

CYBEROO

Sector: Industrials

BUY

Price: Eu7.30 - Target: 10.40

2022 Growth Aspirations Renewed Following Strong 2H21

Francois Robillard +39-02-77115.470

francois.robillard@intermonte.it

Andrea Randone: +39-02-77115.364

andrea.randone@intermonte.it

Stock Rating

Rating: Unchanged

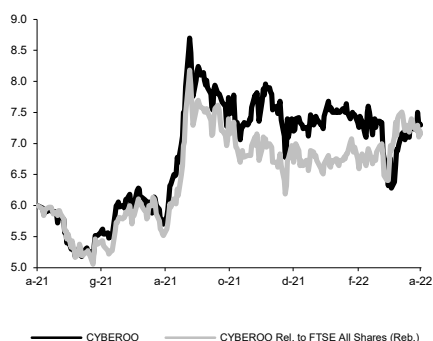
Target Price (Eu): from 10.10 to 10.40

	2022E	2023E	2024E
Chg in Adj EPS	4.6%	4.6%	

Next Event

 1H22 Results Out September 29th 2022

Cyberoo - 12M Performance



Stock Data

Reuters code: CYB.MI

Bloomberg code: CYB IM

Performance	1M	3M	12M
Absolute	15.5%	-1.9%	21.7%
Relative	12.4%	6.5%	19.7%
12M (H/L)	8.70/5.12		
3M Average Volume (th):	8.63		

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): 24

Mkt Float (in %): 33.6%

Main Shareholder:

Founders 3.7%

Balance Sheet Data

Book Value (Eu mn): 17

BVPS (Eu): 1.67

P/BV: 4.4

Net Financial Position (Eu mn): 3

Enterprise Value (Eu mn): 71

■ **Strong growth in 2H driven by acceleration of cybersecurity sales:** Sales in 2H/FY21 comfortably beat our forecast due to stronger growth in Cybersecurity activities, enabled by continued end-market demand, growing recognition of CYB's offering and also by an acceleration in Incident Response interventions, which contributed to the lower % of recurring revenue (69% in FY21 vs. 95% in FY20). Net sales were €5.3mn/€8.8mn in 2H21/FY21, up +92%/+58% YoY (vs. our estimates of €4.5mn/€7.9mn), with Cybersecurity the main driver at €3.1mn/€4.3mn, up +221%/+164% (vs. our €2.2mn/€3.4mn). Value of production was €6.0mn/€10.5mn growing +63%/+37% YoY, beating our forecast (€5.5mn/€10.0mn) by a smaller margin due to lower capitalised R&D costs.

■ **Delivering on margin growth:** rapid top line growth powered profit past forecasts by unlocking strong margin expansion, both in absolute and % terms. Adj. EBITDA (excl. capitalised R&D) was €1.5mn/1.0mn, up from €-0.1mn/€0.4mn in 2H20/FY20, well above our forecasts of €0.3mn/€-0.2mn due partly to lower total staff costs (FY21 personnel and service costs were €4.9mn vs. our €5.6mn estimate). As a result, net income beat forecasts, coming to €0.7mn/0.2mn (vs. our €0.2mn/€-0.3mn). FCF of €-1mn/€-2.7mn was broadly aligned with our expectations as higher receivables offset higher margins. NFP was €-0.3mn from €+1.5mn/€-0.2mn in FY20/1H21, supported by an €0.8mn cash-in from the partial conversion of warrants.

■ **Rapid growth aspirations confirmed for 2022:** robust commercial expansion in the core cybersecurity offerings (CSI/Cypeer) in 2021, with 253 new clients (vs. c.70 in total at YE20). The TITAN MSP offering gained 54 new clients (vs. a client base of c.60 at YE20). CYB confirmed our sales growth expectations, with revenues expected at around €16mn (Cybersecurity expected >€10mn) and Value of production c.€18mn. Capitalised R&D costs are foreseen steady at the 2021 level of c.€1.5mn.

■ **Managing the Ukraine situation:** in early March CYB confirmed that its service continuity was ensured, as it reinforced the operativity of its 2 Italian Security Operations Centres (SOC) after war broke out in Ukraine. CYB had 2 SOCs in Ukraine: the main one based in Ternopil (away from the conflict zones) remains operative while the one in Kiev has been suspended, with its activity offloaded to other sites. The company also brought 11 Ukrainian personnel to its Italian SOCs.

■ **Change in estimates:** we are broadly confirming our forecasts, only fine-tuning our estimates to reflect the sales mix (greater share of high-margin cybersecurity) and cost structure (lower staff and service costs) at YE21.

■ **BUY confirmed; target €10.4 (from €10.1):** FY21 results were highly satisfactory in that they demonstrated solid execution of the company's growth strategy. The now-widespread domestic distribution and the strong industry recognition of the quality of CYB's MDR offering enhance visibility on the 2022 growth trajectory in a dynamic market environment. We are lifting our multiple-based TP in light of our slightly-enhanced EPS forecasts, re-iterating our positive view on the stock.

Key Figures & Ratios	2020A	2021A	2022E	2023E	2024E
Sales (Eu mn)	8	10	18	28	40
EBITDA Adj (Eu mn)	0	1	6	15	25
Net Profit Adj (Eu mn)	0	0	4	9	16
EPS New Adj (Eu)	0.005	0.017	0.363	0.905	1.554
EPS Old Adj (Eu)	0.006	-0.034	0.347	0.865	
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	nm	nm	11.1	4.5	2.2
EV/EBIT Adj	nm	nm	12.4	4.7	2.3
P/E Adj	nm	nm	20.1	8.1	4.7
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	-3.8	0.3	-0.4	-0.6	-0.8

Cyberoo – Key Figures

Profit & Loss (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	7	8	10	18	28	40
EBITDA	2	2	2	8	17	27
EBIT	1	0	0	6	14	24
Financial Income (charges)	0	0	0	0	0	0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	1	0	0	6	14	24
Taxes	-0	-0	-0	-2	-5	-8
Tax rate	-32.9%	-42.3%	-38.8%	-33.0%	-33.0%	-33.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	1	0	0	4	9	16
EBITDA Adj	2	0	1	6	15	25
EBIT Adj	1	0	0	6	14	24
Net Profit Adj	1	0	0	4	9	16
Per Share Data (Eu)	2019A	2020A	2021A	2022E	2023E	2024E
Total Shares Outstanding (mn) - Average	10	10	10	10	10	10
Total Shares Outstanding (mn) - Year End	10	10	10	10	10	10
EPS f.d	0.092	0.006	0.018	0.378	0.917	1.554
EPS Adj f.d	0.068	0.005	0.017	0.363	0.905	1.554
BVPS f.d	1.120	1.156	1.231	1.672	2.644	4.198
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)	2019A	2020A	2021A	2022E	2023E	2024E
Gross Cash Flow	2	2	2	6	12	19
Change in NWC	-1	-0	-2	-1	-4	-4
Capital Expenditure	-4	-3	-3	-3	-3	-3
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-3	-2	-3	2	5	12
Acquisitions, Divestments & Other Items	-0	-0	-0	0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	8	0	1	1	1	0
Change in Net Financial Position	4	-2	-2	3	6	12
Balance Sheet (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Total Fixed Assets	7	8	10	10	11	11
Net Working Capital	2	2	3	4	8	12
Long term Liabilities	-1	-1	-1	-1	-1	-1
Net Capital Employed	7	9	12	14	18	22
Net Cash (Debt)	3	2	-0	3	9	21
Group Equity	11	11	12	17	28	44
Minorities	0	0	0	0	0	0
Net Equity	11	11	12	17	28	44
Enterprise Value (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Average Mkt Cap	36	40	64	74	76	76
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	3	2	-0	3	9	21
Enterprise Value	33	39	65	71	67	55
Ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA Adj Margin	23.9%	5.3%	9.7%	35.3%	53.4%	63.4%
EBIT Adj Margin	16.9%	2.5%	4.0%	31.6%	50.5%	61.0%
Gearing - Debt/Equity	-30.9%	-13.7%	2.2%	-16.4%	-33.2%	-48.7%
Interest Cover on EBIT	nm	nm	nm	nm	nm	nm
Net Debt/EBITDA Adj	-2.1	-3.8	0.3	-0.4	-0.6	-0.8
ROACE*	21.7%	2.3%	3.9%	44.4%	78.4%	109.8%
ROE*	10.6%	0.5%	1.5%	26.0%	34.2%	37.0%
EV/CE	6.3	4.7	6.1	5.5	3.7	2.5
EV/Sales	4.9	5.1	6.2	3.9	2.4	1.4
EV/EBITDA Adj	20.6	nm	nm	11.1	4.5	2.2
EV/EBIT Adj	29.1	nm	nm	12.4	4.7	2.3
Free Cash Flow Yield	-4.7%	-2.2%	-3.8%	2.8%	7.2%	16.9%
Growth Rates (%)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	28.3%	13.5%	37.3%	73.9%	54.3%	41.8%
EBITDA Adj	-7.4%	-74.7%	151.1%	530.7%	133.5%	68.3%
EBIT Adj	279.9%	-83.5%	121.5%	1285.9%	146.7%	71.2%
Net Profit Adj	nm	-92.1%	210.8%	2078.8%	149.3%	71.7%
EPS Adj	nm	-92.1%	210.8%	2078.8%	149.3%	71.7%
DPS						

*Excluding extraordinary items

Source: Intermonte SIM estimates

2H/FY21 results snapshot

Cyberoo – snapshot of 2H/FY21 results (in € thousands)

Net Sales (in EUR k)	2H19A	FY19A	2H20A	FY20A	1H21A	2H21A	FY21A	2H21E	2H AvE %	FY21E	FY AvE %
Cyber Security & Device Security	756	1,268	962	1,631	1,223	3,086	4,309	2,178	42%	3,401	27%
YoY		46.6%	27.2%	28.6%	82.8%	220.8%	164.2%	126.4%		108.5%	
% Net Sales	25%	23%	35%	29%	35%	58%	49%	49%		43%	
Managed Services	1,740	3,655	1,737	3,748	2,155	2,166	4,321	2,222	-3%	4,377	-1%
YoY		27.2%	-0.1%	2.5%	7.2%	24.7%	15.3%	27.9%		16.8%	
% Net Sales	58%	65%	62%	67%	62%	41%	49%	50%		55%	
Digital Transformation	493	700	82	207	96	92	188	70	32%	166	14%
YoY		-16.4%	-83.4%	-70.4%	-23.7%	13.1%	-9.2%	-14.3%		-20.0%	
% Net Sales	16%	12%	3%	4%	3%	2%	2%	2%		2%	
Total Net Sales	2,989	5,623	2,781	5,586	3,473	5,345	8,818	4,470	20%	7,944	11%
YoY		22.9%	-6.9%	-0.7%	23.8%	92.2%	57.9%	60.7%		42.2%	
% of production value	81%	84%	76%	73%	77%	89%	84%	81%		79%	

P&L (in EUR k)	2H19A	FY19A	2H20A	FY20A	1H21A	2H21A	FY21A	2H21E	2H AvE %	FY21E	FY AvE %
Total Net Sales	2,989	5,623	2,781	5,586	3,473	5,345	8,818	4,470	20%	7,944	11%
YoY		22.9%	-6.9%	-0.7%	23.8%	92.2%	57.9%	60.7%		42.2%	
Capitalized R&D costs	470	851	778	1,478	943	493	1,436	907	-46%	1,850	-22%
Other revenue	232	250	118	570	70	155	225	130		200	
Production Value	3,691	6,724	3,678	7,634	4,486	5,993	10,479	5,507	9%	9,994	5%
YoY		28.3%	-0.4%	13.5%	13.4%	63.0%	37.3%	49.8%		30.9%	
EBITDA	1,425	2,455	667	1,884	450	2,006	2,456	1,159	73%	1,609	53%
% Margin on net sales	47.7%	43.7%	24.0%	33.7%	13.0%	37.5%	27.9%	25.9%		20.3%	
% Margin on Prod. Value	38.6%	36.5%	18.1%	24.7%	10.0%	33.5%	23.4%	21.0%		16.1%	
YoY		41.7%	-53.2%	-23.2%	-63.0%	200.6%	30.3%	73.7%		-14.6%	
EBIT	561	1,136	-303	188	-414	830	416	23	3550%	-391	-206%
% Margin on net sales	18.8%	20.2%	-10.9%	3.4%	-11.9%	15.5%	4.7%	0.5%		-4.9%	
% Margin on Prod. Value	15.2%	16.9%	-8.2%	2.5%	-9.2%	13.8%	4.0%	0.4%		-3.9%	
YoY		279.9%	-154.0%	-83.5%	-184.5%	-374.2%	121.5%	-107.5%		-308.5%	
Net Income	349	705	-305	56	-521	695	174	178	290%	-343	-151%
YoY		NM	-187%	NM	-244%	NM	211%	-159%		-712%	
EBITDA excl. R&D capitalization	955	1,604	-111	406	-493	1,513	1,020	252	500%	-241	-523%
% Margin on net sales	32.0%	28.5%	-4.0%	7.3%	-14.2%	28.3%	11.6%	5.6%		-3.0%	

Cash Flow (in EUR k)	2H19A	FY19A	2H20A	FY20A	1H21A	2H21A	FY21A	2H21E	2H AvE %	FY21E	FY AvE %
OpCF	-67	509	-278	1,341	74	542	616	1,061	-49%	989	-38%
Net Capex	-2,582	-3,883	-1,143	-2,948	-1,823	-1,499	-3,322	-1,827	18%	-3,650	9%
FCF	-2,648	-3,374	-1,421	-1,608	-1,749	-957	-2,706	-766	-25%	-2,661	-2%
Net Debt / (Cash)	-3,289	-3,289	-1,528	-1,528	221	268	268	-2,052	-113%	-2,052	-113%

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

Changes to estimates

Changes to estimates (in € mn)

	New Estimates			Old Estimates		Diff %	
	FY22E	FY23E	FY24E	FY22E	FY23E	FY22E	FY23E
Cyber Security & Device Security	11.0	19.4	28.8	10.6	19.2	4%	1%
YoY	155.9%	75.6%	48.9%	212.1%	81.0%		
Managed Services	5.5	7.0	9.1	5.6	7.1	-2%	-3%
YoY	27.5%	26.4%	31.3%	28.5%	27.1%		
Digital Transformation	0.2	0.3	0.4	0.2	0.4	-24%	-24%
YoY	0.0%	50.0%	30.0%	50.0%	50.0%		
Total Net Sales	16.7	26.6	38.4	16.5	26.7	1%	0%
YoY	89.7%	59.1%	44.1%	107.6%	62.2%		
Production Value	18.2	28.1	39.9	18.0	27.7	1%	1%
YoY	73.9%	54.3%	41.8%	80.0%	54.2%		
EBITDA	7.9	16.5	26.8	7.8	15.9	1%	4%
% Margin (on net sales)	43.5%	58.8%	67.2%	43.6%	57.4%		
YoY	222.9%	108.3%	62.1%	387.1%	103.3%		
EBITDA excluding R&D capitalization	6.4	15.0	25.3	6.3	14.9	2%	1%
% Margin (on net sales)	38.5%	56.4%	65.9%	38.4%	55.8%		
YoY	530.7%	133.5%	68.3%	-2725.4%	135.6%		
EBIT	5.8	14.2	24.3	5.5	13.6	5%	5%
% Margin (on net sales)	31.6%	50.5%	61.0%	30.6%	49.0%		
YoY	1285.9%	146.7%	71.2%	-1507.8%	146.5%		
EPS Diluted	0.36	0.91	1.55	0.35	0.87	5%	5%
Capex	-2.8	-3.0	-2.6	-2.8	-2.5	0%	20%
FCF	2.0	5.2	12.2	1.8	7.1	13%	-27%
Net Debt (Cash)	-2.8	-9.2	-21.4	-4.0	-11.1	-31%	-18%
Net Debt (Cash) / EBITDA	-0.4x	-0.6x	-0.8x	-0.5x	-0.7x		

Source: Intermonte SIM Estimates

Intermonte Estimates

Net sales breakdown by segment (in € thousands)

	FY18PF	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	CAGR 19-23E
Cyber Security & Device Security	865	1,268	1,631	4,309	11,028	19,369	28,845	97.7%
YoY	0.0%	46.6%	28.6%	164.2%	155.9%	75.6%	48.9%	
Managed Services	2,873	3,655	3,748	4,321	5,509	6,963	9,142	17.5%
YoY	0.0%	27.2%	2.5%	15.3%	27.5%	26.4%	31.3%	
Digital Transformation	837	700	207	188	188	282	367	-20.3%
YoY	0.0%	-16.4%	-70.4%	-20.0%	0.0%	50.0%	30.0%	
Total Net Sales	4,575	5,623	5,586	8,818	16,724	26,614	38,354	47.5%
YoY	0.0%	22.9%	-0.7%	57.9%	89.7%	59.1%	44.1%	
<i>% of production value</i>	<i>87%</i>	<i>84%</i>	<i>73%</i>	<i>84%</i>	<i>92%</i>	<i>95%</i>	<i>96%</i>	

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

Income statement forecast (in € thousands)

	FY18PF	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E
Total Net Sales	4,575	5,623	5,586	8,818	16,724	26,614	38,354
YoY	0.0%	22.9%	-0.7%	57.9%	89.7%	59.1%	44.1%
Other	666	1,101	2,048	1,662	1,500	1,500	1,500
Production Value	5,241	6,724	7,634	10,479	18,224	28,114	39,854
YoY	0.0%	28.3%	13.5%	37.3%	73.9%	54.3%	41.8%
Raw mat, consumption, goods	-1,141	-2,527	-1,770	-2,825	-3,500	-4,000	-4,600
Gross Margin	3,996	4,556	5,845	7,707	14,724	24,114	35,254
% Margin	76.2%	67.8%	76.6%	73.5%	80.8%	85.8%	88.5%
YoY	0.0%	14.0%	28.3%	31.9%	91.0%	63.8%	46.2%
Services	-835	-433	-1,446	-1,382	-1,825	-1,937	-2,296
Use of third party assets	-87	-115	-178	-261	-368	-559	-805
Staff costs	-1,227	-1,461	-2,291	-3,541	-4,500	-4,950	-5,175
Other	-114	-92	-45	-68	-100	-150	-200
EBITDA	1,733	2,455	1,884	2,456	7,931	16,518	26,778
% Margin	33.1%	36.5%	24.7%	23.4%	43.5%	58.8%	67.2%
YoY	0.0%	41.7%	-23.2%	30.3%	222.9%	108.3%	62.1%
D&A	-1,434	-1,319	-1,697	-2,041	-2,172	-2,312	-2,459
EBIT	299	1,136	188	416	5,759	14,205	24,319
% Margin	5.7%	16.9%	2.5%	4.0%	31.6%	50.5%	61.0%
YoY	0.0%	279.9%	-83.5%	121.5%	1285.9%	146.7%	71.2%
Net Financial costs	37	-87	-91	-137	-100	-100	-100
PBT	336	1,050	97	279	5,659	14,105	24,219
Tax	-336	-345	-41	-108	-1,867	-4,655	-7,992
<i>Tax rate %</i>	<i>-100%</i>	<i>-33%</i>	<i>-42%</i>	<i>-39%</i>	<i>-33%</i>	<i>-33%</i>	<i>-33%</i>
Net Income	0	705	56	174	3,792	9,451	16,227
YoY	N.M.	N.M.	-92.1%	210.8%	2078.8%	149.3%	71.7%
<i>NOSH avg</i>	<i>7,000</i>	<i>7,625</i>	<i>9,537</i>	<i>9,765</i>	<i>10,022</i>	<i>10,301</i>	<i>10,441</i>
EPS	0.00	0.09	0.01	0.02	0.38	0.92	1.55
EBITDA excluding R&D capitalization	1,213	1,604	406	1,020	6,431	15,018	25,278
% Margin (on net sales)	26.5%	28.5%	7.3%	11.6%	38.5%	56.4%	65.9%
YoY%	0.0%	32.2%	-74.7%	151.1%	530.7%	133.5%	68.3%

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

Cash flow statement forecasts (in € thousands)

	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E
Net Income	705	56	174	3,792	9,451	16,227
D&A	1,319	1,697	2,041	2,172	2,312	2,459
Change in WC	-1,318	-174	-1,648	-1,164	-3,562	-3,881
Other	-197	-238	49	0	0	0
CF from Operations	509	1,341	616	4,800	8,200	14,804
Net Capex	-3,883	-2,948	-3,322	-2,800	-3,000	-2,600
FCF	-3,374	-1,608	-2,706	2,000	5,200	12,204
M&A and others	-491	-19	-2	0	0	0
Capital Increase	7,635	464	810	1,059	1,162	0
Dividend Payment	0	0	0	0	0	0
Net Cash Flow	3,770	-1,761	-1,796	3,058	6,363	12,204
Net Debt (Cash) at BoP	481	-3,289	-1,528	268	-2,791	-9,153
Net Debt / (Cash) at EoP	-3,289	-1,528	268	-2,791	-9,153	-21,358
Net Debt/EBITDA	-1.3x	-0.8x	0.1x	-0.4x	-0.6x	-0.8x

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

Balance sheet forecasts (in € thousands)

	FY18PF	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E
Net Fixed Assets	2,753	5,666	7,288	8,871	9,499	10,187	10,328
Net Working Capital	368	1,686	1,736	3,217	4,381	7,943	11,824
Net Capital Employed	3,121	7,352	9,024	12,088	13,880	18,130	22,152
Equity	2,639	10,641	11,150	12,162	16,995	27,607	43,834
NFP	482	-3,289	-1,528	268	-2,791	-9,153	-21,358
Net Invested Capital	3,121	7,352	9,621	12,430	14,204	18,454	22,476

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	16.7	4.0x	66.9	2.8	-0.4	69.3	10.0	6.9
Net Sales FY23E	26.6	3.5x	93.1	9.2	-0.4	101.9	10.3	9.9
EBITDA Adj. FY22E	6.9	12.5x	86.6	2.8	-0.4	89.0	10.0	8.9
EBITDA Adj. FY23E	15.5	10.0x	155.2	9.2	-0.4	163.9	10.3	15.9
EPS FY22E	0.36	20.0x				72.8		7.3
EPS FY23E	0.91	15.0x				139.9		13.6
Average						100.4		10.4
Current market value						70.4		7.3
Up/(Downside)								42.5%

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 P/E based on our 2023E forecasts.

The multiples used on our 2022E and 2023E forecasts reflect an overall discount of c.20% to peer group FY22E/FY23E multiples to factor in the smaller size of CYB.

Intermonte valuation vs peer group

		EV/Sales			EV/EBITDA			EV/EBIT			PE		
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
CYB @ TP	€ 10.4	11.5x	5.9x	3.4x	64.9x	14.1x	5.9x	N.M	17.0x	6.4x	N.M	27.5x	11.3x
TOTAL PEER GROUP	Median	5.9x	4.4x	3.8x	19.5x	15.4x	13.2x	30.1x	17.8x	15.7x	45.2x	26.7x	22.3x
Premium/(discount) vs peer group median %		93%	33%	(10%)	233%	(8%)	(55%)		(4%)	(59%)		3%	(49%)
Bucket 1: International Cybersecurity	Median	5.9x	6.5x	6.1x	19.4x	17.4x	15.3x	17.7x	21.8x	18.2x	32.4x	33.3x	28.0x
Bucket 2: Italy IT Services & Consulting	Median	6.6x	3.8x	3.0x	21.5x	13.8x	10.4x	31.7x	17.4x	13.2x	57.7x	21.3x	17.5x
CYB @ Mkt Px	€ 7.30	6.8x	3.7x	2.2x	45.7x	9.8x	4.0x	N.M.	11.8x	4.3x	N.M.	19.3x	8.0x

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	49,398	17.4x	12.7x	10.6x	61.0x	46.0x	37.2x	NR	51.2x	41.4x	90.1x	68.5x	56.6x
USA	Palo Alto Networks	54,533	9.1x	11.0x	9.0x	37.0x	44.7x	37.3x	49.0x	58.8x	45.7x	65.0x	83.8x	67.7x
ISR	Check Point Software Tech	16,753	7.1x	8.1x	7.7x	17.3x	16.6x	15.7x	17.7x	17.0x	16.0x	19.8x	19.2x	17.5x
JPN	Trend Micro	7,463	4.7x	4.9x	4.5x	10.4x	12.4x	11.6x	14.9x	16.8x	15.4x	23.2x	31.4x	28.7x
GBR	NCC Group	680	1.8x	1.7x	1.5x	10.9x	9.5x	8.6x	13.6x	11.8x	10.7x	16.9x	14.5x	13.1x
FIN	WithSecure	812	3.3x	3.2x	3.0x	21.5x	18.1x	14.9x	30.7x	26.6x	20.4x	41.5x	35.2x	27.2x
Median			5.9x	6.5x	6.1x	19.4x	17.4x	15.3x	17.7x	21.8x	18.2x	32.4x	33.3x	28.0x
<i>Average</i>			<i>7.3x</i>	<i>6.9x</i>	<i>6.1x</i>	<i>26.3x</i>	<i>24.6x</i>	<i>20.9x</i>	<i>25.2x</i>	<i>30.4x</i>	<i>24.9x</i>	<i>42.8x</i>	<i>42.1x</i>	<i>35.2x</i>
Bucket 2: Italy IT Services & Consulting														
ITA	WIIT	829	9.8x	8.4x	7.7x	25.5x	23.7x	20.6x	48.6x	42.0x	33.5x	89.5x	57.6x	43.9x
ITA	Tinexta	1,245	4.6x	3.7x	3.1x	17.5x	13.4x	11.2x	27.7x	18.6x	14.9x	25.4x	20.8x	17.5x
ITA	CY4Gate	255	8.6x	3.9x	2.8x	30.1x	14.2x	9.7x	33.3x	16.2x	11.6x	49.0x	21.9x	17.4x
ITA	Neosperience	44	2.4x	1.6x	1.3x	8.4x	5.4x	4.2x	30.1x	12.3x	7.4x	66.4x	20.2x	11.8x
Median			6.6x	3.8x	3.0x	21.5x	13.8x	10.4x	31.7x	17.4x	13.2x	57.7x	21.3x	17.5x
<i>Average</i>			<i>6.3x</i>	<i>4.4x</i>	<i>3.7x</i>	<i>20.4x</i>	<i>14.2x</i>	<i>11.4x</i>	<i>34.9x</i>	<i>22.3x</i>	<i>16.8x</i>	<i>57.6x</i>	<i>30.1x</i>	<i>22.6x</i>
			EV/Sales			EV/EBITDA			EV/EBIT			PE		
			2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Bucket 1: International Cybersecurity		Median	5.9x	6.5x	6.1x	19.4x	17.4x	15.3x	17.7x	21.8x	18.2x	32.4x	33.3x	28.0x
Bucket 2: Italy IT Services & Consulting		Median	6.6x	3.8x	3.0x	21.5x	13.8x	10.4x	31.7x	17.4x	13.2x	57.7x	21.3x	17.5x
TOTAL PEER GROUP		Median	5.9x	4.4x	3.8x	19.5x	15.4x	13.2x	30.1x	17.8x	15.7x	45.2x	26.7x	22.3x
<i>TOTAL PEER GROUP</i>		<i>Average</i>	<i>6.9x</i>	<i>5.9x</i>	<i>5.1x</i>	<i>24.0x</i>	<i>20.4x</i>	<i>17.1x</i>	<i>29.5x</i>	<i>27.1x</i>	<i>21.7x</i>	<i>48.7x</i>	<i>37.3x</i>	<i>30.1x</i>

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

- Extensive national distribution network through partnerships
- Industry recognition of CYB's MDR offering (Gartner)
- Recurring revenue model
- Growing demand for MDR/MSP from Italian SMEs
- Scarcity of Italian Cybersecurity professionals
- Advanced AI capabilities

Management

CEO and CFO: F. Leonardi

Chairman: M. Bonifati

Next BoD renewal: March, 2023

BoD independent members: 2/7

Shareholders

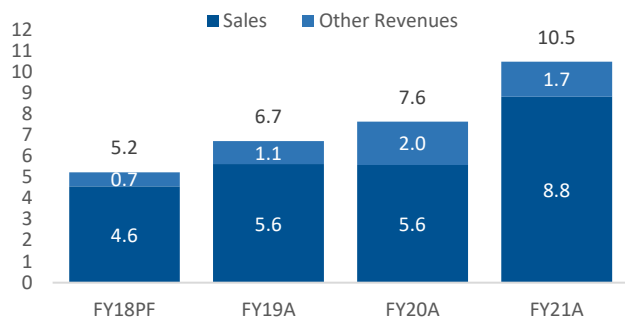
SEDOC (direct & Indirect)	62.7%
Fabio Leonardi *	2.5%
Daive Cignatta *	0.8%
Massimo Bonifati *	0.3%
Market/others	33.8%

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

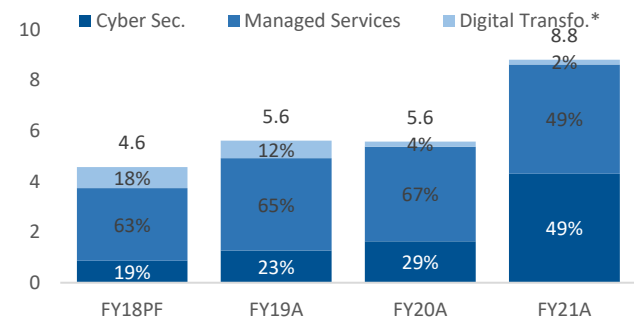
Weaknesses/Threats

- 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 production value (€mn)



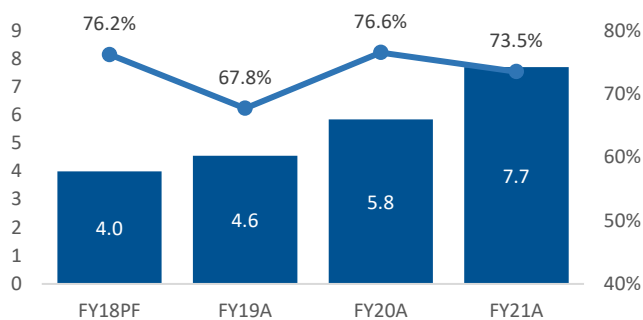
CYB: Breakdown of net sales by segment (€mn)



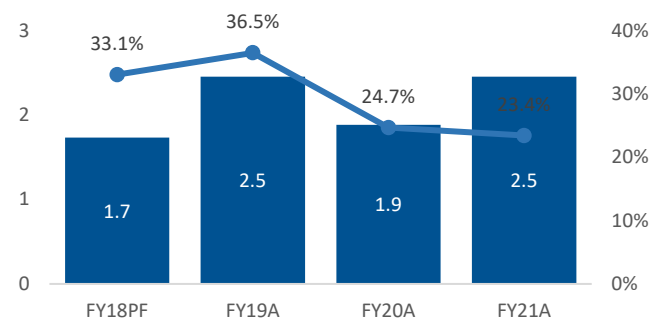
Source: Company data

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

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



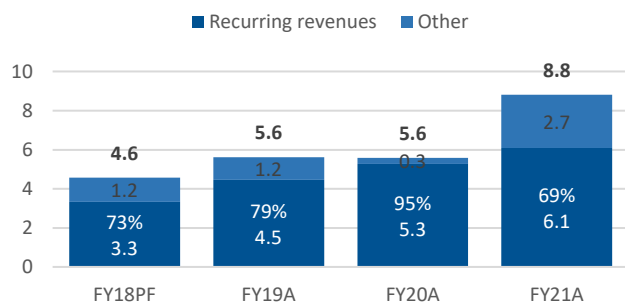
CYB: EBITDA (€mn, l-ax) and EBITDA margin (% production value, r-ax)



Source: Company data

Source: Company data

CYB: Recurring revenue vs net sales (€mn)



Source: Company data

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	Cyberoo		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	10.40	Previous Target (Eu):	10.10
Current Price (Eu):	7.30	Previous Price (Eu):	7.50
Date of report:	04/04/2022	Date of last report:	04/04/2022

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- 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.

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

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- BUY: stock expected to outperform the market by over 25% over a 12 month period;
- OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;
- NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;
- UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
- SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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As at 31 December 2021 Intermonte's Research Department covered 120 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	16,67 %
OUTPERFORM:	55,88 %
NEUTRAL:	23,53 %
UNDERPERFORM	03,92 %
SELL:	00,00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (53 in total) is as follows:

BUY:	30,19 %
OUTPERFORM:	49,06 %
NEUTRAL:	20,75 %
UNDERPERFORM	00,00 %
SELL:	00,00 %

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

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