

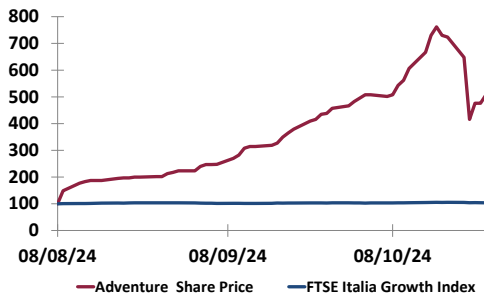
ADVENTURE
S.p.A.

UNDERPERFORM

Current Share Price (€): 16.00

Target Price (€): 9.00

Adventure - Performance since IPO



Source: S&P Capital IQ - Note: 08/08/2024 (IPO offer price)=100

Company data

ISIN number	IT0005607715
Bloomberg code	ADV IM
Reuters code	ADV.MI
Industry	Consumer Services
Stock market	Euronext Growth Milan
Share Price (€)	16.00
Date of Price	25/10/2024
Shares Outstanding (m)	7.0
Market Cap (€m)	112.0
Market Float (%)	22.9%
Daily Volume	15,500
Avg Daily Volume since IPO	14,982
Target Price (€)	9.00
Downside (%)	-44%
Recommendation	UNDERPERFORM

Share price performance

	IPO
Adventure - Absolute (%)	700%
FTSE Italia Growth Index (%)	4%
IPO Range H/L (€)	24.00 3.15
IPO Change (€) / %	14.00 700%

Source: S&P Capital IQ

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Hyper-valuation, hyper-challenge

We initiate coverage of Adventure: **UNDERPERFORM** rating, Target Price €9.00 per share Adventure, listed on Euronext Growth Milan since August 2024, is an Italian Price Comparison Website company (PCW), assisting households looking for the best offers among energy, telco and insurance. Operations, through own multi-channel platform Ameconviene.it, started in 2019. The Company plans to increase exposure to the finance and car insurance sectors, looking for higher margins.

Target market, ongoing growth. The global price comparison websites market is projected to grow at a 2023-32E CAGR of over 10%, driven by consumer demand for cost savings, e-commerce preference, improved user experience and tech innovations. Our estimates assume a revenue CAGR 2023-27E of 33% in the base scenario and 67% as a best scenario. The actual median CAGR for a selected sample of domestic PCWs was nearly 32% (last five years).

Stock performance: +700% up since IPO

After the IPO in August 2024 at an offer price of €2.00 per share, Adventure stock price had an astonishing surge, up to a value worth 15x revenue and 70x operating profit, according to our FY 2024 estimates. Then the price fluctuated down from the high of €24 to a low of €13 and currently is at €16. Our value area, appraised through 2024-27 estimates on revenue and profitability growth, comprises €5.9 and €10.3 per share.

Target Price 9.00 per share, UNDERPERFORM rating

In our valuation process we have followed a probabilistic approach, which would consider a higher probability for lower values and a lower probability for higher values, as calculated by riskier assumptions. According to the probabilistic approach, further price increases or a permanence of the current market capitalization level, which would broaden, or freeze, the gap from values calculated on fundamentals, should not be considered a judicious mid/long-term trend, at least with the present set of information and Company perspectives. Our value area, whose purpose is to be a narrower prospect of value of Adventure in view of its performance expectations and duly considering its risk-opportunity profile, should represent a higher probability among possible sets of outcomes. In the current buoyant market framework, within the above-mentioned range, we point to a Target Price of €9.00, +350% on €2.00 IPO offer price. We initiate the coverage of Adventure with an UNDERPERFORM rating, 44% downside potential on current €16.00 per share.

KEY FINANCIALS AND ESTIMATES

€m	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Revenues	0.6	0.9	2.8	8.1	11.1	14.7	19.4	25.1
YoY %	-	55.9%	203.2%	189.3%	37.1%	32.6%	31.7%	29.2%
EBITDA	0.0	(0.1)	0.4	1.8	2.5	3.4	4.8	6.5
Margin	5.8%	neg	14.8%	22.0%	22.1%	23.2%	24.6%	25.8%
EBIT	0.0	(0.1)	0.3	1.3	1.5	2.1	3.2	4.6
Margin	5.8%	neg	12.0%	15.5%	13.6%	14.3%	16.6%	18.5%
Net Income (Loss)	0.1	(0.1)	0.2	0.8	1.0	1.4	2.2	3.3
Net (Debt) Cash	0.0	(0.1)	(0.4)	(0.6)	5.0	5.8	7.3	9.5
Equity	0.2	0.1	0.2	1.0	8.4	9.9	12.1	15.3
DCF - Implied multiples					2024E	2025E	2026E	2027E
EV/Revenues					3.3x	2.5x	1.9x	1.4x
EV/EBITDA					14.8x	10.6x	7.6x	5.6x
EV/EBIT					24.0x	17.2x	11.3x	7.8x
P/E					42.4x	29.1x	18.6x	12.7x

Source: Company data 2020-23A, EnVent Research 2024-27E

1. INVESTMENT CASE

Adventure is an Italian *Price Comparison Website* (PCW) which operates through own multi-channel platform Ameconviene.it for price comparison of a wide range of utility tariffs and features, whose purpose is to help consumers to make an informed choice and save time and money. Thanks to agreements with sizable operators, core sectors are utilities, with key industries energy and telco; other segment is motor liability insurance. Ameconviene.it contacts potential customers through leads both generated internally (79% in 2023) and acquired from external suppliers. Adventure also develops digital marketing campaigns to generate leads (around 5% of FY23 revenues). Founded in 2017, revenues grew at a CAGR of over 140% in the period 2020-23, far more than other Italian players in the market (Source: EnVent Research on Creditsafe and publicly available information).

FY23 key figures:

- Revenues: €8.1m
- Revenues breakdown: Energy (91%), Telco (4%) and Advertising (5%)
- EBITDA: €1.8m, 22.1% margin
- Average contract revenue €122; average contract cost €89
- Lead conversion rate: 21.3%
- Contract conversion rate: 16%

Mission

Find the most competitive and affordable price for a desired service. By comparing prices, consumers can ensure they are getting the best deal available and save money.

Opportunity

The liberalization of the Italian energy market is promoting the switch for millions retail contracts, with increased competition among electricity and gas operators. In addition, management plans to increase exposure to the finance and car insurance sectors, with higher margins.

Value proposition

Ameconviene.it aims to be a reference player in Italian comparison market, offering a solutions which combine savings, customization and reliability.

Drivers

Industry drivers

Switching economy, never-ending potential. It refers to the increasing number of consumers switching to different service-providers, mainly due to dissatisfaction (about price and/or quality of service), through specialized players. The contract switch typically refers to services requiring long-term subscriptions, such as insurances, mortgages, electricity and gas

contracts, phone and broadband. Customers will continue to see value in switching providers, aiming to save money and obtain a better service. The market opportunity is continuous and shows a never-ending potential.

Regulators encourage switching. The introduction of tighter regulations in Europe to improve transparency in energy and telecommunications contracts has led to a greater usefulness of comparison services. Users rely on these tools to better understand the offers available and to ensure they are choosing cost-effective, regulatory-compliant tariffs.

Full liberalization of energy markets in Italy. The liberalization of the Italian energy market is having significant impact on millions of domestic customers still under the protected market.

Energy price ups and downs stimulate switching. Market price dynamics impact the level and type of switching. Both retail tariff price rises and falls can stimulate switching.

Churn rate, opportunity for comparison websites. In the past years digital disruption has caused a steady erosion in customer loyalty. Established companies have been experiencing an ongoing exit of customers, that switched due to poor customer service.

Double digit growth for the market. The global price comparison websites market is expected to grow at a CAGR of around 10% over the next ten years, highlighting spreading interest in these services.

Artificial Intelligence to innovate. AI is transforming the way comparators analyse and communicate information. The integration with comparison platforms is expected to enhance the efficiency by analyzing massive volumes of data to provide real-time, personalized recommendations, improving the overall customer experience.

Company drivers

Full-service. Ameconviene.it, in addition to the core service of pure online Price Comparison Websites (PCWs), that is limited to submission of information about current best rates and prices, offers access to its multichannel platform, composed of a network of personal assistants and contact centers. The full-service proposition is a comprehensive utility advisory service where consumers can make an informed choice and are able to outsource the bothering duties related to contract switching.

Skilled marketing team. Ameconviene.it marketing team analyses data to foresee customer needs and personalize campaigns, ensuring a targeted advertising impact with quality results.

Multi-channel accessibility and skilled assistants. Ameconviene.it service accessibility through website and the B2C network of multi-utility advisors and own contact center is a multi-channel approach not common in the industry, where most operators only run price comparison websites. The Italy-based call centers and the experienced native Italian assistants make easier to gain confidence from potential customers, differently from those call centers based in low-cost countries.

Scalable business model, exploring potential new businesses. Ameconviene.it platform continuously improves the services offered and adapt them to the changing needs of customers. The platform is designed to be scalable, allowing to easily expand the business into new markets.

Wide range of choice. With a large number of agreements, attraction of potential customers is supposed to be competitive versus other operators.

Benefit from own Big Data. Ameconviene.it has collected a considerable amount of data which would represent an additional business drive for the Company.

Challenges

Switching cost, a major obstacle. Costs that a consumer incurs as a result of changing brands, suppliers, or products play a role. Switching cost can be monetary, psychological, effort-based, and time-based burden.

Continuous marketing investments. Company's revenues are generated on a success-based marketing investments, and high spend is therefore needed to generate quality, large traffic.

Revenue concentration. The largest customer accounts for over 70% of revenues.

Undifferentiated service and marketing effort. There is an increasing number of PCWs providing a similar service, struggling to gain additional market shares. This market is generally defined by low differentiation and no perceivable higher-grade service. In an industry with perceived undifferentiated service levels investments in advertising are the most common strategy to stand-out of the crowd. Therefore, the nature of the business requires efficient investment in strategic marketing to attract new customers.

Italian Energy and Insurance authorities' free and independent comparison websites. The Italian Regulatory Authority for Energy has a search tool to facilitate the evaluation and selection of electricity and gas retail offers for domestic users on the free market ("Portale Offerte"). In the insurance market, an information service for motor liability insurance ("Preventivass") realized by IVASS is available. These independent comparison tools may represent a threat to PCWs which are dependent on suppliers for their fees, since they were born to promote transparency, independence and effective competition.

Voice subscriptions under questioning. Based on social media and word-of-mouth critiques about massive advertising on mobile phones leading to voice contracts, spreading of collective opinion may challenge the effectiveness of phone contacts and weaken its expected perception. This trend might also suggest a change of relevant regulation.

2. PROFILE

The full-service Price Comparison Website

Adventure operates a free multi-channel price comparison platform (Ameconviene.it), designed to help potential customers to compare costs and features of tariffs from a large base of suppliers and to make an informed choice. The offering comprises a range of prime providers in electricity and gas, insurance, internet and mobile phone segments, including major Italian brands. Adventure targets the Italian market and through its proprietary platform Ameconviene.it attracts potential customers applying advanced marketing techniques to collect valuable leads. As of June 2024, the workforce consists of 20 employees and 26 freelancers.

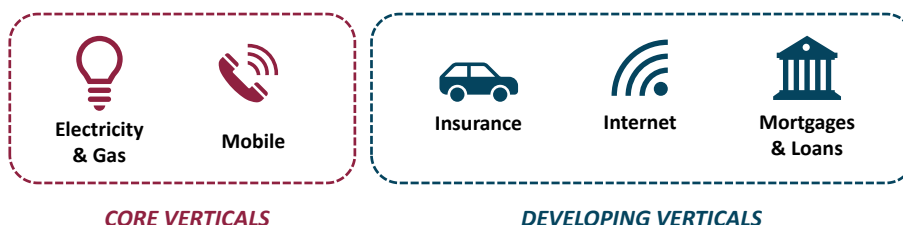
History and key developments

Key milestones	
2017	<ul style="list-style-type: none"> Establishment of Adventure
2019	<ul style="list-style-type: none"> Ameconviene.it launch
2022	<ul style="list-style-type: none"> Ameconviene Insurance, for motor liability insurance
2024	<ul style="list-style-type: none"> Listing on Euronext Growth Milan (August), IPO proceeds €5.5m

Source: Company data

Verticals

Markets and verticals



Source: Company data

Core verticals, 91% of revenues

Electricity & Gas

Ameconviene.it is specialized in comparing electricity and gas tariffs, 96% of revenue from price comparison services come from these two verticals.

Internet & Mobile

Internet & Mobile represent a small portion of revenues, characterized by higher profitability compared to Electricity & Gas.

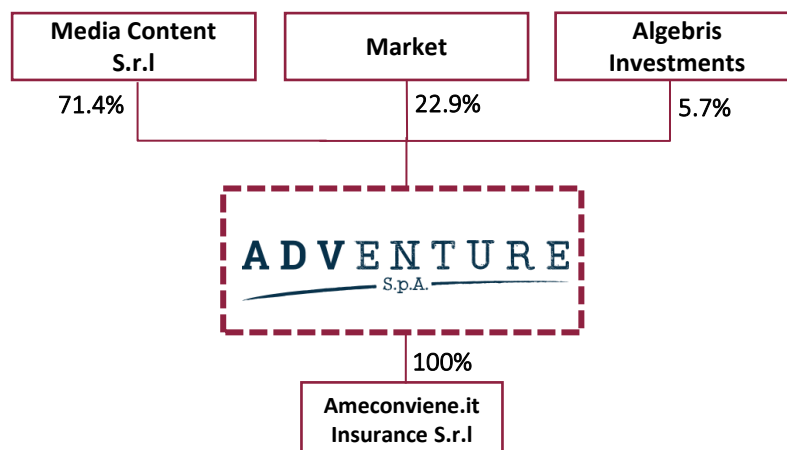
Insurance

Adventure plans to increase investments in the insurance vertical, having acknowledged growing interest from consumers in online insurance quotes.

Mortgages & Loans

Adventure has launched a marketing campaign aimed at acquiring customers interested in mortgage, loans and salary-secured loans, taking advantage of the cross-selling opportunities from its database.

Shareholders and group companies



Source: Company data

Key people

Name and role	Background
Silvana Cozza CEO	<ul style="list-style-type: none"> • CEO of Gruppo Media Content since 2022 • CEO of VisureSmart Srl since 2021 • CEO of Adventure since 2017
Daniela Di Napoli CMO & CTO	<ul style="list-style-type: none"> • In Adventure since 2020

Source: Company data

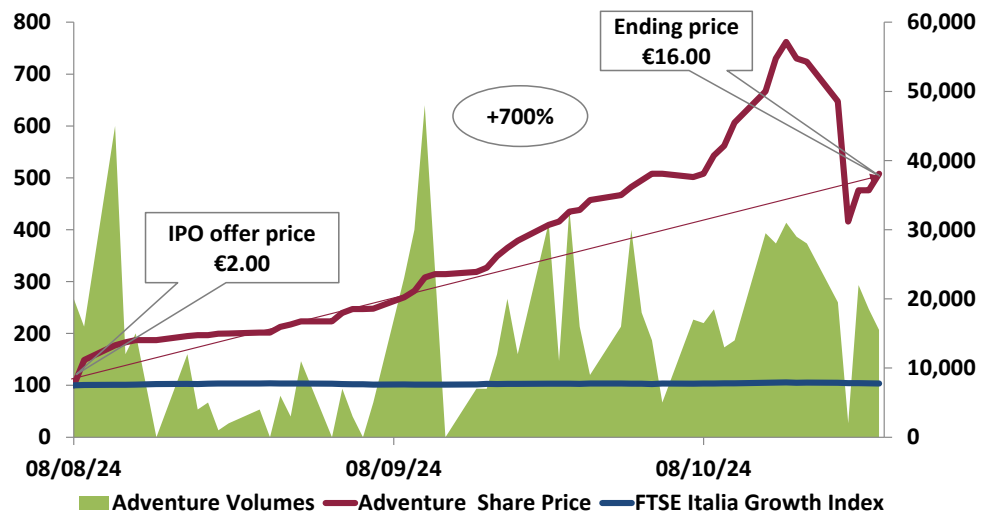
IPO and stock market performance on Euronext Growth Milan

Adventure on Euronext Growth Milan	
Stock market	Euronext Growth Milan
Bloomberg code	ADV IM
Reuters code	ADV.MI
IPO date	08/08/2024
Offer Price (€)	2.00
Money raised (€m)	5.5
Market Cap at IPO (€m)	14.0
Free float at IPO	22.9%
Ordinary shares - ISIN number	IT0005607715
Ordinary shares outstanding	7,000,000
Current Share Price (€)	16.00
Current Market Cap (€m)	112.0

Source: Company data and S&P Capital IQ, update: 25/10/2024

Share price performance and volumes since IPO

Stock price jumped to €16.00, 700% up from IPO price



Source: S&P Capital IQ - Note: 08/08/2024 (IPO offer price)=100

3. INDUSTRY INSIGHTS, MARKET TRENDS AND OUTLOOK

Online tool of choice for consumers willing to secure a good deal

Help in the decision making process

What's behind price comparison websites?

Price comparison websites enable consumers to compare costs and features for services provided by different companies in a single website. They can reduce search, switching and transaction costs for consumers. For these reasons, they have become increasingly popular globally over the past the years, in sectors ranging from utilities to financial services and travel, by offering benefits to consumers - allowing them to make more informed choices - and increasing competition.

Consumers willing to save time and money, looking for the best price and service features

Consumers are often drawn to price comparison websites for unsatisfactory service perception and desire to save money. Comparison websites are used as facilitators between the consumer and the service provider and function to help the consumer find the best deal. They are also often used by consumers only as a research tool rather than to subscribe new services.

Reasons to switch: poor service and more

Consumers increasingly switch electricity companies, mobile phone providers, banks, insurance companies, as a way of saving money by catching the most advantageous promotional offers. On top of that, there are additional reasons that lead customers to switch:

- The single action of switching is a 'free act' that proves to oneself who is the one who decides, so that the consumer feels empowered
- Consumers are more prone to switching businesses if they do not receive the best possible experience
- Frustration with a company that does not make it easy to use the service and inconsistent experiences from channel to channel
- Failure to quickly resolve an issue by utilities supplier

Evolving technology, Internet and mobile penetration

Evolving technology and the continuing transition to online have changed consumer behaviour. Some consumers, especially younger ones, have completely "gone digital", they prefer to interact with providers only through online channels. Internet has opened up the way to price transparency, thus increasing consumer choice and competition in end-markets. Mobile technology is also becoming an increasingly important part of the industry landscape.

Matching between customers and service-providers

The price comparison websites operate in the so-called 'two-sided' market, matching consumers' needs with the right suppliers. This means that comparison websites need to attract both consumers and suppliers to be successful. On the supplier side, because of their

scale and investment in marketing and advertising, comparison websites are a relatively low-cost sales channel to suppliers for acquiring new customers and increasing their sales volumes. For many suppliers the cost per acquisition on digital comparison tools is lower than the cost of direct acquisition.

Effects on competition

High price transparency and increased choice

- Higher competition among service-providers and lower prices for customers
- Comparison websites help to remove entry barriers and encourage new entrants
- Lower costs of customer acquisition for suppliers

Outcome: a “win-win” situation

PCWs have two major impacts on the markets in which they operate: they increase competition between firms, which pushes prices down; they make profit, by charging fees to service-providers for their referring customers activity (Source: David Ronayne, Price Comparison Websites, Warwick University, 2015)

A success driven business, marketing major cost issue

Profits from comparing

Price comparison websites use the “scraping” method, based on which the comparison website scours vendor websites and compares offers to list the best ones.

Business models of price comparison websites can vary depending on:

- sector in which the website operates and range of options provided (some offer comparisons on a broad choice of services, others focus on a specific sector)
- switching model
- revenue model
- traffic volume

PCWs do not charge consumers for using their comparison services. They typically charge a commission fee to suppliers for referrals or transactions made through the comparison website.

Revenue models are almost entirely success-driven:

- Cost per Action/Acquisitions - revenues generated only for the referral of a customer when an action has occurred, i.e. the subscription of a service
- Cost per Click (revenue for each visitor transferred to the partner website)
- Cost per Lead - the customer is ready to transact and has chosen to provide data or contact information

The Cost per Action model is more common in the insurance sector, while the Cost per Click is more common in the travel industry. In some cases, comparison websites also charge for unconverted clicks. In addition, some websites also make money by providing data intelligence services or selling anonymized and aggregated consumer data.

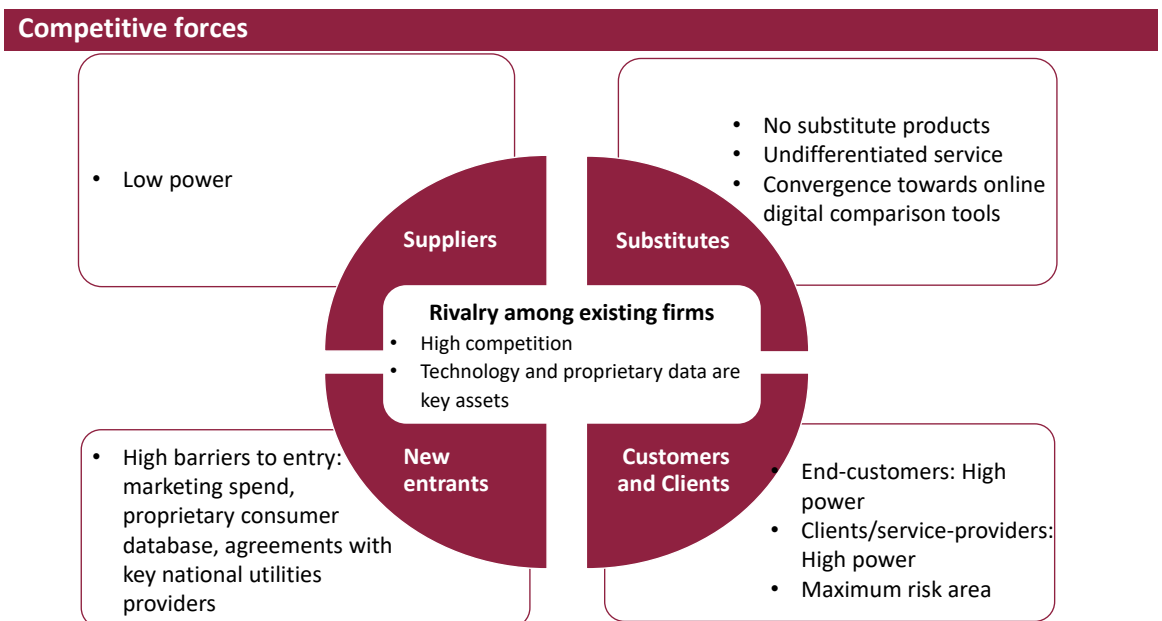
Types of switching model

In most cases, price comparison websites allow customers to execute transactions by redirecting them to the website of the relevant supplier, avoiding an additional separate visit to the website of the preferred supplier. In addition to offering a single transaction/purchase, in some cases products/services can be purchased directly from the comparison websites acting as intermediaries. In this case, comparison websites take on an ongoing relationship with the consumer, monitoring the market and notifying better deals, or actively switching them (based on a pre-arranged consent).

Undifferentiated service calls for substantial marketing investment

Marketing investment is considered a key sales generation tool in the industry. The impulse to navigate the web looking for opportunities can be generated by service dissatisfaction as well as curiosity. Except for the instance of preliminary decision of becoming a disengaged customer, in which a systematic search among major providers is predictable, the visit to a certain comparison site is likely to be driven by brand awareness. The most powerful marketing tool to create awareness is an advertising campaign enough massive to make the necessary pressure for joining the general public.

Market powers



Source: EnVent Research

- As to the potential barriers to entry and to expansion for comparison websites, in addition to the supplier-side and technological barriers, the most powerful barrier is advertising and marketing cost associated with raising brand awareness and attracting customers from competitors.
- On the customer supply side, in markets with a low concentration of suppliers, PCWs usually have a stronger negotiating position because there are other suppliers they can contract with. When a comparison website is an important sales channel to the supplier, its power is even higher.

Key takeaways

Price comparison is an attractive but challenging sector where:

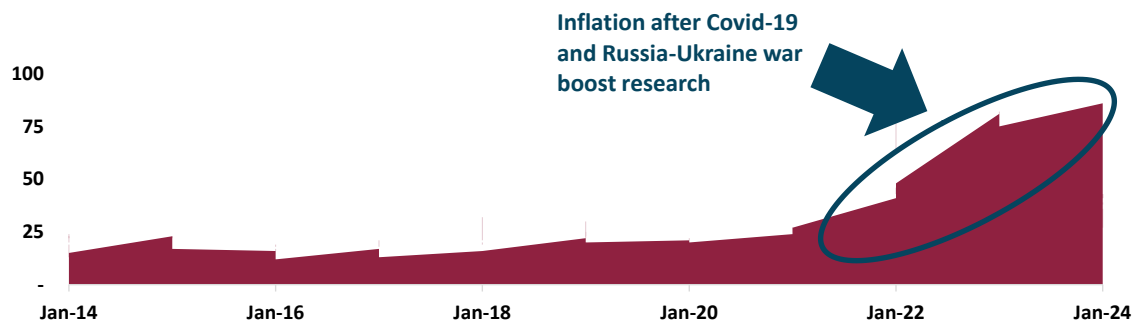
- Consumers increasingly switch utilities
- Higher competition among service-providers and lower prices for customers
- A success driven business but marketing is the major cost issue
- Consumer perceives utilities services as undifferentiated

The Switching Economy

The Switching Economy describes the ability of consumers to change their utility providers in a liberalized market. From the '90s, European governments started to promote a liberalized energy market to sustain competition, price transparency and connections between different countries. As a result, consumers can choose their energy suppliers, based on individual preferences. This trend is strengthening over time, helped by the easiness of switching process and the birth of price comparison websites.

Google search interest for “Offerte energia” in Italy - Last 10Y

Searches for the term “Offerte energia” in Italy is increasing



Source: Google trends

Note: The value 100 indicates the highest search frequency, 50 indicates half of the searches. A score of 0, however, indicates that not enough data was collected.

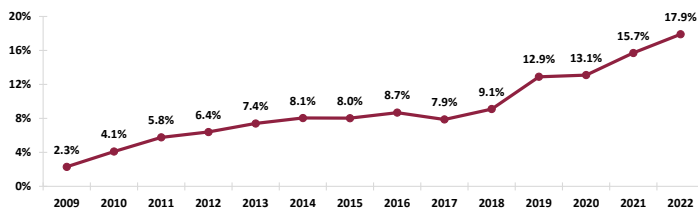
Liberalization in Europe and the needs of a comparing business

The liberalization of the energy market pushed by European Commission between 1996 and 2009 has implied the birth and growth of the switching economy. The first liberalization directives were adopted in 1996 (electricity) and 1998 (gas), followed by a second liberalization in 2003 and a third one in 2009. The design was to achieve lower prices, increase the efficiency and make markets more transparent. The original intention was to create a single European energy market to produce benefits for the final consumers throughout Europe, lowering prices and achieving a more competitive environment. This process was devised for the main energy sectors: natural gas and electricity, and both sectors have undergone parallel processes with the creation of similar laws and following the same objective, privatization to foster competition and make the system more efficient within European countries.

Liberalization - Energy market - Italy

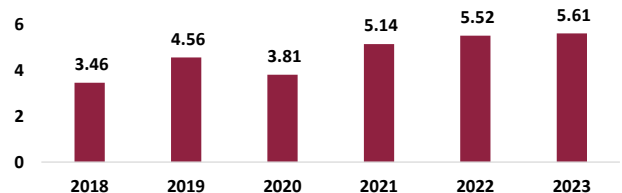
In 1999 and 2000 the Italian Parliament approved the liberalization plans for electricity and gas prepared by the Government according to the deadlines set in the European Directives. The implementation of the EC Directive on electricity was given by the Bersani Decree (Law 79/99) in February 1999. The previous monopoly of Enel (electricity) and ENI (Gas) has been dismantled. The directives specified certain conditions set by the regulatory Authority to maximize liberalization of energy market. For example, for the electricity regulation, the management and full control of the transmission network was given to an independent system operator (Gestore dei Servizi Energetici - GSE) which remains state-owned. Moreover, to reduce monopoly power, no firm can have more than 50% of total installed power or to sell more than 50% of total energy, including imports. The first steps of the liberalization process of the electricity market take back to the end of '90s, until 2003, when the liberalization process was accomplished, and 2007, when all end-customers could access the free market if they wanted by choosing their electricity/gas supplier. One of the outcomes of this process was the opportunity for end-customers who did not want to change supplier, to access the standard-offer service (Servizio di Maggior Tutela) on a regulated market, where the Italian authority for energy Arera set competitive prices in order to protect electricity supply. The full liberalization of energy markets in Italy, approved by the Parliament last August 2017 (“DDL Concorrenza”), that includes the abolition of the protected standard-offer market in 2019, will ensure greater competitiveness of electricity and gas operators.

Switching rate in Italian electricity market (%)

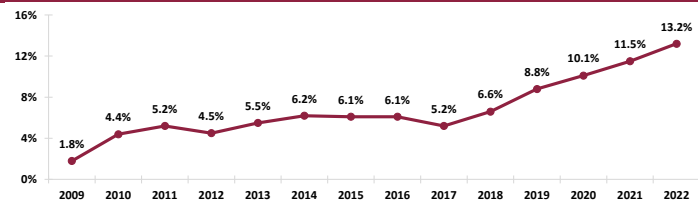


Source: EnVent Research on ARERA statistics

Electricity switch in Italy (millions of subscriptions)

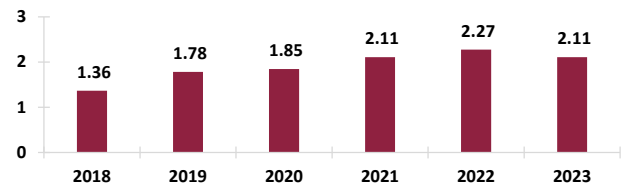


Switching rate in Italian gas market (%)



Source: EnVent Research on ARERA statistics

Gas switch in Italy (millions of subscriptions)



Tendency to switch, rising trend

In the last years, in the energy market, the switch rate for household customers had an upward trend reaching 17.9% for electricity and 13.2% for gas.

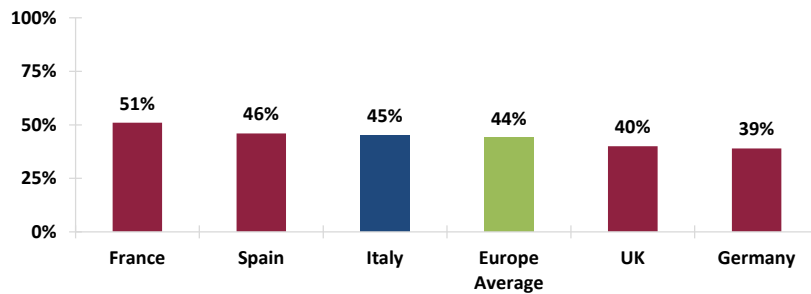
In the last six years, the number of subscriptions that have been discontinued has grown at a CAGR of 10.2% for electricity and 9.1% for gas.

Liberalization - Telecommunication market - Italy

In 1997, the liberalization process involved the telecommunication sector in Italy. Before that, Telecom Italia acted as monopolist for the telecom sector resulting in a single player for the whole country. The first non-state-owned company was Infostrada, which obtained the license to operate as first competitor in 1998. Since then, hundreds of operators have entered the market to create a free and competitive business, resulting in a more transparent and efficient market in terms of cost-savings for final customers.

Intention to switch mobile phone operator by country, 2023

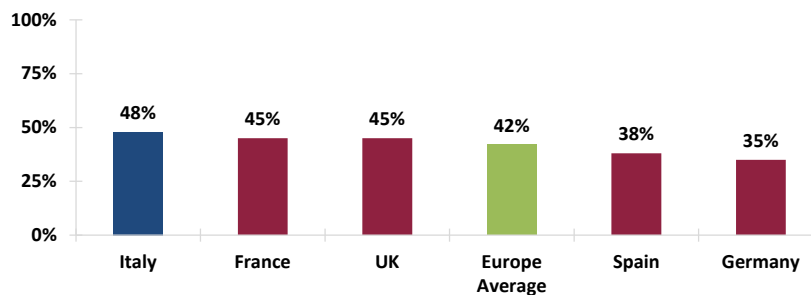
Italy above European average



Source: OliverWyman, *Global consumer survey 2023, Telecom operators: mobile and fixed connectivity*, 2023.

Intention to switch fixed broadband operator by Country, 2023

Italy first



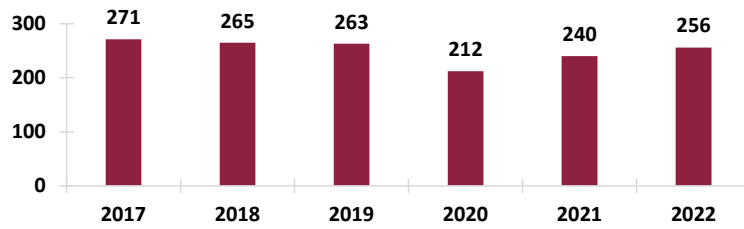
Source: OliverWyman, *Global consumer survey 2023, Telecom operators: mobile and fixed connectivity*, 2023.

While the fixed broadband market typically exhibits lower intentional churn rates compared to the mobile sector, there are exceptions. Italy, displays the highest churn intention in EU (48%), followed by the UK and France, which also stand out with greater levels of volatility, where 45% of consumers are considering switching their fixed broadband provider.

Liberalization - Car insurance market - Italy

Before the liberalization of the insurance sector, the CIP “Comitato Interministeriale dei Prezzi” determined the structure and the level of tariffs. After the liberalization in 1994, the control over the tariff structure was removed, therefore since then insurance companies are free to choose prices and other factors of insurance contracts. The liberalization process determined increasing expectations about the evolution of the market, also based on the experience of those countries where the insurance sector had been liberalized before, and there was a general expectation of positive effects on prices, quality and distribution of products.

Motor liability insurance premiums in Italy (€) - 2017-22



Source: IVASS, *Statistical Bulletin for the motor car sector (2017-2022)*, 2024

Outlook

Low double-digit growth

According to Zion Market Research, the global price comparison websites market was worth around \$112m in 2023 and is projected to grow at \$323m by 2032, with a 2023-32E CAGR of 12.5%. Growth is driven by consumer demand for cost savings, e-commerce preference, improved user experience and features and technological advancements. The industry is also expanding as a result of rising internet usage and customer knowledge of the advantages of price comparison (Source: Zion Market Research, *Price Comparison Websites (PCWs) Market Size, Share, Trends, Growth 2032*, 2024).

12,5% CAGR, 2023-32E

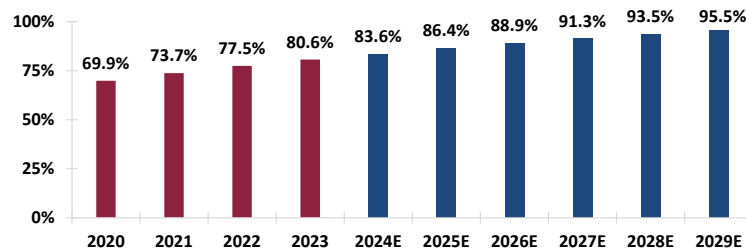
Artificial Intelligence, a great opportunity

One prominent trend for price comparison website market is the integration of artificial intelligence and machine learning into platforms. These technologies enhance the efficiency by analyzing massive volumes of data to provide real-time, personalized recommendations. AI-powered algorithms can track price fluctuations, identify trends, and offer users valuable insights, ultimately improving the overall shopping experience.

Internet access, ongoing growth

The population share in Italy with internet access has continuously increased over the past years. The share is expected to continuously increase in the future, potentially reaching over 95% of total population in 2029 (Source: Statista, *Internet usage penetration in Italy from 2020 to 2029*, 2024)

Internet usage penetration in Italy - 2020-29E



Source: Statista, *Internet usage penetration in Italy from 2020 to 2029*, 2024

Over 95% expected penetration in 2029

4. BUSINESS MODEL

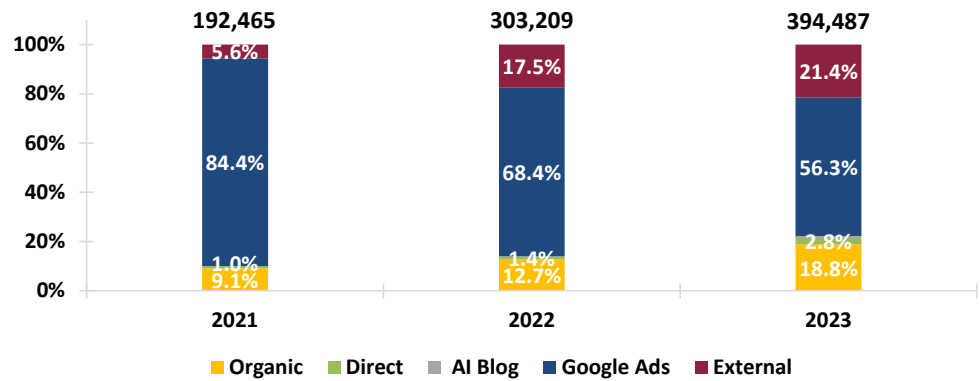
Making switching easier

The revenue model is based on a success-based marketing fee paid from the providers upon contract activation.

From generating to converting

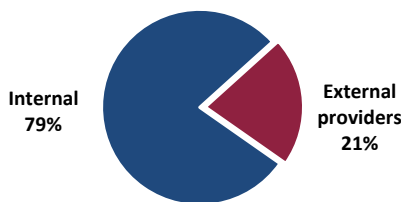
Leads, in marketing, refer to an individual or business who has the potential to become a prospect customer. Ameconviene.it uses leads both generated internally (79% in 2023) and acquired from external suppliers (21% in 2023). Leads are managed by call centers, whose goal is to convert leads into active contracts. Remuneration on external leads is based on a payout system linked to lead conversion.

Leads breakdown by source - 2021-23



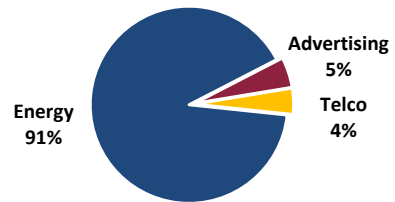
Source: Company data

Leads generation by source - 2023 (%)



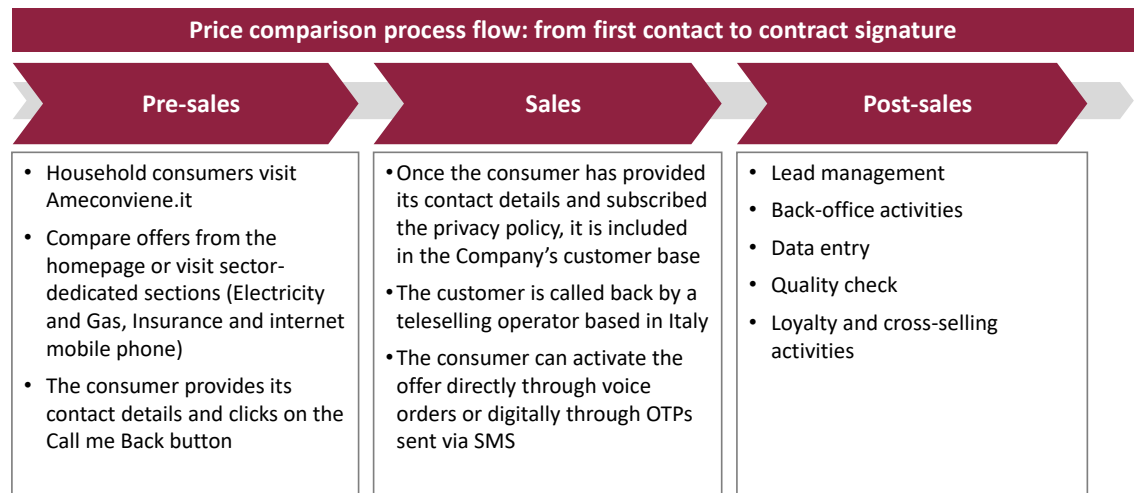
Source: Company data

Revenues breakdown by segment - 2023



Internally leads are generated through Search Google ADS campaigns, Meta Advertising, social marketing and SEO activities. These channels aim to create qualified leads of a value customer with the intent to buy.

End-to-End integrated process



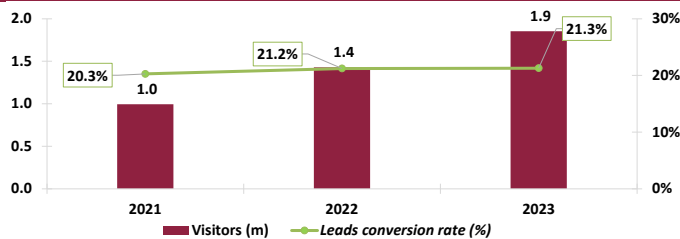
Source: Company data

Data analytics expertise

Greater impact on potential customers

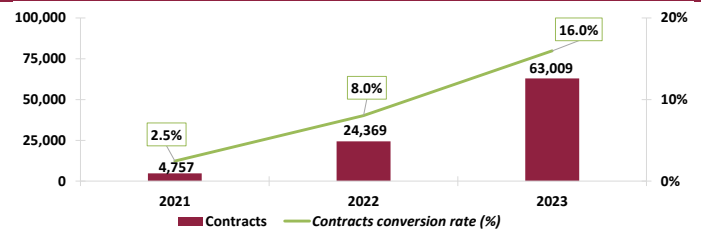
Through data analytics techniques, based on demographic, behavioural and psychographic data, Ameconviene.it identifies market segments with high conversion potential, so reaching consumers with messages that could match their needs.

Visitors and leads conversion rate - 2021-23

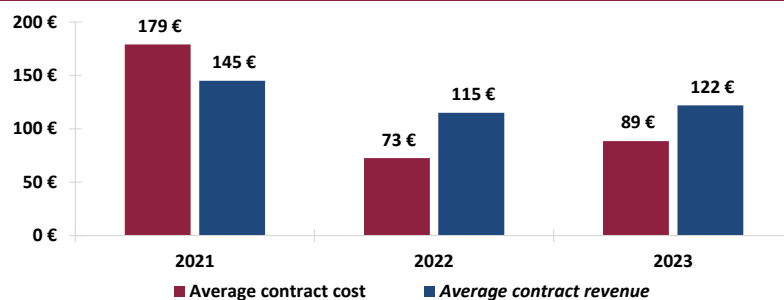


Source: Company data

Contracts and contracts conversion rate - 2021-23



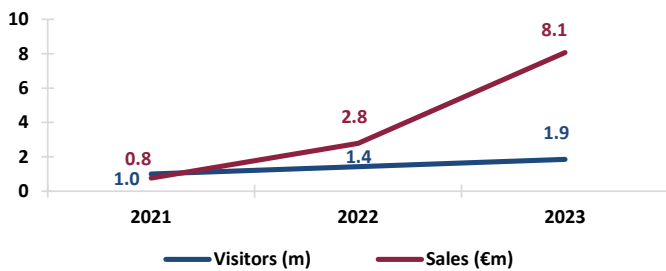
Ameconviene.it average contract cost and contract revenue - 2021-23



Source: Company data

Ameconviene.it visitors and sales - 2021-23

Ameconviene.it visitors and sales growth - 2021-23



Visitors 36% CAGR 2021-23
Sales 224% CAGR 2021-23



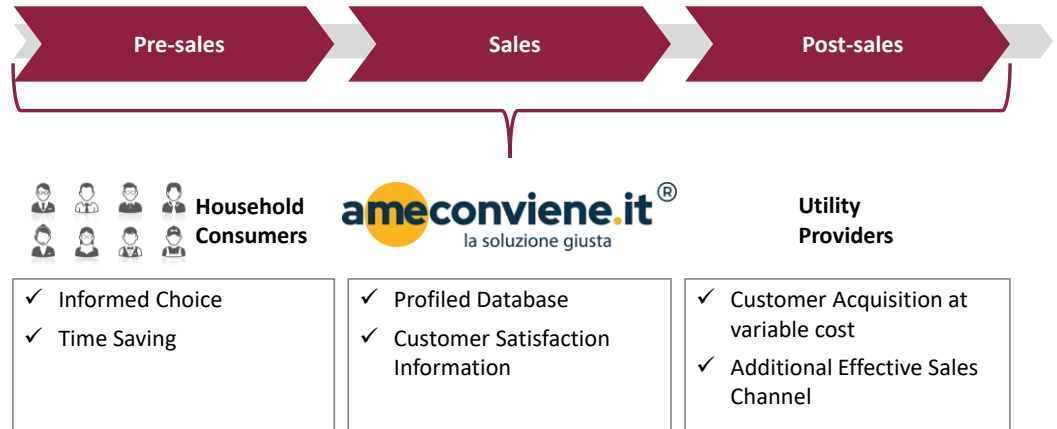
Source: Company data

Customers

Reference market covers a wide range of consumers:

- **Families:** try to optimize household expenses by comparing tariffs to reduce bill
- **New tenants:** individuals and families who move and need to sign new supply contracts for their homes
- **Conscious consumers:** consumers interested in reducing their environmental impact by choosing renewable energy suppliers
- **Tech-savvy:** people attracted by online platforms to manage their utilities bills, including apps and websites that offer comparisons and contract management

How the End-to-End process adds value



Source: Company data

Strategy: advertising campaigns investments and expansion

Adventure’s key strategy pillars:

- Investments in technology and R&D to improve platform’s comparison algorithm
- Additional advertising campaigns to increase brand visibility
- Expansion into new markets and sectors
- Recruiting of staff to support growth
- Physical stores opening
- M&A

5. COMPETITION

Several PCWs compete in the Italian market. While some companies provide price comparison for a wide range of sectors (insurance, mortgage, electricity and gas, internet, mobile phone, etc.), other are specialized in a specific market segment. Some PCWs are owned by more diversified businesses groups, making it difficult to have a view only on the comparison business.

Mapping Comparison websites in Italy by verticals

Company	Electricity & Gas	Motor liability insurance	Mortgage & Loans	Cards & bank accounts	Pay TV	Internet	Mobile phone	Car Rent
Facile.it	✓	✓	✓	✓		✓	✓	✓
ComparaSemplice	✓	✓	✓		✓	✓	✓	
Supermoney	✓		✓			✓		
SOStariffe	✓	✓	✓	✓	✓	✓	✓	
Selectra	✓	✓		✓	✓	✓	✓	
Comparatore.it	✓					✓		
Adventure	✓	✓	✓			✓	✓	

Source: EnVent Research on companies' website

Note: We did not include the free comparator of Arera and IVASS among the peers

Profiles of Comparison websites in Italy

Facile.it - FY23* Revenues €178.2m: first PCW in Italy covering a diverse range of services, with high exposure to insurance and mortgage & loans verticals.

ComparaSemplice - FY23 Revenues €56.5m: electricity and gas, Internet, mobile phone, Pay TV, insurance and long-term car rental.

Supermoney - FY23 Revenues €41.2m: electricity and gas, LAN internet connection, banking and insurance.

SOStariffe - FY23 Revenues €18.7m: telecommunications and energy supply comparison. Owned by Moltiply Group. Verticals are internet, electricity and gas, insurance, mobile phone, TV and loans.

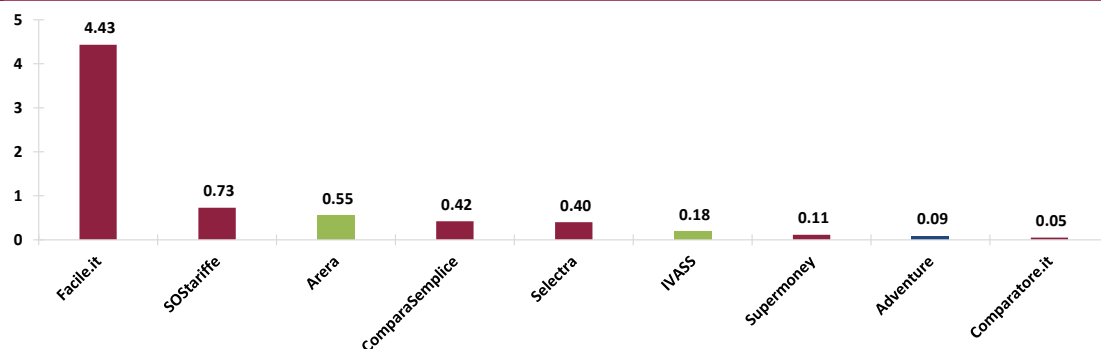
Selectra - FY23 Revenues €6.8m: electricity and gas, LAN internet connection, insurance and Pay TV. It operates in France, Spain and Italy.

Comparatore.it - FY23 Revenues €4.6m: electricity, gas and internet

Source: EnVent Research on Creditsafe

Note: FY 2022 revenues from mortgage and loans vertical

Number of visits on websites - last month (millions)



Source: EnVent Research on publicly available information

Sales, EBITDA, EBIT and Net Debt (Cash) - FY 2023

Company	Sales 2023 (€m)	EBITDA 2023 (€m)	EBITDA % 2023	EBIT % 2023	EBITDA % Avg. 5Y	NET Debt (Cash) 2023	CAGR 5Y
Facile.it	178.2	47.8	26.8%	16.0%	20.1%	407.8	12.9%
ComparaSemplice	56.5	19.9	35.2%	29.8%	32.3%	2.3	32.9%
Supermoney	41.2	3.6	8.8%	-15.1%	31.7%	(0.6)	59.3%
SOStariffe	18.7	3.0	16.1%	-3.9%	17.0%	(0.8)	25.5%
Selectra	6.8	1.0	15.3%	14.7%	19.6%	(1.8)	30.2%
Comparatore.it	4.6	0.9	19.5%	1.8%	21.5%	(2.7)	47.1%
Mean			20.3%		23.7%		34.7%
Median			17.8%		20.8%		31.6%

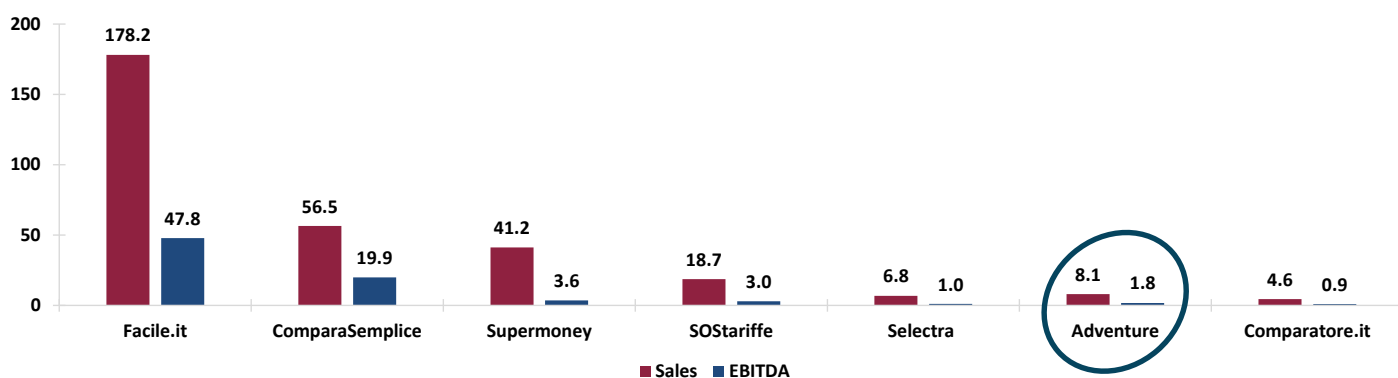
Over 100% CAGR in the last five years for Adventure

2023 EBITDA margin in line with sample

Adventure	8.1	1.8	22.0%	15.5%	10.6%	0.6	117.0%
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Source: EnVent Research on Creditsafe

Sales and EBITDA - FY 2023 (€m)



Source: EnVent Research on Creditsafe

Undifferentiated service and marketing investments

There is an increasing number of PCWs providing a similar service, struggling to gain additional market shares. This market is generally defined by low differentiation and non-perceivable higher-grade service. In an industry with perceived undifferentiated service levels investments in advertising are the most common management strategy to stand-out of the crowd. Therefore, the nature of the business requires efficient investment in strategic marketing to attract new customers and retain the loyal ones.

Key takeaways

- Some PCWs provide price comparison for a wide range of verticals, others are specialized in specific ones
- All companies in the sample have notable growth rates, although they vary through companies
- Price comparison business has a median EBITDA margin approximately of 17-18%
- Marketing expenses represent the main cost for this business

Risk profile: *Medium-high*

Competitive forces		
Forces	Factors	Risk map
Competitive rivalry	<ul style="list-style-type: none"> • High competition: technology and proprietary data are key assets 	<p>Higher risk</p> <p>Lower impact</p> <p>Higher impact</p> <p>Lower risk</p> <p>Overall risk profile MEDIUM-HIGH</p>
Customers	<ul style="list-style-type: none"> • High power 	
New entrants	<ul style="list-style-type: none"> • Barriers to entry: marketing spend and agreements with suppliers 	
Suppliers	<ul style="list-style-type: none"> • Low power 	
Substitutes	<ul style="list-style-type: none"> • No substitute products, undifferentiated service 	

Source: EnVent Research

6. MARKET METRICS

Market value of listed companies

Selection criteria

Key factors:

- operation of a price comparison website or other comparison tool/platform
- consistency of business model

Few listed peers

Adventure's competitors that fit the criteria we mentioned are all private companies. In Italy, this includes mutuonline.it, segugio.it, trovaprezzi.it, and SOStariffe.it. These are all part of the listed group Moltiply, whose Broking division counts for nearly €190m sales, i.e. over 45% of total sales. Comparison websites in other countries are usually owned by or recently bought by large groups.

Due to the lack of comparable companies, in order to build a broader panel to detect key market metrics for the entire industry, we have extended the scope of our analysis to include some listed players with established online businesses that leverage their status as trusted brands with established consumer bases in their industries, such as Booking, Scout24 and Rightmove.

Price Comparison Websites (PCWs)

MONEY Group (UK) - FY23 Revenues €497.9m - Market cap €1,249m

Comparability: High

it operates through three brands: MoneySuperMarket.com, a price comparison website for consumers and providers of financial services; MoneySavingExpert.com, a consumer finance website with research and tools; and Travelsupermarket.com, a comparison website for holiday packages and car hire.

Kakaku.com (Japan) - FY23 Revenues €421.1m - Market cap €2,773m

Comparability: Medium (size issue)

operates through two business segments. Internet Media segment is engaged in the operation of Websites that provide price comparison service, restaurant search and reservation service, real estate information, travel information, movie information, automobile information, bus information and inheritance procedure service. The Finance segment is involved in the insurance agency business.

Moltiply Group (Italy) - FY23 Revenues €416.7m - Market cap €1,242m

Comparability: Medium (BPO services issue)

founded in 2000 as Gruppo MutuiOnline it operates through two divisions: online comparison and intermediation services (BPO division) and provision of business process outsourcing services for verticals within the Italian financial services industry (Broking division). Its main websites are: mutuonline.it, prestitionline.it, www.segugio.it, trovaprezzi.it and sostariffe.it.

Digital marketplaces and portals

Booking (US) - FY23 Revenues €19,329m - Market cap €134,661m

Comparability: Low (business model issue)

Leading provider of online travel and related services, which simplify online travel purchases between travel service providers and travelers, offering advertising services, restaurant reservations, and other services such as travel-related insurance.

Scout24 (Germany) - FY23 Revenues €531.9m - Market cap €5,869m

Comparability: Low (business model issue)

operates digital marketplaces in the real estate & automotive sectors. The ImmobilienScout24 segment operates real estate classifieds portal for commercial and private customers for the sale and rental of real estate, as well as offers advertising services to third-party suppliers, such as insurance and financial service providers, utilities, or removal companies. The AutoScout24 segment operates classifieds portal for commercial and private customers for the sale of new and second-hand cars.

Rightmove (UK) - FY23 Revenues €419.8m - Market cap €5,821m

Comparability: Medium (size issue)

operates as a residential and commercial property industry portal connecting people to properties.

Source: EnVent Research on S&P Capital IQ and publicly available information

Sales, EBITDA, EBIT and Net Debt (Cash) - FY 2023

Company	Sales 2023 (€m)	EBITDA 2023 (€m)	EBITDA % 2023	EBIT % 2023	EBITDA % Avg. 5Y	Net Debt (Cash) 2023 (€m)	Revenue CAGR 5Y
Price Comparison Websites (PCWs)							
MONY Group plc	497.9	131.1	26.3%	22.5%	27.0%	50.8	2.1%
Kakaku.com, Inc.	421.1	190.8	45.3%	39.5%	46.2%	(211.1)	-1.1%
Moltiply Group S.p.A.	416.9	70.5	16.9%	15.1%	22.7%	302.0	17.0%
Mean			29.5%		32.0%		6.0%
Median			26.3%		27.0%		2.1%
Digital marketplaces and portals							
Booking Holdings Inc.	19,328.9	5,816.3	30.1%	27.7%	28.4%	1,817.5	9.5%
Scout24 SE	531.9	253.6	47.7%	45.9%	44.1%	165.2	10.0%
Rightmove plc	419.8	299.2	71.3%	70.8%	71.9%	(36.3)	5.3%
Mean			49.7%		48.1%		8.3%
Median			47.7%		44.1%		9.5%
Full sample							
Mean			39.6%		40.0%		7.1%
Median			37.7%		36.2%		7.4%
Adventure	8.1	1.8	22.0%	15.5%	10.6%	0.6	117.0%

Source: S&P Capital IQ

Despite some significant differences among the selected peers in terms of size, core business and revenue models, we believe they share some characteristics:

- internet-based operations
- subject to the same industry logics, comparison and search for the best deal, on the consumer side
- matching between supply and demand, agreements with suppliers/service

- providers/travel service providers
- subject to number of offers, user traffic and engagement
- commitment in providing the best consumer experience
- reliance on consumer data
- substantial investment in marketing, promotional campaigns, performance advertising, aimed at promoting brand awareness
- brands with high recognition

Market multiples

Company	EV/Revenues				EV/EBITDA				EV/EBIT				P/E			
	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E
Price Comparison Websites (PCWs)																
MONY Group plc	2.6x	2.5x	2.3x	2.2x	10.0x	7.8x	7.2x	6.7x	11.7x	8.7x	8.0x	7.4x	14.9x	11.4x	10.5x	9.8x
Kakaku.com, Inc.	6.1x	6.3x	5.6x	5.0x	13.5x	14.6x	12.9x	11.5x	15.5x	16.4x	14.1x	12.4x	24.8x	23.8x	23.9x	21.3x
Multiply Group S.p.A.	3.8x	3.6x	3.3x	3.1x	22.3x	13.4x	11.5x	10.5x	24.9x	23.3x	18.1x	16.0x	35.8x	20.5x	17.6x	15.4x
Mean	4.2x	4.1x	3.7x	3.4x	15.3x	12.0x	10.5x	9.6x	17.4x	16.1x	13.4x	11.9x	25.2x	18.6x	17.4x	15.5x
Median	3.8x	3.6x	3.3x	3.1x	13.5x	13.4x	11.5x	10.5x	15.5x	16.4x	14.1x	12.4x	24.8x	20.5x	17.6x	15.4x
Digital marketplaces and portals																
Booking Holdings Inc.	7.0x	6.4x	5.9x	5.4x	23.3x	18.8x	16.8x	15.0x	25.2x	20.0x	18.2x	16.1x	34.7x	24.3x	22.2x	19.9x
Scout24 SE	11.4x	10.7x	9.8x	9.0x	23.9x	17.6x	15.8x	14.2x	24.8x	21.3x	18.4x	16.3x	32.8x	29.2x	25.2x	22.3x
Rightmove plc	13.8x	12.4x	11.3x	10.4x	19.4x	17.5x	16.0x	14.7x	19.5x	17.8x	16.3x	14.9x	25.4x	23.7x	21.6x	19.8x
Mean	10.7x	9.8x	9.0x	8.3x	22.2x	17.9x	16.2x	14.6x	23.2x	19.7x	17.6x	15.8x	31.0x	25.7x	23.0x	20.7x
Median	11.4x	10.7x	9.8x	9.0x	23.3x	17.6x	16.0x	14.7x	24.8x	20.0x	18.2x	16.1x	32.8x	24.3x	22.2x	19.9x
Full sample																
Mean	7.5x	7.0x	6.4x	5.8x	18.7x	15.0x	13.4x	12.1x	20.3x	17.9x	15.5x	13.9x	28.1x	22.2x	20.2x	18.1x
Mean w/out extremes	7.1x	6.8x	6.1x	5.6x	19.6x	15.8x	14.0x	12.7x	21.2x	18.9x	16.7x	14.9x	29.4x	23.1x	21.4x	19.1x
Median	6.6x	6.3x	5.7x	5.2x	20.8x	16.0x	14.3x	12.9x	22.2x	18.9x	17.2x	15.4x	29.1x	23.8x	21.9x	19.8x

Source: S&P Capital IQ, 25/10/2024

Key takeaways

- Lack of public competitors whose characteristics match the key factors mentioned above. Comparison websites are part of large groups.
- In addition to specific business model features, there are some major differences among the selected players, such as size, geographical and financial performance.

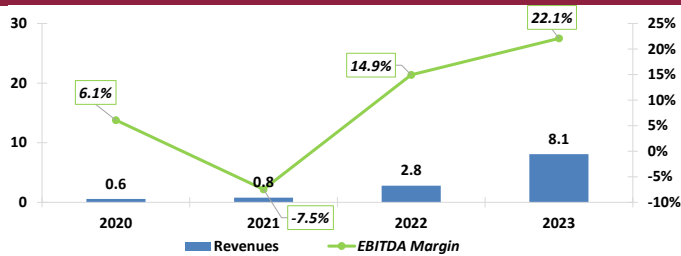
7. FINANCIAL ANALYSIS AND PROJECTIONS

Room for growth

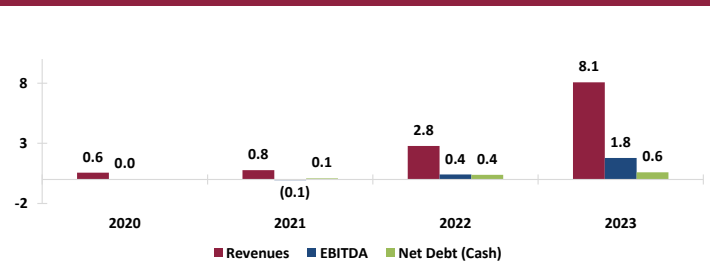
Adventure was founded in 2017, in few years revenues reached €8.1m in FY23 from €0.6m in FY20 (+143% 2020-23 CAGR). Profitability improved, going from 6.1% in FY20 to 22.1% in FY23.

On the balance sheet side, trade receivables were €1.8m (23% of revenues, 68 DSO) and trade payables €1.4m (74 DPO). Non-current assets of €1.3m, mainly made of intangibles €1.2m for the Ameconviene.it website and acquisition of customers database. As of year-end 2023, net debt was €0.6m, with breakdown: €2.5m bank debt and €1.9m cash. Equity was €1m.

Revenues (€m) and EBITDA margin - 2020-23

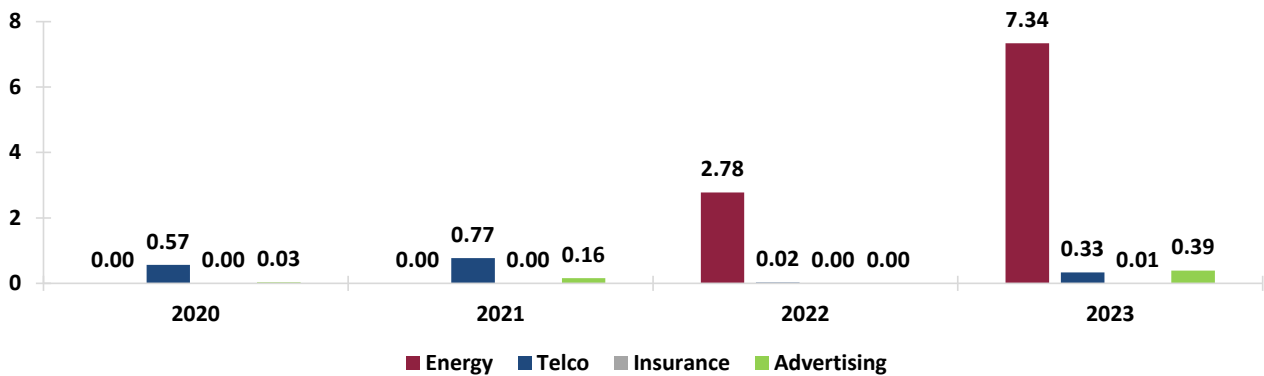


Revenues, EBITDA and Net Debt (Cash) - 2020-23 (€m)



Source: Company data

Revenues breakdown - 2020-23 (€m)



Source: Company data

Profit and Loss

€m	2020	2021	2022	2023
Revenues	0.6	0.8	2.8	8.1
Other income	0.0	0.2	0.0	0.0
Total Revenues	0.6	0.9	2.8	8.1
YoY %	-	55.9%	203.2%	189.3%
Services and cost of sales	(0.3)	(0.4)	(1.8)	(5.6)
Personnel	(0.2)	(0.5)	(0.5)	(0.7)
Other operating costs	(0.1)	(0.1)	(0.0)	(0.0)
Operating costs	(0.6)	(1.0)	(2.4)	(6.3)
EBITDA	0.0	(0.1)	0.4	1.8
Margin	6.1%	neg	14.9%	22.1%
D&A	(0.0)	0.0	(0.1)	(0.5)
EBIT	0.0	(0.1)	0.3	1.3
Margin	2.1%	neg	12.0%	15.5%
Interest	(0.0)	(0.0)	(0.0)	(0.1)
EBT	0.0	(0.1)	0.3	1.2
Margin	1.6%	neg	11.5%	14.4%
Income taxes	(0.0)	(0.0)	(0.1)	(0.3)
Net Income (Loss)	(0.0)	(0.1)	0.2	0.8
Margin	neg	neg	8.1%	10.2%

Source: Company data

Note: 2020 and 2021 OIC accounting standards, 2022 and 2023 IAS/IFRS accounting standards

Balance Sheet

€m	2020	2021	2022	2023
Accounts receivable	0.2	0.0	0.8	1.8
Accounts payable	(0.2)	(0.2)	(0.6)	(1.4)
Working Capital	0.0	(0.2)	0.2	0.4
Other assets (liabilities)	(0.0)	(0.2)	(0.3)	(0.1)
Net Working Capital	0.0	(0.4)	(0.1)	0.3
Intangible assets	0.1	0.5	0.7	1.2
Fixed assets	0.0	0.1	0.1	0.1
Non-current assets	0.1	0.6	0.8	1.3
Provisions	(0.0)	(0.0)	(0.0)	(0.0)
Net Invested Capital	0.1	0.2	0.6	1.6
Bank debt	0.0	0.2	0.9	2.5
Cash and equivalents	(0.1)	(0.1)	(0.5)	(1.9)
Net Debt (Cash)	(0.0)	0.1	0.4	0.6
Equity	0.1	0.1	0.2	1.0
Sources	0.1	0.2	0.6	1.6

Cash flow

€m	2021	2022	2023
EBIT	(0.1)	0.34	1.3
Current taxes	(0.0)	(0.1)	(0.3)
D&A	0.0	0.1	0.5
Cash flow from P&L operations	(0.1)	0.3	1.5
Trade Working Capital	0.2	(0.4)	(0.3)
Other assets and liabilities	0.2	0.1	(0.2)
Capex	(0.5)	(0.3)	(1.0)
Operating cash flow after working capital and capex	(0.1)	(0.2)	(0.0)
Interest	(0.0)	(0.0)	(0.1)
Equity investments and financial assets	0.0	(0.0)	0.0
Changes in Equity	0.0	(0.1)	(0.1)
Net cash flow	(0.1)	(0.3)	(0.2)
Net (Debt) Cash - Beginning	0.0	(0.1)	(0.4)
Net (Debt) Cash - End	(0.1)	(0.4)	(0.6)
Change in Net (Debt) Cash	(0.1)	(0.3)	(0.2)

Source: Company data

Note: 2020 and 2021 OIC accounting standards, 2022 and 2023 IAS/IFRS accounting standards

Ratio analysis

	2021	2022	2023
ROE	neg	93%	87%
ROS	neg	12%	16%
ROIC	neg	53%	81%
DSO	5	81	68
DPO	136	97	74
TWC/Revenues	-28%	6%	5%
NWC/Revenues	-53%	-5%	4%
Net Debt / EBITDA	neg	0.9x	0.3x
Net Debt / Equity	1.4x	1.6x	0.6x
Net Debt / (Net Debt+Equity)	0.6x	0.6x	0.4x
Cash flow from P&L operations / EBITDA	neg	79%	82%
FCF / EBITDA	neg	neg.	neg.

Intangible assets

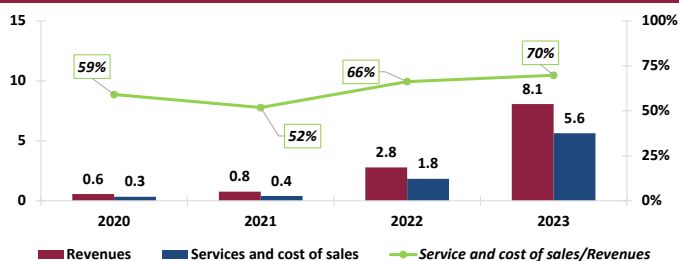
Intangible assets are capitalized costs of Ameconviene.it website (€0.2m in FY23) and contacts potentially interested in Adventure services (€0.7m in FY23).

Operating costs

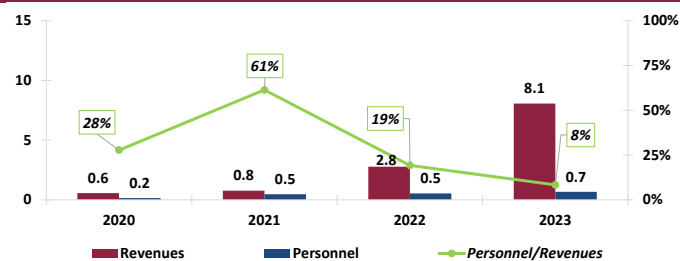
The main source of operating costs is represented by services & cost of sales, €5.6m in FY23 (70% of revenues), mainly made of call centers (€3.4m) and marketing (€1.7m).

Personnel costs were €0.7m in FY23 (8% of revenues), decreasing as percentage over the revenues during the last four years.

Revenues and services and cost of sales (€m) - 2020-23



Revenues and cost of personnel (€m) - 2020-23



Source: Company data

H1 2024 results

- Total revenues €5.6m, +89% on H1 2023, thanks to increasing in number of providers offered and organic traffic growth on Ameconviene.it
- Revenues breakdown: Energy €4.5, Telco €0.8m, other €0.4m
- EBITDA €1.2m (20.7% margin), +128% on H1 2023 (18.1%)
- Net income €0.5m, vs €0.3m in H1 2023
- Net debt as of June 2024 €1.5m, from €0.6m as of December 2023
- Capex €0.7m, mostly for customers database

Profit and Loss

€m	H1 2023	H1 2024
Revenues	2.9	5.6
Other income	0.0	0.0
Total Revenues	2.9	5.7
YoY %	-	98.1%
Services and cost of sales	(2.1)	(4.1)
Personnel	(0.2)	(0.4)
Other operating costs	(0.0)	(0.0)
Operating costs	(2.3)	(4.5)
EBITDA	0.5	1.2
Margin	18.1%	20.7%
D&A	(0.1)	(0.4)
EBIT	0.4	0.7
Margin	15.3%	13.2%
Interest	(0.0)	(0.1)
EBT	0.4	0.7
Margin	14.8%	12.2%
Income taxes	(0.1)	(0.2)
Net Income (Loss)	0.3	0.5
Margin	10.3%	8.4%

Source: Company data

Balance Sheet

€m	2023	H1 2024
Accounts receivable	1.8	2.5
Accounts payable	(1.4)	(1.0)
Working Capital	0.4	1.5
Other assets (liabilities)	(0.1)	(0.1)
Net Working Capital	0.3	1.4
Intangible assets	1.2	1.4
Fixed assets	0.1	0.1
Non-current assets	1.3	1.5
Provisions	(0.0)	(0.1)
Net Invested Capital	1.6	2.9
Bank debt	2.5	2.4
Cash and equivalents	(1.9)	(0.9)
Net Debt (Cash)	0.6	1.5
Equity	1.0	1.4
Sources	1.6	2.9

Cash Flow

€m	H1 2024
EBIT	0.7
Current taxes	(0.2)
D&A	0.4
Provisions	0.0
Cash flow from P&L operations	1.0
Trade Working Capital	(1.1)
Other assets and liabilities	(0.0)
Capex	(0.7)
Operating cash flow after working capital and capex	(0.8)
Interest	(0.1)
Equity investments and financial assets	(0.0)
Changes in Equity	(0.0)
Net cash flow	(0.9)
Net (Debt) Cash - Beginning	(0.6)
Net (Debt) Cash - End	(1.5)
Change in Net (Debt) Cash	(0.9)

Source: Company data

Our estimates

Use of market data

- The shift, for those residual household contracts, not migrated yet from protected to free electricity and gas market, will progressively impact in the forthcoming years the Italian utility switch market
- The global price comparison websites market is expected to grow at a CAGR above of 10% over the next ten years.
- Digitalization in Italy is experiencing a constant increase in recent years. According to Statista, internet usage penetration in Italy was 80.6% in 2023 and is expected to reach over 95% in 2029 (Source: Statista, Internet usage penetration in Italy from 2020 to 2029, 2023).

Key growth drivers and risk profile

- Ameconviene.it platform is designed to be scalable, allowing to easily expand verticals offered
- Physical stores opening strategy

Estimates construction

- Our estimates are those of IPO phase, which remain unchanged
- Our analysis of markets, competition, Adventure present profile, stage of growth and business model leads to growth assumptions for 2024E-27E

Assumptions – Base case

Revenues	<ul style="list-style-type: none"> - Electricity 23.8% 2023A-27E CAGR (Conversion rate of 16%, Payout by contract of €125) - Telco over 80% 2023A-27E CAGR (Conversion rate of 8%, Payout by contract of €220) - Insurance over 250% 2023A-27E CAGR (Conversion rate of 8%, Payout by contract of €50) - Finance (Conversion rate of 8%, Payout by contract of €500)
Operating costs	<ul style="list-style-type: none"> - Services and cost of sales around 64% of revenues - Personnel around 8% of revenues - Other operating costs 4% of revenues
Income taxes	<ul style="list-style-type: none"> - Corporate tax (IRES): 24% - Regional tax (IRAP): 3.90%
Working Capital	<ul style="list-style-type: none"> - Working Capital: <ul style="list-style-type: none"> - DSO at 80 in 2024-27E - DPO at 70 in 2024-27E
Capex	<ul style="list-style-type: none"> - €1m one-off IPO costs in 2024 – Tax relief not factored in - From €1m in 2024E to €2.2m in 2027E, mainly in intangible assets
Equity	<ul style="list-style-type: none"> - IPO proceeds €6.5m - No dividend distribution

Source: EnVent Research

Financial projections

Profit and Loss					
€m	2023	2024E	2025E	2026E	2027E
Revenues	8.1	11.1	14.7	19.4	25.1
Other income	0.0	0.0	0.0	0.0	0.0
Total Revenues	8.1	11.1	14.7	19.4	25.1
YoY %	189.3%	37.1%	32.6%	31.7%	29.2%
Services and cost of sales	(5.6)	(7.3)	(9.5)	(12.4)	(15.7)
Personnel	(0.7)	(0.9)	(1.2)	(1.5)	(1.9)
Other operating costs	(0.0)	(0.4)	(0.6)	(0.8)	(1.0)
Operating costs	(6.3)	(8.7)	(11.3)	(14.6)	(18.6)
EBITDA	1.8	2.5	3.4	4.8	6.5
Margin	22.0%	22.1%	23.2%	24.6%	25.8%
D&A	(0.5)	(0.9)	(1.3)	(1.6)	(1.8)
EBIT	1.3	1.5	2.1	3.2	4.6
Margin	15.5%	13.6%	14.3%	16.6%	18.5%
Interest	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)
EBT	1.2	1.4	2.0	3.1	4.5
Margin	14.4%	12.2%	13.4%	15.9%	18.0%
Income taxes	(0.3)	(0.4)	(0.6)	(0.9)	(1.3)
Net Income (Loss)	0.8	1.0	1.4	2.2	3.3
Margin	10.2%	8.8%	9.6%	11.5%	13.0%

Source: Company data 2023A, EnVent Research 2024E-27E

Balance Sheet

€m	2023	2024E	2025E	2026E	2027E
Accounts receivable	1.8	3.0	3.9	5.2	6.7
Accounts payable	(1.4)	(1.8)	(2.4)	(3.1)	(3.9)
Working Capital	0.4	1.2	1.6	2.1	2.8
Other assets (liabilities)	(0.1)	0.0	0.0	0.0	0.0
Net Working Capital	0.3	1.2	1.6	2.1	2.8
Intangible assets	1.2	2.2	2.3	2.4	2.6
Fixed assets	0.1	0.1	0.2	0.4	0.5
Non-current assets	1.3	2.3	2.5	2.8	3.2
Provisions	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)
Net Invested Capital	1.6	3.4	4.0	4.8	5.8
Net Debt (Cash)	0.6	(5.0)	(5.8)	(7.3)	(9.5)
Equity	1.0	8.4	9.9	12.1	15.3
Sources	1.6	3.4	4.0	4.8	5.8

Source: Company data 2023A, EnVent Research 2024E-27E

Cash Flow

€m	2023	2024E	2025E	2026E	2027E
EBIT	1.3	1.5	2.1	3.2	4.6
Current taxes	(0.3)	(0.4)	(0.6)	(0.9)	(1.3)
D&A	0.5	0.9	1.3	1.6	1.8
Cash flow from P&L operations	1.5	2.1	2.9	3.9	5.2
Working Capital	(0.3)	(0.7)	(0.4)	(0.5)	(0.7)
Other assets and liabilities	(0.2)	(0.1)	0.0	0.0	0.0
Capex	(1.0)	(1.0)	(1.5)	(1.8)	(2.2)
Operating cash flow after WC and capex	(0.0)	0.2	1.0	1.6	2.3
Interest	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)
IPO proceeds	0.0	6.5	0.0	0.0	0.0
Capex - IPO cost	0.0	(1.0)	0.0	0.0	0.0
Net cash flow	(0.2)	5.6	0.8	1.5	2.2
Net Cash (Debt) (Beginning)	(0.4)	(0.6)	5.0	5.8	7.3
Net Cash (Debt) (End)	(0.6)	5.0	5.8	7.3	9.5
Change in Net Debt (Cash)	(0.2)	5.6	0.8	1.5	2.2

Source: Company data 2023A, EnVent Research 2024E-27E

Ratio analysis

KPIs	2023	2024E	2025E	2026E	2027E
ROE	87%	12%	14%	18%	21%
ROS (EBIT/Revenues)	16%	14%	14%	17%	19%
DSO	68	80	80	80	80
DPO	74	70	70	70	70
WC/Revenues	5%	10%	11%	11%	11%
Net Debt/EBITDA	0.3x	cash	cash	cash	cash
Net Debt/Equity	0.6x	cash	cash	cash	cash
Cash flow from P&L operations/EBITDA	82%	85%	84%	82%	81%
FCF/EBITDA	neg	10%	28%	33%	36%

Source: Company data 2023A, EnVent Research 2024E-27E

- Adventure is increasing its CAPEX spending year-over-year, with investments projected to rise from €1m in FY24E to €2.2m by FY27E. Cumulative €6.5m will be allocated to advancements in technology and databases. As a result, we anticipate a significant increase in non-current assets, primarily intangibles, with the value expected to climb from €1.3m in FY23 to €3.2m by 2027E.
- Trade working capital is forecasted to increase from €0.4m in FY23 to €2.8m by FY27E.

8. VALUATION

Valuation rationale

After the IPO in August 2024 at an offer price of €2.00 per share, Adventure stock price had an astonishing surge, up to a value representing multiples overall worth 15x our revenue and 70x our operating profit estimate 2024E. Then the stock price has fluctuated down from the max of €24 to a minimum of €13 and presently is at a level of €16, which would be far higher relatively to our value area.

Momentum: opportunity or risk?

There is a common understanding about a series of presuppositions/postulations when evaluating trading dynamics and market pricings of stocks. Starting from the concept that companies intrinsic value is currently calculated and updated from analysts, it is easily possible to evaluate an overall gap between market value and intrinsic value, also by investigating market value trends and their changing differences with intrinsic value.

Intrinsic value may be also influenced by a certain degree of subjectivity in applying valuation methodologies and especially in defining assumptions about short-term and long-term future performances. However, the intrinsic value appraisal methodologies are tried, tested and well proved in using a fair number of indicators and in informing readers about major uncertainties, probabilities and risk ratings. As a consequence, when an asset trades away from that value, it could be then considered undervalued or overvalued.

Professional investors are sufficiently exercised to be able to form their own opinion about a reasonable value or range of intrinsic values based on fundamentals. Then they may assume informed decisions about investments and disposals, generally based on their perceptions of overvaluations or undervaluations, market trends and reference industry trends.

Typically, an overvalued stock has a current price that is not justified by its earnings outlook, its growth perspective, its competitive profile, or its market success, etc., all factors that should be reflected in its multiples ratios. Consequently, analysts and other economic experts expect the price to drop eventually. In the real life not necessarily this happens, and stock markets have experienced many cases of continuing growth of the price of a share, despite more and more accumulating a “senseless” distance from its intrinsic value narrow range.

Those who do not purchase stocks that are above their intrinsic value, may be defined as value investors, looking for stocks as opportunities. A growth investor looks at rapidly growing stocks as something that the market appreciates as capable to deliver more growth than the market as a whole, regardless of its intrinsic value. Overvaluation may result from emotional trading, or illogical, impulse driven decisions, that keep inflating a stock's market price.

Notable cases may be found both in foreign and Italian stock exchanges. The valuation of Internet companies is a benchmark case study. These had reached unusually high levels, competing with older and more established companies, with a peak in the year 2000, then later a rapid drop.

After the so-called Internet bubble, financial analysts, which had been supporting their exceptional growth, have been kept responsible for having overstated the value of internet companies.

How to deal with overvalued stocks?

A popular belief is that the market is perfectly efficient, and that fundamental analysis is only one of the possible exercises to understand price trends. The immediate consequence is that stocks may appear overvalued while actually being considered undervalued, since market keeps purchasing. So proving the opposite assumption, especially for those who enjoy sound capital gains in a short period of time. In these cases, fundamental analysts are giving the wrong reply to investors, at least for a given period, until the typical long-term alignment of pricing to fundamentals takes place.

In the meantime, overvalued stocks are ideal for investors looking to short a position. This entails selling shares to capitalize on an anticipated price decline.

Real world cases

We are aware of a number of cases in which certain companies experienced a fast growth of their values at or soon after IPO, reaching fantastic multiples, impossible to be justified by any expectation of financial performance or other measure based on fundamentals. The only feasible measurements could be supposed as through an implied expectation of very rapid growth, an extraordinary success of the business, accompanied by hyper-profits. Most real world cases were representing innovations fueled by technology – something non existing before, a future *must have* - and were thus considered serious candidates to reach in a short period of time a large dominant position in a new or even a traditional market. This implies a crowds of users willing to pay a generous price or fee to have the best product or service available in a very large potential market, where no serious competitors could challenge the new headliner, neither offer a lower pricing.

This happened several times: in the so-called dot.com new-economy, in advanced chemical research, automotive/transportation industry, agro-chemicals, data-cloud, and more. Researchers analyzing these cases of so-called “Irrational exuberance” (Shiller, 2000), have identified a series of recurring influencing or biasing factors, such investors’ preference for recent IPOs, better if already attracting other investors’ as possibly underpriced, despite a high degree of asymmetric information between management and investors, generally disregarded. This *behavioral finance* attitude may be also assisted from the hidden belief of feeling more comfortable when relying on a crowd behavior.

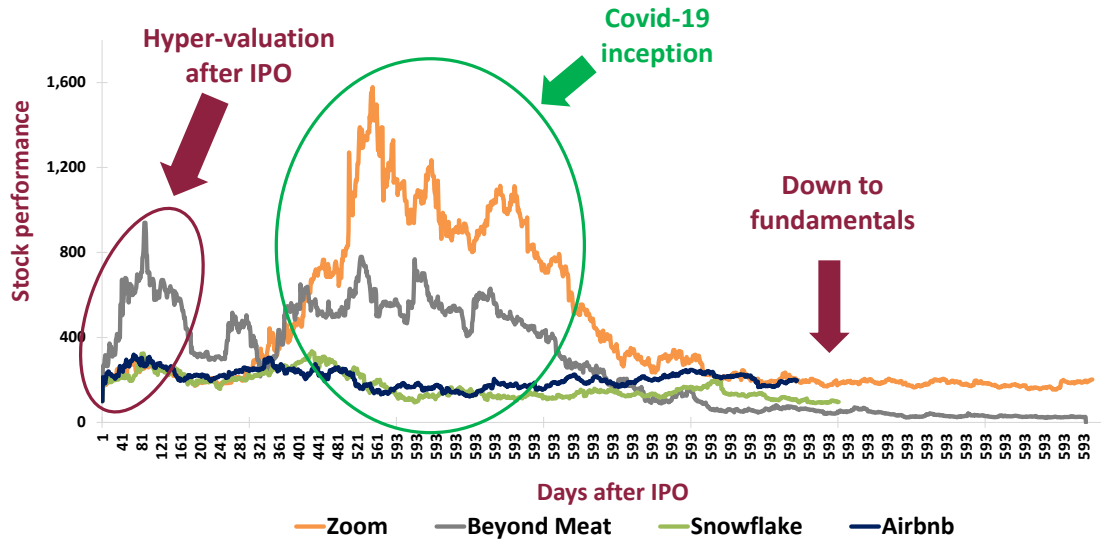
Ineludible decline after IPO sudden surge

Systematic studies about behavioral finance and real cases of hyper-optimistic valuations have documented optimisms replaced by rationalization. Hyper-valuations versus fundamentals after IPO sooner or later experienced a sudden or progressive substantial decline of share price, down to fundamentals-like multiples.

The following graph represents a sample of high-profile companies which in recent years had, just after the IPO or in other circumstances, a sudden exceptional stock growth, followed a gradual decline and normalization.

Quick hyper-valuation cases, from IPO date to nowadays

Sample performance since IPO: up 50% median and 30% mean

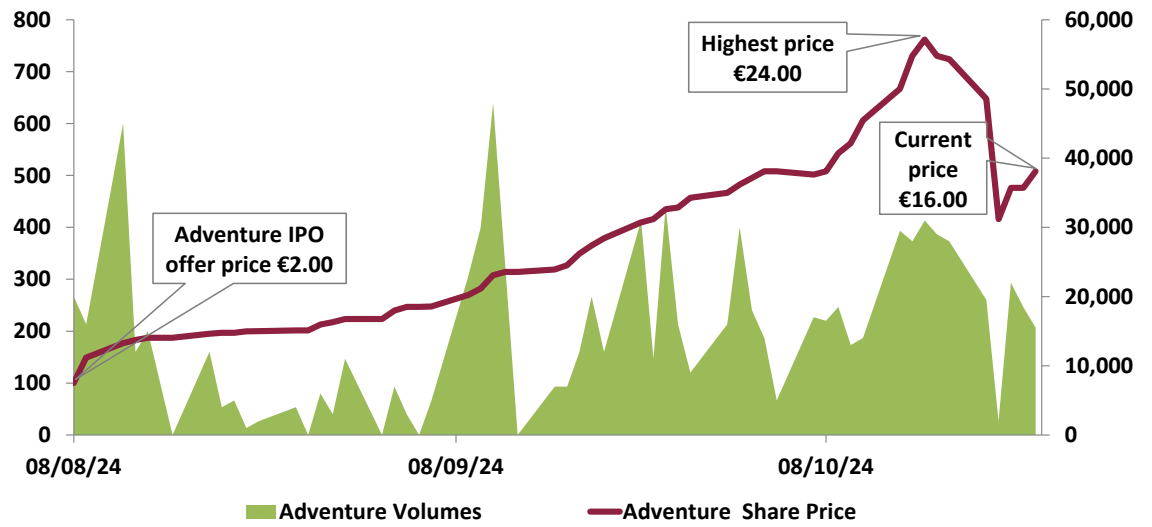


Source: EnVent Research and S&P Capital IQ, update: 25/10/2024

For comparison, recall of the Adventure performance:

Adventure stock price performance and volumes since IPO

+700% in nearly 60 trading days from IPO



Source: S&P Capital IQ - Note: 08/08/2024 (IPO offer price)=100

Analytical and market values

Valuation topics

Adventure picture is that of a fast-growing company in an intense competitive environment, populated by several domestic companies and groups and solid, successful peers in other European countries. Based on the recent performance of Adventure we envisage a very promising development path accompanied by a rewarding financial performance in the short-term. We have assumed for our projections a continuity scenario and a best scenario, to design a value area within which we expect the future performance of Adventure, based on fundamentals metrics. We are remarking that the present market value of Adventure stock is both a signal about investors' expectations and a warning about the necessary growth and financial performance to reach such a value target with a stability perspective.

Value dilemma: we opt for a probabilistic approach

In such a framework of unconventional and unexpected relevant information, we deem advisable to focus on possible inconsistencies. One is the surprising and impressive rise of stock values and related metrics, few days after IPO, on a very high side, while the associated business profile does not appear as meeting certain above-mentioned features. Eg: disrupting tech innovations, perspective of global reach of service offered or interested users, leading inventor/producer of a must have consumer product. As a consequence, we consider helpful to adopt an articulated and more informative way of approaching the value dilemma, since in the anticipated framework of oddities it could be ambiguous or disputable to oversimplify by stating only an expected value, unable to capture in one number some different possible outcomes. We prefer to provide information on a range of possible outcomes of analytical and market valuation metrics, accompanied by a probabilistic assessment, to clarify our views.

Outcomes: base and best scenarios, designed on market expectations

We then have set as outcomes: a fairly achievable base scenario according to the competitive environment, market opportunities and risk profile, and a best scenario.

The latter shares operating assumptions and expected profitability, with different sales projections, on purpose developed by calculating revenue growth rates consistent with the figures implied in the market valuation recorded in the last quarter after IPO.

Major issues with this fast growth scenario are inherent risk and feasibility. In the real life, high revenue growth in a competitive environment at a certain point may require lower prices and to accept lower margins. A consequence is that the difference between the best-case and base-case values must be seen as a measure of risk, so that a wide range of values is implied because of riskier investments, those implying declining probabilities.

Valuation metrics

The valuation of Adventure has been performed through:

- Discounted Cash Flows applied to 2024E-27E financial projections and scenarios
- Market multiples
- Transaction Multiples

Discounted Cash Flows - Base case

Metrics and assumptions:

- Risk free rate: 3.0% (last 30 days average. Source: Bloomberg, October 2024)
- Market return: 11.0% (last 30 days average. Source: Bloomberg, October 2024)
- Market risk premium: 8.0%
- Beta: 0.1 (Source: Bloomberg on industry)
- Cost of equity: 11.0%
- Cost of debt: 5.8%
- Tax rate: 24% IRES
- 20% debt/(debt + equity) as target capital structure
- WACC calculated at 9.7%, according to above data
- Perpetual growth rate after explicit projections (G): 3.5%
- Terminal Value assumes a 25% EBITDA margin, an overall +5-7% premium on actual EBITDA performance of Comparison websites in Italy in last 5 years

DCF valuation - Base case

€m	2023	2024E	2025E	2026E	2027E	Perpetuity
Revenues	8.1	11.1	14.7	19.4	25.1	25.9
EBITDA	1.8	2.5	3.4	4.8	6.5	6.5
<i>Margin</i>	22.0%	22.1%	23.2%	24.6%	25.8%	25.0%
EBIT	1.3	1.5	2.1	3.2	4.6	4.5
<i>Margin</i>	15.5%	13.6%	14.3%	16.6%	18.5%	17.3%
Taxes	(0.4)	(0.4)	(0.6)	(0.9)	(1.3)	(1.3)
NOPAT	0.9	1.1	1.5	2.3	3.3	3.2
D&A	0.5	0.9	1.3	1.6	1.8	2.0
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	1.5	2.1	2.8	3.9	5.2	5.2
Trade Working Capital	(0.3)	(0.7)	(0.4)	(0.5)	(0.7)	(0.5)
Other assets and liabilities	(0.2)	(0.1)	0.0	0.0	0.0	0.0
Capex	(1.0)	(1.0)	(1.5)	(1.8)	(2.2)	(2.0)
Unlevered free cash flow		0.2	0.9	1.6	2.3	2.7
- H1 unlevered free cash flow		0.8				
Free cash flow to be discounted		1.0	0.9	1.6	2.3	2.7
WACC	9.7%					
Long-term growth (G)	3.5%					
Discounted Cash Flows		1.0	0.8	1.2	1.7	
Sum of Discounted Cash Flows	4.7					
Terminal Value						43.7
Discounted TV	31.6					
Enterprise Value	36.3					
Net Cash (Debt) as of 30/06/2024	(1.5)					
IPO proceeds	6.5					
Equity Value	41.3					
Equity Value per share (€)	5.90					

DCF - Implied multiples	2024E	2025E	2026E	2027E
EV/Revenues	3.3x	2.5x	1.9x	1.4x
EV/EBITDA	14.8x	10.6x	7.6x	5.6x
EV/EBIT	24.0x	17.2x	11.3x	7.8x
P/E	42.4x	29.1x	18.6x	12.7x

Current market price - Implied multiples	2024E	2025E	2026E	2027E
EV/Revenues	10.2x	7.7x	5.8x	4.5x
EV/EBITDA	46.2x	33.2x	23.8x	17.5x
EV/EBIT	74.9x	53.7x	35.2x	24.4x
P/E	116.4x	80.0x	51.1x	34.9x

Source: EnVent Research

Discounted Cash Flows - Best case based on market cap implied growth rate

Major issues:

- Revenue CAGR 67% 2023-27E versus 33% in Base case
- Risk free rate: 3.0% (last 30 days average. Source: Bloomberg, October 2024)
- Market return: 11.0% (last 30 days average. Source: Bloomberg, October 2024)
- Market risk premium: 8.0%
- Beta: 2.0 (current Company's β by Bloomberg at 2.3x mkt risk premium, rounded to 2.0x)
- Cost of equity: 11.0%
- Cost of debt: 5.8%
- Tax rate: 24% IRES
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 14.6%, according to above data
- Perpetual growth rate after explicit projections (G): 4.0%, assuming a higher growth pace
- Terminal Value assumes a 25% EBITDA margin

Arduous assumption on 67% revenue CAGR (over 2X last 5Y median industry and Base case)

Bloomberg β rating exceptionally high because of current volatility

DCF valuation - Best case

€m	2023	2024E	2025E	2026E	2027E	Perpetuity
Revenues	8.1	16.7	36.8	48.5	62.7	65.2
EBITDA	1.8	3.7	8.5	13.7	19.0	16.3
<i>Margin</i>	22.0%	22.1%	23.2%	28.3%	30.3%	25.0%
EBIT	1.3	2.7	7.2	12.2	17.2	14.3
<i>Margin</i>	15.5%	16.5%	19.7%	25.1%	27.4%	21.9%
Taxes	(0.4)	(0.8)	(2.0)	(3.4)	(4.8)	(4.0)
NOPAT	0.9	2.0	5.2	8.8	12.4	10.3
D&A	0.5	0.9	1.3	1.6	1.8	2.0
Provisions	0.0	0.0	0.1	0.0	0.1	0.0
Cash flow from operations	1.5	3.0	6.6	10.4	14.3	12.3
Trade Working Capital	(0.3)	(1.3)	(2.2)	(1.8)	(2.0)	(1.4)
Other assets and liabilities	(0.2)	(0.1)	0.0	0.0	0.0	0.0
Capex	(1.0)	(1.0)	(1.5)	(1.8)	(2.2)	(2.0)
Unlevered free cash flow		0.5	2.9	6.8	10.1	8.9
- H1 unlevered free cash flow		0.8				
Free cash flow to be discounted		1.4	2.9	6.8	10.1	8.9
WACC	14.6%					
Long-term growth (G)	4.0%					
Discounted Cash Flows		1.3	2.4	4.8	6.3	
Sum of Discounted Cash Flows	14.8					
Terminal Value						84.0
Discounted TV	52.1					
Enterprise Value	66.9					
Net Cash (Debt) as of 30/06/2024	(1.5)					
IPO proceeds	6.5					
Equity Value	71.9					
Equity Value per share (€)	10.3					

DCF - Implied multiples	2024E	2025E	2026E	2027E
EV/Revenues	4.0x	1.8x	1.4x	1.1x
EV/EBITDA	18.2x	7.8x	4.9x	3.5x
EV/EBIT	24.4x	9.2x	5.5x	3.9x
P/E	39.1x	14.3x	8.4x	6.0x

Current market price - Implied multiples	2024E	2025E	2026E	2027E
EV/Revenues	6.8x	3.1x	2.3x	1.8x
EV/EBITDA	30.8x	13.3x	8.3x	6.0x
EV/EBIT	41.4x	15.7x	9.3x	6.6x
P/E	61.6x	22.6x	13.3x	9.4x

Note: Bloomberg to Adventure β score (updated volatility risk factor applied as multiplier to reduce or increase WACC) of over 2.3 times, versus the recent domestic and international industry scores ranging between 0.8x-1.4x, with median 1.02.

Market multiples

Among listed peers, we have selected PCWs having business model and cost-revenue model fairly comparable with that of Adventure, regardless of diversity of sales mix and other minor factors, and especially considering that:

- growth is driven by similar factors and dynamics
- client-suppliers and final consumers share similar service needs and pricing attitude

Digital companies with a business model leveraging on widespread awareness and a scalable platform as monetization tool, have a quite different cost and profitability profile and could be less reliable in suggesting proper metrics.

We have also investigated recent PCWs transactions.

Multiples application

Base case

Adventure (€m)	Market Multiples (median)	Enterprise Value	Net (Debt) Cash 30/06/2024	IPO proceeds	Equity value	Equity Value per Share (€)
2024E Revenues	11.1 3.6x	40.1	(1.5)	6.5	45.2	6.5
2025E Revenues	14.7 3.3x	48.1	(1.5)	6.5	53.2	7.6
Mean		44.1			49.2	7.0
2024E EBITDA	2.5 13.4x	33.0	(1.5)	6.5	38.1	5.4
2025E EBITDA	3.4 11.5x	39.5	(1.5)	6.5	44.5	6.4
Mean		36.2			41.3	5.9
2024E EBIT	1.5 16.4x	24.8	(1.5)	6.5	23.3	3.3
2025E EBIT	2.1 14.1x	29.9	(1.5)	6.5	28.4	4.1
Mean		27.4			25.9	3.7
2024E Earnings	1.0 20.5x				20.0	2.9
2025E Earnings	1.4 17.6x				25.0	3.6
Mean					22.5	3.2
Adventure Equity Value 2024-25E (Mean)					34.7	5.0

Best case

Adventure (€m)	Market Multiples (median)	Enterprise Value	Net (Debt) Cash 30/06/2024	IPO proceeds	Equity value	Equity Value per Share (€)
2024E Revenues	16.7 3.6x	60.2	(1.5)	6.5	65.2	9.3
2025E Revenues	36.8 3.3x	120.4	(1.5)	6.5	125.4	17.9
Mean		90.3			95.3	13.6
2024E EBITDA	3.7 13.4x	49.5	(1.5)	6.5	54.6	7.8
2025E EBITDA	8.5 11.5x	98.7	(1.5)	6.5	103.7	14.8
Mean		74.1			79.1	11.3
2024E EBIT	2.7 16.4x	44.9	(1.5)	6.5	43.4	6.2
2025E EBIT	7.2 14.1x	102.5	(1.5)	6.5	101.0	14.4
Mean		73.7			72.2	10.3
2024E Earnings	1.8 20.5x				37.8	5.4
2025E Earnings	5.0 17.6x				88.8	12.7
Mean					63.3	9.0
Adventure Equity Value 2024-25E (Mean)					77.5	11.1

Source: EnVent Research

Regression analysis to picture industry positioning and values

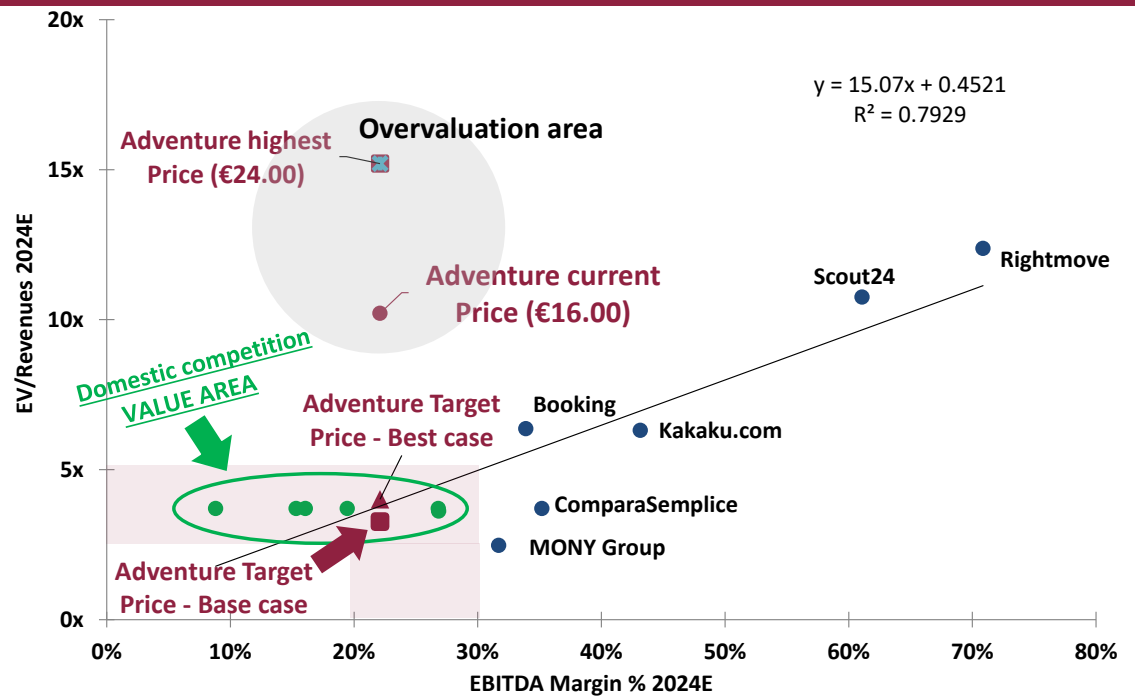
A regression analysis is a useful tool to evaluate a company's positioning, overperformance or underperformance with respect to its industry. High and low correlation among industry players indicate the level of consistency in business model and size, while above the line and under the line positioning may explain differences in performance like profitability, or stage of development or weak market positioning. In presence of high correlation, the regression analysis may also give reliable measures of valuations premium or discount. Distance from the regression line suggests inconsistency area or one-of-a-kind case worth to be investigated.

Within the regression analysis it is possible to identify one or more value areas. We have used EV/Revenues 2024 market multiple and actual EBITDA margin of each company to simulate the likely positioning of domestic market major operators in order to identify a virtual value area to use as a benchmark for our valuation assessment.

Key hints could be:

- high correlation (0.79)
- homogeneity of domestic competition value area
- digital marketplaces and portals as highly scalable performers with different business and revenue models
- clear overvaluation area occupied by Adventure high and current market prices

Regression analysis and Adventure target positioning



Source: EnVent Research on S&P Capital IQ, October 2024

Note: Domestic competition include Comparison websites in Italy described in chapter 5

Transaction Multiples

We have investigated recent PCW transactions. Data shows 27% median EBITDA, with median EV/Revenues of 3.3x and median EV/EBITDA of 11.1x.

Historical transactions for Price Comparison Websites

Year	Target	Buyer	EV/EBITDA	EV/Revenues
2024	Switcho	Multiply	11.1x	3.3x
2024	Pricewise Group	Multiply	8.6x	2.3x
2022	Facile.it	Silver lake	20.0x	6.7x
2022	Rastreator & LeLynx	Multiply	18.8x	2.4x
2020	6Sicuro	Assiteca	10.0x	3.3x
2020	SOSTariffe	Multiply	8.4x	2.3x
2018	Facile.it	EQT VII	23.6x	4.9x
2015-2018	7PIXEL (Trovaprezzi)	Multiply	8.2x	4.3x
2014	Facile.it	Oakley	24.9x	3.2x
Min			8.2x	2.3x
Max			24.9x	6.7x
Mean			14.8x	3.6x
Median			11.1x	3.3x

Source: EnVent Research

Transaction Multiples application

Base case

Adventure (€m)	Transaction Multiples (median)	Enterprise Value	Net (Debt) Cash 30/06/2024	IPO proceeds	Equity value	Equity Value per Share (€)
2024E Revenues	11.1 3.3x	37.0	(1.5)	6.5	42.1	6.0
2024E EBITDA	2.5 11.1x	27.3	(1.5)	6.5	32.3	4.6
Adventure Equity Value 2024A (Mean)					37.2	5.3

Source: EnVent Research

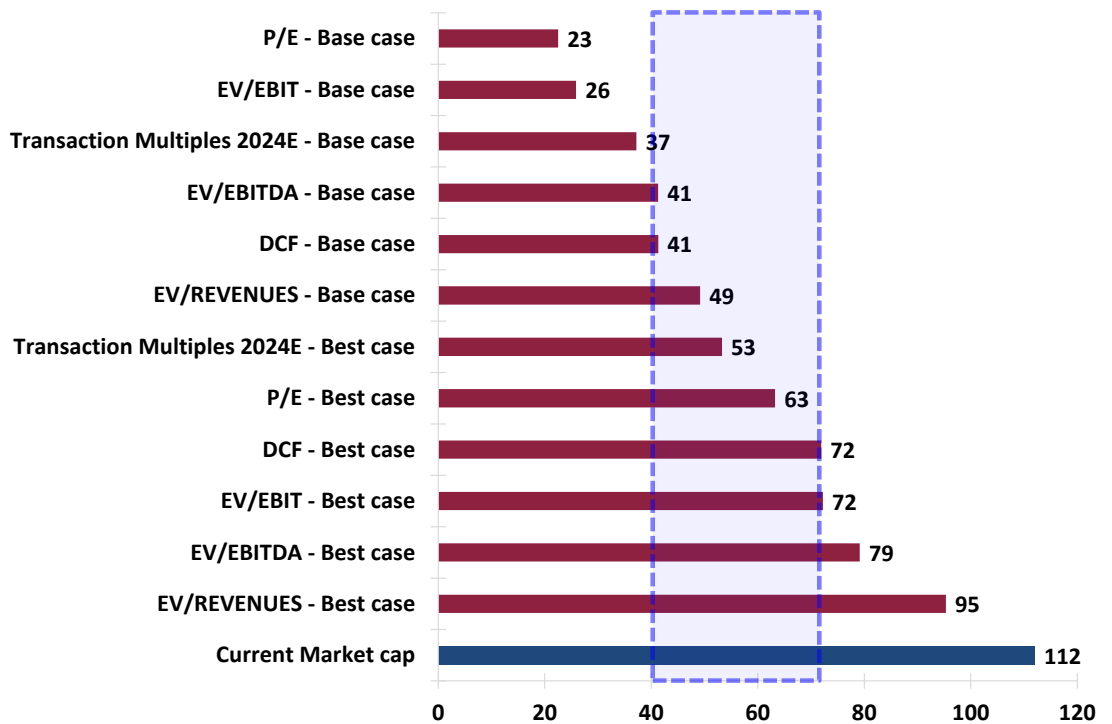
Best case

Adventure (€m)	Transaction Multiples (median)	Enterprise Value	Net (Debt) Cash 30/06/2024	IPO proceeds	Equity value	Equity Value per Share (€)
2024E Revenues	16.7 3.3x	55.6	(1.5)	6.5	60.6	8.7
2024E EBITDA	3.7 11.1x	40.9	(1.5)	6.5	46.0	6.6
Adventure Equity Value 2024E (Mean)					53.3	7.6

Equity value summary

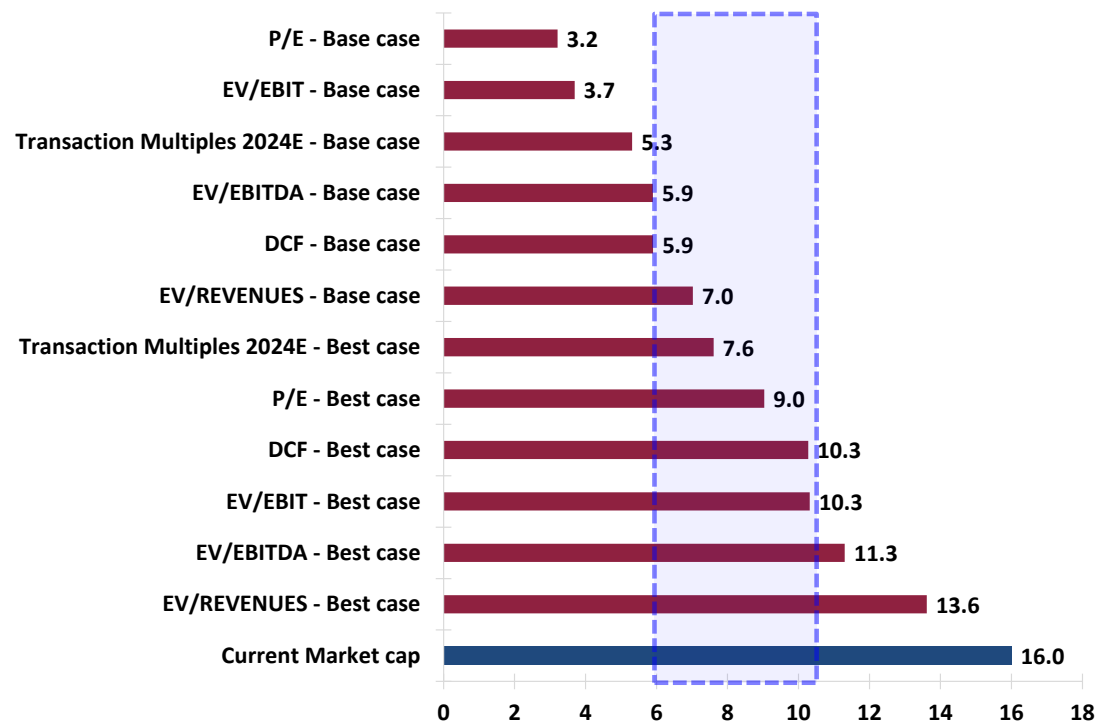
Adventure equity valuation area spreading between €40-70m

Equity values (€m) and intermediate value area



Source: EnVent Research

Equity values per share (€) and intermediate value area

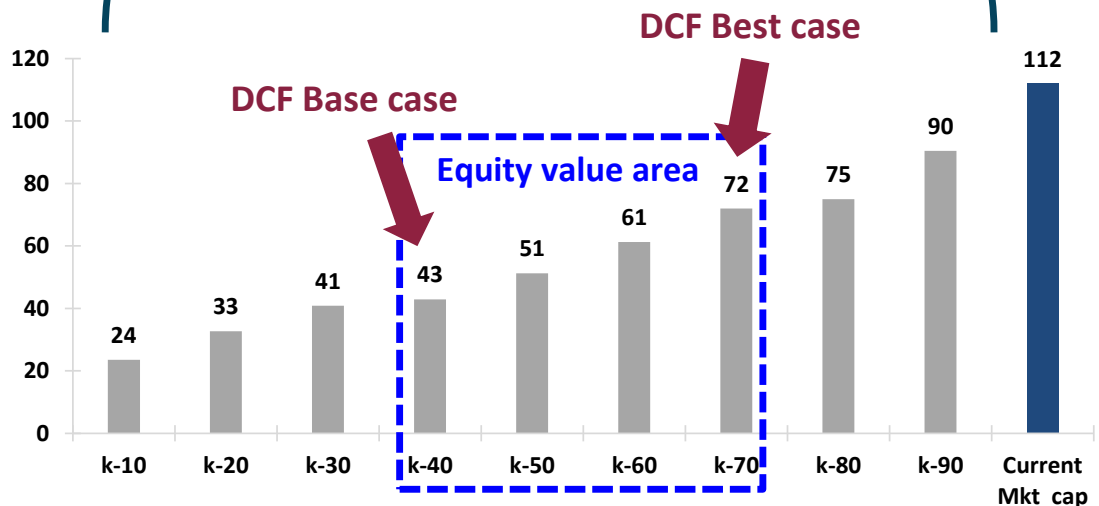


Source: EnVent Research

Percentile equity value distribution (€m)

Current Market cap above k-90 percentile

Equity value above k-90 percentile definitely states overvaluation



Source: EnVent Research

Key takeaways:

- Our Base case DCF points to €41m equity value, 63% discount on current market cap
- Our Best case DCF, with projections developed through the implied growth rate derived from current market price, leads to overall €50-60m revenue in 2026-27. The calculation of the related WACC, which comes from the same present market data used for the Base case, including the Beta adjusted by Bloomberg according to current risk profile, points to an equity value of €72m, 36% discount on current market cap.
- Equity values based on market multiples spread between 31% to 69% discount on current market cap
- Adventure current market cap is above the 90th percentile of our equity valuations, implying low probability in keeping this size. The equity value area in k40-70 percentile range (or €40-70m) deriving from analytical and market methods applied to Company fundamentals with different growth rates and related risk factors, may represent a higher probability of valuation reference.
- The stock price since IPO to date had a restless rising trend, reaching a peak of €24 (€168m market cap); from October 17th the stock had a drop-off to a down of €13.10 (€92m market cap), then going up to the current €16 (€112m market cap).

Conclusion

In the Adventure value assessment process, which sees a high gap between values based on fundamentals and those recorded in the stock market immediately after 2024 August IPO, we deem advisable to have some definite points of reference:

- the history of past cases of sudden market price surge up to unimaginable multiples has been sooner or later followed by normalizations of those multiples
- Adventure stock price is currently experiencing ups and downs
- we have designed the value area within which we base our price target and our rating in accordance with the above considerations and data. The value area, based on fundamentals through discounted cash flows, encompasses a value range between €5.9 and €10.3 per share.
- a probabilistic approach would consider a higher probability for lower values and a lower probability for higher values, as calculated by riskier assumptions
- according to the probabilistic approach, further price increases which would broaden the gap from values calculated on fundamentals, should not be considered a judicious mid/long-term trend at least with the present set of information and Company perspectives
- for the same reasons a permanence of the current market capitalization level, with the share price at €16, is to be considered of low likelihood
- our value area, with €5.9 per share at the low side and €10.3 per share on the high side, in our judgment is suitable to represent a prospect of market value of Adventure according to its performance expectations and duly considering its risk-opportunity profile.

Valuation summary and Target Price

In view of the above we initiate the coverage of Adventure with an UNDERPERFORM rating, based on our value area range €5.90-10.30 which we consider suitable for the valuation of Adventure. Within the area we point to a Target Price of €9.00, +350% on €2.00 IPO offer price and 44% downside on current €16.00.

Adventure Price per Share	€
Target Price	9.00
Current Share Price (25/10/2024)	16.00
Premium (Discount)	-44%

Source: EnVent Research

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NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks expected to have a downside within the reference market or industry, with a target price more than 10% below the current market price;

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The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 25/10/2024 h. 7.00pm

Date and time of Distribution: 27/10/2024 h. 6.50pm

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Date	Recommendation	Target Price (€)	Share Price (€)
27/10/2024	UNDERPERFORM	9.00	16.00

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