Milan, 01 August 2025

Italian Equity Research – 2Q25 Results

TINEXTA

BUY

Sector: Industrials

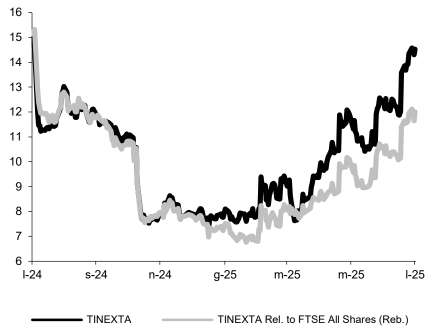
Price: Eu14.53 - **Target: Eu16.80**

2Q Results in Line. Focus Remains on Speculative Theme

Carlo Maritano +39-02-77115.358
carlo.maritano@intermonte.it

Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 16.40 to 16.80
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-3.1%	-1.1%	-1.0%

TINEXTA - 12M Performance



Stock Data			
Reuters code:			TNXT.MI
Bloomberg code:			TNXT IM
Performance	**1M**	**3M**	**12M**
Absolute	17.4%	55.1%	-4.0%
Relative	14.4%	46.0%	-25.0%
12M (H/L)			14.83/7.33
3M Average Volume (th):			260.84

Shareholder Data	
No. of Ord shares (mn):	47
Total no. of shares (mn):	47
Mkt Cap Ord (Eu mn):	686
Total Mkt Cap (Eu mn):	686
Mkt Float - Ord (Eu mn):	304
Mkt Float (in %):	44.3%
Main Shareholder:	
Tecno Holding S.p.A.	55.8%

Balance Sheet Data	
Book Value (Eu mn):	421
BVPS (Eu):	10.18
P/BV:	1.4
Net Financial Position (Eu mn):	-276
Enterprise Value (Eu mn):	1,155

- **Results broadly in line with our estimates.** Tinexta reported revenues of €120.4mn in 2Q, up 15.2% YoY and broadly in line with our estimate of €120.6mn. Organic growth came in at 3.4%, marking a slowdown from the 6.3% recorded in 1Q. At divisional level, the performance was slightly softer at Digital Trust (+4.8% YoY vs +9.0% exp.), again due to delays at its subsidiary Ascertia, and in Business Innovation (+1.5% vs +5% exp.), while the Cybersecurity division stood out with robust 60.1% YoY growth, driven primarily by the consolidation of DTH; notably, the legacy cybersecurity business also returned to positive territory in 2Q with a 3% increase after a weak first quarter (-3%). Adjusted EBITDA reached €20.3mn, rising 5% YoY and matching our forecast of €20.1mn, with a margin of 16.9%, down 1.6pp from the previous year. We highlight a better-than-expected margin at Digital Trust, which offset the slight revenue shortfall, while Cybersecurity and Business Innovation posted slightly lower margins - though the former was on higher revenues, bringing EBITDA in line with expectations, and the latter is expected to recover in 2H, as is typically the case. Finally, net debt stood at €301mn, also in line with our estimate of €303mn.
- **Improved leverage target.** The company confirmed 2025 guidance for revenues (seen up +11%/+13% YoY, of which +7%/+9% organic) and adj. EBITDA (seen up +15%/+17% YoY, of which +10%/+12% organic), while slightly improving its year-end leverage guidance (net debt/EBITDA of 2.1x-2.3x vs 2.2x-2.4x previously), a move that was expected after the company bought the minorities of ABF in advance at a symbolic price, while they had put options for c.Eu13mn into the debt figure. We essentially confirm our estimates (+ Cybersecurity/- Business Innovation), which remain slightly below the mid-point of guidance in terms of adj. EBITDA (2% below) as we have assumed a more prudent approach, mainly on the profitability of Business Innovation.
- **Tinexta attracting interest from PE funds.** Tecno Holding (the majority shareholder in Tinexta with c.55.8% of capital and c.71.6% of voting rights) has recently confirmed that negotiations are under way with the consortium composed of the Advent and Nextalia funds. The funds have been granted limited exclusivity on due diligence to set the terms and conditions for a possible strategic partnership aimed at assessing a potential delisting of TNXT. As of today, no binding agreement has yet been reached on the terms and conditions, including financial, of the potential deal. We note that articles in *Il Corriere della Sera* and *Il Sole24Ore* reported a potential valuation of around Eu700mn, implying a price per share of c.Eu14.8.
- **BUY confirmed, TP €16.8.** In the short term, we believe the stock will move more on speculative themes relating to the potential upcoming offer from private equity funds than on fundamental grounds. However, we underline that visibility on our 2025 adj. EBITDA estimate has increased since the release, with a 1H/2H adj. EBITDA split perfectly in line with last year (31% in 1H and 69% in 2H). We note that our valuation is the result of the simple average between a DCF (with confirmed WACC and G) and a sum-of-the-parts, which gives us a target price of €16.8, slightly higher than the previous €16.4 thanks to lower debt and updated peers multiples used in our SOP analysis.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	396	455	509	540	574
EBITDA Adj (Eu mn)	103	111	126	138	150
Net Profit Adj (Eu mn)	54	44	46	55	64
EPS New Adj (Eu)	1.154	0.924	0.975	1.172	1.350
EPS Old Adj (Eu)	1.154	0.924	1.006	1.186	1.364
DPS (Eu)	0.460	0.300	0.178	0.258	0.330
EV/EBITDA Adj	11.6	11.0	9.2	8.1	7.2
EV/EBIT Adj	15.0	17.6	17.1	11.5	9.9
P/E Adj	12.6	15.7	14.9	12.4	10.8
Div. Yield	3.2%	2.1%	1.2%	1.8%	2.3%
Net Debt/EBITDA Adj	1.0	2.9	2.2	1.8	1.4

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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:	32.84%
OUTPERFORM:	37.31%
NEUTRAL:	29.85%
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 (79 in total) is as follows:

BUY:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

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