



FY21 budget turnover and EBITDA estimates confirmed, with a double-digit growth

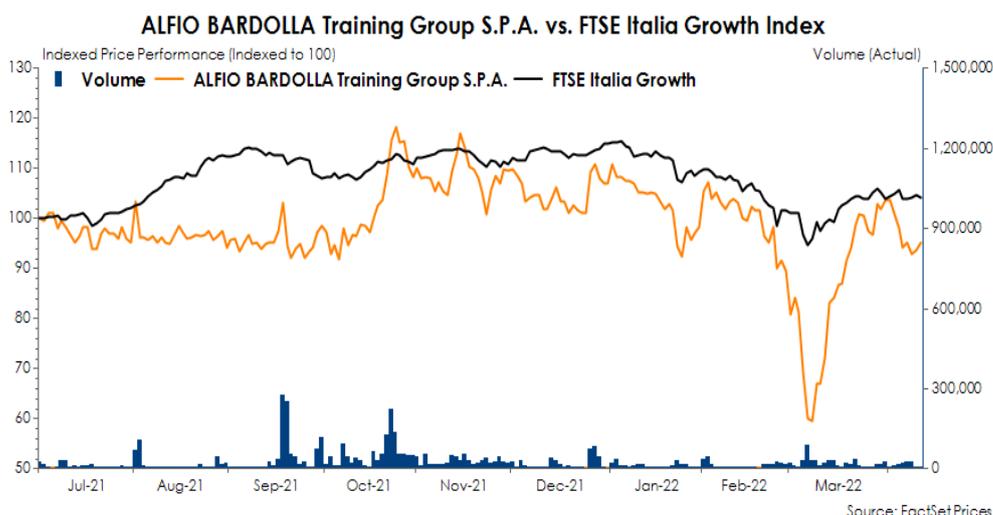
Sector: Services

FY21 sales at Euro 14.1 m, growth (+46%) above expectations. Alfio Bardolla Training Group, Italian leader in financial and business training, posted a positive set of FY21 results largely in line with our estimates. Total revenues amounted to Euro 14.1 m, higher than our expectations of Euro 12.9 m, and +46% vs. Euro 9.7 m registered in previous year; the continuous growth in revenues is further confirmed by the improvement of this KPI also compared to pre-covid year (Euro 12.3 m in FY19). The breakdown by product once again highlights the growth in sales of online courses and online products, which rise to 46% of total revenues (+85% compared to 2020), confirming the soundness of the Group's digital project.

Profitability in line with expectations and distribution of dividend. EBITDA came in at Euro 3.8 m, perfectly in line with our estimates, showing significant growth of 59% compared to Euro 2.4 m in FY20. EBITDA margin stood at 27% vs. 24.8% totalized in previous year: this result thus confirms the ability to further increase the efficiency and profitability of the new business model adopted by management. EBIT amounted to Euro 1.5 m, up 21% from Euro 1.2 m in the previous year and net result was Euro 0.8 m, with a 16% growth with respect to prior year (Euro 0.7 m). The Board of Directors resolved to distribute a gross dividend of Euro 0.032 per share to the 5,095,554 ordinary shares in circulation: the dividend yield is 0.91%, while the payout ratio is 20%.

On the balance sheet side, we see a slightly decrease in Net Financial Position that it is quantified in Euro 0.1 m (cash positive), vs. Euro 0.5 m at the end of 2020, and Net Equity at year-end 2021 stood at Euro 4.8 m.

Estimate revision and valuation. Given the above we finetuned our revenue forecast now assuming Euro 15.8 m in FY22 (previously Euro 15.5 m) and slightly increase our EBITDA margin (now 28% in FY22 and 29% in FY23 vs 29% and 30% previously). Based on peers' multiple re-rating (c. -15% since our last report), we updated our target price to Euro 8.45 p.s. (7.4 pr.) providing for an upside on current stock price of +156%. The stock is currently trading at FY22E/23E EV/EBITDA multiples of 3.8x and 3.2x at an average discount of 22% to peers. At our target price the stock would be trading at 9.7x and 8.1x respectively.



Target Price 8.45 (7.40 pr.)

Price (€ m) **3.30**

Market Cap (€ m) **16.82**

EV (€ m) **16.70**

As of April 19th, 2022

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	ABTG.MI/ABTG:IM
ISIN	IT0005244030
N. of Shares	5,095,554
Free Float	53.1%
CEO	Alfio Bardolla

Financials

	2020A	2021A	2022E	2023E
Sales	9.4	13.7	15.8	18.3
YoY %	-21%	+46%	+15%	+16%
EBITDA	2.4	3.8	4.4	5.3
EBITDA %	25%	27%	28%	29%
EBIT	1.2	1.5	2.2	3.0
EBIT %	13%	10.4%	14%	17%
Net Income	0.7	0.8	1.6	2.2
Net Debt	(0.5)	(0.1)	(1.5)	(3.7)

Performance

	1M	3M	6M
Absolute %	31.6	-9.4	-7.0
Relative (FTSE Italia Growth)	1.7	-15.6	-0.4
52-week High/Low (Eu)	4.2	/	2.0

Sustainability

ESG Profile available

Edoardo Fumagalli

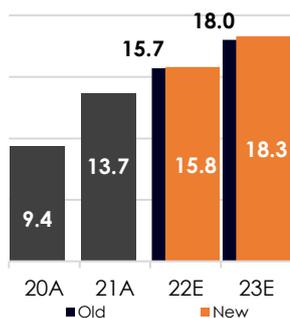
e.fumagalli@irtop.com

KEY FINANCIALS

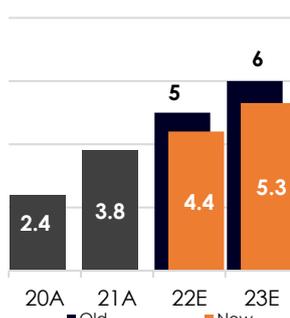
Profit&Loss Statement	2019A	2020A	2021A	2022E	2023E
Revenues (VoP)	12.3	9.7	14.1	15.8	18.3
EBITDA	0.8	2.4	3.8	4.4	5.3
EBIT	(1.1)	1.2	1.5	2.2	3.0
Financial Income (charges)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
Extraordinary items	0.0	0.0	(0.1)	(0.0)	(0.0)
Pre-tax profit (loss)	(1.2)	1.2	1.4	2.2	3.0
Taxes	(0.0)	(0.5)	(0.6)	(0.6)	(0.8)
Minorities	1.2	(0.5)	(0.6)	(1.1)	(1.5)
Net profit (loss)	(1.2)	0.7	0.8	1.6	2.2
Balance Sheet					
Net working capital (NWC)	(2.5)	(2.0)	(1.0)	(1.0)	(1.2)
Net fixed assets	6.4	6.9	6.6	6.6	6.2
M/L Funds	(0.2)	(0.3)	(0.7)	(0.6)	(0.7)
Net Capital Employed	3.7	4.5	5.0	4.9	4.3
Net Debt	(0.5)	(0.5)	(0.1)	(1.3)	(3.6)
Minorities	0.0	0.3	0.3	1.0	1.0
Equity	4.2	5.0	5.1	6.2	7.9
Cash Flow					
Net Profit	(1.2)	0.7	0.8	1.6	2.2
Non cash items	1.9	1.2	2.7	2.2	2.3
Change in Working Capital	1.5	(0.4)	(1.1)	0.0	0.2
Cash Flow from Operations	2.2	1.5	2.5	3.8	4.7
Capex	(1.2)	(1.6)	(2.1)	(2.1)	(1.9)
Operating Free Cash Flow	1.0	(0.1)	0.4	1.7	2.8
Acquisitions	0.0	0.0	0.0	0.0	0.0
Dividend	0.0	0.0	(0.5)	(0.5)	(0.5)
Other (equity)	0.0	0.0	(0.2)	0.0	0.0
Free Cash Flow	1.0	(0.1)	(0.3)	1.2	2.3
Per Share Data					
Current Price	3.30				
Total shares out (mn)	5.10				
EPS	(0.2)	0.1	0.1	0.2	0.3
FCF	0.2	(0.0)	(0.1)	0.2	0.5
Pay out ratio	68%	61%	31%	0%	0%
Ratios					
EBITDA margin	6.2%	24.8%	27.0%	28.0%	28.8%
EBIT margin	n.s.	12.5%	10.4%	14.1%	16.6%
Net Debt/Equity	-12.6%	-9.0%	-2.3%	-20.7%	-45.2%
Net Debt/(Net Debt + Equity)	-14.4%	-9.9%	-2.3%	-26.1%	-82.5%
Net Debt/EBITDA	-0.70	-0.19	-0.03	-0.29	-0.68
Interest cover EBIT	n.s.	35.89	194.80	318.04	434.23
ROE	-28.4%	14.2%	16.1%	25.7%	28.0%
ROCE	-29.7%	37.3%	41.2%	57.3%	88.1%
Free Cash Flow Yield	6.1%	n.m.	n.m.	6.9%	13.7%
Growth Rates					
Revenues (VoP)	20%	-21%	46%	12%	16%
EBITDA	26%	217%	59%	16%	19%
EBIT	6%	209%	21%	52%	37%
Net Profit	3%	159%	16%	93%	39%

Source: Group Consolidated Data & PMI Capital Research Estimates

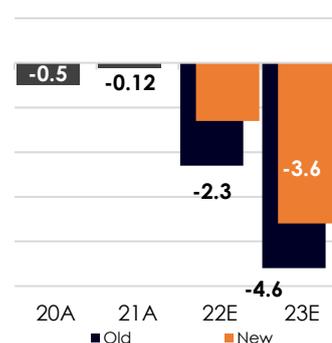
Revenues Revision – Euro m



EBITDA Revision – Euro m



Net Debt Revision – Euro m



Source: Group data

Key Financials – Euro m

Income Statement	21A	20A	Δ %	Balance Sheet	21A	20A	Δ %
Revenues	14.1	9.7	+46%	Net Working Capital	0.98	2.05	-52%
yoy	+46%	-21%	-	Fixed Net Assets	6.6	6.8	-3%
EBITDA	3.8	2.4	+59%	Funds	(0.7)	(0.3)	+126%
margin	27%	25%	+2%	Net Capital Employed	4.99	4.52	+10%
EBIT	1.5	1.2	+20%	Net Debt (Cash)	(0.12)	(0.45)	-74%
margin	10%	13%	-3%	Equity	5.1	4.9	+3%
Net Profit	0.8	0.7	+16%	Sources	4.99	4.52	+10%

Source: Consolidated Group Data

Estimates Revision – Euro m

Income Statement	21A	22E Old	22E New	23E Old	23E New
Revenues	14.1	15.5	15.8	18.0	18.3
yoy	+46%	+10%	+12%	+14%	+16%
EBITDA	3.8	5.0	4.4	6.0	5.3
margin	27%	32%	28%	33%	29%
EBIT	1.5	3.7	2.2	4.5	3.0
margin	10%	24%	14%	25%	17%
Net Profit	0.8	2.3	1.6	2.8	2.2

Balance Sheet	21A	22E Old	22E New	23E Old	23E New
Net Working Capital (NWC)	(0.98)	(1.5)	(1.02)	(1.5)	(1.24)
Fixed net assets	6.6	6.9	6.6	6.9	6.2
Funds	(0.7)	(0.2)	(0.6)	(0.4)	(0.7)
Net Capital Employed	4.99	5.2	4.91	5.4	4.33
Net Debt (Cash)	(0.12)	(2.5)	(1.3)	(4.6)	(3.6)
Equity	5.1	7.7	6.2	10.0	7.9
Sources	4.99	5.2	4.91	5.4	4.33

Source: Consolidated Group Data and PMI Capital Research Estimates

VALUATION UPDATE

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA, EV/EBIT 22/23 and International Peers	50%	6.87	32.86
DCF (WACC 7.7% and g 1.0%)	50%	10.03	51.13
TARGET PRICE	100%	8.45	42.0

Source: PMI Capital Research Estimates

Multiples Comparison

Financials	Ticker	Market Cap	Price	Sales 2022E	EBITDA% 2022E	NI % 2022E
M2i SA	ALMII-FR	22.0	4.4	51.6	12.1%	3.6%
Strategic Education, Inc.	STRA-US	1,653.1	66.0	995.9	17.2%	7.5%
Franklin Covey Co.	FC-US	592.6	41.4	234.3	15.3%	4.9%
K12 Inc.	LRN	1,384.1	32.3	1,502.0	16.3%	6.2%
Chegg, Inc	CHGG	4,040.2	30.0	777.5	31.8%	23.1%
Pearson PLC	PSON-GB	7,027.4	9.3	4,326.3	17.8%	7.9%
Houghton Mifflin HarcourtCompany	HMHC-US	n.m.	19.4	n.a.	n.a.	n.a.
Learning Technologies Group Plc	LTG-GB	1,504.7	1.9	647.5	19.6%	12.2%
Average		2,453	29	1,219	19%	9%
ABTG	ABTG-IT	16.8	3.3	15.8	28%	10%

Source: FactSet data as of April 19th2022, and Group data for ABTG

Trading multiples	EV/EBITDA			EV/EBIT		
	21A	22E	23E	21A	22E	23E
M2i SA	4.8	4.5	4.0	13.8	9.2	7.0
Strategic Education, Inc.	6.1	9.5	8.6	16.6	15.9	13.6
Franklin Covey Co.	21.5	15.7	13.0	70.4	31.6	24.1
K12 Inc.	5.9	6.7	6.2	15.8	10.0	9.0
Chegg, Inc	16.9	17.7	14.8	55.6	137.9	62.6
Pearson PLC	8.1	10.0	9.5	13.6	14.9	13.6
Houghton Mifflin HarcourtCompany	n.a.	n.a.	n.a.	48.5	n.a.	n.a.
Learning Technologies Group Plc	20.7	10.9	9.8	50.2	12.6	11.4
Average	12.0	10.7	9.4	35.3	32.8	20.0
ABTG	4.4	3.8	3.2	11.3	7.5	5.5
Premium/Discount to Peers	-58.7%	-64.7%	-66.2%	-66.1%	-79.5%	-74.7%

Source: FactSet data as of April 19th2022 and Group data for ABTG

INDUSTRY COMPARISON

ABTG Spa (ABTG-IT): IR Top estimates and Factset Data

EGM Sector: average data for listed on Euronext Growth Milan included in the Services sub sector: Acquazzurra (ACQ-IT), ALA (ALA-IT), Alfio Bardolla Training Group (ABTG-IT), Casaold (CASA-IT), CleanBnB (CBB-IT), DBA Group (DBA-IT), Destination Italia (DIT-IT), EdiliziAcrobatica (EDAC-IT), Fabilia (FHR-IT), Farmacè (FAR-IT), G Rent (GSR-IT), Igeamed, (MED-IT), Iscc Fintech (ISC-IT), Lindbergh (LDB-IT), Portale Sardegna (PSA-IT), Promotica (PMT-IT), Sebino (SEB-IT), Sirio (SIO-IT), Soluzione Tasse (STG-IT), SosTravel.com (SOS-IT), Star7 (STAR7-IT), TPS (TPS-IT), TraWell Co (TWL-IT), TrenDevice (TD-IT), WM Capital (WMC-IT).

Industry Peers: average data for a selected group of listed peers (see tables above for more details)

EGM: average financial and market data for all the companies listed on AIM Italia, reported price performance data are related to the FTSE Italia Index

	ABTG-IT ABTG	Services EGM Sector	Industry Peers	XS0072 FTSE Italia Growth
Key Financials FY20				
Revenues	14.1	47.1	1,072	36.0
EBITDA	3.8	4.5	216	4.2
EBITDA %	27.0%	9.6%	20.1%	11.7%
EBIT	1.5	4.0	123	7.9
EBIT %	10.5%	8.5%	11.4%	22.1%
Earnings	0.8	1.6	108	0.7
Earnings %	5.5%	3.4%	10.1%	1.8%
NFP/EBITDA	0.0	1.1	0.1	0.8
FY18-20 Revenues CAGR	-3%	43%	-2%	4%
FY20-22 Revenues CAGR	28%	18%	15%	28%
Market Data				
Market Cap	16.8	36.4	1,493	57.3
EV	16.7	38.6	2,100	59.0
Free Float	53.10%	32.17%	89.92%	32.20%
ADTT YTD (Eu k)	36,981	22,746	25,161,438	45,050
Market Multiples				
EV/Sales 2022	1.1	0.9	2.4	1.7
EV/Sales 2023	0.9	0.7	2.2	1.4
EV/EBITDA 2022	3.8	19.4	10.7	13.6
EV/EBITDA 2023	3.2	8.2	9.4	7.9
EV/EBIT 2022	7.5	20.7	32.8	15.7
EV/EBIT 2023	5.5	10.1	20.0	9.5
P/E 2022	10.5	25.4	23.7	24.2
P/E 2023	7.6	42.4	19.6	18.2
Earnings Yield	9.5%	3.9%	4.2%	4.1%
Stock Performance				
1D	1.9%	-0.7%	1%	-0.6%
1W	2.5%	-0.6%	0%	-0.4%
1M	4.1%	4.3%	-3%	0.7%
3M	-6.5%	-7.9%	7%	-7.3%
6M	-7.0%	-10.9%	2%	-6.7%
YTD	-9.5%	-8.3%	5%	33.1%
1Y	44.1%	13.4%	22%	13.7%

Source: Factset data as of 19th April 2022 and PMI Capital Research

ALFIO BARDOLLA – ESG PROFILE in partnership with



MATERIAL ESG ISSUES

Governance

Ethics – integrity and compliance
Data and information security

Economic

Economic and financial performance

Business Model

Quality of education and financial training
Transparency and responsible marketing

People

Skills, training and development of employees and collaborators
Work environment and welfare / Diversity and equal opportunities

Environment

Responsible consumption
Sustainable events

HIGHLIGHTS

Board of directors of 5 members of which 1 female. In terms of diversity 2 of board members are of an age of +50, whereas the remaining 3 members are in an age between 30-50.

Protection of personal data is of fundamental importance to the Company which has implemented solid organization to guarantee a high degree of compliance with national and international privacy regulations. The Company has further nominated a DPO (Data Protection Officer) and plans to provide education and training activities for employees and collaborators with respect to the obligations established by the Data Protection Policy.

In FY20 ABTG generated revenues of Euro 9.6 m, of which 1% was relative to the Spanish subsidiary. Of the total economic value generated, 79% was distributed to its stakeholders and in particular: suppliers (65%), HR (11%) and PA 3% and Financial Institutions (0.5%).

ABTG one of the principal players in Italy in the personal financial training business. The Company's business model is based on the creation of synergies and cross-selling opportunities between the 4 business lines. The COVID pandemic played an important role in accelerating the digital transformation of the Company, which in 2020, organized online courses for over 9,000 participants.

Effort is put on conducting Marketing and communication activities in a responsible way using coherent, responsible, and transparent messages. All courses are provided with a "satisfied or reimbursed" clause.

ABTG offers all workers the same job opportunities by ensuring that everyone can enjoy fair treatment based on market conditions without any discrimination and opposes to any form of discrimination, forced labour and child labour.

The Company puts strong focus on the training of people and the development of competences and has adopted a "training on the job" path has been adopted which allows junior figures to be supported by skilled and experienced managers.

ABTG currently has 77 employees/collaborators of which 42% is made up of women. The larger part of the workforce is of an age between 30-50 years. The most frequent type of contract is committed in the form of full-time job. Collaborators (commercial) plays a fundamental role within the Company.

To prevent the spread of the COVID virus, the Management has applied strict security protocols in line with local and national provisions, activating smart working.

The Company carries out its activities in full compliance with the provisions relating to the environment and hygiene in the workplace.

the company is committed to limiting the use of plastic, sorting waste and consuming paper responsibly.

The implementation of smart working following the COVID pandemic influenced the reduction of consumption and CO₂ / GHG emissions other to the improvement of the intensity index.

- 5,0 tCO₂e of GHG Scope 2 emission in 2020
- 70 Gjoule of energy consumption in 2020
- 0,909 Gj/no. employee energy consumption intensity index in 2020

ALFIO BARDOLLA TRAINING GROUP IN BRIEF

Group Description

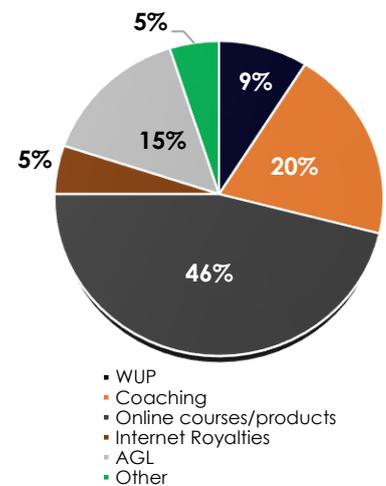
Alfio Bardolla Training Group S.P.A. (ABTG), Innovative SME since 2017 is Italian leader in digital financial and business training. With its two subsidiaries (ABTG Spain and Aste Giudiziarie Lombardia) the Group creates, develops and markets highly specialized on-and offline training courses in the personal finance and wealth creation fields. The Group was founded in 2012 by Alfio Bardolla, entrepreneur and best-selling author of six books (over 300,000 copies sold) including "I soldi fanno la felicità".

ABTG, headquartered in Milan, was listed on AIM Italia on July 2017, and has to date sold its training courses to over 43,000 clients through audio programs, videos, live courses and personalized coaching. The Group can rely on staff of 17 employees (as of December 31st, 2020) and external consultants including a sales force paid on commission. In FY20 ABTG recorded revenues of Euro 9.7 m, posting an EBITDA margin of 25%.

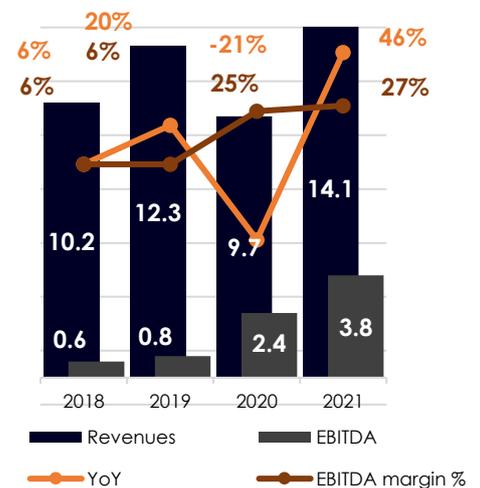
Key Managers

- **Alfio Bardolla** – Chairman & CEO
- **Federica Parigi** – Non-executive Director
- **Robert Allen** – Non-executive Director
- **Nicola De Biase** – Non-executive Director

Revenues breakdown by segment



Revenues & EBITDA evolution



Strategy	Main Risks
<ul style="list-style-type: none"> • Consolidation of the Group's position in the Italian market and international expansion, by increasing brand awareness through marketing and commercial activities, exploiting cross-selling opportunities and decline the current courses offer in Spanish and English-speaking countries • Further development of online business model and M&A • Customers' database capitalization in order to product additional revenues streams with activities such as advertisement • Commercial Partnerships created by leveraging on the proprietary database 	<ul style="list-style-type: none"> • Dependence on key figures including founder Alfio Bardolla who still plays an important role in ABGT's marketing strategy and brand awareness, although less so than at the time of the IPO • Services quality highly dependent on qualified coaches and trainers, whose departure from the Group could affect its competitive positioning • Possible data breaches could impact the Group's reputation, due to its high reliance on its database • Risks related to the international expansion strategy due to lower brand awareness and possible regulatory differences

ALFIO BARDOLLA TRAINING GROUP ON EGM

IPO

Trading Market: AIM Italia – Borsa Italiana SpA
Date: July 28th, 2017
Price: 4.14 Euro
Capital raised: Eu 3.1 m through capital increase
Capitalisation: Eu 10.6 m

SHARES (as of April 19th, 2022)

Code: ABTG
Bloomberg: ABTG IM
Reuters: ABTG.MI
ISIN ordinary shares: IT0005244030
Shares: 5,095,554
Price: 3.30 Eu
Performance from IPO: -20%
Capitalisation: Euro 16,815,329 m
Free Float: 53.1%
EGA: Integrae SIM S.p.a.
Specialist: Integrae SIM S.p.a.

OWNERSHIP

Shareholder	%
Jaguar Holding S.r.l.	46.89%
Free Float	53.11%
Other	0.02%
Total	100%

Source: Company Data

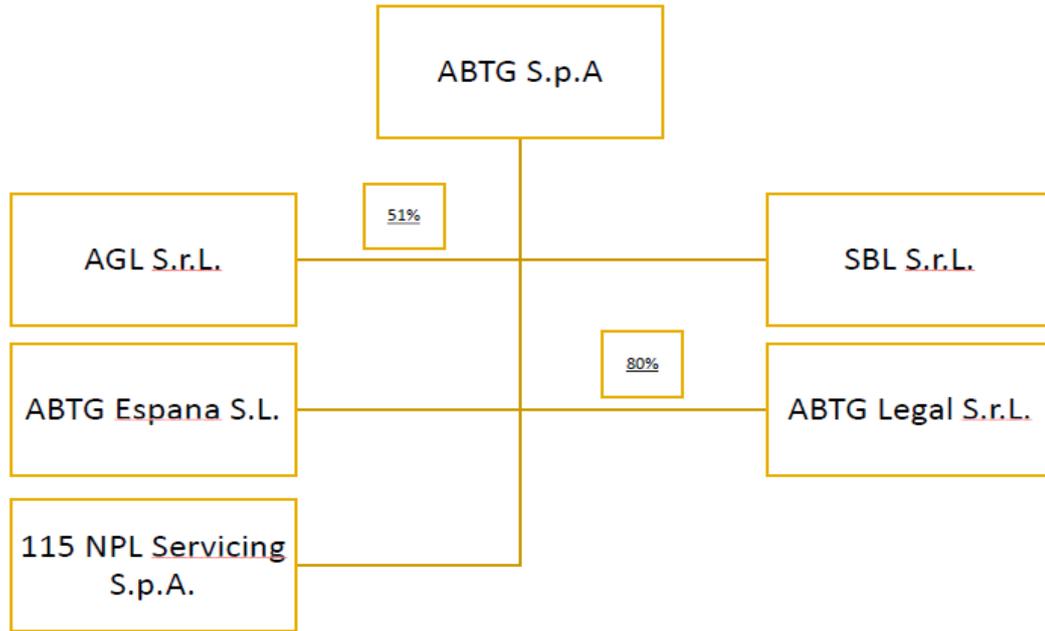
WARRANT

Alphanumeric code: WABTG
ISIN: IT0005245607
Issued warrants: 5,479,210
Exercise ratio: 1 new instrument every 1 warrants held

Period	from	To	Strike Price (Euro)	Converted (n. of Warrant)
First	07/16/18	07/27/18	4.14	100
Second	12/10/18	12/21/18	4.14	-
Third	07/15/19	07/26/19	4.14	730
Fourth	12/09/19	12/20/19	4.14	-
Fifth	07/20/20	07/31/20	3.00	-
Sixth	12/07/20	12/18/20	3.00	-
Seventh	07/19/21	07/30/21	3.50	-
Eighth	12/13/21	12/24/21	3.50	-
Ninth	07/18/22	07/29/22	4.00	-
Tenth	12/12/22	12/23/22	4.00	-
Eleventh	07/17/23	07/28/23	4.50	-
Twelfth	12/11/23	12/22/23	4.50	-
Thirteenth	07/15/24	07/26/24	5.00	-
Fourteenth	12/09/24	12/20/24	5.00	-
Fifteenth	07/14/25	07/25/25	5.50	-
Sixteenth	12/08/25	12/19/25	5.50	-
Seventeenth	07/20/26	07/31/26	6.00	-
Eighteenth	12/07/26	12/18/26	6.00	-
Nineteenth	07/19/27	07/30/27	6.50	-

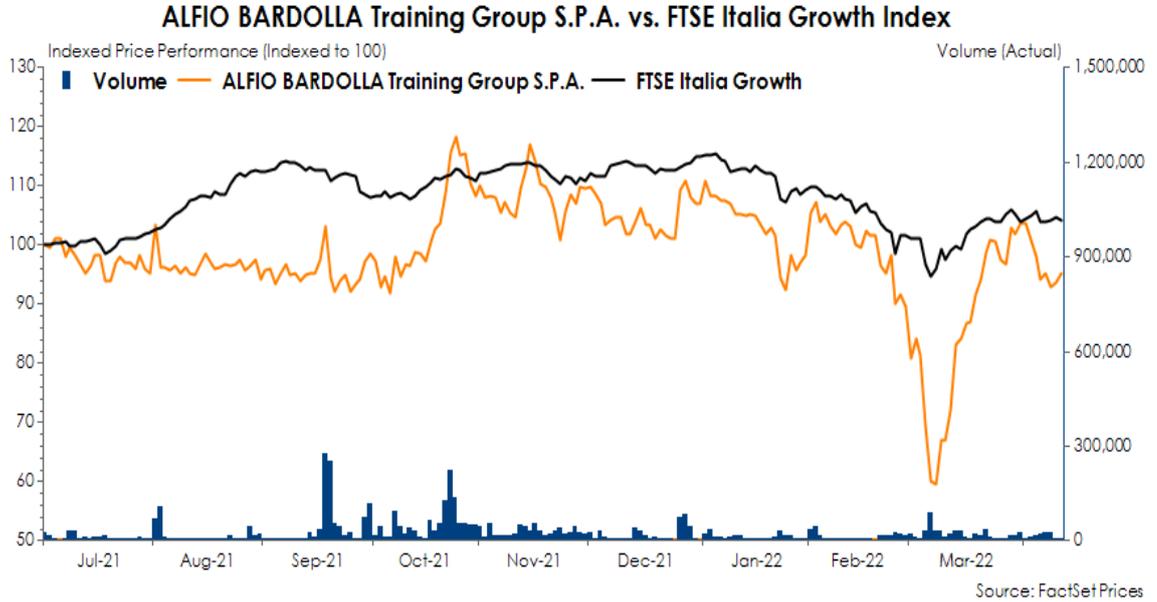
Number of outstanding Warrant at April 19th 2021: 5,477,187.

GROUP STRUCTURE



Source: Group Data

STOCK PERFORMANCE



DISCLAIMER

UPDATES: This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on Alfio Bardolla Training Group (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released on November 16th 2020. Opinions and estimates of this Research are as the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results. During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
April 19 th , 2022	8.45	3.30	12 months
October 11 th , 2021	7.41	3.31	12 months
April 23 rd , 2021	5.23	2.90	12 months
November 16 th , 2020	3.76	1.35	12 months

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top used a proprietary model, "AIM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio AIM Italia", managed by IR Top and focused on research about performance of Companies listed on AIM Italia.

Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

RESEARCH TEAM:

Edoardo Fumagalli (Analyst)

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