

## SAIEP Acquisition, Preliminary 1H24

ADD | Fair Value: €2.53 (€2.66) | Current Price: €1.28 | Upside: +98%

### Research Update

September 2, 2024 – 7.00 h

€ Thousands	FY20A	FY21A	FY22A	FY22PF	FY23A	FY23PF
Sales Revenues	5	33	80	36,634	18,853	41,732
Net Profit	(44)	315	7,055	7,322	(1,058)	(984)
<i>margin</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>20.0%</i>	<i>n.m.</i>	<i>n.m.</i>
Shareholding equity	6,126	16,708	23,787	23,787	29,930	29,930
NFP	137	(4,351)	(9,198)	6,387	6,083	11,985

Source: Company data

**Preliminary 1H24 Release.** On July 26, 2024, RFLTC released consolidated and pro-forma 1H24 revenues. Consolidated 1H24 revenues at €20mn (€4.9mn in 1H23), attributable to: i) Movinter (acquired in Apr-23) contributing €14mn in 1H24 ii) Six Italia (acquired in Feb-24) contributing €5.9mn in 1H24. Pro-forma data consider Movinter, Six Italia, and recently acquired SAIEP contributing from Jan-24 (and Jan-23 for the like-for-like comparison). Pro-forma RFLTC 1H24 revenues at €31mn, +7% vs 1H23PF at €29mn on a like-for-like basis, attributable to: i) €14mn from Movinter, +16% vs €12mn in 1H23PF; ii) €8.3mn from Six Italia vs €8mn in 1H23PF; iii) €8.6mn from SAIEP (consolidated on June 27, 2024) vs €€8.9mn in 1H23PF. Moreover, RFLTC communicated the backlog at 30<sup>st</sup> Jun-24, amounting to €61.7mn, with €32.7mn attributable to 2H24. Additionally, RFLTC communicated that it bought back IC8's 4% stake in Rail Fish S.r.l., the SPV owning 100% of Movinter SpA, for €0.5mn. After this transaction, RFLTC fully owns Movinter. On June 28<sup>th</sup>, RFLTC acquired the further 5% stake in Industrie Polieco – M.P.B. S.p.A for €10mn.

**Acquisition of 100% share of S.A.I.E.P Srl.** On May 13<sup>th</sup> 2024, RFLTC announced the acquisition of 100% of SAIEP for a €4.35mn total consideration., through its Movinter subsidiary (100% owned by RFLTC). SAIEP specializes in the design and production of complex electronic systems, wiring, electrical panels, and control desks for the rolling stock market, focusing on high-speed rail, with operations in Italy and Tunisia. The acquisition aligns with RedFish's strategy of horizontal integration in the Aerospace, Rail & Maritime market, started with the Tesi investment in 2021, and continued with the acquisition of Movinter in Apr-23, and Six Italia in Feb-24. The acquisition values SAIEP at 0.3x EV/Sales (€16mn FY23 revenues) and 4.7x EV/EBITDA (€0.93mn FY23 EBITDA, with a 6% margin). SAIEP in FY23 had a positive NFP of €0.2mn (net cash), and a €17mn backlog at 1H24, with €8.8mn due in 2H24. The acquisition was completed on the 27<sup>th</sup> of June '24, with an initial payment of €3.85mn, of which €250k through the sale of 161k shares (priced at €1.55ps) to SAIEP's main partner Alberto Santi, with a 2-year lock-up period, who will keep guiding SAIEP's operations as Executive Director. The remaining €0.5mn will be paid by the end of Jun-25, on top of a potential earn-out calculated with a multiple of 0.75x on the incremental Gross Profit FY24 vs FY23, and FY25 vs FY24.

**Subsidiaries Movinter and RFLTC-Inox issued a €5mn bond loan each.** On May 27<sup>th</sup> 2024, RFLTC issued two bonds, subscribed by Banca Finint and RedFish Capital Debt SpA. Movinter's bond will expire in May-'31 and pay in interest the Euribor 6 months, plus a 4.5% spread. RFLTC-Inox's bond will expire in May-'31 and pay in interest the Euribor 6 months, plus a 4% spread.

**Valuation.** Our valuation is based on a sum-of-the-parts model, i.e., the sum of the value of the stakes held in the subsidiaries. We reviewed our fair value at €2.53ps, implying an equity value of €65mn and an upside of 98% on the current price. We note that RFLTC-IT is currently trading at 3.8x EV/EBITDA.

### Relative Performance Chart since IPO



Source: FactSet

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#### Market Data

Main Shareholders	
MAIOR S.r.l.	19.1%
RED-FISH KAPITAL SPA	10.6%
Bruno Negri	8.8%
Mkt Cap (€ mn)	32.3
EV (€ mn)	45.7
Shares out.	25.8
Free Float	44.8%

#### Stock Data

52 Wk High (€)	1.55
52 Wk Low (€)	1.14
Avg. Daily Trading 90d	25,343
Price Change 1w (%)	9.16
Price Change 1m (%)	22.22
Price Change YTD (%)	10.00

## Overview

### Company Description

RedFish LongTerm Capital S.p.A (RFLTC) is an industrial holding company mainly specialized in investments in Italian family-run SMEs with promising growth plans and great cash generation.

On June 30<sup>th</sup>, 2023, RFLTC went listed raising ca. €4mn at a stock price of €1.50ps, resulting in a market cap at IPO of €28.7mn and a free float of 27%. The market cap includes the conversion, at the IPO price, of the €3mn convertible bond issued in June 2022. Along with the issue of new shares, the listing envisages the issuing of ca. 4.9mn warrants (1:2 conversion rate and a strike price of €1.65, €1.82, €2.00 for each exercise windows of 2023, 2024 and 2025 respectively) assigned to IPO and convertible bond investors. We note that during the first exercise window ended in October 2023, no warrant had been exercised.

Thanks to the capital raised since its foundation - ca. €32mn of which €23mn equity and €8.8mn of debt - RFLTC aims at closing two/three €10mn club deals per year in **companies with EBITDA>€2mn** – in different industries (i.e. precision mechanics, railway, aerospace, design, fashion, ICT and Telco, Industrial), pursuing its diversification strategies to maintain a low-risk profile – with an expected investment by RFLTC of ca. €3mn per deal.

### Investment Case

- Experienced Management Team.** RedFish Long Term Capital (RFLTC) was founded by an experienced team of professionals led by Paolo Pescetto. The company's key management – Paolo Pescetto (Chairman), Andrea Rossotti (CEO), Simone Lo Giudice and Lorenza Castelli (Investment Managers) and Joanna Gualano (Legal Director) – boasts a solid track record in the investment and financial field such as Private Equity, M&A, Portfolio Management, Strategic Consulting, etc. Leveraging on the highly professional capabilities of its management and its wide network, which also participates in investments through “club deals”, RFLTC supports enterprises to enhance their profitability, improve their capital management and develop growth opportunities.
- Broad Italian SME market with growing attention to financial market.** RFLTC enjoys countless investment opportunities, as the Italian market is mainly composed of small and medium enterprises (SMEs). Indeed, as of the end of 2022, according to Cerved, there were ca. 162,000 non-financial Italian SMEs, which totalled over €900bn of revenues. Furthermore, in the past few years, entrepreneurs have shown a higher inclination towards financial markets as proven by: i) the deleveraging trend of the last decade (from 115% of 2008 to 60% of 2021); and ii) the signal of recovery of 2023 Euronext Growth Market – the Italian stock exchange segment dedicated to SMEs – in terms of listings (26 IPOS in 9M23 vs 17 IPOS in 9M22), after a 2022 impacted by macroeconomic uncertainties (26 listings) and after the 2021 record levels in terms of both numbers of listings (45 listings vs the 2019 record of 30 IPOS) and capital raised (€458mn vs 2017 record of €175mn).
- RFLTC's distinctive positioning.** RFLTC is characterized by a long-term holding period approach (no drag-along or pre-determined exit terms), supporting the subsidiary as a solid partner along its growth path. Indeed, RFLTC's core business is to support its subsidiaries in their growth strategies, combining capital injections with the offer of advisory services. Thanks to its experienced team and wide network, the company offers: i) performance audit services; ii) advisory services related to extraordinary operation with a focus on M&A strategy and execution; iii) support in optimizing the company's financial profile; and iv) advisory services for the materialization of the subsidiary, also supporting the hiring of managers.

### Recent Developments

- **Buying back IC8's stake (4%) in Movinter.** On July 26<sup>th</sup>, 2024, RFLTC communicated that it bought back IC8's 4% stake in Rail Fish S.r.l., the SPV owning 100% of Movinter S.p.A., for €0.5mn. After this transaction, RFLTC fully owns Movinter.
- **Acquisition of 100% share of S.A.I.E.P Srl.** On May 13<sup>th</sup> 2024, RFLTC announced the acquisition of 100% of SAIEP for a €4.35mn total consideration., through its Movinter subsidiary (100% owned by RFLTC). SAIEP specializes in the design and production of complex electronic systems, wiring, electrical panels, and control desks for the rolling stock market, focusing on high-speed rail, with operations in Italy and Tunisia. The acquisition aligns with RedFish's strategy of horizontal integration in the Aerospace, Rail & Maritime market, started with the Tesi investment in 2021, and continued with the acquisition of Movinter in Apr-23, and Six Italia in Feb-24. The acquisition values SAIEP at 0.3x EV/Sales (€16mn FY23 revenues) and 4.7x EV/EBITDA (€0.93mn FY23 EBITDA, with a 6% margin). The acquisition was completed on the 27<sup>th</sup> of June '24, with an initial payment of €3.85mn, of which €250k through the sale of 161k shares (priced at €1.55ps) to SAIEP's main partner Alberto Santi, with a 2-year lock-up period. The remaining €0.5mn will be paid by the end of Jun-25, on top of a potential earn-out calculated with a multiple of 0.75x on the incremental Gross Profit FY24 vs FY23, and FY25 vs FY24.
- **RFLTC's subsidiary Movinter and RFLTC-Inox issue €5mn bond loan each.** On May 27<sup>th</sup> 2024, RFLTC issued two bonds, structured in two classes of asset-backed securities (junior and senior class), and subscribed by Banca Finint and RedFish Capital Debt SpA. Movinter's bond will expire in May-'31 and pay in interest the Euribor 6 months, plus a 4.5% spread. RFLTC-Inox's bond will expire in May-'31 and pay in interest the Euribor 6 months, plus a 4% spread.
- **First Sustainable Report.** On June 20<sup>th</sup> 2024, the BoD approved the first Sustainable Report on RFLTC, relative to the 2023 fiscal year, prepared voluntarily, in line with the European Sustainability Reporting Standard.
- **Announcement of acquisition of 15% share of Industrie Polieco – MBP.** On February 6<sup>th</sup> 2024, RFLTC announced the potential acquisition of 15% of Polieco's capital for €30m, through an SPV (RFLTC – Polieco S.p.A.) 51% owned by RFLTC. This is the largest investment for RFLTC so far. The investment valued Polieco at 1.0x FY23 EV/Sales and 4.4x FY23 EV/EBITDA. The SPV acquired 10% of Polieco on the 6<sup>th</sup> of March 2024 for €20mn, and the remaining 5% on the 28<sup>th</sup> of June 2024 for €10mn.
- **Over €10mn capital increase and €7mn new debt to finance the investment in Polieco.** On April 5<sup>th</sup>, RFLTC communicated that it raised €10.4mn (from the €15mn initial target), issuing 6.7mn new ordinary shares (price of €1.55 per share), and with up to a further 1.9mn Bonus Shares (via stock split) issued after an 18-months lock-up period. Moreover, on March 20<sup>th</sup> 2024, RFLTC announced an agreement for debt financing of up to €7mn from Illimity SGR, with a 5-year maturity.
- **€2mn share buy-back programme.** On January 30<sup>th</sup>, RFLTC announced a share buy-back programme for up to €2mn, within 18 months. To date, management spent c.€0.6mn to buy-back 275k shares (1.07% of the share capital)
- **PureLabs: €15mn capital increase, diluting RFLTC's share from 32% to 26%.** Together with the appointment of the new Chairman Ernesto Paolillo, on January 31<sup>st</sup> 2024 PureLabs completed its €15mn capital increase. Despite participating with a €4mn investment in November 2023, RFLTC now owns 26% of of PureLabs's capital, diluted from the previous 32% share.

## A Well-Diversified and Low-Risk Profile Portfolio

Founded in 2020 by a management team led by Paolo Pescetto (Chairman) and supported by Andrea Rossotti (CEO), Lorenza Castelli and Simone Lo Giudice as Investment Manager, the holding has already raised almost €60mn: i) €20mn of equity, including IPO capital raise, (we note that for its capital raise, RFLTC usually operates with the crowdfunding platform Opstart to reach a wider investors pool, while allowing them to invest through a recognized and certified platform); ii) ca. €3mn of convertible bonds issued in June 2022 – subscribed by retail investors – with an interest rate equal to 6% per annum that has been converted at the listing price; iii) €8.8mn of debt financing; iv) €10.4mn capital increase in March 2024 to fund the investment in Polieco – MPB; v) €7mn debt financing for the same purpose; vi) €10mn through two bonds issued by the subsidiaries Movinter and RFLTC-Inox

Since its foundation, RFLTC has invested €58.8mn (excluding transaction costs), both through direct investments and club deals, acquiring stakes in seven companies, active in different sectors:

- **Current holdings:** Convergenze S.p.A., Tesi S.r.l., Solid World Group S.p.A., Expo Inox S.r.l., Movinter S.p.A., PureLabs S.p.A., Six Italia S.p.A., Industrie Polieco – M.P.B. S.p.A. and S.A.I.E.P. S.r.l.
- **Divested holdings:** MaticMind S.p.A. - sold in October 2022 following the Tag Along clause - and Pistacchio S.p.A. – sold in December 2022 to optimize IPO's perimeter.

RFLTC has created a well-diversified and low-risk profile asset portfolio which in FY23 generated an aggregated value of production and EBITDA of ca. €445mn and €72mn, respectively.

Investments were carried out by acquiring a majority stake – also through club deals – or qualified minorities with an average ticket of €5.3mn and an average EV/EBITDA of ca. 5.4x.

### Holdings Portfolio

Status	Company Name	Sector	Investment Date	Investment (€mn)*	Current Stake	FY23 Turnover (€mn)	FY23 EBITDA (€mn)	EV/EBITDA acquisition multiple	Divestment Date	Divestment Value (€mn)	IRR
Subsidiary	Convergenze	Utilities	lug-20	1.1	9.5%	22.8	3.2	5.8x	n.a.	n.a.	n.a.
Exit	Maticmind	Technology	ott-20	5.1	4.2%	-	-	3.4x	ott-22	12.0	52.2%
Subsidiary	Tesi	Aerospace	ott-21	5.0	20.0%	20.6	5.4	6.8x	n.a.	n.a.	n.a.
Subsidiary	Solid World	Technology	dic-21	1.0	8.8%	66.6	3.4	8.3x	n.a.	n.a.	n.a.
Exit	Pistacchio	Food&Beverage	feb-22	1.0	20.0%	-	-	5.3x	dic-22	1.1	12.8%
Subsidiary	Expo Inox	Stainless Steel Chimneys	nov-22	6.0	20.0%	67.0	8.4	4.7x	n.a.	n.a.	n.a.
Subsidiary	Movinter	Railroad Equipment	apr-23	11.5	100.0%	26.2	3.0	5.1x	n.a.	n.a.	n.a.
Subsidiary	PureLabs	Healthcare Services	nov-23	4.0	26.0%	10.0	1.5	n.m.	n.a.	n.a.	n.a.
Subsidiary	Six Italia**	Railroad&Naval equipment	dic-23	1.8	75.0%	15.9	1.0	5.1x	n.a.	n.a.	n.a.
Subsidiary	Polieco	Industrial	feb-24	18.0	7.7%	200.0	45.1	4.4x	n.a.	n.a.	n.a.
Subsidiary	SAIEP**	Railroad Equipment	may-24	4.4	100.0%	16.0	0.9	4.7x	n.a.	n.a.	n.a.
	<b>Total</b>			<b>58.8</b>	<b>n.m.</b>	<b>445</b>	<b>71.9</b>	<b>n.m.</b>		<b>13.1</b>	<b>n.m.</b>
	<b>Average</b>			<b>5.3</b>	<b>36%</b>	<b>44.5</b>	<b>7.2</b>	<b>5.4x</b>		<b>6.6</b>	<b>33%</b>

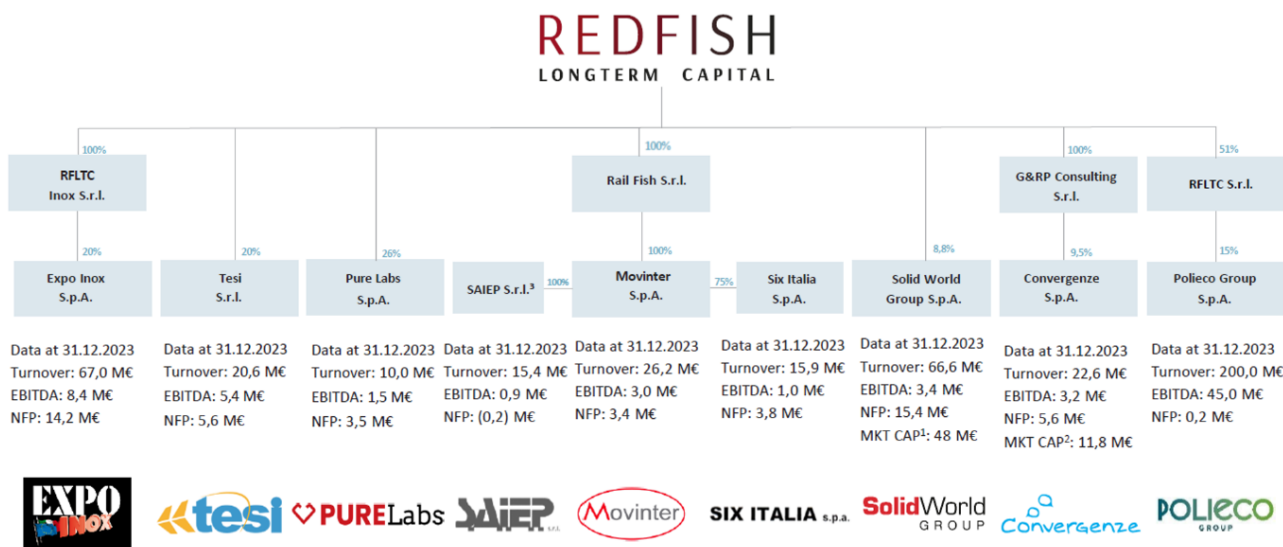
\* The investment amount does not consider transaction costs

\*\* Indirectly owned through Movinter

Source: Company data

Note: FY23 turnover and EBITDA are reported only for the current holdings.

Holdings Portfolio



Source: Company data

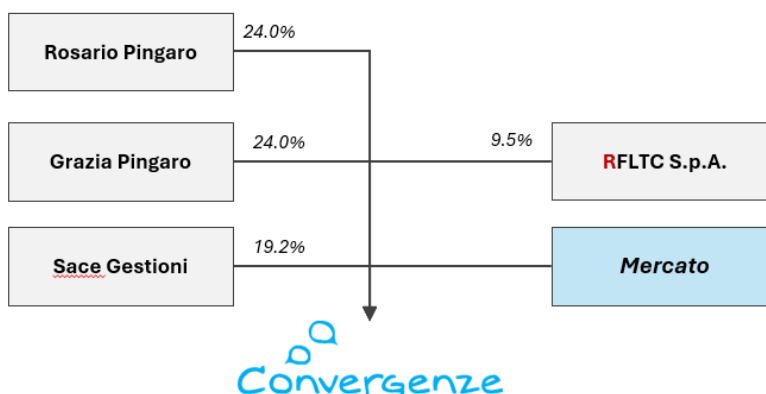
**Convergenze S.p.A. – Utilities sector with a focus on fiber and connectivity (12.5% acquired in 2020 for €1.1mn)**

On July 27<sup>th</sup>, 2020, RFLTC acquired a 12.5% stake in Convergenze through the vehicle G&RP Consulting, for a total deal consideration of €1.1mn (or at FY19 EV/EBITDA 5.8x) by also acquiring the right to appoint a member of the Board of Directors and the Board of Auditors. On June 20<sup>th</sup>, 2024, RFLTC incorporated G&RP to simplify the overall structure and save on G&A expenses.

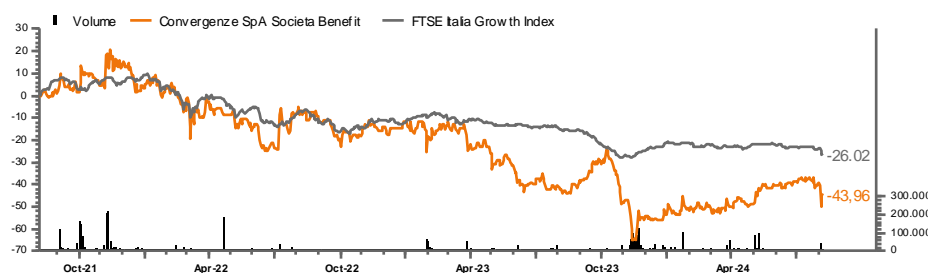
Furthermore, RFLTC signed with Convergenze an advisory contract of ca. €30k per year to support the company in their extraordinary financial operations (i.e. M&A, financing etc.) such as for the acquisition of a 100% stake in Positivo S.r.l. in June 2022.

At the end of December 2020, Convergenze listed on the EGM market with a market capitalization of €12mn (excluding price adjustment shares) and a fundraising of ca. €3mn. RFLTC was subject to a lock-up agreement until the end of 2023.

**Convergenze: Shareholders**



Source: Company data

**Convergence: Performance over the last 3 years**

Source: FactSet

Convergenze S.p.A. is a multi-utility company based in Capaccio Paestum (SA), active since 2005 in the TLC or Telecommunications market, and since 2015 it has engaged in the supply of energy and natural gas.

Through its TLC business unit (half of overall VoP), Convergenze provides wireless connectivity, fixed telephony, cloud services, and customized ancillary services. As of today, the company boasts more than 2,000km of FTTH fiber optic network (authorized since 2014) and over 100 radio bridges for the Internet.

The Energy and Natural Gas unit (half of total VoP) focuses on the supply of electricity from renewable sources and in methanization processes for the supply of natural gas to residences and businesses under the ConGas brand.

In FY23, the company recorded €22.8mn of VoP (+11% CAGR17–23 and -20% YoY): the reduction was the result of the normalization trend that experienced the energy costs in 2023 (-58% YoY according to GME), that led to a 35.6% decrease in Energy and Natural Gas BU. On the other hand, the BU TLC experienced a +12.9% growth YoY. Despite business growth contraction, FY23 EBITDA margin adjusted came to 14%, up by 9pp YoY again due to the normalization in the price of natural gas and cost of electricity. On the balance sheet side, NFP went from €6.1mn in FY22 to €5.6mn in FY23.

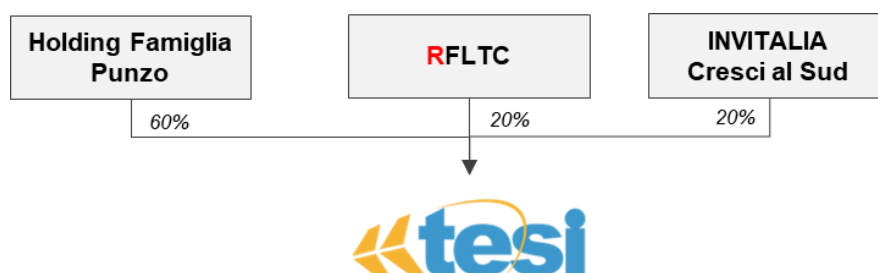
**Convergenze: 2020–2023 Financials**

Convergenze S.p.A.				
€ million	FY20	FY21	FY22	FY23
Turnover	16.4	18.9	28.4	22.8
EBITDA adj	2.3	1.8	1.4	3.2
EBITDA margin adj	14.0%	9.7%	5.1%	14.0%
NFP	(0.1)	2.3	6.1	5.6

Source: Company data

**Tesi S.r.l. - Aerospace sector (20% acquired in 2021 for €5.1mn,<sup>1</sup> plus earn-out);**

On October 13<sup>th</sup>, 2021, RFLTC co-invested with Invitalia Fondo Cresci al Sud, acquiring a 20% stake in Tesi for a total consideration of €5.0mn (€5.1mn including transaction costs) or at 6.8x FY21 EV/EBITDA. In 2022, RFLTC also paid a €400k earn-out based on FY21 results and further earn-outs will be paid until the 2024 results to a maximum of €3mn. RFLTC has received the right to appoint a member of the Board of Directors and the Board of Auditors of Tesi.

**Tesi S.r.l.: Shareholders**

Source: Company presentation

Based in Salerno, Tesi S.r.l. is a leading Italian company acting as a Tier-2 mechanical manufacturer in the aerospace sector (civil, space and defense).

The company has POA and DOA certifications also thanks to a very highly qualified advanced engineering division. In the coming years, the company may leverage its strong cash-generation ability to make acquisitions and consolidate its positioning.

In FY23 Tesi recorded a +27% YoY growth reaching €20.6mn of Value of Production and an EBITDA margin 26.2%.

**Tesi S.r.l.: 2020–23 Financials**

€ million	FY20	FY21	FY22	FY23
Turnover	22.5	14.7	16.2	20.6
EBITDA	4.7	4.0	4.8	5.4
<i>EBITDA margin</i>	<i>20.9%</i>	<i>27.2%</i>	<i>29.6%</i>	<i>26.2%</i>
NFP	(4.3)	(2.2)	2.1	5.6

Source: Company data

RFLTC also signed an advisory agreement of €15k per semester to support Tesi in: i) scouting for and acquiring companies with a complementary offer (aerospace equipment, composite materials, helicopter manufacturing, railway and military components); and ii) implementing a management control system.

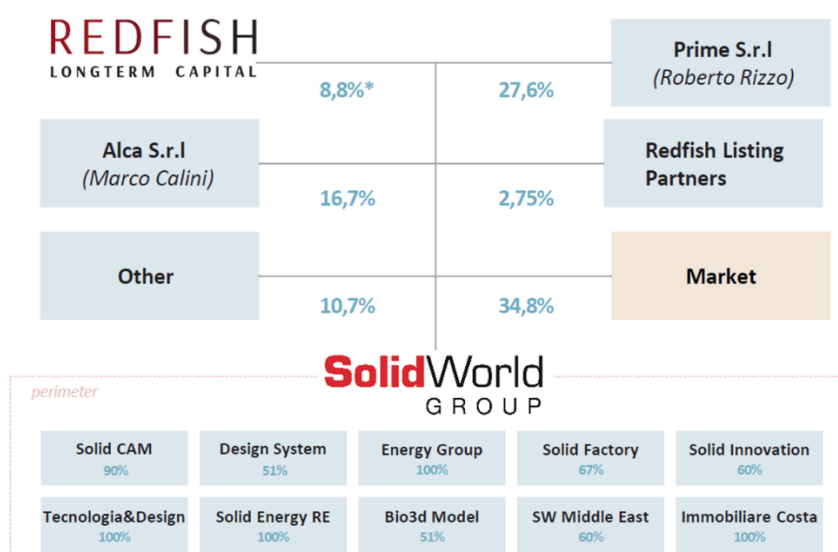
**Solid World S.p.A. - Technology company with a focus on 3D printing software and hardware (9% stake following the conversion of a bond in IPO in 2022 and the conversion of warrant in July 2023)**

On December 27<sup>th</sup>, 2021, RFLTC invested €1.05mn (acting as lead investor) in a convertible bond issued by Solid World, also obtaining the right to appoint a member of the Board of Directors and the Board of Auditors.

The company listed on the EGM market in July 2022. Following the IPO and the conversion of the convertible bond and warrant, RedFish holds a 9% stake in Solid World.

<sup>1</sup> The value include €0.1mn of transaction costs

Solid World S.p.A.: Shareholders



Source: Company presentation

Solid World: Performance since the first trading day



Source: FactSet

Solid World is one of the main 3D digital system integrators supporting enterprises in developing and manufacturing products incorporating 3D technologies. It provides an integrated offer that includes software, hardware and services.

Solid World provides its solutions to different end-markets including automotive, aerospace, mechatronic, sport system, home design and luxury. More recently, thanks to the new division (BIO3MODEL), Solid World also offers its solution to hospitals, clinics and nursing homes.

Solid World S.p.A.: 2020-2023 Financials

€ million	FY20	FY21	FY22	FY23
Revenues	48.6	55.1	57.7	66.6
EBITDA	2.5	3.8	4.0	3.4
EBITDA margin	5.1%	6.9%	7.0%	5.1%
NFP	11.4	15.3	12.3	15.4

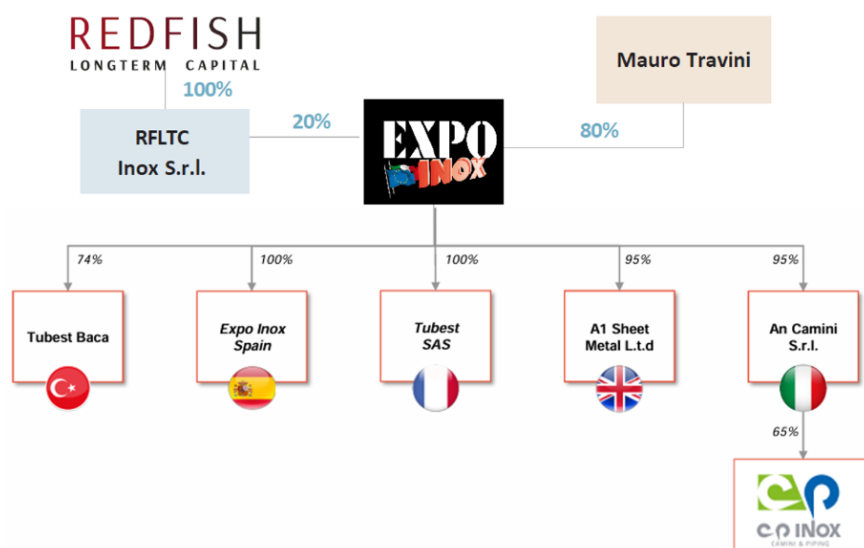
Source: Company data

In September 2022, RFLTC signed an agreement with Solid World for €30k to support the company in: i) scouting for companies to be acquired in order to complete its offer and expand its market share; and ii) raising capital (debt or equity).



**Expo Inox S.p.A. - production of steel chimneys (20% acquired in 2022 for €6mn)**

On November 15<sup>th</sup>, 2022, RFLTC acquired through the vehicle RFLTC Inox a 20% stake in Expo Inox - a leading Italian operator active in the research, design, production and marketing of stainless-steel flue solutions and systems - for a total consideration of €6mn or at 4.7x FY22 EV/EBITDA. RFLTC also signed an advisory agreement for €48k to support Expo Inox in: i) scouting for companies to be acquired in order to further expand its market share in Europe where the company has recently consolidated its positioning thanks to the acquisitions made in France and Turkey; ii) debt fundraising; and iii) opening new subsidiaries abroad. RFLTC supported Expo Inox in the acquisition of the English player A1 Flues System, a historic player on the UK market with distinctive references and RFLTC is already negotiating the acquisition of a company branch of an Italian competitor of Expo Inox. On May 27<sup>th</sup> 2024, subsidiary RFLTC Inox issued a €5mn bond expiring in May-'31.

**Expo Inox S.p.A.: Shareholders**

Source: Company data

Expo Inox is an industrial holding directly and indirectly controlling six companies with production plants and distribution centers in several European countries, whereas the sales service is backed by a drop-off logistics facility of more than 20,000 square meters near Milan. At the end of December, 2023 Expo Inox entered the British market through the acquisition of a 95% stake in A1 Flue Systems, leading UK-based player with 50+ years of experience in the design, manufacture and implementation of complex flue evacuation systems.

The Group boasts a wide product range of chimneys in different materials: steel, stainless steel, copper, iron, aluminum, plastic.

In FY23, Expo Inox generated €67mn of value of production in 2023 (+24% CAGR2020-23) and an EBITDA of €8.4mn (+26% CAGR2020-23), implying an EBITDA margin of 12.5%.

**Expo Inox S.p.A.: 2020-23 Financials**

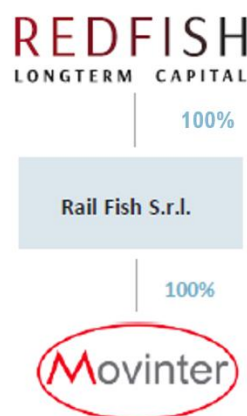
€ million	FY20	FY21	FY22	FY23
Turnover	35.0	50.2	66.1	67.0
EBITDA	4.2	6.8	9.3	8.4
<i>EBITDA margin</i>	<i>12.0%</i>	<i>13.5%</i>	<i>14.1%</i>	<i>12.5%</i>
NFP	20.8	14.1	14.1	14.2

Source: Company Presentation

**Movinter S.p.A. - active in the supplying of components for high-speed trains (100% acquired in 2023 for €11.5mn. We note that, after the closing, a 4% was sold to IC8 S.r.l.)**

On April 20<sup>th</sup>, 2023, RFLTC acquired - through Rail Fish S.r.l. - a 100% stake in Movinter - a company active in railroad equipment industry and Tier 1 partner of OEM operators - for a total consideration of €11.5mn (€8.5mn paid at the closing date, and the remaining in Sep-'23 and Mar-'24) or at 5.1x FY22 EV/EBITDA. We note that after the acquisition RFLTC sold a 4% stake to a financial partner (IC8 S.r.l.). RFLTC – also following the appointment of Simone Lo Giudice as Co-CEO - will support Movinter's financial team and support the company in acquiring targets active in the Railway and Naval industries. On May 27<sup>th</sup> 2024, Movinter issued a €5mn bond, expiring in May-'31, also to finance SAIEP's acquisition. On July 26<sup>th</sup>, 2024, RFLTC bought back IC8's 4% stake for €0.5mn.

#### Movinter S.p.A.: Shareholders



Source: Company data

Based in Genoa with an operational headquarters in Cairo Montenotte - Savona (ca. 35,000 square meters of production area), Movinter provides through two business units (BUs) equipment for the railway industry:

- **BU light carpentry (ca. 2/3 of total revenue)** engaged in the production of complex and standard components for trains and locomotives (i.e. boogie frames, cowcatchers, white water tanks, driver desks). Movinter is also active in retrofitting existing carriages of trains;
- **BU piping (ca. 1/3 of total revenue)** specialized in bending and pre-assembly of piping and carpentry. Over the last 20 years, Movinter has become a major player for piping for all major railroad operators, developing in 2021 and 2022 a new solution that allows to delivery to customers pre-assembled pneumatic systems ready for installation on trains.

The company is developing a third business unit which will produce larger carpentry equipment (i.e. roof, headers etc.) and it is expected to be in full operation in two years.

Movinter is already a **Tier-1 partner of OEM operators** and it is getting a POA certification to acquire orders also from an important OEM operator in the aerospace field.

Thanks to a staff of 100 employees and external partners, Movinter covers all the phases of the production process: the development of the orders, procurement of raw materials, production, assembly, and distribution.

In FY23, Movinter reached €26.2mn in Value of Production, growing by 18% CAGR2020-23. Over the 2020-23 period, EBITDA increased by 30% CAGR, amounting to €3.0mn in FY23 with a margin of 11.4%. FY23 NFP stood at €3.4mn or 1.1x NFP/EBITDA.

**Movinter S.p.A.: 2020-23 Financials**

€ million	FY20	FY21	FY22	FY23
Turnover	16.0	17.0	22.8	26.2
EBITDA	1.4	2.3	3.0	3.0
<i>EBITDA margin</i>	<i>8.5%</i>	<i>13.8%</i>	<i>13.1%</i>	<i>11.4%</i>
NFP	5.2	3.5	3.8	3.4

Source: Company data

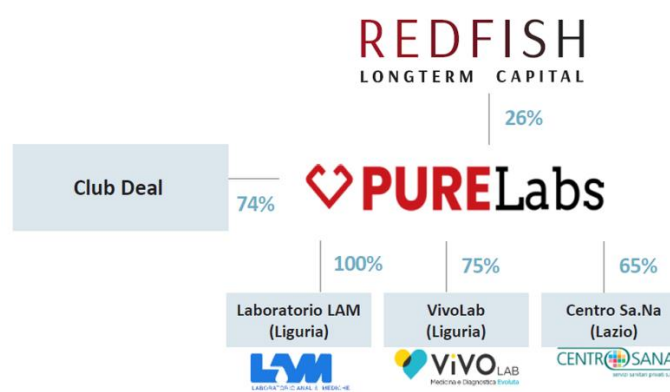
In coming years, Movinter is going to enter: i) the hydrogen market for buses; and i) the Spanish and German markets thanks to the award of orders in the high-speed rail sector. Furthermore, Movinter will sign a partnership with a leading French multinational.

**PureLabs S.p.A. – Healthcare industry through the acquisition and management of clinical diagnostic centers (32% acquired in 2023 for €4mn, now holding 26% post-capital increase)**

On November 27<sup>th</sup>, 2023, RFLTC acquired a 32% stake in PureLabs S.p.A. – a club deal active in the Healthcare segment through the acquisition, management and integration of clinical diagnostic centers – for a total consideration of €4mn. The subscription took place as part of a total capital increase approved by PureLabs in the amount of €15mn fully subscribed, of which €8.5mn by the pre-existing shareholders, €4mn by RFLTC and €2.5mn by Bruno De Guio (in January, 2024). On January 31st 2024 PureLabs completed its €15mn capital increase, where RFLTC participated with a €4mn investment in November 2023. Following this, RFLTC now owns 26% of of PureLabs’s capital, from the previous 32% share.

Since its foundation, the company gained interest from high-standing entrepreneurial families, family offices and investment companies, including Boutique Italia, Marcap, MazalCap SpA, Yellow Holding and Kayak Family Office Srl. We note that Kayak – 49.8% owned by Innovative RFK, indirectly related to RFLTC’s founding partners – dismissed its 12% stake in November 2023 to Maior Srl.

We note that PureLabs’ shares cannot be sold until 2026, when it is expected the sale of the entire share capital of PureLabs S.p.A. or, in case of promising market outlooks, an alternative process to list its shares on the stock exchange market.

**PureLabs S.p.A.: Shareholders**

Source: Company Presentation

Established at the end of 2022 from an initiative of Nino Lo Iacono, PureLabs focuses on the Healthcare segment through the acquisition and management of clinical diagnostic centers with the purpose to create a comprehensive platform of clinical centers able to generate economic synergies and value. Once the centers have reached their full potential, PureLabs aims at realizing a profit through an exit mechanism with strategic financial players. RFLTC signed with PureLabs an advisory agreement with the aim to support the company in i) raising new funds to support its M&A strategy and ii) scouting and identifying new potential targets.

Leveraging on the organic growth and through an ambitious external growth strategy – with a warm M&A pipeline of targets widespread throughout Italy – acting as market consolidator for the fragmented diagnostic market. RFLTC will act as Lead investor, supporting PureLabs in the set-up of one of the main innovative poles of multispecialty diagnostic in Italy, expected to fully exploit the digital channel to offer a tailor-made offer for the prevention and treatment of diseases.

In July, 2023 PureLabs acquired a 70% stake in VivoLab group, a company based in Liguria that, through its 12 diagnostics centers, offers a wide range of services such as imaging diagnostics, outpatient examinations, laboratory tests, home radiology and outpatient trauma and orthopaedics clinic.

#### PureLab S.p.A.: 2022-23 Financials

€ million	FY22	FY23
Turnover	9.2	10.0
EBITDA	1.3	1.5
<i>EBITDA margin</i>	<i>14.1%</i>	<i>15.0%</i>
NFP	3.1	3.5

Source: Company Data.

In December, 2023 PureLabs achieved its first add-on by acquiring a majority stake in L.A.M. (Laboratorio Analisi Mediche), a diagnostic center active in Liguria with focus on clinical biochemistry, toxicology, microbiology, haematology and immunometry. The acquisition will enable PureLabs to expand its presence in diagnostic clinical market, offering an always more high-quality and customized service. The founders are expected to maintain a 20% stake in the company, covering operative roles within company's management. In June 2024, PureLabs acquired 65% of Centro Sa.Na, a multi-specialty excellence center in diagnostics based in Aprilia, Latina, with revenues of €9mn. The acquisitions made allow the PureLabs group to double its consolidated revenues compared to 2023 and to reach the threshold of €20mn. The 2024 pipeline includes other operations in Central and Southern Italy. Additionally, an acquisition financing line of €12.4mn from BPM Bank has been approved to support acquisition operations."

#### Six Italia S.p.A. – Railroad and Naval equipment (72% acquired<sup>2</sup> in 2023 for €1.9mn)<sup>3</sup>

On December 6<sup>th</sup>, 2023 RFLTC announced to have signed (through its subsidiary Movinter) a binding agreement for the acquisition of a 75% stake in Six Italia SpA – active in the realization of complex fire protection, soundproofing and flooring systems for the Naval and Railroad segment, including the high-speed – for a total consideration of €1.8mn (€1.9mn including transaction costs), or a 5.1x EV/EBITDA.

The remaining 25% of share capital will be held by Fabio Raffaghello and Fortunato Guida, the two founders that are expected to preserve their strategical and operational leadership in the Company, supported by Movinter's management. We note that the 25% is subject to a put-call option expiring after the approval of FY26 financial statements and is expected to be valued at a 6x EBITDAR net of NFP.

The agreement also provides for a potential earn-out for the selling shareholders to be calculated on the back of Six Italia FY24 financial results, based on a 1.25x the increasing EBITDAR between 2023 and 2024. Furthermore, Movinter received the right to appoint Six Italia's CEO and two members of the Board of Directors. We note that shares are subject to a lock-up agreement until the end of December 2027.

<sup>2</sup> Note: corresponding to the 96% (stake owned by RFLTC in Movinter at the time of acquisition) of the stake acquired in Six Italia by Movinter (75%)

<sup>3</sup> Note: The value includes €0.1mn of transaction costs.

## Six Italia S.p.A.: Shareholders



Source: Company Presentation

Founded in 1994, Six Italia is recognized as one of the main national players in the fire protection and soundproofing markets. The company took part in the main railroad and naval projects of the last 15 years, among which Caravaggio, AEMR, ETR100 and Masaccio trains, U212 submarines and Fremm, PPA, LHD and LPD ships. With operational seat in Genova and a production plant in Silvano d'Orba (AL) that employs 105 resources, the company also relies on a foreign seat in Miami (Florida), aimed at assembling the thermal and acoustic insulation kits for Metro Baltimora for the American market.

In FY23 Six Italia reached 15.9mn of turnover, with an EBITDA at €1.0mn, resulting in a profitability at 6.2%, declining by 1.4pp YoY. We note that – as the end of FY23 – the company boasts a backlog of €20.3mn, of which 68% referred to FY24, 28% to FY25 and the remaining to the following years.

## Six Italia S.p.A.: 2020-23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	10.8	14.7	17.2	15.9
EBITDA	(0.4)	1.1	1.3	1.0
EBITDA margin	n.m.	7.5%	7.6%	6.2%
NFP	3.7	4.0	3.8	3.8

Source: Leanus and Company Data.

**Industrie Polieco – M.P.B. S.p.A. – Leading manufacturer of corrugated piping systems and composite manhole covers (7.7% acquired in February 2024 for €18mn)**

On February 6th 2024, RFLTC announced the potential acquisition of 15% of Polieco's capital for €30m, through an SPV (RFLTC – Polieco S.p.A.) 51% owned by RFLTC, and the rest by external investors. This is the largest investment that RFLTC ever committed to (the 2<sup>nd</sup> largest ticket was €11.5mn for Movinter in Apr-23). Industrie Polieco-MPB (MPB) is the biggest European compounder of polyethylene and polypropylene mainly for steel pipe coating and film packaging. The investment values Polieco at 1.0x FY23 EV/Sales and 4.4x FY23 EV/EBITDA. The SPV acquired 10% of Polieco on the 6<sup>th</sup> of March 2024 for €20mn, and completed the operation acquiring the additional 5% on the 28th of June 2024 for €10mn.

## Industrie Polieco – M.P.B. S.p.A.: 2020-23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	116.0	149.8	194.5	200.0
EBITDA	20.0	18.3	27.9	45.1
EBITDA margin	17.2%	12.2%	14.4%	22.5%
NFP	21.0	18.4	20.0	0.2

Source: Company Data

This investment will enable Polieco to have further financial resources to support investments scheduled in the business plan, in particular promoting internationalization, potentially including ad-hoc takeovers.

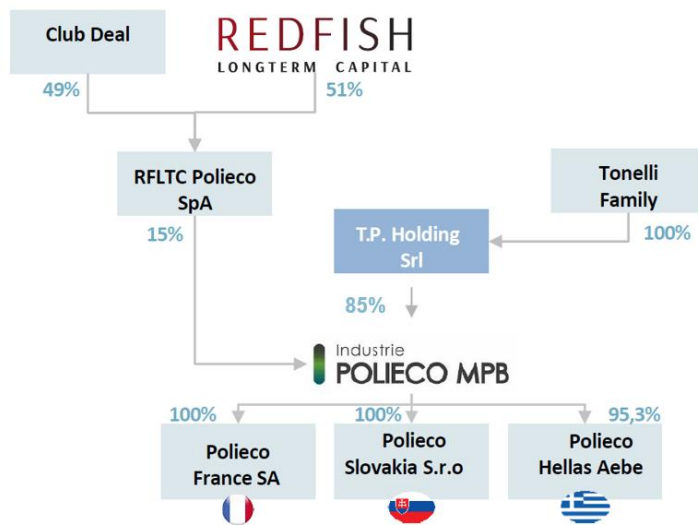
The company was founded in 1992 and is headquartered in Cazzago San Martino, Italy. Its core business is steel pipe coating, where they are European leader and the 2<sup>nd</sup> largest player worldwide. Since the last two decades, MPB has been supplying polyethylene, polypropylene and adhesives for the major worldwide gas and oil pipelines (“Nord Stream I” “Nord Stream II” the most recent ones). In 2011, MPB entered into the business of film layers for the packaging industry.

The company's business model consists of two business units: (i) Pipeline Systems (c.60% of revenue): design and production of ducts for electrical and telecommunication systems in residential buildings, as well as piping solutions for sewage systems (“Ecopal” systems) and manhole covers; (ii) Resins (c.40% of revenue): production of resins for coating pipes for oil and gas pipelines and adhesives used in various sectors, including food packaging, cosmetics, and pharmaceuticals.

The Group is composed of 4 companies - Industrie Polieco M.P.B (Italy), Polieco France SA (France), Polieco Hellas Aebe (Greece), Polieco Slovakia S.r.o. (Slovakia) - with 6 production plants (375,000 sqm) located throughout Europe, employing a workforce of over 400 employees

Prior to this investment, Industrie Polieco – M.P.B. S.p.A. was entirely owned by T.P. Holding (investment holding company), who will remain Polieco’s majority shareholder by holding 85% of Polieco’s share capital.

**Industrie Polieco – M.P.B. S.p.A.: Shareholders**



Source: Company Presentation

### S.A.I.E.P. S.r.l. – Design and production of complex electronic systems for high-speed rail, (100% acquired in May 2024 for €4.4mn)

Founded in 1976, S.A.I.E.P S.r.l is a company located in Cairo Montenotte - Savona (Liguria), engaged in the design, manufacture, and installation of control and power cables, electrical panels for the railway sector, power distribution, and automation. The company's customer portfolio mainly consists of the major OEMs of the European railway industry: Alstom Transport, Hitachi Rail. The company also holds a 90 percent stake in SAIEPMED SARL, a company located in Tunisia, dedicated to the production of cables and sub-cables, fully integrated into S.A.I.E.P.'s production processes, taking advantage of lower labor costs. SAIEP in FY23 had a positive NFP of €0.2mn (net cash), and a €17mn backlog at 1H24, with €8.8mn due in 2H24.

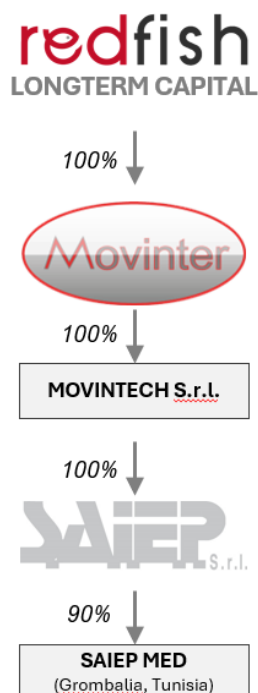
#### SAIEP S.r.l.: 2020-23 Financials

€ million	FY20	FY21	FY22	FY23
Turnover	12.5	9.5	13.4	16.0
EBITDA	0.5	0.2	0.2	0.9
<i>EBITDA margin</i>	<i>4.0%</i>	<i>2.1%</i>	<i>1.5%</i>	<i>5.8%</i>
NFP	(20.0)	(0.8)	0.0	(0.2)

Source: Company Data.

On May 13th 2024, RFLTC announced the acquisition of 100% of SAIEP for a €4.35mn total consideration., through its Movinter subsidiary (100% owned by RFLTC). The acquisition aligns with RedFish's strategy of horizontal integration in the Aerospace, Rail & Maritime market, started with the Tesi investment in 2021, and continued with the acquisition of Movinter in Apr-23, and Six Italia in Feb-24. The acquisition values SAIEP at 0.3x EV/Sales (€16mn FY23 revenues) and 4.7x EV/EBITDA (€0.93mn FY23 EBITDA, with a 6% margin). The acquisition was completed on the 27th of June '24, with an initial payment of €3.85mn, of which €250k through the sale of 161k shares (priced at €1.55ps) to SAIEP's main partner Alberto Santi, with a 2-year lock-up period, who will keep guiding SAIEP's operations as Executive Director. The remaining €0.5mn will be paid by the end of Jun-25, on top of a potential earn-out calculated with a multiple of 0.75x on the incremental Gross Profit FY24 vs FY23, and FY25 vs FY24.

#### SAIEP S.r.l.: Shareholders



Source: Company Presentation

## Divested Holdings

### MaticMind S.p.A. - Technology sector with a focus on Cloud and Cybersecurity (4.2% acquired in 2020 for €5.1mn; sold during 2022)

On September 30<sup>th</sup>, 2020, RFLTC co-invested with Fondo Italiano d'Investimento (anchor investor) in MaticMind, acquiring a 4% stake – through Elettra S.p.A. – for a total consideration of €5.0mn (€5.1mn including transaction costs) or at 3.4x FY20 EV/EBITDA. In October 2022, MaticMind's 100% stake was sold for ca. €320mn to the private equity fund CVC Capital Partner and Cdp Equity by Fondo Italiano di Investimento and RFLTC S.p.A., having RFLTC - thanks to the Tag Along clause - the right to follow in the sale. Following the sale of its stake, RFLTC realized a return on capital invested of 52% (a multiple on invested capital of 2.4x). It is worth noticing that further sums and earn-out could be cashed-in by RFLTC subject to the satisfaction of some conditions.

Founded in 2006, MaticMind is a spin-off of the Italian business of Ascom AG, involved in ICT consultancy for remote working. MaticMind is one of the leading Italian Value Adding Resellers (VAR), providing solutions and services in the networking, cybersecurity, cloud and data center field. It operates in Italy, employing 700+ people and collaborating with over 150 partners. In FY21, MaticMind generated €349mn of value of production with an EBITDA margin 10.9%.

RFLTC has supported MaticMind in M&A activities, allowing the company to double its top line and improve its marginality in two years. Indeed, in 2H21, MaticMind acquired Megamind (formerly New Charger), whereas in 1Q22 it closed two M&A deals, acquiring SIND and ITI Sistemi.

#### MaticMind S.p.A.: 2019–21 Financials

Maticmind S.p.A. € million	FY19	FY20	FY21
Value of Production	300.4	290.7	348.9
EBITDA	26.8	27.4	37.9
<i>EBITDA margin</i>	<i>8.9%</i>	<i>9.4%</i>	<i>10.9%</i>
NFP	40.2	(28.4)	66.0

Source: Company data

### Pistacchio S.p.A. - Food&Beverage industry with a focus on pistachio products (20% acquired in 2022 for €1mn plus earn-out; sold during 2022);

In February 2022, RFLTC acquired a 20% stake in Pistacchio S.p.A (brand Marullo). Being the company in a turnaround phase and thus showing risk profile not in line with RFLTC's portfolio, in October 2022, Pistacchio was sold to KayakFO for a total consideration of €1.1mn, recording a return on capital invested of ca. 10% in 8 months (plus €24k of revenues from advisory services).

Pistacchio is a food company specializing in the production and processing of pistachios, hazelnuts and other nuts into semi-finished products for the ice-cream industry and finished products for the large-scale retail trade. The company operates in a highly cyclical segment, as the pistachios of Bronte ripen once every two years.

FY22 VoP (refer to the period September 2021–August 2022) stood at €27.4mn, whereas EBITDA reached €2.3mn with a margin of 8.4%.



**Pistacchio S.p.A.: 2020–22 Financials**

€ million	FY20	9M21	FY22A
Value of Production	16.7	13.3	27.4
EBITDA	1.7	1.8	2.3
<i>EBITDA margin</i>	10.2%	13.5%	8.4%
NFP	7.9	7.8	11.2

Source: Company data, KT&Partners' elaboration

## Valuation

Being RFLTC in a start-up phase and with a limited financial track record, the valuation was obtained by using a sum-of-parts model, i.e. aggregating the value of the stakes held in the subsidiaries, whose values were calculated using:

- the market value for listed companies;
- the multiples method for private companies based on:
  - the industry multiples (source Damodaran) discounted by 20% to take into consideration the lower size and liquidity; or
  - multiples of comparables discounted by 20%
- the holding's acquisition cost for private companies that were not valued by using the multiples method.

We note that our valuation of subsidiaries is mainly based on FY23 data. Furthermore, we take into account RFLTC's FY23 net debt, equal to €6.1mn, adjusted for: i) €1.0mn earn-out related to FY23 results of Tesi; ii) €18mn investment for Polieco MBP (€11mn in equity and €7mn in debt); iii) €1.8mn acquisition of Six Italia (through Movinter); iv) €4.1mn acquisition of SAIEP (net of the €250k paid in shares); v) €0.5mn paid to buy back ICB's stake in Rail Fish's SPV (Movinter) and; v) €0.6mn spent in shares buy-back up to date.

We also factor in i) the capital raise of €10.4m, ii) the €7mn debt financing, also related to the Polieco's investment, iii) the €10mn cashed from the basket bonds, and the issuance of 6.9m new ordinary shares. Considering a 5-10% discount range, we derive an equity value of €65.3mn or €2.53ps.

We note that we took into account:

- Stock Options: since the stock options are currently out-of-the money (€1.50 strike price) we do not estimate the potential dilution coming from the conversion. We note that the company plans to distribute 2 million stock options. We note that the stock options issued are referred to tranche 1a and tranche 1b of the plan, with a vesting period of 24 and 48 months, respectively, starting from July 2023.
- Warrants: since the warrants are currently out-of-the-money (€1.82 strike price for the next 2024 exercise windows) we do not estimate the potential dilution coming from the conversion. We note that the company distributed 4.9mn warrants (1:2 conversion rate and a strike price of €1.65, €1.82, €2.00 for each exercise window of 2023, 2024 and 2025, respectively) to IPO and convertible bond investors.

### Valuation Recap

Valuation RFLTC	€mn	
Convergenze S.p.A.	1.2	
Tesi S.r.l.	11.2	
Solid World S.p.A.	4.0	
Expo Inox S.p.A.	8.5	
Movinter S.r.l.	17.7	
Six Italia S.p.A.	2.4	
S.A.I.E.P. S.r.l.	6.7	
Pure Labs S.p.A.	4.0	
Industrie Polieco - M.B.P. S.p.A.	19.4	
<b>Enterprise Value</b>	<b>75.2</b>	
RFLTC FY23 PFN	6.1	
RFLTC FY23 PFN Adj.	4.7	
<b>Equity Value</b>	<b>70.5</b>	
<i>Discount</i>	10%	5%
<b>Equity Value Post Discount</b>	<b>63.5</b>	<b>67.0</b>
<b>Average Equity Value</b>	<b>65.3</b>	
N. of shares (mn)	25.81	
<b>Value per share €</b>	<b>2.53</b>	

Source: FactSet, KT&Partners' Elaboration

RFLTC is currently trading at an EV/EBITDA multiple of 3.8x based on the following calculation.

### EV/EBITDA current multiple

<b>Market Cap RFLTC</b>	<b>33.0</b>
Market Cap Solid World	-4.0
Market Cap Convergenze	-1.2
NFP RFLTC 31.12.23	6.1
Cash-out acquisition of Six Italia (through Movinter)	1.8
Earn-out Tesi	1.0
Cash-out M&A Polieco	18.0
Cash-out acquisition of SAIEP (through Movinter)	4.1
Buy-back IC8's stake in Rail Fish's SPV (Movinter)	0.5
Aucap	-10.4
Polieco debt financing	-7.0
Two basket bonds	-10.0
Share buyback	0.6
<b>Adj. NFP (cash)</b>	<b>-0.6</b>
NFP Holdings*	11.1
<b>Enterprise Value</b>	<b>43.6</b>
EBITDA Holdings*	11.4
<b>EV/EBITDA multiple</b>	<b>3.8x</b>

Source: FactSet, KT&Partners' Elaboration

## Holdings Valuation

### Valuation of listed companies

#### Convergenze S.p.A.

Being listed on the EGM market, Convergenze has been valued by taking the last month average market capitalization.

#### Convergenze Valuation

€ million	
Avg. Mkt Cap (last month)	12.7
<b>Equity Market Value</b>	<b>12.7</b>
RFLTC stake (%)	9.5%
<b>RFLTC stake value (€ mn)</b>	<b>1.2</b>

Source: FactSet, KT&Partners' Elaboration

In our previous note (Apr-24) RFLTC's stake in Convergenze was valued at €1.1mn.

#### Solid World S.p.A.

In valuing Solid World, we take the last month average market capitalization, also considering the new shares issued after the conversion of warrant occurred in July, 2023 and the new shares in a ratio 1:10 issued after the free capital increase occurred in October 2023. We note that the market cap includes also the 3.4mn of not-listed shares.

#### Solid World Valuation

€ million	
Avg. Mkt Cap (last month)	45.9
<b>Total Equity Value</b>	<b>45.9</b>
RFLTC stake (%)	8.8%
<b>RFLTC stake value (€ mn)</b>	<b>4.0</b>

Source: FactSet, KT&Partners' Elaboration

In our previous note (Apr-24) RFLTC's stake in Solid World was valued at €4.6mn.

### Valuation of unlisted companies

#### Tesi S.r.l.

To value Tesi we take the average 2019-23 EV/EBITDA multiple of the Aerospace industry (source Damodaran) discounted by 20% to take into consideration the lower size and liquidity of Tesi with respect to listed companies.

#### Tesi Valuation

€ million	
EBITDA	5.4
EV/EBITDA multiple	10.8x
EV	58.3
NFP	2.1
<b>Equity Value</b>	<b>56.2</b>
RFLTC stake (%)	20.0%
<b>RFLTC stake value (€ mn)</b>	<b>11.2</b>

Source: FactSet, KT&Partners' Elaboration

**Expo Inox S.p.A**

In valuing Expo Inox, we take the FY23 EV/EBITDA multiple - discounted by 20% - of Poujoulat (6.8x vs 5.1x of our latest update), a company that manufactures and sells metal chimneys and stacks for individual homes, collective housing. It is listed on the Euronext Paris stock exchange with a market capitalization of €88mn. In FY23, Poujoulat generated €352mn of revenue and the EBITDA was at ca. €24mn;

**Expo Inox Valuation**

<b>€ million</b>	
EBITDA	8.4
EV/EBITDA multiple	6.8x
EV	56.8
NFP	14.2
<b>Equity Value</b>	<b>42.6</b>
RFLTC stake (%)	20.0%
<b>RFLTC stake value (€ mn)</b>	<b>8.5</b>

Source: FactSet, KT&Partners' Elaboration

In our previous note (Apr-24) RFLTC's stake in Expo Inox was valued at €7.1mn.

**Movinter S.p.A.**

In valuing Movinter we considered the average FY23 EV/EBITDA multiple - discounted by 20% - of:

- Omer SpA (6.9x vs 5.4x of our latest update), an Italian company active in the development and production of railroad equipment and listed on the EGM with a market capitalization of €110mn. In FY23, Omer generated €66mn of revenue with an EBITDA margin 20.6%.
- Salcef Group (10.6x vs 8.5x of our latest update), an Italian company engaged in the design, construction and maintenance of railway infrastructures and equipment. Listed on the Euronext STAR Milan with a market capitalization of €1.6bn, in FY23 Salcef Group generated €785mn with an EBITDA margin of 20.4%.

**Movinter Valuation**

<b>€ million</b>	
EBITDA	3.0
EV/EBITDA multiple	7.0x
EV	21.1
NFP	3.4
<b>Equity Value</b>	<b>17.7</b>
RFLTC stake (%)	100.0%
<b>RFLTC stake value (€ mn)</b>	<b>17.7</b>

Source: FactSet, KT&Partners' Elaboration

In our previous note (Apr-24) RFLTC's stake in Movinter (96% owned at the last update) was valued at €12.7mn.

**Six Italia S.p.A.**

We value Six Italia using the same valuation multiple of Movinter, derived from the same peers considered for Movinter, as they are focused on the same end market (Railroad industry), and also considering the incoming synergies deriving from the acquisition.

**Six Italia Valuation**

<b>€ million</b>	
EBITDA	1.0
EV/EBITDA multiple	7.0x
EV	7.0
NFP	3.8
<b>Equity Value</b>	<b>3.2</b>
RFLTC stake (%)	75.0%
<b>RFLTC stake value (€ mn)</b>	<b>2.4</b>

Source: FactSet, KT&Partners' Elaboration

In our previous note (Apr-24) RFLTC's stake in Six Italia (72% owned at the last update) was valued at €1.2mn.

**S.A.I.E.P. S.r.l.**

We value SAIEP using the same valuation multiple of Movinter, derived from the same peers considered for Movinter, as they are focused on the same end market (Railroad industry), and also considering the incoming synergies deriving from the acquisition.

**SAIEP Valuation**

<b>€ million</b>	
EBITDA	0.9
EV/EBITDA multiple	7.0x
EV	6.5
NFP	(0.2)
<b>Equity Value</b>	<b>6.7</b>
RFLTC stake (%)	100.0%
<b>RFLTC stake value (€ mn)</b>	<b>6.7</b>

Source: FactSet, KT&Partners' Elaboration

**PureLabs S.p.A.**

Given the start-up phase of PureLabs, we believe that multiples method is not appropriate to value the company, as the current financials do not reflect PureLabs' effective growth opportunities in the coming years. We then valued PureLabs at its acquiring cost value of €4mn.

**PureLabs Valuation**

<b>€ million</b>	
<b>Equity Value</b>	<b>12.5</b>
RFLTC stake (%)*	32.0%
<b>RFLTC stake value (€ mn)</b>	<b>4.0</b>

\*at the time of the investment

Source: FactSet, KT&Partners' Elaboration

### Industrie Polieco – M.P.B. S.p.A.

We value MPB using the average between a FY23 sales multiples valuation, and a FY23 EBITDA multiples valuation, both based on the same set of comparative companies. We then apply the usual 20% discount justified by the higher average comps size than MPB. Given Polieco's differentiated business, we selected three comps for its resins operations, three for the manufacturing business, and three peer companies that partly overlap both.

#### Polieco – MPB Comps

Business	Name of Company	Geo	Mkt cap (EURm)	EV/EBITDA (FY23)	EV/Sales (FY23)
Resins	Avient Corporation	US	4,027	11.8x	1.9x
	Westlake Corporation	US	16,845	8.3x	1.7x
	Covestro AG	DE	10,471	12.6x	0.9x
Pipes	Mattr Corp	CA	679	6.5x	1.2x
	Wienerberger AG	AT	3,330	7.0x	1.3x
	Genuit Group PLC	GB	1,340	11.0x	2.2x
Mixed	Advanced Drainage Systems, Inc.	US	10,932	13.9x	4.5x
	ERA Co., Ltd. Class A	CN	598	4.8x	0.6x
	Binh Minh Plastics JSC	VN	307	4.4x	1.3x

Source: FactSet, KT&Partners' Elaboration

#### Polieco – MPB Valuation

	EBITDA (FY23)	Sales (FY23)
MPB (€m)	45.1	200.0
Comps multiples (median)	8.3x	1.3x
EV (€m)	372.5	260.8
Average EV (€m)		316.7
Discount		20%
Discounted EV (€m)		253.3
NFP (€m)		0.2
Equity Value (€m)		253.1
SPV stake (%)		15%
<b>SPV stake value (€m)</b>		<b>38.0</b>
RFLTC stake in SPV (%)		51%
<b>RFLTC stake value (€m)</b>		<b>19.4</b>

Source: FactSet, KT&Partners' Elaboration

In our previous note (Apr-24) RFLTC's stake in Polieco (66% RFLTC stake in SPV) was valued at €28.9mn.

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- ADD – FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD – FOR A FAIR VALUE < 15% AND > – 15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE < – 15% ON CURRENT PRICE

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