

MeglioQuesto

Sector: Customer Experience Management (CXM)

1H22 thumbs up, but the sky is not so clear

MeglioQuesto (MQ) is a leading domestic player in outsourced omnichannel customer interaction / experience (CX) business, across several industries ranging from telco to financial services, from retail & e-Commerce to healthcare sector.

1H22: +19% y/y Value of Production growth

MeglioQuesto (MQ) reported growing figures in 1H22 vs. 1H21, supported by Finance clients that more than offset the weakness of Energy / Multiutility ones, burdened by the volatility in provisioning costs.

- ◆ **Value of Production €33.8mn**, +19% y/y (on a l-f-l basis we calculate high single-digit organic growth);
- ◆ **EBITDA Adj.** (for extraordinary items) **€6.0mn** +27.4% y/y, supported by better revenue mix and effective cost control;
- ◆ **Net Cash Position €0.1mn** vs. Net Debt of €6.1mn at the end of FY21, pending ca. €19mn M&A cash-out settled in September 2022.

Worthy to note, MQ has also released 1H22 Pro-Forma figures that take into account all recent acquisitions as if they were consolidated starting as of 01/01/2022. Within this 1H22 Pro-Forma scenario, Revenues stood at €43.3mn and EBITDA at €9.3mn (EBITDA margin at 21.1%).

GDP slowdown burdens 2H22E-2023E forecasts

As already mentioned, the current complex macroeconomic scenario is impacting many clients, especially those active in the Energy and Multiutilities sector. This is the reason behind our ca. 20% downwards revision of 2022E-23E Value of Production and EBITDA forecasts. We now expect:

- ◆ **Value of Production** growing organically in the 10%-15% region, and then adding the top line of the recently acquired companies, getting to ca. **€125mn in 2024E**;
- ◆ **EBITDA** at ca. **€27mn in 2024E**, with EBITDA margin at 21.7%;
- ◆ **Net Debt** at **€17.1mn in 2024E**, after €45mn M&A related cash-out.

Fair Value revised down at €3.00 p.s. (€2.74 fully diluted)

We are updating MeglioQuesto fair value at **€3.00 p/s** (from €4.85) and fair value per fully diluted share at **€2.74** (from €4.35), the reason for the decrease being: (i) peer's multiples derating, (ii) the downwards revision of MQ estimates. At €3.00 p/s the stock would trade at 9.8x EV/EBITDA, 12.5x EV/EBIT and 17.8x P/E 2023E, while at €2.74 per f.d. share MQ would trade at 9.4x EV/EBITDA, 12.0x EV/EBIT, 18.7x P/E 2023E.



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Market Price (€)	1.85
Fair Value (Non-Fully Diluted, €)	3.00
Fair Value (Fully Diluted, € p.s.)	2.74

KEY FINANCIALS (€mn)	2021A	2022E	2023E
TOTAL REVENUES (VoP)	62.5	83.2	110.2
EBITDA ADJ.	11.4	17.3	23.0
EBIT	8.0	13.3	18.0
NET PROFIT	3.9	6.4	10.0
ADJ. NET PROFIT	4.7	6.4	10.0
OpFCF a.t.	7.1	1.5	8.7
EQUITY	25.8	47.7	58.9
NET FIN. POSITION	-6.1	-23.3	-17.4

Source: MeglioQuesto (historical figures), Value Track (2022E-23E estimates)

KEY RATIOS	2021A	2022E	2023E
EBITDA MARGIN (%)	18.2%	20.7%	20.9%
EBIT MARGIN (%)	12.8%	16.0%	16.4%
NET DEBT / EBITDA (x)	0.6	1.4	0.8
NET DEBT / EQUITY (%)	24%	49%	30%
EV/SALES (x)	1.7	2.0	1.4
EV/EBITDA (x)	10.3	9.8	6.8
EV/EBIT (x)	13.6	12.3	8.6
P/E (x)	29.1	17.1	10.8

Source: MeglioQuesto (historical figures), Value Track (2022E-23E estimates)

STOCK DATA

FAIR VALUE (€)	3.00-2.74(*)
MARKET PRICE (€)	1.85
SHS. OUT. (m)	59.6
MARKET CAP. (€m)	110.2
FREE FLOAT (%)	28.2
AVG. -20D VOL. (#)	5,712
RIC / BBG	1CALL.MI / 1CALL.IM
52 WK RANGE	1.73-4.39

Source: Stock Market Data (*) Fully Diluted figures

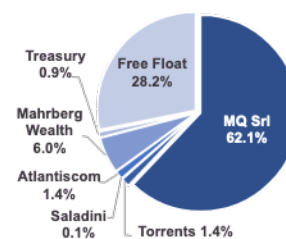
EQUITY RESEARCH PRODUCED IN THE NAME AND ON BEHALF OF MIT SIM ACTING AS SPECIALIST ON MEGLIOQUESTO SHARES



Business Description

MeglioQuesto ("MQ") is a leading domestic player in outsourced omnichannel customer experience (CX) business, across several industries ranging from telco to financial services, from retail & e-Commerce to healthcare sector. MQ provides two types of outsourced CX services: 1) Customer Acquisition (CA), i.e. convert leads into contracts; 2) Customer Management (CM), i.e. retain as long as possible acquired customers. MQ engages consumers at every touch point in the consumer lifecycle, deployed on three integrated channels: voice, digital and human.

Shareholders Structure



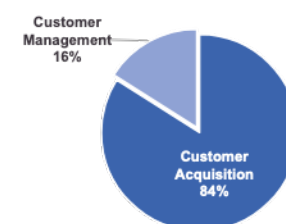
Source: MeglioQuesto

Key Financials

€mn	2021A	2022E	2023E	2024E
Total Revenues	62.5	83.2	110.2	125.1
Chg. % YoY	12.2%	33.0%	32.5%	13.6%
EBITDA	10.6	16.6	23.0	27.2
EBITDA Margin (%)	16.9%	20.0%	20.9%	21.7%
EBIT	8.0	13.3	18.0	21.3
EBIT Margin (%)	12.8%	16.0%	16.4%	17.1%
Net Profit	3.9	6.4	10.0	12.5
Chg. % YoY	78.3%	63.6%	58.0%	24.8%
Adjusted Net Profit	4.7	6.4	10.0	12.5
Chg. % YoY	42.2%	34.6%	58.0%	24.8%
Net Fin. Position	-6.1	-23.3	-17.4	-17.1
Net Fin. Pos. / EBITDA (x)	0.6	1.4	0.8	0.6
Capex	-3.3	-3.9	-4.7	-5.3
OpFCF b.t.	9.6	5.4	14.5	20.5
OpFCF b.t. as % of EBITDA	90.5%	32.5%	62.9%	75.6%

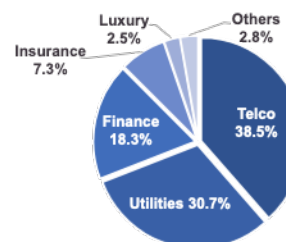
Source: MeglioQuesto (historical figures), Value Track (estimates)

Revenues by Business Line



Source: MeglioQuesto, 1H22

Revenues by Sector



Source: MeglioQuesto, 1H22

Investment case

Strengths / Opportunities

- ◆ Increasing trend towards digitalization of CXM activities (virtual assistants / chatbot / NLP / remote-cloud contact center)
- ◆ Higher outsource penetration rate across several industries;
- ◆ Important M&A skills and strong partnerships with Tier 1 clients.

Weaknesses / Risks

- ◆ Regulatory scenario about the authorization and transfer of third parties' data (Do Not Call Registry);
- ◆ Competition in low-end segments of Italian outsourced CXM market;
- ◆ Dependency on few very important clients.

Financials 1H22

MeglioQuesto (MQ) reported growing figures in 1H22 vs. 1H21 despite a complex macroeconomic scenario that is impacting many clients, especially those active in the energy and multi-utilities sector burdened by the well-known increase (and volatility) in provisioning costs.

On the contrary, reported 1H22 figures were positively impacted by the inclusion in the consolidation perimeter of OM Group for six months (deal closed back in December 2021) and of Eureweb for one month (deal closed at the start of June 2022). Smart Contact has not been included in 1H22 figures as the acquisition has been closed back in July 2022.

Worthy to note, MQ has also released 1H22 Pro-Forma figures that take into account Eureweb and Smart Contact as if they were consolidated starting as of 01/01/2022.

1H22 key financials were the following:

- ◆ **Value of Production €33.8mn** (€44.0mn PF), +19% y/y vs. €28.4mn of 1H21. Net of changes in the perimeter of consolidation, we calculate low double-digit organic growth;
- ◆ **EBITDA Adj.** (for extraordinary items) **€6.0mn** vs. 4.7mn (**17.8% margin** vs. 16.6%);
- ◆ **EBITDA €5.4mn** vs. 4.6mn (€9.3mn PF);
- ◆ **EBITDA margin 15.9%**, ca. -20bps y/y due to a lower incidence of Labour Costs;
- ◆ **Net Profit €2.3mn** (€4.7mn PF), growing by ca. 56% y/y (3x PF) also thanks to lower taxes;
- ◆ **Net Cash Position €0.1mn** vs. Net Debt of €6.1mn at the end of FY21, pending M&A cash-out settled in September 2022.

MeglioQuesto: 1H21-1H22 Key Financials

(IT GAAP, €mn)	1H21	1H22(*)	Δ y/y (% , bps)	1H22PF(**)
Value of Production	28.4	33.8	19.1%	44.0
EBITDA Adj.	4.7	6.0	27.4%	n.a.
<i>EBITDA Margin Adj. (%)</i>	<i>16.6%</i>	<i>17.8%</i>	<i>120bps</i>	<i>n.a.</i>
EBITDA	4.6	5.4	17.8%	9.3
<i>EBITDA Margin (%)</i>	<i>16.1%</i>	<i>15.9%</i>	<i>-20bps</i>	<i>21.1%</i>
EBIT	3.3	4.0	21.3%	7.4
Net Profit	1.5	2.3	56.3%	4.7
Net Fin. Position [Net debt (-) / Cash (+)]	-1.4	0.1	n.m.	n.a.

Source: MeglioQuesto, Value Track Analysis

(*) Including OM and 1 month of Eureweb, (**) Including OM, Eureweb, Smart Contact

Profit & Loss

Double-digit growth despite weakening macro scenario

1H22 **Revenues from Sales stood at €33.1mn**, up **21% y/y** vs. €27.1mn of the first half of 2021. As already mentioned, 1H22 consolidation perimeter included the full contribution of OM Group (acquired at the end of December) and 1 month of Eureweb (June 2022), so net of OM we calculate a high single-digit organic growth.

Pro-Forma Revenues from Sales amounted to €43.3mn, i.e. €10.2mn more than consolidated figures, due to the impact of Eureweb and Smart Contact and all attributable to MQ digital offer.

In terms of breakdown by business lines, both CA and CM continued to show positive performances:

- ◆ **Customer Acquisition** €27.8mn, +13% y/y, however reducing its incidence on revenues for the third consecutive semester (from 90% in 1H21 to 84%), mainly due to lower-than-expected turnover from some top tier telco clients and from multi-utilities in general;
- ◆ **Customer Management** €5.3mn (ca. 16% of the total), almost doubling y/y (1H21 €2.7mn).

We note that the additional €10.2mn of PF Revenues are exclusive to the Customer Acquisition business line, that gets to a total of €38.0mn on a Pro-Forma basis.

From a Sector perspective, we calculate that:

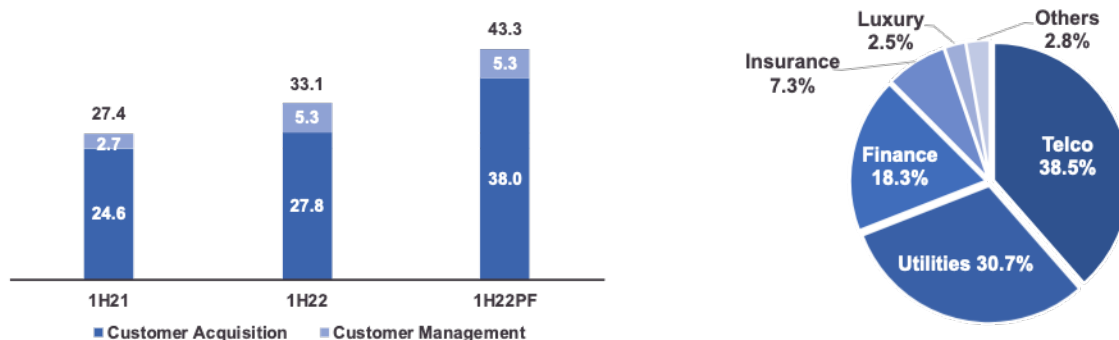
- ◆ **Telco** continues to be the main reference market (38.5% weight on total Revenues) despite being slightly down y/y (we calculate -0.5%);
- ◆ **Energy** at ca. €10.2mn should be down a more severe -8.5% y/y, as both top tier clients and smaller ones are forced to review marketing budgets after suffering negative margins;
- ◆ **Insurance** and **Finance** benefit from the integration of OM Group (strongly focused on human CA in the finance and railway sectors), reporting ca. €6.1mn and €2.4mn, respectively.

MeglioQesto: 1H21-1H22 Revenues from Sales by Business line and Sector (*)

(IT GAAP, €mn)	1H21	1H22	Δ y/y (% , bps)
Telco	12.8	12.7	-0.5%
Energy	11.1	10.2	-8.5%
Insurance	2.2	2.4	9.7%
Finance	0.8	6.1	656.4%
Luxury	0.0	0.8	n.m.
Others	0.5	0.9	85.2%
Revenues from Sales	27.4	33.1	20.9%
<i>o/w Customer Acquisition</i>	<i>90%</i>	<i>84%</i>	<i>-600bps</i>
<i>o/w Customer Management</i>	<i>10%</i>	<i>16%</i>	<i>600bps</i>

Source: MeglioQesto, Value Track Analysis (*) Sector data calculated by Value Track

MeglioQesto: Revenues from Sales by Business line and by Sector



Source: MeglioQesto Value Track Analysis

OM Group and positive operating leverage for improved (adj.) profitability

MQ reported **EBITDA Adjusted** (i.e. gross of non-recurring €0.6mn costs) at **€6.0mn**, up +27.4% y/y, with **EBITDA Adj. Margin at 17.8%**, up by ca. 120bps y/y. Trends for the enhanced profitability confirm what we outlined in our previous analysis, being:

1. More favourable **revenues mix** towards digitally-enabled solutions for inbound and outbound contact center activities, boasting higher marginality vs. voice and human channels (brought in by the consolidation of OM Group);
2. Increasing focus on **value-added verticals** such as Finance and Insurance;
3. **Positive operating leverage** on Costs of Services, remaining fixed at around €16mn, with a weight on Revenues declining from 58% to 47% y/y.

Reported EBITDA stood at €5.4mn and reported EBITDA margin at 15.9%, some 20bps lower than 1H21, mainly due to much higher labour costs following the integration of the extensive sales networks of OM Group (accounted in labour and not as a service despite being outsourced agents).

EBIT increased in line with top line, getting to **€4.0mn (EBIT margin at 11.9%**, ca. 30bps higher than 1H21), while **Net Profit** grew more than proportionally (ca. 30% y/y) to **€1.9mn**, after steady interest expenses and lower taxes.

Pro-Forma EBITDA, EBIT and Net Profit stood at **€9.3mn (21.1% PF EBITDA margin)**, **€7.4mn** and **€4.7mn**, respectively.

MeglioQuesto: 1H21-1H22 P&L

(IT GAAP, €mn)	1H21	1H22	Δy/y (% , bps)
Revenues from Sales	27.4	33.1	20.9%
Other Revenues	1.0	0.7	
Value of Production	28.4	33.8	19.1%
Raw Materials	-1.6	-1.8	
Costs of Services	-16.6	-16.0	
Labour Costs	-3.9	-8.3	
Other Opex	-1.6	-1.7	
EBITDA Adj.	4.7	6.0	27.4%
<i>EBITDA Adj. Margin (%)</i>	<i>16.6%</i>	<i>17.8%</i>	<i>120bps</i>
Non-Recurring Opex	-0.1	-0.6	
EBITDA	4.6	5.4	17.8%
<i>EBITDA Margin (%)</i>	<i>16.1%</i>	<i>15.9%</i>	<i>-20bps</i>
D&A	-1.3	-1.4	
EBIT	3.3	4.0	21.3%
<i>EBIT Margin (%)</i>	<i>11.6%</i>	<i>11.9%</i>	<i>30bps</i>
Net Financial Charges	-0.8	-0.9	
Taxes	-1.0	-0.8	
Minorities	0.0	-0.4	
Net Profit	1.5	1.9	29.8%

Source: MeglioQuesto, Value Track Analysis

Balance Sheet and Cash Flow Statement

Balance Sheet as of 30th June 2022 outlines a **€0.1mn Net Cash Position**, (vs. €6.1mn Net Debt as of end of December 2021), but this amount doesn't include ca. €19mn M&A cash (out of €25mn) that has been settled in September.

More in details:

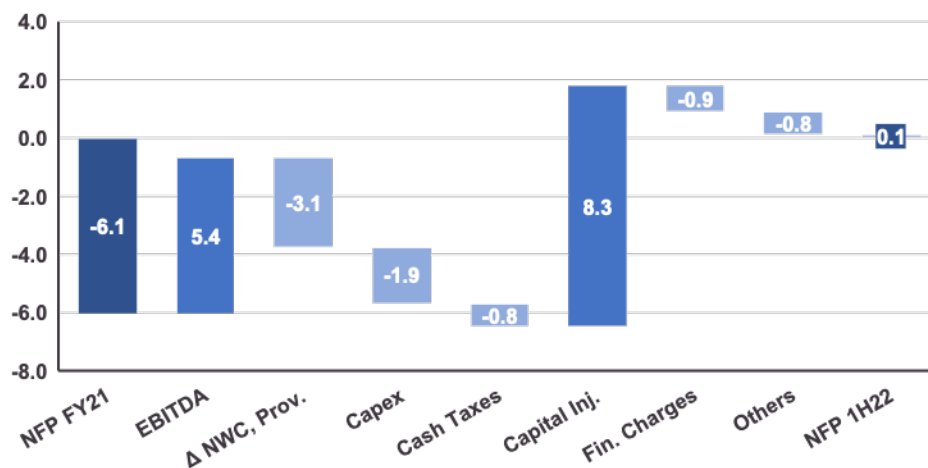
- ◆ **Net Fixed Assets** including OM Group (also as of 2021 year-end), Eureweb and Smart Contact, stood at ca. €50mn, vs. €25mn as of end of FY21;
- ◆ **Net Working Capital** €-12mn, also thanks to: (i) MQ vendor loans for the acquisition of the new subsidiaries accounted as short-term payables in NWC and (ii) advance payments to outsourced partners (aimed at helping them to offset longer payment time by end clients) accounted as cash equivalents and not as NWC;
- ◆ **Group Net Equity** at €37.7mn (€25.8mn as of end of FY21) benefitting from 1H22 Net Profit and, more significantly, from the ca. €8.3mn cash in related to the conversion of 5,374,885 warrants at €1.54 strike price.

MeglioQuesto: 1H21-1H22 Balance Sheet

(IT GAAP, €mn)	1H21	FY21	1H22
Net Working Capital	9.3	7.5	-12.0
Net Fixed Assets	14.9	25.4	50.7
Provisions	1.3	1.1	1.0
Total Capital Employed	23.0	31.9	37.7
Group Net Equity	21.5	25.8	37.7
Net Fin. Position [Net debt (-) / Cash (+)]	-1.4	-6.1	0.1

Source: MeglioQuesto, Value Track Analysis

MeglioQuesto: FY21-1H22 Cash Flow Statement



Source: MeglioQuesto, Value Track Analysis

Forecasts 2022E-24E

Higher risk of GDP recession reduces visibility on 2H22-2023 forecasts

MQ runs a B2B2C business, and its clients are almost all large retail companies active in TLC; Energy, Oil&Gas, Finance sectors.

As such, the bad news is that weakening GDP stance and volatile energy / production costs are the biggest challenges that MQ clients have to face and that are likely to drive down their investments in customer acquisition activities in 2H22 and 2023E.

At the same time, the good news is that smaller players are those that are being cut first by clients thus accelerating the consolidation process of the CA / CM industry. MQ could thus benefit, in the medium term, from the opportunity to increase its market share and to sign profitable M&A deals.

That said, short term uncertainties on the magnitude of GDP slow down and time to recover, are the reasons behind our downwards revision of 2022E-23E forecasts, as follows:

- ◆ **Value of Production** revised down by ca. 16% and 20% for 2022E-23E, respectively, mainly due to the much lower contribution of Energy and TLC clients;
- ◆ **Operating and Net profitability** revised more or less in proportion to Top line thanks to smooth integration of Eureweb and Smart Contact partially offsetting the operating leverage effect. As a consequence, Group EBITDA margin should remain above 20% threshold.
- ◆ **Net Financial Position** to be heavily affected by the cash-out for the acquisitions of Smart Contact and Eureweb, their Net Financial Position (lower than our previous forecasts), the minorities to acquire them in full and because of a much lower cash conversion cycle of the Net Working Capital (with Energy and Telco clients requiring more time to settle their payables). Still, the Group Net Debt should be well under control, always below the 0.8x Net Debt / EBITDA level.

MeglioQuesto: New vs. Old Estimates

(IT GAAP, €mn)	2022E			2023E		
	Old	New	Δ (%)	Old	New	Δ (%)
Value of Production	99.5	83.2	-16.4%	138.7	110.2	-20.6%
EBITDA	20.1	16.6	-17.2%	30.3	23.0	-24.1%
<i>EBITDA Margin (%)</i>	20.2%	20.0%	-19bps	21.9%	20.9%	-98bps
EBIT	16.3	13.3	-18.2%	24.2	18.0	-25.6%
<i>EBIT Margin (%)</i>	16.4%	16.0%	-35bps	17.5%	16.4%	-111bps
Net Profit	7.4	6.4	-14.5%	13.8	10.0	-27.1%
<i>Net Margin (%)</i>	7.5%	7.6%	17bps	9.9%	9.1%	-82bps
Net Financial Position	-6.4	-23.3	-17.0	-6.1	-17.4	-11.3

Source: Value Track Analysis

Financial Statements 2022E-24E

For the first time we also include FY2024E. We now expect:

- ◆ **Value of Production** growing organically in the 10%-15% region, and then adding the top line of the recently acquired companies, getting to ca. **€125mn in 2024E**;
- ◆ **EBITDA** at ca. **€27mn in 2024E**, with **EBITDA margin at 21.7%** (+480 bps vs. 2021A);
- ◆ **EBIT at €21.3mn** and **EBIT margin at 17.1%** (+430 bps);

- ◆ **Net Profit** growing at 48% CAGR_{21A-24E} and reaching **€12.5mn in 2024E**;
- ◆ **Net Debt at €17.1mn in 2024E**, after partial squeeze out of OM Group and Eureweb minorities.

MeglioQuesto: 2021A-24E P&L

(IT GAAP, €mn)	2021A	2022E	2023E	2024E
Value of Production	62.5	83.2	110.2	125.1
Operating Expenses	-52.0	-66.5	-87.2	-98.0
EBITDA	10.6	16.6	23.0	27.2
<i>EBITDA margin (%)</i>	<i>16.9%</i>	<i>20.0%</i>	<i>20.9%</i>	<i>21.7%</i>
D&A	-2.4	-2.7	-4.0	-4.8
EBIT	8.0	13.3	18.0	21.3
<i>EBIT margin (%)</i>	<i>12.8%</i>	<i>16.0%</i>	<i>16.4%</i>	<i>17.1%</i>
Net Financial Charges	-1.7	-1.8	-1.0	-0.5
Taxes	-2.4	-3.9	-5.8	-7.1
Minorities	0.0	-1.2	-1.2	-1.2
Net Profit	3.9	6.4	10.0	12.5

Source: MeglioQuesto (historical figures), Value Track Analysis (forecasts)

MeglioQuesto: 2021A-24E Balance Sheet

(IT GAAP, €mn)	2021A	2022E	2023E	2024E
Net Fixed Assets	25.4	57.2	58.7	70.7
Net Working Capital	7.5	15.2	19.3	20.7
Provisions	1.1	1.4	1.7	1.8
Total Capital Employed	31.9	71.0	76.3	89.7
Group Net Equity	25.8	47.7	58.9	72.6
Net Fin. Position [i.e. Net Debt (-) Cash (+)]	-6.1	-23.3	-17.4	-17.1

Source: MeglioQuesto, Value Track Analysis

MeglioQuesto: 2021A-24E Cash Flow Statement

(IT GAAP, €mn)	2021A	2022E	2023E	2024E
EBITDA	10.6	16.6	23.0	27.2
Δ NWC, Provisions	2.3	-7.3	-3.8	-1.3
Capex	-3.3	-3.9	-4.7	-5.3
OpFCF b.t.	9.6	5.4	14.5	20.5
<i>As a % of EBITDA</i>	<i>90%</i>	<i>33%</i>	<i>63%</i>	<i>76%</i>
Taxes	-2.4	-3.9	-5.8	-7.1
Capital Injections	12.5	14.3	0.0	0.0
Net Financial Charges	-1.7	-1.8	-1.0	-0.5
Fin. Inv./Minorities Acquisitions/Other	-6.7	-31.2	-1.8	-12.6
Δ Net Financial Position	11.2	-17.2	5.9	0.4
Net Fin. Position [i.e. Net Debt (-) Cash (+)]	-6.1	-23.3	-17.4	-17.1

Source: MeglioQuesto, Value Track Analysis

Valuation

We are updating **MeglioQuesto fair value at €3.00 p/s** (from €4.85) and **fair value per fully diluted share at €2.74** (from €4.35), the reason for the decrease being: (i) peer's multiples derating (both international and domestic peers trading much lower with respect to our latest report) and (ii) the downwards revision of MQ estimates.

At €3.00 p/s the stock would trade at **9.8x EV/EBITDA, 12.5x EV/EBIT and 17.8x P/E 2023E**, while at €2.74 per f.d. share MQ would trade at 9.4x EV/EBITDA, 12.0x EV/EBIT, 18.7x P/E 2023E.

MeglioQuesto: Multiples sensitivity

€p/s	2023E, Fully Diluted NOSH			€p/s	2023E Outstanding NOSH		
	EV/EBITDA	EV/EBIT	P / E		EV/EBITDA	EV/EBIT	P / E
€ 1.74	6.4	8.2	11.8	€ 2.00	7.2	9.2	11.9
€ 2.24	7.9	10.1	15.3	€ 2.50	8.5	10.9	14.8
€ 2.74	9.4	12.0	18.7	€ 3.00	9.8	12.5	17.8
€ 3.24	10.9	13.9	22.1	€ 3.50	11.1	14.2	20.7
€ 3.74	12.4	15.8	25.5	€ 4.00	12.4	15.8	23.7

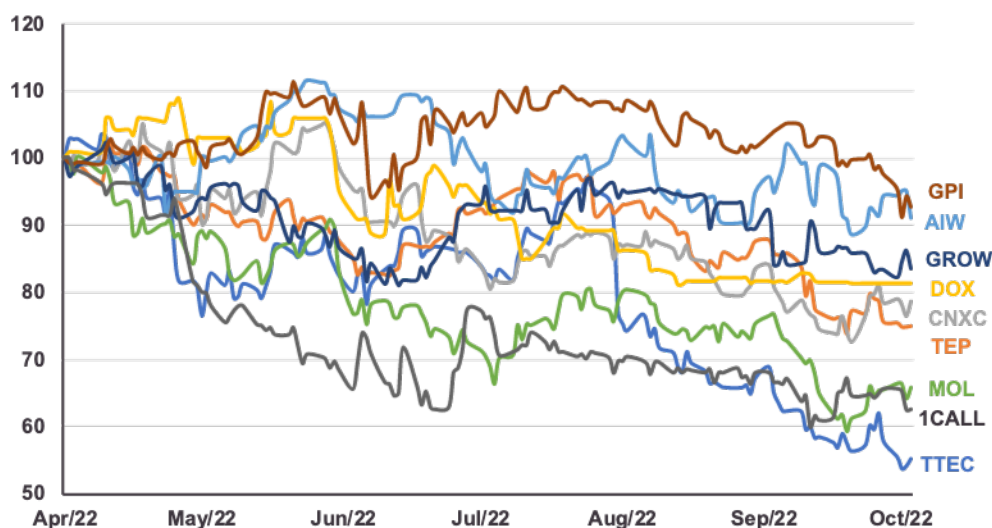
Source: Value Track Analysis

Peers' Analysis

In the latest six months international peers suffered a ca. 25% average decrease in their stock price, with the US listed TTEC Holdings being the worst performer (-37% in the latest six months). Domestic comparables are down as well, even if slightly less (ca. -17%).

The widespread stock prices retracement has also driven a derating of the multiples that we usually consider to value MQ share, i.e. EV/EBIT and P/E 2023E, that are now ca. 15% lower vs. our latest report.

MeglioQuesto: Peers' stock performance in the latest six months



Source: Value Track Analysis

MeglioQuesto: Peers' Stock Trading Multiples

Company	2023E multiples @ April 2022			2023E multiples @ June 2022			2023E multiples @ October 2022		
	EV/EBITDA	EV/EBIT	P/E	EV/EBITDA	EV/EBIT	P/E	EV/EBITDA	EV/EBIT	P/E
TTEC Holdings	9.6	13.6	18.7	8.7	12.7	17.0	7.5	11.9	14.9
Teleperformance	12.2	16.6	25.6	10.5	14.6	21.8	8.9	12.6	18.9
Concentrix Corp.	7.8	9	16.9	7.2	8.3	15.2	5.8	6.7	12.8
Average – Direct peers	9.9	13.1	20.4	8.8	11.9	18.0	7.4	10.4	15.5
Doxee	9.1	18.6	21.6	8.9	16.3	23.3	10.2	18.0	25.1
Almawave	12.3	22.4	27.4	13.2	24.1	29.4	10.2	17.4	21.4
MutuiOnline	9.6	11.6	17.3	9.1	11.8	17.9	9.8	12.3	14.2
Growens	7.9	21.2	36.3	6.4	17.6	30.6	8.6	nm	nm
GPI	5.3	10.1	12.2	6.9	11.4	9.7	6.4	10.9	12.1
Average – ITA players	8.8	16.8	23.0	8.9	16.2	22.2	9.0	14.6	18.2
Total Average	9.2	15.4	22.0	8.9	14.6	20.6	8.4	12.8	17.2

Source: Market Consensus, Value Track Analysis

Please note that for our fully diluted valuation we adjust the Group Net Financial Position by the potential cash-in from the exercise of remaining warrants (assumed to be converted all in the second exercise windows) and we consider the additional number of shares. Adjustments to Enterprise Value refer to the expected cash out (Value Track assumptions) needed to acquire the existing minority capital of OM and Eureweb.

MeglioQuesto: Valuation at fair multiples based on outstanding number of shares

(EV/EBIT)	2023E	(P/E)	2023E
Fair Multiple (x)	12.8	Fair Multiple (x)	17.2
MQ EBIT (€mn)	18.0	MQ Net Profit (€mn)	10.0
Fair EV (€mn)	231.4	Fair Eq. Val. (€mn)	172.3
Net Fin. Pos. (€mn)(*)	-17.4		
Adj. To EV (€mn)(**)	-29.4		
Fair Eq. Value (€mn)	184.6	Fair Eq. Value (€mn)	172.3
Outstanding NOSH 2022E (mn)	59.6	Outstanding NOSH 2022E (mn)(**)	59.6
Fair Eq. Value (p/s) (€)	3.10	Fair Eq. Value (p/s) (€)	2.90

Source: Value Track Analysis, (*) Net Debt, (**) Mainly value of minorities

MeglioQuesto: Valuation at fair multiples based on fully diluted number of shares

(EV/EBIT)	2023E	(P/E)	2023E
Fair Multiple (x)	12.8	Fair Multiple (x)	17.2
MQ EBIT (€mn)	18.0	MQ Net Profit (€mn)	10.0
Fair EV (€mn)	231.4	Fair Eq. Val. (€mn)	172.3
Fully Diluted Net Fin. Pos. (€mn)(*)	1.0		
Adj. To EV (€mn) (**)	-29.4		
Fair Eq. Value (€mn)	203.0	Fair Eq. Value (€mn)	172.3
Fully Diluted NOSH (mn)	68.4	Fully Diluted NOSH (mn)	68.4
Fair Eq. Value (p/s) (€)	2.97	Fair Eq. Value (p/s) (€)	2.52

Source: Value Track Analysis, (*) Net Cash, (**) Mainly value of minorities

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