

POWERSOFT

Sector: Industrial

Estimates upgraded on strong 1H23 results

The group reported another strong set of results across the board. 1H23 sales continued to post a buoyant growth (+68% yoy) thanks to higher volumes in international markets. EBITDA margin on sales soared to 26.5% (from 19.2% in 1H22) confirming that profitability expansion is not prone to slowdown, thanks to higher operating leverage. We believe that the robust trend in margins confirms a clear competitive positioning of the group in the pro-audio sector. While USA continued to grow, an acceleration of the business in APAC (with new offices and managers) signals that international strategy continue at fast pace. On the back of a positive set of 1H23 results and 2H growth prospects expected by mgmt., we increased our FY23/4/25E sales (+5/8/11%) and EBITDA (+22/25/30%). Powersoft is trading at 4.4x 2024 EV/EBITDA, at severe discount vs peers (-40% vs. B&C Speakers), despite is expected to deliver higher margins and growth rates. We reiterate our BUY rating and increase our TP to Eu12.0/share (44% upside) from Eu10.5.

- 1H23 sales jumped by +68% yoy, well-above our FY23 growth estimate.** 1H23 sales had a remarkable increase to Eu32.5mn, up by +69% yoy (above our FY23E growth of +28% yoy) and reaching an all-time high interim level. The increase in top-line was once again propelled by higher volumes in key regions like APAC (+108.5% to Eu5.9mn), NAM (1H23 sales were up +57% yoy to Eu8.9mn) and Europe (+68.1% yoy, topping to Eu16.7mn), confirming the group's ability to reap benefits stemming from a robust underlying demand in international regions.
- 1H23 EBITDA margin soared to 26.5%.** Despite current macroeconomic headwinds, Powersoft delivered another set of strong profitability expansion with EBITDA climbing to Eu8.6mn (more than doubled yoy) with margin on sales of 26.5% (from 19.2% in 1H22), well above our FY23E EBITDA margin of 21.7%. We believe that the increase is mainly attributable to positive effects stemming from: 1) product/price-mix, 2) volumes and 3) higher operating leverage. EBIT stood at Eu7.3mn (22.3% on sales) from Eu1.4mn (7%) in 1H22, while net profit landed at Eu5.2mn (16.1% margin, >80% of net profit generated in FY22). Net cash position stood at Eu15mn from Eu24.3mn at YE22, mainly due to Eu9.7mn dividends and NWC absorption for Eu2.9mn, chiefly related to increase in inventory and receivables, reflecting the growth in the business.
- Positive business visibility with international expansion set to continue.** The mgmt. foresees a continuation of the positive demand also in 2H23. New contracts with international clients add visibility on an already rich business pipeline in both Install and pro-Audio sector, on the back of recently announced distribution partnerships (e.g. Vega Global, Strong Global Entertainment, etc.). This has been aided by the launch of new innovative solutions (e.g. UNICA), pivoting on groups' R&D capabilities, which allowed to step-up from tier 1 supplier to a strategic technology partner of major OEMs (e.g. Bose Professional). More, the group is expected to continue its internationalization path, especially in APAC, by leveraging on its new branch and manager in Japan as well as new hirings in China. The cash pile is an international expansion lever and gives fire power for a potential M&A. Assuming a target post-deal group Net Debt/EBITDA of 1x and 7x 2024 EV/EBITDA target multiple, we estimate an M&A fire power of Eu44mn.
- We upgraded our FY23-25E estimates.** We increase our FY23-25E revenues (by +5/8/11%) and raise FY23/4/25E EBITDA by +22/25/30%. We now expect FY23E revenues of Eu65.7mn, up 34.5% yoy, with EBITDA at Eu16.3mn, 24.8% margin, reflecting group's operating leverage capabilities. This implies a milder yoy growth in 2H23E due to a tough comparison (record 2H22 figures).
- BUY reiterated with TP to Eu12.0/share (from Eu10.5).** Powersoft is trading at 4.4x 2024 EV/EBITDA, an undemanding level in our view and at severe discount versus peers (-40% vs. B&C Speakers). We confirm our BUY rating while increase our TP to Eu12.0/share (from Eu10.5), 44% upside, on the back of a solid set of 1H23 results and positive business visibility.

BUY

Unchanged

TP 12.0

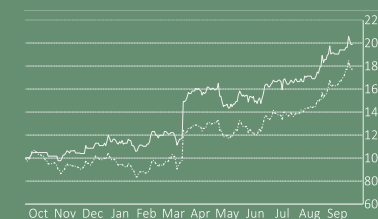
From 10.5

Target price upside 44%

Change in EPS est.	FY23E	FY24E
	13.4%	16.2%

Ticker (BBG, Reut)	PWS IM	PWS MI
Share price Ord. (Eu)		8.4
N. of Ord. shares (mn)		11.8
Total N. of shares (mn)		11.8
Market cap (Eu mn)		99
Total Market Cap (EU mn)		99
Free Float Ord. (%)		20%
Free Float Ord. (Eu mn)		19
Daily AVG liquidity Ord. (Eu k)		34

	1M	3M	12M
Absolute Perf.	7.1%	22.8%	98.8%
Rel.to FTSEMidCap	13.7%	30.5%	85.3%
52 weeks range		4.3	8.7



	FY22A	FY23E	FY24E
Sales	49	66	77
EBITDA adj.	12.4	16.3	19.8
Net profit adj.	6.3	9.5	11.7
EPS adj.	0.549	0.804	0.944
DPS - Ord.	nm	0.817	0.653
EV/EBITDA adj.	2.2x	5.3x	4.4x
P/E adj.	8.0x	11.0x	8.9x
Dividend yield	18.8%	9.8%	7.8%
FCF yield	5.6%	4.1%	8.6%
Net debt/(Net cash)	(24.3)	(18.3)	(18.0)
Net debt/EBITDA	nm	nm	nm

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Summary Financials (IFRS)

P&L account (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Value of Production	33.7	48.8	65.7	77.4	89.0
Gross margin	na	na	na	na	na
EBITDA reported	5.0	12.4	16.3	19.8	23.5
D&A	(2.0)	(2.0)	(2.7)	(2.8)	(2.9)
EBIT reported	2.6	9.9	13.1	16.2	19.6
Net financial charges	0.4	(1.0)	(0.1)	(0.1)	(0.1)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	3.0	8.9	13.1	16.1	19.6
Taxes	(0.7)	(2.5)	(3.6)	(4.4)	(5.4)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	2.3	6.3	9.5	11.7	14.2
EBITDA adjusted	5.0	12.4	16.3	19.8	23.5
EBIT adjusted	2.6	9.9	13.1	16.2	19.6
Net profit adjusted	2.3	6.3	9.5	11.7	14.2

Margins (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Gross margin	na	na	na	na	na
EBITDA margin (adj)	14.9%	25.3%	24.8%	25.6%	26.4%
EBIT margin (adj)	7.7%	20.3%	20.0%	20.9%	22.1%
Pre-tax margin	8.8%	18.2%	19.9%	20.8%	22.0%
Net profit margin (adj)	6.7%	13.0%	14.4%	15.1%	16.0%

Growth rates (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	-11.9%	44.9%	34.5%	17.8%	14.9%
EBITDA	-21.6%	146.3%	32.0%	21.6%	18.5%
EBITDA adjusted	-21.6%	146.3%	32.0%	21.6%	18.5%
EBIT	-35.1%	283.7%	32.5%	23.2%	21.6%
EBIT adjusted	-35.1%	283.7%	32.5%	23.2%	21.6%
Pre-tax	-26.2%	199.3%	47.4%	23.2%	21.6%
Net profit	-25.0%	180.6%	49.3%	23.2%	21.6%
Net profit adjusted	-25.0%	180.6%	49.3%	23.2%	21.6%

Per share data	FY21A	FY22A	FY23E	FY24E	FY25E
Shares	11.385	11.728	11.838	12.907	12.907
Shares diluted	11.385	11.728	11.907	12.907	12.907
N. of shares AVG	11.230	11.557	11.783	12.373	12.907
N. of shares diluted AVG	11.230	11.557	12.425	12.425	12.425
EPS	0.201	0.549	0.804	0.944	1.100
EPS adjusted	0.201	0.549	0.804	0.944	1.100
DPS - Ord.	0.150	0.820	0.817	0.653	0.805
DPS - Sav.	0.000	0.340	0.000	0.000	0.000
BVPS	2.232	2.695	2.626	2.764	2.945

Enterprise value (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Share price Ord. (Eu)	4.5	4.4	8.4	8.4	8.4
Market cap Diluted	50.8	51.1	103.8	103.8	103.8
Net debt/(Net cash)	(20.0)	(24.3)	(18.3)	(18.0)	(18.0)
Adjustments	1.3	0.9	1.3	1.5	1.8
Enterprise value	32.1	27.7	86.7	87.3	87.5

Cash flow (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
EBITDA reported	5.0	12.4	16.3	19.8	23.5
Net financial charges	0.4	(1.0)	(0.1)	(0.1)	(0.1)
Cash taxes	(0.7)	(2.5)	(3.6)	(4.4)	(5.4)
Ch. in Working Capital	4.4	(1.3)	(6.0)	(3.8)	(4.1)
Other operating items	(0.3)	(2.5)	0.4	0.2	0.2
Operating cash flow	8.8	5.0	7.1	11.7	14.2
Capex	(1.3)	(2.2)	(2.8)	(2.8)	(2.8)
FCF	7.5	2.9	4.3	8.9	11.4
Disposals/Acquisitions	0.0	0.0	0.0	0.0	0.0
Changes in Equity	1.8	1.3	0.0	0.0	0.0
Others	1.4	2.3	0.0	0.0	0.0
Dividends	0.0	(1.8)	(9.7)	(8.4)	(10.4)
Ch. in NFP	10.8	4.7	(5.4)	0.5	1.0

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Capex/VoP	3.9%	4.4%	4.3%	3.6%	3.1%
Capex/D&A	0.7x	1.1x	1.0x	1.0x	1.0x
FCF/EBITDA	150.3%	23.1%	26.1%	45.1%	48.5%
FCF/Net profit	333.1%	44.9%	44.9%	76.6%	80.2%
Dividend pay-out	77.7%	89.0%	89.0%	89.0%	89.0%

Balance sheet (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital	3.6	4.6	10.6	14.4	18.5
Fixed assets	2.7	3.2	3.3	3.3	3.3
Provisions & others	(1.3)	(0.9)	(1.3)	(1.5)	(1.8)
Net capital employed	5.1	6.9	12.6	16.2	20.0
Net debt/(Net cash)	(20.0)	(24.3)	(18.3)	(18.0)	(18.0)
Equity	25.1	31.1	30.9	34.2	38.0
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital/VoP	10.6%	9.4%	16.1%	18.6%	20.8%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY21A	FY22A	FY23E	FY24E	FY25E
EV/CE	5.1x	3.5x	6.2x	4.9x	4.0x
P/BV	2.0x	1.6x	3.4x	3.0x	2.7x
EV/Sales	1.0x	0.6x	1.3x	1.1x	1.0x
EV/EBITDA	6.4x	2.2x	5.3x	4.4x	3.7x
EV/EBITDA adjusted	6.4x	2.2x	5.3x	4.4x	3.7x
EV/EBIT	12.4x	2.8x	6.6x	5.4x	4.5x
EV/EBIT adjusted	12.4x	2.8x	6.6x	5.4x	4.5x
P/E	22.5x	4.2x	9.0x	7.3x	6.0x
P/E adjusted	22.5x	8.0x	11.0x	8.9x	7.3x
ROCE pre-tax	33.9%	139.9%	120.8%	102.2%	99.5%
ROE	9.0%	20.4%	30.6%	34.1%	37.4%
EV/FCF	4.3x	9.7x	20.4x	9.8x	7.7x
FCF yield	14.8%	5.6%	4.1%	8.6%	11.0%
Dividend yield	3.4%	18.8%	9.8%	7.8%	9.6%

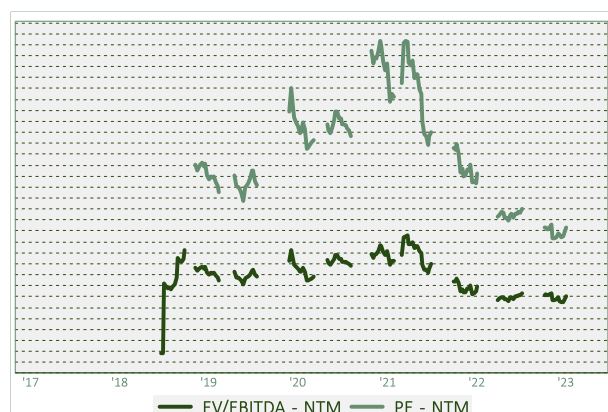
Share price performance

PWS share price is up by c. 80% YTD



Valuation

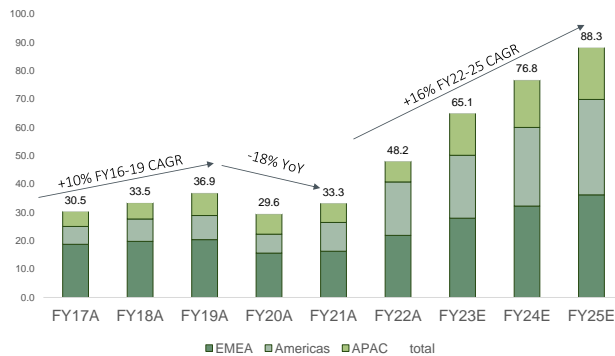
Multiples are well below the peak reached in 2021



Key Charts

Powersoft – Sales (FY17A-25E)

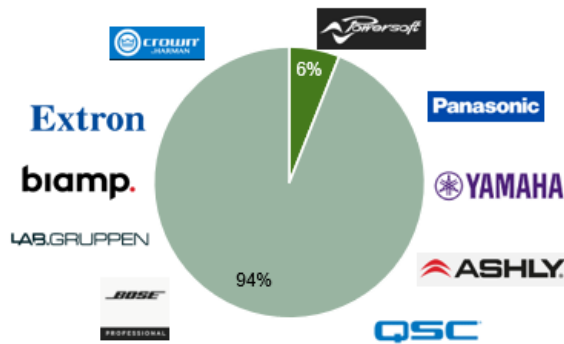
+16% sales CAGR over FY22-25 with Americas / APAC being the best performers



Source: Alantra estimate

Powersoft's estimated market share in rack amplifiers

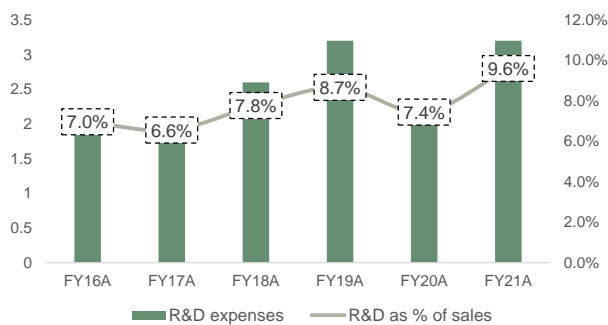
We estimate a market share of 6% in 2022 in professional rack amplifiers (the core business of Powersoft)



Source: Alantra estimate

Powersoft – R&D expenses

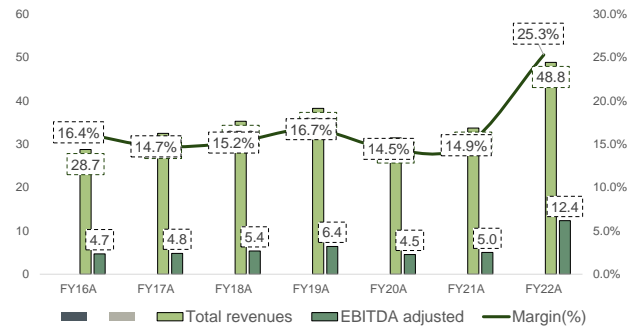
R&D expenses are constantly at high single digit



Source: Powersoft data as for 2016-2020, Alantra Estimates

Powersoft – Historical financials (FY16-22A)

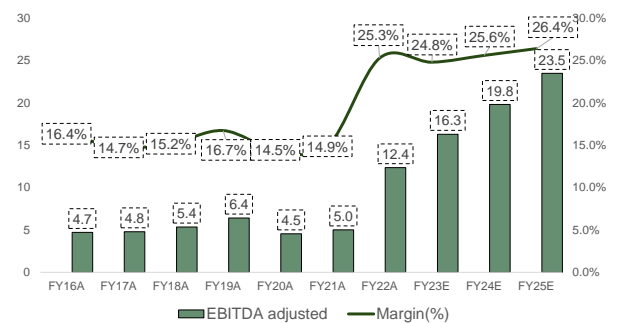
10% top line CAGR in 2016-22 with EBITDA margin reaching 25.3% in 2022



Source: Powersoft financial reports

Powersoft – Adj. EBITDA and margin (FY17A-25E)

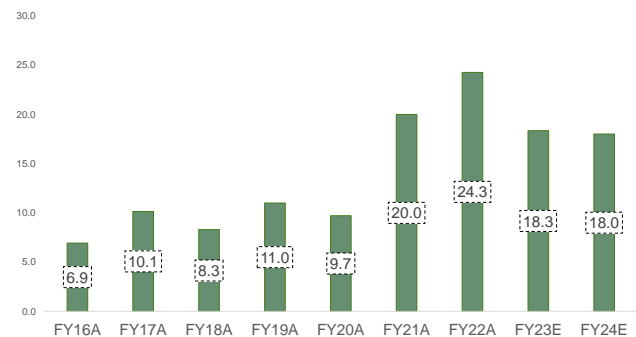
Regain of production volumes and costs efficiencies should translate into EBITDA margin expansion: from 14.5% in 2020 to 26.4% in 2024



Source: Powersoft data as for 2016-2020, Alantra Estimates

Powersoft – Net Cash position

Ample room for acquisitions and/or dividend distribution



Source: Powersoft data, Alantra estimates

Profile

Background	Powersoft is a global leader in the design and manufacturing of high-end patented technologies and solutions for the professional audio sector. The group is specialized in the production of pro-audio power amplifiers, which represent a key part of an audio system (the electronic circuits that increase the power of the electric signal that drives loudspeakers). Powersoft key products are rack amplifiers (systems) - for both touring and fixed installations - amplification modules (components, to be assembled into OEM's active loudspeakers) and other audio products, estimated at >90% of sales. Safety multimedia devices, sound controllers and transducers complement the product offering.
Positioning	We believe that the group is a leading global player with estimated market share of 6% in the core business of rack amplifiers. We struggle to find independent product specialists with a similar positioning. The German group IcePower and the Danish player Pascal are mainly producers of professional module amplifiers. Other competitive brands are part of larger multi-brand conglomerates, including the Swedish Lab.Gruppen (acquired in 2015 by the Philippian group Music Tribe) and Crown (part of the US group Harman, acquired by Samsung in 2016). Other competitors are large mono-brand integrated groups, including Bose Professional, Panasonic, Yamaha, Ashly and QSC. Powersoft's technologies are protected by trademarks. In addition, the group significantly invests in innovation (R&D on sales at 7-8% on average over the last 5 years; 30% of the workforce in R&D). The group has established strong reputation, links and relationships with top clients (Pioneer, Bose, Panasonic, RCF and others) and distributors. Powersoft also supplies module amplifiers to the top loudspeaker brands (L'Acoustics and d&b Audiotechnik).
Growth	Powersoft has grown faster than its reference market over the 16-19 period (10.6% vs +8.9%) powered by continuous R&D investments in product innovation and product offering expansion and by the strengthening of the global distribution network. Powersoft should continue to outperform the reference market in the coming years. Looking forward, we see a 16% revenue CAGR over FY22-25 with Americas and APAC being the best performers. Regain of production volumes and costs efficiencies should translate into EBITDA growing faster than revenues and EBITDA margin landing above region 26% by 2025 from 14.5% in 2020.
Strategy	At the beginning of 2021, Powersoft started a new strategic chapter (i) from being just a product supplier to being a solution provider for installers, and (ii) from large installations requiring high power amplifiers to the large addressable market of small commercial installations. Over the last few years, the company has been significantly investing to reinforce its distribution network in US and China, the two largest addressable markets expected to account for over 40% of the total Professional Amplifier market by 2025. Powersoft can use M&A to optimize the capital structure, enhance its growth profile and further improve the competitive positioning. We estimate a fire power of over Eu30mn. Dividend policy could be significantly enhanced in addition and as an alternative to M&A. As a frontrunner in innovation in the professional audio industry, R&D efforts of the company will be deployed in the development of new products and new solutions for this market. On top the company is now working on different projects to enlarge its product offering and penetrate new markets.

<p style="text-align: center;">Strengths</p> <p>Pioneer in the development of class D professional amplifiers R&D driven business model Established production and distribution set-up and strong links with top clients</p>	<p style="text-align: center;">Weaknesses</p> <p>Many competitors are part of larger and more diversified groups Lower than average market share in US and China Inefficient capital structure (strong cash pile)</p>	
<p style="text-align: center;">Opportunities</p> <p>Expansion of the product portfolio and addressed market segments Market share gain in US and China Selective M&A to increase market share in amplifiers and/or expand in other products</p>	<p style="text-align: center;">Threats</p> <p>Technological obsolescence Potential disruptions in the supply chain of key components Change in consumer habits with reduction of live events</p>	
<p style="text-align: center;">Key shareholders</p> <p>Evolve S.r.l. 80.36%</p>	<p style="text-align: center;">Management</p> <p>Carlo Lastrucci - Chairman Luca Lastrucci - CEO Massimo Ghedini - CFO and IR Claudio Lastrucci - R&D Antonio Peruch - Production Engineering Luca Giorgi - Sales and Business Development Gianmaria Guarini - Operation Akira Mochimaru - Global Marketing</p>	<p style="text-align: center;">Next events</p>

1H23 Results

Strong set of results

1H23 sales jumped by +68% yoy. EBITDA margin soared to 26.5%.

Eu mn	1H22A	1H23A	YoY%	2H22A	2H23E	YoY%	FY22A	FY23E	YoY%
Net sales	19.3	32.5	69%	28.9	32.5	12.4%	48.2	65.1	35.0%
Total Revenues	19.7	33.1	68%	29.2	32.7	12.0%	48.8	65.7	35%
EBITDA adjusted	3.7	8.6	134%	8.7	7.7	-11.5%	12.4	16.3	32%
<i>Ebitda Margin %</i>	<i>19.2%</i>	<i>26.5%</i>		<i>29.9%</i>	<i>23.5%</i>		<i>25.6%</i>	<i>25.0%</i>	
EBIT adjusted	2.5	7.3	187%	7.4	5.9	-20.6%	9.9	13.1	33%
<i>Ebit Margin %</i>	<i>13.1%</i>	<i>22.3%</i>		<i>25.5%</i>	<i>18.0%</i>		<i>20.5%</i>	<i>20.2%</i>	
Restated Net Profit	1.4	5.2	274%	4.9	4.2	-14.3%	6.3	9.5	49%
<i>Net Profit Margin %</i>	<i>7.3%</i>	<i>16.1%</i>		<i>17.1%</i>	<i>13.0%</i>		<i>13.2%</i>	<i>14.6%</i>	
NFP end of the period	21.7	15.0		24.3	18.3		24.3	18.3	

Source: Company data and Alantra estimates

Change in estimates

We improve our estimates

We upgraded our FY23-25E estimates on a strong set of 1H23 results

(Eu mn)	NEW estimates			Change			OLD estimates		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Total Revenues / Value of Production	65.7	77.4	89.0	5.4%	8.1%	11.0%	62.3	71.6	80.1
EBITDA Reported	16.3	19.8	23.5	21.6%	24.7%	30.3%	13.4	15.9	18.0
EBIT Reported	13.1	16.2	19.6	28.3%	31.4%	37.5%	10.2	12.3	14.3
Pretax Profit	13.1	16.1	19.6	28.4%	31.6%	37.7%	10.2	12.2	14.2
Net profit	9.5	11.7	14.2	24.2%	27.2%	33.1%	7.6	9.2	10.7
EPS	0.734	0.905	1.100	13.4%	16.2%	21.6%	0.647	0.779	0.905
Net financial position	18.3	18.0	18.0	8.5	14.2	21.0	26.8	32.2	39.1

Source: Company data and Alantra estimates

M&A fire power

M&A fire power

With the current capital structure and a target leverage at 1.0x Net Debt/EBITDA, we estimate an M&A firepower of Eu44mn in 2024

	Acquisition multiple (EV/EBITDA)				
	5.0x	6.0x	7.0x	8.0x	9.0x
EBITDA of the target - Eu mn					
2024	9.5	7.6	6.3	5.4	4.7
Additional Debt (Deals 100% financed with debt) - Eu mn					
2024	47.3	45.4	44.1	43.2	42.6
Target Net debt/EBITDA of the group post-deals	1.0x				

Source: Company data and Alantra estimates

Peers

Trading multiples

At current market price, the stock is at huge discount vs peers on 2023/2024E multiples

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE			
			FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	
POWERSOFT	ITALY	98	1.3 x	1.1 x	1.0 x	5.3 x	4.4 x	3.7 x	6.6 x	5.4 x	4.5 x	9.0 x	7.3 x	6.0 x	
Premium (discount) to Peers' Median			-32%	-34%	-37%	-52%	-48%	-46%	-48%	-46%	-53%	-61%	-53%	-52%	
Discount to B&C Speakers			-32%	-31%	-37%	-34%	-39%	-45%	-25%	-31%	-39%	-26%	-32%	-39%	
PEERS	Average		2.1 x	1.8 x	1.6 x	11.4 x	8.0 x	6.6 x	16.9 x	10.8 x	11.3 x	20.2 x	19.3 x	16.51	
	Median		1.9 x	1.7 x	1.6 x	11.0 x	8.5 x	6.9 x	12.6 x	10.0 x	9.5 x	22.9 x	15.8 x	12.7 x	
B&C Speakers S.p.A.	ITALY	177	1.9 x	1.6 x	1.6 x	8.1 x	7.2 x	6.8 x	8.9 x	7.9 x	7.3 x	12.1 x	10.7 x	9.9 x	
Focusrite PLC	UNITED KINGDOM	342	1.9 x	1.7 x	1.6 x	8.6 x	7.9 x	7.6 x	10.7 x	9.9 x	9.3 x	12.9 x	13.1 x	12.5 x	
Sound Peers			Average	1.9 x	1.7 x	1.6 x	8.4 x	7.6 x	7.2 x	9.8 x	8.9 x	8.3 x	12.5 x	11.9 x	11.24
			Median	1.9 x	1.7 x	1.6 x	8.4 x	7.6 x	7.2 x	9.8 x	8.9 x	8.3 x	12.5 x	11.9 x	11.2 x
Carel Industries SpA	ITALY	2,200	na	na	na	na	na	na	na	na	na	27.8 x	25.0 x	21.9 x	
Eurotech S.p.A.	ITALY	85	1.0 x	0.8 x	0.7 x	12.9 x	6.2 x	4.2 x	40.4 x	10.0 x	6.1 x	31.1 x	9.7 x	7.0 x	
SECO S.p.A.	ITALY	554	2.9 x	2.3 x	1.8 x	12.1 x	9.4 x	7.1 x	17.7 x	13.7 x	9.6 x	26.5 x	18.4 x	12.8 x	
Italian Electronics Peers			Average	1.9 x	1.6 x	1.3 x	12.5 x	7.8 x	5.7 x	29.1 x	11.9 x	7.9 x	28.5 x	17.7 x	13.9 x
			Median	1.9 x	1.6 x	1.3 x	12.5 x	7.8 x	5.7 x	29.1 x	11.9 x	7.9 x	27.8 x	18.4 x	12.8 x
Live Nation Entertainment, Inc.	UNITED STATES	18,507	1.0 x	0.9 x	0.9 x	11.5 x	10.1 x	9.7 x	20.5 x	16.9 x	15.3 x	nm	50.7 x	43.3 x	
CTS Eventim AG & Co. KGaA	GERMANY	5,126	2.1 x	1.9 x	1.8 x	10.6 x	9.0 x	8.3 x	12.6 x	10.7 x	9.8 x	22.9 x	20.6 x	18.9 x	
Madison Square Garden Sports Corp. Class A	UNITED STATES	3,237	5.0 x	4.9 x	4.7 x	nm	nm	nm	nm	nm	nm	nm	nm	nm	
GL Events SA	FRANCE	482	0.7 x	0.6 x	0.6 x	4.0 x	3.5 x	3.2 x	7.3 x	6.3 x	5.2 x	7.9 x	6.2 x	5.6 x	
Eventbrite, Inc. Class A	UNITED STATES	773	2.4 x	1.7 x	1.2 x	23.8 x	10.3 x	6.0 x	na	na	27.4 x	na	na	nm	
Live Events Companies			Average	2.2 x	2.0 x	1.8 x	12.5 x	8.2 x	6.8 x	13.5 x	11.3 x	14.4 x	15.4 x	25.8 x	22.6 x
			Median	2.1 x	1.7 x	1.2 x	11.0 x	9.6 x	7.1 x	12.6 x	10.7 x	12.6 x	15.4 x	20.6 x	18.9 x

Source: Alantra estimates and Factset

Financials

PWS is expected to post higher profitability vs direct peers and boasting higher growth potential

Company	Country	Mkt Cap (Eu mn)	FY23E - FY25E average margins					CAGR FY22A - FY25E				
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	Net Profit	
POWERSOFT	ITALY	98	25.6%	21.0%	15.2%	3.7%	89.0%	22.1%	23.9%	25.6%	30.8%	
B&C Speakers S.p.A.	ITALY	177	23.2%	21.3%	15.3%	2.6%	50.1%	12.7%	10.3%	11.5%	13.4%	
Focusrite PLC	UNITED KINGDOM	342	21.5%	17.4%	12.4%	7.7%	18.0%	2.0%	0.2%	-0.5%	-8.5%	
Sound Peers			Average	22.4%	19.4%	13.8%	5.2%	34.0%	7.3%	5.3%	5.5%	2.5%
			Median	22.4%	19.4%	13.8%	5.2%	34.0%	7.3%	5.3%	5.5%	2.5%
Carel Industries SpA	ITALY	2,200	21.1%	16.7%	11.9%	4.7%	29.6%	14.1%	14.7%	16.3%	17.4%	
Eurotech S.p.A.	ITALY	85	12.6%	7.4%	5.7%	5.0%	0.0%	19.9%	58.7%	96.5%	81.8%	
SECO S.p.A.	ITALY	554	24.8%	17.4%	10.3%	8.6%	0.0%	22.3%	29.2%	40.4%	30.1%	
Italian Electronics companies			Average	19.5%	13.8%	9.3%	6.1%	9.9%	18.8%	34.2%	51.0%	43.1%
			Median	21.1%	16.7%	10.3%	5.0%	0.0%	19.9%	29.2%	40.4%	30.1%
Live Nation Entertainment, Inc.	UNITED STATES	18,507	8.7%	5.2%	1.9%	2.1%	0.0%	12.1%	13.9%	21.5%	22.1%	
CTS Eventim AG & Co. KGaA	GERMANY	5,126	20.7%	17.4%	11.4%	3.1%	49.4%	4.5%	7.4%	8.2%	9.9%	
Madison Square Garden Sports Corp. Class A	UNITED STATES	3,237	10.6%	13.9%	5.8%	0.1%	0.0%	3.8%	-4.6%	-7.5%	4.8%	
GL Events SA	FRANCE	482	17.9%	10.3%	5.0%	6.0%	24.1%	5.7%	8.2%	16.6%	17.6%	
Eventbrite, Inc. Class A	UNITED STATES	773	15.7%	-2.8%	-3.7%	1.5%	na	22.1%	62.2%	na	na	
Live events companies			Average	14.7%	8.8%	4.1%	2.6%	18.4%	9.6%	17.4%	9.7%	13.6%
			Median	15.7%	10.3%	5.0%	2.1%	12.1%	5.7%	8.2%	12.4%	13.7%

Source: Alantra estimates and Factset

Performance

The stock is up 82% YTD, overperforming B&C Speakers

Company	Country	Mkt Cap (Eu mn)	Performance						
			1M	3M	6M	1YR	3YR	5YR	YTD
POWERSOFT	ITALY	98	7.1%	22.8%	30.2%	98.8%	137.5%	na	79.3%
PEERS	Average		-6.7%	-7.0%	-8.0%	10.1%	27.8%	23.3%	-6.2%
	Median		-3.8%	-5.5%	-6.9%	10.4%	14.5%	11.5%	-6.4%
B&C Speakers S.p.A.	ITALY	177	7.0%	13.8%	11.0%	42.5%	73.5%	22.9%	27.8%
Focusrite PLC	UNITED KINGDOM	342	-3.8%	16.3%	-17.4%	-29.1%	-42.5%	15.6%	-39.8%
Carel Industries SpA	ITALY	2,200	-16.0%	-20.3%	-12.7%	14.9%	25.9%	130.6%	-6.4%
Eurotech S.p.A.	ITALY	85	-21.3%	-15.0%	-22.7%	-16.1%	-36.3%	-38.8%	-16.9%
SECO S.p.A.	ITALY	554	-4.4%	-17.4%	-6.9%	5.7%	na	na	-20.9%
Live Nation Entertainment, Inc.	UNITED STATES	18,507	0.4%	-7.4%	20.6%	11.0%	54.2%	54.7%	21.0%
CTS Eventim AG & Co. KGaA	GERMANY	5,126	-7.0%	-7.7%	-7.0%	25.6%	29.1%	39.8%	-10.4%
Madison Square Garden Sports Corp.	UNITED STATES	3,237	-1.9%	-6.7%	-9.9%	28.4%	16.4%	-20.6%	-4.3%
Eventbrite, Inc. Class A	UNITED STATES	773	-4.2%	2.9%	14.6%	61.7%	-6.7%	-71.4%	67.7%

Source: Alantra estimates and Factset

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