

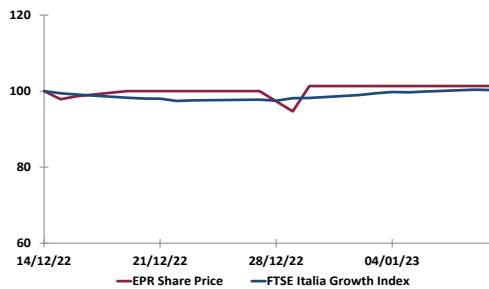


OUTPERFORM

Current Share Price (€): 3.80

Target Price (€): 5.00

EPR - Performance since IPO



Source: S&P Capital IQ - Note: 14/12/2022 (IPO offer price)=100

Company data

ISIN number	IT0005519837
Bloomberg code	EPRB IM
Industry	PR - Digital Marketing
Stock market	Euronext Growth Milan
Share Price (€)	3.80
Date of Price	10/01/2023
Shares Outstanding (m)	2.8
Market Cap (€m)	10.7
Market Float (%)	21.5%
Daily Volume	0
Avg Daily Volume since IPO	3,187
Target Price (€)	5.00
Upside (%)	32%
Recommendation	OUTPERFORM

Share price performance

		IPO
EPR - Absolute (%)		1%
FTSE Italia Growth Index (%)		0%
IPO Range H/L (€)	3.80	3.55
IPO Change (€) / %	0.05	1%

Source: S&P Capital IQ

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Art of building reputation, trust and creative digitalization

We initiate coverage of Eprcomunicazione: **OUTPERFORM** rating, TP €5.00 per share.

Eprcomunicazione *Benefit Corporation*, listed on Euronext Growth Milan since December 2022, is a Public Relations and Digital Communication firm, whose core competence is building reputation and interaction with all client stakeholders, proven by over 30 years' experience. EPR specialties are media relations development and management, press office, public affairs and advocacy, publishing and event management, crisis communication. Justbit acquisition will add a full range of digital communication services, social media marketing, big data analytics, blockchain and Artificial Intelligence solutions.

PR more effective than advertising in the new media anarchy, crucial for the ESG reputation

There is a major growth potential for PR, which build reputation and trust, values challenged by the social and new media disruption of old Adv-dominated ecosystem, where brand image and product quality are affected by the proliferation of consumers criticism, which can impair effectiveness of Adv investment. Advertising is exposure for a season, PR build reputation over time, so that experts say that PR are more effective than advertising. ESG momentum calls for PR dialogue on trust with all stakeholders.

Competing on effectiveness, experience, promptness, accomplishments

EPR *raison d'être* comes from its Institutional Relations practice longstanding reputation, gained over time assisting prominent recurring clients, mostly among large domestic and global corporations, institutions and public authorities, industry and business associations, nonprofit environmental organizations. Distinguishing features: width and quality of relations, fast approach, personal project lead by top team. Independence from political and economic powers that be, lean organization and competitive pricing complete the picture.

Client history, repeat engagements

Leveraging on reputation is the key marketing support for consulting practices, for PR more than others. EPR has built its steady market position through continuing relationships with media and political high standing communities. EPR is among the largest domestic peers and has been enjoying repeat engagements from its best clients, worth over 70% of revenues in the last four years.

Target Price €5.00 per share, OUTPERFORM recommendation

Over time EPR has built a dialogue with business communities, institutions, politics and media, a comprehensive service portfolio enriched by Justbit technology skills and now is ready for a quantum leap. Technology and AI position EPR in high growth and high margin market segments, thanks to diversified revenue streams and operating leverage. EPR strategy is to pursue a combination of organic growth, cross selling opportunities and acquisitions of complementary service offerings. Our valuation indicates a Target Price per share of €5.00, with a potential upside of 32% on current share price. As a consequence, we initiate the coverage of EPR with an OUTPERFORM rating.

CONSOLIDATED KEY FINANCIALS AND ESTIMATES (Base case)

€m	2019A	2020A	2021A	2021PF	2022E	2023E	2024E	2025E	2026E
Revenues	4.7	4.2	5.1	7.4	8.4	9.8	11.1	12.2	13.5
YoY %	na	-9.6%	20.9%	45.4%	12.8%	16.3%	13.4%	10.1%	10.3%
EBITDA	0.3	0.4	0.4	1.1	1.2	1.7	2.0	2.3	2.6
Margin	6.6%	8.9%	7.0%	14.6%	14.7%	17.8%	18.2%	18.6%	19.7%
EBIT	0.2	0.2	0.2	0.7	0.7	1.1	1.4	1.6	1.9
Margin	3.4%	5.1%	3.5%	9.0%	8.7%	11.4%	12.2%	12.9%	14.1%
Net Income	0.1	0.1	0.0	0.3	0.4	0.7	0.9	1.1	1.4
Trade Working Capital	0.1	0.2	0.3	1.3	1.3	1.8	2.2	2.5	2.9
Net (Debt) Cash	(0.3)	(0.1)	(0.1)	(2.5)	0.3	0.9	2.0	3.3	4.8
Equity	0.1	0.8	0.6	1.7	4.0	4.8	5.7	6.8	8.2

Source: Company data 2019A-21PF, EnVent Research 2022-26E

Note: 2020-21A EPR unconsolidated figures. 2021PF showing effect of Justbit 51% stake acquisition since FY2021 year begin

1. INVESTMENT CASE

Eprcomunicazione SpA *Benefit Corporation* is a Public Relations and Digital Communication firm, whose core competence is building reputation and interaction with all stakeholders of its clients, proven by over 30 years' experience within the inner circle of Italian providers of PR services. Media relations, press office, public affairs and advocacy support, publishing and event management and crisis communication expertise are major specialties. EPR Institutional Relations practice longstanding reputation has gained over time prominent recurring clients among large domestic and global corporations, institutions and public authorities, industry and business associations, nonprofit environmental organizations.

The digital factory Justbit is adding a full array of technology solutions, positioning EPR as an integrated firm which has already accomplished the urge of a comprehensive digital technology transition, an investment of time and money that the global industry is still undertaking to cope with the traditional services disruption.

Main services:

- Communication and PR strategic consulting
- Press Office
- Public Affairs & Advocacy
- Events, publishing, multimedia
- Digital strategy
- Social Media management
- Content Marketing
- Direct Marketing

Key figures:

- 2022E Revenues: in the region of €8m
- H1 2022 PF Revenues €3.3m
- 2021A PF Revenues €7.4m
- Workforce: 70

Drivers

Industry drivers

PR becoming more effective than advertising in the new media anarchy. PR are bound to become a *must have*, not just a *nice to have* as in the past, because of the disruption brought by social media *free-for-all* and impulsive spreading of irrational endorsements or condemnations about a brand or product, which multiply challenges to the effectiveness of advertising and radically weaken its traditional perception. In the social media rage, stories can last thanks to e-mails, posts, tweets, while advertising-driven posts on products or brands cannot expect likes or influence.

PR crucial for reputation in booming ESG market of broader stakeholders communities. According to Market Research the global sustainability consulting market is expected to grow at a CAGR of 4.45% during 2021-2027. PR firms, as those committed and experienced in building reputation and trust with all stakeholders through direct relationships with multimedia editors and influencers, are the obvious choice on ESG values continuing communication. For the same reason, PR face just a weak competition from other media consultants. As such, the ESG market segment is going to assume a major role in supporting corporates and especially public

institutions and NGOs in analysing and reporting. Even in these matters, digital analytics and solutions are key to project quality and will make clients choose those who work ESG risks with better data and will tell a more compelling sustainability story to buyers, investors and regulators. (source: Market Research, Global Sustainability Consulting Market Size, Status and Forecast 2021-2027, 2021)

Digital technology, a *must have*. Communication will undergo its digital revolution driven by creativity and power of technologies. Major changes: a) decline of traditional media, substituted by digital multimedia content; b) big data analytics as indispensable knowledge to collect and use relevant information driving intelligence; and c) Artificial Intelligence tools, which will drive the automation of interactions between end-users and companies (virtual assistants, chatbots, etc).

Company drivers

Expertise and premium clients. EPR has a comprehensive experience, with domestic and international clients and credentials in Energy, Telco, Food, Transportation, Chemicals, Waste recycling, Pensions, Government Institutions. The size of clients, quality of credentials and press community relations entitle EPR as a prominent longstanding expert communication consultant.

Networking and customer portfolio. Building and consolidating relationships is a key success factor in this industry, especially for traditional communication services and for small players/consultants. As a consequence, a skilled, experienced and strongly networked team of professionals is a crucial driver to acquire and retain clients.

Native digital team as a state-of-the-art boost to quality of service. Justbit has a proven experience as a native digital team and tech creative services practice, with proprietary technologies, which encompass big data analytics, artificial intelligence applications, social media, multimedia content creation. With digital communication as indispensable support, also taking the lead of many projects, the global industry is planning or is engaged in the transition to a tech-driven business model. Jointly, EPR and Justbit are right now equipped with a full array of services powered with creative tech solutions, those fitting latest and evolving market needs.

Widespread relations with Institutions and Public Authorities. EPR network is made also of consolidated relationships with government and local public bodies and entities. Due to the expected renewal and digitalization of the Italian public administration pushed by PNRR (in Italian: *Piano Nazionale di Ripresa e Resilienza*), new opportunities are foreseen in order to support these entities in communication projects.

Communication services integrated with digital solutions. The Company supports customers with a traditional range of services embedded with digital technologies. Justbit acquisition represents a crucial step to consolidate digital skills and service portfolio.

Widest service portfolio within the industry, jointly with Justbit, a successful tech expert. A digital transformation by-product is ungoverned communication between organizations and stakeholders. A common awareness about PR industry is that their operations are going to be heavily impacted and must adapt to the digital transformation. EPR and Justbit work at the crossroads of institutions, business communities, politics, academics and media, with the most comprehensive service portfolio in the industry, a frontrunner in facing such a radical change.

Reputational crisis management specialist. EPR has a comprehensive experience on crisis communication engagements, with domestic and international clients, typically exposed to regulatory matters and evolution, to the point that often sharp regulators' decisions might be harmful to a segment or category, requiring crisis strategy and communication advisory. The size of clients, the experience with crisis cases of serious mediatic relevance, quality of credentials and press community relations entitle EPR as a prominent longstanding expert communication consultant.

ESG and sustainability. EPR has a reputation proven by historical recurring engagements with continuing support to both nonprofit organizations engaged in waste recycling on a nationwide scale and other green economy companies and associations, including the partnership with Lega Ambiente. The skills in sustainability communications come from working alongside large corporates, institutions, associations, energy and waste operators and thanks to consolidated relationships with NGOs, opinion leaders, think-tanks and networks of the circular economy and green society.

EPR self-commitment for social responsibility. EPR has been a Benefit Corporation since 2021, a qualification for profit-corporates based on the positive impact on community, workers and environment, as legally defined goals in addition to profit (law 208/2015). Since September 2022, EPR is also a B Corp, a company verified by B Lab, a nonprofit international network, to meet standards of social and environmental performance, transparency and accountability. In addition to this, EPR has released its annual sustainability report since 2021.

A well-diversified revenue mix. The integrated offer for the communication business line is equally balanced within the portfolio of services offered. The digital business line has shown so far a predominance of digital marketing and IT services, but one of its main strategic goals is to increase the revenue share deriving from Artificial Intelligence solutions.

Partnerships as contacts and engagements generators. Long-standing partnerships with communication and Public Relation firms, environmental associations and other entities. are a frequent source of opportunities for new projects and collaborations.

Industry experts, management-shareholders alignment of interests. Among the key managers, the Company shareholders, leveraging on more than 30 years background and industry expertise, are directly and from day first involved in planning execution of engagements.

Challenges

Low entry barriers to competition. The Italian market is fragmented into micro companies, with turnover of less than €1m, and small enterprises, with turnover in the range €1-10m (source: EnVent Research competition analysis). Low entry barriers facilitate newcomers and team extensions for competitors.

High rank clients require sizeable agencies. Large and multinational clients' corporate policies often require a minimum revenue floor and size of operations to their suppliers, including both communication and IT services consultants. The highly fragmented domestic environment means weakness in this respect. EPR, although being one of the largest agencies, has to keep growing to satisfy the stricter engagement criteria of certain target clients.

Weight of outsourced services. Communication frequently implies provision of outsourced media, with event organization as a typical example. The increase of digital media can add among competitors companies offering digital communication solutions.

Acquisition and integration risk. Acquisitions could be value accretive or dilutive based on valuations paid and market trends. Higher than expected integration costs when consolidating acquisitions may impact margins. Given EPR present size, larger acquisitions will be targeted in order to be material to the growth of the business, but these can carry a greater integration risk.

2. PROFILE

Communication and digital innovation

A full-service provider of communication services

EPR, listed on Euronext Growth Milan since December 2022, is a provider of communication and digital innovation services in the Public Relations industry. With the integration of the digital factory Justbit, EPR will be able to compete as a frontrunner in the PR market subject to a relentless digitalization. Justbit is a native digital creative hub, offering information and innovation technology solutions: web and software developing, Big Data analytics, Artificial Intelligence, Virtual Reality and digital marketing communication services. Headquarters are in Rome with an office in Milan. The workforce of EPR and Justbit consists of around 70 professionals.

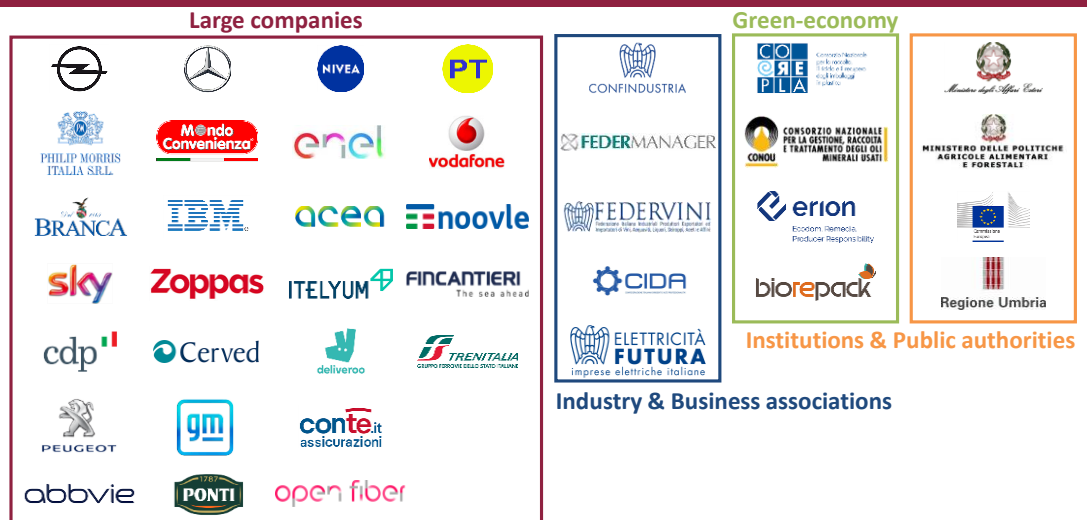
Services

Portfolio of services



Source: Company data

Main clients



Source: Company data

Over 70% client loyalty

Based on our review of EPR and Justbit revenues by client of the last four and three years to evaluate the recurring clients share:

- EPR clients active all four years or at least three years were 24 out of 105, with 78% revenue share
- Justbit clients active all three years or at least two years were 18 out of 60, with 75% revenue share

Source: EnVent Research on Company data

Partnerships



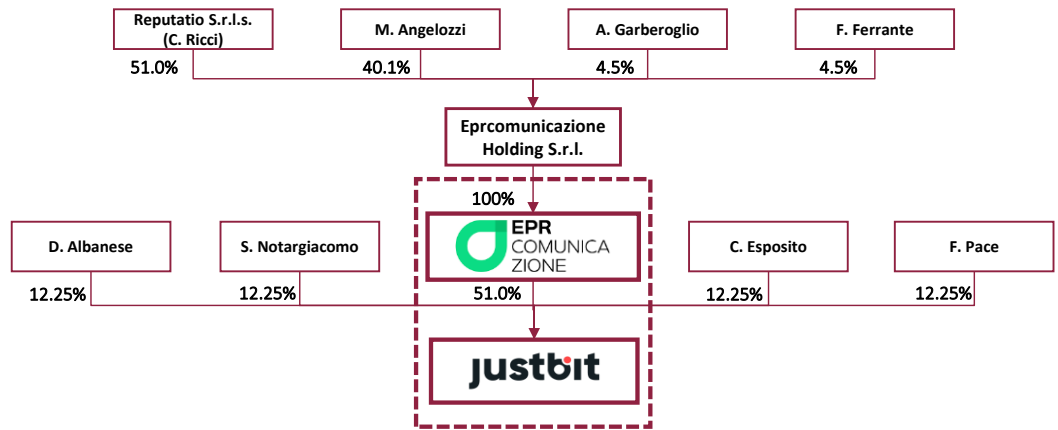
Source: EnVent Research on Company data

History and key developments

History milestones		
1991	<ul style="list-style-type: none"> • Establishment of Eprcomunicazione 	
1996	<ul style="list-style-type: none"> • First mandate for Forum PA (most important Italian event regarding Public Administration innovation) communication advisory, then renewed along the following 14 years 	
2005	<ul style="list-style-type: none"> • Documentary for Grandi Stazioni 	
2008	<ul style="list-style-type: none"> • Event organization for the 100th anniversary of the first flight in Italy 	
2017	<ul style="list-style-type: none"> • Organization of the meeting between Pope Francis and the Cop21 in Paris 	
2021	<ul style="list-style-type: none"> • Establishment of the department "digital in house" • Qualification as <i>Benefit Corporation</i> • Appointed, together with Armando Testa, for the communication advisory of Umbria region 	
2022	<ul style="list-style-type: none"> • Acquisition of 51% of Justbit • B Corp certification • Listing on Euronext Growth Milan (December) 	






Source: Company data



Shareholders and group companies



IPO and consolidation scope

Source: Company data

Key people	
Name and role	Background
<p>Chairman & CEO</p>  <p>Camillo Ricci</p>	<ul style="list-style-type: none"> Chairman, CEO and main shareholder Journalist, over 30 years in the communication industry with mastery in political and institutional matters
<p>CFO</p>  <p>Valerio Gianni</p>	<ul style="list-style-type: none"> Chief Financial Officer and Board member Over 30 years' experience in accounting, including roles as statutory auditor
<p>Public Affairs Director</p>  <p>Francesco Ferrante</p>	<ul style="list-style-type: none"> Public Affairs Director and Board member Expertise in communication on energy and sustainability, between 1995 and 2007 General Manager for Legambiente
<p>Sustainability Director</p>  <p>Roberto Della Seta</p>	<ul style="list-style-type: none"> Sustainability Director and Board member Journalist and author, expertise in sustainability, former Legambiente President
<p>COO</p>  <p>Clemente Senni</p>	<ul style="list-style-type: none"> Chief Operating Officer Over 25 years' experience in corporate communication and public affairs

<p>CEO - Justbit</p>  <p>Daniele Albanese</p>	<ul style="list-style-type: none"> • Over 15 years of experience in digital marketing and innovation • Social Extender Srls co-founder and CFO • Justbit founder and CEO
<p>COO - Justbit</p>  <p>Simone Notargiacomo</p>	<ul style="list-style-type: none"> • Over 10 years of experience as software engineer • Justbit founder and Chief Operating Officer

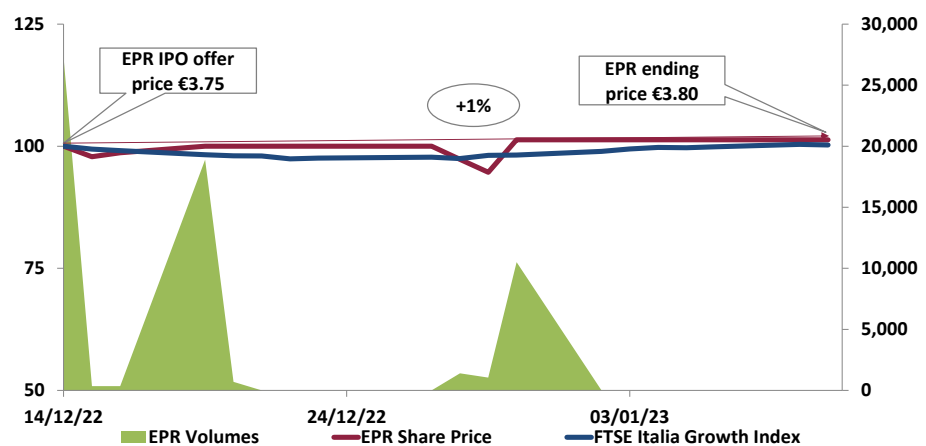
Source: Company data

IPO and stock market performance on Euronext Growth Milan

EPR on Euronext Growth Milan	
Stock market	Euronext Growth Milan
Bloomberg code	EPRB IM
Reuters code	EPRB.MI
IPO date	14/12/2022
Offer Price (€)	3.75
Money raised (€m)	3.0
Market Cap at IPO (€m)	10.5
Free float at IPO	21.5%
Ordinary shares - ISIN number	IT0005519837
Shares outstanding	2,803,250
Current Share Price (€)	3.80
Current Market Cap (€m)	10.7
Warrant - ISIN number	IT0005519795
Warrants outstanding	603,400
Current Warrant Price (€)	0.10

Source: Company data and S&P Capital IQ, update: 10/01/2023

Share price performance and volumes since IPO



Source: S&P Capital IQ - Note: 14/12/2022 (IPO offer price)=100

3. INDUSTRY INSIGHTS, MARKET TRENDS AND OUTLOOK

What are Public Relations? How important for their clients?

Public Relations can be defined as a discipline dedicated to communicate and promote the core values of an organization, whose ultimate objective would be building image, reputation and trust with stakeholders and other publics. This kind of mission is related to a wide array of interests and purposes, as is immediately evident if compared with Advertising objectives, which are focused as much as possible on specific needs and consumers and whose key targets are sales and customer loyalty.

Public Relations deal with different aspects of communication, mostly intangible values, which can be contained within the concept of “Mutually beneficial relationship between organizations and its publics” (PRSA-Public Relations Society of America, 2012)

Advertising is paid media, public relations is earned media

The credibility of an article versus an advertisement is likely to be higher: *“depending on how you measure and monitor, an article is between 10 times and 100 times more valuable than an advertisement”* (Michael Levine, publicist, author of the book, Guerrilla PR). Nielsen in 2014 made a study on the consumer decision-making, whose result was: PR is almost 90% more effective than advertising (source: Forbes, Robert Wynne, Jul 8, 2014). Advertising tells people how great the payer’s brand or product is. An editor is likely to be an expert who has made independent critique and has convinced himself about the credibility of the story he is going to tell. This is inherently more effective and justifies shifting a growing importance to PR as a more effective communication practice.

Advertising vs Public Relations

Advertising	Public Relations
Paid	Earned
Builds exposure	Builds trust
Audience is skeptical	Media gives third-party validation
Guaranteed placement	No guarantee, must persuade media
Complete creative control	Media controls final version
Ads are mostly visual	PR uses language
More expensive	Less expensive
"Buy this product"	"This is important"

Source: Forbes, quoted

Reputation a life-or-death factor for clients, trust as a competitive advantage

We concur with the general concept that any organization ultimately depends on its reputation for survival and success. Especially service and customer-oriented organizations must deal with reputation as their key value, to the point that it makes a difference when investing to build image and a competitive advantage. Then, reputation management is a corporate/social goal just as product or service performance and quality. This is witnessed by the public relations concept versus product advertising. The PR communication purpose is to promote a positive

opinion of a company or organization as a whole, rather than a product or service offered. Another difference with product advertising is its relation with short-term goals, while institutional communication primary interest is creating identity and image, with a long-term view, and improving reputation. These purposes belong not only to businesses, going beyond to several kinds of institutions and organizations.

The most common type of institutional communication are radio, television, publishing, and digital media, in which companies can convey their message through dialogue. It also includes non-traditional media in public places. Implications:

- Brand for consumers and mission for stakeholders must be communicated by clear and effective messages to the right audience
- Public relations tasks are understanding the purpose of an organization and its relationships within society, and work to provide their clients with reasons to be talked about and to help them identify and spread their key messages

Effective PR are a crucial device to look after reputation, through a continuing, evolving activity to establish and share mutual trust between organizations and their stakeholders.

Conversely, weak trust would be a competition issue and loss of trust can be definitely fateful. As a result, trust as a competitive advantage is the ultimate objective of Public Relations.

Why Public Relations are going to be Digital?

The digital transformation is revolutionizing the communication flows, including especially those between most organizations and their audience, with general public, consumers and other stakeholders as key targets. The outcome is a communication personalized, geolocated, targeted on the individual habits and tastes. In such an environment the advertising ecosystem has been disrupted in the last decade, so that the role of public relations too is going to be heavily impacted and must adapt to the digital transformation.

Massive investments in all markets for digital transition

The global PR industry is foreseeing huge investments in technology as a major commitment in the short and mid-term, to cope with the digital transformation disruption which is spreading over any form of communication. According to ICCO World PR Report 2021-22, first 5 major expected technology impacts for the industry are Measurement and Analytics, Research insight and planning, Social media community management, Influencer communication and Strategic consulting. Correspondingly, other findings in the same survey are that agencies are reflecting their growth expectations with own spending plans to invest in digital and ESG. The 5 major areas of tech investment are Influencer communications, Strategic consulting, Measurement and analytics, Digital build and production, Research insight and planning. In general terms, the picture is that of a “resurgent industry growing again” with sound fundamentals and Digital PR is the key word in the industry future and the competition ground. (Source: ICCO-International Communication Consultants organization-World PR Report 2021-22).

A decade of transformation for communication consultancy

The last decade induced major changes in communication consultancy. The rise of social media was a game-changer, digital skills became crucial to create new services and to improve the

EPR native digital tech arm ahead of the competition

quality and efficiency of customer service. Analytics and big data are required to understand future trends and the players must be flexible and prompt to changes.

Size and major markets

According to PProvoke Media, a PR industry source, in 2021 the global communication and public relations consultancy market was worth US\$18bn. Looking at 2020 available data, the US market represented 65% of US\$15.8bn global communication consultancy services revenue, followed by Europe (15%), with Germany (5%) as the European main market.

In the US, the market recorded annual growth rates of +6.1% and +4.6% in 2018 and 2019, respectively. In 2020, the US market equaled 2019. In Europe, the impact of Covid-19 resulted in a 6.6% reduction of revenues vs 2019. Germany, that had been the growth leader (+12% in 2019), saw its turnover decline by -3.5% in 2020 (source: PProvoke, 2021). These figures suggest to consider communication as a sector fairly defensive during markets slowdowns.

Minor impact of pandemic, differently from advertising

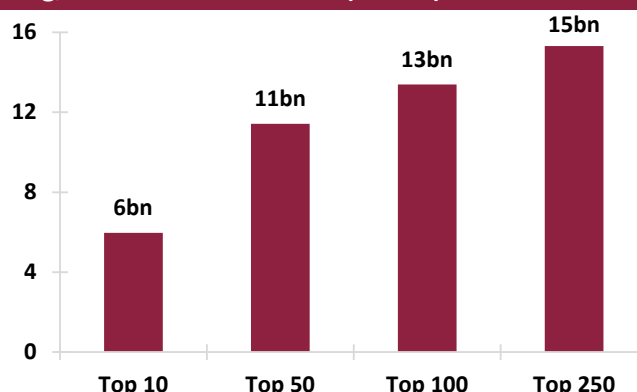
2020 and pandemic showed an impact on global communication and public relations industry (-4% at constant exchange rates; source: PProvoke, 2021) smaller than that observed in adjacent industries such as marketing (-8.1%; source: Ubuinternational, 2021) and advertising (15% circa decline in Europe according to Infoadex) confirming the low cyclical and low-risk business nature of communication consultancy.

Global firms and small local firms

PR communication consultancy is part of the broad media sector. Within the industry there are few large, global communication consultants - whose main assets are size and the large range of services provided - as well as few, large advertising agencies who mainly focus on marketing and creative services. The global communication consultants (BCW, Edelman, Ketchum) leverage on both size and the large range of services they provide. Large holdings of communication advertising agencies (Omnicom, Publicis, Dentsu, WPP, Havas) are part of the communication consultancy market, with a focus on marketing and creative services. Apart from those, other players operate at regional level and often just as national actors. This high fragmentation, coupled with the changes induced by expected digital wave, is expected to push intense M&A activity.

Increasing M&A expected...

Top 250 agency ranking, 2021 cumulative sales (US\$bn)



Source: PProvoke Media, 2022 Agency Rankings: Global PR Industry Bounces Back With 11% Growth, May 2022

Digital transformation and its impact on communication consultancy

Digital transformation is experiencing impressive growth rates, with an expected +17.4% 2021-26E CAGR globally, according to Mordor Intelligence. Inside Europe, growth will be boosted by €127bn targeted to digital reforms and investments along the 25 countries with Next generation EU programme. Innovation accelerators, Artificial Intelligence, Internet of Things and Blockchain solutions, are seen as major drivers

Global digital transformation market growth rate by region



Source: Mordor Intelligence - Digital Transformation Market - Growth, Trends, Covid-19 Impact, and Forecasts (2021-26),2021

Communication consultancy will undergo major changes induced by digital transformation, such as:

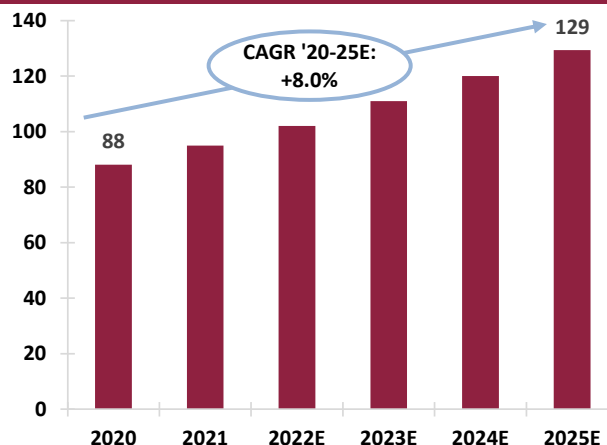
- the decline of traditional media in favour of digital ones, with consultants having to adapt their messages to include greater multimedia content
- Big Data affecting the capacity to measure and quantify impacts and optimize procedures
- artificial intelligence increasing impact, playing a key role in the automation of interactions between the end user and companies (virtual assistants, chatbots, etc.)

Communication consultancy market expected trend

The global public relations market was worth US\$88bn in 2020, including advertising agencies turnover (source: The Business Research Company, January 2021).

Along 2020-25E the expected CAGR is 8%, with a 2025E total size of US\$129.4bn (source: The Business Research Company, January 2021).

Global Public Relations Market size 2020-25E (US\$bn)



Source: The Business Research Company, 2021

Given the expected general trend, however, within the public relations industry there are segments expected to grow higher than others:

- applied technology and artificial intelligence (+14.6% 2019-26E CAGR, source: Verified Market Research)
- digital content (+12% 2019-30E CAGR, source: Insight Slice)

Key takeaways:

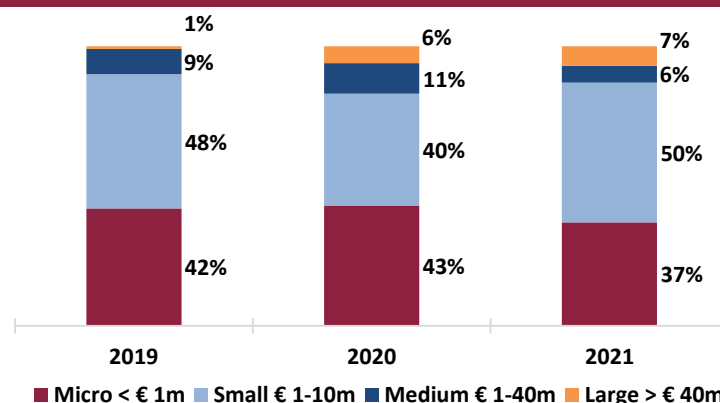
- high fragmentation and a breeding ground for M&A and “profitable niches”
- low cyclical or a defensive profile that enables the sector to perform well also during negative or low growth business cycles. This became evident in 2020, along pandemic
- expected major changes induced by digital transformation

Italian PR market

UNA (Aziende delle Comunicazioni Unite) and the University of Pavia identified around 14k companies operating in the Italian communication market in 2021. A survey on 172 firms described a fragmented outlook where 87% of the players has a small or micro size. Together, there is a small group of large companies, mostly part of international networks (source: UNA&ALMED, Il mercato del lavoro nel settore della comunicazione italiana Secondo Rapporto, 2021).

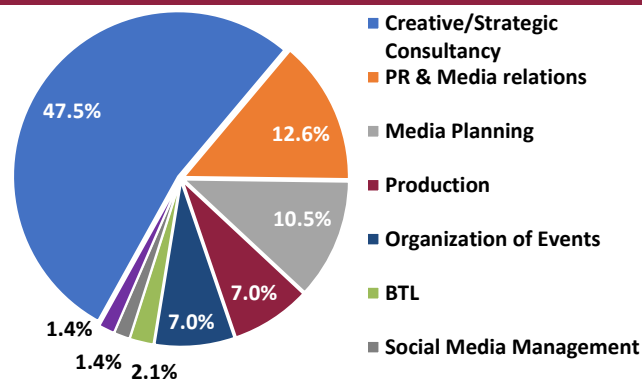
Fragmented outlook of small companies...

Italian communication companies clustered by total revenues, 2019-21



Source: UNA & ALMED, Il mercato del lavoro nel settore della comunicazione italiana Secondo Rapporto, 2021
Note: survey based on 172 Italian communication companies

Italian communication companies - service portfolio overview



Source: UNA & ALMED, Il mercato del lavoro nel settore della comunicazione italiana Secondo Rapporto, 2021
Note: survey based on 172 Italian communication companies

**Service portfolio
increasing
diversification**

Around 90% of the players recently chose to diversify their service portfolio. Almost 70% of traditional PR & Media Relation firms are now providing also social media relations and/or creative/strategic consulting. Social Media Management, Multimedia Production and Web Development are the kind of services added the most to the traditional service portfolio.

Outlook

Industry outlook: Steady growth through 2025-30, led by digital communication consulting

According to Firsthand, after recovery from pandemic, the PR industry will experience a steady growth through 2025 driven by the relentless digital revolution impacting all communication forms. The base concept which is challenging any kind of organization is that “anything can happen at any given moment to change the public’s opinion about an organization, its products and services, and its people” (Source: Firsthand website oct 2022 - career-building platform). This comes also from the acceleration and amplification that a crowd of social media, influencers and bloggers infuse into the internet, speeding the spread of any sort of news, comments, critiques. The consequence, of growing importance, is that organizations which have to count on their reputation and trust among their audiences, are facing a growing need of public relations specialists to care of and keep the organization’s reputation intact.

Multiservice digital communication taking the lead

The consultants’ competencies are also radically changing, jumping from press relationships to understanding the changing environment, the digital ecosystem, the role of influencers, the hidden opinions of their audiences. Clients will regularly, not occasionally, need advice and training in how to use social media most effectively for their businesses. Another new competence would be experts in analytics, moderation and management of the communication flows with the different audiences. The summary outcome is an ever-changing professional practice, with digital communication taking the lead of many projects, encompassing big data analytics, artificial intelligence applications, social media, multimedia content creation.

4. BUSINESS MODEL AND STRATEGY

EPR building trust for stakeholders

Scope of practice: PR are about reputation and trust, not advertising

EPR core competencies and practices are designed to be part of the broad concept of professional service to build and preserve reputation: trusted relations and communication with all stakeholders, whose object is the organization as a whole and whose purpose is to make the client reputation a valuable asset in current and long-term perspective. This implies deep differences with the concept and practice of advertising, whose objective are brand or products in a short, mid-term perspective and consumers as targets, with possible conflicting interests versus other stakeholders. Long continuing relationship with top management as buyer and endorser for PR, versus bounded time single campaigns for advertising.

Several communication groups adopt a hybrid business model and manage both PR and advertising agencies. EPR choice is: advertising, or digital advertising, are not and will not be within its core business, being seen as a crowded sector, a low profitability service because of clashing with media centers which enjoy favorable pricing. Institutional communication, in contrast, is a continuing engagement based on permanent support, plus, possibly ancillary services on demand.

An integrated response to current and new customers' needs

Consistently with industry trend and expected evolution, EPR will acquire a majority stake of Justbit. EPR communication consultancy know-how and Justbit digital factory skills will be the widest service portfolio in the market. Shareholders and management do expect substantial synergies generated by the combination of the two entities, with cross-selling opportunities and services, on the wave of the booming demand of digital communication solutions. The green/sustainability focus of EPR will also be enhanced by the digital/tech approach.

Framework of PR engagements

- Mission: looking after reputation by expert management of client relationship with all stakeholders
- Undertakings: identifying issues, making effective communication, building trust over time

Value chain



Source: EnVent Research

Revenue generation

EPR clients acquisition is supported by:

1. Broad media, institutional and political relations gained over time, indispensable to insert substance and achievements in client projects
2. Reputation, as people able to reach the right contacts to make things happen
3. Perceived performance, as documented by quality of projects and achievements

PR core services

Client-corporate communication and public relations strategic consulting - Core project for new clients, with EPR team assessment of client stakeholders, scenarios, objectives, communication options; definition of public to which address communications; integrated communication and reputation management plan. Once completed, side projects will realize the execution according to the assessment outcome.

Press Office - Editing and media coverage of client news, initiatives and actions.

Public Affairs & Advocacy - Support to businesses or nonprofit organizations. Representation of client interests to public institutions and policy makers with transparency. Project steps: intelligence about political environment; analysis of regulation risk; positioning and contact plan; communication plan to institutional contact person; media and digital communication. A proprietary digital platform is used to monitor decision-making processes and receive real-time updates on the institutional landscape.

Events, publishing, multimedia - Content creation for client campaigns, including event formats and turnkey organization, web and social graphics, brand and physical identity. The Justbit proprietary platform Social Extender is dedicated to the full digital management of events, including logos, website, dashboard, mobile app, logistics.

Verticals

Crisis management as a reputation protection practice - Crisis attributes regard all organizations: a threat which comes suddenly, demands fast decision-making and immediate action. When reputation is one of the key values of an organization, or worse the real object of the crisis, the challenge is even more complicate. During a crisis the sudden change of the communication is an issue, since management is in the spotlight and what they say and do has huge importance. The communication in reputational emergencies would not be a commonly shared skill and so PR are an integral aspect of the crisis management process, outside public relations help is crucial to handle communications and dealing with the media to counter misleading and false information. EPR approach:

Crisis preparedness:

- Vulnerability areas mapping
- Selection of the crisis management team
- Crisis management plan
- Training to the crisis management team with simulations and role playing

Crisis management:

- Assistance to deal with situations that could seriously harm reputation
- Urgency and unpredictable activities require direct involvement of senior professionals
- Service mix, decided case by case, may involve the entire range of EPR competencies and relationships, such as institutions, media, digital communication, publishing, public conferences and events
- Higher fees compared to the average applied for other services

Sustainability report - Enhancing customers' sustainability policies and support to drafting the non-financial reporting process (sustainability reports).

NIMBY and NIMTO management - Advisory to customers facing NIMBY (Not in my backyard) and NIMTO (Not in my terms of office) issues in their relationships with local stakeholders (local authorities, people, etc.).

Made in Italy - Values communication plan to enhance Made in Italy brands history, relations with the territory and product quality.

Non-profit and Non-government organizations - Projects based on wide experience and effectiveness in enhancing these organization values through visibility with public and institutional contacts, helping fund raising.

Digital services - Justbit



Source: Company presentation

Digital communication - Justbit

Digital strategy - Brand experience planning, through digital, physical and traditional touchpoints and online presence improvement. Brand awareness development, branded content and online presence management supported by web and social media analytics are the tools to enhance online visibility and reputation.

Social Media - Building and managing online client presence by producing multimedia content and long-term relationship with target users, by stimulating user engagement and encouraging them to generate brand related content in social media to reinforce brand identity. Social media marketing projects range from relationships with influencers and stakeholders (PR 2.0) to maintaining good customer relationships through social CRM, from Social Media Optimization to driving traffic on the web up to social business applications, such as social commerce.

Content Marketing - Cross-media approach strategy and keyword analysis through advanced tools to build a digital storytelling, combining creativity and technological skills, and ensuring contents and keywords aligned with the target audience.

Direct Marketing - Direct, long-term relationships with target audience through one-to-one proximity marketing projects, choosing the most suitable channel to convey communications, such as newsletters, digital coupons, integration with client CRM systems.

Information Technology applications

AI & Big Data - Development of algorithms and turnkey systems based on machine and deep learning to implement descriptive, predictive and prescriptive analyses in various contexts. Integration of data-driven strategies based on AI into client's business processes, improving productivity, creativity and decision-making capacity.

Event Platform - Justbit developed Social Extender, a proprietary platform designed for the digital management of online and offline events, massive communication delivery, access control, digital control of audio and video sources and streaming and interactions with attendees.

Gaming and Gamification - Multi-platform and multi-device, single and multiplayer digital games, transforming gaming from an entertaining tool to a marketing-oriented solution improving brand awareness and customer loyalty through real and virtual interactions.

Web - Creation of sites and portals that enable companies to offer multichannel, multi device and integrated digital experiences with social media.


UX/UI design - Architecture design, definition of content structure, layouts, interaction and visual patterns, wireframe, and prototype development to optimize end-user design experiences, after researching on consumers' behaviors and brand expectation.




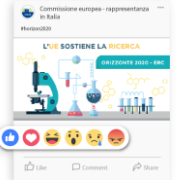
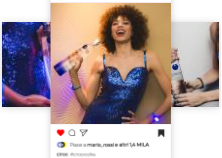
App development - Use of key native and cross platform technologies to create diversified and complex apps for Android and iOS devices integrated with wearable technologies, NFC, RFID, BLE and with chat and localization systems, main social medias and payment systems.

E-commerce - Performance marketing, social media marketing and customer care 2.0 strategies to support online stores. B2B and B2C multichannel strategies enabling companies to intercept online demand and grow their business through online stores, with technological and IT tools to automate strategy & planning, marketing, logistics and payments activities and integrating E-commerce CMS with the most popular marketplaces such as Amazon and Ebay, designing the entire strategy to maximize conversions and profit.

Virtual reality - Virtual reality environments at various degrees of complexity and immersive experience.

Justbit case history: clients and services

Open Fiber	<ul style="list-style-type: none"> • Digital strategy • Web 	
IQOS	<ul style="list-style-type: none"> • Digital strategy • Web 	
Waidy App	<ul style="list-style-type: none"> • App design • Gaming 	
Goprice	<ul style="list-style-type: none"> • Web • E-commerce 	
Opel	<ul style="list-style-type: none"> • Web 	
Make Whats Next	<ul style="list-style-type: none"> • Web 	
Euronics Nova	<ul style="list-style-type: none"> • Social media management 	
NIVEA Milano	<ul style="list-style-type: none"> • App • Brand activation 	
TIM	<ul style="list-style-type: none"> • FantaSerieA: app and brand activation 	
	<ul style="list-style-type: none"> • TIMLand: gaming rebranding 	
	<ul style="list-style-type: none"> • TIM Eventi 	

<p>Boing</p>	<ul style="list-style-type: none"> • App 	
<p>Bosch MyScotty</p>	<ul style="list-style-type: none"> • App (mobility services aggregator) 	
<p>Bulgari</p>	<ul style="list-style-type: none"> • Diagono Magnesium: virtual reality 	
<p>European Commission</p>	<ul style="list-style-type: none"> • Social media campaign 	
<p>CÎROC</p>	<ul style="list-style-type: none"> • Social media campaign 	

Strategy

Strategic guidelines:

- R&D investment in additional tech applications
- Scouting for acquisitions
- Recruiting of mid-management

5. COMPETITION

Facing digital ecosystem opportunities and complexity

Overview

We previously described the communication consultancy worldwide industry as highly fragmented and deeply impacted by new technologies and digitalization. As to the Italian market, we outlined how this is a polarized arena with most small or micro sized peers coupled with a small group of large companies, mostly part of international networks.

The booming of new technology - inducing a radical strategy change - and the intrinsic non capital intensive with low entry barriers nature of the industry led to many small size entrants in the very last years. The survey on 172 firms previously described as to the communication consultancy arena outlines also that almost one third of those firms were established after 2010 (source: UNA & ALMED, Il mercato del lavoro nel settore della comunicazione italiana Secondo Rapporto, 2021).

All kind of organizations (large, small, public, private) are driven by the same key factors for the choice of a digital solutions provider:

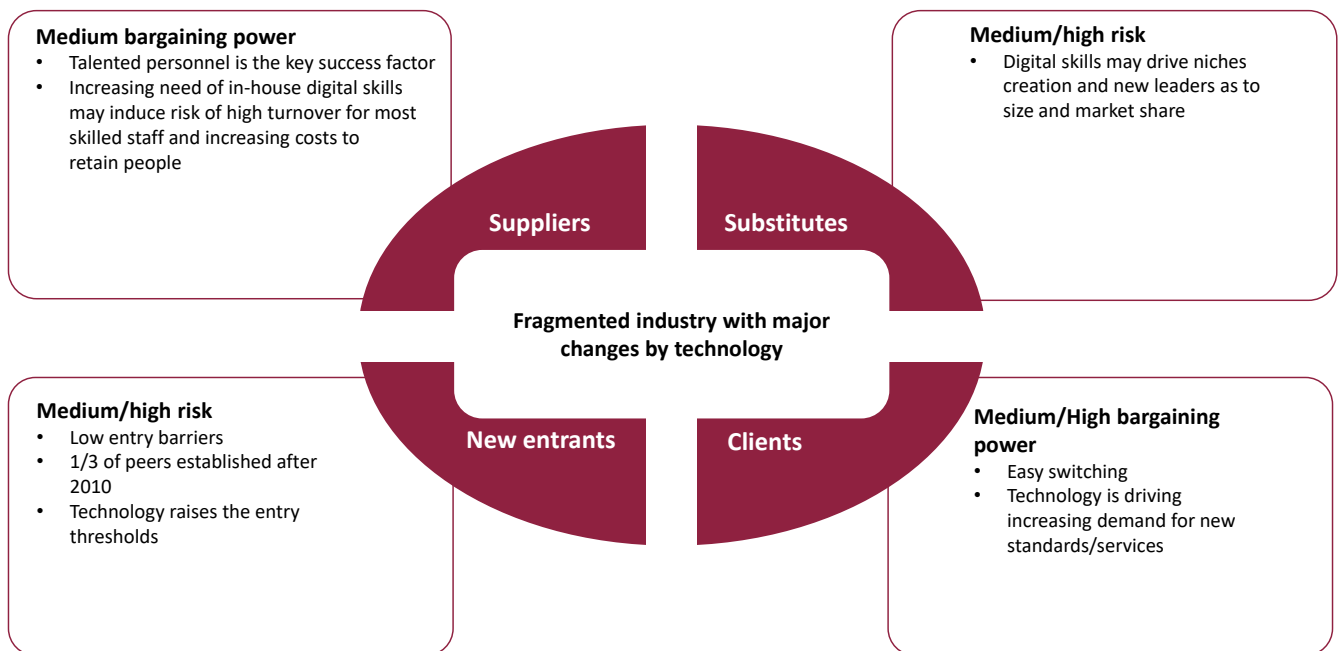
- support an increasing digital liaison with stakeholders and customers
- integrated solutions
- cost savings, flexible and time-to-market adoption of process or product innovations. A minimum delay may represent a risk to be definitively and completely crowded out by competitors in the relation with end users, increasingly demanding digital innovation and solutions.

This is true also for all the digital solutions and technology which is increasingly also changing the communication industry.

Communication consultancy....

....Digital Transformation

Competitive forces for the new, digital driven, communication consultancy



Source: EnVent Research

Competitors overview

Full range of conceptual and tech services, widest in the industry

The competitive arena is highly fragmented and populated by domestic firms together with international communication and advertising groups operating through local agencies. EPR faces competition from firms with a wide dimensional range, from the communication giants to small highly specialized agencies. For our analysis we have examined PR and communication firms with revenues over €1m and a service portfolio comparable with EPR and Justbit. The following graph compares the fifteen largest peers offerings with the combined EPR and Justbit service lines, resulting as the most comprehensive in the industry.

Top 15 players - service portfolio

Company	Press Office	Commun. Corporate	Public Affair	Events	Digital Events	Digital PR	Digital marketing	SEO/SEM	Web app	ADV	Analytics	Sustainability report
OmnicomPR	●	●	●			●		●	●		●	
Barabino & Partners	●	●		●		●	●	●	●		●	○
CAFFEINA						●	●	●	●	●	●	
CATTANEO ZANETTO & CO.			●			●						
COMIN & PARTNERS	●	●	●			●						●
COMMUNITY	●	●	●	●		●				●		
xister				●	●	●	●	●	●	●	●	
bcw	●	●	●	●		●	●			●	●	●
EPR	●			●	●	●	●					
justbit	●	●	●	●	●	●	●	●	●	●	●	●
IMAGE BUILDING	●	●	●			●	●					
edimmi	●	●		●		●	●				●	
imille				●	●	●	●	●	●	●	●	
WEBER SHANDWICK WE SOLVE	●	●	●	●	●	●	●		●	●	●	
SECNewgate	●	●	●	●	●	●	●		●	●		○

Note: empty green marker for sustainability services without reporting

Source: EnVent Research on websites

Key competitors and their segmentation

A wide range of communication related services is common pattern, while in several cases there is a concentration on a core competence such as public affairs, finance etc. Consequently, we have segmented the larger peer group into:

- Multi-service agency, wide range of services in various industries
- Specialized communication mostly committed to one service line, as public affairs and advocacy
- Communication addressed to financial markets stakeholders
- Tech companies, specialized in digital communication and related services

Communication consultancy peers - Segmentation

Company	Revenue 2021 (€m)	Corporate	Events	Digital	Public Affair
COMMUNICATION CONSULTANCY					
Omnicom Public Relations Group	16.06	●		●	●
Burson Cohn & Wolfe	8.58	●		●	●
EPR COMUNICAZIONE	7.42	●	●	●	●
Noesis	7.30	●	●	○	●
Edelman	6.99	●	●	●	●
Weber Shandwick	5.92	●	●	●	●
SEC Newgate	5.79	●	●	●	●
Havas PR Milan	4.86	●	●	●	
Hill + Knowlton Strategies	4.63	●	●	●	●
ADN Kronos Comunicazione	4.03	●	●	○	
Istituto Nazionale per la Comunicazione	3.81	●	●	○	●
Business Press	2.64	●	●	○	
SPECIALIZED COMMUNICATION					
Cattaneo Zanetto & Co	11.66			○	●
Comin & Partners	11.37	●		○	●
INRETE	8.29	●	●	●	●
MNcomm	8.20		●	○	
FB Associati	5.77			○	●
Utopia Lab	5.09	●	●	●	●
FINANCIAL COMMUNICATION					
Barabino & Partners	14.84	●	●	●	
Community Società Benefit	10.05	●	●	○	●
Image Building	7.51	●		●	●
DIGITAL COMPANIES					
Caffeina	13.10			●	
Xister Reply	9.90			●	
Imille	6.69			●	

Note: empty green marker for digital services stands for only Digital PR without a dedicated digital business unit
 Source: EnVent Research on websites

Competitors profiles

Some of the competitors are multinational communication agencies, the analysis is on their Italian branches. We chose also to exclude smallest companies from our competitive analysis, due to their different size and the absence of reliable financial data.

Communication consultancy

Omnicom Public Relations Group Italy – 2021 Revenues: €16.1m – Employees: 125

Part of the international network Omnicom, that provides PR, media and advertising services worldwide.

Burson Cohn & Wolfe – 2021 Revenues: €8.6m – Employees: 73

Italian branch of the multinational PR and communication consultant BCW, part of WPP Group, providing an integrated set of communication consultancy services.

Noesis – 2021 Revenues: €7.3m – Employees: 63

Communication agency offering a full set of corporate communication consultancy services.

Edelman – 2021 Revenues: €7.0m – Employees: 33

Italian branch of the international network Edelman, PR and communication consultant worldwide. The company provides an integrated set of communication consultancy services.

Weber Shandwick – 2021 Revenues: €5.9m – Employees: 38

Italian branch of the multinational PR firm Weber Shandwick, part of the global agency network Interpublic Group.

SEC Newgate – 2021 Revenues: €5.8m – Employees: 89

Recently delisted from London Stock Exchange, SEC carries out and manages PR and communication services in Italy and other countries.

Havas PR Milan – 2021 Revenues: €4.9m – Employees: 31

Part of the international communication consulting group Havas, based in France. Provides corporate communications services.

Hill + Knowlton Strategies Italy – 2021 Revenues: €4.6m – Employees: 34

Italian branch of the global PR consultancy firm Hill + Knowlton Strategies, part of WPP Group.

ADN Kronos Comunicazione – 2021 Revenues: €4.0m – Employees: 18

Part of Adnkronos media group.

INC – 2021 Revenues: €3.8m – Employees: 40

PR and communication consultant.

Business Press – 2021 Revenues: €2.6m – Employees: 32

PR and communication agency active in Italy and internationally through the partnership with Worldcom PR Group.

Specialized communication**Cattaneo Zanetto & Co – 2021 Revenues: €11.7m – Employees: 62**

Operating in Rome, Milan and Brussels, specialized in public affairs.

Comin & Partners – 2021 Revenues: €11.4m – Employees: 53

Communication consultant specialized in public affairs and advocacy.

INRETE – 2021 Revenues: €8.3m – Employees: 48

Institutional relations, public affairs.

MNCOMM – 2021 Revenues: €8.2m – Employees: 25

Specialized in entertainment industry in Italy and internationally through a partnership with the leading UK agency TPF (The Promotions publicity Factory).

FB & Associati – 2021 Revenues: €5.8m – Employees: 45

Focused on public affairs, advocacy and lobbying.

Utopia Lab – 2021 Revenues: €5.1m – Employees: 42

Specialized in institutional relation, public affairs, advocacy and lobbying.

Financial communication

Barabino & Partners – 2021 Revenues: €14.8m – Employees: 75

Communication agency offering a full set of corporate communication consultancy services, with an historical focus on finance and banking.

Community – 2021 Revenues: €10.1m – Employees: 56

Provider of a full set of communication consultancy services in Italy and internationally through a partnership with the leading global player FTI Consulting.

Image Building – 2021 Revenues: €7.5m – Employees: 45

Focus on corporate and financial communication and crisis management.

Digital companies

Caffeina – 2021 Revenues: €13.1m – Employees: 230

Digital company, founded in 2012 active in marketing, platform creation, digital products and media.

Xister Reply – 2021 Revenues: €9.9m – Employees: 67

Digital creative agency, founded in 2003 active in UI & UX, app development, marketing automation, AI including various services. Belonging to Reply network.

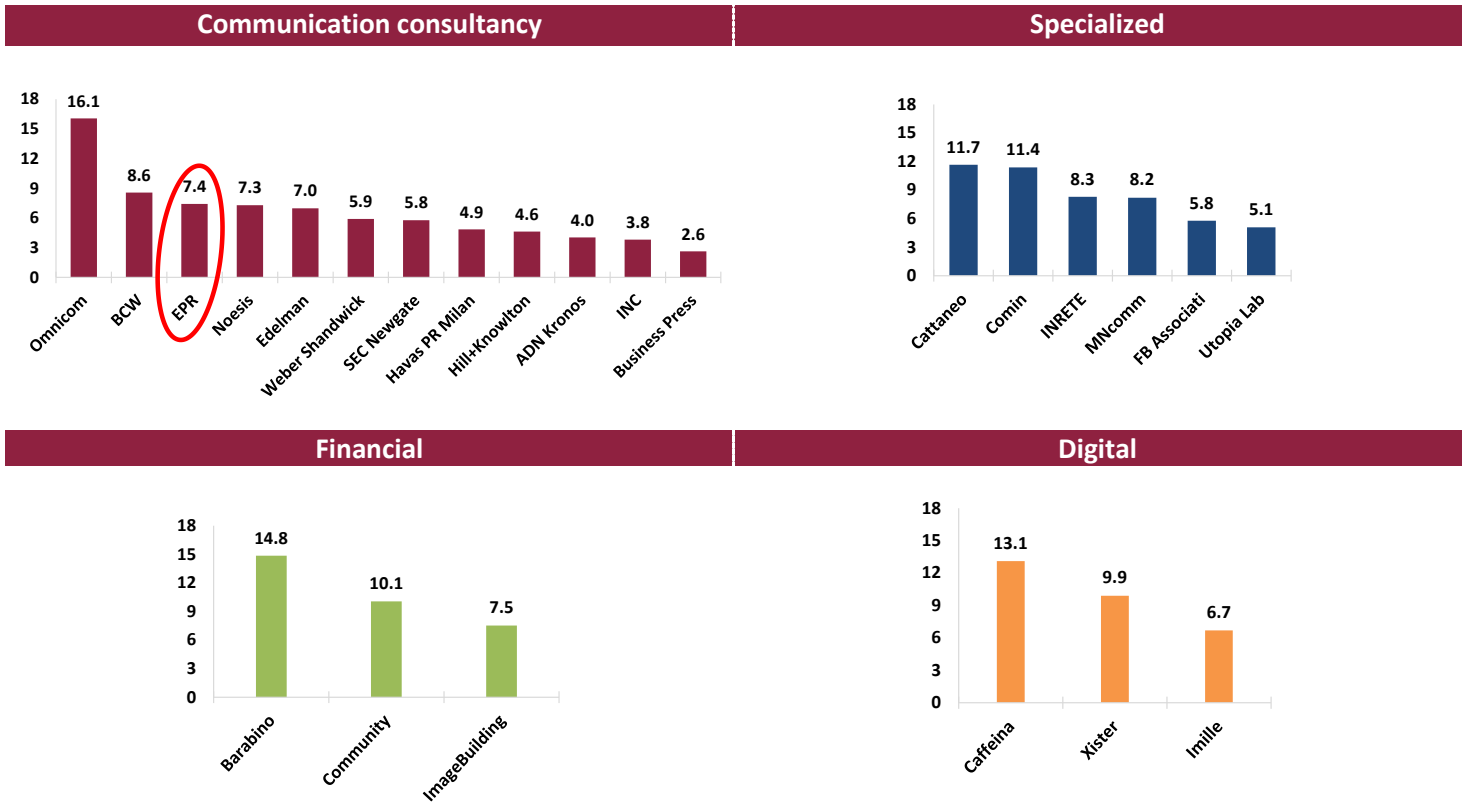
Imille – 2021 Revenues: €6.7m – Employees: 120

Founded in 2004, consultancy firm, creative agency and design studio in Italy, Spain, Chile and Brazil. Provides strategic consulting, branding, product/service design, communication, marketing and technology.

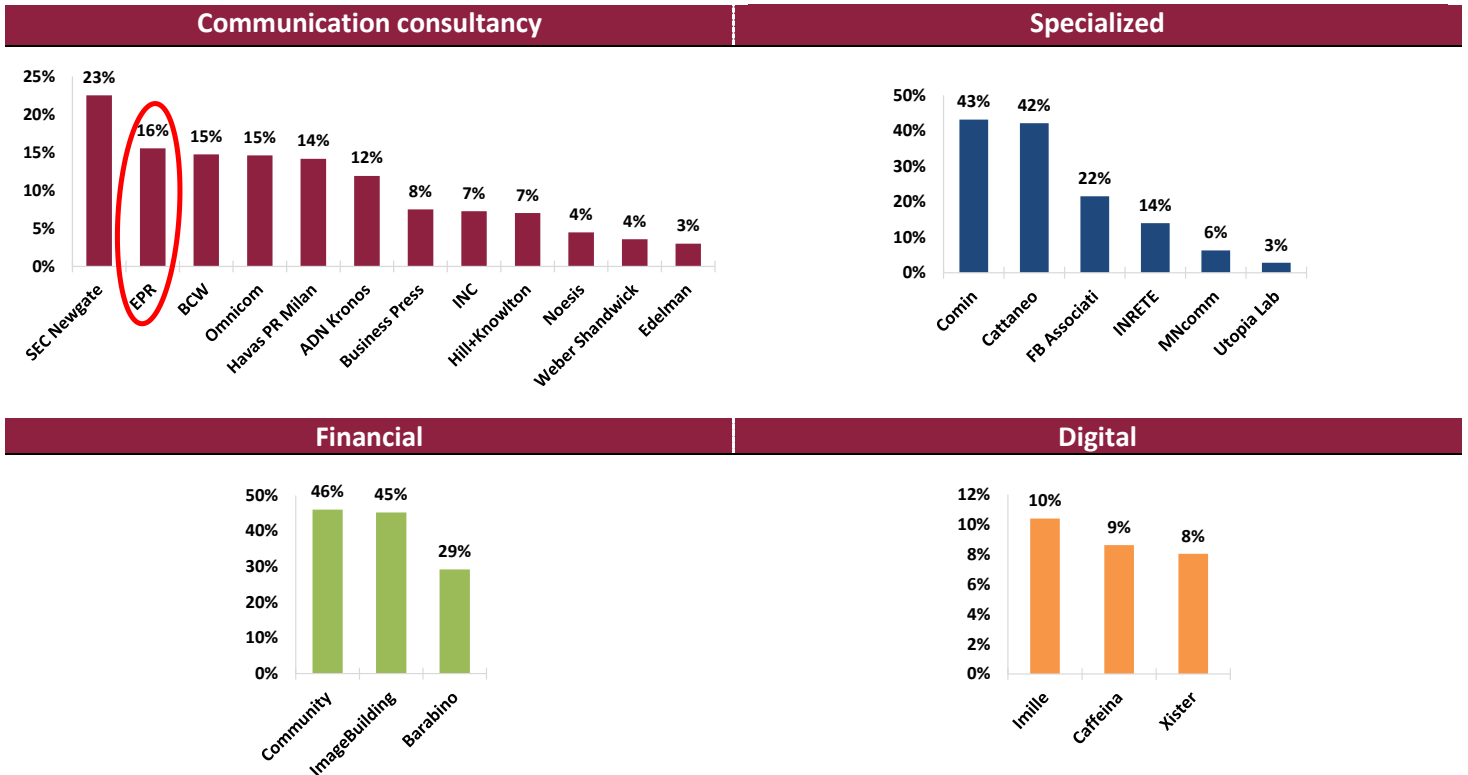
Source: EnVent Research on AIDA

Financial performance

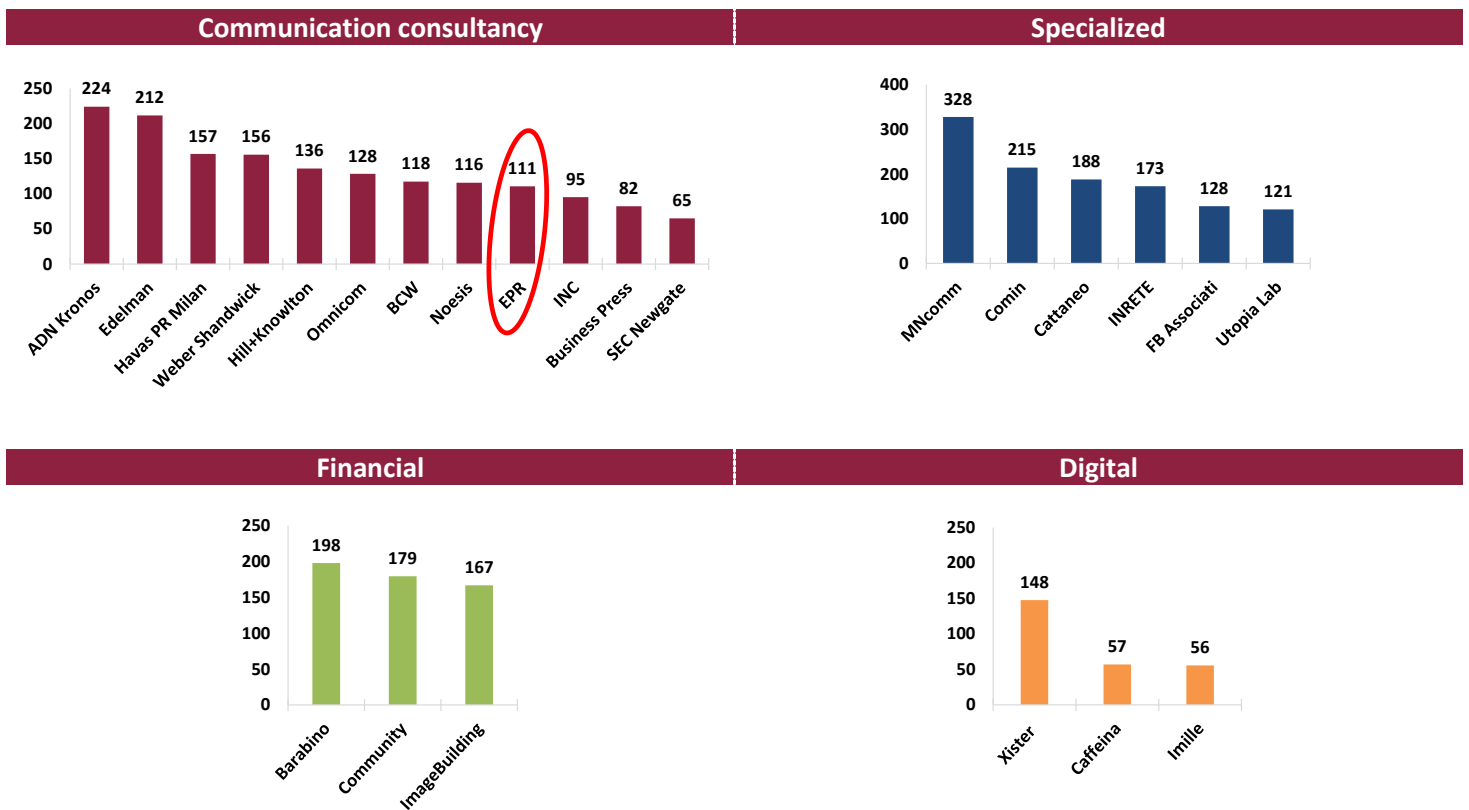
Revenues 2021 (€m)



EBITDA margin 2021 (%)



Revenue per capita 2021 (€k)



Note: EPRcomunicazione 2021PF financials
Source: EnVent Research on AIDA

Revenue per capita is a common use market metric in consulting industry. In some cases, passthrough costs charged on customers could cause an overestimate of revenue per capita and headcount could be underestimated in company financial reports which do not disclose full time equivalent (FTE) professionals.

No clear leader, room for many

Key takeaways from the above charts and KPIs:

- Six companies over €11m up to €16m revenues, twelve companies between €5-10m, six below €5m
- Specialists enjoy high two-digit margins, others range between 7-15% operating profit
- Wide range of revenue per capita, on the high side for multinationals and diverse business models

6. MARKET METRICS

Market value of comparable listed companies

The wide communication and advertising industry ecosystem includes mainly multiservice companies or groups, among which some large multinational agencies and a high number of domestic smaller firms. Most public companies are advertising-oriented, while just a limited number of PR groups are listed. Digital marketing and tech emerging specialists have also gone public to support growth and innovation potential, and most traditional industry players are engaged in the ineluctable digital transformation.

Selection criteria

Key factors:

- Business mix including PR, communication or advertising
- Digital approach
- Multi-suite business model or specialization in a key suite
- Proprietary technology tools

Industry players segmentation and comparability

We have segmented the selected PR, advertising and communication traditional/digital public companies into the following clusters based on business mix and specialization:

1. Public Relations and communication
2. Advertising
3. Digital marketing
4. Technology, AI, Big Data and analytics

Profiles - Public Relations and communication

Omnicom (US) - 2021 Revenues: €13bn - Comparability: Low

Global provider of advertising, marketing, customer relationship management and public relations services.

Next Fifteen Communications (UK) - 2021 Revenues: €0.4bn - Comparability: Medium

Global provider of communications consultancy services and digital and technology products and services.

Hopscotch Global PR (France) - 2021 Revenues: €154m - Comparability: Medium

PR business in France and internationally. It operates specialized agencies. Also provides a proprietary collective intelligence platform in SaaS mode and a solution for small and medium business events.

Llorente & Cuenca (Spain) - 2021 Revenues: €64m - Comparability: Medium/high

Communication, digital marketing, and public affairs consultancy firm in Latin America, Spain, and Portugal. Offers communication consultancy services in the areas of public affairs,

consumer engagement, digital, creative studio, crisis and risks, strategy, ESG and sustainability, investor relations as well provides digital transformation, data and analytics services and solutions.

Profiles - Advertising

WPP (UK) - 2021 Revenues: €15bn - Comparability: Low

Creative transformation company with global operations through three business units: Global Integrated Agencies, Public Relations and Specialist Agencies. Services include: marketing and branding, advertising, strategy and business development, media investment, data and technology, and content.

Publicis (France) - 2021 Revenues: €12bn - Comparability: Low

Marketing, communications and digital business transformation services worldwide. The offering includes advisory services for brand strategy and repositioning, online advertising, PR, media, performance marketing and other services through Publicis Worldwide, Saatchi & Saatchi, Leo Burnett, Marcel, Fallon, and BBH brands.

Hakuhodo DY (Japan) - 2021 Revenues: €10bn - Comparability: Low

Marketing and communications services company in Japan and internationally. The company engages in the advertising and digital marketing business, media and contents businesses, as well as provision of marketing solutions. It also provides brand building services and business development in entertainment.

Dentsu (Japan) - 2021 Revenues: €8bn - Comparability: Low

Advertising business in Japan and internationally, with advertising services, event marketing, creative, marketing, public relation, contents, and other services. It also develops software solutions along with related outsourcing/operation/maintenance services.

The Interpublic Group of Companies (US) - 2021 Revenues: €8bn - Comparability: Low

Advertising and marketing services worldwide, such as consumer advertising, digital marketing, communications planning and media buying, public relations, and specialized communications disciplines, as well as data science services.

BlueFocus Intelligent Communications (China) - 2021 Revenues: €6bn - Comparability: Low

Provider of strategy, digital, advertising, media, social, PR, design, branding, CRM, data, e-commerce consulting services and mobile solutions in China and internationally.

Profiles - Digital marketing

The Mission (UK) - 2021 Revenues: €183m - Comparability: Medium

Marketing and advertising related services on data and analytics, through a proprietary online platform that develops a benchmark of global brands. The company offers marketing communications services, customer experience, e-commerce, advertising, media buying, digital marketing, events, and training services.

Ebiquity (UK) - 2021 Revenues: €75m - Comparability: Medium

Media consultancy and investment analysis services worldwide. Segments: Media and Analytics & Tech. It offers analysis and advisory services in the areas of media management, media performance, marketing effectiveness, technology advisory, and contract compliance services.

SYZGY (Germany) - 2021 Revenues: €60m - Comparability: Medium

Media content services for digital marketing in Germany, the UK, and internationally. Service portfolio includes strategic consulting, project planning, concepts, design, and technical realization of brand platforms, business applications, websites, hosting, online campaigns, and mobile apps. Other services are marketing, data analysis, search engine marketing/optimization, digital illustrations, virtual reality, augmented reality, and animations round off services. Subsidiary of WPP.

DigiTouch (Italy) - 2021 Revenues: €38m - Comparability: Medium/high

Cloud marketing company operating through an integrated offer of marketing, technology and e-commerce services. DigiTouch has evolved from a pure digital advertising and marketing firm to a cloud marketing partner providing technology and solutions for digital transformation, leveraging on innovation and proprietary technology. Listed on Euronext Growth Milan.

Neosperience (Italy) - 2021 Revenues: €20m - Comparability: Low/medium

Digital company focused on data digital transformation through the creation of digital platforms. Listed on Euronext Growth Milan.

Websolute (Italy) - 2021 Revenues: €19m - Comparability: Medium/high

Digital solutions such as performance marketing, digital PR & social engagement, video advertising, AI & data science, augmented reality and mobile development. Listed on Euronext Growth Milan.

ID-Entity (Switzerland) - 2021 Revenues: €8m - Comparability: Medium/high

Digital omnichannel content company. Services include cross-media and cross-market content that creates traffic towards websites, e-commerce and physical stores. Operations in Switzerland, Romania, Italy and Spain. Listed on Euronext Growth Milan.

Profiles - Technology, AI, Big Data and analytics**Alkemy (Italy) - 2021 Revenues: €95m - Comparability: Medium**

Digital company focused on digital transformation, Data & analytics, digital marketing, brand experience and technology development among the main services. Listed on STAR segment.

Expert.ai (Italy) - 2021 Revenues: €37m - Comparability: Low/medium

Digital company which creates and sells cognitive computing software products based on artificial intelligence algorithms to read and understand written language in Italy and internationally. Listed on Euronext Growth Milan.

Digital360 (Italy) - 2021 Revenues €36m - Comparability: Medium/Low

Multi-channel B2B platform in Italy. Digital marketing and sales services in content marketing, storytelling, marketing automation, lead generation and events. Also advisory and coaching services in audit and compliance, IT governance and cyber security, digital open innovation, legal, healthcare, and MarTech. Listed on Euronext Growth Milan.

Doxee (Italy) - 2021 Revenues €26m - Comparability: Low

Developer of cloud technologies: customer communications management product related to data transformation and document production, distribution, and archiving; dematerialization and digital transformation of documents, such as electronic invoicing, digital storage, and electronic ordering products; tools for interactive personalized videos and marketing automation. Listed on Euronext Growth Milan.

Maps (Italy) - 2021 Revenues €24m - Comparability: Low

Software solution provider. Designs and develops technological solutions to support decision-making processes in public and private businesses and organizations. Listed on Euronext Growth Milan.

Datrix (Italy) - 2021 Revenues €14m - Comparability: Medium

Artificial intelligence-based augmented analytics and machine learning. It develops solutions to enhance companies' marketing and sales performance, as well as to improve the performance of institutional and private investors in stock picking, identification of innovative investment themes and ESG scoring. The company also applies artificial intelligence for data monetization and a machine-learning algorithm to develop analytics models to support new business opening. It serves e-commerce, finance and banking, retail, publishing, and telco industries. Listed on Euronext Growth Milan.

SG Company (Italy) - 2021 Revenues: €11m - Comparability: Low

We have also analysed separately from selected clusters SG Company, a communication group of agencies providing live and digital event planning and communication services, listed on Euronext Growth Milan. Core services are meetings, events & incentive, whose implied revenue model would be too different from EPR.

Source: EnVent Research on S&P Capital IQ and companies' financial statements

Key data comparison

Company	Revenues				EBITDA Margin %		EBIT Margin %		Revenue per capita 2021
	2021 (€m)	YoY % change '21	2017-2021 CAGR %	2021-2024E CAGR %	2021	2024E	2021	2024E	
PR and communication									
Omnicom	12,565	17%	0%	2%	16%	16%	15%	15%	175
Next Fifteen Communications	366	2%	16%	25%	10%	23%	5%	20%	123
Hopscotch Global PR	154	26%	1%	12%	7%	7%	6%	4%	252
Llorente & Cuenca	64	43%	13%	15%	18%	20%	14%	17%	66
Mean		22%	8%	14%	13%	17%	10%	14%	154
Median		21%	7%	14%	13%	18%	10%	16%	149
Technology, AI, Big Data and analytics									
Alkemy	95	28%	23%	9%	9%	13%	8%	10%	104
Digital360	36	30%	28%	38%	12%	20%	10%	17%	130
Doxee	26	18%	18%	18%	8%	27%	7%	16%	183
Datrix	14	30%	n.a.	33%	-11%	23%	-23%	17%	95
Maps	24	19%	19%	16%	13%	26%	9%	14%	118
Expert.ai	37	6%	4%	18%	-49%	23%	-50%	6%	95
Mean		22%	18%	22%	-3%	22%	-7%	13%	121
Median		23%	19%	18%	8%	23%	7%	15%	111
Digital Marketing									
The Mission	183	34%	3%	-18%	6%	17%	5%	15%	183
Ebiquity	75	20%	1%	12%	8%	20%	5%	18%	136
SYZYG	60	8%	0%	10%	13%	18%	10%	11%	102
DigiTouch	37	14%	8%	15%	15%	16%	9%	10%	135
Neosperience	20	7%	31%	24%	29%	32%	7%	18%	95
Websolute	19	37%	27%	11%	14%	20%	6%	13%	83
ID-ENTITY	8	43%	n.a.	34%	29%	27%	25%	25%	97
Mean		23%	12%	13%	16%	22%	10%	16%	119
Median		20%	5%	12%	14%	20%	7%	15%	102
Combined Mean		23%	13%	16%	9%	21%	4%	14%	128
Combined Median		20%	13%	15%	12%	20%	7%	15%	118
Advertising									
WPP	15,241	14%	1%	-2%	11%	19%	10%	16%	111
Publicis Groupe	11,738	9%	6%	3%	16%	22%	14%	18%	123
Hakuhodo DY	9,999	-19%	-1%	-12%	5%	8%	3%	6%	n.a.
Dentsu	8,291	11%	5%	4%	20%	19%	13%	15%	n.a.
The Interpublic	8,009	21%	7%	4%	19%	19%	16%	17%	156
BlueFocus Intelligent Communications	5,547	9%	30%	9%	2%	3%	2%	2%	n.a.
Mean		8%	8%	1%	12%	15%	10%	12%	130
Median		10%	5%	4%	14%	19%	11%	15%	123

Source: EnVent Research on S&P Capital IQ and companies' financial statements

Summary and comparability of selected peers

The analyzed clusters show:

- Advertising and PR clusters made of established multinational multi-service companies, diversified as to business mix, well financed and with a strong trade position, whose size and maturity stage is reflected in their financial performance
- In the Digital Marketing cluster, despite a higher comparability degree as to size and scope of operations, many companies, are only partially comparable to EPR according to scope of activity, range of services and business model
- In the Technology, AI, Big Data and analytics cluster, some companies present a sufficient comparability with Justbit digital factory
- Observed and expected growth higher for the digital marketing cluster, with profitability rising along 2021-2024E

- Expected 2024 EBITDA margin above 15% on average for the PR and communication multinational peers (likely to be impacted by size/operational gearing) and in the region of 20% for the digital marketing cluster

Key takeaways:

- Few comparable listed companies, especially as per size and geographical scope
- PR and digital marketing samples present a sufficient degree of consistency to be assumed as market multiples reference

Market multiples

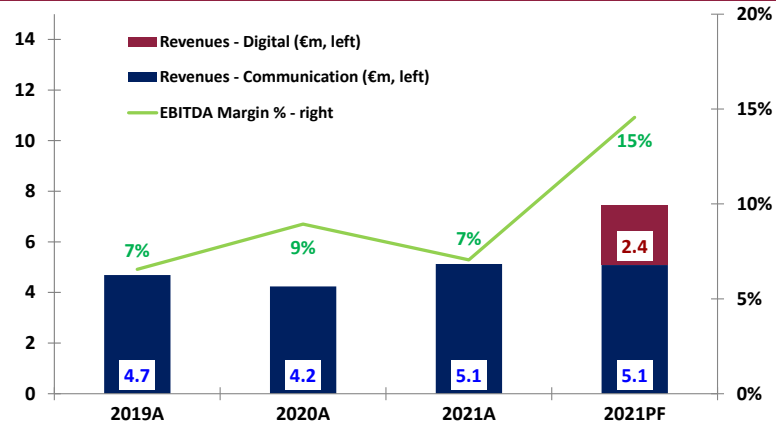
Company	EV/REVENUES				EV/EBITDA				EV/EBIT				P/E			
	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E
PR and communication																
Omnicom	1.3x	1.5x	1.6x	1.5x	7.8x	9.2x	9.6x	9.2x	8.6x	10.1x	10.6x	10.2x	11.1x	11.8x	13.2x	12.5x
Next Fifteen Communications	4.1x	2.8x	1.9x	1.7x	39.7x	11.5x	8.3x	7.2x	88.6x	13.3x	9.4x	8.4x	neg	16.6x	11.6x	10.4x
Hopscotch Global PR	0.2x	0.2x	0.2x	0.2x	2.4x	3.3x	3.3x	3.2x	2.7x	5.5x	5.8x	5.5x	5.4x	n.a.	n.a.	n.a.
Llorente & Cuenca	2.1x	1.5x	1.3x	1.2x	12.1x	7.6x	6.8x	6.1x	15.4x	9.2x	8.0x	7.1x	25.1x	13.8x	12.0x	10.4x
Mean	1.9x	1.5x	1.3x	1.2x	15.5x	7.9x	7.0x	6.4x	28.8x	9.5x	8.4x	7.8x	13.9x	14.1x	12.3x	11.1x
Median	1.7x	1.5x	1.5x	1.4x	9.9x	8.4x	7.5x	6.7x	12.0x	9.6x	8.7x	7.7x	11.1x	13.8x	12.0x	10.4x
Technology, AI, Big Data and analytics																
Alkemy	1.5x	0.7x	0.7x	0.6x	16.0x	6.9x	5.6x	5.0x	18.0x	10.0x	7.1x	6.2x	29.4x	11.0x	8.3x	7.1x
Digital360	2.5x	1.6x	1.1x	1.0x	21.2x	8.6x	5.5x	4.7x	25.0x	11.3x	6.6x	5.5x	50.9x	18.4x	11.9x	9.7x
Doxee	3.5x	3.2x	2.4x	2.0x	44.5x	15.0x	9.8x	7.3x	52.3x	46.7x	19.9x	12.8x	53.0x	71.4x	25.9x	15.7x
Datrix	2.0x	1.9x	1.3x	1.0x	neg	neg	9.4x	4.3x	neg	neg	20.1x	5.9x	neg	neg	25.6x	8.9x
Maps	1.8x	1.9x	1.6x	1.4x	13.8x	8.0x	6.3x	5.3x	19.4x	15.7x	12.2x	9.7x	15.1x	16.9x	12.7x	10.5x
Expert.ai	3.1x	1.2x	1.0x	0.7x	neg	neg	11.1x	3.1x	neg	neg	neg	11.3x	neg	neg	neg	20.6x
Mean	2.4x	1.7x	1.3x	1.1x	23.8x	9.6x	8.0x	5.0x	28.7x	20.9x	13.2x	8.6x	37.1x	29.4x	16.9x	12.1x
Median	2.4x	1.7x	1.3x	1.1x	23.8x	9.6x	8.0x	5.0x	28.7x	20.9x	13.2x	8.6x	37.1x	29.4x	16.9x	12.1x
Digital marketing																
The Mission	0.5x	0.7x	0.7x	0.6x	8.9x	4.4x	4.0x	3.8x	10.8x	4.8x	4.4x	4.1x	10.6x	n.a.	n.a.	n.a.
Ebiquity	0.8x	1.1x	0.9x	0.9x	10.3x	6.9x	5.2x	4.5x	15.8x	9.3x	6.5x	5.0x	neg	11.0x	7.2x	5.4x
SYZGY	1.8x	1.3x	1.2x	1.1x	14.4x	7.1x	6.5x	6.1x	18.8x	13.2x	11.2x	10.1x	21.3x	18.1x	15.0x	13.1x
DigiTouch	0.9x	0.8x	0.8x	0.7x	5.6x	5.5x	4.6x	4.3x	9.6x	8.8x	7.4x	7.2x	12.1x	14.6x	12.0x	11.6x
Neosperience	2.5x	1.8x	1.4x	1.2x	8.7x	5.8x	4.6x	3.6x	34.6x	20.5x	10.4x	6.6x	72.9x	33.0x	13.9x	8.2x
Websolute	1.7x	1.1x	1.0x	0.9x	11.9x	8.6x	6.3x	4.2x	30.2x	30.6x	13.3x	6.6x	68.1x	55.9x	22.7x	11.4x
ID-ENTITY	3.3x	2.4x	1.4x	1.2x	11.5x	8.4x	5.1x	4.3x	13.3x	9.5x	5.6x	4.7x	15.6x	11.9x	7.4x	6.2x
Mean	1.7x	1.3x	1.0x	0.9x	10.2x	6.7x	5.2x	4.4x	19.0x	13.8x	8.4x	6.3x	33.4x	24.1x	13.0x	9.3x
Median	1.7x	1.3x	1.0x	0.9x	10.2x	6.7x	5.2x	4.4x	19.0x	13.8x	8.4x	6.3x	33.4x	24.1x	13.0x	9.3x
Combined Mean	2.0x	1.5x	1.2x	1.0x	15.2x	7.8x	6.6x	5.1x	24.2x	14.6x	9.9x	7.5x	30.0x	23.4x	14.2x	10.8x
Combined Median	1.8x	1.5x	1.2x	1.0x	11.9x	7.6x	6.3x	4.5x	18.0x	10.1x	8.7x	6.6x	21.3x	16.6x	12.4x	10.4x
Advertising																
WPP	1.3x	1.3x	1.3x	1.2x	11.2x	6.7x	6.7x	6.3x	13.3x	8.6x	8.1x	7.7x	20.2x	8.7x	8.5x	7.9x
Publicis Groupe	1.4x	1.5x	1.5x	1.4x	8.7x	6.8x	6.7x	6.5x	10.3x	8.5x	8.5x	8.2x	14.4x	9.9x	9.8x	9.4x
Hakuhodo DY	0.5x	0.5x	0.5x	0.4x	10.7x	5.0x	5.6x	5.5x	14.3x	5.6x	7.8x	7.5x	26.8x	n.a.	n.a.	n.a.
Dentsu	1.1x	1.0x	1.0x	1.0x	5.6x	6.0x	5.2x	5.1x	8.6x	8.0x	7.2x	6.7x	10.4x	n.a.	n.a.	n.a.
The Interpublic	1.8x	1.8x	1.8x	1.7x	9.4x	9.5x	9.7x	9.2x	11.3x	10.8x	11.0x	10.2x	15.5x	12.9x	13.7x	12.7x
BlueFocus Intelligent Communications	0.6x	0.3x	0.2x	0.2x	26.8x	27.7x	10.9x	8.3x	30.0x	52.5x	12.6x	10.1x	50.7x	29.9x	17.4x	10.5x
Mean	1.1x	1.1x	1.0x	1.0x	12.1x	10.3x	7.5x	6.8x	14.6x	15.7x	9.2x	8.4x	23.0x	15.3x	12.4x	10.1x
Median	1.2x	1.2x	1.1x	1.1x	10.1x	6.8x	6.7x	6.4x	12.3x	8.5x	8.3x	7.9x	17.8x	11.4x	11.7x	10.0x

Source: EnVent on S&P Capital IQ, January 2023

7. FINANCIAL ANALYSIS AND PROJECTIONS

Healthy foundations to build on

EPR - FY2019-21 revenues and EBITDA margin performance



Source: EnVent Research on Company data.

Note: 2021PF showing consolidated figures, with effect of Justbit 51% stake acquisition since FY2021 year begin

No harm during Covid and jump up with Justbit

EPR performance before Justbit acquisition shows a stable trend despite the pandemic. 2021 Pro-forma financials simulate EPR and Justbit consolidation starting January 1st 2021. Closing is expected within mid-January 2023. When compared with competitors figures, and taking account of the average size of industry peers, these pro-forma financials give evidence of the quantum leap represented by the deal.

EPR and Justbit P&L are made of consulting fees, personnel and external services costs. Other than G&A, Justbit services contain outsourced app and software developers and EPR services include substantial amounts of recurring outsourced media and events which are charged to clients in addition to professional fees.

Justbit 51% acquisition impact on 2021 PF consolidated figures

2021PF BS and cash flow show the impact of the Justbit deal as to both goodwill and Net Debt. EPR will acquire 51% of Justbit for a consideration of €2.5m. This impacts the consolidated 2021 PF BS with a €2.2m goodwill, which adds to EPR 2021 €0.6m intangibles (mostly due to brand revaluation in FY2020) and, among sources, with an extra €2.5m financial debt (of which almost €1m vs banks and the residual vs Justbit shareholders).

Justbit shareholders took part to EPR IPO, with subscription of EPR listed shares for a €0.8m consideration. As to 2021PF BS, this commitment is shown as a receivable and a future capital increase reserve among net equity consolidated figures.

H1 2022

H1 22PF BS is in line with year-end 2021. The 6-months P&L is likely to be of limited relevance considering that historical records of EPR and Justbit indicate, as well as in most consulting firms, a recurring shifting of billed revenues in the second half of the year. As a consequence, H1 22 ratios include abnormal figures and for 2022 year-end we have factored in our assumptions a normalized trend. Comparison with H1 21PF figures is not available.

Consolidated Profit and Loss

€m	2021 PF	H1 22 PF
Sales	7.4	3.3
<i>of which: Communication</i>	5.1	2.1
<i>of which: Digital</i>	2.4	1.1
Capitalization of R&D costs	0.0	0.0
Other income	0.0	0.0
Total Revenues	7.4	3.3
YoY %	45.4%	n.a
Services	(4.3)	(2.1)
Personnel	(1.5)	(0.9)
Other operating costs	(0.6)	(0.2)
Operating costs	(6.4)	(3.2)
EBITDA	1.1	0.1
Margin	14.6%	3.5%
D&A	(0.4)	(0.1)
EBIT	0.7	0.0
Margin	9.0%	-1.0%
Interest	(0.1)	(0.0)
EBT	0.6	-0.1
Margin	8.2%	-2.0%
Income taxes	(0.3)	(0.2)
Net Income (Loss)	0.3	(0.3)
Margin	3.7%	-7.7%

Consolidated Balance Sheet

€m	2021 PF	H1 22 PF
Trade receivables	2.3	2.2
Trade payables	(1.0)	(1.0)
Working Capital	1.3	1.2
Other assets (liabilities)	(0.6)	(0.6)
Net Working Capital	0.7	0.6
Intangible assets	0.7	0.7
Goodwill	2.2	2.2
Property, plant and equipment	0.1	0.1
Equity investments and financial assets	0.8	0.8
Non-current assets	3.7	3.8
Provisions	(0.3)	(0.3)
Net Invested Capital	4.2	4.0
Financial debt	3.2	2.9
Cash and equivalents	(0.7)	(0.4)
Net Debt (Cash)	2.5	2.5
Equity	1.7	1.5
Sources	4.2	4.0

Consolidated Cash Flow

€m	2021 PF	H1 22 PF
EBIT	0.7	(0.0)
Current taxes	(0.3)	(0.2)
D&A	0.4	0.1
Provisions	0.1	0.1
Cash flow from P&L operations	0.8	0.0
Working Capital	(1.1)	0.1
Other assets and liabilities	0.7	0.0
Operating cash flow before capex	0.4	0.2
Capex	(0.0)	(0.1)
Operating cash flow after working capital and capex	0.4	0.1
Interest	(0.1)	(0.0)
Write-down of equity investments	0.0	0.0
Equity investments and financial assets	(2.6)	(0.1)
Paid-in Capital and other equity changes	(0.1)	0.1
Dividends	0.0	0.0
Net cash flow	(2.4)	0.0
Net (Debt) Cash - Beginning	(0.1)	(2.5)
Net (Debt) Cash - End	(2.5)	(2.5)
Change in Net (Debt) Cash	(2.4)	0.0

Consolidated ratio analysis and other KPIs

	2021 PF	H1 22 PF
ROE	16%	-33%
ROS (EBIT/Sales)	9%	-1%
DSO	93	99
DPO	61	64
TWC/Sales	17%	18%
NWC/Sales	10%	9%
Net Debt/EBITDA	2.3x	10.9x
Net Debt/Equity	1.5x	1.6x
Net Debt/(Net Debt+Equity)	0.6x	0.6x
Operating cash flow before capex/EBITDA	37%	139%
Per-capita (total workforce) sales (€k)	130	98
Personnel costs per employee (€k)	51	49

Source: Company data

Note 1: Since 2019A-21A financials refer to EPR unconsolidated figures, 2021PF cash flows may represent just a proxy of consolidated figures

Note 2: 2021PF showing effect of Justbit 51% stake acquisition since FY2021 year begin

Note3: as to P&L figures, we consider write down of trade receivables impacting EBITDA

Our estimates

Key growth drivers

EPR, leveraging on its know-how and well-established networking, thanks to the integration with Justbit, is positioned to catch the opportunities arising from the digital transformation impact on public relation industry. We see the acquisition of Justbit as a key factor to accelerate sales growth and profitability, with cross-selling potential for both communication and digital business units, which are likely to experience a medium/long term run growth path consistent with the expected industry trend previously described.

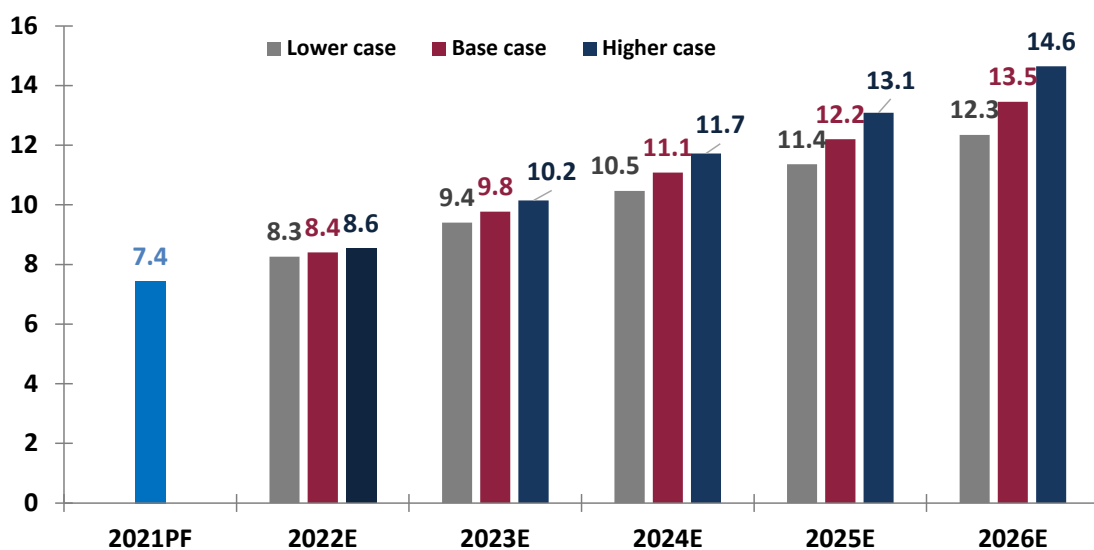
Main assumptions and key drivers

Revenues 2021PF-26E Base case	<ul style="list-style-type: none"> • Total: from €7.4m to €13.5m (13% CAGR) • Communication: from €5.1m to €8.0m (10% CAGR) • Digital: from €2.4m to €5.2m (18% CAGR) • Expected R&D costs capitalization as to Digital BU, consistently with industry practice • Lower case -15%, higher case +15%
Operating charges 2021PF-26E Base case	<ul style="list-style-type: none"> • Services: from €4.3m to €6.4m • Personnel: from €1.5m to €3.8m • Other operating costs: from €0.6m to €0.7m
Income taxes	<ul style="list-style-type: none"> • Corporate tax (IRES): 24% • Regional tax (IRAP): 3.9%
Working capital 2021PF-26E Base case	<ul style="list-style-type: none"> • DSO: from 93 to 104, as a weighted average of differentiated DSO for Communication and Digital sales • DPO: from 61 to 71 as a weighted average of differentiated DPO for Communication and Digital cost of sales • Other assets (liabilities): €-0.6m stable
Capex 2022-26E Base case	<ul style="list-style-type: none"> • €0.7m circa one-off IPO costs at year end 2022 - tax relief not factored in • Yearly €0.25m R&D capitalized costs • Yearly €0.01m capex in equipment
Financial debt	<ul style="list-style-type: none"> • 2022-26E €1.2m bank debt amortization • 2021PF €1.5m debt for Justbit acquisition paid within January 2023 • 2022-26E Financial expenses: €-0.1m yearly circa • Cash dynamic consistent with cash flow trend
Equity	<ul style="list-style-type: none"> • IPO proceeds €3m • Consistent with Net Income trend, no dividend distribution

Source: EnVent Research

We have included a sensitivity on revenue growth along 2022-26E. The picture below summarizes yearly trend for each of the three alternatives.

EPR - 2022-26E Total Revenues (€m) sensitivity analysis



Source: EnVent Research

EPR - Consolidated Profit and Loss (Base case)

€m	2019A	2020A	2021A	2021PF	2022E	2023E	2024E	2025E	2026E
Sales	4.6	4.2	5.1	7.4	8.2	9.5	10.8	12.0	13.2
<i>of which: Communication</i>	4.6	4.2	5.1	5.1	5.6	6.3	6.9	7.5	8.0
<i>of which: Digital</i>	0.0	0.0	0.0	2.4	2.6	3.3	3.9	4.5	5.2
Other income	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues	4.7	4.2	5.1	7.4	8.4	9.8	11.1	12.2	13.5
YoY %	na	-9.6%	20.9%	45.4%	12.8%	16.3%	13.4%	10.1%	10.3%
Services	(3.5)	(2.9)	(3.5)	(4.3)	(4.6)	(5.0)	(5.5)	(5.9)	(6.4)
Personnel	(0.7)	(0.7)	(0.8)	(1.5)	(2.0)	(2.4)	(2.9)	(3.4)	(3.8)
Other operating costs	(0.3)	(0.2)	(0.4)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)
Operating costs	(4.4)	(3.9)	(4.8)	(6.4)	(7.2)	(8.0)	(9.1)	(9.9)	(10.8)
EBITDA	0.3	0.4	0.4	1.1	1.2	1.7	2.0	2.3	2.6
Margin	6.6%	8.9%	7.0%	14.6%	14.7%	17.8%	18.2%	18.6%	19.7%
D&A	(0.1)	(0.2)	(0.2)	(0.4)	(0.5)	(0.6)	(0.7)	(0.7)	(0.8)
EBIT	0.2	0.2	0.2	0.7	0.7	1.1	1.4	1.6	1.9
Margin	3.4%	5.1%	3.5%	9.0%	8.7%	11.4%	12.2%	12.9%	14.1%
Financial income/expenses	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)
EBT	0.1	0.2	0.2	0.6	0.6	1.0	1.3	1.5	1.9
Margin	2.3%	4.8%	3.3%	8.2%	7.3%	10.7%	11.8%	12.6%	14.0%
Income taxes	(0.0)	(0.1)	(0.1)	(0.3)	(0.2)	(0.3)	(0.4)	(0.4)	(0.5)
Net Income (Loss)	0.1	0.1	0.0	0.3	0.4	0.7	0.9	1.1	1.4
Margin	1.5%	3.4%	0.8%	3.7%	5.2%	7.7%	8.5%	9.1%	10.1%

Source: EnVent Research on Company data for 2019-21PF - EnVent Research for 2022E-26E

Note 1: 2019A-21A EPR unconsolidated figures

Note 2: 2021PF showing effect of Justbit 51% stake acquisition since FY2021 begin

Note3: we consider write down of trade receivables impacting EBITDA

**Digital business
expected to increase
margins**

EPR - Consolidated Balance Sheet (Base case)

2021PF Financial debt includes Justbit deal funding

€m	2019A	2020A	2021A	2021PF	2022E	2023E	2024E	2025E	2026E
Trade receivables	1.2	1.0	1.2	2.3	2.7	3.2	3.7	4.1	4.6
Trade payables	(1.1)	(0.8)	(0.9)	(1.0)	(1.4)	(1.4)	(1.5)	(1.6)	(1.7)
Trade Working Capital	0.1	0.2	0.3	1.3	1.3	1.8	2.2	2.5	2.9
Other assets (liabilities)	0.1	0.1	(0.2)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Net Working Capital	0.3	0.3	0.1	0.7	0.7	1.2	1.6	1.9	2.3
Intangible assets	0.3	0.7	0.6	0.7	1.4	1.4	1.3	1.2	1.0
Goodwill	0.0	0.0	0.0	2.2	1.9	1.6	1.2	0.9	0.6
Property, plant and equipment	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Equity investments and financial assets	0.0	0.0	0.0	0.8	0.1	0.1	0.1	0.1	0.1
Non-current assets	0.3	0.8	0.7	3.7	3.4	3.0	2.6	2.2	1.7
Provisions	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.4)	(0.5)	(0.6)	(0.7)
Net Invested Capital	0.4	0.9	0.7	4.2	3.8	3.9	3.7	3.5	3.3
Financial debt	0.4	0.2	0.4	3.2	2.7	1.0	0.6	0.4	0.1
Cash and equivalents	(0.1)	(0.1)	(0.3)	(0.7)	(3.0)	(1.9)	(2.6)	(3.6)	(4.9)
Net Debt (Cash)	0.3	0.1	0.1	2.5	(0.3)	(0.9)	(2.0)	(3.3)	(4.8)
Equity	0.1	0.8	0.6	1.7	4.0	4.8	5.7	6.8	8.2
Sources	0.4	0.9	0.7	4.2	3.8	3.9	3.7	3.5	3.3

Source: Company data for 2019A-21PF - EnVent Research for 2022E-26E

Note 1: 2019A-21A EPR unconsolidated figures

Note 2: 2021PF showing effect of Justbit 51% stake acquisition since FY2021 year begin

EPR - Consolidated Cash Flow (Base case)

22E €3m IPO proceeds include €0.8m from Justbit shareholders

€m	2020A	2021A	2021PF	2022E	2023E	2024E	2025E	2026E
EBIT	0.2	0.2	0.7	0.7	1.1	1.4	1.6	1.9
Current taxes	(0.1)	(0.1)	(0.3)	(0.2)	(0.3)	(0.4)	(0.4)	(0.5)
D&A	0.2	0.2	0.4	0.5	0.6	0.7	0.7	0.8
Provisions	0.0	(0.0)	0.1	0.1	0.1	0.1	0.1	0.1
Cash flow from P&L operations	0.3	0.2	0.8	1.1	1.5	1.7	1.9	2.2
Trade Working Capital	(0.0)	(0.2)	(1.1)	0.0	(0.5)	(0.4)	(0.3)	(0.4)
Other assets and liabilities	0.0	0.3	0.7	0.0	0.0	0.0	0.0	0.0
Operating cash flow before capex	0.3	0.4	0.4	1.2	1.0	1.4	1.6	1.8
Capex	(0.1)	0.0	(0.0)	(0.9)	(0.3)	(0.3)	(0.3)	(0.3)
Operating cash flow after working capital and capex	0.2	0.4	0.4	0.2	0.7	1.1	1.3	1.6
Interest	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)
Equity investments and financial assets	0.0	(0.1)	(2.6)	0.0	0.0	0.0	0.0	0.0
Paid-in Capital	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
IPO Proceeds	0.0	0.0	0.0	3.0	0.0	0.0	0.0	0.0
Dividends and other equity changes	0.0	(0.2)	0.0	(0.3)	0.0	0.0	0.0	0.0
Net cash flow	0.2	0.1	(2.4)	2.8	0.6	1.1	1.3	1.5
(Net Debt)/Cash Beginning	(0.3)	(0.1)	(0.1)	(2.5)	0.3	0.9	2.0	3.3
(Net Debt)/Cash End	(0.1)	(0.1)	(2.5)	0.3	0.9	2.0	3.3	4.8
Change in (Net Debt)/Cash	0.2	0.1	(2.4)	2.8	0.6	1.1	1.3	1.5

Source: Company data for 2019A-21PF - EnVent Research for 2022E-26E

Note 1: 2019A-21A EPR unconsolidated figures. 2021PF cash flow may represent just a proxy of consolidated figures

Note 2: 2021PF showing effect of Justbit 51% stake acquisition since FY2021 year begin

EPR - Consolidated ratio analysis and other KPIs (Base case)

	2019A	2020A	2021A	2021PF	2022E	2023E	2024E	2025E	2026E
ROE	53%	19%	6%	16%	11%	16%	16%	16%	17%
ROS (EBIT/Sales)	3%	5%	4%	9%	9%	12%	13%	13%	14%
DSO	77	72	73	93	99	101	102	103	104
DPO	85	79	69	61	70	70	70	71	71
TWC/Sales	3%	4%	7%	17%	16%	19%	20%	21%	22%
NWC/Sales	6%	7%	3%	10%	8%	13%	15%	16%	17%
Net Debt/EBITDA	1.0x	0.3x	0.2x	2.3x	cash	cash	cash	cash	cash
Net Debt/Equity	2.4x	0.1x	0.1x	1.5x	cash	cash	cash	cash	cash
Net Debt/(Net Debt+Equity)	0.7x	0.1x	0.1x	0.6x	cash	cash	cash	cash	cash
Operating cash flow before capex/EBITDA	nm	84%	102%	37%	94%	56%	68%	70%	69%
Per-capita (total workforce) sales (€k)	154	135	159	130	120	132	139	146	155
Personnel costs per employee (€k)	37	38	43	51	55	59	64	68	72
Earnings per Share (€), basic	n.a.	n.a.	n.a.	n.a.	0.16	0.27	0.34	0.40	0.48
Earnings per Share (€), fully diluted	n.a.	n.a.	n.a.	n.a.	0.16	0.25	0.32	0.38	0.46

Source: Company data for 2019A-21PF - EnVent Research for 2022E-26E - Note 1: 2019A-21A EPR unconsolidated figures -

Note 2: 2021PF showing effect of Justbit 51% stake acquisition since FY2021 year begin

8. VALUATION

Growth fueled by PR momentum, ESG and tech portfolio

Valuation topics

PR stable revenues even during pandemic

EPR profile is that of a PR and Digital Communication firm with over three decades experience, positioned among the inner circle of five leading Italian providers of a wide portfolio of media relations. Last years performance was fairly stable and proved to resist to pandemic. EPR high standing credentials and Justbit cutting-edge digital services, unlike its close competitors, in our view are the right mix to catch the rising market opportunities.

Value drivers

- Market hungry of unprecedented digital solutions
- Appeal of relationships among institutions and media
- Quality clients and engagements
- Creativity by technology
- Client loyalty and repeat engagements

Relevant market data

- Market trends, industry and competition analyses tell that most growth expectation indicators fall within the 8-15% range
- Our base case projections assume a 13% revenues CAGR along 2021PF-2026E, with EBITDA margin growing from 15% to 20% in 2026E. This assumption is consistent with industry growth expectations, when we consider Justbit integration with EPR, for the intrinsic higher growth rate and profitability of the Digital business and cross-selling opportunities.
- Within the wider communication and advertising industry, we have identified clusters of companies that could represent benchmarks to EPR. The peer groups include companies diversified on size, business mix and scope of practice. However, we deem market multiples a suitable method, given that growth is driven by the same factors and dynamics, the exposure to the same reference market and the continuity of relationships with clients. We have excluded from our market multiples application the pure Advertising cluster, given the difference of core services.

Valuation

The valuation of EPR has been performed through:

- Discounted Cash Flows applied to our 2022-26E financial projections
- market multiples
- regression analysis

Discounted Cash Flows

Main metrics and assumptions:

- Risk free rate: 3.9% (Italian 10-year government bonds interest rate – last 30 days average. Source: Bloomberg, January 2023)
- Market return: 11.9% (last 30 days average. Source: Bloomberg, January 2023)
- Market risk premium: 8.0%
- Beta: 1.2 (judgmental due to continuing volatility of market indicators)
- Cost of equity: 13.5%
- Cost of debt: 4.5%
- Tax rate: 24% IRES
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 10.5%, according to above data
- Perpetual growth rate after explicit projections (G): 2.0%
- Terminal Value assumes a 20% EBITDA margin

We estimated our equity value range by adding lower and higher cases.

EPR - DCF Valuation model (Base case)

€m	2022E	2023E	2024E	2025E	2026E	Perpetuity
Revenues	8.4	9.8	11.1	12.2	13.5	13.7
EBITDA	1.2	1.7	2.0	2.3	2.6	2.7
<i>Margin</i>	<i>14.7%</i>	<i>17.8%</i>	<i>18.2%</i>	<i>18.6%</i>	<i>19.7%</i>	<i>20.0%</i>
EBIT	0.7	1.1	1.4	1.6	1.9	2.5
<i>Margin</i>	<i>8.7%</i>	<i>11.4%</i>	<i>12.2%</i>	<i>12.9%</i>	<i>14.1%</i>	<i>18.5%</i>
Taxes - full rate estimates in case of earnings	(0.2)	(0.3)	(0.4)	(0.4)	(0.5)	(0.7)
NOPAT	0.5	0.8	1.0	1.1	1.4	1.8
D&A	0.5	0.6	0.7	0.7	0.8	0.2
Provisions	0.1	0.1	0.1	0.1	0.1	0.0
Cash flow from operations	1.1	1.5	1.7	1.9	2.2	2.0
Trade Working Capital	0.0	(0.5)	(0.4)	(0.3)	(0.4)	(0.2)
Capex	(0.9)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)
Yearly Unlevered Free Cash Flows	0.2	0.7	1.1	1.3	1.6	1.6
- H1 Unlevered Free Cash Flows	(0.1)					
Unlevered free cash flow	0.1	0.7	1.1	1.3	1.6	1.6
WACC	10.5%					
Long-term growth (G)	2.0%					
Discounted Cash Flows		0.1	0.6	0.9	0.9	1.0
Sum of Discounted Cash Flows	3.5					
Terminal Value						19.2
Discounted TV	12.3					
Enterprise Value	15.8					
Net (Debt) Cash as of 30/06/2022	(2.5)					
IPO Proceeds	3.0					
Minorities as of 30/06/22	(0.3)					
Equity Value	15.9					

Source: EnVent Research

EPR - DCF sensitivity (€m)

Lower	Base	Higher
14.1	15.9	17.8

Source: EnVent Research

DCF Lower Case - Implied multiples	2022E	2023E	2024E	2025E	2026E
EV/Revenues	1.7x	1.4x	1.3x	1.1x	1.0x
EV/EBITDA	11.3x	8.0x	6.9x	6.1x	5.3x
EV/EBIT	19.2x	12.5x	10.3x	8.9x	7.4x
P/E	32.4x	18.8x	15.0x	12.7x	10.4x

DCF Base Case - Implied multiples	2022E	2023E	2024E	2025E	2026E
EV/Revenues	1.9x	1.6x	1.4x	1.3x	1.2x
EV/EBITDA	12.8x	9.1x	7.8x	6.9x	6.0x
EV/EBIT	21.6x	14.1x	11.6x	10.0x	8.3x
P/E	36.6x	21.2x	16.9x	14.4x	11.8x

DCF Higher Case - Implied multiples	2022E	2023E	2024E	2025E	2026E
EV/Revenues	2.1x	1.8x	1.6x	1.4x	1.3x
EV/EBITDA	14.3x	10.2x	8.8x	7.8x	6.7x
EV/EBIT	24.3x	15.9x	13.0x	11.2x	9.3x
P/E	41.0x	23.8x	19.0x	16.1x	13.2x

Source: EnVent Research

Valuation based on market multiples

We have applied to our 2022-24E projections:

- the combined mean and median multiples of: PR, Technology and Digital Marketing clusters, which derive from 3Y analyst consensus
- a Sum of The Parts (SOP) approach, based on: PR and Technology EV/Revenues mean and median multiples applied to communication and digital revenues respectively

Multiples application (Base case)

Multiples - Comparables	(€m)	Combined Multiples	EV (€m)	Net (Debt) Cash (€m) 30/06/22	IPO proceeds	Minorities (€m) 30/06/22	Equity Value (€m)	
EPR								
2022E	Total revenues	8.4	Mean 1.5x Median 1.5x	12.7 12.2	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	12.8 12.4
2023E	Total revenues	9.8	Mean 1.2x Median 1.2x	11.7 11.5	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	11.8 11.6
2024E	Total revenues	11.1	Mean 1.0x Median 1.0x	11.6 11.1	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	11.8 11.2
Mean 2022-24E								11.9
2022E	EBITDA	1.2	Mean 7.8x Median 7.6x	9.6 9.3	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	9.7 9.5
2023E	EBITDA	1.7	Mean 6.6x Median 6.3x	11.4 10.9	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	11.6 11.1
2024E	EBITDA	2.0	Mean 5.1x Median 4.5x	10.2 9.2	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	10.4 9.3
Mean 2022-24E								10.3
2022E	EBIT	0.7	Mean 14.6x Median 10.1x	10.6 7.3	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	10.8 7.5
2023E	EBIT	1.1	Mean 9.9x Median 8.7x	11.0 9.7	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	11.2 9.9
2024E	EBIT	1.4	Mean 7.5x Median 6.6x	10.1 9.0	(2.5) (2.5)	3.0 3.0	(0.3) (0.3)	10.3 9.2
Mean 2022-24E								9.8
2022E	Earnings	0.4	Mean 23.4x Median 16.6x					10.2 7.2
2023E	Earnings	0.7	Mean 14.2x Median 12.4x					10.7 9.3
2024E	Earnings	0.9	Mean 10.8x Median 10.4x					10.1 9.8
Mean 2022-24E								9.6
MEAN								10.4

Source: EnVent Research on S&P Capital IQ

EPR - Multiples sensitivity (€m)

	Lower	Base	Higher
MEAN	8.8	10.4	12.0

Source: EnVent Research on S&P Capital IQ

SOP application (Base case)

	Multiples - Comparables (€m)	Multiple		Sum of the parts EV (€m)	Net (Debt) Cash (€m) 30/06/22	IPO proceeds	Minorities (€m) 30/06/22	Equity Value (€m)
2022E	EPR Communication Rev. 5.6	Mean 1.5x	EPR Digital Rev. (incl. capit. R&D) 2.9	13.3	(2.5)	3.0	(0.3)	13.5
		Median 1.5x						
2023E	6.3	Mean 1.3x	3.5	12.5	(2.5)	3.0	(0.3)	12.7
		Median 1.5x						
2024E	6.9	Mean 1.2x	4.2	12.6	(2.5)	3.0	(0.3)	12.7
		Median 1.4x						
MEAN								13.4

Source: EnVent Research on S&P Capital IQ

EPR - SOP sensitivity (€m)

	Lower	Base	Higher
MEAN	12.9	13.4	13.9

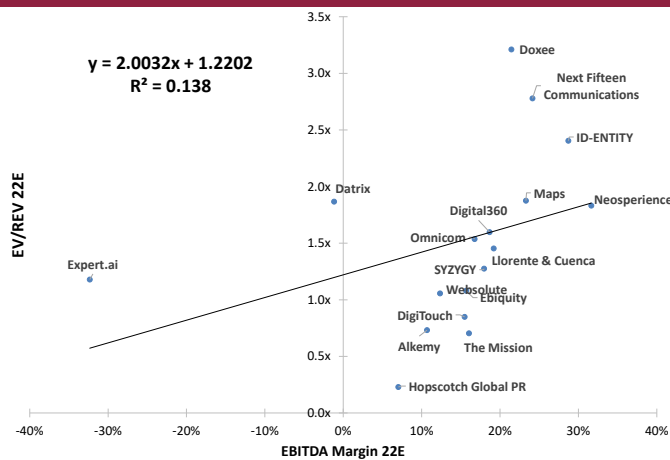
Source: EnVent Research on S&P Capital IQ

Regression analysis

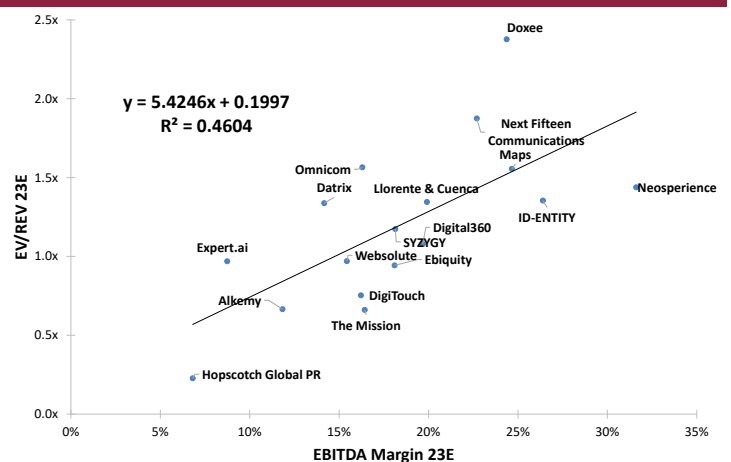
We investigated the correlation between EBITDA Margin and EV/Revenues multiples observing the clusters of peers within market metrics. The resulting regression curves are depicted below, with evidence of regression coefficients and estimated R².

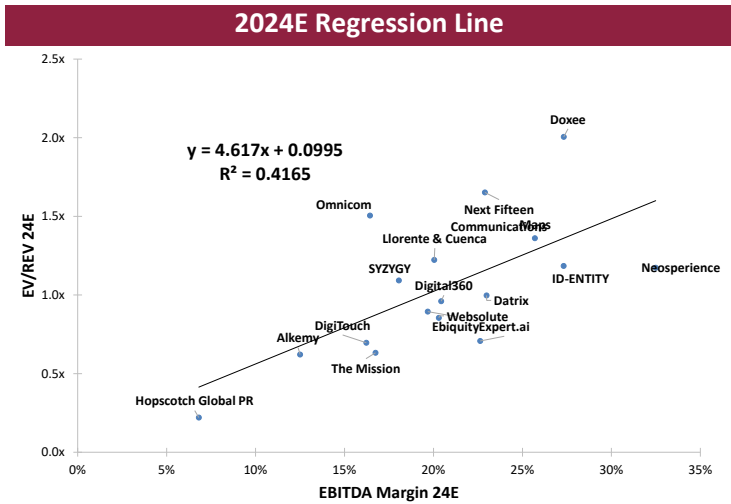
The regression analysis combines the embedded values implied by EV/Revenues of EPR listed peers and their EBITDA Margin and helps to visualize a suitable value area for the Company.

2022E Regression Line



2023E Regression Line





Regression Analysis		€m	Multiple	EV (€m)	Net (Debt) Cash (€m) 30/06/22	IPO proceeds	Minorities (€m) 30/06/22	Equity Value (€m)
		EPR						
2022E	Total revenues	8.4	1.5x	12.7	(2.5)	3.0	(0.3)	12.9
2023E	Total revenues	9.8	1.2x	11.4	(2.5)	3.0	(0.3)	11.5
2024E	Total revenues	11.1	0.9x	10.4	(2.5)	3.0	(0.3)	10.6
MEAN								11.7

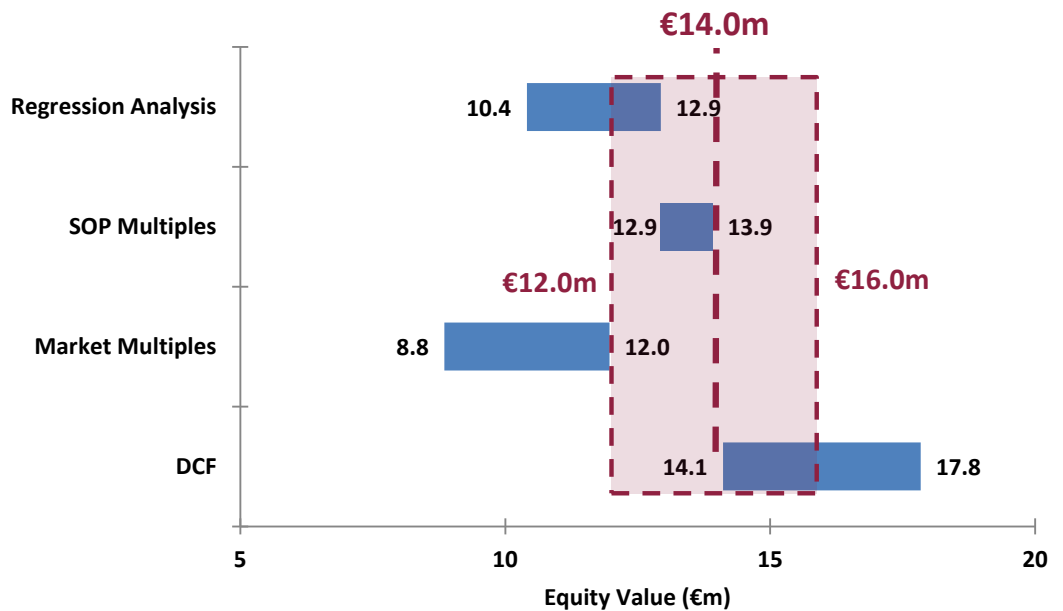
Source: EnVent Research on S&P Capital IQ

EPR - Regression sensitivity (€m)

	Lower	Base	Higher
MEAN	10.4	11.7	12.9

Source: EnVent Research on S&P Capital IQ

Valuation summary and Target Price



Source: EnVent Research on S&P Capital IQ

We note that the range of values resulting through multiples application is impacted by the recent global derating of most stocks. For this reason, we currently attribute a higher significance and weight to fundamentals and thus to DCF methodology-based values. Consequently, we feel confident in identifying a range of values comprising the higher end of

Abnormal deratings impair multiples- based values

Please refer to important disclosures at the end of this report.

the multiples and the lower end of DCF and an intermediate €14.0m target value as a suitable reference to evaluate EPR's investment case.

Consequently, we initiate the coverage of EPR with an OUTPERFORM rating, based on a Target Price per share of €5.00, +33% on €3.75 IPO offer price and with a potential upside of 32% on the current share price.

EPR Price per share	€
Target Price	5.00
Current Share Price (10/01/2023)	3.80
Premium (Discount)	32%

Source: EnVent Research

Annex

Market Multiples and EPR implied multiples

Company	EV/REVENUES				EV/EBITDA				EV/EBIT				P/E			
	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E	2021	2022E	2023E	2024E
PR and communications																
Omnicom	1.3x	1.5x	1.6x	1.5x	7.8x	9.2x	9.6x	9.2x	8.6x	10.1x	10.6x	10.2x	11.1x	11.8x	13.2x	12.5x
Next Fifteen Communications	4.1x	2.8x	1.9x	1.7x	39.7x	11.5x	8.3x	7.2x	88.6x	13.3x	9.4x	8.4x	neg	16.6x	11.6x	10.4x
Hopscotch Global PR	0.2x	0.2x	0.2x	0.2x	2.4x	3.3x	3.3x	3.2x	2.7x	5.5x	5.8x	5.5x	5.4x	n.a.	n.a.	n.a.
Llorente & Cuenca	2.1x	1.5x	1.3x	1.2x	12.1x	7.6x	6.8x	6.1x	15.4x	9.2x	8.0x	7.1x	25.1x	13.8x	12.0x	10.4x
Mean	1.9x	1.5x	1.3x	1.2x	15.5x	7.9x	7.0x	6.4x	28.8x	9.5x	8.4x	7.8x	13.9x	14.1x	12.3x	11.1x
Median	1.7x	1.5x	1.5x	1.4x	9.9x	8.4x	7.5x	6.7x	12.0x	9.6x	8.7x	7.7x	11.1x	13.8x	12.0x	10.4x
Technology, AI, Big Data and analytics																
Alkemy	1.5x	0.7x	0.7x	0.6x	16.0x	6.9x	5.6x	5.0x	18.0x	10.0x	7.1x	6.2x	29.4x	11.0x	8.3x	7.1x
Digital360	2.5x	1.6x	1.1x	1.0x	21.2x	8.6x	5.5x	4.7x	25.0x	11.3x	6.6x	5.5x	50.9x	18.4x	11.9x	9.7x
Doxee	3.5x	3.2x	2.4x	2.0x	44.5x	15.0x	9.8x	7.3x	52.3x	46.7x	19.9x	12.8x	53.0x	71.4x	25.9x	15.7x
Datrix	2.0x	1.9x	1.3x	1.0x	neg	neg	9.4x	4.3x	neg	neg	20.1x	5.9x	neg	neg	25.6x	8.9x
Maps	1.8x	1.9x	1.6x	1.4x	13.8x	8.0x	6.3x	5.3x	19.4x	15.7x	12.2x	9.7x	15.1x	16.9x	12.7x	10.5x
Expert.ai	3.1x	1.2x	1.0x	0.7x	neg	neg	11.1x	3.1x	neg	neg	neg	11.3x	neg	neg	neg	20.6x
Mean	2.4x	1.7x	1.3x	1.1x	23.8x	9.6x	8.0x	5.0x	28.7x	20.9x	13.2x	8.6x	37.1x	29.4x	16.9x	12.1x
Median	2.4x	1.7x	1.3x	1.1x	23.8x	9.6x	8.0x	5.0x	28.7x	20.9x	13.2x	8.6x	37.1x	29.4x	16.9x	12.1x
Digital marketing																
The Mission	0.5x	0.7x	0.7x	0.6x	8.9x	4.4x	4.0x	3.8x	10.8x	4.8x	4.4x	4.1x	10.6x	n.a.	n.a.	n.a.
Ebiquity	0.8x	1.1x	0.9x	0.9x	10.3x	6.9x	5.2x	4.5x	15.8x	9.3x	6.5x	5.0x	neg	11.0x	7.2x	5.4x
SYZGY	1.8x	1.3x	1.2x	1.1x	14.4x	7.1x	6.5x	6.1x	18.8x	13.2x	11.2x	10.1x	21.3x	18.1x	15.0x	13.1x
DigiTouch	0.9x	0.8x	0.8x	0.7x	5.6x	5.5x	4.6x	4.3x	9.6x	8.8x	7.4x	7.2x	12.1x	14.6x	12.0x	11.6x
Neosperience	2.5x	1.8x	1.4x	1.2x	8.7x	5.8x	4.6x	3.6x	34.6x	20.5x	10.4x	6.6x	72.9x	33.0x	13.9x	8.2x
Webbsolute	1.7x	1.1x	1.0x	0.9x	11.9x	8.6x	6.3x	4.2x	30.2x	30.6x	13.3x	6.6x	68.1x	55.9x	22.7x	11.4x
ID-ENTITY	3.3x	2.4x	1.4x	1.2x	11.5x	8.4x	5.1x	4.3x	13.3x	9.5x	5.6x	4.7x	15.6x	11.9x	7.4x	6.2x
Mean	1.7x	1.3x	1.0x	0.9x	10.2x	6.7x	5.2x	4.4x	19.0x	13.8x	8.4x	6.3x	33.4x	24.1x	13.0x	9.3x
Median	1.7x	1.3x	1.0x	0.9x	10.2x	6.7x	5.2x	4.4x	19.0x	13.8x	8.4x	6.3x	33.4x	24.1x	13.0x	9.3x
Combined Mean	2.0x	1.5x	1.2x	1.0x	15.2x	7.8x	6.6x	5.1x	24.2x	14.6x	9.9x	7.5x	30.0x	23.4x	14.2x	10.8x
Combined Median	1.8x	1.5x	1.2x	1.0x	11.9x	7.6x	6.3x	4.5x	18.0x	10.1x	8.7x	6.6x	21.3x	16.6x	12.4x	10.4x
Advertising																
WPP	1.3x	1.3x	1.3x	1.2x	11.2x	6.7x	6.7x	6.3x	13.3x	8.6x	8.1x	7.7x	20.2x	8.7x	8.5x	7.9x
Publicis Groupe	1.4x	1.5x	1.5x	1.4x	8.7x	6.8x	6.7x	6.5x	10.3x	8.5x	8.5x	8.2x	14.4x	9.9x	9.8x	9.4x
Hakuhodo DY	0.5x	0.5x	0.5x	0.4x	10.7x	5.0x	5.6x	5.5x	14.3x	5.6x	7.8x	7.5x	26.8x	n.a.	n.a.	n.a.
Dentsu	1.1x	1.0x	1.0x	1.0x	5.6x	6.0x	5.2x	5.1x	8.6x	8.0x	7.2x	6.7x	10.4x	n.a.	n.a.	n.a.
The Interpublic	1.8x	1.8x	1.8x	1.7x	9.4x	9.5x	9.7x	9.2x	11.3x	10.8x	11.0x	10.2x	15.5x	12.9x	13.7x	12.7x
BlueFocus Intelligent Communications	0.6x	0.3x	0.2x	0.2x	26.8x	27.7x	10.9x	8.3x	30.0x	52.5x	12.6x	10.1x	50.7x	29.9x	17.4x	10.5x
Mean	1.1x	1.1x	1.0x	1.0x	12.1x	10.3x	7.5x	6.8x	14.6x	15.7x	9.2x	8.4x	23.0x	15.3x	12.4x	10.1x
Median	1.2x	1.2x	1.1x	1.1x	10.1x	6.8x	6.7x	6.4x	12.3x	8.5x	8.3x	7.9x	17.8x	11.4x	11.7x	10.0x
EPR - EnVent Research TP and estimates	n.a.	1.6x	1.4x	1.3x	n.a.	11.2x	8.0x	6.9x	n.a.	19.0x	12.4x	10.2x	n.a.	32.2x	18.7x	14.9x

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