%	-66%	-63%

Stock Data

52 Wk High (€)	2.52
52 Wk Low (€)	1.90
Avg. Daily Trading 90d	59,925
Price Change 1w (%)	-0.50
Price Change 1m (%)	-7.44
Price Change YTD (%)	-4.33

Note: shares outstanding also consider treasury shares used for the acquisition of a further stake in EFA Automazione and the numbers of treasury shares that will be used for the payment of BTO's earn-out

Key Figures – Relatech S.p.A.

	Current price (€)	Fair Value (€)		Sector						Free Float (%)
	1.99	5.26		Digital Innovation						40.4
Per Share Data	2018A	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E	
Number of shares (mn)	n.a.	9.33	10.92	37.75	43.35	43.35	43.35	43.35	43.35	
Treasury shares (mn)	n.a.	0.00	0.42	0.91	1.11	0.53	0.53	0.53	0.53	
Shares outstanding (mn)	n.a.	9.33	10.50	36.84	42.24	42.83	42.83	42.83	42.83	
EPS	n.a.	0.27	0.24	0.10	0.04	0.23	0.31	0.35	0.40	
EPS Adjusted	n.a.	0.32	0.31	0.14	0.13	0.25	0.31	0.35	0.40	
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Profit and Loss (EUR million)										
Sales revenues	13.2	18.0	18.3	27.9	60.7	104.9	116.0	128.1	138.3	
Value of Production	14.9	21.3	24.3	33.7	70.0	114.9	126.8	140.0	151.2	
EBITDA	2.5	4.9	5.9	6.9	13.2	22.0	26.0	30.4	33.8	
EBIT	2.4	4.3	4.1	4.0	8.7	14.9	18.2	20.7	23.1	
EBT	2.4	3.8	3.4	3.2	4.6	13.2	17.6	20.2	22.7	
Taxes	(0.7)	(1.2)	(0.6)	0.7	(2.9)	(3.0)	(4.1)	(4.8)	(5.4)	
Tax rate	32%	31%	19%	-20%	62%	23%	23%	24%	24%	
Net Income	1.6	2.6	2.7	3.9	1.7	10.1	13.5	15.4	17.3	
Net Income attributable to the Group	1.6	2.5	2.6	3.7	1.7	9.9	13.3	15.1	17.0	
Net Income attributable to the Group Adjusted	1.6	3.0	3.2	5.3	5.4	10.7	13.3	15.1	17.0	
Balance Sheet (EUR million)										
Total fixed assets	2.8	6.9	13.5	21.7	48.4	48.2	49.3	49.4	49.2	
Net Working Capital (NWC)	2.1	3.1	3.1	6.7	11.5	17.4	20.9	24.6	27.6	
Provisions	(0.9)	(2.0)	(3.2)	(5.8)	(16.0)	(18.8)	(21.8)	(25.1)	(28.6)	
Total Net capital employed	4.0	8.0	13.4	22.5	43.9	46.9	48.4	48.9	48.1	
Net financial position/(Cash)	1.1	(0.7)	(0.0)	(1.7)	9.5	0.2	(11.8)	(26.7)	(44.8)	
Group Shareholder's Equity	2.8	8.5	12.7	23.1	33.1	45.2	58.5	73.6	90.5	
Minorities	0.1	0.2	0.7	1.1	1.3	1.5	1.8	2.1	2.4	
Total Shareholder's Equity	2.9	8.7	13.4	24.2	34.4	46.7	60.2	75.6	92.9	
Cash Flow (EUR million)										
Net operating cash flow	1.7	3.6	5.2	6.1	10.1	18.5	21.8	25.4	28.3	
Change in NWC	(1.3)	(1.0)	(0.0)	(3.6)	(4.8)	(5.9)	(3.5)	(3.7)	(3.0)	
Capital expenditure	(2.6)	(3.1)	(8.4)	(9.1)	(29.8)	(7.0)	(8.9)	(9.8)	(10.5)	
Other cash items/Uses of funds	0.5	1.1	1.2	0.5	8.8	2.8	3.0	3.3	3.5	
Free cash flow	(1.6)	0.5	(2.0)	(6.0)	(15.7)	8.4	12.4	15.3	18.4	
Enterprise Value (EUR million)										
Market Cap	n.a.	21.0	52.1	96.7	92.9	85.2	85.2	85.2	85.2	
Minorities	0.1	0.2	0.7	1.1	1.3	1.5	1.8	2.1	2.4	
Net financial position/(Cash)	1.1	(0.7)	(0.0)	(1.7)	9.5	0.2	(11.8)	(26.7)	(44.8)	
Enterprise value	n.a.	20.5	52.8	96.1	103.7	86.9	75.2	60.5	42.8	
Ratios (%)										
EBITDA margin	16.7%	23.1%	24.2%	20.6%	18.8%	19.2%	20.5%	21.7%	22.4%	
EBIT margin	16.2%	20.1%	16.9%	11.8%	12.5%	13.0%	14.3%	14.8%	15.3%	
Gearing - Debt/equity	40.1%	-8.2%	-0.4%	-7.4%	28.7%	0.4%	-20.2%	-36.3%	-49.5%	
Interest cover on EBIT	0.0%	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	0.7x	0.0x	-0.5x	-0.9x	-1.3x	
ROCE	59.7%	53.4%	30.6%	17.6%	19.9%	31.8%	37.5%	42.3%	48.1%	
ROE	56.4%	29.8%	20.1%	15.8%	5.1%	22.0%	22.7%	20.5%	18.7%	
EV/Sales	6.4x	4.5x	3.9x	2.8x	1.4x	0.8x	0.7x	0.7x	0.6x	
EV/EBITDA	38.2x	19.3x	16.1x	13.7x	7.2x	4.3x	3.6x	3.1x	2.8x	
P/E	n.a.	7.3x	6.5x	13.8x	15.5x	7.9x	6.4x	5.6x	5.0x	
Free cash flow yield	-1.5%	0.5%	-2.0%	-5.8%	-15.3%	8.1%	12.1%	14.9%	17.9%	
Growth Rates (%)										
Sales	19.5%	36.1%	1.6%	52.9%	117.1%	73.0%	10.5%	10.5%	8.0%	
Value of production	28.0%	43.5%	14.2%	38.3%	107.9%	64.1%	10.4%	10.4%	8.0%	
EBITDA	82.0%	98.3%	19.6%	17.5%	90.2%	67.1%	18.1%	16.7%	11.4%	
EBIT	94.6%	78.5%	-4.3%	-3.5%	120.7%	70.6%	21.8%	13.8%	11.8%	
Net Income	90.8%	59.0%	-10.8%	41.9%	-55.1%	484.4%	33.5%	14.1%	12.1%	

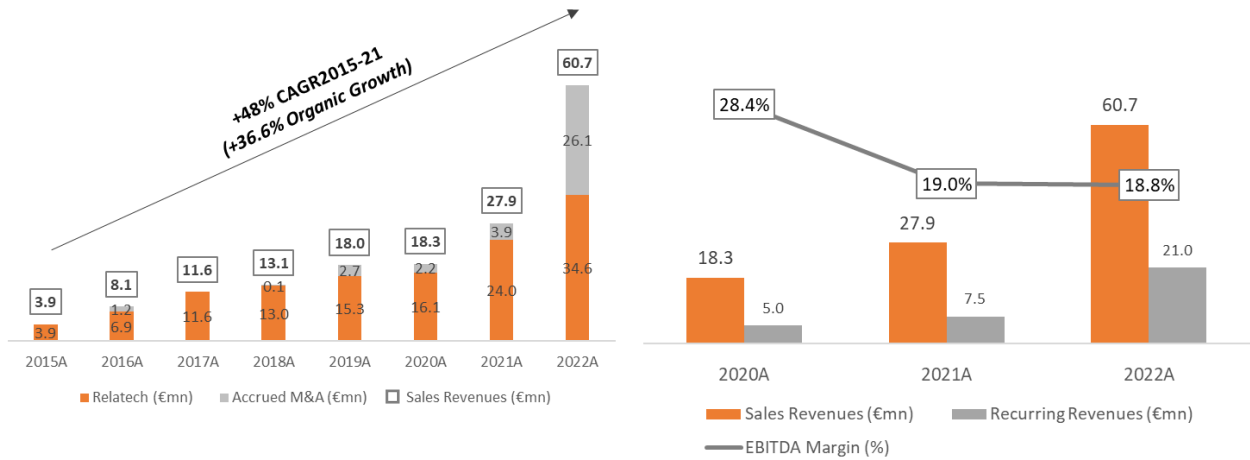
Source: Company data, KT&Partners' elaborations

Note: EBITDA and EBIT data are reported on an adjusted basis (without considering extraordinary items)

Shares outstanding also consider treasury shares used for the acquisition of a further stake in EFA Automazione and the numbers of treasury shares that will be used for the payment of BTO's earn-out

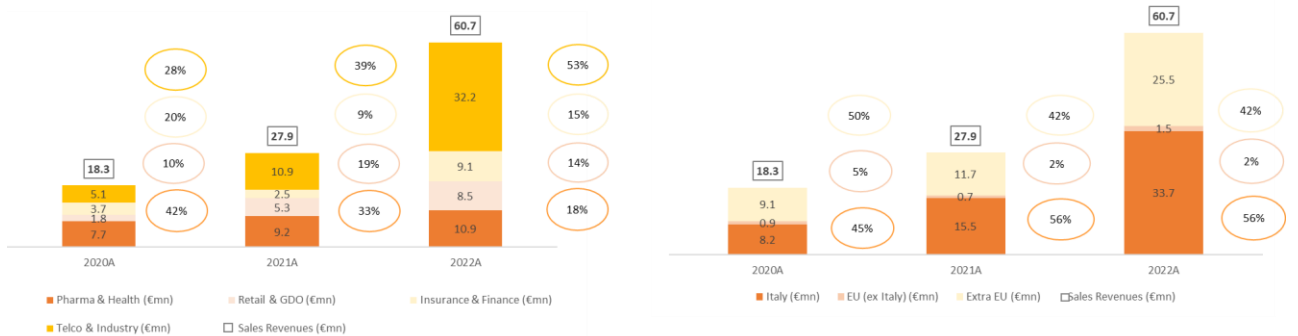
Key Charts

Revenues (€mn) Revenues and EBITDA Margin (€mn, %)



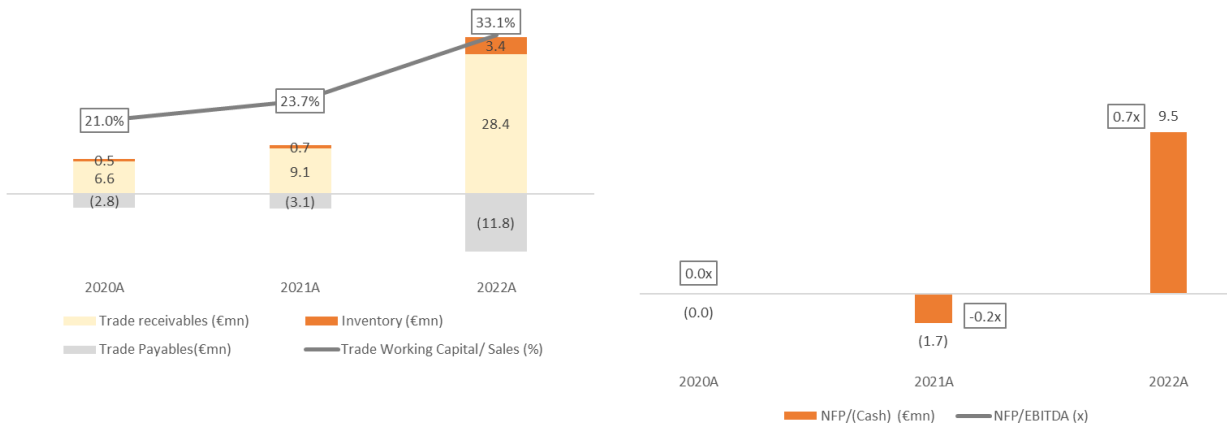
Source: Company data, KT&Partners' elaborations
 Note: M&A data refer to accrued revenue of companies acquired in the year.

Revenues by Industry (€mn, %) Revenues by Geographical Area (€mn, %)



Source: Company data, KT&Partners' elaborations
 Note: Pro-forma data refer to accrued and not accrued revenue of companies acquired in the year.

Trade Working Capital (€mn, %) NFP/(Cash) and NFP/EBITDA (€mn)



Source: Company data, KT&Partners' elaborations

Overview

Company description

Relatech (RLT-IT), 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-IT able to satisfy customers' technological needs with a unique comprehensive platform. RLT-IT provides "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), customized solutions and "innovation services" for a wide range of end markets (i.e., Pharma and Healthcare, TelCo, Finance, Utilities, Distribution, and Retail).

RLT-IT was listed on Euronext Growth Milan (EGM) on June 28, 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-IT has enriched RePlatform with scalable solutions generating recurring revenues. In FY22, recurring revenues rose by +151% YoY, accounting for 35% of reported sales revenues.
- ***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 2016-22 period, the company has invested ca. +€20mn in R&D and ca. 10% of revenue in 2022. RLT-IT 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-IT 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 NetConsulting Cube, in 2022 the Italian digital market was expected to be worth ca. €76.8bn and it is expected to grow at +4.4% CAGR2022–25, reaching ca. €87.3bn in 2025.

Recent developments

- **Introduction of the increased votes.** In January 2023, the Extraordinary Shareholders' Meeting approved the introduction of shares with increased voting rights. Following the change in the Statute of the Company and the exercise of the redemption rights by some shareholders, RLT-IT will re-purchase 394,340 shares at a price of €2.19 for a total amount of €864k, leading treasury shares at 1.5mn
- **Opening IULM AI LAB partnered by Relatech.** In January 2023, IUM AI Lab chose RLT-IT as partner for a laboratory of scientific research on AI, with the aim of developing innovative solutions for private firms and PAs (i.e., Metaverse).
- **Industrial agreement with Ascot Industrial S.r.l.** In October 2022, RLT-IT signed an industrial agreement with Ascot Industrial aiming at developing a platform as a service (PAAS) that will be extended to Ascot's entire installation network (ca. 34k installations).
- **Growth Champions Award.** According to a rating published by the German Institute of Quality and Finance, over the 2018-2021 period, RLT-IT was among the 800 companies in Italy with the highest growth rate.
- **Partnership with NIO Cocktails.** In July 2022, RLT-IT started a collaboration with NIO Cocktails to optimize management, accounting, logistics, and production processes. RLT-IT's solution was implemented with *Oracle NetSuite* team support.
- **ESG report 2021.** In June 2022, RLT-IT published its second ESG report prepared in accordance with the "GRI standards: Core option."
- **Warrant exercise and stock grant attribution.** As a result of the closing of the exercise period for the "Warrants Relatech 2019-2022," which occurred in May 2022, RLT-IT issued 5,188,158 shares, raising €4.9mn. Furthermore, RLT has assigned ca. 460,034 shares newly issued to the top management, executing the "Stock Grant Plan 2021."
- **Renewed partnership with HMS Networks.** In May 2022, during the SPS ITALIA 2022 exhibition (for smart, digital, and sustainable industry), RLT-IT announced the renewal of collaboration with the historical technology partner HMS Networks for the distribution on the Italian territory of *Anybus* brand connectivity products, *Ewon*, *Intesis*, and *Ixxat*.
- **Launch of ReSoc, RLT-IT's new cybersecurity service.** In April 2022, seizing on the growing needs of the market, RLT-IT 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.
- **Investing in Bigtech.** In April 2022, RLT-IT acquired a 12.5% stake in Bigtech, a university spin-off specializing in the development of innovative digital solutions and services based on artificial intelligence and Internet of Things.
- **Collaboration with Movinlog.** In March 2022, RLT-IT started collaboration with Movinlog S.p.A. (a company operating in the logistics sector) for the digitalization of its corporate assets and business processes in the Cloud.
- **Signed a strategic agreement with Rocket Sharing Company.** In March 2022, RLT-IT signed a strategic agreement with Rocket Sharing Company (innovative start-up active in retail e-market and energy and gas supply). RLT-IT will be the technology partner for the development and enhancement of Rocket's business assets as part of a digital evolution project.

ESG

In 2021, RLT-IT released its second sustainability report, highlighting an Economic Value Generated by the company at €34mn, of which 89% was distributed to stakeholders. The portion retained and invested in the company was about €3.9mn (the remaining 11%). Regarding environmental commitment, RLT-IT highlighted in 2021 (also thanks to the acquisition of Gruppo SIGLA) a growing research and development activity oriented to make a substantial contribution to issues such as water monitoring in the marine environment and energy consumption control in urban-smart cities. During 2021, energy consumption was 135,706 Kwh, registering a 3 % reduction compared to 2020. RLT-IT puts its human resources

at the top of the value chain, a central asset for maintaining a competitive advantage in the market. In 2021, training hours totaled 15,403, higher than the previous year mainly due to the increasing number of employees. Finally, the focus on the organization, management, and control model according to Legislative Decree 231/01 continued in 2021.

M&A Summary

- **BTO Research.** In November 2022, Relatech closed its ninth deal since IPO, acquiring an 80% stake in Exeo S.p.A., holding of BTO S.p.A. for a total consideration of €13mn (4.4x EV/EBITDA). On January 18, 2023, RLT-IT announced the closing of the reverse merger of Exeo into BTO. Following the merger, RLT-IT holds 80% of BTO's capital. With 300 professionals and an international presence (with branches in Munich, Luxembourg and Vienna), BTO is an Italian group that offers advisory services – also leveraging on its research hub – helping enterprises to innovate 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.
- **Venticento.** In September 2022, RLT-IT acquired a further 9.71% stake in Venticento – a firm specialized in cloud and cybersecurity – reaching the controlling stake (51%) for €0.35mn or at ca. 12.4x P/E (based on FY21 data). Moreover, RLT-IT has the right to acquire the remaining 49% stake through put-and-call options. Venticento is an Italian SME founded in Milan, active in several industries, with international branches in New York and Hong Kong. The company specializes in Cybersecurity and Cloud solutions for enterprises, and it will allow RLT-IT to enhance ReHub (Cloud) and ReSec (Cybersecurity) solutions.
- **IoT Catalyst (ex. Fair Wind Digital).** RLT-IT acquired a 100% stake of IoT Catalyst – a firm based in Rome specialized in IoT edge computing – for a total consideration of €0.31mn or at 0.3x EV/EBITDA and 5.3x P/E (based on FY21 figure). The acquisition of a 75% stake was carried out in September 2022 and the remaining 25% was acquired in October 2022. IoT Catalyst is an Italian start-up specializing in IoT edge computing through proprietary platform and tailor-made solutions and active in several sectors, such as industrial IoT, telecommunications, energy, and smart city. Thanks to this acquisition, RLT-IT has enriched Replatform's offer, expanding the Company's customer base toward PAs with a new office in Rome.
- **EFA Automazione SpA.** In February 2022, RLT-IT announced the acquisition of 81.66% stake of EFA Automazione, a leading company in the industrial automation market, for a total consideration of €7.35mn or at 5.7x EV/EBITDA (based on FY20). RLT-IT has the option to acquire the remaining 18.34% stake under determined conditions. On March 29, 2023, RLT-IT announced the acquisition of a further 8% stake in EFA Automazione for €0.72mn. EFA Automazione is active in the industrial IoT market, acting as an exclusive reseller of solutions that allow communication and connectivity of machines and plants. Thanks to the acquisition of EFA, RLT-IT has integrated its ReFab offer providing to the industrial automation industry end-to-end solutions able to cover the entire Industry 4.0 supply chain from infrastructure and connectivity set-up of machines/plants to collection and data analysis solutions, while ensuring data protection. Furthermore, the acquisition has allowed the Group to expand its customer base, also reaching important new international clients.
- **DtoK Lab Srl.** In December 2021, RLT-IT acquired – through Ithea Srl – a 51% stake in DtoK Lab Srl – a university spin-off focused on the development of big-data analysis solutions on cloud platforms and high-performance computing platforms (i.e., sentiment analysis, trajectory discovery, and data journalism).

- **Dialog Sistemi Srl.** In May 2021, RLT acquired a 60% stake in Dialog Sistemi – an Italian SME specialized in solutions for performance management and data warehousing – for €0.67mn (the remaining 40% stake will be acquired by 2024). Dialog Sistemi developed a property platform expected to enrich the ReData module of RLT-IT, leading to a higher level of recurring revenue (in FY20 ca. 40% of Dialog’s revenues were recurring). Scaling cross-selling activities on Gruppo Sigla’s clients, RLT-IT is also expected to diversify its customer base by also entering new end-markets, like steel, metallurgy, petrochemicals, and energy sectors.
- **Sigla Srl.** In June 2021, RLT-IT acquired a 60% stake in Gruppo Sigla – an Italian tech SME specialized in industrial automation, data analysis and cybersecurity – for €2.3mn. Pursuing an open innovation approach, Gruppo Sigla develops its solutions by leveraging on a strong collaboration between its internal R&D team and an ecosystem of scientific partnerships. RLT-IT is expected to benefit from scientific partnerships with technological districts and poles, particularly on the topics of cybersecurity, Industry 4.0, Internet of Things and Cloud Architectures.
- **Xonne Srl.** In June 2020, RLT-IT acquired a 53.6% stake in Xonne Srl, a company specialized in virtual and augmented reality solutions and mobile technologies, for €0.32mn. In November 2021, RLT-IT acquired the remaining 46.50% for €0.49mn and in June 2022 announced the closing of the merger through incorporation between Relatech Consulting Srl and Xonne Srl.
- **Mediatech.** In June 2020, RLT-IT acquired a 60% stake in Mediatech Srl, an Italian SME specialized in cloud and Cyber Security technologies, for €1.5mn or at a 6.2x EV/EBITDA. In June 2021, RLT-IT acquired the remaining 40% for a total amount of €1.7mn. With 20 years of experience in the construction of infrastructures and data centers, Mediatech has a high specialization in the world of Cloud (private, hybrid, public, hyperconvergence), allowing RLT-IT to enrich its ReHub and ReSec modules. Based in Milan and Brescia, Mediatech has three data centers in Italy and a customer base of over 300 clients.

Relatech’s M&A deals since IPO

Company Name	Announcement date	Closing 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	Jun-2020	Jun-2020	60.0%	1.50	1.00	0.50	3.58	0.44	0.19	0.26	0.8x	6.2x	12.9x
Xonne Srl	Jul-2020	Jul-2020	53.5%	0.32	0.16	0.16	0.71	-0.02	0.10	0.09	1.0x	n.m	6.1x
SIGLA Srl	May-2021	Jun-2021	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	May-2021	May-2021	60.0%	0.94	0.70	0.23	1.12	0.15	0.11	-0.60	0.9x	6.4x	14.2x
Mediatech Srl	Jun-2021	Jun-2021	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-2021	Nov-2021	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	Dec-2021	Dec-2021	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*	Dec-2021	Feb-2022	81.7%	7.35	7.35	0.00	13.62	1.47	0.95	-0.59	0.6x	5.7x	9.5x
IoT Catalyst**	May-2022	Oct-2022	100%	0.31	0.31	0.00	2.54	0.47	0.06	-0.17	0.1x	0.3x	5.3x
Venticento Srl***	May-2022	Sep-2022	9.7%	0.35	n.a.	n.a.	10.00	0.71	0.29	-0.09	0.4x	5.0x	12.4x
BTO****	Oct-2022	Nov-2022	80.0%	13.00	1.23	5.60	19.50	3.50	0.62	1.20	0.8x	4.4x	23.0x
E.F.A. Automazione SpA*	Feb-2022	Mar-2023	8.0%	0.72	0.36	0.36	13.62	1.47	0.95	-0.59	0.6x	5.7x	9.5x
Average				2.63	1.32	0.92	6.73	0.84	0.37	0.06	0.7x	5.1x	10.8x
Median				0.94	0.54	0.43	3.58	0.47	0.29	-0.09	0.8x	6.0x	12.4x
Total				28.97	13.22	9.23							

*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. Furthermore, following the acquisition of a 9.7% stake in Venticento Srl in May 2022, RLT-IT reached the controlling stake of 51%.

Group Structure



Source: Company presentation

FY22 Financial Results

FY22 was an extremely dynamic year for RLT-IT and its management, who remained focused in pursuing its strategy (3M: Merge, Management, Margins), showing a great M&A deal execution ability and business-oriented attitude.

In 2022, RLT-IT closed 4 M&As – totaling 9 acquisitions since the IPO – kept enriching its offer and reinforcing its positioning in Italy and abroad. In particular, thanks to the acquisition of:

- **EFA Automazione (Feb 2022)** and **IoT Catalyst (Sep 2022)**, the Group has integrated its ReFab offer by providing end-to-end solutions able to cover the entire Industry 4.0 supply chain from infrastructural and connectivity set-up of machines/plants to collection and data analysis solutions.
- **Venticento (Sep 2022)**, RLT-IT reinforced its Cloud and Cybersecurity offer (ReCloud and ReSoc) and its international footprint, being the new acquired company also based in New York and Hong Kong, with two branches.
- **BTO Research (Nov 2022)**, RLT-IT strengthened its advisory offering in a way that it will be able 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, following the acquisition of BTO, RLT-IT could boast a presence also in Munich, Luxembourg, and Vienna.

As a result of the brilliant growth path pursued since the IPO, as of today RLT-IT boasts a 360° offer and 800 talents able to satisfy needs of an extended customer base of 1,000+ clients in Italy and abroad.

In 2022, RLT-IT more than doubled its topline, achieving €60.7mn of sales revenues (+117% YoY), also thanks to €26.1mn accrued revenues of the newly acquired companies, beating our estimates by 8%. On “a-like-for-like perimeter” (i.e., without considering the contribution from companies acquired in 2022), sales revenues increased by ca. 12% to ca. €34.6mn.

Recurring revenues experienced a remarkable +151% YoY growth, accounting for 35% of total reported sales, whereas foreign sales accounted for ca. 30%. Breaking down sales revenues by end-markets, in 2022 RLT-IT strengthened its positioning – also thanks to 2022 M&As – in the Telco and Industrial segments, which together accounted for 53% of total sales revenues (vs 28% in 2020), followed by Pharma and Health (18%), Finance and Insurance (15%), and Retail and Distribution (14%).

Including €9.3mn of other revenues (capitalized R&D costs, R&D public grants, and tax credits), RLT-IT's VoP reached €70mn in FY22, +107.9% YoY and 9.2% higher than our estimates.

The change in revenue mix following the latest M&As led the gross margin to decrease by 17pp to 74% (-5.5pp compared to our expectations). In absolute terms, Gross profit grew by 69.1% YoY, amounting to €51.8mn (+1.7% above our estimates).

The reduction in terms of gross margin was almost offset by a lower incidence of OpEx (from 70% in FY21 to 55% in FY22%), causing EBITDA margin to decrease by only 1.8pp to 18.8% (-1pp than our estimates). In absolute terms, without considering extraordinary items related to the stock grant plan and M&As, EBITDA reached €13.2mn, up by 90.2% YoY and +3.5% than our expectations.

At the bottom line, net income after minorities amounted at €1.7mn, decreasing by 55.1% and coming -61.4% below our forecasts mainly due to: i) extraordinary items related to advisory expenses for M&A; and ii) €0.8mn tax provision related to previous fiscal years of the newly acquired companies. By adjusting for these extraordinary items, Net Income would have been €5.4mn, -1.6% below our estimates.

At the end of FY22, RLT's net financial position worsened to €9.5mn in 2022 (or €4.8mn without including €4.7mn of IFRS 9 adjustment¹) from a net cash position of €1.7mn in FY21. This was mainly the results of M&A investments and €1.5mn for the acquisition of treasury shares (as of December 31, 2022, the number of treasury shares held by the company was 1,112,407, equal to 2.57% of the share capital), partially offset by the cash-in of ca. €4.9mn from warrant conversion.

FY22 Income Statement

€ Million	FY18	FY19	FY20A	FY21A	FY22A	YoY	FY22E	A vs E %
Sales Revenues	13.2	18.0	18.3	27.9	60.7	117.1%	56.2	8.0%
Growth %		36.1%	1.6%	52.9%	117.1%		81.4%	
Other Revenues	1.6	3.3	6.1	5.7	9.3	62.9%	7.9	17.6%
Value of production	14.9	21.3	24.3	33.7	70.0	107.9%	64.1	9.2%
Growth %		43.5%	14.2%	38.3%	107.9%		90.5%	
Products and Raw materials	(0.1)	(0.0)	(1.3)	(3.0)	(18.2)	n.m.	(13.1)	38.2%
Gross Profit	14.8	21.3	23.1	30.7	51.8	69.1%	51.0	1.7%
Gross Margin	99.6%	99.9%	94.8%	91.0%	74.0%	-17.0%	79.5%	-5.5%
Cost of Services	(5.9)	(6.0)	(7.2)	(10.3)	(17.3)	68.7%	(16.4)	5.6%
Rental Costs	(0.4)	(0.3)	(0.2)	(0.2)	(0.4)	163.0%	(0.7)	-36.5%
Personnel Expenses	(6.0)	(10.0)	(9.6)	(13.1)	(20.5)	56.5%	(20.9)	-2.0%
Other Operating Expenses	(0.0)	(0.1)	(0.2)	(0.2)	(0.4)	111.1%	(0.2)	66.3%
EBITDA	2.5	4.9	5.9	6.9	13.2	90.2%	12.7	3.5%
EBITDA margin	16.7%	23.1%	24.2%	20.6%	18.8%	-1.8%	19.9%	-1.0%
Growth %		98.3%	19.6%	17.5%	-8.5%		83.7%	
D&A and Provisions	(0.1)	(0.6)	(1.8)	(3.0)	(4.4)	49.5%	(4.4)	0.8%
EBIT	2.4	4.3	4.1	4.0	8.7	120.7%	8.3	5.0%
EBIT margin	16.2%	20.1%	16.9%	11.8%	12.5%	0.7%	13.0%	-0.5%
Growth %		78.5%	-4.3%	-3.5%	6.2%		110.2%	
Financial Income and Expenses	(0.0)	(0.1)	(0.1)	0.9	(1.2)	n.m.	(1.0)	18.8%
Extraordinary items	-	(0.5)	(0.7)	(1.7)	(2.9)	74.0%	(1.6)	87.7%
EBT	2.4	3.8	3.4	3.2	4.6	42.9%	5.7	-20.0%
Taxes	(0.7)	(1.2)	(0.6)	0.7	(2.9)	n.m.	(1.0)	
Tax Rate	31.6%	31.1%	19.0%	-20.3%	62.2%		18.2%	
Net Income	1.6	2.6	2.7	3.9	1.7	-55.1%	4.7	-63.0%
Net margin	10.9%	12.2%	11.2%	11.5%	2.5%	-9.0%	7.3%	-4.8%
Growth %		60.4%	4.9%	41.9%	-55.1%		21.4%	
Minorities	0.1	0.0	0.2	0.2	0.0	-83.3%	0.3	-88.0%
Net Income attributable to the Group	1.6	2.5	2.6	3.7	1.7	-53.5%	4.4	-61.4%
Net margin	10.5%	11.9%	10.5%	10.9%	2.4%	-8.4%	6.9%	-4.4%
Growth %		62.6%	63.0%	43.3%	-53.5%		20.4%	
							-	
Net Income attributable to the Group Adjusted	1.6	3.0	3.2	5.3	5.4	1.6%	5.5	-1.6%
Net margin	10.5%	14.1%	13.2%	15.8%	7.7%	-8.1%	8.6%	-0.8%
Growth %		91.5%	105.8%	65.5%	1.6%		3.2%	
EPS	-	0.3	0.2	0.1	0.0	-59.2%	0.1	24.0%

Source: Company data and KT&Partners' elaboration

Note: EBITDA and EBIT data are reported on an adjusted basis (without considering extraordinary items)

¹ NFP, in accordance with the application of IFRS 9, includes adjustments for the cash-out related to the purchase of the remaining stakes in EFA Automation, Venticento and BTO, as well as the earn-out plan related to the purchase of IoT Catalyst.

FY22 Balance Sheet

€ Million	FY18A	FY19A	FY20A	FY21A	FY22A
Intangible	2.6	5.0	11.6	17.6	40.9
Tangible (including ROU Assets -IFRS16)	0.3	1.9	1.9	2.0	4.0
Other LT Assets	0.0	0.0	0.0	2.1	3.4
Fixed Assets	2.8	6.9	13.5	21.7	48.4
Trade receivables	2.8	4.7	6.6	9.1	28.4
Inventory	-	-	0.5	0.7	3.4
Trade Payables	(1.0)	(0.8)	(2.8)	(3.1)	(11.8)
Trade Working Capital	1.8	3.9	4.3	6.7	20.1
Other assets and liabilities	0.3	(0.8)	(1.2)	(0.0)	(8.6)
Net Working Capital	2.1	3.1	3.1	6.7	11.5
Other Provisions	(0.9)	(2.0)	(3.2)	(5.8)	(16.0)
Net Capital Employed	4.0	8.0	13.4	22.5	43.9
Group shareholders' equity	2.8	8.5	12.7	23.1	33.1
Minority shareholders' equity	0.1	0.2	0.7	1.1	1.3
Total shareholders' equity	2.9	8.7	13.4	24.2	34.4
Short-term debt / Cash (-)	(0.5)	(3.1)	(6.6)	(8.4)	(21.2)
Long-term liabilities	1.6	2.4	6.6	6.7	30.7
Net Financial Position	1.1	(0.7)	(0.0)	(1.7)	9.5
Sources	4.0	8.0	13.4	22.5	43.9

Source: Company data

Change in Estimates

Following FY22, we upwardly revised our 2023-2025 value of production estimates. We now anticipate value of production to increase at a CAGR22–25 of 26%, reaching €140mn in 2025. We believe RLT-IT is well positioned to seize future opportunities as it can leverage on i) an enriched offer based on RePlatform able to satisfy customers' needs throughout their entire innovation process; ii) synergies among all the companies within the group to carry out cross-and up-selling opportunities on its extended client base (1,000+ clients); and iii) 800 talents and strengthened partnerships with the academic and scientific world.

On the profitability side, we now expect FY23E EBITDA margin at 19.2% and we expect it will increase to 21.7% in FY25E thanks to OpEx's economies of scale among the group's companies. In absolute terms, we expect FY23 EBITDA at €22.0mn, expecting it to grow to €30.4mn in 2025 (+32.1% CAGR2022–25).

On the bottom line, we now foresee net income adjusted for expenses related to the stock grant plan to grow at a CAGR22–25 of 40.8%, amounting to €15.1mn in 2025.

Finally, in FY23E we forecast an almost neutral net financial position (from €1.2mn of net debt of our previous estimates), mainly benefitting from a lower than previously expected capitalized R&D costs over the forecasted period. FY23E net cash also includes €0.864mn cash-out for the repurchase of shares following the exercise of the redemption rights by some shareholders who do not adhere to the adoption of increased vote rights. We forecast RLT-IT to reach a net cash position of €26.7mn by FY25E.

Change in Estimates

€ Million	2021A	2022A	2023E	2023E	Change	2024E	2024E	Change	2025E	2025E	Change	CAGR				
	Actual	Actual	Old	New		Old	New		Old	New						
			KT&P	KT&P		KT&P	KT&P		KT&P	KT&P		2022-25				
Value of Production	33.7	70.0	110.6	114.9	3.8%	124.4	126.8	2.0%	139.7	140.0	0.2%	26.0%				
YoY Change (%)	57.9%	107.9%	58.1%	64.1%		12.4%	10.4%		12.3%	10.4%						
EBITDA	6.9	13.2	22.4	22.0	-1.7%	26.7	26.0	-2.5%	31.2	30.4	-2.6%	32.1%				
YoY Change (%)	40.5%	90.2%	70.0%	67.1%		19.1%	18.1%		16.8%	16.7%						
EBITDA Margin	20.6%	18.8%	20.3%	19.2%		21.5%	20.5%		22.3%	21.7%	-0.63%					
EBIT	4.0	8.7	14.8	14.9	1.0%	17.8	18.2	2.3%	20.5	20.7	0.9%	33.3%				
YoY Change (%)	-7.7%	120.7%	69.0%	70.6%		20.2%	21.8%		15.5%	13.8%						
EBIT Margin	11.8%	12.5%	13.4%	13.0%		14.3%	14.3%		14.7%	14.8%	0.09%					
Net Income	3.7	1.7	9.7	9.9	2.6%	12.6	13.3	4.8%	14.6	15.1	3.5%	107.2%				
YoY Change (%)	43.6%	-53.5%	469.6%	484.4%		30.7%	33.5%		15.4%	14.1%						
Net Margin	10.9%	2.4%	8.7%	8.6%		10.2%	10.4%		10.5%	10.8%	0.34%					
Net Income Adjusted	5.3	5.4	10.6	10.7	1.2%	12.6	13.3	4.8%	14.6	15.1	3.5%	40.8%				
YoY Change (%)	65.9%	1.6%	96.0%	98.4%		19.2%	23.3%		15.4%	14.1%						
Net Margin Adjusted	15.8%	7.7%	9.6%	9.4%		10.2%	10.4%		10.5%	10.8%	0.34%					
NFP	-	1.7	9.5	1.2	0.2	-1.0	-	10.4	-	11.8	-1.4	-	24.5	-	26.7	-2.3

Source: FactSet, KT&Partners' elaboration

Note: EBITDA and EBIT data are reported on an adjusted basis (without considering extraordinary items)

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 €248.2mn or €5.80ps;
2. DCF analysis based on WACC of 9.8% and 2% perpetual growth, returns a value of €202.1mn or €4.72ps.

The average of the two methods yields a fair value of €5.26ps or an equity value of €225.2mn.

Valuation Recap

	Equity Value €mn	Value per share €
DCF	202.08	4.72
EV/EBITDA	234.75	5.48
P/E	261.73	6.11
Average Multiples	248.24	5.80
Total Average	225.16	5.26

Source: FactSet, KT&Partners' elaboration

Market Multiples Valuation

Following the comparables analysis, we proceeded with the definition of market multiples for each peer group, focusing on 2022–25 data.

Peer Comparison – Market Multiples 2022–25

Company Name	Exchange	Market Cap	EV/SALES 2022	EV/SALES 2023	EV/SALES 2024	EV/SALES 2025	EV/EBITDA 2022	EV/EBITDA 2023	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBIT 2022	EV/EBIT 2023	EV/EBIT 2024	EV/EBIT 2025	P/E 2022	P/E 2023	P/E 2024	P/E 2025
Reply S.p.A.	Milan	4,209	2.2x	1.9x	1.7x	1.6x	12.9x	12.0x	10.8x	9.8x	15.7x	14.6x	13.1x	11.8x	21.6x	20.6x	18.3x	20.6x
CV4Gate SpA	Milan	222	4.0x	2.7x	2.5x	2.3x	13.4x	8.8x	7.6x	6.9x	32.9x	13.9x	11.7x	10.4x	n.m	19.4x	16.0x	19.4x
Neosperience SpA	Milan	39	2.6x	1.8x	1.4x	1.0x	8.6x	5.8x	4.2x	3.0x	36.8x	15.9x	8.3x	4.6x	n.m	18.2x	8.8x	18.2x
SECO S.p.A.	Milan	638	3.9x	3.1x	2.5x	2.0x	21.3x	13.3x	10.1x	7.6x	n.m	18.6x	13.2x	9.9x	n.m	23.2x	15.7x	23.2x
Almawave S.p.A.	Milan	138	2.7x	2.3x	1.9x	1.8x	15.0x	11.9x	8.3x	7.6x	26.9x	17.4x	11.0x	9.1x	28.4x	24.3x	17.0x	24.3x
WIIT SpA	Milan	560	6.1x	5.2x	4.8x	4.4x	17.8x	14.3x	12.6x	11.5x	n.m	26.2x	21.6x	19.9x	n.m	35.2x	27.6x	35.2x
Average peer group		968	3.6x	2.8x	2.5x	2.2x	14.8x	11.0x	8.9x	7.7x	28.1x	17.8x	13.2x	11.0x	25.0x	23.5x	17.3x	23.5x
Median peer group		391	3.3x	2.5x	2.2x	1.9x	14.2x	12.0x	9.2x	7.6x	29.9x	16.6x	12.4x	10.1x	25.0x	21.9x	16.5x	21.9x
Relatech S.p.A.	Milan	85	1.4x	0.8x	0.7x	0.7x	7.2x	4.3x	3.6x	3.1x	10.9x	6.4x	5.2x	4.6x	15.5x	7.9x	6.4x	5.6x

Source: FactSet, KT&Partners' elaboration

We decide to base our valuation upon i) 2023, 2024, and 2025 multiples; and ii) our estimates of RLT's EBITDA and net income adjusted for 2023, 2024, and 2025. We also consider NFP adjusted for: i) €0.864mn cash-out for the repurchase of shares following the exercise of the redemption rights by some shareholders who do not adhere to the adoption of increased vote rights; and ii) the value of treasury shares used for the acquisition of a further 8% in EFA Automazione and the amount that will be used for the payment of the earn-out of BTO.

EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2023E	2024E	2025E
EV/EBITDA Comps	12.0x	9.2x	7.6x
Relatech SpA EBITDA	22.0	26.0	30.4
Enterprise value	263.3	239.6	230.5
Liquidity Discount		0%	
Enterprise value Post-Discount	263.3	239.6	230.5
Relatech SpA FY22 Net Debt adj	8.5	8.5	8.5
Relatech SpA FY22 Minorities	1.3	1.3	1.3
Equity Value Post-Discount	253.6	229.9	220.8
Average Equity Value		234.8	
Number of shares (mn)		42.8	
Value per Share €		5.48	

Source: FactSet, KT&Partners' elaboration

Note: the number of shares is based on shares outstanding, also considering treasury shares used for the acquisition of a further stake in EFA Automazione and the numbers of treasury shares that will be used for the payment of BTO's earn-out

P/E Multiple Valuation

Multiple Valuation (€mn)	2023E	2024E	2025E
P/E Comps	21.9x	16.5x	21.9x
Relatech SpA Net Income Adjusted	10.7	13.3	15.1
Equity Value	235.2	219.1	330.9
Average Equity Value		261.7	
Liquidity Discount		0%	
Equity Value Post-Discount		261.7	
Number of shares (thousand)		42.8	
Value per Share €		6.11	

Source: FactSet, KT&Partners' elaboration

Note: the number of shares is based on shares outstanding, also considering treasury shares used for the acquisition of a further stake in EFA Automazione and the numbers of treasury shares that will be used for the payment of BTO's earn-out

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 10.6% cost of equity, 4.5% cost of debt, and a D/E ratio of 10% (Damodaran for Software, System, and Application). The cost of equity is a function of the risk-free rate of 4.2% (Italian 10y BTP), 5.11% equity risk premium (Damodaran – June ERP T12 m with sustainable payout) and a premium for size and liquidity of 2.1% (source: Duff&Phelps). We, therefore, obtained 9.8% WACC.

We discounted 2023E–26E 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	2023E	2024E	2025E	2026E
EBIT	14.9	18.2	20.7	23.1
Taxes	(3.5)	(4.3)	(4.9)	(5.5)
D&A	7.1	7.9	9.7	10.7
Change in Net Working Capital	(5.9)	(3.5)	(3.7)	(3.0)
Change in Funds	2.8	3.0	3.3	3.5
Net Operating Cash Flow	15.3	21.3	25.0	28.8
Capex	(7.0)	(8.9)	(9.8)	(10.5)
FCFO	8.4	12.4	15.3	18.4
g	2.0%			
Wacc	9.8%			
FCFO (discounted)	7.8	10.5	11.8	13.0
Discounted Cumulated FCFO	43.2			
TV	239.0			
TV (discounted)	168.7			
Enterprise Value	211.8			
FY22 NFP adj.	8.5			
FY22 Minorities	1.3			
Equity Value	202.1			
Current number of shares (mn)	42.8			
Value per share (€)	4.72			

Source: Company data, KT&Partners' elaboration

Sensitivity Analysis

€ Million	WACC					
	10.3%	10.1%	9.8%	9.6%	9.3%	
Terminal growth Rate	1.5%	179.3	185.1	191.2	197.7	204.6
	1.8%	183.9	190.0	196.5	203.3	210.7
	2.0%	188.8	195.3	202.1	209.4	217.1
	2.3%	194.1	200.8	208.1	215.8	224.1
	2.5%	199.6	206.8	214.5	222.7	231.5

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, taking into account its offering, 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 like RLT but each one of them is focused on one of RLT's verticals.

We built a six-company sample, based on RLT's offer (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 €4.2bn, REY 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 FY22, REY-IT reached ca. €1.9bn of sales.
- CY4Gate S.p.A. (CY4-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €222mn, 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 FY22, CY4-IT reached ca. €57mn of sales.
- Neosperience (NSP-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €39mn, NSP 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 FY22, NSP-IT reached €21mn of sales.
- SECO S.p.A. (IOT-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €638mn, 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 FY22, IOT-IT reached €201mn of sales.
- Almawave S.p.A. (AIW-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €138mn, AIW-IT develops software technologies for artificial intelligence, natural language analysis, and big-data management. The firm owns and distributes patented technologies that 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 FY22, AIW-IT reached €48mn of sales.
- WIIT S.p.A. (WIIT-IT): listed on the Borsa Italiana stock exchange with a market capitalization of €560mn, 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 FY22, WIIT reached €117mn of sales.

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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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