



Silloge cloud-based platform totally upgraded and solid FY2022 results

Sector: Technology Services

FY22 sales at Euro 32.5 m and significant investment in the technological development of the Silloge platform. Siav Spa, benefit company and Italian leader in the Enterprise Content Management field, posted a positive set of FY22 results largely in line with our estimates. Indeed, the Company confirmed most of economic and financial results unveiled in their industrial plan (during IPO) as well as started to elaborate the consolidated financial statements in accordance with IAS/IFRS international accounting standards.

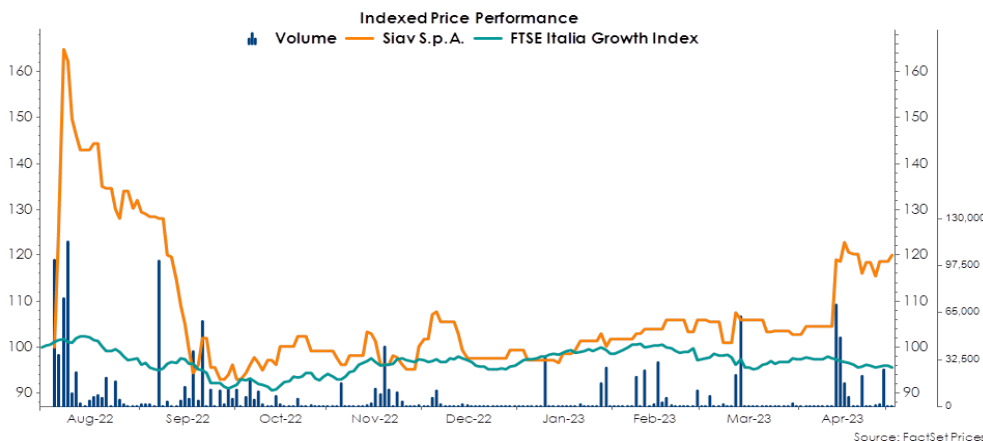
Getting down to business, revenues settled at Euro 32.5 m, up 6% from previous year (Euro 30.7 m) predominantly due to R&D investments made during the year, in order to complete "Silloge" and improve their digital platforms (see our first coverage for an in-depth understanding of all of them). VoP is up from Euro 32.6 m in 2021 to Euro 33.8 m in 2022 (+4% YoY): this figure includes Euro 1.3 m in operating grants for research and development activities carried out by the Group. The amount of investments, certified by an independent expert, generated contributions for both research and development activities (20% on reported activity) and technological innovation (10% on reported activity) implemented on Siav's various software platforms. Absolute margins are substantially stable, with EBITDA reaching Euro 5.8 m (vs. Euro 5.9 m in FY21), while the increase in non-recurring costs, thanks to first procurements (from two of the major Italian public institutions) including the release of the new platform, have contributed to a reduction, however slight, in marginality (17% vs. 18% in previous year). It is worth noting that, once the platform passes the first period of activity (test phase) and becomes fully operational (production phase) these costs will be fully recoverable in future years.

Coherently with Siav's business and structure, D&A mainly relates to intangible assets, so those related to development activities on Company's software platform (once again), which increases from Euro 1.7 m to Euro 1.9 m during the course of fiscal year 2022: as such, EBIT stood at Euro 1.8 m, in mild decline from Euro 2.2 m recorded in the previous year.

Regarding the balance sheet side, net debt came in at Euro 16.5 m, strictly in line with 2021's figure, including Euro 7.2 m in "Cash & cash equivalents" item.

Positive outlook confirmed, with ongoing development activities. As already described above, the completion of a significant upgrade of "Silloge" platform, which has enabled the stipulation of important contracts, demonstrate the ongoing commitment of Siav to research and development in both private and PA spheres; in addition, projects related to cost containment and efficiency improvement were underway to benefit the Group's margins and service management on customers. Beyond the general increase in costs linked to the growth of inflation and, in particular, the price of energy, there are no reasons for particular concern at the moment, given that the markets involved in the war conflict do not constitute a commercial reference: despite this delicate macro-economic situation, Siav is particularly active in scouting companies for appropriate M&A transactions that can generate synergies and enable their customer base.

Estimate revision and valuation. Given the above we finetuned our revenues estimates and upwards. We now expect sales growth of 13% in FY23 (9% previously) and 12% in the years to follow and we also increased profitability to reflect the structural improvement in margins from 2023 onward. Updating our DCF and multiple based valuation model for new estimates and up-to-date market data, we obtain a target price of Euro 7.32 p.s. (Euro 6.36 p.s. previously), providing for a potential upside of 95%. At our TP the stock would be trading at FY23-24 EV/EBITDA multiples of 11.5x and 9.5x. Our forecasts do not assume any M&A activity, which however continues to represent further upside to our valuation.



Target Price 7.32 (6.36 pr.)

Price (€) **3.75**

Market Cap (€ m) **34.39**

EV (€ m) **50.90**

As of May 4th, 2023

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	SIAV.MI/SIAV:IM
ISIN	IT0005504128
N. of Shares	9.170.000
Free Float	18.21%
CEO	Nicola Voltan

Financials

	2022A	2023E	2024E	2025E
Sales	32.5	36.8	41.2	46.2
YoY %	+6%	+13%	+12%	+12%
EBITDA	5.8	7.2	8.4	11.8
EBITDA %	17%	19%	20%	25%
EBIT	1.8	2.0	3.8	7.0
EBIT %	5%	8%	9%	15%
Net Income	0.9	2.2	3.1	5.8
Net Debt	16.5	15.8	13.1	7.0

Performance

	1M	3M	6M
Absolute %	17.2	18.3	23.4
Relative (FTSE Italia Growth)	20.2	23.9	20.6
52-week High/Low (Eu)	5.7	/	2.5

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