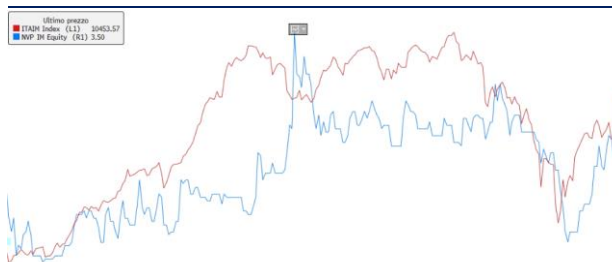


NVP	Italy	Euronext Growth Milan	Broadcasting
Rating: BUY (unch.)	Target Price: € 6,75 (unch.)	Update	Risk: Medium

Stock performance	1M	3M	6M	1Y
absolute	12,90%	-6,91%	-7,41%	19,86%
to FTSE Italia Growth	7,56%	0,95%	-2,67%	2,79%
to Euronext STAR MILAN	10,84%	6,03%	7,56%	15,28%
to FTSE All-Share	7,26%	3,24%	-0,69%	18,62%
to EUROSTOXX	9,95%	3,63%	0,58%	23,49%
to MSCI World Index	9,60%	-0,13%	-2,62%	19,22%

Stocks performance relative to FTSE Italy Growth



Stock Data

Price	€ 3,50
Target price	€ 6,75
Upside/(Downside) potential	92,8%
Bloomberg Code	NVP IM EQUITY
Market Cap (€m)	€ 26,59
EV (€m)	€ 31,49
Free Float	40,78%
Share Outstanding	7.597.107
52-week high	€ 4,26
52-week low	€ 2,86
Average daily volumes (3m)	3.500

FY21A Results

Revenues amounted to € 13.40 million, more than double the FY20A result of € 6.4 million (+110.6%) and substantially in line with the value estimated in our previous report, equal to € 14.20 million. EBITDA stands at a value of € 4.90 million, more than triple the FY20A figure of € 1.39 million and returning to the levels of marginality prior to the Covid-19 pandemic, with an EBITDA margin of 36.5%. EBIT is equal to € 1.21 million compared to the negative value recorded in FY20A equal to -€ 1.09 million. Net Income was also positive and amounted to € 0.32 million compared to the negative value of FY20A, equal to -€ 1.30 million. The NFP is equal to € 8.75 million, compared to the previous year-end 2020 value of € 4.90 million.

Key Financials (€m)	FY21A	FY22E	FY23E	FY24E
Sales	13,4	18,0	21,0	24,0
VoP	16,6	20,0	23,0	26,0
EBITDA	4,9	6,8	8,1	9,6
EBIT	1,2	2,8	4,6	5,6
Net Profit	0,3	1,9	3,2	3,9
EPS (€)	0,04	0,25	0,42	0,51
EBITDA margin	36,5%	37,5%	38,6%	40,0%
EBIT margin	9,0%	15,3%	21,9%	23,3%

Estimates Update

In the light of the results published in the yearly report for FY21A, we slightly modify our estimates both for the current year and for the coming years. In particular, we estimate FY22E value of production equal to € 20.00 million and EBITDA of € 6.75 million, corresponding to a marginality of 37.5%. For subsequent years, we expect the value of production to increase up to € 26.00 million (CAGR 21A-24E: 21.44%) in FY24E, with EBITDA of € 9.60 million (corresponding to an EBITDA margin of 40.0%), up from € 4.90 million in FY21A (corresponding to an EBITDA margin of 36.5%).

Main Ratios	FY21A	FY22E	FY23E	FY24E
EV/EBITDA (x)	6,4	4,7	3,9	3,3
EV/EBIT (x)	26,0	11,4	6,8	5,6
P/E (x)	83,1	14,0	8,3	6,8

Valuation Update

We have conducted the valuation of NVP's equity value based on the DCF methodology and market multiples of a comparable companies sample. The DCF method (which in the calculation of the WACC includes for prudential purposes also a specific risk of 2.5%) provides an equity value of € 58.4 million. The equity value of NVP using market multiples is equal to € 44.1 million (including a discount of 25%). The average equity value is € 51.3 million. The target price is, therefore, € 6.75 (unch.). We confirm BUY rating and MEDIUM risk.

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Giuseppe Riviello giuseppe.riviello@integraesim.it

1. Economics & Financials

Table 1 – Economics & Financials

CONSOLIDATED INCOME STATEMENT (€/mln)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	6,36	13,40	18,00	21,00	24,00
Other Revenues	0,91	3,15	2,00	2,00	2,00
Value of Production	7,27	16,55	20,00	23,00	26,00
COGS	0,15	0,35	0,40	0,45	0,55
Services	2,58	4,00	5,00	6,00	6,50
Use of Assets Owned by Others	0,96	2,52	2,80	2,90	3,30
Employees	2,05	4,75	5,00	5,50	6,00
Other Operating expenses	0,13	0,05	0,05	0,05	0,05
EBITDA	1,39	4,90	6,75	8,10	9,60
<i>EBITDA Margin</i>	<i>21,9%</i>	<i>36,5%</i>	<i>37,5%</i>	<i>38,6%</i>	<i>40,0%</i>
D&A	2,48	3,69	4,00	3,50	4,00
EBIT	(1,09)	1,21	2,75	4,60	5,60
<i>EBIT Margin</i>	<i>-17,1%</i>	<i>9,0%</i>	<i>15,3%</i>	<i>21,9%</i>	<i>23,3%</i>
Financial Management	(0,77)	(0,89)	(0,20)	(0,20)	(0,20)
EBT	(1,86)	0,32	2,55	4,40	5,40
Taxes	(0,56)	0,00	0,65	1,20	1,50
Net Income	(1,30)	0,32	1,90	3,20	3,90
CONSOLIDATED BALANCE SHEET (€/mln)	FY20A	FY21A	FY22E	FY23E	FY24E
Fixed Asset	18,18	27,79	26,00	24,50	22,50
Account receivable	4,52	5,68	7,00	7,00	8,00
Account payable	4,32	5,03	6,50	7,00	8,10
Operating Working Capital	0,20	0,65	0,50	0,00	(0,10)
Other Receivable	4,85	6,64	5,00	5,20	5,50
Other Payable	8,01	13,95	11,80	10,20	9,00
Net Working Capital	(2,95)	(6,67)	(6,30)	(5,00)	(3,60)
Severance Indemnities & Provision	0,25	0,43	0,35	0,40	0,45
NET INVESTED CAPITAL	14,98	20,69	19,35	19,10	18,45
Share Capital	0,77	0,81	0,78	0,78	0,78
Reserves and Retained Profits	10,61	10,81	11,13	13,03	16,23
Net Profit	(1,30)	0,32	1,90	3,20	3,90
Equity	10,08	11,94	13,81	17,01	20,91
Cash and Cash Equivalent	1,36	0,46	2,46	4,91	8,46
Financial Debt	6,26	9,21	8,00	7,00	6,00
Net Financial Position	4,90	8,75	5,54	2,09	(2,46)
TOTAL SOURCES	14,98	20,69	19,35	19,10	18,45
CONSOLIDATED CASH FLOW (€/mln)	FY20A	FY21A	FY22E	FY23E	FY24E
EBIT	(1,09)	1,21	2,75	4,60	5,60
Taxes	(0,56)	0,00	0,65	1,20	1,50
NOPAT	(0,52)	1,21	2,10	3,40	4,10
D&A	2,48	3,69	4,00	3,50	4,00
Change in receivable	(0,89)	(1,16)	(1,32)	0,00	(1,00)
Change in payable	0,23	0,72	1,47	0,50	1,10
Other Changes	3,34	4,16	(0,51)	(1,80)	(1,50)
Change in NWC	2,68	3,72	(0,37)	(1,30)	(1,40)
Change in Provision	0,07	0,18	(0,08)	0,05	0,05
OPERATING CASH FLOW	4,71	8,79	5,65	5,65	6,75
Investments	(10,85)	(13,30)	(2,21)	(2,00)	(2,00)
FREE CASH FLOW	(6,14)	(4,51)	3,44	3,65	4,75
Financial Management	(0,77)	(0,89)	(0,20)	(0,20)	(0,20)
Change in Payable to Banks	0,58	2,95	(1,21)	(1,00)	(1,00)
Change in Equity	0,32	1,54	(0,03)	0,00	0,00
FREE CASH FLOW TO EQUITY (FCFE)	(6,01)	(0,91)	2,00	2,45	3,55

Source: NVP and Integrae SIM estimates

1.1 FY21A Results

Table 2 – FY21A vs FY21E

(€/mln)	Revenues	EBITDA	EBITDA %	EBIT	Net Income	NFP
FY21A	13,40	4,90	36,5%	1,21	0,32	8,75
FY21E	14,20	5,70	40,1%	3,20	2,05	6,74
<i>Change</i>	-5,6%	-14,1%	-3,6%	-62,2%	-84,4%	N/A

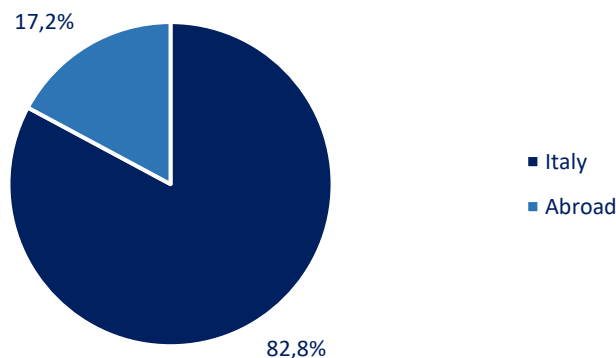
Source: Integrae SIM

Through a press release, Massimo Pintabona, CEO of NVP, commenting on the annual results, declares: *"We close the fiscal year extremely satisfied with the results obtained: the main economic indicators show significant growth and the first months of 2022 confirm this positive trend. Today, the NVP Group is an established entity in its reference market able to offer innovative solutions always adapted to the needs of end-users, thanks to the availability of a fleet of cutting-edge vehicles and equipment. In recent years, the Group has supported investments in technology for about € 24 million, constantly increasing over the years the share of capital destined for the strengthening of its production and technological structure: R&D and innovation activities continued also in 2021 and aim to position the NVP Group among the leading developers of technologies and platforms for productive broadcasting. NVP is one of the few players in the world to boast such an innovative system that allows to save the costs of set-up and disassembling and to be able to acquire orders for particular and inaccessible events without the highly technological infrastructure equipment owned by the Group."*

NVP, with the consolidated financial statements as of 31/12/2021, published the first consolidated financial statements of the Group, following the consolidation of the subsidiary NVP Roma Srl. Revenues amounted to € 13.40 million, more than double the FY20A result of € 6.4 million (+110.6%) and substantially in line with the value estimated in our previous report, equal to € 14.20 million. The value of production, after other revenues of € 3.15 million, amounted to € 16.55 million, for a growth of 127.7% in the FY20A mainly attributable to the complete recovery of the company's business, after 2020 affected by the pandemic crisis, and the entry of new production activities. The amount of other revenues, on the other hand, concerns, in particular, incentives and contributions in the form of tax credits.

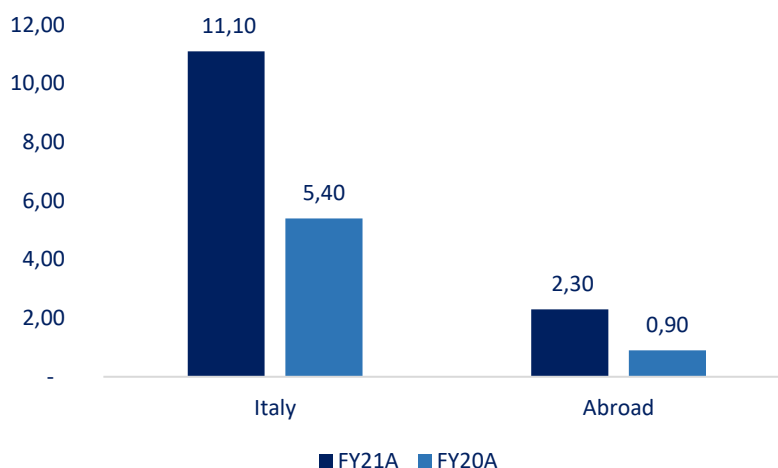
82.8% of turnover is generated in Italy, with a very positive performance from € 5.40 million in FY20A to € 11.10 million recorded in the 2021 fiscal year. The remaining part of revenues, 17.2%, is made abroad, with € 2.30 million in FY21A vs € 0.90 million in FY20A.

Chart 1 – Revenues Breakdown by Region



Source: NVP

Chart 2 – Revenues Breakdown by Region FY21A vs FY20A



Source: NVP

2021 was a very positive year for NVP also and above all with regard to the strengthening of its presence in the field of television programs, fashion, and live content for entertainment, which generated total revenues of € 2.1 million thanks to orders relating to the Antonino Chef Academy and Master Chef television programs and participation in various luxury brand shows during Milan Fashion Week. The Company also confirms itself as a reference point in the Italian market for sports productions in UHD HDR, closing multi-year contracts in the field of football for € 11.5 million and providing its services for the Tokyo Olympics and other basketball, tennis, and cycling events.

EBITDA shows an increase compared to last year's value, both in terms of absolute value and marginality on revenues; the FY21A figure stands at a value of € 4.90 million, more than triple the FY20A figure of € 1.39 million and returning to the levels of marginality prior to the Covid-19 pandemic, with an EBITDA margin of 36.5%. The improvement is due, in addition to the increase in the value of production, also to the optimization of Employees and production costs.

EBIT is equal to € 1.21 million compared to the negative value recorded in FY20A equal to -€ 1.09 million. In this regard, there was a significant increase in the value of depreciation, equal to € 3.69 million in the fiscal year just ended (€ 2.48 million in FY20A), due to the continuation of the investment plan in plants, machinery, and equipment as well as the technological tools available to the Group.

Net Income was also positive and amounted to € 0.32 million compared to the negative value of FY20A, equal to -€ 1.30 million.

The NFP amounted to € 8.75 million, compared to the previous year-end 2020 value of € 4.90 million, an increase mainly due to the increase in financial debt following the strategic operations concluded during the 2021 fiscal year.

1.2 FY22E – FY24E Estimates

Table 3 – Estimates Updates FY22E-24E

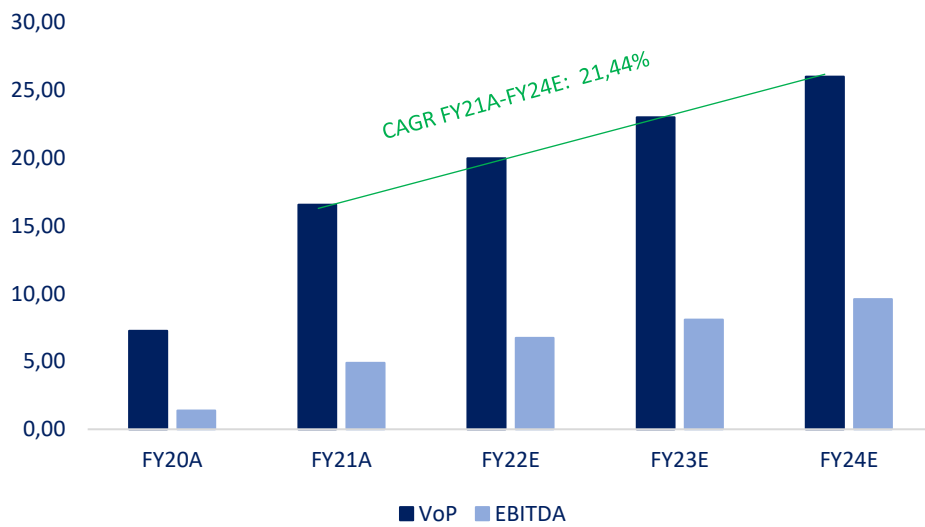
€/mln	FY22E	FY23E	FY24E
VoP			
New	20,0	23,0	26,0
Old	19,5	22,1	0,0
Change	2,6%	4,1%	N/A
EBITDA			
New	6,8	8,1	9,6
Old	7,4	8,7	0,0
Change	-8,2%	-6,9%	N/A
EBITDA %			
New	37,5%	38,6%	40,0%
Old	40,8%	41,4%	0,0%
Change	-3,3%	-2,9%	N/A
EBIT			
New	2,8	4,6	5,6
Old	4,9	6,2	0,0
Change	-43,3%	-25,8%	N/A
Net Income			
New	1,9	3,2	3,9
Old	3,4	4,2	0,0
Change	-43,3%	-22,9%	N/A
NFP			
New	5,5	2,1	(2,5)
Old	2,7	(1,4)	0,0
Change	N/A	N/A	N/A

Source: Integrae SIM

In the light of the results published in the yearly report for FY21A, we slightly modify our estimates both for the current year and for the coming years.

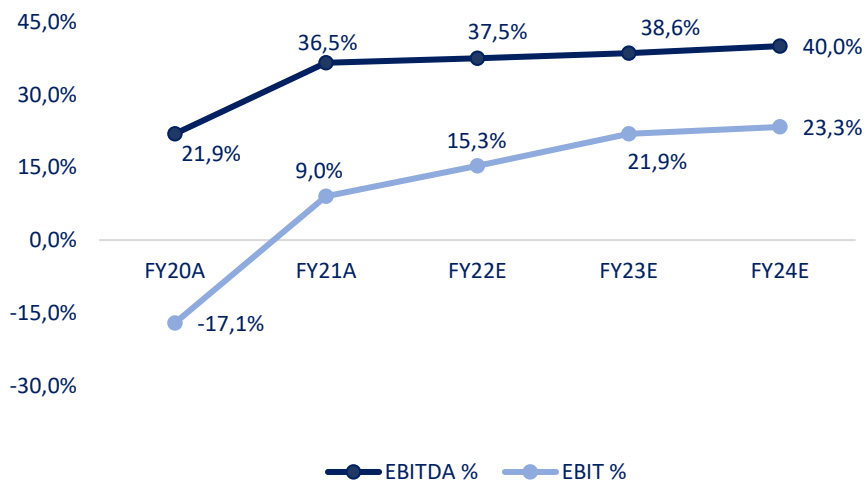
In particular, we estimate the FY22E value of production equal to € 20.00 million and the EBITDA of € 6.75 million, corresponding to a marginality of 37.5%. For subsequent years, we expect the value of production to increase up to € 26.00 million (CAGR 21A-24E: 21.44%) in FY24E, with EBITDA of € 9.60 million (corresponding to an EBITDA margin of 40.0%), up from € 4.90 million in FY21A (corresponding to an EBITDA margin of 36.5%).

Chart 3 – Value of Production and EBITDA FY20A-24E



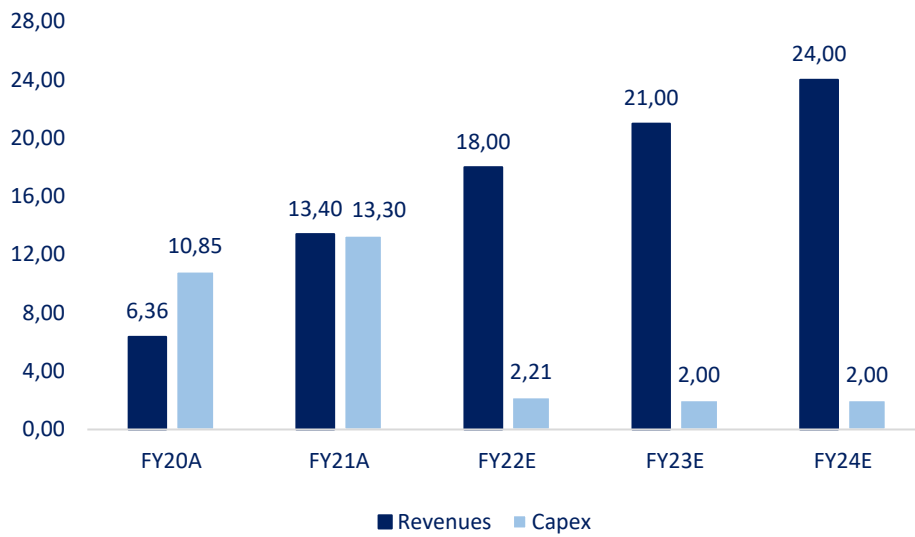
Source: Integrae SIM

Chart 4 – Margin FY20A-24E



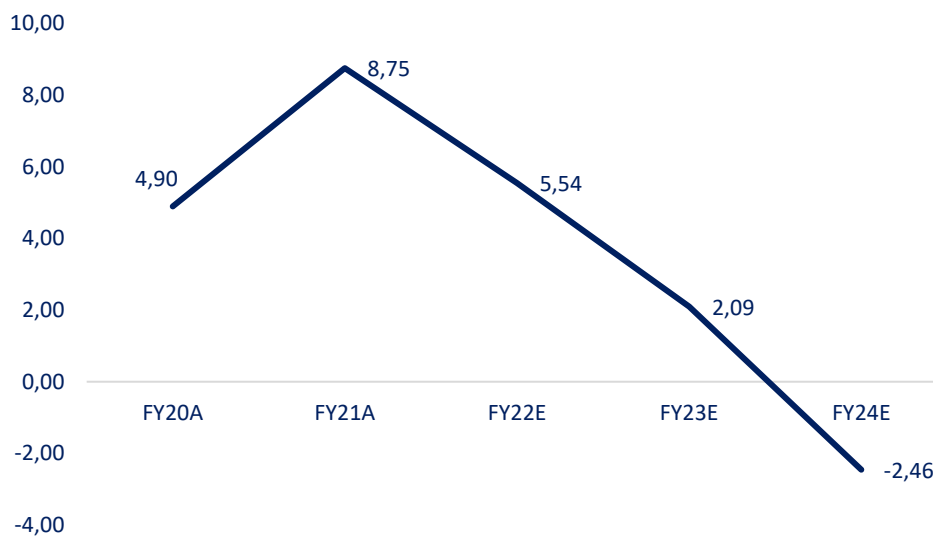
Source: Integrae SIM

Chart 5 – Capex FY20A-24E



Source: Integrae SIM

Chart 6 – NFP FY20A-24E



Source: Integrae SIM

2. Valuation

We have conducted the valuation of NVP's equity value based on the DCF methodology and market multiples of a comparable companies sample.

2.1 DCF Method

Table 4 – WACC

WACC		7,04%
Risk Free Rate	0,78% α (specific risk)	2,50%
Market Premium	6,42% Beta Adjusted	0,91
D/E (average)	42,86% Beta Relevered	1,19
Ke	9,13% Kd	3,00%

Source: Integrae SIM

For prudential purposes, we have included a specific risk of 2.5%. This results in a WACC of 7.04%.

Table 5 – DCF Valuation

DCF Equity Value		58,4
FCFO actualized	6,5	10%
TV actualized DCF	60,7	90%
Enterprise Value	67,2	100%
NFP (FY21A)	8,8	

Source: Integrae SIM

With the above data and taking as a reference our estimates and assumptions, the result is an **equity value of € 58.4million.**

Table 6 – Equity Value – Sensitivity Analysis

€/mln	WACC	Growth rate (g)						
		5,5%	6,0%	6,5%	7,0%	7,5%	8,0%	8,5%
Growth rate (g)	2,5%	121,4	103,0	89,2	78,5	69,8	62,8	56,9
	2,0%	103,9	90,0	79,2	70,5	63,3	57,4	52,3
	1,5%	90,8	79,9	71,1	63,9	57,9	52,8	48,4
	1,0%	80,6	71,7	64,5	58,4	53,3	48,9	45,1
	0,5%	72,4	65,1	59,0	53,8	49,3	45,5	42,1
	0,0%	65,7	59,5	54,3	49,8	45,9	42,5	39,5
	-0,5%	60,1	54,8	50,3	46,4	42,9	39,9	37,2

Source: Integrae SIM

2.2 Market multiples

Our panel is made up of companies operating in the same sector as NVP, but with higher capitalization. These Companies are the same as used for the calculation of the Beta for the DCF method. The Panel is composed of:

Table 7– Market Multiples

Company Name	EV / EBITDA (x)			EV / EBIT (x)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
EVS Broadcast Equipment SA	6,1	6,3	4,9	7,6	7,9	5,9
Avid Technology Inc.	18,9	16,6	14,4	20,7	17,6	15,8
Evertz Technologies Limited	9,8	8,3	N/A	11,3	9,9	N/A
Median	9,8	8,3	9,7	11,3	9,9	10,9

Source: Infinancials

Table 8 – Market Multiples Valuation

€/mln	FY22E	FY23E	FY24E
Enterprise Value (EV)			
EV/EBITDA	65,9	67,1	92,6
EV/EBIT	31,1	45,6	60,8
Equity Value			
EV/EBITDA	60,4	65,1	95,1
EV/EBIT	25,6	43,5	63,3
Equity Value post 25% discount			
EV/EBITDA	45,3	48,8	71,3
EV/EBIT	19,2	32,7	47,5
Average	32,2	40,7	59,4

Source: Integrae SIM

The equity value of NVP, using the weighted average of the market multiple EV/EBITDA and EV/EBIT of the panel is equal to € 58.8 million. To this value, we have applied a 25% discount. **Therefore, as a result, the equity value is € 44.1 million.**

2.3 Equity Value

Table 9 – Equity Value

Average Equity Value (€/mln)	51,3
Equity Value DCF (€/mln)	58,4
Equity Value multiples (€/mln)	44,1
Target Price (€)	6,75

Source: Integrae SIM

The result is an average equity value of € 51.3 million. **The target price is, therefore, € 6.75 (unch.). We confirm BUY rating and MEDIUM risk.**

Table 10 – Target Price Implied Valuation Multiples

Multiples	FY22E	FY23E	FY24E
EV/EBITDA	8,9x	7,4x	6,3x
EV/EBIT	21,8x	13,0x	10,7x

Source: Integrae SIM

Table 11– Current Price Implied Valuation Multiples

Multiples	FY22E	FY23E	FY24E
EV/EBITDA	4,7x	3,9x	3,3x
EV/EBIT	11,4x	6,8x	5,6x

Source: Integrae SIM

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Date	Price	Recommendation	Target Price	Risk	Comment
28/07/2021	3,16	Buy	6,25	Medium	Flash Note
06/10/2021	4,00	Buy	6,75	Medium	Update
31/01/2022	3,94	Buy	6,75	Medium	Flash Note

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Equity Total Return (ETR) for different risk categories			
Rating	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ETR >= 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR <= -5%	ETR <= -5%	ETR <= 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

Valuation methodologies (long term horizon: 12 months)

The methods that INTEGRÆ SIM SpA prefers to use for value the company under analysis are those which are generally used, such as the market multiples method which compares average multiples (P/E, EV/EBITDA, and other) of similar shares and/or sectors, and the traditional financial methods (RIM, DCF, DDM, EVA etc). For financial securities (banks and insurance companies) Integrae SIM SpA tends to use methods based on comparison of the ROE and the cost of capital (embedded value for insurance companies).

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Conflict of interest

In order to disclose its possible interest conflict Integrae SIM states that:

- It plays, or has played in the last 12 months, role of specialist financial instruments issued by NVP S.p.A.