Promotica S.p.A.

Loyalty Program

Loyalty Pays Off

ADD| Fair Value: €5.15 (€5.28) | Current Price: €2.18| Upside: +136%

Research Update

November 3rd, 2025 – 7.00h

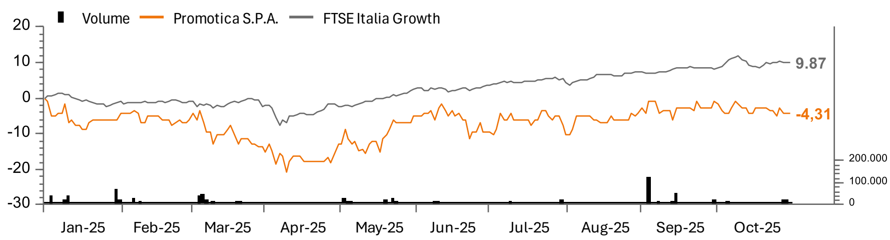
€ Million	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Sales Revenues	89.9	84.5	96.0	135.0	136.8	148.8	162.1
Total Revenues	91.3	85.5	98.0	137.0	138.8	151.1	164.5
EBITDA	5.5	7.8	6.0	12.2	13.9	16.2	18.8
margin	*6.0%*	*9.1%*	*6.2%*	*8.9%*	*10.0%*	*10.7%*	*11.4%*
Net Profit	3.2	3.4	1.6	6.5	8.0	10.1	12.1
margin	*3.5%*	*3.9%*	*1.6%*	*4.7%*	*5.8%*	*6.7%*	*7.4%*
Free Cash Flows	(7.8)	(6.4)	7.4	8.7	7.2	7.9	9.2
Net Debt (Net Cash)	18.1	25.5	19.3	12.1	5.7	(1.9)	(11.1)

1H25 Financial Results. On September 29th, 2025, Promotica reported Sales Revenues of €68.2mn, up +12% YoY (vs €60.7mn in 1H24) and 5% below estimates (€71.5mn). The performance was supported by the solid contribution of domestic campaigns and the continued expansion of international operations (€6.6mn vs €6.1mn in 1H24), with several large-scale loyalty projects launched in late 2024 now fully consolidated. EBITDA increased to €5.5mn (+20% YoY), with a margin of 8.0% (+0.5pp YoY), mainly reflecting a lower Products and Raw materials incidence (65.5% of sales vs 69.5% in 1H24), a higher Cost of Services incidence of 18.7% (+2.3pp YoY) driven by consulting, logistics, and outsourcing expenses. Net Income rose to €2.7mn (+36% YoY, 3.9% margin, +0.6p.p.). NFP stood at €21.0mn (vs €19.3mn at FY24), reflecting the cyclical absorption of working capital in 1H (€6.8mn) and the FY24 dividend payment (€1.5mn), partially offset by operating cash generation (€0.9mn) and limited capex.

Change in Estimates. Following the release of 1H25 results, we have revised FY25–28E estimates to reflect updated assumptions on growth trajectory, operating costs' structure, and the divestment of the 9.65% stake in Preziosi Food by Grani & Partners. Total revenues for FY25E remain confirmed at €137.0mn, while FY26E was reduced by 7% to €138.8mn, reflecting a stabilization phase following the high volume of campaigns acquired and executed over 2024–25, before returning to a sustained 8–9% annual growth path from FY27E onward. EBITDA for FY25E is expected at €12.2mn (margin at 8.9%, −0.5pp vs previous est.), mainly reflecting a higher incidence of personnel costs (7.0% of sales vs 6.5% previously) following the internal reorganization carried out in 1H25. Profitability is projected to normalize from FY26E, with margins gradually improving up to 11.4% in FY28E. NFP is expected at €12.1mn (vs €12.5mn old) from €19.3mn in FY24, supported by €8.0mn of operating CF and €1.8mn net proceeds from the divestment of the 9.65% stake in Preziosi Food, partially offset by €1.5mn dividends and €1.1mn maintenance capex.

Valuation. Our valuation – based on DCF method (10.6% WACC; 2% g) – returns an equity value of €87.6mn or a fair value of €5.15ps, implying an upside of +136% on the current price, implying an EV/EBITDA multiple of 8.8x for FY25E (7.7x on FY26E EBITDA).

Performance Chart – YTD



Equity Research Team
connect@ktepartners.com

Michele FILIPPIG
mfilippig@ktepartners.com
+39 331 631 6783

Francesco MAMBELLA
fmambella@ktepartners.com
+39 331 631 0793

Carlo Alberto MORLETTO
cmorletto@ktepartners.com
+39 331 592 2660

Market Data	
Mkt Cap (€ mn)	37.1
EV (€ mn)	56.5
Shares out. (mn)	17.0
Free Float	16.2%

Market multiples	2025E	2026E
EV/Sales		
Promotica S.p.A.(KT&P Val.)	0.8x	0.8x
Promotica S.p.A.(Market Val.)	0.4x	0.4x
EV/EBITDA		
Promotica S.p.A.(KT&P Val.)	8.8x	7.7x
Promotica S.p.A.(Market Val.)	4.7x	4.1x

Stock Data	
52 Wk High (€)	2.46
52 Wk Low (€)	1.77
Avg. Daily Trading 90d (€ k)	16.7
Price Change 1w (%)	-1%
Price Change 1m (%)	-3%
Price Change YTD (%)	-4%

Via della Posta, 10 - Piazza Affari, 20123 Milan- Italy
Tel: +39.02.83424007 Fax: +39.02.83424011
segreteria@ktepartners.com

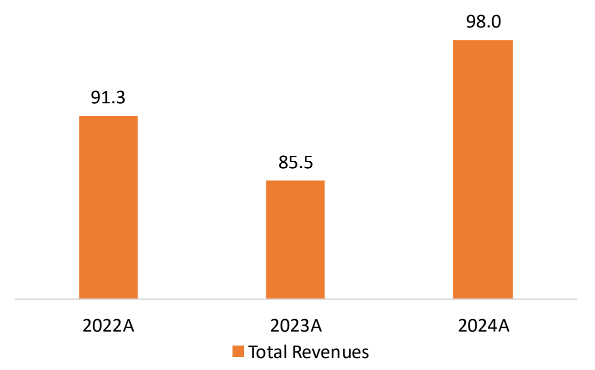
Key Figures

Per Share Data	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Total shares outstanding (mn)	16.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
EPS	0.1	0.2	0.2	0.1	0.4	0.5	0.6	0.7
Profit and Loss (EUR million)								
Sales Revenues	39.6	89.9	84.5	96.0	135.0	136.8	148.8	162.1
Total Revenues	40.1	91.3	85.5	98.0	137.0	138.8	151.1	164.5
growth (%)	-30.2%	127.5%	-6.3%	14.6%	39.8%	1.3%	8.8%	8.9%
EBITDA	2.0	5.5	7.8	6.0	12.2	13.9	16.2	18.8
EBITDA margin (%)	5.1%	6.0%	9.1%	6.2%	8.9%	10.0%	10.7%	11.4%
EBIT	1.5	4.2	6.3	4.3	10.5	12.2	14.4	17.0
EBIT margin (%)	3.7%	4.6%	7.4%	4.4%	7.6%	8.8%	9.6%	10.3%
Net Income	1.4	3.2	3.4	1.6	6.5	8.0	10.1	12.1
Net Income margin (%)	3.6%	3.5%	3.9%	1.6%	4.7%	5.8%	6.7%	7.4%
Balance Sheet (EUR million)								
Total fixed assets	8.8	11.1	11.7	11.1	9.1	8.8	8.5	8.3
Trade Working Capital (TWC)	16.8	28.7	41.6	29.8	33.9	36.4	39.8	43.6
Total Net capital employed	24.8	36.4	47.3	42.6	40.4	42.0	44.4	47.4
Net financial position/(Cash)	12.4	18.1	25.5	19.3	12.1	5.7	(1.9)	(11.1)
Total Shareholder's Equity	12.4	18.3	21.8	23.3	28.2	36.3	46.4	58.5
Cash Flow (EUR million)								
Operating cash flow	n.a.	(4.4)	(3.8)	8.2	8.0	7.6	8.8	10.5
Change in TWC	n.a.	(12.9)	(8.5)	4.5	(4.1)	(2.5)	(3.4)	(3.8)
Capital expenditure	(4.0)	(3.4)	(1.9)	(0.9)	0.7	(1.1)	(1.2)	(1.4)
Free cash flow	(8.7)	(7.8)	(6.4)	7.4	8.7	7.2	7.9	9.2
Enterprise Value (EUR million)								
Market Cap	49.4	50.4	41.7	39.3	37.1	37.1	37.1	37.1
Net financial position/(Cash)	12.4	18.1	25.5	19.3	12.1	5.7	(1.9)	(11.1)
Minorities	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Enterprise value	62.0	68.6	67.5	58.7	49.4	42.9	35.3	26.2
Ratios								
Gearing - Debt/equity	100%	99%	117%	83%	43%	16%	-4%	-19%
NFP/EBITDA	6.1x	3.3x	3.3x	3.2x	1.0x	0.4x	-0.1x	-0.6x
ROCE	6%	11%	13%	10%	26%	29%	33%	36%
ROE	11%	18%	15%	7%	23%	22%	22%	21%
TWC/Sales	42%	32%	49%	31%	25%	27%	27%	27%
Free cash flow yield	-15%	-14%	-11%	13%	15%	13%	14%	16%
Multiples (x)								
EV/Sales	1.4x	0.6x	0.7x	0.6x	0.4x	0.4x	0.4x	0.3x
EV/EBITDA	27.7x	10.3x	7.2x	9.4x	4.7x	4.1x	3.5x	3.0x
P/E	26.0x	11.5x	11.1x	23.8x	5.7x	4.6x	3.7x	3.1x

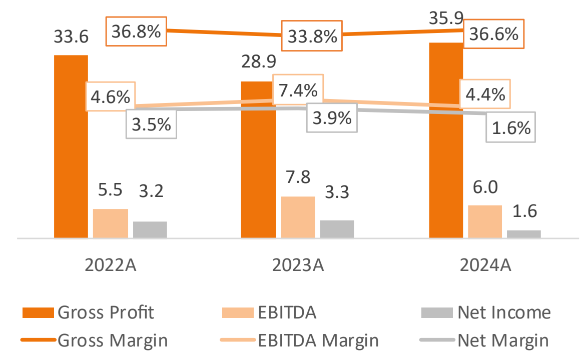
Source: Company Data (2021-2024), KT&Partners' forecasts (2025-2028)

Key Charts

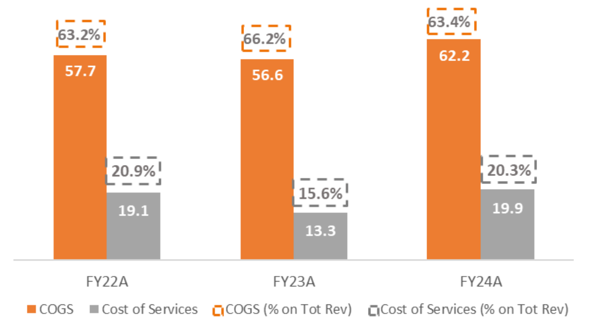
Total Revenues (€mn)



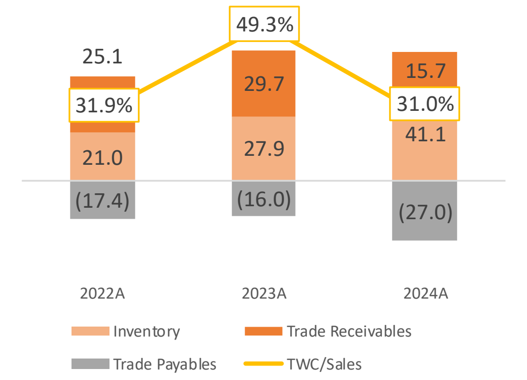
Gross Profit, EBITDA and Net Income (€mn, %)[1]



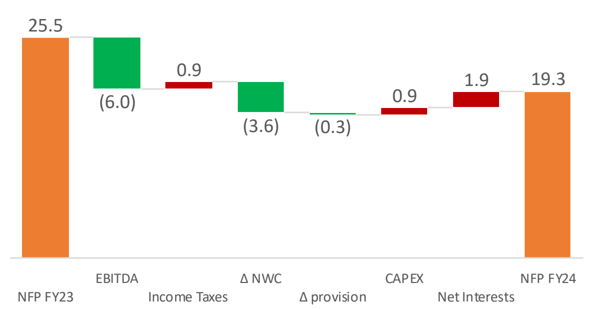
COGS & Cost of Services (€mn, %)



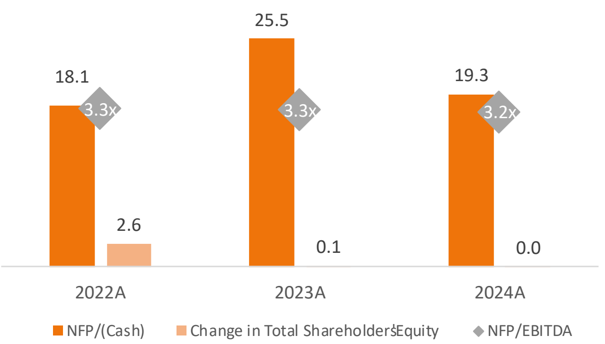
Trade Working Capital (€mn, %)



NFP Bridge FY23-24 (€mn)



NFP, Change in Shareholders' Equity and NFP/EBITDA (€mn)



Source: KT&Partners' Elaboration on Company Data

[1] Margins are calculated on Total Revenues

Overview

Company Description

Promotica S.p.A., an Italian company established in 2003 in Desenzano del Garda (BS), is a leader in the Italian loyalty sector.

Promotica offers a 360° consultancy service dedicated to promotional planning and development, managing each phase: from planning to the measurement of results and data management. Promotica, through its promotional campaigns, has the aim to increase its clients' sales: improving "brand advocacy," increasing wallet share, intensifying visitor frequency, and increasing spending volumes.

Promotica's main goal is to propose the most complete and suitable solution to its clients' needs, providing a portfolio of personalized campaigns based on specific customer requests and needs. Indeed, Group offers a range from short collection and self-liquidating campaigns to a catalogue of awards.

Over the years, Promotica has boosted its growth also thanks to its M&A track record. Indeed, over the last two years, the Company has completed strategic acquisitions aimed at expanding its tailor-made offer: i) in 2020, Promotica acquired 100% of Kiki Lab - Ebeltoft Italy, a Company with a consolidated experience in the field of research, training, and services for the retail world; ii) in 2021, Promotica acquired 80% of Grani & Partners, one of the leading global players on the promotional market for products dedicated to children mainly in large-scale organized distribution; iii) in 2022, Promotica acquired the Incentive & Loyalty business unit owned by Giglio Group S.p.A., introducing the use of new software and platforms for data management and analysis; and iv) still in 2022, Promotica acquired Mercati S.r.l., an Italian company active in the production and import of household, personal, and leisure items; v) In January 2023, Promotica S.p.A signed the option contract for the purchase of the remaining 20% of Grani & Partners S.p.A. by La Portile S.r.l.; and vi) In October 2025, Promotica finalized the acquisition of the remaining 20% stake in Grani & Partners from La Portile S.r.l., thus completing the full ownership of the company.

In recent years, Promotica has significantly expanded its international presence, marking a pivotal milestone in its growth trajectory. The company's strategic initiatives in 2023 include the establishment of a dedicated International Division, tasked with leading market entry into 18 countries and engaging with over 50 potential clients. This expansion has been highlighted by the successful launch of a major promotional campaign in Poland, initiated in February 2024, signaling Promotica's commitment to global market penetration and brand consolidation beyond Italy's borders.

Notwithstanding the economic slowdown due to the COVID-19 pandemic, thanks to its management strategy focused on i) expanding Group's product portfolio; ii) broadening its customer base, and iii) innovating constantly its services, since 2017, the Group has showed a constant and considerable sales growth and profitability. Indeed, Promotica Group's sales grew with a CAGR19-24 of 21%.

Investment Case

A consolidated leader in the Loyalty market… With almost 20 years of experience, Promotica is one of the Italian leading companies active in the loyalty sector. Promotica offers a 360° consultancy service dedicated to promotional planning and development, aiming to improve its clients' sales through consumer loyalty, increasing: "brand advocacy," wallet share, visitors' frequency, and spending volumes.

…gaining new market share through its M&A activities... Nonetheless the Italian loyalty program industry is becoming even more competitive. In recent years, PMT gained significant market share thanks to its last four strategic acquisitions, which had also the aim to strengthen the Group offer: i) in 2020, PMT acquired 100% of Kiki Lab - Ebeltoft Italy, a company with consolidated experience in research, training, and services related to the retail world; ii) in November 2021, it acquired 80% of Grani & Partners S.r.l, one of the main players at a global level in the promotional market for products dedicated to children; iii) in March 2022, Promotica acquired the Incentive & Loyalty Business Unit owned by Giglio Group S.p.A. to further consolidate its position in the loyalty sector, with new expertise in the Martech area; iv) in June 2022, PMT continues to strengthen its value chain through the acquisition of the 100% of Mercati S.r.l, specialized in the creation, design, and import of items for the home, person and leisure, conceived in an innovative and cosmopolitan way with the right relationship between style and practicality; v) In January 2023, Promotica S.p.A signed the option contract for the purchase of the remaining 20% of Grani & Partners S.p.A. by La Portile S.r.l.; and vi) In October 2025, Promotica finalized the acquisition of the remaining 20% stake in Grani & Partners from La Portile S.r.l., thus completing the full ownership of the company.

… offering a wide range of tailor-made services and activities... Promotica's main goal is to propose the most completed and suitable solution to its clients' needs, providing a portfolio of personalized campaigns based on specific customer requests***.***

…to its high standing clients… Promotica's customer portfolio includes leading brands active mainly in large-scale distribution, industrial, pharmaceutical, financial, and oil sectors and widely known internationally. Over the years, Promotica strengthened strong relationship with its customers, proposing campaigns designed and planned on their specific needs, anticipating market trends.

…all while being a sustainable and inclusive ESG Company. Promotica pays strong attention to create a welcoming and people-oriented work environment, constantly striving to enhance and develop each employee's professional skills. For Promotica, people are the heart of Group's business, as the Group believes that, thanks to capable and motivated people, the Company can achieve excellent goals and produce successful products. Moreover, Promotica is strongly committed to environmental responsibility. Indeed, in the coming years, the Group is aimed at improving energy efficiency through the construction of the new zero energy impact headquarters, powered by geothermal energy, equipped with a photovoltaic system, with charging points for electric cars and bicycles. Furthermore, the Group's objectives also include its intention to purchase 100% of its energy consumption from certified renewable sources and to reach carbon neutrality.

Statement of risks. One of the main services that Promotica offers to its customers is the returns policy of any unclaimed prizes at the end of each campaign, having a potential impact in the management of Promotica's warehouse. However, thanks to proprietary algorithms, the Company seeks to minimize unredeemed premiums from consumers and the consequent returns at the end of the campaign (historically with an average <10%), also planning their reuse in new campaigns. Moreover, given the higher concentration of large-scale distribution clients, Promotica aims to expand its customer base by entering into new markets (such as Food Delivery) and consolidating its position in markets where the Company is already active, such as Pharmaceutical and Petroleum. Finally, given the key role that suppliers play in Promotica's business model, the Company, thanks to its long-standing relationships, is used to stipulate medium-long term procurement contracts, guarantying thus a minimum volume of products to be delivered.

Recent Developments

- ***Acquisition of Remaining Stake in Grani & Partners.*** On October 27th, 2025, Promotica completed the acquisition of the remaining 20% stake in Grani & Partners S.p.A. from La Portile S.r.l., following the exercise of the call option signed in January 2023, thus reaching 100% ownership of the company. The transaction, finalized for a consideration of €1,000, marks the full integration of Grani & Partners within the Group.

- ***Launch of Loyalty Campaign in Taiwan with 7-Eleven.*** On September 9th, 2025, Promotica launched a new international campaign in Taiwan in partnership with 7-Eleven, the country's largest retail chain with over 7,000 stores. The initiative features collectible miniatures and lifestyle accessories from Italian automobile brands, supporting Promotica's international expansion and brand positioning.

- ***Launch of Coop Italia Campaign Featuring Alessi and School Initiative.*** On August 28th, 2025, Promotica launched a dual campaign with Coop Italia across participating stores, combining the "Design da collezione" short collection—featuring Alessi's Mami and Bark product lines—with the educational project "Coop per la Scuola 2025." The initiative runs until November 19th, 2025, offering design rewards to customers and school vouchers supporting a national climate-themed contest in partnership with Giunti Scuola and Giffoni Film Festival.

- ***Divestment of Stake in Preziosi Food and Earn-Out Settlement.*** On July 31st, 2025, Promotica announced that its 80%-owned subsidiary Grani & Partners sold its 9.65% stake in Preziosi Food to Foster Clark Products for a consideration of €3.3mn. On August 4th, 2025, the company paid a €1.5mn earn-out to Giochi Preziosi, equal to 60% of the capital gain, as per the 2021 acquisition agreement for Grani & Partners.

- ***New campaign launched in Poland with Stokrotka.*** On April 3rd, 2025, Promotica launched a new loyalty campaign in nearly 1,000 Stokrotka stores across Poland, featuring the "Gallery" porcelain collection by Easy Life.

- ***First collaboration with Eurospin featuring Sonic.*** On March 17th, 2025, Promotica announced its first partnership with Eurospin across Italy, Slovenia, and Croatia through the "Sonic CalamitiCar 2025" campaign, targeting children with exclusive collectibles and a custom mobile app.

- ***First campaign launched with Esselunga.*** On February 6th, 2025, Promotica initiated its first loyalty campaign with Esselunga, offering Smeg's 50's Style breakfast appliances through a points-based collection, plus a final draw for 300 espresso machines.

- ***Launch of five campaigns for leading retailers.*** On December 3rd, 2024, Promotica announced the launch of five promotional campaigns in November for Coop, Carrefour, Desa and others, with a total value exceeding €24mn. The initiatives featured short collections with brands like Egan, Easy Life, and Alessi, and included a nationwide Coop Food Village tour

- ***Launch of Loyalty Campaign in Australia.*** On September 4th, 2024, Promotica S.p.A. announced the launch of its first loyalty campaign in Australia in collaboration with Drakes Supermarkets, the country's largest independent grocery retailer. Running until November 12th, the campaign rewards customer loyalty with Italian-designed household items such as vacuum-sealed glass containers, bags, and bottle caps by Giannini, a leading brand in home goods since 1951.

- ***Acquisition of Promotica Shares by Dieci.Sette S.r.l.*** On August 22nd, 2024, Promotica S.p.A. announced that Dieci.Sette S.r.l., a company wholly owned by CEO Diego Toscani, acquired 533,000 ordinary shares of Promotica (approximately 3.12% of the share capital) from shareholder Giochi Preziosi S.p.A. through a block trade transaction at a price of €1.79ps, for a total consideration of €954,070.

1H25 Financial Results

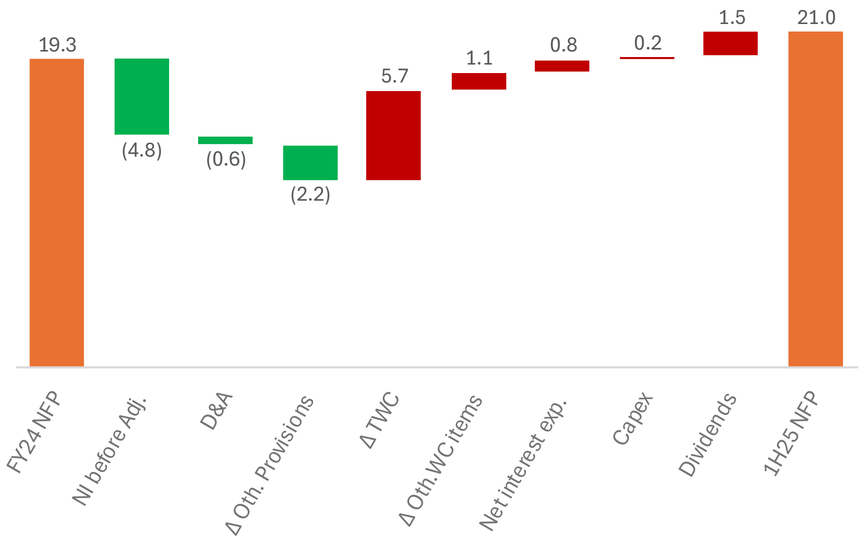
On September 29th, 2025, Promotica reported consolidated Sales Revenues of €68.2mn in 1H25, up +12% YoY from €60.7mn in 1H24, slightly below our estimates (€71.5mn, -5%). The increase was supported by the solid contribution of domestic campaigns and by the ongoing expansion of international operations, which generated €6.6mn (vs €6.1mn in 1H24). The performance reflected the execution of several major loyalty projects launched in late 2024, now fully consolidated in 1H25. Including Other Revenues of €1.1mn, total revenues reached €69.4mn, +12% YoY (-4% below est.).

At Group level, EBITDA rose to €5.5mn, up +20% YoY from €4.6mn in 1H24, with an EBITDA margin of 8.0% (vs 7.5% in 1H24, +0.5p.p.), -5% below estimates (€5.7mn). The improvement was supported by the stronger cost structure. Specifically, i) **Products and Raw Materials** totaling 65.5% of sales revenues (€44.7mn, vs 69.5% in 1H24 and €42.2mn), including roughly €0.5–0.6mn related to the international corporate event and an additional €0.2mn of one-off items; ii) **Cost of Services** rose to €12.7mn (18.7% of revenues, +3.3pp YoY), mainly driven by both consulting and professional services, and higher logistics and outsourcing expenses linked to campaign execution; iii) **Rental Costs** nearly doubled in absolute terms to €1.6mn (+98% YoY, with incidence increasing from 1.4% to 2.4%), mostly due to a temporary leasing of assets, costing approximately €20k per month during 1H25; and iv) **Personnel Expenses** stable at 6.6% of revenues.

Net Income rose to €2.7mn in 1H25, up +36% YoY from €2.0mn in 1H24 (-8% below est., €2.9mn), with a net margin of 3.9% (vs 3.3%).

Net Financial Position (NFP) stood at €21.0mn as of June 30th, 2025, compared with €19.3mn at FY24. The increase mainly reflected the seasonal absorption of net working capital (€6.8mn), consistent with the operational cycle and campaign phasing, and the dividend payment of €1.5mn. These outflows were only partially offset by positive operating cash generation (€7.6mn, gross of NWC) and limited capex (€0.2mn).

NFP Bridge FY24-1H25 (€mn)



Source: KT&Partners' elaborations on Company Data

1H24-25 A vs E Income Statement (€mn)

€ Millions	1H24A	FY24A	1H25A	YoY %	1H25E	A vs E %
Sales Revenues	**60.7**	**96.0**	**68.2**	**12%**	**71.5**	-5%
Growth %	*82.6%*	*13.7%*	*12.5%*			
Other Revenues	1.0	2.0	1.1		0.5	144%
Total Revenues	**61.7**	**98.0**	**69.4**	**12%**	**71.9**	-4%
Products and Raw materials	(42.2)	(62.2)	(44.7)	6%	(49.3)	-9%
Gross Profit	**19.5**	**35.9**	**24.7**	**26%**	**22.7**	9%
Gross Margin	*32.2%*	*37.3%*	*36.2%*		*31.7%*	
Cost of Services	(9.9)	(19.9)	(12.7)		(12.0)	
Rental Costs	(0.8)	(1.2)	(1.6)		(0.7)	
Personnel Expenses	(4.0)	(8.2)	(4.5)		(4.0)	
Other Operating Expenses	(0.3)	(0.6)	(0.3)		(0.3)	
EBITDA	**4.6**	**6.0**	**5.5**	**20%**	**5.7**	-5%
EBITDA margin	*7.5%*	*6.3%*	*8.0%*		*8.0%*	
D&A and Provisions	(0.7)	(1.7)	(0.6)	-17%	(0.7)	-18%
EBIT	**3.9**	**4.3**	**4.9**	**27%**	**5.0**	-3%
EBIT margin	*6.4%*	*4.5%*	*7.2%*		*7.0%*	
Financial Income and Expenses	(0.9)	(1.9)	(0.8)	-7%	(0.7)	27%
EBT	**3.0**	**2.5**	**4.0**	**37%**	**4.4**	-7%
Taxes	(1.0)	(0.9)	(1.4)		(1.4)	
Tax Rate	*-33.1%*	*-36.5%*	*-33.6%*		*-33.0%*	
Net Income	**2.0**	**1.6**	**2.7**	**36%**	**2.9**	-8%
Net margin	*3.3%*	*1.6%*	*3.9%*		*4.1%*	
Minorities	(0.2)	(0.1)	(0.2)	-9%	(0.0)	
Net Income attributable to the Group	**2.1**	**1.7**	**2.8**	**32%**	**2.9**	-3%
Net margin	*3.5%*	*1.7%*	*4.2%*		*4.1%*	

Source: Company data, KT&Partners' elaborations

Change in Estimates

Following the release of 1H25 results, we have revised FY25–28E estimates to reflect updated assumptions on growth trajectory, operating costs' structure, and the divestment of the 9.65% stake in Preziosi Food by Grani & Partners.

Total revenues for FY25E are expected to remain in line with previous forecasts, confirming the solid growth path recorded in 2024 and sustained by the strong contribution of both domestic and international campaigns already executed in 1H25. FY26E is projected to mark a phase of stabilization, with revenues essentially flat compared with FY25E (+1.3% YoY, -7% vs old est.), reflecting a normalization after the exceptionally high volume of contracts delivered over 2024–25. From FY27E onward, the Group is expected to return to a sustained growth trajectory, with an average annual rate of 8–9%.

EBITDA for FY25E is expected at €12.2mn, down 5% vs previous estimates, with an EBITDA margin of 8.9% (vs 9.3% previously). The revision mainly reflects a higher incidence of personnel expenses, now projected at 7.0% of sales (6.5% in old est.), following the internal reorganization started in FY24 implemented in 1H25. From FY26E onward, profitability is expected to normalize, with personnel costs returning to previous levels and EBITDA margins stabilizing at 10.0% in FY26E (unchanged vs prior estimates) and 11.4% in FY28E.

NFP for FY25E is expected at €12.1mn, improving from €19.3mn in FY24 and slightly better than the previous estimate (€12.5mn). The improvement mainly reflects: i) €8.0mn of operating cash flow generation; ii) the net positive impact of the divestment of the 9.65% stake in Preziosi Food by Grani & Partners to Foster Clark Products Limited for a consideration of €3.3mn, partially offset by the related €1.5mn earn-out payment to Giochi Preziosi; iii) €1.1mn of maintenance capex, of which approximately €0.65mn in tangible and €0.5mn in intangible assets; and iv) €1.5mn of Dividends paid in 1H25. Looking ahead, NFP is projected at €5.7mn net debt in FY26E (vs €8.0mn net debt previously) further improving to €11.1mn net cash in FY28E (vs €10.1mn old).

Change in Estimates (€mn)

€ Millions	2025E Old	2025E New	Change	2026E Old	2026E New	Change	2027E Old	2027E New	Change	2028E Old	2028E New	Change
Revenues	137.0	137.0	0%	149.0	138.8	-7%	162.1	151.1	-7%	176.5	164.5	-7%
YoY Change (%)	*39.8%*	*39.8%*		*8.7%*	*1.3%*		*8.8%*	*8.8%*		*8.9%*	*8.9%*	
EBITDA	12.8	12.2	-5%	14.9	13.9	-7%	17.4	16.2	-7%	20.1	18.8	-7%
EBITDA Margin	*9.3%*	*8.9%*	*-0.5%*	*10.0%*	*10.0%*	*0.0%*	*10.7%*	*10.7%*	*0.0%*	*11.4%*	*11.4%*	*0.0%*
EBIT	11.1	10.5	-6%	13.2	12.2	-8%	15.6	14.4	-7%	18.3	17.0	-7%
EBIT Margin	*8.1%*	*7.6%*		*8.9%*	*8.8%*		*9.6%*	*9.6%*		*10.4%*	*10.3%*	
Net Income	6.9	6.5	-7%	8.8	8.0	-9%	10.9	10.1	-8%	13.1	12.1	-7%
Net Margin	*5.1%*	*4.7%*		*5.9%*	*5.8%*		*6.7%*	*6.7%*		*7.4%*	*7.4%*	
NFP	12.5	12.1	(0.4)	8.0	5.7	(2.3)	(0.3)	(1.9)	(1.7)	(10.1)	(11.1)	(1.0)

Source: KT&Partners' elaborations on Company Data

Valuation

Overview

Following the projections of Promotica's future financials, we carried out the valuation of the company by applying the DCF methodology, which best captures the characteristics of Promotica's business model and the long-term dynamics of its growth strategy.

We do not rely on Market Multiples model since there are no listed companies that have: i) a business model and ii) growth rates similar to Promotica.

According to our valuation method, our estimated fair value is equal to €87.6mn or €5.15ps.

DCF Valuation

We conducted our valuation using a four-year DCF model, based on 14.4% cost of equity, 5.0% cost of debt, and a target capital structure of 67% equity and 33% debt. The cost of equity is a function of the risk-free rate of 3.52% (Italian 10y BTP, last 3 months average), 5.37% equity risk premium (Damodaran: Italian equity risk premium with country risk based on CDS spread) and a premium for size and liquidity of 3.1%. We, therefore, obtained 10.6% WACC.

We discounted 2025E–28E annual cash flows and considered a terminal growth rate of 2.0%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation

€ Millions	2025E	2026E	2027E	2028E
EBIT	**10.5**	**12.2**	**14.4**	**17.0**
Tax Rate	*-28%*	*-28%*	*-28%*	*-28%*
Taxes	(2.9)	(3.4)	(4.1)	(4.8)
D&A	1.4	1.5	1.5	1.6
Change in Net Working Capital	0.3	(2.5)	(3.4)	(3.8)
Change in Funds	0.6	0.6	0.6	0.7
Net Operating Cash Flow	**9.8**	**8.3**	**9.1**	**10.6**
Capex	(1.1)	(1.1)	(1.2)	(1.4)
FCFO	**8.7**	**7.2**	**7.9**	**9.2**
g	***2.0%***			
Wacc	***10.6%***			
FCFO (discounted)	8.5	6.4	6.3	6.7
Discounted Cumulated FCFO	27.9			
TV	109.0			
TV (discounted)	79.1			
Enterprise Value	**107.0**			
NFP FY24	19.3			
Minorities FY24	0.2			
Equity Value	**87.6**			
Current number of shares (mn)	17.0			
Value per share (€)	**5.15**			

Source: Company Data, KT&Partners' Elaboration

Sensitivity Analysis – Growth rate and WACC – (€mn)

€ Millions		WACC				
		10.9%	10.6%	10.6%	10.1%	9.9%
Terminal growth Rate	1.5%	80.5	83.1	82.9	88.8	91.9
	1.8%	82.7	85.4	85.2	91.4	94.7
	2.0%	85.0	87.9	87.6	94.2	97.6
	2.3%	87.4	90.4	90.2	97.1	100.8
	2.5%	89.9	93.2	92.9	100.2	104.1

Source: Company Data, KT&Partners' Elaboration

DISCLAIMER

THIS DOCUMENT WAS PREPARED BY MICHELE FILIPPIG – VICE PRESIDENT –, FRANCESCO MAMBELLA – ANALYST – AND CARLO ALBERTO MORLETTO – ANALYST – ON BEHALF OF KT&PARTNERS S.R.L., WITH REGISTERED OFFICE AT VIA DELLA POSTA 10, MILAN, ITALY, MILAN COMPANY REGISTER NO. 1926922, SPECIALIZING IN FINANCIAL RESEARCH AND ANALYSIS (HEREINAFTER, "KT&PARTNERS").

NO OTHER PEOPLE OR COMPANY CONTRIBUTED TO THE RESEARCH. NEITHER THE MEMBERS OF THE RESEARCH TEAM, NOR ANY PERSON CLOSELY ASSOCIATED WITH THEM HAVE ANY RELATIONSHIPS OR ARE INVOLVED IN CIRCUMSTANCES THAT MAY REASONABLY BE EXPECTED TO IMPAIR THE OBJECTIVITY OF THE RESEARCH, INCLUDING INTERESTS OR CONFLICTS OF INTEREST, ON THEIR PART OR ON THE PART OF ANY NATURAL OR LEGAL PERSON WORKING FOR THEM, WHO WAS INVOLVED IN PRODUCING THE RESEARCH.

FOR THIS PURPOSE, THE MEMBERS OF THE RESEACH TEAM CERTIFY THAT: (I) THEY HAVE NOT RECEIVED AND WILL NOT RECEIVE ANY DIRECT OR INDIRECT COMPENSATION IN EXCHANGE FOR ANY VIEWS EXPRESSED IN THE RESEARCH; (II) THEY DO NOT OWN ANY SECURITIES AND/OR ANY OTHER FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY OR ANY FINANCIAL INSTRUMENT WHICH THE PRICE DEPENDS ON, OR IS LINKED TO ANY SECURITIES AND/OR ANY FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY; (III) NEITHER THE ANALYSTS NOR ANY MEMBER OF THE ANALYST'S HOUSEHOLD SERVE AS AN OFFICER, DIRECTOR OR ADVISORY BOARD MEMBER OF THE COMPANY.

KT&PARTNERS HAS IN PLACE AN EQUITY RESEARCH POLICY, IN ORDER TO RULE RESEARCH SERVICES IN COMPLIANCE WITH PARLIAMENT REGULATION (EU) NO.596/2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 958/2016 ON MARKET ABUSE. IN THIS POLICY, THERE ARE ALSO DESCRIBED THE ORGANIZATIONAL MECHANISMS ADOPTED BY KT&PARTNERS TO PREVENT AND PROFESSIONALLY MANAGE CONFLICTS OF INTEREST THAT MAY BE ARISE DURING THE PERFORMANCE OF THE RESEARCH. IN ANY CASE, CHINESE WALLS AND OTHER INFORMATION BARRIERS ARE IN PLACE TO AVOID THE EXCHANGE OF CONFIDENTIAL INFORMATION BETWEEN THE EQUITY RESEARCH DEPARTMENT AND OTHER SERVICES AREAS.

KT&PARTNERS PREPARED THIS DOCUMENT ON BEHALF OF PROMOTICA S.P.A. ACCORDING TO AN AGREEMENT ENTERED WITH THE SAME AND ON THE BASIS OF THE DATA AND PUBLIC INFORMATION PROVIDED BY THE SAME OR DERIVED FROM SOURCES DEEMED SERIOUS AND RELIABLE ON THE FINANCIAL MARKET BUT WHOSE ABSOLUTE TRUSTWORTHINESS, COMPLETENESS, AND ACCURACY CANNOT BE GUARANTEED. THE FEES AGREED FOR THIS RESEARCH DO NOT DEPEND ON THE RESULTS OF THE RESEARCH.

KT&PARTNERS PREVIOUSLY RELEASED PROMOTICA EQUITY RESEARCH UPDATE ON JUNE 4TH, 2025, WITH A FAIR VALUE OF €5.28PS.

THIS DOCUMENT IS A SOURCE OF INFORMATION ONLY, AND IS NOT PART OF, AND IN NO WAY MUST BE CONSIDERED AN OFFER TO SELL, SUBSCRIBE OR TRADE, OR A SOLICITATION TO PURCHASE, SUBSCRIBE OR TRADE, FINANCIAL INSTRUMENTS/PRODUCTS, OR IN GENERAL TO INVEST, NOR MUST IT BE CONSIDERED ANY FORM OF CONSULTING FOR AN INVESTMENT IN FINANCIAL INSTRUMENTS.

THE INFORMATION PROVIDED IN THIS DOCUMENT MUST NOT BE UNDERSTOOD AS A REQUEST OR SUGGESTION TO CONDUCT OR CARRY OUT A SPECIFIC TRANSACTION.

EACH INVESTOR MUST FORM HIS/HER OWN OPINION BASED EXCLUSIVELY ON HIS/HER ASSESSMENT OF THE ADVISABILITY OF INVESTING. ANY INVESTMENT DECISION MADE ON THE BASIS OF THE INFORMATION AND ANALYSES IN THIS DOCUMENT IS THE EXCLUSIVE RESPONSIBILITY OF THE RECIPIENTS OF THIS DOCUMENT, WHO MUST CONSIDER THIS

DOCUMENT MERELY AS A SOURCE OF INFORMATION AND ANALYSIS TO SUPPORT SUCH DECISION.

ANY OPINIONS, FORECAST OR ESTIMATES CONTAINED HEREIN CONSTITUTE A JUDGEMENT AS AT THE DATE OF THIS DOCUMENT, AND THERE CAN BE NO ASSURANCE THAT THE FUTURE RESULTS OF THE COMPANY AND/OR ANY FUTURE EVENTS WILL BE CONSISTENT WITH ANY OF SUCH OPINIONS, FORECAST OR ESTIMATES.

KT&PARTNERS MAKES NO EXPLICIT OR IMPLICIT GUARANTEE WITH RESPECT TO PERFORMANCE OR THE OUTCOME OF ANY INVESTMENT OR PROJECTIONS MADE.

THEREFORE, KT&PARTNERS, ITS REPRESENTATIVES AND/OR EMPLOYEES WILL NOT BE LIABLE FOR ANY EFFECT DERIVING FROM THE USE OF THIS DOCUMENT, AND HEREBY DECLINE ALL LIABILITY FOR ANY DIRECT OR INDIRECT DAMAGES, FINANCIAL OR OTHERWISE, DERIVING FROM ANY USE OF THE INFORMATION IT CONTAINS.

KT&PARTNERS AIMS TO PROVIDE CONTINUOUS COVERAGE OF THE COMPANY IN CONJUNCTION WITH ANY EXCEPTIONAL EVENT THAT OCCURS AFFECTING THE ISSUER'S SPHERE OF OPERATIONS AND IN ANY CASE AT LEAST TWICE PER YEAR.

IN THIS STUDY DCF AND MULTIPLE VALUATION MODELS HAVE BEEN USED. RECOMMENDATIONS FOLLOW THE FOLLOWING RULES:

- ADD - FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD - FOR A FAIR VALUE <15% o >-15% ON CURRENT PRICE
- REDUCE - FOR A FAIR VALUE < -15% ON CURRENT PRICE

Via della Posta, 10 - Piazza Affari, 20123 Milano - Italy
Tel: +39.02.83424007 Fax: +39.02.83424011
segreteria@ktepartners.com