



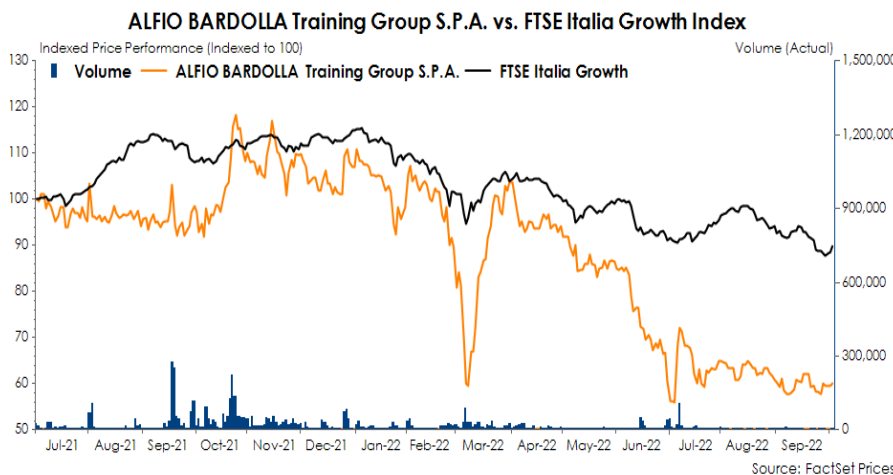
Growth process continues, upcoming "Wake Up Call" in hybrid mode

Sector: Commercial Services

1H22 sales at Euro 7.4 m, consistently in line with expectations. Alfio Bardolla Training Group, Italian leader in financial and business training, posted a positive set of 1H22 results largely in line with our estimates. Total revenues amounted to Euro 7.4 m vs. Euro 7.3 m registered in previous year; an analysis of the revenues breakdown shows that the reduction from online courses (-20%), offset by the increase in coaching revenues (+103%), expresses the market trend toward a return to courses conducted live due to the gradual reduction in the health emergency. For this reason, the Group is structuring itself to a gradual evolution of organizing events in hybrid mode, indeed the upcoming Wake Up Call in October 2022 will be held for the first time in both livestream and presence mode. Consolidated EBITDA amounted to Euro 0.87 m, equal to 12% of revenues and recording a decrease of Euro 1.3 m compared to the same half of 2021. EBIT is negative for Euro 0.3 m and mainly affected by the decrease of EBITDA, while the consolidated Net Loss of 1H22 is equal to Euro -0.5 m. Production costs increased by 32% compared to the second half of 2021: this increase can be attributed firstly to the change in the accounting treatment used for *lead generation costs*, but secondly and mainly to the strengthening of the structure with the hiring of new resources (see increase in personnel costs) and the expansion of the marketing and events area and expenses related to research necessary for the exogenous growth of the Group. On the balance sheet side, we see a slightly increase in Net Financial Position that it is quantified in Euro 0.8 m (cash positive) vs. Euro 0.1 m at the end of 2021; Net working capital, which due to the business' nature is negative, stood at Euro -1.5 m whereas Net Equity was of Euro 4.2 m (vs. Euro 5.4 m in 1H21).

Positive outlook despite international turmoil. The uncontrolled increase in prices, caused by the reduction in supplies of raw materials, amplified by the Russia/Ukraine conflict to date is not having any particular impact on the Company. To date, the Group, although it has legal control of the Russian company, does not exercise control over it due to the particular situation and therefore has not included it in its scope of consolidation. ABTG also plans to market the first "edutainment" software product, which combines personal financial education and entertainment and whose development phase is currently in beta testing on major app stores. In line with the digital strategy, the Company launched a control and time reporting system for all coaches and strengthened digital marketing tools and content to serve the sales network. Finally, ABTG has begun renovation work on its new headquarters, planning to relocate the Group's offices by early 2023.

Estimate revision and valuation. Given the above we finetuned our revenue forecast now assuming Euro 15.8 m in FY22 (previously Euro 15.5 m) and slightly decrease our EBITDA margin (now 25% in FY22 and 29% in FY23 vs 28% and 30% previously). Based on peers' multiple re-rating (c. -25% since our last report), we updated our target price to Euro 8.27 p.s. (8.45 pr.) providing for an upside on current stock price of +288%. The stock is currently trading at FY22E/23E EV/EBITDA multiples of 1.7x and 1.1x at an average discount of 20% to peers. At our target price the stock would be trading at 10.5x and 8.7x respectively.



Target Price 8.27 (8.45 pr.)

Price (€ m) **2.13**

Market Cap (€ m) **10.85**

EV (€ m) **10.05**

As of 10th October 2022

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	ABTG.MI/ABTG:IM
ISIN	IT0005244030
N. of Shares	5,094,361
Free Float	52.5%
CEO	Alfio Bardolla

Financials

	2021A	2022E	2023E	2024E
Sales	14.1	15.8	18.3	21.2
YoY %	+46%	+16%	+16%	+16%
EBITDA	3.8	3.9	4.8	5.9
EBITDA %	27%	25%	26%	28%
EBIT	1.5	1.8	2.5	3.6
EBIT %	10.4%	11%	14%	17%
Net Income	0.8	1.2	1.8	2.7
Net Debt	(0.1)	(0.8)	(2.8)	(5.3)

Performance

	1M	3M	6M
Absolute %	1.5	6.9	-40.4
Relative (FTSE Italia Growth)	5.3	8.5	-30.4
52-week High/Low (Eu)	4.2	/	1.9

Sustainability

ESG Profile available

Research Department of

IRTOP CONSULTING

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KEY FINANCIALS

Profit&Loss Statement	2020A	2021A	2022E	2023E	2024E
Revenues (VoP)	9.7	14.1	15.8	18.3	21.2
EBITDA	2.4	3.8	3.9	4.8	5.9
EBIT	1.2	1.5	1.8	2.5	3.6
Financial Income (charges)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Extraordinary items	0.0	(0.1)	(0.0)	(0.0)	(0.0)
Pre-tax profit (loss)	1.2	1.4	1.7	2.5	3.5
Taxes	(0.5)	(0.6)	(0.5)	(0.6)	(0.9)
Minorities	(0.5)	(0.6)	(0.8)	(1.3)	(1.8)
Net profit (loss)	0.7	0.8	1.2	1.8	2.7
Balance Sheet					
Net working capital (NWC)	(2.0)	(1.0)	(0.9)	(1.2)	(1.3)
Net fixed assets	6.9	6.6	6.6	6.2	6.0
M/L Funds	(0.3)	(0.7)	(0.6)	(0.7)	(0.6)
Net Capital Employed	4.5	5.0	5.0	4.3	4.0
Net Debt	(0.5)	(0.1)	(0.8)	(2.8)	(5.3)
Minorities	0.3	0.3	0.9	0.9	0.9
Equity	5.0	5.1	5.8	7.2	9.3
Cash Flow					
Net Profit	0.7	0.8	1.2	1.8	2.7
Non cash items	1.2	2.7	2.2	2.3	2.3
Change in Working Capital	(0.4)	(1.1)	(0.0)	0.3	0.1
Cash Flow from Operations	1.5	2.5	3.3	4.4	5.0
Capex	(1.6)	(2.1)	(2.1)	(1.9)	(2.1)
Operating Free Cash Flow	(0.1)	0.4	1.2	2.5	3.0
Acquisitions	0.0	0.0	0.0	0.0	1.0
Dividend	0.0	(0.5)	(0.5)	(0.5)	(0.5)
Other (equity)	0.0	(0.2)	0.0	0.0	0.0
Free Cash Flow	(0.1)	(0.3)	0.7	2.0	3.5
Per Share Data					
Current Price	2.13				
Total shares out (mn)	5.10				
EPS	0.1	0.1	0.2	0.2	0.4
FCF	(0.0)	(0.1)	0.1	0.4	0.7
Pay out ratio	61%	41%	0%	0%	100%
Ratios					
EBITDA margin	24.8%	27.0%	25.0%	26.0%	28.0%
EBIT margin	12.5%	10.4%	11.1%	13.8%	16.9%
Net Debt/Equity	-9.0%	-2.3%	-14.0%	-39.4%	-56.6%
Net Debt/(Net Debt + Equity)	-9.9%	-2.3%	-16.3%	-65.0%	-130.4%
Net Debt/EBITDA	-0.19	-0.03	-0.21	-0.59	-0.89
Interest cover EBIT	35.89	194.80	250.43	361.03	718.64
ROE	14.2%	16.1%	20.8%	25.7%	28.6%
ROCE	37.3%	41.2%	44.9%	73.2%	110.8%
Free Cash Flow Yield	n.m.	n.m.	4.2%	11.9%	20.5%
Growth Rates					
Revenues (VoP)	-21%	46%	12%	16%	16%
EBITDA	217%	59%	3%	21%	25%
EBIT	209%	21%	19%	44%	42%
Net Profit	159%	16%	47%	52%	45%

Source: Group Consolidated Data & PMI Capital Research Estimates

Revenue breakdown

	1H22	%	1H21	%	Δ %
Wake Up Call	0.3	4%	0.9	13%	-65%
Courses	0.04	1%	0.0	0%	100%
Online courses/products	3.2	43%	4.0	55%	-20%
Coaching	2.4	33%	1.2	16%	103%
Products & Books	0.01	0%	0.02	0%	-23%
Partner Agreement	0.4	6%	0.5	6%	-12%
Monthly partner fee	0.7	10%	0.6	8%	28%
Business master revenues	0.1	2%	0.02	0%	+426%
Real Estate Consulting Contract	0.04	1%	0.03	0%	+29%
Auction Assistance	0.6	1%	0.6	1%	-9%
Total sales	7.3	100%		100%	2%

Source: Group data

Key Financials – Euro m

	1H22	1H21	21A
Sales	7.3	7.2	14.0
yoy	1,4%	+43%	+46%
Revenues (VoP)	7.4	7.3	14.1
yoy	1,4%	+43%	+46%
Operating EBITDA*	1.7	2.3	-
Margin %	23%	33%	-
EBITDA	0.9	2.2	3.8
Margin %	12%	31%	27%
EBIT	(0.3)	1.3	1.5
Pre tax profit	(0.3)	1.4	1.0
Net Profit	(0.5)	0.8	0.8

	1H22	1H21	21A
Net Working Capital (NWC)	(1.5)	2.5	(1.0)
Fixed net assets	5.5	7.6	6.6
Funds	(0.6)	(0.5)	(0.7)
Net Capital Employed	3.5	4.6	4.99
Net Financial Position (Cash)	(0.8)	(1.3)	(0.1)
Total Equity	4.2	5.6	5.1
Sources	3.5	4.6	4.99

Source: Group Data

* The OPERATING EBITDA is an indicator of the Group's performance that is an expression of the business trend and has been disclosed to show the operating result in continuity with previous years and is calculated not considering lead generation expenses that were capitalised in the years. For more information, please refer to the sections of the notes to the financial statements on intangible assets.

Estimates Revision – Euro m

Income Statement	21A	22E Old	22E New	23E Old	23E New	2024E
Revenues	14.1	15.8	15.7	18.3	18.3	21.2
yoy	+46%	+12%	+15%	+16%	+16	+16%
EBITDA	3.8	4.4	3.9	5.3	4.8	5.9
margin	27%	28%	25%	29%	26%	28%
EBIT	1.5	2.2	1.7	3.0	2.5	3.6
margin	10%	14%	11%	17%	14%	17%
Net Profit	0.8	1.6	1.2	2.2	1.8	2.6

Balance Sheet	21A	22E Old	22E New	23E Old	23E New	2024E
Net Working Capital (NWC)	(1.0)	(1.02)	(0.9)	(1.24)	(1.24)	(1.3)
Fixed net assets	6.6	6.6	6.6	6.2	6.2	6.0
Funds	(0.7)	(0.6)	(0.6)	(0.7)	(0.7)	(0.6)
Net Capital Employed	4.99	4.91	5.00	4.33	4.33	4.04
Net Debt (Cash)	(0.1)	(1.3)	(0.8)	(3.6)	(2.8)	(5.2)
Equity	5.1	6.2	5.8	7.9	7.2	9.3
Sources	4.99	4.91	5.00	4.33	4.33	4.04

Source: PMI Capital Research Estimates

INDUSTRY COMPARISON

ABTG Spa (ABTG-IT): IR Top estimates and Factset Data

EGM Sector: average data for listed on Euronext Growth Milan included in the Commercial Services sub sector: Acquazzurra (ACQ-IT), ALA (ALA-IT), Alfio Bardolla Training Group (ABTG-IT), Casaold (CASA-IT), CleanBnB (CBB-IT), DBA Group (DBA-IT), Destination Italia (DIT-IT), EdiliziAcrobatica (EDAC-IT), Fabilia (FHR-IT), Farnaè (FAR-IT), G Rent (GSR-IT), Igeamed, (MED-IT), Iscc Fintech (ISC-IT), Lindbergh (LDB-IT), Portale Sardegna (PSA-IT), Promotica (PMT-IT), Sebino (SEB-IT), Sirio (SIO-IT), Soluzione Tasse (STG-IT), SosTravel.com (SOS-IT), Star7 (STAR7-IT), TPS (TPS-IT), TraWell Co (TWL-IT), TrenDevice (TD-IT), WM Capital (WMC-IT).

Industry Peers: average data for a selected group of listed peers (see tables above for more details)

EGM: average financial and market data for all the companies listed on AIM Italia, reported price performance data are related to the FTSE Italia Index

	ABTG-IT	Commercial Services		XS0072
	Alfio Bardolla Training Group	EGM Sector	Peers Avg	FTSE Italia Growth
Key Financials				
Revenues	14.1	39.1	1,072	31.5
EBITDA	3.8	5.1	215	4.8
EBITDA %	27.0%	13.1%	20.1%	15.3%
EBIT	1.5	3.0	123	1.7
EBIT %	10.6%	7.7%	11.4%	5.3%
Earnings	0.8	1.9	108	1.1
Earnings %	5.7%	4.7%	10.1%	3.4%
Net Debt	-0.1	-0.7	30	2.0
ND/EBITDA	0.0	-0.1	0.1	0.4
<i>FY18-20 Revenues CAGR</i>	-3%	40%	-2%	-3%
<i>FY21-23 Revenues CAGR</i>	14%	28%	12%	23%
<i>FY18-20 Earnings CAGR</i>	<i>n.m.</i>	231%	<i>n.m.</i>	-8%
<i>FY21-23 Earnings CAGR</i>	62%	75%	12%	95%
Market Data				
Market Cap	10.9	30.5	1,555	50.8
EV	10.1	30.0	2,386	53.8
Free Float	52.50%	45.53%	n.a.	33.77%
ADTT YTD (Eu k)	13,836	13,299	21,140,383	35,420
Market Multiples				
EV/Sales 2022	0.6	2.4	2.2	1.7
EV/Sales 2023	0.5	0.8	2.1	1.2
EV/EBITDA 2022	2.6	8.1	11.8	10.1
EV/EBITDA 2023	2.1	4.6	10.3	6.9
EV/EBIT 2022	5.6	10.4	17.2	13.5
EV/EBIT 2023	4.0	6.5	48.4	10.2
P/E 2022	9.0	17.2	20.0	21.9
P/E 2023	6.0	9.6	18.2	16.9
Earnings Yield	11.1%	5.8%	5.0%	4.6%
Stock Performance				
1D	1.4%	1.1%	0%	-0.6%
1W	7.8%	-1.4%	2%	1.2%
1M	11.0%	-7.8%	-6%	-2.5%
3M	-11.2%	-14.7%	0%	-2.2%
6M	-32.7%	-21.2%	-6%	-14.0%
YTD	-12.6%	-27.0%	-6%	14.4%
1Y	-34.5%	-27.8%	-13%	-17.7%

Source: Factset data as of 10th October 2022 and PMI Capital Research

ALFIO BARDOLLA – ESG PROFILE in partnership with **IRTOP CONSULTING**

MATERIAL ESG ISSUES

Environmental

HIGHLIGHTS

ABTG is committed to:

- limit the use of plastic;
- differentiate waste;
- Use the card responsibly.

Governance

- Fight corruption

In addition to the traditional structure with the Board and Shareholders' Meeting, the presence of the Related Parties Committee and the Remuneration and Appointments Committee is expected.

Also in 2021, the Company had no sanctions and no personal data breaches were recorded. The Company has appointed a DPO (Data Protection Officer) for the planning and management of all operations concerning the processing of personal data.

Social & People

- Financial education
- The management of human resources

The Group's objective is to make the services available to a wider audience, at moderate costs and with customized delivery methods.

Wake Up Call (WUP): three-day online course attended by 5000 people from 22 countries. During 2021, 8100 online courses were held.

In 2021, there were no accidents at work, no illness and no discrimination against employees. 92 human resources are employed, of which 37% are women.

VALUATION UPDATE

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA, EV/EBIT 22/23 and International Peers	50%	8.69	40.06
DCF (WACC 8.1% and g 1.0%)	50%	7.84	39.96
TARGET PRICE	100%	8.27	40.01

Source: PMI Capital Research Estimates

Multiples Comparison

Financials	Ticker	Market Cap	Price	Sales 2022E	EBITDA% 2022E	NI % 2022E
M2i SA	ALMII-FR	17.4	3.4	53.8	8.2%	3.1%
Strategic Education, Inc.	STRA-US	1,546.7	62.8	1,086.4	15.9%	5.5%
Franklin Covey Co.	FC-US	666.8	48.1	263.5	15.8%	6.7%
K12 Inc.	LRN	1,933.2	45.2	1,628.8	16.2%	6.4%
Chegg, Inc	CHGG	2,733.5	21.6	776.8	30.2%	22.9%
Pearson PLC	PSON-GB	7,611.0	10.5	4,293.2	16.8%	9.0%
Houghton Mifflin Harcourt Company	HMHC-US	n.m.	n.a.	n.a.	n.a.	n.a.
Learning Technologies Group Plc	LTG-GB	942.9	1.2	663.5	19.6%	12.0%
Average		2,418	32	1,252	18%	9%
ABTG	ABTG-IT	10.9	2.1	15.8	25%	8%

Source: FactSet data as of 10th October 2022, and Group data for ABTG

Trading multiples	EV/EBITDA			EV/EBIT		
	22E	23E	24E	21A	22E	23E
M2i SA	4.7	4.4	3.5	13.2	7.5	5.6
Strategic Education, Inc.	6.1	8.9	7.7	13.8	17.8	13.1
Franklin Covey Co.	21.5	16.0	13.5	71.5	30.5	24.4
K12 Inc.	5.9	7.0	7.3	17.7	10.1	10.8
Chegg, Inc	16.9	15.0	13.2	36.3	n.a.	217.6
Pearson PLC	8.1	12.4	10.0	16.4	17.4	13.4
Houghton Mifflin Harcourt Company	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Learning Technologies Group Plc	24.9	8.8	7.8	18.1	10.1	8.8
Average	12.6	10.3	9.0	26.7	15.6	41.9
ABTG	2.5	2.1	1.7	5.6	4.0	2.8
Premium/Discount to Peers	-79.8%	-79.6%	-81.2%	-63.2%	-90.5%	-85.6%

Source: FactSet data as of 10th October and Group data for ABTG

ALFIO BARDOLLA TRAINING GROUP IN BRIEF

Group Description

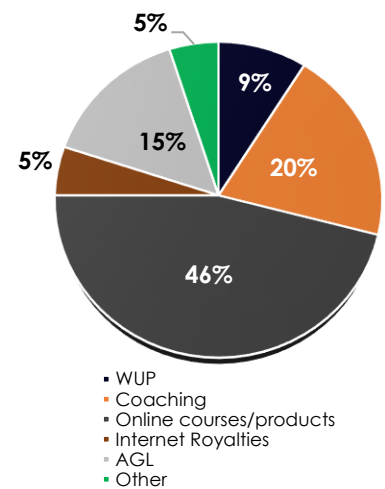
Alfio Bardolla Training Group S.P.A. (ABTG), Innovative SME since 2017 is Italian leader in digital financial and business training. With its two subsidiaries (ABTG Spain and Aste Giudiziarie Lombardia) the Group creates, develops and markets highly specialized on-and offline training courses in the personal finance and wealth creation fields. The Group was founded in 2012 by Alfio Bardolla, entrepreneur and best-selling author of six books (over 300,000 copies sold) including "I soldi fanno la felicità".

ABTG, headquartered in Milan, was listed on AIM Italia on July 2017, and has to date sold its training courses to over 43,000 clients through audio programs, videos, live courses and personalized coaching. The Group can rely on staff of 17 employees (as of December 31st, 2020) and external consultants including a sales force paid on commission. In FY20 ABTG recorded revenues of Euro 9.7 m, posting an EBITDA margin of 25%.

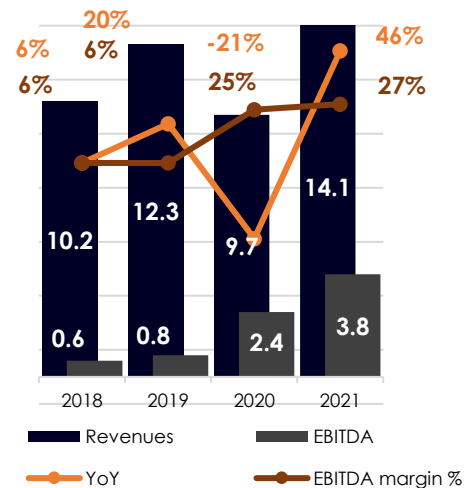
Key Managers

- **Alfio Bardolla** – Chairman & CEO
- **Federica Parigi** – Non-executive Director
- **Robert Allen** – Non-executive Director
- **Nicola De Biase** – Non-executive Director

Revenues breakdown by segment



Revenues & EBITDA evolution



Strategy	Main Risks
<ul style="list-style-type: none"> • Consolidation of the Group's position in the Italian market and international expansion, by increasing brand awareness through marketing and commercial activities, exploiting cross-selling opportunities and decline the current courses offer in Spanish and English-speaking countries • Further development of online business model and M&A • Customers' database capitalization in order to product additional revenues streams with activities such as advertisement • Commercial Partnerships created by leveraging on the proprietary database 	<ul style="list-style-type: none"> • Dependence on key figures including founder Alfio Bardolla who still plays an important role in ABGT's marketing strategy and brand awareness, although less so than at the time of the IPO • Services quality highly dependent on qualified coaches and trainers, whose departure from the Group could affect its competitive positioning • Possible data breaches could impact the Group's reputation, due to its high reliance on its database • Risks related to the international expansion strategy due to lower brand awareness and possible regulatory differences

ALFIO BARDOLLA TRAINING GROUP ON EGM

IPO

Trading Market: AIM Italia – Borsa Italiana SpA
Date: July 28th, 2017
Price: 4.14 Euro
Capital raised: Eu 3.1 m through capital increase
Capitalisation: Eu 10.6 m

SHARES (as of 10th October 2022)

Code: ABTG
Bloomberg: ABTG IM
Reuters: ABTG.MI
ISIN ordinary shares: IT0005244030
Shares: 5,094,361
Price: 2.13 Eu
Performance from IPO: -49%
Capitalisation: Euro 10.85 m
Free Float: 52.5%
EGA: Integrae SIM S.p.a.
Specialist: Integrae SIM S.p.a.

OWNERSHIP

Shareholder	%
Jaguar Holding S.r.l.	46.4%
Free Float	52.5%
Other	1.07%
Total	100%

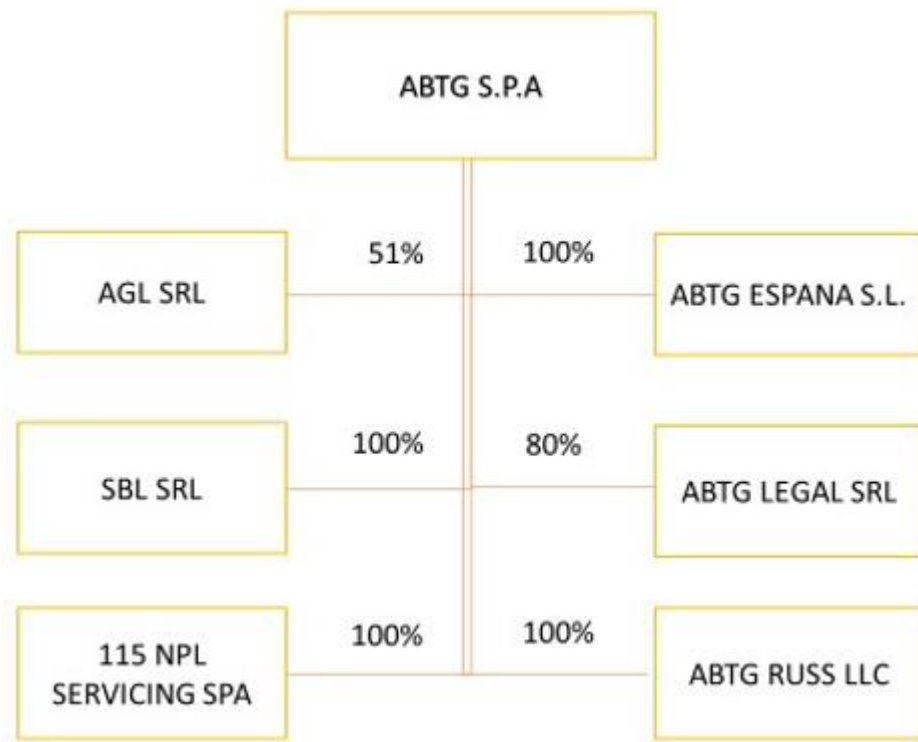
Source: Company Data

WARRANT

Alphanumeric code: WABTG
ISIN: IT0005245607
Issued warrants: 5,479,210
Exercise ratio: 1 new instrument every 1 warrants held

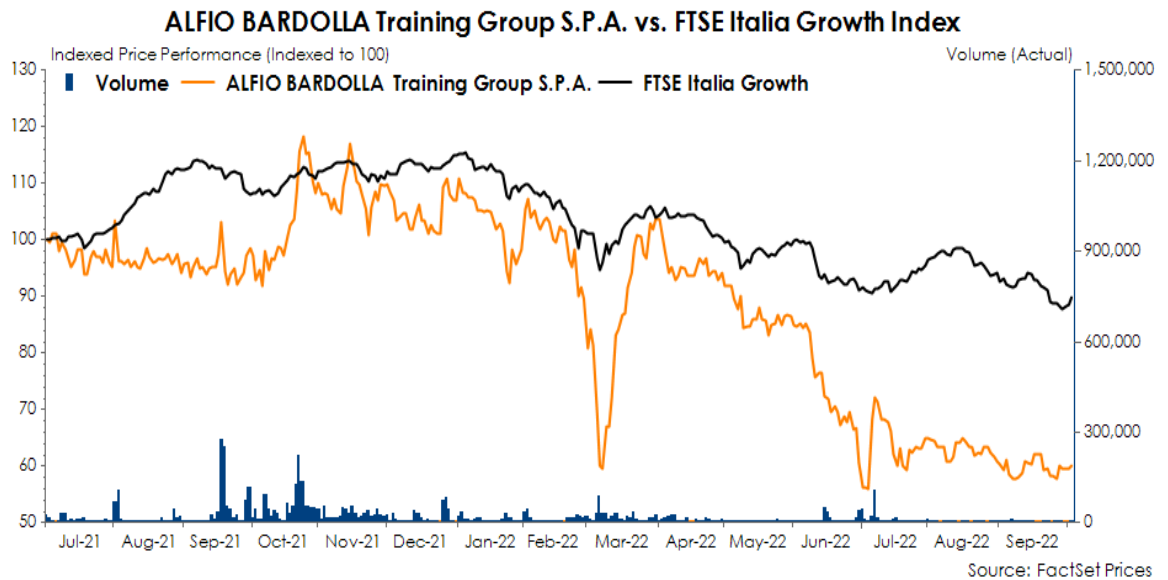
Period	from	To	Strike Price (Euro)	Converted (n. of Warrant)
First	07/16/18	07/27/18	4.14	100
Second	12/10/18	12/21/18	4.14	-
Third	07/15/19	07/26/19	4.14	730
Fourth	12/09/19	12/20/19	4.14	-
Fifth	07/20/20	07/31/20	3.00	-
Sixth	12/07/20	12/18/20	3.00	-
Seventh	07/19/21	07/30/21	3.50	-
Eighth	12/13/21	12/24/21	3.50	363
Ninth	07/18/22	07/29/22	4.00	-
Tenth	12/12/22	12/23/22	4.00	-
Eleventh	07/17/23	07/28/23	4.50	-
Twelfth	12/11/23	12/22/23	4.50	-
Thirteenth	07/15/24	07/26/24	5.00	-
Fourteenth	12/09/24	12/20/24	5.00	-
Fifteenth	07/14/25	07/25/25	5.50	-
Sixteenth	12/08/25	12/19/25	5.50	-
Seventeenth	07/20/26	07/31/26	6.00	-
Eighteenth	12/07/26	12/18/26	6.00	-
Nineteenth	07/19/27	07/30/27	6.50	-

Number of outstanding Warrant at 10th October 2022: 5,477,187.



Source: Group Presentation

STOCK PERFORMANCE



DISCLAIMER

UPDATES: This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on Alfio Bardolla Training Group (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released on November 16th 2020. Opinions and estimates of this Research are as the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results. During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
October 11 th , 2022	8.27	2.13	12 months
April 19 th , 2022	8.45	3.30	12 months
October 11 th , 2021	7.41	3.31	12 months
April 23 rd , 2021	5.23	2.90	12 months
November 16 th , 2020	3.76	1.35	12 months

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top used a proprietary model, "AIM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio AIM Italia", managed by IR Top and focused on research about performance of Companies listed on AIM Italia. Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

RESEARCH TEAM:

Edoardo Fumagalli (Analyst)

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