

Italy – Broadcasting

A deeply undervalued first-class broadcasting service provider

7th November 2023

INITIATION OF COVERAGE

RIC: NVPP.MI
BBG: NVP IM

NVP is a leading player in end-to-end event broadcasting and media production, boasting long-standing relationships with primary broadcasters and TV networks, which provide NVP with recurring turnover and multi-year agreements. NVP stands as a reliable partner for its customers, being a true advisor who perfectly understands their desires and needs and provides suggestions and ideas for specific events.

Rating:

Buy

Price Target:

€ 6.00

Upside/(Downside): 109.8%

Last Price: € 2.86

Market Cap.: € 21.8m

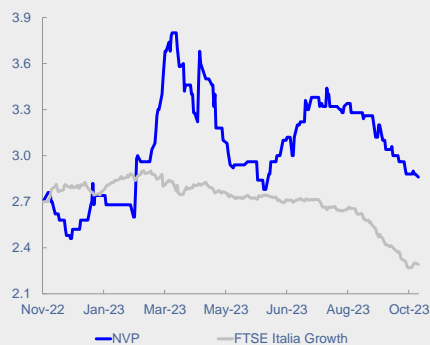
1Y High/Low: € 3.84 / € 2.46

Avg. Daily Turn. (3M, 6M): € 5k, € 5k

Free Float: 40.6%

Major shareholders:

Massimo Pintabona	19.9%
Ivan Pintabona	19.8%
Natalino Pintabona	19.7%



Stock price performance

	1M	3M	12M
Absolute	-5.9%	-13.9%	5.9%
Rel.to FTSE IT Growth	-1.2%	0.2%	20.4%
Rel.to Peers	-4.7%	-12.5%	6.3%

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Initiation with Buy: DCF-based PT of € 6.00/s, 109.8% upside

CFO SIM initiates coverage of NVP with a Buy recommendation and a PT of € 6.00/s, 109.8% upside. CFO SIM believes that the DCF model is the most appropriate methodology to get a reasonable valuation, in order to better factor in the medium-/long-term value of the stock and to avoid incorporating the increased volatility of the stock market. The DCF model is based on standard settings for a small-cap, including $g=1%$, $\beta=0.9$, $WACC=9.6%$ and a sustainable 30:70 debt/equity balance-sheet structure.

A leading reference partner of TV networks for the broadcasting activity

Established in 2007 by the Pintabona brothers, NVP is a leading broadcasting service company able to provide key TV and streaming networks with the best technological solutions to broadcast major sporting events, TV shows, concerts, live shows, and other types of events that take place outside a regular television studio. NVP is an 'Innovative SME' and, from a technological point of view, is a leader in Italy with 16 vans equipped for Outside Broadcasting (OB Vans), 6 of which are able to broadcast in ultra-high definition (4K HDR), 2 Fly Cases, namely small, air-transportable production control rooms, and a cutting-edge remote production hub. Since its establishment, NVP has produced over 4,000 events.

Sales CAGR₂₂₋₂₅ of 25.0% coupled with margin improvement and gradual deleverage

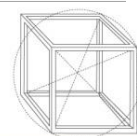
Our estimates show a top line CAGR₂₂₋₂₅ of 25.0%, mainly driven by NVP's core business, namely sports event production, coupled with the steady growth of the Entertainment & Fashion segment. The company's cost structure is anticipated to be broadly stable, with about 45-55 fixed-variable costs, thus there is significant room to use operating leverage. We expect adjusted EBITDA to reach € 10.8m, 30.0% margin, in 2025. Below EBIT, we also expect growing net financial expenses due to an increase in interest rates. In the 2023-25 period, we anticipate overall capex of € 13.6m. NFP including IFRS-16 is anticipated to decrease to € 4.5m from € 11.6m at year end 2022, thanks to an avg. EBITDA/FCF conversion of 30% per year. ROE is expected to be 8.0%, 15.4% and 17.9% in 2023-25, respectively. ROCE is predicted to be 9.3%, 14.1% and 16.8% in 2023-25, respectively.

M&As, strengthening of the internationalisation and investments in new technologies

NVP's strategy is focused on: 1) scouting further M&A opportunities to consolidate a still fragmented market: ideal targets are companies based in Italy with a services portfolio complementary and synergistic to NVP, possibly having cutting-edge technology, highly-specialised technicians, and tier-1 customers. Other regions could be the US and Middle-East; 2) accelerating the internationalisation path by winning new important broadcasting contracts, especially as regards the most popular international sporting events; 3) investing in technology to anticipate market trends and offer innovative solutions to major customers.

NVP, key financials and ratios

€ m	2021	2022	2023e	2024e	2025e
Revenues	13.0	17.4	25.9	30.0	34.0
Value of Production	16.1	20.0	28.1	32.2	36.2
EBITDA	3.3	3.4	6.0	7.5	8.8
Adjusted EBITDA	4.9	5.6	8.0	9.5	10.8
EBIT	0.8	0.9	2.4	3.9	5.3
Net Profit	0.3	0.2	1.1	2.4	3.4
NFP (cash)/debt	8.7	8.9	9.2	5.6	1.2
Adjusted NFP (cash)/debt	12.1	11.6	12.5	8.9	4.5
EBITDA adj. margin	30.3%	28.0%	28.3%	29.6%	30.0%
EBIT margin	4.8%	4.4%	8.4%	12.2%	14.5%
EPS stated €	0.05	0.03	0.14	0.32	0.45
EPS growth	<i>n.m.</i>	-33.5%	<i>n.m.</i>	<i>n.m.</i>	41.1%
ROCE	3.4%	3.6%	9.3%	14.1%	16.8%
Free Cash Flow Yield	-20.7%	1.4%	-1.7%	16.9%	20.2%
PER x	63.1	95.4	20.5	9.0	6.4
EV/Sales x	2.11	1.67	1.22	0.95	0.72
EV/EBITDA x	6.9	6.0	4.3	3.2	2.4
EV/EBIT x	44.2	38.1	14.5	7.8	5.0



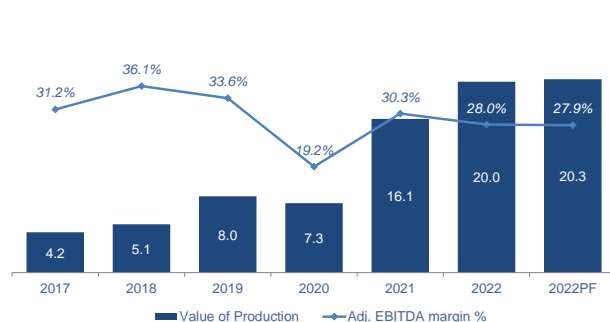
The Company at a Glance

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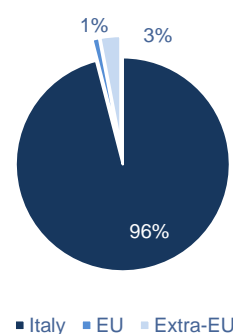
NVP operates five locations in Italy: 1) Messina, where the company's headquarters, R&D department and production & logistics hub for Southern Italy are located; 2) Naples, which is dedicated to the production of events of SSC Napoli football club; 3) Rome, which is NVP's main logistics hub serving as a production hub for Central Italy; 4) Milan, where NVP has set up its 'Innovation Hub', a creating centre focused on research, development and testing of best-in-class processes and solutions in full-remote mode, by making use of technologies such as augmented reality and artificial intelligence. Milan is also home to the logistics hub for Northern Italy; 5) Turin, dedicated to events of Juventus Football Club and its streaming channel "Juventus Channel".

In 2022, NVP reported revenues of € 17.4m, up by 34.4% YoY, and Value of Production of € 20.0m, up by 24.2% YoY. Adjusted EBITDA in accordance with IFRS-16 was € 5.6m, 28.0% margin. Net profit reached € 0.2m. Net Financial Position including the figurative debt stemming from the application of IFRS-16 was € 11.6m, 2.1x adj. NFP/EBITDA.

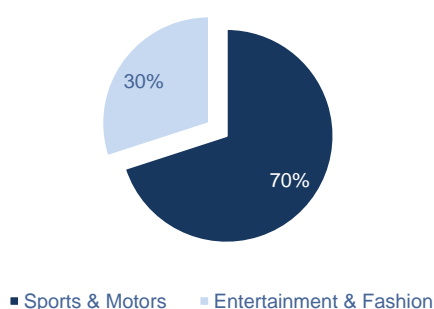
2017-22PF top line and EBITDA % evolution



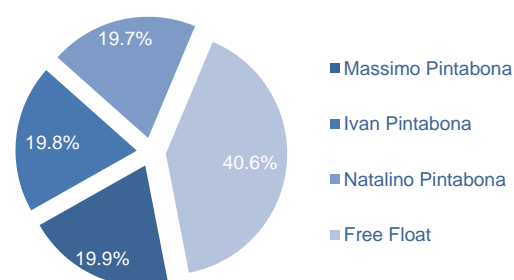
2022 sales breakdown by geography ...



... and by type of production



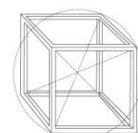
Shareholder structure



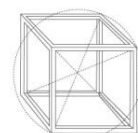
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
ATM Grupa SA	1.29	1.20	5.9	5.6	10.4	9.6	11.7	10.0
IDNT SA	0.96	0.72	5.1	3.6	5.8	3.9	8.7	7.0
Squirrel Media SA	0.97	0.82	5.4	3.9	8.4	5.5	15.4	9.3
Zinc Media Group PLC	0.55	n.a.	10.2	n.a.	n.a.	n.a.	n.a.	n.a.
Median	0.96	0.82	5.6	3.9	8.4	5.5	11.7	9.3
Nvp SpA *	1.22	0.95	4.3	3.2	14.5	7.8	20.5	9.0

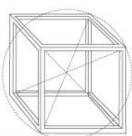
Sources: CFO SIM, Refinitiv Eikon * EBITDA and NFP in accordance with IFRS-16



Income statement (€ m)	2021	2022	2023e	2024e	2025e
Revenues	13.0	17.4	25.9	30.0	34.0
Value of Production	16.1	20.0	28.1	32.2	36.2
Raw material and processing	(0.3)	(0.3)	(0.4)	(0.5)	(0.5)
Services	(3.9)	(6.1)	(9.3)	(10.6)	(11.9)
Personnel expenses	(4.5)	(5.7)	(7.9)	(8.9)	(9.8)
Other opex	(4.1)	(4.4)	(4.6)	(4.7)	(5.1)
EBITDA	3.3	3.4	6.0	7.5	8.8
D&A	(2.5)	(2.5)	(3.6)	(3.6)	(3.6)
EBIT	0.8	0.9	2.4	3.9	5.3
Financials	(0.4)	(0.4)	(0.9)	(0.6)	(0.6)
Re-devaluation of financial assets	(0.0)	0.0	0.0	0.0	0.0
Forex gain/(loss)	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	0.4	0.4	1.5	3.3	4.7
Income taxes	(0.0)	(0.2)	(0.4)	(0.9)	(1.3)
Minority interest	0.0	0.0	0.0	0.0	0.0
Net Profit	0.3	0.2	1.1	2.4	3.4
Adjusted EBITDA	4.9	5.6	8.0	9.5	10.8
Adjusted Net Profit	0.6	0.4	1.1	2.4	3.4
Balance sheet (€ m)	2021	2022	2023e	2024e	2025e
Net Working Capital	0.5	(2.0)	(1.8)	(2.1)	(2.1)
Net Fixed Assets	16.5	23.2	26.2	26.1	26.0
Equity Investments	6.3	4.1	4.1	4.1	4.1
Other M/L Term A/L	(3.0)	(4.3)	(6.1)	(6.9)	(7.8)
Net Invested Capital	20.3	21.0	22.5	21.2	20.2
Net Financial Position	8.7	8.9	9.2	5.6	1.2
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	11.6	12.2	13.2	15.6	19.0
Financial Liabilities & Equity	20.3	21.0	22.5	21.2	20.2
Adjusted Net Financial Position	12.1	11.6	12.5	8.9	4.5
Cash Flow statement (€ m)	2021	2022	2023e	2024e	2025e
Total net income	0.3	0.2	1.1	2.4	3.4
Depreciation	2.5	2.5	3.6	3.6	3.6
Other non-cash charges	3.8	1.4	1.7	0.9	0.9
Cash Flow from Oper. (CFO)	6.7	4.2	6.4	6.9	7.8
Change in NWC	(0.4)	2.4	(0.2)	0.3	0.1
FCF from Operations (FCFO)	6.3	6.6	6.2	7.2	7.9
Net Investments (CFI)	(10.8)	(6.3)	(6.6)	(3.5)	(3.5)
Free CF to the Firm (FCFF)	(4.5)	0.3	(0.4)	3.7	4.4
CF from financials (CFF)	3.6	1.0	(0.0)	0.0	0.0
Free Cash Flow to Equity (FCFE)	(0.9)	1.3	(0.4)	3.7	4.4
Financial ratios	2021	2022	2023e	2024e	2025e
EBITDA adj. margin	30.3%	28.0%	28.3%	29.6%	30.0%
EBIT margin	4.8%	4.4%	8.4%	12.2%	14.5%
Net profit margin	2.1%	1.1%	3.8%	7.5%	9.4%
Tax rate	3.9%	47.2%	27.5%	27.5%	27.5%
Op NWC/Sales	3.7%	-11.3%	-6.8%	-6.9%	-6.2%
Interest coverage x	1.94	1.97	2.63	6.58	9.17
Adj. Net Debt/EBITDA x	2.49	2.08	1.57	0.93	0.41
Debt-to-Equity x	0.75	0.73	0.70	0.36	0.06
ROIC	1.7%	1.1%	4.7%	11.4%	16.8%
ROCE	3.4%	3.6%	9.3%	14.1%	16.8%
ROACE	3.7%	3.8%	9.6%	14.7%	17.8%
ROE	3.0%	1.9%	8.0%	15.4%	17.9%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Per share figures	2021	2022	2023e	2024e	2025e
Number of shares # m	7.60	7.60	7.60	7.60	7.60
Number of shares Fully Diluted # m	7.60	7.60	7.60	7.60	7.60
Average Number of shares Fully Diluted # m	7.64	7.60	7.60	7.60	7.60
EPS stated €	0.05	0.03	0.14	0.32	0.45
EPS adjusted €	0.08	0.05	0.14	0.32	0.45
EBITDA €	0.43	0.45	0.79	0.99	1.16
EBIT €	0.10	0.12	0.31	0.52	0.69
BV €	1.52	1.60	1.74	2.06	2.51
FCFO €	0.82	0.87	0.82	0.94	1.04
FCFF €	(0.59)	0.04	(0.05)	0.48	0.58
FCFE €	(0.12)	0.18	(0.05)	0.48	0.58
Dividend €	0.00	0.00	0.00	0.00	0.00



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1. Investment Summary

NVP is a **leading player in end-to-end event broadcasting** and media production, boasting long-standing relationships with primary domestic and international broadcasters and TV networks. NVP works with approximately **60 mid- to high-end customers**, which provide it with recurring turnover and multi-year agreements, ensuring a good degree of visibility in the short-medium term. NVP has always endeavoured to invest a considerable amount of resources to provide its customers with **best-in-class technological equipment and bespoke solutions**. As a result, **NVP stands as a reliable partner for its customers**, being a true advisor who perfectly understands their desires and needs and provides suggestions and ideas for specific events.

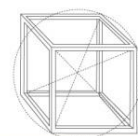
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NVP's strategy is focused on: 1) **scouting further M&A opportunities** to consolidate a still fragmented market: ideal targets are companies based in Italy with a services portfolio complementary and synergistic to NVP, possibly having cutting-edge technology, highly-specialised technicians, and tier-1 customers. Other regions could be the US and Middle-East; 2) **accelerating the internationalisation path** by winning new important broadcasting contracts, especially as regards the most popular international sporting events; 3) **investing in technology** to anticipate market trends and offer innovative solutions to major customers.

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The principal investment **risks** associated with NVP include: 1) difficulties in hiring and retaining highly-skilled technicians; 2) a still limited size in the international arena; 3) the rise of new innovative technologies; 4) a rather high customer concentration; and 5) other potential consolidating players in the industry.

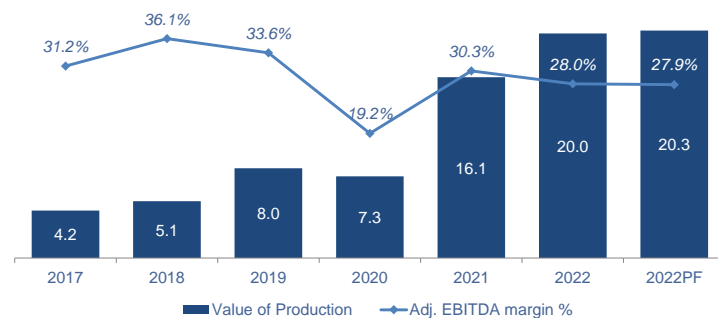


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Chart 1 – NVP, 2017-22 Value of Production and EBITDA margin trend – € m / %



Source: Company data, CFO SIM

NVP operates **five locations in Italy**:

- **Messina**, where the company's headquarters, R&D department and production & logistics hub for Southern Italy are located;
- **Naples**, dedicated to the production of events of SSC Napoli;
- **Rome**, the main NVP's logistics hub, serving as a production hub for Central Italy;
- **Milan**, where NVP has set up the **'Innovation Hub'**, a creation centre focused on research, development and testing of best-in-class processes and solutions in full-remote mode, by making use of technologies such as augmented reality and artificial intelligence. Milan is also home to the logistics hub for Northern Italy;
- **Turin**, dedicated to events of Juventus FC and its streaming channel "Juventus Channel".

NVP's turnover is mainly generated in Italy, which in 2022 accounted for 96% of the total, followed by Extra-EU (3%) and Europe (1%). In terms of types of production, **70% of turnover is related to Sports & Motors** and **30% to Entertainment & Fashion**.

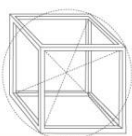
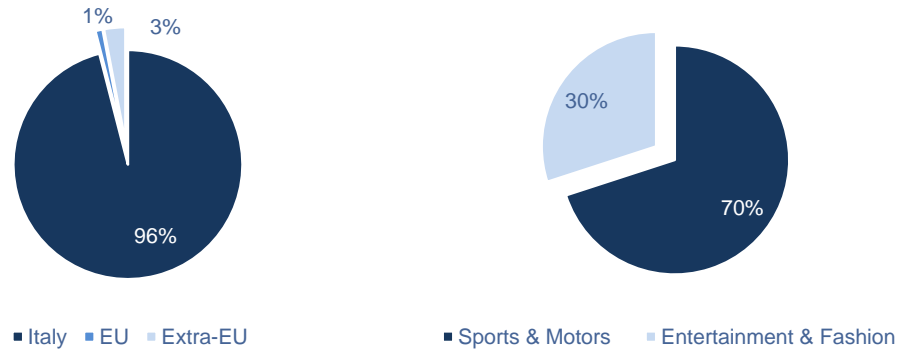


Chart 2 – NVP, 2022 turnover by geography and type of production



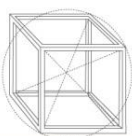
Source: Company data, CFO SIM

In order to provide its customers with unmatched broadcasting services, NVP can rely on more than 100 highly-skilled employees with considerable field experience, in addition to roughly 300 outsourced technicians selected according to the technical requirements of a specific production. In this way, the company can guarantee **high flexibility combined with highly qualified staff** at all times.

Since its establishment, **NVP has always operated on the high-end segment of the broadcasting market**, which comprises **major TV networks** (Sky, Mediaset, Rai, etc.), **TV content producers** (Endemol, Freemantle, Magnolia, etc.), **Over-The-Top (OTT) platforms** (such as Dazn), and **international sports associations**. Over the years, NVP has continuously expanded its customer base by entering new types of events, including several sports competitions (such as motorsports, volleyball, and basketball), TV shows, fashion events, concerts, and theatre performances. As of today, NVP works with approximately **60 medium-/high-end customers**, with which it has a **long-lasting relationship**, and which provide it with recurring turnover. Moreover, NVP was able to sign **some multi-year agreements**, which ensured good visibility in the short-medium term. Among them, there are:

- **agreements with 9 Serie A (i.e. Major League) soccer teams** for broadcasting home games;
- an agreement with Sky Italia for broadcasting the entire **Serie B (i.e. Second Division) championship in 2022/23 and 2023/24 for € 4.0m per season**;
- a **three-year exclusive agreement** with Sky Italia for full-remote broadcasting of the entire **2023/24, 2024/25 and 2025/26 Lega Pro Serie C championships for € 1.2m per season** (approximately 1,100 matches);
- a **€ 1.4m** agreement with Olympic Broadcasting Services **for the Paris 2024 Olympic Games**. NVP will provide about 100 UHD video cameras and 4 OB Vans in 4K HDR for broadcasting horse-riding, pentathlon, and canoeing competitions;
- a **four-year agreement** with WTA (Women's Tennis Association) Media and Dazn Group Limited UK to produce the **WTA Tour**. The agreement is expected to generate **total revenues of about € 10m** for NVP.

With an investment of approximately € 5.0m, NVP has set up the '**Innovation Hub**', in Cologno Monzese, near Milan. It is a centre focused on research, development and testing of best-in-class processes and solutions in full-remote mode, by making use of technologies such as **augmented reality** and **artificial intelligence**. Thanks to this highly innovative hub, NVP is able to provide its customers with **Full Remote Production** solutions. In particular, NVP started testing remote production in partnership with Sky Italia during the 2022/23 Italian Serie B championship.

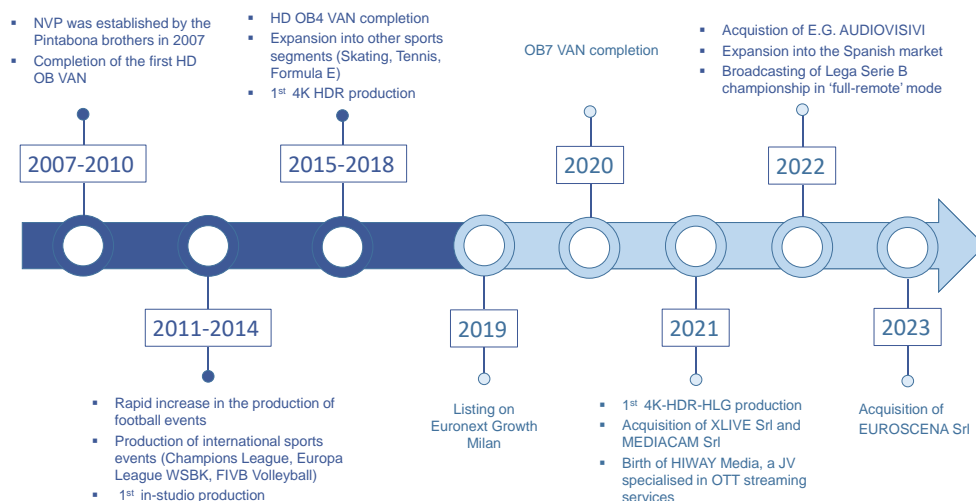


3. History, Group Structure and Governance

NVP was established in 2007 by the Pintabona brothers, driven by their interest in, and passion for, the media and broadcasting industry. **Between 2007 and 2010, NVP developed and manufactured its first in-house OB van** equipped with cutting-edge technologies for high-definition broadcasting. In 2011, NVP entered the **sporting events sector**, starting to broadcast football matches of the Italian Serie A championship, international matches, such as the Champions League and Europa League, as well as motorsports events, like the WSBK Championship, and other sports as volleyball.

In the following years, **NVP strengthened its reputation among the main domestic and international broadcasters**, as well as content creators and international sports associations. The NVP's fleet of OB vans has grown steadily over the years both numerically and technologically. In 2016, NVP internally developed and built the **"OB4 Van"**, its first mobile control room equipped with **4K HDR technology**. In 2018, the **"OB6 Van"**, a twin of OB4, was completed, further enlarging the company's fleet. Between 2015 and 2018, NVP produced several important sporting events, such as "Euro France 2016", the "Speed Skating Championships", the "Internazionali di Tennis" in Rome, and the Formula E championship.

Chart 3 – NVP, the company's history



Source: Company data, CFO SIM

In 2019, NVP was listed on Euronext Growth Milan: the listing took place on **5-Dec-19 at € 3.80/share**, corresponding to a post-money market capitalisation of € 29.2m. The IPO encompassed a **primary offer of € 10.0m**.

Since the IPO, NVP has constantly grown, acquiring new customers, producing new events and investing in new technological solutions. In 2020, NVP built the **"OB7 van"**, its fleet's flagship. Moreover, **thanks to the IPO, NVP started its acquisitions campaign**, making a name for itself as a **consolidating player in the industry**. In 2021, NVP acquired two business units from Xlive Srl and Mediacam Srl, respectively, whereas, in 2022, it acquired 100% of E.G. Audiovisivi Srl. Then, in 2023, NVP also acquired a business unit from Euroscena Srl.

Currently, NVP is controlled by Massimo, Ivan and Natalino Pintabona, who hold 19.9%, 19.8% and 19.7% of the company, respectively. The **free float stands at 40.6%**.

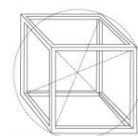
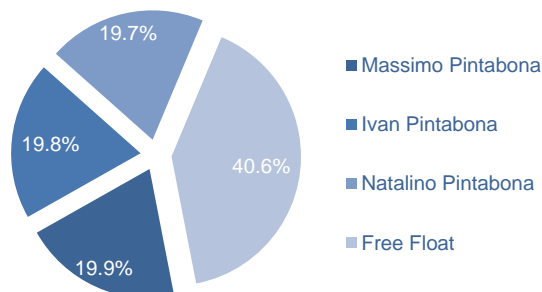


Chart 4 – NVP, group and shareholder structure



Source: Company data, CFO SIM

In addition to the Issuer, NVP SpA, **the consolidation scope includes E.G. Audiovisivi Srl and Produzioni Italia Srl**, both 100% owned by NVP SpA. Headquartered in Moncalieri (Turin), E.G. Audiovisivi Srl engages in audio-visual services in the sports business, offering a wide range of end-to-end services to football teams, including design and production of content, filming, editing and distribution on multimedia platforms. The company was acquired by NVP in Oct-22. Produzioni Italia Srl is the newco established for the acquisition of the business unit from Euroscena Srl in Sep-23.

Furthermore, NVP has equity stakes in a couple of innovative companies with promising growth potential: HiWay Media (50.0% stake) and Soccerment (3.32% stake).

NVP has a **structured management team** composed of several key people. In particular:

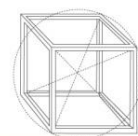
- **Natalino Pintabona** is the **Chairman**. Born in Patti in 1972, he obtained a high school diploma in electronics in 1990. In 1990-93, he was founder and General Director of Tele Nebrodi, a local TV channel. From 1994 to 2015, he was owner of New Video Production, a TV production company. Since 2015, he has been serving as **General Manager** and **Head of Sales** of NVP.
- **Massimo Pintabona** is the **Chief Executive Officer**. Born in Patti in 1977, he obtained a scientific high school diploma in 1996. From 2001 to 2006, he was CEO of Euroambiente Srl and since 2007 he has been a director at NVP, dealing with administration and finance activities, among which strategic planning, business plan drafting, budgeting, project management and constant interaction with the various stakeholders.
- **Ivan Pintabona** has been **Chief Technical Officer** at NVP since 2007, mainly coordinating the R&D activities in the technical field and dealing with company organisation, purchasing, and production. Before the current position, he worked at New Video Production: in 2000-01 he was video-audio technician, and then he became Chief Technical and Project Manager, dealing with purchasing, HR, event organisation and production, until 2007.

The **Board of Directors** is composed of 5 members, one of whom being an independent director.

Table 1 – NVP, Board of Directors

Name	Role
Natalino Pintabona	Chairman
Massimo Pintabona	Chief Executive Officer
Ivan Pintabona	Director (Chief Technology Officer)
Paolo Targia	Director
Paolo Fiorentino	Independent Director

Source: Company data, CFO SIM



4. The Reference Market: Outside Broadcasting

Outside broadcasting is the production of television or radio programmes from a mobile control room, typically installed in a van, denominated OB Van. All the signals coming from on-field video cameras and microphones are processed, recorded, and transmitted to TV studios by the OB Van.

The **growing demand for better-quality video and audio content** has rapidly upgraded broadcast equipment products and technology. Furthermore, technological innovation has driven broadcasters to provide their users with **ultra-high-definition content (4K, 4K HDR or even 8K)**, mainly in the sports segment, which is the biggest market for TV viewers worldwide.

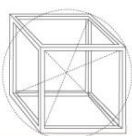
The increasing number of devices and formats, coupled with the growing number of international sports tournaments, presents several challenges for broadcasters and TV networks, which are forced to **outsource the outside broadcasting activity to strategic reliable partners**, such as NVP.

In addition to the ability to provide its customers with cutting-edge technological content, a broadcasting service provider operating with major TV networks and OTT platforms must be able to anticipate market trends by working on innovative solutions.

A major theme today is the **increasing use of augmented reality (AR), virtual reality (VR), and mixed reality (MR)** technologies to help audiences connect with major events through a dynamic environment. This is closely related to the transmission rate, which has to be extremely fast in order to reduce the latency between the live event and the broadcast content. The **increasing adoption of fibre optic lines and cellular networks**, in particular the 5G connection, to transmit audio and video signals, is going in this direction.

NVP has already tested the use of augmented reality during sports events. The “**Immersive Basket Experience**” project, developed with Fastweb and Sky Italia, involves the use of five 360° video cameras connected with each other and with the remote control room via Fastweb’s 5G network, during the home matches of Olimpia Milano in the 2022/23 Eurolega championship. This broadcasting mode allows the home audience to feel surrounded by the event, almost as if they were in the arena.

NVP is also investing in developing an **XR Augmented Reality production system** controlled and managed remotely from the Innovation Hub in Cologno Monzese (Milan). Thanks to this innovative technology, the images processed by computational servers interact with sensors inserted in camera handling systems, so that what is filmed is immediately available, as if real and virtual were in the same space. For this project, NVP was awarded a non-refundable grant of € 400k.



4.1. Competitive Landscape

NVP is a broadcasting service provider with a **leading position in Italy from a technological point of view**: its fleet is composed of **16 OB Vans**, 6 of which equipped with ultra-high definition (4K HDR) technology, **2 Fly Cases**, namely small, air-transportable production control rooms, and a cutting-edge **remote production hub** located in Cologno Monzese (Milan). The company serves **high-end customers**, including major TV networks (Sky, Mediaset, Rai, etc.), TV content producers (Endemol, Freemantle, Magnolia, etc.), OTT platforms (such as Dazn), and international sports associations.

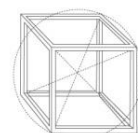
The European competitive arena is composed of several players, showing a certain fragmentation. Nevertheless, there are only few players with a widespread presence in different European countries, i.e. Mediapro, Euromedia and NEP. They grew through M&As, acquiring small and medium companies in several countries, including Italy.

Nowadays, **the domestic market is rather fragmented but less than 10 companies focus on high-end customers**. As shown in the chart below, NVP is the player with the largest fleet and the best profitability, in light of its cutting-hedge offer. **The consolidation process within the market is ongoing** and we believe that NVP can continue to be a hunter, rather than a prey, in the short-term.

Chart 5 – NVP, the competitive landscape – FY-22 financials

Player	Country	Description	OB VAN (number)	FLY CASE (number)	Revenues (€ m)	EBITDA margin	Revenues CAGR ₁₈₋₂₂
		NVP is a leading broadcasting service company able to provide key TV and streaming networks with the best technological solutions to broadcast major sporting events, TV shows, concerts, live shows and other types of events that take place outside a regular television studio.	16	2	17.4	32.2%	39.3%
		EMG is a leading provider of broadcast and media production services at the national and international level. EMG Italy's experience comes from the merger of historic and highly qualified companies: Netco Sports, 3Zero2 TV and Global Production.	5	Not specified	44.3	-4.8%	10.3%
		ONE-TV was born from decades of experience of a close-knit team of broadcast professionals. The company boasts a significant experience in the broadcast production of major sporting, musical and TV events, at the national and international level.	3	3	15.5	18.7%	21.0%
		Established in 1988, Videe provides its customers with technical support for all kinds of projects, from the simplest to the most ambitious: reality TV shows, sports events, news programmes, documentaries.	7	5	8.5	18.7%	1.6%
		Since 2002, Soul Movie has collaborated with the most important Italian and international production companies operating in the entertainment industry in the creation of television programmes, promptly and professionally satisfying the needs of partners and customers.	4	Not specified	7.9	5.7%	2.8%
		In May-18, NEP opened its Italian branch. In Jun-18, it acquired Telerecord, a domestic provider of broadcast solutions. In Aug-18, NEP Italy announced an agreement with Top Tech Services, a Rome-based provider of outside broadcast solutions, to add more OB vans to its fleet.	4	Not specified	7.7	6.1%	9.9%
		Cinevideo was established in 1983, after a long experience serving RAI and a regional TV station. Nowadays, the company has a fleet of HD OB vans, able to cover big live events and provide wide coverage for RAI's most important programmes.	6	Not specified	3.8	7.4%	11.1%

Source: AIDA, CFO SIM * Italian branch

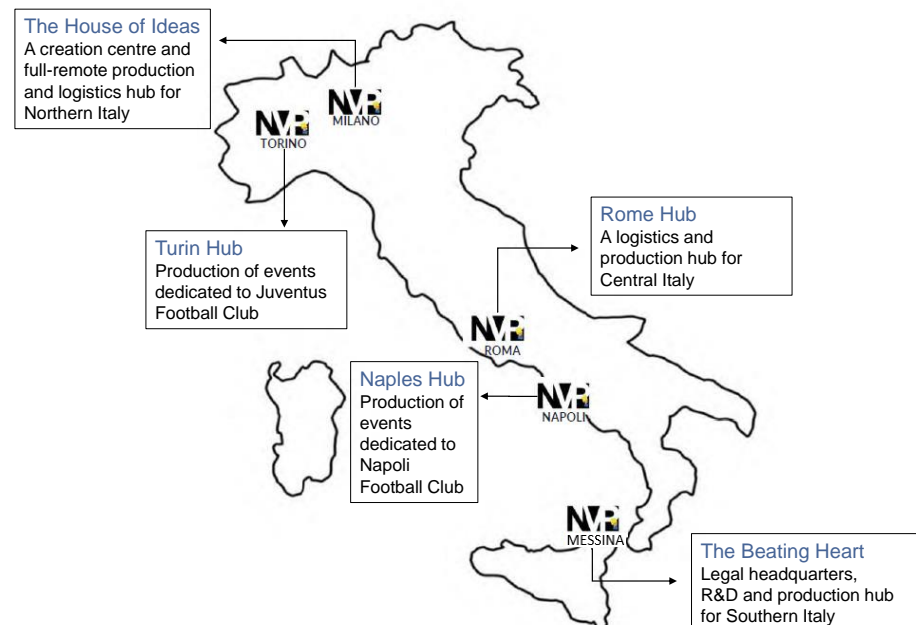


5. Business Model

NVP is a **leading company in end-to-end event broadcasting and media production**, boasting long-standing relationships with primary domestic and international broadcasters and TV networks. On the back of **strong technical know-how and an innovation-led approach**, NVP boasts **the largest fleet of mobile control rooms in Italy**, made up of **16 OB vans**, 6 of which are equipped with 4K HDR technology, **2 air-transportable Fly Cases**, as well as a **cutting-edge remote production hub** located in Cologno Monzese (Milan).

At first mainly focusing on the broadcasting of iconic sporting events, namely football matches of the Italian Major League, NVP succeeded in expanding into other promising sports segments and the production of entertainment TV programs, dramas, fashion events, concerts and theatre performances. As a result, **NVP's product portfolio has been considerably enriched and diversified across different media production segments** since its establishment.

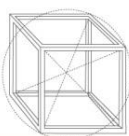
Chart 6 – NVP, company's production and logistics hubs



Source: Company Presentation

NVP operates **five locations in Italy**:

- **Messina**, where the company's headquarters, R&D department and production & logistics hub for Southern Italy are located.
- **Naples**, dedicated to the production of events of SSC Napoli.
- **Rome**, the NVP's main logistics hub serving as a production hub for Central Italy.
- **Milan**, where NVP has set up the '**Innovation Hub**', a creation centre focused on research, development and testing of best-in-class processes and solutions in full-remote mode, by making use of technologies such as augmented reality and artificial intelligence. Milan is also home to the logistics hub for Northern Italy.
- **Turin**, dedicated to events of Juventus FC and its streaming channel "Juventus Channel".



Thanks to its several years of experience in the broadcasting industry and the huge technological content of its offer, **NVP gained strong know-how in managing the entire value chain**, from R&D to after-sale support.

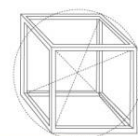
Chart 7 – NVP, Value Chain



Source: Company data, CFO SIM

In detail, NVP's value chain focuses on the following activities:

- **R&D:** NVP incessantly invests a considerable amount of resources in R&D activities, which address the entire value chain, from design and production to the realisation of video contents and services. The **R&D team**, whose activities are coordinated by the CTO Ivan Pintabona, is dedicated to the development of **ever-innovative solutions by means of best-in-class technology**. In doing so, NVP aims to stay ahead of the curve, strengthen relationships with top-tier customers and fend off competition, also in light of the strong know-how acquired throughout the years. Currently, **NPV invests more than 3% of its revenue in R&D every year**.
- **Marketing:** the commercialisation process usually begins with the assessment of the current market environment to identify in advance future trends and, consequently, target customers with high growth potential. The development of **close relationships with leading TV networks and OTT platforms** is pivotal to participating in tenders reserved for few selected companies.
- **Service design:** NVP makes a preliminary comprehensive analysis of the specifications required by the tender or contract, which outlines all the customer's needs in terms of content creation, production, and technical requirements. **NVP's Technical Team is responsible for developing the project**, enriching initial ideas with new and innovative elements aimed at maximising product success and end-user experience. Furthermore, NVP drafts a budget, including the people and technologies needed for the project. NVP boasts managers with over 30 years of experience in the media field, including creators, directors, and marketing specialists.
- **Contract signing:** once set up, the project, including both the technical and economic offer, is submitted to the customer for final approval. If the proposal is accepted, NVP formalises the contract.
- **Service delivery:** NVP assigns the most suitable OB van to the specific task and appoints a project leader, in charge of planning the **schedule and checking the availability of the necessary equipment**, which will be installed and tested before the event. NVP makes use of **both internal** staff, including qualified and highly-skilled employees, **and trusted outsourced technicians**.
- **After-sales service:** based upon reports received by customers, a qualified NVP team of technicians carries out a **detailed post-event analysis** to investigate potential problems or inefficiencies occurred during production, with the aim of enhancing customer loyalty and overall service quality.



5.1. Technical Equipment

With a desire to stay one step ahead of the competition, NVP has always endeavoured to invest a considerable amount of resources to provide its customers with **best-in-class technological equipment and bespoke solutions**, leveraging over 30 years of experience in the field.

NVP can rely on more than 100 highly-skilled employees with considerable field experience, in addition to roughly 300 outsourced technicians selected according to the technical requirements of a specific production. In this way, the company can guarantee **high flexibility combined with highly qualified staff at all times**.

Currently, **NVP operates the largest OB Van fleet in Italy, made up of 16 OB Vans, 6 of which used for 4K HDR production, and 2 air-transportable Fly Cases.**

An OB (Outside Broadcasting) van is needed to broadcast a video content such as sports matches, music concerts or art and cultural events. As the name suggests, an OB van can be defined as a TV studio on-wheels equipped with high quality and reliable cameras, microphones, vision control, sound mixing and all the hardware and software required to broadcast an event from a remote location.

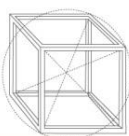
Chart 8 – NVP, Production fleet

	Type	#
	4K HDR OB Van	6
	HD OB Van	10
	Fly Case	2

Source: Company data, CFO SIM

A peculiar feature that differentiates NVP from the competition is its **ability to design and build its OB van fleet entirely in-house**. Indeed, over 30 years of proven experience with its founders, coupled with strong know-how of a team of specialised technicians, enable NVP to set up an OB van from scratch. Usually, some system integrators assist NVP both in the design and manufacturing phases, especially as regards the integration of the various software and hardware components. As a matter of fact, **NVP was the first Italian company to have designed a 4K HDR-supported OB Van in 2016, the “OB4 Van”**.

In 2018, NVP built the **“OB6 Van”, a twin of “OB4 Van”**. They are triple-expansion OB vans equipped with four separate control rooms, two of which are dedicated to audio and two to video. Each OB van can host up to 28 4K-HDR cameras, audio Dolby E, 12 replay stations and 6 producer stations. Most importantly, the designed layout provides for two independent entrances, enabling the broadcast of two different events at the same time. Thanks to these OB Vans, NVP was awarded a contract for broadcasting some competitions of the 2020 Olympic Games in Tokyo.



Thanks to the **unwavering effort of the R&D department**, at year end 2020 NVP introduced the “**OB 7 Van**”, unquestionably **its fleet's flagship**. This van, entirely designed by NVP's Technical Department, comprises an 85 sqm area with three separate accesses, and two distinct audio and video production areas, in order to simultaneously manage two different productions. Compared with other mobile units, “OB 7” hosts a higher number of technicians and can support a 5G connection, which allows for an ever-immersive experience for viewers.

Chart 9 – NVP, “OB 7”, the flagship of NVP's fleet



Source: Company data

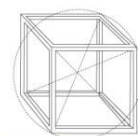
In addition, “OB 7” has ad-hoc rooms equipped with functionalities capable of empowering the **broadcast of events with Cloud Network and Machine Learning** technologies and offers AI-assisted analysis of both video and audio content. Thus, “**OB 7**” **bridged the gap between a traditional OB Van and more high-tech solutions** in the broadcasting market.

The entire investment in **the manufacturing of “OB 7” amounted to € 7.5m**. Since its establishment, **NVP has invested more than € 30m in expanding its OB van fleet** and keeping it equipped with the most advanced and up-to-date technology.

Being qualified as an ‘innovative SME’ and located in Southern Italy, **NVP was able to finance most of its investments by participating in regional tenders that granted subsidised financing**, either in the form of non-repayable loans or tax credits.

In addition to the OB van fleet, the company makes use of **two Fly Cases**, designed and built in-house. As the name suggests, a Fly Case features a very easy-to-handle and **air-transportable control room**. Currently, NVP's Fly Cases serve customers worldwide and are employed to broadcast Superbike, Moto GP, and Formula E championships.

Moreover, NVP has set up the ‘**Innovation Hub**’ in Cologno Monzese, near Milan. It is a centre focused on research, development and testing of best-in-class processes and solutions in full-remote mode, by making use of technologies such as **augmented reality and artificial intelligence**. Thanks to this highly innovative hub, NVP is able to provide its customers with **Full Remote Production** solutions. In particular, NVP started testing remote production in partnership with Sky Italia during the 2022/23 Italian Serie B championship. The extremely positive results of the tests carried out allowed NVP to be awarded a **contract for full-remote production of all the matches of the Italian Lega Pro Serie C championship in 2023/24, 2024/25, and 2025/26** (approximately 1,100 matches). The contract generates revenues of **€ 1.2m per year**.



5.2. Customer Portfolio

Since its establishment, NVP has always operated in the top-tier segment of the broadcasting market, which comprises **major TV networks, well-known sports channels and OTT platforms**. In 2008, following the in-house realisation of its first OB Van “OB 1”, the company secured its first broadcasting contracts with Sky and Mediaset, transmitting football matches of the Serie A championship.

From then on, also in the wake of huge investments in technological innovations, NVP managed to build highly-loyal relationships with top-tier customers, significantly increasing the share of wallet mainly in relation to football matches by transmitting major events such as the **Champions League finals** in Lisbon (2014) and Berlin (2015) or the **Europa League**.

Furthermore, over the years NVP has expanded its customer base by entering new type of events, including several sports competitions, such as motorsports, volleyball, basketball, or TV shows, fashion events, concerts, and theatre performances. As of today, NVP works with approximately **60 medium-/high-end customers**, operating in the Sports & Motors field as well as in the Entertainment & Fashion sector. NVP has a **long-lasting relationship** with most of its customers, which provide NVP with recurring turnover. Moreover, NVP was able to sign **some multi-year agreements**, which ensured good visibility in the short-medium term.

This outstanding diversification path undoubtedly highlights the soundness of management’s strategy and the growing trust of customers in NVP’s services, built upon years of continuous innovation and flawless event delivery. **NVP is not only a broadcasting operator but a true customer advisor** who perfectly understands its customers’ desires and needs and provides suggestions and ideas for specific events where it has acquired superior knowledge and expertise.

Chart 10 – NVP, Main customers in the Sports & Motors division

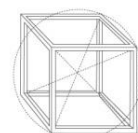


Source: Company data, CFO SIM

In Italy, NVP boasts an **undisputed leadership in broadcasting football matches**:

- **Serie A**: agreements with **9 football teams** for broadcasting home games.
- **Serie B**: agreement with Sky Italia for broadcasting the entire championship in 2022/23 and 2023/24 for **€ 4.0m per season**.
- **Lega Pro Serie C**: **three-year exclusive agreement** with Sky Italia for full-remote broadcasting of the entire 2023/24, 2024/25 and 2025/26 championships for **€ 1.2m per season**.

In addition, **NVP produces exclusive video content for three Serie A teams**: US Sassuolo Calcio, SS Calcio Napoli and Juventus FC. The contracts with SSC Napoli and Juventus FC were obtained following the acquisition of Xlive Srl (2021) and E.G. Audiovisivi Srl (2022), respectively. Moreover, **in Mar-23 NVP signed a five-year agreement with SS Lazio** for the development of the football team’s new-born media company, named LazioStyle. In detail, NVP will implement SS Lazio’s OTT platform and related audio and video content, in addition to managing all social media channels.



Besides football, NVP has won new contracts in other sports segments over the past decade, among which **Superbike, Volleyball, Tennis, Formula E, Skiing, Canoeing, Horse-riding, Cycling and Water sports**. Furthermore, **NVP secured a multi-year contract with iconic luxury automaker Ferrari**, mainly related to the broadcasting of the Ferrari Challenge Europe Cup as well as the F1 car-unveiling event, occurring every year in February.

A significant milestone in NVP's history was the **agreement with the Olympic Broadcast Service (OBS)** for the broadcasting of some competitions during the Tokyo 2020 **Olympic Games**, namely horse-riding and target shooting, through three 4K HDR OB Vans. The collaboration with OBS was recently confirmed, as NVP was awarded a € 1.4m contract for the **Paris 2024 Olympic Games**. NVP will provide about 100 UHD video cameras and four 4K HDR OB Vans for broadcasting horse-riding, pentathlon and canoeing competitions.

Another important contract recently signed was the **4-year agreement** with WTA Media and Dazn Group Limited UK **to produce the WTA Tour**. The agreement is expected to generate **total revenues of about € 10m** for NVP.

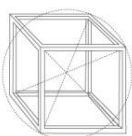
In 2012, NVP secured its first in-studio production contract with LA7, the private channel owned by Cairo Communication, for the broadcasting of "The Show Must Go Off", totalling 14 episodes. This new kind of contract **marked a turning point in NVP's history**, as it paved the way for new business opportunities and the diversification of its customer portfolio, until then exclusively focused on outside broadcasting of sporting events, mostly football matches.

Chart 11 – NVP, Main customers in the Entertainment & Fashion division



Source: Company data, CFO SIM

As of today, NVP has succeeded in enlarging its entertainment-related customer portfolio, which **includes international market leaders such as Banijay and Atlantis**, and productions, by adding **popular TV talk shows** such as "Non è l'arena" and "Dimartedì", or **flagship talent shows** like "Italia's Got Talent", "Game of Talents" as well as "Masterchef Italia". Moreover, over the past three years, NVP has been among the selected partners in charge of transmitting several **music and cultural events**, including the "Taobuk Festival" in Taormina, "Cavalleria Rusticana" at the San Carlo theatre in Naples, the "Radio Italia" concert in Milan and "2022 Tim Summer Hits".



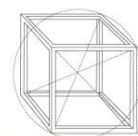
6. M&A activity

Following the IPO, NVP has undertaken a remarkable growth path boosted by some acquisitions. The primary focus of NVP's M&A activity was on **acquiring highly specialised technicians, major customers, and cutting-edge technology**. Moreover, the consolidation of the highly fragmented domestic market allowed NVP to increase its bargaining power with major broadcasters. In detail, NVP finalised the following deals:

- **Xlive:** in Feb-21, NVP acquired a business unit from Xlive Srl through the newly-established NVP Napoli Srl. The business unit included **3 OB vans** equipped with high-definition technology, the production structure, staff and commercial agreements, in particular with SS Calcio Napoli and Lega Volley. **The price paid was € 1.0m**, € 300k of which through NVP shares valued at € 3.80/s. In 2020, the BU totalled revenues of € 2.1m and EBITDA of € 0.4m (20% margin). In Dec-21, NVP Napoli Srl was merged by incorporation into NVP SpA.
- **Mediacam:** in Jul-21, NVP acquired a business unit from Madiacam Srl through the newly-established NVP Roma Srl. The business unit was composed of the entire operative structure, including **2 OB vans equipped with 4K HDR technology**, staff and commercial agreements. **The price paid was € 2.8m**, € 420k of which through NVP shares valued at € 3.80/s. In 2020, the business unit generated revenues of € 2.1m and EBITDA of € 0.3m (14% margin). In Dec-22, NVP Roma Srl was merged by incorporation into NVP SpA.
- **E.G. Audiovisivi:** in Oct-22, NVP finalised the acquisition of **100% of E.G. Audiovisivi Srl for € 665k**, € 65k of which as an earn-out component based on the achievement of certain commercial goals. E.G. Audiovisivi creates and produces sports content through audio-visual filming, editing, and management of TV studios and distributes such content on several multimedia platforms. In 2021, the company reported revenues of € 0.9m and EBITDA of € 0.3m. E.G. Audiovisivi employs 15 staff, 13 of which are entirely dedicated to a multi-year contract with a major Italian football team for the management of its TV channel. NVP already provides this football team with the broadcasting of the home matches. At the closing date, E.G. Audiovisivi had an order backlog of about € 1.3m, billable in 2022-23.
- **Euroscena:** in Sep-23, NVP acquired **a business unit from Euroscena Srl for € 80k**. In detail, NVP acquired 100% of Produzioni Italia Srl, a newly established company into which the business unit was contributed. Despite its low price, **the deal turned out to be extremely strategic** as it allowed NVP to 1) acquire a production structure composed of 25 employees with strong know-how in both sports and entertainment TV productions, 2) increase the company's fleet with **4 OB vans, 1 of which equipped with 4K HDR technology**, and 3) get a **€ 2.5m contract with a major customer**, further increasing NVP's presence in the Serie A-related productions. With respect to the technological equipment included in the business unit, the agreement envisages the possibility for NVP to buy it at the end of the 2023/24 Serie A season for € 1.25m or to return it to Euroscena.

Furthermore, NVP has equity stakes in a couple of innovative companies, with promising growth potential:

- **HiWay Media (50.0% stake):** it is an innovative start-up which provides flexible solutions for all production needs, from Tier-1 broadcast standards with 4K HDR OB vans to versatile tools for managing small to medium-sized streaming productions, in person or remotely from afar. The company developed a cloud-based platform where it is possible to combine several products into a single dashboard, from Content Management System (CMS) to Video Management System (VMS) and Digital Assets Management (DAM), enabling customers to manage their entire multimedia workflow and distribute their content across multiple platforms using a single dashboard. NVP invested overall € 2.7m to acquire 50% of HiWay Media.

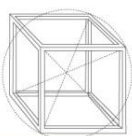


- **Soccerment (3.32% stake):** in Jul-21, NVP subscribed a capital increase of € 150k in Soccerment Srl, an innovative start-up focused on the development of devices used for data collection and analysis of football players. In detail, the company 1) designs and produces wearable devices to collect data, 2) develops innovative data analytics tools based on machine learning algorithms and 3) provides football teams with advice on data management.

7. Strategy

Since its establishment, NVP has unveiled a remarkable growth path driven by continuous investment in technological evolution to strengthen its leading positioning in Italy and expand its presence among international customers. NVP's growth strategy is based on the following pillars:

- **Scouting further M&A opportunities:** since the IPO, NVP has finalised several acquisitions which allowed the company to 1) increase its fleet of highly-technological OB vans, 2) increase the number of professional staff and 3) obtain significant contracts with new major customers. Nowadays, **the scouting activity goes on** to consolidate a still fragmented market: ideal targets are companies with a **services portfolio complementary and synergistic to NVP**, possibly having cutting-edge technology, highly-specialised technicians and tier-1 customers. The company's management team is scouting potential targets in Italy, as well as in the US and Middle-East.
- **Acceleration of the internationalisation path:** NVP plans to strengthen its international reach by winning new important broadcasting contracts, especially as regards the most popular international sporting events. In such a manner, the company will be able to further enhance the expertise of its technical team and gain visibility with major broadcasters, opening up to additional business opportunities.
- **Investment in technology:** over the last few years, NVP has invested over € 20m in developing and realising new best-of-breed technological solutions able to meet the increasing demand for high-definition content by the audience. Currently, **NVP's technological offer is among the most complete and advanced in Europe**. Nevertheless, the group plans to continue investing in R&D and technological development in order to anticipate market trends and offer innovative solutions to major customers, being a reference partner for them rather than just a service supplier.



8. SWOT Analysis

The SWOT analysis, also known as SWOT Matrix, is a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture. A SWOT analysis can be carried out with regard to a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieving that objective.

- **Strengths:** characteristics of the business that give it an advantage over others.
- **Weaknesses:** characteristics that place the business at a disadvantage vs. others.
- **Opportunities:** elements that the project could use to its advantage.
- **Threats:** elements in the environment that could cause harm or be detrimental to the business or project.

The technique is credited to Albert Humphrey, who led a research project based on Fortune 500 data at Stanford University between the 60s/70s.

S.W.O.T. ANALYSIS

STRENGTHS

- ❑ Unquestionably **the vastest fleet of OB van** in Italy: 16 OB vans, o/w 6 in 4K HDR
- ❑ **Outstanding technological know-how**, acquired in over 30 years of experience
- ❑ Ability to **design and produce OB vans entirely in-house**
- ❑ Among few companies able to offer **Full-Remote Production**
- ❑ **Long-lasting relationships** with major broadcasters, federations, and sporting TV channels

WEAKNESSES

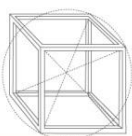
- ❑ NVP's business **intrinsically requires huge investments** in technology and equipment
- ❑ **Hiring and retaining highly-skilled technicians** is challenging
- ❑ Still **limited size** in the international arena
- ❑ Rather high **customer concentration**

OPPORTUNITIES

- ❑ **M&A opportunities to consolidate** a still fragmented domestic market
- ❑ Obtaining further contracts with **leading international broadcasters**
- ❑ Increasing use of **4K/8K, Full-Remote Production and Virtual/Augmented Reality** technologies
- ❑ **International expansion**, with a focus on Middle-East and APAC

THREATS

- ❑ **Larger international players** could hinder its M&A strategy
- ❑ **Resignation of key technicians** may weaken NVP's market positioning
- ❑ **Development of new broadcasting solutions** may reshape the outside broadcasting industry



9. Recent Results

In the past five years, NVP has unveiled outstanding organic growth coupled with selective acquisitions aimed at strengthening its competitive positioning in Italy. The main growth drivers were 1) the increased share of wallet with some historical customers, namely major TV networks and 2) the expansion in several market segments, such as sports other than football, fashion shows, TV shows, and concerts.

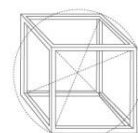
Table 2 – NVP, FY 2018-22 key figures

€ m	2018	2019	2020	2021	2022	% CAGR ₁₈₋₂₂
Revenues	4.6	7.3	6.4	13.0	17.4	39.3
Value of Production	5.1	8.0	7.3	16.1	20.0	41.0
EBITDA	1.5	2.0	0.8	3.3	3.4	23.7
% margin	28.7	25.4	11.0	20.3	17.0	
Adjusted EBITDA	1.8	2.7	1.4	4.9	5.6	32.4
% margin	36.1	33.6	19.2	30.3	28.0	
EBIT	0.6	0.7	(1.5)	0.8	0.9	10.9
% margin	11.4	8.9	(20.6)	4.8	4.4	
Net Profit	0.3	0.2	(1.3)	0.3	0.2	(3.0)
% margin	5.1	2.9	(17.8)	2.1	1.1	
NFP debt / (cash)	5.7	(1.7)	4.9	8.7	8.9	11.8
NFP debt / (cash) incl. IFRS-16	7.2	(0.3)	7.4	12.1	11.6	12.8
Net Equity	0.6	11.1	10.1	11.6	12.2	n.m.

Source: Company data, CFO SIM analysis

Revenues grew at a CAGR₁₈₋₂₂ of 39.3%, reaching € 17.4m in 2022, whereas **adjusted EBITDA** rose slightly less than proportionately to the top line at a **CAGR of 32.4%** in the same period, totalling € 5.6m, 28.0% margin, in 2022.

In the 2018-22 period, **NVP invested over € 20m in technological development** in order to provide TV networks and OTT platforms with best-of-breed solutions, giving NVP a strong competitive advantage and, consequently, strengthening its leading positioning in the broadcasting industry.



9.1. FY-22 Results

In 2022, NVP reported growing results driven by the consolidation of its competitive positioning, making a name for itself as a leading provider of broadcasting solutions.

In particular, **in addition to the usual broadcasting activity in the football field, NVP entered new market segments** by producing, inter alia, the World Equestrian Championship 2022, some world championships organised by the Italian Equestrian Sports Federation, the Canoe Slalom World Tour, the Canoe World Sprint Championship 2022, the Formula E race in Rome, the Radio Italia concert in Milan and some fashion shows during the Milan Fashion Week, including Prada, Bottega Veneta, Diesel, Jil Sander and Missoni. Among **in-studio TV shows**, NVP produced “Di Martedì”, “Un’Ora Sola Vi Vorrei”, “Non è l’Arena”, “Italia’s Got Talent”, “Don’t Forget the Lyrics”, “La Pupa e il Secchione”, and “Master Chef Italia”.

In Oct-22, NVP acquired E.G. Audiovisivi Srl, which should have been consolidated for two months (Nov-Dec) in FY-22 but, considering its impact on consolidated figures as non-material, the company decided not to prepare the consolidated financial statement. Nevertheless, including E.G. Audiovisivi Srl for two months, FY-22 pro-forma figures would have been as follows: revenues of € 17.6m, VoP of € 20.3m, adjusted EBITDA of € 5.7m and NFP of € 8.7m debt.

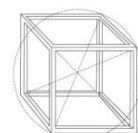
Table 3 – NVP, FY 2022-21 results summary

€ m	2022	2021	% YoY
Revenues	17.4	13.0	34.4
Capitalised costs	0.7	0.6	
Other revenues	1.9	2.6	
Value of Production	20.0	16.1	24.2
Raw material and processing	(0.3)	(0.3)	
Services	(6.1)	(3.9)	
Personnel expenses	(5.7)	(4.5)	
Other opex	(4.4)	(4.1)	
EBITDA	3.4	3.3	4.0
% margin	17.0	20.3	
D&A	(2.5)	(2.5)	
EBIT	0.9	0.8	14.3
% margin	4.4	4.8	
Financials	(0.4)	(0.4)	
Pre-Tax profit	0.4	0.4	20.5
% margin	2.2	2.2	
Income taxes	(0.2)	(0.0)	
Tax rate	47.2%	3.9%	
Minority interest	0.0	0.0	
Net Profit	0.2	0.3	(33.9)
% margin	1.1	2.1	
Extraordinary costs	(0.4)	(0.3)	
IFRS-16 Adjustments	(1.9)	(1.3)	
EBITDA Adjusted	5.6	4.9	14.8
% margin	28.0	30.3	
NFP debt/(cash)	8.9	8.7	2.2
NFP debt/(cash) incl. IFRS-16	11.6	12.1	(4.1)

Source: Company data, CFO SIM analysis

Revenues were € 17.4m, up by 34.4% YoY, thanks to increasing sales to existing customers coupled with the expansion of the customer portfolio, including through M&As carried out in 2021 (i.e. two business units in Xlive Srl and Mediacam Srl, respectively).

Value of production totalled € 20.0m, up by 24.2% compared to € 16.1m in FY-22, as a result of capitalised R&D costs, broadly in line with the previous year (€ 0.7m vs. € 0.6m in 2022), and a decline in other revenues, related to capital grants from tangible assets used for production as well as public grants.

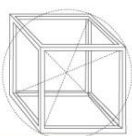


In particular, in 2022, NVP decided to extend the useful life of some tangible assets included in its balance sheet (OB vans and equipment), consequently reducing the yearly amount of capital grants and D&A expenses, which remained unchanged in terms of overall amount but were spread over several years. Following a technical assessment, the useful life of the equipment was set to 12 years instead of 7, previously used.

EBITDA was € 3.4m, 17.0% margin, compared to € 3.3m, 20.3% margin in 2022, as a result of higher services costs and personnel expenses, due to an increase in production activities and staff. **EBITDA adjusted** for non-recurring costs of € 0.4m as well as lease and rental expenses of € 1.9m (in accordance with the IFRS-16) **stood at € 5.6m, 28.0% margin** (€ 4.9m, 30.3% margin in 2022).

After broadly stable D&A thanks to the extended useful life of some tangible assets, **EBIT** remained broadly unchanged at **€ 0.9m, 4.4% margin** (€ 0.8m, 4.8% margin in 2022). **Net profit was € 0.2m**, after stable financial charges and a slightly higher tax burden than in the previous year.

Net Financial Position was € 8.9m debt compared to € 8.7m in FY-22, after the acquisition of E.G. Audiovisivi for € 0.7m and capex of € 5.7m, counterbalanced by strong operating cash-flow. If we consolidated E.G. Audiovisivi, net debt would amount to € 8.7m, broadly unchanged YoY. By including the figurative debt stemming from the application of the IFRS-16, **net debt amounted to € 11.6m, 2.1x adj. NFP/EBITDA** (€ 12.1m, 2.5x adj. NFP/EBITDA in 2022).



9.2. H1-23 Results

NVP reported 2023 interim results characterised by top-notch organic growth coupled with the consolidation of E.G. Audiovisivi, acquired in Oct-22. Thanks to the acquisitions made in the last two years, NVP boasts over 100 specialised employees and more than 300 trusted collaborators, thus having the possibility to support additional productions in the near future.

Table 4 – NVP, 2023-22 interim results summary

€ m	H1-23	H1-22	% YoY
Revenues	12.4	8.2	52.0
Capitalised costs	0.3	0.3	
Other revenues	0.9	1.0	
Value of Production	13.6	9.5	43.0
Raw material and processing	(0.2)	(0.2)	
Services	(4.9)	(2.5)	
Personnel expenses	(3.8)	(2.7)	
Other opex	(1.9)	(1.5)	
EBITDA	2.8	2.7	5.3
% margin	20.7	28.1	
D&A	(1.8)	(2.4)	
EBIT	1.0	0.3	n.m.
% margin	7.2	2.9	
Financials	(0.4)	(0.3)	
Pre-Tax profit	0.5	0.0	n.m.
% margin	4.0	0.2	
Income taxes	(0.1)	(0.1)	
Tax rate	27.5%	n.m.	
Minority interest	0.0	0.0	
Net Profit	0.4	(0.1)	n.m.
% margin	2.9	(0.8)	
Extraordinary costs	(0.7)	(0.2)	
IFRS-16 Adjustments	(0.2)	(0.1)	
EBITDA Adjusted	3.7	3.1	21.4
% margin	27.2	32.1	
NFP debt/(cash) *	9.4	8.9	5.4
NFP debt/(cash) incl. IFRS-16 *	12.5	11.6	7.6

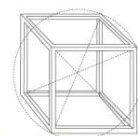
Source: Company data, CFO SIM analysis *compared to FY-22

Revenues were up by 52% YoY to € 12.4m (€ 8.2m in H1-22), thanks to **organic growth of 45%** coupled with the consolidation of E.G. Audiovisivi (acquired in Oct-22), which contributed € 550k. **Foreign revenues were € 1.3m (10% of the total)** more than doubled compared to € 0.6m in H1-22 (7% of the total). In terms of market segment, **Sports & Motors** productions generated **€ 9.5m up by 73% YoY** (63% organically), accounting for about **75% of the total**, while **Entertainment & Fashion** reached **€ 2.9m, up by 10% YoY**, accounting for **25% of the total**.

EBITDA was € 2.8m, 20.7% margin (€ 2.7m, 28.1% margin in H1-22) as a result of an increase in production costs stemming from the higher number of productions realised, and in personnel expenses due to the consolidation of E.G. Audiovisivi and the additional staff dedicated to the management of SS Lazio's media company. **EBITDA adjusted** for non-recurring costs as well as lease and rental expenses **stood at € 3.7m, 27.2% margin** (€ 3.1m, 32.1% margin in H1-22).

EBIT totalled € 1.0m, 7.2% margin compared to € 0.3m, 2.9% margin in H1-22, as a result of lower D&A stemming from the extension of the useful life of some tangible assets performed at the time of the FY-22 financial statements. **Net Profit was € 0.4m** compared to a net loss of € 0.1m in H1-22, mainly on the back of increased operating profit.

Net Financial Position (including IFRS-16) stood at € 12.5m, compared to € 11.6m at year-end, mainly as a result of IFRS-16-related liabilities increased by € 0.7m.



9.3. 9M-23 revenues and Q4-23 order backlog

NVP reported 9M-23 revenues characterised by a strong increase in the Sports & Motors sector coupled with a steady growth of the Entertainment & Fashion segment thanks to the production of some famous studio entertainment programs. Foreign revenues significantly benefited from the agreement with WTA Media and Dazn Group Limited UK to produce the Women's Tennis Association Tour.

Table 5 – NVP, 9M 2023-22 revenue summary

€ m	9M-23	9M-22	% YoY
Sports & Motors	15.5	8.7	78.2
Entertainment & Fashion	4.0	3.7	8.1
Revenues	19.5	12.4	57.3

Source: Company data, CFO SIM analysis

At the end of September 2023, NVP totalled **revenues of € 19.5m, up by 57.3% YoY**, thanks to **organic growth of ca. 53%** coupled with the consolidation of the companies acquired, which contributed € 0.5m.

Sports & Motors productions generated **€ 15.5m up by 78.2% YoY**, accounting for about **79% of the total**, while **Entertainment & Fashion** reached **€ 4.0m, up by 8.1% YoY**, accounting for **21% of the total**.

In terms of geography, **foreign revenues were € 3.4m compared to € 0.8m in 9M-22**, thanks to the contribution of the agreement with WTA Media and Dazn Group Limited UK for broadcasting the **WTA Tour**.

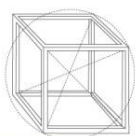
As from Q3-22, **NVP reported five growing quarters in a row**, showing its ability to gain multi-period contracts which ensures a good degree of visibility and steady growth.

Furthermore, NVP's **order backlog for Q4-23 is equal to € 6.4m**.

Table 6 – NVP, 2023-22 revenues by quarter

€ m	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23
Revenues	3.6	4.6	4.2	5.0	6.0	6.4	7.1
QoQ %		28%	-9%	19%	20%	7%	11%
YoY%					67%	39%	69%

Source: Company data, CFO SIM analysis



10. Financial Forecasts

Over the years, NVP has been able to strengthen its competitive positioning thanks to **continuous investment in innovative technology and cutting-edge solutions**. NVP stands as a **reliable partner for its customers**, being a true advisor who perfectly understands their desires and needs and provides suggestions and ideas for specific events where it has gained superior knowledge and expertise.

The strong relationships with major TV networks, streaming platforms, and sports associations, allowed NVP to be awarded **several multi-year agreements**, providing it with a good degree of visibility in the short-term. Among them, there are:

- **agreements with 9 Serie A football teams** (out of 20) for broadcasting home games;
- an agreement with Sky Italia for broadcasting the entire **Serie B championship in 2022/23 and 2023/24 for € 4.0m per season**;
- a **three-year exclusive agreement** with Sky Italia for full-remote broadcasting of the entire **2023/24, 2024/25 and 2025/26 Lega Pro Serie C championships for € 1.2m per season**;
- a **€ 1.4m** agreement with Olympic Broadcasting Services **for the broadcasting of Paris 2024 Olympic Games**. NVP will provide about 100 UHD video cameras and four 4K HDR OB Vans in for broadcasting horse-riding, pentathlon and canoeing competitions;
- a **four-year agreement** with WTA (Women's Tennis Association) Media and Dazn Group Limited UK to produce the **WTA Tour**. The agreement is expected to generate **total revenues of about € 10m** for NVP.

As of the end of Sep-23, NVP totalled revenues of € 19.5m, € 15.5m of which with respect to Sports & Motors events and the remainder with regard to Entertainment & Fashion. Furthermore, the group's **order backlog for Q4-23 is equal to € 6.4m**.

Overall, **CFO SIM estimates revenues to show a 25.0% CAGR₂₂₋₂₅**, mainly driven by NVP's core business, namely the production of sports events, coupled with the steady growth of the Entertainment & Fashion segment.

Table 7 – NVP, 2022-25e top line growth trend breakdown

€ m	2022	2023e	2024e	2025e	% CAGR ₂₂₋₂₅
Revenues	17.4	25.9	30.0	34.0	25.0
Sports & Motors	12.5	20.3	24.0	27.6	30.0
Entertainment & Fashion	4.9	5.6	6.1	6.4	9.6
% YoY					
Revenues	-	49.0	15.8	13.1	
Sports & Motors	-	62.0	18.0	15.0	
Entertainment & Fashion	-	15.5	8.0	5.5	
% on total					
Revenues	100.0	100.0	100.0	100.0	
Sports & Motors	72.0	78.3	79.8	81.1	
Entertainment & Fashion	28.0	21.7	20.2	18.9	

Sources: Company data, CFO SIM estimates

The **Sports & Motors events are expected to remain the main business segment for the group**, accounting for approximately 80% of the total. It is worth noting that Sports & Motors events have higher marginality compared to Entertainment productions, whereas events related to the fashion world have a profitability level broadly in line with the Sports segment.

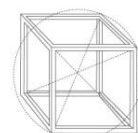


Table 8 – NVP, 2022-25e profitability evolution

€ m	2022	2023e	2024e	2025e	% CAGR ₂₂₋₂₅
Revenues	17.4	25.9	30.0	34.0	25.0
Capitalised costs	0.7	0.7	0.6	0.7	
Other revenues	1.9	1.5	1.5	1.5	
Value of Production	20.0	28.1	32.2	36.2	21.9
Raw material and processing	(0.3)	(0.4)	(0.5)	(0.5)	
Services	(6.1)	(9.3)	(10.6)	(11.9)	
Personnel expenses	(5.7)	(7.9)	(8.9)	(9.8)	
Other opex	(4.4)	(4.6)	(4.7)	(5.1)	
EBITDA	3.4	6.0	7.5	8.8	37.4
% margin	17.0	21.2	23.3	24.4	
D&A	(2.5)	(3.6)	(3.6)	(3.6)	
EBIT	0.9	2.4	3.9	5.3	81.8
% margin	4.4	8.4	12.2	14.5	
Extraordinary costs	(0.4)	0.0	0.0	0.0	
IFRS-16 Adjustments	(1.9)	(2.0)	(2.0)	(2.0)	
Adjusted EBITDA	5.6	8.0	9.5	10.8	24.6
% margin	28.0	28.3	29.6	30.0	

Sources: Company data, CFO SIM estimates

The company's cost structure is anticipated to be broadly stable, with about **45-55 fixed-variable costs**, so there is significant room to use **operating leverage**.

As a result, profitability is expected to grow more than proportionately to the top line (i.e. VoP): **we expect adjusted EBITDA to reach € 10.8m, 30.0% margin, in 2025.**

D&A are expected to increase in 2023 on the back of the significant investments made over the past years, and then to stabilise in 2024-25.

Table 9 – NVP, 2022-25e below EBIT evolution

€ m	2022	2023e	2024e	2025e	% CAGR ₂₂₋₂₅
EBIT	0.9	2.4	3.9	5.3	81.8
% margin	4.4	8.4	12.2	14.5	
Financials	(0.4)	(0.9)	(0.6)	(0.6)	
Re/(Devaluation) of financial assets	0.0	0.0	0.0	0.0	
Forex gain/(loss)	0.0	0.0	0.0	0.0	
Pre-Tax profit	0.4	1.5	3.3	4.7	n.m.
% margin	2.2	5.2	10.3	13.0	
Income taxes	(0.2)	(0.4)	(0.9)	(1.3)	
Tax rate	47.2%	27.5%	27.5%	27.5%	
Minority interest	0.0	0.0	0.0	0.0	
Net Profit	0.2	1.1	2.4	3.4	n.m.
% margin	1.1	3.8	7.5	9.4	
Adjusted Net Profit	0.4	1.1	2.4	3.4	n.m.
% margin	2.1	3.8	7.5	9.4	

Sources: Company data, CFO SIM estimates

Below EBIT, **CFO SIM anticipates net financial expenses of € 0.9m in 2023**, up from € 0.4m in 2022, due to an increase in interest rates. A gradual decrease is also expected in the following years on the back of the estimated debt reduction.

The **tax burden is predicted to be steady, at a 27.5% rate**, broadly in line with the historical trend.

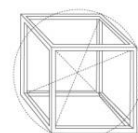


Table 10 – NVP, 2022-25e Net Financial Position and financial solidity

€ m	2022	2023e	2024e	2025e
NFP debt/(cash)	8.9	9.2	5.6	1.2
Average (Cash)/debt	8.8	9.1	7.4	3.4
Gross debt	11.3	11.3	11.3	11.3
EBITDA	3.4	6.0	7.5	8.8
Shareholders' equity	12.2	13.2	15.6	19.0
Minorities	0.0	0.0	0.0	0.0
Interest charges	(0.4)	(0.9)	(0.6)	(0.6)
Debt for leasing (IFRS-16)	2.8	3.3	3.3	3.3
NFP debt/(cash) incl. IFRS-16	11.6	12.5	8.9	4.5
Adjusted EBITDA	5.6	8.0	9.5	10.8
NFP/Equity	0.7	0.7	0.4	0.1
NFP/EBITDA	2.6	1.5	0.7	0.1
Adjusted NFP/EBITDA	2.1	1.6	0.9	0.4
EBITDA/charges	7.7	6.7	12.6	15.4
Debt/Equity	0.9	0.9	0.7	0.6

Sources: Company data, CFO SIM estimates

In the 2023-25 period, we anticipate overall capex of € 13.6m, including 1) € 1.0m per year as capitalised R&D costs (on average about 3.5% of annual revenue), 2) € 1.5m per year as maintenance capex to keep all the equipment up-to-date, and 3) € 6.0m for the development and implementation of new technological solutions.

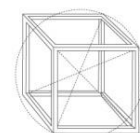
Net Financial Position including the IFRS-16 effect is anticipated to decrease to € 4.5m from € 11.6m at year end 2022, thanks to an average EBITDA/FCF conversion of 30% per year.

ROE is expected to be 8.0%, 15.4% and 17.9% in 2023-25, respectively. ROCE is predicted to be 9.3%, 14.1% and 16.8% in 2023-25, respectively.

Table 11 – NVP, 2022-25e Net Financial Position and financial solidity

€ m	2022	2023e	2024e	2025e
Op NWC	(2.0)	(1.8)	(2.1)	(2.1)
Inventories	0.0	0.0	0.0	0.0
Receivables	5.0	6.7	7.4	8.4
Payable	(7.0)	(8.5)	(9.5)	(10.5)
Op NWC/Sales	-11.3%	-6.8%	-6.9%	-6.2%
Capital Employed	24.0	25.3	27.9	31.4
Capital Employed turnover - x	1.2	0.9	0.9	0.9
NFP debt/(cash)	8.9	9.2	5.6	1.2
NFP repayment YoY	-	0.4	(3.7)	(4.4)
ROACE%	3.8	9.6	14.7	17.8
ROCE %	3.6	9.3	14.1	16.8
ROE %	1.9	8.0	15.4	17.9
EBITDA - FCF Conversion %	9.9	(6.1)	48.9	49.7
Free Cash Flow	0.3	(0.4)	3.7	4.4
EBITDA	3.4	6.0	7.5	8.8
Capex	6.3	6.6	3.5	3.5

Sources: Company data, CFO SIM estimates

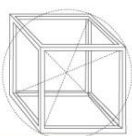


11. Valuation & Risks

CFO SIM initiates coverage of NVP with a Buy recommendation and a PT of € 6.00/s, 109.8% upside to current price levels. CFO SIM believes that **the DCF model is the most appropriate methodology to get a reasonable valuation**, in order to better factor in the medium-long term value of the stock and to avoid to incorporate the increased volatility of the stock market.

The **DCF model** is based on standard settings for a small-cap, including $g=1\%$, $\beta=0.9$, $WACC=9.6\%$ and a sustainable 30:70 debt/equity balance-sheet structure. In accordance with the DCF model, we obtain a **valuation of NVP of € 6.00/s.**

We also ran a **market multiples analysis** by setting up a peer group composed of small-medium companies operating in the **European entertainment production segment**. Nevertheless, it is worth noting that there are no listed companies strictly comparable to NVP. The most comparable international companies are private or PE-backed, i.e. Mediapro, Euro Media Group and NEP.



11.1. DCF

In applying the DCF valuation method, we assess explicit estimates until 2027 and a cautious long-term growth of 1.0%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

Table 12 – WACC derived from:

Interest costs, pre-tax	4.5%
Tax rate	27.5%
Int. costs, after taxes	3.3%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	4.20%
Beta levered (x)	0.90
Required ROE	12.3%

Sources: CFO SIM, Refinitiv Eikon

Risk premium at 9.0% factors in the minute size of the company and basically all Euronext Growth Milan market segment related concerns that an investor might have. The WACC is computed using a sustainable **30:70 debt/equity** balance-sheet structure. **Beta is conservatively set at 0.90:** in fact, NVP's 5Y levered beta in accordance with Refinitiv Eikon is 0.65.

Table 13 – NVP, DCF model

€ m	2023e	2024e	2025e	2026e	2027e	TV
EBIT	2.4	3.9	5.3	6.3	7.4	
Tax rate	27.5%	27.5%	27.5%	27.5%	27.5%	
Operating profit (NOPAT)	1.7	2.8	3.8	4.6	5.3	
Change working capital	(0.2)	0.3	0.1	0.0	(0.1)	
Depreciation	3.6	3.6	3.6	3.3	3.0	
Investments	(6.6)	(3.5)	(3.5)	(3.3)	(3.0)	
Free Cash Flows	(1.5)	3.2	4.0	4.6	5.3	62.3
Present value	(1.4)	2.9	3.3	3.5	3.6	42.6
WACC	9.6%	9.6%	9.6%	9.6%	9.6%	
Long-term growth rate	1.0%					

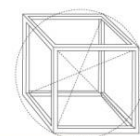
Source: CFO SIM

Table 14 – NVP, DCF derived from:

€ m	
Total EV present value € m	54.4
<i>thereof terminal value</i>	78.3%
NFP FY-22	(8.9)
Pension provision	(0.3)
Equity value € m	45.3
#m shares	7.60
Equity value €/s	6.00
<i>% upside/(downside)</i>	109.8%

Source: CFO SIM

The application of our DCF model generates an equity value of € 45.3m for NVP, corresponding to € 6.00/s.



The following tables illustrate that sensitivity, 1) compared to changes in the terminal growth rate, produces an equity value of € 5.47-6.54/s (perpetuity range between 0.25% and 1.75%), while 2) if compared to changes in the free risk rate it produces an equity value of € 5.51-6.47/s (free risk range between 4.95% and 3.45%) and 3) if compared to changes in the risk premium, including small size premiums, it results in an equity value of € 5.18-6.92/s (risk premium range between 10.50% and 7.50%).

Table 15 – NVP, equity value sensitivity to changes in terminal growth rate

€ m	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
Present value of CF	11.8	11.8	11.8	11.8	11.8	11.8	11.8
PV of terminal value	38.9	40.1	41.3	42.6	44.0	45.5	47.0
Total value	50.7	51.9	53.1	54.4	55.8	57.3	58.9
NFP FY-22	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)
Pension provision	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Equity value	41.5	42.7	43.9	45.3	46.6	48.1	49.7
Equity value/share €	5.47	5.62	5.78	6.00	6.14	6.33	6.54

Source: CFO SIM

Table 16 – NVP, equity value sensitivity to changes in free risk rate

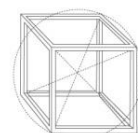
€ m	3.45%	3.70%	3.95%	4.20%	4.45%	4.70%	4.95%
Present value of CF	12.0	11.9	11.9	11.8	11.8	11.7	11.6
PV of terminal value	46.3	45.0	43.8	42.6	41.5	40.4	39.4
Total value	58.3	57.0	55.7	54.4	53.2	52.1	51.0
NFP FY-22	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)
Pension provision	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Equity value	49.1	47.8	46.5	45.3	44.1	42.9	41.8
Equity value/share €	6.47	6.29	6.12	6.00	5.80	5.65	5.51

Source: CFO SIM

Table 17 – NVP, equity value sensitivity to changes in risk premium

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	12.1	12.0	11.9	11.8	11.7	11.6	11.5
PV of terminal value	49.6	47.1	44.8	42.6	40.6	38.8	37.1
Total value	61.8	59.1	56.7	54.4	52.3	50.4	48.6
NFP FY-22	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)
Pension provision	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Equity value	52.6	50.0	47.5	45.3	43.2	41.2	39.4
Equity value/share €	6.92	6.58	6.25	6.00	5.68	5.42	5.18

Source: CFO SIM



11.2. Market Multiples

NVP operates in the **broadcasting sector**, providing major TV networks, streaming platforms and sports associations with end-to-end solutions for producing sports events, TV shows, fashion shows, concerts or theatre performances.

Amongst the companies operating in the **entertainment production segment**, we have selected the following:

ATM Grupa SA is a Poland-based company active in the film and television industry. The company's production covers TV series, featured films, TV theatre productions, talk shows and game shows. It also provides **production infrastructure and equipment services (including a fleet of 4 OB vans)**, online video content and computer software for children. The company's products are aired by such Polish broadcasters, as Telewizja Polsat, Telewizja Polska, Polskie Media and Polski Instytut Sztuki Filmowej, among others. Additionally, the company rents television equipment and offers maintenance, as well as rendering post production services, such as, editing and scoring, among others.

IDNT SA is a Switzerland-based company listed on Euronext Growth Milan primarily engaged in providing motion picture and video-related services. The company offers **omnichannel content production**, including original, smart, cross-media and cross-market content to create interactions in different languages and traffic to the website, e-commerce and physical stores, among others. It operates in Spain, Italy and Romania.

Squirrel Media SA, formerly Vertice Trescientos Sesenta Grados SA, is a Spain-based company principally engaged in the media sector. The company's businesses are structured in two segments: 1) Cinema, where it comprises the production and co-production of feature films, as well as the distribution and exploitation of rights to audiovisual works; 2) Television, where the company is engaged in the **production of films, documents, entertainment programs and competitions for various television channels and audiovisual production**. The company operates mainly in the Spanish market.

Zinc Media Group PLC is a United Kingdom-based television and content creation company. The company and its subsidiaries produce quality television and cross-platform content. The company operates through two segments: Television and Content Production. The Television segment include the **production of television content**. The Content Production segment includes brand and corporate film production, radio and podcast production and publishing

Based on CFO SIM estimates, entailing only organic growth, **NVP offers investors stronger EBIT and EPS CAGR than peers' median**. Furthermore, **NVP shows an higher EBITDA margin in comparison with peers**.

Table 18 – NVP, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA margin	Sales CAGR ₂₂₋₂₅	EBITDA CAGR ₂₂₋₂₅	EBIT CAGR ₂₂₋₂₅	EPS CAGR ₂₃₋₂₅	NFP/EBITDA	NFP FY1
ATM Grupa SA	Poland	65	50	11	21.9%	-1.6%	-1.8%	-4.8%	17.1%	n.m.	(1)
IDNT SA	Switzerland	22	21	4	18.6%	37.6%	27.0%	30.4%	22.2%	n.m.	(2)
Squirrel Media SA	Spain	126	126	23	18.1%	30.8%	43.6%	54.4%	51.4%	n.m.	(4)
Zinc Media Group PLC	UK	24	46	2	5.4%	n.a.	n.m.	n.m.	n.a.	0.7	2
Median		45	48	7	18.4%	30.8%	27.0%	30.4%	22.2%	0.7	(2)
Nvp SpA *	Italy	22	28	8	28.3%	21.9%	24.6%	81.8%	79.0%	1.6	13

Sources: CFO SIM, Refinitiv Eikon

* EBITDA and NFP in accordance with IFRS-16

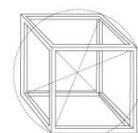


Table 19 – NVP, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
ATM Grupa SA	1.29	1.20	1.06	5.9	5.6	5.0
IDNTT SA	0.96	0.72	0.50	5.1	3.6	2.3
Squirrel Media SA	0.97	0.82	n.a.	5.4	3.9	n.a.
Zinc Media Group PLC	0.55	n.a.	n.a.	10.2	n.a.	n.a.
Median	0.96	0.82	0.78	5.6	3.9	3.7
Nvp SpA *	1.22	0.95	0.72	4.3	3.2	2.4
% premium/(discount) to peers	26.6	15.6	(6.9)	(23.6)	(17.8)	(34.2)

Sources: CFO SIM, Refinitiv Eikon

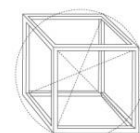
* EBITDA and NFP in accordance with IFRS-16

Table 20 – NVP, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
ATM Grupa SA	10.4	9.6	8.2	11.7	10.0	8.6
IDNTT SA	5.8	3.9	2.5	8.7	7.0	5.8
Squirrel Media SA	8.4	5.5	n.a.	15.4	9.3	6.7
Zinc Media Group PLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Median	8.4	5.5	5.4	11.7	9.3	6.7
Nvp SpA *	14.5	7.8	5.0	20.5	9.0	6.4
% premium/(discount) to peers	73.6	41.1	(7.3)	74.4	(2.7)	(4.7)

Sources: CFO SIM, Refinitiv Eikon

* EBITDA and NFP in accordance with IFRS-16



11.3. Peer Stock Performance

NVP was listed on Euronext Growth Milan on 5-Dec-19 at € 3.80/share, corresponding to a post-money market capitalisation of € 29.2m. NVP reached a 1Y maximum price of € 3.84/s on 07-Mar-23 and a minimum level of € 2.46/s on 30-Nov-22.

Table 21 – NVP, peer group and index absolute performance

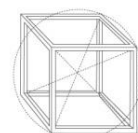
%	1D	1W	1M	3M	6M	YTD	1Y
ATM Grupa SA	3.0	6.8	5.8	3.6	(1.4)	(3.9)	13.1
IDNTT SA	-	2.1	(5.1)	(6.3)	(12.4)	(11.6)	(8.4)
Squirrel Media SA	-	(3.5)	(28.7)	(37.4)	(41.1)	(41.1)	(48.7)
Zinc Media Group PLC	-	-	2.8	5.7	12.1	5.7	7.6
Median	-	1.0	(1.2)	(1.4)	(6.9)	(7.8)	(0.4)
Nvp SpA	(0.7)	(0.7)	(5.9)	(13.9)	(2.1)	4.4	5.9
MSCI World Index	0.2	4.8	1.1	(3.8)	2.2	11.0	15.2
EUROSTOXX	(0.5)	3.4	0.9	(4.6)	(5.0)	6.5	9.4
FTSE Italia All Share	(0.4)	4.7	3.2	(0.3)	2.9	18.4	20.9
FTSE Italia STAR	(1.0)	6.4	2.7	(7.4)	(14.0)	(9.6)	(5.5)
FTSE Italia Growth	(0.4)	0.9	(4.8)	(14.1)	(16.1)	(17.1)	(14.5)

Source: Refinitiv Eikon

Table 22 – NVP, relative performances

%	1D	1W	1M	3M	6M	YTD	1Y
to MSCI World Index	(0.9)	(5.5)	(7.0)	(10.0)	(4.2)	(6.6)	(9.3)
to EUROSTOXX	(0.2)	(4.1)	(6.8)	(9.2)	3.0	(2.1)	(3.5)
to FTSE Italia All Share	(0.3)	(5.4)	(9.2)	(13.5)	(5.0)	(14.0)	(14.9)
to FTSE Italia STAR	0.3	(7.1)	(8.6)	(6.5)	12.0	14.0	11.5
to FTSE Italia Growth	(0.3)	(1.6)	(1.2)	0.2	14.1	21.5	20.4
to Peers Median	(0.7)	(1.7)	(4.7)	(12.5)	4.9	12.2	6.3

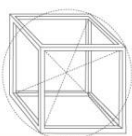
Source: Refinitiv Eikon



11.4. Risks

The principal investment **risks** associated with NVP include:

- difficulties in hiring and retaining highly-skilled technicians;
- a still limited size in the international arena;
- the rise of new innovative technologies;
- a rather high customer concentration;
- other potential consolidating players in the industry.



ANALYST CERTIFICATION

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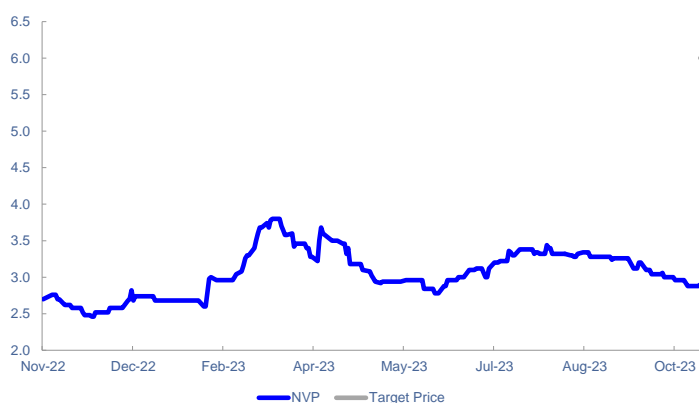
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DATE	TARGET PRICE	RATING
07/11/2023	€6.00	BUY

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RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

