

Italy – Broadcasting

A solid order backlog and multi-year deals support projections

23rd October 2024

H1-24 RESULTS RELEASE

RIC: NVPP.MI
BBG: NVP IM

In H1-24, NVP continued its strong growth path concerning the production and broadcasting of events in the Sports & Motors sectors and in the Entertainment & Fashion industry. Concerning Q3-24, NVP has a solid order backlog of € 7.9m, up by 18.0% YoY, including the contract for broadcasting some competitions during the Paris 2024 Olympic Games, thus corroborating our FY-24 top-line forecast.

Rating:

Buy

Price Target:

€ 6.50 (€ 6.80)

Upside/(Downside): 103.1%

Last Price: € 3.20

Market Cap.: € 24.4m

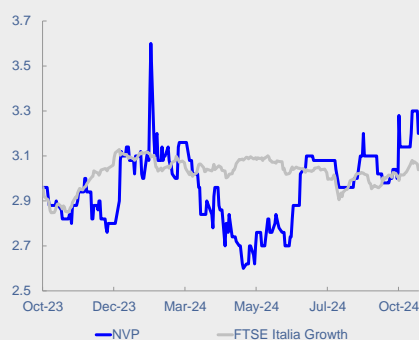
1Y High/Low: € 3.70 / € 2.54

Avg. Daily Turn. (3M, 6M): € 8k, € 12k

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	6.7%	3.9%	8.1%
Rel.to FTSE IT Growth	5.8%	3.7%	3.6%
Rel.to Peers	10.3%	12.6%	14.4%

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Estimates revised: new PT of € 6.50 (€ 6.80) and still appealing valuation. Buy reiterated

Following H1-24 results, we have updated our model by factoring in 1) unchanged top-line progression, 2) lower-than-expected profitability mainly because of the increasing costs related to the productions abroad and higher personnel expenses, 3) an anticipation in 2024 of some capex for the Innovation Hub previously expected in 2025, and 4) a NWC dynamic coherent with H1-24. The combined result is an average 9.8% and 32.7% decrease in adj. EBITDA and Net Profit, respectively, in 2024-26, coupled with an average 41.4% increase in Adj. Net Debt. Finally, we have updated the DCF valuation criteria, bringing the Risk-Free Rate up to date. The DCF-based PT now points to € 6.50/s (€ 6.80), 103.1% upside. Buy.

Revenues up by 19% YoY driven by the broadcasting of Sports & Motors events

Revenues rose by 18.8% YoY to € 14.8m compared to € 12.4m reported in H1-23, thanks to growing revenues both in Q1-24 (€ 7.2m, +20% YoY) and Q2-24 (€ 7.4m, +16% YoY). In terms of the market segments: Sports & Motors events' turnover climbed by 22% YoY to € 11.6m (vs € 9.5m in H1-23); Entertainment & Fashion productions generated revenues of € 3.0m, up by 2% YoY (€ 2.9m in H1-23). The company's internalisation path is progressing well, as foreign revenues more than doubled YoY to € 2.7m (19% of the total) compared to € 1.3m (10% of the total) registered in H1-23. Value of Production rose by 19.3% YoY to € 16.3m (€ 13.6m in H1-23), following € 0.4m of capitalised costs and other revenues of € 1.2m, mainly referring to public grants and tax credits.

Margins impacted by a slight increase in variable costs and personnel expenses

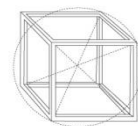
Adjusted EBITDA was € 3.8m, 23.5% margin, compared to € 3.7m, 27.2% margin, in H1-23. The slight decrease in EBITDA margin was due to higher production costs concerning the events abroad, which grew YoY, in particular for travel expenses and for recruiting specialised technicians locally. Moreover, personnel expenses increased because of the strengthening of the operating structure to support the projected growth. As a consequence of increased D&A because of the continuous investments in new technology and R&D, EBIT totalled € 1.4m, 8.4% margin, compared to € 1.7m, 12.4% margin, in H1-23. Net Profit declined to € 0.3m from € 0.4m in H1-23, mainly because of growing financial charges.

NFP at € 17.9m after Op. CF of € 3.1m offset by capex of € 4.9m

NFP was € 17.9m compared to € 15.3m at year-end 2023, as a result of operating cash flow of € 3.1m more than offset by capex of € 4.9m, mainly intended for 1) the development of the Innovation Hub (€ 550k), 2) the realisation of Lazio Channel (€ 1.34m), 3) the design and development of a new Fly Case (€ 135k), 4) the realisation of the project NVP Studios (€ 586k), 5) capitalised R&D expenses (€ 155k), 6) assets acquired with leasing contracts (€ 1.1m), and 7) a few tangible capex (€ 550k).

NVP, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Revenues	17.4	27.5	32.7	38.6	44.0
Value of Production	20.0	31.1	35.5	41.7	47.3
EBITDA	5.4	7.2	8.5	10.8	12.5
Adjusted EBITDA	5.6	7.8	9.1	11.4	13.1
EBIT	2.1	3.1	3.1	5.3	6.9
Net Profit	0.6	0.7	1.0	3.0	4.2
NFP (cash)/debt	8.9	12.0	16.0	9.8	1.5
Adjusted NFP (cash)/debt	11.6	15.3	19.7	13.5	5.2
Adj. EBITDA margin	28.0%	24.9%	25.6%	27.3%	27.8%
EBIT margin	10.6%	10.0%	8.8%	12.7%	14.5%
EPS stated €	0.08	0.10	0.13	0.39	0.55
EPS growth	72.3%	23.0%	34.3%	n.m.	39.3%
ROCE	8.3%	9.9%	8.9%	13.8%	16.4%
Free Cash Flow Yield	4.8%	-10.6%	-15.6%	26.7%	37.0%
PER x	40.6	32.4	25.0	8.1	5.8
EV/Sales x	1.78	1.25	1.24	0.91	0.63
EV/EBITDA x	6.3	5.0	4.8	3.3	2.3
EV/EBIT x	16.9	12.5	14.0	7.1	4.3



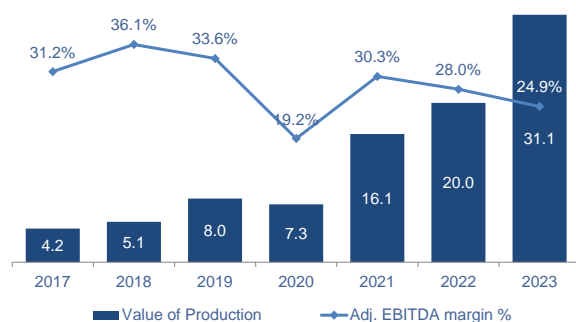
The Company at a Glance

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, it is the 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 located in Cologno Monzese (Milan). Since its establishment, NVP has produced over 4,000 events.

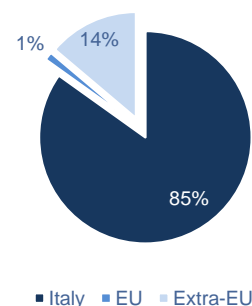
NVP operates five locations in Italy: 1) Messina, where the company's headquarters, R&D department and production & logistics hub for Southern Italy are located; 2) Naples, which is dedicated to the production of events of SSC Napoli football club; 3) Rome, which is NVP's main logistics hub serving as 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 2023, NVP reported revenues of € 27.5m, up by 57.9% YoY, and Value of Production of € 31.1m, up by 55.4% YoY. Adjusted EBITDA in accordance with IFRS-16 was € 7.8m, 24.9% margin. Net profit reached € 0.7m. Net Financial Position including the figurative debt stemming from the application of IFRS-16 was € 15.3m, 2.0x adj. NFP/EBITDA.

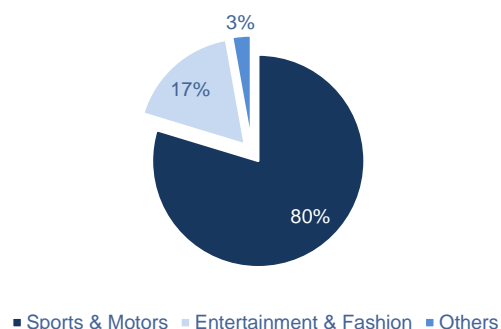
2017-23 top line and adj. EBITDA % evolution



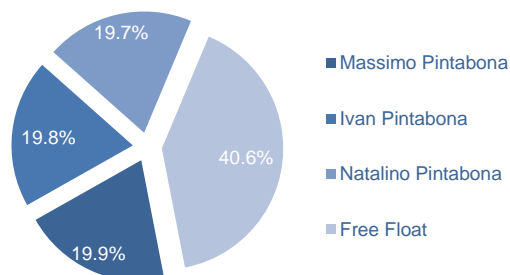
2023 sales breakdown by geography ...



... and by type of production



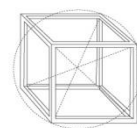
Shareholder structure



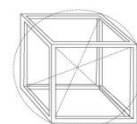
Peer group multiples table

EV & PER multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
ATM Grupa SA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IDNT SA	0.97	0.77	5.3	4.0	6.6	5.2	10.1	9.1
Squirrel Media SA	0.72	0.50	5.2	4.3	8.7	7.5	14.0	13.0
Zinc Media Group PLC	0.44	n.a.	7.3	n.a.	n.a.	n.a.	n.a.	n.a.
Median	0.72	0.64	5.3	4.1	7.6	6.3	12.1	11.0
Nvp SpA *	1.24	0.91	4.8	3.3	14.0	7.1	25.0	8.1

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



Income statement (€ m)	2022	2023	2024e	2025e	2026e
Revenues	17.4	27.5	32.7	38.6	44.0
Value of Production	20.0	31.1	35.5	41.7	47.3
Raw material and processing	(0.3)	(0.4)	(0.5)	(0.4)	(0.5)
Services	(6.1)	(11.0)	(12.6)	(14.6)	(16.5)
Personnel expenses	(5.7)	(9.3)	(10.0)	(11.3)	(12.5)
Other opex	(2.5)	(3.1)	(3.9)	(4.6)	(5.2)
EBITDA	5.4	7.2	8.5	10.8	12.5
D&A	(3.2)	(4.1)	(5.4)	(5.5)	(5.6)
EBIT	2.1	3.1	3.1	5.3	6.9
Financials and Forex gain/(loss)	(0.5)	(1.1)	(1.3)	(1.2)	(1.1)
Re-devaluation of financial assets	(0.8)	(1.0)	(0.5)	0.0	0.0
Pre-Tax profit	0.8	1.0	1.3	4.1	5.7
Income taxes	(0.2)	(0.3)	(0.4)	(1.1)	(1.6)
Minority interest	0.0	0.0	0.0	0.0	0.0
Net Profit	0.6	0.7	1.0	3.0	4.2
Adjusted EBITDA	5.6	7.8	9.1	11.4	13.1
Adjusted EBIT	2.1	3.1	3.1	5.3	6.9
Adjusted Net Profit	1.2	1.5	1.3	3.0	4.2
Balance sheet (€ m)	2022	2023	2024e	2025e	2026e
Net Working Capital	(2.0)	(1.8)	(1.4)	(1.1)	(0.9)
Net Fixed Assets	29.0	36.6	42.7	41.2	38.6
Equity Investments	3.4	2.1	2.1	2.1	2.1
Other M/L Term A/L	(7.9)	(10.5)	(12.2)	(14.6)	(16.9)
Net Invested Capital	22.6	26.4	31.2	27.7	22.8
Net Financial Position	8.9	12.0	16.0	9.8	1.5
Minorities	0.0	0.0	0.0	0.0	0.0
Group's Shareholders Equity	13.7	14.4	15.2	17.9	21.3
Financial Liabilities & Equity	22.6	26.4	31.2	27.7	22.8
Adjusted Net Financial Position	11.6	15.3	19.7	13.5	5.2
Cash Flow statement (€ m)	2022	2023	2024e	2025e	2026e
Total net income	0.6	0.7	1.0	3.0	4.2
Depreciation	3.2	4.1	5.4	5.5	5.6
Other non-cash charges	1.2	3.7	1.8	2.3	2.3
Cash Flow from Oper. (CFO)	5.0	8.5	8.1	10.8	12.2
Change in NWC	2.4	(0.2)	(0.4)	(0.3)	(0.1)
FCF from Operations (FCFO)	7.5	8.3	7.7	10.5	12.0
Net Investments (CFI)	(6.3)	(10.9)	(11.5)	(4.0)	(3.0)
Free CF to the Firm (FCFF)	1.2	(2.6)	(3.8)	6.5	9.0
CF from financials (CFF)	0.2	4.0	2.8	(0.2)	(0.7)
Free Cash Flow to Equity (FCFE)	1.3	1.4	(1.0)	6.3	8.3
Financial ratios	2022	2023	2024e	2025e	2026e
Adj. EBITDA margin	28.0%	24.9%	25.6%	27.3%	27.8%
EBIT margin	10.6%	10.0%	8.8%	12.7%	14.5%
Net profit margin	3.0%	2.3%	2.7%	7.2%	8.8%
Tax rate	25.7%	26.7%	27.5%	27.5%	27.5%
Op NWC/Sales	-11.3%	-6.5%	-4.2%	-2.8%	-2.1%
Interest coverage x	4.06	2.88	2.42	4.51	6.07
Adj. Net Debt/EBITDA x	2.07	1.97	2.17	1.18	0.40
Debt-to-Equity x	0.65	0.83	1.06	0.55	0.07
ROIC	2.6%	2.7%	3.1%	10.8%	18.2%
ROCE	8.3%	9.9%	8.9%	13.8%	16.4%
ROACE	8.8%	10.9%	9.4%	14.4%	17.1%
ROE	4.3%	5.0%	6.4%	16.7%	19.5%
Payout ratio	0.0%	31.4%	25.0%	25.0%	25.0%
Per share figures	2022	2023	2024e	2025e	2026e
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	7.60	7.60	7.60	7.60	7.60
EPS stated €	0.08	0.10	0.13	0.39	0.55
EPS adjusted €	0.16	0.20	0.18	0.39	0.55
EBITDA €	0.70	0.95	1.12	1.42	1.65
EBIT €	0.28	0.41	0.41	0.70	0.91
BV €	1.80	1.90	2.00	2.36	2.81
FCFO €	0.98	1.10	1.01	1.38	1.58
FCFF €	0.16	(0.34)	(0.50)	0.86	1.19
FCFE €	0.18	0.19	(0.13)	0.82	1.09
Dividend €	0.00	0.03	0.03	0.10	0.14



H1-24 Results

NVP reported H1-24 results characterised by top-line growth of almost 20% although EBITDA remained broadly unchanged because of increased variable costs stemming from the growing activities abroad and higher personnel expenses due to the strengthening of the group's operating structure.

Table 1 – NVP, H1-24 results

€ m	H1-24	H1-23	% YoY
<i>Sports & Motors</i>	11.6	9.5	22.1
<i>Entertainment & Fashion</i>	3.0	2.9	2.2
<i>Others</i>	0.2	-	-
Revenues	14.8	12.4	18.8
Capitalised costs	0.4	0.3	
Other revenues	1.2	0.9	
Value of Production	16.3	13.6	19.3
Raw material and processing	(0.2)	(0.2)	
Services	(6.2)	(4.9)	
Personnel expenses	(5.0)	(3.8)	
Other opex	(1.3)	(1.2)	
EBITDA	3.5	3.5	(0.1)
% margin	21.7	25.9	
D&A	(2.2)	(1.8)	
EBIT	1.4	1.7	(19.0)
% margin	8.4	12.4	
Financials	(0.6)	(0.4)	
Extraordinary	(0.5)	(0.7)	
Forex gain/(loss)	0.0	0.0	
Pre-Tax profit	0.3	0.5	(50.5)
% margin	1.6	4.0	
Income taxes	(0.0)	(0.1)	
Tax rate	2.6%	27.5%	
Minority interest	0.0	0.0	
Net Profit	0.3	0.4	(33.4)
% margin	1.6	2.9	
IFRS16 Adjustments	(0.3)	(0.2)	
Adjusted EBITDA	3.8	3.7	2.9
% margin	23.5	27.2	
Adjusted NFP debt/(cash) *	17.9	15.3	16.9

Source: Company data * compared to FY-23

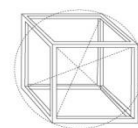
Revenues rose by 18.8% YoY to € 14.8m compared to € 12.4m reported in H1-23, thanks to growing revenues both in Q1-24 (€ 7.2m, +20% YoY) and Q2-24 (€ 7.4m, +16% YoY). The subsidiaries Produzioni Italia (a BU of Euroscena, acquired in Sep-23) and E.G. Audiovisivi contributed € 1.7m to total revenues. In terms of the market segments:

- ✓ **Sports & Motors events' turnover climbed by 22% YoY to € 11.6m** (vs € 9.5m in H1-23).
- ✓ **Entertainment & Fashion productions generated revenues of € 3.0m, up by 2% YoY** (€ 2.9m in H1-23).

The Others segment includes revenues stemming from a few innovative digital services provided through the Innovation Hub in Cologno Monzese (MI).

The company's internalisation path is progressing well, as **foreign revenues more than doubled YoY to € 2.7m** (19% of the total) compared to € 1.3m (10% of the total) registered in H1-23.

Value of Production rose by 19.3% YoY to € 16.3m (€ 13.6m in H1-23), following € 0.4m of capitalised costs and other revenues of € 1.2m, mainly referring to public grants and tax credits stemming from investments in technological innovation (i.e. Industry 4.0) and R&D.



Adjusted EBITDA was € 3.8m, 23.5% margin, compared to € 3.7m, 27.2% margin, in H1-23. The slight decrease in EBITDA margin was due to higher production costs concerning the events abroad, which grew YoY, in particular for travel expenses and for recruiting specialised technicians locally. Moreover, personnel expenses increased because of the strengthening of the operating structure to support the projected growth.

As a consequence of increased D&A because of the continuous investments in new technology and R&D, **EBIT totalled € 1.4m, 8.4% margin**, compared to € 1.7m, 12.4% margin, in H1-23.

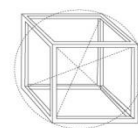
Net Profit declined to € 0.3m from € 0.4m in H1-23, mainly because of growing financial charges.

NFP was € 17.9m compared to € 15.3m at year-end 2023, as a result of **operating cash flow of € 3.1m more than offset by capex of € 4.9m**, mainly intended for 1) the development of the Innovation Hub (€ 550k), 2) the realisation of Lazio Channel (€ 1.34m), 3) the design and development of a new Fly Case (€ 135k), 4) the realisation of the project NVP Studios (€ 586k), 5) capitalised R&D expenses (€ 155k), 6) assets acquired with leasing contracts (€ 1.1m), and 7) a few tangible capex (€ 550k).

Table 2 – NVP, H1-24 Op. NWC

€ m	H1-24	FY-23	Δ € m
Op. NWC	(1.2)	(1.8)	0.6
Inventories	0.0	0.1	(0.1)
Receivables	8.8	9.1	(0.3)
Payable	(9.9)	(11.0)	1.0

Source: Company data



Estimates, Valuation and Risks

In H1-24, NVP continued its strong growth path concerning the production and broadcasting of events in the Sports & Motors sectors and strengthened its competitive positioning about events in the Entertainment & Fashion industry.

Moreover, NVP has a solid order backlog of € 7.9m for Q3-24, up by 18.0% YoY (€ 6.7m in Q3-23), including the contract with Olympic Broadcasting Services for broadcasting horse-riding, pentathlon, and canoeing competitions during the Paris 2024 Olympic Games.

Following the release of H1-24 results, **we have updated our model** by factoring in 1) unchanged top-line progression, 2) lower-than-expected profitability mainly because of the increasing costs related to the productions abroad and higher personnel expenses, 3) an anticipation in 2024 of some capex for the Innovation Hub in Cologno previously expected in 2025, and 4) a NWC dynamic coherent with H1-24. **The combined result is an average 9.8% and 32.7% decrease in adj. EBITDA and Net Profit, respectively, in 2024-26, coupled with an average 41.4% increase in Adj. Net Debt.**

Table 3 – NVP, 2024e new/old estimates

€ m	New	Old	Δ %	Δ € m
Value of Production	35.5	35.5	0.0	0.0
Adjusted EBITDA	9.1	10.1	(9.9)	(1.0)
% margin	25.6	28.4		
EBIT	3.1	4.5	(30.6)	(1.4)
% margin	8.8	12.7		
Net Profit	1.0	2.6	(61.8)	(1.6)
% margin	2.7	7.2		
Adjusted NFP debt/(cash)	19.7	15.8	24.5	3.9

Source: CFO SIM

Table 4 – NVP, 2025e new/old estimates

€ m	New	Old	Δ %	Δ € m
Value of Production	41.7	41.7	0.0	0.0
Adjusted EBITDA	11.4	12.7	(10.0)	(1.3)
% margin	27.3	30.4		
EBIT	5.3	6.7	(21.0)	(1.4)
% margin	12.7	16.1		
Net Profit	3.0	4.1	(27.9)	(1.2)
% margin	7.2	10.0		
Adjusted NFP debt/(cash)	13.5	11.4	18.3	2.1

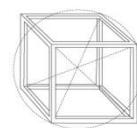
Source: CFO SIM

Table 5 – NVP, 2026e new/old estimates

€ m	New	Old	Δ %	Δ € m
Value of Production	47.3	47.3	0.0	0.0
Adjusted EBITDA	13.1	14.5	(9.3)	(1.4)
% margin	27.8	30.6		
EBIT	6.9	8.4	(17.7)	(1.5)
% margin	14.5	17.7		
Net Profit	4.2	5.4	(22.5)	(1.2)
% margin	8.8	11.4		
Adjusted NFP debt/(cash)	5.2	2.9	81.4	2.3

Source: CFO SIM

Finally, we have updated the DCF valuation criteria, bringing the Risk-Free Rate up to date. As a consequence of the estimates revision and the updated valuation criteria, **the new DCF-based PT stands at € 6.50/s** (€ 6.80), 103.1% upside. **Buy recommendation confirmed.**



DCF

In applying the DCF valuation method, we assess explicit estimates until 2028 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 6 – WACC derived from:

Interest costs, pre-tax	5.0%
Tax rate	27.5%
Int. costs, after taxes	3.6%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	3.80%
Beta levered (x)	1.00
Required ROE	12.8%

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 1.00:** in fact, NVP's 5Y levered beta in accordance with Refinitiv Eikon is 0.60.

Table 7 – NVP, DCF model

€ m	2024e	2025e	2026e	2027e	2028e	TV
EBIT	3.1	5.3	6.9	7.6	8.7	
Tax rate	27.5%	27.5%	27.5%	27.5%	27.5%	
Operating profit (NOPAT)	2.3	3.8	5.0	5.5	6.3	
Change working capital	(0.4)	(0.3)	(0.1)	(0.1)	(0.1)	
Depreciation	5.4	5.5	5.6	4.3	3.0	
Investments	(11.5)	(4.0)	(3.0)	(3.0)	(3.0)	
Free Cash Flows	(4.3)	5.0	7.5	6.7	6.2	69.5
Present value	(4.2)	4.5	6.1	5.0	4.2	46.6
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	
Long-term growth rate	1.0%					

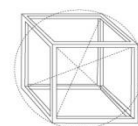
Source: CFO SIM

Table 8 – NVP, DCF derived from:

€ m	
Total EV present value € m	62.1
thereof terminal value	75.0%
NFP last reported	(12.0)
Pension provision last reported	(0.5)
Equity value € m	49.6
#m shares	7.60
Equity value €/s	6.50
% upside/(downside)	103.1%

Source: CFO SIM

The application of our DCF model generates an equity value of € 49.6m for NVP, corresponding to € 6.50/s (€ 6.80).



The following tables illustrate that sensitivity, 1) compared to changes in the terminal growth rate, produces an equity value of € 6.02-7.13/s (perpetuity range between 0.25% and 1.75%), while 2) if compared to changes in the risk-free rate it produces an equity value of € 6.05-7.07/s (risk-free range between 4.55% and 3.05%) and 3) if compared to changes in the risk premium, including small size premiums, it results in an equity value of € 5.62-7.68/s (risk premium range between 10.50% and 7.50%).

Table 9 – 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	15.5	15.5	15.5	15.5	15.5	15.5	15.5
PV of terminal value	42.7	43.9	45.2	46.6	48.0	49.5	51.2
Total value	58.2	59.4	60.7	62.1	63.5	65.1	66.7
NFP last reported	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
Pension provision last reported	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Equity value	45.7	47.0	48.2	49.6	51.1	52.6	54.2
Equity value/share €	6.02	6.18	6.35	6.50	6.72	6.92	7.13

Source: CFO SIM

Table 10 – NVP, equity value sensitivity to changes in risk-free rate

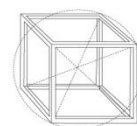
€ m	3.05%	3.30%	3.55%	3.80%	4.05%	4.30%	4.55%
Present value of CF	15.8	15.7	15.6	15.5	15.4	15.4	15.3
PV of terminal value	50.4	49.1	47.8	46.6	45.4	44.2	43.1
Total value	66.2	64.8	63.4	62.1	60.8	59.6	58.4
NFP last reported	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
Pension provision last reported	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Equity value	53.7	52.3	50.9	49.6	48.3	47.1	45.9
Equity value/share €	7.07	6.88	6.70	6.50	6.36	6.20	6.05

Source: CFO SIM

Table 11 – 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	16.0	15.8	15.7	15.5	15.4	15.2	15.0
PV of terminal value	54.8	51.8	49.1	46.6	44.2	42.1	40.1
Total value	70.9	67.7	64.8	62.1	59.6	57.3	55.1
NFP last reported	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)
Pension provision last reported	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Equity value	58.4	55.2	52.3	49.6	47.1	44.8	42.7
Equity value/share €	7.68	7.27	6.88	6.50	6.20	5.90	5.62

Source: CFO SIM



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 a higher EBITDA margin in comparison with peers**.

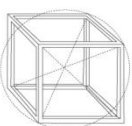


Table 12 – NVP, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA margin	Sales CAGR ₂₃₋₂₆	EBITDA CAGR ₂₃₋₂₆	EBIT CAGR ₂₃₋₂₆	EPS CAGR ₂₃₋₂₆	NFP/EBITDA	NFP FY1
ATM Grupa SA	Poland	83	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IDNTT SA	Switzerland	23	22	4	18.4%	12.1%	15.7%	13.8%	21.8%	n.m.	(2)
Squirrel Media SA	Spain	128	202	28	13.9%	32.2%	13.4%	4.9%	-7.7%	0.6	17
Zinc Media Group PLC	UK	17	44	3	6.1%	n.a.	n.a.	n.a.	n.m.	1.0	3
Median		53	44	4	13.9%	22.1%	14.5%	9.3%	7.1%	0.8	3
Nvp SpA *	Italy	24	36	9	25.6%	15.0%	19.2%	30.3%	79.0%	2.2	20

Sources: CFO SIM, Refinitiv Eikon

* EBITDA and NFP in accordance with IFRS-16

Table 13 – NVP, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
ATM Grupa SA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IDNTT SA	0.97	0.77	0.56	5.3	4.0	2.8
Squirrel Media SA	0.72	0.50	0.42	5.2	4.3	3.6
Zinc Media Group PLC	0.44	n.a.	n.a.	7.3	n.a.	n.a.
Median	0.72	0.64	0.49	5.3	4.1	3.2
Nvp SpA *	1.24	0.91	0.63	4.8	3.3	2.3
% premium/(discount) to peers	72.5	43.0	26.9	(8.6)	(19.8)	(29.8)

Sources: CFO SIM, Refinitiv Eikon

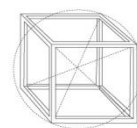
* EBITDA and NFP in accordance with IFRS-16

Table 14 – NVP, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
ATM Grupa SA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IDNTT SA	6.6	5.2	3.6	10.1	9.1	7.7
Squirrel Media SA	8.7	7.5	6.6	14.0	13.0	12.2
Zinc Media Group PLC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Median	7.6	6.3	5.1	12.1	11.0	9.9
Nvp SpA *	14.0	7.1	4.3	25.0	8.1	5.8
% premium/(discount) to peers	83.8	12.8	(15.6)	106.9	(26.2)	(41.1)

Sources: CFO SIM, Refinitiv Eikon

* EBITDA and NFP in accordance with IFRS-16



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 € 3.70/s on 02-Feb-24 and a minimum level of € 2.54/s on 6-May-24.

Table 15 – NVP, peer group and index absolute performance

%	1D	1W	1M	3M	6M	YTD	1Y
ATM Grupa SA	(1.6)	(1.6)	(2.5)	(4.5)	15.5	20.1	29.2
IDNTT SA	0.7	5.6	3.4	1.3	7.1	(1.3)	2.0
Squirrel Media SA	(1.4)	(1.7)	(4.7)	(13.0)	(6.0)	(5.4)	(14.5)
Zinc Media Group PLC	-	(6.1)	(5.4)	(15.2)	(20.6)	(29.7)	(33.5)
Median	(0.7)	(1.7)	(3.6)	(8.7)	0.5	(3.3)	(6.3)
Nvp SpA	(3.0)	-	6.7	3.9	16.8	14.3	8.1
MSCI World Index	(0.2)	0.1	0.8	4.2	12.3	17.7	33.9
EUROSTOXX	(0.2)	(0.1)	0.2	0.7	(0.5)	7.8	20.8
FTSE Italia All Share	(0.6)	0.4	2.4	(0.0)	1.0	13.5	25.7
FTSE Italia STAR	(0.3)	0.1	2.2	(2.5)	(0.0)	(2.3)	16.9
FTSE Italia Growth	(0.8)	(1.1)	0.8	0.2	0.0	(2.4)	4.5

Source: Refinitiv Eikon

Table 16 – NVP, relative performances

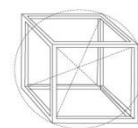
%	1D	1W	1M	3M	6M	YTD	1Y
to MSCI World Index	(2.8)	(0.1)	5.9	(0.3)	4.5	(3.5)	(25.8)
to EUROSTOXX	(2.9)	0.1	6.5	3.2	17.3	6.5	(12.7)
to FTSE Italia All Share	(2.4)	(0.4)	4.3	3.9	15.8	0.8	(17.6)
to FTSE Italia STAR	(2.7)	(0.1)	4.5	6.4	16.8	16.6	(8.8)
to FTSE Italia Growth	(2.2)	1.1	5.8	3.7	16.8	16.7	3.6
to Peers Median	(2.3)	1.7	10.3	12.6	16.2	17.6	14.4

Source: Refinitiv Eikon

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.



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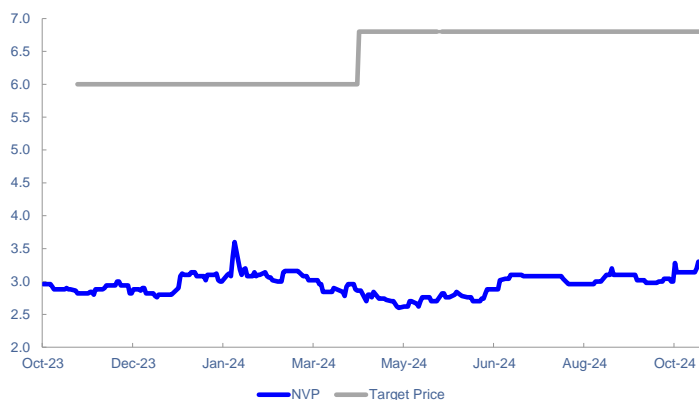
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DATE	TARGET PRICE	RATING
23/10/2024	€6.50	BUY
11/04/2024	€6.80	BUY
07/11/2023	€6.00	BUY

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- 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.

