

## Growing Sales and Margins Under Assessment

UNDER REVIEW | Current Price: €4.07

€ Million	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Total Revenues	7.6	17.7	34.9	65.2			
EBITDA	1.0	1.8	3.6	7.0			
margin	12.6%	10.3%	10.4%	10.8%	UNDER REVIEW		
Net Profit	1.2	1.4	1.8	3.9			
margin	16.3%	7.7%	5.2%	5.9%			
EPS	n.a.	n.a.	0.15	0.30			
NFP/ (Cash)	(0.6)	0.3	4.1	5.4			

Source: Company Data, KT&amp;Partners' Elaboration

**Preliminary FY22 results release.** On March 27<sup>th</sup>, 2023, Vantea released preliminary FY22 results. The company reached €50mn of sales revenues, +47% YoY but -22% than our forecast, mainly following the lower-than-expected contribution from F&B (to be further assessed with FY22 financial statement approval). Cybersecurity division weighted for €9.3mn of sales, up from €8.9mn in FY21, but decreasing its incidence by ca. 7pp YoY to 19%. Cybersecurity performance was negatively influenced by the restructuring process of ESC2 - acquired in June, 2022 – that decreased its contribution on revenues from €2.3mn in FY21 to only €0.8mn in 2022. On the other hand, the holding company Vantea Smart recorded €8.5mn of Cybersecurity sales (+28.7% YoY). EBITDA came at €3.0mn (-12% YoY), negatively impacted by some extraordinary and non-recurring costs related to the subsidiaries Vantea SpA and ESC2 Srl. Preliminary assessments made by the company – to be further checked before FY22 financial statements' approval – led to an EBITDA adjusted of €3.8mn (+5% YoY but 46% lower than our expectation), and an EBITDA margin (on sales) 3pp below FY21 results and our estimates. We note that Cybersecurity division achieved an EBITDA adjusted of €1.8mn, in line with FY21 despite the negative contribution of -€0.3mn coming from ESC2. Finally, net financial position was at €7.1mn, +3mn YoY (and +1.7mn than expected), mainly due to a significant tax credit of €7.9mn related to import/export transactions carried out over the years by Vantea SpA.

## Preliminary FY22 results vs KT&amp;Partners' estimates

€ million	FY21	FY22	YoY %	FY22E	A vs E %
Sales Revenues	34.1	50.0	47%	64.5	-22%
EBITDA	3.4	3.0	-12%	7.0	n.m.
EBITDA margin	10.0%	6.0%	-4.0%	10.9%	n.m.
EBITDA adjusted	3.6	3.8	5%	7.0	-46%
EBITDA margin adjusted	10.6%	7.6%	-3.0%	10.9%	-3.3%
NFP	4.1	7.1	3.0	5.4	1.7

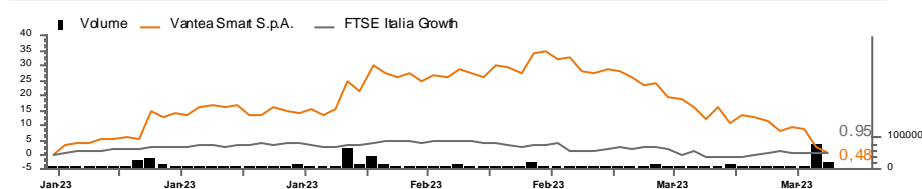
Source: Company Data, KT&amp;Partners' estimates

Note: Margins calculated on sales revenues, while waiting for FY22 financial statement approval

**Warrant exercise.** In October, 2022 the company announced the closing of the second and last window for warrant exercise. After the exercise of 968k of warrant, 387k of new shares were issued at a price of €4.4ps, for a total cash-in of €1.7mn. The new issued shares led Vantea's free float to increase from 22% to 23.9%.

**Estimates and valuation under review.** On the back of lower-than-expected preliminary FY22 results and not yet fully assessed, and while waiting to hear from management on the updates and final results, we put our estimates and valuation under review. We will update our estimates after FY22 financial statement approval.

## Relative Performance Chart – YTD



Via della Posta, 10 - Piazza Affari, 20123 Milan- Italy  
Tel: +39.02.83424007 Fax: +39.02.83424011  
segreteria@ktepartners.com

## Research Update

March 31<sup>st</sup>, 2023 – 7.00 h

Equity Research Team  
[connect@ktepartners.com](mailto:connect@ktepartners.com)

Mauro IACCINO  
[miaccino@ktepartners.com](mailto:miaccino@ktepartners.com)  
+39 393 164 3804

Valentina ZANONI  
[vzanoni@ktepartners.com](mailto:vzanoni@ktepartners.com)  
+39 331 631 6783

## Market Data

Main Shareholders	
VGL Holding Srl	75.00%
Mkt Cap (€ mn)	52.4
EV (€ mn)	56.6
Shares out.	12.9
Free Float	23.9%

Market multiples	2022	2023	2024
EV/EBITDA			
Vantea Smart S.p.A.	n.m.	n.a.	n.a.
Comps median	11.6x	9.8x	8.5x
Vantea Smart S.p.A. vs Median	n.m.	n.a.	n.a.
P/E			
Vantea Smart S.p.A.	n.m.	n.a.	n.a.
Comps median	15.6x	15.0x	12.8x
Vantea Smart S.p.A. vs Median	n.m.	n.a.	n.a.

## Stock Data

52 Wk High (€)	7.30
52 Wk Low (€)	3.99
Avg. Daily Trading 90d	11,083
Price Change 1w (%)	-12.58
Price Change 1m (%)	-25.82
Price Change YTD (%)	-1.57

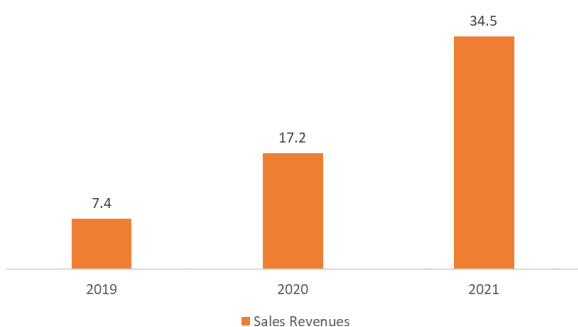
## Key Figures – Vantea Smart S.p.A.

	Current price (€)	Fair Value (€)	Sector				Free Float (%)
	4.07	Under Review	Information Technology				23.9%
			UNDER REVIEW				
Per Share Data	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Total shares outstanding (mn)	n.m.	n.m.	12.5	12.9			
EPS	n.m.	n.m.	0.15	0.30			
Dividend per share (ord)	n.a.	0.02	0.03	-			
Dividend pay out ratio (%)	n.a.	n.a.	21%	-			
Profit and Loss (EUR million)	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Total Revenues	7.6	17.7	34.9	65.2			
EBITDA	1.0	1.8	3.6	7.0			
EBIT	0.9	1.7	2.4	5.8			
EBT	1.6	1.9	2.2	5.5			
Taxes	(0.3)	(0.6)	(0.4)	(1.6)			
Tax rate	22%	29%	19%	29%			
Net Income	1.2	1.4	1.8	3.9			
Net Income attributable to the Group	1.2	1.4	1.8	3.9			
Balance Sheet (EUR million)	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Total fixed assets	1.5	3.2	8.6	9.7			
Net Working Capital (NWC)	2.2	2.6	8.9	12.5			
Provisions	(0.3)	(0.3)	(1.0)	(1.0)			
Total Net capital employed	3.4	5.5	16.5	21.2			
Net financial position/(Cash)	(0.6)	0.3	4.1	5.4			
Group Shareholder's Equity	3.8	5.2	12.3	15.8			
Minorities	0.2	0.0	0.1	-			
Total Shareholder's Equity	4.0	5.2	12.4	15.8			
Cash Flow (EUR million)	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Net operating cash flow	0.6	1.3	3.2	5.3			
Change in NWC	(0.5)	(0.5)	(6.3)	(3.6)			
Capital expenditure	(1.2)	(1.9)	(6.4)	(2.4)			
Other cash items/Uses of funds	0.8	0.2	0.2	0.1			
Free cash flow	(0.3)	(0.9)	(9.3)	(0.5)			
Enterprise Value (EUR million)	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Market Cap	n.m.	n.m.	94.1	53.2			
Minorities	0.2	0.0	0.1	-			
Net financial position/(Cash)	(0.6)	0.3	4.1	5.4			
Enterprise value	n.m.	n.m.	98.4	58.6			
Ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E	2025E
EBITDA margin	12.6%	10.3%	10.4%	10.8%			
EBIT margin	12.0%	9.5%	6.8%	8.8%			
Gearing - Debt/equity	-15.7%	6.4%	33.6%	34.1%			
Interest cover on EBIT	1.7%	1.8%	-1.6%	5.4%			
NFP/EBITDA	-0.6x	0.2x	1.1x	0.8x			
ROCE	26.8%	30.7%	14.3%	27.2%			
ROE	32.2%	26.5%	14.7%	24.5%			
EV/Sales	7.6x	3.3x	1.6x	0.9x			
EV/EBITDA	60.2x	31.4x	15.8x	8.2x			
P/E	42.5x	38.3x	28.9x	13.5x			
Free cash flow yield	-0.6%	-1.6%	-16.5%	-1.0%			
Growth Rates (%)	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Sales	-	134.6%	96.9%	86.6%			
EBITDA	-	91.5%	99.1%	93.2%			
EBIT	-	85.5%	40.7%	143.1%			
Net Income	-	11.0%	32.5%	113.5%			

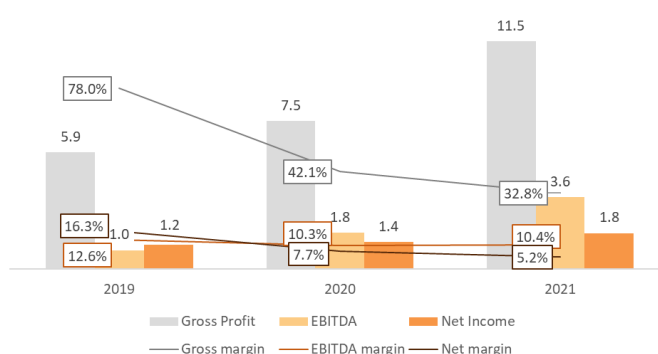
Source: Company Data, KT&amp;P's Elaboration

## Key charts

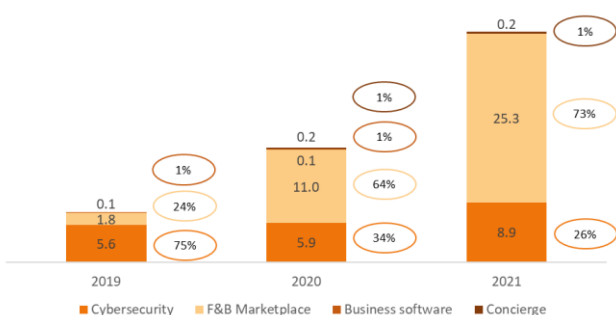
Sales Revenues (€mn)



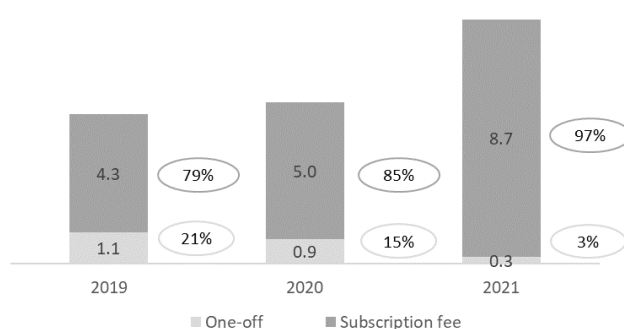
Gross Profit, EBITDA and Net Income<sup>1</sup> (€mn, %)



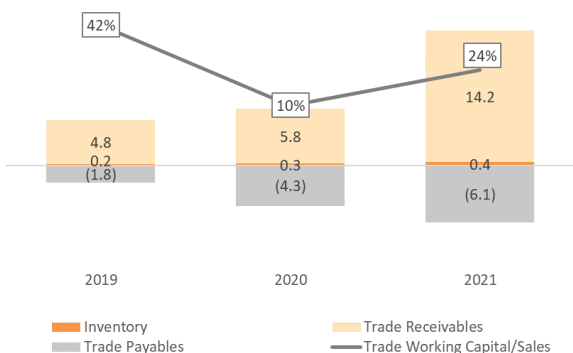
Sales Revenues by Product Line (€mn, %)



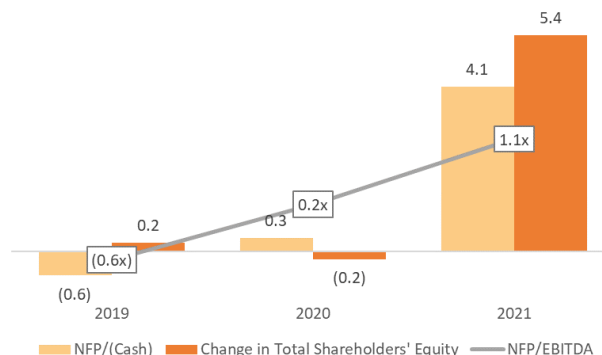
Cybersecurity Sales Revenues Breakdown (€mn, %)



Trade Working Capital (€mn, %)



NFP and NFP/EBITDA (€mn)



<sup>1</sup> Margins are calculated on Total Revenues

## Overview

### *Company description*

Vantea, an innovative SME operating in the Information Technology field, leverages on proprietary technologies to disruptively enter new markets. The company exploits IT to develop a related diversification strategy, operating in: a) cybersecurity, Vantea's historical business – offering consultancy services – strengthened through the takeover of ESC2 in June 2021; b) the F&B marketplace segment as 2.0 distributor; c) the business software market thanks to the launch on July 1<sup>st</sup>, 2021 of SuiteX, its cloud-native ERP software; and d) in the concierge segment (since 1H21) through the Paspartù platform. The company model enables it to: i) exploit several inbound and outbound synergies with benefits for revenues, operations, and costs optimization; and ii) operate with a high degree of diversification, reducing concentration risk.

Following the group development and with the aim of capturing new business opportunities, on January 27<sup>th</sup>, 2021, Vantea went public on the EGM Italia market having raised capital of €5.1mn. Since the IPO to the end of 2021 Vantea stocks' value increased by 242% – allowing the company to be the top performer among EGM companies listed in 2021 – and by +85% considering the current price.

Over the coming years, to keep going on its growth path, the group will leverage on: i) organic growth and the launch of new solutions in all the covered markets; ii) the achievements of new end-customers exploiting cross-selling opportunities (i.e. through ESC2 reaching the PA sector not yet covered); and iii) expansion in foreign countries (mainly Spain and countries in south-east Europe) and M&A, targeting companies that offers complementary services.

The company's future upsides are also represented by a potential shift in SuiteX and concierge platform business, moving from a subscription-based model to a **free-use model**, to reach as many users/customers as possible, gaining high distribution fees and extracting value from consumer data.

### *Investment case*

- **Proprietary technologies** to innovate markets based on old and traditional models. The company offers a wide range of services and solutions, leveraging on IT as: i) a business purpose, operating as a traditional IT company, offering cybersecurity consultancy services; and ii) as a means of business, combining IT skills with business expertise to develop proprietary technological solutions to innovate traditional markets (i.e. menoo.com for F&B and Paspartù for Concierge).
- **Related diversification strategy** that enables the company to operate through a series of inbound and outbound synergies – enjoying a high revenue diversification and cost savings.
- Considering the completeness of its offering and the size of customer served, Vantea enjoys a **unique competitive positioning in cybersecurity field**, being the only SME next to major market players such as Accenture, Reply, NTT Data, and Engineering.
- **Strong resilience during COVID-19**, with a push towards digital innovation that turned pandemic issues into development opportunities for the company: +131% growth YoY on 2020 sales revenues.
- **Investing in human capital** to support the company's innovation, through relationships with universities and strategic partnerships with main tech providers. Over the 2019–21 period the company invested an average of 8.2% of its sales revenues in R&D activities.

**Recent developments**

- **Entering the antifraud market with KubeX acquisition.** In August 2022 Vantea announced to have acquired from Kataskopeo Srl the Fraud Intelligence platform KubeX, a software with 20+ years of experience in data analysis included in the cool-vendor list by Gartner since 2013. The platform – purchased at a fixed consideration of €600k, to which must be added a variable sum depending on sales volumes developed thanks to KubeX in 2023 – enabled the group to enter the antifraud market, strengthening its positioning in the fragmented cybersecurity market while enriching its customer base with a leading international Telco player.
- **Sustainability Report 2021: a sustainable business through technology innovation.** In 2021 the company started the process of obtaining B-Corp certification. Furthermore, the company allocated ca. 20% of FY21 Net Income for: i) the development of social projects; ii) the corporate welfare program; and iii) training courses for its employees. To reduce its carbon footprint, the Group has also set up the transition to renewable energy sources, signing an agreement with a leading green energy provider.
- **First tender attended and won in PA market** for the supply of Arcsight SIEM's license and solutions.
- Obtainment of **€10mn of long-term fundings** at favourable rates to support company growth through M&As.
- **Acquisition of 100% of ESC2 Srl**, a highly specialized company that offers security consulting, security engineering and security strategy services. ESC2 developed *Infosync*, an innovative risk management platform to evaluate and mitigate IT risk, included in the Gartner's Magic Quadrant in 2018. Offered as SaaS in cloud, Infosync supports Information Securities and Privacy Risk management activities. The value of the transaction was €2.3mn, paid in cash and through Vantea shares (valued at €10.0ps). ESC2 in 2020 achieved revenues of €5mn, an EBITDA of €0.7mn and a NFP of €2mn, implying a transaction multiple of 6x.
- **Technological partnership with Sixtema** (Tinexta group) to boost SuiteX distribution.

## DISCLAIMER

THIS DOCUMENT WAS PREPARED BY MAURO IACCINO – ASSOCIATE – AND VALENTINA ZANONI – ANALYST – ON BEHALF OF KT&PARTNERS S.R.L., WITH REGISTERED OFFICE AT VIA DELLA POSTA 10, MILAN, ITALY, MILAN COMPANY REGISTER NO. 1926922, SPECIALIZING IN FINANCIAL RESEARCH AND ANALYSIS (HEREINAFTER, “KT&PARTNERS”).

NO OTHER PEOPLE OR COMPANY CONTRIBUTED TO THE RESEARCH. NEITHER THE MEMBERS OF THE RESEARCH TEAM, NOR ANY PERSON CLOSELY ASSOCIATED WITH THEM HAVE ANY RELATIONSHIPS OR ARE INVOLVED IN CIRCUMSTANCES THAT MAY REASONABLY BE EXPECTED TO IMPAIR THE OBJECTIVITY OF THE RESEARCH, INCLUDING INTERESTS OR CONFLICTS OF INTEREST, ON THEIR PART OR ON THE PART OF ANY NATURAL OR LEGAL PERSON WORKING FOR THEM, WHO WAS INVOLVED IN PRODUCING THE RESEARCH.

FOR THIS PURPOSE, THE MEMBERS OF THE RESEARCH TEAM CERTIFY THAT: (I) THEY HAVE NOT RECEIVED AND WILL NOT RECEIVE ANY DIRECT OR INDIRECT COMPENSATION IN EXCHANGE FOR ANY VIEWS EXPRESSED IN THE RESEARCH; (II) THEY DO NOT OWN ANY SECURITIES AND/OR ANY OTHER FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY OR ANY FINANCIAL INSTRUMENT WHICH THE PRICE DEPENDS ON, OR IS LINKED TO ANY SECURITIES AND/OR ANY FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY; (III) NEITHER THE ANALYSTS NOR ANY MEMBER OF THE ANALYST’S HOUSEHOLD SERVE AS AN OFFICER, DIRECTOR OR ADVISORY BOARD MEMBER OF THE COMPANY.

KT&PARTNERS HAS IN PLACE AN EQUITY RESEARCH POLICY, IN ORDER TO RULE RESEARCH SERVICES IN COMPLIANCE WITH PARLIAMENT REGULATION (EU) NO.596/2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 958/2016 ON MARKET ABUSE. IN THIS POLICY, THERE ARE ALSO DESCRIBED THE ORGANIZATIONAL MECHANISMS ADOPTED BY KT&PARTNERS TO PREVENT AND PROFESSIONALLY MANAGE CONFLICTS OF INTEREST THAT MAY BE ARISE DURING THE PERFORMANCE OF THE RESEARCH. IN ANY CASE, CHINESE WALLS AND OTHER INFORMATION BARRIERS ARE IN PLACE TO AVOID THE EXCHANGE OF CONFIDENTIAL INFORMATION BETWEEN THE EQUITY RESEARCH DEPARTMENT AND OTHER SERVICES AREAS.

KT&PARTNERS S.R.L. SIGNED AN AGREEMENT WITH VANTEA SMART S.P.A. TO SUPPORT THE COMPANY IN ITS INVESTOR RELATION ACTIVITIES. ANY PRIVILEGED INFORMATION IS ACCURATELY MAINTAINED RESERVED AND IS NOT AVAILABLE FOR THE RESEARCH TEAM WHICH PREPARED THIS DOCUMENT.

KT&PARTNERS PREPARED THIS DOCUMENT ON BEHALF OF VANTEA SMART S.P.A. ACCORDING TO AN AGREEMENT ENTERED WITH THE SAME AND ON THE BASIS OF THE DATA AND PUBLIC INFORMATION PROVIDED BY THE SAME OR DERIVED FROM SOURCES DEEMED SERIOUS AND RELIABLE ON THE FINANCIAL MARKET BUT WHOSE ABSOLUTE TRUSTWORTHINESS, COMPLETENESS, AND ACCURACY CANNOT BE GUARANTEED. THE FEES AGREED FOR THIS RESEARCH DO NOT DEPEND ON THE RESULTS OF THE RESEARCH.

KT&PARTNERS PUBLISHED A REPORT ON VANTEA ON OCTOBER 24, 2022 WITH A FAIR VALUE OF €9.51 PER SHARE.

THIS DOCUMENT IS A SOURCE OF INFORMATION ONLY, AND IS NOT PART OF, AND IN NO WAY MUST BE CONSIDERED AN OFFER TO SELL, SUBSCRIBE OR TRADE, OR A SOLICITATION TO PURCHASE, SUBSCRIBE OR TRADE, FINANCIAL INSTRUMENTS/PRODUCTS, OR IN GENERAL TO INVEST, NOR MUST IT BE CONSIDERED ANY FORM OF CONSULTING FOR AN INVESTMENT IN FINANCIAL INSTRUMENTS.

THE INFORMATION PROVIDED IN THIS DOCUMENT MUST NOT BE UNDERSTOOD AS A REQUEST OR SUGGESTION TO CONDUCT OR CARRY OUT A SPECIFIC TRANSACTION.

EACH INVESTOR MUST FORM HIS/HER OWN OPINION BASED EXCLUSIVELY ON HIS/HER ASSESSMENT OF THE ADVISABILITY OF INVESTING. ANY INVESTMENT DECISION MADE ON THE BASIS OF THE INFORMATION AND ANALYSES IN THIS DOCUMENT IS THE EXCLUSIVE RESPONSIBILITY OF THE RECIPIENTS OF THIS DOCUMENT, WHO MUST CONSIDER THIS DOCUMENT MERELY AS A SOURCE OF INFORMATION AND ANALYSIS TO SUPPORT SUCH DECISION.

ANY OPINIONS, FORECAST OR ESTIMATES CONTAINED HEREIN CONSTITUTE A JUDGEMENT AS AT THE DATE OF THIS DOCUMENT, AND THERE CAN BE NO ASSURANCE THAT THE FUTURE RESULTS OF THE COMPANY AND/OR ANY FUTURE EVENTS WILL BE CONSISTENT WITH ANY OF SUCH OPINIONS, FORECAST OR ESTIMATES.

KT&PARTNERS MAKES NO EXPLICIT OR IMPLICIT GUARANTEE WITH RESPECT TO PERFORMANCE OR THE OUTCOME OF ANY INVESTMENT OR PROJECTIONS MADE.

THEREFORE, KT&PARTNERS, ITS REPRESENTATIVES AND/OR EMPLOYEES WILL NOT BE LIABLE FOR ANY EFFECT DERIVING FROM THE USE OF THIS DOCUMENT, AND HEREBY DECLINE ALL LIABILITY FOR ANY DIRECT OR INDIRECT DAMAGES, FINANCIAL OR OTHERWISE, DERIVING FROM ANY USE OF THE INFORMATION IT CONTAINS.

KT&PARTNERS AIMS TO PROVIDE CONTINUOUS COVERAGE OF THE COMPANY IN CONJUNCTION WITH ANY EXCEPTIONAL EVENT THAT OCCURS AFFECTING THE ISSUER'S SPHERE OF OPERATIONS AND IN ANY CASE AT LEAST TWICE PER YEAR.

IN THIS STUDY DCF AND MULTIPLE VALUATION MODELS HAVE BEEN USED. RECOMMENDATIONS FOLLOW THE FOLLOWING RULES:

- ADD – FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD – FOR A FAIR VALUE < 15% o > -15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE < -15% ON CURRENT PRICE



Via della Posta, 10 - Piazza Affari, 20123 Milano - Italy  
Tel: +39.02.83424007 Fax: +39.02.83424011  
[segreteria@ktepartners.com](mailto:segreteria@ktepartners.com)