Milan, 16 March 2026

Italian Equity Research – 4Q25 Results

CY4GATE

BUY

Sector: Industrials

Price: Eu7.12 - **Target: Eu9.70**

Cautious Guidance Creates Room for Potential Upgrades

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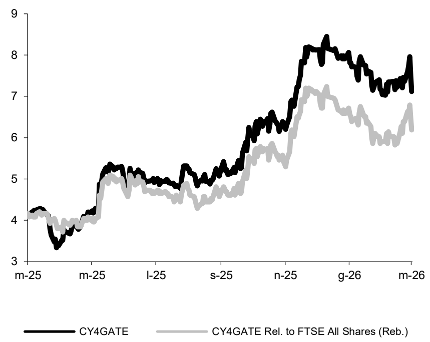
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 9.10 to 9.70
	2026E	**2027E**	**2028E**
Chg in Adj EPS	n.m.	6.4%	

Next Event
1Q26 Results Out on May 14th

CY4GATE - 12M Performance



Stock Data			
Reuters code:			CY4.MI
Bloomberg code:			CY4 IM
Performance	**1M**	**3M**	**12M**
Absolute	1.1%	-12.3%	70.9%
Relative	4.2%	-13.3%	55.0%
12M (H/L)			8.45/3.34
3M Average Volume (th):			62.73

Shareholder Data	
No. of Ord shares (mn):	24
Total no. of shares (mn):	24
Mkt Cap Ord (Eu mn):	168
Total Mkt Cap (Eu mn):	168
Mkt Float - Ord (Eu mn):	64
Mkt Float (in %):	38.3%
Main Shareholder:	
Elettronica S.p.A.	38.4%

Balance Sheet Data	
Book Value (Eu mn):	83
BVPS (Eu):	3.54
P/BV:	2.0
Net Financial Position (Eu mn):	-7
Enterprise Value (Eu mn):	174

The quarterly results complete a strong FY25, which marked a clear inflection point versus the past, with growth, margins, and cash generation exceeding our estimates and consensus. This performance is also reflected in the stock price, which has more than doubled since its lows one year ago. We expect the positive momentum of results to continue, supported by stronger execution and high visibility, with over 80% of the guidance mid-point expected to be delivered from the current backlog and the remainder from pipeline conversion. While guidance remains conservative, early-year order intake has been robust and the growth of backlog continues to accelerate, reinforcing confidence in management's conservative approach. We therefore adjust our estimates toward the top of the range, while leaving room for further upgrades in the coming quarters, noting that a comparable backlog-to-pipeline mix last year ultimately delivered results 20% above the initial guidance mid-point. Higher estimates drive our TP to €9.7 (from €9.1), implying 10x EV/EBITDA. BUY confirmed.

- **4Q25 solid on growth, profitability, and cash generation.** CY4 reported another strong set of results in 4Q, confirming the continuation of positive trends seen since the start of the year. The strong expansion of the top line had an outsize impact on margins, which exceeded 30% in the quarter, boosted by a more favourable revenue mix (higher incidence of projects in the Forensic and Decision Intelligence segments). 4Q results beat estimates for revenues (€36mn, +32% YoY, +26% vs. Inte. est.), margins (at 30.9%, vs Inte est. at 26%), and cash generation (at +€9mn in 4Q). Net profit was hit by some write-downs (at c.€5.5mn) compared to 4Q24, which instead benefited from pre-paid tax of €6.6mn, benefiting from a higher level of customer advances at WC level.
- **Outlook remains supportive.** Management delivered a constructive update across key business lines. In the corporate segment, PoCs with large players are progressing well, supporting a potential subscription-based revenue stream. Cybersecurity saw some project delays in FY25 with institutional clients; however, new initiatives should have an increasingly positive effect in the coming quarters. Foreign forensic continues to recover, while lawful interception in Italy is expected to grow on market share gains. Strong deleveraging over the past year also opens the door to selective bolt-on acquisitions to add capabilities.
- **FY revenue guidance range at €104/108mn, +2/+6%.** As expected, the company has released its FY26 guidance for revenue, which it expects in the €104/108mn range (+4% YoY on the mid-point). The backlog as of Dec'25 was at €120mn (further accelerating vs. the Nov '25 figure) with around €90mn (including c. €30mn due to recurring business) pertaining to FY26, thus providing a good level of visibility.
- **Moving estimates towards the upper end of the guidance.** We have raised our revenues by +9% on average for FY26/27, reflecting sustained momentum in both the order backlog and intake (new contracts worth €26m signed YtD). On cash flow, we continue to forecast positive generation, albeit at a lower speed compared to the strong performance recorded in 2025.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	75	102	108	114	119
EBITDA Adj (Eu mn)	12	21	23	25	26
Net Profit Adj (Eu mn)	-4	-6	0	2	4
EPS New Adj (Eu)	-0.160	-0.235	0.017	0.101	0.180
EPS Old Adj (Eu)	-0.160	-0.161	-0.017	0.095	
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	14.0	6.5	7.6	6.7	5.9
EV/EBIT Adj	nm	nm	35.6	22.9	16.6
P/E Adj	nm	nm	nm	70.5	39.5
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	2.6	0.7	0.3	-0.1	-0.4

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

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

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.
Frequency of research: quarterly.
Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.
A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.
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BUY: stock expected to outperform the market by over 25% over a 12 month period;
OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;
UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
SELL: stock expected to underperform the market by over 25% over a 12 month period.
Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	32.06%
OUTPERFORM:	38.17%
NEUTRAL:	29.77%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (76 in total) is as follows:

BUY:	52.63%
OUTPERFORM:	27.63%
NEUTRAL:	18.42%
UNDERPERFORM:	01.32%
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