

A strong portfolio of proprietary solutions

ADD | Fair Value: €5.10 (€5.05) | Current Price: €3.47 | Upside: 47%

€ Million	FY17PF	FY18PF	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Total Revenues	14.5	16.6	17.0	17.9	21.5	27.7	32.7	38.5	44.6
EBITDA	2.1	3.6	3.8	3.4	5.0	6.6	8.3	10.2	11.8
margin	14.3%	22.0%	22.2%	19.0%	23.4%	23.9%	25.4%	26.5%	26.5%
Net Profit	0.9	2.0	2.0	1.0	2.5	2.1	3.2	4.5	5.6
margin	6.5%	12.2%	11.6%	5.7%	11.6%	7.7%	9.8%	11.7%	12.6%
EPS	n.m.	n.m.	0.22	0.11	0.22	0.18	0.27	0.37	0.47
NFP / (Cash)	4.5	3.0	4.4	7.0	4.9	3.9	1.1	(3.0)	(8.1)

Source: Company data, KT&Partners' elaboration

Good stock performance. In 2021 Maps' shares grew to €3.93 from €2.27 denoting a strong interest from the investors. Furthermore, during 2021, Maps raised ca. €2.8mn through warrant exercise with the fund Eiffel investment reaching a stake of over 10%.

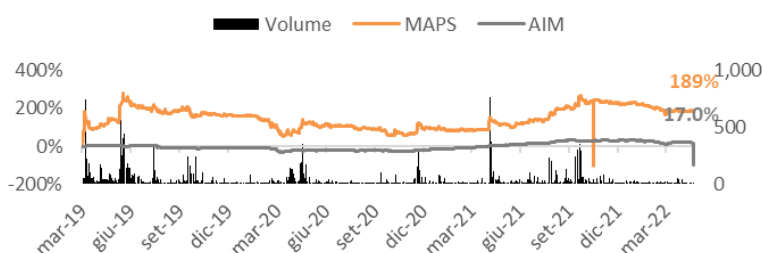
FY21 Results. In FY21 Maps strongly grew on its proprietary solutions reaching €15.2mn (+69% YoY and 72% of Sales revenues) and in turn on subscription (+49% YoY) reaching €7.2mn, in line with the company strategy of offering its solutions to the market. Total revenues reached €21.5mn, growing by 20% YoY (-10% with respect to our estimates). Healthcare has been the business line which mostly contributed to Maps revenue, growing by 59% YoY also thanks the contribution of SCS Computers (acquired in 2020) and IASI (acquired in 2021). Furthermore, ESG (ex Gzoom) almost doubled its revenues (ca. +70% YoY). Looking at profitability, thanks to the growth of proprietary solutions and recurring fee, FY21 EBITDA reached €5.0mn (+48% YoY) with an EBITDA margin of 23.4% (+4.4pp YoY and -2pp when compared to our estimates). On the bottom line, also thanks to tax benefits, Net Income more than doubled to €2.5mn (vs €1.0 of FY20). Following the great profitability and warrant exercises, Maps NFP enhanced to €4.9mn (vs €7.0mn in FY20).

M&A to foster proprietary solution offer. In April 2022 Maps acquired the 70% of I-Tel to strengthen group proprietary solution offer. I-Tel offers a proprietary platform dedicated to the communication and reception for public and private institution with a focus on healthcare sector. I-Tel registered in 2020 €2.3mn of revenues, €0.9mn of EBITDA adj. and an almost nil NFP. The total deal value is equal to €4.1mn of which €2.9mn paid in cash and the remaining through Maps shares valued at €5.05.

Estimates update. We adjusted our forecast considering: i) FY21 results (below our estimates); ii) the company aim of focusing on proprietary solutions (expected to result in a lower contribution from Large Enterprise BU) and; iii) I-Tel acquisition. We reduced our top line 2021-24 CAGR by 6.5pp (from 27.9% to 21.4%) and we reduced FY22E EBITDA margin (from 25.3% to 23.9%) to factor in the lower-than-expected FY21 result. Starting from 2023 we expect a rise in EBITDA margin, reaching 26.5% in 2024, in line with our previous estimates despite the lower level of revenues thanks to the expected higher contribution of proprietary solutions.

Valuation. We updated our valuation, based on both DCF and Multiples, leading to a fair value of €5.10ps (or €59.4mn), with an upside of 47% on current price of €3.47ps.

Relative Performance Chart – Since IPO



Source: FactSet, KT&Partners' elaboration

Research Update

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Market Data:

Main Shareholders	
Founders	54.6%
Eiffel Investment	11.0%
Mkt Cap (€ mn)	
	44.9
EV (€ mn)	
	51.9
Shares out.	
	11.4
Free Float	
	34.4%

Market multiples	2021	2022	2023
EV/EBITDA			
Maps S.p.A.	8.9x	6.8x	5.4x
Comps median	13.6x	11.6x	10.2x
Maps S.p.A. vs Median	-34%	-42%	-47%
P/E			
Maps S.p.A.	18.0x	21.7x	14.5x
Comps median	26.8x	19.8x	17.2x
Maps S.p.A. vs Median	-33%	9%	-16%

Stock Data:

52 Wk High (€)	4.63
52 Wk Low (€)	2.40
Avg. Daily Trading 90d	10,502
Price Change 1w (%)	0.87
Price Change 1m (%)	-1.42
Price Change YTD (%)	-11.70

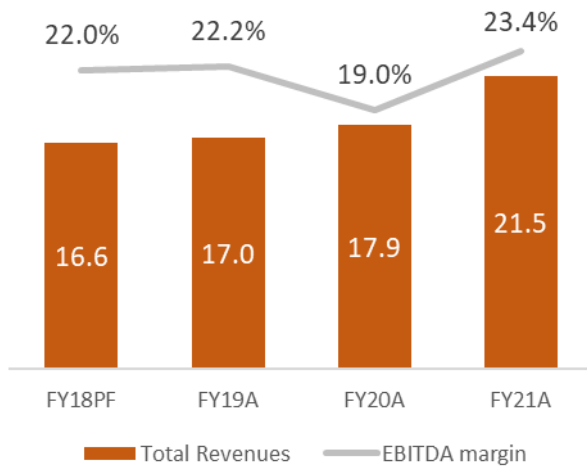
Key Figures – Maps S.p.A.

	Current price (€)	Fair Value (€)	Sector							Free Float (%)
	3.47	5.10	Information Technologies							32.4%
Per Share Data	2017A	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E	
Total shares outstanding (mn)	n.m.	n.m.	9.13	9.64	11.43	11.66	11.66	11.66	11.66	
EPS	n.m.	n.m.	0.22	0.11	0.22	0.18	0.27	0.37	0.47	
Dividend per share (ord)	n.a.	n.a.	-	-	-	-	-	-	-	
Dividend payout ratio (%)	n.a.	n.a.	0%	0%	0%	0%	0%	0%	0%	
Profit and Loss (EUR thousand)										
Revenues	14.5	16.6	17.0	17.9	21.5	27.7	32.7	38.5	44.6	
EBITDA	2.1	3.6	3.8	3.4	5.0	6.6	8.3	10.2	11.8	
EBIT	1.5	3.2	2.0	1.1	2.4	3.2	4.7	6.4	7.9	
EBT	1.3	2.8	2.5	1.2	2.1	2.9	4.4	6.2	7.7	
Taxes	(0.3)	(0.8)	(0.5)	(0.2)	0.4	(0.8)	(1.2)	(1.7)	(2.1)	
Tax rate	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	
Net Income	0.9	2.0	2.0	1.0	2.5	2.1	3.2	4.5	5.6	
Balance Sheet (EUR thousand)										
Total fixed assets	6.7	7.2	10.3	15.9	18.9	20.3	19.0	17.4	15.7	
Net Working Capital (NWC)	3.4	3.2	7.0	7.0	9.8	11.4	13.5	15.8	18.3	
Provisions	(2.5)	(2.9)	(3.5)	(4.6)	(5.7)	(6.0)	(6.3)	(6.6)	(6.9)	
Total Net capital employed	7.6	7.6	13.8	18.2	23.0	25.8	26.2	26.6	27.1	
Net financial position/(Cash)	4.5	3.0	4.4	7.0	4.9	3.9	1.1	(3.0)	(8.1)	
Total Shareholder's Equity	3.2	4.6	9.4	11.2	18.1	21.8	25.0	29.5	35.2	
Cash Flow (EUR thousand)										
Operating Cash Flow	-	3.1	(0.5)	3.3	2.6	4.2	5.1	6.3	7.2	
Change in NWC	-	0.2	(3.7)	0.0	(2.8)	(1.7)	(2.1)	(2.3)	(2.6)	
Capital expenditure	-	(1.1)	(2.7)	(6.1)	(5.6)	(4.9)	(2.3)	(2.2)	(2.2)	
Other cash items/Uses of funds	-	0.6	0.6	1.2	1.1	0.3	0.3	0.3	0.3	
Free cash flow	-	2.5	(2.6)	(1.7)	(1.9)	(0.4)	3.1	4.4	5.3	
Enterprise Value (EUR thousand)										
Market Cap	n.a.	n.a.	28.6	21.9	44.9	40.5	40.5	40.5	40.5	
Minorities	-	-	-	-	-	0.5	0.6	0.8	1.0	
Net financial position/(Cash)	4.5	3.0	4.4	7.0	4.9	3.9	1.1	(3.0)	(8.1)	
Enterprise value	n.a.	n.a.	33.0	28.9	49.8	44.9	42.2	38.2	33.3	
Ratios (%)										
EBITDA margin	14.3%	22.0%	22.2%	19.0%	23.4%	23.9%	25.4%	26.5%	26.5%	
EBIT margin	10.4%	19.2%	12.0%	6.3%	11.3%	11.5%	14.3%	16.7%	17.7%	
Gearing - Debt/equity	142.5%	65.1%	47.4%	62.6%	27.1%	18.5%	4.7%	-10.3%	-23.6%	
Interest cover on EBIT	4.1%	2.1%	-27.1%	-29.1%	6.3%	8.3%	5.7%	3.6%	2.4%	
NFP/EBITDA	216.8%	82.1%	117.3%	205.8%	97.6%	59.5%	13.8%	-29.1%	-68.2%	
ROCE	19.7%	42.0%	14.8%	6.2%	10.6%	12.4%	17.8%	24.2%	29.1%	
ROE	30.1%	44.1%	21.0%	9.1%	13.8%	9.7%	12.7%	15.1%	15.9%	
EV/Sales	n.m.	n.m.	2.64	2.50	2.09	1.62	1.37	1.17	1.01	
EV/EBITDA	n.m.	n.m.	11.85	13.19	8.93	6.77	5.40	4.40	3.79	
P/E	n.m.	n.m.	22.79	44.26	18.04	21.73	14.49	10.31	8.28	
Free cash flow yield	n.m.	n.m.	-6%	-4%	-4%	-1%	7%	10%	12%	
Growth Rates (%)										
Sales	17.9%	14.2%	2.8%	5.3%	20.1%	28.9%	18.0%	17.6%	15.9%	
EBITDA	11.8%	75.6%	4.1%	-10.1%	47.7%	32.0%	25.4%	22.8%	15.8%	
EBIT	-4.8%	111.5%	-35.8%	-44.6%	115.1%	31.5%	45.8%	37.5%	23.0%	
Net Income	-3.6%	113.4%	-2.7%	-48.5%	145.3%	-17.0%	50.0%	40.6%	24.5%	

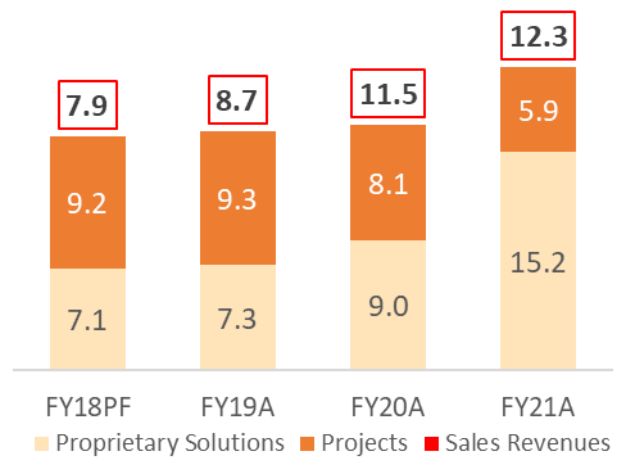
Source: Company data, KT&Partners' elaboration

Key charts

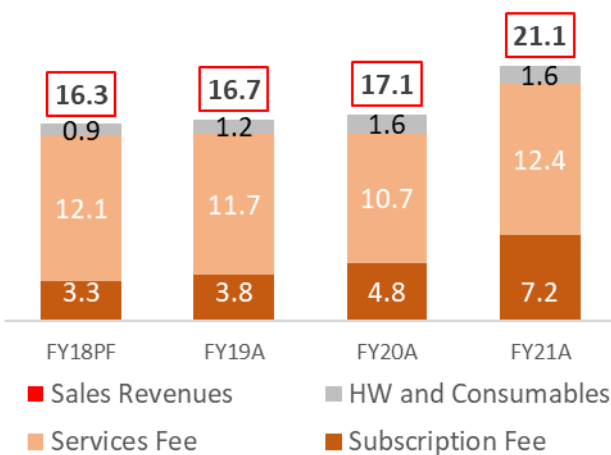
Revenues and EBITDA margin (€mn; %)



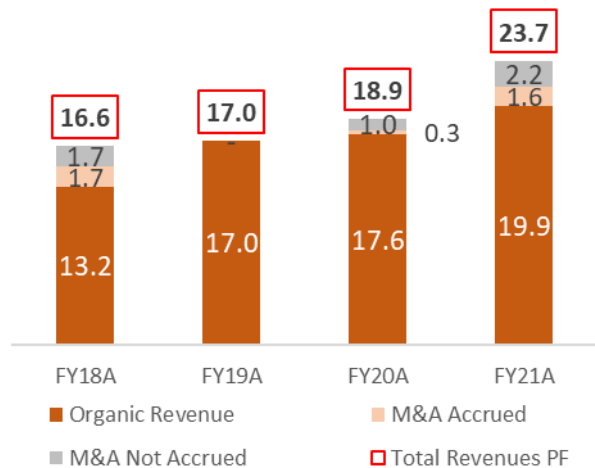
Revenues by Offer (€mn)



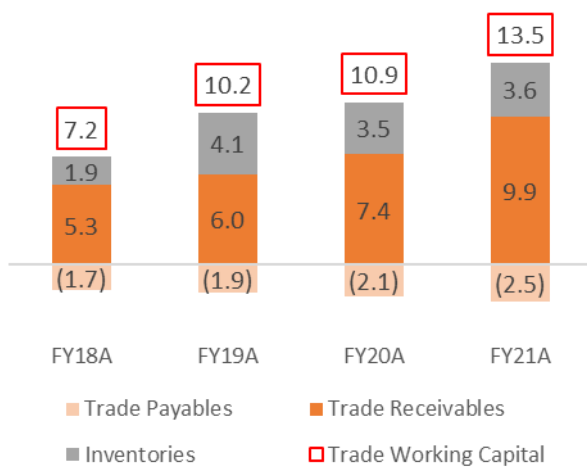
Revenues by Revenue Model (€mn)



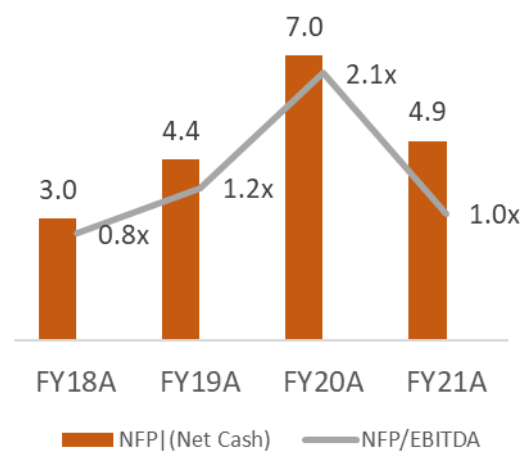
M&A Revenue Contribution* (€mn)



Trade Working Capital (€mn)



NFP and Free Cash Flow (€mn)



Note: M&A revenues based on company data and KT&Partners elaborations

Company Overview

Company description

Maps is one of the main Italian digital transformation enablers focused on extracting value for its clients from data. The Group serves its clients by offering its software development services, to Large Enterprise, and its proprietary solutions surfing the digitalization trend **healthcare sector, energy sector** and the trend of **ESG** accountability. Thanks to the contribution of proprietary solutions (72% of FY21 sales +19pp YoY), the company enjoys a high level of recurring revenue from subscription (33% of FY21 sales, +6pp YoY) both contributing to strengthen Group profitability. Furthermore, the company is characterized by strong client retention: clients active in 2021 generated the 92% of the cumulated 2016-2021 revenues.

On 7th March 2019, Maps went public on the AIM Italia Market (now Euronext Growth Milan), raising €3.5mn. The company listed with a stock price of €1.63ps (€1.90 cum warrant) and is now trading at €3.47ps.

The Company's strategy is based on both organic and external growth. **Maps' organic strategy** is focused on: i) proprietary solutions growth; ii) end-sectors focalization covering Healthcare sector, Large Enterprise, Public Administration and aiming at increasing company's presence in the Energy sector. Looking at **external growth**, the group intends to acquire companies to enter new markets, strengthen its proprietary solution portfolio and to exploit cross-selling synergies, as happened with the acquisition of IASI and SCS Computers.

Investment case

- **Data Driven Value Creation.** Maps leveraging on its proprietary solutions supports its clients in extracting value from raw data and heading them towards a data-driven decision-making approach. The development of proprietary solutions (72% of FY21 revenues) also bring value to Maps' shareholders since the company creates a solid base of recurring revenues from subscription fees (33% of FY21 Revenues).
- **Great Market Positioning.** Traditional economic sectors have incurred significant disruption in the face of competitors with data-driven models. According to a McKinsey analysis, implementing a data-driven strategy creates significant value in terms of top-line growth (improving customer-facing activities), cost reduction (optimizing internal processes) or implementing completely new business models (expanding company portfolio offering).
- **Digital Transformation Wave.** Digital transformation is a key trend both in public and private sectors and has been furtherly accelerated by COVID-19 outbreak. Maps is well positioned to exploit the market demand for digital transformation especially in the healthcare, energy and in the public administration sector.
- **M&As and synergies opportunities.** The company closed several deals in the last years accelerating its growth and entering new business areas. The integration of the acquired company allowed to exploit synergies on both revenues and operations.

Business developments

- During 2021 new agreement with: European Food Safety Authority (EFSA) for (ca. €800k in four years); Emilia-Romagna for the delivery of healthcare services (€400k in five-years).
- During 2020 the group underwent important people and commercial investments to strengthen the company structure and the go-to-market activities.
- Three-year agreement signed in December 2020 with Provincia di Bolzano for a total of ca. €400k related to Gzoom Business Unit.

- In 1Q20: new deal with Emilia Romagna for the supply of healthcare service (maximum of €5.5mn in 3-years); Renewal with Philip Morris for additional €180k; New partnership with Circle offering Maps' proprietary solutions to the logistic sector.
- Agreement with Engineering to keep developing Gzoom for Regione Puglia (€190k two-years project) in May 2019;

M&As

- On **July 2021** Maps closed the **100% acquisition of IASI**, a company specialized in software development, mainly for clinical area and HR, for both public and private sectors. In FY20 IASI registered €3.2mn of revenues, high recurring fees (ca. 50%) and an EBITDA margin adj. of 28%. The deal value was €5.2mn of which €4.3mn paid in cash (€1.5mn due in 2024) and the remaining through Maps' shares valued at €4.36ps (+60% on Maps stock price prior M&A announcement). The acquisition strengthens groups' healthcare offer with two new solutions: SISWeb (an information system for customer care in healthcare organization, strongly synergic with Maps' Patient Journey solutions) and IASI Human Resource (a suite for HR management), increasing the opportunities of being the principal vendors for hospital.
- Increased participation in **Maps Healthcare from 92% to 100% in July 2021** for €1.35mn (€600k paid in cash and the remaining through Maps shares valued at €4.36ps). The 100% ownership of MH allows full governance of the group's healthcare subsidiaries – MH, Artexe SpA and Micuro Srl – and greater company flexibility, strategy effectiveness and efficiency. The deal also guarantees to keep involved Fabrizio Biotti and Mauro Max di Maulo, today both Maps shareholders and Artexe managers.
- **SCS Computers 100% acquisition** for €4.1mn, i.e. 6.1x EV/EBITDA (€2.5mn paid at the closing and €1.5mn due in 2025) in **October 2020**. SCS, a healthcare software house offering proprietary solution mainly to laboratories, reached in FY19 €1.6mn of revenues (€0.3mn contributed to Maps FY20 results), high recurring fees (>70%) and an EBITDA margin of 34%. The acquisition creates notable synergies in terms of cross-selling of Maps and SCS solutions.
- Micuro start-up was founded (participated at 70%) to enter insurtech for healthcare business area.
- In June 2020 Increased participation in Maps Healthcare from 70% to 92% to boosts Maps presence in the healthcare market
- Royalty 54% acquisition reaching 100% (for €300k) to enter the customer experience business area in June 2019. In FY18 Royalty registered €0.4mn of revenues (80% recurring), with ca. 21% EBITDA margin.
- Artexe 100% acquisition in July 2018 to expand group's portfolio with solutions in healthcare patient journey. In 2018 Artexe registered total revenues of €3.4mn.

FY21 Financial Results

FY21 confirmed the interest of both private companies and public administration toward digital transformation. Indeed, Maps kept growing on its proprietary solutions reaching €15.2mn of Sales Revenues (+69% YoY) contributing for 72% to Group Sales revenues (vs 53% of FY20), in line with company strategy based on offering to the market innovative solutions.

The growth of proprietary solutions driven the growth of subscription fees up to +49% YoY reaching €7.2mn and 33% of FY21 Sales Revenues vs 27% of FY20 (even though ca. €1mn lower than our estimates). Service fee instead reached €12.4mn (+16% YoY and 10% below our estimates).

As a result, Total Revenues grew by 20% reaching €21.5mn, 10% below our estimates due to i) mainly a lower focus on revenues from projects; and ii) operating bottlenecks which slowed down order deliveries. To overcome these bottlenecks the company is working on strengthening its structure in terms of people and organization.

In FY21 Healthcare became the first business line in terms of total revenues reaching €11.8mn (55% of total revenues), also thanks to IASI acquisition in 2021 (5 months contribution) and the full year contribution of SCS (acquired at the end of 2020). ESG BU (ex Gzoom) almost doubled its total revenues reaching €1.8mn (vs €1.0mn) – also thanks IASI contribution - despite being partially slowed down by a PA which - despite its interest on acquiring digital transformation solutions - is not 100% able to manage the implementation. On the other hand, Large Enterprise - mostly related to projects (and not to proprietary solutions) - decreased to €8.0mn (from €9.5mn of FY20).

We note that in the last two years Maps - to foster growth - acquired two companies which brings their proprietary solutions (mainly related to healthcare sector) to group portfolio and therefore strongly supported the subscription revenue growth:

- IASI in July 2021. The company - which registered €3.2mn of revenues in 2020 with €900k of EBITDA - offers two main solutions: i) SISWeb, an information system for the reception and care delivery of healthcare organizations, strongly synergic with Maps' patient journey solution; ii) IASI Human Resource, a suite which supports the management of Human resources. IASI contributed for 5 months on Maps FY21 results.
- SCS computers in 2020. SCS registered €1.6mn of revenues in FY19 and mainly offer its solutions two clinical laboratories, representing an entry option for Maps solutions on this market. SCS fully contributed to FY21 Maps revenues while for €300k on FY20 revenues.

Gross Profit stood at €10.4mn, up by +32% YoY (9% below our estimates due to a lower level of revenues), reaching a strong 48.5% Gross margin (+4.2pp YoY and in line with respect to our estimates), thanks to: i) the growth of proprietary solutions; ii) higher contribution from recurring revenues and; iii) to some non-recurring items (occurred in 1H21).

Commercial and General and Administrative costs came in line with our estimates, at €2.3mn and €3.1mn, respectively.

Following the increase in Gross Margin, EBITDA profitability increased by 4.4pp to 23.4% (vs 25.3% of our estimates) resulting in €5.0mn EBITDA (+34% YoY).

FY21 Net income reached €2.5mn, more than 2x with respect to FY20 results, also benefitting from a tax shield related to revaluation of assets in accordance with D.L. 104/2020 of ca. €0.5mn.

Looking at the Balance Sheet, despite IASI acquisition, the company enjoyed an improvement of €3.3mn of net financial position, going from €7.0mn of FY20 to €4.9mn of FY21. The result is driven by i) the great company profitability and ii) the cash-in coming from warrant exercise in June and in October 2021 (€2.8mn).

FY21 Income Statement

€ million	FY18PF	FY19A	FY20A	FY21A	YoY	FY21E	A vs E
Subscription Fee	3.3	3.8	4.8	7.2	49%	8.3	-14%
Services Fee	12.1	11.7	10.7	12.4	16%	13.8	-10%
Other Revenues	0.9	1.2	1.6	1.6	-2%	1.3	22%
Sales Revenues	16.3	16.7	17.1	21.1	24%	23.4	-10%
<i>Growth %</i>	14.1%	2.4%	2.6%	23.6%		40.6%	
Other revenues	0.3	0.4	0.8	0.4		0.5	
Total Revenues	16.6	17.0	17.9	21.5	20%	23.9	-10%
<i>Growth %</i>	14.2%	2.8%	5.3%	20.1%		40.2%	
Direct Labour Costs	(6.7)	(7.0)	(7.0)	(8.1)		(9.1)	
Direct Services Costs	(2.7)	(2.6)	(3.0)	(3.0)		(3.2)	
Gross Profit	7.2	7.4	7.9	10.4	32%	11.5	-9%
<i>Gross Margin</i>	43.4%	43.7%	44.3%	48.5%		48.3%	
Commercial Costs	(1.3)	(1.5)	(2.0)	(2.3)		(2.5)	
General and Administrative Costs	(2.2)	(2.1)	(2.6)	(3.1)		(3.0)	
EBITDA	3.6	3.8	3.4	5.0	48%	6.1	-17%
<i>EBITDA margin</i>	22.0%	22.2%	19.0%	23.4%		25.3%	
<i>Growth %</i>	75.6%	4.1%	-10.1%	47.7%		59.7%	
D&A and Provisions	(0.5)	(1.7)	(2.3)	(2.6)		(3.0)	
EBIT	3.2	2.0	1.1	2.4	115%	3.1	-21%
<i>EBIT margin</i>	19.2%	12.0%	6.3%	11.3%		12.8%	
<i>Growth %</i>	111.5%	-35.8%	-44.6%	115.1%		50.2%	
Financial Income and Expenses	(0.1)	0.6	0.3	(0.2)		(0.3)	
Extraordinary items	(0.3)	(0.1)	(0.3)	(0.2)		-	
EBT	2.8	2.5	1.2	2.1	76%	2.8	-25%
Taxes	(0.8)	(0.5)	(0.2)	0.4		(0.3)	
<i>Tax Rate</i>	27.7%	21.3%	13.0%	-21.0%		11.0%	
Net Income	2.0	2.0	1.0	2.5	145%	2.5	1%
<i>Net margin</i>	12.2%	11.6%	5.7%	11.6%		10.3%	
<i>Growth %</i>	113.4%	-2.7%	-48.5%	145.3%		24.5%	
NFP	3.0	4.4	7.0	4.9		6.9	-29%

Source: Company data

Change in Estimates

Following FY21 results (slightly below our estimates) - and recent developments - new signed contracts and I-Tel acquisition - we updated our financial projections.

Looking at new clients, on November 2021 the group signed a 5-year agreement with ASST Niguarda Hospital offering a platform – composed by both hardware and software - dedicated to the patient reception. The agreement - based on a joint offer with two other companies – has a value of €575k and up to a maximum of €1.9mn if other healthcare organizations of Milan Province (ASST or Foundation) join the service. Furthermore, IASI also signed an agreement with ASL Pescara for the management of the radiology information system.

The group also expanded its collaboration with IREN by signing a new agreement for the development of a predictive maintenance software platform for the low and medium voltage electric network. The 4-year project, that is being developed with the company Enterprise Services Italia, has a total value of €2.2mn of which ca. 35% goes to Maps.

Looking at external growth, in April 2022 Maps aimed at strengthening its proprietary solution offer through the acquisition of the 70% of Informatica e Telecomunicazioni Srl (I-Tel). The company - through its proprietary platform – offers communication and multichannel reception services (such as telemedicine, contact centers or virtual assistants) to private and public sector, with a strong focus on healthcare institutions, being synergic with Maps solutions. In 2021 I-Tel registered revenues for €2.26mn, an EBITDA adj. of €836k and a NFP of €32k. The total deal value is equal to €4.1mn (EV/EBITDA of 7x) and will be paid in cash (€2.9mn) and through Maps shares valued at €5.05ps (+45% on Maps share price prior the announcement and in line with our previous fair value).

We updated our Top Line results by mainly factoring in: i) the lower than expected FY21 revenues (-10%); ii) a downside review of Large Enterprise estimates, following the company strategy which focus on proprietary solutions rather than on projects; iii) the expected contribution of I-Tel (9 months on FY22). As a result, we expect FY22 total revenues of €27.7mn and at €38.5mn in FY24, resulting in a CAGR 21-24 of 21.4% (vs our previous 27.9%).

Looking at profitability we revised downward FY22 EBITDA margin to factor in the lower-than-expected FY21 result and the expected investment also related to M&A integration. On the other hand, we expect a rise in profitability in 2023 and 2024, reaching a 26.5% margin in 2024, in line with previous forecast - despite the lower level of revenues - thanks to the higher expected contribution from proprietary solutions.

The key points of our estimates are as follows:

- FY22 revenues at €27.7mn, reaching €38.5 in 2024 (CAGR 2021–24 of 21%)
- FY22 EBITDA at €6.6mn, reaching €10.2 in 2024 (CAGR 2021–24 of 27%)
- FY22 net income at €2.1mn, reaching €4.5 in 2024 (CAGR 2021–24 of 38%)
- FY22 NFP at €3.9mn, reaching a net cash position of €3.0mn in 2024.

Change in Estimates

€ million	2020A	2021A	YoY	2022E	2022E	Change	2023E	2023E	Change	2024E	2024E	Change
				Old	New		Old	New		Old	New	
Total Revenues	17.9	21.5	20.1%	31.5	27.7	-12.1%	37.7	32.7	-13.2%	45.0	38.5	-14.5%
YoY Change (%)	5.3%	20.1%		46.5%	28.8%		19.6%	18.1%		19.4%	17.6%	
EBITDA	3.4	5.0	47.7%	8.0	6.6	-16.7%	9.7	8.3	-14.5%	11.9	10.2	-14.3%
YoY Change (%)	-6.4%	47.7%		58.4%	32.0%		22.1%	25.4%		22.6%	22.8%	
EBITDA margin%	19.0%	23.4%		25.3%	23.9%		25.8%	25.4%		26.5%	26.5%	
EBIT	1.1	2.4	115.1%	4.0	3.2	-20.6%	6.3	4.7	-25.5%	8.5	6.4	-24.2%
YoY Change (%)	-64.4%	115.1%		65.6%	31.5%		55.5%	45.8%		35.0%	37.5%	
EBIT margin%	6.3%	11.3%		12.8%	11.5%		16.6%	14.3%		18.8%	16.7%	
Net Income	1.0	2.5	145.3%	2.8	2.1	-23.3%	4.4	3.2	-27.4%	6.1	4.5	-25.4%
YoY Change (%)	-49.9%	145.3%		12.2%	-13.9%		58.5%	50.0%		36.8%	40.6%	
Net margin%	5.7%	11.6%		8.8%	7.7%		11.7%	9.8%		13.4%	11.7%	
NFP/(Cash)	7.0	4.9	2.6	4.3	3.9	(0.4)	1.0	1.1	0.1	(3.4)	(3.0)	0.4
YoY Change (€mn)	2.6	(2.1)		(0.6)	(1.0)		(2.9)	(2.8)		(4.5)	(4.1)	

Source: FactSet, KT&Partners' elaboration

Valuation

Following the projections of Maps' future financials, we carried out the valuations of the company by applying two major methods: i) the market multiples analysis based on EV/EBITDA and P/E, and ii) the DCF model.

The average of the three different valuation methods returns an equity value equal to €59.4mn, or €5.10 per share.

Valuation Recap

	Equity Value €mn	Value per share €
EV/EBITDA	69.1	5.92
P/E	49.7	4.26
Average - Multiples	59.4	5.09
DCF	59.4	5.10
Average - btw method	59.4	5.10

Source: FactSet, KT&Partners' elaboration

Market Multiples Valuation

Following Maps FY21 results, we updated our panel of comparable, to factor in the strong positioning of Maps on proprietary solutions (72% of FY21 Revenues). For market multiple analysis we focused on 2022–24 data.

Peer Comparison – Market Multiples

Company Name	Exchange	Market Cap	EV/SALES	EV/SALES	EV/SALES	EV/EBITDA	EV/EBITDA	EV/EBITDA	EV/EBIT	EV/EBIT	EV/EBIT	P/E	P/E	P/E
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
GPI SpA	Milan	241	1.1x	1.1x	1.0x	7.3x	6.7x	6.2x	15.0x	15.0x	15.0x	14.1x	12.1x	11.8x
Expert.ai S.p.A.	Milan	66	1.4x	1.0x	0.8x	n.m.	13.4x	3.7x	n.m.	n.m.	n.m.	n.m.	n.m.	41.1x
Software AG	XETRA	2,242	2.1x	2.0x	1.8x	9.6x	8.0x	6.7x	14.4x	14.4x	14.4x	18.4x	15.0x	12.7x
Doxee S.p.A.	Milan	99	3.5x	3.1x	2.7x	16.9x	11.0x	8.4x	n.m.	n.m.	n.m.	n.m.	27.2x	17.6x
D4t4 Solutions plc	London	121	3.2x	2.9x	n.a.	17.0x	n.a.	n.a.	28.5x	28.5x	28.5x	26.9x	19.5x	n.a.
PITECO SpA	Milan	190	5.4x	5.0x	4.6x	11.6x	10.2x	9.3x	18.3x	18.3x	18.3x	18.2x	16.1x	14.4x
Digital Value SpA	Milan	798	1.1x	0.9x	0.8x	10.8x	9.1x	7.8x	17.2x	17.2x	17.2x	21.3x	17.2x	14.2x
Average peer group		586	2.8x	2.5x	2.1x	13.2x	10.4x	7.2x	19.6x	19.6x	19.6x	21.2x	19.0x	20.0x
Median peer group		156	2.7x	2.4x	1.8x	11.6x	10.2x	7.8x	17.8x	17.8x	17.8x	19.8x	17.2x	14.4x
Maps S.p.A.	Milan	39	1.5x	1.2x	1.1x	6.1x	4.9x	4.0x	12.7x	8.7x	6.3x	19.6x	13.0x	9.3x

Source: FactSet, KT&Partners' elaboration

We included in our relative valuation a size discount of 10%, and our estimates of Maps' EBITDA and net income for 2022-2024 period. We also consider a NFP adjusted for the part paid in cash for I-Tel acquisition.

Multiple Valuation – EV/EBITDA and P/E

Multiple Valuation (€mn)	2022E	2023E	2024E	Multiple Valuation (€mn)	2022E	2023E	2024E
EV/EBITDA Comps	11.6x	10.2x	7.8x	P/E Comps	19.8x	17.2x	14.4x
Maps EBITDA	6.6	8.3	10.2	Maps Net Income	2.1	3.1	4.4
Enterprise value	76.8	85.0	79.7	Equity Value	41.0	53.2	62.6
Maps 2021 NFP adj.	7.8	7.8	7.8	Average Equity Value		52.3	
Equity Value	69.0	77.2	71.9	Size Discount		5%	
Average Equity Value		72.7		Equity Value Post-Discount		49.7	
Size Discount		5%		Number of shares (mn)		11.7	
Equity Value Post-Discount		69.1		Value per Share €		4.26	
Number of shares (mn)		11.7					
Value per Share €		5.92					

Source: FactSet, KT&Partners' elaboration

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 9.6% cost of equity, 4.6% cost of debt, and a target capital structure with 15% of debt. The cost of equity is a function of the risk-free rate of 2.3% (Italian 10y BTP), 4.61% mature market expected return and a premium for size and liquidity of 3.1%. **We, therefore, obtained 8.8% WACC.**

We discounted 2022E–25E annual cash flow and considered a terminal growth rate of 1.5%.

Then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation

€ million	2022E	2023E	2024E	2025E
EBIT	3.2	4.7	6.4	7.9
Taxes	(0.8)	(1.2)	(1.7)	(2.1)
D&A	3.4	3.7	3.8	3.9
Change in Net Working Capital	(1.7)	(2.1)	(2.3)	(2.6)
Change in Funds	0.3	0.3	0.3	0.3
Net Operating Cash Flow	4.5	5.4	6.6	7.5
Capex	(3.7)	(2.3)	(2.2)	(2.2)
FCFO	0.8	3.1	4.4	5.3
g	1.5%			
Wacc	8.8%			
FCFO (discounted)	0.8	2.7	3.5	3.9
Discounted Cumulated FCFO	10.8			
TV	73.1			
TV (discounted)	53.6			
Enterprise Value	64.3			
NFP FY21	4.9			
Equity Value	59.4			
# shares (mn)	11.7			
Value per share (€)	5.10			

Source: Company data, KT&Partners' elaboration

Sensitivity Analysis (€mn)

		WACC				
		9.3%	9.0%	8.8%	8.5%	8.3%
Terminal growth Rate	1.0%	51.9	53.8	55.8	57.9	60.2
	1.2%	53.4	55.4	57.5	59.8	62.3
	1.5%	55.1	57.2	59.4	61.9	64.5
	1.7%	56.8	59.1	61.5	64.1	66.8
	2.0%	58.7	61.1	63.6	66.4	69.4

Source: Company data, KT&Partners' elaboration

Appendix

Peer Comparison

We carried out an in-depth analysis of potential public companies that could be considered as peers of Maps, taking into account its software development business and its digital transformation services.

We built a seven-company sample, consisting of:

- **GPI SpA:** listed on Borsa Italiana with a market capitalization of ca. €240mn. GPI provides IT management and consulting services focusing on the health and social assistance sectors. It registered €268mn in revenues in 2020.
- **Expert.ai SpA:** listed on Borsa Italiana with a market capitalization of ca. €66mn. Expert System engages in the development of semantic technology, providing solutions for online activities. In 2020, Expert reached revenues of €28mn.
- **Software AG:** listed on XETRA (Frankfurt, Germany) with a market capitalization of ca. €2.2bn. Software AG engages in the development and provision of technology solutions for digitalization. It reached revenues of €834mn in 2021.
- **Doxee SpA:** listed on the Borsa Italiana stock exchange with a market capitalization of €99mn, Doxee offer digital transformation solutions through its Doxee Platform. Its offer includes Document Experience (digitalization of Customer Communication Management), Paperless Experience (focused on reg-tech market) and Interactive Experience (set up personalized and interactive communications). In FY21, Maps reached €21mn of revenues.
- **D4t4 Solutions Plc (D4T4-GB):** listed on London Stock Exchange with a market capitalization of €121mn, D4t4 Solutions Plc provides data solutions through its Celebrus suite of products and services. It operates through the Product-Own IP, Product-3rd Party, Delivery Services and Support & Maintenance segments. The Product-Own IP segment creates, author, markets and sell a software product, Celebrus, focused on the capture of customer data from all digital channels. The Product-3rd Party segment delivers data management using public and private cloud infrastructure. The Support & Maintenance segment consists of hosting, support services and maintenance. In FY20, the company reached €26mn.
- **Piteco (PITE-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €190mn, Piteco provides proprietary software for treasury, finance, and financial planning management. It focuses on large and mid-sized enterprises operating in all industries, except for public administration. It operates through the following segments: Corporate Treasury and Financial Planning, Digital Payments and Clearing House, and IT solutions for Risk Management. In FY21, Piteco reached €37mn of revenues.
- **Digital Value S.p.A (DGV-IT):** listed on the Borsa Italiana stock exchange with a market capitalization of €798mn, Digital Value is an Information Technology solutions provider. The group supports the digital transformation of its customers through an offer of customized solutions and services. It offers data center and hybrid cloud computing, networking and intelligence networks, infrastructural enterprise software, information and communication technology security and cyber security, and digital business transformation. In FY21, Digital Value revenues amounted to €556mn.

We analyzed the peer companies by considering their marginalities at EBITDA and net income level.

Peers have a level of marginality that is in line Maps' 2021 results: the average EBITDA margin in 2021 recorded by peers was 22.5%, whereas Maps' margin registered in the same period was 23.4%. At net income level, the peers' average net margin was equal to 13.5%, in line with Maps' results.

Peers Comparison – EBITDA Margin and Net Margin

Company Name	EBITDA Margin						Net Margin					
	2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023
Expert.ai S.p.A.	11.5%	12.6%	neg	neg	neg	11.2%	neg	neg	neg	neg	neg	neg
Software AG	29.2%	28.9%	21.4%	18.6%	22.3%	24.5%	19.0%	17.4%	11.5%	10.1%	11.7%	13.7%
Doxee S.p.A.	19.1%	29.5%	23.1%	21.6%	20.9%	27.7%	4.4%	11.0%	9.2%	6.5%	4.9%	10.8%
D4t4 Solutions plc	24.2%	23.8%	19.6%	14.8%	18.9%	n.m.	23.1%	20.4%	12.1%	n.m.	n.m.	n.m.
PITECO SpA	34.3%	43.3%	32.3%	47.6%	46.3%	48.6%	27.2%	13.2%	30.2%	32.1%	25.9%	26.9%
Digital Value SpA	8.1%	8.8%	10.1%	10.2%	10.2%	10.4%	5.0%	5.2%	5.5%	5.4%	5.5%	5.8%
Average	21.1%	24.5%	21.3%	22.5%	23.7%	24.5%	15.7%	13.5%	13.7%	13.5%	12.0%	14.3%
MAPS	22.0%	22.2%	19.0%	23.4%	23.9%	25.4%	12.2%	11.6%	5.7%	11.6%	7.5%	9.5%

Source: Company data, KT&Partners' elaboration

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