

Redfish Longterm Capital

Sector: Holding

Acquisitions power top line, NAV up to Eu2.40

FY24 consolidated revenues reached Eu50.6mn (vs. Eu18.9mn), driven by the full year consolidation of Movinter and acquisitions of Six Italia and SAIEP. EBITDA stood at Eu3.0mn (6% margin), impacted by rising personnel and lease costs to sustain future growth. Parent company revenues reached Eu0.6mn, but net loss totalled Eu1.2mn vs. a dividend-boosted Eu5.3mn profit in FY23. Net Invested Capital nearly doubled to Eu51.8mn, while NFP rose to Eu14.4mn. A mixed cash and free-share dividend will be proposed. 1Q25 revenues rose 68.8% YoY to Eu16.5mn, led by acquisitions, with the backlog up 18% YoY to Eu85.9mn. Despite a decline in Movinter's organic performance, strategic M&A underpins scale and diversification. The NAV was upgraded to Eu2.4/s (Eu2.3), offering 104% upside: BUY.

- **Revenues at Eu50.6mn, growth led by full consolidation of Movinter and new acquisitions.** Consolidated revenues stood at Eu50.6mn (vs. Eu18.9mn FY23), mainly due to the full-year consolidation of Movinter, which contributed Eu50.3mn, including Eu26.0mn from its Metalwork and Piping divisions, Eu13.7mn from Six Italia and its US subsidiary, and Eu10.6mn from SAIEP and Saiep MED. Raw material costs totalled Eu23.8mn, fully attributable to Movinter, Six Italia (Eu6.6mn), and SAIEP (Eu6.0mn). Service costs were Eu9.9mn (Eu9.0mn from Movinter), equal to 19.6% of revenues, improving from 30.5% in FY23. Lease costs reached Eu1.1mn, of which Eu0.8mn related to Movinter. Personnel costs rose to Eu15.8mn, representing 31.2% of revenues, due to insourcing, new facility openings, and the hiring of senior roles to support organizational growth. Movinter's headcount increased to 513 from 435 in FY23. EBITDA totaled Eu3.0mn, with a margin of 6% (vs. 8.1% FY23). D&A grew to Eu3.4mn (vs. Eu1.9mn), including Eu1.4mn of goodwill amortization. The net financial result was negative at Eu2.1mn, mainly reflecting factoring costs, partially offset by Eu1.2mn in dividends from Industrie Polieco. Equity adjustments came in at -Eu0.9mn, due to Tesi's write-down. Net loss was Eu3.6mn, impacted by full goodwill amortization. Adjusted net loss stood at Eu2.2mn. NFP increased to Eu32.5mn (vs. Eu6.1mn FY23), mainly due to bond issuances, acquisition-related loans, and higher bank debt, while liquidity remained stable at Eu12mn.
- **Parentco. 2024 loss vs. dividend-boosted 2023 net profit - Net Invested Capital nearly doubles.** The parent company RFLTC reported revenues of Eu0.6mn (vs. Eu0.2mn as at 31 December 2023), a negative EBT of Eu1.2mn (vs. Eu5.3mn, which benefited from dividends related to the sale of Matic Mind), and a net loss of Eu1.2mn (vs. Eu5.3mn). Net Invested Capital stood at Eu51.8mn, up 79.4% from Eu28.9mn at year-end 2023, while Net Financial Position amounted to Eu14.4mn, compared to Eu47k as at Dec-23. The company will propose to Shareholders an ordinary dividend, partly in cash and partly via free treasury shares. Specifically, the AGM will vote on: 1) a cash dividend of Eu0.0144957 per ordinary share and Eu12.50 per Class X share, totaling approx. Eu0.5mn; 2) a free share allocation of 13 shares per 1,000 ordinary shares and 12 shares per Class X share, with an estimated value of Eu0.6mn at current market prices.
- **Strategic M&A fuels solid revenue growth in 1Q25.** RFLTC posted solid 1Q25 top line growth, with consolidated revenues up 68.8% YoY to Eu16.5mn, driven by the first full-quarter contribution from newly acquired Six Italia and SAIEP. The pro-forma like-for-like comparison shows +4.1%. Notably, SAIEP delivered an impressive +27.5% YoY growth, becoming a key revenue contributor. The consolidated backlog rose to Eu85.9mn (+18.2% YoY), supporting mid-term visibility. While Movinter's organic performance declined, the group's strategic M&A execution appears effective, enhancing scale and diversification.
- **NAV to Eu2.4/s from Eu2.3/s, BUY** – RFLTC stands out for its distinctive asset mix, with private investments outweighing listed equity, offering exposure to a hard-to-replicate portfolio. Its strategy centers on acquiring and growing Italian family-run SMEs through structured transactions and active governance. Supported by an experienced board, the investment process follows a rigorous five-step framework, incorporating ESG metrics to identify long-term value levers. The portfolio's diversification across utilities, aerospace, and specialty materials, helps reduce sector concentration while unlocking scalable growth potential. The shift of portfolio company valuations to 2025E and the NAV mark-to-market result in an upgraded per share value of Eu2.4 (vs. Eu2.3): BUY, with 104% upside potential to the current price.

BUY

Unchanged

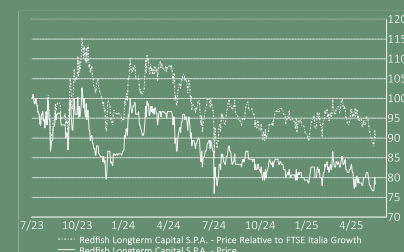
TP 2.4

From 2.3

Target price upside 104%

Ticker (BBG, Reut)	RFLTC IM	RFLTC.MI
Share price Ord. (Eu)		1.2
N. of Ord. shares (mn)		27.7
Total N. of shares (mn)		27.0
Market cap (Eu mn)		33
Total Market Cap (Eu mn)		33
Free Float Ord. (%)		41%
Free Float Ord. (Eu mn)		13
Daily AVG liquidity Ord. (Eu k)		25

	1M	3M	12M
Absolute Perf.	1.7%	-1.6%	-9%
Rel. to FTSEMIDCap	-11.1%	-7.9%	-21%
52 weeks range		1.1	1.4



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NAV

Net Asset Value	Eu mn	Eu/s	FD % on GNAV	Methodology	Business
Tesi	9.1	0.34	10%	25E Peers Median EV/EBITDA 11.1x	Industrial - Aerospace Components
Expo Inox	9.4	0.35	10%	25E Peers Median EV/EBITDA 6.6x	Industrial - Stainless Steel Products
Movinter + Six Italia + Saiep	27.2	1.01	30%	25E Peers Median EV/EBITDA 5.4x, excluding Six Italia min.	Industrial - Lightweight Railway Products
Pure Labs	5.1	0.19	6%	25E Peers Median EV/EBITDA 7.5x	Health - Diagnostic Centres
Polieco	38.1	1.41	42%	25E Peers Median EV/EBITDA 9x, 51% of the vehicle	Industrial - Pipes and Manhole for Infrastructure
Total Private Companies	88.8	3.28	97%		
Convergenze	1.4	0.05	1%	Market Value, Eu1.9/s	Utility - Energy, Natural Gas and Fiber
SolidWorld	1.5	0.06	2%	Market Value, Eu1.14/s	Technology - 3D Printing System Integrator
Total Listed Companies	2.9	0.11	3%		
Gross Net Asset Value	91.7	3.39	100%		
NFP (debt)/cash	(9.4)	(0.35)		Parent Co., last reported (FY24), adj. for Eu5mn cash in	
Net Asset Value	82.3	3.00			
Holding discount	20%				
Target Price	65.8	2.40	104% Upside		

Source: Alantra, Company data

Holding discount qualitative assessment matrix

Criteria	Low	Medium	High
Liquidity and marketability	Stock liquidity: 1M av. daily turn. of Eu16k		
Control and influence		One participation at 100%, the others are at some 20%	
Diversification of asset	Almost 70% of Gross Net Asset Value in two sectors		
Management quality and strategy			Specialized management with in-house expertise
Transparency and reporting		Good level of reporting, including quarterly KPIs	

RFLTC competitive positioning

RFLTC, a distinctive inv. holding, focuses on SMEs, aiding growth through hands-on management and extended investment periods without predetermined exits.

	HOLDING PERIOD	SHARES LIQUIDABILITY & CAPITAL INCREASES	SECTORS & INVESTEEES	OPERATION TYPE	SUPERVISING
RFLTC	Long holding period with no predetermined exit	Capital Increases with no restrictions	Generalist with no restrictions in its Article of Association	Minorities, majorities, convertible loans, debt to support Investees	N.A.
CLUB DEAL	3/5 years with drag-along clause	Only with disinvestments of investee companies	Mono target	Minorities or majorities	N.A.
SGR	3/5 years with predetermined exit	No capital increases, closed funds Redemption at maturity	Article of Association identifies target sectors	Article of Association specifies minorities, majorities or debt	Bank of Italy & Consob
SICAF	3/5 years with predetermined exit	No capital increases, closed funds Redemption at maturity	Article of Association identifies target sectors	Article of Association specifies minorities, majorities or debt	Bank of Italy & Consob
ELTIF	3/5 years with predetermined exit	No capital increases, closed funds Redemption at maturity or through the stock market	70% in qualifying targets, 30% free	Minorities/ Majorities/ Debt / listed companies	Bank of Italy & Consob

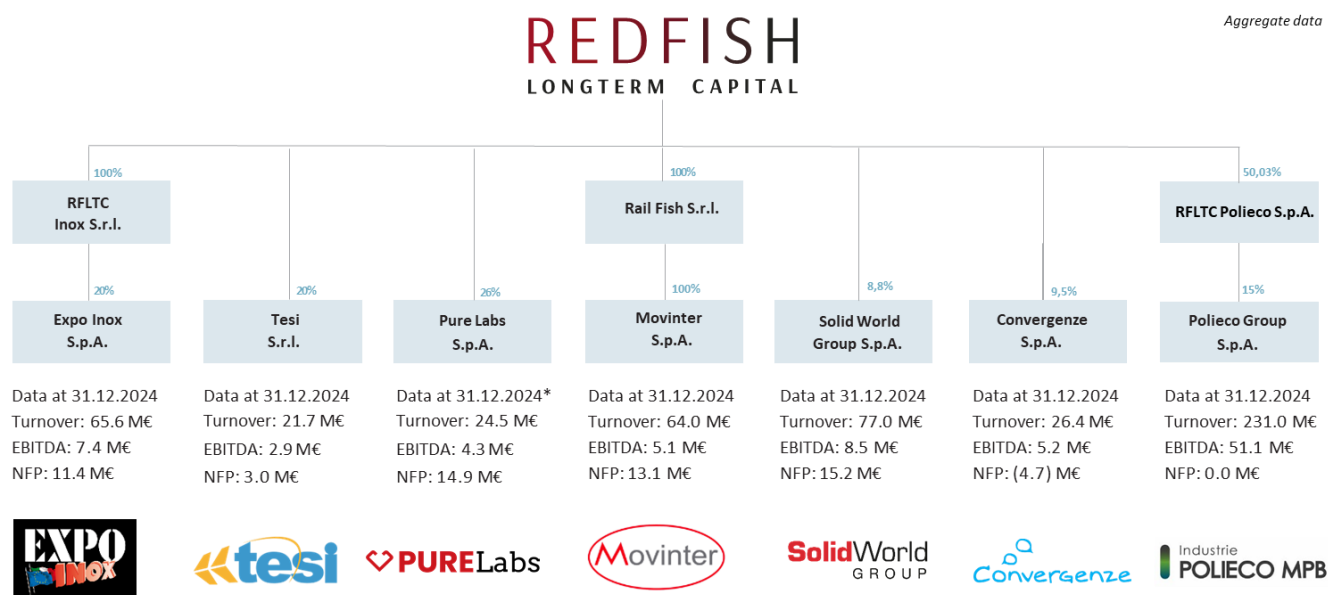
ALANTRA

Italian Equity Research

Key Charts

RFLTC, overview of portfolio companies

A well-diversified portfolio company structure

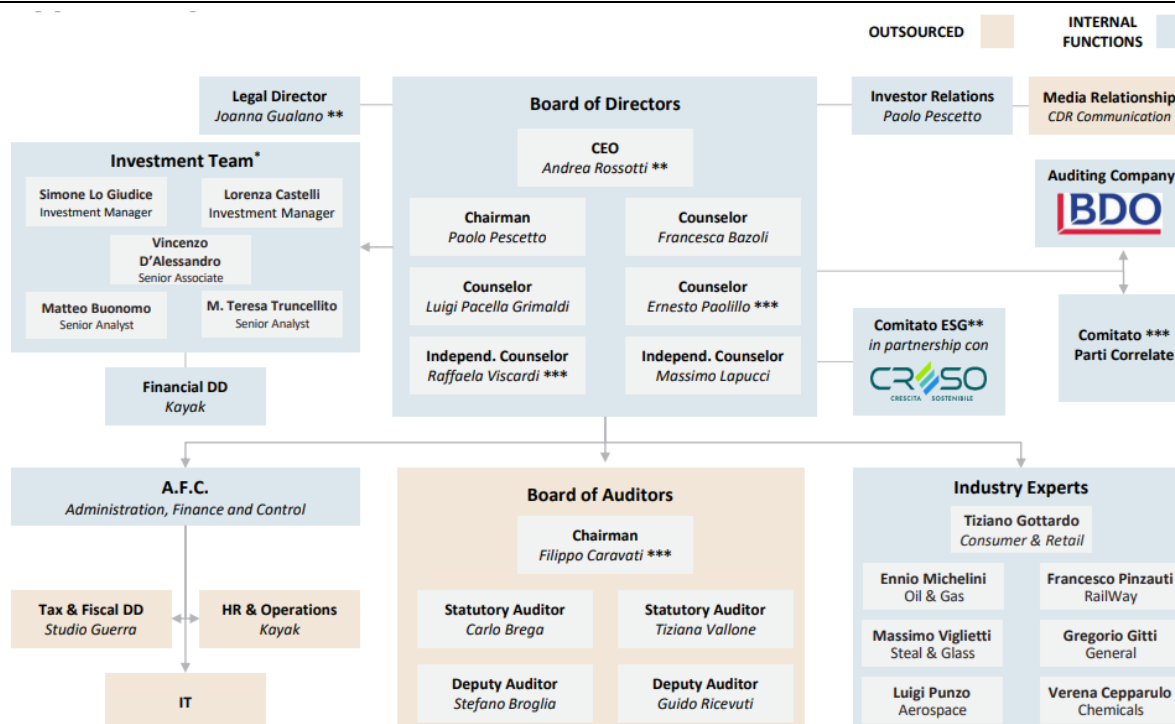


Approved Financial Statement Data as of 31.12.24
*PureLabs data pro forma statement

Source: company data

RFLTC governance structure

RFLTC's management and in-house experts specialize in sourcing, selecting, analyzing, and defining investment opportunities effectively.



Source: Company data. * Responsible of conducting business development activities on Investees & analyze new potential investments ** Responsabile supervision ESG

Profile

Background	Founded in 2020 by Paolo Pescetto, Andrea Rossotti, and the Bazoli and Gitti families, RedFish LongTerm Capital (RFLTC) is an industrial holding firm focused on acquiring stakes in Italian family-owned SMEs. It drives growth through expertise in complex transactions and strategic management, taking both minority and majority stakes with a long-term investment horizon. Collaborating with other investors, RFLTC aims for sustainable growth and lasting value across its portfolio. It prioritizes economic planning, management control, and financing optimization, while actively participating in the governance of portfolio companies. Leveraging a robust network, RFLTC identifies opportunities and provides strategic support. Revenues derive from dividends, fixed consultancy fees, and variable fees. RFLTC's diverse Board ensures ongoing commitment to strategic investments and value creation.
Positioning	RFLTC is a key player in Italy's SME market, focusing on long-term growth through active management of its portfolio companies. Italy's >150,000 SMEs, known for niche expertise, achieved >Eu205bn in 2024 despite economic challenges. RFLTC's strategy emphasizes sustainable growth, seeking long-term value via dividends and share appreciation instead of quick exits. Targeting family-owned or transitioning SMEs, it drives growth with specialized staff and efficient management systems. Its flexible investment horizon, without predetermined exits, aligns with the goals of its investees. Concentrating on private firms, RFLTC offers a unique portfolio that balances growth potential, risk mitigation, and diversification, establishing itself as a leader in investment holding.
Portfolio	RFLTC has built a diverse portfolio of seven companies, each in different sectors to reduce industry-specific risks. These include Convergenze (Utilities), Tesi (Aerospace), Solid World (Technology), Expo Inox (Stainless Steel Chimneys), Movinter (Railroad Equipment), PureLabs (Healthcare Services), Six Italia (Rail/Naval Equipment), Polieco (Pipe manufacturing) and SAIEP (Railway Cabling). This diversification not only spreads risk but also capitalizes on growth opportunities across various sectors. RFLTC's strategy includes expanding its portfolio, as seen with its investment in Polieco, finalized in June 2024. Expo Inox, acquired in 2022 with a 20% stake, grew its turnover from Eu50mn in 2021 to Eu68mn in 2024, driven by market expansion, including acquiring A1 Flue Systems in the UK. Movinter group reached Eu65mn in 2024, boosted by contracts in Spain and Germany. Six Italia and Saiep joined in December 2023 and June 2024, respectively, aligning with RFLTC's goals in the rail sector.
Strategy	RFLTC adopts a disciplined investment approach, scouting two opportunities weekly through a vast network. Opportunities undergo expert and ESG committee evaluations before Board approval, ensuring strategic alignment. The firm prioritizes sustainable financing, utilizing third-party investments and excluding certain sectors. Growth strategies emphasize operational efficiency, targeted acquisitions, and enhanced financial management, with international expansion supported by foreign advisors and overseas scouting. Quarterly monitoring by dedicated teams assesses performance, compliance, and alignment. RFLTC's 5-phase model—identification, analysis, structuring, financing, and growth—drives long-term value creation through due diligence, strategic planning, and post-investment oversight, aiming to optimize operations, expand markets, and mitigate risks via diversified funding sources.

Strengths Experience management proficient in capital acquisition and investment strategy RFLTC's focus on strategic, value-driven investments fosters sustainable development Well-established connections facilitate opportunities for joint investments		Weaknesses Company's success heavily relies on a few individuals The company's dependence on particular industry may limit diversification opportunities Due to its size, RFLTC may face challenges in competing with larger firms	
Opportunities Value expansion, particularly through the IPO of portfolio companies Strategic acquisitions for portfolio enhancement Geographical diversification and access to new markets		Threats Uncertainties, including interest rate fluctuation and inflation could impact performance Rising competition from other investment firms with larger firepower Ensuring consistent adherence to tight investment criteria amidst changing mkt dynamics	
Key shareholders Maior Srl: 19.6% Red-Fish Kapital: 11.5% Bruno Negri: 9.8% OMR Holding: 7.5% Free Float: 40.6%	Management Paolo Pescetto - Chairman Andrea Rossotti - CEO Lorenza Castelli - Investment Manager Simone Lo Giudice - Investment Manager	Next events 1H25 KPIs: 25 July 25 1H25: 30 Sep 25 3Q25 KPIs: 27 Oct 25	

FY24 Results

RFLTC – FY24 consolidated results

Pro forma figures factor Six Italia and SAIEP from 1-Jan (completed in Feb and Jun-24). Rising operational costs reduce PF EBITDA despite revenue growth

Eu mn	2H23A	2H24A	YoY %	FY23A	FY24A	YoY %	2H23PF	2H24PF	YoY %	FY23PF	FY24PF	YoY %
Revenues	14.0	30.5	118%	18.9	50.6	168.1%	27.1	28.1	4%	57.8	61.6	6.6%
EBITDA	1.0	2.6	155%	1.5	3.0	96.4%	2.2	2.6	22%	4.4	4.2	-5.5%
<i>Ebitda Margin %</i>	7.3%	8.5%		8.1%	6.0%		8.0%	9.4%		7.7%	6.8%	
EBIT	(0.2)	0.8	n.m.	(0.3)	(0.4)	n.m.	0.2	0.7	177%	1.6	0.7	-56.8%
<i>Ebit Margin %</i>	-1.1%	2.5%		-1.7%	-0.7%		0.9%	2.4%		2.8%	1.2%	
Pretax Profit	(0.7)	(1.8)	n.m.	(0.9)	(3.4)	n.m.	(0.9)	(1.9)	n.m.	0.2	(2.4)	n.m.
<i>Pretax Margin %</i>	-4.8%	-5.9%		-4.7%	-6.7%		-3.5%	-6.8%		0.3%	-3.9%	
Net Profit	(1.0)	(1.8)	n.m.	(1.1)	(3.6)	n.m.	(1.4)	(1.9)	n.m.	(0.5)	(2.9)	n.m.
<i>Net Profit Margin %</i>	-7.1%	-6.0%		-5.6%	-7.1%		-5.1%	-6.7%		-0.8%	-4.7%	
Restated Net Profit	(1.0)	(1.8)	n.m.	(0.0)	(2.2)	n.m.	(1.4)	(1.0)	n.m.	0.5	(1.5)	n.m.
<i>Net Profit Margin %</i>	-7.1%	-6.0%		0.0%	-4.3%		-5.1%	-3.6%		0.9%	-2.4%	
NFP at YE (debt)/cash	6.1	32.5		6.1	32.5		17.7	32.5		17.7	32.5	

Source: Company data

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