GBC Italian Champions

Italy's Stock Market Champions in Focus – Discovering Hidden Potential

IMPORTANT NOTE:
Please note the disclaimer/risk warning and the disclosure of potential conflicts of interest in accordance with Section 85 of the German Securities Trading Act (WpHG) and Article 20 of the Market Abuse Regulation (MAR), starting on page 40

Note in accordance with MiFID II regulations on research regarding 'minor non-monetary benefits': This research meets the criteria for classification as a 'minor non-monetary benefit'. Further information on this can be found in the disclosure under '§1 Research under MiFID II'

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FOREWORD

Dear Investors,

Once again this year, our "GBC Italian Champions" study focuses on selected Italian listed companies that, in our view, offer particularly attractive business models, promising growth prospects and corresponding share price upside potential. This year's selection comprises twelve companies from a wide range of industries, covering a broad spectrum of company sizes and business models. Ten companies were already included in last year's selection. With Avio S.p.A. and Otofarma S.p.A., we are adding two new investment opportunities to our "GBC Italian Champions" selection.

The performance of our selection from last year has also shown that it can be worthwhile to look beyond national borders. The twelve “GBC Italian Champions 2025” achieved an average price performance of 21.7% between 6 November 2025 and 30 October 2026. The selection thus outperformed the Italian market as a whole by a significant margin, as measured by the ITA STAR, which rose by 3.7% over the same period. Our selection from last year also significantly outperformed the German share indices. Over the same period, the DAX rose by 6.0%, the MDAX by 3.1% and the SDAX by 11.3%. In our view, this performance underscores the opportunities that a fundamental and selective stock-picking approach can offer, particularly outside the major European blue chips.

The Italian capital market also continues to offer attractive opportunities. Although the challenging macroeconomic environment and heightened market volatility have recently narrowed the window for initial public offerings in Italy, the Italian primary market continues to demonstrate significantly higher activity than its German counterpart over the longer term. Between 2021 and 2025, approximately 150 new listings were recorded in Italy, compared with just 29 IPOs in Germany. Euronext Growth Milan, in particular, remains an important gateway to the capital markets for small and medium-sized enterprises.

At the same time, Italy continues to improve the framework conditions for listed companies and investors. In addition to tax incentives for IPOs and relatively flexible regulations governing multiple voting rights, the "Fondo Nazionale Strategico Indiretto" is gaining increasing importance. The initiative, which has been expanded to €750 million, aims to channel additional institutional capital into Italian small- and mid-cap companies. Furthermore, in 2026, Consob approved regulatory simplification measures designed to reduce administrative burdens and facilitate access to the capital markets.

Against this backdrop, we present our twelve "GBC Italian Champions 2026" on the following pages. Our selection ranges from established market leaders and highly profitable niche players to high-growth companies that have positioned themselves in attractive markets with promising long-term prospects.

We hope you enjoy reading this study and wish you every success with your investments.

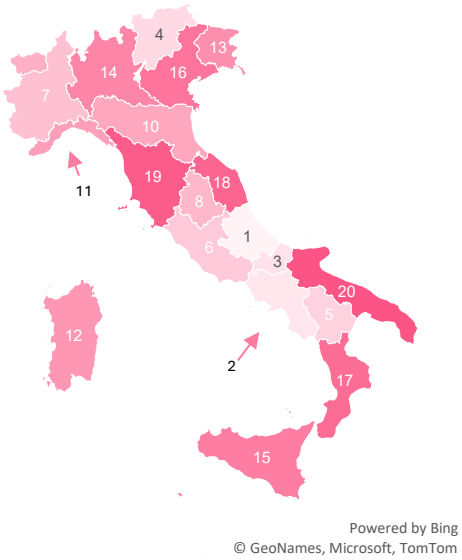
Cosmin Filker
Deputy Chief Analyst

COUNTRY PROFILE OF ITALY

The Republic of Italy has a total population of around 59 million people and a total area of 302,000 km², making it the third-largest country in the EU in terms of total population. It borders a total of six countries: Austria, Switzerland, France and Slovenia, as well as the two enclave countries of San Marino and the Vatican City.

Overview of Italy's regions

Abruzzo	1
Campania	2
Molise	3
Trentino-Alto Adige	4
Basilicata	5
Lazio	6
Piedmont	7
Umbria	8
Aosta Valley	9
Emilia-Romagna	10
Liguria	11
Sardinia	12
Friuli-Venezia Giulia	13
Lombardy	14
Sicily	15
Veneto	16
Calabria	17
Marche	18
Tuscany	19
Apulia	20



Source: GBC AG

Italy is divided into 20 regions, with more than 40% of the population living in the north of the country. Lombardy, with a population of more than 10 million, is one of the most important regions in the country. It is not only home to more than 15% of the country's population, but also one of the most densely-populated metropolitan areas in Europe. Only the French capital (Ile-de-France) has a higher population, with more than 12.3 million inhabitants.

THE ITALIAN CAPITAL MARKET

History of the Italian capital market

The Italian capital market can look back on a long and rich history. The two are inextricably linked. The most important trading centre in the country is the Borsa Italiana, based in Milan in northern Italy. It has been part of the Euronext Group since April 2021, but has existed in its current form since 1998. It accounts for all securities trading in the country.

The Italian capital market has its origins in the Middle Ages, when cities such as Genoa, Florence and Venice developed into important centres of trade and finance. In addition to trade, these centres also saw a concentration of demand for capital, creating a need for a place where goods and capital could be exchanged in a standardised and centralised manner. As a result of this development, from the late 18th to the early 19th century, unspecialised stock exchanges were established in cities such as Trieste (1775), Rome (1802) and Milan (1808), where goods, precious metals and securities were traded.

Supported by the silk trade and its processing, Italian stock exchanges experienced their first heyday in the 1830s. The economic upswing accelerated, and the increasing demand for capital and the first signs of industrialisation transferred growth to other sectors. This led to the emergence of one of Italy's most modern transport and communications networks alongside a large industrial sector. Building on these successes, the industrial revolution took hold throughout the newly founded Kingdom of Italy in the early 1860s, ensuring that its positive economic trend continued. This development spread to the Italian capital market, which at that time was dominated by a large number of industrial companies. Their issuance led to enormous growth in listed shares on all regional trading centres in the country, especially between 1895 and 1900.

Particularly noteworthy, however, is the north of the country, where, in addition to a strong industrial sector in regions such as Lombardy and Emilia-Romagna, numerous railway companies and banks were established. This continues to shape the Italian capital market landscape to this day, which can also be seen in the Italian benchmark index (the FTSE MIB Index). This history also explains the dominance of the Milan Stock Exchange, which can be seen as the reason for Milan's status as one of the country's most important trading centres.

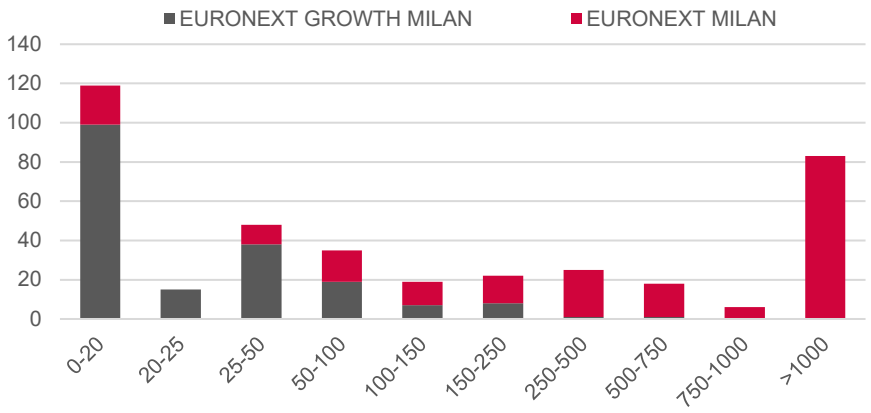
The war years of the 20th century were also marked by high uncertainty and great fluctuations in Italy. It was not until the 1950s that trading returned to normal. This was followed by a long period of expansion, during which the increasing electronisation and automation of trading also took hold in Italy and brought about lasting changes in the capital market landscape.

The establishment of a centralised stock exchange marked the end of the country's numerous regional exchanges: in 1998, almost all smaller exchanges were closed and trading was centralised on the Milan market. This led to the creation of a single securities exchange in the heart of the northern Italian metropolis – the Borsa Italiana. Since then, this institution has shaped trading and become the face of the Italian capital market.

Overview of the Italian capital market

The Italian capital market (Euronext Milan and Euronext Growth Milan) currently comprises 401 listed companies with a total market capitalisation of €1,190 billion. It should be noted that small and medium-sized enterprises (SMEs) account for around 80% of the Italian capital market. 317 of them have a market capitalisation of less than €1 billion and therefore fall into this category.

Distribution of companies by market capitalization (in million €) and market segment

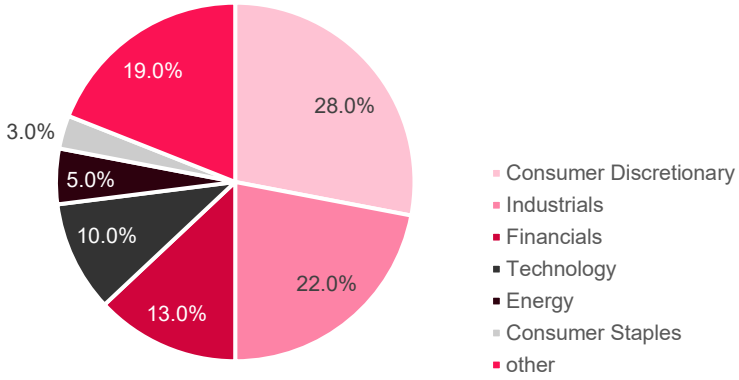


Source: Borsa Italiana (as of September 2026)

Focus on the most important sectors

A sectoral breakdown (by market capitalisation) of the market illustrates the historical context, showing that the Italian capital market is dominated by the consumer sector, the financial sector and the industrial sector. Issuers belonging to one of these three key sectors account for more than half of the Italian capital market's market capitalisation:

Sectoral breakdown of the Italian capital market



Source: Borsa Italiana (as of September 2026)

Geographical distribution

A look at the regional distribution of companies also underlines the central importance of the north for the country's economy and thus its significance for the capital markets.

Distribution of companies at a national level



Source: GBC AG (data selectively taken from Borsa Italiana)

More than 150 of the listed companies are based in Lombardy, a region that, alongside Trentino and South Tyrol, is one of the country's strongest economic locations. The centrally-located region of Lazio is also of great importance. In addition to the national capital Rome, which has always been an important commercial and economic centre, it is home to the headquarters of more than 40 companies.

The figure above also shows that the south of the country is of secondary importance in terms of capital market activity. Its low economic relevance is also reflected in the capital market, where only six companies from this part of the country are represented.

Market segments

As part of the integration of the Borsa Italiana into the Euronext Group, the previous market segments were also restructured in October 2021. In the course of the integration, the stock exchange also introduced a number of simplifications in the area of listing and admission procedures in order to provide market participants with the most labour- and time-saving access to the stock exchange possible.

The primary intention is to open up access to the capital market for small and medium-sized enterprises (SMEs). This promotes their growth and offers international and domestic investors the opportunity to participate in the potential of the Italian capital market.

Euronext Milan (regulated market)

The Euronext Milan segment represents the quality segment of the Italian capital market within the regulated market. Listing in this segment gives issuers maximum visibility and access to a broad national and international investor base. The segment was created specifically for companies with medium-to-large market capitalisation. As a regulated market, it is subject to regulatory requirements and obliges companies to comply with the highest transparency obligations. To ensure the best possible access for national and international investors, its admission and disclosure standards are based on international standards. Finally, it should be noted that a listing in this segment is the basis for inclusion in one of the Italian selection indices.

Currently, 195 companies from 11 sectors are represented in this segment, representing a market capitalisation of around €1,180 billion.

Euronext STAR Milan (regulated market)

The Euronext STAR Milan sub-segment is part of the Euronext Milan segment and is specifically aimed at medium-sized companies that wish to voluntarily subject themselves to high requirements in terms of transparency, liquidity and corporate governance. They benefit from high visibility through events organised by Borsa Italiana (e.g. as part of the STAR Conference in Milan and London) and increased attention from investors. At the same time, a listing in this segment can be seen as a springboard to the top.

This segment currently comprises 57 companies with a total market capitalisation of around €45 billion, unchanged from last year.

Euronext Growth Milan

The Euronext Growth Milan segment is aimed specifically at SMEs and has been tailored to their needs. Due to the lower level of regulation compared to the Euronext Milan segment, it serves as an accelerator for growth projects and the competitiveness of dynamic SMEs on their way to the regulated market. As an important building block on this path, the segment also offers ambitious and dynamic companies the opportunity to combine high visibility with a broad investor base and a balanced regulatory framework. The higher regulatory requirements allow companies to specifically target a larger investor base. In addition, the support of a growth advisor, who accompanies issuers both during listing and while they are public, ensures that they are prepared for the transition to the regulated market.

Euronext Growth Milan currently comprises 205 listed companies with a cumulative market capitalisation of €11.1 billion. The segment is enjoying increasing popularity among issuers, with the number of listed companies increasing 40-fold since its launch in 2009.

Professional Segment

The Professional Segment was created to enable companies to enter the market gradually. It offers the perfect basis for start-ups and established companies to take their first steps on the capital market. The special approach with regulatory flexibility, minimal bureaucracy and fast decision-making processes allows for optimal adaptation to the needs of SMEs. Regardless of the specific project (pure listing or listing including the issue of new shares), issuers can thus ensure an easy and cost-effective process.

Formal requirements for an IPO

	Euronext	Euronext STAR	Euronext Growth	Professional
Free float	25%	35%	10% (5 institutional investors)	10% (5 investors)[1]
Audited annual financial statements	2	3	1 (if existing)	1 (if existing)
Accounting standards	International	International	International, Italian, American	International, Italian, American
Offering	Institutional/Retail	Institutional/Retail	Mainly institutional (retail with an offering of < €8 million)	Not mandatory
Documents	Prospectus	Prospectus	Admission document	Admission document
Market capitalisation	Min. €40 million	Min. €40 million; Max. €1 billion	No formal requirements	No formal requirements
Supervisory board	TUF[2]	Mandatory[3]	B.o.D. with at least 1 independent member	Supervisory Board
Control and risk committee	Recommended	Mandatory	No requirement	No requirement
Remuneration committee	Recommended	Mandatory		
Incentives for management	Recommended	Mandatory (performance-related remuneration)		
Investor relations	Recommended	Mandatory	Mandatory	Not mandatory
Website	Mandatory	Mandatory	Mandatory	Mandatory
Main advisor	Listing agent / Global coordinator	Listing agent / Global coordinator	Euronext Growth Advisor/Global coordinator	Euronext Growth Advisor

[1] If the criterion is not met for a period of two years, automatic delisting from the segment will occur.

[2] TUF = Testo Unico della Finanza, law regulating the Italian financial sector.

[3] With eight members on the supervisory board, at least two must be independent members; for 9 to 14 members, at least three must be independent members; and with more than 14 members on the supervisory board, at least four must be independent members.

Source: Borsa Italiana

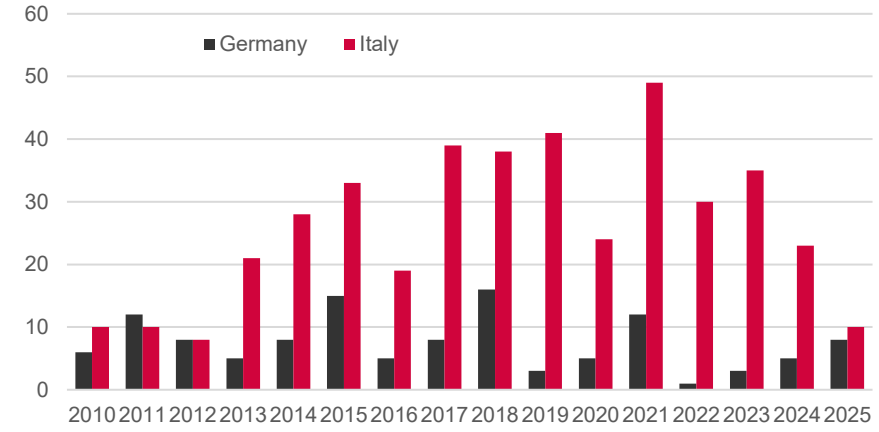
REASONS FOR INVESTING IN ITALY

High IPO-activity

A long-term comparison between the Italian and German stock markets illustrates why investors should increasingly turn their attention south of the Alps. While primary market activity on the German capital market has remained severely subdued for years, recording only 29 IPOs between 2021 and 2025, the Milan Stock Exchange demonstrated remarkable vitality, welcoming roughly 150 new listings during the same period and driven by strong SME dynamism on Euronext Growth Milan (EGM).

However, a comprehensive analysis of the current market cycle requires a more nuanced perspective. The Italian capital market operates within an increasingly complex macroeconomic and geopolitical landscape, characterized by prolonged periods of elevated interest rates, quantitative tightening, and heightened market volatility. Consequently, Italy has not been entirely immune to the broader European capital market slowdown. Although listing inquiries remain solid, the execution window for new issues has narrowed. Institutional investors have shifted away from valuing pure revenue expansion toward demanding proven profitability, resilient operating margins, and self-funded cash generation. As a result, several prospective issuers have postponed their market debuts to await more favorable pricing conditions.

Comparative presentation of IPO activity in Germany and Italy



Sources: Deutsche Börse, euronext.com

While new listings continue to materialize, the net expansion of the Italian equity universe has been tempered by an accelerating wave of delistings. Persistent valuation discounts, where high-performing industrial and tech champions trade at multiples substantially below their fair intrinsic value, have prompted controlling family shareholders and cash-rich private equity sponsors to launch OPAs to take companies private at attractive entry prices. Furthermore, certain micro-cap issuers on the MTF segment have opted to exit the market to eliminate administrative, legal, and reporting burdens that are disproportionate to their traded liquidity.

Yet, despite this challenging broader climate, the Italian capital market demonstrates remarkable resilience compared to its European counterparts. Where major financial hubs like Frankfurt and London have experienced severe market shrinkage and a near-total freeze in lower-tier listings, Milan has maintained an active listing conduit.

Fondo Nazionale Strategico investment initiative

The investment initiative "Fondo Nazionale Strategico Indiretto" (FNSI), established under the umbrella of the state investment bank Cassa Depositi e Prestiti (CDP), has entered its operational phase. In March 2026, the public funding commitment was increased from €350 million to €750 million to further support investment in listed Italian SMEs. The initiative operates through dedicated closed-end investment funds managed by accredited asset managers, including Eurizon, Generali and Amundi. At least 70% of each fund's capital is earmarked for investments in Italian non-financial SMEs outside the FTSE MIB index, particularly companies listed on Euronext Growth Milan and Euronext Milan.

According to the Italian Ministry of Economy and Finance, approximately €560 million had been raised by September 2026, with the fundraising target of €750 million expected to be reached by 2027. Five investment funds were already fully operational, while another fund was awaiting authorisation and two additional funds were still raising capital. Although implementation has progressed more slowly than initially anticipated, the initiative is now beginning to provide additional institutional capital to the Italian small- and mid-cap segment.

The additional investment demand could improve market liquidity, support valuations and facilitate access to equity financing for smaller listed companies. In particular, the long-term investment approach is expected to contribute to a more stable shareholder base and support sustainable corporate growth. However, the actual market impact will depend on the pace of capital deployment and the extent to which smaller companies benefit from the initiative.

Multiple voting rights

Multiple voting rights enable certain shareholders to exercise greater voting power than their proportional ownership would otherwise permit. This allows founders and major shareholders to retain significant influence over corporate decisions even after raising additional equity capital or reducing their ownership stakes through an initial public offering (IPO). From a corporate perspective, multiple voting rights can therefore help preserve founder control, provide protection against unwanted takeovers and support long-term strategic continuity. However, they may also reduce the influence of minority shareholders and raise corporate governance concerns.

In Germany, multiple voting rights were abolished in 1998 under the Control and Transparency Act (KonTraG). The Future Financing Act (Zukunftsfinanzierungsgesetz), which entered into force in December 2023, reintroduced the possibility of issuing registered shares carrying up to ten votes per share. Their introduction requires the approval of all affected shareholders. For listed companies, multiple voting rights generally expire ten years after the IPO, with a possible extension of up to another ten years. These requirements may limit their practical application, particularly for companies with an already diversified shareholder base.

Italy introduced a more flexible framework for multiple voting rights in 2014, which was further expanded through the Capital Markets Law (Legge Capitali, Law No. 21/2024). The reform increased the maximum number of votes attached to multiple-voting shares (voto plurimo) from three to ten. Such shares can be issued before a company becomes publicly listed and may retain their enhanced voting rights following the IPO. This enables founders and existing shareholders to raise equity capital while maintaining a comparatively high degree of corporate control.

In addition, Italy offers a separate mechanism known as enhanced or loyalty voting rights (voto maggiorato), which is also available to already-listed companies. Under this mechanism, shareholders who continuously hold their shares for at least 24 months and meet the relevant registration requirements may receive two votes per share. Following the 2024 reform, companies can introduce additional voting rights for each subsequent year of continuous ownership, up to a maximum of ten votes per share. Unlike traditional multiple-voting shares, these additional voting rights are linked to the duration of share ownership rather than a specific share class.

The Italian framework may therefore provide additional incentives for entrepreneurs to pursue a stock market listing without immediately relinquishing corporate control. At the same time, the loyalty voting mechanism encourages long-term share ownership and may contribute to a more stable shareholder base. These provisions can be regarded as one factor supporting the attractiveness of the Italian equity market, particularly for family-owned and founder-led SMEs. Nevertheless, the potential benefits need to be balanced against corporate governance considerations and the protection of minority shareholders.

Tax advantages for issuers during an IPO

In addition to the numerous advantages associated with an IPO for issuers, which have already been described in detail in this document, Italy also offers specific tax incentives. Small and medium-sized enterprises (SMEs) can benefit from a tax credit when listing on a regulated market or a multilateral trading facility (MTF), such as Euronext Growth Milan. Specifically, companies can claim a tax credit covering 50% of eligible advisory costs incurred in connection with the listing process, up to a maximum of €500,000. These costs may include legal, financial and accounting advisory services, as well as other eligible consulting expenses directly related to the IPO.

Originally introduced in 2018, the incentive has been extended several times. Under the 2025 Budget Law, the Italian government prolonged the scheme until 31 December 2027, maintaining the maximum tax credit of €500,000 per company. This underlines the government's continued efforts to encourage SMEs to access the capital markets and reduce the financial barriers associated with an IPO. However, the total budget allocation is limited to €3 million annually for both 2026 and 2027.

To benefit from the incentive, companies must meet the applicable SME criteria and successfully complete their listing on an eligible EU or EEA market. Applications must be submitted to the Italian Ministry of Enterprises and Made in Italy (MIMIT), accompanied by appropriate documentation of the eligible advisory expenses. The tax credit is granted subject to the applicable conditions and the availability of public funds.

Overall, Italian tax legislation continues to provide incentives for SMEs considering a stock market listing. By reducing the initial financial burden of an IPO, these measures may encourage additional companies to enter the public equity markets. Together with other capital market initiatives, they contribute to Italy's efforts to strengthen its SME financing ecosystem and enhance the attractiveness of its equity market for issuers and investors.

Regulatory modernization: Consob regulatory simplification targets red tape and market attrition

According to a study published by the Italian financial market regulator Consob in December 2024, 74% of public takeover and exchange offers (56 out of 76) conducted in Italy between 2020 and 2023 resulted in a delisting. The findings highlight the challenges facing the Italian equity market, particularly the ongoing decline in the number of listed companies. Among the factors contributing to delisting decisions are the administrative and regulatory costs associated with maintaining a stock market listing, as well as the greater operational flexibility offered by private ownership.

Against this background, Consob approved a package of regulatory simplifications in May 2026 (Resolution No. 23979), aimed at reducing administrative requirements for listed companies and market participants. The measures form part of broader efforts to strengthen the competitiveness of the Italian capital market and align national regulations with recent European legislative developments. The key changes include:

- **Higher internal dealing reporting threshold:** Consob increased the annual reporting threshold for transactions conducted by persons discharging managerial responsibilities and closely associated persons from €20,000 to €50,000. In line with the revised EU Market Abuse Regulation, this measure reduces administrative requirements for smaller transactions while maintaining transparency regarding significant management dealings.

- **Simplification of prospectus and offering requirements:** The obligation to file equity and non-equity prospectuses with Consob following regulatory approval has been abolished. Additional reporting requirements for placement managers following the completion of public offerings have also been removed. Furthermore, the mandatory use of separate subscription forms has been eliminated, allowing for more flexible subscription procedures.

- **Broader use of English-language documentation:** Consob has extended the possibility of using English for documentation required under European regulations in connection with public offerings that are exempt from the obligation to publish a prospectus. This measure complements the existing framework for English-language prospectuses and may facilitate capital market transactions involving international investors.

These regulatory adjustments represent another step towards reducing the administrative burden associated with accessing and maintaining a stock market listing in Italy. Particularly for small and medium-sized enterprises, lower compliance costs and simplified procedures may contribute to making public equity markets more accessible. Combined with initiatives such as the Fondo Nazionale Strategico Indiretto and tax incentives for IPOs, the reforms could help strengthen Italy's capital market ecosystem and encourage companies to consider public listings as a viable financing option.

GBC ITALIAN CHAMPIONS 2026 – AN OVERVIEW OF THE SHARES

On the following pages, we present the GBC Italian Champions 2026 selection. This includes a number of promising companies from a variety of industries with attractive valuations that we believe are the perfect addition to your portfolio.

Issuer	Industry	ISIN	Price in €	MCap. in Mio. €	TP in €	Rating
Avio S.p.A.[*7,11]	Aerospace, Defence	IT0005119810	32.45	1,624.58	40.00	BUY
Casta Diva Gr. S.p.A.[*11]	Entertainment	IT0005003782	3.50	72.33	4.00	BUY
Cembre S.p.A.[*7,11]	Industry	IT0001128047	77.90	1,309.89	98.00	BUY
Fine Foods & P. S.p.A.[*11]	Production	IT0005215329	6.32	161.54	11.00	BUY
Franchetti S.p.A.[*7,11]	Engineering	IT0005508574	6.05	57.09	10.00	BUY
Lindbergh S.p.A.[*11]	Services	IT0005469272	13.90	135.41	18.00	BUY
Lottomatica S.p.A.[*7,11]	Gambling	IT0005541336	26.81	6,746.23	31.00	BUY
Otofarma S.p.A.[*11]	Health	IT0005663361	2.16	12.85	5.50	BUY
Reply S.p.A.[*11]	Technology	IT0005282865	131.60	4,923.16	185.00	BUY
Sanlorenzo S.p.A.[*11]	Shipbuilding	IT0003549422	36.34	1,298.86	55.00	BUY
Siav S.p.A.[*11]	Software	IT0005504128	2.48	26.71	5.50	BUY
Somec S.p.A.[*5a,11]	Shipbuilding	IT0005329815	24.10	175.45	26.95	BUY

Avio S.p.A.[*7,11]

Industry: aerospace & defense
Focus: design, development, and production of space propulsion systems
Founded: 1912

Employees: ~1350 (30.06.26)
Headquarters: Colleferro (Italy)
Executive board: Giulio Ranzo (CEO)

Avio S.p.A. (Avio) is an Italian aerospace company specializing in the design, development, and production of space propulsion systems, tactical missile motors, and satellite launch vehicles. Avio serves commercial and institutional space markets as prime contractor and launch service operator for the Vega launcher family and a key supplier of solid rocket boosters for Ariane 6. Its business model relies on institutional and B2B contracts with international space agencies, including ESA and ASI, launch service customers, and leading defense contractors such as MBDA and Lockheed Martin. While historically focused on Europe, Avio is expanding its presence in the US defense market. To support this strategy and increase production capacity, Avio established its US subsidiary and began developing a major solid rocket motor manufacturing facility in Virginia in 2026.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	583.69	607.04	673.81	741.19
EBITDA	32.26	35.04	35.81	41.69
EBIT	11.97	15.04	13.81	19.19
Net profit	11.60	17.23	14.25	18.56
Earnings per share	0.23	0.34	0.28	0.37
Dividend per share	0.15	0.20	0.17	0.21
EV/Revenue	1.83	1.76	1.58	1.44
EV/EBITDA	33.08	30.46	29.80	25.60
EV/EBIT	89.19	70.97	77.27	55.60
P/E	140.10	94.29	114.01	87.55
P/B	2.29			

Investment case

- **European leader in space access & missile propulsion:** Prime contractor and launch operator for the Vega launcher family, key Ariane 6 propulsion supplier, and manufacturer of solid rocket motors for critical air defense systems.
- **Strong order backlog:** Backlog reached €2.17bn at year-end 2025 and €2.05bn in H1 2026, supported by rising European defense demand and expected ESA contracts exceeding €600m.
- **Transition to Launch Service Operator (LSO):** Full responsibility for Vega C commercialization and launch operations, marked by Avio's first successful mission as launch operator in May 2026.
- **Transformative US defense expansion**: Development of a new solid rocket motor manufacturing facility in Virginia to address substantial unmet demand, supported by partnerships with major US defense contractors.
- **Fortified capital structure**: €400m rights issue completed in November 2025 and €109.4m Advent capital increase completed in September 2026, further strengthening the €535.7m net cash position reported in H1 2026.
- **Attractive valuation**: Double-digit revenue growth and long-term operating leverage support our DCF-derived target price of €40.00 per share.

Rating: BUY
Target price: €40.00

Share and master data



Closing price (03/11/26)	€32.45
Stock exchange	Euronext Milan
ISIN	IT0005119810
WKN	A14XKE
Number of shares (in million)	50.06
Market cap (in € million)	1,624.58
Enterprise value (in € million)	1,067.25
Market segment	Euronext STAR Milan
End of financial year	31.12.
Accounting	IFRS

Shareholder structure

Leonardo	18.0%
Advent International	6.5%
Goldman Sachs	5.3%
Barclays PLC	3.8%
Delfin Sarl	3.5%
Free Float	62.8%

Financial dates

11.11.26 9-month figures 2026

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
-
** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Strategic US expansion and record backlog drive next phase of growth

Avio S.p.A. is an aerospace and defense engineering group specializing in the development and production of space launch vehicles and tactical missile propulsion systems. With facilities in Italy (Colleferro), France, and French Guiana (Kourou Space Centre), the Group operates through three divisions: Launch Systems (Vega C integration, orbital propulsion systems, and launch operations); Space Propulsion (P120C/P160C solid rocket motors and cryogenic turbopumps for Ariane 6); and Defense Propulsion (booster and sustainer motors for missile systems such as ASTER 30, CAMM-ER, and TESEO MK2/E).

Avio has accelerated its growth in recent years, benefiting from Europe's increasing focus on independent space access and rising defense spending. In FY 2025, revenues (net of pass-through revenues) increased by 22.7% to €541.67m, while reported EBITDA rose by 24.9% to €32.26m (adjusted EBITDA: €34.76m; margin: 6.4%) and net profit reached €11.60m. To finance its expansion, Avio successfully completed a €400m rights issue in November 2025, primarily supporting capacity expansion and construction of a major solid rocket motor (SRM) manufacturing facility in the US. In April 2026, Avio USA acquired approximately 1,200 acres of industrial land in Virginia for €16.05m. Total planned investment amounts to approximately $500m, supported by potential state incentives of up to $97.7m. Avio also secured initial US defense contracts, including a $65m agreement with DSS, while strengthening partnerships with Raytheon and Lockheed Martin.

Operational momentum remained strong in H1 2026, with revenues increasing by 17.5% to €276.04m, driven by higher production volumes across Launch Systems (€168.78m), Space Propulsion (€57.29m), and Defense Propulsion (€49.98m, +25% YoY). Reported EBITDA increased by 19.1% to €11.91m (adjusted EBITDA: €12.21m), while net profit reached €9.16m (H1 2025: -€0.19m), benefiting from €4.78m in net financial income and a €3.32m fair-value gain on investments. Avio ended June 2026 with net cash of €535.70m, subsequently strengthened by a €109.39m capital increase subscribed by Advent International in September 2026, resulting in a 6.54% stake.

According to our financial model, revenues are projected to reach €607.04m in 2026e, €673.81m in 2027e, and €741.19m in 2028e. Driven by increasing launcher production and defense deliveries, EBITDA is expected to rise from €35.04m in 2026e to €41.69m in 2028e, despite temporary margin pressure from US expansion costs. Net profit is forecast to reach €18.55m by 2028e.

Based on our DCF model, we determine a target price of €40.00 per share and assign a "BUY" rating.

Casta Diva Group S.p.A.*11

Rating: BUY
Target price: €4.00

Industry: Entertainment & Advertising
Focus: Live communication and video production
Founded: 2005

Employees: 200 (30.06.2026)
Headquarters: Milan
Executive board: Andrea De Micheli (CEO), Guido Palladini (CFO)

Casta Diva Group S.p.A. (CDG) is a Milan-based communications group operating in the advertising, media and entertainment industries, both in Italy and internationally. The Group focuses on two business areas: Creative Content Production and Live Communication. Its activities include the production of advertising films, branded content, television programmes and digital videos, as well as the organisation of corporate events, conferences, concerts, festivals and other live entertainment formats. The Group operates through various brands, including Casta Diva Art & Show, Casta Diva Pictures, G.2 Eventi, Genius Progetti, Akita Film, E-Motion and Blue Note Milano, a renowned jazz club and restaurant that also organises external events. CDG is present across four continents and has received more than 130 international awards. The Group and its management have worked with more than 150 leading international brands.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	132.92	143.56	149.30	155.27
EBITDA	8.70	10.78	13.38	14.33
EBIT	5.08	6.78	8.88	9.33
Net profit	0.62	3.43	5.29	5.65
Earnings per share	0.03	0.17	0.26	0.27
Dividend per share	0.00	0.00	0.00	0.00
EV/Revenue	0.71	0.65	0.63	0.60
EV/EBITDA	10.80	8.71	7.02	6.55
EV/EBIT	18.49	13.85	10.58	10.06
P/E	116.85	21.12	13.67	12.80
P/B	5.23			

Investment case

- **Leading Italian market position:** CDG is leading in corporate events and commercial video production, supported by over 200 corporate and institutional clients.
- **Proven M&A-driven growth strategy**: Buy-and-build approach reinforced by the acquisition of Prodea's events business (€11.9m revenue, €2.2m EBITDA in 2024) at ~1.5x EV/EBITDA.
- **Scale expansion & landmark contracts**: Successful execution of major events, including the Milano-Cortina 2026 Paralympic Closing Ceremony and Taranto 2026 Mediterranean Games ceremonies, strengthening CDG's market position.
- **Proprietary assets & AI innovation**: Ownership of Blue Note Milano, acquisition of its premises (€4.3m) and launch of AI-powered studio Rebel/OTT, supporting growth and efficiency.
- **Diversified business & growing backlog**: Order backlog reached €25.9m in September 2026 (+7% YoY), supporting visibility despite weaker 9M revenues (–6.4%) and project delays in the Gulf region.
- **Growth potential & valuation upside**: Targeted acquisitions, AI-driven efficiency and €15m sustainability-linked financing support expansion. GBC's DCF-derived price target of €4.00 supports a "BUY" rating.

Share and master data



Closing price (03/11/26)	€3.50
Stock exchange	Euronext Milan
ISIN	IT0005003782
WKN	A1187N
Number of shares (in million)	20.67
Market cap (in € million)	72.33
Enterprise value (in € million)	93.94
Market segment	Euronext Growth Milan
End of financial year	31/12/
Accounting	Italian GAAP

Shareholder structure

RELOAD S.p.A.	32.4%
GREENBONE S.r.l.s.	5.5%
Institutional Investors	26.2%
Free float	35.8%

Financial dates

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11.11.2025: RS / 2.95 / BUY
** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

M&A-driven growth strategy enables above-average growth in core markets

The Casta Diva Group (CDG) is an international communications group operating as a market leader in corporate communication, audiovisual production, and live entertainment. The Group's business model is structured into two core complementary divisions: Live Communication & Entertainment (accounting for ~81% of H1 2026 revenue), which creates and organizes corporate conventions, experiential marketing, medical-scientific congresses, festivals, and concerts through G.2 Eventi, Genius Progetti, First Class, and Blue Note Milano; and Creative Content Production (accounting for ~19% of sales), which develops commercial advertising spots, digital video formats, branded content, and TV programming through Casta Diva Pictures, Akita Film, E-Motion, and the newly launched AI-driven studio Rebel/OTT. Operating across 14 countries on four continents, CDG maintains long-standing relationships with over 200 active corporate and institutional clients, spanning luxury, automotive, consumer goods, finance, and public sectors.

CDG's growth strategy combines organic expansion with targeted acquisitions. In FY 2025, value of production increased by 12.2% to €138.22 million, while revenues reached €132.92 million. Adjusted EBITDA rose by 15.6% to €11.97 million, corresponding to a 9.0% margin. To support further acquisitions, the Group issued a €15 million sustainability-linked bond.

In H1 2026, the value of production increased by 11.1% to €66.04 million, driven by Live Communication (+20.3% to €53.44 million), benefiting from the integration of Prodea's events business. Adjusted EBITDA rose by 11.4% to €6.25 million (9.5% margin), while reported EBITDA reached €4.77 million (+18.2%). Net profit increased to €2.31 million (+8.3%). However, preliminary nine-month revenues declined by 6.4% to €88.4 million, reflecting delayed projects in the Gulf region. The order backlog stood at €25.9 million at the end of September (+7%), bringing revenues already generated and orders scheduled for completion in 2026 to €114.3 million. Management plans to present a revised business plan by year-end.

Strategic investments included the acquisition of Prodea's events business (€3.0 million) and the Blue Note Milano property (€4.3 million), increasing net debt to €16.68 million (FY 2025: €8.72 million). Despite reduced short-term visibility, CDG continues to benefit from diversified activities, major event mandates and potential acquisition opportunities.

According to our forecasts, revenues should reach €143.56 million in 2026e, €149.30 million in 2027e and €155.27 million in 2028e. EBITDA is expected to increase from €10.78 million in 2026e (7.5% margin) to €14.33 million in 2028e (9.2%).

Based on our DCF valuation model, we establish a target price of €4.00 per share and assign a "BUY" rating.

Cembre S.p.A.*7,11

Industry: industry
Focus: electrical connectors and wiring tool kits
Founded: 1969

Employees: 991 (30.06.2026)
Headquarters: Brescia
Board of Directors: Giovanni Rosani, Aldo Bottini Bongrani, Anna Maria Onofri, Sara Rosani, Felice Albertazzi, Franco

Cembre S.p.A. is one of Europe's leading manufacturers of electrical connectors and related installation tools. The company's core business comprises five product categories: electrical connectors, tools, railway products, marking systems, and cable glands and accessories. Its product portfolio includes connectors for low-, medium- and high-voltage applications, designed for both copper and aluminium conductors. In addition, Cembre offers a comprehensive range of mechanical, hydraulic and battery-powered tools for crimping, cutting and stripping applications. The company also supplies specialised equipment and electrical components for the installation and maintenance of railway infrastructure. Cembre operates production facilities in Italy and the UK and maintains six European subsidiaries (UK, France, Spain, Germany, the Netherlands and Ireland), as well as subsidiaries in the US and China.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	244.25	280.93	309.02	339.92
EBITDA	73.86	86.40	97.18	111.18
EBIT	59.78	71.30	80.78	93.18
Net profit	46.65	52.41	59.37	68.49
Earnings per share	2.77	3.12	3.53	4.07
Dividend per share	2.06	2.30	2.60	2.80
EV/revenue	5.49	4.77	4.34	3.94
EV/EBITDA	18.15	15.51	13.79	12.06
EV/EBIT	22.42	18.80	16.59	14.39
P/E	28.08	24.99	22.06	19.13
P/B	5.62			

Investment case

- **European market leadership:** Cembre is a leading European manufacturer of electrical crimp-type connectors and installation tools, offering over 18,000 products to approximately 5,000 customers worldwide.
- **Sustained growth trajectory:** Revenues increased at a 7.9% CAGR between 2017 and 2025 to €244.3m, followed by 13.6% growth in H1 2026, supported by electrification, automation, and grid modernisation.
- **High profitability and operating leverage:** EBITDA margin increased from 30.2% in FY 2025 (€73.9m) to 33.5% in H1 2026 (€47.3m), benefiting from improved production efficiency and lower relative material costs.
- **Capacity expansion:** The new €42m production complex in Brescia, commissioned in 2026, doubles surface-treatment capacity for electrical connectors, supporting efficiency improvements and future growth.
- **International growth opportunities:** Strong momentum in the US (+54.3% in H1 2026) and Germany (+18.1%), supported by expanding market penetration and demand from electrical infrastructure and data centres.
- **Strong cash generation and shareholder returns:** Robust operating cash flows support investments and attractive dividends, with a long-term average payout ratio of approximately 54%. GBC's DCF-derived price target stands at €98.00.

Rating: BUY
Target price: €98.00

Share and master data



Closing price (03/11/26)	€77.90
Stock exchange	Euronext Milan
ISIN	IT0001128047
WKN	911069
Number of shares (in million)	16.82
Market cap (in € million)	1,309.89
Enterprise value (in € million)	1,340.40
Market segment	Euronext STAR Milan
End of financial	31 December
Accounting	IFRS

Shareholder structure

Lysne S.p.A.	51.6%
Sara Rosani	8.7%
Giovanni Rosani	8.5%
Free float	31.3%

Financial dates

12 November 2026 Q3 figures 2026

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11.11.2025: RS / 70.00 / BUY
12.11.2024: RS / 45.00 / BUY

** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

European market leader with high profitability, strong financial strength and clear growth trajectory

Cembre S.p.A. is a leading European manufacturer of electrical connectors, installation tools, cable glands, and industrial marking systems. Its vertically integrated business model covers five product families: electrical connectors (~46% of sales), marking systems (~21%), tools (~13%), railway products (~12%), and cable glands (~8%). Serving approximately 5,000 customers worldwide, Cembre operates manufacturing facilities in Italy and the UK, supported by subsidiaries across Europe, the US, and China.

Cembre has demonstrated consistent revenue growth and high profitability. Between 2017 and 2025, consolidated revenues increased at a CAGR of 7.9%, from €132.6 million to €244.25 million. EBITDA rose from €33.43 million to €73.86 million, corresponding to a margin of 30.2% in FY 2025, while net profit reached €46.65 million. Growth was supported by electrification, railway infrastructure investments, and industrial automation. Cembre also maintained an attractive dividend policy, distributing €2.06 per share for FY 2025, representing a payout ratio of approximately 74%.

Their strong operating performance continued in H1 2026, with consolidated revenues increasing by 13.6% to €141.17 million (H1 2025: €124.27 million). Non-European sales grew by 47.1%, supported by a 54.3% increase at the US subsidiary, partly reflecting new customer relationships and demand from data centres. Germany (+18.1%) and Spain (+13.1%) also contributed strongly, while domestic sales increased by 12.1%. Benefiting from operating leverage and lower relative production costs, EBITDA rose by 22.8% to €47.26 million, lifting the EBITDA margin to 33.5% (H1 2025: 31.0%).

A key growth driver is the new industrial complex in Brescia, representing an investment of approximately €42 million. The 15,000 m² facility incorporates automated production and warehousing systems, doubling surface-treatment capacity for electrical connectors and supporting further efficiency improvements. Net financial debt amounted to €31.21 million at 30 June 2026, reflecting dividend payments of €34.64 million and capital expenditure of €11.04 million.

According to our forecasts, revenues will reach €280.93 million in 2026e (+15.0%), €309.02 million in 2027e, and €339.92 million in 2028e. EBITDA is expected to increase from €86.40 million in 2026e (30.8% margin) to €111.18 million in 2028e (32.7% margin).

Supported by structural electrification trends, international expansion, and efficiency gains from the new plant, Cembre offers attractive long-term earnings potential. Based on our DCF model, we determine a target price of €98.00 and reiterate our BUY rating.

Fine Foods & Pharmaceuticals N.T.M. S.p.A.*11

Industry: production
Focus: food supplements, pharmaceuticals, cosmetics
Founded: 1984

Employees: approx 1,123 (30.06.26)
Headquarters: Bergamo
Board of Directors: Marco Francesco Eigenmann; Pietro Oriani

Fine Foods & Pharmaceuticals N.T.M. S.p.A. (Fine Foods), founded in 1984, is an Italian contract services, development and manufacturing organisation (CSDMO) operating in the pharmaceutical, nutraceutical and cosmetics sectors. The Group develops and manufactures pharmaceuticals, dietary supplements and cosmetics for third-party customers. Its portfolio includes powders, granules, tablets, capsules and liquid formulations in various packaging formats. Fine Foods benefits from commercial and technological synergies across its business areas. Pharmaceutical production takes place at the Brembate facility, while nutraceuticals are manufactured at the Zingonia-Verdellino site. Cosmetics production is handled by its subsidiary Fine Cosmetics in Trenzano. The acquisition of Sofar in June 2026 added a fourth production site in Trezzano Rosa, expanding the Group's pharmaceutical capabilities, particularly in liquid and semi-solid formulations.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	252.06	258.09	285.41	306.82
EBITDA	34.43	34.18	39.57	45.99
EBIT	16.42	10.18	17.57	22.99
Net profit	10.10	5.53	10.45	14.62
Earnings per share	0.40	0.22	0.41	0.57
Dividend per share	0.16	0.08	0.16	0.20
EV/revenue	1.02	0.99	0.90	0.84
EV/EBITDA	7.44	7.50	6.48	5.57
EV/EBIT	15.61	25.18	14.58	11.15
P/E	16.00	29.23	15.46	11.05
P/B	1.20			

Investment case

- **Diversified CSDMO business model:** Three synergistic segments (Nutra, Pharma, Cosmetics) serving over 130 customers, benefiting from increasing outsourcing among multinational companies.
- **Pharma as key growth driver:** Revenue growth of 12.4% in FY 2025 and 12.0% in H1 2026, supported by the expanded Brembate facility, multi-year contracts and Sofar.
- **Strategic expansion through Sofar:** Acquisition of Sofar S.p.A. in June 2026 (€27m EV), expanding manufacturing capabilities in liquid and semi-solid pharmaceutical formulations.
- **Nutra transition and GLP-1 impact:** Revenue declines of 4.3% in FY 2025 and 10.9% in H1 2026 due to GLP-1 adoption and destocking, partly offset by innovative product categories.
- **Temporary profitability pressures:** H1 2026 earnings impacted by Brembate start-up costs, higher depreciation, a €4.0m goodwill impairment and €0.7m in other non-recurring expenses.
- **Growth potential and valuation upside:** Pharma expansion and Sofar integration support margin recovery, with EBITDA forecast at €46.0m in 2028 (15.0% margin). DCF target price of €11.00; BUY rating.

Rating: BUY
Target price: €11.00

Share and master data



Closing price (03/11/26)	€6.32
Stock exchange	Euronext Milan
ISIN	IT0005215329
WKN	A2AT4U
Number of shares (in million)	25.56
Market cap (in € million)	161.54
Enterprise value (in € million)	256.25
Market segment	Euronext STAR Milan
End of financial year	31 December
Accounting	IFRS

Shareholder structure

Eigenfin s.r.l.	53.2%
Treasury shares	12.1%
Free float	34.7%

Financial dates

10.11.26 q3 figures

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11.11.2025: RS / 13.00 / BUY
** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Growth potential through expansion and M&A

The business activities of Fine Foods & Pharmaceuticals N.T.M. S.p.A. (Fine Foods) are divided into three segments. The Nutra division, accounting for 51.0% of H1 2026 revenue, develops and manufactures dietary supplements at Europe's largest dedicated production facility in Zingonia. The Pharma division generated 37.4% of H1 2026 revenue, manufacturing pharmaceuticals under GMP standards at its Brembate facility. Through its subsidiary Fine Cosmetics S.p.A., the Group also manufactures personal care and cosmetic products (11.7% of H1 2026 revenue). Fine Foods maintains long-standing relationships with more than 130 customers, including leading pharmaceutical, nutraceutical and cosmetics companies.

Fine Foods has demonstrated sustained revenue growth and solid operating margins. In FY 2025, consolidated revenues reached €252.06 million, while adjusted EBITDA amounted to approximately €38.1 million (15.1% margin). Revenue growth was driven by double-digit increases in Pharma (+12.4% to €85.17 million) and Cosmetics (+19.4% to €30.79 million), while net profit reached €10.10 million. Furthermore, the Group completed a major expansion of its Brembate pharmaceutical facility, obtaining AIFA manufacturing authorisation in October 2025 to support future production growth.

H1 2026 was characterised by operational challenges and strategic adjustments. Consolidated revenues declined by 3.1% to €124.79 million. Pharma maintained double-digit growth (+12.0% to €46.63 million), whereas Nutra revenues declined by 10.9% to €63.62 million, reflecting weaker demand for weight-management products amid increasing adoption of GLP-1 therapies and customer destocking. Cosmetics revenues fell by 7.2% to €14.54 million, affected by customer insourcing and project delays. Profitability was further impacted by start-up costs at Brembate and non-recurring expenses, including a €4.0 million goodwill impairment in Cosmetics. Consequently, adjusted EBITDA declined to €15.18 million (12.2% margin), while reported EBIT fell to €0.46 million.

In June 2026, Fine Foods acquired 100% of Sofar S.p.A. for an enterprise value of €27.0 million, adding a production facility with 10,000 m² of covered space in Trezzano Rosa and expanding its capabilities in liquid and semi-solid pharmaceuticals. Net debt increased to €98.0 million (2.5x adjusted EBITDA), compared with shareholders' equity of €116.0 million. Looking ahead, we expect the Brembate ramp-up, the integration of Sofar and a gradual stabilisation of Nutra to support revenue growth and margin recovery. Our forecasts anticipate revenues increasing from €258.09 million in 2026 to €306.82 million in 2028, representing a CAGR of approximately 9.0%. Over the same period, EBITDA is expected to rise from €34.18 million to €45.99 million, with the EBITDA margin improving from 13.2% to 15.0%.

Based on our DCF valuation model, we calculate a target price of €11.00 per share and assign a BUY rating.

Franchetti S.p.A.*7,11

Sector: Engineering / Infrastructure
Focus: Bridge inspection and maintenance of infrastructures
Foundation: 2013

Employees: 544 (30.06.2026)
Company headquarters: Arzignano, Vicenza
Board of Directors: Paolo Franchetti (CEO), Michele Frizzarin

Franchetti S.p.A. (Franchetti) is an international engineering and technology group specialising in structural diagnostics, infrastructure safety and predictive maintenance. The Group supports public and private infrastructure operators, focusing primarily on bridges, viaducts and transport networks. Franchetti combines engineering expertise with proprietary AI-based software solutions, including its Ktema suite, to analyse structural deterioration, optimise maintenance strategies and improve resource allocation. Its database covers approximately 60,000 bridges and viaducts worldwide, supporting predictive infrastructure management. Through strategic acquisitions, particularly the Brazilian ECR Group in April 2026, Franchetti has significantly expanded its operational capacity and customer base. The Group operates primarily in Italy and Brazil, with additional activities in Europe and North America.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	7.39	25.64	29.48	33.91
EBITDA	3.68	7.31	9.84	11.37
EBIT	2.19	5.71	7.64	9.17
Net profit	0.86	2.11	3.36	4.15
Earnings per share	0.09	0.22	0.36	0.44
Dividend per share	0.00	0.00	0.00	0.00
EV/Revenue	7.66	2.21	1.92	1.67
EV/EBITDA	15.39	7.74	5.75	4.98
EV/EBIT	25.88	9.91	7.41	6.17
P/E	66.77	27.02	17.02	13.76
P/B	2.59			

Investment case

- **Strong market position:** Franchetti S.p.A. is an international software and engineering specialist in structural diagnostics, predictive maintenance and digital twin solutions for critical infrastructure, primarily bridges and viaducts.
- **Strong order backlog:** An aggregate order backlog of approximately €104 million, around 75% of which consists of recurring or long-term contracts, provides high revenue visibility over the coming years.
- **Transformative international expansion:** The acquisition of a 55% stake in Brazil's ECR Group, supported by SIMEST, significantly expands operational capacity, strengthens the Group's presence in Latin America and creates cross-selling opportunities.
- **Strong profitability and improved working capital efficiency:** H1 2026 Value of Production increased by 155% YoY to €14.54 million, with EBITDA reaching €3.77 million (25.9% margin). DSO declined significantly to approximately 176 days, compared with 516 days in H1 2025.
- **Attractive upside potential:** Our DCF-based price target of €10.00 per share, supports our BUY rating.

Rating: BUY
Target price: €10.00

Share and master data



Closing price (03/11/26)	€6.05
Stock exchange	Euronext Milan
ISIN	IT0005508574
WKN	A3DWYY
Number of shares (in million)	9.44
Market cap (in € million)	57,09
Enterprise value (in € million)	56.60
Market segment	Euronext Growth Milan
End of financial year	31/12/
Accounting	Italian GAAP

Shareholder structure

Franchetti Holding Srl	54.2%
Axon Partners Group	11.8%
Algebris Investments Ltd	7.8%
Free float	26.3%

Financial dates

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11/11/2025: RS / 9.50 / BUY
12/11/2024: RS / 9.00 / BUY
** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Profit opportunities from ageing infrastructure

Franchetti S.p.A. (Franchetti) is an engineering and specialised software company providing infrastructure operators with integrated services for the sustainable management and predictive maintenance of transport networks. The Group combines engineering expertise with proprietary algorithms and AI-driven software solutions, including its Ktema suite and the technologies developed by Strucinspect. Supported by structural demand for infrastructure maintenance and digitalisation, Franchetti has significantly expanded its operations in Italy and internationally, particularly in Brazil. Ageing transport infrastructure, increasing safety requirements and the need for more efficient maintenance planning provide favourable long-term market conditions for the Group's engineering and predictive analytics solutions.

In the 2025 financial year, Franchetti recorded strong operating growth, with Value of Production (VoP) increasing by 45.7% to €13.09 million (previous year: €8.99 million), supported by organic expansion and the full-year contribution of Matildi + Partners. Revenues increased by 32.4% to €7.39 million, while EBITDA reached €3.68 million, corresponding to an EBITDA margin of 28.1% on VoP. Equity rose by 48.8% to €22.03 million, strengthening the Group's financial position.

Growth accelerated significantly in the first half of 2026, primarily supported by the acquisition and consolidation of the Brazilian ECR Group. VoP increased by 154.5% to €14.54 million (H1 2025: €5.71 million), while EBITDA more than doubled to €3.77 million (+112% YoY), corresponding to a margin of 25.9%. At the same time, days sales outstanding (DSO) declined to 176 days from 516 days, reflecting improvements in invoicing and working capital management alongside changes in the consolidation perimeter. Consolidated net profit increased to €1.59 million, while net financial debt remained moderate at approximately 1.1x annualised EBITDA.

A major strategic milestone was the acquisition of a 55% stake in the Brazilian ECR Group, completed in April 2026. ECR specialises in engineering services for complex infrastructure projects, particularly in the Brazilian public infrastructure sector. The acquisition significantly expands Franchetti's engineering capacity, local customer relationships and access to larger infrastructure contracts. At the same time, the combination of ECR's established engineering operations with Franchetti's proprietary software and predictive maintenance solutions creates opportunities for cross-selling, operational efficiencies and technological synergies.

Alongside organic growth, targeted acquisitions remain a key component of Franchetti's strategy. The integration of Gallo Technics, Matildi + Partners, Austrian technology specialist Strucinspect and ECR has strengthened the Group's position as an international provider of integrated infrastructure management solutions, with more than 400 professionals across its expanded operations.

Supported by an aggregate order backlog of approximately €104 million, management expects continued positive operating development. Under its 2026–2028 Business Plan, Franchetti targets a VoP CAGR of approximately 40% and an EBITDA CAGR exceeding 40%, based on the reported 2025 figures. Based on our DCF valuation model, we calculate a target price of €10.00 per share and reiterate our BUY rating.

Lindbergh S.p.A.*11

Industry: services
Focus: waste, network and warehouse management, HVAC
Founded: 2006

Employees: 293 (30.06.2026)
Headquarters: Cremona (Lombardy)
Board of Directors: Michele Corradi, Marco Pomè, Andrea Allegrini, Matteo Vaccari

Lindbergh S.p.A. is an Italian industrial services group operating in three business areas: Network & Warehouse Management, Waste Management & Circular Economy, and HVAC (Heating, Ventilation and Air Conditioning). Its traditional core business provides value-added logistics services to technical maintenance networks, including overnight spare parts deliveries, warehouse management and complementary services. The Waste Management & Circular Economy division offers industrial waste management, recycling and material recovery services. Established in 2023, HVAC has become the Group's largest business area, accounting for approximately 53% of revenues in H1 2026. Through its subsidiary SMIT, Lindbergh pursues a buy-and-build strategy aimed at becoming a leading Italian provider of HVAC installation, maintenance and repair services. Acquiring regional service companies enables the Group to generate synergies, centralise administrative functions and improve operational efficiency.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	32.36	42.67	45.02	47.49
EBITDA	6.22	7.97	8.46	9.01
EBIT	3.89	5.47	6.06	6.66
Net profit	2.58	3.74	4.26	4.71
Earnings per share	0.26	0.38	0.44	0.48
Dividend per share	0.00	0.00	0.00	0.00
EV/revenue	4.31	3.27	3.10	2.94
EV/EBITDA	22.42	17.50	16.48	15.48
EV/EBIT	35.89	25.50	23.00	20.94
P/E	52.51	36.24	31.76	28.78
P/B	12.79			

Investment case

- **From waste disposal company to logistics specialist:** Originally focused on industrial waste management, Lindbergh has successfully evolved into a specialised logistics service provider supporting field service engineers (FSEs).
- **Diversified business model:** Three segments – HVAC (53% of sales), Network & Warehouse Management (33%), and Waste/Circular Economy (14%) – with a clear focus on high-margin services.
- **Dynamic growth:** FY 2025 revenues increased by 37.4% to €32.36m; H1 2026 revenues grew 31.6% YoY to €20.84m, supported by HVAC expansion and a return to organic growth in Network Management (+7.7%).
- **Profitability above industry level:** EBITDA margin expanded to 19.2% in FY 2025 (€6.22m) and reached 17.8% in H1 2026 (€3.72m), well above traditional transport and logistics providers.
- **HVAC as a growth driver:** The segment contributes over 53% to consolidated revenue; rapid roll-up consolidation continues through subsidiary SMIT S.r.l. to build market leadership in Italy.
- **Positive outlook and valuation:** Single-digit revenue growth expected across all segments with robust cash generation; DCF-derived price target of €18.00; "BUY" rating.

Rating: BUY
Target price: €18.00

Share and master data



Closing price (03/11/26)	€13.90
Stock exchange	Euronext Milan
ISIN	IT0005469272
WKN	A3C9MS
Number of shares (in million)	9.74
Market cap (in € million)	135.41
Enterprise value (in € million)	139.43
Market segment	Euronext Growth Milan
End of financial year	31 December
Accounting	IFRS

Shareholder structure

Pibes	25.0%
Pinvest	16.2%
Institutional Investors	13.0%
Abdiel Capital	5.1%
Free float	40.8%

Financial dates

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11.11.2025: RS / 8.55 / BUY
12.11.2024: RS / 5.90 / BUY

** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Growing logistics and HVAC specialist

Founded in 2006, Lindbergh SpA originally specialised in the collection of special waste from industrial maintenance activities. Since commencing operations, the company has obtained important waste disposal permits and established an extensive network of waste depots and transfer stations throughout Italy. As of 30 June 2026, the waste/recycling division generated around 14% of the Group's revenue.

The now smaller share accounted for by this original segment reflects the radical transformation that the company has undergone since its foundation. Over time, Lindbergh SpA has expanded its original business into a comprehensive range of value-added logistics services, focusing on supplying spare parts for the service vehicles of field service engineers (FSE). The company also offers other services such as the provision and collection of protective equipment, consumables and tools, and waste management for waste produced by technicians. These services are grouped together in the "Network & Warehouse Management" business segment, which accounted for approximately 33% of total revenue in the first half of 2026. Following the divestment of its French operations in 2024, the Group's Network Management activities are focused on Italy, where the business returned to solid organic growth (+7.7% in H1 2026).

Another growth driver emerged in 2023 with the establishment of the "HVAC" (heating, ventilation and air conditioning) business segment through its subsidiary SMIT Srl. In this segment, the company aims to become the market leader in Italy for the installation and maintenance of HVAC equipment. The highly fragmented market, characterised by numerous smaller, regionally-based companies, provides favourable conditions for this strategy. This plan is implemented through the acquisition of local companies. Since entering the HVAC sector, Lindbergh SpA has completed numerous acquisitions. The segment accounts for over 53% of total sales and has become the Group's largest division.

The 2025 financial year was once again characterised by high sales growth, with revenues reaching €32.36 million (+37.4% YoY) and EBITDA rising 43.6% to €6.22 million (19.2% margin). This trend continued in the first six months of 2026, with total revenues up 31.6% to €20.84 million and EBITDA reaching €3.72 million (17.8% margin). The relatively high EBITDA margin reflects the value-added nature of Lindbergh's service offering, which differs from traditional transport and logistics operations through its high degree of customer integration and specialised services. Leverage also improved to approximately 1.0x NFP/EBITDA (LTM).

In our opinion, the future development of the company will be characterised by revenue growth in all three segments, with the HVAC segment showing the highest expansion, followed by Circular Economy and Network & Warehouse Management. Following the strong revenue increase expected for 2026, we anticipate single-digit annual revenue growth rates in 2027 and 2028, with a stable EBITDA margin of around 19%. Based on our target price of €18.00, we assign a "BUY" rating.

Lottomatica Group S.p.A.[*7,11]

Industry: gambling
Focus: online, sports betting, slot machines
Founded: 2013

Employees: 2,258 (30.06.2026)
Headquarters: Rome
Executive board: Guglielmo Angelozzi, Laurence Van Lancker, Alessandro Fiumara

Lottomatica Group S.p.A. is the largest player in the Italian betting and gaming market, measured by Gross Gaming Revenue (GGR). Through its Online segment, the company offers a wide range of online gaming products, including sports betting, online casinos, poker and bingo. The Group operates several well-known websites, such as GoldBet.it, Lottomatica.it, Betflag.it and Planetwin365.it. The second segment, Sports Franchise, comprises the Group's retail sports betting activities, operated through a nationwide franchise network. As of 30 June 2026, the network included 3,789 active points of sale (PoS) under the GoldBet, Intralot, Better and Planetwin365 brands. The third segment, Gaming Franchise, combines the direct management of gaming halls with concession activities for video lottery terminals (VLTs) and amusement-with-prize machines (AWPs). As of 30 June 2026, this segment comprised 18,164 operational VLTs and 63,414 operational AWPs.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	2,247.12	2,396.95	2,564.73	2,744.27
EBITDA	785.86	874.23	953.69	1,052.33
EBIT	466.03	604.23	693.69	792.33
Net profit	174.30	299.00	369.50	437.52
Earnings per share	0.69	1.19	1.47	1.74
Dividend per share	0.44	0.60	0.70	0.80
EV/Revenue	3.92	3.68	3.44	3.21
EV/EBITDA	11.22	10.08	9.24	8.38
EV/EBIT	18.91	14.59	12.71	11.12
P/E	38.71	22.56	18.26	15.42
P/B	17.87			

Investment case

- **Market leader in Italy:** Lottomatica is Italy's undisputed gaming leader, operating an integrated omnichannel model combining digital platforms (31.7% online market share) with an extensive brick-and-mortar retail franchise network.
- **Three balanced segments with growing digital contribution:** 'Online' (44.5% of H1 26 revenues, 65.3% of adj. EBITDA), 'Gaming Franchise' (32.2% of revenues), and 'Sports Franchise' (23.3% of revenues) provide diversified revenue streams.
- **Strong financial momentum:** Between 2021 and 2025, consolidated revenues expanded from €808.1m to €2,247.1m; adjusted EBITDA rose from €195.1m to €856.2m (+21.1% YoY in 2025), driven by organic gains and synergy extraction from PWO.
- **High profitability and cash generation:** H1 2026 revenues rose 3.4% to €1,163.6m, with adjusted EBITDA reaching €465.3m (margin of 39.4% on third-party revenues) and Operating Cash Flow advancing to €385.5m (82.8% cash conversion).
- **Active debt optimization:** Refinancings in 2025 and 2026 replaced expensive and floating-rate notes with fixed-rate debt (4.625%–4.875%), removing costly one-off penalties and securing substantial interest savings to support strong free cash flow.
- **Positive outlook and attractive valuation:** Full-year 2026 guidance confirmed with revenues of €2,390–2,460m and Adjusted EBITDA of €940–980m; DCF-derived price target of €31.00 per share, supporting a "BUY" rating.

Rating: BUY
Target price: €31.00

Share and master data



Closing price (03/11/26)	€26.81
Stock exchange	Euronext Milan
ISIN	IT0005541336
WKN	A3EDET
Number of shares (in million)	251.63
Market cap (in € million)	6,746.23
Enterprise value (in € million)	8,813.78
Market segment	Euronext Milan
End of financial year	31.12.
Accounting	IFRS

Shareholder Structure

FMR	9.2%
Capital Research	6.3%
Parvus AM	5.1%
Shares buyback	8.4%
Free Float	71.1%

Financial dates

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11.11.2025: RS / 29.00 / BUY
** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Leading gaming group with strong growth and high profitability

Lottomatica Group S.p.A. is Italy's leading gaming group, combining digital offerings with an extensive retail network under its omnichannel business model. The Group operates three reportable segments. 'Online' (44.5% of H1 2026 reportable segment revenues) offers iGaming, iSports and other digital products through websites including GoldBet.it, Lottomatica.it and Planetwin365.it. 'Gaming Franchise' (32.2%) manages concessions for 18,164 operating VLTs and 63,414 AWPs, alongside 122 directly managed gaming halls. 'Sports Franchise' (23.3%) operates a nationwide network of 3,789 active betting shops and corners under brands including GoldBet, Intralot, Better and Planetwin365.

Between 2021 and 2024, consolidated revenues increased from €808.11m to €2,004.73m (35.4% CAGR), while reported EBITDA rose from €195.08m to €630.19m. Growth was driven by organic market share gains and strategic acquisitions, including the IGT business in 2021 and omnichannel operator SKS365 (now PWO) in April 2024 for €621.5m.

Growth continued in 2025, supported by the full-year contribution of PWO and increasing digital adoption. Consolidated revenues rose 12.1% to €2,247.12m (€2,255.29m for reportable segments), while adjusted EBITDA increased 21.1% to €856.16m (38.0% margin). The Group also secured five nine-year online concessions from the ADM, effective from November 2025, providing regulatory visibility through November 2034. Operating cash flow reached €657.13m (76.8% conversion rate), while €375m was returned to shareholders through dividends (€75m) and share buybacks (€300m). Following Apollo's full exit in June 2025, Lottomatica became an independent public company and joined the FTSE MIB in September 2025.

The positive business performance continued in the first nine months of 2026. Consolidated revenues rose by 3.2% to €1,686.61 million, driven by the online business, whose segment turnover increased by 13.3% to €780.82 million. Adjusted EBITDA increased by 7.8% to €665.48 million (EBITDA margin: 38.7%), of which €442.90 million was attributable to the online business (EBITDA margin: 56.7%). Consolidated net profit rose by 58.0% to €155.33 million. In May 2026, Lottomatica issued fixed-rate, secured bonds totalling €765 million at an interest rate of 4.625% to refinance floating-rate liabilities and to finance general corporate purposes. Despite extensive share buy-backs, net financial debt rose only moderately compared with the end of 2025 to €2,164.1 million (31 December 2025: €2,105.2 million).

For 2026, management confirmed its revenue guidance of €2,390 to €2,460 million, as well as its forecast for adjusted EBITDA of €940 to €980 million. Adjusted EBITDA is expected to be at the upper end of the forecast range. For the following years, we expect sustained revenue growth in the high single-digit percentage range, as well as adjusted EBITDA margins approaching the 40% mark. This trend is likely to be supported by the continued shift towards online business and complementary acquisitions.

Based on our DCF valuation model, we derive a target price of €31.00 per share and assign a "BUY" rating.

Otofarma S.p.A.*11

Industry: Healthcare/ Medtech
Focus: Design, in-house production, and decentralized distribution of hearing aids
Founded: 2016

Employees: 38 (30.06.2026)
Headquarters: Naples
Board of Directors: Dr. Gennaro Bartolomucci

Otofarma S.p.A. is an Italian hearing-care company specializing in the development, in-house production and distribution of medical-grade hearing aids. Its core business relies on a network of approximately 4,700 affiliated pharmacies across Italy, offering hearing screenings and consultations supported by audiologists and tele-audiology solutions. This model enables nationwide coverage without an extensive proprietary retail network. Otofarma also distributes hearing aids through optical partners, primarily via its subsidiary Odiens, and directly operated stores under the Sento Odiens Vedo brand. Its portfolio includes audiological accessories and complementary healthcare products. The company operates production facilities in Italy, with additional capacity being developed near Milan. Its growth strategy focuses on increasing sales productivity, expanding distribution channels and strengthening telemedicine services, complemented by selective acquisitions.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	15.95	18.98	23.16	28.25
EBITDA	1.55	1.52	2.40	3.07
EBIT	-0.81	0.32	1.40	2.27
Net profit	-1.51	0.16	0.96	1.66
Earnings per share	-0.25	0.03	0.16	0.28
Dividend per share	0.00	0.00	0.00	0.00
EV/Revenue	0.44	0.37	0.30	0.25
EV/EBITDA	4.49	4.56	2.89	2.26
EV/EBIT	neg.	21.45	4.95	3.06
P/E	neg.	81.82	13.35	7.74
P/B	0.90			

Investment case

- **Innovative business model**: Pioneer in pharmacy-based hearing care distribution, combining in-house manufacturing, tele-audiology and an extensive network of approximately 4,700 affiliated pharmacies across Italy.
- **Attractive market fundamentals**: Structural growth opportunities driven by an ageing population, increasing awareness of hearing loss and relatively low hearing aid penetration compared to other European markets.
- **Scalable distribution platform**: Significant potential to increase sales productivity and hearing aid volumes through greater activation of existing pharmacy partnerships and standardized regional sales units.
- **Multichannel expansion**: Additional growth opportunities through the expansion of telemedicine services, the optical distribution channel via Odiens and increased manufacturing capacity at the new Corsico facility.
- **2028 guidance**: Management targets revenues of €28.5m–€31.0m and EBITDA of €2.8m–€3.2m by FY 2028, supported by organic growth, improved sales productivity and increasing operating efficiency.
- **Valuation upside**: GBC forecasts are aligned with 2028 guidance. Based on our valuation, we have determined a fair value of €5.50 per share and assign a "BUY" rating.

Rating: BUY
Target price: €5.50

Share and master data



Closing price (03/11/26)	2.16
Stock exchange	Euronext Milan
ISIN	IT0005663361
WKN	A41FFX
Number of shares (in million)	5.95
Market cap (in € million)	12.85
Enterprise value (in € million)	6.95
Market segment	Euronext Growth Milan
End of financial year	31 December
Accounting	Italian GAAP

Shareholder Structure

Bartolomucci Holding S.r.l.	67.3%
Axon Partners Group	10.0%
Invitali S.p.A.	6.4%
Algebris Investments	5.6%
Free Float	10.75%

Financial dates

11.11.26 MKK Munich Cap. M. Conference

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
-
** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Pioneer in pharmacy-based audiology

Otofarma S.p.A. is an Italian medical technology company headquartered in Naples that specialises in the in-house development, manufacturing, and decentralized distribution of certified hearing aids. With a strong focus on tele-audiology and pharmacy partnerships, Otofarma is a pioneer in pharmacy-based hearing care distribution. The company provides patients with remote audiometric screenings, customized fittings, and ongoing technical support through accredited pharmacists and audiologists. Otofarma generates approximately 87% of its consolidated turnover through this core pharmacy channel.

Between 2021 and 2024, Otofarma successfully established a disruptive hearing-care model across Italian pharmacies, combining in-house manufacturing with tele-audiology. This drove pro forma sales to €15.07m and EBITDA to €2.31m (15.3% margin) in FY 2024. Supported by €10.5m in IPO proceeds in summer 2025, the company accelerated its expansion. While FY 2025 revenues grew to €15.95m, reported EBITDA fell to €1.55m. This margin contraction reflected significant front-loaded investments in marketing, salesforce hiring, and tele-audiology specialists, whose full commercial productivity requires time to ramp up. In addition, conservative accounting, including expensing €776k of pre-competitive R&D directly in P&L and booking €2.36m in D&A and legacy asset clean-ups, resulted in a reported net loss of €1.51m. Despite this, the IPO proceeds strengthened the balance sheet, closing FY 2025 with €7.09m in net cash.

The 2026 financial year is focused on absorbing these growth outlays and scaling capacity. In H1 2026, sales revenues increased by 8.6% YoY to €8.69m (H1 2025: €8.0m). Ongoing commercial consulting costs and higher personnel expenses kept H1 2026 EBITDA at €0.50m and resulted in a net loss of €-0.52m. Operationally, however, Otofarma completed a key milestone in April 2026 by acquiring its new production plant in Corsico (Milan) for €1.7m. With 1,500 m² and an annual capacity exceeding 20,000 units, this hub doubles manufacturing capabilities alongside the Naples facility. Supported by its cash reserves, Otofarma funded these investments internally, preserving a solid net cash position of €5.03m as of 30 June 2026.

Looking ahead, the company's recently announced Business Plan 2026–2028 focuses on improving sales productivity, increasing the number of active pharmacies and expanding its multichannel distribution model. The strategy combines the further development of telemedicine services through Telefarmamedica with the establishment of standardized regional sales units and the expansion of their optical distribution channel through Odiens. Management expects revenues of €28.5m to €31.0m and EBITDA of €2.8m to €3.2m by FY 2028, based exclusively on organic growth. Based on our GBC forecasts, we expect revenues to increase to €18.98m in FY 2026e (+19.0%), €23.16m in FY 2027e (+22.0%) and €28.25m in FY 2028e (+22.0%). Regarding profitability, we anticipate EBITDA of €1.52m in FY 2026e, followed by an increase to €2.40m in FY 2027e and €3.07m in FY 2028e.

We expect the growth trend to continue, with a gradual but only slight increase in profit margins. We have determined a fair value of €5.50 per share and therefore assign a "BUY" rating.

Reply S.p.A.*11

Industry: technology
Focus: software, management consulting
Founded: 1996

Employees: 17,297 (30.06.2026)
Headquarters: Turin
Executive Board: Mario Rizzante, Tatiana Rizzante

Founded in 1996, Reply S.p.A. is an international IT services provider specialising in the design and implementation of digital solutions. At the heart of its service offering are artificial intelligence, cloud computing, the Internet of Things and digital media. Reply combines strategy and technology consultancy with systems integration and digital services, serving clients in sectors including automotive and manufacturing, financial services, telecommunications, energy, retail, logistics, public administration and healthcare. Organisationally, the group relies on a decentralised network of specialised companies that combines technological expertise with sector-specific know-how. As at 30 June 2026, Reply employed around 17,300 staff.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	2,449.99	2,666.98	2,926.34	3,160.44
EBITDA	481.05	479.35	535.40	578.36
EBIT	391.69	389.35	446.40	490.36
Net profit	250.89	265.96	305.67	336.00
Earnings per share	6.71	7.11	8.17	8.98
Dividend per share	1.35	1.40	1.60	1.75
EV/revenue	1.84	1.69	1.54	1.42
EV/EBITDA	9.36	9.39	8.41	7.78
EV/EBIT	11.49	11.56	10.08	9.18
P/E	19.62	18.51	16.11	14.65
P/B	3.30			

Investment case

- **Leading IT service provider:** strong market position in digital transformation, cloud, AI, IoT and Industry 4.0; pioneer in transitioning from conversational AI to autonomous agentic architectures
- **Defensive Contract Structure against AI Disruption:** High immunity to developer-hour deflation thanks to an outcome-based pricing model, with fixed-price projects accounting for over 83% of Region 1 revenue.
- **Profitable Growth & Resilient Margins:** Reply posted record revenue of €2.45B in FY 25 and reached a growth of +8.0% organically in Q2 2026. The group effectively protects its margins with a record EBITDA margin of 18.2% in Q2 2026, maintaining a solid 17.8% in H1 2026, living up to our estimations.
- **Strong financial base:** Equity ratio of 57% coupled with €512.75 million in cash and cash equivalents and a positive net financial position of €402.02 million as of 30 June 2026, providing significant headroom for strategic bolt-on M&A.
- **Important acquisition:** In July 2026, Reply closed a deal in the US in the federal government & defense segment, strengthening Reply's position in the defence vertical.
- **Shareholder-friendly:** Continuously rising dividend track record since 2010, complemented by an active treasury share buyback programme.

Rating: BUY
Target price: €185.00

Share and master data



Closing price (03/11/26)	€131.60
Stock exchange	Euronext Milan
ISIN	IT0005282865
WKN	A2G9K9
Number of shares (in million)	37.41
Market cap (in € million)	4,923.16
Enterprise value (in € million)	4,501.91
Market segment	Euronext STAR Milan
End of financial year	31 December
Accounting	IFRS

Shareholder structure

Alika S.r.l.	37.1%
Free float	62.9%

Financial dates

12.11.2026	Q3 figures 2026
23–24.11.2026	Equity Forum

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11.11.2025: RS / 175.00 / BUY
12.11.2024: RS / 170.00 / BUY
** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Leading digitalisation partner with dynamic growth

Reply S.p.A. is an international company headquartered in Italy, specialising in IT services, digital transformation and innovative technologies. With a focus on consultancy, systems integration and digital services, Reply is one of the leading players in the fields of Industry 4.0, cloud computing, artificial intelligence and the Internet of Things (IoT). The company supports clients in the automotive, manufacturing, telco + hightech, public administration and financial sectors with their digital transformation. Reply generates just over 74% of its consolidated revenue from clients in these sectors.

Reply's business performance is characterised by sustained demand, driven by the ongoing digital transformation and the shift towards the industrialisation of artificial intelligence. Between 2020 and 2025, average revenue growth (CAGR) stood at 14.7%. At the same time, thanks to its positioning as a high-end systems integrator and its strong focus on results-oriented fixed-price contracts, the company continues to achieve above-average operating margins. During this period, the EBIT margin fluctuated between 13.1% and 15.8%.

The 2025 financial year confirmed this trajectory and marked a significant technological turning point through the native integration of agent-based AI, the 'silicon shoring' deployment model, and the strengthening of solutions in the areas of cyber resilience and sovereign sectors. Despite the challenging macroeconomic environment, revenue improved by 6.7% to a record €2,449.99 million (previous year: €2,295.94 million). EBIT reached €391.69 million (previous year: €330.42 million), representing a disproportionately high increase of +18.5%. The 2025 financial year thus set new records in terms of both revenue and profitability, highlighting Reply's ability to translate AI-driven productivity gains into direct margin expansion.

As in the past, Reply S.p.A. will continue to focus on external growth in the future. Of particular note is the Group's very solid capital base, with an equity ratio of 56.3% and high liquidity of €512.75 million as at 30 June 2026, which provides ample scope for targeted acquisitions. Among the numerous investments were Cyberis Ltd. (cyber security), Movar Ltd. (project management) and FedTec LLC (defence and US federal agencies). Revenue and EBIT rose to €1.312 billion and €190 million respectively, thereby laying the foundations for continued growth in 2026.

Reply S.p.A. benefits from a broadly diversified revenue mix, as its client base spans various sectors and countries. This makes the company less vulnerable to economic fluctuations. Its service portfolio covers promising areas such as cybersecurity, cloud computing, quantum computing and the Internet of Things (IoT). All these areas are positively influenced by ongoing digitalisation. Amongst all these growth opportunities at Reply S.p.A. is a long-term increase in the dividend. Since 2010, this has been gradually increased from €0.11 to €1.35 in 2025.

We expect this trend to continue, accompanied by a gradual, albeit modest, rise in profit margins. We have calculated a fair value of €185.00 per share and therefore assign a 'BUY' rating.

Sanlorenzo S.p.A.*11f

Industry: shipbuilding
Focus: sailing yachts and motorboats
Founded: 1958

Employees: 1,655 (30.06.26)
Headquarters: Ameglia (Liguria)
Board of Directors: Massimo Perotti (CEO); Tommaso Vincenzi; Carla Demaria

Sanlorenzo S.p.A. is a leading Italian company in the luxury yachting sector, specializing in the design, construction and sale of custom-made yachts and superyachts. Its products are distributed both directly and through a network of brand representatives in Europe, the Asia-Pacific region, North and South America, the Middle East and Africa. The company operates through four business divisions: Yacht (24 to 41 metres), Superyacht (44 to 74 metres), Blue-game (13 to 26 metres) and Nautor Swan (sailing and motor yachts ranging from 13 to 44 metres). Sanlorenzo focuses on exclusive, made-to-measure products with a high degree of customization and limited production volumes. In addition to new and pre-owned yachts, the group offers complementary services, including charter, maintenance, refitting and restyling through its Sanlorenzo Timeless programme. Founded in 1958, Sanlorenzo is headquartered in Ameglia, Italy.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Net Revenue	960.36	1,003.71	1,068.96	1,138.44
EBITDA	180.64	185.75	203.31	217.11
EBIT	139.88	144.75	161.31	174.11
Net profit	109.15	112.28	111.51	124.65
Earnings per share	3.05	3.14	3.12	3.49
Dividend per share	1.05	1.10	1.15	1.20
EV/net revenue	1.27	1.22	1.14	1.07
EV/EBITDA	6.76	6.58	6.01	5.63
EV/EBIT	8.73	8.44	7.57	7.02
P/E	11.90	11.57	11.65	10.42
P/B	2.48			

Investment case

- **Exclusive market position:** Sanlorenzo operates across multiple luxury yachting segments, its portfolio ranges from 13 to 74 metres.
- **Resilient growth momentum:** In FY 2025, deliveries reached 115 yachts, with Net Revenues New Yachts advancing 3.2% to €960.36 million, driven by strong demand in the Americas (+35.5%) and the initial full-year integration of Nautor Swan.
- **High profitability and pricing power:** EBITDA expanded to €180.64 million in FY 2025 (18.8% margin) and reached €83.49 million in H1 2026 (17.7% margin).
- **Exceptional visibility and order intake:** Order intake rose 18.3% YoY in H1 2026 to €496.43 million, marking the eighth consecutive quarter of growth; the order backlog reached €1,498.90 million, securing 83% of FY 2026 revenue guidance.
- **Solid guidance and strategic catalyst:** For FY 2026, management guides for Net Revenues New Yachts of €980–1,020 million, EBITDA of €180–192 million, and net profit of €108–114 million; the potential acquisition of The Italian Sea Group offers an additional inorganic catalyst.
- **Valuation potential:** Target price of €55.00 per share determined on a DCF basis, supporting a "BUY" rating.

Rating: BUY
Target price: €55.00

Share and master data



Closing price (03/11/26)	€36.34
Stock exchange	Euronext Milan
ISIN	IT0003549422
WKN	A2PV7P
Number of shares (in million)	35.74
Market cap (in € million)	1,298.86
Enterprise value (in € million)	1,221.43
Market segment	Euronext STAR Milan
End of financial year	31.12.
Accounting	IFRS

Shareholder structure

Ocean S.r.l.	55.5%
Holding Happy Life S.r.l.	5.6%
Treasury shares	0.8%
Free float	38.2%

Financial dates

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11.11.2025: RS / 50.00 / BUY
12.11.2024: RS / 55.00 / BUY

** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Fast-growing luxury yacht builder

Sanlorenzo is a leading global shipyard in the luxury yachting sector, operating through four divisions under three brands. The company deliberately produces a limited number of yachts annually, pursuing growth through new models while preserving exclusivity. Products feature continuous design and technological innovation, supported by partnerships with renowned designers and architects. Production is concentrated at four main shipyards in Italy, complemented by Nautor Swan's facilities in Finland. The portfolio includes composite motor yachts between 24 and 41 metres (Yacht Division), metal superyachts between 44 and 74 metres (Superyacht Division), sport utility yachts between 13 and 26 metres (Bluegame), and premium sailing and motor yachts between 13 and 44 metres (Nautor Swan).

Between 2021 and 2025, Sanlorenzo demonstrated strong growth, increasing Net Revenues New Yachts from €585.9m to €960.4m (CAGR of 13.2%). EBITDA nearly doubled from €94.6m to €180.6m, lifting the EBITDA margin from 16.1% to 18.8%, while group net profit increased from €51.0m to €109.15m. This performance was supported by the group's "value over volume" strategy, product innovation and a favourable product mix. In 2024, Sanlorenzo acquired Simpson Marine to expand direct distribution across APAC and the iconic sailing brand Nautor Swan. In 2025, the group delivered 115 yachts, including 19 vessels from Nautor Swan. Despite the ongoing integration of Nautor Swan, EBITDA increased further, with the margin remaining strong at 18.8%.

Operational performance in H1 2026 confirmed this resilient trajectory. Net Revenues New Yachts increased by 3.8% YoY to €471.33m, driven by the Superyacht Division (+12.4%) and strong growth in the Americas (+35.4%) and APAC (+35.8%). EBITDA reached €83.49m (+3.7% YoY), with a stable margin of 17.7%, while group net profit rose by 5.4% to €49.13m. Order intake increased by 18.3% to €496.43m, marking eight consecutive quarters of growth. As of 30 June 2026, the order backlog reached €1,498.90m, with 89% sold to final clients and 83% coverage of the mid-point of FY2026 revenue guidance. Management consequently confirmed its FY2026 targets and 2028 Business Plan outlook, targeting revenue growth of at least 6% CAGR (2025–2028) and an EBITDA margin of at least 19.0%.

Technological innovation and sustainable propulsion remain key pillars of the group's "Road to 2030" strategy. Following the introduction of the 50Steel featuring a methanol-based fuel cell system, Sanlorenzo expanded its technological capabilities through the foil-assisted Bluegame BGF45 and a partnership with BYD Energy Storage for advanced marine battery systems. Furthermore, the potential acquisition of The Italian Sea Group (TISG) through the Polo Nautico Carrara consortium could provide additional growth opportunities.

Based on our DCF valuation model, we calculate a fair value of €55.00 per share. Given the high revenue visibility, solid net cash position (€49.4m as of June 2026) and strong brand pricing power, we reiterate our "BUY" rating.

Siav S.p.A.*11

Industry: software, services
Focus: enterprise content management, business process outsourcing
Founded: 1989

Employees: 314 (30.06.2026)
Headquarters: Rubano (Padua)
Directors Board: Alfiere Voltan, Nicola Voltan, Daniele Boggian

Siav S.p.A., founded in 1989, is an Italian software company specialising in Content Services Platforms (CSP) and digital document management. Its portfolio comprises proprietary software solutions for document and process management, complemented by business process outsourcing and professional IT services. The company is increasingly focusing on cloud-based solutions, software-as-a-service (SaaS) and the integration of artificial intelligence to automate business processes. Key products include Archiflow NOVA, Siav Connect and SIAV.AI. Siav serves more than 4,000 customers across various industries, including public administration, healthcare, manufacturing and financial services. Headquartered in Rubano, Italy, the company operates primarily in its domestic market while pursuing international expansion through subsidiaries and strategic partnerships.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	35.71	38.19	42.16	46.38
EBITDA	8.97	10.77	11.88	13.10
EBIT	3.22	4.89	6.08	7.30
Net profit	1.38	2.88	3.81	4.72
Earnings per share	0.13	0.27	0.35	0.44
Dividend per share	0.00	0.00	0.00	0.00
EV/revenue	0.99	0.92	0.83	0.76
EV/EBITDA	3.92	3.27	2.96	2.69
EV/EBIT	10.94	7.20	5.79	4.82
P/E	19.32	9.28	7.02	5.66
P/B	2.65			

Investment case

- **Established market position:** Over 35 years of experience in Enterprise Content Management and a diversified customer base of more than 4,000 clients.
- **Structural growth drivers:** Increasing digitalisation, regulatory requirements and AI-based process automation support demand.
- **High share of recurring revenues:** Approximately 55% of revenues are recurring. The expansion of SaaS and cloud solutions improves revenue visibility and scalability.
- **Successful restructuring:** EBITDA increased by 74.1% to €8.97 million in 2025. Further margin improvements are expected from operating leverage.
- **Additional growth opportunities:** The acquisition of IT Consult, the investment in Atacod and international expansion offer new market opportunities and cross-selling potential.
- **Attractive growth outlook and valuation:** High single-digit to low double-digit revenue growth expected, accompanied by improving margins. Price target: €5.50; Rating: BUY.

Rating: BUY
Target price: €5.50

Share and master data



Closing price (03/11/26)	€2.48
Stock exchange	Euronext Milan
ISIN	IT0005504128
WKN	A3DSL7
Number of shares (in million)	10.77
Market cap (in € million)	26.71
Enterprise value (in € million)	35.20
Market segment	Euronext Growth Milan
End of financial year	31.12.
Accounting	IFRS

Shareholder structure

Taco Holding S.r.l.	44.8%
Institutional investors	5.9%
Free float	49.4%

Financial dates

Analyst

Cosmin Filker (filker@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
11.11.2025: RS / 4.50 / BUY

** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Software provider with rising profitability

Siav S.p.A. is a software company operating in the areas of enterprise content management and business process outsourcing. In the 2025 financial year, around 43% of total revenue was generated from software sales (EUR 15.5 million). This includes revenue from software platforms for information and process management such as Archiflow, Connect (incorporating Silloge) and Frame. The company also covers the AI sector as an integrated service in its platforms and vertical solutions, further strengthened by the launch of SIAV.AI, in order to increase productivity through process automation. Finally, the company offers software solutions tailored to specific industries, such as Silloge (public administration), MyCreditService / Smart Finance (fintech solution for supply chain finance management), and certified SAP integration dashboards.

Over the past financial years (2020–2025), Siav S.p.A. marked a decisive turning point, demonstrating strong top-line recovery and margin expansion following the strategic reorganisation initiated in 2024. During this period, consolidated revenue from sales and services reached €35.71 million in FY 2025, representing an annual increase of 7.2% (and almost 10% on a like-for-like basis, adjusting for the sale of Mitric S.r.l. in May 2025). This growth has been driven by continuous product innovation and a deliberate transition towards recurring subscription and cloud-based models across its key platforms.

Most importantly, Siav managed to beat our estimations for 2025, in both revenues and margins. Alongside revenue growth, EBITDA surged by 74.1% to €8.97 million (PY: €5.15 million), pushing the EBITDA margin to a record 25.1% (15.5% in 2024). The improvement primarily reflects the benefits of the restruc-turing programme initiated in 2024, including the optimisation of the cost structure and the streamlining of non-core activities. Consequently, Siav returned to profitability, reporting a net profit of €1.38 million (PY: net loss of €1.49 million), while reducing net financial debt to €18.24 million.

Operating performance in the first half of 2026 demonstrated the ongoing effectiveness of this transformed structure. Revenue rose by 8.5% year-on-year to €18.23 million (€16.80 million in H1 2025), while EBITDA reached €3.68 million (€3.61 million in H1 2025), maintaining a solid EBITDA margin of 20.2%. Looking ahead, we expect Siav to transition from restructuring-driven earnings recovery towards profitable growth. Key drivers include the expansion of scalable cloud solutions, the increasing share of recurring software revenues, the in-tegration of IT Consult and additional growth opportunities arising from AI-based solutions, including Atacod. We expect these developments, together with continued cost discipline, to support further operating leverage and EBITDA margin expansion towards 28.3% by FY 2028. At the same time, improving operating cash flow should support a gradual reduction in net financial debt, although additional acquisitions could temporarily increase financing requirements.

We expect revenue growth in the high single-digit or low double-digit percentage range for the coming financial years, as it has been the case. Using a DCF valuation model, we have determined a price target of €5.50 per share. We therefore assign a "BUY" rating.

Somec S.p.A.[*5a,11]

Rating: BUY
Target price: €26.95

Industry: shipbuilding / construction
Focus: glass systems for shipyards, shipowners and the construction sector
Founded: 1978

Employees: appr. 1,000 (as at 30/06/26)
Headquarters: San Vendemiano (Italy)
Executive board: Oscar Marchetto (CEO), Alessandro Zanchetta, Davide Callegari

Somec S.p.A. (Somec) specialises in the engineering, design and implementation of complex projects in the civil and marine sectors and operates across three business divisions: Horizons (customised systems for naval architecture and building façades), Talenta (professional kitchen systems and products), and Mestieri (design and production of bespoke interior fittings). The companies within the group work in an integrated and synergistic manner, adhering to strict quality and safety standards, and guarantee a high degree of individuality and specialist know-how in the processing of various materials – a fundamental prerequisite for high-value-added projects. Over its 40-year history, Somec has earned a global reputation for quality and operational and financial reliability through rigorous certification and accreditation processes. The Group has a presence in twelve countries across three continents.

in € million	FY 25	FY 26e	FY 27e	FY 28e
Revenue	370.02	375.13	389.87	408.54
EBITDA	33.32	36.25	38.13	42.09
EBIT	16.67	23.67	26.31	30.68
Net profit	4.82	10.63	12.43	15.22
Earnings per share	0.66	1.46	1.71	2.09
Dividend per share	0.00	0.00	0.00	0.00
EV/Revenue	0.56	0.55	0.53	0.50
EV/EBITDA	6.16	5.67	5.39	4.88
EV/EBIT	12.32	8.68	7.81	6.70
P/E	36.40	16.50	14.11	11.53
P/B	6.76			

Investment case

- The Somec Group holds strong market positions, particularly in the maritime sector (world market leader in marine glazing, etc.) and in the US façade business.
- A successful growth strategy, backed by a strongly positive M&A track record, has led to a more than doubling of consolidated revenue since the IPO in 2018, reaching € 370.0 million most recently (based on the 2025 financial year).
- The record order book, most recently standing at over € 1.1 billion, ensures a high degree of visibility and predictability for the business.
- With its highly synergistic and complementary business divisions, the Somec Group operates globally in many attractive end markets.
- In particular, the expected sustained boom in the cruise industry opens up significant growth and earnings potential for the Somec Group across its various divisions. Through the 'Mestieri' division, further growth potential is being tapped in promising sectors (e.g. the luxury hospitality segment).
- Attractive valuation with upside potential: based on our revised forecasts, we have significantly raised our previous price target to € 26.95 (previously: € 22.70). Given the current share price level, we maintain our 'BUY' rating and see significant upside potential in Somec shares.

Share and master data



Closing price (03/11/26)	€24.10
Stock exchange	Euronext Milan
ISIN	IT0005329815
WKN	A2JL41
Number of shares (in million)	7.28
Market cap (in € million)	175.45
Enterprise value (in € million)	205.41
Market segment	Euronext Milan
End of financial year	31 December
Accounting	IFRS

Shareholder structure

Venezia S.p.A.	76.2%
Management	1.0%
Free Float	22.8%

Financial dates

Analyst

Marcel Goldmann (goldmann@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
22.10.2026 / RS / 26.95 / BUY
20.04.2026 / RS / 22.70 / BUY
03.12.2025 / RS / 23.35 / BUY
08.10.2025 / RS / 23.35 / BUY
** The research studies listed above can be viewed at www.gbc-ag.de

* Catalogue of potential conflicts of interest on p. 42

Record order book paves the way for a return to growth in the medium term

Somec S.p.A. is an internationally active Italian engineering group specialising in complex projects in the marine and civil sectors. The Group operates through three business divisions: Horizons, Talenta and Mestieri. Horizons comprises customised glazing and façade systems for cruise ships and buildings and represents the core business, accounting for approximately 59% of Group revenues. Talenta focuses on professional kitchen systems and equipment, while Mestieri specialises in high-end, customised interior solutions for marine and civil applications. The Group operates in twelve countries across three continents. A key competitive advantage lies in its integrated business model: Somec covers essential stages of the value chain, from engineering and design to manufacturing, project management, installation and after-sales services. The Group holds a particularly strong position in the cruise industry, where Somec has an estimated market share of approximately 80% in glazing systems for new cruise ships in its core markets of Europe and the US, according to GBC estimates. At the same time, the expanding global cruise fleet offers additional growth potential in the refitting business.

In FY 2025, Group revenues declined by 3.3% to €370.02 million, primarily due to adverse currency effects and a deliberate focus on higher-margin projects. However, Somec's operating performance improved significantly: EBITDA increased by 12.7% to €33.32 million, while the EBITDA margin rose to 9.0% from 7.7% in the previous year. Net income attributable to shareholders turned positive at €4.82 million, compared with €-3.30 million in the previous year. Revenue growth was recorded particularly in Talenta and Mestieri, while Horizons was affected by currency headwinds, project delays and a more selective approach to order intake.

This trend continued in H1 2026. Despite a 3.3% decline in revenues to €186.32 million, EBITDA increased by 10.8% to €17.54 million, corresponding to an EBITDA margin of 9.4%. Net income attributable to shareholders improved significantly to €6.12 million. Talenta performed particularly strongly, with revenue growth of 41.3% and an EBITDA margin of 11.3%. Mestieri achieved an improved EBITDA margin of 10.3%, despite a deliberate reduction in business volume. Furthermore, the order backlog increased to €956.0 million as of 30 June 2026 and subsequently reached a record level of over €1.1 billion, supported by additional major contracts, including the 350 Park Avenue project in New York. Meanwhile, the net financial position remained broadly stable at €36.12 million, with a net leverage ratio of approximately 1.0x.

For FY 2026, we expect revenues of €375.13 million and EBITDA of €36.25 million. For 2027, we forecast revenues of €389.87 million and EBITDA of €38.13 million, followed by €408.54 million and €42.09 million, respectively, in 2028. Key growth drivers include the substantial order backlog, favourable market conditions in the cruise industry, increasing refitting activities and the expected recovery of the US façade business. Additional growth potential could arise from the planned resumption of M&A activities from 2027 onwards, particularly within Mestieri. Accordingly, we expect the EBITDA margin to increase to 10.3% by 2028.

Based on our DCF valuation model, we have determined a fair value of €26.95 per share and therefore assign a BUY rating.

ANNEX

§1 Research under MiFID II - Classification of Independently Initiated Research

I. This sector/thematic research study “GBC Italian Champions 2026” was initiated, selected, prepared and financed independently by GBC AG. No issuer covered in this publication commissioned, paid for or had a contractual entitlement to inclusion in this study. This applies equally to Somec S.p.A.; its separate research agreement with GBC AG does not cover or remunerate this publication.

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IV. Each recipient investment firm remains responsible for determining whether it may receive, use or pay for this research under its own applicable MiFID II and inducement rules.

§2 Independently Initiated Sector Research – Independence, Distribution and Business Relationships

I. Classification and Funding

GBC AG independently initiated and financed this thematic/sector research study. The selection of the twelve issuers, research methodology, financial estimates, ratings, valuations and price targets were determined solely by GBC AG and the responsible analysts. No issuer paid, commissioned or was promised inclusion in this study.

II. Public Availability

This research study is publicly available free of charge and may be distributed via GBC AG’s website, research portals, email distribution lists, financial data platforms, stock exchange publication systems, media and other appropriate channels.

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VI. Revenue Concentration

Where a business relationship with an issuer triggers an applicable materiality or revenue concentration disclosure, this will be disclosed specifically for that issuer on the basis of GBC AG’s verified records; no blanket statement is made for all issuers.

VII. External Research Analysts

No external or third-party research analyst made a material contribution to the preparation of this research report.

VIII. Draft Review

Where a draft was provided to an issuer before publication, this was solely for verification of factual accuracy and/or legal or regulatory compliance. No final or indicative recommendation, rating, price target, valuation, investment case or investment conclusion was included. No issuer had a right to approve, amend, block or delay publication. GBC AG independently determined whether to incorporate legitimate factual or legal comments.

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§4 Legal Notices and Disclosures pursuant to Section 85 WpHG, Article 20 MAR and Commission Delegated Regulation (EU) 2016/958

I. Updating

No specific update of this analysis is currently scheduled for a fixed date. GBC AG reserves the right to update the analysis without prior notice.

For Issuer-Sponsored Research, GBC AG uses its best endeavours during the relevant coverage period to provide a timely update when significant information is published that is expected to have a material impact on the financial instruments covered by the research. GBC AG independently decides whether and to what extent an update is required.

II. Recommendations/Classifications/Ratings

Since 1 July 2006, GBC AG has used a three-tier absolute equity rating system. Since 1 July 2007, the ratings have applied to an investment horizon of at least six and no more than 18 months. Before that date, the ratings applied to an investment horizon of up to twelve months.

When the analysis is published, investment recommendations are assigned to the categories described below on the basis of expected return. Temporary price movements outside these ranges do not automatically lead to a change in classification, but may prompt a review of the original recommendation.

BUY

The expected return, based on the determined price target and including expected dividend payments over the relevant time horizon, is at least +10 %.

HOLD

The expected return, based on the determined price target and including expected dividend payments over the relevant time horizon, is more than -10 % and less than +10 %.

SELL

The expected return, based on the determined price target and including expected dividend payments over the relevant time horizon, is at most -10 %.

GBC AG's price targets are set on the basis of the calculated fair value per share. This is determined using generally accepted and widely used fundamental analysis methods, such as a discounted cash flow method, a peer group comparison and/or a sum-of-the-parts valuation.

Where relevant, fundamental factors and corporate actions such as stock splits, capital reductions, capital increases, M&A activities or share buybacks are taken into account.

III. Historical Recommendations

GBC AG's historical recommendations relating to this analysis can be viewed in the disclosure register on GBC AG's website.

IV. Basis of Information

Publicly available information about the issuer that GBC AG considers reliable was used in preparing this analysis. This may include, in particular, annual and quarterly reports, ad hoc announcements, press releases, securities prospectuses, company presentations and other publicly available information.

In addition, discussions may have been held with management or other representatives of the company under analysis to obtain further explanations of publicly known facts, business activities and business performance.

Before transmission, the issuer is required to clearly identify as such any non-public or confidential information, or any information that may qualify as inside information. GBC AG may refuse to receive such information.

V. Conflicts of Interest pursuant to Section 85 WpHG and Article 20 MAR

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The following potential conflicts of interest exist with respect to the securities or financial instruments discussed in the analysis: please see notes in respective report

VI. Catalogue of Potential Conflicts of Interest

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(2) The company under analysis holds more than 3 % of the shares in GBC AG or an affiliated legal entity.

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(5b) The draft research was amended on the basis of legitimate factual, publicly verifiable or legal comments from the company or issuer. The decision whether to take those comments into account was made exclusively by GBC AG.

(6a) Within the past twelve months, GBC AG or an affiliated legal entity has entered into an agreement with a third party to prepare research reports on the company or financial instrument under analysis for remuneration. Where a draft was

made available to the third party and/or the issuer before publication, this was done solely to verify factual information and/or compliance with legal or regulatory obligations. The draft contained no final or indicative recommendation, rating, price target, valuation section, investment case or investment conclusion.

(6b) The draft research was amended on the basis of legitimate factual, publicly verifiable or legal comments from the third party and/or issuer. The decision whether to take those comments into account was made exclusively by GBC AG.

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(8) The analyst responsible for the company under analysis is a member of a management or supervisory body of that company.

(9) The responsible analyst received or acquired shares in the company under analysis before those shares were publicly offered and before publication of this research.

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VIII. Responsibility for Preparation

The company responsible for preparing this analysis is GBC AG, based in Augsburg.

GBC AG is represented by its Management Board members Manuel Hölzle and Jörg Grunwald.

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