



A leader in document management solutions

- Siav Spa is a leading Italian software company specialized in the Enterprise Content Management (ECM) and Business Process Outsourcing (BPO) segments. The Group operates in the market with three business lines: proprietary software for document management, vertical solutions and outsourced services.
- Siav's technological solutions are sold directly or indirectly through a network of Partners to Enterprise and PA customer in "On premise" or "SaaS" mode, in the cloud or through mixed configurations.
- Siav was founded in Rubano (Padova) in 1989 by Alfieri Voltan, current Chairman, and operates on the national and international territory with 10 offices of which 7 in Italy (Rubano, Rome, Milano, Genoa and Bologna) 2 in Switzerland and 1 in Romania.
- With two thirds of total employees (over 300) being engaged in technical activities (development and implementation) and over 20% of annual turnover invested in R&D activities the Group is strongly focused on innovation. The R&D activities are carried out through a "Factory" dedicated to the improvement of the quality and utility of the proprietary solutions.
- In addition, the Group's R&D laboratory, which operates in collaboration with the University of Padua on innovative projects such as: the Automatic Classifier, Process Mining and Social Network Analysis. Siav's platforms and solutions are transversal with respect to the product sector in which its clients operate (retail, services and public administration): as of December 31, 2021, the Group has more than 4'000 active clients, direct and indirect, both private and related to public administration.
- Siav's value proposition is based on offering proprietary software solutions that are integrated within its customers' document management and digital content activities, enabling them to facilitate and improve the digital experience and electronic storage of documents.
- The Group, which has been in business for more than 30 years, is managed by a team of experts, characterized by undisputed software development skills, market knowledge and extensive experience in the IT industry. Siav has been a benefit company since December 2021: the Company brings the best technologies and experiences to the market, building a sustainable future where it is easier for everyone to collaborate through better information sharing.
- The Group realized FY21 revenues of Euro 32.2 m, (+ 12% YoY) of which c. 60% recurring, and with an EBITDA of Euro 4.1 m, corresponding to an EBITDA margin of 10%. Over the next years, we expect the Group to be able to grow revenues at a 22-25 CAGR of 12% to Euro 48.8 m in FY25 thanks to the development and commercialisation of "Silloge" and consolidation of the business model. EBITDA margin is expected to reach 23% in FY25 (Euro 12.2 m).
- On August 4th 2022, SIAV was admitted to trading on the Euronext Growth Milan (EGM) market managed by Euronext. The listing took place with the placement of a total of 1.670.000 ordinary shares, of which 1.500.000 newly issued and the IPO enabled Siav to raise Euro 5 m (including Greenshoe in capital increase), which further concretized its planned strategies aimed at consolidating its competitive position, as well as to continue with growth by external lines through extraordinary finance operations aimed at creating strategic synergies at the production-commercial level, in the product and internationalization spheres.
- We initiate our coverage on Siav with a target price of Euro 6.47 p.s., obtained as the average between a DCF and multiple comparison analysis. Our target price represents a potential upside of 61% and an implicit 2022-2023 EV/EBITDA multiple of 11.3x and 9.6x respectively.

Target Price 6.47

Price (€ m) **4.0**

Market Cap (€ m) **36**

EV (€ m) **43**

As of 02nd September, 2022

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	SIAV:IM
ISIN	IT0005504128
N. of Shares	9,170,000
Free Float	18,21%
CEO	Nicola Voltan

Financials

	2021PF	2022E	2023E	2024E
Sales	32.2	35.0	38.1	43.0
YoY %	n.m.	+8.7%	+8.9%	+12.9%
EBITDA	4.1	5.7	6.4	8.8
EBITDA %	10%	13%	15%	19%
EBIT	1.4	2.6	2.9	5.0
EBIT %	3%	6%	7%	11%
Net Income	0.95	2.3	2.6	4.4
Net Debt	6.4	5.5	2.7	(2.7)

Performance

	1M	3M	6M
Absolute %	n.m.	n.m.	n.m.
Relative (FTSE Italia Growth)	n.m.	n.m.	n.m.
52-week High/Low (Eu)	5.7	/	3.1

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SIAV SNAPSHOT

Company description

Siav SpA, established in 1989 in Rubano (Padua) by Alfieri Voltan, is a software company specializing in Enterprise Content Management (ECM) and Business Process Outsourcing (BPO). Siav's offerings are based on proprietary software for document management, vertical solutions and outsourced services.

Siav's platforms and solutions cut across the industries and sectors in which its customers operate; as of December 31, 2021, the Group had more than 4'000 clients and employed a total of about 340 people.

Management

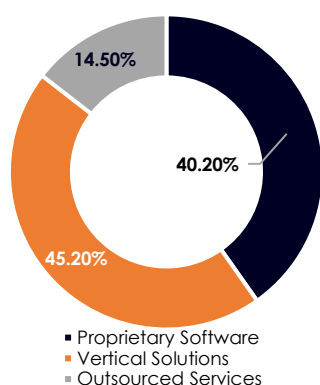
Alfieri Voltan – Chairman
Nicola Voltan – CEO
Daniele Boggian – CFO

Key Shareholders

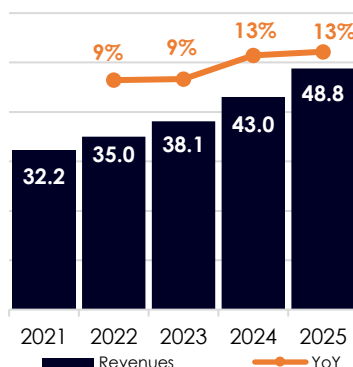
Taco Holding - 53%
Nicola Voltan – 4%
Matteo Voltan – 4%
Alfieri Voltan – 2,6%
Others – 18,5%
Free Float – 18,2%

Revenue breakdown

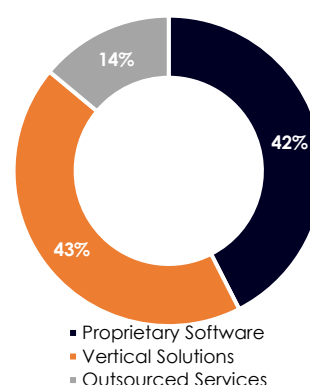
by business lines – FY21



growth FY21-25



by business lines – FY25



Source: Group presentation

Investment highlights

Strong R&D activities, with investments amounting to approx. 20% of annual sales, in order to increase internal expertise regarding the most innovative technologies and to continue developing the proprietary solutions covered by the Group's offerings.

Siav's value proposition is based on **offering proprietary software solutions** that are integrated within its customers' document management and digital content activities, enabling them to facilitate and improve the digital experience and electronic storage of documents.

The Group has a well-established customer base with more than 4,000 active customers in a variety of product sectors, both in the private sector and public administration, thanks in part to its ability to adapt its revenue model to different customer segments.

Ability to seize significant inorganic growth opportunities through M&A transactions with companies that perform activities that can be well integrated into the Group's offerings in order to assert its leadership in the document management sector.

The Group, which has been in business for more than 30 years, is managed by a **team of experts, characterized by undisputed software development skills, market knowledge and extensive experience in the IT industry**. Siav has been a **benefit company since December 2021**: the Company brings the best technologies and experiences to the market, building a sustainable future where it is easier for everyone to collaborate through better information sharing.

Positive financial results in terms of revenue and EBITDA in recent years with proven resilience to market shocks as shown in the period of the Covid-19 pandemic.

KEY FINANCIALS

Profit&Loss Statement	2021PF	2022E	2023E	2024E	2025E
Revenues (VoP)	40.1	43.1	42.0	46.8	52.7
EBITDA	4.1	5.7	6.4	8.8	12.2
EBIT	1.4	2.6	2.9	5.0	8.3
Financial Income (charges)	0.0	0.0	0.0	0.0	0.0
Pre-tax profit (loss)	1.2	2.4	2.7	4.9	8.2
Taxes	(0.2)	(0.1)	(0.1)	(0.5)	(1.1)
Net profit (loss)	1.0	2.3	2.6	4.4	7.1

Balance Sheet					
Net working capital (NWC)	(3.3)	(1.8)	(1.4)	(1.7)	(1.5)
Net fixed assets	19.3	24.5	24.0	23.3	22.4
M/L Funds	(2.1)	(2.3)	(2.4)	(2.4)	(2.5)
Net Capital Employed	13.9	20.4	20.2	19.2	18.4
Net Debt	6.4	5.5	2.7	(2.7)	(10.6)
Minorities	0.0	0.0	0.0	0.0	0.0
Equity	7.5	14.9	17.5	21.9	29.0

Cash Flow					
Net Profit	950.7	2,300.0	2,600.0	4,400.0	7,100.0
Non cash items	1,187.1	200.0	100.0	0.0	100.0
Change in Working Capital	7,642.7	(1,500.0)	(400.0)	300.0	(200.0)
Cash Flow from Operations	9,780.5	1,000.0	2,300.0	4,700.0	7,000.0
Capex	(22,004.4)	(8,300.0)	(3,000.0)	(3,100.0)	(3,000.0)
Operating Free Cash Flow	(12,223.9)	(7,300.0)	(700.0)	1,600.0	4,000.0
Acquisitions					
Dividend					
Other (equity)					
Free Cash Flow	(12,223.9)	(7,300.0)	(700.0)	1,600.0	4,000.0

Per Share Data

Current Price	4.02
Total shares out fully diluted (mn)	9,170,000

Ratios

EBITDA margin	10.1%	13.2%	15.2%	18.8%	23.1%
EBIT margin	3.4%	6.0%	6.9%	10.7%	15.7%
Net Debt/Equity	85.1%	37.3%	15.7%	-12.2%	-36.5%
Net Debt/(Net Debt + Equity)	46.0%	27.2%	13.6%	-13.9%	-57.4%
Net Debt/EBITDA	1.58	0.97	0.43	-0.30	-0.87
Interest cover EBIT	n.s.	n.s.	n.s.	n.s.	n.s.
ROE	12.7%	15.5%	14.9%	20.1%	24.5%
ROCE	11.2%	13.2%	14.9%	28.6%	51.1%
Free Cash Flow Yield	n.m.	n.m.	n.m.	n.m.	n.m.

Growth Rates

Revenues (VoP)		7%	-3%	11%	13%
EBITDA		41%	12%	37%	39%
EBIT		92%	12%	72%	66%
Net Profit		142%	13%	69%	61%

Source: Pro-Forma Consolidated Data FY21 and PMI Capital Research estimates

GROUP OVERVIEW

Siav Spa is a leading Italian software company specialized in the Enterprise Content Management (ECM) and Business Process Outsourcing (BPO) segments. The Group operates in the market with three business lines: proprietary software for document management, vertical solutions and outsourced services. Siav's technological solutions are sold directly or indirectly through a network of Partners to Enterprise and PA customer in "On premise" or "SaaS mode, in the cloud or through mixed configurations.

Siav was founded in Rubano (Padua) in 1989 by Alfieri Voltan, current Chairman, and operates on the national and international territory with 10 offices of which 7 in Italy (Rubano, Rome, Milan, Genoa and Bologna) 2 in Switzerland and 1 in Romania.

With two thirds of total employees being engaged in technical activities (development and implementation) and over 20% of annual turnover invested in R&D activities the Group is strongly focused on innovation. The R&D activities are carried out through a "Factory" dedicated to the improvement of the quality and utility of the proprietary solutions.

In addition, the Group's R&D laboratory, which operates in collaboration with the University of Padua on innovative projects such as: the Automatic Classifier, Process Mining and Social Network Analysis. Siav's platforms and solutions are transversal with respect to the product sector in which its clients operate (retail, services and public administration): as of December 31, 2021, the Group has more than 4'000 active clients, direct and indirect, both private and related to public administration.

With over 300 employees, the Group realized FY21 revenues of Euro 30.6 m, (+ 6.1% YoY) of which c. 60% recurring, and with an EBITDA of Euro 4.3 m, corresponding to an EBITDA margin of 14%.

On August 4th 2022, SIAV was admitted to trading on the Euronext Growth Milan (EGM) market managed by Euronext. The listing took place with the placement of a total of 1.670.000 ordinary shares, of which 1.500.000 newly issued and the IPO enabled Siav to raise Euro 5 m (including Greenshoe in capital increase), which further concretized its planned strategies aimed at consolidating its competitive position, as well as to continue with growth by external lines through extraordinary finance operations aimed at creating strategic synergies at the production-commercial level, in the product and internationalization spheres.

IPO structure

OFFER KEY POINTS	ISSUER	<ul style="list-style-type: none"> • SIAV S.p.A.
	LISTING MARKET	<ul style="list-style-type: none"> • Borsa Italiana, Euronext Growth Milan
	OFFER STRUCTURE	<ul style="list-style-type: none"> • Offer Structures: Increase of capital for Euro 5 mln, including Greenshoe in capital increase. • Warrant for new subscribers. Allocation ratio 1:1, conversion ratio 1:4. Strike price: +10% CAGR on IPO price in 3 years (conversion windows every 12, 24 and 36 months)
	LOCK-UP	<ul style="list-style-type: none"> • 36 months

Source: Company Presentation & PMI Capital Research Elaboration

Software Solutions



Source: Company presentation & PMI Capital Research Elaboration

During 2021, Siav has formally amended its Articles of Incorporation by assuming the status of a **Benefit Company**, formalizing its commitment to operate responsibly, sustainably and transparently towards people, communities, territory and environment, cultural and social goods and activities, bodies and associations and other stakeholders, with the aim of producing a positive impact on the Group and the biosphere.

Becoming a Benefit Corporation is the first step aimed at obtaining B Corp certification, issued by B Lab to companies that decide to measure their performance in terms of environmental, social and economic impact through the B Impact Assessment (BIA) measurement standard.

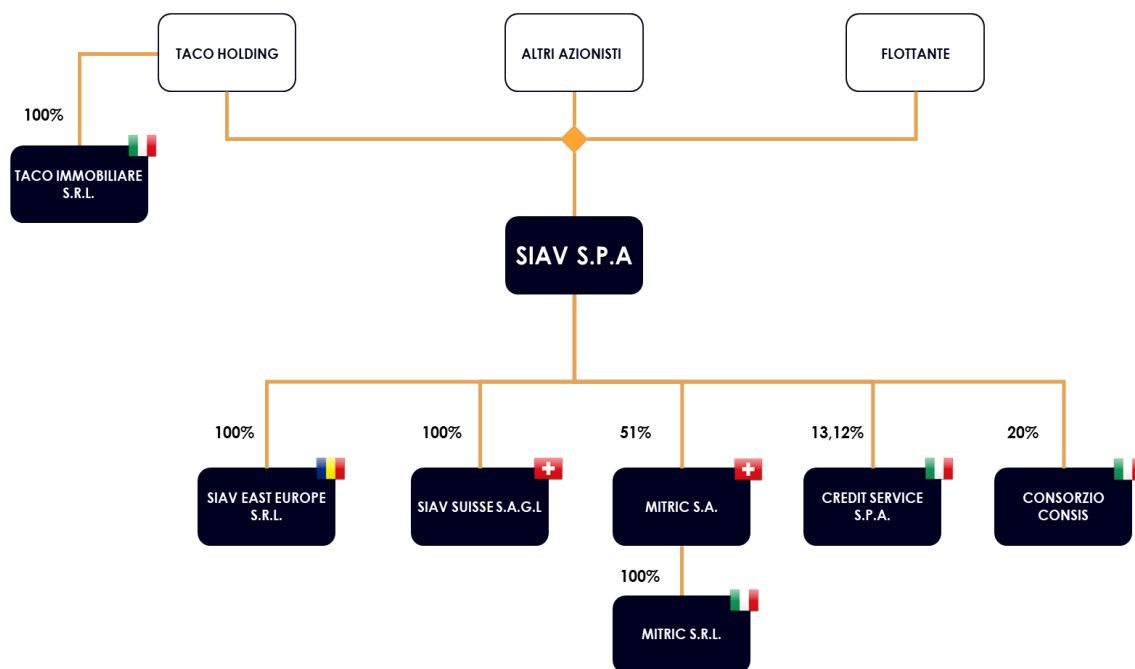
The Company is very close to obtaining the certification, as early as 2022 it will produce sustainability report, as required by B Corp.: perhaps during the month of September 2022 they'll try to apply to the certification, but maybe this could slip to next year.

Siav considers the issue of work-life balance of great importance such that in 2021 it will obtain Family Audit certification, attesting to its commitment to implement work/life balance policies to improve the individual well-being of its employees and their families.

Key Milestones

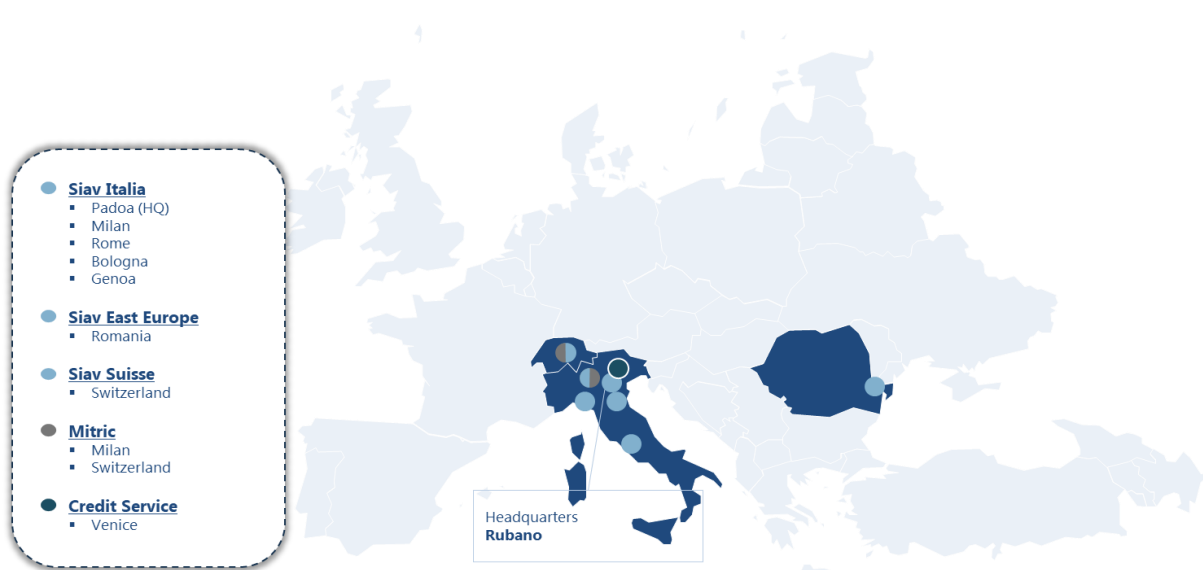
- **1989:** Alfieri Voltan constitutes Siav S.P.A.
- **1992:** Archidoc is born, the first software application for electronic document management is developed
- **1997:** Siav opens branches in Italy in Florence and Milan, and the subsidiaries Siav Digital Services and Siav Service
- **2005:** Archiflow represents a breakthrough in the landscape of digital document management. Archiflow is officially released in 2005, as a result of a massive internal investment in R&D that started back in 2004.
- **2011:** Siav's progressive growth and managerial evolution lead to the reorganization of processes from a lean office perspective, including the adoption of enterprise tools such as SAP
- **2015:** Siav initiates further investment in the development of a new software solution in the Cloud: Silloge.
- **2019:** A new specialized Healthcare division is created to develop expertise, references and brand recognition on this market segment
- **2020:** Acquisition of ePress, a company specializing in providing cloud services, e-learning solutions and mobile apps
- **2021:** Acquisition of Mitric (51 percent) and a minority stake (12 percent) in Credit Service S.p.A.
- **2022:** Siav has begun the listing process at Euronext Growth Milan

Group Structure and international presence



Source: Company presentation & PMI Capital Research Elaboration

Siav Group has a strong presence in the Italian market through its offices located in Padua, Milan, Genoa, Bologna and Rome, and also operates in Switzerland and Romania.



Source: Company presentation & PMI Capital Research Elaboration

- **SERVIZI DOCUMENTALI S.R.L.**, active in data processing and hosting activities
- **SIAV EAST EUROPE S.R.L.**, captive company of Siav that deals with document outsourcing and in little part with software development;

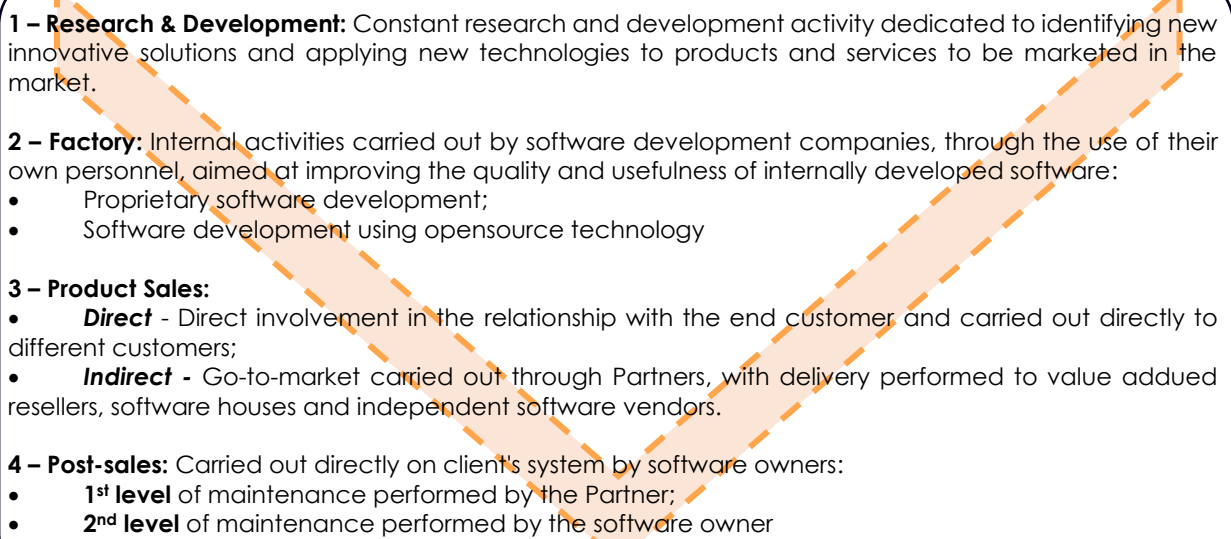
- **SIAV SUISSE S.A.G.L.**, designs and implements systems for managing archives, documents and images, limited to the Swiss territory;
- **MITRIC S.A - MITRIC S.R.L.**, has been engaged for more than 10 years in the development of mobile applications aimed at optimizing business processes in multiple sectors. Through its solutions, it is able to meet the needs of growth and technological evolution of business processes such as audit, quality control, sales, internal and external communication;
- **CREDIT SERVICE S.P.A.**, established in 2014 with a focus on trade credit management solutions, has over the years developed **MyCreditService**, the first platform connected directly to each company's management system through which entire credit portfolios can be sold. He is also involved in invoice management and supply chain finance for companies.
- **CONSORZIO CONSIS**, active in public administration and healthcare, with ICT products and services, information systems, consulting and training.

BUSINESS MODEL

Siav is engaged in providing technological solutions and services with focus on Electronic Invoicing, Passive Cycle Management and Digital Preservation to companies in the Enterprise segment (large and mid-sized) and to PA, sold directly or indirectly through a network of Partners.

Siav's value proposition is based on the offer of proprietary software solutions integrated within the document management and digital content activities of its clients, which makes it possible to facilitate and improve the digital experience and electronic storage of documents. The Group operates with a business model typical of software development companies.

Value Chain – Software Development

- 
- 1 – Research & Development:** Constant research and development activity dedicated to identifying new innovative solutions and applying new technologies to products and services to be marketed in the market.
 - 2 – Factory:** Internal activities carried out by software development companies, through the use of their own personnel, aimed at improving the quality and usefulness of internally developed software:
 - Proprietary software development;
 - Software development using opensource technology
 - 3 – Product Sales:**
 - **Direct** - Direct involvement in the relationship with the end customer and carried out directly to different customers;
 - **Indirect** - Go-to-market carried out through Partners, with delivery performed to value added resellers, software houses and independent software vendors.
 - 4 – Post-sales:** Carried out directly on client's system by software owners:
 - **1st level** of maintenance performed by the Partner;
 - **2nd level** of maintenance performed by the software owner

Siav's Workflow



Siav's R&D laboratory, in partnership with universities or external research organizations, develops innovative projects to enrich the Group's application platforms.

The solutions developed are functional to the delivery of the business proposition.

A dedicated team of business consultants and specialized archivists travel to the client to analyze regulatory, process and technological aspects for the purpose of identifying the client's needs and "sewing" the client's customized offering.

Valued consulting activities on a man-hour basis, mainly required by high-end clients.

Preparation and configuration of commercial offer according to customer needs.

Software delivery through:
Subscription: payment of a fixed fee, software delivered in SaaS (Software as a service) mode;
On premise: purchase of software based on company

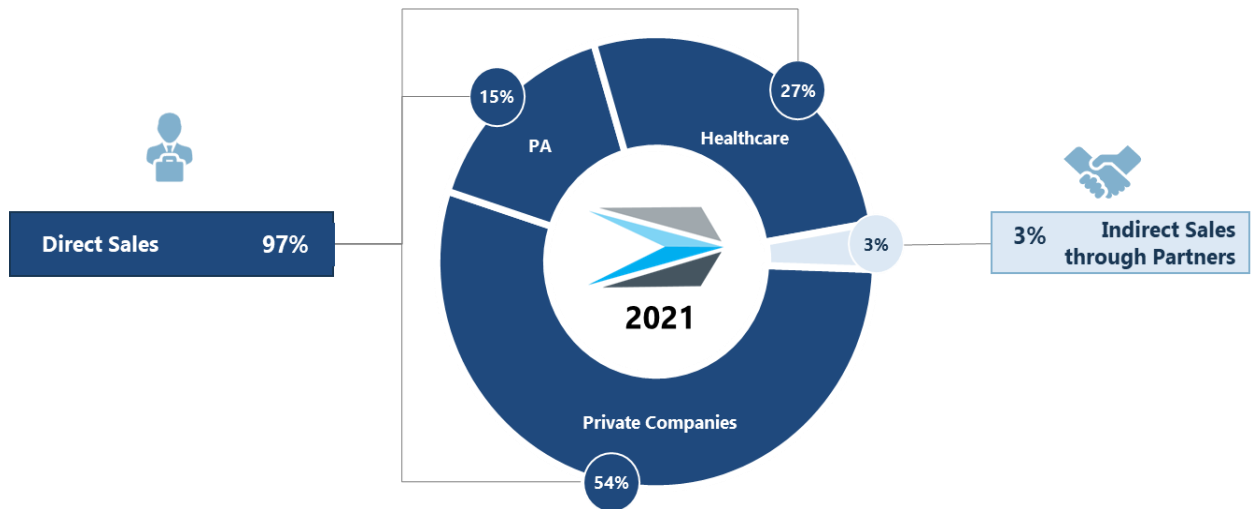
Presence of a dedicated team specialized according to the relevant industry, generically consisting of a Project Manager and Product Specialist to assist the customer post-sale and/or for maintenance of on premise solutions;

Payment by the customer is based on the agreed support and/or maintenance contract.

REVENUE MODEL

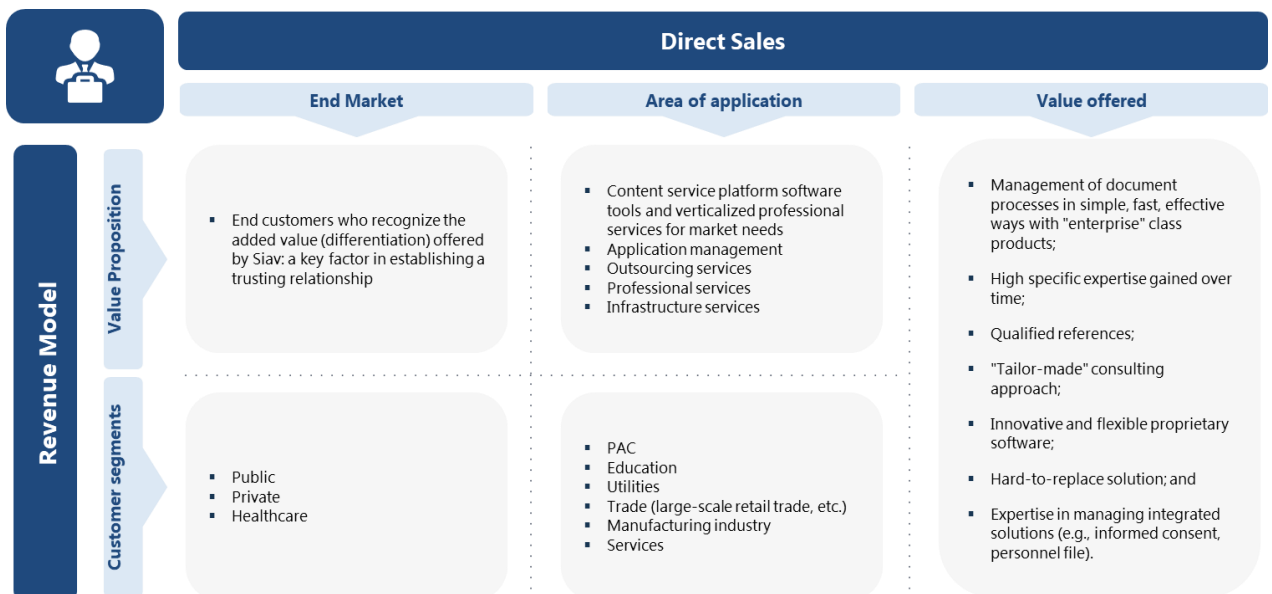
The Siav Group's customer base consists mainly of medium and large-sized enterprises seeking advanced technological solutions and investing in digitalization. As of December 31, 2021, the Group has an established customer base with more than 4,000 active direct and indirect customers. The Group has references in all sectors, from Public Administration to Healthcare, via large-scale retail, services and utilities, with installations in more than 70 countries worldwide. Siav supports the digital transformation of its customers through direct and indirect sales through Partners (so-called Channel).

Siav's goals include internationalization and strengthening its presence in various vertical markets.



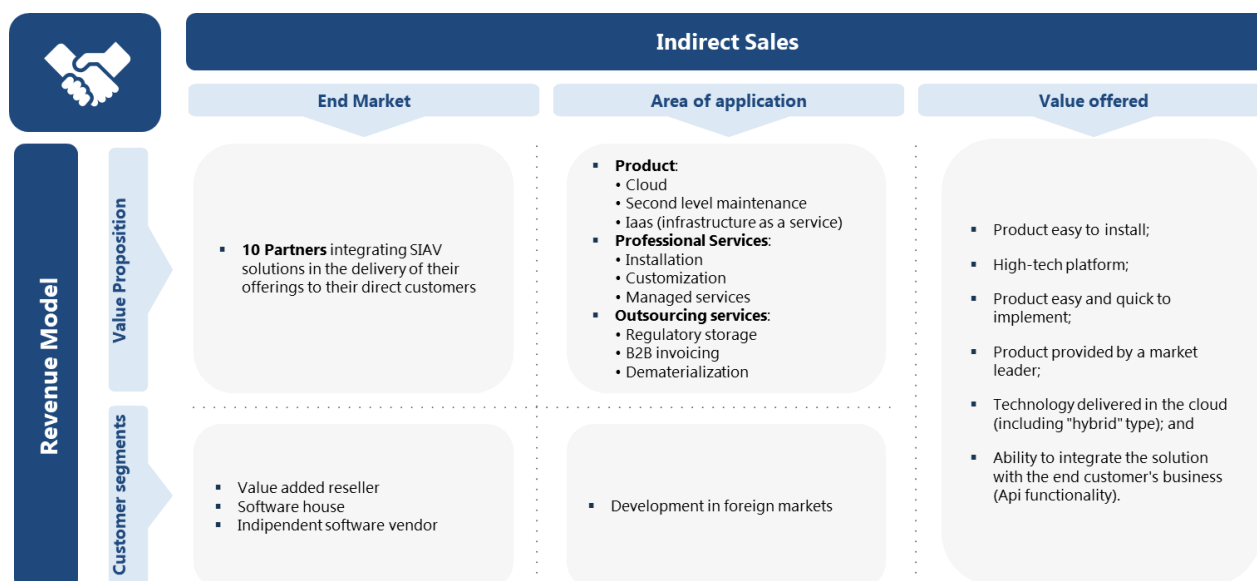
Source: Company presentation & PMI Capital Research Elaboration

Siav's revenue model is based, with reference to direct sales, on an integrated offering of products and services to medium- and large-sized companies that seek advanced technological solutions in order to better manage the flow of documents that characterize the daily activities of their employees 1



Source: Company presentation & PMI Capital Research Elaboration

In 2021, Siav launched the Partner project through the Archiflow Cloud product. The goal is to develop a new, gradually independent organizational unit focused on selling licenses to third parties focused on Cloud products, cloud services, and second-level maintenance contracts.



Source: Company presentation & PMI Capital Research Elaboration

R&D Activity

The Company invests over 20% of its turnover in Research and Development activities: it boasts a "Factory" of excellence dedicated to software development, which works every day to improve the quality and usability of software, and an R&D laboratory that works in collaboration with leading international academic institutions on innovative projects such as the Automatic Classifier and Process Mining.

Some of the software released by the Factory are (as represented in pag.5 figure):

- Archiflow, a platform for document management;
- Virgilio, the "IT safe," to manage Digital Preservation in compliance;
- Smart Desk, for digital and graphometric signatures;
- Catflow, a platform for marketing and sales solutions.

The human resources embedded in the Factory are highly specialized and characterized by a relevant ability to adapt to technological change and considerable skill in product realization.

Focus on Internal Academy

Siav's internal Academy is a unit dedicated to knowledge, skills and abilities that will help turn them into a strategic asset. This will be a part of the Group's actual and future investments in human resources with enhancement of in-house training program.

Market reflection: skills as an identity element, brand consolidation, offering high-profile services

1 Competencies – Lines of action:

- Siav Academy Foundation;
- Scientific Committee;
- School of advanced training in docu-management;
- Webinar

2 Consulting Services - Know how:

- Document process management in public and private sectors;
- Archivistics;
- EIM application systems

A History of Success

During its history, the Siav Group boasts a series of successful cases, both with private companies and with public bodies:

- **Banca d'Italia:** Since 2008, SIAV has been working alongside Banca d'Italia to optimise the management of administrative processes and procedures. To do so, it has created a new application platform, which allows a totally digital document management and their dematerialization. This project is ongoing and undergoes reengineering phases to always respond to new needs and adapt to the latest regulatory arrangements.
- **Segafredo:** The project required to meet some needs including: Provide the commercial area with tools for the programming of their daily activities; Allow the administrative office to monitor real-time sending and anomalies of electronic invoices; Automatically send requests for reminders and payments to customers; Speed up and make more effective internal communication between Customer Care and agents.
- **COOP:** Through proprietary software, Unicoop has been able to share goals with its employees and colleagues quickly and easily, assigning tasks and tasks to its employees, necessary to quickly request the approval of invoices, to indicate deadlines and priorities, but also to request or to request authorizations, signatures and taken visions.

M&A Track Record

Over the past 3 years, the Company has carried out a Group strategy based on a mix of organic and external growths. In particular the Group has carried out 4 extraordinary transactions with companies whose activities are integrated into SIAV's offering model:



Acquisition Data: 2020

ePress, established in 1998 and based in Milan, operates as an ICT company specializing in cloud & web services, IT consulting and publishing solutions. The company serves a wide range of trusted clients, ranging from major corporations such as Esselunga, Sanofi, Allianz and RCS Mediagroup to small and medium-sized enterprises.

Acquisition motivation: procurement of resources to be included in Siav's structure in order to benefit from their technical expertise in high value-added IT services.



Acquisition Data: 2021

Mitric is a company that has been developing mobile applications in various sectors for more than 10 years, with a particular focus on Audit and Quality Management and HSE. Through its offered solutions, Mitric is able to meet the needs of growth and technological evolution of clients' business processes such as audit, quality control, sales, internal and external communication, thanks to the app such as Checker, dedicated to audit and quality control management.

Acquisition motivation: implement strategic and cross-cutting proprietary technologies: the goal is to enable Siav to complete its offerings, satisfying the need, expressed particularly by enterprise customers, to make their services usable via mobile apps.



Acquisition Data: 2021

Credit Service S.p.A. is a company established in 2014 with a focus on trade credit management solutions, has over the years developed MyCreditService, the first platform connected directly to each company's management system through which entire credit portfolios can be sold. He also handles invoice and financial supply chain management for companies.

Acquisition motivation: capture resources in order to achieve the development and integration of a supply chain finance platform integrated with the services offered in the market by Siav in document management, b2b invoicing and digital preservation.



Acquisition Data: 2021

Consis was founded in 2007 and is a leading player in the public administration, health care and healthcare market, with products and services in ICT, information systems, consulting and training.

Acquisition motivation: strategic acquisition of a minority equity stake to broaden the customer base and strengthen the Group's presence in the healthcare, health and public administration sector.

Products & Solutions

Thanks to an experienced Management team Siav boast strong vertical competences in Electronic Invoicing, Passive Cycle Management and Digital Preservation market segments and withing which the Group offers a complete range of products and services



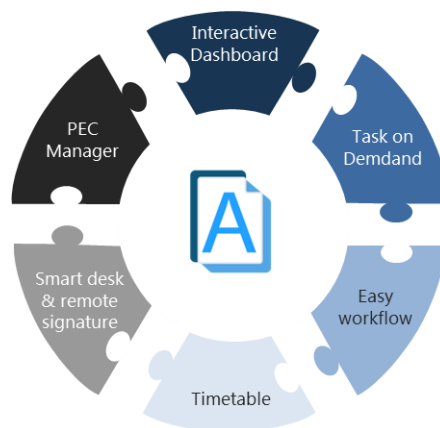
Source: Company presentation & PMI Capital Research Elaboration

Document Management Software



Document management, workflow and collaboration solutions

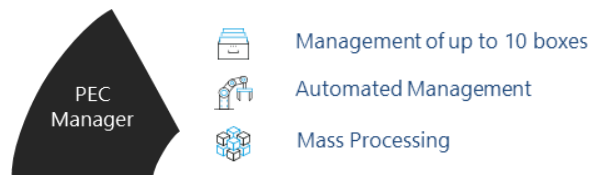
Archiflow is an internally developed business document and information management platform, available "in house" and on the cloud, that enables companies and public administration entities to manage and automate business processes. Archiflow facilitates document management practices by organizing workflow and facilitating access to information. The platform consists of a series of modules that enrich its functionality:



Source: Company presentation & PMI Capital Research Elaboration



Archiflow serves as the homepage of one's document hub. Users have what they need at their fingertips: documents (organized in document tabs), files, boxes, and tasks to be done. User experience comes first, thanks to a notification center built with social logic, fixed items and recent items: shortcuts that increase productivity.



Archiflow is (also) the hub for efficiently managing e-mail and PEC mailboxes. It indexes, searches and stores incoming and outgoing messages, receipts and attachments. Shared boxes avoid duplicate message intakes and prevent messages from being lost. Sorting rules and automatic classification make it easy to manage each message.



Workflow in guided mode through a "drag and drop" interface that requires no programming knowledge (no coding). Reporting dashboards enable timely monitoring of the progress of activities and user workloads.



Establish the deadline for each document: the system will proactively send notifications to those involved by triggering digital tasks. At any time, from the shared calendar, you can see your own deadlines or those of your group/office.




Signing of documents by external and internal users, both censored and non-censored. The signer receives by e-mail the link to the document ready to be signed. Use of predefined document templates or drag-and-drop mode to sign documents

Scopes of Application and Best Practices

- **Administration:** ERP Integration, B2B and PA electronic invoices with approval workflows, Digital control of expense reports, Digital Storage, Customer Portal;
- **Secretariat:** Correspondence management, multichannel sending/receiving, PEC and receipt management, automatic email classification;

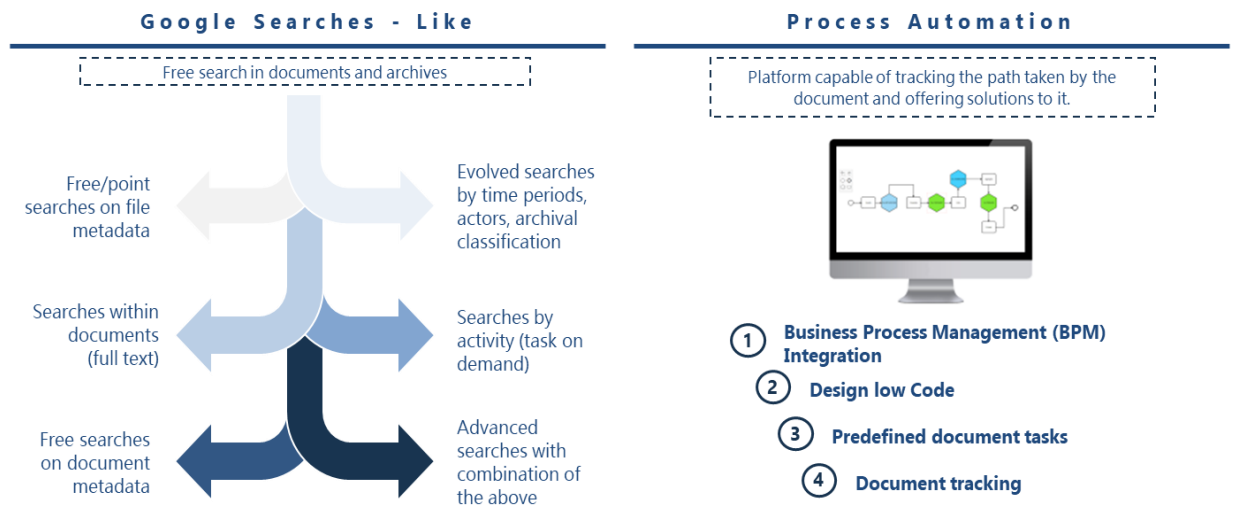
- **Human Resources:** Coupon management, coupon publication portal, Personnel file;
- **Supplier Office:** Contract management, supplier portal, RDA management with workflow;
- **Sales Area:** Offer generation, job mobility, Expense notes app;
- **Marketing:** Document generation, approval and publication, mobile access, content indexing

 **Native cloud technology for document management with innovative features for business processes**

Silloge is an Enterprise Information Management and Business Process Management software developed entirely by Factory Siav. The platform is currently being rolled out, and commercialization activity is planned to start in the third quarter of 2022.

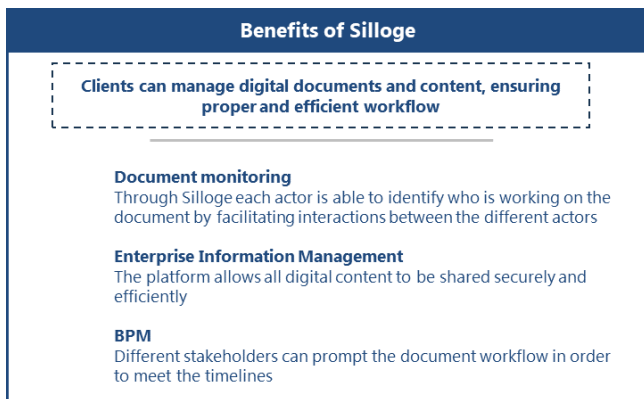
The Silloge Platform is delivered in the cloud and is aimed at managing documents, digital content and processes, and developed to facilitate effective collaboration among people through information asset sharing.

Its microservice architecture deployed in "containers" is particularly suited to the public and private cloud contexts toward which public and private organizations are moving. The functional architecture is based on the principles of application multi-tenant: this approach makes it possible to manage an unlimited number of organizations with a single application instance.

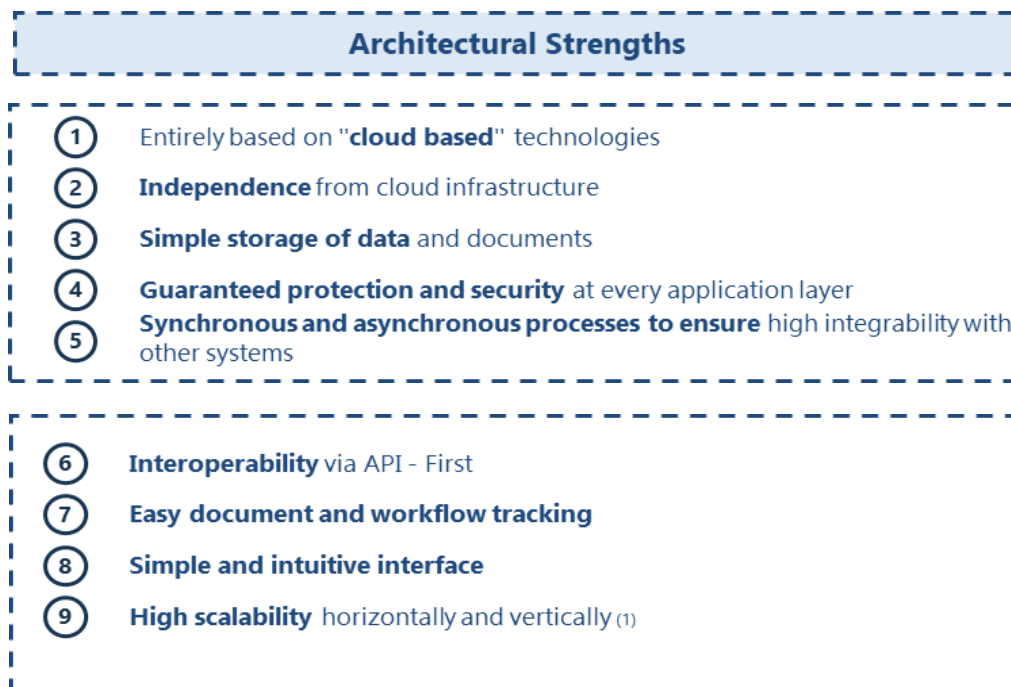


Source: Company presentation & PMI Capital Research Elaboration

With the implementation of Silloge, customers can effectively monitor and search for documents and all digital content for which different interventions are needed during their "lifecycle" within the company.



Source: Company presentation & PMI Capital Research Elaboration



Source: Company presentation & PMI Capital Research Elaboration

(1) Vertical scalability: the system has the ability to grow in terms of workload by adding new resources such as CPU, RAM, internet bandwidth. Horizontal scalability: indicates the possibility of adding new servers, again with the goal of ensuring adequate performance as the workload increases.

Silloge is the only commercially available CSP(Content Service Platform) that complies with the "12 Factor" methodology, a set of principles for software development with which to create reliably releasable applications that scale rapidly, and have a modular and progressive maintenance process.

Web applications conforming to the 12 Factor methodology have three main advantages:

- elasticity, i.e., they natively manage to scale-out when there is a high demand for processing resources and scale-in when that demand decreases, saving infrastructure costs;
- modularity, as they leverage the containerized microservices approach by making the best use of the flexibility and tools that modern cloud infrastructures make available;
- information security, as credentials or any other confidential information are managed in ways that ensure security by design and respect the separation of responsibilities paradigm.



Source: Company presentation & PMI Capital Research Elaboration

Internet/intranet and mobile document publishing portal

Catflow is a native cloud application that enables the implementation of B2B and B2C vertical solutions with a low-code approach through the prototyping of Web pages and Web Apps, enabling faster development of solutions.

Vertical solutions that can be implemented through the platform include digitization of informed consent, contract signing, and personnel files.

What Catflow does

1. Allows templates to be designed in low-code mode
2. Includes tools for content creation and publishing
3. Facilitates integration with external systems and web services

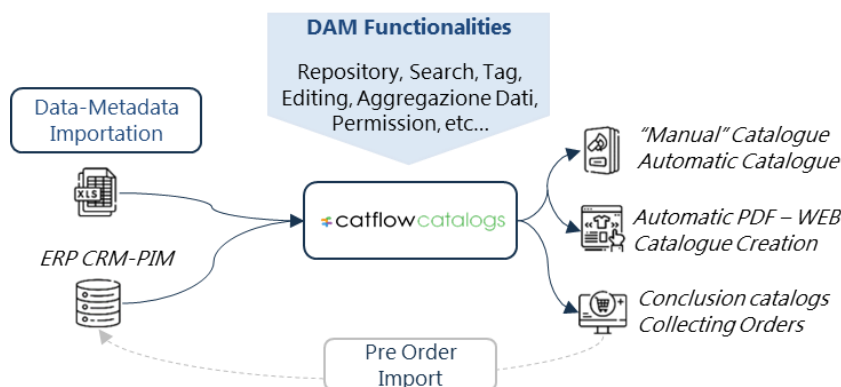
Proprietary Software & Vertical Solutions

For the creation of B2B and B2C marketing solutions

Catflow catalogs is a platform that provides a digital experience for marketing and sales solutions (MarTech).

The platform gathers information from input databases prepared by management and automatically generates entire catalogs by integrating information such as prices, images, and product specifications.

Catflow Catalogs' Process



Source: Company presentation & PMI Capital Research Elaboration

Catflow is based on the **Python Django** framework and a standard architecture using a (sql) Postgres database and a (nosql) Elasticsearch database for content indexing.



Source: Company presentation & PMI Capital Research Elaboration

 **MyCreditService** Provides advanced credit management, reverse factoring and financial planning services

MyCreditService is a fintech platform developed by Credit Service S.p.A. that provides advanced credit management and financial planning services.

MyCreditService covers the entire trade credit cycle, from customer risk analysis, to cash advance, to automation of the collection process.

Services offered

Risk analysis: a platform that automatically imports the accounting data of the company using it, which is then cross-referenced with that of a rating agency, providing a risk positioning tool on trade credit;

Accounts receivable management: accounts receivable monitoring returns an analysis of past due, days overdue, and average collection duration;

Automated collection: platform that automates the collection process, recovering the efficiency and quality of financial flows;

Credit assessment: algorithm that combines all customer information and debtor payment experiences resulting in a dynamic assessment based on recovery rate;

Invoice Trading: collected receivables can be selected, allowing the company to create portfolios to be sold in the market through the platform itself

Supply Chain Finance: a platform that manages various forms of supply chain financing, using working capital management as a strategic asset and connection with the securitization vehicle that functions as an investor.

Business flow



Source: Company presentation & PMI Capital Research Elaboration

checker Audit and Quality Management Services (QMS)

Checker is a platform developed by Mitric S.r.l. dealing with Quality and Audit Management that supports companies in managing, through mobile apps, process and product controls in order to facilitate compliance with global regulations and industry standards (e.g., ISO, IATF, VDA, etc.) and to create better and safer products by increasing efficiency and reducing risks and costs.

1 CHECKLIST

- Independently and intuitively create checklists and verification protocols and distribute them to multiple auditors based on roles and responsibilities;
- Associate scoring rules and help documents for use by auditors;
- Define the inspection calendar and plan the auditors' inspection schedule, visible directly in the App.

2 INSPECTION

- Accessible via smartphone/tablet/offline.
- Auditor can add and edit notes, signatures and photographs.
- Ability to view of the last executed report and check their status of handling the same.
- Use of QR/bar code/RFID helps the auditor identify the checklist related to the audit they are to perform and facilitates product checks and testing.

3 PROTOCOL

- Creation of the inspection report;
- The report is centrally archived and automatically forwarded via e-mail in PDF format to the various managers by jurisdiction;
- The archive of all minutes is always available and organized.

4 ACTION PLAN

- Each corrective action manager receives an e-mail notification and can manage the assigned action through a dedicated website indicating the original cause behind the noncompliance.
- The system keeps track of any changes to actions in progress, records their closure, and notifies users when they expire.

5 REPORTING

Through a Dashboard, it is possible to have an updated real-time view of the situation in the field:

- Performance
- Target
- Non-compliance
- Corrective Actions
- Original Cause
- Coverage
- Inspection Points
- Auditors
- Products and defects

Possible export to Excel and XML.

Other Potential Applications		
Custom Minutes	Delegation Checklist	Single Sign On (SSO)
Additional Languages	Conditional Planning	Quality Checker Module
Collecting and sharing multimedia content	Customized Back-office Profiles	Global and Local Administrators

Outsourced Services

Siav offers comprehensive consulting services in the management of document projects of particular complexity and criticality given the constantly evolving legislation on document dematerialization.

Business Process Outsourcing (BPO)

BPO services enable companies and organizations to manage the entire document lifecycle, simplifying processes and decreasing costs, through on premise, cloud, outsourced or hybrid solutions aimed at digitizing paper history and digital preservation:












<ul style="list-style-type: none"> • Scan • Data imputation • Data logging on customer systems • Data and document control • Paper archive management 	<ul style="list-style-type: none"> • Digital Preservation • Generation of digital archives • PEC Management • Electronic Invoicing • Spesometro 	<table border="1"> <thead> <tr> <th>Some Best Practices</th> </tr> </thead> <tbody> <tr> <td>• Personnel File</td> </tr> <tr> <td>• Customs File</td> </tr> <tr> <td>• Expense Note Management</td> </tr> <tr> <td>• Vendor Invoices</td> </tr> <tr> <td>• Digital Mailroom</td> </tr> <tr> <td>• XML Invoice</td> </tr> <tr> <td>• Transportation Document Management</td> </tr> <tr> <td>• Medical Records Management</td> </tr> </tbody> </table>	Some Best Practices	• Personnel File	• Customs File	• Expense Note Management	• Vendor Invoices	• Digital Mailroom	• XML Invoice	• Transportation Document Management	• Medical Records Management
Some Best Practices											
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• Medical Records Management											

Why should a potential customer choose SIAV?

- 1 - Rapid activation, without any intervention on the IT structure;
- 2 - Secure and controlled management: possibility to monitor the activities performed on invoices through dedicated portal and receive alerts in case of anomalies;
- 3 - Scalable and interoperable services: it is possible to outsource multiple parts of the process, based on the Customer's needs;
- 4 - Technical support service, useful for solving any critical issues and receiving support.

Consulting Services

Tools and specialized personnel for business process outsourcing in compliance with current regulations and requirements issued by AgID, for the enterprise and PA.

Digital Preservation	OSN ¹	XML Invoice
<p>Siav covers the entire document preservation process through a highly qualified staff, ensuring authenticity integrity, reliability, readability and retrievability.</p> <ul style="list-style-type: none">  Cost reduction  Searchable documents  Regulatory compliance  Maximum security 	<ul style="list-style-type: none"> • Service characterized by an analysis of the critical issues and needs related to the management of electronic orders for Healthcare; • Regulatory compliance and efficiency of sending and receiving processes through the NSO. <ul style="list-style-type: none">  Creation of a structured digital flow  Full control over all orders  Reduced time to processing 	<ul style="list-style-type: none"> • Management of Electronic Invoicing, in full compliance with regulations; • Processing, sending, receiving and monitoring of XML invoices to both the PA and private parties. <ul style="list-style-type: none">  Sending and receiving EI via SDI  Rapid activation and certified quality  Scalable and interoperable services  Expertise and support

Source: Company presentation & PMI Capital Research Elaboration
 OSN = Order Sorting Node
 EI = Electronic Invoicing
 SDI = Interchange System

REFERENCE MARKET

- The Enterprise Content Management (ECM) Market was valued USD 240,7 billion in 2020 and according to Siav SPA-Information memorandum, it expected to reach USD 414,9 billion by 2025 growing at a CAGR of 11,7%.
- In 2020, the Italian document management sector reached nearly 650 million Euro.
- The document management market is experiencing a period of strong growth, due mainly to the need for a rapid digital transformation driven by Covid pandemic.

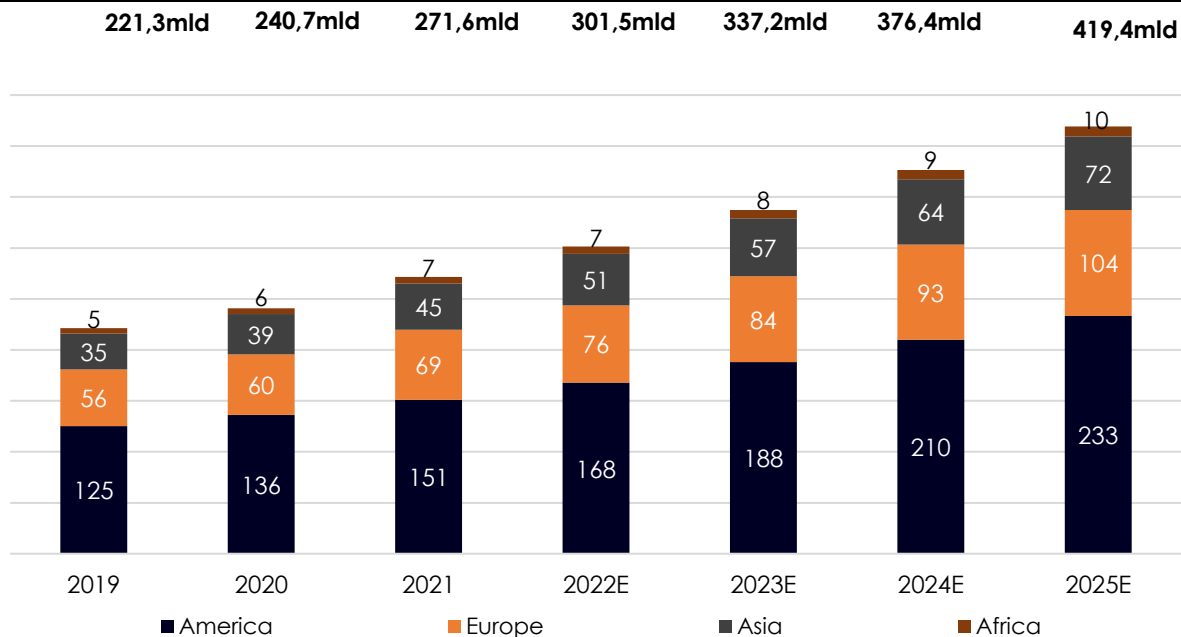
Siav's reference markets are the Italian Enterprise content Management (ECM), The Company's line of business includes designing, developing, and producing document management software (DM).

Enterprise Content Management (ECM).

While a document management system allows to manage and control documents across an organization, an enterprise content management (ECM) system offers much broader capabilities for managing and controlling access to a variety of file types — not just documents — and may include additional capabilities such as workflows, business process management and information governance.

The global enterprise content management (ECM) software's market size reached 240,7 Billion Euro in 2020. According to the market is expected to reach 419,4 Billion Euro by 2025, exhibiting at a CAGR of 11.7%.

Enterprise content management Overview



Source: Group presentation & PMI Capital Research Elaboration

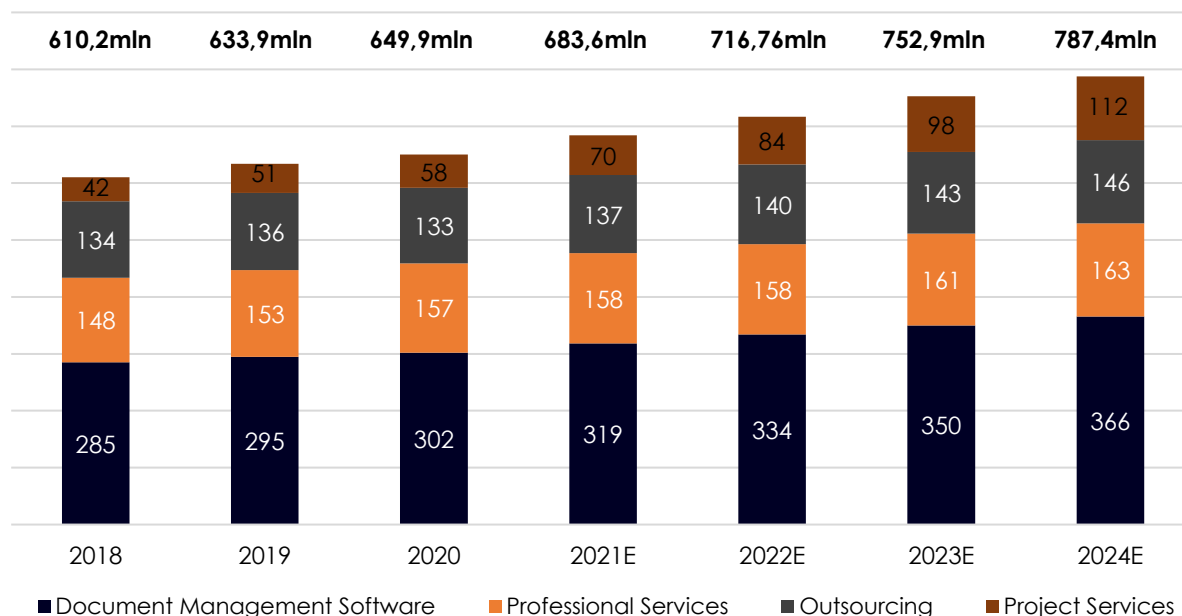
In terms of geography, significant growth is expected in all regions, as America grows with a CAGR of 11.4%, Europe of 11.8%, Asia of 12.9% and Africa of 11.6%. Between 2020 and 2025, America is foreseen to lead by capturing the maximum market share during the forecasted period, with the market size increasing from 125 Billion Euro to 233 Billion Euro valuation. Europe will hold a notable position in the market for the forecasted period, whereas Asia-Pacific is expected to grow at the fastest CAGR during the forecasted period.

Document management (DM).

Document management is a system or process used to capture, track and store electronic documents such as PDFs, word processing files and digital images of paper-based content.

In 2020, the Italian DM sector reached 650 million Euro with an increase of 2.5% from the previous year and a CAGR of 2.1% during the period 2018-2020. In 2021, according to Anitec-Assinform the market will maintain a growth trend equal to a CAGR of 3.6% between 2021-2024E.

Document management Overview



Source: "Digital in Italy 2021, Anitec-Assinform"

The total market value of 649.9 million Euro in 2020, was caused by a 2.6% increase in the document management market, a 2.6% increase in the professional services market, a 14.4% increase in the project services market and a 2.2% decrease in the outsourced services market.

In 2021, the market recorded a significant increase (+5.2%), mainly supported by growth in the Project Services sector (+19.8%) and in the Document Management market (+5.3%), a performance in line with the previous years for Professional Services (+1.0%) and a thin growth of the outsourcing services market (+3.3%).

The primary factors driving the growth of document management software are the increasing trend of cloud computing, software as a service (SaaS), the rise in adoption of big data management and of data analysis tools by enterprises, and the need for data compliance in enterprises.

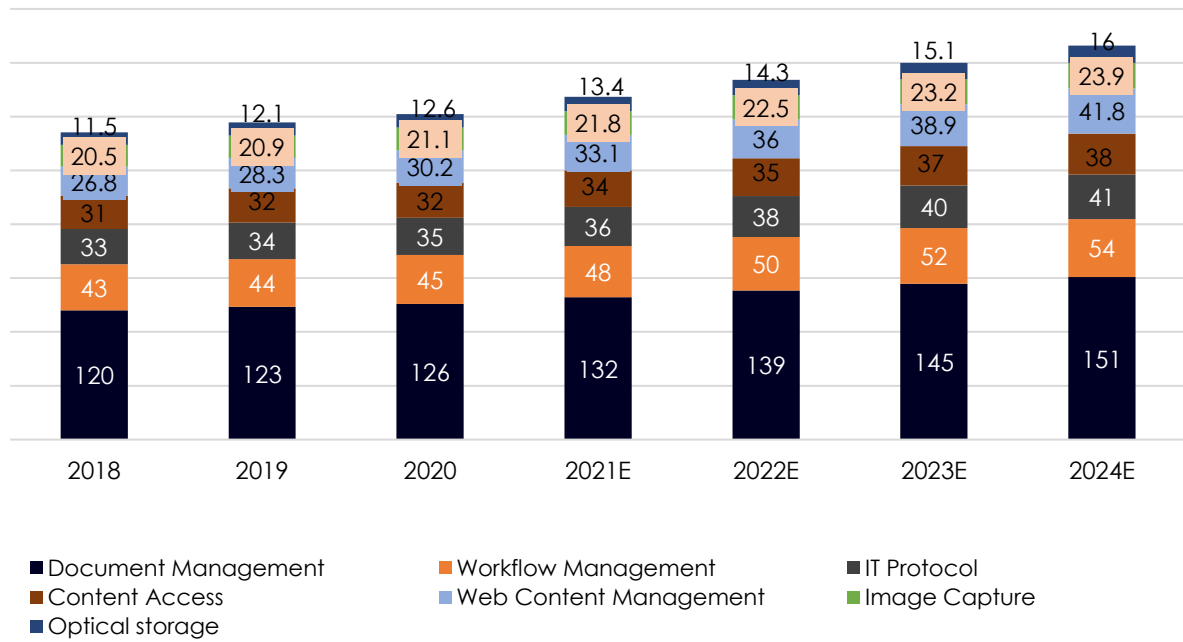
Focus on Proprietary Software in Document Management

In 2020, document management software subsector amounted to approximately Euro 302 million, an increase of 2.6% from the previous year.

Based on the service, this market is divided into: image capture, content management, replacement optical storage, IT protocol, workflow management, and all web access and web content management tools.

The total value of the document management sector in 2020, amounting to Euro 302.2 million, was supported by an increase of 0.8% in the image acquisition segment, an increase of 2.2% in the content management segment, an increase of 3.9% in the field of optical replacement preservation, an increase of 2.2% in the IT Protocol sector, an increase of 2.1% in the workflow management sector, an increase of 1.7% in Web Access and an increase of 6.9% in the Web Content Management segment.

Proprietary software in document management Overview



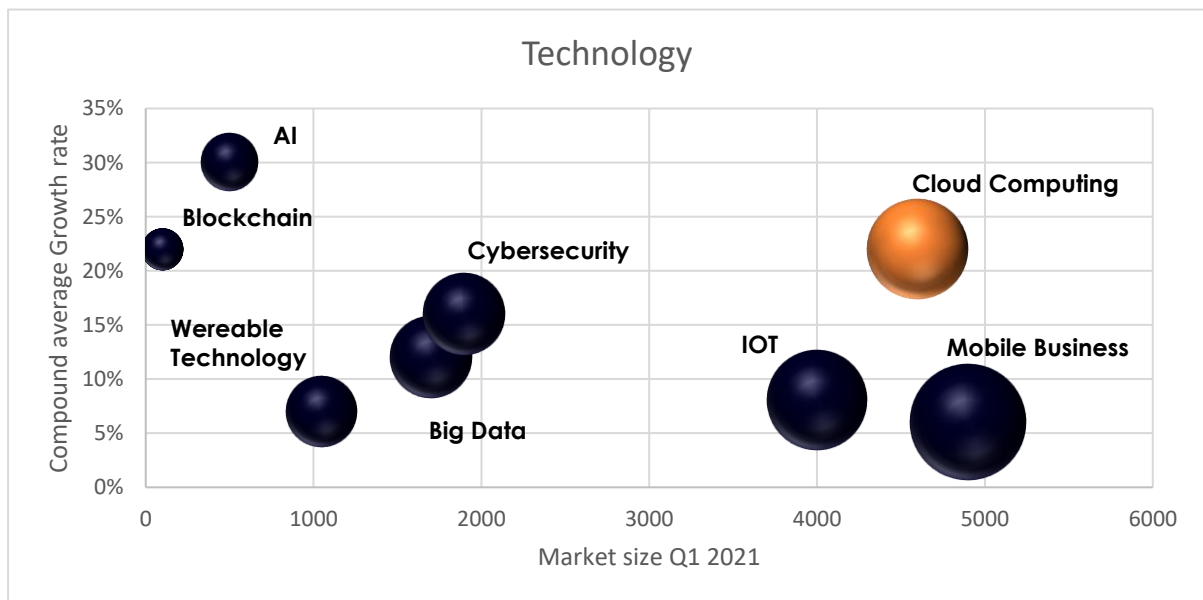
Source: "Digital in Italy 2021, Anitec-Assinform"

Main drivers for the sector

The higher preference for paperless documentation and the increasing globalization also encouraged demand for the ECM market, leading to huge revenue generation.

The future of the document management industry foresees a strong growth of Software as a Service (saas) components and of cloud technologies to achieve scalability, which is clearly in demand by the market.

Market trend 2021-2024



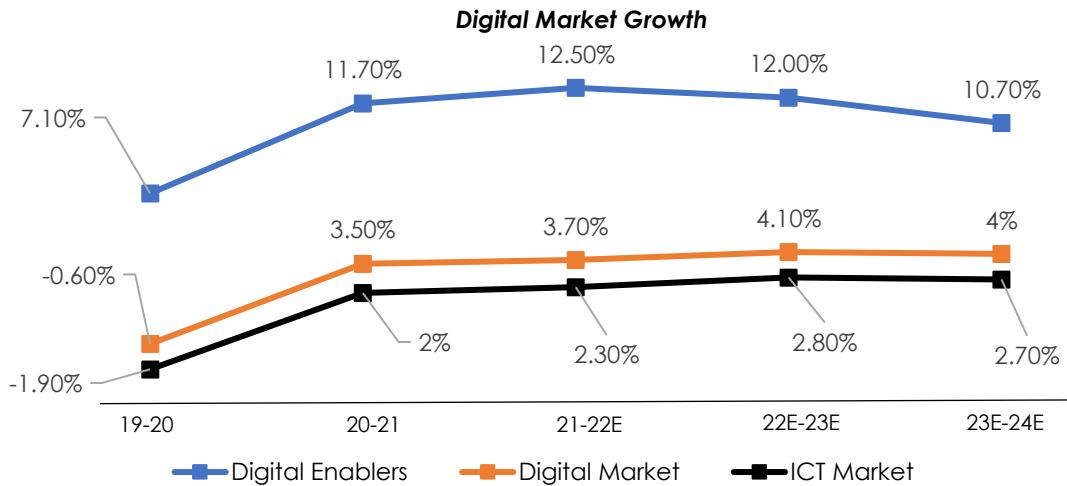
Source: "Digital in Italy 2021, Anitec-Assinform"

One of the main emerging drivers for document management market growth is the increasing adoption of Cloud-based technology. For this reason, during the latest years Siav has invested in the development of a new software solution in the Cloud, anticipating the market needs.

The forecasting of the Italian Digital market over the next three years is strongly conditioned by the implementation of the PNRR, a development plan that illustrates the investments allocated by the European Union for the post-pandemic recovery.

Digital Market Growth

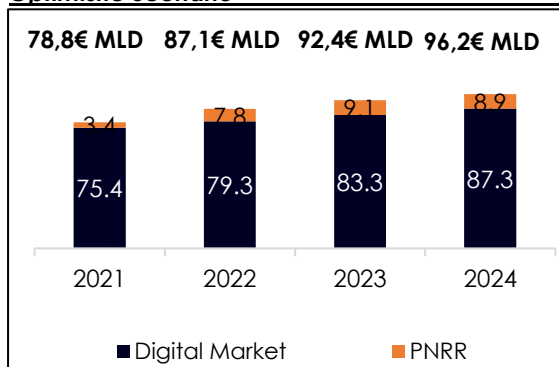
The graph shows that the traditional digital market will have a stable growth rate of 2% to 3%. The Digital Enablers sector will be the one that shows the most important growth in the digital market. It's expected to a double-digit increase, between 12.5% in 2022 and 12% in 2023, driven mainly by the Cybersecurity and Cloud Computing segments.



Source: Company Presentation and Digital in Italy 2021 Anitec-Assinform

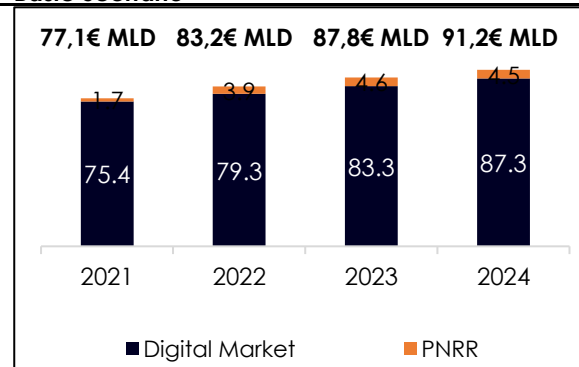
Optimistic and basic scenario for PNRR Implication

Optimistic Scenario



In 2021, the optimistic scenario foresees an impact of the PNRR of 3.4 billion Euro, which is cumulated with a total of the digital market of 78.8 billion Euro, which will lead to a growth of 10.6% of the national digital market.

Basic Scenario



In 2021, the base scenario foresees a lower contribution of PNRR (1.7 billion Euro), which would lead to a cumulative growth of the Italian digital market of less than 7.9%.

Main Competitors

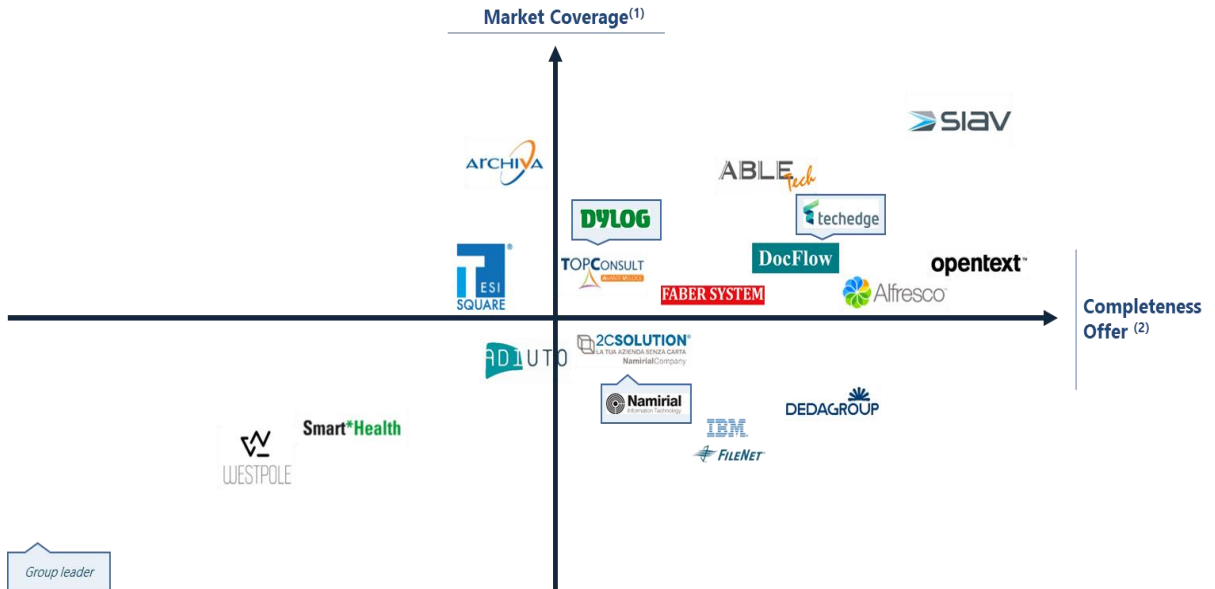
The graph below shows a comparison between SIAV and its main competitors, highlighting the different technologies and services offered by the companies. The data below clearly illustrates that Siav is the company with the greatest coverage of the market, while ensuring a more comprehensive offer than its competitors.

Company	SW ECM & WF	B2B and Storage	Public administration	Direct retail	HealthCare	Indirect
Siav	✓	✓	✓	✓	✓	✓
Adiuto	✓	X	X	X	X	✓
Opentext	✓	X	✓	✓	X	X
Archivia	X	✓	X	✓	X	X
Faber System	✓	✓	X	✓	X	X
TesiSquare	✓	✓	X	✓	X	X
2C Solution	✓	✓	X	✓	X	✓
Arxivar	✓	✓	X	✓	X	✓
Docflow	✓	✓	X	✓	X	X
Top Consultant	✓	✓	X	✓	X	X
M-Files	X	X	X	X	X	✓
Ilin	X	✓	✓	X	X	✓
Alfresco	✓	X	✓	X	✓	X
Intesa (IBM)	X	✓	X	✓	X	X
Maggidi	✓	✓	✓	X	✓	X
SB Italia	✓	✓	X	✓	X	X
NTT Data	✓	X	✓	X	X	X
IBM FileNet	✓	X	✓	X	X	X
Westpole (ex Hitachi)	✓	X	✓	X	✓	X
Dedagroup	✓	X	✓	X	✓	X
Data Processing	✓	X	X	X	✓	X
Babel	✓	X	✓	✓	✓	X

Source: Group presentation & PMI Capital Research Elaboration

Competitive Positioning

The matrix analyzes the positioning of Siav Group's main competitors based on their coverage of the document management market and their completeness of offerings. With its services and products, the Siav Group has the largest market coverage while providing a more comprehensive offering than its competitors.



Source: Company Data and PMI Capital Research Elaboration

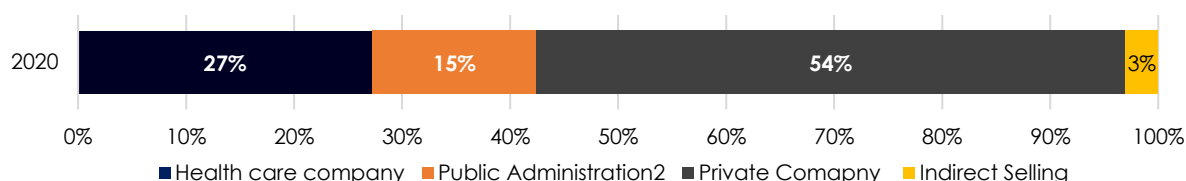
INDUSTRY BUSINESS SYSTEM AND STRATEGIES

Clients – Business Lines

The Siav Group's customers are mainly medium-sized and large companies that are looking for advanced technological solutions and that invest in digitalization and documents dematerialisation.

Company platforms and solutions are transversal concerning the product sector in which its customers operate: on 31 December 2021, the Group counts more than 4,000 active customers, direct and indirect, both private and public administration, thanks to the ability to adapt its revenue model to different customer segments. Siav boasts references in all sectors, from Public Administration to Health, from retail to services and utilities, with installations in more than 70 countries around the world.

Revenues breakdown by client – FY20



Source: Company Data and PMI Capital Research Elaboration

The group has moreover an indirect sales channel constituted mainly of 10 Partner that integrates the solutions SIAV in the distribution of their offer to their own direct customers, the objective is also that to develop a channel for the foreign markets

Below is an analysis of the top 10 customers for total revenues in 2021 for Siav S.p.A. representing about 99% of consolidated revenues

Top Ten Clients Overview

Company	2020		2021	
	€/000	%	€/000	%
Client 1	1.122,3	4,1%	1.165,2	3,8%
Client 2	505,2	1,9%	923,5	3,0%
Client 3	787,6	2,9%	783,7	2,5%
Client 4	655,8	2,4%	723,4	2,3%
Client 5	267,3	1,0%	711,4	2,3%
Client 6	799,0	2,9%	690,7	2,2%
Client 7	380,0	1,4%	495,9	1,6%
Client 8	560,0	2,1%	471,6	1,5%
Client 9	339,4	1,2%	471,0	1,5%
Client 10	389,0	1,4%	454,9	1,5%

Source: Company Data and PMI Capital Research Elaboration

Suppliers

The data presented concern the first 10 suppliers of the parent company Siav s.p.A , which, representing about 99% of consolidated production costs, is considered to give a correct representation of the concentration of suppliers of the entire Group.

Company	2020		2021	
	€/000	%	€/000	%
Supplier 1	305,4	2,2%	582,0	5,1%
Supplier 2	606,5	4,3%	565,3	3,6%
Supplier 3	405,6	2,9%	460,6	3,5%
Supplier 4	555,5	3,9%	460,0	2,9%
Supplier 5	552,2	3,9%	390,6	2,9%
Supplier 6	302,9	2,1%	388,1	2,4%
Supplier 7	430,4	3,0%	344,7	2,4%
Supplier 8	252,4	1,8%	320,2	2,2%
Supplier 9	309,9	2,2%	292,7	2,0%
Supplier 10	123,3	0,9%	819,5	1,8%

Source: Company Data and PMI Capital Research Elaboration

STRATEGY AND ACTION PLAN

The IPO of Siav on Euronext Growth Milan, with a Euro 5 m capital increase, is a key step in a strategic path. Strengthen the Group's role as an independent software vendor (ISV), the consolidation and functional development of individual proprietary platforms and highly qualified personnel training and human resource retention.

Siav is looking to invest the funds collected in order to accelerate its organic growth path based on 6 strategic guidelines:

- **Development of M&A activities in an internationalization context:** acquiring ISV or Professional Services / System Integrator companies operating in the end markets for the purpose of selling the proprietary platforms abroad with particular focus on Canada, France, Germany, UK, USA and the Middle East;
- **Strengthening M&A activities related to products area:** Acquisition of product companies that market products synergistic to SIAV's commercial offerings;
- **Commercial development** on existing customers in terms of completing and integrating the offering thanks to the consolidation of acquisitions that have taken place in recent years;
- **Indirect sales development** through loyal Partners capable of offering Siav products to a diversified customer base in terms of sector and size;
- **Consolidation of the positioning of proprietary products** in the markets that Siav currently covers;
- **Structure enhancement of internal academy:** Consolidate and make continuous an in-house training school in R&D and Delivery.

ORGANIZATIONAL STRUCTURE AND GOVERNANCE

Key Managers

Alfieri Voltan- SIAV and Siav Academy Foundation President

After humanistic university education, Alfieri Voltan began his professional career in 1974 in the field of business automation. He then worked as a management consultant at Siemens Data, developing optical handwritten character recognition systems (ICR), which would form the technological basis for the foundation of SIAV in 1990, of which he is still President. Under his direction, Siav has evolved from OCR/ICR technologies to the storage and management of documents in image format, up to the latest technologies of Business Process Management, Business Process Intelligence and AI. He was President of the Siav Academy Foundation, established by his will in 2009 as an expression of Siav's civil commitment to digitizing historical and ancient documents for Cultural Heritage. He is also Chairman of Siav Suisse LLC, Siav East Europe Srl (Galati - RO) and a member of the board of directors of Credit Service S.p.A.

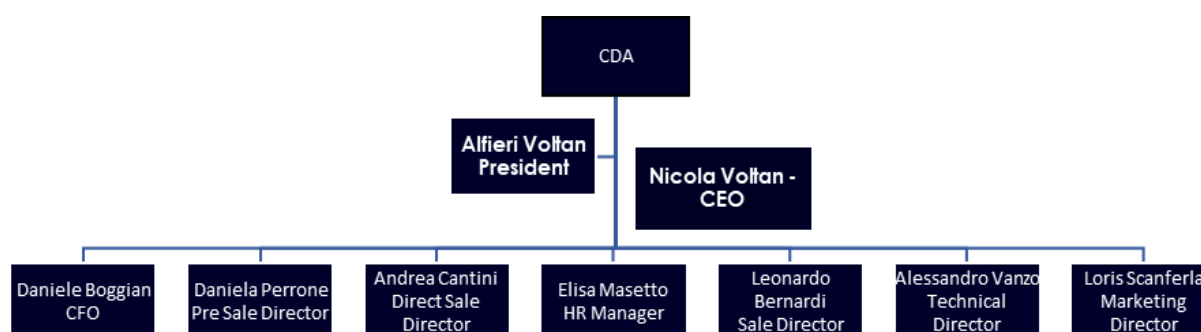
Nicola Voltan- CEO

Nicola Voltan has held positions of increasing responsibility within the Group, starting from the commercial development from 1995 to 1999. He was Head of the Document Management Outsourcing Division from 2000 to 2006, while also holding the roles of Quality Manager, Contact for Privacy and Internal Security. Since 2006 he has held the role of Executive Human Resources and Organization, as well as a member of the Board of Directors. Since January 2013 he has been CEO of Siav S.p.A. Since 2021 Chairman of the Board of Directors of Mitric S.r.l. and Director of Mitric SA. Nicola Voltan is a member of the board of directors of Assindustria Padova and Treviso.

Daniele Boggian- CFO

Degree in Business Administration from the University of Verona. Join as a financial analyst in the Strategic Planning department of Saipem S.p.A. He then joined the structured finance team of Livolsi & Partners S.p.A. where he mainly deals with extraordinary finance operations in the field of Energy & Infrastructure. He then joined the Advisory team of Deloitte Financial Advisory Services S.p.A. as Director in charge of the origination and execution activities in the M&A field. After the Deloitte experience, he is appointed Chief Operating Officer in the Investment Holding promoted by the family office of some important Italian companies, dealing with the development, construction, and management of green energy projects in Italy, Romania, and Greece. Before joining SIAV, he was General Manager / CFO in Roto-cart S.p.A. an important and established entrepreneurial company operating in the consumer goods (tissue) sector. In 2001 he graduated Master of Arts in Corporate Finance at SDA Bocconi. Since 2019 he has been CFO of Siav S.p.A.

Organizational chart



Source: Company presentation & PMI Capital Research Elaboration

SWOT ANALYSIS

STRENGTHS

- Solid company with a recognized history
- Complete offer of proprietary software for document management
- Ability to customize the product
- Ability to adapt to the market by following technological evolutions and maintaining profitability
- Consistent and prepared delivery team
- Continuous innovation in line with international standards
- Ability to integrate solutions with all third-party environments

WEAKNESSES

- Transition phase between old and new software (Archiflow -> Silloge) Long payments periods by the PA
- Almost exclusive presence in the Italian market
- Cloud solution (Silloge) under implementation.
- Technical structure still not mature
- Poor culture in indirect channel management

OPPORTUNITIES

- Offering a completely new Cloud (cloud native) solution
- High-end customers reachable with the Silloge software
- Offering in the SAP Market
- Benefit from PNRR
- Integration between management systems and products supplied by Partners
- Upselling opportunities through third-party partnerships
- Possibility of developing the indirect sales channel with rapid growth in license sales, with low increase in fixed costs

THREATS

- Growing competition in the market
- Trend towards aggregation of small and medium-sized operators
- Particularities of how to purchase the Public administration and risks due to possible regulatory changes
- Difficult to implement the new cloud software for complex company

FINANCIALS AND ESTIMATES

Historical results overview

Over the 2020-2021 period the Siav group has managed to grow with revenues spiking to Euro 30.6 m in 2021A, from Euro 28.8 m in 2020A, +6% YoY.

In FY21A, 60% of total revenues were "recurring" from the sale of software in SaaS or OnPrem mode (automatic annual renewable contract). FY21 EBITDA reached Euro 4.3 m (+48% YoY), posting an EBITDA margin of 10.3%, up from 7.6% in FY20, thanks to a better sales mix with higher weight of Software (+29% YoY).

Value of Production stood at Euro 39 m, in FY21 with the difference compared to net sales being mainly made up by capitalized R&D expenses (Euro 6.2 m in FY21A and Euro 4.3 m in FY20).

Personnel costs is the most significant cost item: the increase by +10% YoY, from Euro 16.8 m to Euro 18.4 m in FY21A, stems from the strengthening of the delivery and software development areas of SIAV S.p.A. and Mitric S.r.l.

Depreciation and amortization amounted to Euro 2.6 m in 2021A consists mainly of amortization of intangible assets (Euro 2.2 m), most of which relates to proprietary software used in the delivery of the offering.

On the asset side, Fixed assets of Euro 22.6 m, increased by over Euro 6.8 m compared to December 31, 2020, mainly as a result of M&A activities and R&D:

- investments in intangible fixed assets, amounting to Euro 5.4 m, pertaining to the development of the Group's proprietary software;
- investments in financial fixed assets, amounting to Euro 1.7 m, as a result of the acquisitions of shares in Credit Service S.p.A. and "Consis" Consortium, which are strategic for the development of the Group's business.

Net working capital remain negative over the period (Euro -3.1 m and Euro -1.8 m in FY21 and FY20 respectively) with a Sales/NWC ratio that improved thanks to a careful management of trade receivables, down by Euro 3 m, and an increase in other liabilities by approx. Euro 1.5 m, an item mainly composed of accrued payables to employees.

Also significant are the reduction in trade payables by Euro 1.3 m. Regarding the Operating cash flow, it amounted to Euro 4.8 m, and was positively affected by the dynamics of net working capital, which, during the year, resulted in cash generation of Euro 0.6 m, mainly due to the significant decrease in trade receivables of Euro 3 m.

Key Financials – Euro /000

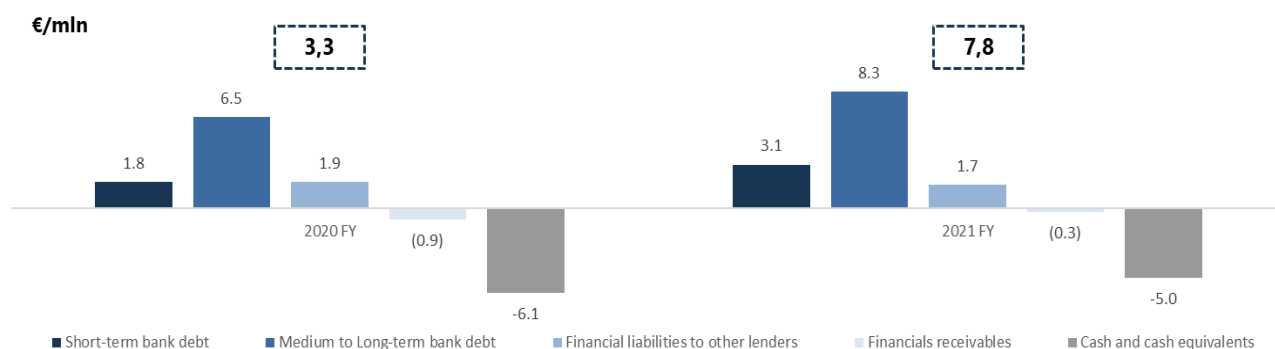
	FY20A	FY21A
Net Sales	28.9	30.6
Yoy	-%	+6%
VoP		
EBITDA	2.9	4.3
% on sales	10%	14%
EBIT	1.0	1.6
% on sales	3%	5%
Net Income	0.8	1.1

	FY20A	FY21A
Fixed Assets	15.7	22.6
Net Working Capital	(1.8)	(3.1)
Funds	(2.2)	(2.3)
NET INVESTED CAPITAL	11.8	17.2
Net Debt/(Cash)	3.3	7.7
Net Equity	8.5	9.5
TOTAL SOURCES	11.8	17.2

Source: Company presentation & PMI Capital Research Elaboration

As of December 31, 2021, Net Financial Debt came in at Euro 7.8 m, up by Euro 4.5 m vs. FY20, as the positive operating cash flow was more than offset by Euro 7.1 m of CAPEX, mainly related to the completion of the new SILLOGE cloud-based ECM platform, the ARCHIFLOW and CATFLOW platform. Subsidiary Mitric S.r.l., on the other hand, continued with the implementation of the solutions of the proprietary Checker platform.

Net Debt breakdown



Source: Company presentation & PMI Capital Research Elaboration

It should be noted that Loans payable to other lenders* relate to some finance lease contracts outstanding at the end of the year, while Loans Receivable* relate to receivables from directors. The Group's cash and cash equivalents for fiscal year 2021, amounting to Euro 5 m, decreased by approximately Euro 1.1 m compared to the previous year (Euro 6.1 m), mainly due to investments made during the period.

*Financial Receivables and Financial Payables to Other Lenders will be sold as part of the real estate spin-off transaction, as explained below.

Group shareholders' equity reaches the amount of Euro 9 m, an increase from the previous year (Euro 7.7 m), mainly due to the net income for the period.

2021PF financial statement preparation criteria

The preparation of the pro forma consolidated statements (consolidated balance sheet and consolidated income statement) was carried out in order to correctly value the shares of Siav S.p.a in light of the potential listing by the company on the Euronext Growth Milan stock market.

The schedules represent the impact of two main "Extraordinary Transactions":

- the Spin-off of the "real estate" branch of Siav to date included in the group ("Taco Immobiliare S.r.l.");
- the consolidation of the companies of Mitric SA and Mitric S.r.l. as of January 1, 2021 (in the 2021 Consolidated Financial Statements, consolidation took place only for the last quarter of the fiscal year, as of October 1, 2021).

Starting with the Consolidated Financial Statements as of December 31, 2021, in order to construct the pro forma Consolidated Financial Statements, the income statement figures for the first 9 months of Mitric S.A. and Mitric S.r.l., which are not included in the consolidation, were included and appropriate elisions were made.

The Financial Information shown below, is obtained by making pro forma adjustments reflecting the effects of the Extraordinary Transactions based on the application of the drafting principles found in Consob Communication DEM/1052803 of July 5, 2021.

Key Financials – Euro k

Income Statement	2021A	2021PF
Sales	30,646	31,609
Increases in Fixed assets for internal developments	6,171	6,276
Other revenues	2,133	2,189
Revenues	38,950	40,074
Operating costs	(34,687)	(36,088)
EBITDA	4,263	3,986
D&A	(2,704)	(2,659)
EBIT	1,558	1,327
Other items	-	-
Financial Income (Charges)	(275)	(235)
EBT	1,283	1,092
Taxes	(139)	(172)
Net profit (loss)	1,144	0,920

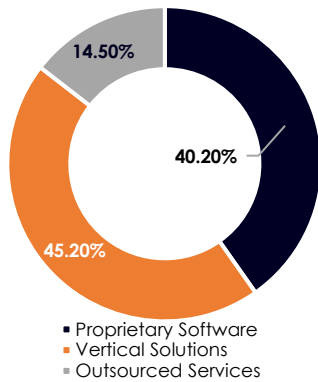
Source: Consolidated Management accounts still for FY20-21 and FY21PF

Balance Sheet	2021A	2021PF
Fixed Net Assets	22,6	19,3
Net Working Capital	(3,4)	(3,1)
Funds	(2,3)	(2,1)
Net Invested Capital	17,2	13,8
Net Financial Position	7,7	6,3
Equity	9,5	7,5
Sources	17,2	13,8

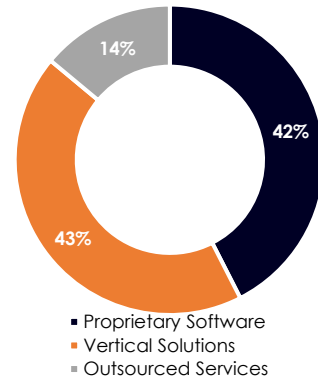
Source: Consolidated Management accounts still for FY20-21 and FY21PF

Revenue breakdown

by business lines FY21

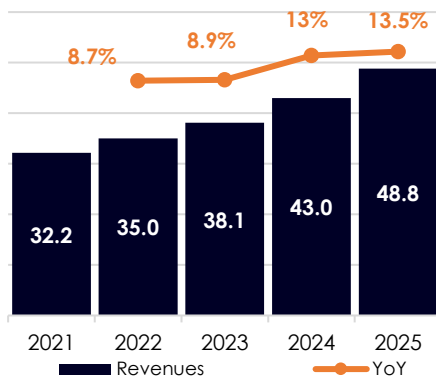


by business lines FY25

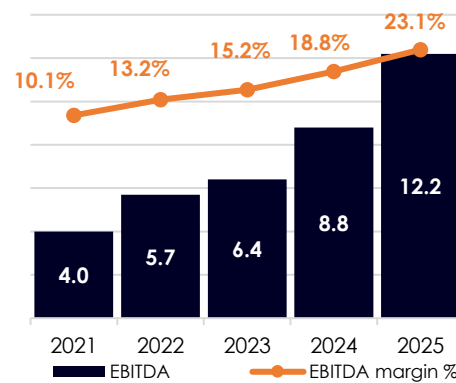


Source: Group presentation

Revenue Evolution FY21-25

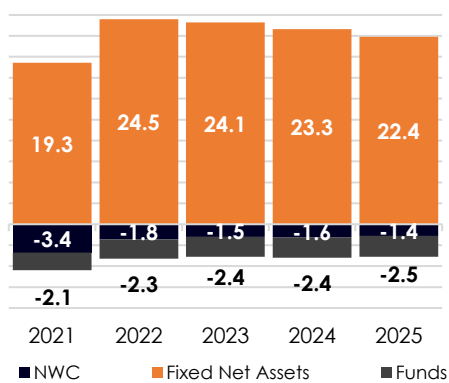


EBITDA Evolution FY21-25

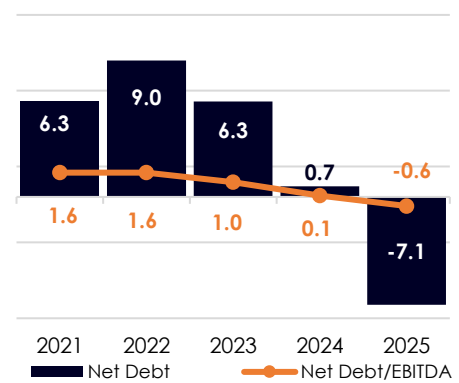


Source: Consolidated Group data for FY20-21, PMI Capital Research estimates for FY22-24

Assets Evolution FY21-25



Net Cash Evolution FY21-25



Source: Consolidated Group data for FY20-21, PMI Capital Research estimates for FY22-24

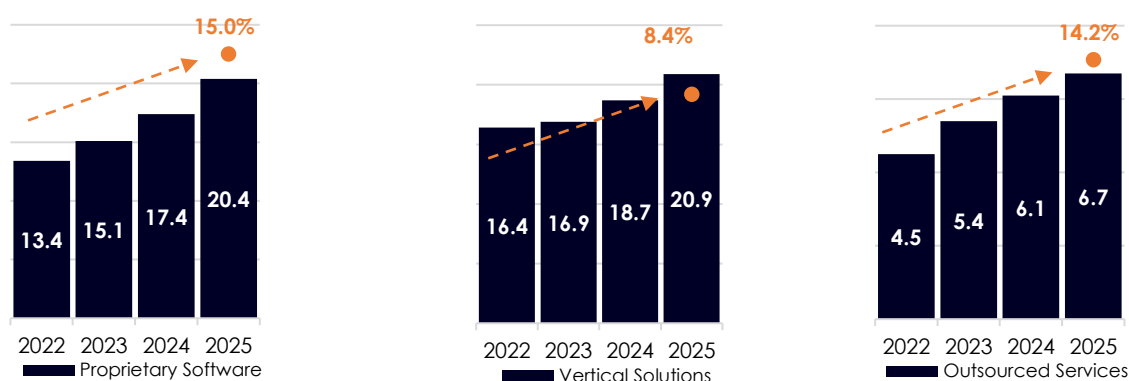
2022- 2025 Estimates

Our financial projections over the 2022-25 period consider Siav's business model and strategy, as well as growth expectations in the markets in which the Group operates. No impact from potential future M&As has been taken into account and, in particular, the foreseeable evolution of Group's revenues and operating costs have been considered and studied, together with the trend of the reference sector, the completion of the new Silloge platform and the integration of software solutions.

Main revenues growth drivers will be the launch of "Silloge", with focus on the private markets (international markets), integrate the offer, with the enhancement of Catflow, Checker and My Credit Service with the aim to create upselling opportunities and expansion of the Partner's network to increase indirect revenues and increase visibility.

The Group should hence continue to perform above expected market growth rates as it is well positioned to compete in the market thanks to its high level of professional expertise and constant investments in R&D, key growth drivers in this market. Starting from the top line, we forecast revenues growing at a CAGR 21PF-25E of 12%, Euro 48.8 m in FY25. We assume growth across all business lines, in particular software, the highest margin business, is expected to record the highest growth rate, followed by outsourced services and vertical solutions

Revenue Evolution FY22-25



Source: PMI Capital Research estimates for FY22-24

Other assumptions to our estimates are:

- Based on FY21 results, we expect a slightly increase on Net Sales in FY22, to reach Euro 35 m forecasted for FY22;
- EBITDA should grow at a 2022-2025 CAGR of 32% and an increase in EBITDA margin by 1250 bps, mainly thanks to a better sales mix with higher weight of the premium software segment. In particular, revenues related to the sale of proprietary software will reach about Euro 20.4 m in 2025, with a 2022-2025 CAGR of 15%, mainly due to the consolidation of the Catflow, Checker, and Revo products and the beginning of the commercialization of the Silloge platform initially to PA customers and later to private customers. Regarding the outsourcing services, they would grow at a 14.6% CAGR, up mostly thanks to an increase in the average number of customers from 600 (FY21) to 770 in 2025;
- D&A are expected to remain broadly stable in the next three years on the back of the massive investment recently made with the aim of developing the Silloge cloud native platform coupled with the continuous planned developments in order to constantly upgrade all software.
- Over the 2022-2025 period, we forecasts cumulated capex of Euro 15 m, entirely related to the capitalisation of development costs related to platform evolutions and R&D costs (mainly Silloge, Archiflow and Quality assurance for the testing in launch phases);
- Working capital: Siav is implementing a policy to contain trade working capital through strict procedures for trade credit management, coupled with a change in service delivery mode (the SaaS client being connected to the Siav data center can be blocked at any time). Specifically, trade credit as of 2022 will be managed through the "My Credit Service" collection platform recently integrated into the internal corporate Archiflow. Over the course of the Plan, the company is expected to collect at an average of 90/120 days (DSO 2021: 129 days). Payment extensions depend on corporate rating and customer seniority.

- Siav also began in 2022 the implementation of reverse factoring and dynamic discounting policies that will allow it to lengthen payment times and/or increase margins as a result of any prepayment. From the point of view of commercial agreements, the Group pays on average at 90/120 days except with regard to contracts related to PA tenders where the payment of sub-suppliers (regardless of the size of the same) takes place only after collection by the customer (DPO 2021 net of advance payments: 125 days).
- Our estimates include the last M&A activity, the acquisition of Rhei, a domestic software company specialised in developing Customer Relationship Management solutions.

Key Financials – Euro k

Income Statement	2021PF	2022E	2023E	2024E	2025E
Sales	32,2	35,0	38,1	43,0	48,8
Increases in Fixed assets	6,3	6,4	2,9	2,8	2,8
Other revenues	1,6	1,7	1,0	1,0	1,1
Revenues	40,1	43,1	42,0	46,8	52,7
yoy	n.d.	+7.4%	-2.5%	+11.5%	+12.5%
Operating costs	(36,0)	(37,4)	(35,6)	(38,0)	(40,5)
EBITDA	4,0	5,7	6,4	8,8	12,2
margin %	10%	13%	15%	19%	23%
D&A	(2,7)	(3,1)	(3,5)	(3,8)	(3,9)
EBIT	1,3	2,6	2,9	5,0	8,3
margin %	3%	6%	7%	11%	16%
Other items	-	-	-	-	-
Financial Income (Charges)	(200)	(200)	(200)	(100)	(100)
EBT	1,1	2,4	2,7	4,9	8,2
Taxes	(200)	(100)	(100)	(500)	(1,1)
Net profit (loss)	0,9	2,3	2,6	4,4	7,1
Total Net profit (loss)	0,9	2,3	2,6	4,4	7,1
margin %	2%	5%	6%	9%	13%

Source: Consolidated Management accounts still for FY20-21 and PMI Capital Research estimates for FY22E-25E.

Balance Sheet	2021PF	2022E	2023E	2024E	2025E
Fixed Net Assets	19,3	24,5	24,1	23,3	15,505
Net Working Capital	(3,3)	(1,8)	(1,4)	(1,7)	(1,5)
Funds	(2,1)	(2,3)	(2,4)	(2,4)	(2,5)
Net Invested Capital	13,9	20,4	20,2	19,2	18,4
Net Financial Position	6,4	6,0	3,2	(2,2)	(10,1)
Equity	7,5	14,4	16,9	21,4	28,5
Sources	13,9	20,4	20,2	19,2	18,4

Source: Consolidated Management accounts still for FY20-21 and PMI Capital Research for FY22E-25E.

VALUATION

Our valuation was obtained by weighting equally a DCF and the multiple comparison analysis. At our TP, our valuation offers implicit FY 22-23 EV/EBITDA multiples of 11.3x and 9.6x respectively and FY 22-23 P/E multiples of 28.0x and 23.7x respectively.

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA, P/E, EV/SALES 22/23 Technology and EGM Peers	50%	5.73	52.5
DCF (WACC 7,42% and g 1.0%)	50%	7.12	65.3
Target Price	100%	6.47	58.9

Source: PMI Capital Research estimates.

DCF model

Our DCF model yields a fair value of Euro and was run using our FCF estimates of for the 2022E-25E explicit period and a WACC of 7.42%, based on the following assumptions:

WACC assumptions	
Perpetual growth rate	1.00%
WACC	7.42%
Risk free rate (BTP 10Y 12 months average)	1.96%
β levered	1.193
Equity risk premium	6.42%
Additional Small Cap Risk Premium	0%
Ke	9.6%
Target Leverage	30.0%

Source: PMI Capital Research estimates.

DCF Valuation		
<i>Euro m</i>		
Sum of PV 2022-25 FCFs	9.44	13.2%
Discounted terminal value	62.24	86.8%
Enterprise Value	71.67	
Net Debt / (Net Cash)	6.39	
Dividend	-	
Equity Value	65.28	

Source: PMI Capital Research estimates.

Multiples Comparison

We chose a peer group made up of 8 Italian and 1 Deutsche companies active in Siav's reference market for our multiple analysis. We have summarized the main characteristics of the peers in the table below. As can be seen the sizes of the selected companies vary (with market caps ranging from c. Euro 35 m to c. Euro 220 m).

Companies	Market Cap	Price	Sales 2022E	Sales YoY 22/21	EBITDA % 2022E	NI % 2022E
Italian Peers						
Cyberoo	71.75	3.6	18.00	104%	33%	22%
Expert.ai	47.15	0.9	43.75	29%	-9%	-26%
Growens	72.61	4.9	92.27	30%	8%	2%
MAPS	42.57	3.5	28.80	19%	26%	10%
Neosperience	29.69	1.7	25.45	40%	30%	6%
Doxee	78.63	9.9	27.15	30%	22%	5%
Relatech	92.96	2.2	61.60	120%	20%	8%
Piteco	226.06	11.2	38.60	4%	47%	27%
International Peers						
Fabasoft	223.30	20.3	64.50	80%	29%	12%
Average	98	6	44	51%	23%	7%
SIAV			35	9%	13%	7%

Factset Data and PMI Capital Research estimates for SIAV

Companies	EV/EBITDA			P/E		
	22E	23E	24E	22E	23E	24E
Italian Peers						
Cyberoo	11.9	4.8	2.9	20.0	8.0	4.7
Expert.ai	n.a.	11.6	2.5	n.a.	n.a.	28.1
Growens	9.1	7.5	6.3	52.0	29.7	19.4
MAPS	5.1	4.4	n.a.	15.6	12.3	10.1
Neosperience	4.8	3.8	2.8	20.4	11.9	7.5
Doxee	13.5	8.9	6.8	54.8	21.4	13.7
Relatech	7.3	5.7	4.7	13.5	10.8	9.0
International Peers						
Fabasoft	10.5	8.9	7.6	29.0	23.9	19.7
Average	8.9	6.9	4.8	29.3	16.9	14.0
SIAV	11.2	9.6	6.3	27.8	23.5	11.1
Premium/Discount to Peers	26%	38%	32%	-5%	39%	-21%

Factset Data and PMI Capital Research estimates for SIAV

PEERS DESCRIPTION

Cyberoo SpA provides information technology solutions for the management, optimization, and support of business information systems with focus on cyber security. It operates through the following business segments: Cyber Security and Device Security, Managed Services, and Digital Transformation. The Cyber Security and Device Security segment provides software services such as anti-spam, anti-virus, web security, log management, threat hunting, and security awareness. The Managed Services segment involves in data center management, cloud management, and device management. The Digital Transformation segment develops systems for customer relationship management, human resources management, and product management. The company was founded on July 23, 2008 and is headquartered in Reggio Emilia, Italy.

Expert.ai SpA engages in the development of semantic technology. It engages in the provision of solutions for online activities such as search and explore, tagging and categorization, intelligence, natural language understanding and advertisement. The company was founded by Stefano Spaggiari, Marco Varone and Paolo Lombardi in 1989 and is headquartered in Modena, Italy.

Growens SpA engages in the provision of a digital platform for the professional management and sending of large quantities of electronic mail, professional newsletters, short message service, and fax without the need for software or hardware installment. It operates through the following business areas: E-Mail Sending, Text Message Sending and BEE Plugin and Other Services. The E-mail Sending business area allows clients to send e-mail messages, at limited costs, with the purpose of ensuring commercial and marketing communication, information or transactions to its contacts. The Text Message Sending business area integrates with the e-mail service platform for the delivery of text messages to different countries. The BEE Plugin and Other Services business area is a service that allows for the inclusion of the system used to create responsible e-mails developed by MailUp for its platform, within third party applications. The company was founded by Nazzareno Gorni, Luca Azzali, Matteo Monfredini, Matteo Bettoni and Alberto Miscia on September 23, 2002 and is headquartered in Milan, Italy.

Maps SpA engages in the design, production, and distribution of software solutions for business big data analysis. It operates through the following business units: Large Enterprise, Healthcare Industry; and Gzoom. The Large Enterprise unit focuses on the data integration solutions, semantic and predictive analysis under the Smartaggregator brand, and data cloud sharing systems under the Smartnebula brand of high-revenue companies of various industries. The Healthcare Industry unit offers software for managing patients within the facility featuring health information and software for patient care and support. The Gzoom unit specializes in developing software for public administrations which allows institutions to evaluate performance, goals, and achievement plans. The company was founded in December 2001 and is headquartered in Parma, Italy.

Neosperience SpA develops and operates software platform for digital experience. It is a digital customer experience cloud that empowers organizations to understand, engage and delight digital customers. The firm delivers customer-facing, business and conversational apps to enhance their brand and product experience. The company was founded by Dario Patrizio Melpignano and Luigi Linotto in 2006 and is headquartered in Milan, Italy.

Doxee SpA provides information technology solutions for customer communications management and digital customer experience business systems. It operates through the following product lines: Document Experience, Paperless Experience, and Interactive Experience. The Document Experience product line produces and distributes digital document storage systems. The Paperless Experience product line focuses on the electronic billing, digital archiving, and electronic ordering systems. The Interactive Experience product line develops interactive micro websites under the Doxee Pweb brand and customized videos, under the Doxee Pvideo brand. The company was founded by Sergio Muratori Casali and Paolo Cavicchioli on March 26, 2001 and is headquartered in Modena, Italy.

Relatech SpA engages in the provision of digital solutions. The firm offers services/solutions on the RePlatform cloud-based platform in the Cloud areas (hybrid, public and private), AI, Blockchain, IoT, Cybersecurity, Virtual & Augmented Reality. The company was founded by Pasquale Lambardi in 2001 and is headquartered in Milan, Italy.

Fabasoft AG engages in the manufacturing and sale of software products. The firm's products portfolio includes Fabasoft eGov-Suite, Fabasoft Approve, Fabasoft Contracts, Fabasoft Folio, Fabasoft Business Process Cloud, Mindbreeze, and Xpublisher. The company was founded in 1988 and is headquartered in Linz, Austria.

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RESEARCH TEAM:

Edoardo Fumagalli (Analyst, AIAF Associated)

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