

CYBEROO

Sector: Industrials

BUY

Price: Eu7.50 - Target: 10.10

Growth targets confirmed following 1H21 hindered by Covid

Francois Robillard +39-02-77115.470

francois.robillard@intermonte.it

Andrea Randone: +39-02-77115.364

andrea.randone@intermonte.it

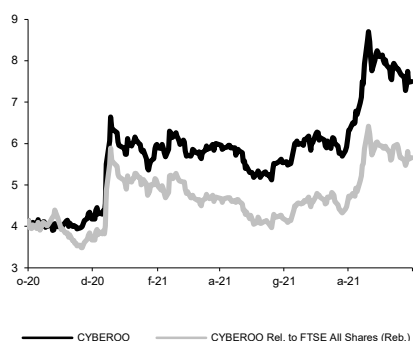
Stock Rating

Rating: Unchanged

Target Price (Eu): from 10.40 to 10.10

	2021E	2022E	2023E
Chg in Adj EPS	nm.	-8.6%	-1.2%

Cyberoo - 12M Performance



Stock Data

Reuters code: CYB.MI

Bloomberg code: CYB IM

Performance	1M	3M	12M
Absolute	-7.4%	24.6%	81.2%
Relative	-4.8%	23.8%	47.4%
12M (H/L)	8.70/3.90		
3M Average Volume (th):	41.60		

Shareholder Data

No. of Ord shares (mn):	10
Total no. of shares (mn):	10
Mkt Cap Ord (Eu mn):	72
Total Mkt Cap (Eu mn):	72
Mkt Float - Ord (Eu mn):	19
Mkt Float (in %):	26.3%
Main Shareholder:	
Founders	3.7%

Balance Sheet Data

Book Value (Eu mn):	14
BVPS (Eu):	1.30
P/BV:	5.8
Net Financial Position (Eu mn):	2
Enterprise Value (Eu mn):	76

■ **Dynamic client acquisition continues but still not fully reflected in top line.** Net sales grew +24% YoY to €3.47mn, missing our €3.78mn forecast as both Cyber security (35% of sales, up +83% YoY on our +110% est.) and Managed Services (62% of sales, up +7% on our +14% est.) grew a touch more slowly than we expected. The 1H21 sales growth figure continued to be hampered by the “Defence for Italy” commercial program (first 3 months free) and was hit by Covid-19 in 1Q, while some delays were seen in product installations and activations. Client acquisition was in line with our forecast for the Cyber Security suite with c.80 new adds, while c.35 new adds were made for the TITAAN managed services offering (vs our est. of 45). Production value was €4.49mn, up +13% YoY and in line with our forecast despite lower sales amid greater R&D cost capitalisation than we anticipated.

■ **Investments in Staff and R&D impact margins and cash flow, as expected.** Fixed costs increased as expected, as EBITDA/EBIT both declined to €0.45mn/€-0.41mn, below our forecasts of €0.64mn/€-0.26mn, mainly due to higher staff costs. Italy headcount grew to 89 from 76 as at FY20, vs 80 in our forecast for 1H21. EBITDA excl. R&D capitalisation was negative at €-0.49mn, below our €0.04mn est. amid lower sales, higher capitalised R&D, and higher fixed costs. NFP was slightly positive at €0.23mn, down from €2.13mn as at FY20, and lower vs our €1.52mn est., as CapEx efforts and negative margins weighed on cash flow.

■ **New 2H contract targets confirmed, growth to materialise in early 2022.** No precise guidance was given although management confirmed FY21 client acquisition targets (c.200 new adds for cyber security suite, in-line with our est.; c.100/110 new adds for TITAAN, vs our est. of 90). CYB hinted at higher seasonality in 2H21 and expects more contracts to be signed towards 4Q. CYB thus points to a strong expected start to 2022, as the continuation of the “Defence for Italy” commercial program and CYB’s defensive accounting should result in most top-line growth effectively materialising in 1H22 numbers. CYB also indicated backlog of 75 signed contracts for annual recurring value of €1.3mn, c.60% of which will already be visible in 2H21 figures. The acquisition of the Cyber Division (€0.15mn for a 51% stake in July 2021), an incident response boutique, should also help broaden the potential client base by enabling CYB to address companies under cyber attack.

■ **Changes to estimates.** We have trimmed our top-line forecasts again by -7% for FY21 as we reflect the announced sales backlog materialising in 2H being more than offset by the expected skewing of client additions towards 4Q (and consequent sales recognition only from later in 1H22). We also further reflect the step-up in fixed costs for FY21, as seen in 1H. However, we confirm our long-term estimates, which reflect company growth potential and an adequate cost structure.

■ **BUY rating confirmed, TP to €10.1 (from €10.4).** We have adjusted our multiple-based TP, reflecting the slight cut to our ‘22E forecasts. We renew our positive view on the stock as we believe CYB’s innovative MDR offering and now widespread distribution network give the company a privileged position to address SMEs’ growing cybersecurity needs and capture the material Italian digital opportunity.

Key Figures & Ratios	2019A	2020A	2021E	2022E	2023E
Sales (Eu mn)	7	8	10	18	28
EBITDA Adj (Eu mn)	2	2	2	8	16
Net Profit Adj (Eu mn)	1	0	0	4	9
EPS New Adj (Eu)	0.092	0.006	-0.034	0.347	0.865
EPS Old Adj (Eu)	0.092	0.006	-0.012	0.380	0.875
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	13.5	20.2	nm	9.5	4.2
EV/EBIT Adj	29.1	nm	nm	13.5	5.0
P/E Adj	81.1	nm	nm	21.6	8.7
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	-1.3	-1.1	-1.3	-0.5	-0.7

Companynames – Key Figures

Profit & Loss (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Sales	5	7	8	10	18	28
EBITDA	2	2	2	2	8	16
EBIT	0	1	0	-0	6	14
Financial Income (charges)	0	0	0	0	0	0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	0	1	0	-1	5	13
Taxes	-0	-0	-0	0	-2	-4
Tax rate	-100.0%	-32.9%	-42.3%	-33.0%	-33.0%	-33.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	0	1	0	-0	4	9
EBITDA Adj	2	2	2	2	8	16
EBIT Adj	0	1	0	-0	6	14
Net Profit Adj	0	1	0	-0	4	9
Per Share Data (Eu)	2018A	2019A	2020A	2021E	2022E	2023E
Total Shares Outstanding (mn) - Average	7	10	10	10	10	10
Total Shares Outstanding (mn) - Year End	7	10	10	10	10	10
EPS f.d	0.000	0.092	0.006	-0.034	0.347	0.865
EPS Adj f.d	0.000	0.092	0.006	-0.034	0.347	0.865
BVPS f.d	0.377	1.120	1.156	1.297	1.644	2.509
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)						
Cash Flow (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Gross Cash Flow		2	1	1	6	11
Change in NWC		-1	-0	-0	-1	-2
Capital Expenditure		-4	-3	-4	-3	-3
Other Cash Items		0	0	0	0	0
Free Cash Flow (FCF)		-3	-2	-3	2	7
Acquisitions, Divestments & Other Items		-0	-0	-0	0	0
Dividends		0	0	0	0	0
Equity Financing/Buy-back		8	0	3	0	0
Change in Net Financial Position		4	-1	-0	2	7
Balance Sheet (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Total Fixed Assets	4	7	8	10	10	10
Net Working Capital	0	2	2	2	4	5
Long term Liabilities	-1	-1	-1	-0	-0	-0
Net Capital Employed	3	7	9	11	13	15
Net Cash (Debt)	-0	3	2	2	4	11
Group Equity	3	11	11	14	17	26
Minorities	0	0	0	0	0	0
Net Equity	3	11	11	14	17	26
Enterprise Value (Eu mn)	2018A	2019A	2020A	2021E	2022E	2023E
Average Mkt Cap		36	40	78	78	78
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-0	3	2	2	4	11
Enterprise Value		33	38	76	74	67
Ratios (%)	2018A	2019A	2020A	2021E	2022E	2023E
EBITDA Adj Margin	33.1%	36.5%	24.7%	16.1%	43.6%	57.4%
EBIT Adj Margin	5.7%	16.9%	2.5%	nm	30.6%	49.0%
Gearing - Debt/Equity	18.3%	-30.9%	-19.1%	-15.2%	-22.3%	-41.8%
Interest Cover on EBIT	nm	nm	nm	nm	nm	nm
Net Debt/EBITDA Adj	0.3	-1.3	-1.1	-1.3	-0.5	-0.7
ROACE*	9.6%	21.7%	2.3%	-3.8%	44.4%	89.1%
ROE*	0.0%	10.6%	0.5%	-2.8%	23.6%	34.5%
EV/CE		6.3	4.6	7.4	6.0	4.4
EV/Sales		4.9	5.0	7.6	4.1	2.4
EV/EBITDA Adj		13.5	20.2	nm	9.5	4.2
EV/EBIT Adj		29.1	nm	nm	13.5	5.0
Free Cash Flow Yield		-4.7%	-2.2%	-3.7%	2.5%	9.9%
Growth Rates (%)	2018A	2019A	2020A	2021E	2022E	2023E
Sales		28.3%	13.5%	30.9%	80.0%	54.2%
EBITDA Adj		41.7%	-23.2%	-14.6%	387.1%	103.3%
EBIT Adj		279.9%	-83.5%	nm	nm	146.5%
Net Profit Adj		nm	-92.1%	nm	nm	149.2%
EPS Adj		nm	-93.7%	nm	nm	149.2%
DPS						

*Excluding extraordinary items

Source: Intermonte SIM estimates

1H21 results snapshot

Cyberoo – snapshot of 1H21 results (in € thousands)

Net Sales	1H19A	2H19A	FY19A	1H20A	2H20A	FY20A	1H21A	1H21E	1H AvE%	1H AvE €
Cyber Security & Device Security	512	756	1,268	669	962	1,631	1,223	1,403	-13%	-180
YoY			46.6%	30.7%	27.2%	28.6%	82.8%	109.6%		
% Net Sales	19%	25%	23%	24%	35%	29%	35%	37%		
Managed Services	1,915	1,740	3,655	2,011	1,737	3,748	2,155	2,284	-6%	-129
YoY			27.2%	5.0%	-0.1%	2.5%	7.2%	13.6%		
% Net Sales	73%	58%	65%	72%	62%	67%	62%	60%		
Digital Transformation	207	493	700	125	82	207	96	94	2%	2
YoY			-16.4%	-39.5%	-83.4%	-70.4%	-23.7%	-25.0%		
% Net Sales	8%	16%	12%	4%	3%	4%	3%	2%		
Total Net Sales	2,634	2,989	5,623	2,805	2,781	5,586	3,473	3,781	-8%	-307
YoY			22.9%	6.5%	-6.9%	-0.7%	23.8%	34.8%		
% of production value	87%	81%	84%	71%	76%	73%	77%	84%		

P&L	1H19A	2H19A	FY19A	1H20A	2H20A	FY20A	1H21A	1H21E	1H AvE%	AvE €mn
Total Net Sales	2,634	2,989	5,623	2,805	2,781	5,586	3,473	3,781	-8%	-307
YoY			22.9%	6.5%	-6.9%	-0.7%	23.8%	34.8%		
Capitalized R&D costs	381	470	851	700	778	1,478	943	600	57%	343
Other revenue	18	232	250	451	118	570	70	100		
Production Value	3,033	3,691	6,724	3,957	3,678	7,634	4,486	4,481	0%	6
YoY			28.3%	30.4%	-0.4%	13.5%	13.4%	13.2%		
EBITDA	1,030	1,425	2,455	1,217	667	1,884	450	638	-29%	-188
% Margin on net sales	39.1%	47.7%	43.7%	43.4%	24.0%	33.7%	13.0%	16.9%		
% Margin on Prod. Value	34.0%	38.6%	36.5%	30.8%	18.1%	24.7%	10.0%	14.2%		
YoY			41.7%	18.2%	-53.2%	-23.2%	-63.0%	-47.6%		
EBIT	575	561	1,136	490	-303	188	-414	-262	N.M.	-152
% Margin on net sales	21.8%	18.8%	20.2%	17.5%	-10.9%	3.4%	-11.9%	-6.9%		
% Margin on Prod. Value	19.0%	15.2%	16.9%	12.4%	-8.2%	2.5%	-9.2%	-5.9%		
YoY			279.9%	-14.8%	-154.0%	-83.5%	-184.5%	-153.5%		
Net Income	356	349	705	361	-305	56	-521	-168	N.M.	-352
YoY			NM	1%	-187%	NM	-244%	-147%		
EBITDA excl. R&D capitalization	649	955	1,604	517	-111	406	-493	38	N.M.	-531
% Margin on net sales	24.6%	32.0%	28.5%	18.4%	-4.0%	7.3%	-14.2%	1.0%		
Net Debt / (Cash)	1,083	-3,289	-3,289	-3,083	-2,126	-2,126	-231	-1,519	-85%	-1,288

Source: Intermonte SIM (E), Company data (A)

Changes to estimates

Changes to estimates (in € mn)

	New Estimates			Old Estimates			Diff %		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Cyber Security & Device Security	3.4	10.6	19.2	3.7	11.0	19.2	-8%	-3%	0%
YoY	108.5%	212.1%	81.0%	127.4%	195.2%	75.5%			
Managed Services	4.4	5.6	7.1	4.7	5.9	7.0	-7%	-5%	2%
YoY	16.8%	28.5%	27.1%	25.2%	26.3%	18.8%			
Digital Transformation	0.2	0.2	0.4	0.2	0.2	0.3	7%	7%	7%
YoY	-20.0%	50.0%	50.0%	-25.0%	50.0%	50.0%			
Total Net Sales	7.9	16.5	26.7	8.6	17.1	26.6	-7%	-4%	0%
YoY	42.2%	107.6%	62.2%	53.2%	99.9%	55.5%			
Production Value	10.0	18.0	27.7	10.2	18.3	27.6	-2%	-2%	0%
YoY	30.9%	80.0%	54.2%	33.1%	80.3%	50.8%			
EBITDA	1.6	7.8	15.9	1.8	8.0	15.9	-10%	-2%	0%
% Margin	16.1%	43.6%	57.4%	17.7%	43.8%	57.4%			
YoY	-14.6%	387.1%	103.3%	-4.8%	347.2%	97.5%			
EBIT	-0.4	5.5	13.6	-0.2	5.9	13.6	N.M.	-6%	0%
% Margin	-3.9%	30.6%	49.0%	-2.0%	32.2%	49.3%			
YoY	-308.5%	-1507.8%	146.5%	-209.5%	-2967.3%	130.8%			
EPS	-0.03	0.35	0.87	-0.01	0.38	0.88	N.M.	-9%	-1%
Capex	-3.7	-2.8	-2.5	-3.0	-2.5	-2.5	22%	12%	0%
FCF	-2.7	1.8	7.1	-1.7	2.2	7.3	58%	-20%	-2%
Net Debt (Cash)	-2.1	-3.8	-11.0	-3.0	-5.2	-12.5	-32%	-27%	-13%
Net Debt (Cash) / EBITDA	-1.3x	-0.5x	-0.7x	-1.7x	-0.7x	-0.8x			
EBITDA excluding R&D capitalization	-0.2	6.3	14.9	0.4	6.8	14.9	-161%	-7%	1%
% Margin (on net sales)	-3.0%	38.4%	55.8%	4.6%	39.9%	55.8%			
YoY %	-159.4%	-2725.4%	135.6%	-2.8%	1630.0%	117.6%			

Source: Intermonte SIM Estimates

Intermonte Estimates

Net sales breakdown by segment (in € thousands)

	FY18PF	FY19A	FY20A	1H21A	2H21E	FY21E	FY22E	FY23E	FY24E	CAGR 19-23E
Cyber Security & Device Security	865	1,268	1,631	1,223	2,178	3,401	10,615	19,216	28,050	97.3%
YoY	0.0%	46.6%	28.6%	82.8%	126.4%	108.5%	212.1%	81.0%	46.0%	
Managed Services	2,873	3,655	3,748	2,155	2,222	4,377	5,624	7,148	8,832	18.3%
YoY	0.0%	27.2%	2.5%	7.2%	27.9%	16.8%	28.5%	27.1%	23.6%	
Digital Transformation	837	700	207	96	70	166	248	373	484	-14.6%
YoY	0.0%	-16.4%	-70.4%	-23.7%	-14.3%	-20.0%	50.0%	50.0%	30.0%	
Total Net Sales	4,575	5,623	5,586	3,473	4,470	7,944	16,487	26,737	37,367	47.7%
YoY	0.0%	22.9%	-0.7%	23.8%	60.7%	42.2%	107.6%	62.2%	39.8%	
% of production value	87%	84%	73%	77%	81%	79%	92%	96%	97%	

Source: Company data (A), Intermonte SIM Estimates (E)

Income statement forecast (in € thousands)

	FY18PF	FY19A	FY20A	1H21A	2H21E	FY21E	FY22E	FY23E	FY24E
Total Net Sales	4,575	5,623	5,586	3,473	4,470	7,944	16,487	26,737	37,367
YoY	0.0%	22.9%	-0.7%	23.8%	60.7%	42.2%	107.6%	62.2%	39.8%
Other	666	1,101	2,048	1,013	1,037	2,050	1,500	1,000	1,000
Production Value	5,241	6,724	7,634	4,486	5,507	9,994	17,987	27,737	38,367
YoY	0.0%	28.3%	13.5%	13.4%	49.8%	30.9%	80.0%	54.2%	38.3%
Raw mat, consumption, goods	-1,141	-2,527	-1,770	-1,146	-1,354	-2,500	-3,000	-3,700	-4,500
Gross Margin	3,996	4,556	5,845	3,314	4,153	7,494	14,987	24,037	33,867
% Margin	76.2%	67.8%	76.6%	73.9%	75.4%	75.0%	83.3%	86.7%	88.3%
YoY	0.0%	14.0%	28.3%	11.0%	45.2%	28.2%	100.0%	60.4%	40.9%
Services	-835	-433	-1,446	-858	-912	-1,770	-2,010	-2,245	-2,435
Use of third party assets	-87	-115	-178	-121	-117	-238	-363	-561	-785
Staff costs	-1,227	-1,461	-2,291	-1,856	-1,991	-3,848	-4,679	-5,154	-5,700
Other	-114	-92	-45	-29	0	-29	-100	-150	-200
EBITDA	1,733	2,455	1,884	450	1,159	1,609	7,835	15,927	24,748
% Margin	33.1%	36.5%	24.7%	10.0%	21.0%	16.1%	43.6%	57.4%	64.5%
YoY	0.0%	41.7%	-23.2%	-63.0%	73.7%	-14.6%	387.1%	103.3%	55.4%
D&A	-1,434	-1,319	-1,697	-864	-1,136	-2,000	-2,326	-2,346	-2,439
EBIT	299	1,136	188	-414	23	-391	5,509	13,581	22,308
% Margin	5.7%	16.9%	2.5%	-9.2%	0.4%	-3.9%	30.6%	49.0%	58.1%
YoY	0.0%	279.9%	-83.5%	-184.5%	-107.5%	-308.5%	-1507.8%	146.5%	64.3%
Net Financial costs	37	-87	-91	-60	-60	-120	-100	-100	-100
PBT	336	1,050	97	-474	-38	-511	5,409	13,481	22,208
Tax	-336	-345	-41	-47	216	169	-1,785	-4,449	-7,329
Tax rate %	-100%	-33%	-42%	10%	-57%	-33%	-33%	-33%	-33%
Net Income	0	705	56	-521	178	-343	3,624	9,033	14,879
YoY	N.M.	N.M.	-92.1%	-244.4%	-158.5%	-711.9%	-1157.9%	149.2%	64.7%
NOSH avg	7,000	7,625	9,537	9,648	10,044	10,044	10,441	10,441	10,441
EPS	0.00	0.09	0.01	-0.05	0.02	-0.03	0.35	0.87	1.43
EBITDA excluding R&D capitalization	1,213	1,604	406	-493	252	-241	6,335	14,927	23,748
% Margin (on net sales)	26.5%	28.5%	7.3%	-14.2%	5.6%	-3.0%	38.4%	55.8%	63.6%
YoY %	0.0%	32.2%	-74.7%	-195.4%	-327.3%	-159.4%	-2725.4%	135.6%	59.1%

Source: Company data (A), Intermonte SIM Estimates (E)

Cash flow statement forecasts (in € thousands)

	FY19A	FY20A	1H21A	2H21E	FY21E	FY22E	FY23E	FY24E
Net Income	705	56	-521	178	-343	3,624	9,033	14,879
D&A	1,319	1,697	864	1,136	2,000	2,326	2,346	2,439
Change in WC	-1,318	-50	-303	-166	-468	-1,377	-1,748	-2,392
Other	-197	-362	-113	-87	-200	0	0	0
CF from Operations	509	1,341	-72	1,061	989	4,574	9,631	14,927
Net Capex	-3,883	-2,948	-1,823	-1,827	-3,650	-2,800	-2,500	-2,600
FCF	-3,374	-1,608	-1,895	-766	-2,661	1,774	7,131	12,327
M&A and others	-491	-19	0	-150	-150	0	0	0
Capital Increase	7,635	464	0	2,737	2,737	0	0	0
Dividend Payment	0	0	0	0	0	0	0	0
Net Cash Flow	3,770	-1,163	-1,895	1,822	-73	1,774	7,131	12,327
Net Debt (Cash) at BoP	481	-3,289	-2,126	-231	-2,126	-2,052	-3,826	-10,957
Net Debt / (Cash) at EoP	-3,289	-2,126	-231	-2,052	-2,052	-3,826	-10,957	-23,283
Net Debt/EBITDA	-1.3x	-1.1x	-0.3x	-0.9x	-1.3x	-0.5x	-0.7x	-0.9x

Source: Company data (A), Intermonte SIM Estimates (E)

Balance sheet forecasts (in € thousands)

	FY18PF	FY19A	FY20A	FY21E	FY22E	FY23E	FY24E
Net Fixed Assets	2,753	5,666	7,288	9,288	9,761	9,916	10,076
Net Working Capital	368	1,686	1,736	2,204	3,581	5,329	7,721
Net Capital Employed	3,121	7,352	9,024	11,492	13,343	15,245	17,797
Equity	2,639	10,641	11,150	13,545	17,169	26,201	41,080
NFP	482	-3,289	-2,126	-2,052	-3,826	-10,957	-23,283
Net Invested Capital	3,121	7,352	9,024	11,492	13,343	15,245	17,797

Source: Company data (A), Intermonte SIM Estimates (E)

Valuation

Intermonte valuation

	Intermonte Estimate EUR mn	Multiple	EV EUR mn	Net Cash / (Debt) EUR mn	Other EV Adj. EUR mn	Equity Value EUR mn	NOSH fully diluted	Equity Value per share
Net Sales FY22E	16.5	4.0x	65.9	3.8	-0.3	69.4	10.4	6.7
Net Sales FY23E	26.7	3.5x	93.6	11.0	-0.3	104.2	10.4	10.0
EBITDA Adj. FY22E	6.8	12.5x	85.4	3.8	-0.3	88.9	10.4	8.5
EBITDA Adj. FY23E	14.9	10.0x	149.3	11.0	-0.3	159.9	10.4	15.3
EPS FY22E	0.3	20.0x				72.5		6.9
EPS FY23E	0.9	15.0x				135.5		13.0
Average						97.1		10.1
Current market value						72.4		7.5
Up/(Downside)								34.7%

Source: Intermonte SIM Estimates

Our valuation uses an average of the implied valuations obtained using the following multiples:

- multiples of 4.0x EV/sales, 12.5x EV/EBITDA, and 20x P/E based on our 2022E forecasts.
- multiples of 3.5x EV/sales, 10x EV/EBITDA, and 15x PE based on our 2023E forecasts.

The multiples used on our 2022E and 2023E forecasts reflect an overall discount of c.20% to peer group multiples that factors in the smaller size of CYB.

Intermonte valuation vs peer group

	CYB @ TP	€ 10.1	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
TOTAL PEER GROUP	Median		6.0x	4.6x	4.0x	19.0x	14.0x	12.5x	31.2x	21.0x	15.0x	41.9x	30.2x	23.4x
Premium/(discount) vs peer group median %			100%	23%	(18%)									
Bucket 1: International Cybersecurity	Median		5.8x	5.6x	5.4x	16.7x	14.5x	13.2x	22.9x	19.4x	16.4x	34.9x	30.1x	25.9x
Bucket 2: Italy IT Services & Consulting	Median		6.2x	4.6x	3.8x	19.0x	14.0x	11.2x	31.2x	21.0x	15.0x	45.4x	31.9x	21.4x
CYB @ Mkt Px		€ 7.50	7.1x	3.8x	2.2x	99.7x	10.1x	4.1x	N.M.	12.5x	4.5x	N.M.	21.6x	8.7x

Source: based on Intermonte SIM estimates for Cyberoo, Cy4Gate, Tinexta and WIIT, FactSet consensus estimates for the other companies - CYB multiples as follows: EV/Net Sales, EV/ Adj. EBITDA, Price to Adj. EPS

Peer group valuation snapshot

	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE			
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	
Bucket 1: International Cybersecurity														
USA	Fortinet Inc	40,587	14.6x	12.4x	10.6x	49.5x	42.2x	35.2x	54.6x	45.8x	38.2x	74.8x	64.6x	55.0x
USA	Palo Alto Networks	39,346	9.1x	8.6x	7.2x	37.0x	37.5x	30.9x	49.0x	46.5x	36.9x	65.0x	64.9x	53.0x
ISR	Check Point Software Tech	12,982	7.0x	6.8x	6.6x	13.7x	12.3x	12.1x	14.3x	12.8x	12.4x	16.7x	15.7x	14.7x
JPN	Trend Micro	6,705	4.6x	4.4x	4.1x	10.5x	10.3x	9.9x	14.5x	13.8x	12.9x	27.8x	26.4x	24.9x
GBR	NCC Group	929	2.5x	2.3x	2.1x	10.2x	9.2x	8.7x	12.9x	11.7x	11.0x	21.2x	19.0x	17.9x
FIN	F-Secure	719	3.0x	2.8x	2.7x	19.6x	16.6x	14.3x	31.3x	25.0x	19.9x	41.9x	33.8x	27.0x
	Median		5.8x	5.6x	5.4x	16.7x	14.5x	13.2x	22.9x	19.4x	16.4x	34.9x	30.1x	25.9x
	Average		6.8x	6.2x	5.5x	23.4x	21.4x	18.5x	29.4x	25.9x	21.9x	41.2x	37.4x	32.1x
Bucket 2: Italy IT Services & Consulting														
ITA	WIIT	689	10.5x	9.0x	8.2x	27.8x	23.3x	20.5x	53.5x	40.9x	33.6x	69.5x	50.0x	41.8x
ITA	Tinexta	1,709	5.0x	4.3x	3.7x	18.6x	15.4x	12.8x	26.7x	20.9x	16.6x	32.4x	26.5x	22.0x
ITA	CY4Gate	161	7.4x	4.9x	3.8x	19.5x	12.5x	9.6x	31.2x	17.8x	13.3x	45.4x	26.5x	20.8x
ITA	Neosperience	48	2.5x	2.0x	1.5x	10.7x	8.0x	5.9x	NR	21.0x	10.7x	NR	37.3x	17.6x
	Median		6.2x	4.6x	3.8x	19.0x	14.0x	11.2x	31.2x	21.0x	15.0x	45.4x	31.9x	21.4x
	Average		6.4x	5.0x	4.3x	19.1x	14.8x	12.2x	37.1x	25.1x	18.6x	49.1x	35.1x	25.6x

		EV/Sales			EV/EBITDA			EV/EBIT			PE		
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Bucket 1: International Cybersecurity	Median	5.8x	5.6x	5.4x	16.7x	14.5x	13.2x	22.9x	19.4x	16.4x	34.9x	30.1x	25.9x
Bucket 2: Italy IT Services & Consulting	Median	6.2x	4.6x	3.8x	19.0x	14.0x	11.2x	31.2x	21.0x	15.0x	45.4x	31.9x	21.4x
TOTAL PEER GROUP	Median	6.0x	4.6x	4.0x	19.0x	14.0x	12.5x	31.2x	21.0x	15.0x	41.9x	30.2x	23.4x
TOTAL PEER GROUP	Average	6.6x	5.8x	5.0x	21.7x	18.7x	16.0x	32.0x	25.6x	20.6x	43.9x	36.5x	29.5x

Source: Factset consensus, Intermonte estimates for Cy4Gate, WIIT and Tinexta

Cyberoo in Brief

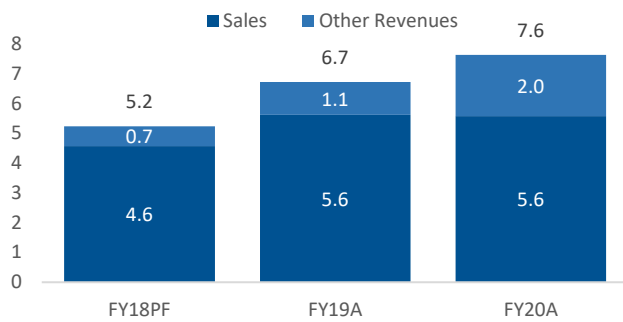
Company description

Founded in 2008, Cyberoo is a provider of managed detection and response (MDR) cybersecurity solutions and a managed service provider in the IT outsourcing segment. The company is part of the SEDOC group and has been listed on the AIM segment of the Italian stock exchange since 7th October 2019. Cyberoo serves corporate clients in Italy through a network of over 26 distributors and has recently opened up in France, Germany, and Austria. It employs over 125 people across Italy and the Ukraine.

Strengths/Opportunities

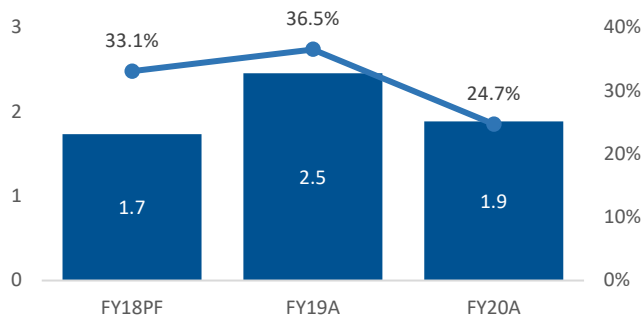
- Skilled talent pool in Ukraine labs
- Advanced AI capabilities
- Extensive national distribution network through partnerships
- Recurring revenue model
- Growing demand for MDR/MSP from Italian SMEs
- Scarcity of Italian Cybersecurity professionals

CYB: Breakdown of production value (€mn)



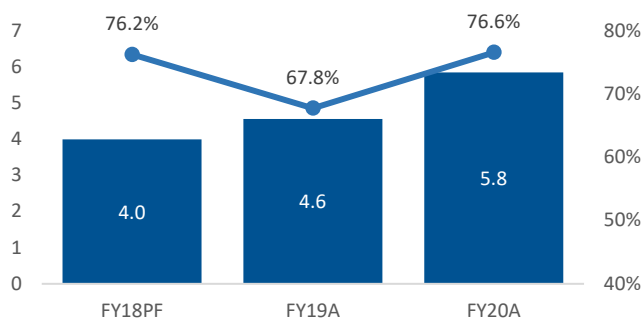
Source: Company data

CYB: EBITDA (€mn, l-ax) and EBITDA margin (% production value, r-ax)



Source: Company data

CYB: Gross profit (€mn, l-ax) and gross margin (% Production Value, r-ax)



Source: Company data

Management

CEO and CFO: F. Leonardi

Chairman: M. Bonifati

Next BoD renewal: March, 2023

BoD independent members: 2/7

Shareholders

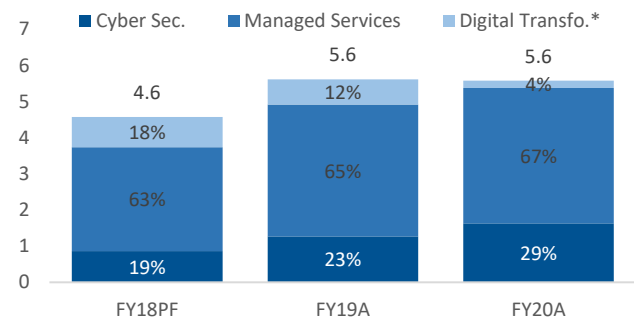
SEDOC (direct & indirect)	62.7%
Fabio Leonardi *	2.5%
Daive Cignatta *	0.8%
Massimo Bonifati *	0.3%
Market/others	33.8%

* SEDOC is owned by F. Leonardi (65%), D. Cignatta (20%) and M. Bonifati (15%)

Weaknesses/Threats

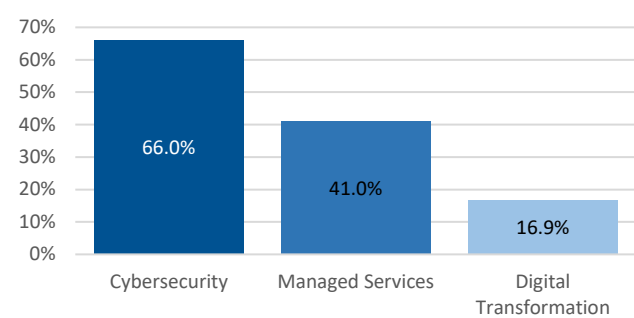
- Small size compared to large international players
- Conservative accounting of commercial discounts
- Crowded Italian IT outsourcing market
- Significant exposure to the Ukraine
- Relationship with parent SEDOC is a potential source of conflict of interest

CYB: Breakdown of net sales by segment (€mn)



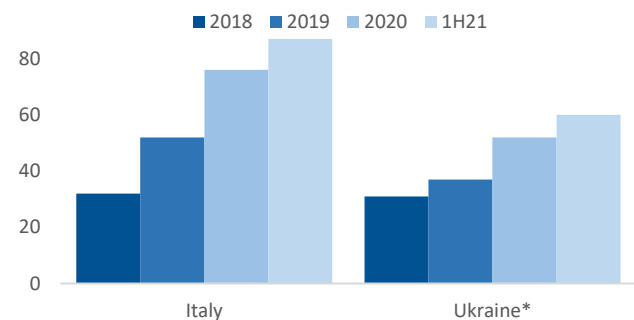
Source: Company data - *Digital Transformation activities shifted to Data Protection and Data Governance activities through Cyberoo51 from September 2020

CYB: EBITDA margin by segment (2019, % net sales, latest reported)



Source: Company data - *see chart above

CYB: Staff headcount evolution (num. employees)



Source: Company data - * Ukraine entities not included in consolidation group, cost of Ukrainian Labs staff reflected at P&L level in the "Services" line

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	\$Companyname\$		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	10.10	Previous Target (Eu):	10.40
Current Price (Eu):	7.50	Previous Price (Eu):	7.88
Date of report:	05/10/2021	Date of last report:	17/09/2021

DISCLAIMER (for more details go to [DISCLAIMER](#))

IMPORTANT DISCLOSURES

The reproduction of the information, recommendations and research produced by Intermonte SIM contained herein and of any its parts is strictly prohibited. None of the contents of this document may be shared with third parties without authorisation from Intermonte.

This report is directed exclusively at market professional and other institutional investors (Institutions) and is not for distribution to person other than "Institution" ("Non-Institution"), who should not rely on this material. Moreover, any investment or service to which this report may relate will not be made available to Non-Institution.

The information and data in this report have been obtained from sources which we believe to be reliable, although the accuracy of these cannot be guaranteed by Intermonte. In the event that there be any doubt as to their reliability, this will be clearly indicated. The main purpose of the report is to offer up-to-date and accurate information in accordance with regulations in force covering "recommendations" and is not intended nor should it be construed as a solicitation to buy or sell securities.

This disclaimer is constantly updated on Intermonte's website www.intermonte.it under LEGAL INFORMATION. Valuations and recommendations can be found in the text of the most recent research and/or reports on the companies in question. For a list of all recommendations made by Intermonte on any financial instrument or issuer in the last twelve months consult the [PERFORMANCE](#) web page.

Intermonte distributes research and engages in other approved activities with respect to Major U.S. Institutional Investors ("Majors") and other Qualified Institutional Buyers ("QIBs"), in the United States, via Brasil Plural Securities LLC under SEC 15a-6 guidelines. Intermonte is not registered as a broker dealer in the United States under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC.

ANALYST CERTIFICATION

For each company mentioned in this report the respective research analyst hereby certifies that all of the views expressed in this research report accurately reflect the analyst's personal views about any or all of the subject issuer (s) or securities. The analyst (s) also certify that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation or view in this report.

The analyst (s) responsible for preparing this research report receive(s) compensation that is based upon various factors, including Intermonte's total profits, a portion of which is generated by Intermonte's corporate finance activities, although this is minimal in comparison to that generated by brokerage activities.

Intermonte's internal procedures and codes of conduct are aimed to ensure the impartiality of its financial analysts. The exchange of information between the Corporate Finance sector and the Research Department is prohibited, as is the exchange of information between the latter and the proprietary equity desk in order to prevent conflicts of interest when recommendations are made.

The analyst responsible for the report is not a) a resident of US; b) an associated person of a U.S. broker-dealer; c) supervised by a supervisory principal of a U.S. broker-dealer. This Research Report is distributed in the U.S. through Brasil Plural Securities LLC, 545 Madison Avenue, New York 10022.

GUIDE TO FUNDAMENTAL RESEARCH

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

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

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 2.5% and a risk premium of 5.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P/IB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

- BUY: stock expected to outperform the market by over 25% over a 12 month period;
 - OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
 - NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;
 - UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
 - SELL: stock expected to underperform the market by over 25% over a 12 month period.
- Prices: The prices reported in the research refer to the price at the close of the previous day of trading

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 30 June 2021 Intermonte's Research Department covered 124 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	17,36 %
OUTPERFORM:	52,89 %
NEUTRAL:	25,62 %
UNDERPERFORM	04,13 %
SELL:	00,00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (48 in total) is as follows:

BUY:	30,91 %
OUTPERFORM:	49,09 %
NEUTRAL:	20,00 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

CONFLICT OF INTEREST

In order to disclose its possible conflicts of interest Intermonte SIM states that:

Within the last year, Intermonte SIM managed or co-managed/is managing or is co-managing an Institutional Offering and/or managed or co-managed/is managing or is co-managing an offering with firm commitment underwriting of the securities of the following Companies: BPER, Cyberoo, Luve, Seri Industrial, The Italian Sea Group, Tinexta, WITT.

Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Abitare In, Aedes, Aeroporto di Bologna, Alkemy, Ambientes, Azimut, Banca Ifis, Cellularline, Creval, Cy4Gate, ePrice, Falck Renewables, Guala Closures, H-Farm, IEG, Iervolino Entertainment, Link Mobility Group (on AMM shares), Mittel, Nova Re, OVS, Retelit, Saes Getters, Somec, SPSI (on Guala Closures shares), Tesmec, TXT, UBI Banca, and WITT.

Intermonte acts as financial advisor to Ambientes in connection with the announced potential transaction with Greenthesi.

Intermonte SIM is Specialist and/or Corporate Broker and/or Sponsor and/or Broker in charge of the share buy back activity of the following Companies: Abitare In, Aedes, Alkemy, Ambientes, Aquafil, Avio, Banca Ifis, Banca Sistema, Cattolica, Cellularline, Cyberoo, Cy4gate, DeA Capital, El.En, Eles, Elica, Emak, Esprinet, Falck Renewables, Fimit - Fondo Alpha, Fine Foods, Gefran, Go Internet, Gpi, Gruppo Fos, IEG, Iervolino Entertainment, IndelB, Luve, Matica Fintec, Notorious Pictures, Nova Re SIQ, Omer, Pharamnutra, Relatech, Reply, Retelit, Saes Getters, Salcef, Sciuker Frames, Servizi Italia, Sesa, Seri Industrial, Somec, Tamburi, Tinexta, Tesmec, The Italian Sea Group, Txt and WITT.

Intermonte SIM has a contractual commitment to act as liquidity provider on behalf of third parties for the following company: Banca Sistema.

Intermonte SIM performs as a market maker for the following companies: A2A, Anima, Atlantia, Autogrill, Azimut Holding, BAMI, Banca Generali, Banca Mediolanum, Brembo, Buzzi, CNHI, Enel, ENI, Exor, Fineco, FCA, FTMIIB, Generali, Italgas, Iren, Intesa Sanpaolo, Leonardo, Mediobanca, Moncler, Mediaset, Pirelli&C, Prysmian, Poste, Ferrari, Saipem, Snam, STM, Tenaris, Telecom Italia, Telecom Italia sav, Terna, UBI, Unicredit, Unipol, UnipolSai.

Intermonte SIM is a member of the CBOE Europe Equities Liquidity Provider Program for the following financial instruments: A2A, Atlantia, ATSM, Autogrill, Azimut Holding, Banca Generali, Banca Mediolanum, Banco BPM, Bca Monte dei Paschi di Siena, Bca Pop Emilia Romagna, Banca Pop Sondrio, Buzzi Unicem, Buzzi Unicem rsp, Campari, CIR - Compagnie Industriali Riunite, Credito Emiliano, Danieli & C., Danieli & C. Risparmio, Diasorin, Enel, Eni, Generali, Hera, Intesa Sanpaolo, Iren, Italgas, Italmobiliare, Leonardo, Maire Tecnimont, Mediaset, Mediobanca, Pirelli & C., Poste Italiane, Prysmian, Recordati, S.I.A.S., Saipem, Salini Impregio, Salvatore Ferragamo, Snam, Telecom Italia, Telecom Italia rsp, Terna, Tod's, UBI Banca, Unicredit, Unipol, Unipolsai.

Through its Websim Division, Intermonte SIM acts as a Retail Investor Research Provider on behalf in regard to the following companies: Aedes, Banca Ifis, Banca Sistema, Cattolica Assicurazioni, Cellularline, CFT Group, Circle, Coima RES, Comer Industries, Crowdfundme, Digital Bros, Digital Magics, Elettra Investimenti, Falck Renewables, Fiera Milano, Finlogica, First Capital, FOPE, Gefran, Generali Assicurazioni, Giglio, Go Internet, H-Farm, Ilpra, Indel B, ISI/Salcef, Italiaonline, La Doria, L'Ente, MailUp, Maps, Masi Agricola, Molmed, Neodecortech, Piaggio, Portale Sardegna, Primi sui Motori, Retelit, Safe Bag, Somec, SOS Travel, Tinexta, TPS, WITT.

Through its Websim Division, Intermonte SIM carries out marketing / communication activities on behalf of the following equity crowdfunding 200Crowd, BacktoWork24, Crowdfundme, Opstart and the following issuers: Banca IMI, BNP Paribas, Credit Suisse, Exane, Leonteq, Unicredit, Vontobel, Wisdomtree.

Intermonte SIM SpA holds net long or short positions in excess of 0.5% of the overall share capital in the following issuers:

Emitente	%	Long/Short
AEDES NEW	3,7	LONG
COGEME SET SPA	1,6	SHORT
IKF	0,57	SHORT
OLIDATA	0,74	SHORT

© Copyright 2020 by Intermonte SIM - All rights reserved

It is a violation of national and international copyright laws to reproduce all or part of this publication by email, xerography, facsimile or any other means. The Copyright laws impose heavy liability for such infringement. The Reports of Intermonte SIM are provided to its clients only. If you are not a client of Intermonte SIM and receive emailed, faxed or copied versions of the reports from a source other than Intermonte SIM you are violating the Copyright Laws. This document is not for attribution in any publication, and you should not disseminate, distribute or copy this e-mail without the explicit written consent of Intermonte SIM.

INTERMONTE will take legal action against anybody transmitting/publishing its Research products without its express authorization.

INTERMONTE Sim strongly believes its research product on Italian equities is a value added product and deserves to be adequately paid.

Intermonte Sim sales representatives can be contacted to discuss terms and conditions to be supplied the INTERMONTE research product.

INTERMONTE SIM is MiFID compliant - for our Best Execution Policy please check our Website [MiFID](#)

Further information is available