EQUITY RESEARCH

UPDATE

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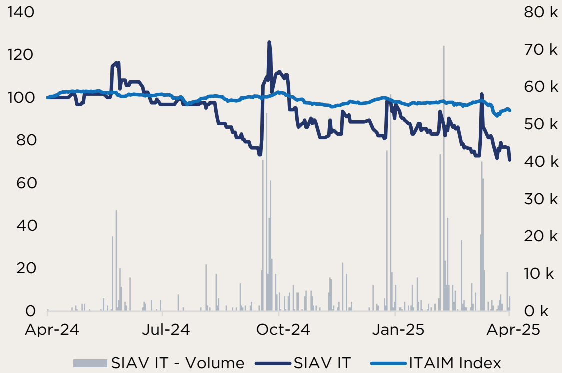
Siav

Euronext Growth Milan | ECM&BPO | Italy

Rating	Target Price
BUY	€ 6,30
unchanged	prev. € 6,50

Stocks performance relative to FTSE Italia Growth



Key Multiples	FY24A	FY25E	FY26E	FY27E
EV/Sales	1,1x	1,0x	0,9x	0,8x
EV/EBITDA	5,8x	4,3x	3,7x	3,0x
EV/EBIT	26,8x	10,5x	7,4x	5,2x
P/E	n/a	8,3x	5,1x	3,4x
NFP/EBITDA	3,3x	2,6x	1,9x	1,1x

Key Financials (€/mln)	FY24A	FY25E	FY26E	FY27E
Value of Production	33,91	38,30	43,00	47,25
EBITDA	6,27	8,35	9,90	12,10
EBIT	1,35	3,45	4,90	6,90
Net Income	(1,49)	1,85	3,00	4,50
Net Financial Position	20,88	21,46	18,50	13,35
EBITDA margin	*18,5%*	*21,8%*	*23,0%*	*25,6%*
EBIT margin	*4,0%*	*9,0%*	*11,4%*	*14,6%*
Net income margin	*n.m.*	*4,8%*	*7,0%*	*9,5%*

Stock Data

Risk	Medium
Price	€ 1,67
Target price	€ 6,30
Upside/(Downside) potential	277,4%
Ticker - Bloomberg Code	SIAV IM
Market Cap (€/mln)	€ 15,31
EV (€/mln)	€ 36,19
Free Float (% on ordinary shares)	18,22%
Shares Outstanding	9.170.625
52-week high	€ 3,24
52-week low	€ 1,52
Average Daily Volumes (3 months)	6.200

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Stock performance	1M	3M	6M	1Y
Absolute	-2,8%	-22,3%	-35,1%	-29,3%
to FTSE Italia Growth	1,0%	-18,7%	-27,3%	-22,9%
to Euronext STAR Milan	4,8%	-12,2%	-23,3%	-19,5%
to FTSE All-Share	4,9%	-22,0%	-37,9%	-35,1%
to EUROSTOXX	6,2%	-17,9%	-35,0%	-29,6%
to MSCI World Index	5,8%	-9,9%	-25,5%	-32,4%

Source: FactSet

Main Ratios	FY24A	FY25E	FY26E	FY27E
ROA	2,6%	6,3%	8,6%	11,0%
ROIC	n/a	5,8%	9,4%	14,4%
ROE	n/a	17,8%	22,4%	25,1%
Current Ratio	0,7x	0,8x	0,9x	1,1x

Source: FactSet

FY24A Results

In 2024, Siav maintained a stable Value of Production at € 33.91 mln, in line with both the previous year and expectations. Revenue growth, reaching € 33.65 mln (+4.9%), was driven by management efficiency and a strategic focus on high value-added business lines—particularly the Software segment, which generated € 15.23 mln (+6.4%), accounting for 45.7% of total revenues, with over 80.0% being recurring. EBITDA rose to € 6.27 mln (+17.4%), supported by cost rationalization, resulting in a margin of 18.5%. Despite the increase in amortization, EBIT reached € 1.35 mln (+47.8%). Net Income was negative at € -1.49 mln, due to extraordinary expenses linked to the restructuring plan. Net Financial Position (NFP) stood at € 20.88 mln of debt, reflecting investments in the Connect platform, which is intended to become the cornerstone of Siav's future offering.

Estimates and Valuation Update

In light of the results published in the annual report for FY24A, we almost entirely confirm our estimates for the current and coming years. Specifically, we confirm a FY25E Value of Production of € 38.30 mln and EBITDA of € 8.35 mln, corresponding to a margin of 21.8%. In the following years, we expect the Value of Production to grow to € 47.25 mln in FY27E (CAGR 24A–27E: 11.7%), with EBITDA reaching € 12.10 mln (equivalent to a 25.6% margin), up from € 6.27 mln in FY24A (EBITDA margin of 18.5%). From a balance sheet perspective, we estimate a Net Financial Position of € 13.35 mln in debt for FY27E. We conducted Siav's equity value assessment using both the DCF method and a multiples-based comparison with a sample of comparable companies. The DCF valuation (which prudently includes a 2.5% specific risk premium in the WACC calculation) results in an equity value of € 57.6 mln. The market multiples approach yields an equity value of € 58.0 mln. **The resulting average equity value is approximately € 57.8 mln. Our target price is € 6.30, with a BUY rating and MEDIUM risk profile.**

Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenues	32,09	33,65	37,80	42,50	46,75
Other revenues	1,78	0,27	0,50	0,50	0,50
Value of Production	**33,88**	**33,91**	**38,30**	**43,00**	**47,25**
COGS	0,46	0,35	0,50	0,50	0,50
Services	9,94	9,86	9,80	10,90	11,90
Use of asset owned by others	0,38	0,32	0,40	0,40	0,40
Employees	17,55	16,86	19,00	21,00	22,00
Other operating costs	0,21	0,26	0,25	0,30	0,35
EBITDA	**5,34**	**6,27**	**8,35**	**9,90**	**12,10**
EBITDA Margin	*15,8%*	*18,5%*	*21,8%*	*23,0%*	*25,6%*
D&A	4,43	4,92	4,90	5,00	5,20
EBIT	**0,91**	**1,35**	**3,45**	**4,90**	**6,90**
EBIT Margin	*2,7%*	*4,0%*	*9,0%*	*11,4%*	*14,6%*
Financial management	(1,26)	(2,60)	(1,10)	(1,10)	(1,20)
EBT	**(0,35)**	**(1,25)**	**2,35**	**3,80**	**5,70**
Taxes	0,10	0,24	0,50	0,80	1,20
Net Income	**(0,46)**	**(1,49)**	**1,85**	**3,00**	**4,50**

CONSOLIDATED BALANCE SHEET (€/mln)	FY23A	FY24A	FY25E	FY26E	FY27E
Fixed Assets	**32,50**	**33,62**	**33,70**	**33,20**	**32,00**
Account receivable	11,55	10,81	13,10	14,60	16,00
Inventories	2,12	1,88	2,50	2,70	2,90
Account payable	9,59	9,85	9,65	10,70	11,65
Operating Working Capital	**4,08**	**2,85**	**5,95**	**6,60**	**7,25**
Other receivable	4,09	2,99	3,50	3,80	4,00
Other payable	9,29	8,52	9,20	9,40	9,60
Net Working Capital	**(1,11)**	**(2,69)**	**0,25**	**1,00**	**1,65**
Severance & other provisions	1,81	1,51	2,10	2,30	2,40
NET INVESTED CAPITAL	**29,58**	**29,42**	**31,85**	**31,90**	**31,25**
Share capital	0,31	0,31	0,31	0,31	0,31
Reserves	10,09	9,72	8,24	10,09	13,09
Net Income	(0,46)	(1,49)	1,85	3,00	4,50
Equity	**9,94**	**8,54**	**10,39**	**13,40**	**17,90**
Cash & cash equivalents	2,23	2,69	2,04	3,00	7,65
Short term financial debt	6,98	7,13	7,00	6,50	7,00
M/L term financial debt	14,89	16,43	16,50	15,00	14,00
Net Financial Position	**19,64**	**20,88**	**21,46**	**18,50**	**13,35**
SOURCES	**29,58**	**29,42**	**31,85**	**31,90**	**31,25**

CONSOLIDATED CASH FLOW (€/mln)	FY24A	FY25E	FY26E	FY27E
EBIT	**1,35**	**3,45**	**4,90**	**6,90**
Taxes	0,24	0,50	0,80	1,20
NOPAT	**1,11**	**2,95**	**4,10**	**5,70**
D&A	4,92	4,90	5,00	5,20
Change in NWC	**1,58**	**(2,94)**	**(0,75)**	**(0,65)**
Change in receivable	*0,74*	*(2,29)*	*(1,50)*	*(1,40)*
Change in inventories	*0,24*	*(0,62)*	*(0,20)*	*(0,20)*
Change in payable	*0,26*	*(0,20)*	*1,05*	*0,95*
Change in others	*0,34*	*0,17*	*(0,10)*	*(0,00)*
Change in provisions	(0,30)	0,59	0,20	0,10
OPERATING CASH FLOW	**7,31**	**5,50**	**8,55**	**10,35**
Capex	(6,03)	(4,98)	(4,50)	(4,00)
FREE CASH FLOW	**1,28**	**0,52**	**4,05**	**6,35**
Financial Management	(2,60)	(1,10)	(1,10)	(1,20)
Change in Financial debt	1,69	(0,06)	(2,00)	(0,50)
Change in equity	0,09	0,00	0,00	0,00
FREE CASH FLOW TO EQUITY	**0,45**	**(0,64)**	**0,95**	**4,65**

Source: Siav Historical Data and Integrae SIM estimates

Company Overview

Siav is an Italian software company, leader in the Enterprise Content Management (ECM) and Business Process Outsourcing (BPO) sector, and established in 1989 in Rubano, in the Province of Padua, by Alfieri Voltan, the current Chair of the Board of Directors. The Company heads an international group present in particular on the Italian market.

The Group's offerings are divided into three main segments: proprietary document management software, vertical proprietary software and solutions and business process outsourcing ser vices. The proprietary document management software segment is mainly concentrated in offering the proprietary software applications Archiflow, Silloge and Catflow, developed internally by Siav, which help customers implement highly-sophisticated and innovative digital transformation projects. The second segment is based on the offer of document management related vertical proprietary software platforms and solutions, such as the proprietary Quality & Audit Management platform Checker, the Health, Safety and Environ ment (HSE) Management platform Revo, the fintech Digital Financial Services Management platform MyCreditService, SAP dashboards for the integration of active and passive billing cycles and related administration and tax obligations, as well as solutions dedicated to the Healthcare world. Finally, the third segment concerns outsourcing services for the digita lization and electronic storage of documents, managed via a proprietary solution named Virgilio, and B2B electronic invoicing provided through the Siav Services Hub services portal.

FY24A Results

TABLE 2 – ACTUAL VS ESTIMATES FY24A

€/mln	Revenues	EBITDA	EBITDA %	EBIT	Net Income	NFP
FY24A	33,65	6,27	18,5%	1,35	(1,49)	20,88
FY24E	33,60	6,80	19,9%	2,00	0,40	18,96
Change	*0,1%*	*-7,9%*	*-1,5%*	*-32,5%*	*n/a*	*n/a*

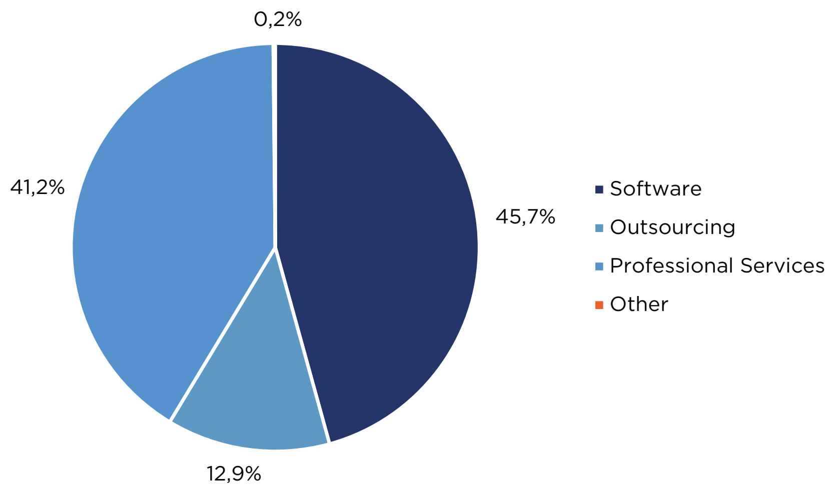
Source: Integrae SIM

Through a press release, the Group commented on its annual results: "*2024 was a year that allowed us to consolidate our strategies in terms of corporate organization and focus on our business model, enabling us to fully achieve our objectives and capitalize on our competitive advantages through the optimization actions undertaken. In fact, during the year we already began implementing efficiency measures, acting both on revenues—where we recorded modest growth in future strategic business lines—and on direct order costs, personnel costs, and other fixed expenses, which overall decreased by approximately 4%. The concrete results of these actions give us optimism for the future, confident that we will generate value for all stakeholders. From a financial management perspective, in 2024 we completed the significant financial effort linked to the development of Connect. We now believe we are well positioned to become a leading player in the cloud-native solutions space, both in the public and private sectors.*"

At the end of FY24, the Value of Production amounted to € 33.91 mln, essentially flat compared to the previous year's € 33.88 mln and in line with our estimate of € 33.60 mln. The slight increase was mainly attributable to improved revenue management during the year, which led to an increase in revenues from € 32.09 mln in FY23A to € 33.65 mln in FY24A. The Group continued to pursue its strategic focus on high-value and recurring business lines, such as Software, where more than 80% of revenues are recurring.

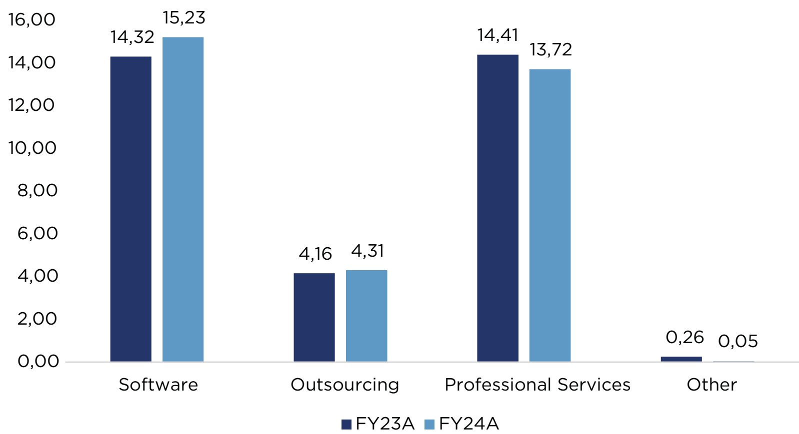
The "Software" line, accounting for 45.7% of total revenues in FY24A, generated € 15.23 mln in revenue from the Group's main platforms—Archiflow, Catflow, Silloge (now Connect), and Checker—marking a 6.4% increase from FY23A. The "Outsourcing" line also grew by 3.5% compared to 2023, with € 4.31 mln in revenues from electronic invoicing and digital archiving services. Conversely, the "Services" segment declined by 4.8% to € 13.72 mln, due to delays in some public sector projects linked to the NRRP (National Recovery and Resilience Plan).

CHART 1 – REVENUES BREAKDOWN BY BUSINESS LINE FY24A



Source: Integrae SIM

CHART 2 – REVENUES BREAKDOWN BY BUSINESS LINE FY23A VS FY24A



Source: Integrae SIM

EBITDA for FY24A amounted to € 6.27 mln, reflecting a 17.4% increase over the € 5.34 mln recorded in the previous year, though slightly below our earlier estimate of € 6.80 mln. This growth was driven by operating cost efficiency, particularly in direct order costs, personnel expenses, and fixed costs, which reduced the overall cost impact on the Value of Production by 3.23%, from 84.3% in FY23A to 81.5% in FY24A, thereby improving margins. Indeed, the EBITDA margin rose from 15.8% in FY23A to 18.5% in FY24A, although still slightly below our projection of 19.9%.

EBIT, after amortization and write-downs of € 4.92 mln, amounted to € 1.35 mln, up from € 0.91 mln in FY23A, yet below our estimate of € 2.00 mln. The increase in amortization compared to the previous year (€ 4.43 mln) was largely due to ongoing investments and development efforts related to the Group's software platforms. Nevertheless, EBIT margin rose from 2.7% in FY23A to 4.0% in FY24A. Net Income for the year stood at € -1.49 mln, compared to € -0.46 mln in FY23A and below our forecast of € 0.40 mln, mainly due to € 1.12 mln in non-recurring expenses tied to the organizational restructuring project, especially in relation to personnel and associated costs.

From a balance sheet standpoint, the Net Financial Position deteriorated, moving from € 19.64 mln in debt in FY23A to € 20.88 mln in FY24A. This figure reflects the substantial financial effort required to finalize the Connect platform, which will allow the Group to emerge as a key player in the cloud-native solutions space, both in public and private markets. Notably, in July 2024, the Group signed a strategic partnership with Mindware FZ LLC, a global IT technologies distributor focused on the Middle East, which will act as exclusive distributor for Siav Connect.

In conclusion, throughout 2024, Siav implemented significant organizational restructuring policies aimed at optimizing operational costs and redirecting focus toward high-potential, recurring revenue business lines. These actions substantially improved operating margins. The Connect initiative, while requiring major financial investment—resulting in a worsened NFP—is now positioned as the foundation of Siav's future offering, targeting the enterprise market and sectors still at the early stages of digital transformation, such as utilities, banking & insurance, and healthcare.

FY25E – FY27E Estimates

TABLE 3 – ESTIMATES UPDATES FY25E-27E

€/mln	FY25E	FY26E	FY27E
VoP			
New	38,30	43,00	47,25
Old	38,30	43,00	n/a
Change	*0,0%*	*0,0%*	*n/a*
EBITDA			
New	8,35	9,90	12,10
Old	8,35	9,90	n/a
Change	*0,0%*	*0,0%*	*n/a*
EBITDA %			
New	21,8%	23,0%	25,6%
Old	21,8%	23,0%	n/a
Change	*0,0%*	*0,0%*	*n/a*
EBIT			
New	3,45	4,90	6,90
Old	3,45	4,90	n/a
Change	*0,0%*	*0,0%*	*n/a*
Net Income			
New	1,85	3,00	4,50
Old	1,86	3,00	n/a
Change	*-0,4%*	*-0,1%*	*n/a*
NFP			
New	21,46	18,50	13,35
Old	17,15	13,50	n/a
Change	*n/a*	*n/a*	*n/a*

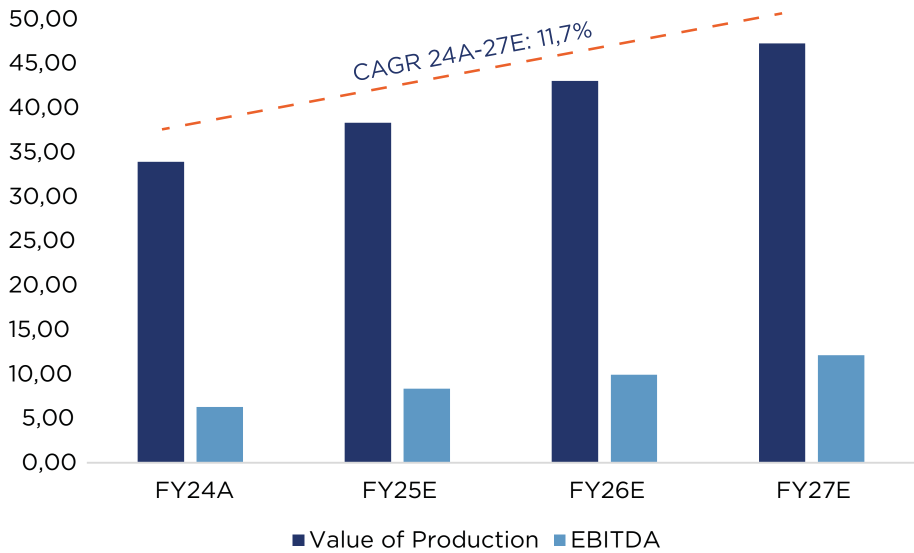
Source: Integrae SIM

In light of the results published in the FY24A annual report, we almost entirely confirm our estimates for the current year and the following ones.

Specifically, we confirm a FY25E Value of Production of € 38.30 mln and EBITDA of € 8.35 mln, corresponding to a margin of 21.8%. Looking ahead, we expect the Value of Production to reach € 47.25 mln in FY27E (CAGR 24A–27E: 11.7%), with EBITDA of € 12.10 mln, corresponding to a margin of 25.6%, up from € 6.27 mln in FY24A (EBITDA margin of 18.5%).

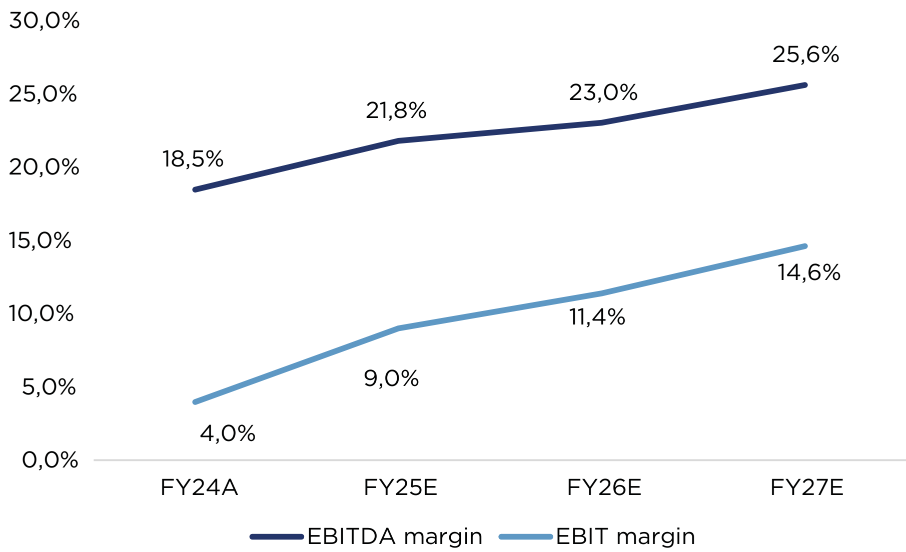
From a balance sheet perspective, we estimate a FY27E Net Financial Position of € 13.35 mln in debt.

CHART 3 – VOP AND EBITDA FY24A – FY27E



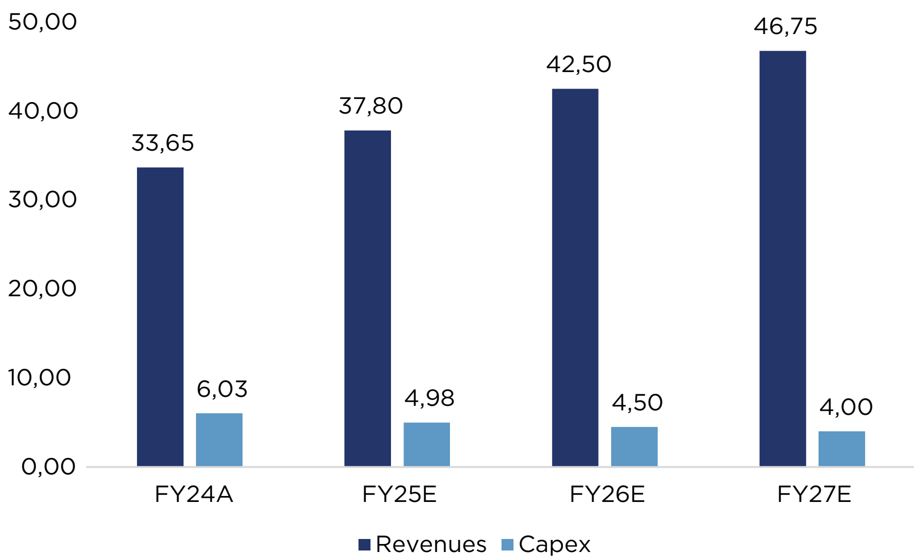
Source: Integrae SIM

CHART 4 – MARGIN % FY24A– FY27E



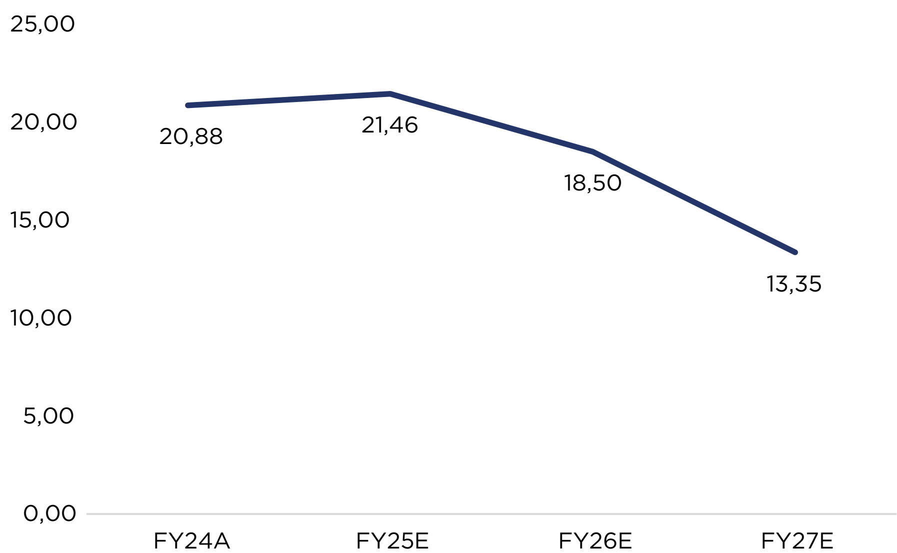
Source: Integrae SIM

CHART 5 – CAPEX FY24A – FY27E



Source: Integrae SIM

CHART 6 – NFP FY24A – FY27E



Source: Integrae SIM

Valuation

We conducted our valuation of the equity value of Siav on the basis of the DCF method and multiples of a sample of comparable companies.

DCF Method

TABLE 4 – WACC

WACC			7,98%
D/E **185,71%**	Risk Free Rate **2,81%**	β Adjusted **1,85**	α (specific risk) **2,50%**
Kd **3,00%**	Market premium **7,26%**	β Relevered **2,28**	Ke **18,77%**

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%. The result is therefore a WACC of 7.98%.

TABLE 5 – DCF VALUATION

DCF		% of EV
FCFE actualized	7,7	10%
TV actualized DCF	70,8	90%
Enterprise Value	**78,5**	**100%**
NFP (FY24A)	20,9	
Equity Value	**57,6**	

Source: Integrae SIM

With the above data and taking our estimates and assumptions as a reference, the result is an **equity value of € 57.6 million**.

TABLE 6 – EQUITY VALUE SENSITIVITY ANALYSIS

€/mln		WACC						
		6,5%	7,0%	7,5%	8,0%	8,5%	9,0%	9,5%
Growth Rate (g)	3,0%	123,9	105,2	90,6	78,9	69,4	61,5	54,8
	2,5%	106,7	92,0	80,2	70,5	62,5	55,7	49,9
	2,0%	93,4	81,4	71,7	63,5	56,7	50,8	45,7
	1,5%	82,7	72,8	64,6	57,6	51,6	46,5	42,0
	1,0%	74,0	65,6	58,6	52,5	47,3	42,7	38,7
	0,5%	66,7	59,5	53,4	48,1	43,5	39,4	35,8
	0,0%	60,5	54,3	49,0	44,3	40,2	36,5	33,2

Source: Integrae SIM

Market Multiples

Our panel consists of companies operating in the same sector as Siav, although many of them have a larger market capitalization. These companies are the same as those used for the calculation of the Beta in the DCF method. The panel includes:

TABLE 7 – MARKET MULTIPLES

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Doxee S.p.A.	5,3 x	3,7 x	3,0 x	35,8 x	9,2 x	5,8 x	n/a	n/a	n/a
Box, Inc. Class A	13,6 x	12,1 x	9,8 x	14,9 x	13,3 x	11,2 x	24,6 x	20,3 x	16,1 x
NTT Data Corp	8,6 x	8,1 x	9,9 x	16,6 x	15,0 x	14,6 x	20,4 x	18,5 x	17,8 x
Esker SA	33,8 x	29,0 x	n/a	48,9 x	41,7 x	n/a	63,9 x	53,7 x	n/a
Objective Corporation Limited	27,6 x	24,2 x	21,0 x	33,7 x	30,0 x	26,2 x	41,0 x	36,9 x	33,0 x
Workday, Inc. Class A	17,6 x	14,7 x	12,6 x	19,7 x	16,3 x	13,6 x	25,1 x	21,3 x	18,6 x
Median	**15,6 x**	**13,4 x**	**9,9 x**	**26,7 x**	**15,6 x**	**13,6 x**	**25,1 x**	**21,3 x**	**18,2 x**

Source: Integrae SIM

TABLE 8 – MARKET MULTIPLES VALUATION

€/mln	FY25E	FY26E	FY27E
Enterprise Value			
EV/EBITDA	130,41	132,90	120,15
EV/EBIT	92,04	76,66	93,77
P/E	46,51	63,85	81,85
Enterprise Value post 25% discount			
EV/EBITDA	97,81	99,67	90,11
EV/EBIT	69,03	57,50	70,33
P/E	34,88	47,89	61,39
Equity Value			
EV/EBITDA	76,35	81,17	76,76
EV/EBIT	47,57	38,99	56,97
P/E	34,88	47,89	61,39
Average	**52,93**	**56,02**	**65,04**

Source: Integrae SIM

The equity value of Siav was calculated using EV/EBITDA, EV/EBIT and P/E market multiples. After applying a 25.0% discount, the result is an **equity value of € 58.0 million**.

Equity Value

TABLE 9 – EQUITY VALUE

Average Equity Value (€/mln)	57,8
Equity Value DCF (€/mln)	57,6
Equity Value Multipes (€/mln)	58,0
Target Price (€)	**6,30**

Source: Integrae SIM

The results give an average equity value of approximately € 57.8 million.

The target price is therefore € 6.30 (prev. € 6.50). We confirm a BUY rating and MEDIUM risk.

TABLE 10 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	12,6x	9,4x	7,9x	6,5x
EV/EBIT	58,3x	22,8x	16,1x	11,4x
P/E	n/a	31,2x	19,3x	12,8x

Source: Integrae SIM

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Main Ratios	FY24A	FY25E	FY26E	FY27E
EV/EBITDA	5,8x	4,3x	3,7x	3,0x
EV/EBIT	26,8x	10,5x	7,4x	5,2x
P/E	n/a	8,3x	5,1x	3,4x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

Analyst/s certification

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Upside Potential (for different risk categories)

Rating	Low Risk	Medium Risk	High Risk
BUY	Upside >= 7.5%	Upside >= 10%	Upside >= 15%
HOLD	-5% < Upside < 7.5%	-5% < Upside < 10%	0% < Upside < 15%
SELL	Upside <= -5%	Upside <= -5%	Upside <= 0%

U.R.	Under Review
N.R.	Not Rated

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