

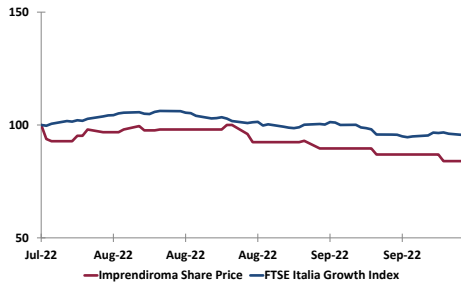


## OUTPERFORM

Current Share Price (€): 4.20

Target Price (€): 6.62

### Imprendiroma - Performance since IPO



Source: S&P Capital IQ - Note: 20/07/2022 (IPO offer price) =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 (€)	4.20
Date of Price	10/10/2022
Shares Outstanding (m)	11.2
Market Cap (€m)	47.0
Market Float (%)	10.71%
Daily Volume	0
Avg Daily Volume since IPO	1,831
Target Price (€)	6.62
Upside (%)	58%
Recommendation	OUTPERFORM

### Share price performance

	IPO
Imprendiroma - Absolute (%)	-16%
FTSE Italia Growth Index (%)	-4%
IPO Range H/L (€)	5.00 - 4.20
IPO Change (€) / %	-0.80 -16%

Source: S&P Capital IQ

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**H1 22 sales and EBITDA results as 83% and 76% of the entire FY 21 performances, though the observed slow down of new projects execution start.**

**Current trading: stock, backlog trend and impact of tightening conditions for the sale of tax credits to banks**

Since IPO at the end of July 2022, Imprendiroma share price lost -16%, slightly underperforming the Italia Growth index (-4%). The boost to Company operations deriving from Superbonus 110% in FY 21 is confirmed along H1 22, though tightening conditions for the sale of tax credits related to energy efficiency projects decided by policy makers, which determined, according to management, the delay for the start of execution of some of the projects part of the backlog.

**Revenues solid growth, margins almost stable vs FY 21**

H1 22 total revenues at €17.7m vs FY 21 €21.3m (H1 21 financials not available). H1 22 EBITDA was €3.9m (€5.0m in FY 21), with margin at 21.8% (23.6% in FY 21). H1 22 EBIT margin at 21.1% vs 23.0% in FY 21. Net income at €2.5m, compared to FY 21 €4.3m. Net cash was €5.4m vs €2.1m at year end 2021. The delay of execution for part of the backlog and the subsequent higher incidence of fixed costs (the Company has already partially increased its headcount ahead of its backlog execution), along with worse pricing conditions for the sale of tax credits, explain the lower H1 22 vs FY 21 margins/profitability.

### Outlook

The Company expects higher volumes in the second part of the year, as it usually occurs, with the recovery of the delays observed along H1 22 and the start of more durable (18 months) projects, with an overall increase of H2 22 vs H1 22 volumes and revenues.

**Target Price €6.62 per share (from €6.70), OUTPERFORM rating confirmed**

We updated our 2022E-23 estimates, with a limited decrease of the originally expected revenues along the two years and a partial shift of backlog execution from 2022 to 2023, and slightly lower margins along these two years. Our new target price is estimated at €6.62 per share (from €6.70), with a potential upside of +58% with respect to current share price. Our OUTPERFORM rating is confirmed.

### Consolidated key financials and estimates

€m	2019A	2020A	2021A	2022E	2023E	2024E	2025E
<b>Total Revenues</b>	2.7	4.1	21.3	46.8	87.6	80.4	90.3
YoY %	n.a.	51.2%	416.1%	119.8%	87.3%	-8.2%	12.2%
<b>EBITDA</b>	0.3	0.5	5.0	14.3	27.7	26.2	28.9
Margin	11.7%	13.3%	23.6%	30.7%	31.7%	32.6%	32.0%
<b>EBIT</b>	0.3	0.5	4.9	14.0	27.2	25.6	28.1
Margin	10.5%	12.3%	23.0%	30.0%	31.0%	31.8%	31.1%
<b>Net Income</b>	0.1	0.2	4.3	9.9	19.3	18.2	19.9
Trade Working Capital	1.7	2.5	9.6	16.0	29.1	25.1	28.6
<b>Net (Debt) Cash</b>	(1.1)	(1.3)	2.1	8.3	13.6	36.8	54.0
<b>Equity</b>	0.2	0.5	4.4	20.3	39.6	57.8	77.8

### KEY RATIOS

TWC/Total Revenues	63%	60%	45%	34%	33%	31%	32%
Operating cash flow before capex/EBITDA	-271%	10%	94%	16%	21%	90%	62%
ROE	46%	51%	97%	49%	49%	31%	26%
Earnings per Share (€), basic				0.9	1.7	1.6	1.8

Source: Company data 2019-21A, EnVent Research 2022-25E

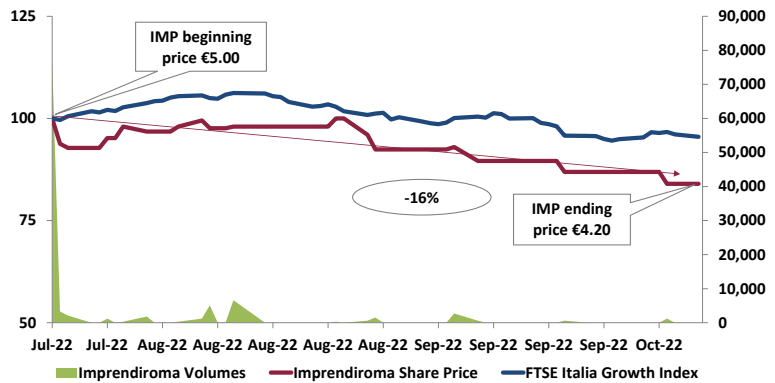
Note 1: 2019A-20A Imprendiroma S.p.A. unaudited and unconsolidated figures

## Market update: performance

Share performance slightly underperforming Italia Growth Index (-16% vs -4%)

Since IPO trading price range €4.20-5.00

### Imprendiroma - Share price performance and trading volumes since IPO

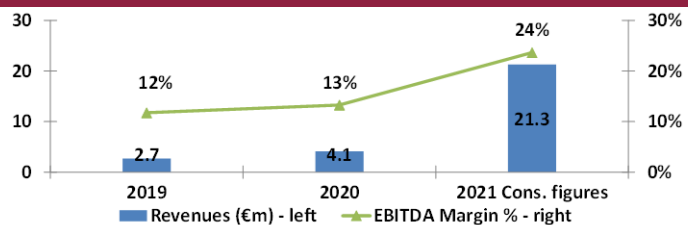


Source: EnVent Research on S&P Capital IQ - Note: 20/07/2022=100

## Investment case

Imprendiroma, listed on Euronext Growth Milan, operates with its subsidiaries in the energy efficiency and green building Italian market, mainly in Rome area, providing integrated services and products for projects of urban renewal and building renovation. Imprendiroma is able to support its customers, typically owners of residential properties, along the whole supply chain, offering sustainable solutions from design and project management to the execution and the administrative matters management. The Company can also operate just as a general contractor, outsourcing project execution to subcontractors. Imprendiroma M/L run strategic goals are: a) expansion beyond Rome area; b) current business extension through the most promising industry niches (silver economy, student accommodation, hospitality) and business diversification (solutions for photovoltaic plants); c) real estate development projects aiming at purchasing disused or abandoned properties to renovate and subsequently sell them, also through partnership with institutional investors.

### Historical Revenues and EBITDA



Source: EnVent Research on Company data. Note: 2021 consolidated figures

## Industry and Company drivers

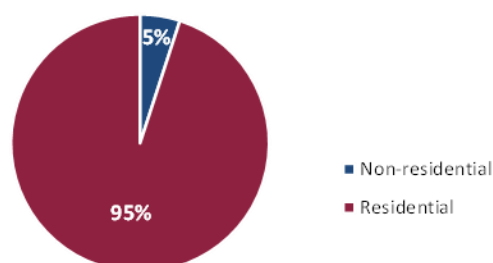
- Building renovation is flourishing in Italy, driven by fiscal incentives and by EU M/L run energy efficiency targets (also reflected in Next Generations EU for Italy, with a focus on energy efficiency)

- Italian real estate industry trend, with investors showing interest for sustainability performances
- Imprendiroma completed and integrated services portfolio, along with a diversified customer base and focus on ESG and sustainability issues
- SOA certification
- Innovative solutions and partnerships
- Skilled and young workforce along with industry experts top managers who are also the Company shareholders

### Challenges

- Tax benefits impact and regulatory changes
- Increasing competition
- New sectors: opportunities and risks

### 2021 Sales breakdown



Source: Company data

### H1 2022 results

#### Consolidated Profit and Loss

€m	2021	H1 2022
Sales	20.5	13.7
WIP Changes	0.4	4.0
Other income	0.3	0.0
<b>Total Revenues</b>	<b>21.3</b>	<b>17.7</b>
YoY %	416.1%	n.a
Materials	(2.3)	(2.7)
Services	(9.5)	(7.0)
Personnel	(3.5)	(3.7)
Other operating costs	(1.0)	(0.4)
Operating costs	(16.2)	(13.9)
<b>EBITDA</b>	<b>5.0</b>	<b>3.9</b>
Margin	23.6%	21.8%
D&A	(0.1)	(0.1)
<b>EBIT</b>	<b>4.9</b>	<b>3.7</b>
Margin	23.0%	21.1%
Financial income/expenses	1.2	(0.0)
<b>EBT</b>	<b>6.1</b>	<b>3.7</b>
Margin	28.6%	20.9%
Income taxes	(1.8)	(1.2)
<b>Net Income (Loss)</b>	<b>4.3</b>	<b>2.5</b>
Margin	20.1%	14.2%

#### Consolidated Balance Sheet

€m	2021	H1 2022
Inventory	0.5	4.6
Trade receivables	13.5	6.7
Trade payables	(4.3)	(4.7)
Trade Working Capital	9.6	6.6
Other assets (liabilities)	(9.5)	(8.5)
<b>Net Working Capital</b>	<b>0.2</b>	<b>-1.9</b>
Intangible assets	0.0	0.1
Property, plant and equipment	2.1	2.6
Equity investments and financial assets	0.2	0.2
<b>Non-current assets</b>	<b>2.4</b>	<b>2.9</b>
<b>Provisions</b>	<b>(0.3)</b>	<b>(0.4)</b>
<b>Net Invested Capital</b>	<b>2.3</b>	<b>0.6</b>
<b>Net Debt (Cash)</b>	<b>(2.1)</b>	<b>(5.4)</b>
<b>Equity</b>	<b>4.4</b>	<b>6.0</b>
<b>Sources</b>	<b>2.3</b>	<b>0.6</b>

Source: Company data - Note: H1 21 financials not available

### Consolidated Cash Flow

€m	2021	H1 2022
<b>EBIT</b>	<b>4.9</b>	<b>3.7</b>
Current taxes	(1.8)	(1.2)
D&A	0.1	0.1
Provisions	0.2	0.1
<b>Cash flow from P&amp;L operations</b>	<b>3.4</b>	<b>2.8</b>
Trade Working Capital	(7.2)	3.0
Other assets and liabilities	8.5	(0.9)
<b>Operating cash flow before capex</b>	<b>4.7</b>	<b>4.8</b>
Capex	(2.2)	(0.6)
<b>Operating cash flow after working capital and capex</b>	<b>2.6</b>	<b>4.2</b>
Interest	1.2	(0.0)
Equity investments and financial assets	0.0	(0.0)
Paid-in Capital	0.0	0.0
Dividends and other equity changes	(0.3)	(0.9)
<b>Net cash flow</b>	<b>3.4</b>	<b>3.3</b>
Net (Debt) Cash - Beginning	(1.3)	2.1
Net (Debt) Cash - End	2.1	5.4
<b>Change in Net (Debt) Cash</b>	<b>3.4</b>	<b>3.3</b>

### Ratio analysis

	2021	H1 2022
ROE	97%	83%
ROS (EBIT/Total Revenues)	23%	21%
DSO	151	62
DPO	106	78
TWC/Total Revenues	45%	19%
NWC/Total Revenues	1%	-5%
Net Debt/EBITDA	cash	cash
Net Debt/Equity	cash	cash
Net Debt/(Net Debt+Equity)	cash	cash
Operating cash flow before capex/EBITDA	94%	125%
Per-capita sales (€k)	218	156
Per-capita costs (€k)	37	42

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

## Business update

The Company backlog at year end 2021, increased up to almost €150m at the date of IPO, boosted Imprendiroma operations, with H1 22 €17.7m revenues accounting as 83% of the entire FY 21 revenues. Tightening conditions decided by policy makers and worsening of pricing for the sale to banks of tax credits related to energy efficiency and building renovation projects determined, according to management, some delays for the start of execution of some of the backlog along H1 22. This slow down and the subsequent higher incidence of fixed costs (the Company has already partially increased its headcount ahead of its backlog execution), along with worse conditions for the sale of tax credits explain the lower H1 22 vs FY 21 margins/profitability.

## Business outlook

As to the outlook for the next months, the Company expects higher volumes in the second part of the year, as it usually occurs, with the recovery of the delays observed along H1 22 and the start of more durable (18 months) projects, with an overall increase of H2 22 vs H1 22 volumes and revenues.

## Estimates revision

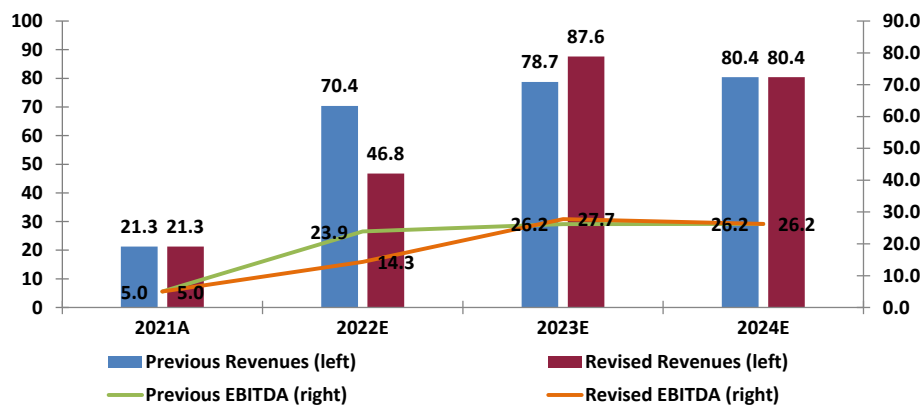
As a consequence of the expected recovery for the projects not started yet, we updated our 2022E-23 estimates, with a partial shift of backlog execution from 2022 to 2023 and, prudentially, with a limited decrease of the originally expected revenues along the two years.

Though H1 22 margins and profitability trend should improve along H1 22 due to the expected acceleration of operations and the subsequent operating leverage, the

announced H1 22 results, the limited revision of 2022-23E revenues and the tighten conditions for the sale of credits explain the updated lower margins along these two years.

### Change in estimates

#### Previous vs. Revised Revenues and EBITDA estimates (€m)



Source: EnVent Research

€m	Revised				Previous				Change %			
	2021A	2022E	2023E	2024E	2021A	2022E	2023E	2024E	2021A	2022E	2023E	2024E
<b>Revenues</b>	21.3	46.8	87.6	80.4	21.3	70.4	78.7	80.4	0%	-34%	11%	0%
<b>EBITDA</b>	5.0	14.3	27.7	26.2	5.0	23.9	26.2	26.2	0%	-40%	6%	0%
<i>Margin</i>	24%	31%	32%	33%	24%	34%	33%	33%				
<b>EBIT</b>	4.9	14.0	27.2	25.6	4.9	23.6	25.6	25.6	0%	-41%	6%	0%
<i>Margin</i>	23%	30%	31%	32%	23%	33%	33%	32%				
<b>Net Income (Loss)</b>	4.3	9.9	19.3	18.2	4.3	16.7	18.2	18.2	0%	-41%	6%	0%
<b>Net (Debt) Cash</b>	2.1	8.3	13.6	36.8	2.1	9.4	21.1	42.3				

Source: EnVent Research

## Financial projections

### Consolidated Profit and Loss

€m	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Sales	2.7	4.0	20.5	46.0	86.4	79.3	89.1
WIP change	0.0	0.0	0.4	0.5	0.9	0.8	0.9
Other income	0.1	0.1	0.3	0.3	0.3	0.3	0.3
<b>Total Revenues</b>	<b>2.7</b>	<b>4.1</b>	<b>21.3</b>	<b>46.8</b>	<b>87.6</b>	<b>80.4</b>	<b>90.3</b>
YoY %	<i>n.a.</i>	51.2%	416.1%	119.8%	87.3%	-8.2%	12.2%
Materials	(1.2)	(1.8)	(2.3)	(4.6)	(8.4)	(7.5)	(8.7)
Services	(0.4)	(0.6)	(9.5)	(20.7)	(38.5)	(34.9)	(39.6)
Personnel	(0.4)	(0.5)	(3.5)	(6.0)	(11.2)	(10.3)	(11.6)
Other operating costs	(0.4)	(0.6)	(1.0)	(1.1)	(1.7)	(1.4)	(1.5)
Operating costs	(2.4)	(3.6)	(16.2)	(32.4)	(59.8)	(54.2)	(61.4)
<b>EBITDA</b>	<b>0.3</b>	<b>0.5</b>	<b>5.0</b>	<b>14.3</b>	<b>27.7</b>	<b>26.2</b>	<b>28.9</b>
Margin	11.7%	13.3%	23.6%	30.7%	31.7%	32.6%	32.0%
D&A	(0.0)	(0.0)	(0.1)	(0.3)	(0.6)	(0.7)	(0.8)
<b>EBIT</b>	<b>0.3</b>	<b>0.5</b>	<b>4.9</b>	<b>14.0</b>	<b>27.2</b>	<b>25.6</b>	<b>28.1</b>
Margin	10.5%	12.3%	23.0%	30.0%	31.0%	31.8%	31.1%
Financial income/expenses	(0.1)	(0.1)	1.2	(0.0)	(0.0)	(0.0)	(0.0)
Write-down of equity investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>0.2</b>	<b>0.4</b>	<b>6.1</b>	<b>14.0</b>	<b>27.1</b>	<b>25.5</b>	<b>28.0</b>
Margin	7.8%	10.5%	28.6%	29.9%	31.0%	31.7%	31.0%
Income taxes	(0.1)	(0.2)	(1.8)	(4.0)	(7.8)	(7.4)	(8.1)
<b>Net Income (Loss)</b>	<b>0.1</b>	<b>0.2</b>	<b>4.3</b>	<b>9.9</b>	<b>19.3</b>	<b>18.2</b>	<b>19.9</b>
Margin	3.9%	6.0%	20.1%	21.2%	22.0%	22.6%	22.1%

Source: EnVent Research on Company data for 2019-21A - EnVent Research for 2022E-25E

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	2022E	2023E	2024E	2025E
Inventory	0.0	0.0	0.5	0.9	1.8	2.6	3.5
Trade receivables (incl. tax benefits to be sold to banks)	2.2	3.8	13.5	22.9	40.1	33.4	37.5
Trade payables	(0.5)	(1.3)	(4.3)	(7.8)	(12.8)	(10.9)	(12.4)
Trade Working Capital	1.7	2.5	9.6	16.0	29.1	25.1	28.6
Other assets (liabilities)	(0.5)	(1.0)	(9.5)	(7.5)	(6.3)	(7.1)	(7.6)
<b>Net Working Capital</b>	<b>1.2</b>	<b>1.5</b>	<b>0.2</b>	<b>8.4</b>	<b>22.9</b>	<b>18.0</b>	<b>21.0</b>
Intangible assets	0.0	0.0	0.0	0.5	0.4	0.3	0.2
Property, plant and equipment	0.1	0.1	2.1	3.4	3.4	3.3	3.1
Equity investments and financial assets	0.1	0.3	0.2	0.2	0.2	0.2	0.2
<b>Non-current assets</b>	<b>0.2</b>	<b>0.4</b>	<b>2.4</b>	<b>4.0</b>	<b>4.0</b>	<b>3.8</b>	<b>3.5</b>
<b>Provisions</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.3)</b>	<b>(0.5)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.9)</b>
<b>Net Invested Capital</b>	<b>1.3</b>	<b>1.8</b>	<b>2.3</b>	<b>12.0</b>	<b>26.0</b>	<b>21.0</b>	<b>23.7</b>
<b>Net Debt (Cash)</b>	<b>1.1</b>	<b>1.3</b>	<b>(2.1)</b>	<b>(8.3)</b>	<b>(13.6)</b>	<b>(36.8)</b>	<b>(54.0)</b>
<b>Equity</b>	<b>0.2</b>	<b>0.5</b>	<b>4.4</b>	<b>20.3</b>	<b>39.6</b>	<b>57.8</b>	<b>77.8</b>
<b>Sources</b>	<b>1.3</b>	<b>1.8</b>	<b>2.3</b>	<b>12.0</b>	<b>26.0</b>	<b>21.0</b>	<b>23.7</b>

Source: Company data for 2019A-21A - EnVent Research for 2022E-25E

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

Note 2: Other assets and liabilities also include: i) just for 2021A third parties tax credits and debts regarding building renovation projects, which the Company could trade in order to exploit potential financial net income (this will not be possible after 2021 due to new regulations); and ii) deferred income matching cash in received by customers in advance with respect to the proper work in progress timing

## Consolidated Cash Flow

€m	2020A	2021A	2022E	2023E	2024E	2025E
<b>EBIT</b>	<b>0.5</b>	<b>4.9</b>	<b>14.0</b>	<b>27.2</b>	<b>25.6</b>	<b>28.1</b>
Current taxes	(0.2)	(1.8)	(4.0)	(7.8)	(7.4)	(8.1)
D&A	0.0	0.1	0.3	0.6	0.7	0.8
Provisions	0.0	0.2	0.2	0.4	(0.1)	0.1
<b>Cash flow from P&amp;L operations</b>	<b>0.4</b>	<b>3.4</b>	<b>10.5</b>	<b>20.3</b>	<b>18.8</b>	<b>20.9</b>
Trade Working Capital	(0.8)	(7.2)	(6.3)	(13.2)	4.1	(3.5)
Other assets and liabilities	0.4	8.5	(1.9)	(1.3)	0.8	0.5
<b>Operating cash flow before capex</b>	<b>0.1</b>	<b>4.7</b>	<b>2.2</b>	<b>5.9</b>	<b>23.7</b>	<b>17.8</b>
Capex	(0.1)	(2.2)	(2.0)	(0.5)	(0.5)	(0.5)
<b>Operating cash flow after working capital and capex</b>	<b>0.0</b>	<b>2.6</b>	<b>0.2</b>	<b>5.4</b>	<b>23.2</b>	<b>17.3</b>
Interest	(0.1)	1.2	(0.0)	(0.0)	(0.0)	(0.0)
Write-down of equity investments	0.0	0.0	0.0	0.0	0.0	0.0
Equity investments and financial assets	(0.1)	0.0	0.0	0.0	0.0	0.0
Paid-in Capital	0.0	0.0	6.0	0.0	0.0	0.0
Dividends and other equity changes	0.0	(0.3)	0.0	0.0	0.0	0.0
<b>Net cash flow</b>	<b>(0.2)</b>	<b>3.4</b>	<b>6.2</b>	<b>5.3</b>	<b>23.1</b>	<b>17.3</b>
(Net Debt)/Cash Beginning	(1.1)	(1.3)	2.1	8.3	13.6	36.8
(Net Debt)/Cash End	(1.3)	2.1	8.3	13.6	36.8	54.0
<b>Change in (Net Debt)/Cash</b>	<b>(0.2)</b>	<b>3.4</b>	<b>6.2</b>	<b>5.3</b>	<b>23.1</b>	<b>17.3</b>

Source: Company data for 2020A-21A - EnVent Research for 2022E-25E

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	2022E	2023E	2024E	2025E
ROE	46%	51%	97%	49%	49%	31%	26%
ROS (EBIT/Total Revenues)	11%	12%	23%	30%	31%	32%	31%
DSO	272	286	151	145	145	130	130
DPO	102	152	106	100	95	90	90
TWC/Total Revenues	63%	60%	45%	34%	33%	31%	32%
NWC/Total Revenues	43%	37%	1%	18%	26%	22%	23%
Net Debt/EBITDA	3.4x	2.3x	cash	cash	cash	cash	cash
Net Debt/Equity	4.7x	2.7x	cash	cash	cash	cash	cash
Net Debt/(Net Debt+Equity)	0.8x	0.7x	cash	cash	cash	cash	cash
Operating cash flow before capex/EBITDA	-271%	10%	94%	16%	21%	90%	62%
Per-capita sales (€k)	n.a.	n.a.	218	299	314	330	346
Per-capita costs (€k)	n.a.	n.a.	37	39	41	43	45
Earnings per Share (€), basic				0.9	1.7	1.6	1.8

Source: EnVent Research on Company data for 2019A-21A - EnVent Research for 2022E-25E

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

## Valuation

We have updated our DCF valuation and market multiples.

### Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.8% (Italian 10-year government bonds interest rate – last 30 days average. Source: Bloomberg, October 2022)
- Market return: 13.2% (last 30 days average. Source: Bloomberg, October 2022)
- Market risk premium: 9.3%
- Beta: 0.9 (in line with comparables mean/median)

- Cost of equity: 12.2%
- Cost of debt: 4.5%
- Tax rate: 24% IRES
- 20% debt/(debt + equity) as target capital structure
- WACC calculated at 10.5%, 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 2025E; 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	2021A	2022E	2023E	2024E	2025E	Perpetuity
<b>Revenues</b>	<b>21.3</b>	<b>46.8</b>	<b>87.6</b>	<b>80.4</b>	<b>90.3</b>	<b>91.1</b>
<b>EBITDA</b>	<b>5.0</b>	<b>14.3</b>	<b>27.7</b>	<b>26.2</b>	<b>28.9</b>	<b>13.7</b>
<i>Margin</i>	23.6%	30.7%	31.7%	32.6%	32.0%	15.0%
<b>EBIT</b>	<b>4.9</b>	<b>14.0</b>	<b>27.2</b>	<b>25.6</b>	<b>28.1</b>	<b>13.2</b>
<i>Margin</i>	23.0%	30.0%	31.0%	31.8%	31.1%	14.5%
Taxes	(1.4)	(4.0)	(7.8)	(7.4)	(8.1)	(3.8)
<b>NOPAT</b>	<b>3.5</b>	<b>10.0</b>	<b>19.3</b>	<b>18.2</b>	<b>20.0</b>	<b>9.4</b>
D&A	0.1	0.3	0.6	0.7	0.8	0.5
Provisions	0.2	0.2	0.4	(0.1)	0.1	0.0
<b>Cash flow from operations</b>	<b>3.8</b>	<b>10.5</b>	<b>20.3</b>	<b>18.8</b>	<b>20.9</b>	<b>9.9</b>
Trade Working Capital	(7.2)	(6.3)	(13.2)	4.1	(3.5)	(2.7)
Capex	(2.2)	(2.0)	(0.5)	(0.5)	(0.5)	(0.5)
Other assets and liabilities	8.5	(1.9)	(1.3)	0.8	0.5	0.0
<b>Yearly Unlevered Free Cash Flows</b>	<b>2.9</b>	<b>0.2</b>	<b>5.4</b>	<b>23.2</b>	<b>17.3</b>	<b>6.6</b>
<b>- H1 Unlevered Free Cash Flows</b>		<b>(4.3)</b>				
<b>Unlevered free cash flow</b>	<b>2.9</b>	<b>(4.1)</b>	<b>5.4</b>	<b>23.2</b>	<b>17.3</b>	<b>6.6</b>
WACC	10.5%					
Long-term growth (G)	1.0%					
<b>Discounted Cash Flows</b>		<b>(3.9)</b>	<b>4.6</b>	<b>18.1</b>	<b>12.2</b>	
Sum of Discounted Cash Flows	31.0					
<b>Terminal Value</b>						
Discounted TV	49.5					
<b>Enterprise Value</b>	<b>80.5</b>					
Net (Debt) Cash as of 30/06/2022	5.4					
IPO Proceeds	6.0					
Minorities as of 30/06/2022	0.0					
<b>Equity Value</b>	<b>91.9</b>					

DCF Valuation (€m) - Sensitivity Analysis				
		Long run EBITDA Margin		
		12.5%	15.0%	17.5%
Long run cash flow - Discounting years	10 years	59.8	67.4	75.0
	15 years	64.9	74.1	83.3
	Perpetuity	79.8	91.9	104.0

Source: EnVent Research



## Market multiples

Listed companies operating in the same target market often manage also other businesses and provide also other services to their customers. Even size can be quite different, along with geographical presence. Moreover, due to tax benefits which currently push some business units more than others, the regulatory framework is likely to significantly impact financials, thus representing another issue as to market metrics analysis.

As a consequence, since there are no listed peers that overall could match the Company business model, size and geographical presence, we selected two different clusters:

1. Cluster 1 – Players with: i) a business similar to Imprendiroma; and/or ii) most comparable actors of the larger industry of facility management services
2. Cluster 2 – Italian listed companies taking advantage of tax benefits somehow related with energy efficiency/building renovation activity.

Some peers may belong to both clusters according to their profile.

Company	EV/REVENUES				EV/EBITDA				EV/EBIT				P/E				
	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	
Cluster 1	ABM Industries Incorporated	0.6x	0.5x	0.5x	0.5x	8.4x	7.9x	7.5x	7.1x	10.5x	10.3x	9.7x	8.9x	22.1x	11.0x	11.0x	9.8x
	HomeServe plc	2.7x	3.2x	3.0x	2.8x	15.0x	14.0x	13.2x	12.2x	20.6x	18.3x	17.0x	15.6x	n.a.	23.4x	21.5x	19.7x
	Mears Group plc	0.4x	0.4x	0.4x	0.4x	10.1x	3.6x	3.6x	3.4x	15.9x	8.5x	8.7x	8.5x	14.8x	8.3x	9.1x	8.9x
	Sun Frontier Fudousan Co., Ltd.	1.3x	0.8x	0.8x	0.7x	8.3x	4.8x	n.a.	n.a.	9.8x	5.5x	n.a.	n.a.	11.3x	6.9x	6.5x	5.0x
	Gabetti Property Solutions S.p.A.	0.8x	n.a.	n.a.	n.a.	9.0x	n.a.	n.a.	n.a.	9.3x	n.a.	n.a.	n.a.	14.3x	n.a.	n.a.	n.a.
	City Service SE	0.9x	n.a.	n.a.	n.a.	neg	n.a.	n.a.	n.a.	neg	n.a.	n.a.	n.a.	neg	n.a.	n.a.	n.a.
	EdiliziAcrobatica S.p.A.	1.6x	1.0x	0.9x	0.9x	7.1x	4.9x	4.5x	4.1x	7.5x	5.5x	5.0x	4.3x	12.7x	8.9x	8.1x	6.7x
	Abitare In S.p.A.	5.4x	1.7x	1.2x	1.0x	16.5x	10.0x	4.7x	3.1x	17.0x	10.4x	4.8x	3.1x	18.0x	8.7x	4.0x	2.6x
Mean	1.7x	1.3x	1.1x	1.0x	10.6x	7.5x	6.7x	6.0x	12.9x	9.7x	9.0x	8.1x	15.5x	11.2x	10.0x	8.8x	
Median	1.1x	0.9x	0.8x	0.8x	9.0x	6.4x	4.7x	4.1x	10.5x	9.4x	8.7x	8.5x	14.6x	8.8x	8.6x	7.8x	
Cluster 2	Gabetti Property Solutions S.p.A.	0.8x	n.a.	n.a.	n.a.	9.0x	n.a.	n.a.	n.a.	9.3x	n.a.	n.a.	n.a.	14.3x	n.a.	n.a.	n.a.
	Innovatec S.p.A.	1.2x	0.7x	0.6x	0.5x	6.6x	4.9x	4.2x	3.5x	15.6x	8.9x	6.8x	5.2x	26.2x	11.8x	8.9x	6.8x
	EdiliziAcrobatica S.p.A.	1.6x	1.0x	0.9x	0.9x	7.1x	4.9x	4.5x	4.1x	7.5x	5.5x	5.0x	4.3x	12.7x	8.9x	8.1x	6.7x
	Sciuker Frames S.p.A.	3.1x	0.9x	0.7x	0.8x	9.1x	4.0x	3.0x	3.1x	9.9x	4.6x	3.4x	3.8x	15.1x	6.4x	4.7x	5.5x
	Gibus S.p.A.	0.9x	0.7x	0.7x	0.6x	3.5x	3.7x	3.7x	3.0x	3.9x	4.5x	4.5x	3.6x	5.8x	6.9x	7.2x	6.1x
	Abitare In S.p.A.	5.4x	1.7x	1.2x	1.0x	16.5x	10.0x	4.7x	3.1x	17.0x	10.4x	4.8x	3.1x	18.0x	8.7x	4.0x	2.6x
	Nusco S.p.A.	1.6x	1.3x	1.1x	1.0x	28.9x	10.1x	7.0x	5.7x	47.0x	15.3x	9.1x	6.9x	82.6x	24.4x	12.5x	8.6x
Mean	2.1x	1.1x	0.9x	0.8x	11.5x	6.3x	4.5x	3.8x	15.7x	8.2x	5.6x	4.5x	25.0x	11.2x	7.5x	6.1x	
Median	1.6x	1.0x	0.8x	0.8x	9.0x	4.9x	4.4x	3.3x	9.9x	7.2x	4.9x	4.1x	15.1x	8.8x	7.6x	6.4x	
Combined Mean	1.9x	1.2x	1.0x	0.9x	11.1x	6.9x	5.5x	4.8x	14.3x	9.0x	7.2x	6.1x	20.6x	11.2x	8.8x	7.4x	
Combined Median	1.3x	1.0x	0.8x	0.8x	9.0x	4.9x	4.5x	3.5x	10.2x	8.7x	5.0x	4.3x	14.8x	8.8x	8.1x	6.7x	
Imprendiroma Current Price and Consensus estimates	n.a.	0.5x	0.5x	0.4x	n.a.	1.5x	1.4x	1.4x	n.a.	1.5x	1.4x	1.4x	n.a.	2.8x	2.6x	2.6x	

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

### Multiples application

The application of market multiples to Imprendiroma investment case is impacted by the expected financials trend along our financial projections horizon, in terms of revenues growth and margins above the expected industry trend. The difference of 2022-24E Imprendiroma profitability vs peers would determine an inconsistent

application of multiples based on margins and profits for those years. We consequently applied a 30% discount to 2022-24E EV/EBITDA, EV/EBIT and P/E multiples.

Multiples - Comparables		(€m)	Multiple	EV (€m)	Net (Debt)/ Cash (€m)	IPO Proceeds	Minorities (€m)	Equity Value (€m)
					31/12/21		31/12/21	
<b>Imprendiroma</b>								
2022E	Total revenues	<b>46.8</b>	Mean 1.2x	54.3	5.4	6.0	(0.0)	65.7
			Median 1.0x	45.5	5.4	6.0	(0.0)	56.8
2023E	Total revenues	<b>87.6</b>	Mean 1.0x	87.2	5.4	6.0	(0.0)	98.6
			Median 0.8x	73.3	5.4	6.0	(0.0)	84.7
2024E	Total revenues	<b>80.4</b>	Mean 0.9x	73.8	5.4	6.0	(0.0)	85.2
			Median 0.8x	65.4	5.4	6.0	(0.0)	76.8
Mean 2022-24E								78.0
Discount								0%
<b>Mean 2022-24E discounted</b>								<b>78.0</b>
2022E	EBITDA	<b>14.3</b>	Mean 6.9x	98.9	5.4	6.0	(0.0)	110.2
			Median 4.9x	70.6	5.4	6.0	(0.0)	81.9
2023E	EBITDA	<b>27.7</b>	Mean 5.5x	152.6	5.4	6.0	(0.0)	164.0
			Median 4.5x	125.1	5.4	6.0	(0.0)	136.5
2024E	EBITDA	<b>26.2</b>	Mean 4.8x	124.9	5.4	6.0	(0.0)	136.3
			Median 3.5x	93.0	5.4	6.0	(0.0)	104.4
Mean 2022-24E								122.2
Discount								30%
<b>Mean 2022-24E discounted</b>								<b>85.5</b>
2022E	EBIT	<b>14.0</b>	Mean 9.0x	125.7	5.4	6.0	(0.0)	137.1
			Median 8.7x	121.4	5.4	6.0	(0.0)	132.8
2023E	EBIT	<b>27.2</b>	Mean 7.2x	194.6	5.4	6.0	(0.0)	206.0
			Median 5.0x	135.9	5.4	6.0	(0.0)	147.3
2024E	EBIT	<b>25.6</b>	Mean 6.1x	156.9	5.4	6.0	(0.0)	168.2
			Median 4.3x	110.0	5.4	6.0	(0.0)	121.4
Mean 2022-24E								152.1
Discount								30%
<b>Mean 2022-24E discounted</b>								<b>106.5</b>
2022E	Earnings	<b>9.9</b>	Mean 11.2x					111.1
			Median 8.8x					87.3
2023E	Earnings	<b>19.3</b>	Mean 8.8x					169.5
			Median 8.1x					155.8
2024E	Earnings	<b>18.2</b>	Mean 7.4x					134.8
			Median 6.7x					121.8
Mean 2022-24E								130.0
Discount								30%
<b>Mean 2022-24E discounted</b>								<b>91.0</b>

Source: EnVent Research

## Target Price

Though the industry long run outlook will be driven by European Union energy efficiency targets and therefore is not depending on current tax credits (Superbonus 110% above all), the short run scenario is clearly impacted by those incentives, driving also market metrics and multiples especially for Italian listed peers. Apart from the delays in time execution, Imprendiroma confirmed €150m backlog is an important source of revenues, operating cash flows and value. For the medium/long

run we think that Company margins and profitability will be in line with the expected sector decrease trend driven by higher competition.

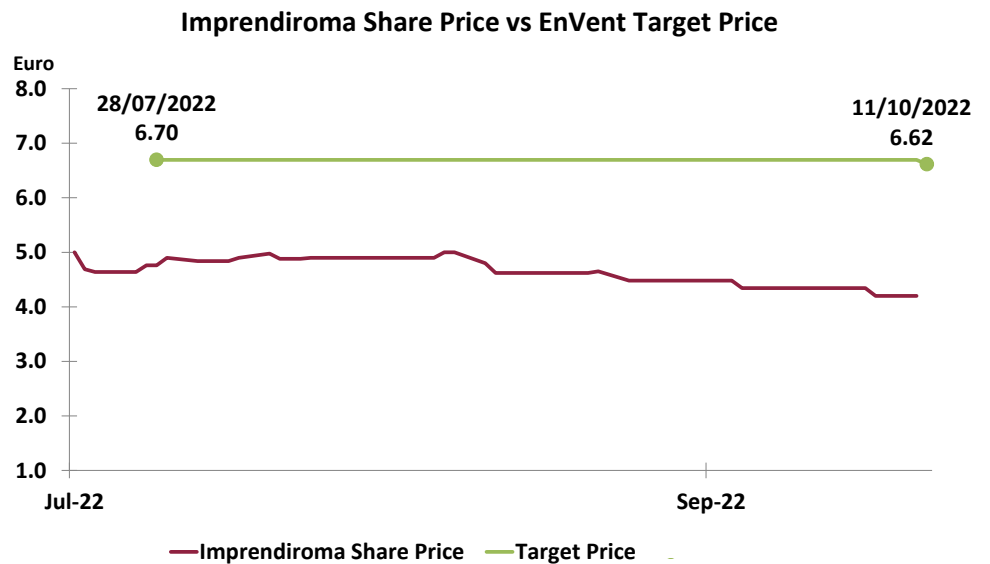
Given all of that, we believe that our 15 years horizon DCF, with its assumptions regarding long run profitability trend (15% EBITDA Margin), is the right approach to assess the Company investment case.

The resulting target price is €6.62 per share, from €6.70 of our prior note, implying a 58% upside potential on Imprendiroma current stock price. We confirm the OUTPERFORM rating on the stock.

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

<b>Imprendiroma Price per share</b>	<b>€</b>
<b>Target Price</b>	6.62
Current Share Price (10/10/2022)	4.20
<b>Premium (Discount)</b>	<b>58%</b>

Source: EnVent Research



Source: EnVent Research on S&P Capital IQ, 11/10/2022

**Imprenditoria Implied Multiples vs Peers**

Company	EV/REVENUES				EV/EBITDA				EV/EBIT				P/E				
	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	
Cluster 1	ABM Industries Incorporated	0.6x	0.5x	0.5x	0.5x	8.4x	7.9x	7.5x	7.1x	10.5x	10.3x	9.7x	8.9x	22.1x	11.0x	11.0x	9.8x
	HomeServe plc	2.7x	3.2x	3.0x	2.8x	15.0x	14.0x	13.2x	12.2x	20.6x	18.3x	17.0x	15.6x	n.a.	23.4x	21.5x	19.7x
	Mears Group plc	0.4x	0.4x	0.4x	0.4x	10.1x	3.6x	3.6x	3.4x	15.9x	8.5x	8.7x	8.5x	14.8x	8.3x	9.1x	8.9x
	Sun Frontier Fudousan Co., Ltd.	1.3x	0.8x	0.8x	0.7x	8.3x	4.8x	n.a.	n.a.	9.8x	5.5x	n.a.	n.a.	11.3x	6.9x	6.5x	5.0x
	Gabetti Property Solutions S.p.A.	0.8x	n.a.	n.a.	n.a.	9.0x	n.a.	n.a.	n.a.	9.3x	n.a.	n.a.	n.a.	14.3x	n.a.	n.a.	n.a.
	City Service SE	0.9x	n.a.	n.a.	n.a.	neg	n.a.	n.a.	n.a.	neg	n.a.	n.a.	n.a.	neg	n.a.	n.a.	n.a.
	EdiliziAcrobatica S.p.A.	1.6x	1.0x	0.9x	0.9x	7.1x	4.9x	4.5x	4.1x	7.5x	5.5x	5.0x	4.3x	12.7x	8.9x	8.1x	6.7x
	Abitare In S.p.A.	5.4x	1.7x	1.2x	1.0x	16.5x	10.0x	4.7x	3.1x	17.0x	10.4x	4.8x	3.1x	18.0x	8.7x	4.0x	2.6x
Mean	1.7x	1.3x	1.1x	1.0x	10.6x	7.5x	6.7x	6.0x	12.9x	9.7x	9.0x	8.1x	15.5x	11.2x	10.0x	8.8x	
Median	1.1x	0.9x	0.8x	0.8x	9.0x	6.4x	4.7x	4.1x	10.5x	9.4x	8.7x	8.5x	14.6x	8.8x	8.6x	7.8x	
Cluster 2	Gabetti Property Solutions S.p.A.	0.8x	n.a.	n.a.	n.a.	9.0x	n.a.	n.a.	n.a.	9.3x	n.a.	n.a.	n.a.	14.3x	n.a.	n.a.	n.a.
	Innovatec S.p.A.	1.2x	0.7x	0.6x	0.5x	6.6x	4.9x	4.2x	3.5x	15.6x	8.9x	6.8x	5.2x	26.2x	11.8x	8.9x	6.8x
	EdiliziAcrobatica S.p.A.	1.6x	1.0x	0.9x	0.9x	7.1x	4.9x	4.5x	4.1x	7.5x	5.5x	5.0x	4.3x	12.7x	8.9x	8.1x	6.7x
	Sciuker Frames S.p.A.	3.1x	0.9x	0.7x	0.8x	9.1x	4.0x	3.0x	3.1x	9.9x	4.6x	3.4x	3.8x	15.1x	6.4x	4.7x	5.5x
	Gibus S.p.A.	0.9x	0.7x	0.7x	0.6x	3.5x	3.7x	3.7x	3.0x	3.9x	4.5x	4.5x	3.6x	5.8x	6.9x	7.2x	6.1x
	Abitare In S.p.A.	5.4x	1.7x	1.2x	1.0x	16.5x	10.0x	4.7x	3.1x	17.0x	10.4x	4.8x	3.1x	18.0x	8.7x	4.0x	2.6x
	Nusco S.p.A.	1.6x	1.3x	1.1x	1.0x	28.9x	10.1x	7.0x	5.7x	47.0x	15.3x	9.1x	6.9x	82.6x	24.4x	12.5x	8.6x
Mean	2.1x	1.1x	0.9x	0.8x	11.5x	6.3x	4.5x	3.8x	15.7x	8.2x	5.6x	4.5x	25.0x	11.2x	7.5x	6.1x	
Median	1.6x	1.0x	0.8x	0.8x	9.0x	4.9x	4.4x	3.3x	9.9x	7.2x	4.9x	4.1x	15.1x	8.8x	7.6x	6.4x	
Combined Mean	1.9x	1.2x	1.0x	0.9x	11.1x	6.9x	5.5x	4.8x	14.3x	9.0x	7.2x	6.1x	20.6x	11.2x	8.8x	7.4x	
Combined Median	1.3x	1.0x	0.8x	0.8x	9.0x	4.9x	4.5x	3.5x	10.2x	8.7x	5.0x	4.3x	14.8x	8.8x	8.1x	6.7x	
Imprenditoria Current Price and Consensus estimates	n.a.	0.5x	0.5x	0.4x	n.a.	1.5x	1.4x	1.4x	n.a.	1.5x	1.4x	1.4x	n.a.	2.8x	2.6x	2.6x	
Imprenditoria according to EnVent TP and estimates	n.a.	1.3x	0.7x	0.8x	n.a.	4.4x	2.3x	2.4x	n.a.	4.5x	2.3x	2.5x	n.a.	7.5x	3.8x	4.1x	

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

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Date and time of Production: 10/10/2022 h. 6.30pm

Date and time of Distribution: 11/10/2022 h. 7.10pm

## 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

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