

# CYBEROO

Sector: Industrials

**BUY**

Price: Eu5.98 - Target: Eu7.50

## Strong Growth to Continue in 2023

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### Stock Rating

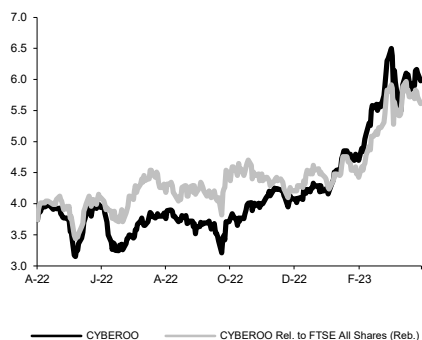
**Rating:** Unchanged  
**Target Price (Eu):** from 5.50 to 7.50

	2023E	2024E
<b>Chg in Adj EPS</b>	-22.8%	-24.5%

### Next Event

 1H23 Results Out on Sep 28<sup>th</sup>

### CYBEROO - 12M Performance



### Stock Data

Reuters code: CYB.MI  
 Bloomberg code: CYB IM

Performance	1M	3M	12M
Absolute	-5.7%	41.0%	63.8%
Relative	-3.3%	30.1%	56.8%
12M (H/L)		6.50/3.15	
3M Average Volume (th):		30.76	

### Shareholder Data

No. of Ord shares (mn):	19
Total no. of shares (mn):	20
Mkt Cap Ord (Eu mn):	115
Total Mkt Cap (Eu mn):	115
Mkt Float - Ord (Eu mn):	39
Mkt Float (in %):	33.6%
Main Shareholder:	
Founders	3.7%

### Balance Sheet Data

Book Value (Eu mn):	23
BVPS (Eu):	1.15
P/BV:	5.2
Net Financial Position (Eu mn):	7
Enterprise Value (Eu mn):	112

■ **FY22 results highlight strong growth...** CYB released a good set of financial figures, which showed an acceleration of growth and margins in the second half of the year. FY22 revenues came to €15.6mn (+76.4% YoY), slightly below our est. of €16.7mn (-7%), featuring strong growth at the Cyber Security & Device Security division (rev. at €11mn, i.e., +156% YoY), which is benefiting from investments on the commercial front aimed at enhancing service quality and growing in Managed Detection & Response (MDR). By contrast, revenues from Managed Services (€4.3mn) and Digital Transformation (€0.2mn) were almost flat YoY, highlighting an enhancement of the mix, with cybersecurity accounting for c.70% of revenues vs. 48% the previous year, in line with management's focus on high-margin business featuring recurring revenue, at 63% of the total for FY22 (€9.8mn). The shift vs our estimates is attributable to the concentration of client investments towards the end of the year. As at YE22, CYB had 200 new clients, with an average ticket of c.€50K, in line with its goal of increasing the share of larger and mid-size customers and improving the quality of products and services offered (cyber security perceived as a complex process involving consultancy and training on specific items). EBITDA came to €6.7mn, margin at 38%, vs our. est. of €8mn with margin at 43%.

■ **...and good cash generation.** The NFP was positive at €1.9mn (negative at €-0.8mn as at the end of 1H22), above our estimate of €1.3mn, highlighting €2.7mn of cash generation in 2H22, thanks to limited WC absorption and basically flat CapEx.

■ **Growth to continue in 2023.** Management provided qualitative outlook for 2023, which is projected to be another year of strong growth thanks to consolidation in the distribution channel, the expanded commercial footprint, and investments in R&D, technology and human resources. Growth in FY23 is expected to feature a more balanced and healthy approach, along with a steadier increase of the cost base, likely to add to a healthy level of operating leverage, enabled by the scalability of CYB's MDR offering. CYB is also working on bolstering its operations through a new SOC in Poland (hiring of 15 new employees) to increase service accuracy and reduce escalation to the final level (the SOC based in Italy) to just 5/10% of total requests. CYB is not experiencing any issues in attracting or retaining talent and enjoys a very low attrition rate, according to management.

■ **Changes to estimates.** Considering FY22 results and company indications for more balanced and sustainable growth with a greater focus on mid/large customers, as well as investments in hiring for the new SOC, we are lowering our revenue and EBITDA est. on avg. by 12% and 21% for 2023E-24E. Our estimates assume top-line growth of c.55% and the EBITDA margin close to 50% in 23E.

■ **BUY confirmed, TP at €7.50 (from €5.50).** FY22 results provide evidence of the effectiveness of the CYB business model, able to combine solid growth with high profitability and sound cash generation. The Gartner ranking of CYB among the top 50 MDR vendors in the world is further proof of the quality of its offering. We reiterate our positive view on the stock and raise our TP to €7.50 (from €5.50). Our valuation models are still based on market multiples, but now include 2023/24 figures to factor higher visibility on the business and better capture the fast-growth profile of Cyberoo. At our new TP, Cyberoo would trade at 12.5x EV/EBITDA and 22x PE on 2023E.

Key Figures & Ratios	2020A	2021A	2022A	2023E	2024E
Sales (Eu mn)	8	10	18	27	36
EBITDA Adj (Eu mn)	0	1	5	11	18
Net Profit Adj (Eu mn)	0	0	3	7	11
EPS New Adj (Eu)	0.003	0.009	0.140	0.335	0.566
EPS Old Adj (Eu)	0.003	0.008	0.173	0.434	0.749
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	nm	nm	14.1	10.1	5.7
EV/EBIT Adj	nm	nm	16.3	10.7	5.9
P/E Adj	nm	nm	42.6	17.8	10.6
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**

<b>Profit &amp; Loss (Eu mn)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
Sales	7	8	10	18	27	36
EBITDA	2	2	2	7	13	21
EBIT	1	0	0	4	10	17
Financial Income (charges)	0	0	0	0	0	0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	1	0	0	4	10	17
Taxes	-0	-0	-0	-1	-4	-6
Tax rate	-32.9%	-42.3%	-38.8%	-32.0%	-35.0%	-35.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	1	0	0	3	7	11
EBITDA Adj	2	0	1	5	11	18
EBIT Adj	1	0	0	4	10	17
Net Profit Adj	1	0	0	3	7	11
<b>Per Share Data (Eu)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
Total Shares Outstanding (mn) - Average	19	20	20	20	20	20
Total Shares Outstanding (mn) - Year End	19	19	19	19	20	20
EPS f.d	0.046	0.003	0.009	0.144	0.340	0.566
EPS Adj f.d	0.036	0.003	0.009	0.140	0.335	0.566
BVPS f.d	0.560	0.578	0.630	0.780	1.151	1.716
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 (%)						
<b>Cash Flow (Eu mn)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
Gross Cash Flow	2	2	2	5	9	14
Change in NWC	-1	-0	-2	-0	-2	-3
Capital Expenditure	-4	-3	-3	-3	-4	-4
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	-3	-2	-3	2	4	8
Acquisitions, Divestments & Other Items	-0	-0	-0	-0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	8	0	1	0	1	0
Change in Net Financial Position	4	-2	-2	2	5	8
<b>Balance Sheet (Eu mn)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
Total Fixed Assets	7	8	10	10	11	12
Net Working Capital	2	2	3	3	5	8
Long term Liabilities	-1	-1	-0	-0	-0	-0
Net Capital Employed	7	9	12	13	16	19
Net Cash (Debt)	3	2	-0	2	7	15
Group Equity	11	11	12	15	23	34
Minorities	0	0	0	0	0	0
Net Equity	11	11	12	15	23	34
<b>Enterprise Value (Eu mn)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
Average Mkt Cap	36	40	63	73	119	119
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	3	2	-0	2	7	15
Enterprise Value	33	39	63	71	112	104
<b>Ratios (%)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
EBITDA Adj Margin	23.9%	5.3%	9.7%	28.5%	41.2%	50.7%
EBIT Adj Margin	16.9%	2.5%	4.0%	24.7%	39.2%	49.1%
Gearing - Debt/Equity	-30.9%	-13.7%	2.2%	-12.6%	-31.2%	-43.6%
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%	34.0%	66.5%	90.9%
ROE*	10.6%	0.5%	1.5%	20.5%	29.1%	33.0%
EV/CE	6.3	4.7	5.9	5.5	7.1	5.4
EV/Sales	4.9	5.1	6.0	4.0	4.2	2.9
EV/EBITDA Adj	20.6	nm	nm	14.1	10.1	5.7
EV/EBIT Adj	29.1	nm	nm	16.3	10.7	5.9
Free Cash Flow Yield	-2.9%	-1.4%	-2.3%	1.6%	3.5%	6.7%
<b>Growth Rates (%)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
Sales	28.3%	13.5%	37.3%	67.6%	52.0%	33.4%
EBITDA Adj	-7.4%	-74.7%	151.2%	390.4%	120.2%	64.2%
EBIT Adj	279.9%	-83.5%	121.6%	945.0%	140.8%	67.1%
Net Profit Adj	nm	-92.1%	211.2%	1499.6%	138.9%	68.7%
EPS Adj	nm	-92.1%	211.2%	1499.6%	138.9%	68.7%
DPS						

\*Excluding extraordinary items

Source: Intermonte SIM estimates

## 2H/FY22 results

- **FY22 results highlight strong growth...** CYB released a good set of financial figures, which showed an acceleration of growth and margins in the second half of the year. FY22 revenues came to €15.6mn (+76.4% YoY), slightly below our est. of €16.7mn (-7%), featuring strong growth at the Cyber Security & Device Security division (rev. at €11mn, i.e., +156% YoY), which is benefiting from investments on the commercial front aimed at enhancing service quality and growing in Managed Detection & Response (MDR). By contrast, revenues from Managed Services (€4.3mn) and Digital Transformation (€0.2mn) were almost flat YoY, highlighting an enhancement of the mix, with cybersecurity accounting for c.70% of revenues vs. 48% the previous year, in line with management's focus on high-margin business featuring recurring revenue, at 63% of the total for FY22 (€9.8mn). The shift vs our estimates is attributable to the concentration of client investments towards the end of the year. As at YE22, CYB had c.200 new clients in the cyber security field, with an average ticket of c.€50K, in line with its goal of increasing the share of larger and mid-size customers and improving the quality of products and services offered (cyber security perceived as a complex process involving consultancy and training on specific items). EBITDA came to €6.7mn, margin at 38%, vs our. est. of €8mn with margin at 43%.
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### Cyberoo: FY22 Results

(in EUR '000s)	1H21A	2H21A	FY21A	1H22A	2H22A	FY22A	2H22E	2H AvE	FY22E	FY AvE
<b>Cyber Security &amp; Dev. Sec.</b>	<b>1,223</b>	<b>3,086</b>	<b>4,309</b>	<b>3,567</b>	<b>7,446</b>	<b>11,013</b>	<b>8,518</b>	<b>-13%</b>	<b>12,085</b>	<b>-9%</b>
YoY	82.8%	220.8%	164.2%	191.7%	141.3%	155.6%	176.0%		180.5%	
% Net Sales	35%	58%	49%	61%	76%	71%	78%		72%	
<b>Managed Services</b>	<b>2,155</b>	<b>2,166</b>	<b>4,321</b>	<b>2,121</b>	<b>2,241</b>	<b>4,362</b>	<b>2,295</b>	<b>-2%</b>	<b>4,416</b>	<b>-1%</b>
YoY	7.2%	24.7%	15.3%	-1.5%	3.4%	0.9%	5.9%		2.2%	
% Net Sales	62%	41%	49%	37%	23%	28%	21%		26%	
<b>Digital Transformation</b>	<b>96</b>	<b>92</b>	<b>188</b>	<b>113</b>	<b>65</b>	<b>178</b>	<b>113</b>	<b>-42%</b>	<b>226</b>	<b>-21%</b>
YoY	-23.7%	13.1%	-9.2%	17.9%	-29.3%	-5.3%	22.2%		20.0%	
% Net Sales	3%	2%	2%	0%	0%	1%	0%		1%	
<b>Total Net Sales</b>	<b>3,473</b>	<b>5,345</b>	<b>8,818</b>	<b>5,802</b>	<b>9,752</b>	<b>15,554</b>	<b>10,925</b>	<b>-11%</b>	<b>16,727</b>	<b>-7%</b>
YoY	23.8%	92.2%	57.9%	67.0%	82.5%	76.4%	104.4%		89.7%	
Capitalized R&D costs	943	493	1,436	751	983	1,734	749	31%	1,500	16%
Other revenue	70	155	225	175	101	275	125		300	
Production Value	4,486	5,993	10,479	6,727	10,836	17,563	11,800	-8%	18,527	-5%
YoY	13.4%	63.0%	37.3%	49.9%	80.8%	67.6%	96.9%		76.8%	
<b>EBITDA</b>	<b>450</b>	<b>2,006</b>	<b>2,456</b>	<b>1,925</b>	<b>4,810</b>	<b>6,735</b>	<b>6,043</b>	<b>-20%</b>	<b>7,968</b>	<b>-15%</b>
% Margin on Prod. Value	10.0%	33.5%	23.4%	28.6%	44.4%	38.4%	51.2%		43.0%	
<b>EBIT</b>	<b>-414</b>	<b>830</b>	<b>416</b>	<b>900</b>	<b>3,446</b>	<b>4,346</b>	<b>4,836</b>	<b>-29%</b>	<b>5,736</b>	<b>-24%</b>
% Margin on Prod. Value	-9.2%	13.8%	4.0%	13.4%	31.8%	24.7%	41.0%		31.0%	
<b>Net Income</b>	<b>-521</b>	<b>695</b>	<b>174</b>	<b>482</b>	<b>2,306</b>	<b>2,788</b>	<b>3,139</b>	<b>-27%</b>	<b>3,621</b>	<b>-23%</b>
<b>EBITDA excl. R&amp;D CapEx</b>	<b>-493</b>	<b>1,513</b>	<b>1,020</b>	<b>1,174</b>	<b>3,828</b>	<b>5,002</b>	<b>5,294</b>	<b>-28%</b>	<b>6,468</b>	<b>-23%</b>
<b>NFP</b>	<b>-221</b>	<b>-268</b>	<b>-268</b>	<b>-820</b>	<b>1,893</b>	<b>1,893</b>	<b>1,229</b>		<b>1,229</b>	

Source: Intermonte SIM

## New vs. old estimates

### Cyberoo: New vs old estimates

	2023N	2024N	2023O	2024O	Chg. 2023	Chg. 2024
Cyber Security & Device Security	19.2	27.5	21.3	31.8	-10%	-14%
YoY	74.7%	42.9%	76.1%	49.6%		
Managed Services	4.7	5.0	5.0	5.9	-7%	-16%
YoY	7.0%	7.2%	13.2%	18.7%		
Digital Transformation	0.2	0.3	0.3	0.4	-21%	-21%
YoY	40.0%	30.0%	40.0%	30.0%		
<b>Total Net Sales</b>	<b>24.2</b>	<b>32.8</b>	<b>26.6</b>	<b>38.2</b>	<b>-9%</b>	<b>-14%</b>
YoY	55.3%	35.9%	59.0%	43.6%		
<b>Production Value</b>	<b>26.7</b>	<b>35.6</b>	<b>28.2</b>	<b>39.7</b>	<b>-5%</b>	<b>-10%</b>
YoY	52.0%	33.4%	52.4%	40.5%		
<b>EBITDA</b>	<b>13.3</b>	<b>20.6</b>	<b>16.5</b>	<b>26.7</b>	<b>-20%</b>	<b>-23%</b>
% Margin	49.7%	57.8%	58.4%	67.4%		
YoY	96.9%	55.2%	107.0%	62.0%		
<b>EBITDA excluding R&amp;D Capex</b>	<b>11.0</b>	<b>18.1</b>	<b>15.0</b>	<b>25.2</b>	<b>-27%</b>	<b>-28%</b>
% Margin	45.6%	55.1%	56.4%	66.1%		
YoY %	120.2%	64.2%	131.9%	68.2%		
EBIT	10.5	17.5	14.1	24.2	-26%	-28%
% Margin (on net sales)	39.2%	49.1%	49.9%	61.0%		
YoY	140.8%	67.1%	145.9%	71.6%		
<b>EPS Diluted</b>	<b>0.34</b>	<b>0.57</b>	<b>0.43</b>	<b>0.75</b>	<b>-23%</b>	<b>-24%</b>
Capex	-3.6	-4.0	-3.0	-2.6		
FCF	4.1	7.7	4.3	11.5		
<b>Net Debt (Cash)</b>	<b>-7.1</b>	<b>-14.9</b>	<b>-6.7</b>	<b>-18.3</b>		
Net Debt (Cash) / EBITDA	-0.5x	-0.7x	-0.4x	-0.7x		

Source: Intermonte SIM

## Key financials

### Cyberoo: Profit & Loss Statement

	FY19A	FY20A	FY21A	FY22A	FY23E	FY24E
<b>Total Net Sales</b>	<b>5,623</b>	<b>5,586</b>	<b>8,818</b>	<b>15,553</b>	<b>24,153</b>	<b>32,829</b>
Increase in Fix. Assets for int. works	851	1,478	1,436	1,734	2,250	2,500
Other revenue	250	570	225	275	300	300
<b>Production Value</b>	<b>6,724</b>	<b>7,634</b>	<b>10,480</b>	<b>17,562</b>	<b>26,703</b>	<b>35,629</b>
Raw materials	-2,168	-1,789	-2,772	-3,641	-4,800	-5,200
<b>Gross Margin</b>	<b>4,556</b>	<b>5,845</b>	<b>7,708</b>	<b>13,922</b>	<b>21,903</b>	<b>30,429</b>
% Margin	68%	77%	74%	79%	82%	85%
Costs to produce	-4,269	-5,750	-8,023	-10,828	-13,442	-15,049
% Net sales	-75.9%	-102.9%	-91.0%	-69.6%	-55.7%	-45.8%
<b>EBITDA</b>	<b>2,455</b>	<b>1,884</b>	<b>2,456</b>	<b>6,735</b>	<b>13,262</b>	<b>20,580</b>
% Margin	36.5%	24.7%	23.4%	38.3%	49.7%	57.8%
D&A	-1,319	-1,697	-2,041	-2,390	-2,800	-3,100
<b>EBIT</b>	<b>1,136</b>	<b>188</b>	<b>416</b>	<b>4,345</b>	<b>10,462</b>	<b>17,480</b>
% Margin	16.9%	2.5%	4.0%	24.7%	39.2%	49.1%
Net Financial costs	-87	-91	-137	-244	-250	-250
<b>PBT</b>	<b>1,050</b>	<b>97</b>	<b>279</b>	<b>4,101</b>	<b>10,212</b>	<b>17,230</b>
Tax	-345	-41	-108	-1,312	-3,574	-6,030
Tax rate %	-33%	-42%	-39%	-32%	-35%	-35%
<b>Net Income</b>	<b>705</b>	<b>56</b>	<b>174</b>	<b>2,787</b>	<b>6,658</b>	<b>11,229</b>
NOSH avg (mn)	0.0	0.0	0.0	0.0	0.0	0.0
EPS	0.05	0.00	0.01	0.14	0.34	0.57

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

### Cyberoo: Cash Flow Statement

	FY19A	FY20A	FY21A	FY22A	FY23E	FY24E
Net Income	705	56	174	2,787	6,658	11,229
D&A	1,319	1,697	2,041	2,390	2,800	3,100
Change in WC	-1,318	-174	-1,648	-375	-1,830	-2,653
Other	-197	-238	49	0	0	0
<b>CF from Operations</b>	<b>509</b>	<b>1,341</b>	<b>616</b>	<b>4,802</b>	<b>7,628</b>	<b>11,677</b>
Net Capex	-3,883	-2,948	-3,322	-2,983	-3,550	-3,950
<b>FCF</b>	<b>-3,374</b>	<b>-1,608</b>	<b>-2,706</b>	<b>1,819</b>	<b>4,078</b>	<b>7,727</b>
M&A and others	-491	-19	-2	-350	0	0
Capital Increase	7,635	464	810	385	1,162	0
Dividend Payment	0	0	0	0	0	0
<b>Net Cash Flow</b>	<b>3,770</b>	<b>-1,761</b>	<b>-1,796</b>	<b>2,161</b>	<b>5,240</b>	<b>7,727</b>
Net Debt (Cash) at BoP	481	-3,289	-1,528	268	-1,893	-7,133
Net Debt / (Cash) at EoP	-3,289	-1,528	268	-1,893	-7,133	-14,859
<b>Net Debt/EBITDA</b>	<b>-1.3x</b>	<b>-0.8x</b>	<b>0.1x</b>	<b>-0.3x</b>	<b>-0.5x</b>	<b>-0.7x</b>

Source: Intermonte SIM

## Investment Case and Valuation

FY22 results provide evidence of the effectiveness of the CYB business model, able to combine solid growth with high profitability and sound cash generation. The Gartner ranking of CYB among the top 50 MDR vendors in the world (and the only Italian among the 12 European firms chosen) is further proof of the quality of its offering. We reiterate our positive view on the stock and raise our TP to €7.50 (from €5.50). Our valuation models are still based on market multiples, but now include 2023/24 figures to factor higher visibility on the business and better capture the fast-growth profile of Cyberoo. Specifically, for valuation purposes we assume multiples of:

- 10x/7x 2023E/24E EV/ EBITDA.
- 20x/15x 2023E/24E P/E.

### 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
EBITDA FY23E	13.3	10.0x	132.6	7.1	-0.5	139.2	19.9	7.0
EBITDA FY24E	20.6	7.0x	144.1	14.9	-0.5	158.4	19.9	8.0
EPS FY23E	0.34	20.0x				133.2	19.9	6.7
EPS FY24E	0.57	15.0x				168.4	19.9	8.5
<b>Average</b>						<b>149.8</b>		<b>7.5</b>

Source: Intermonte SIM

At our TP of €7.5, Cyberoo would trade at 12.5x EV/EBITDA adj. and 22x PE.

### Implicit multiples (current Market Price vs. Intermonte Target Price)

Year	FY23E		FY24E	
	Current Price	Target Price	Current Price	Target Price
Stock price	5.98	7.50	5.98	7.50
NOSH	19.3	19.3	19.3	19.3
<b>Mkt Cap</b>	<b>115.4</b>	<b>144.7</b>	<b>115.4</b>	<b>144.7</b>
Net Debt (Cash)	-7.1	-7.1	-14.9	-14.9
Provisions	0.5	0.5	0.5	0.5
<b>EV</b>	<b>108.7</b>	<b>138.0</b>	<b>101.0</b>	<b>130.3</b>
EV/Sales	4.5x	5.7x	3.1x	4.0x
EV/Prod Value	4.1x	5.2x	2.8x	3.7x
EV/EBITDA	8.2x	10.4x	4.9x	6.3x
<b>EV/EBITDA (ex. R&amp;D)</b>	<b>9.9x</b>	<b>12.5x</b>	<b>5.6x</b>	<b>7.2x</b>
EV/EBIT	10.4x	13.2x	5.8x	7.5x
<b>PE</b>	<b>17.6x</b>	<b>22.1x</b>	<b>10.6x</b>	<b>13.3x</b>
PB	5.1x	6.3x	3.4x	4.2x
<b>EV/OpCF</b>	<b>14.3x</b>	<b>18.1x</b>	<b>8.6x</b>	<b>11.2x</b>
EV/FCF	26.7x	33.9x	13.1x	16.9x
Dividend Yield	0.0%	0.0%	0.0%	0.0%
FCF Yield	3.5%	2.8%	6.7%	5.3%

Source: Intermonte SIM

## Cyberoo in Brief

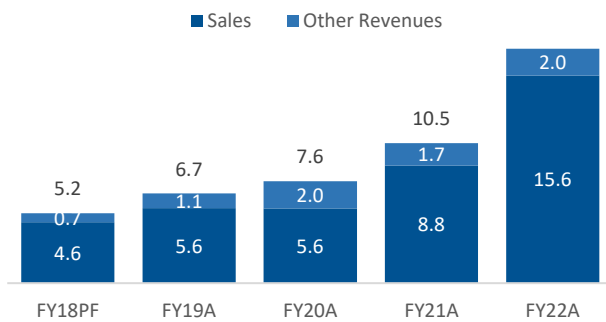
### Company description

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

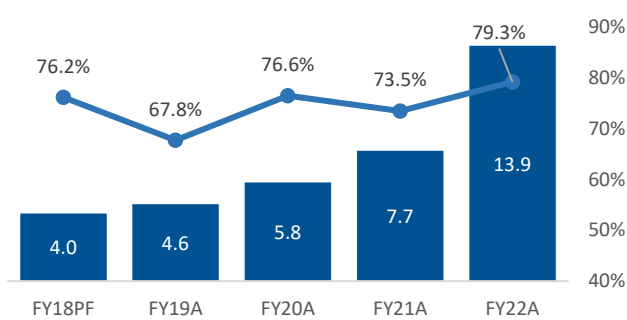
- Extensive national distribution network through partnerships
- Industry recognition of CYB's MDR offering (Gartner)
- Recurring revenue model
- Growing demand for MDR/MSP from Italian SMEs
- Scarcity of Italian cybersecurity professionals
- Advanced AI capabilities

CYB: Breakdown of production value (€mn)



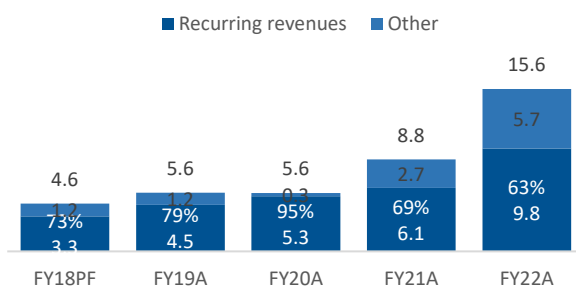
Source: Company data

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



Source: Company data

CYB: Recurring revenue vs net sales (€mn)



Source: Company data

### Management

**CEO and CFO:** F. Leonardi

**Chairman:** M. Bonifati

**Next BoD renewal:** March 2024

**BoD independent members:** 2/7

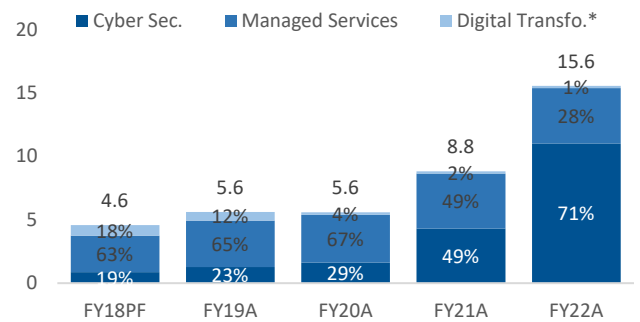
### Shareholders

SEDOC (direct & indirect)	62.7%
Fabio Leonardi *	2.5%
Davide 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

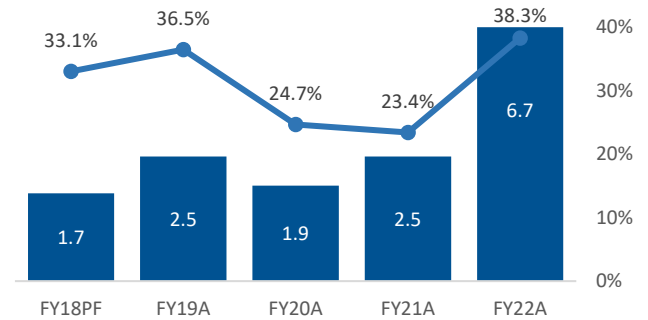
- Small in size compared to large international players
- Conservative accounting of commercial discounts
- Crowded Italian IT outsourcing market
- Significant exposure to the Ukraine
- Relationship with parent SEDOC is a potential source of conflict of interest

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



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

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



Source: Company data

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	CYBEROO		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	7.50	Previous Target (Eu):	5.50
Current Price (Eu):	5.98	Previous Price (Eu):	3.80
Date of report:	04/04/2023	Date of last report:	10/10/2022



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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 4.0% and a risk premium of 5.5% 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 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.

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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 2022 Intermonte's Research Department covered 121 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	20.83 %
OUTPERFORM:	51.67 %
NEUTRAL:	25.83 %
UNDERPERFORM	01.67 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (51 in total) is as follows:

BUY:	39.22 %
OUTPERFORM:	49.02 %
NEUTRAL:	11.76 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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