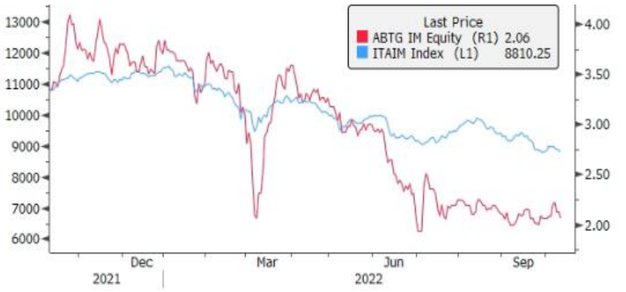
Data produzione: 12 ottobre 2022, h. 18:30 | Data pubblicazione: 13 ottobre 2022, h. 07:00

ABTG	Italy	Euronext Growth Milan	Educational Services
Rating: BUY	**Target Price: € 8,20** *(prev. € 8,20)*	**Update**	**Risk: Medium**

Stock performance	1M	3M	6M	1Y
absolute	0,98%	-12,71%	-37,58%	-38,32%
to FTSE Italia Growth	6,56%	-7,68%	-22,05%	-20,03%
to Euronext STAR Milan	11,84%	0,35%	-14,04%	-6,22%
to FTSE All-Share	10,54%	-7,30%	-20,30%	-16,46%
to EUROSTOXX	9,62%	-8,25%	-24,53%	-20,48%
to MSCI World Index	13,58%	-5,75%	-17,86%	-16,89%

Stocks performance vs FTSE Italia Growth



Stock Data	
Price	€ 2,06
Target price	€ 8,20
Upside/(Downside) potential	298,0%
Bloomberg Code	ABTG IM EQUITY
Market Cap (€m)	€ 10,50
EV (€m)	€ 10,38
Free Float	52,53%
Share Outstanding	5.095.554
52-week high	€ 4,08
52-week low	€ 1,88
Average daily volumes (3m)	3.600

1H22A Results

I ricavi si attestano a € 7,34 mln, sostanzialmente in linea al valore di € 7,21 mln registrato nei primi sei mesi dello scorso anno. L'EBITDA Adj. si attesta a € 1,73 mln, con una marginalità pari al 23,3%, rispetto al dato all'1H21A pari a € 2,36 mln (corrispondente ad una marginalità del 32,6%). L'EBIT, dopo ammortamenti e svalutazioni pari a € 1,17 mln, si attesta a € - 0,30 mln, rispetto a € 1,34 mln al 30 giugno 2021. L'Utile Netto ammonta a € - 0,50 mln, in calo rispetto al primo semestre 2021, in cui era pari a € 0,80 mln. La NFP risulta cash positive e pari a € 0,75 mln, in miglioramento rispetto al dato del 30 giugno 2021 (cash positive per € 0,12 mln).

Key Financials (*€m*)	FY21A	FY22E	FY23E	FY24E
Revenues	13,7	15,5	18,0	22,0
VoP	14,1	15,5	18,0	22,0
EBITDA	3,8	3,2	4,5	6,0
EBIT	1,5	0,9	3,2	4,6
Net Profit	0,8	0,5	2,0	2,8
EPS (€)	0,16	0,11	0,39	0,55
EBITDA margin	27,8%	20,3%	25,0%	27,0%
EBIT margin	10,7%	6,1%	17,8%	20,7%

Estimates Update

Alla luce dei risultati pubblicati nella relazione semestrale per il 1H22A, modifichiamo le nostre stime sia per l'anno in corso sia per i prossimi anni. In particolare, stimiamo ricavi FY22E pari a € 15,50 mln ed un EBITDA Adj. stimato pari a € 4,05 mln, corrispondente ad una marginalità del 26,1%. Per gli anni successivi, ci aspettiamo che i ricavi possano aumentare fino a € 22,00 mln (CAGR 21A-24E: 17,05%) nel FY24E, con EBITDA Adj. pari a € 6,65 mln (corrispondente ad un EBITDA margin del 30,2%), in crescita rispetto a € 3,82 mln del FY21A (corrispondente ad un EBITDA margin del 27,0%). A livello patrimoniale stimiamo un valore di NFP cash positive per il FY24E pari a € 5,42 mln.

Main Ratios	FY21A	FY22E	FY23E	FY24E
EV/EBITDA (x)	2,7	3,3	2,3	1,7
EV/EBIT (x)	7,1	10,9	3,2	2,3
P/E (x)	12,7	19,1	5,2	3,7

Valuation Update

Abbiamo condotto la valutazione dell'equity value di ABTG sulla base della metodologia DCF. Il DCF method (che nel calcolo del WACC include a fini prudenziali anche un rischio specifico pari al 2,5%) restituisce un equity value pari a €41,8 mln. Il target price è quindi di €8,20 (prev. €8,20), rating BUY e rischio MEDIUM.

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1. Economics & Financials

Table 1 – Economics & Financials

CONSOLIDATED INCOME STATEMENT (€/mln)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenues	9,43	13,72	15,50	18,00	22,00
Other Revenues	0,26	0,41	0,00	0,00	0,00
Value of Production	**9,69**	**14,13**	**15,50**	**18,00**	**22,00**
COGS	0,02	0,03	0,05	0,05	0,05
Use of assets owned by others	0,52	0,69	0,75	0,85	1,00
Services	5,60	8,23	8,90	10,30	12,50
Employees	1,04	1,18	1,25	1,40	1,60
Other Operating Expenses	0,10	0,19	0,50	0,20	0,20
EBITDA Adj.	**2,40**	**3,82**	**4,05**	**5,20**	**6,65**
EBITDA Adj. Margin	*24,8%*	*27,0%*	*26,1%*	*28,9%*	*30,2%*
Lead Generation Expenses	0,00	0,00	0,90	0,70	0,70
EBITDA	**2,40**	**3,82**	**3,15**	**4,50**	**5,95**
EBITDA Margin	*24,8%*	*27,0%*	*20,3%*	*25,0%*	*27,0%*
D&A	1,19	2,35	2,20	1,30	1,40
EBIT	**1,21**	**1,47**	**0,95**	**3,20**	**4,55**
EBIT Margin	*12,9%*	*10,7%*	*6,1%*	*17,8%*	*20,7%*
Financial Management	(0,03)	(0,06)	(0,05)	(0,05)	(0,05)
EBT	**1,18**	**1,41**	**0,90**	**3,15**	**4,50**
Taxes	0,47	0,59	0,35	1,15	1,70
Net Income	**0,71**	**0,82**	**0,55**	**2,00**	**2,80**

CONSOLIDATED BALANCE SHEET (€/mln)	FY20A	FY21A	FY22E	FY23E	FY24E
Fixed Assets	**6,83**	**6,62**	**6,00**	**6,20**	**6,30**
Account receivable	0,76	1,39	1,55	1,80	2,20
Inventories	0,10	0,10	0,10	0,10	0,10
Account payable	1,10	1,11	1,20	1,40	1,70
Operating Working Capital	**(0,24)**	**0,38**	**0,45**	**0,50**	**0,60**
Other receivable	1,16	1,07	1,20	1,40	1,70
Other payable	2,86	2,43	2,65	3,05	3,70
Net Working Capital	**(1,93)**	**(0,98)**	**(1,00)**	**(1,15)**	**(1,40)**
Severance Indemnities & Other Provisions	0,40	0,65	0,65	0,70	0,80
NET INVESTED CAPITAL	**4,49**	**4,99**	**4,35**	**4,35**	**4,10**
Share Capital	5,09	2,50	2,50	2,50	2,50
Reserves	(0,86)	1,78	2,44	2,82	4,22
Net Income	0,71	0,82	0,55	2,00	2,80
Equity	**4,94**	**5,10**	**5,49**	**7,32**	**9,52**
Cash & Cash Equivalent	1,11	1,36	2,74	4,97	8,02
Short Term Debt to Bank	0,00	0,20	0,40	0,60	0,80
M/L Term Debt to Bank	0,66	1,05	1,20	1,40	1,80
Net Financial Position	**(0,45)**	**(0,12)**	**(1,14)**	**(2,97)**	**(5,42)**
SOURCES	**4,49**	**4,99**	**4,35**	**4,35**	**4,10**

CONSOLIDATED CASH FLOW (€/mln)	FY21A	FY22E	FY23E	FY24E
EBIT	1,47	0,95	3,20	4,55
Taxes	0,59	0,35	1,15	1,70
NOPAT	**0,88**	**0,60**	**2,05**	**2,85**
D&A	2,35	2,20	1,30	1,40
Change in receivable	(0,63)	(0,16)	(0,25)	(0,40)
Change in inventories	(0,00)	0,00	0,00	0,00
Change in payable	0,01	0,09	0,20	0,30
Change in others	(0,34)	0,09	0,20	0,35
Change in NWC	**(0,96)**	**0,02**	**0,15**	**0,25**
Change in provisions	0,25	0,00	0,05	0,10
OPERATING CASH FLOW	**2,53**	**2,82**	**3,55**	**4,60**
Capex	(2,14)	(1,58)	(1,50)	(1,50)
FREE CASH FLOW	**0,39**	**1,24**	**2,05**	**3,10**
Financial Management	(0,06)	(0,05)	(0,05)	(0,05)
Change in Debt to Bank	0,58	0,35	0,40	0,60
Change in Equity	(0,66)	(0,17)	(0,16)	(0,60)
FREE CASH FLOW TO EQUITY	**0,25**	**1,37**	**2,24**	**3,05**

Source: ABTG and Integrae SIM estimates

1.1 1H22A Results

Table 2 – 1H22A vs 1H21A

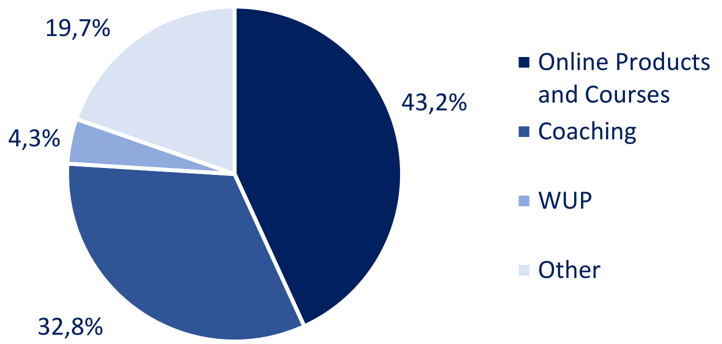
€/mln	Revenues	EBITDA Adj.	EBITDA Adj. %	EBIT	Net Income	NFP
1H22A	**7,34**	**1,73**	**23,3%**	**-0,30**	**-0,50**	**(0,75)**
1H21A	7,21	2,36	32,6%	1,34	0,80	(0,12)*
Change	*1,8%*	*-26,8%*	*-9,3%*	*N.A.*	*N.A.*	*N.A.*

*NFP al 31/12/2022
Source: Integrae SIM

Tramite comunicato stampa, il Gruppo, commentando i risultati semestrali, ha dichiarato: *"I risultati di questa semestrale riflettono l'impegno profuso per il rilancio e l'espansione delle società controllate: AGL, SBL, ABTG Spagna. Ci attendiamo nei prossimi mesi un maggiore apporto sia sulla marginalità sia sui ricavi del gruppo."*.

I ricavi si attestano a € 7,34 mln, sostanzialmente in linea al valore di € 7,21 mln registrato nei primi sei mesi dello scorso anno. Rispetto al primo semestre 2021, i ricavi della controllata AGL crescono del 10,0%, mostrando un aumento delle *fee* mensili dovute alla presenza di più partner, mentre quelli della controllata ABTG Espana segnano una variazione in aumento dell'82,0%.

Chart 1 – Revenues Breakdown by Segment



Source: ABTG

La principale fonte di ricavo, nel corso dei primi sei mesi dell'anno, deriva dalla vendita di corsi e prodotti online, che ha generato una quota di ricavi pari al 43,2%. I restanti ricavi sono generati dal *coaching* (32,8%) e dalle WUP (4,3%). Gli altri ricavi (19,7%) comprendono principalmente contratti e *fees* mensili dei partner.

L'EBITDA Adj. si attesta a € 1,73 mln, con una marginalità pari al 23,3%, rispetto al dato all'1H21A pari a € 2,36 mln (corrispondente ad una marginalità del 32,6%). L'EBITDA, pari a € 0,87 mln, registra una variazione negativa del 61,9% rispetto a € 2,28 mln del 30 giugno 2021. Tale flessione è da imputare alla rilevazione a Conto Economico dei costi relativi alla *lead generation*, all'assunzione di nuove risorse qualificate e all'ampliamento dell'area marketing e vendite. Anche l'EBITDA *margin*, pari al 11,8%, diminuisce rispetto al 31,6% del primo semestre dello scorso anno.

L'EBIT, dopo ammortamenti e svalutazioni pari a € 1,17 mln, si attesta a € - 0,30 mln, rispetto a € 1,34 mln al 30 giugno 2021. L'Utile Netto ammonta a € - 0,50 mln, in calo rispetto al primo semestre 2021, in cui era pari a € 0,80 mln.

La NFP risulta *cash positive* e pari a € 0,75 mln, in miglioramento rispetto al dato del 30 giugno 2021 (*cash positive* per € 0,12 mln).

1.2 FY22E – FY24E Estimates

Table 3 – Estimates Updates FY22E-24E

€/mln	FY22E	FY23E	FY24E
Revenues			
New	**15,5**	**18,0**	**22,0**
Old	15,5	18,0	22,0
Change	*0,0%*	*0,0%*	*0,0%*
EBITDA Adj.			
New	**4,1**	**5,2**	**6,7**
Old	4,4	5,2	6,7
Change	*-7,3%*	*-0,2%*	*0,0%*
EBITDA Adj. %			
New	**26,1%**	**28,9%**	**30,2%**
Old	28,2%	28,9%	30,2%
Change	*-2,1%*	*-0,1%*	*0,0%*
EBIT			
New	**0,9**	**3,2**	**4,6**
Old	2,2	3,0	4,4
Change	*-56,2%*	*8,1%*	*4,6%*
Net Income			
New	**0,5**	**2,0**	**2,8**
Old	1,5	2,1	3,1
Change	*-63,8%*	*-2,9%*	*-9,7%*
NFP			
New	**(1,1)**	**(3,0)**	**(5,4)**
Old	(1,6)	(3,7)	(6,8)
Change	*N.A.*	*N.A.*	*N.A.*

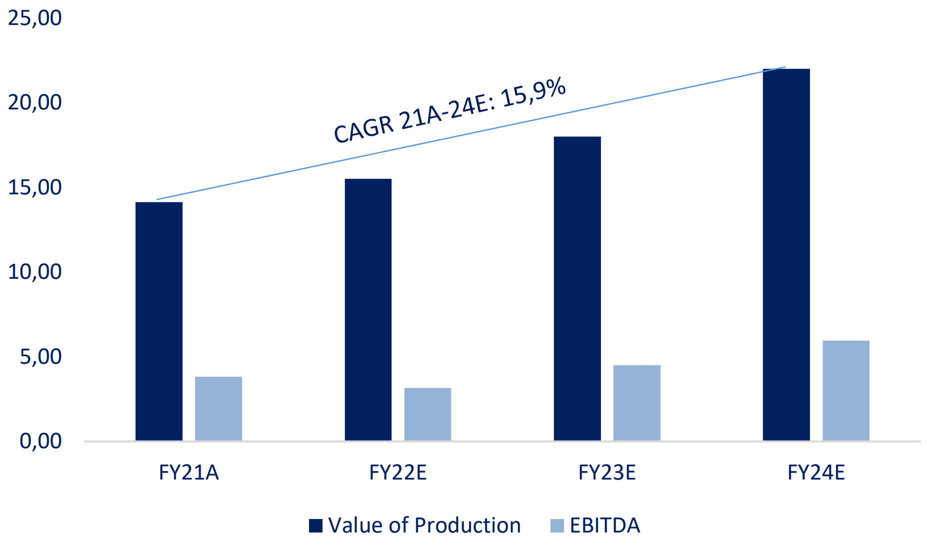
Source: Integrae SIM

Alla luce dei risultati pubblicati nella relazione semestrale per il 1H22A, modifichiamo le nostre stime sia per l'anno in corso sia per i prossimi anni.

In particolare, stimiamo ricavi FY22E pari a € 15,50 mln ed un EBITDA Adj. stimato pari a € 4,05 mln, corrispondente ad una marginalità del 26,1%. Per gli anni successivi, ci aspettiamo che i ricavi possano aumentare fino a € 22,00 mln (CAGR 21A-24E: 17,05%) nel FY24E, con EBITDA Adj. pari a € 6,65 mln (corrispondente ad un EBITDA margin del 30,2%), in crescita rispetto a € 3,82 mln del FY21A (corrispondente ad un EBITDA margin del 27,0%).

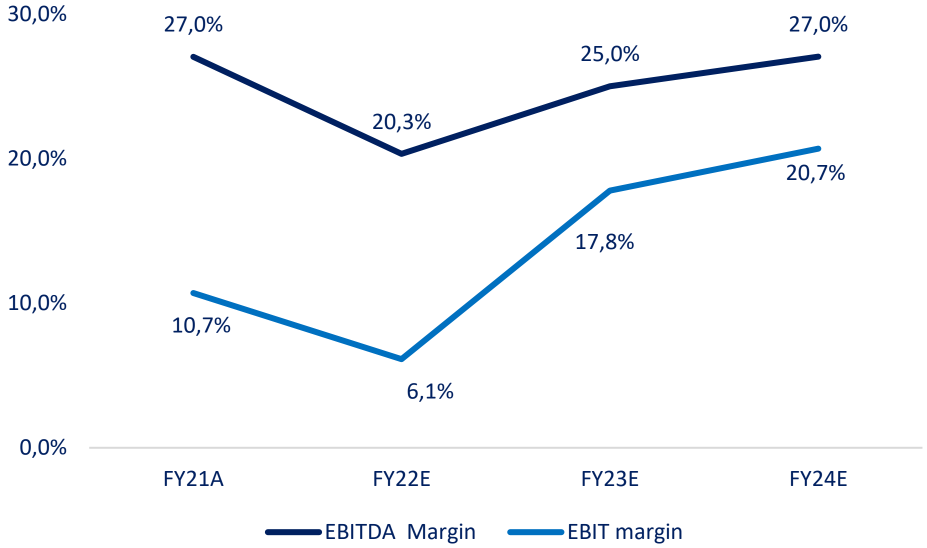
A livello patrimoniale stimiamo un valore di NFP *cash positive* per il FY24E pari a € 5,42 mln.

Chart 2 – Value of Production and EBITDA FY21A-24E



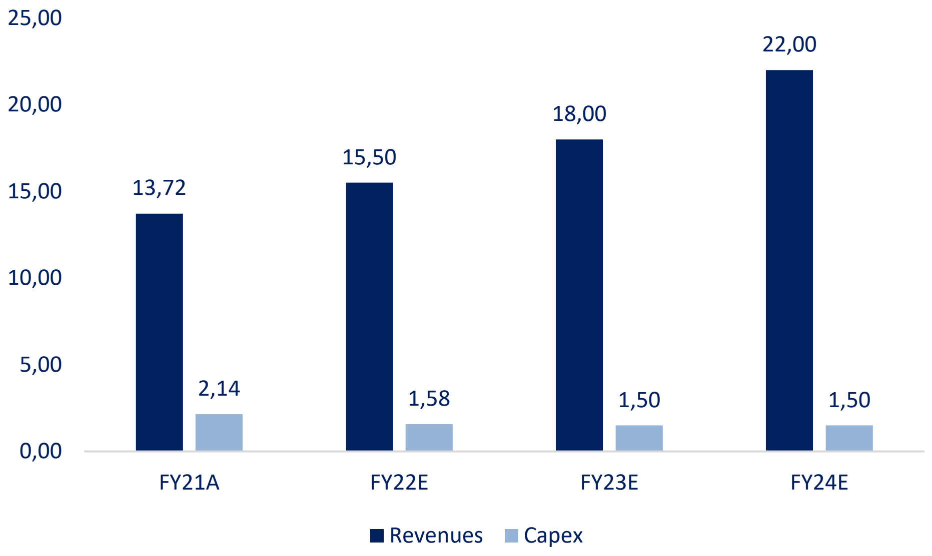
Source: Integrae SIM

Chart 3 – Margin FY21A-24E



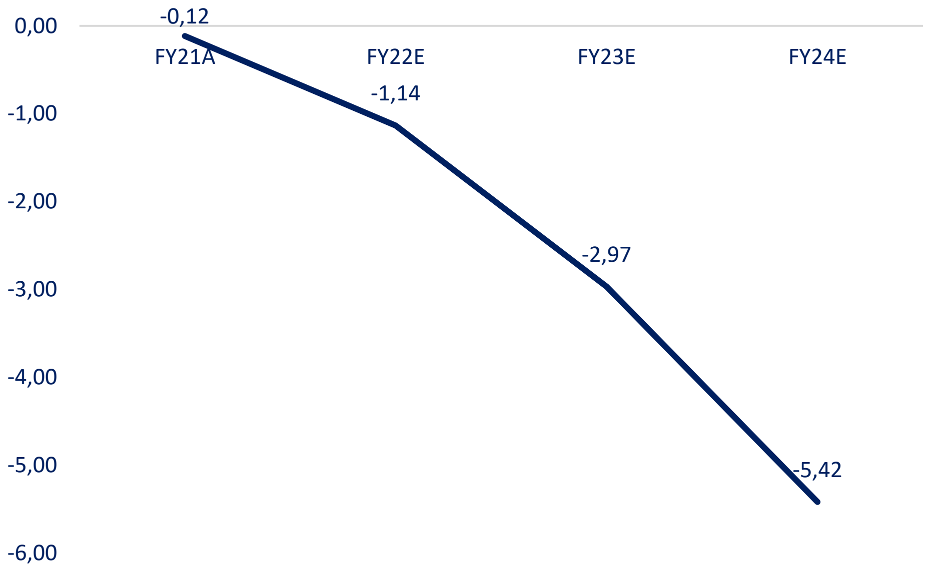
Source: Integrae SIM

Chart 4 – Capex FY21A-24E



Source: Integrae SIM

Chart 5 – NFP FY21A-24E



Source: Integrae SIM

2. Valuation

Abbiamo condotto la valutazione dell'*equity value* di ABTG sulla base della metodologia DCF.

2.1 DCF Method

Table 4 – WACC

WACC			11,27%
Risk Free Rate	2,18%	α (specific risk)	2,50%
Market Premium	9,08%	Beta Adjusted	1,00
D/E (average)	25,00%	Beta Relevered	1,18
Ke	13,73%	Kd	2,00%

Source: Integrae SIM

A fini prudenziali, abbiamo inserito un rischio specifico pari a 2,5%. Ne risulta quindi un WACC di 11,27%.

Table 5 – DCF Valuation

DCF Equity Value		41,8
FCFO actualized	12,2	29%
TV actualized DCF	29,4	71%
Enterprise Value	**41,7**	100%
NFP (FY21A)	(0,1)	

Source: Integrae SIM

Con i dati di cui sopra e prendendo come riferimento le nostre stime ed *assumption*, risulta un ***equity value* di €41,8 mln**. **Il target price è quindi di €8,20** (prev. €8,20). **Confermiamo rating BUY e rischio MEDIUM.**

Table 6 – Equity Value – Sensitivity Analysis

€/mln		WACC						
		9,8%	10,3%	10,8%	11,3%	11,8%	12,3%	12,8%
Growth Rate (g)	2,5%	56,8	53,0	49,7	46,8	44,2	41,9	39,8
	2,0%	53,9	50,6	47,6	44,9	42,6	40,4	38,5
	1,5%	51,4	48,4	45,7	43,3	41,1	39,1	37,3
	1,0%	49,2	46,5	44,0	41,8	39,8	37,9	36,2
	0,5%	47,3	44,7	42,5	40,4	38,5	36,8	35,2
	0,0%	45,5	43,2	41,1	39,2	37,4	35,8	34,3
	-0,5%	43,9	41,8	39,8	38,0	36,4	34,9	33,5

Source: Integrae SIM

Table 7 – Target Price Implied Valuation Multiples

Multiples	FY21A	FY22E	FY23E	FY24E
EV/EBITDA	10,9x	13,2x	9,3x	7,0x
EV/EBIT	28,4x	43,9x	13,0x	9,2x
P/E	50,7x	76,0x	20,9x	14,9x

Source: Integrae SIM

Table 8 – Current Price Implied Valuation Multiples

Multiples	FY21A	FY22E	FY23E	FY24E
EV/EBITDA	2,7x	3,3x	2,3x	1,7x
EV/EBIT	7,1x	10,9x	3,2x	2,3x
P/E	12,7x	19,1x	5,2x	3,7x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958

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16/04/2021	2,22	Buy	5,00	Medium	Update
07/10/2021	3,18	Buy	7,25	Medium	Update
07/04/2022	3,26	Buy	8,20	Medium	Update

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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)

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