Redfish Longterm Capital

Sector: Holding

Portfolio momentum, value yet to be unlocked

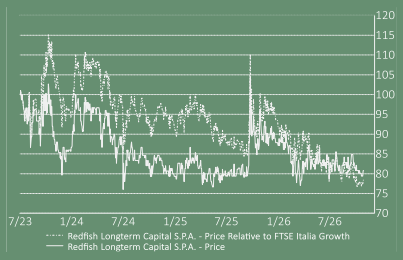
BUY
Unchanged

TP 2.2
From 2.5

Target price upside 86%

Ticker (BBG, Reut)	RFLTC IM / RFLTC.MI
Share price Ord. (Eu)	1.2
N. of Ord. shares (mn)	28.1
Total N. of shares (mn)	30.3
Market cap (Eu mn)	33
Total Market Cap (EU mn)	33
Free Float Ord. (%)	40%
Free Float Ord. (Eu mn)	13
Daily AVG liquidity Ord. (Eu k)	20

	1M	3M	12M
Absolute Perf.	-0.8%	-4.1%	-16%
Rel.to FTSEMidCap	-0.8%	-3.5%	-20%
52 weeks range		1.1	1.4



1H26 revenues rose 11.7% to Eu38.0mn, while EBITDA fell 23.6% to Eu2.5mn (6.7% margin) on higher execution costs. 9M26 sales grew 11.5% to Eu54.7mn, with Movinter backlog at Eu105.1mn, 82% beyond FY26. NAV revision to Eu2.2/s (Eu2.5) almost entirely on lower peer multiples. Significant value remains to be unlocked, BUY 86% upside.

- **Revenue growth continues in 1H26, profitability under pressure**. Consolidated revenues increased 11.7% YoY to Eu38.0mn, driven by Movinter group (Eu37.7mn), including Eu14.7mn from Movinter, Eu7.4mn from Six Italia and Eu15.6mn from SAIEP, including SAIEP MED. Materials rose 10.7% to Eu20.2mn, broadly in line with revenues, while service costs increased 32.6% to Eu7.2mn (18.8% of sales vs 15.9%), reflecting greater use of external resources to manage production peaks. Personnel costs rose 12.4% to Eu11.0mn, with 737 people across Movinter group. EBITDA declined 23.6% to Eu2.5mn, with the margin narrowing to 6.7% from 9.8%, reflecting higher execution costs (work temporarily shifted from SAIEP Tunisia to Italy). D&A increased to Eu2.4mn, EBIT was Eu0.2mn. The financial result was Eu0.03mn, supported by Eu2.2mn of portfolio dividends. Net result attributable to the group turned negative at Eu1.1mn vs Eu1.0mn profit in 1H25 which benefited from the disposal of IPM Immobiliare, following the spin-off of Polieco's real estate assets.
- **Parentco. losses narrow, leverage rises.** RFLTC reported VoP of Eu0.42mn (+24.7% YoY), supported by higher recurring advisory revenues. EBITDA improved to -Eu0.14mn from -Eu0.25mn, benefiting from a leaner cost structure, while net loss narrowed to Eu0.60mn from Eu0.69mn in 1H25. Net Invested Capital rose to Eu61.1mn from Eu59.2mn at YE25, mainly reflecting the Stanhome investment and higher working capital. Parentco. net debt increased to Eu27.0mn from Eu24.3mn, while consolidated net debt reached Eu51.0mn from Eu45.6mn, largely due to working capital absorption at Movinter. The Eu10.5mn Furstemberg facility breached its net debt/market cap covenant (1.3x vs. 1.1x limit), although a waiver has since been obtained. Company-reported NAV/share rose 12% to Eu2.59 from Eu2.31 at YE25, supported by portfolio performance.
- **Portfolio development remains active, with Movinter providing growth and visibility.** Movinter group revenues rose 12% YoY to Eu37.7mn, driven by electrical panels and wiring, while EBITDA declined to Eu1.9mn (5.1% margin), reflecting higher costs and weaker margins on selected contracts, particularly at SAIEP. Backlog reached Eu112.1mn (+3.3% vs YE25), including Eu48.7mn from Movinter, Eu26.5mn from Six Italia and Eu36.9mn from SAIEP, with 69% scheduled beyond 2026. New orders from Alstom and Stadler and the development of US operations supported commercial expansion. PureLabs reported PF sales of Eu23.4mn and a 20% adj. EBITDA, while Industrie Polieco's VoP reached Eu165mn, supported by M&A.
- **Strategic focus shifts towards portfolio value creation and potential partnerships.** In 1H26, RFLTC invested Eu0.9mn in Stanhome through a club deal, securing an indirect 8.3% stake, while distributing a Eu0.6mn scrip dividend, preserving cash. Post-period, Lazard was mandated to explore growth opportunities for Industrie Polieco, potentially including a listing, while Fineurop Soditic was appointed to identify investment partners for Movinter. In Sep-26, RFLTC strengthened its governance position in TESI following Invitalia's exit. 9M26 revenues grew 11.5% to Eu54.7mn, driven by SAIEP (+37.2%), while Movinter's backlog remained solid at Eu105.1mn, with 82% extending beyond FY26. Management continues to pursue industrial integration, add-on acquisitions and international expansion. While the order book provides good visibility, weaker profitability and higher leverage reinforce the importance of improving cash conversion and operating efficiency.
- **NAV to Eu2.2/s (Eu2.5), BUY.** The NAV revision to Eu2.2/s (Eu2.5) reflects lower multiples amongst listed peers used to value private holdings, partly offset by a narrower holding discount of 15% (from 20%), supported by resilient portfolio performance. With unlisted investments representing 98% of Gross NAV, RFLTC offers exposure to specialised industrial businesses with established market positions and high barriers to entry. Its presence across rail, infrastructure, aerospace and niche manufacturing provides diversification and structural growth opportunities. Solid order books and further efficiency gains underpin our constructive stance and potential for NAV appreciation. BUY, 86% upside potential.

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NAV

Net Asset Value	Eu mn	Eu/s FD	% on GNAV	Methodology	Business
Tesi	7.9	0.28	*8%*	26E Peers Median EV/EBITDA 9.1x	Industrial - Aerospace Components
Expo Inox	8.3	0.30	*8%*	26E Peers Median EV/EBITDA 5.4x	Industrial - Stainless Steel Products
Movinter + Six Italia + Saiep	20.5	0.73	*21%*	26E Peers Median EV/EBITDA 4.7x, excluding Six Italia min.	Industrial - Lightweight Railway Products
Pure Labs	7.6	0.27	*8%*	26E Peers Median EV/EBITDA 8.2x	Health - Diagnostic Centres
Polieco	51.6	1.84	*52%*	26E Peers Median EV/EBITDA 7.8x, 51% of the vehicle	Industrial - Pipes and Manhole for Infrastructure
Stanhome	1.8	0.06	*2%*	26E Peers Median EV/EBITDA 5.5x	Home & Personal Care
Total Private Companies	**97.7**	**3.48**	***98%***		
Convergenze	1.1	0.04	*1%*	Market Value, Eu1.56/s	Utility - Energy, Natural Gas and Fiber
SolidWorld	0.5	0.02	*1%*	Market Value, Eu0.39/s	Technology - 3D Printing System Integrator
Total Listed Companies	**1.6**	**0.06**	***2%***		
Gross Net Asset Value	**99.3**	**3.54**	***100%***		
NFP (debt)/cash	(27.0)	(0.96)		Parent Co., last reported (1H26)	
Net Asset Value	**72.4**	**2.60**			
Holding discount	*15%*				
Target Price	**61.5**	**2.20**	*86%*	*Upside*	

Source: Alantra, Company data

Holding discount qualitative assessment matrix

Criteria	Low	Medium	High
Liquidity and marketability	Stock liquidity: 1M av. daily turn. of Eu15k		
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

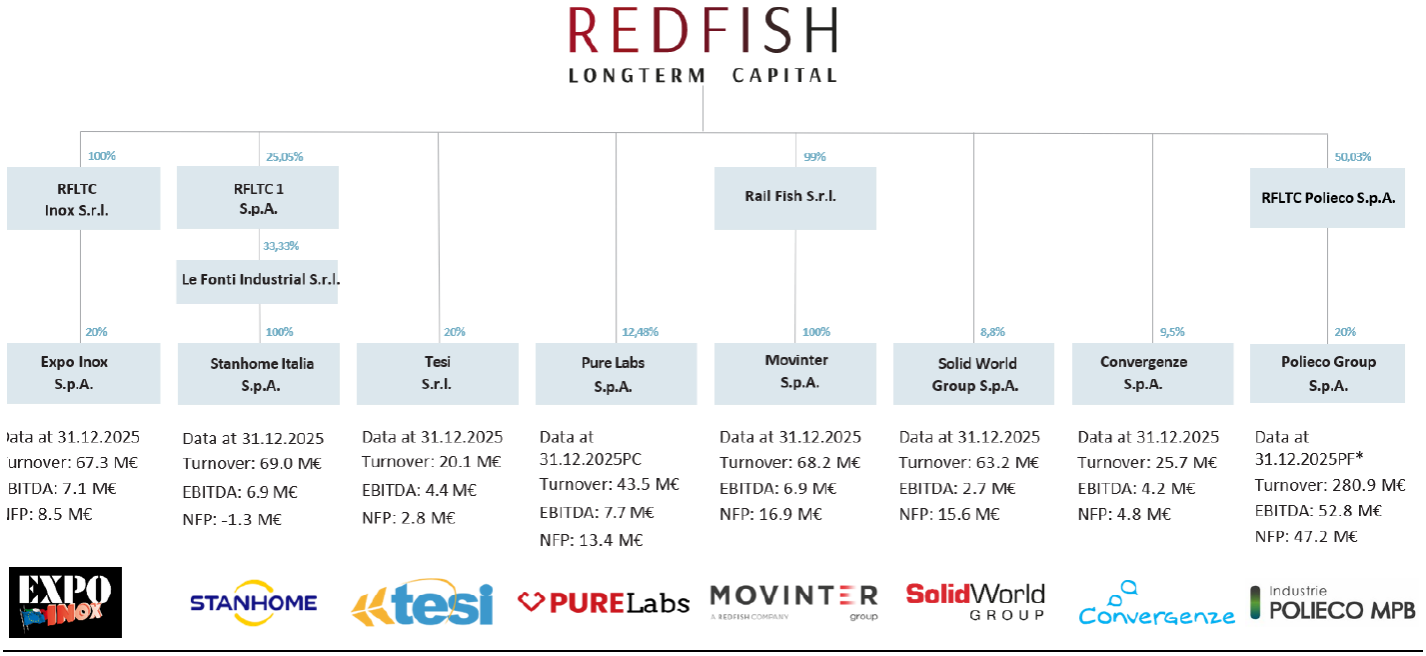
RFLTC, a distinctive inv. holding, focuses on SMEs, aiding growth through hands-on management and extended investment periods without predetermined exits.

	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

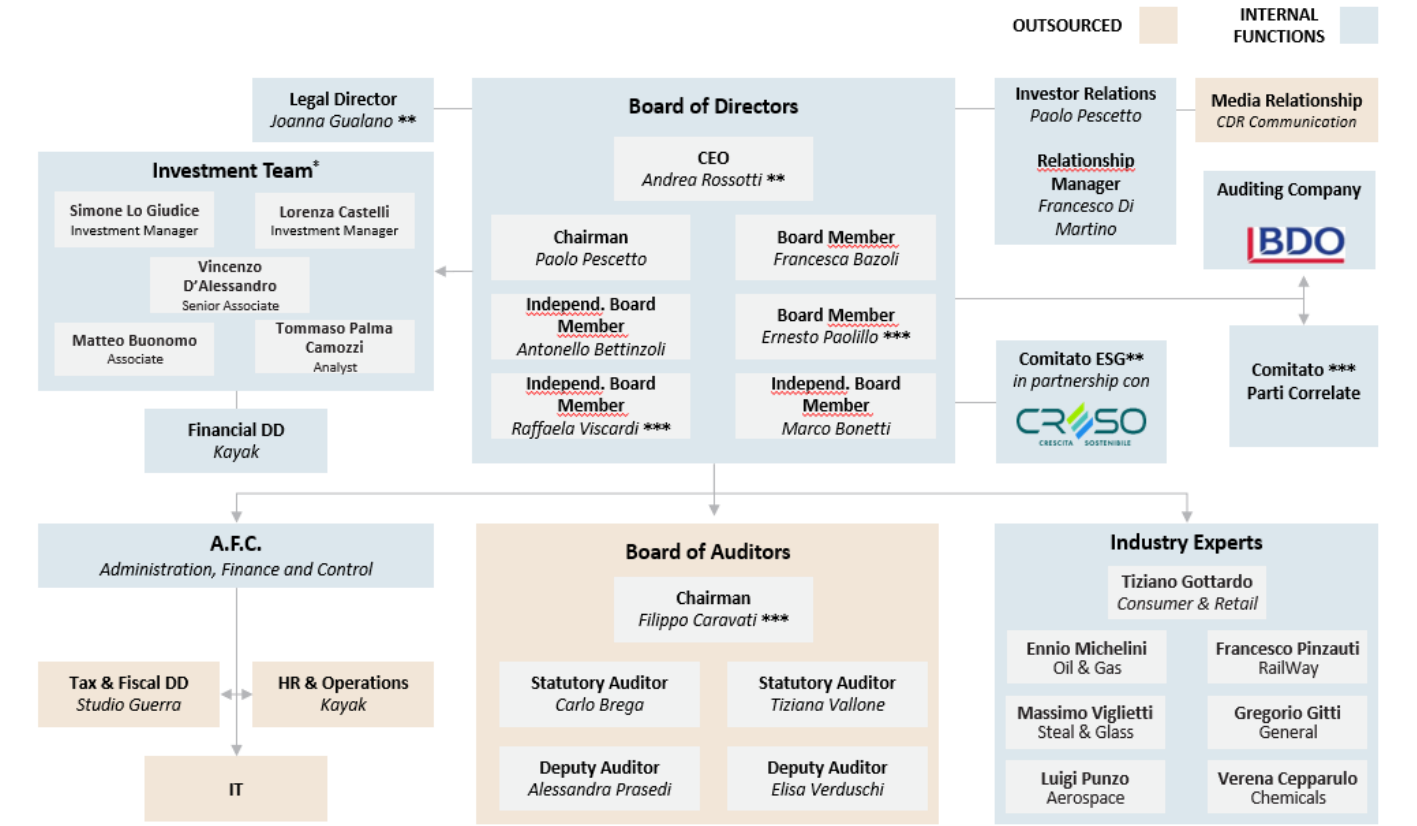
A well-diversified portfolio company structure



Source: company data, * pro-forma considering the current group perimeter

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 Eu71mn in 2025 pro-forma, driven by market expansion. Movinter group reached Eu68mn in 2025, 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: 20.1%	Paolo Pescetto - Chairman	FY26 KPIs: 26 Jan 27
Red-Fish Kapital: 12.1%	Andrea Rossotti - CEO	
Bruno Negri: 10.4%	Lorenza Castelli - Investment Manager	
OMR Holding: 7.4%	Simone Lo Giudice - Investment Manager	
Free Float: 39.7%		

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