Redfish Longterm Capital

Sector: Holding

M&A drives growth, backlog at record high in 1H25

BUY
Unchanged

TP 2.4
Unchanged

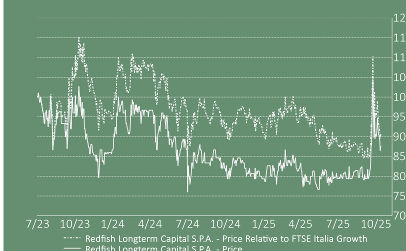
Target price upside 93%

1H25 consolidated revenues rose to Eu34.0mn (vs. Eu20.1mn), reflecting the full integration of Movinter and the contribution from Six Italia and SAIEP. EBITDA reached Eu3.3mn (9.8% margin), more than doubling YoY, driven by cost discipline, operational efficiency, and early integration synergies. Parent co. revenues amounted to Eu0.3mn, while the net loss narrowed to Eu0.7mn compared with Eu1.8mn in 1H24. Net Invested Capital increased to Eu81.1mn, NFP improved to Eu29.3mn (vs. Eu32.5mn YE24). The consolidated backlog climbed to Eu105.4mn, up 71% YoY and 26% vs. YE24, with 70% scheduled beyond 2025, offering multi-year visibility and growth resilience. The group continues to benefit from M&A scale, efficiency gains, and diversification. NAV confirmed at Eu2.4/s, implying 93% upside: BUY.

- **Revenues at Eu34.0mn, growth led by consolidation.** Consolidated revenues reached Eu34.0mn (vs. Eu20.1mn in 1H24), driven by the full consolidation of Movinter and the first full contribution of Six Italia and SAIEP. Within the perimeter, Movinter accounted for Eu14.3mn, Six Italia for Eu7.8mn (including Eu0.2mn from its US operations), and SAIEP for Eu11.7mn, of which Eu3.5mn came from Saiep MED. Raw material costs totalled Eu18.2mn, almost entirely attributable to Movinter, while service costs amounted to Eu5.4mn (15.9% of sales), an improvement from 17.8% in 1H24 pro forma, supported by internalization of outsourced processes. Personnel costs rose to Eu9.8mn (28.9% of revenues), mirroring expanding headcount of 538 employees. As a result, EBITDA reached Eu3.3mn, 9.8% margin (vs. 4.6% pro forma in 1H24), highlighting efficiency gains and operating leverage from integration. D&A amounted to Eu1.7mn (vs. Eu1.5mn), including Eu0.8mn of goodwill amortisation. The net financial result turned positive at Eu1.5mn, largely driven by dividends from Polieco and the disposal of IPM. Net profit stood at Eu2.4mn, (Eu1.8mn adj.).
- **Parentco. 1H25 net loss.** At the parent-company level, RFLTC posted revenues of Eu0.3mn (vs. Eu0.4mn in 1H24), mainly derived from management and advisory services to portfolio companies. Operating costs remained stable, though the absence of extraordinary dividend income, present in prior periods, led to an EBT of -Eu0.7mn (vs. -Eu0.5mn in 1H24). The net loss was Eu0.7mn, compared with Eu0.5mn a year earlier. Net Invested Capital rose to Eu53.4mn (+3% vs. YE24), reflecting the progressive expansion of the investment perimeter, while NFP slightly worsened to Eu17.5mn (vs. Eu14.4mn at YE24).
- **Strategic M&A supports backlog expansion.** The integration of Movinter, Six Italia, and SAIEP continues to strengthen the group's industrial platform, with acquisitions serving as a key engine for both scale and diversification. Consolidated backlog reached Eu105.4mn, +71% YoY and +26% vs. YE24. Notably, approximately 70% of orders are scheduled beyond 2025, providing strong earnings visibility. Within the portfolio, SAIEP confirmed its role as a growth driver, benefiting from solid commercial momentum and improved order intake, while Six Italia and Movinter are beginning to capture operational synergies, particularly in production efficiency and margin enhancement. The expanded and longer-dated order book, together with an active pipeline of potential add-on opportunities, underscores that M&A remains central to RFLTC's growth strategy and its continued industrial diversification.
- **NAV at Eu2.4/s, BUY.** NAV confirmed at Eu2.4 per share, unchanged from the previous update, reflecting mark-to-market portfolio valuations and consistent operating performance. In July 2025, RFLTC, through Movinter, signed an agreement to acquire 91.5% of Alpi Aviation, an Italian manufacturer of light aircraft, helicopters, and drones. The Eu3.7mn transaction, including variable and earn-out components, will be completed via a BidCo, where Movinter holds 24.9%, expanding RFLTC's reach into aerospace and reinforcing its Aerospace, Rail & Navy platform. The portfolio remains heavily weighted toward private holdings (97% of Gross NAV), providing investors exposure to resilient, hard-to-replicate SMEs in rail, infrastructure, aerospace, and specialty production. The diversified portfolio, solid backlog, and improving efficiency support long-term value creation: BUY, 93% upside.

Ticker (BBG, Reut)	RFLTC IM	RFLTC.MI
Share price Ord. (Eu)		1.3
N. of Ord. shares (mn)		28.1
Total N. of shares (mn)		27.8
Market cap (Eu mn)		36
Total Market Cap (EU mn)		36
Free Float Ord. (%)		41%
Free Float Ord. (Eu mn)		15
Daily AVG liquidity Ord. (Eu k)		31

	1M	3M	12M
Absolute Perf.	5.8%	8.5%	5%
Rel.to FTSEMidCap	2.9%	5.2%	-18%
52 weeks range		1.1	1.5



Head of Research
Luca Arena
luca.arena@alantra.com
+39 02 63 671 620

Andrea Zampaloni
andrea.zampaloni@alantra.com
+39 02 63 671 621

NAV

Net Asset Value	Eu mn	Eu/s FD	% on GNAV	Methodology	Business
Tesi	9.8	0.36	*10%*	25E Peers Median EV/EBITDA 12x	Industrial - Aerospace Components
Expo Inox	8.7	0.32	*9%*	25E Peers Median EV/EBITDA 6.2x	Industrial - Stainless Steel Products
Movinter + Six Italia + Saiep	33.7	1.23	*34%*	25E Peers Median EV/EBITDA 6.5x, excluding Six Italia min.	Industrial - Lightweight Railway Products
Pure Labs	5.4	0.20	*6%*	25E Peers Median EV/EBITDA 7.8x	Health - Diagnostic Centres
Polieco	37.7	1.37	*38%*	25E Peers Median EV/EBITDA 8.9x, 51% of the vehicle	Industrial - Pipes and Manhole for Infrastructure
Total Private Companies	**95.4**	**3.48**	***97%***		
Convergenze	1.4	0.05	*1%*	Market Value, Eu2/s	Utility - Energy, Natural Gas and Fiber
SolidWorld	1.3	0.05	*1%*	Market Value, Eu0.94/s	Technology - 3D Printing System Integrator
Total Listed Companies	**2.7**	**0.10**	***3%***		
Gross Net Asset Value	**98.1**	**3.58**	***100%***		
NFP (debt)/cash	(17.5)	(0.64)		Parent Co., last reported (1H25)	
Net Asset Value	**80.6**	**2.90**			
Holding discount	*20%*				
Target Price	**64.5**	**2.40**	*93%*	*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

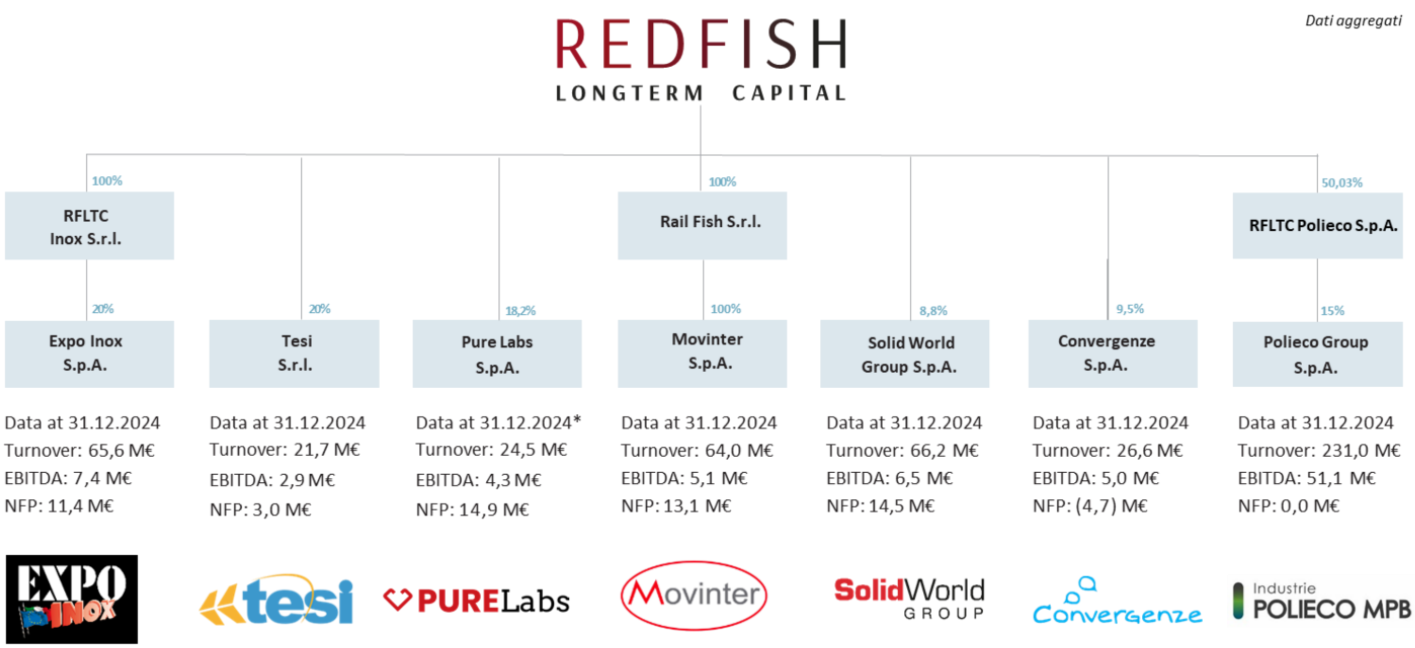
RFLTC, a distinctive inv. holding, focuses on SMEs, aiding growth through hands-on management and extended investment periods without predetermined exits.

	HOLDING PERIOD	SHARES LIQUIDABILITY & CAPITAL INCREASES	SECTORS & INVESTEES	OPERATION TYPE	SUPERVISIONING
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

Key Charts

RFLTC, overview of portfolio companies

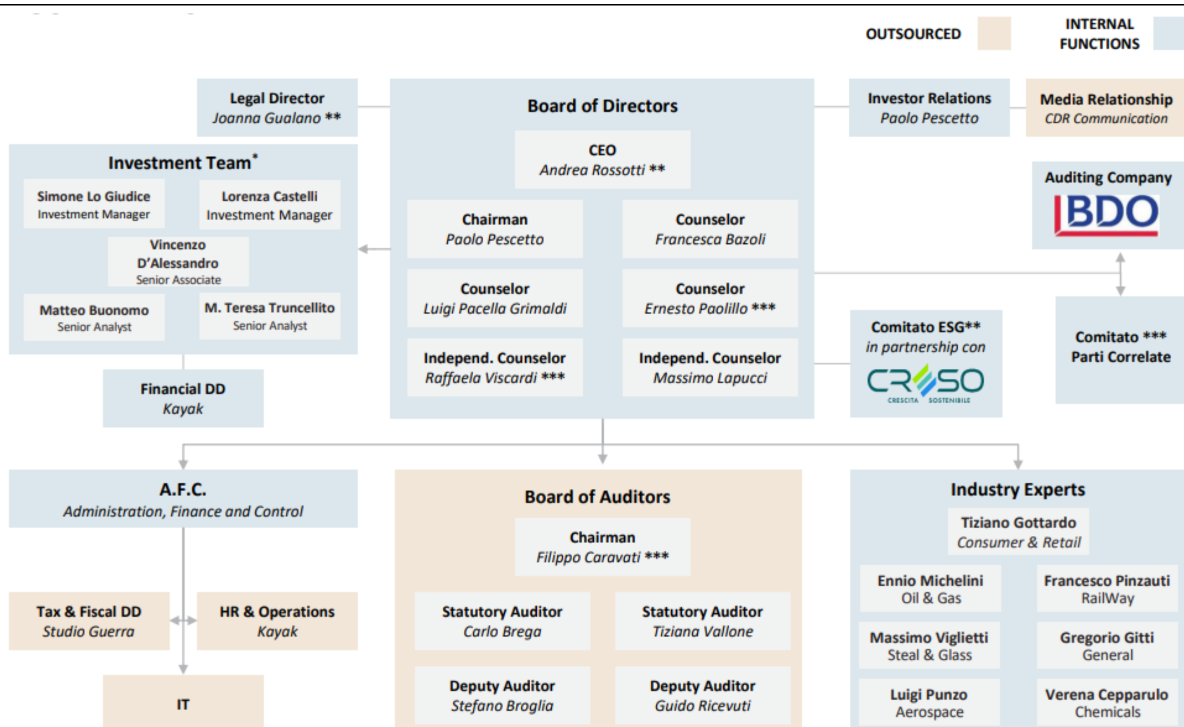
A well-diversified portfolio company structure



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 horizons, 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	Weaknesses
Experience management proficient in capital acquisition and investment strategy	Company's success heavily relies on a few individuals
RFLTC's focus on strategic, value-driven investments fosters sustainable development	The company's dependence on particular industry may limit diversification opportunities
Well-established connections facilitate opportunities for joint investments	Due to its size, RFLTC may face challenges in competing with larger firms

Opportunities	Threats
Value expansion, particularly through the IPO of portfolio companies	Uncertanties, including interest rate flucutation and inflation could impact performance
Strategic acquisitions for portfolio enhancement	Rising competition from other investment firms with larger firepower
Geographical diversification and access to new markets	Ensuring consistent adherence to tight investment criteria amidst changing mkt dynamics

Key shareholders	Management	Next events
Tibag Srl: 19.8%	Paolo Pescetto - Chairman	3Q25 KPIs: 27 Oct 25
Red-Fish Kapital: 11.9%	Andrea Rossotti - CEO	
Bruno Negri: 10.3%	Lorenza Castelli - Investment Manager	
OMR Holding: 7.3%	Simone Lo Giudice - Investment Manager	
Free Float: 39.6%		

1H25 Results

RFLTC – 1H25 consolidated results

RFLTC posted strong 1H25 growth, driven by M&A and efficiency gains, with higher margins, solid cash generation, and a record backlog.

Eu mn	1H24A	1H25A	YoY %	FY23A	FY24A	YoY %
Revenues	20.1	34.0	*69%*	18.9	50.6	*168%*
EBITDA	0.4	3.3	*nm*	1.5	3.0	*96%*
Ebitda Margin %	*2.1%*	*9.8%*		*8.1%*	*6.0%*	
EBIT	(1.1)	1.6	*nm*	(0.3)	(0.4)	*14%*
Ebit Margin %	*-5.6%*	*4.7%*		*-1.7%*	*-0.7%*	
Pretax Profit	(1.6)	3.0	*nm*	(0.9)	(3.4)	*nm*
Pretax Margin %	*-7.9%*	*8.9%*		*-4.7%*	*-6.7%*	
Net Profit	(1.8)	1.0	*nm*	(1.1)	(3.6)	*nm*
Net Profit Margin %	*-8.8%*	*2.9%*		*-5.6%*	*-7.1%*	
Restated Net Profit	(1.3)	1.8	*nm*	(0.1)	(2.2)	*nm*
Net Profit Margin %	*-6.3%*	*5.3%*		*-0.3%*	*-4.3%*	

Source: Company data

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