

Airtime Partecipazioni	<i>Italy</i>	<i>Euronext Growth Paris</i>	<i>TLC & Services</i>
Rating: BUY	Target Price: € 45,30	Initiation of Coverage	Risk: Medium

Stock performance	1M	3M	6M	1Y
absolute	-12,50%	-49,60%	-35,38%	N/A
to FTSE Italia Growth	-3,67%	-38,32%	-19,31%	N/A
to Euronext STAR Milan	-1,73%	-34,10%	-7,74%	N/A
to FTSE All-Share	-5,74%	-35,34%	-18,63%	N/A
to EUROSTOXX	-5,08%	-35,15%	-17,13%	N/A
to MSCI World Index	-2,39%	-37,51%	-18,84%	N/A

Stock Data	
Price	€ 37,80
Target price	€ 45,30
Upside/(Downside) potential	19,8%
Bloomberg Code	ALAIR FP EQUITY
Market Cap (€m)	€ 215,46
EV (€m)	€ 233,85
Free Float	11,84%
Share Outstanding	5.700.000
52-week high	€ 85,00
52-week low	€ 10,00
Average Daily Volumes (3m)	40

Key Financials (€m)	FY21A	FY22E	FY23E	FY24E
VoP	131,8	479,2	494,1	502,2
EBITDA	7,1	12,3	15,9	19,2
EBIT	6,9	9,5	14,7	17,9
Net Profit	3,0	5,3	9,3	11,8
EBITDA margin	5,3%	2,6%	3,2%	3,8%
EBIT margin	5,2%	2,0%	3,0%	3,6%
Net Profit margin	2,2%	1,1%	1,9%	2,3%

Main Ratios	FY21A	FY22E	FY23E	FY24E
EV/EBITDA (x)	33,2	19,1	14,8	12,2
EV/EBIT (x)	33,9	24,6	15,9	13,1
P/E (x)	72,8	41,0	23,2	18,3

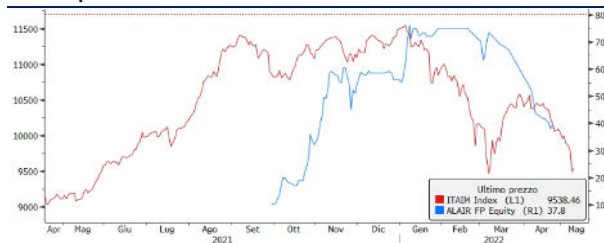
Mattia Petracca

mattia.petracca@integraesim.it

Alessandro Colombo

alessandro.colombo@integraesim.it

Stocks performance relative to FTSE Italia Growth



Company Overview

Airtime Partecipazioni SpA, founded in January 2017 by Heritage Ventures, is a Group active in the Technologies sector in the telecommunications and business services sector. The Airtime Group is undertaking a strategic development process aiming to evolve from a technology holding company to a Tech Company, specialized in the provision of advanced technological services. The Group was founded as an active entity in the sale of electronic services termination activities (Voice and SMS) at an international level, but through the strategic positioning change aims to offer a complete customer experience through the provision of innovative tailor-made solutions and a wide technological offer able to maximize the opportunities for cross-selling between the various services.

Market

Airtime, through its business, operates in the Telecommunications market. PNRR funds and the pandemic situation are giving an important boost to this sector so over the next four years it is expected to grow by 8.8%. It is also expected to grow by 28%, again in the next four years, for the IoT market related to telecommunications. The Information & Communications Technology market represents the further reference sector for Airtime as it is involved in integrated telecommunications systems. With regard to growth prospects, in Italy in 2021 expenditure reached over € 34 billion, 4.1% up compared to the previous year. In 2023, on the other hand, € 36.4 billion are expected with an annual compound growth rate (CAGR) of 3.47%.

Valuation Update

Given the lack of comparable companies, we carried out the valuation of the equity value of Airtime Partecipazioni based on the DCF methodology only. 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 € 258.2 million. The target price is € 45.30, rating BUY and MEDIUM risk.

Contents

1.	Company overview.....	3
1.1	Business activities.....	3
1.2	Company Story	4
1.3	Shareholding and Structure of the Group	5
1.4	Corporate Governance	6
1.5	Key People	7
2.	Business model.....	8
2.1	Providing voice and SMS (Airtime Exchange) termination services	9
2.2	Innovative Technological Services.....	9
2.3	Contact Center Services	9
2.4	Rebranding and strategic repositioning	9
2.5	Clients	11
3.	The market	12
4.	Competitive positioning.....	13
5.	Economics & Financials.....	14
5.1	FY21A Results	15
5.2	FY22E – FY25E Estimates	16
6.	Valuation.....	19
6.1	DCF Method	19
7.	Equity Value.....	21

1. Company overview

1.1 Business activities

Airtime Partecipazioni SpA ("Airtime"), founded in January 2017 by Heritage Ventures, is a Group active in the field of Technologies in the telecommunications and business services sector. More precisely, the Airtime Group, listed on the Euronext Growth Paris market, is undertaking a strategic development process aimed at evolving from a technology holding company to a Tech Company, specializing in the provision of advanced technological services. The Group was founded as an active entity in the sale of electronic services termination activities (Voice and SMS) at an international level, but through the strategic positioning, change aims to offer a complete customer experience through the provision of innovative tailor-made solutions and a wide technological offer able to maximize the opportunities for cross-selling between the various services. In this way, Airtime intends to qualify as an integrated technological ecosystem by migrating from SMS Voice Service to Customer Experience as a Service.

The strategic rebranding of the Group is taking place both through a process of inorganic growth, i.e. targeted acquisition of companies operating on the market, and through organic internal growth with start-ups of new business lines, which will allow benefiting from positive synergies.

In addition, the transition from Airtime to Mexedia will ensure a more effective communication capacity of the new business strategy.

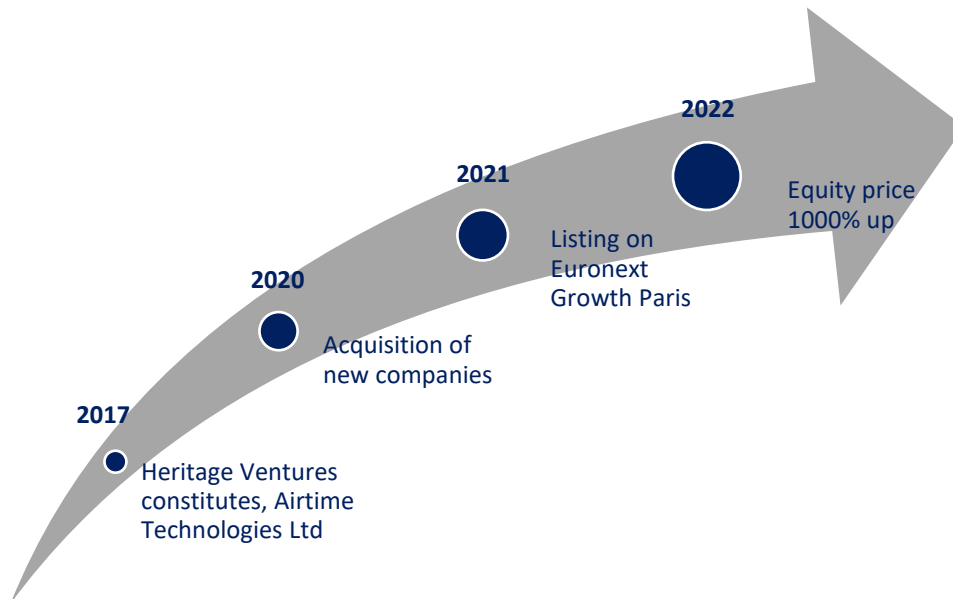
Chart 1 – Strategic rebranding



Source: Airtime Partecipazioni

1.2 Company Story

Chart 2 – Company Story



Source: Airtime Partecipazioni

- In 2017, Airtime Technologies Ltd was incorporated by Heritage Ventures and obtained a telecommunications license from the Irish Communications Regulatory Commission;
- In 2020, Airtime Technologies U.S.A. Inc. is acquired by Airtime Technologies Ltd;
- On 22 September 2021, through direct listing Airtime is listed on Euronext Growth Paris. The company decides to list on the French market and not on the Italian market to benefit from the greater liquidity that characterizes the segment to have visibility on the market, obtain a lower cost of funding and enjoy the appreciation of the security;
- The share price of Airtime, in 2022, increased by 1000% compared to the listing price, confirming the market's recognition of the Group's value.

1.3 Shareholding and Structure of the Group

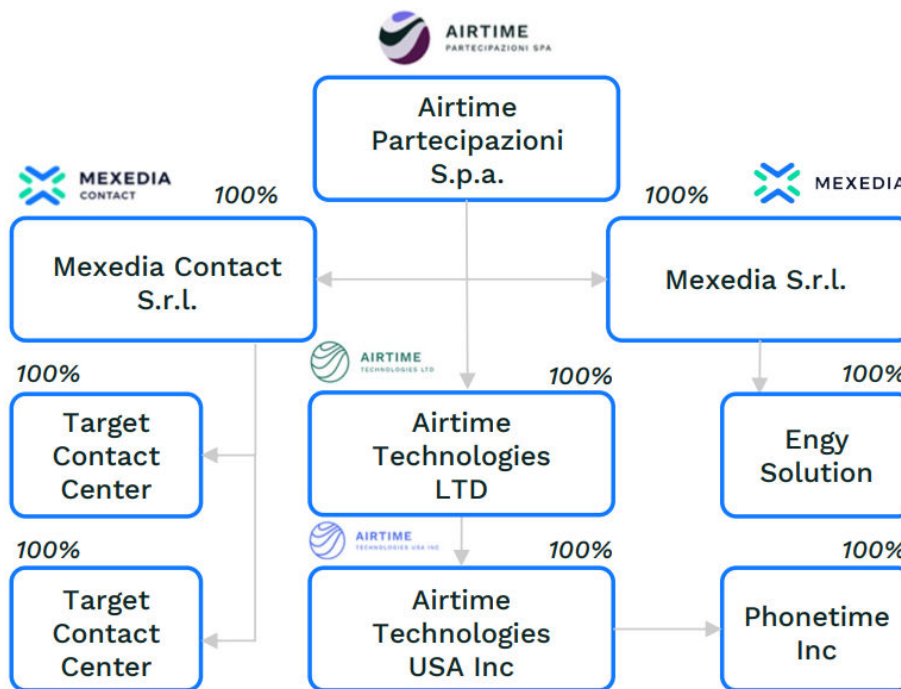
Table 1 - Shareholders

Shareholders	% Shares
Heritage Ventures	77,66%
Floating	11,84%
Employees	8,00%
Opt1mize	2,50%

Source: Airtime Partecipazioni

Airtime Equity Investments is 77.66% controlled by Heritage Ventures, a venture capital investment company that first acquired Rubelite Investment Ltd, which will later be called Airtime Ireland. All other shareholders are subdivided as follows: Market 11.84%, Employees 8%, Opt1mize 2.50%.

Chart 3 – Group Structure

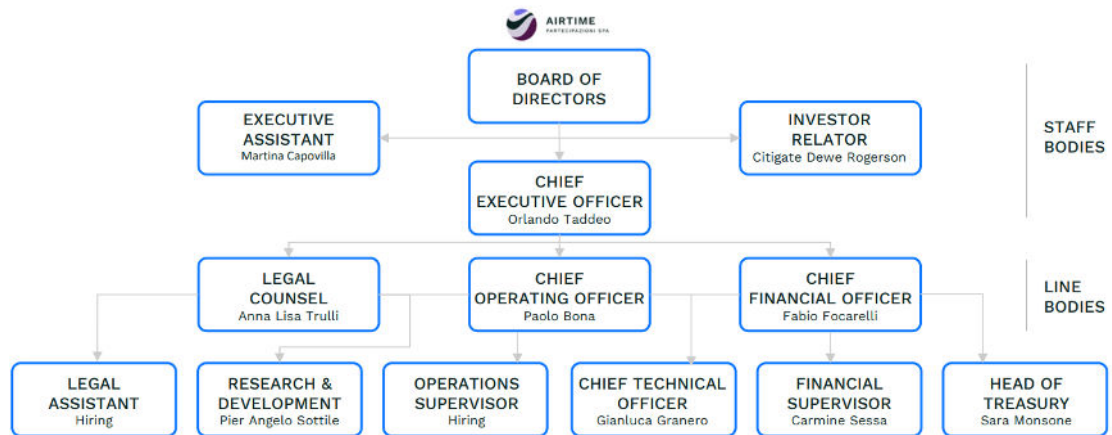


Source: Airtime Partecipazioni

The Airtime Partecipazioni SpA Group is the holding company of two subsidiaries: Airtime Technologies LTD, incorporated into the Irish branch, and Airtime Technologies USA INC., based in the United States. Mexedia S.r.l. will be the start-up that will deal with the provision of technological services also through Engy Solutions GmbH. The latter is a German company in the acquisition phase to consolidate the position for the supply of Voice, SMS, OTP/2FA offer. The other company being acquired is Phonetime Inc., an American company with a large customer base.

1.4 Corporate Governance

Chart 4 – Organization



Source: Airtime Partecipazioni

The Group's Governance system is the fundamental tool to ensure reliable control over all areas of the Company's business and efficient and effective management that can create value for both shareholders and all stakeholders. The shareholders' meeting is responsible for making crucial and extraordinary decisions (approval of the financial statements, the appointment of bodies) while the Board of Directors and the Chief Executive Officer, in the person of Orlando Taddeo, deal with ordinary operations management.

Airtime boasts a trained team with high specialization and expertise in terms of marketing, management, and development teams. Given Airtime's ongoing development plan, the Group's objective is to put together a structure with skills and a strategic market vision in order to maximize the operations.

The Board of Directors consists of 5 members:

- Orlando Taddeo holds the position of Chief Executive Officer;
- Davide De Filippis holds the position of Chairman;
- Giuseppe Gallo carries out consulting activities;
- Antonio Pisanelli, Independent Director;
- Letizia Macrì, Board Member.

The Board of Statutory Auditors consists of 3 members:

- Stefano Bardari is Chairman of the Board;
- Ulderico Granata;
- Pierfrancesco Argentino.

1.5 Key People

Orlando Taddeo – CEO

Chief Executive Officer of Airtime Partecipazioni and director of Mexedia, Orlando Taddeo boasts countless experiences in the telecommunications sector both abroad and in Italy as an investor with Intermatica S.p.a. In addition, he is an investor in companies that deal with IT services and consultancy called Baasbox and Reload S.p.a.

Gianluca Granero – Chief Technology Officer

Graduated in Computer Engineering, Gianluca Granero, he grows up in a family of entrepreneurs. His immense passion for PCs and his skills allow him to hold numerous positions at the top of companies in Italy and abroad.

Fabio Focarelli – Chief Financial Officer

The CFO of Airtime Partecipazioni, has held the role of Chief Financial Officer and member of the Board of Directors in various companies both abroad and in Italy. His experiences concern the financial and strategic management of start-ups outside the European Union, as well as groups with shareholdings in Italy and abroad.

Paolo Bona – Chief Operating Officer

Specializing in business management, Paolo Bona has experience in the banking and financial sector, covering several top positions including that of CEO of Dotel Clar SL and Director of Red Gestioni S.r.l.

2. Business model

Airtime's activity is divided into three complementary and strongly synergistic business units (BUs), allowing it to expand the opportunities for cross-selling the services offered. Specifically, the three BUs are:

- **Provision of voice and SMS termination services**

The Airtime Exchange platform provides voice and SMS termination services in the wholesale market, ensuring a high level of security, payment, and real-time credit disposal. The offer of this BU is completed with:

- Geographical numbering;
- Toll-free and premium numbers;
- Satellite numbering and connectivity;
- Mobile numbering (MVNO).

- **Offering next-generation multi-channel technology services**

The integration of innovative technologies (artificial intelligence, voice-to-text converter) and consolidated plug & play systems (API, multichannel software, SMS delivery) through strategic acquisitions and newly established companies will make it possible to offer customized services. In particular:

- Advanced multi-channel marketing campaigns;
- Integrations in the Metaverse;
- Transactional SMS (OTP/2FA) and Premium SMS, informative, advertising;
- Virtual and vocal assistance;
- Parental Control Platforms.

- **Integrated services with advanced contact centers**

The integrated offer of services with a contact center is made possible through the acquisition of two companies operating in the market and a new start-up. The offer includes:

- Supply of numbering;
- Teleselling and Performance Marketing;
- Customer Care;
- Meta-Center as a service;
- Turnkey offers.

2.1 Providing voice and SMS (Airtime Exchange) termination services

Airtime Exchange, carried out by Airtime Partecipazioni S.p.A., Airtime Technologies LTD, Airtime Usa Inc., and Phonetime Inc., represents a technological ecosystem able to access innovative services for safe transitions and trading by Telco operators.

Users participating in the platform are mainly medium-small-sized Telco operators. Through the service provided directly by Airtime, their objective lies in the realization, without any risk of insolvency of the customer, of a marginality linked to the resale of the telephone termination.

Airtime Exchange mainly deals with making payments and clearing transactions on the fintech platform, daily settlements, and commercial negotiations.

2.2 Innovative Technological Services

Mexedia Srl and Engy Solutions GmbH are the entities that offer innovative technological services through a user-friendly interface system. This Business Unit involves the provision of platforms and systems in the cloud and APIs that, through artificial intelligence and automation, allow the management of interaction with the customer. The services offered are many, ranging from the SMS API solution that allows sending messages from the corporate infrastructure and the use of different interfaces to the implementation of multi-messaging services between customers and users to security systems by generating, protecting, encrypting, and storing temporary high standard disposable passwords, called One Time Password (OTP).

In addition, the Business Unit deals with parental control, that is, the management of permits for viewing and accessing sites and streaming, and Virtual Assistance, virtual assistance that allows achieving cost savings.

2.3 Contact Center Services

Airtime through Mexedia Contact Srl carries out the Contact Center activity which consists of performance marketing, teleselling, and messaging market activities.

Specifically, the teleselling activity is carried out by the call centers to propose products or services to potential customers. Performance marketing, on the other hand, is a personalized promotion service whose payment is subject to the implemented campaign. The service that involves sending and managing promotional messages is called messaging campaigns. Metaverso as a Service, on the other hand, represents an innovative service for the creation of application activities, shops, Contact Center in Metaverso.

2.4 Rebranding and strategic repositioning

Airtime is experiencing a period of transition through rebranding and strategic repositioning. With regard to rebranding, the Group will be presented to third parties under the name of Mexedia in place of Airtime. The strategic repositioning, on the other hand, involves the company's conversion into a Tech Company able to offer a system of high-value integrated technological solutions in the TLC sector, including Fintech and Adtech.

The Group, to complete the transition process, provides for the strategic acquisition of certain companies including Engy Solution, Phonetime Inc., and two Target contact center companies.

The acquisition of Phonetime Inc. will ensure high synergies both operationally and commercially. The purchase method is based on a loan contract formalized in 2021 with the possibility of converting the loan granted into equity through the company Airtime Tech Usa Ltd. The acquisition will make it possible to consolidate the Group's position in the South and North American markets, as well as to take advantage of the cross-selling opportunities due to the presence of Phonetime exclusively in the Voice market.

In March 2022, on the other hand, Airtime committed to the total acquisition of Engy Solutions Inc. through cash and equity in the form of the share capital of Airtime Participations. With the purchase of Engy Solutions Inc., the Group will benefit from the Messaging platform of which the company is the owner and from market shares in continental Europe.

Once the rebranding and strategic positioning have been completed, the prospective offer of the future Mexedia will include:

- Promotional Campaigns;
- Transactional SMS;
- Customer Assistance Systems;
- Parental Control;
- Numbering and Sol. Satellite;
- Toll-Free, Premium and Geographical Numbering, Mobile Network Numbering.

2.5 Clients

The Group's clients are related to three main categories:

Chart 5 – Airtime's clients

Clients Tier-1 del wholesale telefonico						
Clients servizio di call center						
Clients per potenziale cross selling						

Source: Airtime Partecipazioni

In particular, Airtime's main clients in the sale of traffic are:

- Orange: main partner for the real-time resale of Voice and SMS terminations in the retail and wholesale market;
- Sparkle: main user of the company's funding service and strategic provider of Voice and SMS services;
- Comores Telecom: supplier to resell direct voice termination;
- Ooredoo: relevant partner in the resale of Voice and SMS terminations in real-time to retail and wholesale customers;
- Zain: strategic partner providing access to Voice and SMS termination;
- Tofane: key strategic partner for retail customers.

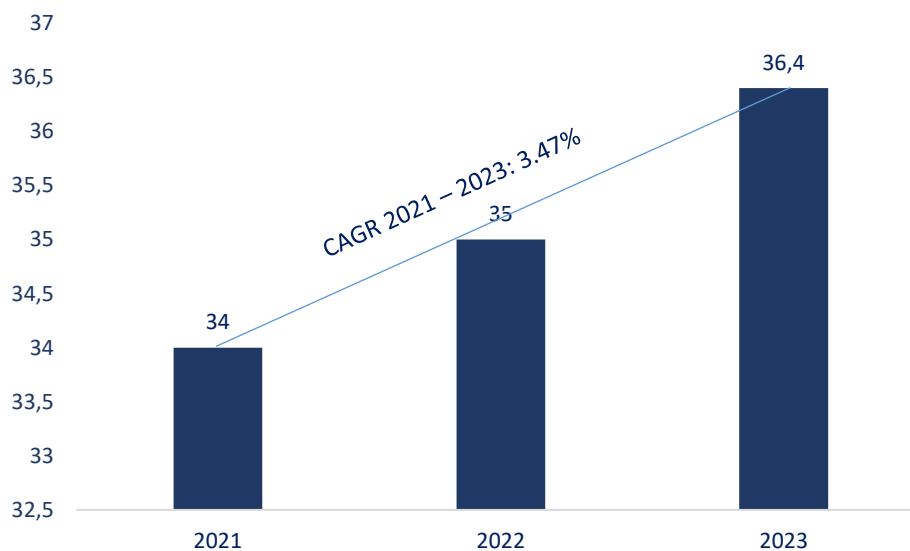
3. The market

Airtime, through its business, operates in the Telecommunications market. In addition to traditional connectivity services, given the current integration with the Internet of Things (IoT) market, the telecommunications market is expanding to the digital and IT services market. PNRR funds and the pandemic situation are giving an important boost to this sector so over the next four years it is expected to grow by 8.8%. It is also expected to grow by 28%, again in the next four years, for the IoT market related to telecommunications.

Also with regard to the IoT market, in 2021 Ericsson estimates that 11.5 billion traditional devices and 30.2 billion IoT objects will be interconnected.

The Information & Communications Technology market represents the further reference sector for Airtime as it is involved in integrated telecommunications systems. With regard to growth prospects, in Italy in 2021 expenditure reached over € 34 billion, 4.1% up compared to the previous year. In 2023, on the other hand, € 36.4 billion are expected with an annual compound growth rate (CAGR) of 3.47%.

Chart 6 – ICT Market



Source: Airtime Partecipazioni

4. Competitive positioning

The group operates in a market scenario, that of the telecommunications sector, highly competitive, characterized by the presence of multiple operators of electronic telecommunications termination services, at the national and international levels. In the current context, however, it should be specified that competition in the relevant market is evolving and increasingly there are situations of partnerships and collaborations between network operators, media, content companies, and retail telecommunications service providers.

A characteristic that distinguishes the Company is represented by its proactivity. Not surprisingly the objective of Airtime is to seize the opportunities of the tech market as well as to determine the crucial changes that will occur in the market.

The competitive advantage that distinguishes the Company from its competitors is given by its innovative know-how. Airtime, like Tech Company, has platforms and software both through licensing, as in the case of Airtime Exchange and through direct acquisition of the company holding the rights of use, as for the Phonetime Inc platform.

Basically, unlike its competitors in the sector, the competitive advantage of Airtime is carried through two channels:

- Customization: the Group offers a fully customizable offer;
- The extent of services offered: the Group offers a much wider range of services.

It should also be noted that the Group has developed a high specialization in innovative tools that simplify the interaction between end-users and companies, i.e. artificial intelligence and virtual reality on the Metaverso.

5. Economics & Financials

Table 2 – Economics & Financials

INCOME STATEMENT (€/mIn)	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Revenues Network	134,08	131,80	478,80	493,70	501,80	514,65
Other Revenues	0,00	0,01	0,35	0,35	0,40	0,40
Value of Production	134,08	131,81	479,15	494,05	502,20	515,05
COGS	0,00	0,04	0,10	0,15	0,15	0,15
Services	125,21	119,89	455,10	463,85	467,95	478,90
Assets owned by others	0,00	0,09	0,45	0,50	0,50	0,50
Employees	0,09	0,49	7,20	9,40	10,10	10,35
Other Operating Expenses	3,45	4,24	4,05	4,30	4,35	4,40
EBITDA	5,32	7,05	12,25	15,85	19,15	20,75
<i>EBITDA Margin</i>	<i>4,0%</i>	<i>5,3%</i>	<i>2,6%</i>	<i>3,2%</i>	<i>3,8%</i>	<i>4,0%</i>
D&A	0,09	0,16	2,75	1,15	1,25	1,15
EBIT	5,23	6,89	9,50	14,70	17,90	19,60
<i>EBIT Margin</i>	<i>3,9%</i>	<i>5,2%</i>	<i>2,0%</i>	<i>3,0%</i>	<i>3,6%</i>	<i>3,8%</i>
Financial Management	(0,32)	(3,45)	(2,30)	(1,90)	(1,60)	(1,40)
EBT	4,92	3,44	7,20	12,80	16,30	18,20
Taxes	0,97	0,48	1,95	3,50	4,50	5,05
Net Income	3,95	2,96	5,25	9,30	11,80	13,15
BALANCE SHEET (€/mIn)	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Fixed Assets	2,42	55,08	66,13	68,90	70,10	70,85
Account receivable	23,16	15,98	62,30	63,60	63,25	63,45
Inventories	0,00	0,00	0,00	0,00	0,00	0,00
Account payable	10,61	2,73	42,15	43,60	45,30	46,35
Operating Working Capital	12,54	13,25	20,15	20,00	17,95	17,10
Other receivable	1,15	8,47	3,85	2,25	2,35	2,35
Other payable	2,43	0,41	1,90	1,80	2,20	2,65
Net Working Capital	11,26	21,32	22,10	20,45	18,10	16,80
Severance Indemnities & Other Provisions	0,00	0,01	0,25	0,30	0,30	0,35
NET INVESTED CAPITAL	13,67	76,39	87,98	89,05	87,90	87,30
Share Capital	0,01	57,00	58,25	58,60	59,00	59,50
Reserves	2,12	(1,97)	(1,65)	0,10	0,15	0,15
Net Income	3,95	2,96	5,25	9,30	11,80	13,15
Equity	6,08	57,99	61,85	68,00	70,95	72,80
Cash & Cash Equivalent	4,46	5,63	6,17	7,65	6,95	7,30
Short Term Debt to Bank	12,06	24,02	22,30	19,85	16,50	15,95
M/L Term Debt to Bank	0,00	0,00	10,00	8,85	7,40	5,85
Net Financial Position	7,60	18,39	26,13	21,05	16,95	14,50
SOURCES	13,67	76,39	87,98	89,05	87,90	87,30
CASH FLOW (€/mIn)	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
EBIT		6,89	9,50	14,70	17,90	19,60
Taxes		0,48	1,95	3,50	4,50	5,05
NOPAT		6,41	7,55	11,20	13,40	14,55
D&A		0,16	2,75	1,15	1,25	1,15
Change in receivable		7,18	(46,32)	(1,30)	0,35	(0,20)
Change in inventories		0,00	0,00	0,00	0,00	0,00
Change in payable		(7,89)	39,42	1,45	1,70	1,05
Change in others		(9,36)	6,12	1,50	0,30	0,45
<i>Change in NWC</i>		<i>(10,06)</i>	<i>(0,78)</i>	<i>1,65</i>	<i>2,35</i>	<i>1,30</i>
Change in provisions		0,01	0,24	0,05	0,00	0,05
OPERATING CASH FLOW		(3,48)	9,76	14,05	17,00	17,05
Capex		(52,8)	(13,8)	(3,9)	(2,4)	(1,9)
FREE CASH FLOW		(56,30)	(4,05)	10,13	14,55	15,15
Financial Management		(3,45)	(2,30)	(1,90)	(1,60)	(1,40)
Change in Debt to Bank		11,96	8,28	(3,60)	(4,80)	(2,10)
Change in Equity		48,96	(1,39)	(3,15)	(8,85)	(11,30)
FREE CASH FLOW TO EQUITY		1,17	0,54	1,48	(0,70)	0,35

Source: estimates by Integrae SIM

5.1 FY21A Results

In 2021, Airtime's business despite the Covid 19 pandemic situation was not affected, managing to resist and overcome the related health emergency period.

The Group closed in 2021 with revenues of € 131.8 million, compared to € 134.08 million in FY20A. Despite the slight decline compared to the FY20A of - 1.7%, the Group's revenues recorded strong growth in the second half of the year. It should be noted that during 2021 the market scenario changed characterized by the increase in Wholesale and Retail voice traffic.

With regard to EBITDA, in FY21A it recorded a value of € 7.05 million after amortization and depreciation of € 0.16 million. EBITDA increased by 32.5 percentage points compared to € 5.32 million in FY20A. The growth in EBITDA is mainly due to a significant increase in interconnections with new carriers that led to an expansion of the network.

EBIT increased from € 5.23 million (EBIT Margin 3.9%) to € 6.89 million (EBIT Margin 5.2%).

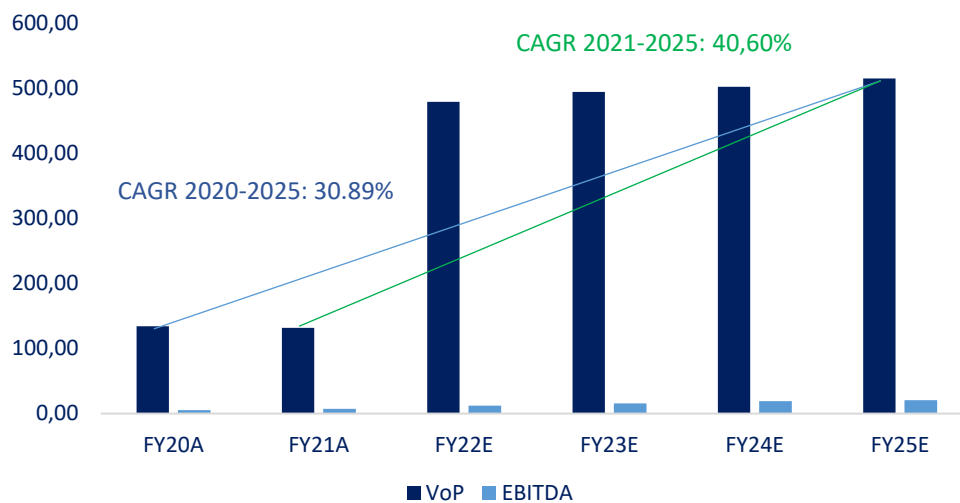
Net Income, on the other hand, shows a decrease of - 25.1%, going from € 3.95 million in FY20A to € 2.96 million in FY21A.

At the Capex level, the Group in FY21A has invested € 52.8 million to improve the platform's functionality to accelerate KYC and interconnection processes. Airtime has further set out the goal of improving the connection experience in such a way as to settle all accounts in real-time without any risk and delay in payments.

The NFP shows an increase from € 7.60 million to € 18.39 million, mainly due to the greater use of disposal tools in order to support the fintech platform in funding activities.

5.2 FY22E – FY25E Estimates

Chart 7 – VoP, EBITDA 20A-25E



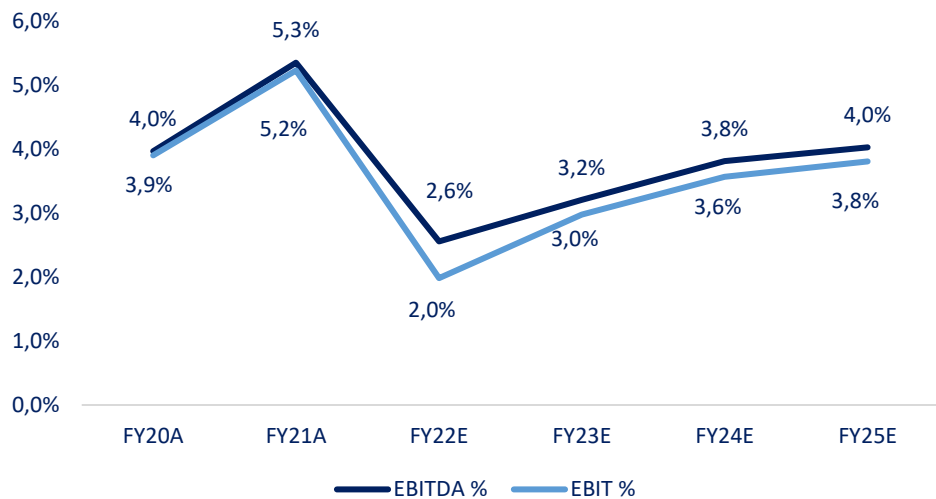
Source: processed by Integrae SIM

For the coming years we expect an increase in the Value of Production, which, according to our estimates, will go from € 131.81 million in 2021A to € 514.65 million in 2025E (CAGR21A-25E: 40.60%), thanks to the following main growth drivers:

- **Rebranding and strategic repositioning of the company:** we believe that the Company will benefit from strategic repositioning and rebranding intervention by offering itself in the new format of Tech Company, specialized in the provision of advanced technological services, instead of Parent Company;
- **Strengthening market position through inorganic growth:** we believe that the Company will be able to increase its position in each market segment through the integration of Phonetime through Airtime USA and the acquisition of Engy Solution;
- **Initiation of technological servicing of Mexedia:** we believe that the Company will be able to strengthen its operating structure through the rebranding of Mexedia allowing it to create an offer with a particular focus on meeting and anticipating the real needs of the market;
- **Strengthening on the market of contact center services:** we believe that Airtime can particularly benefit from future acquisitions of target companies operating in Contract Center services by strengthening its position in this specific area;
- **Growth of telephone wholesaling activities:** we believe that the Company will be able to grow in the wholesale market thanks to the use of an innovative and advanced Fintech platform.

Our estimates of revenues are based on contracts already finalized or being finalized and on the multi-year relationships between the Company and its customers. For the coming years, based on what has just been described, we expect significant revenue growth through strategic acquisitions and related strategic start-ups, in particular Phonetime Inc., Engy Solutions GmbH, and Mexedia S.r.l.

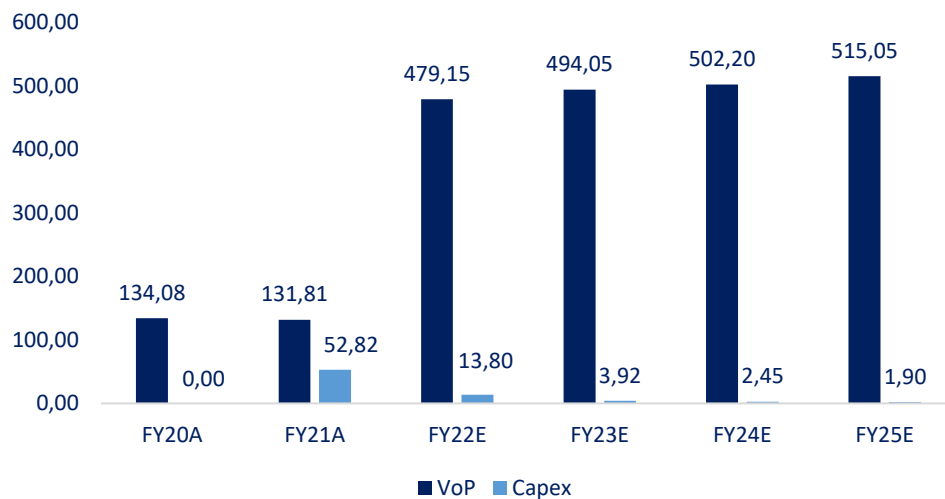
Chart 8 – EBITDA % and EBIT% 20A-25E



Source: Integrae SIM processing

Similarly, we expect an increase in EBITDA, which according to our estimates, will increase from € 7.05 million in 2021A to € 20.75 million in 2025E. We also believe that Airtime will be able to improve its operating margin in absolute terms in the plan years mainly thanks to the increasing impact on total revenues but above all thanks to the progressive efficiency of the structure of both indirect and direct costs. In addition, thanks to the development plan undertaken by the Company, new business areas with higher marginality will be implemented.

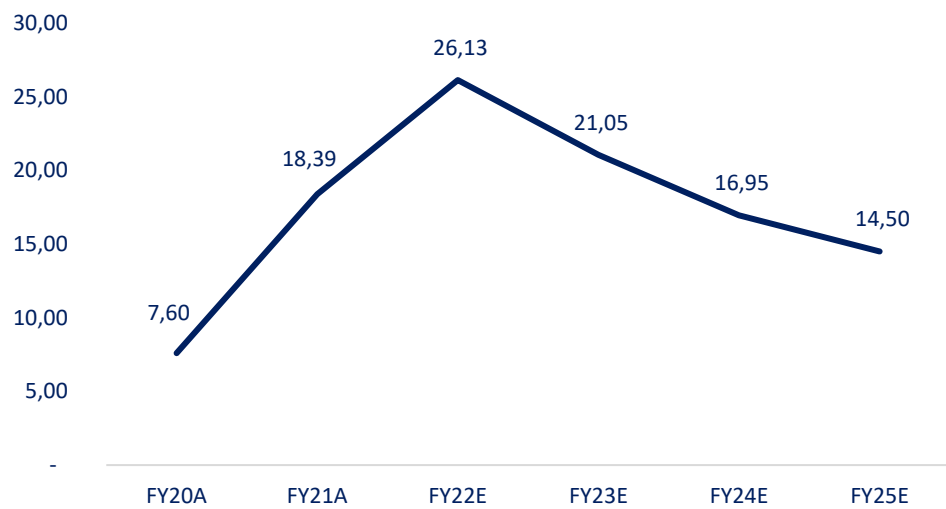
Chart 9– Revenues, Capex 20A-25E



Source: processed by Integrae SIM

At the Capex level, we believe the Group will continue to invest in the coming years. In particular, we believe that the investments will be aimed at the improvement of strategic repositioning through the acquisition of Target companies that will allow better efficiency of production activities.

Chart 10 – NFP 20A-25E



Source: processed by Integrae SIM

We believe that the Company can return to improving its NFP in the years after 2022E, thanks to the positive cash flows generated by its operations. The NFP shows a significant worsening during the year due to the undertaken financing rounds necessary for the strategic repositioning and rebranding program.

6. Valuation

We conducted the valuation of the equity value of Airtime based on the DCF methodology.

6.1 DCF Method

Table 3 – WACC

WACC		6,73%
Risk Free Rate	1,36% α (specific risk)	2,50%
Market Premium	6,42% Beta Adjusted	1,0
D/E (average)	66,67% Beta Relevered	1,5
Ke	10,26% Kd	2,00%

Source: Integrae SIM

In particular:

- The Risk-Free Rate represented by Rendistato of April 2022 with maturity between 3 years and 7 months and 4 years and 6 months;
- The Market Premium coincides with the premium for the Italian market risk calculated by Professor A. Damodaran;
- D/E was calculated based on estimates made by Integrae SIM;
- Ke was calculated using CAPM;
- The Alfa, i.e., specific additional risk, is typical of equity investments in companies characterized by small-scale operations. As we are dealing with small sizes, the small-cap risk premium applied was equal to 2.5%, the average value of those suggested by the main studies carried out in this field (Massari Zanetti, 'Valutazione Finanziaria' (Financial Valuation'), McGraw-Hill, 2004, page 145, A. Damodaran, Cost of Equity and Small Cap Premium in Investment Valuation, Tools and Techniques for Determining the Value of Any Assets, III edition 2012, Guatri Bini, 'Nuovo Trattato sulla Valutazione delle Aziende' (New Insights on Corporate Valuation), 2009, page 236);
- The Beta is equal to the Market Beta since it is not possible to select a competitor panel;
- Kd coincides with the Company's current debt cost.

These figures result in a WACC of 6.73%.

Table 4 – DCF Valuation

DCF Equity Value		258,2
FCFO actualized	52,5	19%
TV actualized DCF	224,2	81%
Enterprise Value	276,6	100%
NFP (FY21A)	18,4	

Source: Integrae SIM

With the above data and taking as a reference our estimates and assumptions, the result is an **equity value of € 258.2 million.**

Table 5 – Equity Value – Sensitivity Analysis

€/mln		WACC						
		5,2%	5,7%	6,2%	6,7%	7,2%	7,7%	8,2%
Growth Rate (g)	2,5%	545,5	454,7	388,3	337,6	297,7	265,4	238,7
	2,0%	466,9	398,7	346,6	305,6	272,4	245,0	222,1
	1,5%	409,4	355,9	313,7	279,6	251,5	228,0	207,9
	1,0%	365,4	322,1	287,1	258,2	234,0	213,4	195,7
	0,5%	330,7	294,8	265,1	240,2	219,1	200,9	185,1
	0,0%	302,7	272,2	246,7	224,9	206,2	190,0	175,7
	-0,5%	279,5	253,3	230,9	211,7	195,0	180,4	167,5

Source: Integrae SIM

7. Equity Value

Table 6 - Equity Value

Equity Value (€/mln)	
Equity Value DCF (€/mln)	258,2
Target Price (€)	45,30

Source: Integrae SIM

Observing the value obtained using the DCF method, we arrive at an equity value of € 258.2 million. **The target price is therefore equal to € 45.30, rating BUY, risk MEDIUM.**

Table 7 – Target Price Implied Valuation Multiples

Multiples	FY21A	FY22E	FY23E	FY24E
EV/EBITDA	39,2x	22,6x	17,5x	14,4x
EV/EBIT	40,1x	29,1x	18,8x	15,5x

Source: Integrae SIM

Table 8 – Current Price Implied Valuation Multiples

Multiples	FY21A	FY22E	FY23E	FY24E
EV/EBITDA	33,2x	19,1x	14,8x	12,2x
EV/EBIT	33,9x	24,6x	15,9x	13,1x

Source: Integrae SIM

Disclosure Pursuant to Delegated Regulation UE n. 2016/958 and Consob Regulation n. 20307/2018**Analyst/s certification**

The analyst(s) which has/have produced the following analyses hereby certifies/certify that the opinions expressed herein reflect their own opinions, and that no direct and/or indirect remuneration has been, nor shall be received by the analyst(s) as a result of the above opinions or shall be correlated to the success of investment banking operations. INTEGRAE SPA is comprised of the following analysts who have gained significant experience working for INTEGRAE and other intermediaries: Antonio Tognoli. Neither the analysts nor any of their relatives hold administration, management or advising roles for the Issuer. Antonio Tognoli is Integrae SIM's current Head of Research, Vice President of Associazione Nazionale Private and Investment Banking – ANPIB, member of Organismo Italiano di Valutazione – OIV and Journalists guild. Mattia Petracca, Giuseppe Riviello and Alessandro Colombo are the current financial analysts.

Disclaimer

This publication was produced by INTEGRAE SIM SpA. INTEGRAE SIM SpA is licensed to provide investment services pursuant to Italian Legislative Decree n. 58/1998, released by Consob, with Resolution n. 17725 of March 29th 2011. INTEGRAE SIM SpA performs the role of corporate broker for the financial instruments issued by the company covered in this report.

INTEGRAE SIM SpA is distributing this report in Italian and in English, starting from the date indicated on the document, to approximately 300 qualified institutional investors by post and/or via electronic media, and to non-qualified investors through the Borsa Italiana website and through the leading press agencies.

Unless otherwise indicated, the prices of the financial instruments shown in this report are the prices referring to the day prior to publication of the report. INTEGRAE SIM SpA will continue to cover this share on a continuing basis, according to a schedule which depends on the circumstances considered important (corporate events, changes in recommendations, etc.), or useful to its role as specialist.

The list of all recommendations on any financial instrument or issuer produced by Integrae SIM Research Department and distributed during the preceding 12-month period is available on the Integrae SIM website.

The information and opinions contained herein are based on sources considered reliable. INTEGRAE SIM SpA also declares that it takes all reasonable steps to ensure the correctness of the sources considered reliable; however, INTEGRAE SIM SpA shall not be directly and/or indirectly held liable for the correctness or completeness of said sources.

The most commonly used sources are the periodic publications of the company (financial statements and consolidated financial statements, interim and quarterly reports, press releases and periodic presentations). INTEGRAE SIM SpA also makes use of instruments provided by several service companies (Bloomberg, Reuters, JCF), daily newspapers and press in general, both national and international. INTEGRAE SIM SpA generally submits a draft of the analysis to the Investor Relator Department of the company being analyzed, exclusively for the purpose of verifying the correctness of the information contained therein, not the correctness of the assessment. INTEGRAE SIM SpA has adopted internal procedures able to assure the independence of its financial analysts and that establish appropriate rules of conduct for them. Integrae SIM S.p.A. has formalised a set of principles and procedures for dealing with conflicts of interest. The Conflicts Management Policy is clearly explained in the relevant section of Integrae SIM's web site (www.integraesim.it). This document is provided for information purposes only. Therefore, it does not constitute a contractual proposal, offer and/or solicitation to purchase and/or sell financial instruments or, in general, solicitation of investment, nor does it constitute advice regarding financial instruments. INTEGRAE SIM SpA does not provide any guarantee that any of the forecasts and/or estimates contained herein will be reached. The information and/or opinions contained herein may change without any consequent obligation of INTEGRAE SIM SpA to communicate such changes. Therefore, neither INTEGRAE SIM SpA, nor its directors, employees or contractors, may be held liable (due to negligence or other causes) for damages deriving from the use of this document or the contents thereof. Thus, Integrae SIM does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. Therefore, Integrae SIM and/or the author of the present publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

This document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation no. 20307/2018, as subsequently amended and supplemented, either as a printed document and/or in electronic form.

Rating system (long term horizon: 12 months)

The BUY, HOLD and SELL ratings are based on the expected total return (ETR – absolute performance in the 12 months following the publication of the analysis, including the ordinary dividend paid by the company), and the risk associated to the share analyzed. The degree of risk is based on the liquidity and volatility of the share, and on the rating provided by the analyst and contained in the report. Due to daily fluctuations in share prices, the expected total return may temporarily fall outside the proposed range

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).

The estimates and opinions expressed in the publication may be subject to change without notice. Any copying and/or redistribution, in full or in part, directly or indirectly, of this document are prohibited, unless expressly authorized.