

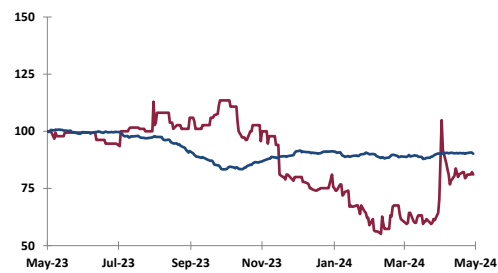


OUTPERFORM

Current Share Price (€): 3.00

Target Price (€): 6.00

Imprendiroma – 1Y Performance



Source: S&P Capital IQ - Note: 30/05/2023=100

Company data

| | |
|------------------------|--------------------------|
| ISIN number | IT0005500571 |
| Bloomberg code | IMP IM |
| Reuters code | IMPR.MI |
| Industry | RE / Building Renovation |
| Stock market | Euronext Growth Milan |
| Share Price (€) | 3.00 |
| Date of Price | 29/05/2024 |
| Shares Outstanding (m) | 11.2 |
| Market Cap (€m) | 33.6 |
| Market Float (%) | 10.71% |
| Daily Volume | 1,200.0 |
| Avg Daily Volume YTD | 10,826 |
| Target Price (€) | 6.00 |
| Upside (%) | 100% |
| Recommendation | OUTPERFORM |

Share price performance

| | 1M | 3M | 6M | 1Y |
|------------------------------|-----|-----|------|------|
| Imprendiroma - Absolute (%) | 26% | 30% | -19% | -19% |
| FTSE Italia Growth Index (%) | 0% | 0% | 4% | -10% |
| 1Y Range H/L (€) | | | 4.20 | 2.04 |
| YTD Change (€) / % | | | 0.04 | 1% |

Source: S&P Capital IQ

Analysts

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FY23 revenues up 140% YoY and margin +400bps, dividend yield ca. 3%, €0.9m free capital increase, rebranding to Renovalo is coming

Trading update

Over the past 12-months, the stock price fell 19%, underperforming the Italia Growth Index which only dropped 10%. In more detail, the stock's price hovered between €4.20 and €3.40 until mid-December, when it began a downward trend, reaching a low of €2.04. Following 2023 data release, the stock skyrocketed to €3.88 and then settled around €3.0 per share. Rising volumes.

FY23 beat, topline 143% up, EBITDA margin +400bps YoY, dividend yield ca. 3%

FY 2023 total revenues were €114.6m vs € 47.1m in FY22, +143% YoY (+34% vs our estimates). EBITDA was up by 190% at €28.2m (+48% vs our estimates) compared to €9.7m in FY22, with margin at 24.6% vs 20.6% in FY22. Net income was €18.0m (+37% vs our estimates), up by 173% YoY, compared to FY22 €6.6m. Net debt was €5.0m vs a net cash position of €3.6m at year end 2022, due to increased NWC cash absorption for higher business volumes and slowdown in the procedures of tax credit transfer to banks. BoD proposals: dividend of €0.089/share, €0.9m change in equity (shareholding meeting on May 31th 2024).

"Green Houses" directive potential tailwind, M&As eyed, RENOVALO rebranding

The Group's backlog was €55.4m at the end of Q1 2024. The European EPDB directive (a.k.a. "Green Houses" directive, up to €1,000bn investments needed in Italy) seen as a potential growth driver since H2 2024. Mgmt eyes on M&As in complementary markets, focusing on recurring revenue streams. Rebranding to Renovalo, highlighting the ambition to a nationwide geographic positioning.

24-25E resized, 26E made explicit, margin above 20%, rising net cash position

The early completion of the Superbonus backlog led to remarkable FY23 results and prompted us to revise downward our forecast 2024-25E, we have also made explicit 2026 estimates. We have drawn up cautious projections assuming only an organic growth. We project EBITDA margin to settle around 20% and the net cash position nearly €19.5m in 2024, with sequential improvement in 2025-26E.

Target Price €6.00 (from €5.90) per share and OUTPERFORM rating confirmed

Based on FY23 results, we reinforce our positive view on the Company. Significant European commitments to energy efficiency make us confident, while not overlooking potential regulatory risks. Imprendiroma is trading at 3.7x 2024E EV/EBITDA vs 5.4x of peers, over 30% discount. We round our target price to €6.00 (from €5.90) per share, +100% potential upside on current share price. OUTPERFORM rating confirmed.

CONSOLIDATED KEY FINANCIALS AND ESTIMATES

| €m | 2019A | 2020A | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|------------------------------|-------|-------|--------|--------|--------|--------|-------|-------|
| Total Revenues | 2.7 | 4.1 | 21.3 | 47.1 | 114.6 | 52.5 | 59.8 | 64.7 |
| YoY % | n.a. | 51.2% | 416.1% | 121.6% | 143.1% | -54.2% | 13.8% | 8.3% |
| EBITDA | 0.3 | 0.5 | 5.1 | 9.7 | 28.2 | 10.5 | 12.2 | 13.3 |
| Margin | 11.7% | 13.3% | 23.8% | 20.6% | 24.6% | 20.0% | 20.4% | 20.6% |
| EBIT | 0.3 | 0.5 | 4.9 | 9.4 | 26.6 | 9.9 | 11.5 | 12.5 |
| Net Income | 0.1 | 0.2 | 4.3 | 6.6 | 18.0 | 6.7 | 7.9 | 8.7 |
| Trade Working Capital | 1.7 | 2.5 | 9.6 | 13.7 | 52.6 | 20.7 | 23.6 | 25.0 |
| Net (Debt) Cash | (1.1) | (1.3) | 2.1 | 3.6 | (5.0) | 19.5 | 24.7 | 32.3 |

Source: Company data 2019-23A, EnVent Research 2024-26E

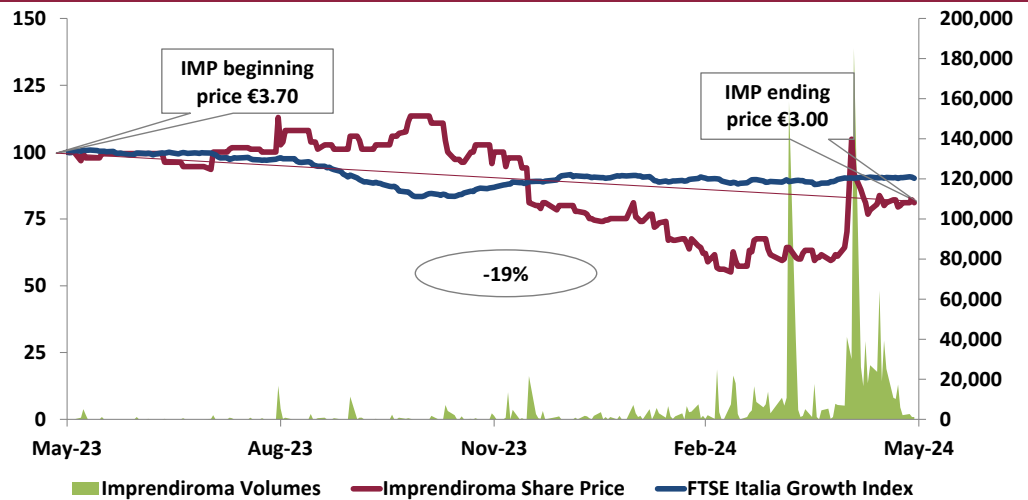
Note 1: 2019A-20A Imprendiroma S.p.A. unaudited and unconsolidated figures

Market update

Trading price range €2.04-4.20 per share

-19% for Imprendiroma share price, vs -10% of the Italia Growth Index

Imprendiroma - Share price performance and trading volumes since IPO

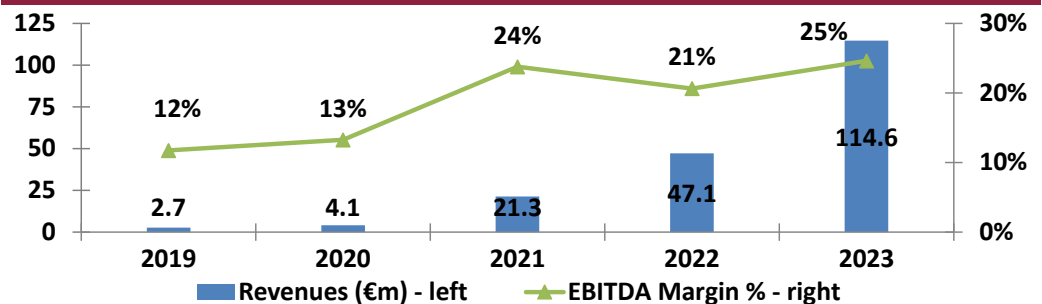


Source: EnVent Research on S&P Capital IQ - Note: 30/05/2023=100

Investment case

Imprendiroma, listed on Euronext Growth Milan, operates in the Italian energy efficiency and green building market, primarily in the Rome area. The Group provides comprehensive services and products for urban renewal and building renovation projects. Imprendiroma supports its customers, typically residential property owners, throughout the entire supply chain, offering sustainable solutions from design and project management to execution and care of administration matters. Additionally, the Company can act as general contractor, outsourcing project execution to subcontractors. Imprendiroma's M/L term strategic goals include: a) expansion beyond the Rome area; b) extending current business into promising industry niches (silver economy, student accommodation, and hospitality) and diversifying their operations (solutions for photovoltaic plants); c) undertaking real estate development projects, by acquiring disused or abandoned properties for renovation and subsequent sale, potentially through partnerships with institutional investors.

Historical Revenues and EBITDA



Source: EnVent Research on Company data. Note: 2019-20 unconsolidated figures

Industry and Company drivers

- Building renovation is flourishing in Italy, driven by tax incentives and by EU M/L run energy efficiency targets.
- Italian real estate industry is seeing the development of new market niches as silver economy and student accommodation, with investors showing interest for sustainability
- Imprendiroma wide and integrated services portfolio, with a diversified customer base and focus on sustainability issues
- SOA certification
- Skilled workforce and industry expert top managers who are also Company shareholders

Challenges

- Tax benefits impact and regulatory changes
- Increasing competition
- New market segments: opportunities and risk

Highlights on 2022-23 performance

| IPO targets | | 2022-23 achievements | | 2023 | 2022 | Change % |
|-------------------------|---|--|---------------------------|------|------|----------|
| Backlog €146m | ✓ | Total revenues 2022-23: €162m | | | | |
| EBITDA margin 35-40% | ✗ | EBITDA margin 2023: 25% <small>Lower for incentive regulation changes</small> | Projects ongoing | 101 | 96 | +5% |
| Workforce strengthening | ✓ | Workforce 247 from 146 in 2021 | Projects concluded | 81 | 37 | +119% |
| Capex | ✓ | ~ €2m in software, equipment and marketing | Subcontractors - partners | 124 | 91 | +36% |

Source: Company data

FY23 one-of-a-kind financials, normalization during 2024

Ahead-of-schedule completion of the IPO backlog

FY23 revenues were €114.6m vs € 47.1m in FY22, +143% YoY impacted by the ahead-of-schedule completion of the IPO backlog, thereby anticipating revenues expected for 2024 to preserve higher margins, considering the expected reduction in tax incentives in 2024.

As so, EBITDA was €28.2m compared to €9.7m in FY22, with margin at 24.6% vs 20.6% in FY22. Net income was €18.0m, up by 173% YoY, compared to FY22 €6.6m.

Net debt was €5.0m compared to a net cash position of €3.6m at the end of 2022, primarily due to increased working capital cash absorption resulting from higher business volumes and a slowdown in the procedures for transferring tax credits to banks.

The tax credits amounted to €77m at the end of 2023, of which €19m has already been collected. Other assets (liabilities) passed from €(4.1)m in FY22 to (16.5)m, including €12m of tax liabilities.

Overall, the 2023 exceptional performance represents the Company's effort to preserve profitability in a fluctuating regulatory framework. Looking forward to 2024 we have to adjust our projections to factor the revenue shift and the updated residual backlog, the revised tax incentive regulation and a progressive normalization in the dynamics of other assets and liabilities.

Corporate period facts

- Approved the share capital increase through free allocation from €112k to €1.0m
- Approved the Company name change to Renovalo S.p.A
- Proposed to update the Company legal status to benefit corporation

Business update

2024 backlog €55m

Imprendiroma completed the backlog announced in IPO stage for 2022-23 and communicated projects to be started in 2024 worth €55.4m for residential, public and private customers. The Company is working to increase its backlog, relying on more than €95m in proposals for projects to be contracted.

ESCo certification

Imprendiroma obtained in March 2024 the Energy Saving Company certification (ESCo) broadening the portfolio of services in building energy efficiency.

New bank loan

The Company in February 2024 was funded with €3m bank loan by Intesa Sanpaolo.

ESG

Imprendiroma thanks to completed and in progress works achieved in 2023 a saving of 3,386 tons of CO₂.

Industry outlook

The Superbonus 110% has been the main booster for the market in latest years, in 2024 the fiscal benefit will be covering 70% of the restructuring costs and in 2025 will be lowered again to 65%. According to ANCE, in 2024 the construction sector will see a 7% reduction in investments, mostly affected by a -27% in the extraordinary maintenance segment due to the discontinuation of the credit transfer/invoice discount mechanisms (source: ANCE, *Osservatorio congiunturale sull'industria delle costruzioni*, 2024).

Revised Energy Performance of Buildings Directive

The revised EPDB (Energy Performance of Buildings Directive) is set to increase the rate of renovation, particularly for the worst-performing buildings across the EU. The revision is aimed to facilitate more targeted financing to building sector investments.

Targets:

- 60% reduction in emissions from real estate by 2030, compared to 2015
- Climate neutrality by 2050

Each Member State will adopt its own national renovation plan, guidelines:

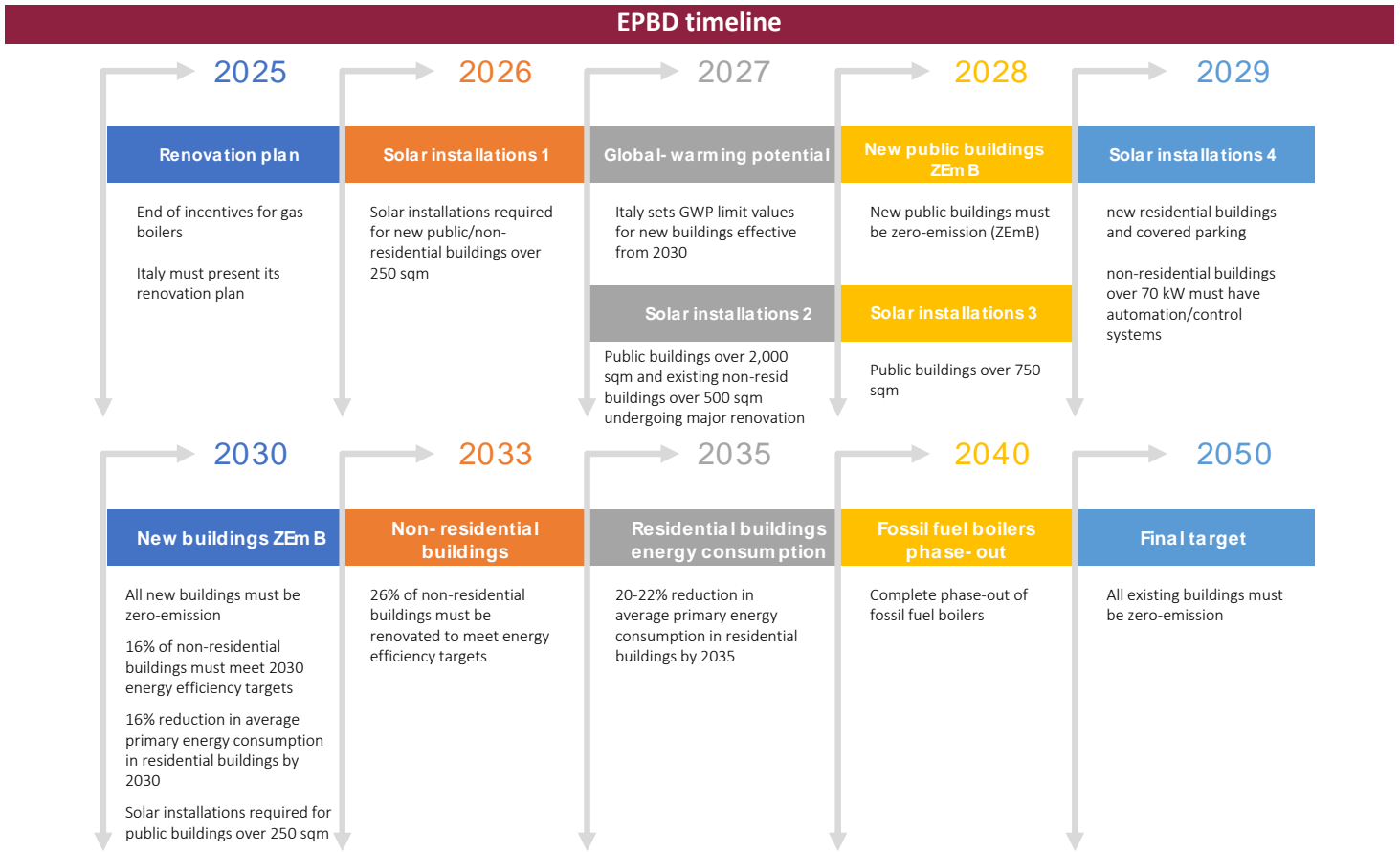
- reduce average primary energy use of residential buildings by 16% by 2030 and 20-22% by 2035
- at least 55% of the decrease of the average primary energy use achieved through the renovation of worst-performing buildings
- fight energy poverty, financing measures to incentivize renovation for vulnerable households and worst-performing buildings

The revised directive also implies that Member States will:

- Set up building renovation passport schemes, to guide building owners in the renovation process
- Establish one-stop-shops to provide technical assistance for all the actors involved in building renovation

According to Deloitte, considering that the current Italian real estate stock is highly obsolete and poorly energy efficient, around 63% of the buildings show the less energy efficiency rating, to reach the EPDB directive targets will be needed investments around €800-1,000bn.

Source: European Parliament and the Council of the European Union, *DIRECTIVE (EU) 2024/1275 of the European Parliament and of the Council: on the energy performance of buildings*, April 2024 - Deloitte, *Greenhouse Legislation: black hole or pink future per il Real Estate italiano?*, 2024



Source: European Parliament and the Council of the European Union, *DIRECTIVE (EU) 2024/1275 of the European Parliament and of the Council: on the energy performance of buildings*, April 2024

2024-2026: estimates revision

Strong 2023 performance drives estimate revision. Following the early completion of the backlog related to the Superbonus incentive, we have revised downward our projections for 2024-2025. We have also extended our explicit estimates to 2026.

Cautious growth assumptions, M&As in the crosshairs. Our projections reflect only linear and organic growth. We maintain a cautious approach, believing that we are moving toward a rationalization of the various tax benefits still in place. We also do not factor in potential M&As at this stage, which should focus on companies operating in complementary markets with recurring revenue streams.

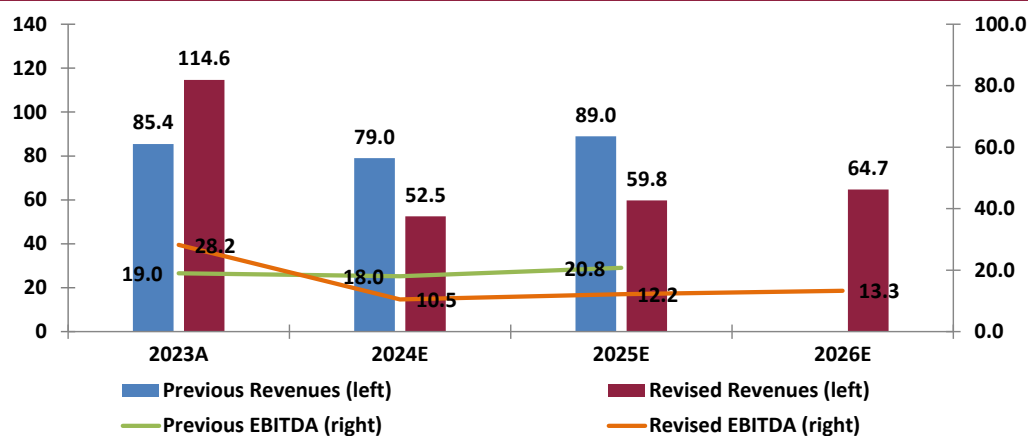
Solid revenue pipeline with diversification on the horizon. Our revenue estimates for 2024-2026 are based primarily on €55.4m backlog (as of Q1 2024), which already fully covers our top-line projection for 2024, as well as taking into account over €95m in project proposals. Thus, looking ahead, we anticipate low double-digit growth in 2025 and high single-digit in 2026, fuelled by new business opportunities such as those arising from the European Energy Performance of Buildings Directive (EPBD).

Profitability, headed for a settling of operating margins. We expect the EBITDA margin over the period to be lower than the exceptional 2023 performance, around 20%, accounting for a shift in revenue mix toward public administration projects, typically with lower margins, and conservative assumption of increased costs associated with tax credit sales.

Net cash financial position, groundwork for potential M&As. We expect that the Company will be able to collect total Superbonus tax credits by 2024 year-end. Over the next few years, we expect working capital and capex commitment to be in line with typical industry operations. Based on these considerations, we anticipate a net cash position of about €19.5m in FY24 and sequential improvement over FY2025-26, possibly providing funds for potential M&A activities.

Change in estimates

Previous vs Revised Revenues and EBITDA estimates (€m)



| €m | Revised | | | | Previous | | | Change % | | |
|--------------------------|---------|-------|-------|-------|----------|-------|-------|----------|-------|-------|
| | 2023A | 2024E | 2025E | 2026E | 2023E | 2024E | 2025E | 2023A | 2024E | 2025E |
| Revenues | 114.6 | 52.5 | 59.8 | 64.7 | 85.4 | 79.0 | 89.0 | 34% | -34% | -33% |
| EBITDA | 28.2 | 10.5 | 12.2 | 13.3 | 19.0 | 18.0 | 20.8 | 49% | -42% | -41% |
| <i>Margin</i> | 25% | 20% | 20% | 21% | 22% | 23% | 23% | | | |
| EBIT | 26.6 | 9.9 | 11.5 | 12.5 | 18.4 | 17.3 | 20.0 | 45% | -43% | -43% |
| <i>Margin</i> | 23% | 19% | 19% | 19% | 22% | 22% | 22% | | | |
| Net Income (Loss) | 18.0 | 6.7 | 7.9 | 8.7 | 12.7 | 12.3 | 14.2 | 42% | -46% | -44% |
| Net (Debt) Cash | (5.0) | 19.5 | 24.7 | 32.3 | 2.9 | 19.8 | 27.9 | nm | -2% | -12% |

Source: EnVent Research

Financial projections

Consolidated Profit and Loss

| €m | 2019A | 2020A | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|---------------------------|------------|------------|-------------|-------------|--------------|-------------|-------------|-------------|
| Sales + WIP change | 2.7 | 4.0 | 21.0 | 47.1 | 113.8 | 52.5 | 59.8 | 64.7 |
| Other income | 0.1 | 0.1 | 0.3 | 0.1 | 0.8 | 0.0 | 0.0 | 0.0 |
| Total Revenues | 2.7 | 4.1 | 21.3 | 47.1 | 114.6 | 52.5 | 59.8 | 64.7 |
| YoY % | n.a. | 51.2% | 416.1% | 121.6% | 143.1% | -54.2% | 13.8% | 8.3% |
| Materials | (1.2) | (1.8) | (2.3) | (7.1) | (22.3) | (7.9) | (9.0) | (9.7) |
| Services | (0.4) | (0.6) | (9.5) | (21.5) | (50.1) | (23.6) | (26.9) | (29.1) |
| Personnel | (0.4) | (0.5) | (3.5) | (7.9) | (11.7) | (9.6) | (10.6) | (11.4) |
| Other operating costs | (0.4) | (0.6) | (0.9) | (0.9) | (2.3) | (0.9) | (1.1) | (1.2) |
| Operating costs | (2.4) | (3.6) | (16.2) | (37.4) | (86.4) | (42.0) | (47.6) | (51.4) |
| EBITDA | 0.3 | 0.5 | 5.1 | 9.7 | 28.2 | 10.5 | 12.2 | 13.3 |
| Margin | 11.7% | 13.3% | 23.8% | 20.6% | 24.6% | 20.0% | 20.4% | 20.6% |
| D&A | (0.0) | (0.0) | (0.2) | (0.3) | (1.6) | (0.6) | (0.7) | (0.8) |
| EBIT | 0.3 | 0.5 | 4.9 | 9.4 | 26.6 | 9.9 | 11.5 | 12.5 |
| Margin | 10.5% | 12.3% | 23.0% | 20.0% | 23.2% | 18.9% | 19.2% | 19.3% |
| Financial income/expenses | (0.1) | (0.1) | 1.2 | (0.1) | (1.0) | (0.5) | (0.3) | (0.3) |
| EBT | 0.2 | 0.4 | 6.1 | 9.3 | 25.6 | 9.4 | 11.2 | 12.2 |
| Margin | 7.8% | 10.5% | 28.6% | 19.8% | 22.4% | 18.0% | 18.7% | 18.8% |
| Income taxes | (0.1) | (0.2) | (1.8) | (2.7) | (7.7) | (2.7) | (3.2) | (3.5) |
| Net Income (Loss) | 0.1 | 0.2 | 4.3 | 6.6 | 18.0 | 6.7 | 7.9 | 8.7 |
| Margin | 3.9% | 6.0% | 20.1% | 14.0% | 15.7% | 12.8% | 13.3% | 13.4% |

Source: EnVent Research on Company data for 2019-23A - EnVent Research for 2024E-26E

Note 1: 2019A-20A Imprendiroma S.p.A. unaudited and unconsolidated figures

Note 2: 2021A interest income/expense includes financial net income as to third parties tax debts/credits trading activity

Consolidated Balance Sheet

| €m | 2019A | 2020A | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|--|------------|------------|--------------|--------------|-------------|---------------|---------------|---------------|
| Inventory | 0.0 | 0.0 | 0.5 | 12.0 | 1.9 | 10.5 | 12.0 | 12.3 |
| Trade receivables (incl. tax benefits to be sold to banks) | 2.2 | 3.8 | 13.5 | 9.4 | 77.4 | 20.1 | 23.0 | 24.9 |
| Trade payables | (0.5) | (1.3) | (4.3) | (7.6) | (26.7) | (9.9) | (11.3) | (12.2) |
| Trade Working Capital | 1.7 | 2.5 | 9.6 | 13.7 | 52.6 | 20.7 | 23.6 | 25.0 |
| Other assets (liabilities) | (0.5) | (1.0) | (9.5) | (4.1) | (16.5) | (4.1) | (4.1) | (4.1) |
| Net Working Capital | 1.2 | 1.5 | 0.2 | 9.6 | 36.0 | 16.6 | 19.5 | 20.8 |
| Intangible assets | 0.0 | 0.0 | 0.0 | 0.1 | 0.3 | 0.3 | 0.3 | 0.3 |
| Property, plant and equipment | 0.1 | 0.1 | 2.1 | 2.9 | 3.1 | 3.1 | 3.0 | 2.8 |
| Equity investments and financial assets | 0.1 | 0.3 | 0.2 | 0.4 | 0.6 | 0.6 | 0.6 | 0.6 |
| Non-current assets | 0.2 | 0.4 | 2.4 | 3.5 | 4.0 | 4.0 | 3.9 | 3.7 |
| Provisions | (0.1) | (0.1) | (0.3) | (0.6) | (1.5) | (0.8) | (0.9) | (1.0) |
| Net Invested Capital | 1.3 | 1.8 | 2.3 | 12.5 | 38.6 | 19.8 | 22.5 | 23.6 |
| Net Debt (Cash) | 1.1 | 1.3 | (2.1) | (3.6) | 5.0 | (19.5) | (24.7) | (32.3) |
| Equity | 0.2 | 0.5 | 4.4 | 16.1 | 33.6 | 39.3 | 47.2 | 55.9 |
| Sources | 1.3 | 1.8 | 2.3 | 12.5 | 38.6 | 19.8 | 22.5 | 23.6 |

Source: Company data for 2019A-23A - EnVent Research for 2024E-26E

Note 1: 2019A-20A Imprendiroma S.p.A. unaudited and unconsolidated figures

Note 2: 2021A Other assets and liabilities also include third parties tax credits and debts regarding building renovation projects, which the Company could trade in order to exploit potential financial net income (no more after 2021 due to new regulatory framework)

Consolidated Cash Flow

| €m | 2019A | 2020A | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|--|--------------|--------------|------------|--------------|--------------|-------------|-------------|-------------|
| EBIT | 0.3 | 0.5 | 4.9 | 9.4 | 26.6 | 9.9 | 11.5 | 12.5 |
| Current taxes | (0.1) | (0.2) | (1.8) | (2.7) | (7.7) | (2.7) | (3.2) | (3.5) |
| D&A | 0.0 | 0.0 | 0.2 | 0.3 | 0.5 | 0.6 | 0.7 | 0.8 |
| Provisions | 0.1 | 0.0 | 0.2 | 0.3 | 0.9 | (0.7) | 0.1 | 0.1 |
| Cash flow from P&L operations | 0.3 | 0.4 | 3.4 | 7.3 | 20.3 | 7.1 | 9.1 | 9.9 |
| Trade Working Capital | (1.7) | (0.8) | (7.2) | (4.1) | (38.8) | 31.9 | (2.9) | (1.3) |
| Other assets and liabilities | 0.5 | 0.4 | 8.5 | (5.3) | 12.4 | (12.4) | 0.0 | 0.0 |
| Operating cash flow before capex | (0.9) | 0.1 | 4.7 | (2.1) | (6.2) | 26.5 | 6.1 | 8.5 |
| Capex | (0.1) | (0.1) | (2.2) | (1.2) | (0.8) | (0.6) | (0.6) | (0.6) |
| Operating cash flow after working capital and capex | (1.0) | 0.0 | 2.6 | (3.3) | (7.0) | 25.9 | 5.5 | 7.9 |
| Interest | (0.1) | (0.1) | 1.2 | (0.1) | (1.0) | (0.5) | (0.3) | (0.3) |
| Equity investments and financial assets | (0.1) | (0.1) | 0.0 | (0.2) | (0.2) | 0.0 | 0.0 | 0.0 |
| Dividends and other equity changes | 0.0 | 0.0 | (0.3) | 0.0 | (0.5) | (1.0) | 0.0 | 0.0 |
| Net cash flow | (1.1) | (0.2) | 3.4 | 1.5 | (8.7) | 24.5 | 5.2 | 7.6 |
| (Net Debt)/Cash Beginning | 0.0 | (1.1) | (1.3) | 2.1 | 3.6 | (5.0) | 19.5 | 24.7 |
| (Net Debt)/Cash End | (1.1) | (1.3) | 2.1 | 3.6 | (5.0) | 19.5 | 24.7 | 32.3 |
| Change in (Net Debt)/Cash | (1.1) | (0.2) | 3.4 | 1.5 | (8.7) | 24.5 | 5.2 | 7.6 |

Source: Company data for 2019A-23A - EnVent Research for 2024E-26E

Note 1: 2020A Imprendiroma S.p.A. unaudited and unconsolidated figures. As a consequence, 2021A figures are a proxy of consolidated cash flow

Ratio analysis

| | 2019A | 2020A | 2021A | 2022A | 2023A | 2024E | 2025E | 2026E |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| ROE | 46% | 51% | 97% | 41% | 54% | 17% | 17% | 15% |
| ROS (EBIT/Total Revenues) | 11% | 12% | 23% | 20% | 23% | 19% | 19% | 19% |
| DSO | 272 | 286 | 215 | 86 | 206 | 150 | 150 | 150 |
| DPO | 102 | 152 | 106 | 91 | 129 | 110 | 110 | 110 |
| TWC/Total Revenues | 63% | 60% | 45% | 29% | 46% | 39% | 40% | 39% |
| NWC/Total Revenues | 43% | 37% | 1% | 20% | 31% | 32% | 33% | 32% |
| Net Debt/EBITDA | 3.4x | 2.3x | cash | cash | 0.2x | cash | cash | cash |
| Net Debt/Equity | 4.7x | 2.7x | cash | cash | 0.1x | cash | cash | cash |
| Net Debt/(Net Debt+Equity) | 0.8x | 0.7x | cash | cash | 0.1x | cash | cash | cash |
| Operating cash flow before capex/EBITDA | -271% | 10% | 94% | -22% | -22% | 253% | 50% | 64% |
| Earnings per Share (€), basic | 0.0 | 0.0 | 0.4 | 0.6 | 1.6 | 0.6 | 0.7 | 0.8 |

Source: Company data for 2019A-23A - EnVent Research for 2024E-26E

Note 1: 2019A- 2020A Imprendiroma S.p.A. unaudited and unconsolidated figures

Valuation

The valuation of Imprendiroma has been performed through:

- Discounted Cash Flows applied to our 2024-26E financial projections; and
- Market multiples

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.4% (last 30 days avg. Source: Bloomberg, May 2024)
- Market return: 12.0% (last 30 days avg. Source: Bloomberg, May 2024)
- Market risk premium: 8.6%
- Beta: 0.8 (on the back of peer market data)
- Cost of equity: 10.3%
- Cost of debt: 6.0%
- Tax rate: 24% IRES
- 20% debt/(debt + equity) as target capital structure
- WACC calculated at 9.1%, according to above data

- Perpetual growth rate after explicit projections: 1.0%
- Terminal Value: considering: i) the intrinsic nature of Imprendiroma as a construction company; ii) its value strongly depending on revenues/backlog evolution starting from 2026E; and iii) the intrinsic sector risks regarding the expected long run profitability trends, we estimated terminal value according to a sensitivity analysis as to: a) EBITDA margin in the range 12.5%-17.5%; and b) time horizon between 10 years and perpetuity

DCF Valuation

| €m | 2023A | 2024E | 2025E | 2026E | Perpetuity |
|-----------------------------------|--------------|-------------|-------------|-------------|-------------|
| Revenues | 114.6 | 52.5 | 59.8 | 64.7 | 65.4 |
| EBITDA | 28.2 | 10.5 | 12.2 | 13.3 | 9.8 |
| <i>Margin</i> | 24.6% | 20.0% | 20.4% | 20.6% | 15.0% |
| EBIT | 26.6 | 9.9 | 11.5 | 12.5 | 9.2 |
| <i>Margin</i> | 23.2% | 18.9% | 19.2% | 19.3% | 14.1% |
| Taxes | (7.7) | (2.9) | (3.3) | (3.6) | (2.7) |
| NOPAT | 19.0 | 7.1 | 8.2 | 8.9 | 6.6 |
| D&A | 1.6 | 0.6 | 0.7 | 0.8 | 0.6 |
| Provisions | 0.9 | (0.7) | 0.1 | 0.1 | 0.0 |
| Cash flow from operations | 21.4 | 7.0 | 9.0 | 9.8 | 7.2 |
| Trade Working Capital | (38.8) | 31.9 | (2.9) | (1.3) | (1.0) |
| Capex | (0.8) | (0.6) | (0.6) | (0.6) | (0.6) |
| Other assets and liabilities | 12.4 | (12.4) | 0.0 | 0.0 | 0.0 |
| Unlevered free cash flow | | 25.8 | 5.5 | 7.9 | 5.6 |
| WACC | 9.1% | | | | |
| Long-term growth (G) | 1.0% | | | | |
| Discounted Cash Flows | | 23.7 | 4.6 | 6.1 | 3.9 |
| Sum of Discounted Cash Flows | 34.3 | | | | |
| Terminal Value | | 15y | 10y | | 68.7 |
| Discounted TV | 52.9 | 37.5 | 30.3 | | |
| Enterprise Value | 87.2 | 71.8 | 64.6 | | |
| Net (Debt) Cash as of 31/12/2023 | (5.0) | (5.0) | (5.0) | | |
| Minorities as of 31/12/2023 | (0.0) | (0.0) | (0.0) | | |
| Equity Value | 82.2 | 66.8 | 59.6 | | |
| Equity Value per share (€) | 7.3 | 6.0 | 5.3 | | |

| DCF Valuation (€m) - Sensitivity Analysis | | | | | |
|---|------|------|------------------------|-------|-------|
| Long run cash flow - Discounting Years | | WACC | Long run EBITDA Margin | | |
| | | | 12.5% | 15.0% | 17.5% |
| | | | 10 years | 9.1% | 53.2 |
| 15 years | 9.1% | 59.0 | 66.8 | 74.6 | |
| Perpetuity | 9.1% | 71.1 | 82.2 | 93.2 | |

Source: EnVent Research

Market multiples

Selection remarks:

- Listed companies operating in the same target market often run several other businesses and offer additional services to their customers.
- Their sizes can vary significantly, and they can have different geographical footprints.
- The regulatory framework, through tax incentives, benefits some market segments over others, significantly affecting the financial performance of companies.

- Since we could not find listed peers fully aligned with the Company's business model, size, and geographical reach we identified two distinct clusters:
 - **Cluster 1** - Players with: i) a business similar to Imprendiroma; and/or ii) more comparable players in the broader facility management services
 - **Cluster 2** - Italian listed companies that take advantage of tax benefits in some way related to energy efficiency and building renovation activities

Some peers may belong to both clusters based on their profile.

| Company | EV/REVENUES | | | EV/EBITDA | | | EV/EBIT | | | P/E | | | |
|---|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2024E | 2025E | 2026E | 2024E | 2025E | 2026E | 2024E | 2025E | 2026E | 2024E | 2025E | 2026E | |
| Cluster 1 | ABM Industries | 0.5x | 0.5x | 0.5x | 8.8x | 8.6x | 8.1x | 11.4x | 10.8x | 9.9x | 13.5x | 12.8x | 11.6x |
| | Mears Group | 0.5x | 0.6x | 0.6x | 4.6x | 4.9x | 4.8x | 10.0x | 11.6x | 11.4x | 10.9x | 13.3x | 12.8x |
| | Sun Frontier Fudousan | 1.5x | 1.3x | 1.2x | 5.8x | n.a. | n.a. | 6.3x | 5.9x | 5.5x | 7.1x | 6.0x | n.a. |
| | Gabetti Property Solutions | 0.6x | 0.6x | n.a. | 4.8x | 4.4x | n.a. | 7.7x | 7.0x | n.a. | 7.7x | 5.9x | n.a. |
| | EdiliziAcrobatica | 0.8x | 0.8x | 0.7x | 5.4x | 4.6x | 4.0x | 8.3x | 6.7x | 5.5x | 10.9x | 8.2x | 5.8x |
| | Abitare In | 1.8x | 1.2x | 1.2x | 7.3x | 4.6x | 4.3x | 7.8x | 4.8x | 4.5x | 7.1x | 4.7x | 4.2x |
| | Mean | 1.0x | 0.8x | 0.8x | 6.1x | 5.4x | 5.3x | 8.6x | 7.8x | 7.3x | 9.5x | 8.5x | 8.6x |
| Median | 0.7x | 0.7x | 0.7x | 5.6x | 4.6x | 4.5x | 8.1x | 6.9x | 5.5x | 9.3x | 7.1x | 8.7x | |
| Cluster 2 | Gabetti Property Solutions | 0.6x | 0.6x | n.a. | 4.8x | 4.4x | n.a. | 7.7x | 7.0x | n.a. | 7.7x | 5.9x | n.a. |
| | Innovatec | 0.5x | 0.5x | 0.4x | 4.0x | 3.1x | 2.5x | 7.2x | 4.8x | 3.7x | 10.5x | 6.1x | 4.3x |
| | EdiliziAcrobatica | 0.8x | 0.8x | 0.7x | 5.4x | 4.6x | 4.0x | 8.3x | 6.7x | 5.5x | 10.9x | 8.2x | 5.8x |
| | Sciuker Frames | 0.5x | 0.4x | n.a. | 2.0x | 1.9x | n.a. | 2.5x | 2.4x | n.a. | 3.6x | 3.5x | n.a. |
| | Gibus | 0.8x | 0.7x | 0.7x | 5.4x | 4.5x | 3.9x | 10.0x | 7.3x | 6.1x | 16.5x | 10.4x | 8.3x |
| | Homizy | 2.5x | 10.6x | n.a. | neg | 14.7x | n.a. | neg | 25.5x | n.a. | neg | nm | n.a. |
| | Abitare In | 1.8x | 1.2x | 1.2x | 7.3x | 4.6x | 4.3x | 7.8x | 4.8x | 4.5x | 7.1x | 4.7x | 4.2x |
| | Nusco | 0.5x | 0.4x | 0.4x | 3.9x | 3.3x | 2.7x | 4.3x | 4.0x | 3.3x | 6.0x | 4.6x | n.a. |
| Mean | 1.0x | 1.9x | 0.7x | 4.7x | 5.1x | 3.5x | 6.8x | 7.8x | 4.6x | 8.9x | 6.2x | 5.7x | |
| Median | 0.7x | 0.7x | 0.7x | 4.8x | 4.5x | 3.9x | 7.7x | 5.8x | 4.5x | 7.7x | 5.9x | 5.1x | |
| Combined Mean | 1.0x | 1.4x | 0.7x | 5.4x | 5.2x | 4.3x | 7.6x | 7.8x | 6.0x | 9.2x | 7.2x | 7.1x | |
| Combined Median | 0.7x | 0.7x | 0.7x | 5.4x | 4.6x | 4.0x | 7.8x | 6.7x | 5.5x | 7.7x | 6.0x | 5.8x | |
| Imprendiroma Current Price and Consensus estimates | 0.7x | 0.6x | 0.6x | 3.7x | 3.2x | 2.9x | 3.9x | 3.4x | 3.1x | 5.0x | 4.2x | 3.9x | |

Source: EnVent Research on S&P Capital IQ, 29/05/2024

Multiples application

As a cross-checking methodology, we have applied consensus median multiples on our projected EBITDA, EBIT and net income for 2024 and 2025.

| Multiples - Comparables | | (€m) | | Multiple | EV (€m) | Net (Debt)/ Cash (€m) 31/12/23 | Equity Value (€m) |
|-------------------------|----------|------|--------|----------|---------|--------------------------------------|----------------------|
| 2024E | EBITDA | 10.5 | Median | 5.4x | 56.5 | (5.0) | 51.5 |
| 2025E | EBITDA | 12.2 | Median | 4.6x | 55.7 | (5.0) | 50.7 |
| Mean 2024-26E | | | | | | | 51.1 |
| 2024E | EBIT | 9.9 | Median | 7.8x | 77.6 | (5.0) | 72.6 |
| 2025E | EBIT | 11.5 | Median | 6.7x | 76.8 | (5.0) | 71.8 |
| Mean 2024-26E | | | | | | | 72.2 |
| 2024E | Earnings | 6.7 | Median | 7.7x | | | 51.4 |
| 2025E | Earnings | 7.9 | Median | 6.0x | | | 47.5 |
| Mean 2024-26E | | | | | | | 49.4 |

Source: EnVent Research

Target Price

Imprendiroma recorded very positive results in 2023, benefited from the wide range of building tax incentives and in particular from the 110% Superbonus.

Now the regulatory scenario is changing, but tax support for energy efficiency interventions remains in place and should ensure M/L term flow of investments in real estate upgrading, both by private and public administrations.

Having passed the remarkable wave of 2023, we believe that Imprendiroma's growth trend will normalize while still offering attractive operating profitability (i.e. EBITDA margin around 20%).

Moreover, a robust cash position should serve the Company to meet the operational needs. This would also enable it to capitalize on opportunities arising from potential M&A deals.

We deem that our 15-year horizon DCF analysis, assuming long-term operating profitability settling around 15% (i.e. EBITDA Margin), provides the most robust approach to assess the Company's investment potential.

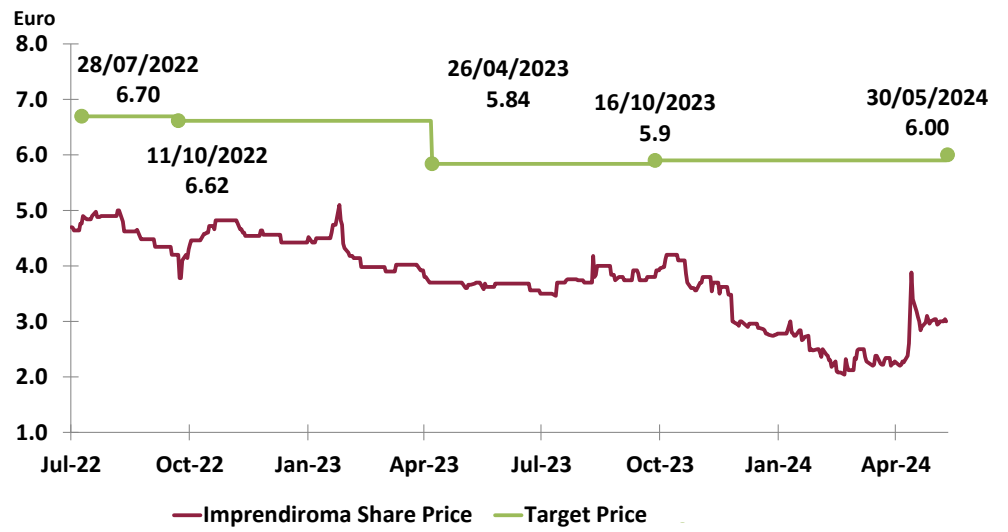
On these premises, we consider the central value within the DCF sensitivity, nearly €67m of equity value, a suitable reference to evaluate the Company's investment case, with a resulting target price of €6.00 per share, +100% potential upside on the current stock price. Thus, we confirm the OUTPERFORM rating.

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

| Imprendiroma Price per share | € |
|----------------------------------|-------------|
| Target Price | 6.00 |
| Current Share Price (29/05/2024) | 3.00 |
| Premium (Discount) | 100% |

Source: EnVent Research

Imprendiroma Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 30/05/2024

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Equity ratings and valuations are issued in absolute terms, not relative to market performance.

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

OUTPERFORM: stocks are expected to have a total return above 10%;

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

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 29/05/2024 h. 7.00pm

Date and time of Distribution: 30/05/2024 h. 6.20pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

| Date | Recommendation | Target Price (€) | Share Price (€) |
|------------|----------------|------------------|-----------------|
| 28/07/2022 | OUTPERFORM | 6.70 | 4.76 |
| 11/10/2022 | OUTPERFORM | 6.62 | 4.20 |
| 26/04/2023 | OUTPERFORM | 5.84 | 3.70 |
| 16/10/2023 | OUTPERFORM | 5.90 | 3.80 |
| 30/05/2024 | OUTPERFORM | 6.00 | 3.00 |

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| Number of companies covered: | 27 | OUTPERFORM | NEUTRAL | UNDERPERFORM | SUSPENDED | UNDER REVIEW | NOT RATED |
|----------------------------------|----|------------|---------|--------------|-----------|--------------|-----------|
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