



POWERED BY IMPRENDIROMA

Building a sustainable future through urban regeneration and energy efficiency

Sector: Industrial Services

### Initiating with TP Euro 5.53 leaves a potential upside of 123%

We initiate the coverage on Renovalo with a Market Multiple and DCF-based TP of Euro 5.53 per share with a potential upside of +123%.

### A leader in urban regeneration with energy efficiency and ESG excellence in Italy.

Renovalo is a leading operator in Italy in urban regeneration and real estate restoration, focused on energy efficiency and sustainability. The Group comprises the operational holding company Renovalo Spa (a Benefit Corporation) and seven subsidiaries, with a team of approximately 250 people. It stands out for its ability to offer a wide range of integrated services in urban regeneration, with projects characterized by high energy efficiency and high-quality architectural standards. Renovalo has recently expanded its range of energy efficiency services for the construction sector by becoming an Energy Service Company (ESCO).

### The rebranding marks a nationwide expansion strategy.

Following the IPO in July 2022, the Group has swiftly delivered on its IPO targets, successfully converting its backlog into sales, strengthening the corporate structure, and investing in infrastructure and marketing to navigate the increasing complexity of the business. Looking ahead to a post-Superbonus environment, Management plans to pursue growth by targeting new client segments, including public administrations and institutional investors, while also expanding geographically beyond their traditional presence in the Rome area. The Group's ambition for nationwide growth was reinforced by its rebranding to Renovalo in April 2024 (previously Imprendiroma). Furthermore, Management intends to enhance its product portfolio also through M&A in complementary markets, with a focus on establishing recurring revenue streams. In line with this strategy, the Group announced the acquisition of Stil Termica in July, a company specializing in heating and energy efficiency.

### A scalable and replicable business model with a focus on innovation and sustainability.

Renovalo operates with a unique business model that vertically integrates the entire value chain, leveraging its extensive industry expertise to offer a comprehensive range of services through an innovative, unified approach. This enables the Group to maximize market opportunities and deliver high-value solutions across the sector. Its flexible organizational structure, combined with a scalable business model that utilizes a network of subcontractors, allows for the efficient management of substantial fluctuations in project volume.

### 2021-2023 growth driven by Superbonus, market demand to normalize in 2024.

Between 2021 and 2023, Renovalo experienced significant financial growth largely attributable to the Superbonus initiative Introduced in 2020. FY23 closed with revenues of Euro 114.6 m and an EBITDA of Euro 28.2 m (24.6%). After the progressive reduction of the Super bonus in 2023, market demand is slowly normalizing and the Group faced an expected re-sizing in 1H24 with revenues reaching Euro 12.4 m (Euro 47.7 m in 1H23) and with an EBITDA of Euro 0.5 m.

### Regulatory requirements to drive demand for energy-efficient buildings.

The increased emphasis on energy efficiency in Italy's building sector is driven by EU regulations, environmental challenges, and the need to modernize the country's aging building stock. With the new EU regulation (EPBD IV), national financial incentives, and the adoption of new technologies the sector is steadily progressing toward sustainability. With a specialization in urban regeneration and sustainable projects, Renovalo is well-positioned to benefit from the global shift toward green initiatives.

### 2024-2026 Revenue CAGR of 33.6% and EBITDA margin from 13.6% to 20.5%.

The Value of Production for FY24 is forecasted at Euro 29.5 m, growing to Euro 52.7 m in FY26, reflecting a 33.6% CAGR. EBITDA is expected to grow at a 63.8% CAGR, reaching Euro 10.8 m in FY26, supported by a scalable business model and cost rationalization initiatives. Tax credits will normalize by the end of 2024, while net working capital is projected to remain substantially stable. Net debt for FY24 is expected to be cash-positive at Euro 14.3 m, with continuous improvement driven by value-creation efforts.

Target Price (€) **5.53**

Price (€) **2.48**

Market Cap (€ m) **27.78**

EV (€ m) **18.40**

As of October 2<sup>nd</sup>, 2024

#### Share Data

Market	Euronext Growth Milan
ISIN	IT0005500571
N. of Shares	11,200,000
Free Float	10.71%
Main Shareholder	Guerino Cilli

#### Financials

	2023A	2024E	2025E	2026E
<b>Revenues</b>	<b>114.60</b>	<b>29.50</b>	<b>48.86</b>	<b>52.66</b>
yoy %	143.1%	(74.3%)	65.6%	7.8%
<b>EBITDA</b>	<b>28.21</b>	<b>4.01</b>	<b>9.77</b>	<b>10.77</b>
EBITDA %	24.6%	13.6%	20.0%	20.5%
<b>EBIT</b>	<b>26.63</b>	<b>3.08</b>	<b>8.70</b>	<b>9.61</b>
EBIT %	23.2%	10.4%	17.8%	18.3%
<b>Net Profit</b>	<b>17.98</b>	<b>1.82</b>	<b>5.83</b>	<b>6.56</b>
<b>Net Debt</b>	<b>5.01</b>	<b>(14.28)</b>	<b>(23.62)</b>	<b>(34.17)</b>

#### Performance

	1M	3M	6M
Absolute %	(15.6%)	(12.7%)	12.7
Relative (FTSE Italia Growth) %	(15.5%)	(12.0%)	13.7
52-week High/Low (Eu)	4.20	/	1.98

Sustainability: ESG profile available

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## TABLE OF CONTENTS

<b>GROUP SNAPSHOT</b> .....	<b>3</b>
<b>KEY SUCCESS FACTORS</b> .....	<b>3</b>
<b>KEY FINANCIALS</b> .....	<b>4</b>
<b>GROUP OVERVIEW</b> .....	<b>5</b>
Group structure .....	5
<b>BUSINESS MODEL</b> .....	<b>7</b>
Value chain general contractor.....	8
Type or work.....	8
<b>CERTIFICATIONS, PARTNERSHIPS, AND AWARDS</b> .....	<b>9</b>
Certifications: Quality and Innovation.....	9
Partnerships.....	10
Awards.....	10
<b>GOVERNANCE</b> .....	<b>11</b>
Shareholders structure .....	11
Board of Directors.....	11
Key Managers .....	11
<b>REFERENCE MARKET – CONSTRUCTION SECTOR IN ITALY</b> .....	<b>12</b>
Key elements looking forward.....	13
<b>ENERGY EFFICIENCY IN THE CONSTRUCTION SECTOR: REGULATORY FRAMEWORK</b> .....	<b>15</b>
EU's Energy Performance of Buildings Directive (EPBD IV) .....	15
<b>COMPETITIVE POSITIONING</b> .....	<b>16</b>
<b>STRATEGY</b> .....	<b>16</b>
Main opportunities.....	17
Main risks.....	18
<b>HISTORICAL RESULTS OVERVIEW</b> .....	<b>18</b>
<b>ESTIMATES</b> .....	<b>21</b>
<b>VALUATION</b> .....	<b>23</b>
Valuation Summary .....	23
Market Multiples .....	23
DCF Model.....	24
<b>RENOVALO ON EURONEXT GROWTH MILAN</b> .....	<b>25</b>
<b>APPENDIX</b> .....	<b>26</b>
Renovalo ESG profile – in partnership with ESG Observatory by IRTOP .....	26
Historic milestones.....	28
Peer Group .....	29

## GROUP SNAPSHOT

### Group Description

Renovalo is a leading operator in Italy in urban regeneration and estate restoration focused on energy efficiency and sustainability. The Group comprises the operational holding company Renovalo Spa (Benefit Corporation) and seven subsidiaries with a team of approx. 250 people, is distinguished by its ability to offer a wide range of integrated services in urban regeneration, with projects featuring high energy content and high-quality architectural standards. In FY23, the Group reported consolidated sales of Euro 124 m (100% domestic sales).

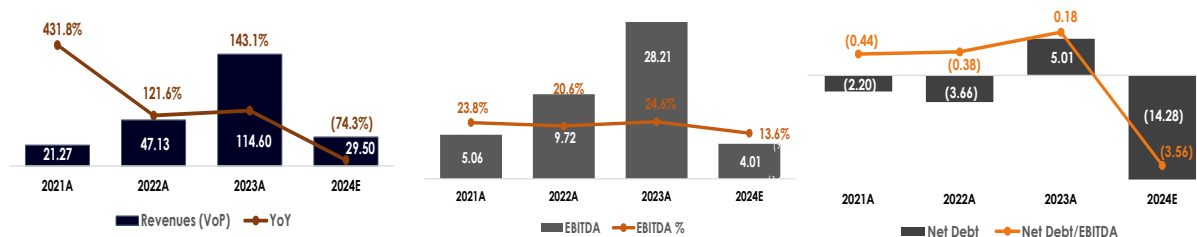
### Board of Directors

Angelo Cilli – Honorary Chairman  
Guerino Cilli – Chariman, CEO  
Pierpaolo Michelangeli – Non exec.  
Rossella Davis – Non exec.  
Paola Di Pasquale - Independent

### Key Shareholder

GC Consulting Srl 80.36%

## RENOVALO IN CHARTS



## KEY SUCCESS FACTORS

**Wide and integrated service portfolio.** The Group operates with a business model that stands out in the market for its comprehensive and integrated services, supporting customers from design to execution and after-sales services. This approach ensures full control of the project in terms of timing, methods, and quality, offering clients the convenience of dealing with a single entity.

**Technological know-how on Sustainability as competitive advantage:** Thanks to its technical know-how on energy efficiency and seismic retrofitting Renovalo is well-positioned to benefit from the growing demand for building renovation in Italy, in line with the EU's energy efficiency targets and the National Recovery and Resilience Plan (NRRP). Moreover, the SOA certification further strengthens its ability to participate in public tenders, ensuring compliance with high industry standards.

**Scalable business model of efficiently addressing changes in demand:** Over the past few years, the business environment has presented significant challenges. Throughout this period, Management has demonstrated exceptional agility in responding to new market dynamics. The flexible organizational structure and scalable business model, which leverages multiple subcontractors, enable efficient handling of significant changes in volume.

**Young and competent workforce:** Renovalo boasts a young and skilled workforce, including engineers, architects, designers, and construction technicians. 65% of the total workforce are graduated, the average age is 39, and the female representation in the Group is 38%. In 2023, approximately 20% of new hires were under 30 years old and 53% were between 30 and 50 years old.

**Strong ESG profile:** Renovalo boasts a very strong two-headed ESG profile based on its intrinsically green business model focusing on energy efficiency, coupled with the implementation of a strategy aimed to further enhance ESG priorities through a sustainable mission. The Group also selects sustainable raw materials and construction products. Renovalo provides voluntarily a sustainability report based on GRI standards since 2022. The group periodically reports the sustainability KPIs related to CO2 savings from their projects. It will activate a website where it will be possible to continuously see the updated backlog of construction sites and the CO2 KPIs.

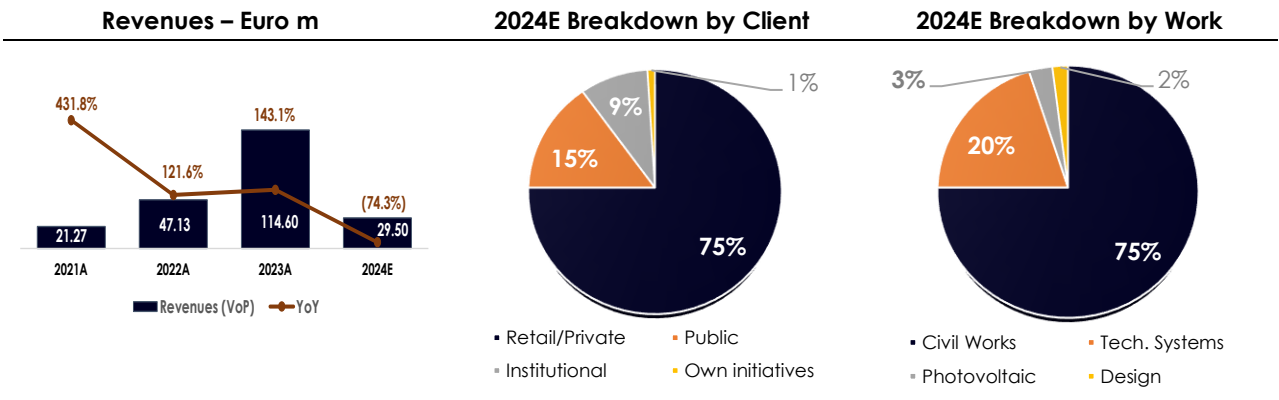
## KEY FINANCIALS

	2021A	2022A	2023A	2024E	2025E	2026E
<b>Profit&amp;Loss Statement</b>						
Sales	20.55	36.13	123.82	27.24	55.84	55.29
Revenues (VoP)	21.27	47.13	114.60	29.50	48.86	52.66
EBITDA	5.06	9.72	28.21	4.01	9.77	10.77
EBIT	4.90	9.44	26.63	3.08	8.70	9.61
Financial Income (Charges)	(0.08)	(0.14)	(1.04)	(0.40)	(0.26)	(0.11)
Pre-tax Profit (Loss)	6.09	9.32	25.64	2.68	8.44	9.51
Taxes	(1.81)	(2.74)	(7.67)	(0.86)	(2.62)	(2.95)
Net Profit (Loss)	4.28	6.58	17.98	1.82	5.83	6.56
<b>Balance Sheet</b>						
Net Working Capital	0.10	9.54	34.90	15.33	12.64	9.69
Fixed assets	2.37	3.46	4.01	6.85	6.30	5.71
M/L Funds	(0.25)	(0.56)	(0.32)	(1.07)	(1.34)	(1.79)
Net Capital Employed	2.21	12.44	38.59	21.11	17.60	13.61
Net Debt/(Cash)	(2.20)	(3.66)	5.01	(14.28)	(23.62)	(34.17)
Equity	4.41	16.10	33.57	35.39	41.22	47.78
<b>Cash Flow</b>						
Net Profit	4.28	6.58	17.98	1.82	5.83	6.56
Non-cash Items	0.38	0.59	0.22	1.68	1.34	1.60
Change in Working Capital	(0.10)	(9.45)	(25.35)	19.56	2.69	2.95
Cash Flow from Operations	4.56	(2.28)	(7.16)	23.06	9.86	11.11
Capex	(2.49)	(1.37)	(1.01)	(3.76)	(0.53)	(0.56)
Operating Free Cash Flow	2.07	(3.65)	(8.17)	19.30	9.33	10.55
Other (Equity)	0.13	5.11	(0.51)	0.00	0.00	0.00
Free Cash Flow	2.20	1.46	(8.68)	19.30	9.33	10.55
<b>Per Share Data</b>						
<b>Current Price (Euro)</b>	2.48					
Total shares out fully diluted (m)	11.20					
EPS	0.38	0.59	1.61	0.16	0.52	0.59
FCF	0.20	0.13	(0.77)	1.72	0.83	0.94
<b>Ratios</b>						
EBITDA margin	23.8%	20.6%	24.6%	13.6%	20.0%	20.5%
EBIT margin	23.0%	20.0%	23.2%	10.4%	17.8%	18.3%
Net Debt/Equity	(49.4%)	(22.7%)	14.9%	(40.3%)	(57.3%)	(71.5%)
Net Debt/(Net Debt + Equity)	(97.5%)	(29.4%)	13.0%	(67.6%)	(134.1%)	(251.0%)
Net Debt/EBITDA	(0.44)	(0.38)	0.18	(3.56)	(2.42)	(3.17)
Interest cover EBIT	58.37	68.51	25.65	7.65	33.98	89.85
ROE	95.9%	40.9%	53.5%	5.1%	14.1%	13.7%
ROCE	303.4%	97.9%	88.9%	18.7%	64.3%	92.3%
<b>Growth Rates</b>						
Sales	413.7%	75.9%	242.7%	(78.0%)	105.0%	(1.0%)
Revenues (VoP)	431.8%	121.6%	143.1%	(74.3%)	65.6%	7.8%
EBITDA	26.4%	92.3%	190.2%	(85.8%)	143.6%	10.2%
EBIT	22.5%	92.6%	182.1%	(88.4%)	182.3%	10.5%
Net Profit	7.1%	53.7%	173.1%	(89.9%)	219.8%	12.6%

Source: Group Consolidated Data & PMI Capital Research Estimates

**GROUP OVERVIEW**

Renovalo is a leading player in Italy's urban regeneration and real estate redevelopment sector, spearheading projects with a strong emphasis on energy efficiency, high-quality standards, and sustainable business practices guided by ESG principles. Comprising five companies, the Renovalo group stands out for its comprehensive structure, organizational solidity, and extensive expertise, enabling it to provide a wide range of integrated services. Renovalo has recently expanded its range of energy efficiency services for the construction sector by becoming an Energy Service Company (ESCO). In FY2023, the Group reported consolidated sales of Euro 124 m (100% domestic sales).



Source: Group Consolidated Data

Renovalo (previously Imprendiroma) was listed on the EGM market on July 20<sup>th</sup>, 2022. The IPO price was set at Euro 5.00 per share, corresponding to a market capitalization of Euro 56.0 m. The offer consisted of a new issuance of 1,200,000 shares, corresponding to a capital increase of Euro 6.0 m and a free float of 10.71%.

At the time of the IPO, management outlined a set of strategic targets for the 2022-2023. By the end of 2023, Renovalo had achieved or even exceeded most of these targets, including converting backlog into sales, strengthening the corporate structure, and making investments in infrastructure and marketing to manage the growing complexity of the business. Looking ahead, in a post-Superbonus environment, management intends to continue focusing on enhancing the product portfolio (through M&A and a focus on recurring revenue streams), targeting new client segments (public administrations and institutional investors), and pursuing geographical expansion (with a historical presence primarily in the Rome area). The company's ambition for nationwide growth was underscored by its rebranding to Renovalo in April 2024.

**Group structure**

From 2020 onwards, Renovalo S.p.A. has formed a holding company, organized into 5 key business units crucial for expanding its range of operations:

**Renovalo S.p.A.**, the Parent Company, and operational holding, headquartered in Rome, serves as the General Contractor and primary client liaison, specializing in urban regeneration and redevelopment projects with a focus on energy efficiency.

**NR Roma S.r.l.** ("Noiristrutturiamo" or "NR Roma") is a construction firm renowned for its artisanal craftsmanship and adherence to certified excellence standards, collaborating with Renovalo across northern and central Italy.

**Arimondi Immobiliare S.r.l.** oversees real estate acquisition and development, acting as the central hub for Renovalo's operations and diversification strategy, particularly in sustainable residential development, including social housing, student residences, and silver economy initiatives.

**H501 City Hub S.r.l.** specializes in architectural design for deep retrofitting interventions, with a focus on functional redesign, architectural modernization, and energy optimization for commercial, cultural, and residential buildings.

**Next Factory S.r.l.** partners with EnelX to manage administrative and fiscal aspects of energy efficiency projects, offering business development services to construction companies and startups, and facilitating their growth and entrepreneurial endeavors.

On July 12<sup>th</sup>, 2024, Renovalo acquired 100% of **Stil Termica Società Termo Idraulica Laziale** for Euro 0.6 m. Stil Termica, specializing in heating and energy efficiency, provides comprehensive heating services, from installing and maintaining centralized boilers to heat metering. The company ended 2023 with a turnover of Euro 0.8 m and manages over 200 systems and a pipeline in 2024 growing by 50% compared to the previous year. This acquisition enables Renovalo to expand its services, enhancing the sustainability and energy efficiency of buildings in line with the company's principles and increasingly stringent regulatory requirements.

On July 29<sup>th</sup>, 2024, **Powerin S.r.l. – SB** was established, positioning itself as a leading player in the renewable energy sector, focusing on photovoltaic systems. Originally launched in 2021 as a project to provide legal consulting for the energy market, Powerin was born from the synergy between a strong corporate culture and the commercial expertise of one of Italy's largest multiutilities. The company now seeks to solidify its position as a key reference point in the B2C market for residential projects and logistics and infrastructure for SMEs.

Outside the group's consolidation perimeter, **Krome LTD** is a UK-based company tasked with the international marketing of Made in Italy construction technologies.



Source: Group data

**BUSINESS MODEL**

Renovalo is among the leading General Contractors nationwide. Thanks to a team of highly qualified architects and engineers composed of over 200 professionals, Renovalo has over the years since the foundation developed and implemented a business model that vertically integrates the entire value chain: from Promotion to Design (both preliminary and executive), to Execution/Construction, and Services (administrative, tax and management, ancillary and after-sales support). With one General Contractor as the sole point of contact, clients benefit from streamlined interventions, with clear timelines and fixed costs.

The Group organizes its operations in 4 different types of work: civil works, design, photovoltaic projects, and technological systems. It serves private (primarily residential buildings), public, and institutional clients (Funds, Asset Management Companies, and Public Entities), carefully monitoring various development opportunities in Real Estate (Property Investments). This business model **distinguishes itself in the market with an integrated and innovative approach and a strong focus on energy efficiency and sustainability.**

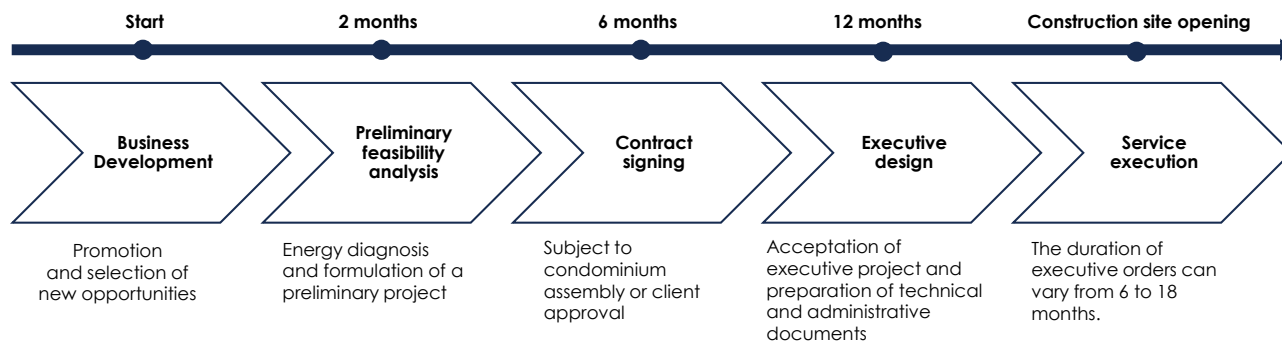
**Renovalo: Business model**



Source: PMI Capital Research elaboration based on Group data

Renovalo's business model integrates the entire value chain, leveraging its deep industry expertise to provide a comprehensive range of services through an innovative, unified approach. This allows the Group to capitalize on market opportunities and deliver high-value solutions across the sector. Its flexible organizational structure, paired with a scalable model that relies on a network of subcontractors, ensures efficient management of substantial fluctuations in project volume, optimizing operational efficiency while maintaining agility in response to changing demand. Over the next years, Management intends to continue to develop and diversify the model by focusing on new business lines and client segments.

### Value chain general contractor



Source: PMI Capital Research elaboration based on Group data

### Type or work

- Civil Works** Having served over 10,000 clients to date Renovalo is specialized in residential property renovations. The Group undertakes ordinary and extraordinary maintenance, conservative restoration, energy efficiency upgrades, or property revitalization, with a team available to support clients at every stage of the work, from concept to property management. Renovalo is particularly focused on energy efficiency and seismic retrofitting interventions that facilitate the ecological transition and ensure the safety of people in the residential, public, and private sectors. The Group offers innovative design and implementation solutions focused on maximizing quality, and sustainability, ensuring efficient time and cost management with a multidisciplinary approach that addresses projects, from master planning to detailed construction, tailored to the client's needs. The company offers its clients circular design and implementation solutions based on cutting-edge technologies to achieve the highest possible level of sustainability. Building Information Modeling (BIM) technology, the Group has adopted an advanced approach to managing and modeling data throughout the entire lifecycle of a construction project. This involves utilizing intelligent three-dimensional digital models to represent a building or infrastructure accurately. These models include geometric information, physical properties, and functional characteristics of construction elements, allowing architects, engineers, and construction professionals to collaborate more efficiently and precisely. Additionally, Renovalo is committed to constantly monitoring the territory to promote effective and long-lasting measures against abandonment and urban decay.
- Photovoltaic:** with this recently developed business unit the Group provides energy services such as installation of photovoltaic panels and electric vehicle charging stations. In 2023 the Group installed over 0.5 MWp of photovoltaic systems in condominium settings. Furthermore, Renovalo is planning to strengthen this activity by establishing a new Business Unit potentially active in the REC (Renewable Energy Communities) business. Renewable Energy Communities are groups of citizens, businesses, or local institutions collaborating to produce, consume, and/or share renewable energy. These communities can help promote local energy sustainability and improve energy efficiency through shared management of energy resources.
- Technological Systems:** Development of technologies for energy retrofitting. The strategy will be pursued through industrial partnership agreements and growth through external lines, with the consequent acquisition of specific know-how, accelerating the increase in production volumes.
- Design:** Through its subsidiary H01 City Hub, the Group is involved in designing complex renovation projects ('deep retrofitting') for buildings used for commercial, cultural, and residential purposes, whether new or undergoing renovation. It provides engineering services and high-level technical and professional support, including studies, research, analysis, and measurements, as well as design,



operational management, project management, and safety coordination in both the design and execution phases across architecture, engineering, land, and infrastructure sectors. These initiatives include contracts with corporate and public entities (also through public-private partnerships and participation in public tenders) for urban regeneration and energy efficiency projects.

## CERTIFICATIONS, PARTNERSHIPS, AND AWARDS

The Group's proficiency in executing its activities is underscored by securing key certifications in quality management, environmental standards, and occupational safety, implementing Model 231, earning numerous awards, and partnerships with leading entities. We highlight that the Group plans to strengthen its presence in the public works sector by leveraging SOA certifications and establishing a dedicated Tender Office.



Source: PMI Capital Research elaboration based on Group data

### Certifications: Quality and Innovation

Since its establishment, Renovalo obtained several certifications that attest to the quality of all operational activities, specifically emphasizing innovation and environmental sustainability.

The Group's main certifications are:

- Quality Management System: aligned with UNI EN ISO 9001:2015, part of the broader QASS (Quality, Environment, Health, and Safety) integrated management system, including certifications UNI EN ISO 14001:2015 (Effective Environmental Management System) and UNI EN ISO 45001:2018 (Occupational Health and Safety Management Systems).
- Decree 231/2001: Management and Control Model finalized in 2023 with the appointment of a Supervisory Body to ensure compliance with anti-corruption regulations and other provisions of Decree 231, addressing environmental and social issues.
- Regulation (EU) 2067/2015: confirming Renovalo's compliance with D.P.R. No. 146/2018 from Cepas SRL (Institute for Certification of Competencies and Training), this regulation governs the handling of fixed refrigeration, air conditioning equipment, and heat pumps containing fluorinated greenhouse gases. The Group is also registered in the electronic registry for fluorinated gases (F-Gas), covering the installation, maintenance, and repair of equipment, containing fluorinated greenhouse gases.
- SOA certification: obtained several categories of this certification since 2010, it enables participation in public procurement tenders and involves meeting requirements like anti-mafia regulations, professional ethics, financial stability, and labor law compliance.
- ESCo certification (UNI CEI 11352): obtained in 2024, allows to provide services that guarantee minimum outcomes in energy efficiency through diagnosis, design, and intervention implementation. It presents a major growth opportunity for Renovalo, facilitating the integration of specialized and vertical expertise.

It is noteworthy the presence of other certification systems related to the selection and purchase of certified materials that meet specific standards, to minimize environmental impact (Decreto CAM Edilizia, LEED®, Green Building Rating, and GEV EMICODE® EC1). In this regard, Renovalo has developed a strong network of reliable material and service suppliers, focusing on Italian companies in the Rome area to create a short supply chain and reduce CO2 emissions in production and sourcing.

### Partnerships

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The most important partnerships established by Renovalo are in the **Green & Tech** sectors and include:

- **Enel X:** Renovalo, as a leading entity in condominium maintenance, acts as a Technological Partner of Enel X with dozens of ongoing energy efficiency projects, providing access to high-quality materials and cutting-edge technologies. Through this collaboration, they offer tailored solutions that reduce daily consumption and utility costs while also increasing property value by improving energy efficiency.
- **Green Building Council:** Renovalo was the first company in the Lazio region to bet on a green future for construction through the reuse and regeneration of existing buildings, avoiding the consumption of new land. For this reason, Renovalo believed in and became a member of the Green Building Council Italy which promotes sustainability issues such as decarbonization and circular economy in the construction sector.

Other significant partnerships involve i) Public Administration with which the group collaborates on urban regeneration projects, ii) the Vatican - A.P.S.A. (Amministrazione del Patrimonio della Sede Apostolica) with which Renovalo performs regular and special maintenance tasks for the assets, and iii) TWM Factory, a creative studio of under-35 professionals, with the view to establish a new paradigm of architectural co-design and urban regeneration.

Furthermore, Renovalo is a founding member of A.R.T. (Associazione Imprese per la Riqualificazione del Territorio) spearheads initiatives in ethical and sustainable construction, it's a main sponsor of Italy's largest ANACI (Associazione Nazionale Amministratori Condominiali ed Immobiliari), backing its national-level initiatives and courses and it joined the international ENERGIESPRONG project to revolutionize renovation by integrating new processes (digitization, lean approaches, and offsite technology) with innovative economic and financial sustainability models.

### Awards

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Renovalo has earned prestigious awards for its innovative contributions to the construction industry:

- **'Leader della Crescita 2024':** Renovalo was named a Growth Leader nationally for the fourth time and the second consecutive year
- **'1000 Europe's Fastest Growing Companies 2023':** A prestigious award by the Financial Times and Statista, already received in 2020, identified Renovalo as one of the top 1,000 European companies for revenue growth during the 2018–2021 period. The company is distinguished for its commitment to maintaining the highest standards in building maintenance and restoration.
- **'Le Fonti Awards 2019':** Honored as the Building Renovations Company of the Year in 2019, Renovalo's dedication to innovation and leadership in the field is recognized by the prestigious Le Fonti Awards. These accolades highlight the company's efforts to uphold its values while embracing change and continually enhancing its offerings for employees and customers.

## GOVERNANCE

Renovalo's share capital is of Euro 112,000 made up of 11,200,000 ordinary shares without nominal value. The majority shareholder is Guerino Cilli, with 80.36% of the share capital (through GC Consulting S.r.l., wholly owned).

### Shareholders structure

Shareholder	No Ordinary Shares	% On Ordinary Shares
GC Consulting Srl*	9,000,000	80.36%
Michelangeli Consulting**	1,000,000	8.93%
Market	1,200,000	10.71%
<b>Total</b>	<b>11,200,000</b>	<b>100.00%</b>

(\*) 100% owned by Guerino Cilli

(\*\*) 100% owned by Pierpaolo Michelangeli

Source: Group Data

### Board of Directors

**Guerino Cilli** – Chairman and CEO

**Angelo Cilli** – Honorary Chairman

**Pierpaolo Michelangeli** – Non-Executive Director

**Rossella David** – Non-executive Director

**Paola di Pasquale** – Independent Director

### Key Managers

**Guerino Cilli** – Chairman & CEO

Guerino Cilli was born in Rome on October 23<sup>rd</sup>, 1976. He graduated in Engineering from the Polytechnic University of Turin in 2001 and obtained a second-level master's degree from LUMSA. He served as an Officer in the Military Engineering Corps from 1997 to 2004 and as a Civil Servant in the Ministry of Defense from 2005 to 2019. In 2008, he founded Imprendiroma (now Renovalo), becoming its CEO in 2019. In May 2024, he was appointed Executive President of the Board of Directors.

**Pierpaolo Michelangeli** – CKO & Project Office

Pierpaolo Michelangeli was born in Rome on May 18<sup>th</sup>, 1983. He graduated in Architecture in 2009 from the University La Sapienza of Rome and joined the Order of Architects of Rome in 2011.

After a short period working as an asset manager at Romeo Property Management, he joined Imprendiroma in 2012 as Head of the technical department, becoming a partner in 2016.

**Mauro Borgese** – CFO

Mauro Borgese was born in Rome in 1985. He is a dedicated manager with 15 years of administrative experience, focused on driving continuous business improvement. He joined Imprendiroma in 2015 and was appointed CFO in 2021.

**Claudio Amico** – COO

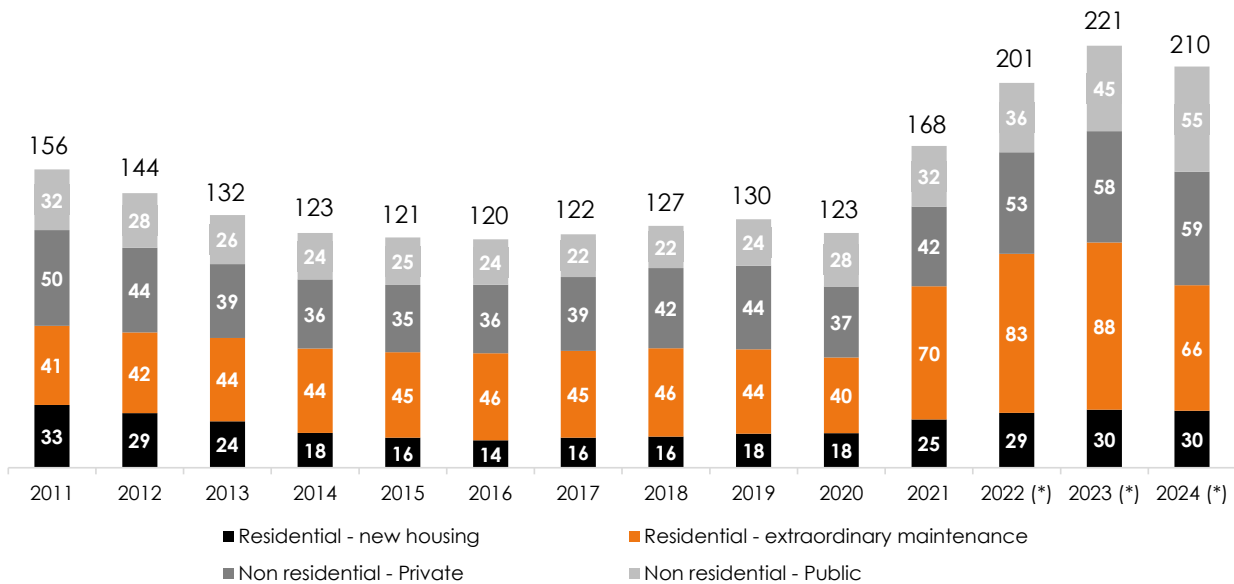
Claudio Amico was born in Syracuse on August 29<sup>th</sup>, 1976. He graduated in Civil Engineering from the Polytechnic University of Turin in July 2001 and also obtained a first-level master's degree in Project Management from the University La Sapienza of Rome and a first-level master's degree in International Strategic-Military Studies from the University of Roma Tre. From 1995 to 2021, he served as an Army officer, achieving the rank of Brigadier General.

**REFERENCE MARKET – CONSTRUCTION SECTOR IN ITALY**

Renovalo operates within the real estate renovation niche of the broader Italian construction market. Any assessment of this market must consider the overall economic climate in Italy. In 2023, the Italian economy lost the momentum it had enjoyed in the previous two years when it achieved substantial growth rates that exceeded those of major European counterparts (12.3% compared to France's 9% and Germany's 5%). Last year, after an initial surge, GDP remained largely unchanged, a trend that may continue into early 2024. Geopolitical tensions, inflation, and restrictive monetary policies slowed the post-Covid recovery, creating uncertainty that dampened both consumption and investment. The full impact of interest rate hikes was felt in the real economy in 2023, compounded by persistent high inflation that only started to ease in the latter half of the year. Additionally, international conflicts negatively affected foreign demand, reducing exports. Within this context, the evolution of construction investments is crucial, as they were a major driver of growth for the Italian economy in 2021-2022.

In 2023, the construction sector experienced consistent expansion for the third consecutive year, with a further increase of 5.0%, reaching a total value of Euro 221 billion in real terms for construction investments. This growth confirmed a moderate recovery that began in 2017, which was interrupted by the pandemic but has strengthened over the last three years. Between 2021 and 2023, sectoral production levels rose by approximately Euro 75 billion. In just three years, the sector has managed to recover a significant portion of the production gap caused by the decade-long crisis, which had led to a loss of about Euro 92 billion in the construction sector.

**2011-2024 Construction investment in Italy**



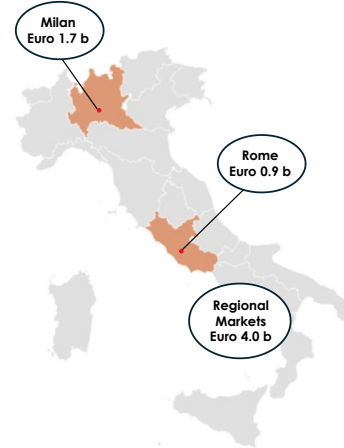
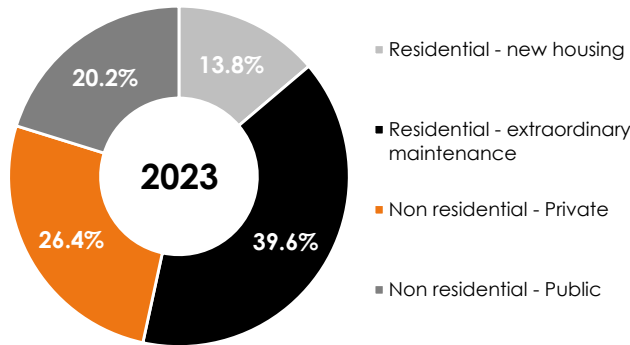
Source: ANCE Estimates  
(\*) Net of property transfer costs

Growth in 2023 resulted from widespread increases across all sectors, primarily driven by investments in residential redevelopment. Tax incentives and the public works sector, bolstered by the National Recovery and Resilience Plan (NRRP) and the closure of the 2014-2020 structural funds, also contributed significantly to this positive trend.

However, 2024 is expected to be challenging, with a forecasted 7.4% year-on-year decline in construction investments. This contraction is influenced by the reduced contribution from extraordinary maintenance, which accounts for 40% of the market and is impacted by the termination of the credit transfer/invoice discount mechanism. For this sector, a 27% decrease is anticipated, bringing values back to pre-COVID levels.

**Italy - Construction investment by sector**

**2023 Italy real estate investments**



net of property transfer costs

Source: ANCE - Observatory on the Construction Industry (January 2024)

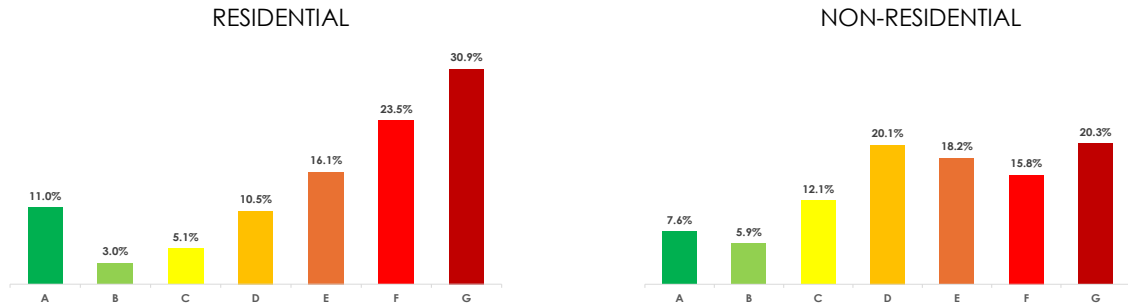
Source: CBRE Research - Italy Real Estate Market Outlook 2022 – 2023

New private residential and non-residential construction will also experience negative trends, with declines of 4.7% and 1%, respectively. In contrast, a significant increase in public works investments is expected, with a growth of 20%. This increase is tied to the necessary acceleration of investments from the National Recovery and Resilience Plan (NRRP), which is becoming even more crucial for supporting the economy and the construction sector, particularly after the downsizing of renovations as the primary driver.

**Key elements looking forward**

- The use of tax incentives for building recovery and redevelopment projects:** The future growth of the market will continue to be influenced by tax incentives, which have become increasingly central to government economic policy, aiming to modernize the real estate sector in terms of energy efficiency and earthquake resilience. The challenge of making the European real estate sector emissions-neutral by 2050 has led to changes in EU directives, emphasizing deadlines for improving energy-intensive buildings. Therefore, clear, long-term tax measures are crucial for ongoing modernization efforts. Incentives for comprehensive building interventions are essential for urban regeneration and building safety, promoting equitable, sustainable, and resilient development.
- Energy performance/efficiency of buildings:** In addressing the critical challenge of energy conservation, Europe aims to achieve climate-neutral emissions by 2050 through comprehensive energy refurbishment of its real estate. In Italy, access to data on building energy performance, facilitated by the SIAPE platform (Information System on Energy Performance Certificates), is essential for developing and implementing effective strategies. This platform, developed by Enea and Cti, provides detailed insights into the energy characteristics of buildings nationwide, including monitoring energy performance certificates ('APE') issued for individual properties.
- Portfolio and outlook of real estate in Italy:** The Italian housing stock consists of 12.2 million buildings, with 74.1% constructed before the introduction of seismic regulations (1974) and energy efficiency standards (1976). The average age of these buildings exceeds 40 years, underscoring the urgent need for maintenance interventions. Residential properties account for 87% of energy performance certificates. Among these, the most energy-intensive categories, E, F, and G, collectively represent 70.5% of certifications. In contrast, more energy-efficient categories, A1 to A4, account for 11% of residential properties and 7.6% of non-residential properties. Notably, the prevalence of the most energy-intensive classes is significantly lower in the non-residential sector, with class G being 10 percentage points lower compared to residential areas.

**Energy performance certificates ('APE') by energy classes**



Source: Ance - The ecological transition of buildings in Italy (July 2023) and Observatory on the Construction Industry (January 2024)

- Silver Economy:** Considering the continuous improvement in life expectancy worldwide, Italy is expected to see a significant increase in its elderly population over the coming years. The growing number of individuals aged 65 and over, particularly those over 80, underscores the need to address the demand for additional care facilities and the urgency of providing more nursing home beds. To meet future demand and ensure sufficient capacity, a significant expansion in the number of available beds is essential. Besides the construction of new structures, the renovation of existing buildings could help bridge this crucial need.
- Purpose-built student accommodations:** Italy's student accommodation sector is grappling with severe shortages, particularly when compared to other EMEA countries. The sector is struggling to meet the rising demand from both domestic and international students. This situation creates significant investment opportunities, as students pursuing higher education away from their home cities encounter difficulties in finding affordable housing amid escalating rental prices. Cities such as Rome and Milan, home to some of Italy's most prestigious universities, are expected to experience the most acute demand for student accommodation. Current low satisfaction levels in the market highlight a significant growth opportunity, particularly regarding the renovation of outdated buildings, given the difficulty of constructing new housing in major urban centers.
- Hotellerie:** Today's travelers are increasingly looking for high-quality, innovative hotels that align with their evolving preferences. The COVID-19 pandemic has transformed travel behaviors, highlighting a growing focus on both accommodation standards and environmental impact. Despite this, Italy's hospitality market struggles with fragmentation and a shortage of top-tier accommodations. This mismatch between strong tourist demand and limited supply highlights a critical need for renovation and modernization of existing hotel properties. The current state of Italy's hotel infrastructure, combined with the growing expectations of travelers, creates a significant opportunity for investment in updating and enhancing these facilities. The National Recovery and Resilience Plan (NRRP) recognizes this potential and is actively addressing it by allocating substantial funding to the tourism sector.

## **ENERGY EFFICIENCY IN THE CONSTRUCTION SECTOR: REGULATORY FRAMEWORK**

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Approximately 40% of the EU's energy consumption and over a third of its greenhouse gas emissions come from buildings. In response, energy efficiency in the construction sector is increasingly regulated by stringent measures aimed at reducing energy consumption, promoting sustainability, and aligning with global climate change targets. In Europe, the regulatory framework is largely shaped by the European Union's directives, while Italy, as an EU member state, follows these regulations and implements its national standards and incentive measures.

With the ambitious Green Deal, the European Union has positioned itself at the forefront of the fight for sustainability. The strategy aims to make Europe the first continent to achieve net-zero emissions by 2050, with an intermediate target of reducing emissions by 55% by 2030.

The new Energy Performance of Buildings Directive (EPBD) and the Energy Efficiency Directive (EED) are the cornerstones of energy efficiency regulations for buildings in the EU. The EED sets upper limits for energy consumption in the EU for 2030, while the EPBD aims to increase energy efficiency and accelerate the assembly of renewable energy sources in buildings.

### **EU's Energy Performance of Buildings Directive (EPBD IV)**

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The revised EPBD was approved by the EU Commission in May 2024 and gives the member nations 24 months to implement it into national law. The EPBD aligns with the EU's climate targets under the European Green Deal aiming for a 60% reduction in building emissions by 2030 and climate neutrality by 2050. The focus is primarily on the most energy-intensive buildings (85% of EU buildings were constructed before 2000, and of these, 75% have poor energy performance).

Key measures include requiring 16% of buildings to meet emission standards by 2030 and 20-22% by 2035, with the entire housing stock expected to be zero-emission by 2050. From January 2028, all newly constructed public buildings must be Zero Emission Buildings (ZEBs), with a 2030 deadline for other types of buildings.

Other objectives include:

- Annual 1.9% reduction in public sector energy consumption.
- Photovoltaic systems required on new buildings by 2028, and on renovated ones by 2032.
- No incentives for fossil fuel generators from 2040, except for hybrid and hydrogen systems.
- Building renovation passports introduced to guide staged energy renovations and encourage smart technologies.
- Emissions trading for buildings and transport starting in 2027 to promote cleaner fuels and investments.

### **Energy Efficiency Directive (EED)**

The EED, which was renewed and published in October 2023, sets upper limits for energy consumption in the EU for 2023 includes binding measures for energy efficiency, including mandatory energy audits for large companies, and promotes the renovation of existing buildings to improve energy efficiency. It also outlines long-term renovation strategies for decarbonizing the building stock by 2050.

### **Italy's national regulatory framework**

At the national level, the National Energy and Climate Plan (NECP) outlines Italy's measures to achieve its climate targets by 2030, in line with the objectives set by the European Union. While Italy still needs to transpose the new EPBD IV directive into national law, the European Green Deal is being implemented through the National Recovery and Resilience Plan (NRRP) and incentive measures, primarily in the form of tax benefits introduced to support building renovation projects (Superbonus 110%, Bonus Facciate, Ecobonus).

The Superbonus 110% has significantly impacted the market conditions of the Italian construction industry over the past few years. Although the Superbonus has been gradually reduced, with the deduction decreasing to 70% in 2024 and 65% in 2025, the government continues to promote incentives for energy-efficient renovations.

## COMPETITIVE POSITIONING

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The Italian real estate renovation market is highly competitive, featuring a range of players from smaller local and regional operators that provide tailored services within specific areas, to larger entities including subsidiaries of multinational corporations. These larger players often act as general contractors, outsourcing project execution to specialized construction firms. The Superbonus 110% initiative led to unprecedented growth between 2021 and 2023 and attracted numerous players from related industries, such as full-service real estate providers, into the market.

The market has relatively low entry barriers, allowing a wide range of new operators to enter without significant initial investment. This ease of entry has resulted in a proliferation of operators across various segments, including general contractors, project executors, and both local and national companies. The influx of new entrants has increased competition across all market segments, compelling companies to innovate and differentiate themselves.

The anticipated reduction or termination of tax incentives like the Superbonus 110% is expected to compress sales volumes and profit margins starting in 2024. As margins decrease, the sector is likely to experience consolidation, with smaller players potentially being acquired or merging to remain competitive, consequently creating opportunities for M&A activities.

## STRATEGY

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Through 2026, Management plans to pursue a growth strategy based both on organic growth and M&A centered on i) targeting fast-growing market segments ii) diversifying operations with a holistic approach (focus on recurring revenue streams and integration of value chain) iii) expanding into public and institutional client segments, and iv) extend geographic reach. Specifically:

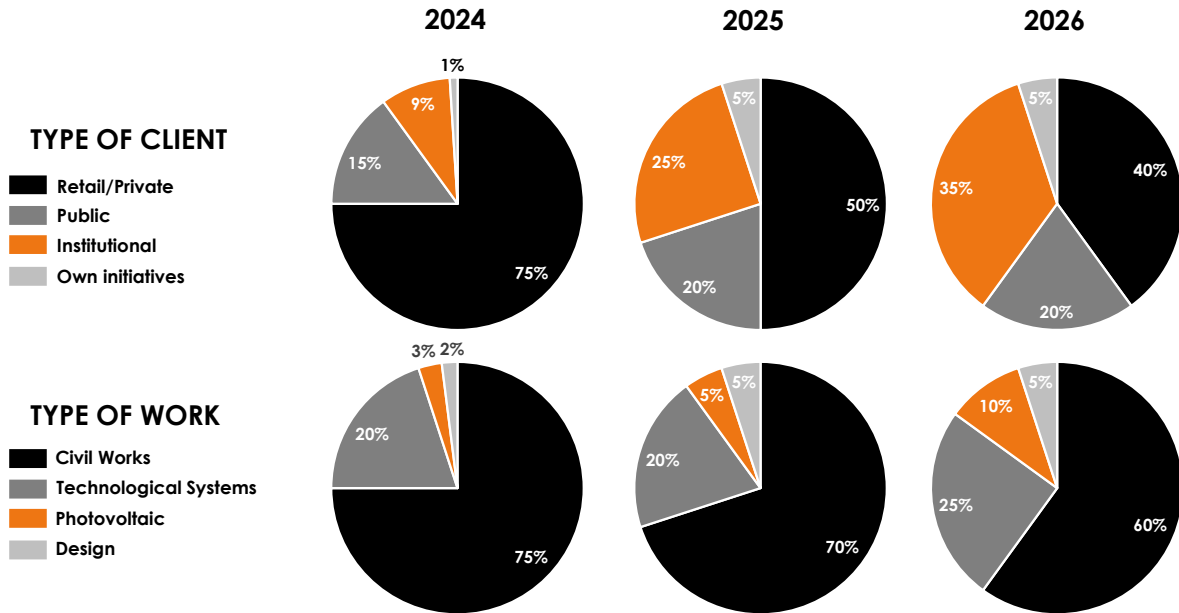
1. **Focus on fast-growing market segments:** extending current business into promising industry niches (silver economy, student accommodation, and hospitality)
2. **Strengthening of Service Offering (organic growth and M&A)**
  - **Photovoltaic:** Enhance this activity and enter the Renewable Energy Communities (REC) sector. The initiative is expected to gain traction in Italy by 2026.
  - **Technological Systems:** Forge industrial partnerships and pursue M&A opportunities for the development of energy retrofitting technologies and the acquisition of specialized know-how.
  - **Design:** Through H501 City Hub, the Group intends to increase sales from Corporate and Public counterparts for urban regeneration projects (including through PPP initiatives and participation in design competitions) and energy requalification.
3. **Client Diversification – Focus on Public and Institutional Clients:**

Following the discontinuation of the 50% invoice discount fiscal incentive (although the Ecobonus incentive will remain in effect as a tax credit until 2024), Management expects the **Retail/Private clients** to decrease their total weight on revenues in favor of:

  - **Public:** Establish a Bidding Office and leverage SOA certification to attract public works projects, supported by the National Recovery and Resilience Plan (NRRP).
  - **Institutional:** The Group is implementing a virtuous network of relations with institutional stakeholders (Funds, SGR, public participation) for the start-up of projects of redevelopment and real estate development, always with an eye on the high quality of the projects of the realization.
  - **Own Initiatives:** The Group remains vigilant on the various possibilities of developing its own in Real Estate, monitoring potential opportunities before careful due diligence activities, focusing on operations that can generate significant added value both in economic terms and how to do it for the Group.
4. **Geographical Expansion:** Explore opportunities beyond the Rome area with a focus on neighboring regions and a vision on a national scale.



2024-2026 MANAGEMENT GROWTH STRATEGY



Source: PMI Capital Research elaboration based on Group data

**Main opportunities**

**Increasing Focus on Energy Efficiency:** The heightened emphasis on energy efficiency in Italy's building sector is driven by EU regulations, environmental challenges, and the need to modernize the country's aging building stock. With financial incentives, urban regeneration initiatives, and the adoption of new technologies, the sector is steadily moving towards sustainability. Companies like Renovalo, which specialize in urban regeneration and sustainable projects, are well-positioned to benefit from the global shift toward green initiatives.

**Management's strategy is well-aligned with key market trends:** Focusing on high-growth niches such as the silver economy, student housing, and hospitality, as well as important client segments, including the public and institutional sectors.

**Fiscal Incentives and Government Support:** The Company's growth has been partly fueled by fiscal incentives for sustainable projects. Continued government support for green building and urban regeneration initiatives can provide financial advantages and stimulate further growth.

**Geographical Expansion:** The rebranding to Renovalo reflects the Company's intent to expand beyond Rome to a national scale. This broader geographic reach can open up new markets and increase its project pipeline, leveraging its proven track record in urban regeneration across Italy.

**Technological Advancements:** Investing in advanced construction technologies and innovative building techniques can enhance efficiency and reduce costs. Renovalo's adoption of new procedures and qualified personnel indicates its readiness to integrate such advancements, which can improve project delivery and competitiveness.

**Public and Private Sector Projects:** With a diverse portfolio that includes residential, public, and artistic projects (such as collaborations with the Vatican), Renovalo has opportunities to secure a variety of high-profile contracts (SOA certifications). This diversification can stabilize revenue streams and reduce dependency on a single market segment.

## Main risks

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**Geopolitical and Economic Instability:** Renovalo operates in an environment influenced by geopolitical tensions and economic uncertainties, which could impact its operations and financial performance. The Company's ability to navigate these challenges will be crucial for sustaining growth.

**Regulatory Changes:** As an active player in urban regeneration and real estate, Renovalo must comply with various regulatory requirements. Changes in environmental regulations, building codes, or fiscal policies could impact its projects and profitability.

**Execution Risk:** Although Renovalo has successfully met its backlog targets ahead of schedule, maintaining this performance level is critical. Any delays or cost overruns in future projects could negatively affect financial results and investor confidence, as could failures in executing the strategic plan.

**Reputation and Brand Transition:** The rebranding from Imprendiroma to Renovalo aims to reflect the Company's national expansion. However, this transition carries the risk of potential confusion or loss of brand equity, which could impact customer and investor relations.

**Increasing Competition:** There is a risk of rising competition, either from traditional construction businesses with established practices or from new competitors, given the low entry barriers in the market.

**Low free float and stock liquidity:** current free float of approx. 11%.

## HISTORICAL RESULTS OVERVIEW

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Since its founding in 2008, Renovalo has consistently recorded revenue growth by leveraging state incentives for energy efficiency and sustainable construction practices. The strong brand recognition, combined with a continuous commitment to innovation and the delivery of high-quality services, has further enhanced its success.

In 2021, the Group presented its first consolidated financial statements including five companies (NR Roma S.r.l., Arimondi Immobiliare S.r.l., H501 City Hub S.r.l., Next Factory S.r.l., and Krome LTD) established by management between 2020 and 2021 to enable the Group to offer a comprehensive service to its clients and continue its growth trajectory.

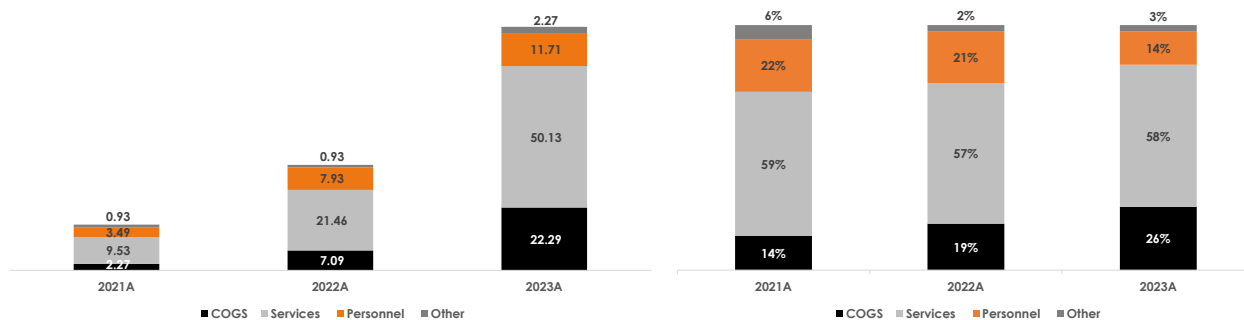
### Profit & Loss statement

Between 2021 and 2023, Renovalo experienced significant financial growth largely attributable to the Superbonus initiative Introduced in 2020, which provided substantial tax incentives for energy-efficient renovations in Italy. In 2021, when the Superbonus had just begun to gain traction, Renovalo reported a Value of Production of Euro 21.3 m, and an EBITDA margin close to 23.8%. The impact of the Superbonus became particularly pronounced in 2022, as Renovalo reported a remarkable 122% increase in VoP, reaching Euro 47.1 m, driven by increased demand from condominiums eager to take advantage of the tax deductions. EBITDA surged to Euro 9.7 m, almost double the previous year's (Euro 5.1 m), with a margin of 20.6%, slightly lower than the 23.8% recorded in 2021. The decrease was primarily attributed to external factors impacting all sector operators, including rising raw material costs and increased expenses linked to credit transfers associated with the Superbonus. Net profit also saw a significant boost, reaching Euro 6.6 m.

In 2023, the Value of production surged to Euro 114.6 m vs. Euro 47.1 m in FY22, +143% YoY as the Group managed to complete the Euro 146.0 m backlog announced in the IPO ahead of schedule anticipating revenues expected for 2024 to preserve higher margins, considering the expected reduction in tax incentives in 2024. As a result, EBITDA soared to Euro 28.2 m compared to Euro 9.7 m in FY22, with a notable improvement in margins to 24.6%. The net profit reached Euro 18.0 m, showcasing a remarkable 173% growth.

From 2021 to 2023, the reference market was heavily impacted by the Superbonus 110% scheme. In this constantly changing environment, the Group successfully navigated the challenges, demonstrating its ability to adapt to evolving market conditions. This adaptability is supported by a flexible business model and cost structure, allowing the Group to execute projects in-house or outsource them to third parties, depending on strategic needs.

## Cost Structure



Source: PMI Capital Research elaboration based on Group data

The shifting regulatory landscape with a gradual phase-out of the Superbonus initiative had a dual impact on Renovalo's 1H2024 results. While the approaching changes accelerated production towards the end of 2023 emptying the backlog, the modifications announced in March forced the renegotiation of projects previously planned for 2024, leading to delays in their execution. As a result, Renovalo experienced an anticipated re-sizing of operations with revenues of Euro 12.4 m down sharply from Euro 47.7 m in 1H2023. EBITDA fell to Euro 0.5 m (Euro 13.1 m) in the prior year whereas Net Profit stood at Euro 1.9 m after Euro 2.2 m net financial income from revised estimates of tax credit sales.

## Renovalo: Profit & Loss Statement

Income Statement	FY21	FY22	FY23	1H22	1H23	1H24
Sales	20.55	36.13	123.82	13.65	35.16	7.28
YoY %	413.7%	75.9%	242.7%	n.a.	157.5%	(79.3%)
Δ in work in progress	0.41	10.92	(9.99)	4.04	11.98	5.15
Other revenues	0.31	0.08	0.77	0.03	0.52	0.02
<b>Value of Production</b>	<b>21.27</b>	<b>47.13</b>	<b>114.60</b>	<b>17.72</b>	<b>47.66</b>	<b>12.44</b>
COGS	(2.27)	(7.09)	(22.29)	(2.74)	(11.18)	(1.17)
Services	(9.53)	(21.46)	(50.13)	(7.04)	(16.87)	(3.63)
Personnel	(3.49)	(7.93)	(11.71)	(3.67)	(5.71)	(5.89)
Use of Third-Party assets	(0.46)	(0.72)	(1.73)	(0.24)	(0.73)	(0.49)
Other	(0.47)	(0.22)	(0.54)	(0.16)	(0.05)	(0.79)
<b>EBITDA</b>	<b>5.06</b>	<b>9.72</b>	<b>28.21</b>	<b>3.86</b>	<b>13.12</b>	<b>0.47</b>
EBITDA % (on VoP)	23.8%	20.6%	24.6%	21.8%	27.5%	3.8%
D&A	(0.15)	(0.28)	(1.58)	(0.13)	(0.22)	(0.25)
<b>EBIT</b>	<b>4.90</b>	<b>9.44</b>	<b>26.63</b>	<b>3.73</b>	<b>12.90</b>	<b>0.22</b>
EBIT % (on VoP)	23.0%	20.0%	23.2%	21.1%	27.1%	1.8%
Financial Income/(Expenses)	1.19	(0.12)	(0.98)	(0.03)	(0.13)	2.22
<b>EBT</b>	<b>6.09</b>	<b>9.32</b>	<b>25.64</b>	<b>3.71</b>	<b>12.77</b>	<b>2.44</b>
EBT % (on VoP)	28.6%	19.8%	22.4%	20.9%	26.8%	19.6%
Taxes	(1.81)	(2.74)	(7.67)	(1.19)	(3.65)	(0.53)
<b>Net Profit/(loss)</b>	<b>4.28</b>	<b>6.58</b>	<b>17.98</b>	<b>2.52</b>	<b>9.12</b>	<b>1.91</b>

Source: PMI Capital Research elaboration based on Group data

### Balance Sheet

The Group's balance sheet highlights its asset-light business model, with fixed assets standing at Euro 4.0 m at the end of 2023 (up from Euro 3.5 m in FY 2022), representing around 10% of net invested capital. The model is further characterized by Negative Net Working Capital with Inventory referring to work-in-progress for custom orders, with revenues recognized through the "Percentage of Completion" method. However, trade receivables are low because this invoice discounting mechanism allows clients to obtain an immediate tax benefit, while the issuing company can recover the amount as a tax credit. For this reason, the most significant item during the period was Superbonus-related tax credits, which totaled Euro 76.8 m by the end of 2023, arising from invoice discounting arrangements with customers. Trade receivables have decreased, while other liabilities of Euro 15.6 m at year-end 2023 primarily refer to tax liabilities.

### Renovalo: Net working capital

Net Working Capital	FY21	FY22	FY23	1H22	1H23	1H24
Inventory	0.46	11.95	1.86	4.62	23.87	6.90
Trade Receivables	1.19	0.53	1.03	0.78	4.81	22.33
(Trade Payables)*	(12.83)	(10.26)	(29.75)	(4.68)	(15.09)	(9.19)
<b>Operating Working Capital</b>	<b>(11.17)</b>	<b>2.22</b>	<b>(26.86)</b>	<b>0.73</b>	<b>13.58</b>	<b>20.04</b>
% on VoP	(52.5%)	4.7%	(23.4%)	4.1%	28.5%	161.0%
Tax credits	19.20	9.14	76.79	-	27.99	34.86
Other current assets	1.32	0.57	0.57	6.49	0.53	0.05
(Other current liabilities)	(9.25)	(2.39)	(15.60)	(9.14)	(6.10)	(15.38)
<b>Net Working Capital</b>	<b>0.10</b>	<b>9.54</b>	<b>34.90</b>	<b>(1.92)</b>	<b>36.00</b>	<b>39.57</b>

\* Trade Payables include Account Payables and Advances received  
Source: PMI Capital Research elaboration based on Group data

By the end of 2023, net debt reached Euro 5.0 m, compared to a net cash position of Euro 3.7 m in 2022. This shift was largely due to increased working capital requirements, driven by higher business volumes and delays in transferring tax credits to banks. Net equity, grew substantially to Euro 33.6 m (from Euro 16.1 m in FY22) reflecting the net result of the Group.

1H24 was characterized by an increase, compared to FY23, in fixed assets following the acquisition of Stiltermica and an increase in NWC despite the lower sales volumes (Euro 39.6 m vs. Euro 34.9 m in FY23). The trade receivables increase was primarily the result of a slowdown in banking procedures related to the transfer of tax credits from fiscal incentives. Regarding tax credits, the value to be transferred to credit institutions amounts to Euro 32.0 m, while Euro 18.8 m represents credits that have already been contracted, transferred, and accepted by the credit institutions but are yet to be collected as of June 30<sup>th</sup>, 2024, and therefore reclassified among receivables from banks.

### Renovalo: Balance Sheet

Balance Sheet	FY21	FY22	FY23	1H22	1H23	1H24
<b>Fixed Assets</b>	2.37	3.46	4.01	2.86	3.81	4.75
<b>Operating Working Capital</b>	(11.17)	2.22	(26.86)	0.73	13.58	20.04
% on VoP	(52.5%)	4.7%	(23.4%)	4.1%	28.5%	161.0%
<b>Net Working Capital</b>	0.10	9.54	34.90	(1.92)	36.00	39.57
<b>Funds</b>	(0.25)	(0.56)	(0.32)	(0.33)	(0.71)	(0.42)
<b>NET INVESTED CAPITAL</b>	<b>2.21</b>	<b>12.44</b>	<b>38.59</b>	<b>0.60</b>	<b>39.10</b>	<b>43.90</b>
<b>Financials debts</b>	2.99	5.64	11.90	4.18	21.69	15.46
<b>(Net current liquidity)</b>	(5.19)	(9.30)	(6.88)	(9.61)	(7.32)	(6.04)
<b>Equity</b>	4.41	16.10	33.57	6.03	24.72	34.48
<b>SOURCES</b>	<b>2.21</b>	<b>12.44</b>	<b>38.59</b>	<b>0.60</b>	<b>39.10</b>	<b>43.90</b>

Source: PMI Capital Research elaboration based on Group data

The Group improved its net debt, showing a cash-positive balance of Euro 9.4 m, including Euro 18.8 m of transferred tax credits.

### Renovalo: Net Debt

Net Debt/(Cash)	1H24	FY23
A. Cash and Cash Equivalents	(6.04)	(6.88)
B. Cash Equivalent Assets*	(18.79)	-
C. Other Current Financial Assets	-	-
<b>D. Liquidity (A + B + C)</b>	<b>(24.83)</b>	<b>(6.88)</b>
E. Current Financial Debt	12.51	10.32
<b>F. Net Current Financial Debt (E)</b>	<b>12.51</b>	<b>10.32</b>
G. Non-current Financial Debt	2.95	1.58
H. Debt Instruments	-	-
I. Trade and Other Non-current Payables	-	-
<b>J. Non-current Financial Debt (G + H + I)</b>	<b>2.95</b>	<b>1.58</b>
<b>Net Debt/(Cash) (D + F + J)</b>	<b>(9.37)</b>	<b>5.01</b>

\* In 1H24, Euro 18.8 m of tax credits, which have already been transferred to credit institutions but are yet to be collected, are reclassified as receivables from banks and considered in the calculation of net debt.

Source: PMI Capital Research elaboration based on Group data

### ESTIMATES

Between 2021 and 2023, Renovalo achieved remarkable growth, with sales increasing at a CAGR of 145% reaching Euro 123.8 m in FY23 and primarily fueled by the Superbonus incentive scheme. Over the next years, demand is expected to normalize with growth to be driven by the increasing importance of energy efficiency, the dated Italian real estate building stock, and regulatory drivers including the revised EPDB set to increase the rate of renovation. Thanks to its technological know-how, strong focus on energy efficiency, and sales track record, we believe that the Group is well-positioned to capitalize on these market opportunities. Furthermore, Management's strategic focus on expanding its client base - targeting financial institutions - and tapping into new market niches such as the silver economy, student housing, and hospitality, should support healthy mid-term growth.

To support our view, Management recently announced an order backlog that at the end of September stood at Euro 75.9 m with 102 active construction sites representing a 39% increase compared to the Euro 54.4 m as of March 31<sup>st</sup>, with an average project duration of 250 consecutive calendar days.

### Renovalo's backlog as of 30 September 2024

### N. of active worksites

INTERVENTION	PRIVATE		PUBLIC		CORPORATE	
	N. OF WORKSITES	AMOUNT	N. OF WORKSITES	AMOUNT	N. OF WORKSITES	AMOUNT
ENERGY EFFICIENCY	42	€ 39,0 MLN	1	€ 0,6 MLN	-	-
STRUCTURAL RETROFITTING	4	€ 4,1 MLN	1	€ 4,3 MLN	1	€ 0,4 MLN
DEMOLITION AND REBUILDING	-	-	2	€ 6,3 MLN	-	-
EXTRAORDINARY MAINTENANCE	-	-	-	-	2	€ 0,9 MLN
MAINTENANCE	37	€ 17,7 MLN	2	€ 0,5 MLN	6	€ 0,7 MLN
RESTORATION	2	€ 1,1 MLN	2	€ 0,3 MLN	-	-
<b>TOTALE</b>	<b>85</b>	<b>€ 61,9 MLN</b>	<b>8</b>	<b>€ 12,0 MLN</b>	<b>9</b>	<b>€ 2,1 MLN</b>

Period	N. of active worksites
FY22	96
FY23	101
YTD Sept. 2024	102

Following the above, we believe that the Group should be able to close FY24 with a Value of Production of Euro 29.5 m, and to reach Euro 52.7 in FY26 posting a CAGR of 33.6% through the implementation of a

Management strategy focusing on new client segments and fast-growing niche markets. The growth between 2024 and 2025 is driven by the order backlog, with projects scheduled for completion partly in 2024 and partly in 2025. However, a slowdown is expected in 2026, as it will mark the final year for fiscal incentives. Consequently, the estimates have been more conservative for 2026.

Other assumptions to our estimates are:

- FY24 EBITDA of Euro 4.0 m, with an EBITDA margin of 13.6%. In the second half of the year, worksites commenced operations following the renegotiation of all projects already planned for 2024, which were implemented in the first half of the year.
- FY24-26 EBITDA CAGR is projected to be 63.8% (reaching Euro 10.8 m) exceeding that of sales, thanks to a scalable business model, coupled with effective cost rationalization efforts.
- Total Capex of Euro 4.9 m in the period considered mainly related to maintenance as we do not expect any extraordinary investments.
- Although the Group distributed dividends in FY23 and FY24, we have not factored in any distributions for FY25-26
- Tax credits will normalize by the end of 2024, following the termination of the invoice discount mechanism, as the Superbonus effect fades.
- Net working capital has been prudently estimated to maintain substantial stability in the relationship with suppliers and to account for the longer collection times of accounts receivable, which are also influenced by the abolition of the 50% invoice discount fiscal incentive and the transfer of tax credits to financial institutions.
- FY24 net debt will be cash positive by Euro 14.3 m, particularly following the collection of tax credits transferred to financial institutions, and it will continue to improve throughout the period, driven by the company's value creation initiatives.

Our forecast does not assume any M&A activity although it remains a key pillar of Management strategy (io metterei che un'opportunità per il raggiungimento degli obiettivi strategici più che un key pillar).

Income Statement	2023A	2024E	2025E	2026E
<b>Sales</b>	123.82	27.24	55.84	55.29
YoY %	242.7%	(78.0%)	105.0%	(1.0%)
<b>Charges for the transfer of tax credits</b>	-	(2.39)	(4.22)	(3.17)
<b>Δ in work in progress</b>	(9.99)	4.23	(3.27)	(0.06)
<b>Other revenues</b>	0.77	0.43	0.51	0.60
<b>Value of Production</b>	<b>114.60</b>	<b>29.50</b>	<b>48.86</b>	<b>52.66</b>
<b>COGS</b>	(22.29)	(5.96)	(10.02)	(10.56)
<b>Services</b>	(50.13)	(9.15)	(18.08)	(19.49)
<b>Personnel</b>	(11.71)	(9.15)	(9.28)	(10.01)
<b>Use of Third-Party assets</b>	(1.73)	(0.50)	(0.83)	(0.90)
<b>Other</b>	(0.54)	(0.74)	(0.88)	(0.95)
<b>EBITDA</b>	<b>28.21</b>	<b>4.01</b>	<b>9.77</b>	<b>10.77</b>
EBITDA % (on VoP)	24.6%	13.6%	20.0%	20.5%
<b>D&amp;A</b>	(1.58)	(0.93)	(1.07)	(1.16)
<b>EBIT</b>	<b>26.63</b>	<b>3.08</b>	<b>8.70</b>	<b>9.61</b>
EBIT % (on VoP)	23.2%	10.4%	17.8%	18.3%
<b>Financial Income/(Expenses)</b>	(0.98)	(0.40)	(0.26)	(0.11)
<b>EBT</b>	<b>25.64</b>	<b>2.68</b>	<b>8.44</b>	<b>9.51</b>
EBT % (on VoP)	22.4%	9.1%	17.3%	18.1%
<b>Taxes</b>	(7.67)	(0.86)	(2.62)	(2.95)
<b>Net Profit/(loss)</b>	<b>17.98</b>	<b>1.82</b>	<b>5.83</b>	<b>6.56</b>

Source: Group Data and PMI Capital Research Estimates

Balance Sheet	2023A	2024E	2025E	2026E
Fixed Assets	4.01	6.85	6.30	5.71
Operating Working Capital	(26.86)	7.07	7.27	6.53
	% on VoP	(23.4%)	24.0%	14.9%
Net Working Capital	34.90	15.33	12.64	9.69
Funds	(0.32)	(1.07)	(1.34)	(1.79)
<b>NET INVESTED CAPITAL</b>	<b>38.59</b>	<b>21.11</b>	<b>17.60</b>	<b>13.61</b>
Net Debt/(Cash)	5.01	(14.28)	(23.62)	(34.17)
Net Equity	33.57	35.39	41.22	47.78
<b>SOURCES</b>	<b>38.59</b>	<b>21.11</b>	<b>17.60</b>	<b>13.61</b>

Source: Group Data and PMI Capital Research Estimates

## VALUATION

We initiate coverage of Renovalo with a target price of Euro 5.53 per share, implying an upside of approximately 123% from the current trading price. Our target price is based on a combination of a DCF model and a multiple analysis. At this target price, the stock would trade at EV/EBITDA multiples of 13.1x and 5.4x for FY24-25.

### Valuation Summary

Method	Weight	Price (Euro)	Equity Value (Euro m)
Multiple Comparison (FY24-26 EV/ EBITDA, P/E; @20% discount)	50%	3.31	37.02
DCF (WACC 10.3% and g 1.0%)	50%	7.75	86.80
<b>Target Price</b>	<b>100%</b>	<b>5.53</b>	<b>61.91</b>

Source: PMI Capital Research Estimates

### Market Multiples

For the multiples analysis, we applied a -20% discount to the EV/EBITDA, EV/EBIT, and P/E multiples of the listed competitors operating in the renovation building or real estate sectors, as described in the peer group chapter. These companies were selected because they represent the most significant players in the target market, providing a solid comparative benchmark for our analysis.

Companies	Market Cap	Price	Sales		EBITDA % (on sales) 2023	EBIT % (on sales) 2023	NI % (on sales) 2023	2024E-2026E CAGR	
			2023	23/22				Sales	EBITDA
EdiliziAcrobatica SpA	63.00	7.48	158.47	18.6%	14.0%	9.1%	4.0%	10.9%	20.4%
Gabetti Property Solutions S.p.A.	29.20	0.48	189.83	25.9%	7.8%	6.4%	0.5%	n.a.	n.a.
Webuild SpA	2,540.87	2.48	9,290.12	21.3%	3.4%	(0.3%)	1.4%	7.1%	9.7%
Abitare In SpA	110.19	4.14	235.78	134.8%	7.3%	6.8%	10.3%	47.4%	66.7%
Innovatec SpA	87.96	0.91	205.18	(28.5%)	19.5%	12.4%	0.0%	17.5%	25.3%
Edil San Felice S.P.A.	79.31	4.12	44.01	35.4%	24.9%	22.7%	19.3%	14.4%	16.0%
ABM Industries Incorporated	2,933.03	46.71	7,545.27	3.1%	6.8%	5.3%	3.1%	1.5%	4.4%
Mears Group PLC	423.35	4.53	1,252.49	11.4%	11.0%	5.5%	3.2%	-9.2%	-4.6%
<b>Average</b>	<b>701.16</b>	<b>8.31</b>	<b>2,102.35</b>	<b>27.8%</b>	<b>11.9%</b>	<b>8.5%</b>	<b>5.2%</b>	<b>10.9%</b>	<b>52.7%</b>
<b>Renovalo S.p.A.</b>	<b>27.78</b>	<b>2.48</b>	<b>123.82</b>	<b>242.7%</b>	<b>22.8%</b>	<b>21.5%</b>	<b>14.5%</b>	<b>42.5%</b>	<b>63.8%</b>

Source: FactSet data as of October 2<sup>nd</sup>, 2024, and PMI Capital Research Estimates for Renovalo

Companies	EV/EBITDA			P/E		
	2024	2025	2026	2024	2025	2026
EdilziAcrobatica SpA	5.3x	4.4x	3.6x	9.5x	6.6x	5.0x
Gabetti Property Solutions S.p.A.	14.2x	6.2x	n.a.	n.a.	n.a.	n.a.
Webuild SpA	2.4x	2.2x	2.0x	9.4x	8.2x	7.3x
Abitare In SpA	13.1x	5.1x	4.7x	14.9x	4.5x	4.0x
Innovatec SpA	3.9x	3.0x	2.5x	9.1x	5.4x	3.6x
Edil San Felice S.P.A.	n.a.	n.a.	n.a.	9.1x	7.6x	6.8x
ABM Industries Incorporated	9.4x	9.3x	8.7x	14.6x	14.0x	12.7x
Mears Group PLC	4.4x	4.9x	4.8x	9.0x	11.8x	12.0x
<b>Average</b>	<b>7.5x</b>	<b>5.0x</b>	<b>4.4x</b>	<b>10.8x</b>	<b>8.3x</b>	<b>7.4x</b>
<b>Renovalo S.p.A.</b>	<b>4.6x</b>	<b>1.9x</b>	<b>1.7x</b>	<b>15.2x</b>	<b>4.8x</b>	<b>4.2x</b>
<i>Premium/Discount to Peers</i>	(39%)	(62%)	(61%)	41%	(42%)	(42%)

Source: FactSet data as of October 2<sup>nd</sup>, 2024, and PMI Capital Research Estimates for Renovalo

### DCF Model

For the Discounted Cash Flow analysis, we discounted free cash flows from 2024 to 2027, using a WACC of 10.3% and a perpetual growth rate (g) of 1%.

DCF Model (Euro m)	2024E	2025E	2026E	2027E
EBIT	3.08	8.70	9.61	10.76
Taxes	(0.86)	(2.62)	(2.95)	(3.21)
<b>NOPAT</b>	<b>2.22</b>	<b>6.08</b>	<b>6.67</b>	<b>7.55</b>
D&A	0.93	1.07	1.16	1.19
Change in NWC	0.77	2.69	2.95	0.07
CAPEX	(3.76)	(0.53)	(0.56)	(0.53)
<b>FCF</b>	<b>0.16</b>	<b>9.32</b>	<b>10.21</b>	<b>8.28</b>
Discounted free cash flows FY24-26E			22.63	29.2%
Discounted Terminal Value			54.81	70.8%
<b>EV</b>			<b>77.44</b>	<b>100.0%</b>
Net Debt/(Cash) 1H24			(9.37)	
Minorities 1H24			0.02	
<b>Fair Value of Equity</b>			<b>86.80</b>	
No of shares (m)			11.20	
<b>Fair Value per share (Euro)</b>			<b>7.75</b>	

Source: PMI Capital Research Estimates



**RENOVALO ON EURONEXT GROWTH MILAN**

**IPO**

Trading Market: Euronext Growth Milan  
Date: July 20<sup>th</sup>, 2022  
Price: Euro 5.00  
Capital raised: Euro 6.0 m  
Capitalisation: Euro 56.0 m

**SHARES** (as of October 2<sup>nd</sup>, 2024)

Code: RNV  
ISIN: IT0005500571  
Shares: 11,200,000  
Price: Euro 2.48  
Performance from IPO: (50%)  
Capitalisation: Euro 27.78 m  
Free Float: 10.71%  
EGA: Envent Capital Markets  
Specialist: MIT Sim

**WARRANT 2022-2025**

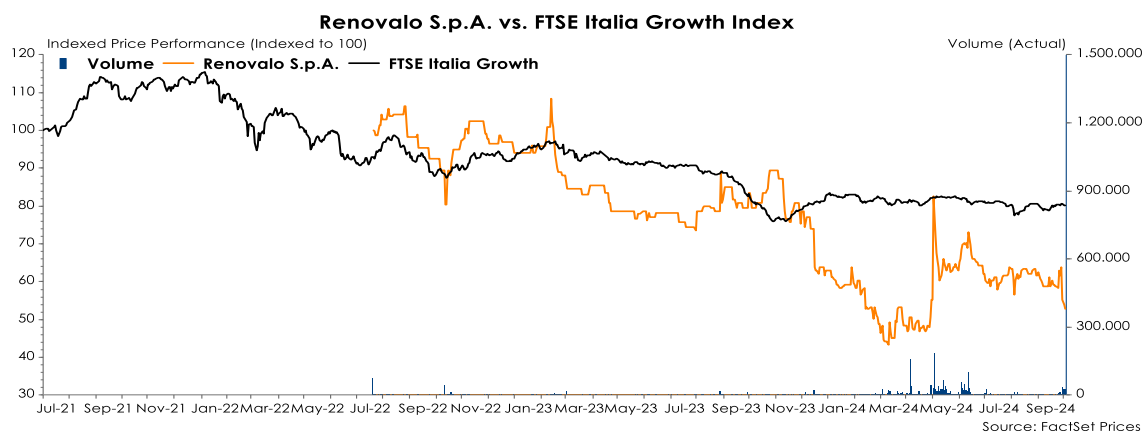
As part of the IPO, a total of 12,400,000 "Imprendiroma 2022-2025" Warrants were also issued, including 1,200,000 Warrants allocated free of charge in the ratio of 1 Warrant for every 1 newly subscribed share issued as part of the placement, and 11,200,000 Warrants allocated free of charge in the ratio of 1 Warrant for every 1 share to all shareholders of Imprendiroma S.p.A. on July 31<sup>st</sup>, 2023.

The Warrants are listed on EGM and will entitle the holder to subscribe to 1 share of the Company for every 4 Warrants exercised at different predetermined periods and prices.

Alphanumeric Code: WRNV25  
ISIN: IT0005500555  
Issued warrants: 12,400,000  
Exercise ratio: 1 new instrument every 4 warrant held.  
Exercise periods:  
1<sup>st</sup> exercise period 01/11/2023 – 15/11/2023. exercise price Euro 7.00  
2<sup>nd</sup> exercise period 01/11/2024 – 15/11/2024. exercise price Euro 8.40  
3<sup>rd</sup> exercise period 03/11/2025 – 17/11/2025. exercise price Euro 10.08

Number of outstanding Warrants on October 2<sup>nd</sup>, 2024: 12,400,000

**STOCK PERFORMANCE**



**APPENDIX**

1. **RENOVALO ESG PROFILE**
2. **HISTORIC MILESTONES**
3. **PEER GROUP**

**Renovalo ESG profile** – in partnership with ESG Observatory by IRTOP

Renovalo has received several awards for its innovative construction approach. Among the most important, is the Leader of Growth 2023 award, conferred for the third time by Il Sole 24 Ore and Statista, consistent with the accolades received in previous years. These include the 1000 Europe's Fastest Growing Companies award in 2020, presented by the Financial Times and Statista, and the Business of the Year award in the "Building Renovations" category in 2019 from Le Fonti Awards.

**Sustainable Development Goals – SDGs**



- Guarantee of health and safety at work
- Promotion of quality, inclusive, and equitable education for all, with opportunities for lifelong learning
- Reduction of gender disparities and other inequalities
- Use of clean, modern, and reliable energy sources
- Reduction of energy consumption and emissions
- Promotion of inclusive, sustainable, and innovative industrialization
- Promotion of cooperation among governments, private sector, and civil society

**Economic**

- Increase in turnover
- Doubled revenues

In 2023, the company recorded a Value of Production of Euro 115 m, marking a 243% increase compared to 2022, with revenues reaching double the amount compared to the previous year. The main earnings are derived from traditional renovation projects and the utilization of "Ecobonus," taking advantage of opportunities in the construction sector in the metropolitan area of Rome. These efforts focus on the recovery and energy efficiency enhancement of properties built primarily in the latter half of the last century.

**Governance**

- Board of Directors composition
- Ethics, compliance, and anti-corruption
- Quality and innovation

The Board of Directors is made up of two women and three men. Since 2023.

Renovalo has adopted the Organizational and Control Model with the appointment of the Oversight Body and promotes sustainable innovation through the transformation of products, services, production processes, and internal management. It collaborates with young entities like TWM Factory to co-design innovative solutions for architecture and urban regeneration.

**Social**

- Occupational health and safety protection
- Management and enhancement of people
- Territorial development and contribution to local communities
- Diversity and inclusion

Renovalo values their 249 employees, an increase from 217 in 2022 and 146 in 2021. In 2023, there are 63 apprentices (all male, 25.30% of the total), 33 employees staff (13 women and 20 men, 13.25%), 148 workers (1 woman and 147 men, 59.44%), and 5 executives (1 woman and 4 men, 2.01%).

Renovalo is actively engaged in managing relationships with the local community and territory. The Group's activities contribute to the socio-economic and environmental well-being of the areas where it operates. In 2023, it was appointed as a partner of Roma Expo 2030.

In 2023, 39.39% of employees are women. All receive economic benefits as per national collective labor agreements (CCNL), with an average pay gap of 12.24% between men and women due to differing roles. Employees come from diverse backgrounds: 49.80% are Italian, 27.31% from other European countries, 14.06% from African countries, 6.02% from Asian countries, and 2.41% from the Americas.

**Environmental**

- Urban redevelopment, energy efficiency, and reduction of the environmental impact of the building landscape
- Climate change and emissions
- Circular economy and resource conservation

The group engages in architectural, structural, and energy design considering policies for reducing environmental impact, implementing energy efficiency procedures, and reducing emissions.

In 2023, Renovalo saved 3,350 metric tons of CO<sub>2</sub>, rehabilitated 238,343 square meters of surface area, and directed 91.37% of waste towards recovery.

In 2023, the Renovalo Group disposed of approximately 1,682.467 tons of non-pulverulent solid waste (627.225 t in 2022). Of these wastes, 91.37% (98.37% in 2022 and 95.83% in 2021) were sent to recovery facilities, totaling around 1,537.317 tons, while the remaining 8.62% was delivered to disposal centers.

**Supply Chain / Procurement**

- Sustainable and responsible procurement

The procedures for qualification, control, and evaluation of suppliers and subcontractors are implemented within the framework of the Integrated Management System for Quality, Environment, Health, and Safety. These procedures include social and environmental criteria for selection and evaluation based on ISO 9001, ISO 14001, and ISO 45001 certifications.

The company primarily uses materials produced according to the requirements of the CAM Building Decree, aiming to apply components designed to reduce environmental impact from design to construction. This includes addressing various aspects such as the consumption of non-renewable raw materials, soil consumption and degradation, energy and water consumption, and waste production.

## Historic milestones

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- **2005** - Studio Cilli S.r.l. was founded in 2005, focusing on the design and management of real estate assets.
- **2008** - Establishment of Imprendiroma S.r.l. on November 28<sup>th</sup>.
- **2009** - Imprendiroma undertook its first fully in-house real estate redevelopment project, constructing underground private parking lots in agreement with the Municipality of Rome.
- **2010** - Imprendiroma won the "Roma ti aiuta in nuove imprese" contest, aimed at fostering high-value-added startups in semi-peripheral municipalities.
- **2011** - following the acquisition of a business unit from G.G.S. S.r.l., Imprendiroma received its first SOA certification for public works execution and certified its internal management system to ISO 9001 standards.
- **2012** - Imprendiroma signed a framework agreement with Banco Popolare Milano and Harley & Dickinson as an external consultant, offering the "Condominium Credit" product to finance client projects.
- **2017** - Imprendiroma was listed by the Financial Times as one of Europe's fastest-growing companies, thanks to its recorded growth performance.
- **2018** - Imprendiroma partnered with EnelX as a technological and commercial partner in developing the "Vivi meglio" product, initiating the design of energy efficiency projects. From 2018 to 2021, Imprendiroma was repeatedly named among the "Leader della crescita" by Il Sole 24 Ore.
- **2019** - Imprendiroma received the Le Fonti Award for the best national restructuring company.
- **2020** - Quality Management Systems Implementation: In 2020, Imprendiroma implemented ISO 45001 for Safety and Health at Work and ISO 14000 for Environmental Management. The company also expanded its SOA categories. Moreover, Arimondi Immobiliare S.r.l. and Next Factory S.r.l. were established.
- **2021** - NR Roma S.r.l. was founded on February 5<sup>th</sup>.
- **2022** - Formation of H501 City Hub S.r.l. and Transformation into Imprendiroma S.p.A. On July 20<sup>th</sup>, Imprendiroma was listed on Euronext Growth Milan.
- **2023** - An agreement was signed to acquire F.D.M. COSTRUZIONI S.r.l., enhancing the company's position in the monumental restoration market. The company was listed in the Financial Times "FT1000 - Europe's Fastest Growing Companies 2023," published its first GRI-compliant Sustainability Report, and earned recognition as a "Growth Leader 2024" by Il Sole 24 Ore and Statista. It also ranked highly in Guamari's "2023 Growth Champions in Private Construction" and adopted Model 231 and a Code of Ethics.
- **2024** - Imprendiroma has obtained ESCo certification. The company has been renamed "Renovalo S.p.A." to reflect its national expansion. The Articles of Association were updated to include Benefit Corporation goals, and the share capital was increased from Euro 112,000 to Euro 1,000,000, by allocating reserves to capital for a total of Euro 888,000. Angelo Cilli was appointed Honorary Chairman, and Guerino Cilli will serve as Chairman of the Board of Directors. On July 12<sup>th</sup>, 2024, Renovalo acquired 100% of Stil Termica.

## Peer Group

The **renovation construction sector** encompasses the refurbishment, restoration, and adaptation of existing buildings. This market is influenced by factors such as tax incentives, building regulations, sustainability trends, and the real estate market's performance. In recent years, the increasing demand for sustainable renovations and energy retrofitting has accelerated the development of the sector.

The sector exhibits a **highly fragmented structure**, characterized by many small players, including **Teicos Group**, and a relatively limited number of large companies. Small contractors often operate locally, providing specialized and personalized services, while larger players tend to manage larger-scale projects and integrate various services.

The **competitive landscape** of the sector is varied and includes different types of players. **Construction companies and general contractors** are key players responsible for the entire renovation process, from design to execution. Notable internationally listed companies in this field include **ABM Industries Incorporated** and **Mears Group PLC** which play significant roles in managing renovation projects, encompassing a broad range of services from planning to execution within the construction sector.

Alongside these, there are companies specialized in **energy efficiency**, focusing on energy retrofitting projects, such as the installation of photovoltaic systems and thermal insulation. Significant players in this segment include **Innovatec S.p.A.**

**Real estate service** companies, such as **Gabetti Property Solutions**, offer consulting, management, and brokerage services for renovation projects, while design and architecture firms provide specific design services for building refurbishments.

Based on the previous analysis, the main listed competitors of Renovalo include:

- **EdiliziAcrobatica SpA** specializes in outdoor construction using double safety rope access techniques. Its services include facade cleaning, balcony repairs, roof renovations, and facade painting. Established in 1994, the company is based in Genoa, Italy.
- **Gabetti Property Solutions SpA** is a holding company that offers comprehensive real estate services. Its segments include Agency, Finance, and Technical Services, providing real estate brokerage, financial product brokerage, and consultancy services. Founded in 1974, it is based in Milan, Italy.
- **Webuild SpA** provides construction services through its Construction and Concessions segments. It focuses on large-scale infrastructure projects like dams and highways, while the Concessions segment manages investments in infrastructure projects abroad. Founded in 1906, Webuild is headquartered in Milan, Italy.
- **Abitare In SpA** develops urban building projects and provides information for the architecture and design industries. Founded in 1976, it is located in Milan, Italy.
- **Innovatec SpA** provides management services for renewable energy facilities, operating through Energy Efficiency, System Integration, Building Automation, and Operations and Maintenance units. It develops tailored energy efficiency solutions and builds turnkey renewable energy plants. Founded in 1960, Innovatec is headquartered in Milan, Italy.
- **Edil San Felice SpA** specializes in the construction of industrial and residential buildings. Additionally, it offers repair and maintenance services for roads and highways. The company was founded by Lorenzo Francesco Di Palma in 1979 and is headquartered in Nola, Italy.
- **ABM Industries, Inc.** offers facility, infrastructure, and mobility solutions across various segments: Business and Industry, Manufacturing and Distribution, Education, Aviation, and Technical Solutions. The Business and Industry segment provides janitorial, facilities engineering, and parking services for commercial real estate, sports venues, and healthcare facilities. Manufacturing and Distribution offer integrated services for manufacturing and data centers. The Education segment delivers janitorial and facilities services to schools and universities. The Aviation segment supports airlines and airports with a range of services, including passenger assistance and catering logistics. The Technical Solutions segment specializes in mechanical and electrical services. Founded in 1909, ABM Industries is headquartered in New York, NY.
- **Mears Group Plc** is a holding company that provides outsourced services to both public and private sectors. It focuses on housing repairs, maintenance services, and housing management. Founded in 1988, it is headquartered in Gloucester, United Kingdom.

#### DISCLAIMER

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