

## COMPANY UPDATE



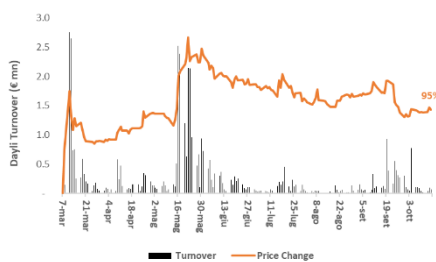
**Fair Value: €4.21**  
(prev. €4.80)

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### Relative Performance Chart since IPO



### Market Data:

Current Price (€)	3.18
Fair Value (€)	4.21
Market Cap (€mn)	27.23
52 Wk High (€)	5.60
52 Wk Low (€)	1.90
Free Float (%)	26.5
Avg. Daily Trading 90d	43,758
Price Change 1w (%)	4.26
Price Change 1m (%)	-9.79
Price Change YTD (%)	95.33
EV/EBITDA 2019E	7.02
EV/EBITDA 2020E	5.47
P/E 2019E	15.98
P/E 2020E	11.54

## IFRS 16, ARTEXE Call Weighted on Profits

**Overview.** Maps (“the company”) is one of the main Italian digital transformation enablers focused on big data software solutions, offering its services and products to **large enterprises, the healthcare sector and public administration.** The company is characterized by strong client retention: clients with a 5+ years relationship generated more than 65% of revenues in 2018. Maps’ business model is based on: a) proprietary solutions, which guarantee recurring revenues, and b) customized services.

**1H19 evolution.** During 1H19, Maps increased the company workforce by 10%, strengthening the commercial and administrative divisions. In 1H19, Maps was particularly successful in increasing its client base, which, according to the management, was up by almost 20% with respect to December 2018. Maps closed 1H19 with €9.04mn in total revenues up by 25.4% YoY but 4.1% lower than our estimates, while our estimate of 1H19 costs was particularly accurate. However, the 4.1% miss with respect to our estimate of the top line generated a 10.2% miss in terms of EBITDA. In fact, 1H19 EBITDA increased by 3.1% YoY, reaching €1.79mn, while our expectation was close to €2.0mn. EBIT and net income were negatively impacted by IFRS 16 accounting and the ARTEXE call option fair-value adjustment. We estimated a €0.17mn negative impact on EBIT due to IFRS 16, which led to lower rents and higher D&A, whereas the ARTEXE call option fair-value adjustment had a €0.2mn negative contribution on net income. We estimate in €0.89mn the net income adjusted (excluding the IFRS 16 and ARTEXE call option fair-value adjustment). Notwithstanding the adjustment, net income results were 20% lower than our 1H19 estimate.

**Estimates update.** On the back of 1H19 results, we continue to see FY19E revenues at €19.23mn, while we increased our FY20E and FY21E revenues estimates, factoring in the strong commercial activities of the 1H19 that will be fully translated into revenues in 2020. Moreover, we reduced Maps’ EBITDA margin over the forecasted period due to higher than expected hiring activities. Our updated 2019 EBITDA estimate is now €3.88mn, 11% lower than our previous estimates of €4.37mn. We estimate that 2020 EBITDA should reach €5.0mn, 3.1% lower than our previous estimate of €5.14mn. We expect IFRS 16 to have a €0.3mn impact on EBIT, while the fair-value adjustment of the ARTEXE call option should have an impact of €0.3mn on 2019 results and of €0.15mn in 2020 and 2021.

**Valuation.** On the back of a) the lower marginality of 2019, b) the impact of IFRS 16, and c) the ARTEXE call fair-value adjustments - all of them affecting EPS - we lowered our Maps fair value by 14%. Our new valuation - based on both DCF and the market multiples model - returns an average equity value of €36.1mn or €4.21ps (previously €41.0mn and €4.80ps, respectively), a potential upside of ca. 32% on the current market price.

€ Million	Total Revenues	EBITDA	EBITDA Margin	EBIT	Net Profit	Net Margin	EPS
2017A PF	14.51	2.07	14.3%	1.50	0.95	10.4%	n.m.
2018A PF	16.57	3.64	22.0%	3.18	2.03	19.2%	n.m.
2019E PF	19.23	3.88	20.2%	2.71	1.70	14.1%	0.20
2020E	22.65	4.98	22.0%	3.41	2.36	15.0%	0.28
2021E	26.54	6.21	23.4%	4.36	3.05	16.4%	0.36
2022E	31.15	7.69	24.7%	5.53	4.02	17.8%	0.47

Source: Company data, KT&Partners’ estimates

**Table 1: Maps Group's Key Financial Data**

	Current price (€)	Fair Value (€)	Sector					Free Float (%)
	3.18	4.21	Information Technologies					26.5
Per Share Data	2015A	2016A	2017A	2018A	2019E PF	2020E	2021E	2022E
Total shares outstanding (mn)	n.m.	n.m.	n.m.	n.m.	8.56	8.56	8.56	8.56
EPS	n.m.	n.m.	n.m.	n.m.	0.20	0.28	0.36	0.47
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	-	-	-	-
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	0%	0%	0%	0%
Profit and Loss (EUR thousand)								
Revenues	11,472	12,313	14,514	16,570	19,227	22,653	26,542	31,146
EBITDA	1,715	1,853	2,072	3,639	3,880	4,977	6,209	7,694
EBIT	-	1,580	1,504	3,181	2,710	3,407	4,359	5,534
EBT	-	1,406	1,276	2,804	2,335	3,232	4,184	5,511
Taxes	-	(422)	(327)	(778)	(631)	(873)	(1,130)	(1,488)
Tax rate	0%	30%	26%	28%	27%	27%	27%	27%
Net Income	-	-	-	-	-	-	-	-
Net Income attributable to the Group	-	984	949	2,026	1,705	2,360	3,054	4,023
Balance Sheet (EUR thousand)								
Total fixed assets	-	-	6,687	7,210	10,845	10,574	10,224	9,663
Net Working Capital (NWC)	-	-	3,438	3,244	3,980	4,643	5,868	7,322
Provisions	-	-	-	-	-	-	-	-
Total Net capital employed	-	-	7,645	7,583	11,653	11,747	12,320	12,914
Net financial position/(Cash)	-	-	4,493	2,989	3,057	791	(1,690)	(5,119)
Group Shareholder's Equity	-	-	3,152	4,593	8,596	10,956	14,010	18,033
Minorities	-	-	-	-	-	-	-	-
Total Shareholder's Equity	-	-	3,152	4,593	8,596	10,956	14,010	18,033
Cash Flow (EUR thousand)								
Net operating cash flow	-	-	-	2,861	3,250	4,105	5,079	6,206
Change in NWC	-	-	-	194	(736)	(664)	(1,224)	(1,455)
Capital expenditure	-	-	-	(1,132)	(1,800)	(1,300)	(1,500)	(1,600)
Other cash items/Uses of funds	-	-	-	550	308	300	300	300
Free cash flow	-	-	-	2,473	1,022	2,441	2,655	3,452
Enterprise Value (EUR thousand)								
Market Cap	n.a.	n.a.	n.a.	n.a.	27,234	27,234	27,234	27,234
Minorities	-	-	-	-	-	-	-	-
Net financial position/(Cash)	-	-	4,493	2,989	3,057	791	(1,690)	(5,119)
Enterprise value	n.a.	n.a.	n.a.	n.a.	30,291	28,024	25,544	22,115
Ratios (%)								
EBITDA margin	14.9%	15.0%	14.3%	22.0%	20.2%	22.0%	23.4%	24.7%
EBIT margin		12.8%	10.4%	19.2%	14.1%	15.0%	16.4%	17.8%
Gearing - Debt/equity			142.5%	65.1%	35.6%	7.2%	-12.1%	-28.4%
Interest cover on EBIT		2.8%	4.1%	2.1%	13.8%	5.1%	4.0%	0.4%
NFP/EBITDA			216.8%	82.1%	78.8%	15.9%	-27.2%	-66.5%
ROCE			19.7%	42.0%	23.3%	29.0%	35.4%	42.8%
ROE			30.1%	44.1%	19.8%	21.5%	21.8%	22.3%
EV/Sales	n.m.	n.m.	n.m.	n.m.	1.42	1.20	1.03	0.87
EV/EBITDA	n.m.	n.m.	n.m.	n.m.	7.02	5.47	4.39	3.54
P/E	n.m.	n.m.	n.m.	n.m.	15.98	11.54	8.92	6.77
Free cash flow yield	n.m.	n.m.	n.m.	n.m.	4%	9%	10%	13%
Growth Rates (%)								
Sales		7.3%	17.9%	14.2%	16.0%	17.8%	17.2%	17.3%
EBITDA		8.0%	11.8%	75.6%	6.6%	28.3%	24.8%	23.9%
EBIT			-4.8%	111.5%	-14.8%	25.7%	27.9%	27.0%
Net Income			-3.6%	113.4%	-15.9%	38.4%	29.4%	31.7%

Source: Company data, KT&Partners' elaborations

## 1H19 Results Summary

During 1H19, Maps increased the company workforce by 10%, strengthening the commercial and administrative divisions. In 1H19, Maps was particularly successful in increasing its client base, which, according to the management, was up by almost 20% with respect to December 2018. Clients' growth was not followed by a similar increase in revenues due to accrual revenue recognition. The most relevant commercial deals closed by Maps in 1H19 are: a) an agreement with Atos Group, a leading healthcare company, for the supply of Maps' Patient Journey solution in Germany; b) an agreement with Engineering to keep developing the Gzoom platform for Regione Puglia, a project with a value of ca. €190k; c) renewal of an agreement with the European Food and Safety Authority (EFSA) related to Maps' "Running Services & Application Maintenance" services. EFSA is one of Maps' most important clients, having generated ca. €2mn of yearly revenues in the last 5 years.

Maps closed 1H19 with €9.04mn in total revenues, up by 25.4% YoY but 4.1% lower than our estimates, while our estimate of 1H19 costs was particularly accurate. However, the 4.1% miss with respect to our estimate of the top line generated a 10.2% miss in terms of EBITDA. In fact, 1H19 EBITDA increased by 3.1% YoY, reaching €1.79mn, and our expectation was close to €2.0mn. EBIT and net income were negatively impacted by IFRS 16 accounting and the ARTEXE call option fair-value adjustment. We estimated a €0.17mn negative impact on EBIT due to IFRS 16, leading to lower rents and higher D&A, whereas the ARTEXE call option fair-value adjustment had a €0.2mn negative contribution on net income. We estimate €0.89mn to be the adjusted net income, excluding the IFRS 16 and ARTEXE call option fair-value adjustment. Notwithstanding the adjustment, net income results were 20% lower than our estimates.

**Table 2: Maps' 1H19 Results**

€ thousand	1H18A	1H19A	YoY growth	1H19E	A vs E
Subscription Fee	1,061	1,855	74.8%	2,241	-17.2%
Services Fee	5,716	5,721	0.1%	6,597	-13.3%
Other Revenues	436	1,466	236.3%	595	146.4%
<b>Total Revenues</b>	<b>7,213</b>	<b>9,043</b>	<b>25.4%</b>	<b>9,433</b>	<b>-4.1%</b>
Direct Labour Costs	(3,480)	(4,360)	25.3%	(3,796)	14.8%
Direct Services Costs	(821)	(1,071)	30.4%	(1,596)	-32.9%
<b>Gross Profit</b>	<b>2,912</b>	<b>3,612</b>	<b>24.1%</b>	<b>4,041</b>	<b>-10.6%</b>
<i>Gross Margin</i>	40.4%	39.9%		42.8%	
Commercial Costs	(348)	(767)	120.3%	(788)	-2.7%
General and Administrative Costs	(828)	(1,056)	27.5%	(1,259)	-16.1%
<b>EBITDA</b>	<b>1,735</b>	<b>1,790</b>	<b>3.1%</b>	<b>1,993</b>	<b>-10.2%</b>
<i>EBITDA margin</i>	24.1%	19.8%		21.1%	
D&A and Provisions	(196)	(711)	262.6%	(325)	118.5%
<i>Amortization related to IFRS 16</i>		(295)			
<b>EBIT</b>	<b>1,539</b>	<b>1,079</b>	<b>-29.9%</b>	<b>1,668</b>	<b>-35.3%</b>
<i>EBIT margin</i>	21.3%	11.9%		17.7%	
Financial Income and Expenses	(9)	(247)	2703.5%	(37)	563.0%
<i>Artexe call, fairvalue adjustment</i>		(201)			
Extraordinary Items	(12)	(39)		0	
<b>EBT</b>	<b>1,518</b>	<b>793</b>	<b>-47.8%</b>	<b>1,631</b>	<b>-51.4%</b>
Taxes	(364)	(173)	-52.5%	(489)	-64.6%
<i>Tax Rate</i>	24.0%	21.8%		30.0%	
<b>Net Income</b>	<b>1,155</b>	<b>621</b>	<b>-46.2%</b>	<b>1,142</b>	<b>-45.6%</b>
<i>Net margin</i>	16.0%	6.9%		12.1%	

Source: Company data, KT&Partners' elaborations

## Estimates Review

We updated our 2019-2021 forecast:

- on the back of 1H19 results, we continue to see FY19E revenues at about €19.23mn;
- we increased our FY20E and FY21E revenues estimates on the back of the strong commercial activities of the 1H19, which will be fully translated into revenues in 2020. However, we reduced Maps' EBITDA margin over the forecasted period due to higher than expected hiring activities;
- we estimated the IFRS 16 impacts on EBIT to be around €0.3mn;
- we expect the fair-value adjustment of the ARTEXE call option to be €0.3mn in 2019 and €0.15mn in 2020 and 2021.

We increased our 2019 NFP estimate by €3.5mn, taking into account the IFRS 16 impact and the fair-value adjustment of the ARTEXE call option for a total of €2.2mn. The remaining increase is related to higher than expected CAPEX during the 1H19, therefore we increased our CAPEX estimates for the FY19 by €0.7mn.

**Table 3: Change in Estimates 2019-2021**

€ thousand	2018PF	2019E Old KT&P	2019E New KT&P	Change	2020E Old KT&P	2020E New KT&P	Change	2021E Old KT&P	2021E New KT&P	Change
<b>Revenues</b>	<b>16,570</b>	<b>19,227</b>	<b>19,227</b>	<b>0.0%</b>	<b>22,226</b>	<b>22,653</b>	<b>1.9%</b>	<b>25,929</b>	<b>26,542</b>	<b>2.4%</b>
YoY Change (%)		16.0%	16.0%		15.6%	17.8%		16.7%	17.2%	
<b>EBITDA</b>	<b>3,639</b>	<b>4,347</b>	<b>3,880</b>	<b>-10.7%</b>	<b>5,136</b>	<b>4,977</b>	<b>-3.1%</b>	<b>6,195</b>	<b>6,209</b>	<b>0.2%</b>
YoY Change (%)		19.5%	6.6%		18.1%	28.3%		20.6%	24.8%	
EBITDA margin%	22.0%	22.6%	20.2%		23.1%	22.0%		23.9%	23.4%	
<b>EBIT</b>	<b>3,181</b>	<b>3,697</b>	<b>2,710</b>	<b>-26.7%</b>	<b>4,176</b>	<b>3,407</b>	<b>-18.4%</b>	<b>5,014</b>	<b>4,359</b>	<b>-13.1%</b>
YoY Change (%)		16.2%	-14.8%		13.0%	25.7%		20.1%	27.9%	
<b>Net Income</b>	<b>2,026</b>	<b>2,644</b>	<b>1,705</b>	<b>-35.5%</b>	<b>2,994</b>	<b>2,360</b>	<b>-21.2%</b>	<b>3,606</b>	<b>3,054</b>	<b>-15.3%</b>
YoY Change (%)		30.5%	-15.9%		13.2%	38.4%		20.4%	29.4%	
<b>Net Debt</b>	<b>2,989</b>	<b>(538)</b>	<b>3,057</b>	<b>-668.4%</b>	<b>(2,751)</b>	<b>791</b>	<b>-128.7%</b>	<b>(5,556)</b>	<b>(1,690)</b>	<b>-69.6%</b>
YoY Change (%)		-118.0%	2.3%		411.5%	-74.1%		102.0%	-313.7%	

Source: Company data, KT&Partners' elaborations

## Valuation

Following the projections of Maps' future financials, we carried out the valuations of the company by applying 2 major methods: i) the market multiples analysis based on EV/EBITDA and P/E, and ii) the DCF model.

The average of the 3 different valuation methods, gave us an estimate of Maps' equity value equal to €36.1mn or €4.21 per share.

## Peer Comparison

We carried out an in-depth analysis of potential public companies that could be considered as peers of Maps, taking into account its software development business and its digital transformation services.

Firstly, we built a 10-company sample (see appendix). Secondly, we analyzed the peer companies by considering their marginalities and historical growth rates.

Peers have a level of marginality which is below Maps' 2018 results: the average EBITDA margin in 2018 recorded by peers was 13.1%, whereas Maps' margin registered in the same period was 22.0%. At net income level, the peers' average net margin was equal to 6.4%, while Maps' was 12.2%.

## Market Multiple Valuation

Following the comparables analysis, we proceeded with the definition of market multiples of the peer group, focusing on 2019, 2020 and 2021 data.

Table 4: Peers Comparison - Market Multiples 2019-2021

Company Name	Exchange	Market Cap	EV/SALES 2018	EV/SALES 2019	EV/SALES 2020	EV/SALES 2021	EV/EBITDA 2018	EV/EBITDA 2019	EV/EBITDA 2020	EV/EBITDA 2021	EV/EBIT 2018	EV/EBIT 2019	EV/EBIT 2020	EV/EBIT 2021	P/E 2018	P/E 2019	P/E 2020	P/E 2021
Reply S.p.A.	Milan	2,052	2.0x	1.7x	1.6x	1.5x	15.7x	12.0x	10.8x	9.7x	17.5x	14.1x	12.7x	11.3x	20.8x	20.2x	18.1x	16.1x
Capgemini SE	Euronext Paris	17,959	1.5x	1.4x	1.4x	1.3x	11.2x	9.5x	8.9x	8.6x	13.4x	11.8x	11.1x	10.4x	25.2x	17.1x	15.5x	14.2x
adesso AG	XETRA	309	1.1x	1.0x	0.9x	0.8x	13.7x	9.8x	8.7x	7.8x	19.6x	17.5x	14.4x	12.2x	23.3x	21.4x	17.3x	14.7x
GPI SpA	Milan	121	0.8x	0.7x	0.7x	0.7x	7.6x	5.4x	5.0x	4.8x	15.0x	10.5x	9.5x	9.1x	13.1x	12.9x	11.8x	11.5x
Expert System SpA	Milan	111	3.9x	3.4x	3.0x	2.6x	33.9x	17.8x	13.5x	n.a.	n.m.	n.m.	29.6x	13.2x	n.m.	n.m.	n.m.	n.m.
Atos SE	Euronext Paris	7,148	1.3x	1.4x	1.4x	1.3x	9.7x	9.7x	9.3x	8.8x	14.7x	13.4x	12.7x	12.0x	11.2x	8.1x	7.4x	6.9x
Software AG	XETRA	1,854	2.0x	1.9x	1.9x	1.9x	6.8x	6.5x	6.8x	6.5x	7.8x	7.4x	7.7x	7.3x	11.6x	11.0x	11.5x	11.1x
Alkemy SpA	Milan	62	0.9x	0.6x	0.6x	0.5x	9.9x	8.0x	6.7x	6.1x	12.7x	12.7x	8.4x	6.8x	18.4x	16.6x	13.9x	11.2x
Altran Technologies SA	Euronext Paris	3,699	1.5x	1.4x	1.3x	1.2x	10.8x	9.2x	8.4x	7.8x	14.7x	11.8x	10.5x	9.9x	41.0x	17.4x	14.6x	13.4x
Sopra Steria Group SA	Euronext Paris	2,360	0.8x	0.7x	0.7x	0.7x	9.8x	7.2x	6.4x	5.8x	12.8x	10.2x	8.7x	7.7x	18.7x	12.1x	9.8x	8.5x
Average peer group		3,567	1.6x	1.4x	1.3x	1.2x	12.9x	9.5x	8.5x	7.3x	14.2x	12.2x	12.5x	10.0x	20.4x	15.2x	13.3x	11.9x
Median peer group		1,953	1.4x	1.4x	1.3x	1.3x	10.3x	9.3x	8.5x	7.8x	14.7x	11.8x	10.8x	10.1x	18.7x	16.6x	13.9x	11.5x
Average peer group ITA		586	1.9x	1.6x	1.5x	1.3x	16.8x	10.8x	9.0x	6.9x	15.1x	12.4x	15.0x	10.1x	17.4x	16.5x	14.6x	12.9x
Median peer group ITA		116	1.4x	1.2x	1.1x	1.1x	12.8x	10.0x	8.8x	6.1x	15.0x	12.7x	11.1x	10.2x	18.4x	16.6x	13.9x	11.5x

Source: FactSet

We based our evaluation upon 2019, 2020 and 2021 EV/EBITDA and P/E multiples, including a size discount of 15%, and our estimates of Maps' EBITDA and net income for 2019, 2020 and 2021.

Table 5: EV/EBITDA Valuation

Multiple Valuation (€mn)	2019E	2020E	2021E
EV/EBITDA Comps	9.5x	8.5x	7.3x
Maps EBITDA	3.88	4.98	6.21
Enterprise value	36.9	42.1	45.5
Maps FY18E Net Debt Adj.	1.1	1.1	1.1
Equity Value	35.8	41.0	44.5
Average Equity Value		40.4	
Size Discount		15%	
Equity Value Post-Discount		34.4	
Number of shares (thousand)		8,564	
Value per Share €		4.01	

Source: FactSet, KT&Partners' estimates

Table 6: P/E Valuation

Multiple Valuation (€mn)	2019E	2020E	2021E
P/E Comps	15.2x	13.3x	11.9x
Maps Net Income	1.70	2.36	3.05
Equity Value	25.9	31.4	36.5
Average Equity Value		31.3	
Size Discount		15%	
Equity Value Post-Discount		26.6	
Number of shares (thousand)		8,564	
Value per Share €		3.10	

Source: FactSet, KT&Partners' estimates

## DCF Model

We have also conducted our valuation using a 4-year DCF model, based on 11.2% cost of equity, 3.0% cost of debt and a target capital structure with 50% of debt. The cost of equity is a function of the risk-free rate of 0.90% (Italian 10y BTP), 5.96% mature market expected return and a premium for size and liquidity of 3.5%. We, therefore, obtained 8.2% WACC.

The FY19E net financial position has been adjusted by €2.0mn, taking into account the IFRS 16 effect.

We discounted 2019E-22E annual cash flows and considered a terminal growth rate of 1.5%, then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

Table 7: DCF Valuation

€ million	2019E	2020E	2021E	2022E
EBIT	2.7	3.4	4.4	5.5
Taxes	(0.6)	(0.9)	(1.1)	(1.5)
D&A	1.2	1.6	1.9	2.2
Change in Net Working Capital	(0.7)	(0.7)	(1.2)	(1.5)
Change in Funds	0.3	0.3	0.3	0.3
<b>Net Operating Cash Flow</b>	<b>2.8</b>	<b>3.7</b>	<b>4.2</b>	<b>5.1</b>
Capex	(1.8)	(1.3)	(1.5)	(1.6)
<b>FCFO</b>	<b>1.01</b>	<b>2.44</b>	<b>2.66</b>	<b>3.45</b>
g	1.5%			
Wacc	8.2%			
FCFO (discounted)	1.0	2.2	2.2	2.7
Discounted Cumulated FCFO	8.1			
TV	51.94			
TV (discounted)	40.2			
<b>Enterprise Value</b>	<b>48.4</b>			
NFP FY2019E Adjusted	1.06			
<b>Equity Value</b>	<b>47.3</b>			
# shares (k)	8,564			
<b>Value per share (€)</b>	<b>5.52</b>			

Source: KT&Partners' elaborations

Table 8: Sensitivity Analysis (€ mn)

		WACC				
		8.7%	8.5%	8.2%	8.0%	7.7%
Terminal growth Rate	1.0%	41.3	42.8	44.3	46.0	47.8
	1.3%	42.6	44.1	45.8	47.5	49.4
	1.5%	43.9	45.5	47.3	49.2	51.2
	1.8%	45.3	47.1	48.9	51.0	53.2
	2.0%	46.8	48.7	50.7	52.9	55.3

Source: KT&Partners' elaborations

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## Appendix

Firstly, we built a 10-company sample, consisting of:

- **Reply SpA:** listed on the Borsa Italiana, with a market capitalization of €2.1bn. Reply engages in the creation and implementation of solutions based on new communication channels and digital media. It supports its clients in defining and developing new business models using big data, cloud computing, customer relationship management, mobile, social media and IoT paradigms. In 2018, Reply reached revenues of €1.0bn.
- **Capgemini SE:** listed on Euronext Paris with a market capitalization of €18.0bn. Capgemini provides consulting, technology, professional and outsourcing services. The consulting services business aims to help the group's clients in digital transformation programs, while the technology services business involves system integration and IT application development. Revenues for 2018 reached €13.1bn.
- **Adesso AG:** listed on XETRA (Frankfurt, Germany) with a market capitalization of €309mn. Adesso is engaged in the provision of IT services, focused on consulting and software development, and IT solutions, i.e. distribution of software products and industry-specific or industry-neutral solutions. The company reached revenues of €375mn in 2018.
- **GPI SpA:** listed on Borsa Italiana with a market capitalization of €121mn. GPI provides IT management and consulting services focusing on the health and social assistance sectors. It registered €179mn of revenues in 2018.
- **Expert System SpA:** listed on Borsa Italiana with a market capitalization of €111mn. Expert System engages in the development of semantic technology, providing solutions for online activities. In 2018, Expert reached revenues of €29mn.
- **Atos SE:** listed on Euronext Paris with a market capitalization of €7.1bn. Atos provides consulting and system integration services. It provides managed services and NPO, cloud operations, big data and cyber security solutions. Atos reached revenues of €12.2bn in 2018.
- **Software AG:** listed on XETRA (Frankfurt, Germany) with a market capitalization of €1.9bn. Software AG engages in the development and provision of technology solutions for digitalization. It reached revenues of €879mn in 2018.
- **Alkemy SpA:** listed on Borsa Italiana with a market capitalization of €62mn. Alkemy provides marketing and IT consulting services. Its digital enabler model provides business-to-business digital services. The company reached revenues of €45mn in 2018.
- **Altran Technologies SA:** listed on Euronext Paris with a market capitalization of €3.7bn. Altran engages in the provision of technological innovation consulting and engineering services. It offers solutions to address transformation and innovation need. Altran reached revenues of €2.9bn in 2018.



- **Sopra Steria Group SA:** listed on Euronext Paris with a market capitalization of €2.4bn. Sopra Steria Group engages in the business of digital transformation, providing consulting, system integration, software development, infrastructure management and business process services. In 2018, revenues equaled €4.1bn.

Table 9: Peers Comparison - EBITDA Margin and Net Margin

Company Name	EBITDA Margin							Net Margin						
	2015	2016	2017	2018	2019	2020	2021	2015	2016	2017	2018	2019	2020	2021
Reply S.p.A.	11.8%	11.1%	11.9%	12.5%	14.5%	14.7%	15.2%	8.0%	8.7%	8.8%	9.6%	8.8%	9.0%	9.3%
Capgemini SE	12.4%	13.3%	13.5%	13.8%	15.1%	15.4%	15.1%	9.4%	7.3%	6.4%	5.5%	7.8%	8.2%	8.5%
adesso AG	12.0%	9.1%	8.0%	8.1%	10.1%	10.4%	10.7%	2.4%	4.7%	3.4%	3.6%	3.4%	3.8%	4.2%
GPI SpA	6.9%	12.6%	12.2%	11.2%	13.6%	13.9%	14.1%	neg	4.6%	4.2%	4.6%	3.9%	4.1%	4.1%
Expert System SpA	neg	neg	neg	11.5%	19.1%	22.3%	n.m.	neg	neg	neg	neg	neg	1.6%	3.2%
Atos SE	12.3%	12.5%	13.8%	13.5%	14.3%	14.7%	15.0%	3.8%	4.8%	5.0%	5.1%	7.6%	8.1%	8.6%
Software AG	30.1%	29.7%	30.4%	29.2%	29.8%	28.1%	28.5%	16.0%	16.1%	16.0%	19.0%	16.9%	16.2%	16.7%
Alkemy SpA	10.2%	11.1%	11.1%	8.7%	8.1%	8.7%	8.3%	3.2%	3.1%	2.6%	4.5%	3.1%	4.1%	4.2%
Altran Technologies SA	10.1%	11.4%	11.8%	14.1%	14.9%	15.5%	15.7%	5.2%	5.8%	6.1%	2.8%	6.5%	7.3%	7.6%
Sopra Steria Group SA	7.7%	8.6%	8.4%	8.2%	10.3%	11.0%	11.6%	2.4%	4.0%	4.5%	3.1%	3.7%	4.8%	5.5%
<b>Average</b>	<b>12.6%</b>	<b>13.3%</b>	<b>13.5%</b>	<b>13.1%</b>	<b>15.0%</b>	<b>15.5%</b>	<b>14.9%</b>	<b>6.3%</b>	<b>6.6%</b>	<b>6.3%</b>	<b>6.4%</b>	<b>6.9%</b>	<b>6.7%</b>	<b>7.2%</b>
<b>MAPS</b>	<b>14.9%</b>	<b>15.0%</b>	<b>14.3%</b>	<b>22.0%</b>	<b>20.2%</b>	<b>22.0%</b>	<b>23.4%</b>	<b>8.0%</b>	<b>6.5%</b>	<b>12.2%</b>	<b>8.9%</b>	<b>10.4%</b>	<b>11.5%</b>	

Source: Maps' company presentation, FactSet, KT&Partners' estimates

Table 10: Peers Comparison - Sales (€mn) and Sales CAGR (%)

Company Name	Sales				CAGR 2015-'18	Sales			CAGR 2018-'21
	2015	2016	2017	2018		2019	2020	2021	
Reply S.p.A.	706	781	884	1,036	13.7%	1,174	1,275	1,387	10.2%
Capgemini SE	11,915	12,539	12,792	13,197	3.5%	14,190	14,931	15,663	5.9%
adesso AG	196	261	322	375	24.1%	422	462	504	10.3%
GPI SpA	n.a.	135	179	202	n.a.	236	246	254	7.9%
Expert System SpA	17	22	26	29	20.1%	33	37	43	14.7%
Atos SE	10,686	12,138	11,996	12,258	4.7%	11,556	11,802	12,074	-0.5%
Software AG	873	872	879	866	-0.3%	883	894	925	2.2%
Alkemy SpA	n.a.	35	45	72	n.a.	95	105	120	18.8%
Altran Technologies SA	1,945	2,074	2,295	2,916	14.5%	3,249	3,435	3,629	7.6%
Sopra Steria Group SA	3,584	3,741	3,831	4,095	4.5%	4,430	4,662	4,853	5.8%
<b>MAPS</b>	<b>11</b>	<b>12</b>	<b>15</b>	<b>17</b>	<b>13.0%</b>	<b>19</b>	<b>23</b>	<b>27</b>	<b>17.0%</b>
<b>Peers</b>	<b>29,922</b>	<b>32,598</b>	<b>33,249</b>	<b>35,046</b>	<b>5.4%</b>	<b>36,269</b>	<b>37,851</b>	<b>39,452</b>	<b>4.0%</b>

Source: Maps' company presentation, FactSet, KT&Partners' estimates

Table 11: Peers Comparison - EBITDA (€mn) and EBITDA CAGR (%)

Company Name	EBITDA					CAGR 2015-'18	EBITDA			CAGR 2018-'21	CAGR 2018-'20'
	2015	2016	2017	2018	2019		2020	2021			
Reply S.p.A.	83	87	106	130	16.0%	170	188	211	17.5%	27.4%	
Capgemini SE	1,481	1,671	1,729	1,824	7.2%	2,146	2,303	2,364	9.0%	13.8%	
adesso AG	24	24	26	30	8.8%	43	48	54	20.8%	32.8%	
GPI SpA	n.a.	17	22	23	n.a.	32	34	36	16.4%	25.6%	
Expert System SpA	-1	-3	-1	3	-281.7%	6	8		-100.0%		
Atos SE	1,314	1,513	1,659	1,652	7.9%	1,651	1,729	1,816	3.2%	4.8%	
Software AG	262	259	267	253	-1.3%	263	251	263	1.3%	2.0%	
Alkemy SpA	n.a.	4	5	6	n.a.	8	9	10	17.3%	27.0%	
Altran Technologies SA	196	237	271	412	28.0%	484	531	570	11.4%	17.6%	
Sopra Steria Group SA	277	322	323	336	6.6%	458	514	562	18.7%	29.3%	
<b>MAPS</b>	<b>1.7</b>	<b>1.9</b>	<b>2.1</b>	<b>3.6</b>	<b>28.5%</b>	<b>3.9</b>	<b>5.0</b>	<b>6.2</b>	<b>19.5%</b>	<b>30.6%</b>	
<b>Peers</b>	<b>3,637.4</b>	<b>4,130.6</b>	<b>4,405.8</b>	<b>4,669.0</b>	<b>8.7%</b>	<b>5,261.7</b>	<b>5,615.4</b>	<b>5,884.7</b>	<b>8.0%</b>	<b>20.1%</b>	

Source: Maps' company presentation, FactSet, KT&Partners' estimates

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