

Strengthening Group's Product Portfolio

ADD | Fair Value: €5.10 (€5.10) | Current Price: €2.97 | Upside: 72%

Research Update

October 3, 2022 – 7.00 h

€ Million	FY17PF	FY18PF	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Total Revenues	14.5	16.6	17.0	17.9	21.5	27.2	33.8	39.7	45.8
EBITDA	2.1	3.6	3.8	3.4	5.0	6.5	8.6	10.5	12.2
margin	14.3%	22.0%	22.2%	19.0%	23.4%	23.9%	25.4%	26.5%	26.6%
Net Profit	0.9	2.0	2.0	1.0	2.5	2.1	3.4	4.7	5.8
margin	6.5%	12.2%	11.6%	5.7%	11.6%	7.7%	10.0%	11.8%	12.8%
EPS	n.m.	n.m.	0.22	0.11	0.22	0.18	0.29	0.40	0.50
NFP / (Cash)	4.5	3.0	4.4	7.0	4.9	8.5	6.8	2.9	(2.3)

Source: Company data, KT&Partners' elaboration

External growth keeps running. In September, Maps closed its third acquisition of 2022, signing a deal with Energenius – €900k of revenues, ca. 29% EBITDA margin adj. and nil NFP in 2021 – strengthening the group's energy division. Energenius is an innovative start-up which developed a proprietary platform (GEM) for the analysis and optimization of energy consumption, surfing the trend of consumption optimization further pushed by the current energy crisis. GEM will complete Maps' offer, allowing to exploit all the data collected by ROSE, and GEM is expected to accelerate its sales thanks to Maps' commercial structure. The first 51% is expected to be acquired in October for €843k and the 49% is expected in April 2023 (price based on Energenius FY22 financials). Finally, to capture new growth opportunities and to keep investing on R&D, at the end of September Maps issued a €4mn bond subscribed by BPER and CDP S.p.A. and guaranteed by BEI.

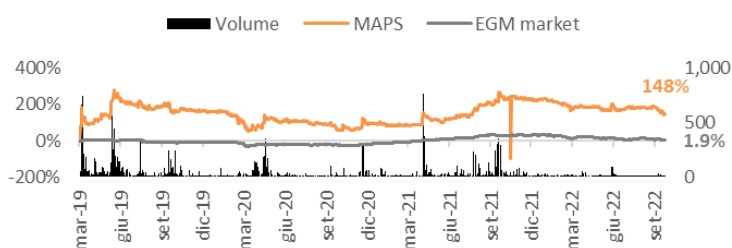
First sustainability report to confirm ESG commitment. Carrying on its path, the group made public its ESG strategic guidelines and performance. Maps is one of the 105 companies in Italy with a 5W-Welfare Champion rating thanks to its engagement in creating a positive working environment, also confirmed by a 2020–21 turnover of ca. 10% vs 14% of tech sector (LinkedIn insights). Furthermore, 53% of the value generated in 2021 was distributed to staff. To ensure transparency, the group also adopted a code of ethics and appoints independent directors exceeding legal requirements. Finally, Maps' headquarters achieved a high rating on its energy certification.

1H22 results. In the first half of the year, Maps reached €11.8mn revenues (+11% YoY and -6% vs our estimates), mainly thanks to its proprietary solutions which contributed 84% of 1H22 revenues (vs 55% of 1H21). The growth of its solutions has also allowed recurring fees to reach 42% of revenues (vs 30% in 1H21). Following the growth of the business, EBITDA reached €3.0mn (+7% YoY) with a 26% margin. 1H22 NFP increased by €4.7mn (when compared to FY21), reaching €9.6mn mainly following the I-Tel deal.

Estimates update. We slightly revised our revenue estimates to factor in: i) the slightly lower-than-expected 1H22 revenues, reducing by 2% our FY22E estimates at €27.2mn; ii) the Energenius acquisition, increasing to 23% our expected 2021–24 revenue CAGR (from 21.4%) and expecting €39.7mn revenues in FY24. On the other hand, we left unchanged our EBITDA margin forecast and we included the Energenius cash-out and I-Tel Call option in our NFP projections.

Valuation. We confirm our fair value at €5.10ps (€59.8mn equity value).

Relative Performance Chart – Since IPO



Source: FactSet, KT&Partners' elaboration

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Market Data:

Market Data:	
Main Shareholders	
Members of the SHA	55.5%
Eiffel Investment	10.9%
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Mkt Cap (€ mn)	34.8
EV (€ mn)	47.0
Shares out.	11.7
Free Float	33.2%

Market multiples	2021	2022	2023
EV/EBITDA			
Maps S.p.A.	9.3x	7.2x	5.5x
Comps median	20.5x	11.4x	8.5x
Maps S.p.A. vs Median	-54%	-37%	-36%
P/E			
Maps S.p.A.	14.0x	16.9x	10.3x
Comps median	31.4x	22.7x	21.1x
Maps S.p.A. vs Median	-55%	-25%	-51%

Stock Data:

52 Wk High (€)	4.29
52 Wk Low (€)	2.90
Avg. Daily Trading 90d	5,528
Price Change 1w (%)	-5.71
Price Change 1m (%)	-11.87
Price Change YTD (%)	-24.43

KT&PARTNERS PREPARED THIS DOCUMENT PURSUANT TO AN ENGAGEMENT LETTER ENTERED INTO WITH BPER BANCA S.P.A. ACTING AS SPECIALIST IN ACCORDANCE WITH ART. 35 OF EURONEXT GROWTH MILAN MARKET RULES FOR COMPANIES.

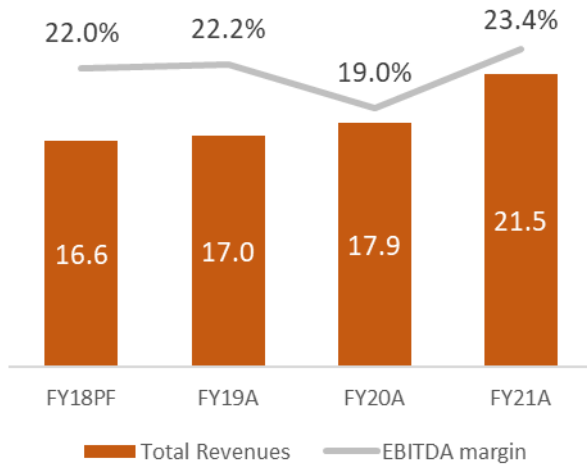
Key Figures – Maps S.p.A.

	Current price (€)	Fair Value (€)	Sector							Free Float (%)
	2.97	5.10	Information Technologies							32.4%
Per Share Data	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	
Total shares outstanding (mn)	n.m.	n.m.	9.13	9.64	11.43	11.71	11.71	11.71	11.71	
EPS	n.m.	n.m.	0.22	0.11	0.22	0.18	0.29	0.40	0.50	
Dividend per share (ord)	n.a.	n.a.	-	-	-	-	-	-	-	
Dividend payout ratio (%)	n.a.	n.a.	0%	0%	0%	0%	0%	0%	0%	
Profit and Loss (EUR thousand)										
Revenues	14.5	16.6	17.0	17.9	21.5	27.2	33.8	39.7	45.8	
EBITDA	2.1	3.6	3.8	3.4	5.0	6.5	8.6	10.5	12.2	
EBIT	1.5	3.2	2.0	1.1	2.4	3.4	5.0	6.8	8.3	
EBT	1.3	2.8	2.5	1.2	2.1	2.9	4.6	6.4	8.0	
Taxes	(0.3)	(0.8)	(0.5)	(0.2)	0.4	(0.8)	(1.2)	(1.7)	(2.2)	
Tax rate	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	
Net Income	0.9	2.0	2.0	1.0	2.5	2.1	3.4	4.7	5.8	
Balance Sheet (EUR thousand)										
Total fixed assets	6.7	7.2	10.3	15.9	18.9	24.1	24.2	22.7	21.0	
Net Working Capital (NWC)	3.4	3.2	7.0	7.0	9.8	11.9	13.7	16.2	18.9	
Provisions	(2.5)	(2.9)	(3.5)	(4.6)	(5.7)	(6.0)	(6.3)	(6.6)	(6.9)	
Total Net capital employed	7.6	7.6	13.8	18.2	23.0	30.0	31.6	32.3	33.0	
Net financial position/(Cash)	4.5	3.0	4.4	7.0	4.9	8.5	6.8	2.9	(2.3)	
Total Shareholder's Equity	3.2	4.6	9.4	11.2	18.1	21.5	24.7	29.4	35.3	
Cash Flow (EUR thousand)										
Operating Cash Flow	-	3.1	(0.5)	3.3	2.6	3.6	5.6	6.3	7.3	
Change in NWC	-	0.2	(3.7)	0.0	(2.8)	(2.1)	(1.8)	(2.5)	(2.7)	
Capital expenditure	-	(1.1)	(2.7)	(6.1)	(5.6)	(8.3)	(3.7)	(2.2)	(2.2)	
Other cash items/Uses of funds	-	0.6	0.6	1.2	1.1	0.3	0.3	0.3	0.3	
Free cash flow	-	2.5	(2.6)	(1.7)	(1.9)	(4.3)	2.2	4.4	5.4	
Enterprise Value (EUR thousand)										
Market Cap	n.a.	n.a.	28.6	21.9	44.9	34.8	34.8	34.8	34.8	
Minorities	-	-	-	-	-	0.2	0.0	0.0	0.0	
Net financial position/(Cash)	4.5	3.0	4.4	7.0	4.9	8.5	6.8	2.9	(2.3)	
Enterprise value	n.a.	n.a.	33.0	28.9	49.8	43.5	41.7	37.7	32.6	
Ratios (%)										
EBITDA margin	14.3%	22.0%	22.2%	19.0%	23.4%	23.9%	25.4%	26.5%	26.6%	
EBIT margin	10.4%	19.2%	12.0%	6.3%	11.3%	12.6%	14.8%	17.1%	18.2%	
Gearing - Debt/equity	142.5%	65.1%	47.4%	62.6%	27.1%	39.7%	27.8%	9.7%	-6.4%	
Interest cover on EBIT	4.1%	2.1%	-27.1%	-29.1%	6.3%	8.3%	8.0%	5.3%	3.8%	
NFP/EBITDA	216.8%	82.1%	117.3%	205.8%	97.6%	130.6%	79.6%	27.1%	-18.5%	
ROCE	19.7%	42.0%	14.8%	6.2%	10.6%	11.4%	15.9%	21.0%	25.2%	
ROE	30.1%	44.1%	21.0%	9.1%	13.8%	9.7%	13.6%	16.0%	16.6%	
EV/Sales	n.m.	n.m.	2.76	2.62	2.18	1.73	1.39	1.18	1.03	
EV/EBITDA	n.m.	n.m.	12.41	13.80	9.34	7.25	5.46	4.46	3.85	
P/E	n.m.	n.m.	17.66	34.29	13.98	16.91	10.33	7.41	5.95	
Free cash flow yield	n.m.	n.m.	-6%	-4%	-4%	-9%	5%	9%	12%	
Growth Rates (%)										
Sales	17.9%	14.2%	2.8%	5.3%	20.1%	26.3%	24.4%	17.5%	15.3%	
EBITDA	11.8%	75.6%	4.1%	-10.1%	47.7%	29.0%	32.6%	22.4%	15.9%	
EBIT	-4.8%	111.5%	-35.8%	-44.6%	115.1%	41.0%	46.1%	35.4%	22.7%	
Net Income	-3.6%	113.4%	-2.7%	-48.5%	145.3%	-17.4%	63.7%	39.4%	24.6%	

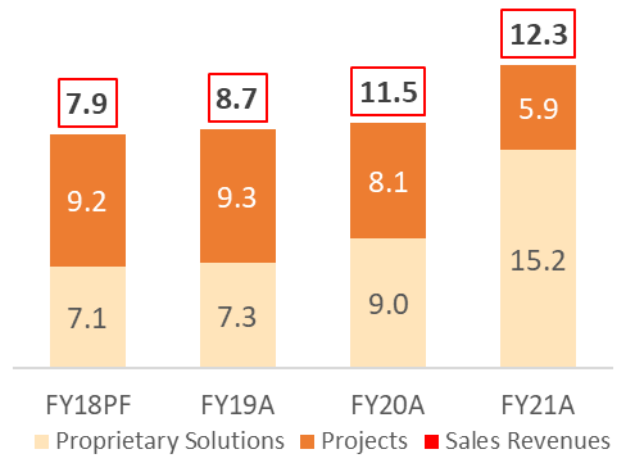
Source: Company data, KT&Partners' elaboration

Key Charts

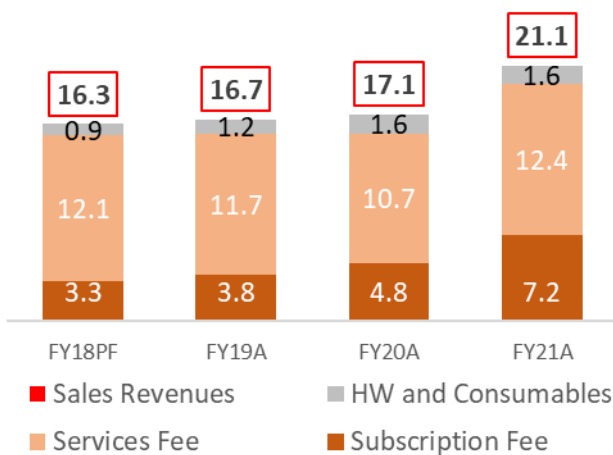
Revenues and EBITDA Margin (€mn; %)



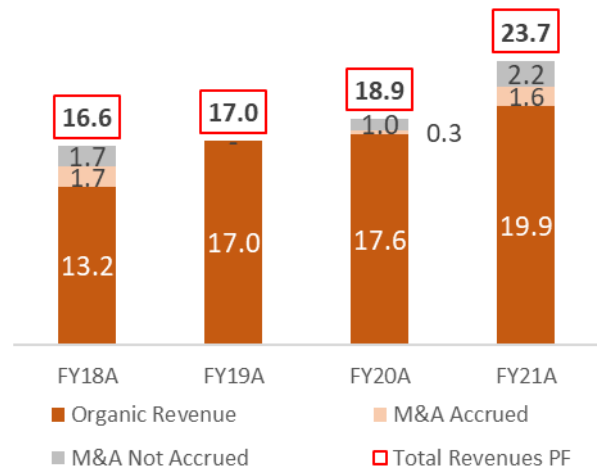
Revenues by Offer (€mn)



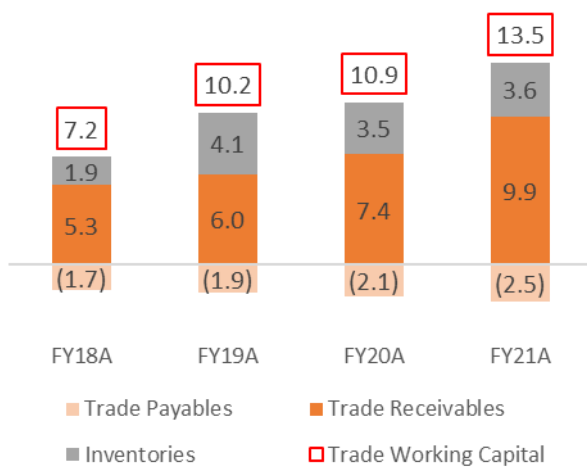
Revenues by Revenue Model (€mn)



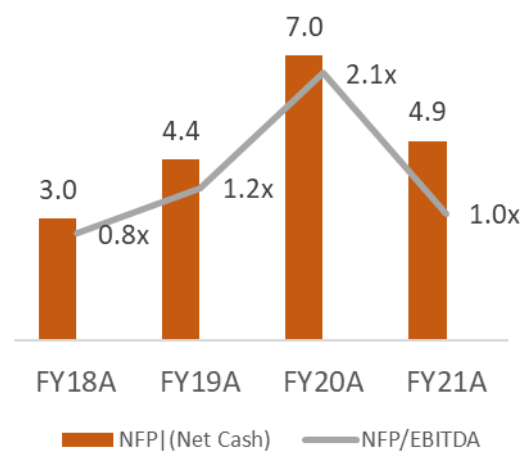
M&A Revenue Contribution* (€mn)



Trade Working Capital (€mn)



NFP and Free Cash Flow (€mn)



Note: M&A revenues based on company data and KT&Partners elaborations

Company Overview

Company description

Maps is one of the main Italian digital transformation enablers focused on extracting value for its clients from data. The group offers its software development services and its proprietary solutions to the Large Enterprise, Healthcare and Energy sectors, surfing the digitalization trends and the trend of **ESG** accountability. Thanks to the contribution of proprietary solutions (72% of FY21 sales +19pp YoY), the company enjoys a high level of recurring revenue from subscriptions (33% of FY21 sales, +6pp YoY), strengthening the group's profitability. Furthermore, the company is characterized by strong client retention: clients active in 2021 generated 92% of the cumulated 2016–21 revenues.

On March 7th, 2019, Maps went public on the AIM Italia Market (now EGM), raising €3.5mn, with a stock price of €1.63ps (€1.90 cum warrant) and is now trading at €2.97ps.

The company's strategy is based on both organic and external growth. **Maps' organic strategy** is focused on: i) proprietary solutions growth; ii) focus on end-sectors covering Healthcare, Large Enterprise, and Public Administration, and aiming at increasing the company's presence in the Energy sector. Looking at **external growth**, the group intends to acquire companies to enter new markets, strengthen its proprietary solutions portfolio and to exploit cross-selling synergies, as happened with the acquisition of IASI and SCS Computers.

Investment case

- **Data-Driven Value Creation.** Maps leverage on its proprietary solutions supports its clients in extracting value from raw data and heading them towards a data-driven decision-making approach. The development of proprietary solutions (72% of FY21 revenues) also brings value to Maps' shareholders, since the company creates a solid base of recurring revenues from subscription fees (33% of FY21 revenues).
- **Great Market Positioning.** Traditional economic sectors have incurred significant disruption in the face of competitors with data-driven models. According to a McKinsey analysis, implementing a data-driven strategy creates significant value in terms of top-line growth (improving customer-facing activities and expanding company portfolio offerings) and cost reduction (optimizing internal processes).
- **Digital Transformation Wave.** Digital transformation is a key trend in both the public and private sectors and has been further accelerated by the COVID-19 outbreak and by PNRR objectives which foresee €8bn for healthcare digital transformation. Maps is well-positioned to exploit the market demand for digital transformation, especially in the healthcare, energy and public administration sectors.
- **M&As and Synergies Opportunities.** The company has closed several deals in the last few years, accelerating its growth and entering new business areas. The integration of the acquired company has allowed Maps to exploit synergies on both revenues and operations.

Sustainability report to confirm ESG commitment.

Carrying on its path, the group made public its ESG strategic guidelines and performances, in compliance with GRI standards, in its first Sustainability Report related to the 2021 period.

Social Responsibility. Maps is one of 105 companies in Italy which has achieved a 5W-Welfare Champion rating from Welfare Index PMI for its engagement in creating a positive working environment. Indeed, Maps enjoys a below-average turnover, with a 2020–21 average of ca. 10% vs 14% of the tech sector (LinkedIn insights). Furthermore, the group collaborates with local entities such as universities – conducting R&D projects and contributing to students' education – and associations (active in social initiatives).

Economic Responsibility. 90% of the value generated inside the group is distributed to its stakeholders: 53% to the staff, 34% to suppliers, 2% to PA and 1% to credit providers.

Governance and Ethics. To ensure transparency, the group has adopted a code of ethics and an organization, management, and control model, and has appointed independent directors exceeding legal requirements.

Environmental Responsibility. Maps has extended its commitment to environmental issues and the A2 and A4 energy certification – the highest level obtainable – for its headquarters' buildings are just one example of how Maps put these issues on its agenda.

Group structure developments

- **August 2022.** Maps' top management and shareholders (Marco Ciscato, Maurizio Pontremoli, Gian Luca Cattani, Domenico Miglietta, Paolo Ciscato and Giorgio Ciscato) strengthened their shareholder agreement (SHA) by establishing a Signatories Meeting competent to approve relevant decisions, such as list of BoD and Board of Auditors. Furthermore, two of the group's top managers entered the agreement (Andrea Gherardi and Fabrizio Biotti, holders of 0.23% share capital and 0.82%, respectively). As of September 2022, the SHA represents 55.48% of the share capital.
- **July 2022.** Maps' shareholder meeting: i) delegated the BoD for a maximum €15mn capital increase – to be subscribed within 5 years also in different tranches with exclusion of option rights – to allow financial flexibility and capture potential M&A opportunities; ii) approved the 2022–24 Stock Grant Plan for 10 directors and employees for a maximum of 104k shares (at an implied value of €3.44ps); and iii) approved the 2022–24 Stock Option Plan – for 30 people including directors and employees – for a maximum of 311k shares at a strike price of €3.44.
- **During 2021.** €2.8mn capital raised through a warrant and also through the investment in a primary investment fund such as Eiffel Investment, which increased its stake.

Business developments

- **May 2022.** Maps won a four-year tender by IREN, one of the most important Italian multi-utilities. Maps will be involved in 44% of the tender and will develop an integrated hardware and software platform – also exploiting the internally developed ROSE Platform – for the energy community.
- **At the end of 2021** the group expanded its collaboration with IREN, developing a predictive maintenance software – collaborating with Enterprise Services Italia – for the electric network. The four-year project has a value of €2.2mn, of which ca. 35% goes to Maps.
- **November 2021.** i) The group signed a five-year agreement with ASST Niguarda Hospital, offering a platform dedicated to the patient reception. The agreement – a joint offer with two other companies – has a value of €575k and up to a maximum of €1.9mn; and ii) IASI started managing the radiology information system for ASL Pescara.
- **2021.** i) An agreement with the European Food Safety Authority (EFSA) for ca. €800k in four years; and ii) an agreement with Emilia-Romagna for the delivery of healthcare services (€400k in five-years).
- **During 2020.** The group undertook important people-related and commercial investments to strengthen the company structure and the go-to-market activities.
- **December 2020.** A three-year agreement was signed with Provincia di Bolzano for a total of ca. €400k related to Gzoom Business Unit.
- **1Q20:** i) A new deal with Emilia-Romagna was signed for the supply of healthcare services (max. of €5.5mn in 3-years); ii) a renewal with Philip Morris was agreed for an additional €180k; and iii) a partnership was agreed with Circle, offering Maps' proprietary solutions to the logistic sector.
- **May 2019.** An agreement with Engineering was agreed to keep developing Gzoom for Regione Puglia (€190k for a two-year project);

M&As

- In **June 2022**, Maps acquired for €30k the *remaining 30% of Micuro*, the innovative InsurTech start-up, aiming at consolidating the leadership in the Patient Journey sector.
- In **May 2022**, I-Tel strengthened its digital communication offer – and group offer – acquiring **100% of Optimist** (€113k Revenue 2021), a software company which has

developed a *chatbot* and *voicebot* platform for business systems. The deal is equal to €300k (€200k at the closing and €100k after one year) plus a €100k earn-out.

- In **April 2022**, Maps acquired **70% of I-Tel** to strengthen the group's proprietary solution offer. I-Tel offers a proprietary platform dedicated to communication and reception services for public and private institutions with a focus on the healthcare sector. In 2020, I-Tel registered €2.3mn of revenues, €0.9mn of EBITDA adj. and an almost nil NFP. The total deal value is equal to €4.1mn, of which €2.9mn has been paid in cash and the remaining has been paid through Maps' shares valued at €5.05.
- In **July 2021**, Maps closed the **100% acquisition of IASI**, a company specialized in software development, mainly for the clinical area and HR, for both public and private sectors. In FY20, IASI registered €3.2mn of revenues, high recurring fees (ca. 50%) and an EBITDA margin adj. of 28%. The deal value was €5.2mn, of which €4.3mn was paid in cash (€1.5mn due in 2024) and the remaining through Maps' shares valued at €4.36ps (+60% on Maps stock price prior M&A announcement). The acquisition strengthens the groups' healthcare offer with two new solutions: SISWeb (an information system for customer care in healthcare organization, strongly synergic with Maps' Patient Journey solutions), and IASI Human Resource (a suite for HR management), increasing the opportunities of being the principal vendors for hospitals.
- Increased participation in **Maps Healthcare from 92% to 100% in July 2021** for €1.35mn (€600k paid in cash and the remaining through Maps' shares valued at €4.36ps). The 100% ownership of MH allows full governance of the group's healthcare subsidiaries – MH, Artexe SpA and Micuro Srl – and greater company flexibility, strategy effectiveness and efficiency. The deal also guarantees the continued involvement of Fabrizio Biotti and Mauro Max di Maulo, today both Maps' shareholders and Artexe managers.
- **SCS Computers 100% acquisition** for €4.1mn, i.e. 6.1x EV/EBITDA (€2.5mn paid at the closing and €1.5mn due in 2025) in **October 2020**. SCS, a healthcare software house offering a proprietary solution mainly to laboratories, reached in FY19 €1.6mn of revenues (€0.3mn contributed to Maps' FY20 results), high recurring fees (>70%) and an EBITDA margin of 34%. The acquisition creates notable synergies in terms of cross-selling of Maps' and SCS solutions.
- **Micuro start-up was founded** (participated at 70%) to enter the InsurTech for healthcare business area.
- In June 2020, there was increased participation in Maps Healthcare from 70% to 92% to boost Maps' presence in the healthcare market.
- **Royalty 54% acquisition** reaching 100% (for €300k) to enter the customer experience business area in June 2019. In FY18, Royalty registered €0.4mn of revenues (80% recurring), with a ca. 21% EBITDA margin.
- **Artexe 100% acquisition** in July 2018 to expand the group's portfolio with solutions in the healthcare patient journey. In 2018, Artexe registered total revenues of €3.4mn.

1H22 Financial Results

In 1H22, Maps reached €11.8mn of revenues, growing by 11% with respect to €10.7mn of 1H21. It is interesting to notice that recurring revenue grew by 39% YoY, reaching €4.8mn – driven by the growth of Maps' proprietary solution sales and contributing 84% of total revenues (vs 55% of 1H21).

In 1H22, the group strengthened its Healthcare division and its proprietary solution portfolio thanks to the acquisition of I-Tel, which offers a platform dedicated to communication and reception services for public and private institutions. Indeed, the Healthcare business unit strongly contributed to 1H22 results, thanks to the growth of its revenue, coming from proprietary solutions only. The ESG business line kept growing and the energy solution, ROSE, attracted the interest of important clients and allowed it to increase revenues.

Despite the strong growth, 1H22 revenues came 6% below our estimates, mainly due to lower-than-expected service fees (€5.9mn vs €6.5mn), which decreased by 9%. However, the reduction is in line with the company's strategy, which is focused on proprietary solutions and subscription fees.

Gross profit stood at €6.3mn, up by +18% YoY, reaching a strong 53.5% gross margin (+3.3pp YoY and above our estimates), confirming the quality of the group's strategy and the higher profitability coming from proprietary solutions and recurring subscription revenues.

Commercial costs came in at €1.4mn, in line with our estimates, while General and Administrative costs were at €1.9mn, €0.3mn above our estimates of €1.6mn.

Following the increase in gross margin and gross profit, EBITDA reached €3.0mn, growing by 7% YoY and reaching 25.8% margin (+0.3pp with respect our estimates)

1H22 net income reached €1.7mn, slightly below 1H21 due to an increase of D&A and to extraordinary costs associated with M&As that occurred in the first half of 2022.

Net financial position at the end of June 2022 reached €9.6mn, increasing by €4.7mn with respect to FY21, mainly because of the I-Tel 70% acquisition (€2.9mn cash payment) and the accounting of the call option on the remaining 30% (€1.8mn).

Half-Year Income Statement

€ million	1H18A	1H19A	1H20A	1H21A	1H22A	YoY growth	1H22E	A vs E
Subscription Fee	1.1	2.0	2.3	3.5	4.8	39%	5.1	-5%
Services Fee	5.7	5.6	4.7	6.4	5.9	-9%	6.5	-10%
Other Revenues	-	0.8	1.5	0.8	1.1	51%	1.0	8%
Total Revenues	7.2	8.4	8.5	10.7	11.8	11%	12.6	-6%
<i>Growth %</i>		15.8%	2.0%	25.0%	10.7%		47.9%	
Direct Labour Costs	(3.2)	(3.8)	(3.4)	(4.0)	(3.8)		(4.8)	
Direct Services Costs	(0.8)	(1.0)	(1.5)	(1.3)	(1.7)		(1.7)	
Gross Profit	2.9	3.6	3.7	5.3	6.3	18%	6.2	1%
<i>Gross Margin</i>	42.3%	43.2%	43.4%	49.8%	53.1%		48.8%	
Commercial Costs	(0.3)	(0.8)	(1.0)	(1.1)	(1.4)		(1.3)	
General and Administrative Costs	(0.8)	(1.1)	(1.1)	(1.4)	(1.9)		(1.6)	
EBITDA	1.7	1.8	1.6	2.8	3.0	7%	3.3	-6%
<i>EBITDA margin</i>	25.6%	21.4%	19.2%	26.7%	25.8%		25.5%	
<i>Growth %</i>		3.1%	-8.5%	73.9%	7.1%		98.6%	
D&A and Provisions	(0.2)	(0.7)	(1.6)	(1.2)	(1.3)		(1.7)	
EBIT	1.5	1.1	0.1	1.7	1.8	5%	1.6	13%
<i>EBIT margin</i>	22.7%	12.9%	0.8%	15.7%	14.9%		12.2%	
<i>Growth %</i>		-29.9%	-93.8%	2413.8%	5.3%		2232.9%	
Financial Income and Expenses	(0.0)	(0.2)	0.4	(0.2)	(0.2)		(0.2)	
Extraordinary Items	(0.0)	(0.0)	(0.0)		(0.1)		-	
EBT	1.5	0.8	0.4	1.5	1.5	-1%	1.4	5%
Taxes	(0.4)	(0.2)	0.1	0.2	0.1		(0.1)	
<i>Tax Rate</i>	24.0%	21.8%	-20.3%	-11.5%	-4.2%		8.0%	
Net Income	1.2	0.6	0.5	1.7	1.5	-8%	1.3	19%
<i>Net margin</i>	17.0%	7.4%	5.7%	15.6%	13.0%		10.1%	

Source: Company data

Change in Estimates

Following 1H22 results (slightly below our estimates) and recent developments – newly signed contracts and the Energenius acquisition – we updated our financial projections.

In September 2022, the group acquired Energenius, strengthening its Energy division. Energenius – €900k of revenues, €268k of EBITDA adj. and €12k NFP in 2021 – is an innovative start-up which has developed a proprietary platform (Genius Energy Manager – GEM) for the analysis and the optimization of energy consumption. Maps has therefore captured the strong trend of energy consumption optimization – related to energy transition – which in the last few months has been further pushed by the current energy crisis. Furthermore, GEM is strongly synergic for Maps, since it will allow it to exploit all the data collected by ROSE, completing Maps' offer and strengthening its positioning. Finally, thanks to the group's commercial structure, Maps' management expects to accelerate GEM distribution in the market.

Maps will acquire 100% of Energenius in two tranches. The first one (51%) is expected to be acquired in October 2022 for €843k (EV/EBITDA of ca. 6x on 2021 data) and paid in cash. The second tranche (49%) is expected to be acquired in April 2023 for a price based on Energenius' FY22 financials and will include a mixed payment of cash (at least 50% of the 49% stake) and Maps' shares (according to Maps' decision). For the second tranche we assume Maps paying a EV/EBITDA multiple around the one paid for the first stake.

Furthermore, we note that the company at the end of September 2022 issued a €4mn bond subscribed by BPER Banca and Cassa Depositi e Prestiti and guaranteed by Banca Europea per gli Investimenti (BEI). The new cash is expected to support the continuous R&D investing and is expected to be exploited to capture M&A opportunities (not included in our projections).

The €4mn bond has a six-year duration and an interest rate with a spread of 2.75% on 3M Euribor and its reimbursement will start after 18 months from the issuing.

Looking at Maps' current clients, in August 2022 Emilia-Romagna increased by €2.8mn the budget related to the agreement signed with Maps in January 2020 (a three-year agreement for €5.5mn). The increased budget testifies the client's satisfaction for Maps' maintenance, assistance, and support services to healthcare structures.

We updated our top-line results mainly by factoring in the expected contribution of Energenius (three months on FY22) and the lower than expected 1H22 revenues (-6%). As a result, on the one hand, we revised by 2% downwards our FY22E total revenues at €27.2mn, while on the other hand we increased our FY24 expectation by 3% at €39.7mn in FY24, resulting in a CAGR21–24 of 22.7% (vs our previous 21.4%).

Looking at profitability, we kept unchanged our EBITDA margin forecast, to keep into account both the strong 1H22 profitability, the great contribution expected from Energenius and the costs coming from acquisition integration.

We also updated our estimate on NFP mainly to factor in the Energenius acquisition (for both payments in October 2022 and April 2023) and the I-Tel call option (€1.8mn).

The key points of our estimates are as follows:

- FY22 revenues at €27.2mn, reaching €39.7mn in 2024 (CAGR2021–24 of 23%)
- FY22 EBITDA at €6.5mn, reaching €10.5mn in 2024 (CAGR2021–24 of 28%)
- FY22 net income at €2.1mn, reaching €4.7mn in 2024 (CAGR2021–24 of 24%)
- FY22 NFP at €8.5mn, reaching €2.9mn in 2024.

Change in Estimates

€ million	2020A	2021A	YoY	2022E	2022E	Change	2023E	2023E	Change	2024E	2024E	Change
				Old	New		Old	New		Old	New	
Total Revenues	17.9	21.5	20.1%	27.7	27.2	-2.0%	32.7	33.8	3.3%	38.5	39.7	3.2%
YoY Change (%)	5.3%	20.1%		28.8%	26.3%		18.1%	24.4%		17.6%	17.5%	
EBITDA	3.4	5.0	47.7%	6.6	6.5	-2.3%	8.3	8.6	3.4%	10.2	10.5	3.1%
YoY Change (%)	-6.4%	47.7%		32.0%	29.0%		25.4%	32.6%		22.8%	22.4%	
EBITDA margin%	19.0%	23.4%		23.9%	23.9%		25.4%	25.4%		26.5%	26.5%	
EBIT	1.1	2.4	115.1%	3.2	3.4	7.2%	4.7	5.0	7.5%	6.4	6.8	5.9%
YoY Change (%)	-64.4%	115.1%		31.5%	41.0%		45.8%	46.1%		37.5%	35.4%	
EBIT margin%	6.3%	11.3%		11.5%	12.6%		14.3%	14.8%		16.7%	17.1%	
Net Income	1.0	2.5	145.3%	2.1	2.1	-2.0%	3.2	3.4	4.8%	4.5	4.7	3.9%
YoY Change (%)	-49.9%	145.3%		-13.9%	-15.7%		50.0%	60.4%		40.6%	39.4%	
Net margin%	5.7%	11.6%		7.7%	7.7%		9.8%	10.0%		11.7%	11.8%	
NFP/(Cash)	7.0	4.9	2.6	3.9	8.5	4.5	1.1	6.8	5.7	(3.0)	2.9	5.8
YoY Change (€mn)	2.6	(2.1)		(1.0)	3.6		(7.3)	(1.6)		(9.8)	(4.0)	

Source: FactSet, KT&Partners' elaboration

Valuation

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

The average of the three different valuation methods returns an equity value equal to €59.8mn, or €5.10 per share.

Valuation Recap

	Equity Value €mn	Value per share €
EV/EBITDA	71.3	6.09
P/E	64.7	5.53
Average - Multiples	68.0	5.81
DCF	51.5	4.40
Average - btw method	59.8	5.10

Source: FactSet, KT&Partners' elaboration

Market Multiples Valuation

Our panel of comparables factor in the strong positioning of Maps on proprietary solutions (72% of FY21 revenues). For the market multiples analysis we focused on 2022–24 data.

Peer Comparison – Market Multiples

Company Name	Exchange	Market Cap	EV/SALES			EV/EBITDA			EV/EBIT			P/E		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
GPI SpA	Milan	234	1.1x	1.0x	0.9x	7.3x	6.1x	5.4x	16.8x	16.8x	16.8x	17.6x	13.1x	11.3x
Expert.ai S.p.A.	Milan	41	0.8x	0.6x	0.5x	n.m.	n.m.	4.8x	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Software AG	XETRA	1,717	2.0x	1.9x	1.8x	9.8x	8.6x	7.5x	14.6x	14.6x	14.6x	14.9x	12.4x	10.7x
Doxee S.p.A.	Milan	78	2.8x	2.0x	1.7x	13.1x	8.4x	6.7x	n.m.	n.m.	n.m.	n.m.	21.2x	13.7x
D4t4 Solutions plc	London	108	3.0x	2.6x	2.5x	18.1x	14.3x	12.1x	24.5x	24.5x	24.5x	27.4x	20.9x	17.4x
Digital Value SpA	Milan	610	0.8x	0.7x	0.6x	8.3x	7.0x	6.0x	13.3x	13.3x	13.3x	18.0x	14.2x	11.7x
Heeros Oyj	OMX Helsinki	18	1.8x	1.6x	1.4x	9.2x	7.9x	6.6x	27.8x	27.8x	27.8x	n.m.	26.9x	16.9x
Esker SA	Euronext Paris	662	3.9x	3.4x	2.9x	19.0x	17.1x	14.1x	36.7x	36.7x	36.7x	39.5x	37.2x	30.2x
Average peer group		462	2.2x	1.8x	1.6x	12.9x	10.6x	8.3x	23.3x	23.3x	23.3x	25.0x	22.1x	16.7x
Median peer group		108	2.0x	1.9x	1.7x	11.4x	8.5x	6.7x	24.5x	24.5x	24.5x	22.7x	21.1x	15.3x
Maps S.p.A.	Milan	35	1.7x	1.4x	1.2x	7.2x	5.5x	4.5x	13.7x	9.4x	6.9x	16.9x	10.3x	7.4x

Source: FactSet, KT&Partners' elaboration

We included in our relative valuation a size discount of 5%, and our estimates of Maps' EBITDA and net income for the 2022–24 period. We also consider a NFP adjusted for the part paid in cash for the I-Tel acquisition and for the acquisition of Energenius.

Multiple Valuation – EV/EBITDA and P/E

Multiple Valuation (€mn)	2022E	2023E	2024E	Multiple Valuation (€mn)	2022E	2023E	2024E
EV/EBITDA Comps	12.9x	10.6x	8.3x	P/E Comps	25.0x	22.1x	16.7x
Maps EBITDA	6.5	8.6	10.5	Maps Net Income	2.1	3.4	4.7
Enterprise value	83.9	90.8	87.2	Equity Value	51.3	74.5	78.6
Maps 2021 NFP adj.	12.2	12.2	12.2	Average Equity Value		68.2	
Equity Value	71.6	78.6	74.9	Size Discount		5%	
Average Equity Value		75.1		Equity Value Post-Discount		64.7	
Size Discount		5%		Number of shares (mn)		11.7	
Equity Value Post-Discount		71.3		Value per Share €		5.53	
Number of shares (mn)		11.7					
Value per Share €		6.09					

Source: FactSet, KT&Partners' elaboration

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 11.7% cost of equity, 4% cost of debt, and a target capital structure with 20% of debt. The cost of equity is a function of the risk-free rate of 3.4% (Italian 10y BTP), 5.1% mature market expected return and a premium for size and liquidity of 3.1%. **We, therefore, obtained 10.1% WACC.**

We discounted 2022E–25E annual cash flow and considered a terminal growth rate of 2%.

Then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation

€ million	2022E	2023E	2024E	2025E
EBIT	3.4	5.0	6.8	8.3
Taxes	(0.8)	(1.2)	(1.7)	(2.2)
D&A	3.1	3.6	3.7	3.9
Change in Net Working Capital	(2.1)	(1.8)	(2.5)	(2.7)
Change in Funds	0.3	0.3	0.3	0.3
Net Operating Cash Flow	3.9	5.9	6.6	7.6
Capex	(7.1)	(3.7)	(2.2)	(2.2)
FCFO	(3.2)	2.2	4.4	5.4
g	2.0%			
Wacc	10.1%			
FCFO (discounted)	(3.1)	1.9	3.5	4.0
Discounted Cumulated FCFO	6.3			
TV	68.5			
TV (discounted)	50.1			
Enterprise Value	56.4			
NFP FY21	4.9			
Equity Value	51.5			
# shares (mn)	11.7			
Value per share (€)	4.40			

Source: Company data, KT&Partners' elaboration

Sensitivity Analysis (€mn)

		WACC				
		10.6%	10.3%	10.1%	9.8%	9.6%
Terminal growth Rate	1.5%	45.1	46.7	48.4	50.2	52.1
	1.8%	46.4	48.1	49.9	51.8	53.9
	2.0%	47.8	49.6	51.5	53.6	55.7
	2.3%	49.3	51.2	53.3	55.4	57.7
	2.5%	50.9	53.0	55.1	57.4	59.9

Source: Company data, KT&Partners' elaboration

Appendix

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.

We built a seven-company sample, consisting of:

- **GPI SpA:** listed on Borsa Italiana with a market capitalization of ca. €230mn. GPI provides IT management and consulting services focusing on the health and social assistance sectors. It registered €324mn in revenues in 2021.
- **Expert.ai SpA:** listed on Borsa Italiana with a market capitalization of ca. €40mn. Expert System engages in the development of semantic technology, providing solutions for online activities. In 2021, Expert reached revenues of €28mn.
- **Software AG:** listed on XETRA (Frankfurt, Germany) with a market capitalization of ca. €1.7bn. Software AG engages in the development and provision of technology solutions for digitalization. It reached revenues of €834mn in 2021.
- **Doxee SpA:** listed on the Borsa Italiana stock exchange with a market capitalization of €80mn, Doxee offers digital transformation solutions through its Doxee Platform. Its offer includes Document Experience (digitalization of customer communication management), Paperless Experience (focused on the RegTech market) and Interactive Experience (setting up personalized and interactive communications). In FY21, Doxee reached €21mn of revenues.
- **D4t4 Solutions Plc (D4T4-GB):** listed on the London Stock Exchange with a market capitalization of ca. €110mn, D4t4 Solutions Plc provides data solutions through its Celebrus suite of products and services. It operates through the Product-Own IP, Product-3rd Party, Delivery Services and Support & Maintenance segments. The Product-Own IP segment creates, authors, markets and sells a software product, Celebrus, focused on the capture of customer data from all digital channels. The Product-3rd Party segment delivers data management using public and private cloud infrastructure. The Support & Maintenance segment consists of hosting, support services and maintenance. In FY21, the company reached €29mn.
- **Digital Value S.p.A (DGV-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of ca. €610mn, Digital Value is an Information Technology solutions provider. The group supports the digital transformation of its customers through an offer of customized solutions and services. It offers data center and hybrid cloud computing, networking and intelligence networks, infrastructural enterprise software, information and communication technology security and cyber security, and digital business transformation. In FY21, Digital Value revenues amounted to €556mn.
- **Heeros Oyj (HEEROS-FI):** listed on the OMX Helsinki stock exchange with a market capitalization of ca. €20mn, Heeros Oyj provides cloud-based financial management solutions. It offers fully automated solutions for purchase invoice workflow, invoice OCR processing, e-invoicing, e-archiving, SEPA payments, payable and receivable ledgers, general ledger accounting, and a mobile app. In FY21, Heeros Oyj reached €9mn of sales revenues.
- **Esker SA (ALESK-FR):** listed on the Euronext Paris stock exchange with a market capitalization of ca. €660mn, Esker operates as a cloud platform for finance and customer service professionals. It offers a cloud platform that helps to strengthen the relationship between suppliers and customers, by bringing value and visibility at work for finance and customer service professionals. In FY21, Esker reached €134mn of sales revenues.

We analyzed the peer companies by considering their marginalities at EBITDA and net income level.

Peers have a level of marginality below Maps' 2021 results: the average EBITDA margin in 2021 recorded by peers was 15.0%, whereas Maps' margin registered in the same period was 23.4%. At net income level, the peers' average net margin was equal to 7.8%, ca. 4pp below Maps' results.

Peers Comparison – EBITDA Margin and Net Margin

Company Name	EBITDA Margin						Net Margin					
	2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023
Expert.ai S.p.A.	11.5%	12.6%	neg	neg	neg	neg	neg	neg	neg	neg	neg	neg
Software AG	29.2%	28.9%	21.4%	18.6%	20.8%	22.2%	19.0%	17.4%	11.5%	10.1%	9.3%	11.0%
Doxee S.p.A.	19.1%	29.5%	23.6%	22.2%	21.8%	24.0%	4.4%	11.0%	5.3%	8.0%	4.6%	7.6%
D4t4 Solutions plc	24.2%	23.8%	19.6%	11.9%	16.4%	18.6%	23.1%	20.4%	12.1%	6.9%	12.7%	14.9%
Digital Value SpA	8.1%	8.8%	10.1%	10.1%	10.1%	10.4%	5.0%	5.2%	5.5%	5.4%	5.1%	5.5%
Heeros Oyj	neg	neg	2.7%	7.9%	19.1%	20.0%	neg	neg	0.2%	5.4%	neg	1.6%
Esker SA	21.0%	19.2%	19.5%	19.2%	20.5%	19.9%	10.2%	9.4%	10.3%	10.7%	11.0%	10.4%
Average	18.9%	20.5%	16.1%	15.0%	18.1%	19.2%	12.3%	12.7%	7.5%	7.8%	8.5%	8.5%
MAPS	22.0%	22.2%	19.0%	23.4%	23.9%	25.4%	12.2%	11.6%	5.7%	11.6%	7.6%	10.0%

Source: Company data, KT&Partners' elaboration

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- REDUCE – FOR A FAIR VALUE < – 15% ON CURRENT PRICE



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