

FOS

Sector: Industrials

BUY

Price: Eu3.20 - Target: Eu5.20

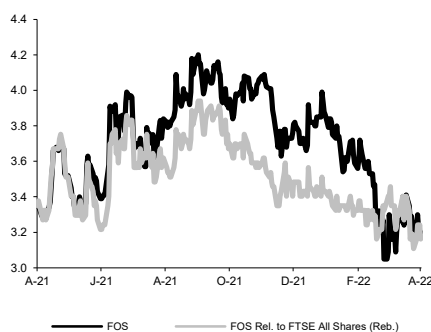
Positive Outlook Despite a Challenging Macro Scenario

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Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 5.00 to 5.20		
	2022E	2023E	2024E
Chg in Adj EPS	-4.4%	-4.9%	

FOS - 12M Performance



Stock Data

Reuters code:	FOS.MI		
Bloomberg code:	FOS IM		
Performance	1M	3M	12M
Absolute	3.6%	-17.1%	-4.5%
Relative	-7.5%	-6.8%	-5.5%
12M (H/L)	4.20/3.05		
3M Average Volume (th):	10.58		

Shareholder Data

No. of Ord shares (mn):	6
Total no. of shares (mn):	6
Mkt Cap Ord (Eu mn):	20
Total Mkt Cap (Eu mn):	20
Mkt Float - Ord (Eu mn):	7
Mkt Float (in %):	36.2%
Main Shareholder:	
BP Holding Srl	50.6%

Balance Sheet Data

Book Value (Eu mn):	11
BVPS (Eu):	1.72
P/BV:	1.9
Net Financial Position (Eu mn):	3
Enterprise Value (Eu mn):	18

VoP +37.9% YoY: FOS closed 2021 with 37.9% YoY growth in Value of Production, made possible by a 7.3% expansion at constant scope and a 30.6% increase due to the acquisition of Inrebus, which contributed Eu3.0mn to the top line in 2021, a result that beat our estimates and demonstrated the company's ability to integrate newly-acquired companies and exploit cross-selling opportunities in a relatively short time span. Looking at profitability, EBITDA expanded to Eu3.1mn (vs. our Eu3.4mn estimate) from Eu2.6mn a year ago, with the margin dilution deriving from the lower margin at Inrebus. No major surprises below the line, with net income coming in at Eu1mn, a 13.3% increase compared to one year ago. As for cash generation, NFP was positive at Eu1.7mn, broadly in line with estimates, confirming the solidity of the company's balance sheet.

Positive outlook despite a challenging macro scenario: although 2022 remains shrouded in unpredictability linked to the pandemic and the conflict in Ukraine, management believes the digital market will continue to grow. The company should follow suit, both organically and thanks to an even more sustained external growth path, encouraged by the excellent results achieved through the Inrebus acquisition.

17.3% EBITDA CAGR expected in next 3 years: we are modestly revising our estimates to take into account a slightly different growth profile in the businesses in which the company operates, increasing the contribution from the Digital Learning, whose integration is progressing better than we expected, while lowering forecasts for the Engineering division. We expect the top line to expand at a 14.2% CAGR in the next three years, outperformed by EBITDA (+17.3%) thanks to the scale effect and improving EBITDA at Inrebus. As for cash generation, we expect a positive NFP to the tune of Eu5.4mn at the end of 2024, a number that could be boosted by the potential conversion of the remaining warrants, which could bring a cash-in of ~Eu4.2m (last conversion window at Eu2.995 per share in September).

First start-ups launched. During 2022 the company participated in the establishment of 3 innovative start-ups, born from the research and development activities carried out in the Engineering & TT business. Specifically, Piano Green (65% owned), Unibuild (24% owned) and Mr. Pot (10%) were created. As it is hard to gauge the potential of these initiatives, we recall that our estimates do not include any contribution from start-ups, so any success would generate potential upside.

BUY confirmed; target from Eu5.0 to Eu5.2. We consider an investment in FOS to be attractive as the company's unique offering in the rapidly-growing digital sector sets it apart from other operators. The company boasts solid and lasting relationships with its main customers and a deep-rooted presence in the territories in which it operates, key factors that make its competitive positioning stand out even when compared to larger global rivals. From a financial point of view, we appreciate the group's high profitability and balance sheet solidity, which will allow FOS to continue to invest in R&D and pursue any external growth opportunities that may arise. We confirm our BUY rating on the stock, raising our target price to Eu5.2, mainly due to the rollover of its valuation model.

Key Figures & Ratios	2020A	2021A	2022E	2023E	2024E
Sales (Eu mn)	14	18	20	23	25
EBITDA Adj (Eu mn)	3	3	4	5	5
Net Profit Adj (Eu mn)	1	1	2	2	2
EPS New Adj (Eu)	0.190	0.168	0.236	0.298	0.353
EPS Old Adj (Eu)	0.190	0.204	0.247	0.313	
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	5.3	6.5	4.5	3.7	3.0
EV/EBIT Adj	9.6	10.4	7.3	5.6	
P/E Adj	16.8	19.0	13.6	10.8	9.1
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	-0.5	-0.5	-0.7	-0.8	-1.1

FOS – Key Figures						
Profit & Loss (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	12	14	18	20	23	25
EBITDA	2	3	3	4	5	5
EBIT	1	1	2	2	3	3
Financial Income (charges)	-0	-0	-0	-0	-0	-0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	1	1	1	2	3	3
Taxes	-0	-0	-0	-1	-1	-1
Tax rate	32.0%	20.7%	27.1%	34.0%	34.0%	34.0%
Minorities & Discontinued Operations	0	0	-0	-0	-0	-0
Net Profit	1	1	1	2	2	2
EBITDA Adj	2	3	3	4	5	5
EBIT Adj	1	2	2	2	3	3
Net Profit Adj	1	1	1	2	2	2
Per Share Data (Eu)	2019A	2020A	2021A	2022E	2023E	2024E
Total Shares Outstanding (mn) - Average	6	6	6	6	6	6
Total Shares Outstanding (mn) - Year End	6	6	6	6	6	6
EPS f.d	0.114	0.152	0.168	0.236	0.298	0.353
EPS Adj f.d	0.138	0.190	0.168	0.236	0.298	0.353
BVPS f.d	1.206	1.350	1.481	1.717	2.015	2.368
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)						
Cash Flow (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Gross Cash Flow	1	5	3	3	3	4
Change in NWC	-0	-2	-1	-1	-1	-1
Capital Expenditure	-2	-1	-1	-2	-2	-2
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-1	2	1	1	1	2
Acquisitions, Divestments & Other Items	0	-1	-1	0	-0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	5	0	0	0	0	0
Change in Net Financial Position	4	1	0	1	1	2
Balance Sheet (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Total Fixed Assets	5	6	6	6	6	6
Net Working Capital	2	4	4	5	6	6
Long term Liabilities	-1	-3	-3	-3	-3	-3
Net Capital Employed	7	7	8	8	9	10
Net Cash (Debt)	1	2	2	3	4	5
Group Equity	8	8	9	11	13	15
Minorities	0	0	0	0	0	0
Net Equity	8	8	9	11	13	15
Enterprise Value (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Average Mkt Cap	21	17	22	20	20	20
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	1	2	2	3	4	5
Enterprise Value	20	16	20	18	17	15
Ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA Adj Margin	19.7%	21.9%	17.9%	19.3%	19.9%	20.0%
EBIT Adj Margin	11.7%	12.2%	11.1%	11.9%	13.0%	
Gearing - Debt/Equity	-8.5%	-18.5%	-18.2%	-24.6%	-29.3%	-35.6%
Interest Cover on EBIT	7.6	8.0	11.4	18.4	27.3	38.8
Net Debt/EBITDA Adj	-0.3	-0.5	-0.5	-0.7	-0.8	-1.1
ROACE*	20.5%	19.8%	22.1%	29.5%	33.8%	36.7%
ROE*	18.5%	14.9%	12.0%	14.8%	15.9%	16.1%
EV/CE	3.4	2.3	2.8	2.2	1.9	1.6
EV/Sales	1.6	1.2	1.2	0.9	0.7	0.6
EV/EBITDA Adj	8.3	5.3	6.5	4.5	3.7	3.0
EV/EBIT Adj	14.0	9.6	10.4	7.3	5.6	
Free Cash Flow Yield	-6.6%	9.9%	4.0%	4.8%	6.7%	7.9%
Growth Rates (%)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	25.5%	11.3%	29.6%	15.3%	11.9%	11.5%
EBITDA Adj	29.5%	23.5%	5.8%	24.7%	15.4%	12.1%
EBIT Adj	22.2%	16.8%	17.7%	23.4%	22.7%	
Net Profit Adj	60.2%	32.8%	13.3%	40.3%	26.1%	18.7%
EPS Adj	59.7%	37.5%	-11.5%	40.3%	26.1%	18.7%
DPS						

*Excluding extraordinary items Source: Intermonte SIM estimates

FY21 results

VoP +37.9% YoY: FOS closed 2021 with 37.9% YoY growth in Value of Production, made possible by a 7.3% expansion at constant scope and a 30.6% increase due to the acquisition of Inrebus, which contributed Eu3.0mn to the top line in 2021, a result that beat our estimates and demonstrated the company's ability to integrate newly-acquired companies and exploit cross-selling opportunities in a relatively short time span. Looking at profitability, EBITDA expanded to Eu3.1mn (vs. our Eu3.4mn estimate) from Eu2.6mn a year ago, with the margin dilution deriving from the lower margin at Inrebus. No major surprises below the line, with net income coming in at Eu1mn, a 13.3% increase compared to one year ago. As for cash generation, NFP was positive at Eu1.7mn, broadly in line with estimates, confirming the solidity of the company's balance sheet.

FY21 results								
(Eu mn)	1H20A	2H20A	2020A	1H21A	2H21A	2021A	2H21E	2021E
Net revenues	4.633	6.124	10.757	7.267	7.571	14.839	7.865	15.132
YoY growth	10.5%	12.1%	11.4%	56.8%	23.6%	37.9%	28.4%	40.7%
Value of production	5.768	7.830	13.574	8.585	9.055	17.597	9.681	18.267
YoY growth	11.8%	11.6%	11.3%	48.8%	15.7%	29.6%	23.6%	34.6%
EBITDA reported	1.071	1.599	2.670	1.533	1.608	3.141	1.937	3.471
YoY growth	24.4%	20.6%	22.1%	43.2%	0.6%	17.7%	21.2%	30.0%
EBITDA margin	18.6%	20.4%	19.7%	17.9%	17.8%	17.9%	20.0%	19.0%
D&A	(0.487)	(0.799)	(1.285)	(0.753)	(0.783)	(1.535)	(0.753)	(1.505)
EBIT reported	0.584	0.776	1.360	0.781	0.825	1.606	1.185	1.966
EBIT margin	10.1%	9.9%	10.0%	9.1%	9.1%	9.1%	12.2%	10.8%
Financial Charges	(0.082)	(0.089)	(0.171)	(0.062)	(0.079)	(0.141)	(0.073)	(0.134)
Financial Income	0.079	(0.078)	0.001	0.008	(0.004)	0.003	0.043	0.051
Pretax	0.581	0.609	1.190	0.727	0.742	1.469	1.156	1.882
Taxes	(0.131)	(0.115)	(0.246)	(0.201)	(0.198)	(0.398)	(0.383)	(0.584)
tax rate	-22.5%	-18.9%	-20.7%	-27.6%	-26.7%	-27.1%	-33.1%	-31.0%
Net income	0.450	0.494	0.944	0.522	0.548	1.070	0.777	1.299
YoY growth	75.4%	8.8%	32.8%	15.8%	11.0%	13.3%	57.4%	37.6%

Source: Company data & Intermonte SIM Estimates

Change to estimates

17.3% EBITDA CAGR expected in next 3 years: we are modestly revising our estimates to take into account a slightly different growth profile in the businesses in which the company operates, increasing the contribution from the Digital Learning, whose integration is progressing better than we expected, while lowering forecasts for the Engineering division. We expect the top line to expand at a 14.2% CAGR in the next three years, outperformed by EBITDA (+17.3%) thanks to the scale effect and improving EBITDA at Inrebus. As for cash generation, we expect a positive NFP to the tune of Eu5.4mn at the end of 2024, a number that could be boosted by the potential conversion of the remaining warrants, which could bring a cash-in of ~Eu4.2m (last conversion window at Eu2.995 per share in September).

Change to estimates

	NEW			OLD			% Change		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Value of Production	20.294	22.711	25.332	20.521	22.919	-	-1.1%	-0.9%	new
EBITDA	3.917	4.519	5.066	4.002	4.653	-	-2.1%	-2.9%	new
% margin	19.3%	19.9%	20.0%	19.5%	20.3%				
EBIT	2.352	2.924	3.441	2.446	3.047	-	-3.9%	-4.0%	new
% margin	11.6%	12.9%	13.6%	11.9%	13.3%				
Net Income	1.502	1.893	2.247	1.572	1.992	-	-4.4%	-4.9%	new
EPS Adjusted	0.236	0.298	0.353	0.247	0.313	-	-4.4%	-4.9%	new
Net Cash/(Debt)	2.690	3.752	5.360	3.337	5.128	-	-19.4%	-26.8%	new

Source: Intermonte SIM

Financials

FOS – P&L

(Eu mn)	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Value of Production	9.7	12.2	13.6	17.6	20.3	22.7	25.3
YoY growth	9.5%	25.5%	11.3%	29.6%	15.3%	11.9%	11.5%
EBITDA adjusted	1.9	2.4	3.0	3.1	3.9	4.5	5.1
EBITDA margin	19.1%	19.7%	21.9%	17.9%	19.3%	19.9%	20.0%
EBITDA reported	1.7	2.2	2.7	3.1	3.9	4.5	5.1
EBITDA margin	17.4%	17.9%	19.7%	17.9%	19.3%	19.9%	20.0%
D&A	(0.6)	(1.0)	(1.3)	(1.5)	(1.6)	(1.6)	(1.6)
Writedowns/Provision	(0.1)	0.0	(0.0)	0.0	0.0	0.0	0.0
EBIT adjusted	1.2	1.4	1.7	1.6	2.4	2.9	3.4
Restated EBIT margin	12.0%	11.7%	12.2%	9.1%	11.6%	12.9%	13.6%
EBIT reported	1.0	1.2	1.4	1.6	2.4	2.9	3.4
EBIT margin	10.3%	9.9%	10.0%	9.1%	11.6%	12.9%	13.6%
Net financial charges	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.0)
Pretax	0.8	1.0	1.2	1.5	2.3	2.9	3.4
Taxes	(0.3)	(0.3)	(0.2)	(0.4)	(0.8)	(1.0)	(1.2)
tax rate	-42.4%	-32.0%	-20.7%	-27.1%	-34.0%	-34.0%	-34.0%
Minorities/disc. operations	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Net income	0.4	0.7	0.9	1.1	1.5	1.9	2.2
YoY growth	-6.8%	60.2%	32.8%	13.3%	40.3%	26.1%	18.7%

Source: Company data & Intermonte SIM Estimates

FOS – Balance Sheet

(Eu mn)	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Tangible Assets	0.2	0.2	0.3	0.4	0.4	0.4	0.4
Intangible Assets	3.9	5.0	5.7	5.7	5.7	5.6	5.4
Financial Assets	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Fixed Assets	4.1	5.2	6.0	6.2	6.2	6.1	6.0
Inventories	0.4	0.4	0.4	0.4	0.5	0.5	0.6
Trade Receivables	2.8	4.4	6.0	7.0	7.7	8.7	9.8
Trade Payables	-1.4	-2.6	-2.6	-2.9	-3.1	-3.5	-3.9
Total Working Capital	1.8	2.2	3.8	4.5	5.1	5.7	6.5
on sales	23.1%	22.8%	35.2%	30.2%	29.2%	29.0%	29.2%
Provisions	-0.2	-0.1	0.0	0.0	0.0	0.0	0.0
Employees benefits	-1.0	-1.0	-1.3	-1.5	-1.5	-1.5	-1.5
Others	0.1	0.6	-1.5	-1.5	-1.5	-1.2	-1.2
Net capital employed	4.8	6.9	6.9	7.7	8.2	9.1	9.7
Total equity	1.8	7.5	8.4	9.4	10.9	12.8	15.1
- of which minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt	-3.1	0.6	1.6	1.7	2.7	3.8	5.4

Source: Company data & Intermonte SIM Estimates

FOS – Cash Flow

(Eu mn)	2018A	2019A	2020A	2021A	2022E	2023E	2024E
Net Profit	0.5	0.7	0.9	1.1	1.5	1.9	2.2
Amortization & Depreciation	0.7	1.0	1.3	1.5	1.6	1.6	1.6
Change in Working Capital	-0.5	-0.4	-1.6	-0.7	-0.6	-0.6	-0.8
Change in funds	0.4	-0.5	2.3	0.1	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating CF	1.1	0.8	3.0	2.0	2.5	2.9	3.1
Capex (Tang & Intang)	-3.3	-2.1	-1.0	-1.2	-1.5	-1.5	-1.5
Acquisitions	0.0	0.0	-0.6	0.0	0.0	-0.3	0.0
Disposals	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share Buy-back	0.0	0.0	0.0	-0.5	0.0	0.0	0.0
Rights Issue/ ipo	-0.2	5.0	0.0	0.4	0.0	0.0	0.0
Other	-0.4	0.0	-0.5	-0.5	0.0	0.0	0.0
Cash Flow	-2.6	3.7	0.9	0.2	1.0	1.1	1.6
NFP at the beg. of the year	-0.4	-3.1	0.6	1.6	1.7	2.7	3.8
Cash Flow: Cash/(Debt)	-2.6	3.7	0.9	0.2	1.0	1.1	1.6
NFP at year end	-3.1	0.6	1.6	1.7	2.7	3.8	5.4

Source: Company data & Intermonte SIM Estimates

Valuation

We are setting a target price of Eu5.2 per share for FOS. This is obtained from the simple average of a DCF-based valuation and a peer comparison, to which we apply a 10% liquidity discount. Our target price offers 57% upside to Friday's close, we are therefore confirming our BUY rating.

Our target price is calculated on the fully diluted number of shares (7.78mn) given that the target price resulting from our analysis would be above the highest exercise price of the outstanding warrants.

Valuation Summary

	Val.	Weight	Weighted val.
DCF valuation (WACC @ 8.2%, g @1.5%)	44.2	50%	22.1
EV/EBITDA 2022	55.2	17%	9.2
EV/EBIT 2022	44.6	17%	7.4
PE 2022	34.3	17%	5.7
SUM			44.5
Discount			10%
Fair value (Eu mn)			40.0
NOSH fully diluted			7.8
Target Price (Eu per share)			5.2

Source: Intermonte SIM

DCF Valuation

Our DCF model has a 3-year explicit forecast period and yields a fair value per share of Eu5.7. The basic assumptions in our model include:

- WACC of 8.2% (2.5% risk-free rate; 6.0% risk premium, up from 5.5%), up from 8.0%
- Terminal growth rate of 1.5%.

Given that the target price resulting from our analysis would be above the highest exercise price of the outstanding warrants, we assume full dilution from the warrants. As a consequence, the NOSH increases from 6.36mn to 7.78mn, while the proceeds for the company will be around Eu4.2mn in case all warrants are exercised.

DCF sensitivity analysis

		Terminal Growth				
		1.00%	1.25%	1.50%	1.75%	2.00%
% WACC	7.2%	46.8	48.1	49.5	51.1	52.7
	7.7%	44.4	45.5	46.7	47.9	49.3
	8.2%	42.3	43.2	44.2	45.3	46.5
	8.7%	40.4	41.2	42.1	43.1	44.1
	9.2%	38.8	39.5	40.3	41.1	42.0

Source: Intermonte

Peer comparison

We have identified a panel of 10 peers in the Italian Tech arena, which is the core market for FOS. The companies in our panel are all based in Italy and covered by the Intermonte Equity Research team. Despite differences in company size and business model, the core market is the same, so we believe valid comparisons can be made.

2022 multiples

	2022E	Multiple '22	EV '22	NFP '22	Adj. '22	Equity Value '22
EBITDA Adj.	3.9	12.3	48.3	2.7	4.2	55.2
EBIT Adj.	2.4	16.0	37.7	2.7	4.2	44.6
Net Income Adj.	1.5	22.8				34.3

Source: Intermonte SIM

Peers Comparison

Peers Multiples

Company name	Mkt cap (Eu mn)	EV/EBITDA			EV/EBIT			PE		
		2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
ALKEMY	93	9.6 x	9.4 x	7.9 x	13.2 x	12.0 x	9.8 x	19.2 x	14.9 x	12.5 x
CYBEROO	77	nm	11.8 x	4.8 x	155.2 x	13.2 x	5.1 x	nm	21.4 x	8.6 x
RELATECH	86	11.1 x	6.7 x	5.2 x	15.6 x	8.9 x	6.6 x	15.8 x	13.8 x	10.7 x
REPLY	5,462	19.0 x	17.2 x	15.1 x	23.9 x	20.9 x	18.3 x	36.3 x	31.0 x	27.9 x
RETELIT	509	9.1 x	9.2 x	8.3 x	21.9 x	20.4 x	17.3 x	30.1 x	24.4 x	20.5 x
SABABA SECURITY	27	32.5 x	19.9 x	7.9 x	34.8 x	14.7 x	7.5 x	47.3 x	24.3 x	11.3 x
SESA	2,275	9.6 x	13.1 x	11.1 x	13.2 x	17.4 x	14.7 x	39.3 x	28.3 x	24.0 x
TINEXTA	1,175	17.5 x	12.8 x	10.7 x	27.7 x	17.8 x	14.2 x	24.0 x	19.6 x	16.5 x
TXT E-SOLUTIONS	126	6.8 x	6.9 x	5.8 x	10.0 x	10.6 x	8.9 x	14.4 x	14.7 x	13.2 x
WIIT	736	25.5 x	22.5 x	19.5 x	48.6 x	39.8 x	31.7 x	83.9 x	54.0 x	41.1 x
Median		11.1 x	12.3 x	8.1 x	22.9 x	16.0 x	12.0 x	30.1 x	22.8 x	14.9 x

Source: FactSet

Peers Key figures 1

Company name	Mkt cap (Eu mn)	Sales growth			EBITDA Adj. margin %			EBIT adj. margin %		
		2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
ALKEMY	93	27.0%	13.1%	9.0%	11.1%	11.5%	12.0%	8.0%	9.0%	9.6%
CYBEROO	77	37.3%	73.9%	54.3%	23.4%	43.5%	58.8%	4.0%	31.6%	50.5%
RELATECH	86	45.6%	27.6%	18.4%	25.2%	26.2%	27.2%	18.0%	19.7%	21.3%
REPLY	5,462	18.7%	17.9%	11.5%	15.9%	14.8%	14.5%	12.8%	12.0%	11.8%
RETELIT	509	12.0%	6.2%	5.9%	33.7%	34.2%	34.8%	14.0%	15.4%	16.7%
SABABA SECURITY	27	198.2%	130.1%	57.4%	11.8%	9.9%	17.4%	11.0%	13.4%	18.3%
SESA	2,275	14.7%	13.6%	12.8%	6.1%	6.4%	6.4%	4.5%	4.7%	4.8%
TINEXTA	1,175	39.5%	19.1%	11.0%	26.3%	27.3%	28.0%	18.8%	18.7%	19.8%
TXT E-SOLUTIONS	126	40.2%	19.3%	7.6%	15.1%	14.6%	14.7%	10.3%	9.5%	9.7%
WIIT	736	46.8%	52.8%	7.2%	38.5%	35.3%	37.5%	19.0%	22.0%	25.1%
Median		38.4%	19.2%	11.3%	19.7%	20.5%	22.3%	11.9%	14.4%	17.5%

Source: FactSet

Peers Key Figures 2

Company name	Mkt cap (Eu mn)	EPS growth %			CAPEX/Sales			Net Debt/EBITDA		
		2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
ALKEMY	93	153.5%	31.0%	19.0%	2.0%	2.2%	2.0%	-2.0 x	-1.4 x	-0.9 x
CYBEROO	77	210.8%	2078.8%	149.3%	31.7%	15.4%	10.7%	-0.1 x	0.4 x	0.6 x
RELATECH	86	76.0%	14.5%	29.2%	11.3%	9.9%	9.3%	0.4 x	0.5 x	0.7 x
REPLY	5,462	21.9%	16.8%	11.1%	2.5%	1.9%	1.9%	0.8 x	1.1 x	1.6 x
RETELIT	509	31.9%	23.4%	19.1%	15.4%	14.9%	14.5%	-2.0 x	-1.6 x	-1.3 x
SABABA SECURITY	27	421.3%	95.2%	115.3%	24.1%	48.3%	24.1%	10.7 x	2.0 x	0.0 x
SESA	2,275	40.5%	38.7%	17.9%	1.3%	1.1%	1.1%	0.8 x	0.8 x	0.9 x
TINEXTA	1,175	20.9%	22.2%	18.8%	4.0%	3.8%	3.6%	-2.7 x	-1.8 x	-1.0 x
TXT E-SOLUTIONS	126	76.0%	2.5%	10.6%	7.3%	1.8%	1.8%	-0.3 x	0.2 x	0.6 x
WIIT	736	52.2%	55.4%	31.2%	27.2%	27.2%	15.4%	-4.7 x	-3.8 x	-3.1 x
Median		64.1%	27.2%	19.1%	9.3%	6.9%	6.5%	-0.2x	0.3x	0.3x

Source: FactSet

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	FOS		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	5.20	Previous Target (Eu):	5.00
Current Price (Eu):	3.20	Previous Price (Eu):	4.07
Date of report:	11/04/2022	Date of last report:	26/10/2021

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- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price/sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

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- BUY: stock expected to outperform the market by over 25% over a 12 month period;
- OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
- NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;
- UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
- SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	16,67 %
OUTPERFORM:	55,88 %
NEUTRAL:	23,53 %
UNDERPERFORM	03,92 %
SELL:	00,00 %

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BUY:	33,96 %
OUTPERFORM:	49,06 %
NEUTRAL:	16,98 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

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