



A leader in document management solutions

Sector: Technology Services

1H22 sales at Euro 14.2 m and continuous investment in the technological development of the Group. During the period, the Group recorded revenues of Euro 14.2 m, which is substantially in line with the figure as of 1H 2021 (Euro 14.1 m). When including in the calculation of revenues the change in contract work in progress, referring to work in progress and not yet completed, there was a growth of +4.2% compared to the first half of 2021.

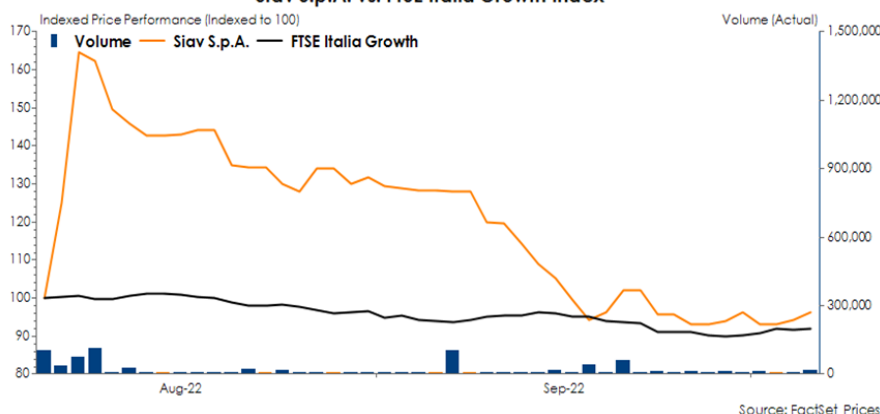
VoP, in the first half of 2022, amounted to Euro 19.5 m, up 8.8% compared to the previous year (Euro 17.9 m); making up this item, in addition to sales revenues, are the increases in fixed assets for internal developments, which rose from Euro 2.9 m as of 1H 2021 to Euro 3.7 m as of 1H 2022 (+27.1%), mainly as a result of the completion of the new Silloge cloud-based ECM platform by the parent company SIAV S.p.A. during the reporting period. In addition to the completion of the Silloge platform, developments continued on the Archiflow platform, with the release of version 10.2, the Cafflow platform, and the Quality & Audit Management Checker and Revo platforms. The most significant costs for the Company are services costs for services and personnel; in particular, costs for services increased in 2022 compared to 2021 by approx. 8.2% (from Euro 6.3 m in 1H 2021 to Euro 6.8 m in 1H 2022), mainly as a result of increased costs incurred by SIAV S. p.A. for body rental activities in software development and delivery, while personnel costs increased by approx. 14.1% (from Euro 8.8 m as of June 30th 2021 to Euro 10.0 m as of June 30th 2022), as a result of the entry of new units to strengthen the delivery and software development area of SIAV S.p.A. and Mitric S.r.l.

Margins are substantially stable, both in absolute and relative terms, with EBITDA stood at approximately Euro 1.4 m in 1H 2022 (Euro 1.4 m as of 1H 2021) and the EBITDA margin of 9.9% (10.0% on the same period of last year).

Positive outlook confirmed, also thanks to the awarding of major contracts for PA digital transformation and NRRP program. Net financial debt amounted to 8.2 m euros, up slightly from 7.8 m euros as of FY21, mainly due to investments in R&D activities aimed at the technological development of the Group. The Group's shareholders' equity amounted to Euro 9.0 m. The Company announced that it had signed the contract, as part of the tender called by Consip for the awarding of services on the information systems of I.N.A.I.L. (National Institute for Insurance against Accidents at Work). The total contract amount is Euro 26.3 m over 36 months, of which approximately Euro 1 million is dedicated to supply services by the Siav Group. In addition, SIAV was awarded in R.T.I. with Cap Gemini Italia S.p.A., Sirfin P.A. Srl, Expleo Italia S.p.A., Dedalus Italia S.p.A., Teleconsys S.p.A. and Vodafone Italia S.p.A., the tender called by Consip for the procurement of cloud application services and demand and PMO (Project Management Office) services for Public Administrations central. The total award amount is about 144 million euros, of which about 20.2 million euros due to the Siav Group, over 48 months starting in 2023.

Estimate revision and valuation. Based on our updated estimates and peers' multiple re-rating since our last update in September 2022, we set a new target price of Euro 6.36 p.s. (6.47 pr.) providing for an upside on current stock price of 111%. Our valuation was obtained by weighting equally the DCF and the multiple comparison analysis. At our target price the stock would be trading at FY22E/23E EV/EBITDA multiples of 11.4x and 9.4x.

Siav S.p.A. vs. FTSE Italia Growth Index



Target Price **6.36 (6.47 pr.)**

Price (€ m) **3.01**

Market Cap (€ m) **27.60**

EV (€ m) **33.99**

As of 10th October 2022

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	SIAV.MI/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	34.0	38.1	43.0
YoY %	n.m.	+6%	+8.9%	+12.9%
EBITDA	4.1	5.5	6.4	8.8
EBITDA %	10%	13%	15%	19%
EBIT	1.4	2.4	2.9	5.0
EBIT %	3%	6%	7%	11%
Net Income	0.95	2.1	2.6	4.4
Net Debt	6.4	5.5	2.7	(2.7)

Performance

	1M	3M	6M
Absolute %	-19.5	n.m	n.m
Relative (FTSE Italia Growth)	-15.7	n.m.	n.m.
52-week High/Low (Eu)	5.7	/	2.6

Research Department of



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KEY FINANCIALS

Profit&Loss Statement	2021PF	2022E	2023E	2024E	2025E
Revenues (VoP)	40.1	42.1	42.0	46.8	52.7
EBITDA	4.1	5.5	6.4	8.8	12.2
EBIT	1.4	2.4	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	2.2	2.7	4.9	8.2
Taxes	(0.2)	(0.1)	(0.1)	(0.5)	(1.1)
Net profit (loss)	1.0	2.1	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	17.3	21.7	28.8

Cash Flow					
Net Profit	1.0	2.1	2.6	4.4	7.1
Non cash items	1.2	0.2	0.1	0.0	0.1
Change in Working Capital	7.6	(1.5)	(0.4)	0.3	(0.2)
Cash Flow from Operations	9.8	0.8	2.3	4.7	7.0
Capex	(22.0)	(8.3)	(3.0)	(3.1)	(3.0)
Operating Free Cash Flow	(12.2)	(7.5)	(0.7)	1.6	4.0
Acquisitions					
Dividend					
Other (equity)					
Free Cash Flow	(12.2)	(7.5)	(0.7)	1.6	4.0

Per Share Data	
Current Price	3.01
Total shares out fully diluted (mn)	9,170

Ratios					
EBITDA margin	10.1%	13.1%	15.2%	18.8%	23.1%
EBIT margin	3.4%	5.7%	6.9%	10.7%	15.7%
Net Debt/Equity	85.1%	37.8%	15.9%	-12.3%	-36.7%
Net Debt/(Net Debt + Equity)	46.0%	27.4%	13.7%	-14.0%	-58.0%
Net Debt/EBITDA	1.58	1.01	0.43	-0.30	-0.87
Interest cover EBIT	n.s.	n.s.	n.s.	n.s.	n.s.
ROE	12.7%	14.3%	15.1%	20.3%	24.7%
ROCE	11.2%	12.3%	14.9%	28.6%	51.1%
Free Cash Flow Yield	n.m.	n.m.	n.m.	n.m.	n.m.

Growth Rates					
Revenues (VoP)		5%	0%	11%	13%
EBITDA		36%	16%	37%	39%
EBIT		78%	21%	72%	66%
Net Profit		121%	24%	69%	61%

Source: Group Consolidated Data & PMI Capital Research Estimates

Key Financials 1H22

Income Statement (Euro m)	1H22A	1H21A	2021 A	2020A
Sales	14.16	14.04	32.20	28.87
EBITDA	1.40	1.41	4.10	2.90
	<i>% on sales</i>	9.9%	10.0%	10.1%
EBIT	0.03	0.06	1.35	0.96
Pre-tax Result	(0.1)	(0.05)	1.15	0.77
Group's Net results	(0.16)	(0.09)	0.95	0.75

Balance Sheet (Euro m)	1H22A	2021 A	2020A
Net Working Capital	(5.26)	(3.30)	(1.78)
Fixed Net Assets	25.15	24.50	15.72
Funds	(2.26)	(2.10)	(2.15)
Net Invested Capital	17.63	13.90	11.78
Net Debt (Cash)	8.22	6.39	3.28
Group's Equity	8.98	7.51	8.50
Sources	17.63	13.90	11.78

Source: Group Data and PMI Capital Research elaboration

Estimate revision – Euro m

Eu m	21PF	2022E	2023E	2024E
Revenues	32.20	34.00	38.1	43.00
	<i>YoY %</i>	+12%	+5.6%	+12%
EBITDA	4.06	5.50	6.40	8.80
	<i>EBITDA margin</i>	10%	13%	15%
EBIT	1.35	2.40	2.90	5.00
	<i>EBIT margin</i>	3.4%	6%	7%
EBT	1.15	2.20	2.70	4.90
Group's Net Profit	0.95	2.10	2.60	4.40
	<i>Net margin</i>	2%	5%	6%

Eu m	21PF	2022E	2023E	2024E
Net working capital (NWC)	(3.30)	(1.80)	(1.40)	(1.70)
Net fixed assets	19.30	24.50	24.00	23.30
Funds	(2.10)	(2.30)	(2.40)	(2.40)
Net Capital Employed	13.90	20.40	20.20	19.20
Net Debt/(Cash)	6.40	5.50	2.74	(2.66)
Group Equity	7.50	14.86	17.46	21.86
Sources	13.90	20.40	20.20	19.20

Source: Group Data for 2021 and PMI Capital Research estimates for 2022-2024

INDUSTRY COMPARISON

SIAV Spa (SIAV-IT): PMI Capital Research estimates and Factset Data

EGM Sector: average data for listed on EGM included in the Technology Services sub sector: Almwave (AIW-IT), CrowdFundMe (CMF-IT), Cy4Gate (CY4-IT), Cyberoo (CYB-IT), Datrux (DATA-IT), Defence Tech Holding (DTH-IT), DHH (DHH-IT), Digital Value (DGV-IT), Digital360 (DIG-IT), Doxee (DOX-IT), Energy (ENY-IT), Expert.ai (EXAI-IT), Farmacosmo (COSMO-IT), FOS (FOS-IT), Homizy (HZY-IT), MAPS (MAPS-IT), MeglioQuesto (1CALL-IT), Neosperience (NSP-IT), Neurosoft (NRST-IT), NVP (NVP-IT), Prismi (PRM-IT), Reevo (REEVO-IT), Relatech (RLT-IT), Reti (RETI-IT), Sababa Security (SBB-IT), SIAV (SIAV-IT), SosTravel.com (SOS-IT), Sourcesense (SOU-IT), Tecma Solutions (TCM-IT), UCapital24 (U24-IT), Vantea Smart (VNT-IT).

Industry Peers: average data for a selected group of industrial peers (see tables below)

Euronext Growth Milan: average financial and market data for all the companies listed on EGM, reported price performance data are related to the FTSE Italia Growth Index.

	SIAV-IT SIAV	Technology Services EGM Sector	Peers Avg	XS0072 FTSE Italia Growth
Key Financials				
Revenues	32.2	44.3	45	31.5
EBITDA	4.1	5.7	7	4.8
EBITDA %	12.6%	12.9%	15.6%	15.3%
EBIT	1.4	3.2	2	1.7
EBIT %	4.2%	7.2%	5.3%	5.3%
Earnings	1.0	2.5	2	1.1
Earnings %	3.0%	5.5%	3.7%	3.4%
Net Debt	6.4	0.6	-7	2.0
ND/EBITDA	1.6	0.1	-1.0	0.4
FY21-23 Revenues CAGR	2%	28%	23%	23%
FY21-23 Earnings CAGR	130%	49%	69%	95%
Market Data				
Market Cap	27.6	73.7	74	50.8
EV	34.0	74.2	350	53.8
Free Float	18,21%	37.93%	57.72%	33.77%
ADTT YTD (Eu k)	n.a.	73,032	44,761	35,420
Market Multiples				
EV/Sales 2022	1.0	2.0	2.1	1.7
EV/Sales 2023	0.9	1.5	1.9	1.2
EV/EBITDA 2022	6.2	15.7	12.2	10.1
EV/EBITDA 2023	5.3	7.2	10.1	6.9
EV/EBIT 2022	14.2	16.6	21.1	13.5
EV/EBIT 2023	11.7	19.1	15.1	10.2
P/E 2022	13.1	34.5	31.3	21.9
P/E 2023	10.6	37.4	24.6	16.9
Earnings Yield	7.6%	2.9%	3.2%	4.6%
Stock Performance				
1D	1.7%	-0.2%	-2%	-0.6%
1W	1.7%	-1.3%	1%	1.2%
1M	-23.6%	-7.9%	-7%	-2.5%
3M	n.a.	-9.4%	-12%	-2.2%
6M	n.a.	-20.0%	-20%	-14.0%
YTD	-12.6%	-26.3%	-31%	14.4%
1Y	n.a.	-23.9%	-27%	-17.7%

FactSet and PMI Capital data as of October 10 2022 Group data and PMI Capital Research estimates for SIAV

VALUATION UPDATE

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%	5.66	51.9
DCF (WACC 7,52% and g 1.0%)	50%	7.09	65.1
Target Price	100%	6.38	58.5

Source: PMI Capital Research Estimates

Multiples Comparison

Companies	Market Cap	Price	Sales	Sales YoY	EBITDA %	NI %
			2022E	22/21	2022E	2022E
Italian Peers						
Cyberoo	73.72	3.7	19.00	115%	42%	21%
Expert.ai	28.29	0.5	39.07	37%	-18%	-39%
Growens	65.73	4.3	96.41	35%	6%	0%
MAPS	41.96	3.5	28.60	18%	23%	10%
Neosperience	23.75	1.3	25.42	40%	30%	5%
Doxee	77.83	9.8	27.43	32%	21%	5%
Relatech	86.92	2.0	61.60	120%	20%	8%
International Peers						
Fabasoft	174.68	15.9	64.50	11%	29%	12%
Esker SA	729.04	122.0	157.71	18%	20%	11%
Average	145	18	58	47%	19%	4%
SIAV		3.0	35	6%	13%	6%

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
Esker SA	21.5	19.4	16.0	41.3	38.9	31.6
Average	9.9	9.1	6.3	37.6	19.3	13.3
SIAV	6.2	5.3	3.9	13.1	10.6	6.3
Premium/Discount to Peers	18%	5%	1%	-19%	22%	-16%

Factset Data and PMI Capital Research estimates for SIAV

SIAV IN BRIEF

Group Description

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.

The Company is specialized in the Enterprise Content Management (ECM) and Business Process Outsourcing (BPO) segments and 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; 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.

Strategy

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.

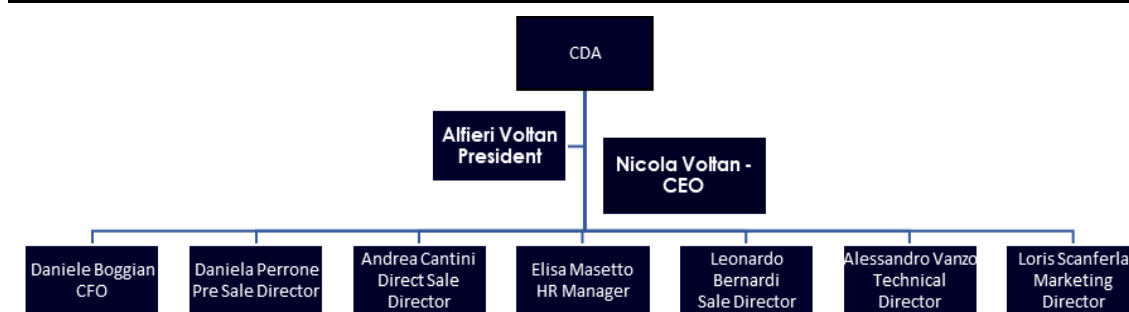
Ownership

Shareholder	%
Taco Holding Srl*	52.60%
Alfieri Voltan	2.58%
Nicola Voltan	4.05%
Matteo Voltan	4.05%
Own Shares	2.38%
Others	16.13%
Market	18.21%
Total	100.00%

Source: Group presentation

* Company associated with the Voltan Family

Organizational chart



Source: Company presentation & PMI Capital Research Elaboration

SIAV ON Euronext Growth Milan

IPO

Trading Market: Euronext Growth Milan – Borsa Italiana SpA
Date: August 04th, 2022
Price: 3.00 Eu
Capital raised: Eu 5 m equity through a capital increase
Capitalisation: 27.5 Eu m

SHARES (as of October 05th 2022)

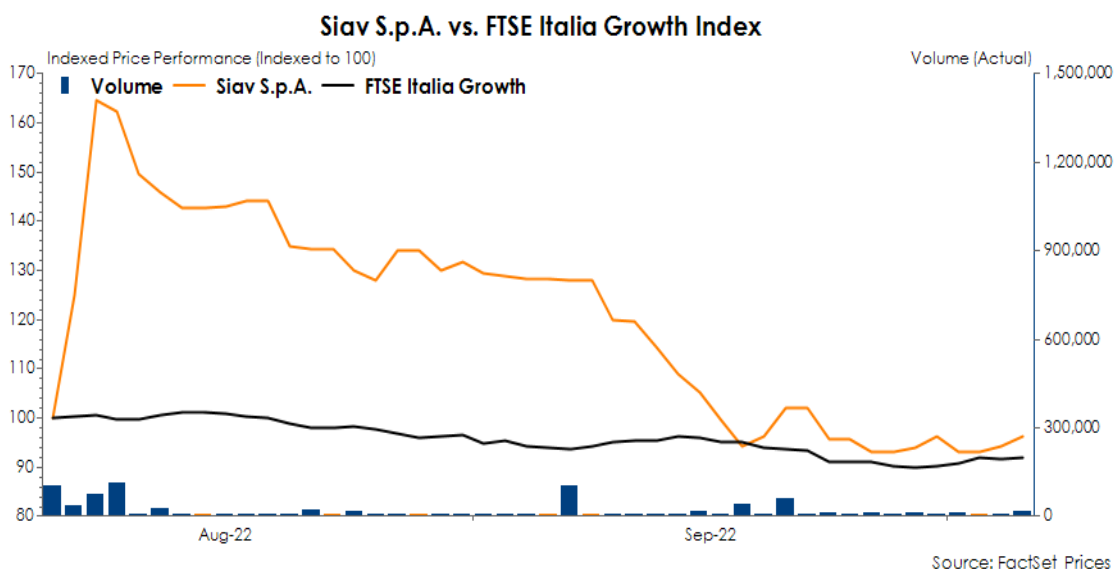
Code: SIAV
Bloomberg: SIAV:IM
Reuters: SIAV.MI
ISIN ordinary shares: IT0005504128
Shares: 9.170.000
Price: Euro 3.01
Performance from IPO: +1%
Capitalisation: Euro 27.6 m
Free Float: 18.21%
NomAd: Integrae SIM S.p.A.
Specialist: Integrae SIM S.p.A.

WARRANT 2021-2024

Alphanumeric Code: WSIAV
ISIN: IT0005504094
Issued warrants: 1.670.000
Exercise ratio: 1 new instrument every 4 warrants held.
Exercise periods:
1st exercise period 10/07/2023 – 24/07/2023. exercise price € 3.30
3rd exercise period 08/07/24 – 22/07/2024. exercise price € 3.63
3rd exercise period 07/07/25 – 21/07/2025. exercise price € 3.99

Number of outstanding Warrants at October 10th 2022: 1.670.000

STOCK PERFORMANCE



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Date	Target Price	Market Price	Validity Time
10 October 2022	6.38	3.0	12 months
05 September 2022	6.47	4.0	12 months

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top used a proprietary model, "EGM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio EGM", managed by IR Top and focused on research about performance of Companies listed on Euronext Growth Milan. Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

RESEARCH TEAM:

Edoardo Fumagalli (Analyst, AIAF Associated)

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