

FY21 preliminaries; guidance raised

March, 2nd at 18:00

SCIUKER
FRAMES

FY21 preliminary results confirm Group's growth trend

In 2021, Group VoP increased significantly from €23m to €103m, yet below management guidance (€105m) and our estimate (€109m). FY21 revenues include €44.5m from Superbonus 110% (+485% yoy), below management projection at €56m, due to the pandemic outbreak, and below our estimate at €64.3m. Group adjusted EBITDA rose from €6m in 2020 to €28m in 2021, beating our estimate at €26.5m and above the guidance at €25.7m. Adjusted EBITDA margin improved to 27.2% from 26.5% in 2020, well above our estimate at 24.3%. At the end of 2021, net debt was €1.3m, decreasing from €2.4m a year earlier, yet missing our net cash estimate at €4.7m management net cash guidance of €3m. In FY21, the Group cashed in €20.1m from warrants exercise and partially used it to: i) finance the acquisitions of Teknika and GC Infissi (€4.9m); ii) NWC needs; iii) Capex.

Ecobonus confirmed at 70% in 2024 for its key role in reducing CO2 emissions

According to the 2022 Italian Budget Law draft, the Ecobonus is confirmed at 110% in 2023 and reduced to 70% in 2023 and to 65% in 2025. The Ecobonus is considered a key measure to reduce the CO2 emission as agreed with the European Union. Residential buildings are responsible for most of CO2 emission in cities with windows and frames having a key role in guaranteeing thermal and acoustic insulation. The houses with old fixtures are highly heat dispersive (up to 40% of the total), increasing CO2 levels and bill costs.

Group's guidance raised

Following the confirmation of Superbonus in 2024 and 2025, management raised its 2022-2024 guidance. The Company now expects to reach €232m of revenues in 2024 (vs previous guidance at €155m), from €153m now seen in FY22 (vs previous guidance at €138m). Adjusted EBITDA projection has been raised to €38m from previous guidance €34m in 2022, to reach €58.2m in 2024 (vs previous guidance at €39m). As regards the net financial position, Sciuker Frames now sees net cash at €12.6m at the end of 2022 (vs previous guidance at €10m) to reach net cash of €67m in 2024 (vs previous target at €81m).

Upward revision of our 2022E-2024E estimates

We upward revised our 2022-2024 in order to include FY21 growth and the extension of the Superbonus 110% tax relief until 2024 and 2025, albeit with different methods: at 70% in 2024 and at 65% in 2025. We include in our forecast a better performance of Sciuker core business seen in FY21, but also the continuation of the design and implementation of energy requalification interventions for condominiums and individual family units falling within in tax breaks on construction. Therefore, we now project a 73.8% (vs previous 60.3%) VoP CAGR (2020-2024E), from €103m in 2021 to reach €206m in 2024E (vs previous €149m). We now expect an adjusted EBITDA at €36.4m in 2022E (€33.8m previously estimated), to reach its peak in 2024 at €58.7m (vs prior €40.9m). As regards to the NFP we estimate an FY21 increase in Group net debt from €1.2m (including €17m of investments in the year and the cash out for the acquisitions of GC Infissi and Teknika) to €59.7m in 2024E (vs previous seen at €63.5m of cash).

Valuation updated: Price target raise to €16.1; BUY

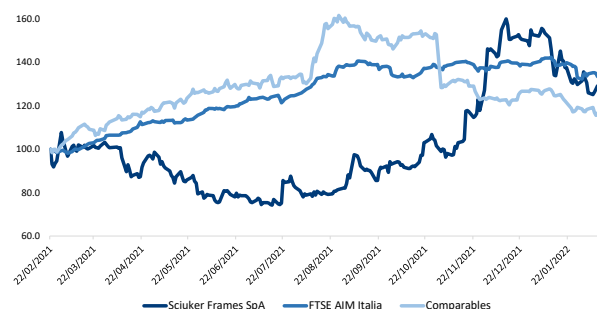
We raise our 12-month price target to €16.1/share from €15.5, as the average of DCF and market multiple valuations. DCF is based on an estimated perpetual yearly cash flow of €16.7m, while our multiple valuation is based on peers' average EV/EBITDA 2022E at 8.8x and adjusted EBITDA in 2022E at €36.4m. Given the significant potential upside on Sciuker's current price, we confirm our BUY recommendation. Potential main risks to our estimates are: on the downside, any negative changes of Eco110 current law assumptions; on the upside, a structured business plan to include the use of fresh cash for further solid growth and improving profitability.

Target price	€16.1	From	€15.5
Recommendation	BUY	from	BUY
Price as of March 2 nd			€8.46
Number of shares (mln)			21.7
Market capitalization (€mln)			183.2
Market segment			FTSE AIM ITALIA
Performance			from IPO
Absolute			+699%
Max / Min			14.25/0.4
Average daily volumes ('000)			381

(€mln)	2020	2021E	2022E	2023E
Revenue	19.1	97.4	133.8	169.5
yoy change	59.7%	410%	37.4%	26.6%
VoP	22.6	102.8	146.1	185.7
yoy change	89.8%	355.1%	42.0%	27.1%
Adj. EBITDA	6.0	27.7	36.4	47.1
margin	26.5%	28.6%	24.9%	25.4%
Adj. EBIT	2.1	21.8	26.1	35.0
margin	9.5%	21.2%	17.8%	18.8%
Net income	2.7	14.8	17.6	23.3
margin	12.1%	14.4%	12.0%	12.5%
NIC	15.1	48.2	57.3	54.9
Net debt (cash)	3.4	1.2	(11.8)	(38.2)
Equity	11.7	47.0	69.1	93.1
FCF	3.3	(22.9)	1.9	19.6

Source: Banca Profilo estimates and elaborations, Company data.

1Y Normalized Performance



Contents

Executive summary	3
<i>Sciuker Frames in a nutshell: key investment drivers</i>	<i>3</i>
<i>Main corporate strategies and 2021E-2024E estimates</i>	<i>4</i>
<i>Valuation</i>	<i>5</i>
SWOT analysis	6
Ecobonus 110%	7
Sciuker sustainability	8
Group structure	10
<i>Teknika acquisition</i>	<i>10</i>
<i>Group structure update</i>	<i>11</i>
FY21 preliminary results	13
<i>FY21 Main operating and financial preliminary data</i>	<i>13</i>
<i>Main operating and financial data</i>	<i>16</i>
Valuation	21
<i>DCF Valuation</i>	<i>21</i>
<i>Relative Valuation on multiples</i>	<i>23</i>
<i>DISCLAIMER</i>	<i>30</i>

Executive summary

Sciuker Frames in a nutshell: key investment drivers

Strong growth in FY21: VoP +355% yoy In 2021, Group VoP increased significantly from €23mln to €103mln (+355% yoy), yet below management guidance (€105mln) and our estimate (€109mln). FY21 revenues include €44.5mln from Superbonus 110% (+485% yoy), below management projection at €56mln, due to the pandemic outbreak, and below our estimate at €64.3mln. Group adjusted EBITDA rose from €6mln in 2020 to €28mln in 2021, beating our estimate at €26.5mln and above the guidance at €25.7mln. Adjusted EBITDA margin improved to 27.2% from 26.5% in 2020, well above our estimate at 24.3%. At the end of 2021, net debt was €1.3mln, decreasing from €2.4mln a year earlier, yet missing our net cash estimate at €4.7mln management net cash guidance of €3mln. In FY21, the Group cashed in €20.1mln from warrants exercise and partially used it to: i) finance the acquisitions of Teknika and GC Infissi (€4.9mln); ii) NWC needs; iii) Capex.

Group's guidance 2021-2024 raised

According to the 2022 Italian Budget Law draft, the Ecobonus is confirmed at 110% in 2023 and reduced to 70% in 2023 and to 65% in 2025. The Ecobonus is considered a key measure to reduce the CO2 emission as agreed with the European Union. Residential buildings are responsible for most of CO2 emission in cities with windows and frames having a key role in guaranteeing thermal and acoustic insulation. The houses with old fixtures are highly heat dispersive (up to 40% of the total), increasing CO2 levels and bill costs.

The Industrial segment as revenues driver in FY21

The revenues deriving from the Industrial segment (Sciuker Frames, GC Infissi and Teknika) were €58.5mln (+290% yoy), higher than management projection at €46mln and beating our estimate at €44.7mln. The remaining part of €44.5mln (+485.5% yoy) derived from the Superbonus 110%, -26% compared to Group business plan estimate and below our forecast at €56mln. This was a negative effect of Covid-19 outbreak, affecting numbers especially in the last quarter of the year.

Ecobonus confirmed at 70% in 2024 for its key role in reducing CO2 emissions

According to the 2022 Italian Budget Law draft, the Ecobonus is confirmed at 110% in 2023 and reduced to 70% in 2023 and to 65% in 2025. The Ecobonus is considered a key measure to reduce the CO2 emission as agreed with the European Union. Residential buildings are responsible for most of CO2 emission in cities with windows and frames having a key role in guaranteeing thermal and acoustic insulation. The houses with old fixtures are highly heat dispersive (up to 40% of the total), increasing CO2 levels and bill costs.

Main corporate strategies and 2022E-2024E estimates

Management raised its guidance to include FY21 growth and Superbonus 110% extension to 2025

Sciuker Frames Group revised upward its business plan targets (disclosed in November), in order to include FY21 growth and the extension of the Superbonus 110% tax relief until 2024 and 2025, albeit with different methods: at 70% in 2024 and at 65% in 2025.

Thus, management revised upward its 2024 guidance to include not only a better performance of Sciuker core business, but also the continuation of the design and implementation of energy requalification interventions for condominiums and individual family units falling within in tax breaks on construction.

The Group confirmed its key strategic 2021-2024 lines:

- increasing the B2B business through the acquisition of management projects, which give higher margins and visibility;
- growing in Italy through expansion and diversification of its distribution network;
- expanding in foreign markets through partnerships and M&A;
- investing in machinery to increase the production capacity;
- expanding the product range through M&A;
- reducing CO2 emission at 55% until 2030 and become carbon-neutral until 2050.

Finally, the Group has a long-term aim to invest its cash through M&A deals to expand its business both in terms of products and markets.

2021E-2024E raising estimates due to Superbonus postponement and Group synergies

Therefore, we now project a 73.8% (vs previous 60.3%) Value of Production CAGR (2020-2024E), from €103mIn in 2021 to reach €206mIn in 2024E, well above our previous estimate of €149mIn as we include Superbonus 110% postponement in Ecospace's FY24 revenue.

Moreover, we project: i) double-digit revenue growth in Sciuker Frames driven by strategic partnerships; ii) GC Infissi growth at a CAGR 2020-2024E of 67% to €39mIn in 2024 and iii) Teknika sales to growth at a CAGR 2020-2024E at 50% to €32mIn in 2024, both due to Group synergies driven by the integration in one Group product as the HOLE BOX.

2021E-2024E strong growth supported by all integrated businesses

In 2022E-2024E period we used the same backlog-revenue mechanism in Ecospace that we used in 2020 and 2021E: 70% of orders to become turnover the year of intake and the remaining 30% the following year.

More in details we expect Ecospace order backlog to stand at €165mIn in 2022E, vs our previous forecast at €140mIn. We raised our estimate in 2022E as we consider a recover in the Ecospace activity from the stop in 2021E due to Covid-19.

Ecobonus as Ecospace booster

As regards to Sciuker Frames, we include in our revenues estimates the strategic partnerships with Enel X and AbitareIn as growth contributors in 2021E-2024E (€38mIn) Moreover, in 2021E-2024E, Sciuker sales through Ecospace activity will be the booster for Company revenues. In details, we now estimate an increase in Sciuker revenues from €45mIn in 2021 to €78mIn in 2024E (€38mIn in 2022 to €71mIn in 2024E).

2021E-2024E: adjusted EBITDA margin at 25% vs previous 24%

We now expect an adjusted EBITDA at €36.4mIn in 2022E (€33.8mIn previously estimated), to reach its peak in 2024 at €58.7mIn (vs prior €40.9mIn). As regards to the NFP we estimate an FY21 increase in Group net debt from €1.2mIn (including €17mIn of investments in the year and the cash out for the acquisitions of GC Infissi and Teknika) to €59.7mIn in 2024E (vs previous seen at €63.5mIn of cash).

Valuation

<i>DCF approach to appraise a fast-growing business model</i>	Given our expectations of positive FCFs starting from 2021, we used a DCF model as a valuation method.
<i>Multiple valuation on fixture manufacturing players</i>	Furthermore, despite there is no listed entity which is completely comparable to Sciuker, we have selected a sample of listed players active in the larger industry of Fixtures Manufacturing.
<i>A selected sample of listed comparables in the Fixture Manufacturing industry: EV/EBITDA 2022E at 8.8x</i>	<p>We provide a list of peers that best adapts to Sciuker Frames business model. We concentrate our selection on listed players active in a business similar to Sciuker's one, the larger industry of Fixtures Manufacturing. Within this sector we selected: Deceuninck NV (Belgium), Agta Record Ltd (Switzerland), Inwido AB (Sweden), Eurocell Plc (UK), SafeStyle Plc (UK), Apogee Enterprises (USA), Pgt innovations (USA), Edac (IT), Nusco (IT).</p> <p>Our sample of similar players active in the larger Fixtures Manufacturing industry, shows a medium value EV/EBITDA 2022E of 8.8x.</p>
<i>DCF assumptions: €16.7mIn average yearly FCF</i>	<p>To run a DCF model, we use our projections of unlevered FCFs for the 2021-2024 explicit period: €45mIn cumulated and €11.3mIn as yearly average (vs previous €34.2mIn and €8.6mIn respectively).</p> <p>To assess the Terminal Value, we used what we consider a perpetually sustainable free cash flow at €19.5mIn (vs previous €18.9mIn), given by the average of the FCFs in the period 2022-2023.</p> <p>We end up with a WACC slightly below our previous estimates (6.1% vs 6.8%) due to a decrease in Ke from 10.2% to 8.9%.</p> <p>Finally, we assumed 2% perpetual growth rate (unchanged).</p>
<i>DCF valuation: €17.7/share</i>	<p>The DCF method leads us to an Enterprise Value of €385.7mIn (vs previous €349.9mIn) and to an Equity Value of €382.5mIn (vs previous €354.6mIn) showing a fair value of €17.61/share (vs previous €16.33/share).</p> <p>Moreover, in the DCF we include net debt at the end of 2021E at €1.9mIn (vs previous €4.7mIn of cash).</p>
<i>Market multiples valuation: €14.5/share</i>	Our relative valuation is based on peers' average EV/EBITDA 2022E at 8.8x. Following the postponement of Superbonus 110% until 2025, we used the adjusted EBITDA in 2022E at €36.4mIn. This leads to an Equity Value of €317.4mIn (vs previous €317.1mIn) or €14.5/share (vs previous before €14.6/share).
<i>TP at €16.1/share (vs previous €15.5/share); BUY confirmed</i>	We set our 12-month Target Price at €16.1/share as the average of DCF and market multiple valuations. Given the significant potential upside on Sciuker's closing price (as of 2 nd March 2022), we confirm our BUY recommendation.

SWOT analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Leader manufacturer of high-quality windows • Strong company commitment in eco-sustainable practices • Strongly investing on corporate culture, brand and innovative marketing • A structured, trained sales force driven by commercial performance • Industrialized production techniques in a sector traditionally characterized by craftsmanship • Distinctive product portfolio • A wide portfolio of patented products • High margins and cash generator driven by a rigorous cost and working capital management • Fresh cash-in deriving from the warrant exercise for further solid growth and improving profitability • New synergies deriving from GC Infissi and Teknika acquisition 	<ul style="list-style-type: none"> • NWC optimization needed • Competition by PVC windows have lower production costs • A low-structured Finance Department • Sciuker Ecospace revenue growth path is high related to tax incentive Ecobonus 110%
OPPORTUNITY	THREATS
<ul style="list-style-type: none"> • Very fragmented Italian reference market • Roll out of management contracts • "Ecobonus" • Ad-hoc international partnerships and/or bolt on acquisitions • Large potential Italian addressable market 	<ul style="list-style-type: none"> • Competition within existing players, especially large manufacturers • High growth rates could lead to cost management issues • Company size • Unexpected changes in the Eco110 law

Ecobonus 110%

Ecobonus is expected to be postponed until 2025 as driver to CO2 emission reduction

In the 2022 draft Italian Budget Law, the Ecobonus deduction will remain at 110% on expenses occurred until 31 December 2023. The discount will be reduced to 70% for expenses made in 2024, while for expenses falling in 2025, the tax deduction will be put down to 65%.

The Ecobonus is considered a key measure to reduce CO2 emission as agreed with the European Union. Residential buildings are responsible for most of CO2 emission in cities. In our projections, we assumed a 50% chance for the extension of Ecobonus.

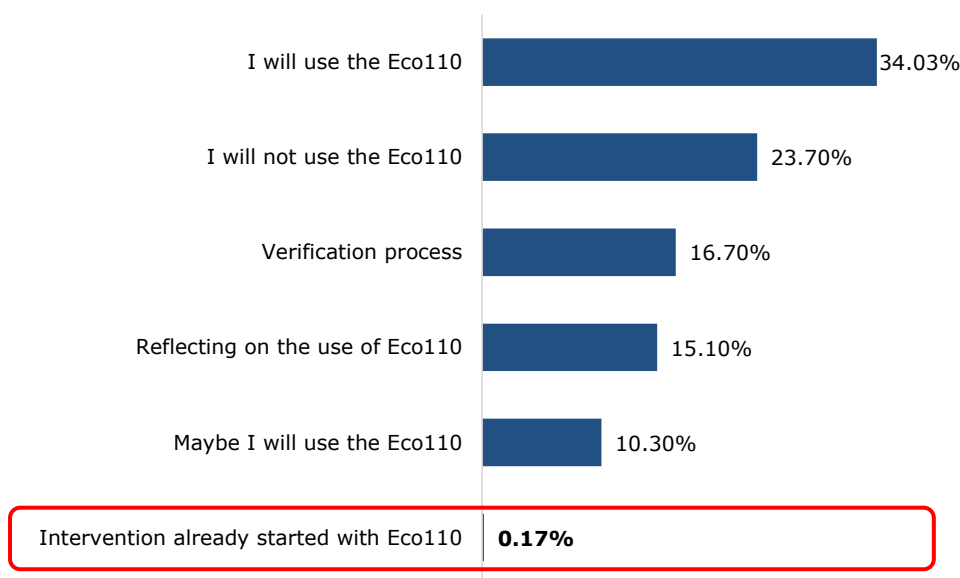
Only the 0.17% of renovation intervention started with the Eco110

In June 2020, the Italian Government approved the "Super Bonus" allowing 110% tax reduction for energy efficiency building restructuring from July 2020 to December 2021. The Ecobonus will keep playing a key driver for the construction industry as it increases the demand for energy-saving real estate restructuring.

There are €18.6bn allocated by the previous Italian Government (including €10.26bn from the Recovery Fund) for energy renovation intervention until 2022. At the end of April, in the "Piano Nazionale per la Ripresa e Resilienza (Pnrr)" current Government announced the extension of the Law until June 2023, but only for public housing.

In March 2021, only the 0.17% of Italian population has already started renovation intervention through the Ecobonus; 34% would like to start, while 17% is on verification process.

Figure 1: Use of Ecobonus 110%

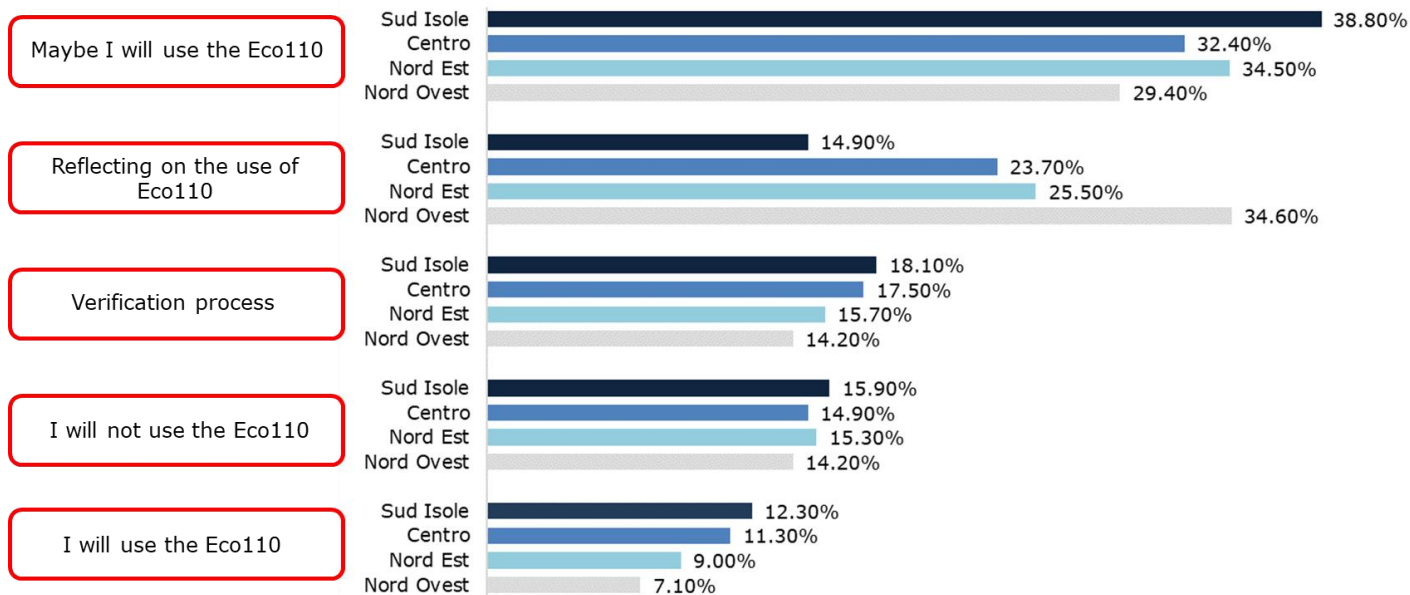


Source: Mikaline reaserch

The South of Italy showed a great attitude to use the Eco110

Most of the people that showed a good inclination to use the Ecobonus 110% are located in the south of Italy, where Sciuker is mostly active through Ecospace.

Figure 2: Geographical breakdown about Eco110% appeal



Source: Mikaline research

Campania: the fourth region in terms of invested amount

At the end of September, investments with requirements for Ecobonus 110% detractions were about 46.2k worth €7.5bn. The highest number of observations was related to single-family house whereas, in terms of condominiums, these led with €3.6bn.

Lombardia is the main region both in terms of units and value, respectively at 6.3k depositions and €1.3bn. Campania, that is Sciuker’s reference market, is the fourth region in terms of amount invested (€627.5mln).

Sciuker sustainability

Windows and frames play a key role to reduce CO2 emissions

Windows and frames have a key role in guaranteeing thermal and acoustic insulation. The houses with old fixtures are characterized by a high volume of heat dispersion (up to 40% of the total), which increase CO2 levels and bill costs.

Almost the 70% of the 12mln residential buildings in Italy were built before the enactment of the anti-seismic and energy efficiency regulations. Thus, there replacement of old fixtures with high-performance products could potentially bring significant short-term benefit in both environmental and economic terms.

Therefore, the company mission, is to improve the living comfort of the condominium through the installation of new fixtures, thermal insulation, photovoltaic systems and electric columns. To date, the Sciuker Group has reduced CO2 emissions by approximately 17,000 tons, increasing the average value of the property by 20%.

Sciuker Frames 100% recycles wood waste

Since its foundation, the company produces windows with the minimum use of plastic materials and highly performing in terms of thermal and acoustic insulation with respect to the external environment.

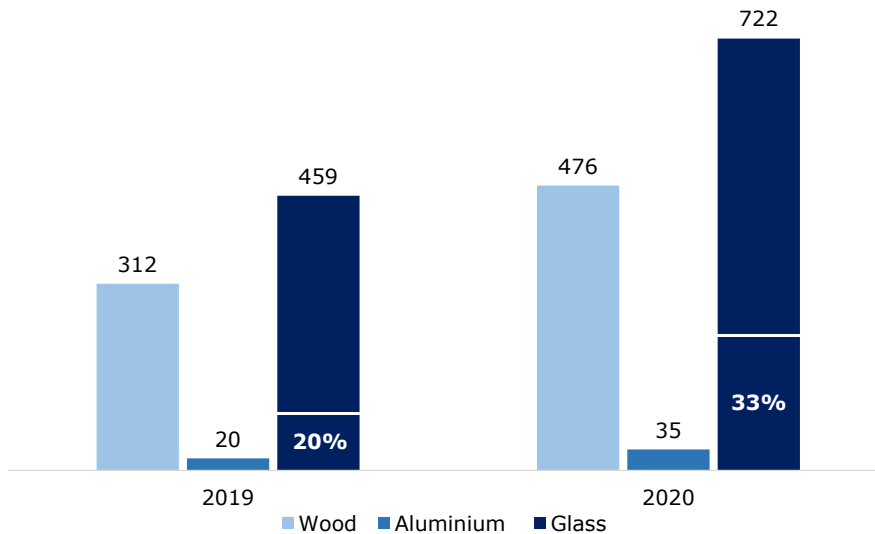
The main materials used by Sciuker Frames are:

- wood, 100% FSC certified forests, in full respect of the territory and biodiversity;

- aluminium, 100% UNI 6060 certified or REACH6 (laminar aluminium);
- the glass, 100% Saint Gobain certified.

The wood, once it reaches the end of its life, follows a real recycling process. Thanks to the Circle Frames Project, a circuit created in partnership with accredited suppliers the wood waste becomes secondary raw material useful for the creation of new panels ecological and is used for heating the production plant and sold to local pellet producers. The significant increase in the use of raw materials compared to 2019 is attributable to the increase in orders registered in 2020 driven by the Ecobonus 110%.

Figure 3: Raw material consume (ton; in % the amount recycled)



Source: Banca Profilo elaborations on Company data

High degree of attention to ESG issues, with remarkable initiatives in the environmental sustainability

#Sciukerforplanet project

Sciuker Frames has always paid great attention to sustainability and corporate social responsibility. For almost 1/4 of a century, it has been designing and manufacturing only natural windows with the use of low environmental impact materials and processes.

In February 2018, the Sciuker Frames Forest was born, with the support of the Ministry of the Environment, which will offset 1,000,000 kg of CO2 starting from 2018, through the creation of new green lungs in Italy.

Sciuker’s customers has the possibility to adopt a tree in their name in the Sciuker Frames Forest. They will be able to monitor its growth and, also, the offset CO2, through the 4planet.sciuker.it website. During its life cycle, each tree can compensate on average for the CO2 produced by a home refrigerator over a period of 7 years or 600 journeys in the Milanese underground from Rho to Sesto. Together with the tree, Sciuker Frames also gives customers “Sprout”, a pencil with a seed of plants with the aim to make a small "green" contribution.

A factory environment friendly

Sciuker Frames factory was designed to be as efficient as possible paying close attention to the environment:

- thanks to 1,368 photovoltaic panels installed on the roof of Sciuker’s production plant, every year the Group offset about 80% of energy needs. For instance, in 2017 the Group avoided the production of 151,616 kg of CO2 into the atmosphere, equivalent to 500 planted trees;
- optimization of processing waste: the 100% of the wood wasted from the

production of windows and frames is used for heating the production plant and sold to local pellet producers;

- Sciuker's employees mostly use methane cars, to reduce pollution;
- for several years Sciuker has adopted a scrupulous recycling. 70% of product's waste is recycled and reintroduced into the market. This is mainly thanks to the use of natural and 100% recyclable raw materials, such as wood and aluminium;
- Sciuker's wood grows only in properly managed and certified PEFC and FSC forests, in full respect of the territory and biodiversity.

Group structure

Teknika acquisition

Teknika acquisition

On 10th November, Sciuker Frames announced the acquisition of the 60% of Teknika Group for €2.9mIn (4.3x 2021 EBITDA).

Teknika is a company based in Piedmont, in the province of Novara (Cressa) established in 2006 from the union of the expertise in mosquito nets developed over many years of experience by the two partners Alberto and Emanuele Verdina.

The company has a share capital of €50k, previously held in equal parts by Mr. Alberto Verdina and Mr. Emanuele Verdina, which cover operational roles and they also represented respectively the Chairman and Chief Executive Officer of the Company.

Teknika produces from 300 to 600 (peak season) mosquito nets per day

More in details, thanks to a production plant of about 7,000 square meters, Teknika manufactures an average of 300 mosquito nets per day, with peaks to 600 per day in May to July. However, Teknika could increase its current daily production by about 200 unit acquiring new production lines with an estimated investment of about €15k and introducing 4 new people.

As regards to mosquito nets, the catalogue includes the production and sale of various types of mosquito nets: outdoor, pleated line, built-in, large dimensions, fixed panels, roller blinds and Venetian blinds. Tenkinka also produced and sales a product line dedicated to roller shutters and sunshades.

Teknika commercial structure includes 4 employees dedicated exclusively to the commercial activity as well as executive customers. Geographic distribution mainly refers to Piedmont, Lombardy, Liguria, Valle d'Aosta and France.

FY20: €6.1mIn; 11% EBITDA margin

Teknika currently employs 50 people and in 2020, it reported €6.1mIn of revenues with an EBITDA of €675k, meaning a margin at 11%; net cash stood at €330k at the end of December.

As regards 2021 forecast of the stand-alone the Company foresaw revenue of €8mIn, with an EBITDA of €0.9mIn and a positive NFP.

FY24E: sales at €30mIn driven mainly by Group synergies

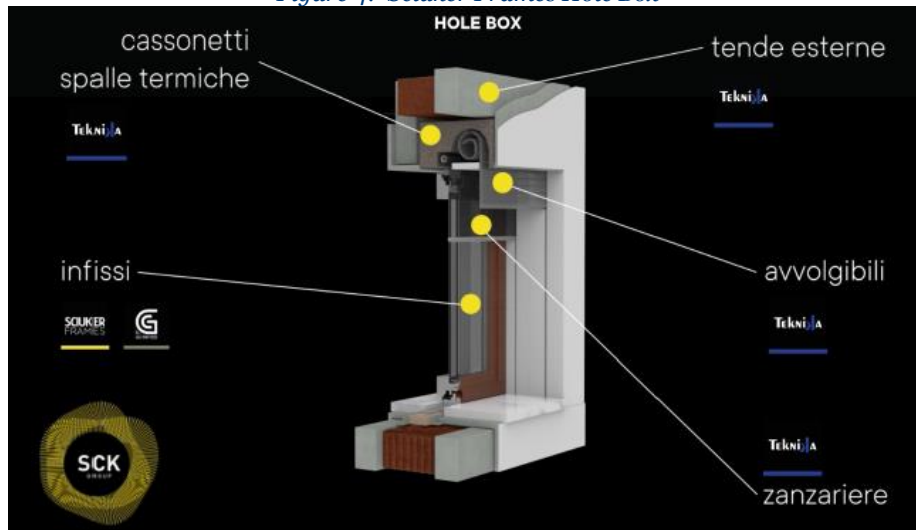
Considering synergies within the Group, in 2024 Sciuker projects Teknika revenues at €30mIn with an EBITDA margin at 24% taking advantage from: i) Group's retail distribution; ii) partnerships with consolidated customers and iii) Superbonus 110%.

Teknika contributes to the expansion of Sciuker Frames HOLE BOX offering

Following Teknika acquisition, Sciuker Frames Group has become the first pole of frames and solar shading with a Made in Italy design. The acquisition of Teknika allows the Group to significantly expand its offering integrating frames with accessories like mosquito nets, roller shutters, thermal insulating monoblocks, external curtains and bioclimatic pergolas. Thus, the Group expands its own HOLE BOX, a complete and integrated offering with fixtures and accessories ready for the

market of the energy efficiency of the Italian housing stock.

Figure 4: Sciuker Frames Hole Box



Source: Company data

Acquiring the 60% of Teknika for €2.9mln

As regard to the acquisition structure, Sciuker Frames bought 30% from each owner (Emanuele and Alberto Verdina). The cost of acquisition is €2.9mln, to be paid on the closing date (estimated before December, the 31st 2021) in i) cash for €2.2mln and ii) 46,700 treasury shares valued €15 each, on which the sellers have entered a lock-up commitment until January the 15th 2026. If, on January the 1st 2026, the shares of Sciuker Frames have a lower value than €15/share, Sciuker will pay the sellers an amount equal to the difference between the guaranteed value and the arithmetic average between December the 1st and the 31st 2025.

In addition to the Price, it is envisaged that, if 2022 "revenues from sales and services" are higher than €12mln, Sciuker Frames will pay the Sellers an additional €1mln.

Moreover, Emanuele Verdina will hold the CEO position and Alberto Verdina the Chairman position in Teknika.

Teknika get a foothold in South America

Sciuker Group through its subsidiary Teknika has started a strategic partnership for the production and distribution of accessories and mosquito nets in South America. TekniBraz is a spin-off of Teknika, which has recently inaugurated its new operational headquarter in Goiânia, a metropolis with over 2 million inhabitants not far from Brasilia. The Group started in Italy the processes and quality control activities of the latest collection "Ottika" for mosquito nets. This represents a key step to start production in the short term and proceed with commercial distribution in Brazil starting from February 2022.

Group structure update

Shareholders:
Cipriano Family at 51%; 42% free float

The Group is controlled by Marco Cipriano, founder and CEO, and by Romina Cipriano, with a cumulated 51% stake through the holding H.Arm. Free Float is 42%.

SCK Group the first frames polo made in Italy

Sciuker Frames Group become the first pole of frames and solar shading with a Made in Italy design. Through the acquisitions the Group significantly expand the range of its windows, frames and accessories, producing one full-integrated product: the HOLE

BOX with fixtures and accessories ready for the energy efficiency market.

Ecospace

In July 2020, Sciuker announced the acquisition of 80% of a start-up called Ecospace. The Startup is active in the energy efficiency interventions such as thermal insulation, including fixtures replacement, photovoltaic systems, both within condominiums and single-family houses.

GC Infissi

At the end of April 2021, Sciuker announced the acquisition of 63.5% of GC Infissi based in Piedmont. The Company is mainly active in the production and processing of windows and frames in PVC (representing the 90% of its business) and also in the production of doors. Since 2017, GC has diversified its product range into aluminium windows. Thanks to a production space of 10k square meters, GC Infissi can produce up to 150 units per day. According to 2020 preliminary results the Company should registers revenues at €8.4mln (-17% yoy due to Covid-19 impact) and an EBITDA adjusted margin at 1.51% (down from previous 4.31%).

Through GC Infissi Sciuker Frames took the opportunity to enter in the business of PVC windows and frames, which represents the biggest market share. Moreover, both Companies could benefit of economies of scale in terms of cost saving and stronger relationship with suppliers.

Sciuker Group acquired the Company for €2mln of cash (representing 10% of cash in from warrants exercise) plus 50.000 of Sciuker's shares.

Teknika

Teknika is a company based in Piedmont, in the province of Novara (Cressa) established in 2006 from the union of the expertise in mosquito nets developed over many years of experience by the two partners Alberto and Emanuele Verdina.

With a production space of about 7,000 square meters, Teknika produces an average of 300 mosquito nets per day, with peaks of 600 per day in the periods from May to July.

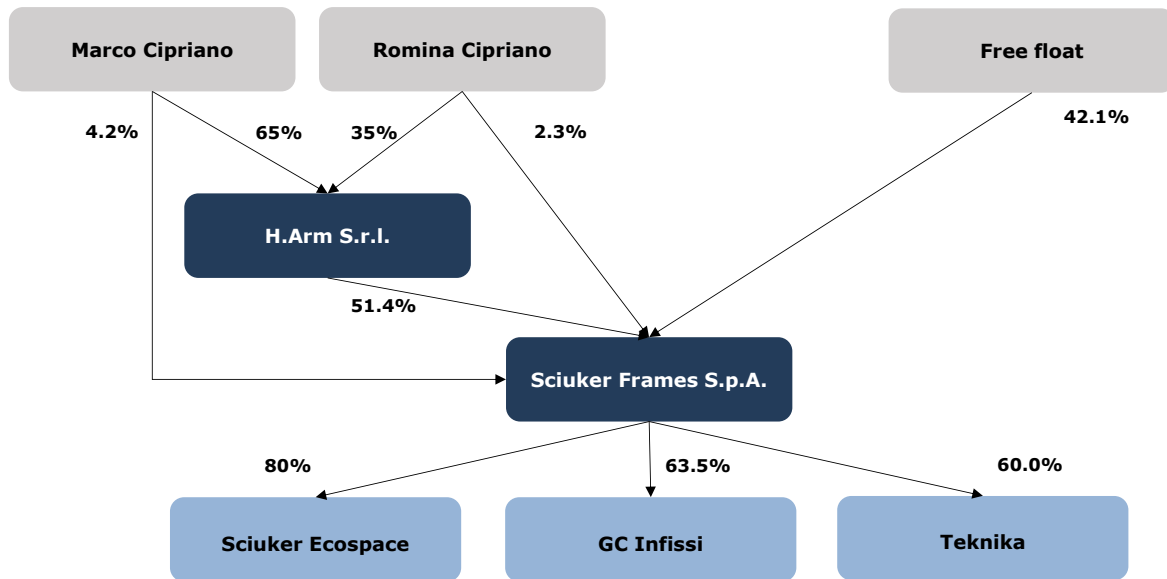
As regards mosquito nets, the catalogue includes the production and sale of various types of mosquito nets: outdoor, pleated line, built-in, large dimensions, fixed panels, roller blinds and Venetian blinds. Tenkinka also produced and sales a product line dedicated to roller shutters and sunshades.

Company end market is mainly related to Piedmont, Lombardy, Liguria and Valle d'Aosta and France.

Teknika currently employs 50 people and at the end of 31 December 2020 the Company reported €6.1mln of revenues with an EBITDA of €675k, meaning a margin at 11% and a net cash of €330k.

Sciuker Frames Group acquired Teknika on 10th November for €2.9m (€2.2mln in cash and €0.7mln through Sciuker Frames shares).

Figure 5: Group structure



Source: Banca Profilo elaborations on Company data

FY21 preliminary results

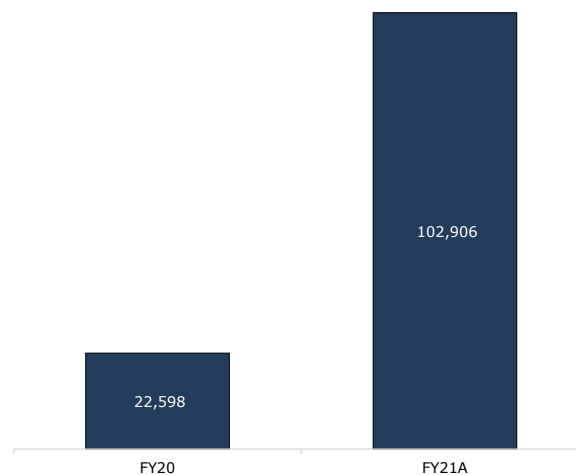
FY21 Main operating and financial preliminary data

**Strong growth in FY21:
revenues +356% yoy**

Sciuker Frames Group reported consolidated preliminary revenues at €103mIn, in line with its business plan (€105mIn) and below our estimates at €109mIn where we expected a higher Ecospace contribution.

Sciuker Frames showed revenues increase of +355.8% yoy driven by the two acquisitions, GC Infissi and Teknika but also given by higher Group synergies and Superbonus 110% contribution.

Figure 6: Sciuker Frames revenue FY20 vs FY21A



Source: Banca Profilo elaborations on Company data

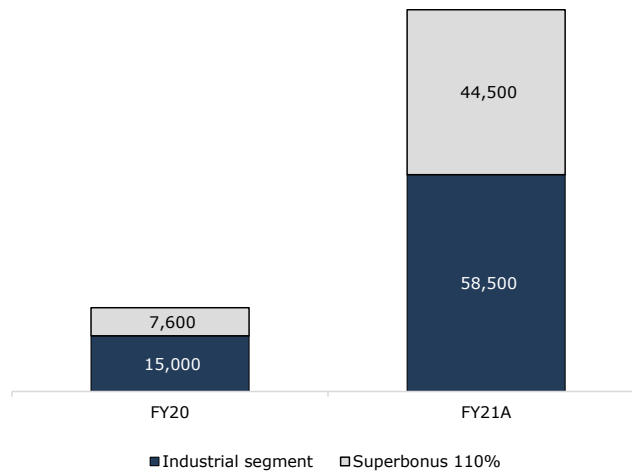
**The Industrial segment
as revenues driver in
FY21**

The revenues deriving from the Industrial segment (Sciuker Frames, GC Infissi and Teknika) were €58.5mIn (+290% yoy), higher than management projection at €46mIn and beating our estimate at €44.7mIn.

The remaining part of €44.5mIn (+485.5% yoy) derived from the Superbonus 110%, -26% compared to Group business plan estimate and below our forecast at €56mIn. This was a negative effect of Covid-19 outbreak, affecting numbers especially in the

last quarter of the year.

Figure 7: Revenue breakdown FY20-FY21A by segment

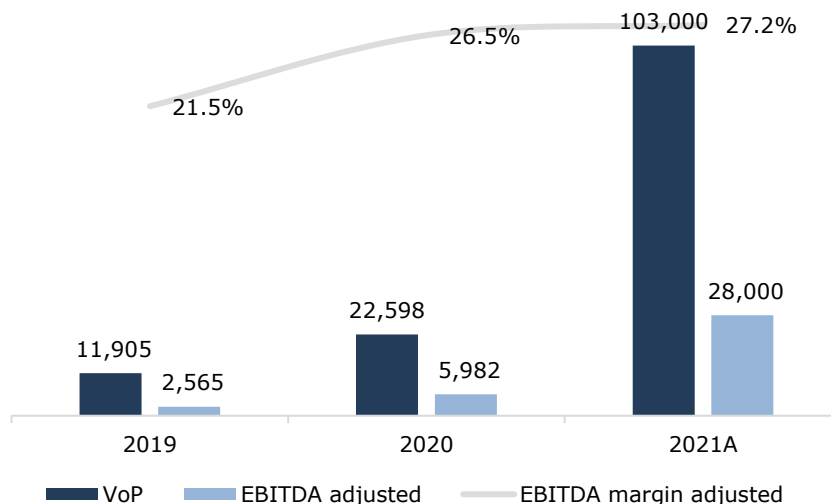


Source: Banca Profilo elaborations on Company data

Adj EBITDA margin at 27.2% from 26.5% in FY20

According to preliminary results, adjusted EBITDA increased from €6mln in FY20 to €28mln in FY21, above our estimate of €26.5mln and management projection at €25.7mln. The adjusted EBITDA margin stood at 27.2% (26.5% in FY20), well above our forecast at 24.3% and management estimate at 24.5%. Adjusted EBITDA includes €17.1mln coming from the Industrial unit and €10.9mln deriving from Ecospace. In terms of marginality, core business showed an EBITDA margin at 29%, whereas Ecospace was at 24.4%.

Figure 8: Sciuker revenue and margins FY19-FY21 (€/000 and %)



Source: Banca Profilo elaborations and estimates on Company data

At the end of 2021 net debt at €1.3mln from €2.4mln in FY20

At the end of 2021, net debt stood at €1.3mln (vs our estimate and management guidance of net cash at €4.7mln and €3mln respectively), decreasing from the €2.4mln at the end of 2020. In FY21, Sciuker Frames cashed in €20.1mln from

warrant exercise and used €4.9mIn to finance the two acquisitions, GC Infissi and Teknika. Group net debt is below forecasts due to lower-than-expected Ecospace revenues and higher cash out from Net Working Capital.

Raising 2021-2024 following business plan upward revision

Main operating and financial data

Management raised its guidance to include FY21 growth and Superbonus 110% extension to 2025

Sciuker Frames Group revised upward its business plan targets (disclosed in November), in order to include FY21 growth and the extension of the Superbonus 110% tax relief until 2024 and 2025, albeit with different methods: at 70% in 2024 and at 65% in 2025.

Thus, management revised upward its 2024 guidance to include not only a better performance of Sciuker core business, but also the continuation of the design and implementation of energy requalification interventions for condominiums and individual family units falling within in tax breaks on construction.

The Group confirmed its key strategic 2021-2024 lines:

- increasing the B2B business through the acquisition of management projects, which give higher margins and visibility;
- growing in Italy through expansion and diversification of its distribution network;
- expanding in foreign markets through partnerships and M&A;
- investing in machinery to increase the production capacity;
- expanding the product range through M&A;
- reducing CO2 emission at 55% until 2030 and become carbon-neutral until 2050.

Finally, the Group has a long-term aim to invest its cash through M&A deals to expand its business both in terms of products and markets.

Figure 9: 2021-2024 Sciuker Frames business plan revision

				PRE	NEW	PRE	NEW	PRE	NEW
HIGHLIGHTS	2019 A	2020 A	2021 A	2022 E	2022 E	2023 E	2023 E	2024 E	2024 E
REVENUE [€/M]	11,9	22,6	103,0	138,0	153,0	190,0	205,0	155,0	231,9
di cui Polo Industriale	11,9	15,0	58,5	70,0	85,0	102,0	117,0	155,0	170,0
di cui Superbonus 110%	-	7,6	44,5	68,0	68,0	88,0	88,0	-	61,9
EBITDA [€/M]	2,6	7,7	29,7	41,1	44,9	57,7	61,6	39,0	64,8
EBITDA ADJ [€/M]	2,6	6	28	34,3	38,1	48,9	52,8	39,0	58,2
EBITDA ADJ margin %	21,8%	26,5%	27,2%	24,9%	24,9%	25,7%	25,7%	25,1%	25,1%
NET DEBT [€/M]	7,6	2,4	1,3	-10,3	-12,6	-33,6	-38,4	-81,2	-67,5

Source: Banca Profilo elaborations and estimates on Company data

2021E-2024E raising estimates due to Superbonus postponement and Group synergies

Therefore, we now project a 73.8% (vs previous 60.3%) Value of Production CAGR (2020-2024E), from €103mIn in 2021 to reach €206mIn in 2024E, well above our previous estimate of €149mIn as we include Superbonus 110% postponement in Ecospace's FY24 revenue.

Moreover, we project: i) double-digit revenue growth in Sciuker Frames driven by strategic partnerships; ii) GC Infissi growth at a CAGR 2020-2024E of 67% to €39mIn in 2024 and iii) Teknika sales to growth at a CAGR 2020-2024E at 50% to €32mIn in 2024, both due to Group synergies driven by the integration in one Group product as the HOLE BOX.

2021E-2024E strong growth supported by all integrated businesses

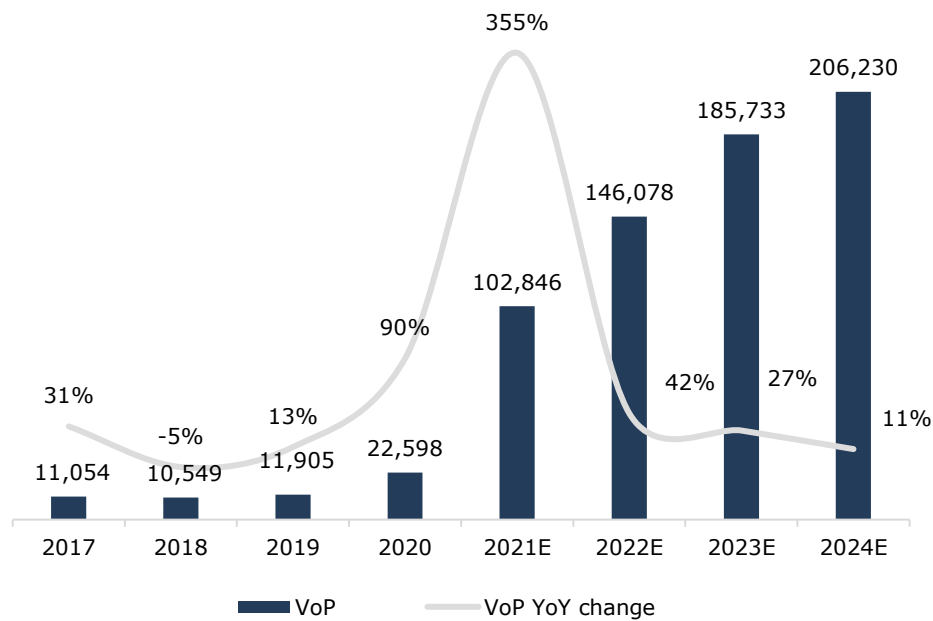
In 2022E-2024E period we used the same backlog-revenue mechanism in Ecospace that we used in 2020 and 2021E: 70% of orders to become turnover the year of intake and the remaining 30% the following year.

Ecobonus as Ecospace booster

More in details we expect Ecospace order backlog to stand at €165mIn in 2022E, vs our previous forecast at €140mIn. We raised our estimate in 2022E as we consider a recover in the Ecospace activity from the stop in 2021E due to Covid-19.

As regards to Sciuker Frames, we include in our revenues estimates the strategic partnerships with Enel X and AbitareIn as growth contributors in 2021E-2024E (€38mIn) Moreover, in 2021E-2024E, Sciuker sales through Ecospace activity will be the booster for Company revenues. In details, we now estimate an increase in Sciuker revenues from €45mIn in 2021 to €78mIn in 2024E (€38mIn in 2022 to €71mIn in 2024E).

Figure 10: Sciuker Group revenue trend 2017-2024E (€/000 and %)

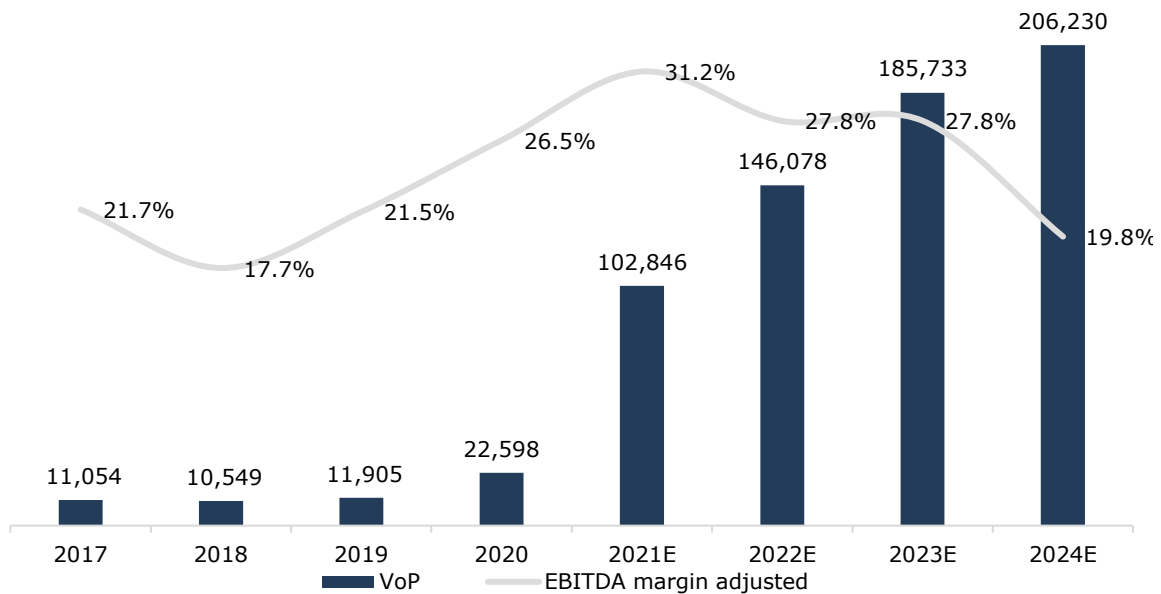


Source: Banca Profilo elaborations and estimates on Company data

2022E-2024E cost assumptions

Regarding our costs' assumptions in the period 2021E-2024E, the major cost is represented by service cost, mainly related to Ecospace subcontracts costs in the average of 36% on Group's VoP. Moreover, we also seen an increase of raw materials costs due to higher Sciuker's revenues estimated and the consolidation of GC Infissi and Teknika.

Figure 11: Revenue and EBITDA margin trend 2017-2024E (€/000 and %)



Source: Banca Profilo elaborations and estimates on Company data

2021E-2024E: adjusted EBITDA margin at 25% vs previous 24%

We now expect an adjusted EBITDA at €36.4mln in 2022E (€33.8mln previously estimated), €47.1mln in 2023 (vs prior €45.6mln) in 2023 to reach its peak in 2024 at €58.7mln (vs prior €40.9mln) as we now introduce the Ecobonus postponement in 2024E.

In terms of margin we now project Adjusted EBITDA margin increasing from 24.9% in 2022E to 25.3% in 2024E (vs previous 24.8% in 2021E to 25.4% 2024E).

We see an increase in both Adjusted EBITDA and marginality thanks to the consolidation of Teknika in Sciuker Frames Group.

Net profit at €24.1mln in 2024E (vs previous €13.9mln)

The projected EBITDA will be partially absorbed by higher financial expenses, due the cost of credit sold considered 11/12 as current expense while the remaining part is attributable to Provision for risks. Moreover, we estimate high D&A due to the consideration of Capex increase to expands the productivity capacity.

We end up with Net profit of €24.1mln in 2024E (vs previous €13.9mln).

Table 1: Sciuker Frames Profit & Loss 2020-2024E

Profit & Loss (€/000)	2020	2021E Old	2021E New	2022E Old	2022E New	2023E Old	2023E New	2024E Old	2024E New
Revenues	19,105	99,921	97,421	124,454	133,828	165,857	169,484	137,730	190,261
Others	3,493	9,192	5,425	11,564	12,250	13,214	16,248	11,660	15,969
Value of production	22,598	109,113	102,846	136,017	146,078	179,071	185,733	149,390	206,230
yoy	89.8%	382.8%	355.1%	24.7%	42.0%	31.7%	27.1%	-16.6%	15.2%
EBITDA	7,682	32,073	29,435	40,595	43,198	51,633	55,899	40,932	58,674
margin	34.0%	29.4%	28.6%	29.8%	29.6%	28.8%	30.1%	27.4%	28.5%
Cost of fiscal credit sold	(1,700)	(5,600)	(1,700)	(6,800)	(6,800)	(6,000)	(8,800)	(3,000)	(6,600)
EBITDA Adjusted	5,982	26,473	27,735	33,795	36,398	45,633	47,099	37,932	52,074
margin	26.5%	24.3%	27.0%	24.8%	24.9%	25.5%	25.4%	25.4%	25.3%
D&A	(1,607)	(4,925)	(4,925)	(7,974)	(7,974)	(9,148)	(9,148)	(10,246)	(10,246)
Provision for risks	(2,226)	(1,298)	(973)	(2,353)	(2,353)	(2,755)	(2,989)	(2,505)	(2,805)
EBIT Adjusted	2,149	20,249	21,837	23,468	26,071	33,730	34,963	25,180	39,023
margin	9.5%	18.6%	21.2%	17.3%	17.8%	18.8%	18.8%	16.9%	18.9%
EBIT	3,849	25,849	23,537	30,268	32,871	39,730	43,763	28,180	45,623
margin	17.0%	23.7%	22.9%	22.3%	22.5%	22.2%	23.6%	18.9%	22.1%
Net financial expenses	(9)	(5,982)	(2,407)	(7,150)	(7,150)	(6,468)	(9,034)	(4,070)	(7,370)
EBT	3,840	19,868	21,130	23,118	25,721	33,262	34,729	24,110	38,253
Taxes	(1,096)	(5,943)	(6,297)	(7,406)	(8,135)	(11,038)	(11,449)	(10,213)	(14,173)
tax rate	28.5%	29.9%	29.8%	32.0%	31.6%	33.2%	33.0%	42.4%	37.1%
Net profit	2,743	13,924	14,833	15,711	17,585	22,224	23,280	13,897	24,080
margin	12.1%	12.8%	14.4%	11.6%	12.0%	12.4%	12.5%	9.3%	11.7%

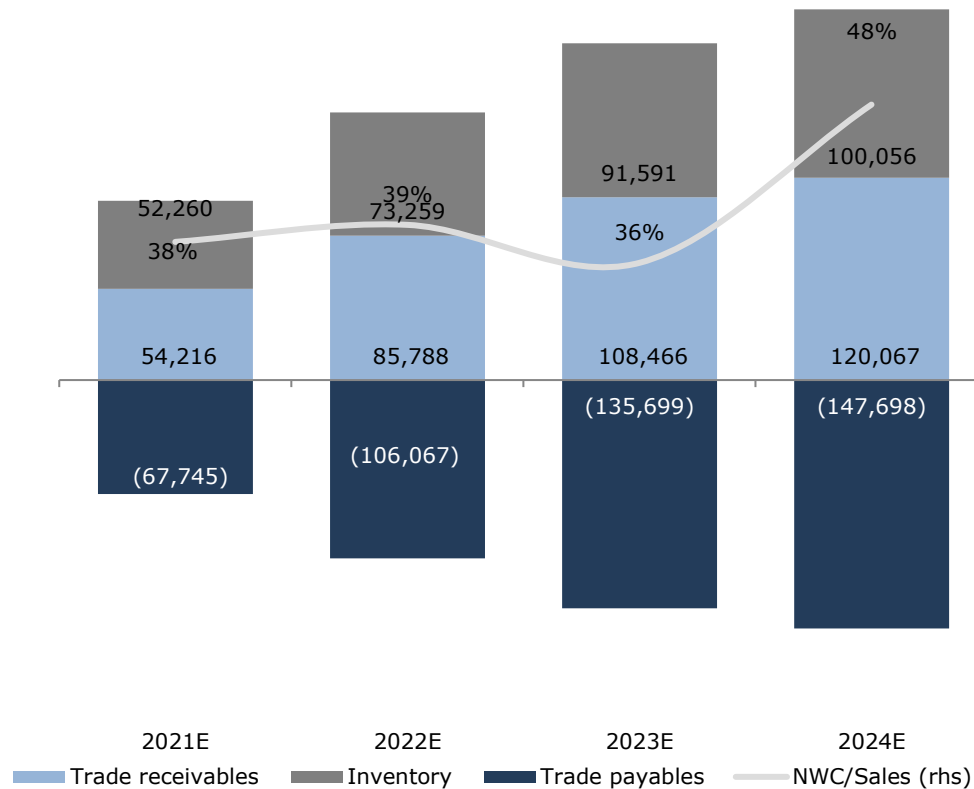
Source: Banca Profilo elaborations and estimates on Company data

Balance Sheet:
significant Capex;
higher ONWC due to
revenue growth

Concerning our Balance Sheet projections in 2021E-2024E, we included:

- €25.1mIn Capex (in line with our previous estimates), investing the net cash derived from the warrant exercise mainly in i) Sciuker's production capacity expansion; ii) group synergies.
- operating Net Working Capital at €72.4mIn in 2024E (vs previous €34.2mIn in 2024E), from €53mIn in 2022E (previously estimated at €40mIn), reflecting the increase of Ecospace revenues in 2024E and the higher revenues deriving from the Industrial segment. In 2022E-2024E Operating NWC is now projected at 29.1% of sales (vs previous 29.8%).

Figure 12: Net working capital composition and dynamics (€/000 and %)



Source: Banca Profilo elaborations and estimates on Company data

Table 2: Sciuker Frames Balance Sheet 2020-2024E

Balance Sheet (€/000)	2020	2021E Old	2021E New	2022E Old	2022E New	2023E Old	2023E New	2024E Old	2024E New
Stock	5,939	44,482	52,260	58,808	73,259	83,021	91,591	65,872	100,056
Accounts receivables	2,183	56,320	54,216	74,714	85,788	108,384	108,466	72,941	120,067
Accounts payables	(6,485)	(71,755)	(67,745)	(93,584)	(106,067)	(131,036)	(135,699)	(104,565)	(147,698)
Operating Net Working Capital	1,637	29,047	38,731	39,938	52,980	60,369	64,358	34,247	72,425
% on sales	7.2%	26.6%	37.7%	29.4%	36.3%	33.7%	34.7%	22.9%	35.1%
Other current assets & liabilities	387	(10,235)	(10,235)	(14,460)	(14,460)	(21,894)	(21,894)	(17,323)	(17,323)
Net Working Capital	2,024	18,812	28,496	25,477	38,520	38,474	42,463	16,924	55,101
Intangibles	1,223	6,297	5,799	3,869	3,869	3,628	3,628	3,398	3,398
Materials	13,238	26,684	26,684	32,916	32,916	31,554	31,554	28,365	28,365
Financials	3	1,574	1,574	1,586	1,586	1,598	1,598	1,610	1,610
Fixed assets	14,464	34,555	34,057	38,372	38,372	36,781	36,781	33,373	33,373
Funds	(942)	(13,754)	(13,002)	(17,008)	(18,215)	(22,205)	(23,004)	(21,667)	(29,624)
Other non current assets & liabilities	(466)	(1,375)	(1,375)	(1,375)	(1,375)	(1,375)	(1,375)	(1,375)	(1,375)
Net Invested Capital	15,080	38,238	48,175	45,466	57,301	51,675	54,865	27,255	57,476
Equity	11,682	42,942	47,000	79,053	93,062	79,053	93,062	90,783	117,183
Share capital	1,092	2,235	2,235	2,235	2,235	2,235	2,235	2,235	2,235
Reserves	5,508	27,583	27,583	58,127	63,831	58,127	63,831	76,860	84,798
Accumulated profit/loss	2,339	433	433	-	-	-	-	-	-
Net profit	2,743	12,691	14,811	18,692	20,926	18,692	20,926	11,688	21,645
Net debt (cash)	3,398	(4,705)	1,175	(14,178)	(11,763)	(27,378)	(38,197)	(63,528)	(59,708)
Liabilities	15,080	38,238	48,175	45,466	57,301	51,675	54,865	27,255	57,476

Source: Banca Profilo elaborations and estimates on Company data

Strong cash generation: from a net debt of €1.2mln in FY21 to a net cash of €59.7mln in FY24

As regards to the net financial position we estimate an FY21 increase in Group net debt from €1.2mln (including €17mln of investments in the year and the cash out for the acquisitions of GC Infissi and Teknika) to €59.7mln in 2024E (vs previous seen at €63.5mln of cash). We now project a lower net cash in 2024E mainly due to higher ONWC absorption related to higher revenues in the years deriving from higher group

synergies and higher Ecospace revenues due to Superbonus contribution also in 2024E.

2021E-2024E:
cumulated FCFs at
€34mIn vs previous
€32mIn

According to our Profit & Loss and Balance Sheet estimates, in 2021E-2024E, we forecast €99mIn of cumulated Operating Cash Flows (vs prior €84.8mIn), mainly used to finance €42mIn of Capex (unchanged) and €32.6mIn of NWC needs (vs previous €37.6mIn). Because of higher operating cash flows, partially absorbed by higher Capex and higher NWC needs, we now forecast €45.1mIn of cumulated FCFs in 2021E-2024E (vs previous €34.2mIn).

Table 3: Sciuker Free Cash Flow evolution 2021-2024E

Cash flow (€/000)	2021E	2022E	2023E	2024E
EBIT Adjusted	21,837	26,071	34,963	39,023
taxes	(7,643)	(9,125)	(12,237)	(13,658)
NOPAT	14,194	16,946	22,726	25,365
D&A	4,925	7,974	9,148	10,246
Operating cash flow	19,119	24,920	31,874	35,611
Operating Net Working Capital change	(37,094)	(14,249)	(11,378)	(8,067)
Other funds	12,060	5,213	4,789	6,620
Capex	(17,000)	(14,000)	(5,700)	(5,400)
FCF	(22,915)	1,884	19,585	28,764

Source: Banca Profilo elaborations and estimates on Company data

Estimates execution risks

Our projections include some key risks on the downside:

- cost management and net working capital control under high growth rates;
- higher than projected negative effects of a prolonged and persisting Covid-19 pandemic;
- any negative change in the Ecobonus 110% tax incentive law on which Ecospace 2021-2024 projections are built;
- lower than estimated synergies between Sciuker Frames, GC Infissi, Ecospace and Teknika;

And on the upside:

- Extension to 2024 of the Ecobonus for the entire discount at 110% tax incentive law (and not at 70% as it is expected).

Valuation

DCF approach to appraise a fast-growing business model

Given our expectations of positive FCFs starting from 2022, we used a DCF model as a valuation method.

Multiple valuation on fixture manufacturing players

Furthermore, despite there is no listed entity which is completely comparable to Sciuker, we have selected a sample of listed players active in the larger industry of Fixtures Manufacturing.

DCF Valuation

DCF assumptions: €16.7mIn average yearly FCF

To run a DCF model, we use our projections of unlevered FCFs for the 2022-2024 explicit period: €50.2mIn cumulated and €16.7mIn as yearly average (vs previous €45mIn and €11.3mIn respectively in the period 21E-24E).

To assess the Terminal Value, we used what we consider a perpetually sustainable

free cash flow at €16.7m (vs previous €19.5m), given by the average of the FCFs in the period 2022-2023. Finally, we assumed 2% perpetual growth rate (unchanged).

Table 4: Unlevered FCFs

Cash flow (€/000)	2021E	2022E	2023E	2024E	TV
EBIT Adjusted	21,837	26,071	34,963	39,023	
taxes	(7,643)	(9,125)	(12,237)	(13,658)	
NOPAT	14,194	16,946	22,726	25,365	
D&A	4,925	7,974	9,148	10,246	
Operating cash flow	19,119	24,920	31,874	35,611	
Operating Net Working Capital change	(37,094)	(14,249)	(11,378)	(8,067)	
Other funds	12,060	5,213	4,789	6,620	
Capex	(17,000)	(14,000)	(5,700)	(5,400)	
FCF	(22,915)	1,884	19,585	28,764	16,744

Source: Banca Profilo estimates and elaborations

*DCF assumptions:
WACC at 6.1%*

We would apply a WACC of 6.1% (vs previous 6.8%) derived from:

- risk free rate equal to 3.0%, as implicitly expected by consensus on the 30Y Italian BTP yield curve (moving average of the last 100 days);
- market risk premium at 5.5%;
- beta at 1.1 as the average of chosen listed peers;
- debt to equity target structure with a 50% weight on Debt, as we forecast a more balanced financial structure.

We end up with a WACC slightly below our previous estimates (6.1% vs 6.8%) due to a decrease in K_e from 10.2% to 8.9%.

Table 5: WACC calculation

WACC Calculation	
perpetual growth rate	2.0%
WACC	6.1%
risk free rate (30Y) (Bloomberg projections)	3.0%
equity risk premium	5.5%
beta	1.1
KE	8.9%
cost of debt	5.0%
tax rate	35%
KD	3.3%

Source: Banca Profilo estimates and elaborations

*DCF valuation:
€17.61/share*

The DCF method leads us to an Enterprise Value of €385.7m (vs previous €349.9m) and to an Equity Value of €382.5m (vs previous €354.6m) showing a fair value of €17.61/share (vs previous €16.33/share).

Moreover, in the DCF we include net debt at the end of 2021E at €1.9m (vs previous €4.7m of cash).

Table 6: DCF valuation

DCF Valuation	2022E	2023E	2024E	TV
Free Cash Flows (€ 000)	1,884	19,585	28,764	16,744
years	1	2	3	
discount factor	0.94	0.89	0.84	
NPV Cash flows (€ 000)	1,776	17,399	24,086	
Sum of NPVs (€ 000)	1,776	19,175	43,261	
Terminal Value (€ 000)				408,894
NPV Terminal Value (€ 000)				342,394
Enterprise Value (€ 000)				385,655
Net debt 2021E (€ 000)				1,175
Minorities 2021E				1,938
Equity Value (€ 000)				382,542
number of shares ('000)				21,719
Per share value (€)				17.61

Source: Banca Profilo estimates and elaborations

Relative Valuation on multiples

We provide a list of peers that best adapts to Sciuker Frames business model. We concentrate our selection on listed players active in a business similar to Sciuker's one, the larger industry of Fixtures Manufacturing. Within this sector we selected: Deceuninck NV (Belgium), Agta Record Ltd (Switzerland), Inwido AB (Sweden), Eurocell Plc (UK), SafeStyle Plc (UK), Apogee Enterprises (USA), Pgt innovations (USA), Edac (IT), Nusco (IT).

Deceuninck (Belgium):
PVC window and door manufacturer

Deceuninck NV, founded in 1953 and headquartered in Hoogdele-Gits (Belgium), engages in the design and manufacture of Polyvinyl Chloride (PVC) systems for windows and doors, roofline and cladding, interior, and outdoor living. It operates through the following geographic segments: Western Europe, Central and Eastern Europe, North America, and Turkey and Emerging Markets. In 2021, Deceuninck NV generated total revenues of around €838mln.

Inwido (Sweden):
wooden windows and door manufacturer

Inwido AB, founded in 2002 and headquartered in Malmo (Sweden) engages in the provision of windows and door solutions. Its activities include manufacturing and export of wood-based window and door. It operates through the following geographical segments: Sweden-Norway, Finland, Denmark, and Emerging Business Europe. In 2021, the Group recorded revenues of approximately SEK 7.7bn.

Eurocell (UK): PVC windows manufacturer

Eurocell Plc, founded in 1974, with headquarters in Alfreton (UK), is a holding company, which engages in the extrusion of PVC window and building products to the new and replacement window market and the sale of building materials across the UK. It operates through the Profiles and Building Plastics segments. In 2020, Eurocell Plc generated total revenues of around GBP 258mln.

SafeStyle (UK): PVC window and door manufacturer

SafeStyle Plc, founded in 1992, headquartered in Bradford (UK), engages in sale, manufacture, and installation of polyvinyl chloride un-plasticized windows and doors for the homeowner replacement market. Its products include sash windows, bay windows and composite guard doors. The firm offers marketing, sales, survey, manufacturing and installation services. In 2020, SafeStyle Plc generated total revenues of approximately GBP 113mln.

Apogee Enterprises (USA): glass metal window and door manufacturer

Apogee Enterprises, founded in 1949 and headquartered in Minneapolis (USA), engages in the design and development of glass and metal products and for enclosing commercial buildings, farming and displays. The company operates through four segments: Architectural Glass, Architectural Services, Architectural Framing Systems

and Large-Scale Optical Technologies. The Architectural Glass segment fabricates glass used in customized window and curtain wall systems comprising the outside skin of commercial and institutional buildings. The Architectural Services segment provides building glass and curtain wall installation services. The Architectural Framing Systems segment designs, engineers, finishes and fabricates the aluminum frames used in customized window, curtain wall, storefront, and entrance systems. In FY21, Apogee Enterprises generated total revenues of approximately \$1.2bn.

Pgt innovations (USA): window and door manufacturer **Pgt innovations**, founded in 1980 and headquartered in North Venice (USA), engages in the manufacture and sale of windows and doors. It offers its products under the brands PGT Custom Windows and Doors, CGI, and WinDoor. In 2020, Pgt innovations generated total revenues of approximately \$1.2mln.

Edac (IT) **EdiliziAcrobatica** engages in outdoor construction works using double safety rope access techniques. Its services include facade and wall clean-up, balcony repair, roof renovation, and facade painting. The company was founded by Riccardo Iovino in 1994 and is headquartered in Genoa, Italy. In 2020 the Company reported revenues at €44.7mln

Nusco (IT) **Nusco** manufactures and markets interior doors and frames. It offers its products in wood, PVC, aluminum and iron under the "NUSCO" brand. The firm operates through Doors Business Unit and Windows Business Unit. The Doors Business Unit produces doors and markets armored doors. The Windows Business Unit engages in the production and marketing of windows, shutters and iron gratings. The company was founded by Mario Nusco in 1968 and is headquartered in Nola, Italy. In 2020 the Company reported revenues at €15.4mln.

Table 7: Market multiples

Company	EV / Sales		EV / EBITDA	
	2022E	2023E	2022E	2023E
Deceuninck NV	0.6x	0.6x	4.1x	4.0x
Inwido AB	1.2x	1.2x	8.5x	7.8x
Eurocell Plc	0.8x	0.7x	5.4x	4.8x
SafeStyle UK Plc	0.4x	0.4x	3.9x	3.2x
Apogee Enterprises	1.0x	0.9x	10.0x	7.9x
Pgt innovations	1.2x	1.1x	10.3x	6.8x
EdiliziAcrobatica	1.3x	1.1x	9.0x	5.5x
Nusco	1.5x	1.3x	10.9x	6.9x
Mean	1.0x	0.9x	8.8x	6.1x
Sciuker Frames	1.8x	1.3x	6.4x	4.4x

Source: Banca Profilo elaborations on elaborations on FactSet (as of 18th February 2022)

EV/EBITDA 2022E
8.8x

Our sample of similar players active in the larger Fixtures Manufacturing industry, shows a medium value EV/EBITDA 2022E of 8.8x.

Table 8: Sample benchmarking

Company	Sales growth			EBITDA margin		
	2021E	2022E	2023E	2021E	2022E	2023E
Deceuninck NV	30.7%	-0.1%	0.6%	12.3%	13.8%	14.0%
Inwido AB	15.6%	6.1%	2.2%	14.7%	14.7%	14.9%
Eurocell Plc	33.0%	4.9%	5.4%	15.2%	15.3%	15.4%
SafeStyle UK Plc	26.6%	7.4%	5.3%	10.4%	10.4%	11.1%
Apogee Enterprises	2.8%	2.3%	6.4%	10.1%	11.3%	11.7%
Pgt innovations	31.6%	21.4%	8.2%	14.6%	16.3%	16.9%
Ediliziacrobatika	77.8%	32.5%	19.0%	18.8%	19.0%	19.7%
Nusco	31.8%	18.2%	16.7%	15.8%	16.7%	18.2%
Mean	31.2%	11.6%	8.0%	14.0%	14.7%	15.2%
Sciuker Frames	89.8%	355.1%	42.0%	34.0%	28.6%	29.6%

Source: Banca Profilo elaborations on elaborations on FactSet (as of 18th February 2022)

**Market multiples
valuation: €14.5/share**

Our relative valuation is based on peers' average EV/EBITDA 2022E at 8.8x. Following the postponement of Superbonus 110% until 2025, we used the adjusted EBITDA in 2022E at €36.4mln. This leads to an Equity Value of €317.4mln (vs previous €317.1mln) or €14.5/share (vs previous before €14.6/share).

Table 9: Market multiples valuation

Relative Valuation on market multiples 2022E	
EV/EBITDA	EBITDA adjusted
2022E	2022E
8.8x	36,398.0
ENTERPRISE VALUE	NET DEBT FY21
318,591.7	1,175.1
EQUITY VALUE	
317,416.6	
Price per share	14.53

Source: Banca Profilo elaborations on elaborations on FactSet (as of 18th February 2022)

TP at €16.1/share (vs previous €15.5/share); BUY confirmed

We set our 12-month Target Price at €16.1/share as the average of DCF and market multiple valuations. Given the significant potential upside on Sciuker’s closing price (as of 2nd March 2022), we confirm our BUY recommendation.

Figure 13: Banca Profilo’s Target Prices since Sciuker’s IPO



Source: Banca Profilo estimates and elaborations on Bloomberg data

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**Sciuker Frames
"ID Card"**

Recommendation

Target Price

Upside

BUY
16.1 €
90%
Company Overview

Sciuker Frames S.p.A. was founded in 1996 under the name "System S.r.l.". Sciuker is a National integrated group active in the design, development, production and marketing of windows in wood-aluminium and structural wood-glass in addition to the production of wooden shutters. In July 2020, Sciuker acquired the 80% of the startup Ecospace. The Startup is active in the energy efficiency works, including thermal insulation, fixtures and boiler replacement, photovoltaic systems, within building restructuring both in condominium buildings and single-family houses. Customers will pay the cost of the intervention through the transfer of their 110% tax credit. At the end of April 2021, Sciuker announced the acquisition of 63.5% of GC Infissi based in Piedmont. The Company is mainly active in the production and processing of windows and frames in PVC (representing the 90% of its business) and also in the production of doors. Since 2017, GC has diversified its product range into aluminium windows. Thanks to a production space of 10k square meters, GC Infissi can produce up to 150 units per day. According to 2020 preliminary results the Company should registers revenues at €8.4mln (-17% yoy due to Covid-19 impact) and an EBITDA adjusted margin at 1.51% (down from previous 4.31%). On 10th November, Sciuker Frames announced the acquisition of the 60% of Teknika Group for €2.9mln (4.3x 2021 EBITDA). Following Teknika acquisition, Sciuker Frames Group has become the first pole of frames and solar shading with a Made in Italy design. The acquisition of Teknika allows the Group to significantly expand its offering integrating frames with accessories like mosquito nets, roller shutters, thermal insulating monoblocks, external curtains and bioclimatic pergolas. Thus, the Group expands its own HOLE BOX, a complete and integrated offering with fixtures and accessories ready for the market of the energy efficiency of the Italian housing stock. In 2021, Group VoP increased significantly from €23mln to €103mln, yet below management guidance (€105mln) and our estimate (€109mln). FY21 revenues include €44.5mln from Superbonus 110% (+485% yoy), below management projection at €56mln, due to the pandemic outbreak, and below our estimate at €64.3mln. Group adjusted EBITDA rose from €6mln in 2020 to €28mln in 2021, beating our estimate at €26.5mln and above the guidance at €25.7mln. Adjusted EBITDA margin improved to 27.2% from 26.5% in 2020, well above our estimate at 24.3%. At the end of 2021, net debt was €1.3mln, decreasing from €2.4mln a year earlier, yet missing our net cash estimate at €4.7mln management net cash guidance of €3mln. In FY21, the Group cashed in €20.1mln from warrants exercise and partially used it to: i) finance the acquisitions of Teknika and GC Infissi (€4.9mln); ii) NWC needs; iii) Capex. According to the 2022 Italian Budget Law draft, the Ecobonus is confirmed at 110% in 2023 and reduced to 70% in 2023 and to 65% in 2025. The Ecobonus is considered a key measure to reduce the CO2 emission as agreed with the European Union. Residential buildings are responsible for most of CO2 emission in cities with windows and frames having a key role in guaranteeing thermal and acoustic insulation. The houses with old fixtures are highly heat dispersive (up to 40% of the total), increasing CO2 levels and bill costs. Following the confirmation of Superbonus in 2024 and 2025, management raised its 2022-2024 guidance. The Company now expects to reach €232mln of revenues in 2024 (vs previous guidance at €155mln), from €153mln now seen in FY22 (vs previous guidance at €138mln). Adjusted EBITDA projection has been raised to €38mln from previous guidance €34mln in 2022, to reach €58.2mln in 2024 (vs previous guidance at €39mln). As regards the net financial position, Sciuker Frames now sees net cash at €12.6mln at the end of 2022 (vs previous guidance at €10mln) to reach net cash of €67mln in 2024 (vs previous target at €81mln).

SWOT Analysis
Strengths

- Leader manufacturer of high quality windows and shutters
- Strong company commitment in eco-sustainable practices
- Strongly investing on corporate culture, brand and innovative marketing
- A structured, trained sales force driven by commercial performance
- Industrialized production techniques in a sector traditionally characterized by craftsmanship
- Distinctive product portfolio
- A wide portfolio of patented products
- High availability of skilled labor on site
- High margins and cash generator driven by a rigorous cost and working capital management
- Strong cross selling skills
- Fresh cash-in deriving from the warrant exercise for further solid growth and improving profitability
- New synergies deriving from GC Infissi and Teknika acquisition

Opportunities

- Very fragmented Italian reference market
- Strong roll out of management contracts
- "Ecobonus"
- Ad-hoc international partnerships and/or bolt on acquisitions
- Large potential Italian addressable market

Weaknesses

- High NWC/Sales ratio
- NWC optimization needed
- Competition by PVC windows have lower production costs
- Finance department to be strengthened
- Strong leverage

Threats

- High level of competition within the existing players
- High growth rates could lead to cost management issues
- Very small company size
- Competition from large producers (eg. Oknoplast) capable of a strong price competition
- Unexpected changes in the Eco110 law

Main catalysts

- 👍 M&A deals to enter new geographies and new market niches
 - Quicker or higher margins improvement driven by NWC optimization
 - Further network expansion in the Italian market
 - The extension of Eco110
 - The increase of production capacity through new investment in "Industria 4.0"
 - Synergies with GC Infissi
 - Structured business plan to include the use of fresh cash for further solid growth and improving profitability

Main risks

- 👎 Rising price competition from international Fixtures Manufacturing players
 - Less than expected growth of foreign markets
 - Loss of control over big orders receivables
 - Higher than projected negative impact of Covid-19 on 2020 estimates;
 - Any change in the Eco110 law



Sciuker Frames "ID Card"

Recommendation

BUY

Target Price

16.1 €

Upside

90%

mar, 03 2022 - 08:24

Main Financials

(€ mln)	2019	2020	2021E	2022E	2023E
Revenues	11,966	19,105	97,421	133,828	169,484
yoy change		59.7%	409.9%	37.4%	26.6%
Value of Production	11,905	22,598	102,846	146,078	185,733
yoy change		89.8%	355.1%	42.0%	27.1%
Adjusted EBITDA	2,565	5,982	27,735	36,398	47,099
yoy change		133.2%	363.6%	31.2%	29.4%
margin (%)	17.7%	26.5%	27.0%	24.9%	25.4%
Adjusted EBIT	901	2,149	21,837	26,071	34,963
margin (%)	7.6%	9.5%	21.2%	17.8%	18.8%
EBT	522	3,840	21,130	25,721	34,729
margin (%)	4.4%	17.0%	20.5%	17.6%	18.7%
Net income	261	2,743	14,833	17,585	23,280
margin (%)	2.2%	14.4%	15.2%	13.1%	13.7%
Net Debt (cash)	7,648	3,398	1,175	(11,763)	(38,197)
Shareholders Equity	1,092	11,682	47,000	69,064	93,062
Operating Net Working Capital	4,980	1,637	38,731	52,980	64,358
Fixed assets	12,198	14,464	34,057	38,372	36,781
Net invested capital	15,931	15,080	34,057	38,372	36,781
Operating Free Cash Flow	1,962	3,111	(37,094)	(14,249)	(11,378)
Capex and acquisitions	(3,162)	(3,532)	(17,000)	(14,000)	(5,700)
Free Cash Flow	(694)	3,282	(22,915)	1,884	19,585

Solvability ratios

	2019	2020	2021E	2022E	2023E
Net debt (cash) / EBITDA	3.0x	0.6x	0.0x	-0.3x	-0.8x
Net debt (cash) / Equity	7.0x	0.3x	0.0x	-0.2x	-0.4x
Net debt (cash) / Net Invested Capital	48.0%	22.5%	3.5%	-30.7%	-103.8%

Source: Bloomberg, Banca Profilo estimates and elaborations

Company Description

Company Sector	Fixture manufacturer
Price (€)	8.46
Number of shares ('000)	21,719
Market Cap (€mln)	182.7
Reference Index	FTSE AIM Italia
Main Shareholders	Marco Cipriano, Romina Cipriano
Main Shareholder stake	51%
Free Float	42%
Daily Average Volumes ('000)	170.6
Sample of comparables	Deceuninck NV, Inwido AB, Eurocell Plc, SafeStyle UK Plc, Apogee Enterprises, Pgt innovations, Nusco, EDAC

Fixtures manufacturing: data of peers

	2022E	20232E
Revenue Growth (yoy)	37.4%	26.6%
Adjusted EBITDA margin	24.9%	25.4%

Fixtures manufacturing: multiples of peers

	2022E	20232E
EV / Sales	1.0x	0.9x
EV / EBITDA	8.8x	6.1x

Average data

DISCLAIMER**ANALYST'S AND BANK'S INFORMATION**

THIS DOCUMENT CONCERNING SCIUKER FRAMES, (THE "ISSUER" OR THE "COMPANY") HAS BEEN DRAFTED BY FRANCESCA SABATINI WHO IS EMPLOYED BY BANCA PROFILO S.P.A. ("THE BANK") AS FINANCIAL ANALYST; FRANCESCA SABATINI IS RESPONSIBLE FOR THE DRAFTING OF THE DOCUMENT.

BANCA PROFILO S.P.A. IS A BANK AUTHORISED TO PERFORM BANKING AND INVESTMENT SERVICES; IT IS PART OF BANCA PROFILO BANKING GROUP (THE "GROUP") AND IT IS SUBJECT TO THE MANAGEMENT AND CO-ORDINATION OF AREPO BP S.P.A. (THE "PARENT COMPANY"). SATOR PRIVATE EQUITY FUND "A" LP (THE "PARENT ENTITY") HOLDS INDIRECT CONTROL PARTICIPATION INTERESTS IN BANCA PROFILO.

THE BANK IS REGISTERED WITH THE ITALIAN BANKING ASSOCIATION CODE NO. 3025 AND IS SUBJECT TO THE REGULATION AND SURVEILLANCE OF THE BANK OF ITALY AND OF CONSOB (COMMISSIONE NAZIONALE PER LE SOCIETÀ E LE BORSE). THE BANK HAS PREPARED THIS DOCUMENT FOR ITS PROFESSIONAL CLIENTS ONLY, PURSUANT TO DIRECTIVE 2004/39/EC AND ANNEX 3 OF THE CONSOB REGULATION ON INTERMEDIARIES (RESOLUTION N. 16190).

THE ANALYST FRANCESCA SABATINI WHO HAS DRAFTED THIS DOCUMENT HAS SIGNIFICANT EXPERIENCE IN BANCA PROFILO S.P.A. AND OTHER INVESTMENT COMPANIES. THE ANALYST AND ITS RELATIVES DO NOT OWN FINANCIAL INSTRUMENTS ISSUED BY THE ISSUER AND SHE DOES NOT ACT AS SENIOR MANAGER, DIRECTOR OR ADVISOR FOR THE ISSUER. THE ANALYST DOES NOT RECEIVE BONUSES, INCOME OR ANY OTHER REMUNERATION CORRELATING, DIRECTLY OR INDIRECTLY, TO THE SUCCESS OF THE INVESTMENT BANKING OPERATIONS OF BANCA PROFILO S.P.A.

A REDACTED VERSION OF THIS REPORT HAS BEEN DISCLOSED TO THE ISSUER TO PERMIT TO IT TO REVIEW AND COMMENT ON FACTUAL INFORMATION RELATING TO THE ISSUER AND THIS REPORT HAS BEEN AMENDED FOLLOWING SUCH DISCLOSURE PRIOR TO ITS FINAL DISSEMINATION.

THIS DOCUMENT IS BASED UPON INFORMATION THAT WE CONSIDER RELIABLE, BUT THE BANK HAS NOT INDEPENDENTLY VERIFIED THE CONTENTS HEREOF. THE OPINIONS, ESTIMATES AND PROJECTIONS EXPRESSED IN IT ARE AS OF THE DATE HEREOF AND ARE SUBJECT TO CHANGE WITHOUT NOTICE TO THE RECIPIENT. PAST PERFORMANCE IS NOT GUARANTEE OF FUTURE RESULTS.

THIS REPORT HAS BEEN PREPARED BY ITS AUTHORS INDEPENDENTLY OF THE COMPANY AND ITS SHAREHOLDERS, SUBSIDIARIES AND AFFILIATES. THE BANK HAS NO AUTHORITY WHATSOEVER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ANY OTHER PERSON IN CONNECTION THEREWITH. IN PARTICULAR, THE OPINIONS, ESTIMATES AND PROJECTIONS EXPRESSED IN IT ARE ENTIRELY THOSE OF THE AUTHOR HEREOF.

NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE AS TO AND NO RELIANCE SHOULD BE PLACED ON THE FAIRNESS, ACCURACY, COMPLETENESS OR REASONABLENESS OF THE INFORMATION, OPINIONS AND PROJECTIONS CONTAINED IN THIS DOCUMENT, AND NONE OF THE BANK, THE COMPANY, NOR ANY OTHER PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS DOCUMENT OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH.

NO DUPLICATION

NO PART OF THE CONTENT OF THE DOCUMENT MAY BE COPIED, FORWARDED OR DUPLICATED IN ANY FORM OR BY ANY MEANS WITHOUT THE PRIOR CONSENT OF THE BANK. BY ACCEPTING THIS REPORT, YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS.

NO OFFER OR SOLICITATION

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION OR FORM PART OF AN OFFER, SOLICITATION OR INVITATION TO PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF ANY CONTRACT OR COMMITMENT WHATSOEVER.

RECIPIENTS

THIS DOCUMENT IS GIVEN TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED OR REDISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY HEREOF MAY BE TAKEN OR TRANSMITTED IN OR INTO THE UNITED STATES (THE "U.S."), AUSTRALIA, CANADA OR JAPAN OR REDISTRIBUTED, DIRECTLY OR INDIRECTLY, IN THE U.S., AUSTRALIA, CANADA OR JAPAN. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S., AUSTRALIAN, CANADIAN OR JAPANESE SECURITIES LAWS.

THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED ONLY AT, PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1) (E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC) (ALL SUCH PERSONS BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

IN CASE THAT THIS DOCUMENT IS DISTRIBUTED IN ITALY IT SHALL BE DIRECTED ONLY AT QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 100(1) (A) OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998, AS AMENDED, AND ARTICLE 34-TER, PARA. 1, LETT B), OF CONSOB REGULATION NO. 11971 OF 1999, AS AMENDED. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. IN NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG OR BE DISTRIBUTED TO (I) A MEMBER OF THE GENERAL PUBLIC, (II) INDIVIDUALS OR ENTITIES FALLING OUTSIDE THE DEFINITION OF "QUALIFIED INVESTORS" AS SPECIFIED ABOVE OR (III) TO DISTRIBUTION CHANNELS THROUGH WHICH INFORMATION IS OR IS LIKELY TO BECOME AVAILABLE TO A LARGE NUMBER OF PERSONS.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION.

CONFLICTS OF INTEREST

THE BANK MAY, FROM TIME TO TIME, DEAL IN, HOLD OR ACT AS MARKET MAKER OR ADVISER, BROKER OR BANKER IN RELATION TO THE FINANCIAL INSTRUMENTS, OR DERIVATIVES THEREOF, OF PERSONS, FIRMS OR ENTITIES MENTIONED IN THIS DOCUMENT, OR BE REPRESENTED IN THE GOVERNING BODIES OF THE COMPANY. IN FACT, THE BANK IS PRESENTLY CORPORATE BROKER, NOMAD AND SPECIALIST OF THE ISSUER.

BANCA PROFILO S.P.A. HAS ADOPTED INTERNAL PROCEDURES FOR THE PREVENTION AND AVOIDANCE OF CONFLICTS OF INTEREST WITH RESPECT TO THE RECOMMENDATIONS, WHICH CAN BE CONSULTED ON THE RELEVANT SECTION OF ITS WEBSITE (WWW.BANCAPROFILO.IT, IN THE SECTION "CLIENTI AZIENDALI E ISTITUZIONALI/ANALISI E RICERCA").

EQUITY RESEARCH PUBLICATIONS IN LAST 12M

THE BANK PUBLISHES ON ITS WEBSITE WWW.BANCAPROFILO.IT, ON A QUARTERLY BASIS, THE PROPORTION OF ALL RECOMMENDATIONS THAT ARE 'BUY', 'HOLD', 'SELL' OR EQUIVALENT TERMS OVER THE PREVIOUS 12 MONTHS, AND THE PROPORTION OF ISSUERS CORRESPONDING TO EACH OF THOSE CATEGORIES TO WHICH SUCH PERSON HAS SUPPLIED MATERIAL SERVICES OF INVESTMENT FIRMS SET OUT IN SECTIONS A AND B OF ANNEX I TO DIRECTIVE 2014/65/EU OVER THE PREVIOUS 12 MONTHS.

ADDITIONAL INFORMATION

THE BANK PROVIDES ALL OTHER ADDITIONAL INFORMATION, ACCORDING TO ARTICLE 114, PARAGRAPH 8 OF LEGISLATIVE DECREE 58/98 ("FINANCIAL DECREE") AND COMMISSION DELEGATED REGULATION (EU) 2016/958 AS OF 9 MARCH 2016 (THE "COMMISSION REGULATION") ON THE RELEVANT SECTION OF ITS WEBSITE (WWW.BANCAPROFILO.IT, IN THE SECTION "CLIENTI AZIENDALI E ISTITUZIONALI/ANALISI E RICERCA").