

**IT services**
**Data**

Shares Outstanding (m):	14.97
Market Cap. (EURm):	77.9
Enterprise Value (EURm):	75.7
Free Float (%):	36.6%
Av. Daily Trad. Vol. (m):	0.017
Main Shareholder:	Founders 53.0%
Reuters/Bloomberg:	MAIL.MI MAIL IM
52-Week Range (EUR)	3.8 5.7

Source: Factset, UbiBanca estimates
**Performance**

	1m	3m	12m
Absolute	-6.1%	-5.5%	25.3%
Rel. to FTSE IT	-4.6%	-6.0%	35.9%

Source: Factset
**Graph area Absolute/Relative 12 M**

Source: Factset

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## 2Q20 EBITDA flat

As expected, MailUp was able to close 2Q20 with flat EBITDA (EUR1.6 million) while sales were slightly below our expectations (flat at EUR15.3 million vs +4% of preliminary gross sales). 1H20 operating cash flow positively surprised reaching EUR3.1 million (on EUR2.2 million EBITDA 1H20) thanks to EUR1 million positive change in working capital. The increase in D&A was offset by lower tax rate; therefore, net profit 1H20 was stable at EUR0.4 million. We have fine tuned our FY20 estimates of revenues (-0.8%) and EBITDA (-1.4%) leaving unchanged net profit forecast at EUR1 million. We now assume EUR3.6 million net cash at end of December vs EUR2.8 million of previous estimates. We have left mostly unchanged 2021-2022 estimates. We confirm our positive view based on the followings: (1) resilience of the top line even under crisis, with recurring sales at 30% of total; (2) well balanced geographical presence with international revenues accounting for 56% in 1H20 (vs 51% in 1Q20 and 48% in FY19); (3) solid financial structure (EUR7.9 million net cash ex IFRS16 at end June); (4) exposure to digital marketing, e-commerce and transactional SMS which are likely to play an increasing role; (5) impressive self-provisioning sales of BEE which proves its potentiality of growth in normal circumstances. Our target price increases by 8% to EUR6.8 as an effect of the revision of risk-free rate from 3% to 2%. We maintain our Buy rating.

- In 1H20 revenues were EUR30.9 million (+8.9% YoY) and EBITDA was broadly stable (EUR2.2 million, +1.6% YoY). 2Q20 suffered from the lack of SMS "Drive to store" due to April-May lockdown; therefore, revenues and EBITDA closed flat at EUR15.3 million and EUR1.6 million, respectively. BEE performance remained outstanding: revenues 1H20 up 70% YoY to EUR1.8 million (+79% in 1Q, +64% YoY in 2Q) and EBITDA at break-even.
- We assume 2H20 revenues up 13% YoY to EUR34.8 million and EBITDA broadly stable at EUR2.7 million. 2019-21 revenues and EBITDA CAGR is estimated at >20% with cumulative revenues from Datatrics and BEE moving from 8% in 2019 to 15% in 2021.
- Our target price of EUR6.8 per share is obtained as the weighted average of our DCF valuation (EUR5.85, WACC 7.4%, g 2%) and SoP (EUR8.25); the latter is weighted at 40%. At our TP the stock would trade at 13.7x EV/EBITDA 21E, equal to a 10% discount to foreign peers. Main risks are: (1) low liquidity; (2) increasing competition in MarTech; (3) M&A disappointment.

**Financials**

	2019	2020E	2021E	2022E
Revenues (EURm)	59,3	65,7	85,2	97,6
EBITDA (EURm)	4,8	4,9	7,0	10,4
EBITDA margin (%)	8,1%	7,4%	8,2%	10,7%
EBIT (EURm)	1,9	1,6	3,5	6,6
EPS (EUR)	0,08	0,07	0,16	0,30
CFPS (EUR)	0,31	0,29	0,40	0,50
DPS (EUR)	0,00	0,00	0,00	0,00

Source: Company Data, UBI Banca Estimates
**Ratios**
**priced on 18 September 2020**

	2019 *	2020E	2021E	2022E
P/E(x)	44,3	75,7	33,4	17,4
P/CF(x)	11,9	17,6	13,0	10,5
P/BV(x)	3,2	4,3	3,8	3,1
Dividend Yield	0,0%	0,0%	0,0%	0,0%
EV/EBITDA(x)	11,2	15,5	10,4	6,7
Debt/Equity (x)	-0,1	-0,2	-0,3	-0,4
Debt/EBITDA (x)	-0,5	-0,7	-0,9	-1,0

Source: UBI Banca Estimates \* Based on 2019 average price

## Key Financials

(EURm)	2019	2020E	2021E	2022E
Revenues	39.0	65,7	85,2	97,6
EBITDA	3.8	4,9	7,0	10,4
EBIT	1.9	1,6	3,5	6,6
NOPAT	1.3	1,0	2,3	4,4
Free Cash Flow	-1.3	1,3	2,6	3,7
Net Capital Employed	9.6	14,4	14,2	14,9
Shareholders' Equity	15.9	18,1	20,4	24,8
Net Financial Position	-6.4	-3,6	-6,2	-9,9

Source: Company data, UBI Banca estimates

## Key Profitability Drivers

	2019	2020E	2021E	2022E
Net Debt/Ebitda (x)	-1.7	-0,7	-0,9	-1,0
Net Debt/Equity (x)	-0.4	-0,2	-0,3	-0,4
Interest Coverage (%)	0.0	0,0	0,0	0,0
Free Cash Flow Yield (%)	-3.8%	1,7%	3,3%	4,8%
ROE (%)	8.4%	5,9%	12,1%	19,7%
ROI pre-tax (%)	16.5%	7,9%	18,1%	33,8%
ROCE (%)	15.6%	7,2%	16,3%	30,3%

Source: Company data, UBI Banca estimates

## Key Valuation Ratios

	2019 *	2020E	2021E	2022E
P/E (x)	27.8	75,7	33,4	17,4
P/BV (x)	2.2	4,3	3,8	3,1
P/CF (x)	4.0	17,6	13,0	10,5
Dividend Yield (%)	0.0%	0,0%	0,0%	0,0%
EV/Sales (x)	0.8	1,2	0,9	0,7
EV/EBITDA (x)	7.8	15,5	10,4	6,7
EV/EBIT (x)	15.6	48,5	21,1	10,5
EV/CE (x)	3.1	5,3	5,2	4,7

Source: Company data, UBI Banca estimates

\* Based on 2019 average price

## Key Value Drivers

(%)	2019	2020E	2021E	2022E
Payout	0.0%	0,0%	0,0%	0,0%
NWC/Sales	-21.2%	-14,1%	-11,1%	-8,8%
Capex/Sales	8.5%	4,7%	4,0%	3,8%

Source: Company data, UBI Banca estimates

### Recent Developments

- MailUp closed IH20 with consolidated revenues at EUR30.9 million (+8.9% YoY), boosted by email (+21% YoY to EUR7.7 million); half of the EUR1.3 million growth was generated by BEE. Datatrics (predictive marketing) recorded EUR1.4 million revenues compared to around EUR0.85 million in IH19. For the first time in several years the increase of SMS was very limited (+3% YoY to EUR21.5 million) as an effect of the lockdown which blocked the business of “Drive to store” SMS in April-May. Professional services were flattish at just below EUR0.3 million. In IH20, international revenues grew by 32% YoY to EUR17.7 million, reaching 56% of total revenues vs 46% in IH19 and 43% in IH18.
- 2Q20 closed with revenues at EUR15.3 million (in line with 2Q19) with the drop in SMS which was offset by the development of other business lines.
- Consolidated EBITDA closed IH20 at EUR2.18 million (+1.6% YoY); compared to last year it incorporated the higher marketing and commercial costs recorded by BEE and Datatrics. The former closed at EBITDA break-even while the latter reported a loss of EUR0.7 million. EBITDA margin was 7.0% vs 7.6% in IH19. Amortization increased from EUR1.3 million in IH19 to EUR1.6 million in IH20 mainly due to the IFRS16 component (EUR0.5 million). Therefore, EBIT closed at EUR0.5 million and net profit at EUR0.4 million (flat YoY).
- Looking at the breakdown by business units, MailUp generated 25% of total revenues and 90% of consolidated EBITDA; the contribution by Agile Telecom to EBITDA reduced by EUR0.1 million to EUR0.6 million considering the lack of business with retailers in April-May.
- Operating cash flow was equal to EUR3.1 million after EUR1 million positive change in working capital. Net cash flow was EUR1.3 million following EUR1.6 million CAPEX and EUR0.04m buy back.
- Net financial position was positive at EUR3.7 million (EUR7.9 million ex-IFRS16). Fixed assets were broadly stable at EUR27.8 million. Total shareholder’s equity amounted to EUR17.3 million.
- During the conference call the management said that in June the SMS business with retailers has re-started with volume and margin in line with historical performance. Regarding BEE, BEE Pro version reached an historical peak in the number of visitors and the free test period of Page Builder concluded with positive retention of clients. In 2H Datatrics has in pipeline to hire senior manager in Netherlands to accelerate in international expansion.
- As regarding potential M&A, the company confirmed that scouting is ongoing looking for profitable companies with revenues generated mainly in Europe and USA/Canada. Anyway, current valuation of SaaS companies (3-4x Sales in Europe&UK) makes difficult to find an interesting potential target.
- On 19 August 2020, the BoD resolved to identify the receivers of the stock option plan denominated “Stock Option Plan 2020–2023”. The 19 beneficial owners of the plan include directors, managers, employees and collaborators of MailUp SpA and subsidiaries for a total amount of 948,866 options to be assigned. The BoD was granted powers to assign further options within the 1,136,209 basket approved on 23 April, 2020. The SoP is subject to the achievement of a market value of the company at least at EUR135 million (+73% compared to current capitalization). The strike price will be equal to the weighted average of the last 90 closing prices of the MailUp share registered on the market with a discount of 35%. The exercise price cannot be less than EUR4.50.

Figure 1. 2Q-1H20 results

In 1H20 organic growth was 7.1% (+16.6% in 1Q20, -1% in 2Q20 due to lack of “Drive to Store” SMS in April-May). IFRS 16 impact on net cash was EUR4.25 million.

(EURm)	2Q19A	2Q20A	% change	1H19A	1H20A	% delta
<b>Revenues</b>	<b>15,33</b>	<b>15,31</b>	<b>-0,1%</b>	<b>28,38</b>	<b>30,90</b>	<b>8,9%</b>
email	3,23	3,90	20,8%	6,34	7,67	21,1%
SMS	11,41	10,59	-7,1%	20,84	21,47	3,0%
Professional services	0,18	0,17	-8,7%	0,35	0,34	-3,4%
Predictive marketing	0,50	0,64	27,4%	0,85	1,43	67,2%
<b>VoP</b>	<b>15,95</b>	<b>15,86</b>	<b>-0,6%</b>	<b>29,31</b>	<b>31,69</b>	<b>8,1%</b>
<b>Gross profit</b>	<b>5,13</b>	<b>5,33</b>	<b>3,9%</b>	<b>8,54</b>	<b>9,78</b>	<b>14,5%</b>
<b>Gross margin</b>	<b>33,5%</b>	<b>34,9%</b>		<b>30,1%</b>	<b>31,6%</b>	
<b>Ebitda</b>	<b>1,67</b>	<b>1,63</b>	<b>-2,2%</b>	<b>2,14</b>	<b>2,18</b>	<b>1,6%</b>
Ebitda margin	10,9%	10,7%		7,6%	7,0%	
<b>Ebit</b>	<b>1,08</b>	<b>0,80</b>	<b>-25,5%</b>	<b>0,81</b>	<b>0,53</b>	<b>-34,8%</b>
Ebit margin	7,0%	5,2%		2,9%	1,7%	
<b>Net profit</b>				<b>0,41</b>	<b>0,41</b>	<b>-1,4%</b>
Net profit margin				1,4%	1,3%	
<b>(Net Cash)</b>				<b>-4,38</b>	<b>-3,67</b>	
<b>(Net Cash) ex-IFRS16</b>				<b>-6,81</b>	<b>-7,92</b>	

Source: Company data

Figure 2. 2Q-1H20 results by business units

In 2Q20 the growth of BEE remained impressive (+64% YoY) considering the delay in marketing activity for BEE Plugin. Datatrics was the only business line at EBITDA loss (EUR0.4 million).

(EURm)	2Q19A	2Q20A	% change	1H19A	1H20A	% delta
<b>VoP</b>	<b>15,96</b>	<b>15,86</b>	<b>-0,6%</b>	<b>29,31</b>	<b>31,69</b>	<b>8,1%</b>
MailUp	3,71	4,11	8,3%	7,32	8,1	10,2%
Agile Telecom	9,91	10,17	-10,2%	20,49	20,7	1,0%
BEE	0,55	0,94	64,2%	1,07	1,8	71,2%
Acumbamail	0,31	0,39	28,2%	0,57	0,7	30,5%
Datatrics	0,50	0,90	49,1%	1,03	1,7	67,6%
Holding	-0,12	1,45		1,54	2,6	
Intercompany		-2,11		-2,70	-3,9	
<b>EBITDA</b>	<b>1,67</b>	<b>1,63</b>	<b>-2,2%</b>	<b>2,14</b>	<b>2,18</b>	<b>1,6%</b>
MailUp	0,46	1,33	75,9%	1,48	1,95	31,4%
Agile Telecom	0,74	0,50	-28,0%	0,74	0,62	-16,0%
BEE	0,31	0,04	-88,2%	0,32	0,09	-70,4%
Acumbamail	0,08	0,06	-16,9%	0,11	0,13	11,4%
Datatrics	-0,13	-0,42		-0,35	-0,74	
Holding	0,29	0,03		-0,29	-0,05	
Intercompany	-0,08	0,10		0,13	0,17	
<b>EBITDA margin on VoP</b>	<b>10,4%</b>	<b>10,3%</b>		<b>7,3%</b>	<b>6,9%</b>	
MailUp	12,5%	32,4%		20,3%	24,1%	
Agile Telecom	7,5%	5,0%		3,6%	3,0%	
BEE	55,5%	3,8%		29,7%	5,1%	
Acumbamail	25,0%	14,8%		20,0%	17,0%	
Datatrics	-26,9%	-46,4%		-34,5%	-43,0%	

Source: Company data

### Financial Projections

► Following the release of FY19 gross sales, we have fine-tuned our estimates of consolidated revenues and EBITDA 2020 (respectively -0.8% and -1.4%). We incorporate higher D&A but we do not change our estimate of net profit at EUR1 million considering lower tax rate. Cash generation is expected to remain healthy and we improve our forecast of net cash by EUR0.9 million in 2020. We leave mostly unchanged our 2021-2022 estimates.

Figure 3 - Old vs. New estimates

(EURm)	2019A	2020E		2021E		2022E	
		Old	New	Old	New	Old	New
Revenues	59.3	66,2	65,7	85,2	85,2	97,6	97,6
% change			-0,8%		0,0%		0,0%
EBITDA	4.80	4,95	4,89	7,05	7,00	10,42	10,42
% change			-1,4%		-0,8%		0,0%
EBIT	1.85	1,91	1,56	3,75	3,47	6,78	6,58
% change			-18,3%		-7,5%		-2,9%
Net profit	1.15	1,03	1,03	2,28	2,33	4,40	4,46
% change			-0,2%		2,1%		1,3%
Net debt/(Cash)	-2.4	-2,8	-3,6	-5,7	-6,2	-9,7	-9,9
EBITDA margin	8.1%	7,5%	7,4%	8,3%	8,2%	10,7%	10,7%
EBIT margin	3.1%	2,9%	2,4%	4,4%	4,1%	6,9%	6,7%

Source: Company data, UBI Banca estimates

Figure 4 - VoP and EBITDA breakdown by segments in 2017-2022E

(EURm)	2017A	2018A	2019A	2020E	2021E	2022E
<b>VoP (Consolidated)</b>	<b>27,3</b>	<b>40,2</b>	<b>60,8</b>	<b>67,3</b>	<b>87,3</b>	<b>100,0</b>
MailUp	12,3	13,8	15,1	16,1	16,4	17,3
Agile Telecom	14,8	26,3	41,5	44,0	58,0	63,9
Acumbamail	0,7	0,9	1,2	1,60	1,9	2,2
BEE	0,6	1,2	2,6	4,6	7,8	10,5
Datatrix			2,4	3,4	5,8	8,8
Holding	1,5	1,4	3,5	5,5	3,5	3,5
Intercompany	-2,6	-3,4	-5,5	-7,9	-6,0	-6,2
<b>EBITDA</b>	<b>2,86</b>	<b>3,80</b>	<b>4,80</b>	<b>4,89</b>	<b>7,00</b>	<b>10,42</b>
MailUp	2,35	2,30	2,80	3,38	2,62	2,86
Agile Telecom	1,35	2,50	1,34	1,60	3,65	4,04
Acumbamail	0,25	0,20	0,24	0,30	0,37	0,44
BEE	-0,04	0,40	0,72	0,70	1,25	3,03
Datatrix			-0,55	-1,00	-0,50	0,70
Holding	-1,05	-1,60	-0,55	-0,10	-0,40	-0,65
IFRS 16			0,80			
<b>EBITDA margin on VoP %</b>	<b>10,5%</b>	<b>9,5%</b>	<b>7,9%</b>	<b>7,3%</b>	<b>8,0%</b>	<b>10,4%</b>
MailUp	19,1%	16,7%	18,5%	21,0%	16,0%	16,5%
Agile Telecom	9,1%	9,5%	3,2%	3,6%	6,3%	6,3%
Acumbamail	35,7%	22,2%	20,2%	19,0%	20,0%	20,0%
BEE	-6,7%	33,3%	27,7%	15,2%	16,1%	28,9%
Datatrix			-22,9%	-29,8%	-8,7%	8,0%

Source: Company data, UBI Banca estimates

**Valuation**

- As an effect of to decrease of risk free rate from 3% to 2% (vs 1% of 10Y BTP yield), our target price based on DCF (WACC 7.4%, g 2%) has been increased by over 12% to EUR5.9 per share. At the moment, we are not incorporating the potential dilution due to EUR3 million earn-out to be paid at the end of 2021/2022 to Datatrics' shareholders, which would lead to a total 8% dilutive effect.
- In our SoP valuation, we value MailUp+Acumbamail and Agile Telecom by applying 18.8x to EBITDA20E, which corresponds to the median multiple of foreign peers discounted by 10% (liquidity discount). Datatrics is conservatively incorporated at the price tag (EUR3.8 million before potential earn-out). Regarding BEE, which is a Silicon-Valley company, we take a panel of the most representative American SaaS companies active as providers in the vertical software market.
- Overall, our SoP valuation is equal to EUR124 million of EUR8.3 per share; BEE represents ca 15% of it.
- We set a new target price of EUR6.8 (+8% compared to previous, 31% upside); it is equal to the weighted average of DCF valuation (60% weight) and SoP (40% weight).
- The stock is trading at an EV/EBITDA 20E of 15.5x which is at a 26% discount to median peers. At our new TP MailUp would trade at EV/EBITDA 20E-21E of 20.1-13.7x, corresponding to a respectively 4% and 10% discount to peers.

Figure 5 – Valuation summary

(EUR)	Current valuation	Weight	Previous (13/07/2020)	Delta
DCF Valuation	5.9	60%	5.2	+12.4%
Relative Valuation	8.3	40%	8.1	+1.9%
<b>Target Price</b>	<b>6.8</b>		<b>6.3</b>	<b>+8.1%</b>
Current price	5.2		5.5	-5.5%
Potential upside	31%		15%	

Source: UBI Banca estimates

Figure 6. Implicit multiples based on our EUR6.8 target price

(x)	2020E	2021E	2022E
P/E	99,2 x	43,8 x	22,8 x
EV/EBITDA	20,1 x	13,7 x	8,8 x
EV/EBIT	63,0 x	27,6 x	14,0 x
EV/Sales	1,50 x	1,12 x	0,94 x
P/BV	5,6 x	5,0 x	4,1 x
EV/ Capital employed	6,8 x	6,8 x	6,2 x

Source: UBI Banca estimates

### DCF Valuation

To calculate the company's WACC and DCF valuation, we used the following assumptions:

Figure 7. WACC and embedded DCF assumptions

WACC assumptions		Embedded DCF assumptions	
Risk-free rate	2.0%	Revenue CAGR 2019-2022 (%)	18.1%
Debt spread (%)		Target EBIT margin 2022 (%)	6.7%
Cost of debt [net] (%)		D&A. on sales (avg. 2019-2022) (%)	4.4%
Market risk premium (%)	4.5%	Capex on sales (avg. 2019-2022) (%)	4.3%
Beta (x)	1.20	Revenue CAGR 2022-2026 (%)	4.4%
Cost of equity (%)	7.4%	Target EBIT margin 2026 (%)	8.9%
Weight of Debt	0%	D&A. on sales (avg. 2022-2026) (%)	4.2%
Weight of Equity	100%	Capex on sales (avg. 2022-2026) (%)	4.3%
<b>WACC</b>	<b>7.4%</b>		

Source: UBI Banca estimates

Figure 8. DCF Valuation

#### Our DCF valuation implies an EV/EBITDA 2020E of 17.5x

	Valuation (EURm)	% Weight	Per share (EUR)
Sum of PV 2020-22 FCF	7.2	8%	0.48
Sum of PV 2023-26 FCF	17.2	20%	1.15
Terminal Value	61.2	71%	4.09
<b>Total Enterprise value</b>	<b>85.6</b>	<b>100%</b>	<b>5.72</b>
- minorities	0.0		0.00
- financial assets	0.3		0.02
- net cash (debt) at end-2019	2.3		0.16
- earn-out for Datatrics	-0.8		-0.05
<b>Total Equity value</b>	<b>87.5</b>		<b>5.85</b>
Number of shares outstanding (m)	14.97		
<b>Fair value per share (EUR)</b>	<b>5.85</b>		

Source: UBI Banca estimates

### Sum-of-the-Part valuation

Figure 9. SoP valuation based on multiples priced on 18 September 2020

#### Our SoP valuation implies an EV/EBITDA 2020E of 25x

	Valuation (EURm)	Method	Per share (EUR)
MailUp+Acumbamail	69.4	18.8xEBITDA20E	4.64
Agile Telecom	30.1	18.8xEBITDA20E	2.01
BEE	18.3	4.0xSales20E	1.22
Datatrics	3.8	Price tag	0.25
<b>Total Enterprise value</b>	<b>121.6</b>		<b>8.12</b>
- net cash (debt) at end-2019	2.3		0.16
- financial assets	0.3		0.02
- cash out for Datatrics	-0.8		-0.05
<b>Total Equity value</b>	<b>123.6</b>		<b>8.25</b>
Number of shares outstanding (m)	14.97		
<b>Fair value per share (EUR)</b>	<b>8.25</b>		

Source: UBI Banca estimates

Figure 10 – Peer comparison for BEE based on multiples priced on 18 September 2020

**As there is no direct comparable for BEE, we have taken the most representative American players active as provider of vertical software.**

	Country	Market Cap (EURm)	EV/Sales2 0E	EV/EBITDA 20E	EBITDA margin 20E	Sales CAGR 19-21
2U, Inc.	USA	1.960	3,3	256,8	1,3%	18%
Veeva Systems Inc Class A	USA	33.815	27,1	68,6	39,5%	20%
RealPage, Inc.	USA	4.968	5,6	20,9	26,6%	9%
Pluralsight, Inc. Class A	USA	2.053	6,7	na	-4,4%	14%
CoreLogic, Inc.	USA	4.512	3,7	11,9	31,0%	-1%
CDK Global Inc	USA	4.471	4,0	10,3	38,3%	-2%
Blackbaud, Inc.	USA	2.362	3,5	14,5	24,4%	-4%
Black Knight, Inc.	USA	11.309	12,5	25,4	49,3%	1%
<b>Average</b>			<b>8,3</b>	<b>58,3</b>	<b>22,1%</b>	<b>7,4%</b>
<b>Median</b>			<b>4,8</b>	<b>20,9</b>	<b>26,6%</b>	<b>2,8%</b>

Source: UBI Banca estimates and Factset consensus

Figure 11. Peer comparison for MailUp Group based on multiples priced on 18 September 2020

**On 2020-2021, MailUp is trading at a discount compared to foreign players which have got similar business model.**

	Market Cap (EURm)	EV/Sales		EV/EBITDA		EBITDA margin	
		20E	21E	20E	21E	20E	21E
dotDigital Group plc	439	8,0	7,4	20,9	20,3	38,0%	36,5%
IMImobile	362	2,0	1,8	15,4	13,3	13,2%	13,8%
Kaleyra	191	1,6	1,2	72,2	15,3	8,6%	10,1%
SharpSpring	102	4,0	3,4	n.a.	n.a.	negative	negative
<b>Median</b>		<b>3,0</b>	<b>2,6</b>	<b>20,9</b>	<b>15,3</b>	<b>13,2%</b>	<b>13,8%</b>
<b>MailUp</b>	<b>78</b>	<b>1,2</b>	<b>0,9</b>	<b>15,5</b>	<b>10,4</b>	<b>7,4%</b>	<b>8,2%</b>
<b>Premium/Discount to median</b>		<b>-61,7%</b>	<b>-67,0%</b>	<b>-26,0%</b>	<b>-31,6%</b>		
MailUp at target		1,5	1,1	20,1	13,7		
Premium/Discount to peers		-50,2%	-56,8%	-3,9%	-10,5%		
Premium/Discount to Dotdigital		-81,2%	-84,8%	-3,9%	-32,5%		

Source: UBI Banca estimates and Factset consensus

## ESG Picture

### Corporate Governance

Does the company have a combined Chair/CEO?	No
Percentage of independent directors	20% (1 out of 5)
Does the company have loyalty shares?	No
Does major shareholders (if any) have a "shareholders pact" in place?	Yes
Has the company adopted a "poison pill" or "change of control" clauses?	No
Potential dilution from stock options outstanding + not yet granted?	Around 8% in 21/22 due to earn-outs
CEO remuneration detail (fixed salary)	EUR170k
Chairman remuneration detail (fixed salary)	EUR170k
Is the share price included in the MBO criteria?	Yes
Percentage of treasury shares	0.59%

### Climate related risk

Has the company defined GHG-emissions targets?	No
How does the company assess climate-related risk?	New sustainable office, internal recycling culture and CO2 compensation policy since 2007

### Social Responsibilities

Does the company publish a separated Sustainability report?	Yes
Does the company have a Chief SRI/CSR officer (or a committee)?	No
Does the Chief SRI/CSR officer votes in any of the company's committee?	No
Is the Investor Relation officer a different person from CFO (or other officers)?	Yes
Is the ESG strategy integrated in the Business Plan (or in the group strategy)?	No
Does the company have an ethical code?	Yes
Percentage of female directors	20% (1 out of 5)
How is the cybersecurity issue managed?	The company is fully compliant with EU GDPR regulation. The company is member of M3AAWG to fight abuse

## Income Statement

(EURm)	2019	2020E	2021E	2022E
Value of production	59,3	65,7	85,2	97,6
EBITDA	4,8	4,9	7,0	10,4
EBITDA margin	8,1%	7,4%	8,2%	10,7%
EBIT	1,9	1,6	3,5	6,6
EBIT margin	3,3%	2,4%	4,1%	6,7%
Net financial income /expense	0,0	0,0	0,0	0,0
Associates & Others	1,0	0,0	0,0	0,0
Profit before taxes	1,9	1,6	3,5	6,6
Taxes	-0,7	-0,5	-1,2	-2,1
Minorities & discontinuing ops	1,0	0,0	0,0	0,0
Net Income	1,2	1,0	2,3	4,5

Source: Company data, UBI Banca estimates

## Balance Sheet

(EURm)	2019	2020E	2021E	2022E
Net working capital	-8,6	-9,3	-9,4	-8,6
Net Fixed assets	29,4	28,6	28,5	28,4
M/L term funds	-6,2	-4,9	-4,9	-4,9
Capital employed	14,6	14,4	14,2	14,9
Shareholders' equity	17,0	18,1	20,4	24,8
Minorities	0,0	0,0	0,0	0,0
Shareholders' funds	17,0	18,1	20,4	24,8
Net financial debt/(cash)	-2,4	-3,6	-6,2	-9,9

Source: Company data, UBI Banca estimates

## Cash Flow Statement

(EURm)	2019	2020E	2021E	2022E
NFP Beginning of Period	-6,4	-2,3	-3,6	-6,2
Group Net Profit	1,2	1,0	2,3	4,5
Minorities	0,0	0,0	0,0	0,0
D&A	2,9	3,3	3,5	3,8
Change in Funds & TFR	-1,5	-1,1	0,0	0,0
Gross Cash Flow	2,6	3,2	5,9	8,3
Change In Working Capital	1,9	1,3	0,2	-0,9
Other	0,1	-0,1	0,0	0,0
Operating Cash Flow	4,6	4,4	6,0	7,4
Net Capex	-8,6	-3,1	-3,4	-3,7
Other Investments	0,0	0,0	0,0	0,0
Free Cash Flow	-4,0	1,3	2,6	3,7
Dividends Paid	0,0	0,0	0,0	0,0
Other & Chg in Consolid. Area	0,0	0,0	0,0	0,0
Chg in Net Worth&Capital Incr.	0,0	0,0	0,0	0,0
Change in NFP	-4,0	1,3	2,6	3,7
NFP End of Period	-2,4	-3,6	-6,2	-9,9

Source: Company data, UBI Banca estimates

**Financial Ratios**

(%)	2019	2020E	2021E	2022E
ROE (%)	8.4%	5,9%	12,1%	19,7%
ROI pre-tax (%)	11.1%	7,9%	18,1%	33,8%
Net Fin. Debt/Equity (x)	-0.4	-0,7	-0,9	-1,0
Net Fin. Debt/EBITDA (x)	-1.7	-0,2	-0,3	-0,4
Interest Coverage	0.0	0,0	0,0	0,0
NWC/Sales	-21.2%	-14,1%	-11,1%	-8,8%
Capex/Sales	8.5%	4,7%	4,0%	3,8%
Pay Out Ratio	0.0%	0,0%	0,0%	0,0%

Source: Company data, UBI Banca estimates

**Per Share Data**

(EUR)	2019	2020E	2021E	2022E
EPS	0,08	0,07	0,16	0,30
DPS	0,00	0,00	0,00	0,00
Op. CFPS	0,31	0,29	0,40	0,50
Free CFPS	-0,26	0,09	0,17	0,25
BVPS	1,14	1,21	1,36	1,66

Source: Company data, UBI Banca estimates

**Stock Market Ratios**

(x)	2019 *	2020E	2021E	2022E
P/E	44,3	75,7	33,4	17,4
P/OpCFPS	21,2	24,2	13,3	9,4
P/BV	3,2	4,3	3,8	3,1
Dividend Yield (%)	0,0%	0,0%	0,0%	0,0%
Free Cash Flow Yield (%)	nm	1,7%	3,3%	4,8%
EV (EURm)	53,7	75,7	73,1	69,4
EV/Sales	0,9	1,2	0,9	0,7
EV/EBITDA	11,2	15,5	10,4	6,7
EV/EBIT	27,8	48,5	21,1	10,5
EV/Capital Employed	3,7	5,3	5,2	4,7

Source: Company data, UBI Banca estimates

\* Based on 2019 average price

**Growth Rates**

(%)	2019	2020E	2021E	2022E
Growth Group Net Sales	51,9%	10,9%	29,7%	14,5%
Growth EBITDA	27,3%	1,8%	43,2%	48,9%
Growth EBIT	1,8%	-20,3%	122,4%	89,5%
Growth Net Profit	-1,8%	-18,4%	126,5%	91,7%

Source: Company data, UBI Banca estimates

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15 January 2019	BUY	3.72	2.52
26 April 2019	BUY	3.85	3.04
23 May 2019	BUY	3.89	3.31
11 July 2019	BUY	5.20	4.49
18 September 2019	BUY	5.07	4.40
14 November 2019	BUY	6.00	4.50
14 February 2020	BUY	6.00	4.72
27 March 2020	BUY	5.30	4.05
14 May 2020	BUY	5.40	4.60
13 July 2020	BUY	6.30	5.50