

Be Part of the Digital TRIBOO

ADD | Fair Value: €2.98 | Current Price: €1.34 | Upside: 122.4%

€ Million	FY18A	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Total Revenues	69.6	77.2	83.3	97.7	104.9	108.4	117.4	126.8
EBITDA	9.9	8.6	12.6	13.0	16.9	17.0	19.0	21.0
margin	14.2%	11.1%	15.2%	13.3%	16.1%	15.7%	16.1%	16.5%
Net Profit attributable to the Group	1.8	0.1	0.6	1.8	3.9	4.1	5.4	7.8
margin	2.5%	0.1%	0.7%	1.9%	3.7%	3.8%	4.6%	6.2%
EPS	0.1	0.0	0.0	0.1	0.1	0.1	0.2	0.3
NFP/(Cash)	6.1	9.9	5.6	2.4	(0.4)	(8.4)	(17.4)	(27.6)

Source: Company Data, KT&Partners' Elaboration

Overview. Triboo is a leading European Digital Transformation Factory supporting its customers in the set-up and management of their activities worldwide. Triboo is partner to many major international brands across a wide range of consumer industries, supporting their digital transformation with a complementary portfolio of high-quality services: i) E-commerce and Online to Offline; ii) Data & Technology; iii) Agency Services; iv) Media & Advertising and v) Consulting. Over the coming years, Triboo plans to enrich its portfolio of services and brand partners while expanding its international presence.

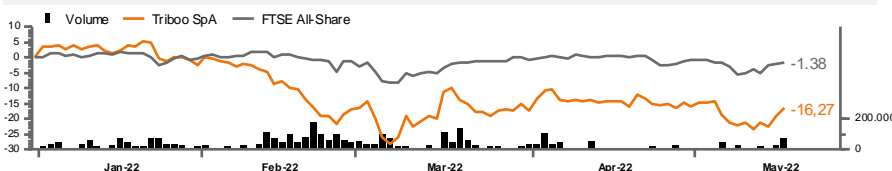
Market overview. Triboo is active in highly integrated markets with promising growth perspectives in coming years. In 2021, the worldwide e-commerce market reached €3,165bn (+11% YoY) and it is expected to grow at a CAGR21-25 of +9.6%. The Electronics segment was the first contributor with a 25% stake, while Asia represented the biggest market with a 52% stake. The global digital advertising market amounted to €412bn in 2021, and it is expected to grow at a CAGR21-26 of +9.1%. The US was the leading country (weighting for ca. 45%), expected also to lead the race in term of growth in 2021-26, together with Asia. Interesting developments are also expected from the branded entertainment market, that in 2021 experienced a YoY double-digit growth, amounting to €589mn.

Group historical figures. Triboo's sales revenues grew by +12% CAGR19-21, reaching €94.7mn in FY21, mainly driven by the digital business' growth (CAGR19-21 of 24%), that increased its weight on revenues from 65% to 80%. EBITDA increased at a higher pace than sales revenues (+23% CAGR19-21), with EBITDA margin improving by 2.2pp to 13.3% (or to 14.3% without considering the impact of non-recurring items), mainly thanks to a different revenue mix and economies of scales in terms of labour and services costs. Net income attributable to the Group came in at €1.8mn in 2021 (vs €0.1mn in FY19). Finally, over the 2019-21 period, net debt improved by €7.5mn, amounting to €2.4mn in FY21 and resulting in NFP/EBITDA of 0.2x. Good signals come also from 1Q22 results, with revenues at €24.8mn (+13.9% YoY), of which 77% came from the digital division, and an EBITDA margin of 15.7% (+1.9pp on 1Q21).

Future Estimates. Over the coming years, the Group aims at increasingly focusing on the development of its Digital business unit, while exploiting up- and-cross selling opportunities on existing and new high-potential clients. On the back of Triboo's growth strategy, we expect Group's sales revenues to grow at a CAGR21-25 of 7%, amounting to €125mn in FY25. We anticipate Digital division to lead the growth (+7% CAGR21-25), contributing for ca. 81% of FY25 revenues. EBITDA is expected to grow at a higher CAGR21-25 of 13%, with FY22 EBITDA margin at 16.1%, improving by +0.4pp over the period 2022-25 thanks to i) a different revenue mix toward more profitable services, also considering ICE contribution for 2022 and ii) labour and service cost increased synergies. At the bottom line, we anticipate FY22 net income at €3.9mn, growing at +44% CAGR21-25. Finally, we expect NFP to progressively improve over the 2021-25 period, going from a net debt of €2.4mn in FY21 to a net cash position of €27.6mn in FY25 (with an average FCF/EBITDA at ca. 37% over the 2022-25 period).

Valuation. Our valuation – based on both market multiples and DCF method – returns an average equity value of €85.7mn or a fair value of €2.98ps, showing a potential upside of +122.4% on current market price.

Relative Performance Chart YTD



Initiation of Coverage

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Market Data

Main Shareholders	
Compagnia Digitale Italiana SpA	56.3%
First Capital SpA	5.0%

Mkt Cap (€ mn)	38.4
EV (€ mn)	41.4
Shares issued (mn)	28.7
Shares outstanding (mn)	28.3
Free Float	37.2%

Market multiples	2021	2022	2023
EV/EBITDA			
Triboo SpA	3.2x	2.4x	2.4x
Comps Median	11.1x	7.8x	6.1x
Triboo SpA vs Median	-71%	-68%	-60%
P/E			
Triboo SpA	21.1x	9.8x	9.4x
Comps Median	19.5x	17.7x	11.1x
Triboo SpA vs Median	8%	-45%	-15%

Stock Data

52 Wk High (€)	1.87
52 Wk Low (€)	1.01
Avg. Daily Trading 90d	38,350
Price Change 1w (%)	9.87
Price Change 1m (%)	0.15
Price Change YTD (%)	-14.08

Key Figures - Triboo S.p.A.

	Current price (€)	Fair Value (€)	Sector					Free Float (%)
	1.34	2.98	Digital and Media					37.2%
Per Share Data	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Total shares issued (mn)	28.7	28.7	28.7	28.7	28.7	28.7	28.7	28.7
Total shares outstanding (mn)	28.7	28.7	28.4	28.3	28.3	28.3	28.3	28.3
EPS	n.m.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Revenues	69.6	77.2	83.3	97.7	104.9	108.4	117.4	126.8
EBITDA	9.9	8.6	12.6	13.0	16.9	17.0	19.0	21.0
EBIT	3.2	0.0	2.3	1.8	7.9	8.1	10.5	14.9
EBT	2.8	0.4	1.7	1.8	7.3	7.5	9.9	14.4
Taxes	(0.6)	(0.2)	(0.9)	0.5	(2.1)	(2.2)	(2.9)	(4.2)
Tax rate	20%	46%	53%	-29%	29%	29%	29%	29%
Net Income	2.2	0.2	0.8	2.4	5.2	5.4	7.0	10.2
Net Income attributable to the Group	1.8	0.1	0.6	1.8	3.9	4.1	5.4	7.8
Balance Sheet (EUR million)	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Total fixed assets	59.7	65.6	61.1	65.5	62.2	59.2	56.5	56.5
Net Working Capital (NWC)	(15.0)	(19.2)	(18.6)	(24.0)	(16.5)	(13.4)	(9.8)	(6.5)
Provisions	(2.4)	(2.7)	(2.8)	(3.0)	(4.3)	(5.8)	(7.3)	(9.0)
Total Net capital employed	42.3	43.7	39.6	38.5	41.4	40.0	39.3	41.0
Net financial position/(Cash)	6.1	9.9	5.6	2.4	(0.4)	(8.4)	(17.4)	(27.6)
Group Shareholder's Equity	35.6	33.5	33.6	35.5	40.0	45.3	52.0	61.5
Minorities	0.6	0.3	0.5	0.6	1.8	3.1	4.8	7.2
Total Shareholder's Equity	36.2	33.8	34.1	36.1	41.8	48.4	56.7	68.6
Cash Flow (EUR million)	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Net operating cash flow	9.3	8.4	11.8	13.6	14.7	14.6	15.9	16.7
Change in NWC	6.3	4.2	(0.6)	5.3	(7.5)	(3.1)	(3.6)	(3.3)
Capital expenditure*	(13.6)	(12.7)	(3.7)	(7.3)	(5.3)	(5.3)	(5.3)	(5.6)
Other cash items/Uses of funds	(0.5)	(0.8)	(2.2)	(3.8)	0.9	0.9	1.1	1.2
Free cash flow	1.5	(1.5)	5.6	3.5	2.7	7.2	8.1	8.9
Enterprise Value (EUR million)	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Market Cap	57.77	47.10	36.64	39.82	38.40	38.40	38.40	38.40
Minorities	0.6	0.3	0.5	0.6	1.8	3.1	4.8	7.2
Net financial position/(Cash)	6.1	9.9	5.6	2.4	0.4	8.4	17.4	27.6
Enterprise value	n.a.	57.35	42.67	42.83	39.76	33.07	25.77	17.95
Ratios (%)	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
EBITDA margin	14.2%	11.1%	15.2%	13.3%	16.1%	15.7%	16.1%	16.5%
EBIT margin	4.6%	0.0%	2.8%	1.9%	7.5%	7.5%	8.9%	11.8%
Gearing - Debt/equity	17.2%	29.6%	16.6%	6.8%	-1.1%	-18.5%	-33.4%	-45.0%
Interest cover on EBIT	12.9%	n.m.	28.8%	-0.8%	7.9%	7.3%	5.2%	3.4%
NFP/EBITDA	61.6%	115.5%	44.1%	18.6%	-2.6%	-49.5%	-91.6%	-131.7%
ROCE	7.6%	0.0%	5.9%	4.8%	19.0%	20.3%	26.6%	36.4%
ROE	4.9%	0.2%	1.8%	5.1%	9.8%	9.0%	10.3%	12.7%
EV/Sales	35.5x	32.0x	29.6x	25.3x	23.5x	22.8x	21.0x	19.5x
EV/EBITDA	4.2x	4.8x	3.3x	3.2x	2.4x	2.4x	2.2x	2.0x
P/E	21.9x	609.5x	64.7x	21.1x	9.8x	9.4x	7.1x	4.9x
Free cash flow yield	0.1%	-0.1%	0.2%	0.1%	0.1%	0.3%	0.3%	0.4%
Growth Rates (%)	2018A	2019A	2020A	2021A	2022E	2023E	2024E	2025E
Sales	n.m.	10.9%	7.9%	17.3%	7.4%	3.3%	8.4%	8.0%
EBITDA	n.m.	-13.5%	47.5%	3.1%	30.0%	0.1%	11.8%	10.6%
EBIT	n.m.	-99.7%	n.m.	-21.6%	330.2%	3.3%	28.7%	42.5%
Net Income	n.m.	-86.6%	293.0%	201.8%	116.2%	4.0%	31.5%	45.4%

* historical Capex net of change in ROU Assets - IFRS16

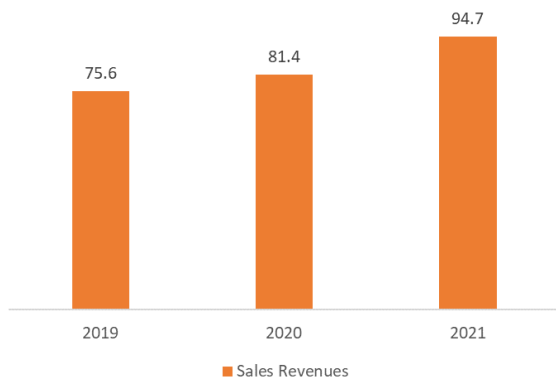
Source: Company Data, KT&Partners' Elaboration

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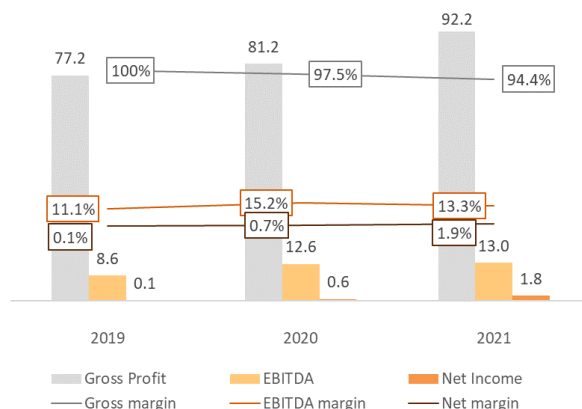
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Key Charts

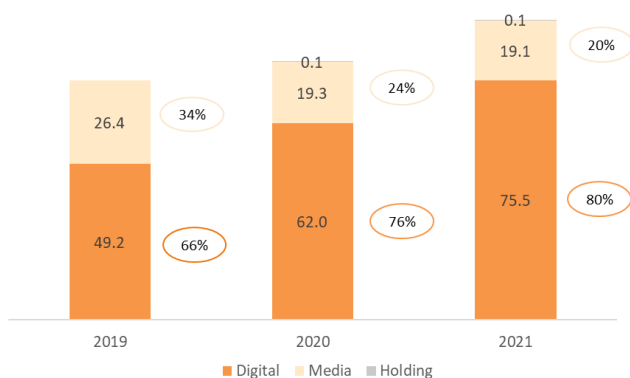
Sales Revenues (€mn)



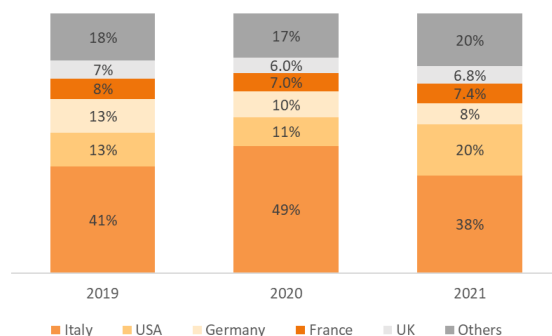
Gross Profit, EBITDA and Net Income (€mn, %)¹



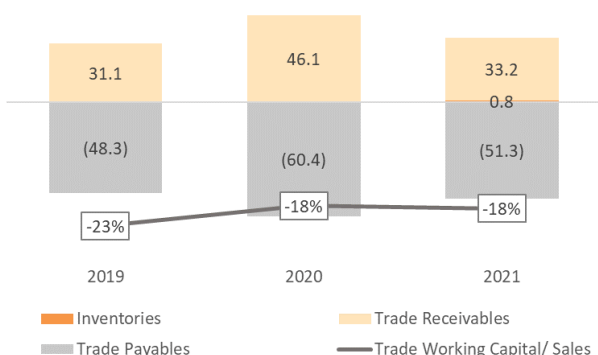
Sales Revenues by Business Line (€mn, %)²



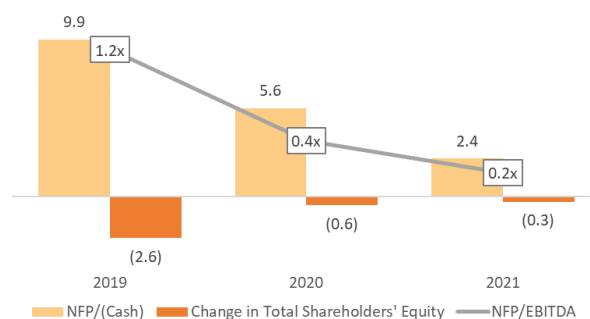
E-commerce Sales Revenues by Geographical Area (%)



Trade Working Capital (€mn, %)



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



¹ Margins are calculated on Total Revenues

² FY19 sales of the media BU include holding contribution

Investment Case

From a media company to a 360-degrees digital marketing and e-commerce provider. Born in 2005 as an online advertising provider, the Group has enriched and diversified its portfolio with Digital Marketing and e-commerce services, also thanks to a great M&A execution ability. Today, Triboo is the only Italian services provider able to satisfy all clients' needs leveraging on: i) a comprehensive offering, including highly synergic services; and ii) an omnichannel approach (online mono-brand stores, marketplaces, social channels, O2O solutions). Thanks to a unique and diversified offer, also after pandemic outbreak, in 2020 Triboo reached €81.4mn of sales revenues (+7.7% YoY), mainly driven by the e-commerce activities, pushed by online shopping during the COVID-19 pandemic.

A certified partner to reach foreign markets. Triboo helps companies in their internationalization process with tailor-made strategies, operating through offices in Milan, London, Dubai, and Shanghai and logistic hubs in Italy, China, and US. The Group ensures a direct access to high potential markets among which the Chinese one. Indeed, Triboo is the exclusive Italian "Tmall Partner" certified by Alibaba and works in partnership with the most important search engine and social network in China (i.e., Baidu, WeChat, and Weibo). Thanks to the strategic joint venture with ILG, Triboo also boasts a leadership position in the luxury and fashion e-commerce market in the Middle East.

Partnering with leading brands. Triboo is partner of 150+ leading brands – such as Chiara Ferragni, Moschino, René Caovilla, Aquazzura, Maserati, Jeep, Vespa, Bialetti, Henkel – across a wide range of consumer industries (i.e., Luxury & Fashion, Automotive, Beauty & Health, Food & Beverage, Home Furnishing & Appliances). Leveraging on its integrated and high-quality offer, Triboo is able to retain brand partners, building long-lasting relationships.

Positioning in markets with high-growth potential. Triboo is active in highly integrated markets with promising growth perspectives. In the coming years, the Company aims – among other things – at strengthening its content creation and social media marketing offer (mainly influencer marketing), which are expected to be the fastest growing and profitable markets. Among the most promising categories, the influencer marketing is expected to lead the growth, increasing at a global CAGR16-20 of 54.6% (+42% YoY in 2021). Triboo has strengthened its social media offer since September 2021, when the company acquired Digiglow – previously Adglow – one of the world's leading social advertising agencies, which supports companies in promoting their products on the main social platforms.

An interesting company in the digital arena. By comparing Triboo's historical growth with a sample of listed companies operating in the Digital Marketing and Advertising market, we note that Triboo has shown higher growth rates of EBITDA, experiencing a +23.3% CAGR19-21, +19.9pp on peers' average. In terms of profitability, over the 2019-21 period, Triboo has also shown an average EBITDA margin of 13.2%, +1.2pp above peers' average. Over the 2019-21 period, Triboo reported lower EBIT margin and net margin than the comps' average, mainly due to the high level of investments carried out over the period. Therefore, based on EV/EBITDA multiples (comparison on P/E multiples is not meaningful because of the high investment carried out by the company in last years), we think that Triboo represents an interesting investment opportunity, as it is trading at a discount of ca. 70% with respect to the median FY21 EV/EBITDA of the sample.

Statement of risk. The Group operates in a fragmented and competitive market characterized by a high number of local and international operators, both on the e-commerce and digital marketing side. However, Triboo is one of the few companies with the widest and most complete offer, standing out as a one-stop solution provider, mitigating the competitiveness risk. Furthermore, Triboo shows a low concentration risk, with less than 30% of revenues attributable to the top 10 clients over the 2018-20 period. Finally, in the past years, Triboo has been a reference partner for brands interested in entering the Russian market, thanks to its strategic partnership with Yandex, VKontakte, and Ozon. The recent Russian – Ukraine conflict has negatively impacted Triboo activity towards Russian countries. However, Triboo's clients are reviewing their digital investment plans toward other high potential growth markets, still choosing Triboo as key reference partner for their internationalization strategy.

Company Overview

Triboo S.p.A.

Triboo is a **leading e-commerce, digital marketing, and advertising service provider**, acting as a single reference partner of synergic services: IT setup and management, e-commerce design and setup, online store operations (including customer services, warehousing, and order fulfilment), Online to Offline (O2O), digital marketing, content creation, advertising campaigns and lead generation through proprietary editorial contents. Thanks to its 360-degree offer, Triboo enables sales origination and optimization while strengthening brand awareness.

In 2021, Triboo inaugurated its first physical retail store in Milan, under the name of "**Moscova District Market**", as a further expansion of its services offer to its clients and partners. "Moscova District Market" core activity is the organization of private membership sales for more than 100 renowned brands in the world of fashion, cosmetics, and design. This retail solution generates a strong synergy with the "online channel", maximizing partner brands sales and at the same time, enabling Triboo to acquire new clients and exploiting cross-selling opportunities.

Headquartered in Milan, the Group has a consolidated **international presence** (62% of e-commerce revenues abroad) with offices in Milan, London, Dubai and Shanghai, and three logistic hubs – Italy, China and US. Thanks to its worldwide presence, Triboo is a reference enabler for brand partners interested in entering new markets, i.e., China and Middle East. Indeed, the Group is the leading Italian certified partner of the main Chinese social networks and marketplaces (i.e., Baidu, Douyin, WeChat, etc.), and the only Italian digital company certified by Alibaba as "**Tmall Partner**" and service provider for Alibaba.com.

Triboo boasts a **young and multi-ethnic working environment** made up of 398 employees (+44 units with respect to 2020) with an average age of 29 years, of which 85% graduated, from 20 nationalities and speaking 12 languages.

Company's presence



Source: Company Data

A leading player for leading brand partners

Triboo has garnered a solid reputation among leading international brands, developing and operating their digital business. Triboo provides digital marketing and e-commerce solutions to more than 150 brands across a wide range of consumer industries: Luxury & Fashion, Automotive, Beauty & Health, Food & Beverage, Travel & Leisure, Sport, Home Furnishing & Appliances, and Design Products.

Triboo's main Brand Partners



Source: Company Data

A trusted partner for the leading digital entrepreneur Chiara Ferragni

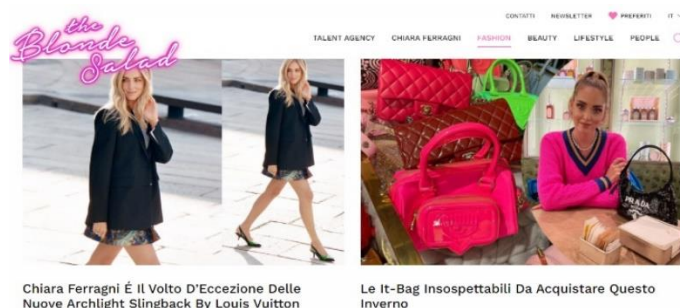


In 2020, Chiara Ferragni chose Triboo as reference partner for the restyling of her blog, *The Blonde Salad*. Triboo took care of the full **restyling** of the website, the optimization of indexing of 17,000+ articles on search engines through **SEO**, and the **sale of advertising space** in programmatic.

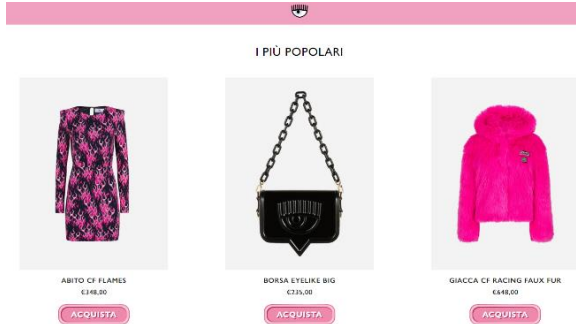
In 2021, Chiara Ferragni strengthened its partnership with Triboo, entrusting the Group with the management of its e-commerce channel, *chiaraferragnicollection.com*. Triboo:

- completely renewed the website graphic, ensuring an immediate and fluid navigation improving all the KPIs and increasing the conversion rate;
- photo-shooting production;
- daily management, through a dedicated store management's team of:
 1. the product catalogue, graphic content, and newsletters;
 2. customer care;
 3. stock inventory and logistic operations.

The Blonde Salad Blog



Chiara Ferragni Collection E-Commerce



Source: theblondesalad.com and chiaraferragnicollection.com

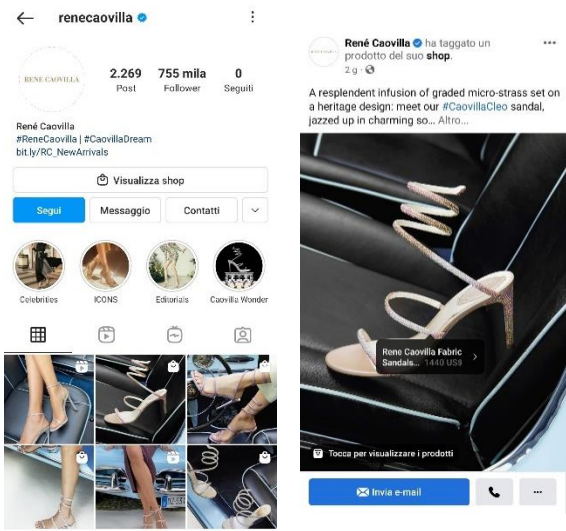
Contents creator for the iconic jewel Made in Italy shoes René Caovilla

RENE CAOVIILLA

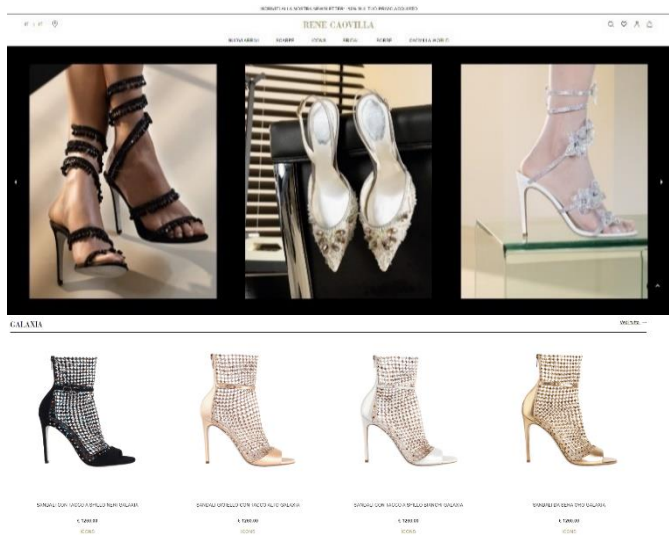
Triboo and René Caovilla – the historic Made in Italy brand, internationally recognized for its iconic jewel shoes – have collaborated since 2020. The brands entrusted Triboo with:

- the production of **photo and video contents**, fostering brand awareness, engagement, and conversion rate through targeted and planned advertising
- the management of **social channels**
- the **e-commerce platform** transformation, with a renewed and soundness user experience
- the implementation of **digital marketing, DEM, and SEO activities**, strengthening company's international positioning.

René Caovilla Social Media



René Caovilla Websites



Source: Instagram and Facebook company's social pages, reneaovilla.com

Group's History

Company's foundation	Founded in 2005 as Zeta Tech Srl, the Company was initially engaged in online advertising – through its proprietary and in-house developed technology <i>AdServer</i> – with a focus on performance display advertising.
Digital marketing business entry	Triboo then started to diversify its product portfolio, seizing digital marketing opportunities. In 2007, the Company entered the digital marketing business (offering Direct Email Marketing services), developing new proprietary software for prediction of e-mail marketing results.
Listing on EGM market	To further enhance its growth path, in 2014 the company went public on Euronext Growth Milan market (EGM, formerly AIM Italia) with a market capitalization of €63.6mn and €27.6mn of capital increase (€6mn of greenshoe option included). Furthermore, the company also changed its name to Triboo Media SpA.
E-commerce business entry and shifting to Euronext Milan	Following the acquisition of Grother S.r.l. in 2016, the company enriched its business offer by entering the promising e-commerce business, becoming a full-fledged digital enabler. After being listed for almost four years on the Euronext Growth Milan stock market, in June 2018 Triboo moved to the Euronext Milan market – the main Italian stock market of the Italian Stock Exchange – to increase stock liquidity and improve Triboo's visibility.
A consolidated business model	Over the years, Triboo has realized several M&As, which bring to the Group: a) a strengthened digital business and b) greater international market penetration. Today, Triboo is a leading one-stop solutions provider, acting as a single reference partner for services ranging from e-commerce to digital marketing, content creation, and media advertising.

Growth Drivers: M&As and Internationalization

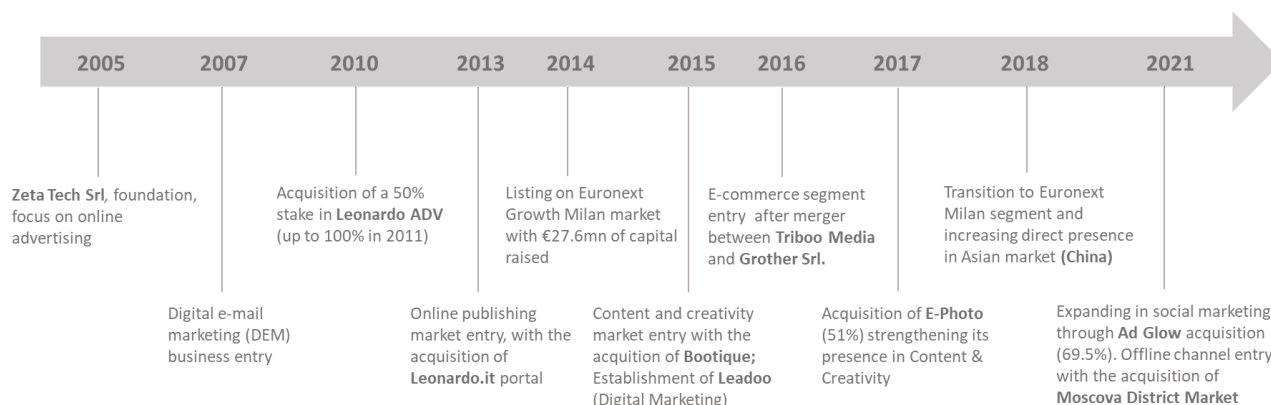
Triboo has pursued a growth strategy based on two main drivers:

- **M&As and offer expansion.** Besides growing organically, the Group has shown a sound M&As execution. Triboo successfully entered or expanded its presence into different but at the same time synergic markets, making the Group's offer an integrated suite of complementary solutions. Thanks to the integration and diversification of the offer, the Group has been able to increase its customer base, while retaining the existing one through the implementation of cross-selling strategies.
 1. *Web Advertising.* To expand its presence in the online advertising market, in 2010 Triboo acquired a 50% stake in Leonardo ADV (then increased to 100% in 2011). Triboo further enriched its offer in web advertising by acquiring from Prime Real Time (a start-up company, now Digital Bloom) one of the first independent adv programmatic platform.
 2. *Online publishing.* In 2013, after the acquisition of the Leonardo.it portal – which at the time aggregated 280+ websites – Triboo started the online editorial business. The editorial offer of the Group was extremely synergic, with the advertising offer of Leonardo ADV, allowing Triboo to become a full-range provider of media and advertising solutions. Over the years, Triboo has expanded its editorial offer with the acquisition of several editorial companies (including HTML.it, Media Prime, Brown Editore, Blog) covering different thematic area ranging from finance to green, to the automotive and food sectors. To date the Group also leverages on its editorial contents to carry out lead generation activities and branded content & Influencer Marketing projects for its clients.
 3. *Content & Creativity.* In 2015 Triboo acquired Bootique, a creative agency engaged in the provision of graphic design and user experience contents. To provide its clients with further innovative contents for their website and e-commerce channel, in 2017 Triboo acquired a 51% stake in E-Photo, a photographic production agency strongly specialized in the development of high-quality and tailor-made creative contents for digital platforms. Moreover, in 2020 Triboo acquired through E-Photo

a 49% stake in the renowned company Superstudio, known for holding one of the most famous fashion workspaces in Milan, “*Superstudio 13*,” which hosted some of the world’s most prominent fashion designers.

4. **Digital marketing.** In 2016, Triboo strengthened its presence in digital marketing by establishing Leadoo (2016), a company focused on performance marketing and lead generation. To support the activity of sentiment analysis and data analytics, in 2020 the company set up T-Voice, able to gather opinions and sentiments shared on the web and social networks through its platform *Voice Analytics*. Voice Analytics was then sold to Me-Source, in which Triboo currently holds a 14% stake. Finally, to complete its offering and always keep pace with market demands, in 2021 Triboo acquired a 69.5% stake in Adglow, one of the world’s leading social advertising agencies, which supports companies in promoting their products on the main social platforms.
 5. **E-commerce.** In 2016, Triboo Media carried out the reverse merger with Grother Srl (100% owner of Triboo Digitale), a group focused on E-commerce, web agency, and performance media marketing solutions. The transaction enabled fostering the company’s growth while diversifying its activity in the new promising e-commerce sector. After the deal’s finalization, the Group changed its name in Triboo. To create an even more complete and synergic e-commerce offer, in 2016 Triboo increased its stake in Esite (acquired in 2015) from 60% to 70%, that through the domains *spedire.pro* and *spedire.com* acts as an online offers’ comparator, combining on a single portal all the available shipping modes for a destination, identifying the cheapest one. Triboo’s future purpose is to manage all brands’ shipments through Esite.
 6. **Online to Offline (O2O):** In early 2021, Triboo acquired a 50.01% stake in Innovas, aimed at integrating the e-commerce and the offline channel of brands. In fact, Innovas owns the *Moscova District Market*, an innovative physical store in the heart of Milan where periodic private and promotion sales are organized to increase sales of both e-commerce customers and renowned third-party fashion companies.
- **Internationalization.** Between 2017 and 2018, Triboo widened its business abroad by establishing Shanghai Trading and acquiring East Media with the aim of supporting brands in structuring and managing its digital marketing and e-commerce activities in China, Korea, and also through major online marketplaces and social channels such as Alibaba, WeChat, etc. Triboo is also one of the first companies to have started a joint venture in the digital sector with a partner in the Middle East: in 2019, after the agreement with ILG, Triboo positioned itself as one of the main players in luxury and fashion e-commerce for this area. Triboo boasts a presence also in UK and US with the companies Join the Triboo UK (since 2019) and Triboo Digitale US (2012), respectively.

Triboo’s Key Milestones

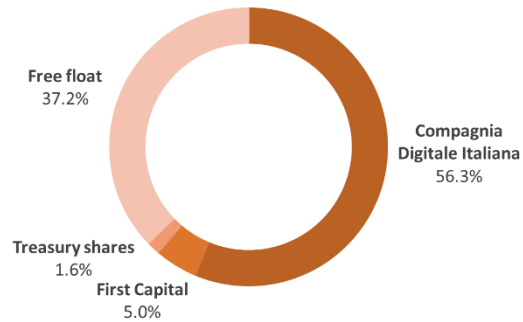


Source: Company Data

Ownership and Group Structure

Triboo's shares have been traded since 2018 on the Euronext Milan market. The current majority Triboo's shareholder is Compagnia Digitale Italiana, which holds a 56.3% stake, followed by First Capital SpA with a 5% stake. The company also holds 449k treasury shares, or 1.6% of the total share capital. The remaining 37.2% represents the free float.

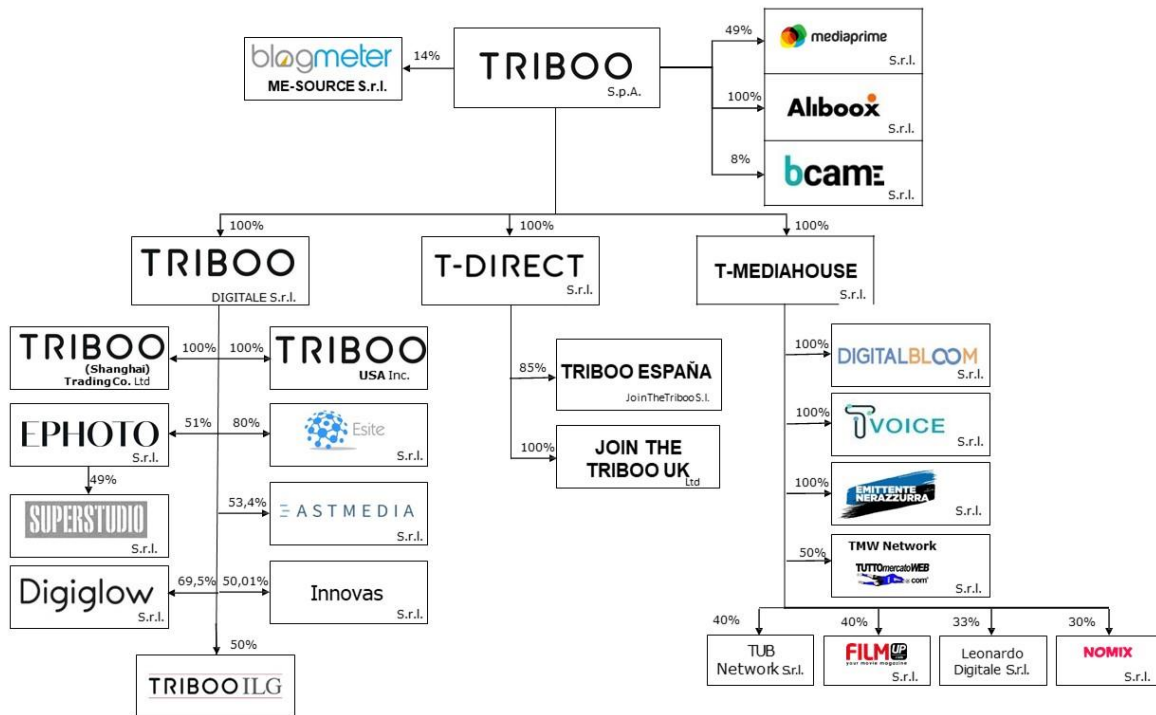
Triboo's Shareholders



Source: Company Data

Triboo SpA is the parent company dealing with i) corporate affairs; ii) administration, finance, and control; and iii) strategic planning of a group of companies active in the digital (including e-commerce) and media markets.

Group Structure



Source: Company Data

Management Team

Board of Directors

Giulio Corno – Founder and CEO



Giulio founded Triboo in 2009, and he currently has the role of Chief Executive Officer. Previously, he contributed to the establishment of Standard & Poor's Italian, Spanish, and French branches. Giulio graduated in Economics and Business from the Catholic University of Milan and pursued his academic career achieving a BBA in International Business and an MBA in International Finance from George Washington University, Washington DC.

Riccardo Maria Monti – Chairman



Riccardo joined Triboo in 2019 as CEO of the company, and since 2020 he has the role of Chairman. Before joining Triboo, he personally managed (from 1998 to 2012) the development and internationalization in Value Partners Group, which grew from 30 consultants to more than 3.000 employees with 15 offices worldwide. He also covered the roles of Vice President in SIMEST (2012- 2016), and of Personal Advisor for international affairs of the Italian Minister of Economic Development in the period 2012-13. From 2012 to 2016 he also held the role of Chairman of ICE, the Italian agency for promoting international trade, and in 2016 he took the role of Chairman in Italferr SpA. Riccardo graduated in Economics and Business with honors from the University of Naples.

Giangiaco Corno – Vice President and Media Business Unit Managing Director



Giangiaco joined Triboo in 2014, where he currently is the Vice President of the Group (role covered since 2019). Previously, he was both CFO and CEO for Triboo Media and of IR for the Group. During its career, he worked as GM Assistant in LEP Special Fasteners (USA), as Financial Analyst for Banca Intesa (Russia), and as Business Developer contributing to the setup of the Marketplace division in Lazada Malaysia.

Manuela Figini – Director and Digital Business Unit Managing Director



Manuela joined Triboo in 2018 as Business Director of E-commerce and Digital Services. Before joining the Group, she worked for several years as Consultant for a Web Agency based in Mexico, and as CRM and Digital Manager in Henkel where she was responsible to supervise the entire digital marketing strategy for the company. Manuela graduated in Graphic Design from the Istituto Europeo di Design (IED) in Milan.

Priscilla Foschi – Director and Photo&Video shooting Business Unit Managing Director



Priscilla founded E-Photo in 2013, alongside her two partners, to create a versatile and dynamic company focused on the production of contents for E-commerce, virtual showroom, digital ADV and Editorial with a pioneering approach. Previously, after graduating at Siena University, Priscilla worked for Diego della Valle Group and Banzai Group, taking care of the whole industrial flows of photographic production.

Cristina Mollis – Director



Cristina founded a newco on digital and sustainability in 2019, where she currently works. During her career she covered the role of CEO of Coin SpA (2019), and she was the Head of Industry of H-FARM (2015-2018), focusing on digital and business transformation for leading clients such as Gucci, OVS, Trussardi. Previously, she founded NuvO', a digital transformation company then sold to H-FARM. Cristina graduated in Economics at University Carlo Cattaneo and attended a Master at Bocconi University.

Francesco Tombolini – Director



Francesco works in Staff International, a creative company in the fashion industry where he currently covers the role of Business Director. Previously Francesco was Deputy COO for YNAP London, dealing with international ecosystem and e-commerce and direct-to-consumer

channels. He also covered the role of Independent Senior Advisor for several companies such as Star Capital, Guzzini SpA, Giglio.com SpA.



Ramona Corti – Director

Ramona is a Chartered Accountant and Legal Auditor, owner of the associated professional office Corti Fumagalli. She held degrees in Business Economics at Bicocca University in Milan and in Legal Business Operator at Bergamo University. She also attended a PhD in Economics, Management and Territory.



Vincenzo Polidoro – Director

Since 2010, Vincenzo is CEO of First Capital, a financial holding company listed on EGM. Vincenzo is also an investments committee member of Lazio Innova SpA, dealing with the valuation of investment opportunities in start-up companies. Vincenzo graduated in Economics at Catholic University in Milan and attended an MBA in Corporate Finance at Bocconi University.



Carolina Corno – Director

Carolina currently works for Compagnia Digitale Italiana, managing the company's real estate properties. Previously, she worked for a non-profit organization handling the adoption practices of children from foreign countries such as Russia and Ukraine. She graduated in foreign languages and literatures at Catholic University, and she is currently attending a bachelor's degree in visual arts at Accademia di Brera in Milan.



Keila Guilarte Gonzalez – Director

Keila is a professional photographer working for leading newspapers such as Vogue, L'Officiel, Design scene. She currently holds the role of Art Director for Wall Street Italia Lifestyle contents. Previously, she worked as a model in Paris and Milan for major fashion houses including Jean Paul Gaultier, Fendi and Etro. Keila is graduated at ESPA provincial de Santiago de Cuba.

Other Key People

Matteo Cornelli – Chief Financial Officer and Investor Relator

Michele Buttazoni – Chief Operating Officer

Stefano Mannino – Chief Technology Officer

Alessandro Carniel – Digital and Content Marketing BU Managing Director

Alessandro Manno – Content and Creativity BU Managing Director

Stefania Palladino – O2O BU Managing Director

Luca Lorenzin – Logistics BU Managing Director

Mauro Comendulli – China and Russia Agency BU Managing Director

Emanuele Vitali – China and Russia Agency BU Managing Director

Adriano Cantele – China and Russia Agency BU Managing Director

Gabriele Barbati – China eCommerce BU Managing Director

Simone Sicuro – Lead generation and performance marketing BU Managing Director

Andrea De Marni – Lead generation and performance marketing BU Managing Director

Business and Revenue Model

Triboo operates through two business units: i) the digital business, including e-commerce, digital, and content marketing activities; and ii) the media and advertising business, including online advertising, online publishing, performance marketing, and lead generation. Born as an online advertising provider, Triboo has evolved into a trusted digital player, with 80% of 2021 revenue coming from the digital business.



Source: Company Data

Triboo Provides its solutions both combined or on a stand-alone basis, according to a brand's specific needs. The company revenue model is based on:

- **Service fee model.** For the online advertising, digital, and content marketing activities, Triboo services are associated to fixed or variable fees;
- **Consignment model.** Under the consignment model – primarily associated to the online retail business – Triboo promotes and facilitates brands' sales without bearing physical and inventory risks. This model generates variable fees based on GMV and/or fixed fees for the development and management of brands' online stores;
- **Distribution model.** Under the distribution model, primarily associated with the offline e-commerce business, Triboo purchases goods from brands and/or their authorized distributors, reselling items directly to end consumers. In this case, revenues stream directly from GMV.

Digital Business Unit

Triboo supports brands in executing their e-commerce, digital and content marketing activities worldwide by offering stand-alone or bundled services.

E-commerce

Triboo provides end-to-end tailored solutions that cover the entire e-commerce value chain, including IT infrastructure setup and integration, online store design and setup (leveraging on the most innovative and popular platforms), store operations, payment collection, customer services, and supply-chain management. The Group supports brands in establishing their digital presence and sale their products, thanks to an omnichannel distribution strategy.

To set up and manage brands' official e-commerce, Triboo leverages its: i) in-house design team; and ii) best-in-class digital and e-commerce technologies (Peanuts 2.0), which can be customized and integrated with brands' existing operation back-end systems. Peanuts 2.0, the result of 10 years of in-house development and more than €30mn of investments, is composed of:

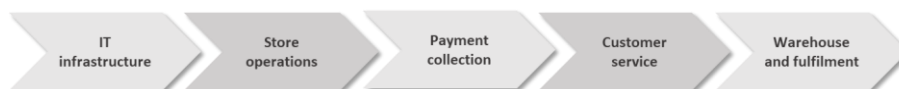
- The **front-end**, i.e., the component with which the end customer interacts when visiting the website. Triboo offers its brands the possibility to develop their e-commerce leveraging on all the most innovative and popular platforms including Magento, Shopify and Salesforce.
- The **back-end**, that includes the order management system, the warehouse management system and all the ancillary software modules required for the complete order fulfillment and the management of all subsequent stuffs.

- The **data orchestrator**, the most “hidden” component of the process that enables integration and connecting brand partners’ website’s data flows with the management software and the main providers involved in the e-commerce process (shippers, logistics providers, payment systems providers).

Thanks to a dedicated team, Triboo supports **store operations** and is responsible for: i) the **commercial plan** to expand traffic, increase revenue, and improve profitability; ii) **merchandising**, to maintain an appropriate level of inventory for online stores; and iii) **data collection and reporting activity**, reviewing brands performances, and tracking buying trends and customer needs. Furthermore, thanks to an internal design team, Triboo partners with brands in producing the most updated digital content, copywriting, including photography, site banners, social channels and other promotional content.

To ensure an efficient shopping experience, the Group also deals with: i) **payment collection**, providing the most appropriate solutions and payment gateway customized for each market; ii) **customer services**, ensuring a real-time assistance in seven different languages through online chat, phone calls, e-mail, and SMS; and iii) **warehousing and fulfilment**, relying on a solid logistic network that grants relevant storage capacities in Europe, Asia, and US (three warehouses in Italy, one in China, and two in the US) and a global reach (shipping products to more than 150 countries).

Online Official Brand Shops value chain



Source: Company Data

Triboo supports brands to establish their digital presence and sale of their products thanks to an omnichannel distribution strategy. Currently, the Group provides e-commerce services on i) official brand stores; ii) major online marketplaces and social channels (i.e., Amazon, eBay, Alibaba, Tmall); and iii) offline channels (i.e., Moscova District Store in Milan, flash sales, B2B).

Official Brand Stores

Triboo partners with brands in setting up and managing their official online store. It leverages its in-house design team to develop online and mobile sites, ensuring an impactful online presence to its clients.

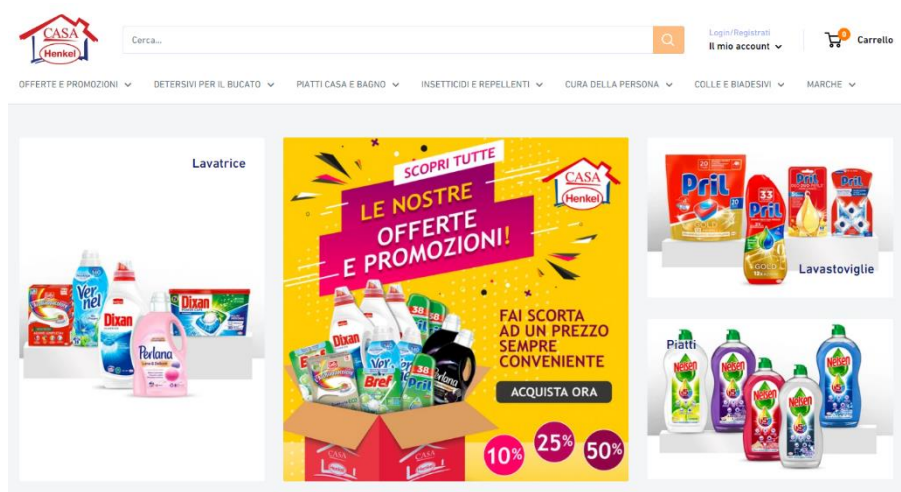
In 2020, the Group managed 102 stores (i.e., Chiara Ferragni, Henkel, Moschino, Woolrich, René Caovilla) and the company is now targeting larger leading customer, focusing on high-value projects.

Henkel – The best reference e-commerce in Italy



Triboo has successfully supported Henkel since 2010, when the company entrusted the group with the management of its e-commerce *CasaHenkel.it* (i.e., store operations, online marketing, logistics, transport, and customer care). The usability, functionality, and security of the services offered made CasaHenkel.it one of the best e-commerce operations in Italy 2020-21, leading the Cleaning and Disinfection Control category.

Casa Henkel Website



Source: casahenkel.it

Official marketplace shops

Triboo holds sound and long-term relationships with the major marketplaces all over the world, like Amazon and eBay. In recent years, Triboo has also strengthened its presence in Asia with the aim of supporting companies in entering more challenging markets, like China. Triboo is officially certified by Alibaba as the only Italian "Tmall Partner," allowing companies without a physical presence in the Chinese market to access a local online marketplace.

Moschino – Flagship store on Tmall

MOSCHINO

Moschino and Triboo have collaborated since 2018, when Moschino entrusted Triboo with the setup and management of the Moschino flagship store on the Tmall website. Moschino items are sold on the Luxury Pavilion, the invitation-only section of Tmall that hosts the main luxury brands from all over the world.

Moschino’s flagship store on Tmall



Source: moschino.cn

Online to Offline

Triboo also supports its brands in integrating the online and offline sale channels (O2O strategy), for example by enabling the possibility to return and exchange goods bought online through the offline channel or aligning customers’ online and offline loyalty programs. Triboo also arranges **flash sales** events, i.e., the distribution to flash sales operators of large stocks of unsold goods at the end of the season, optimizing stock management.

Recently, Triboo has also started managing the **Moscova District Market**, a physical store/showroom located in Milan where the Company periodically arranges private sales or discounted sales for a limited time for more than 100 renowned brands in the world of fashion, cosmetics, and design. Final clients can access to events by invitation and online booking, enjoying a pleasant and safe shopping experience.

The **Moscova District Market** is highly synergic with the online channel as it allows maximizing brands' sales. At the same time, it is also a channel through which to acquire new clients and exploit cross-selling opportunities by offering other services from Triboo's portfolio.

Online to Offline – Moscova District Market



Winter Preview

MOSCOWA DISTRICT MARKET

Vendita speciale
campionari AI2020-21
e collezioni
uomo donna
dal 50% al 70%

PINKO - PATRIZIA PEPE - MOSCHINO - TWINSET
TOMMY HILFINGER - BLUMARINE - FREEDOMDAY
PAOLO PECORA - NAVIGARE - DANIELE FIESOLI
GAZZARRINI

PRENOTA ORA

MOSCOWA DISTRICT MARKET

PER INFO | CHI SIAMO | SERVIZI | LOGIN

SUSTAINABILITY FASHION MARKET VOL.1

IL PRIMO EVENTO A ONLINE
DESCRIZIONE DELLA PRESENTAZIONE ONLINE
DEI PIU' IMPORTANTI BRAND DELLA MODA

CON SCONTI FINO AL 80%

ABBIGLIAMENTO, SCARPE
& ACCESSORI UOMO-DONNA

Prendi il tuo ingresso. Scatta ora il tuo

CONDIZIONE
30 APRILE

INIZIO
29 APRILE

CHIUSO
30 APRILE

DEPARTAMENTO
01 MARZO

Source: Moscova District Market Website

Digital and Content Marketing

The Group supports its customers in their marketing strategies to enhance the effectiveness of online activities while ensuring a targeted communication on social-media channels.

Starting from web sentiment and real-time data analysis, Triboo makes targeted and insightful marketing recommendations and provides brands with the most appropriate contents for their e-commerce, websites, and social media.

Digital Marketing

Digital marketing is a key element to boost traffic and increase conversion and transaction volume of online stores. Triboo develops multi-level digital marketing solutions to be executed on different online platforms, such as official marketplace stores, brand stores, and social media. Digital marketing services can be provided on a stand-alone basis or in a bundle with e-commerce solutions, exploiting cross-selling opportunities.

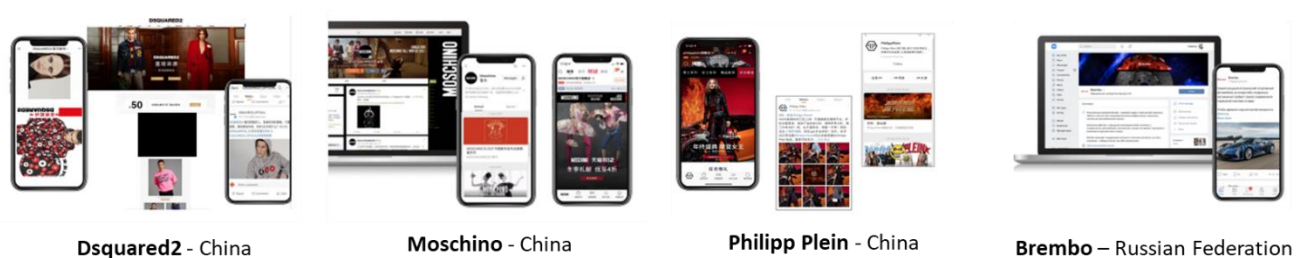
Triboo – also through Blogmeter - advises brands on online marketing activities following a preliminary **web sentiment and data analytics** activity aimed at studying how the targeted audience feels about the brand and its online shopping habits.

The company then provides customized promotional campaign activities that relies on: i) **Search Engine Marketing (SEM)** and **Search Engine Optimization (SEO)** to improve brand partners' website's ranking in search results, by identifying primary and secondary keywords for which targeted audiences search; and ii) **Direct Email Marketing (DEM)** to send promotional information and updates to the targeted audience.

Triboo supports companies in their internationalization process, defining the correct brand positioning and developing a Digital Marketing and advertising strategy (including the offer management on E-commerce or Marketplace channels) tailored to the local markets. For example, in China, Triboo provides: i) SEM and SEO services for companies' positioning optimization on Baidu (Chinese's search engine); and ii) advertising campaigns on the main

social platform, such as WeChat and Weibo. Company's aim is to rethink creative contents that are consistent with local tastes which are inevitably different from Western ones.

Some of Triboo's main Brand partners in Internazionalization process



Source: Company data

MOSCHINO

Moschino – Promoting company's presence in Chinese market

Since 2018, Triboo has provided Moschino with a **strategic consulting service** to successfully enter and scale-up the Chinese market with tailor-made contents. After the set-up, Triboo deals with the management and update of the *moschino.cn* website and digital channels to ensure a unique and effective communication.

Moschino's Website in Chinese language



Source: moschino.cn

Content and Creativity

Brand partners entrust Triboo with the set-up of **user-experience design** to enhance the customer journey and with the development of **creative campaigns** and the creation of high-quality contents (i.e., **photo, video, and editorial content**) to improve the engagement rate of their final clients.

Through its subsidiary E-Photo, Triboo manages a professional photography studio in Milan that provides best-in-class **photo shooting** and **video production** for promotions and advertising campaigns, as well as for online stores. Its offer ranges from the pre-production phase (including the creative consultancy phase, casting, art direction) to post-production editing and retouching, passing through the photo and video shoots (including styling, hair, and make-up). E-Photo also holds an internally developed Digital Asset Management (DAM) software called *E-Flow*, aimed at managing the production flow in an optimised and standardised way, while allowing brand partners to access to all the contents created through a single access point.

E-Photo includes among its clients' important names in the world of Luxury Fashion, such as Moschino, Missoni, Loro Piana, René Caovilla, Giuseppe Zanotti, Trussardi, Woolrich, Furla, Colmar, and many others.

Photo and Video Shooting – E-Photo main campaigns implemented



LUXURY
Trussardi



LUXURY
Loro Piana



DIGITAL ADV
Missoni



ACCESSORIES
René Caovilla



ACCESSORIES
Furla

Source: E-Photo Website

Triboo also works with its brand partners to enhance their awareness on social channels. It supports brand partners in the set up and management of an account on the main social networks (i.e., Instagram, Facebook, TikTok) which are regularly updated with content (i.e., posts, stories, livestreams, and short videos) and advertising campaigns. To further enhance customers' engagement Triboo also collaborates with **several influencers** who promote brands' products on their social profile, positively influencing followers' purchases.

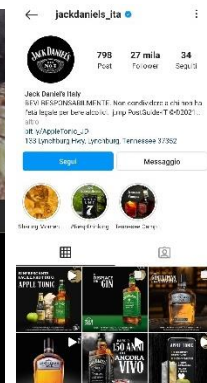
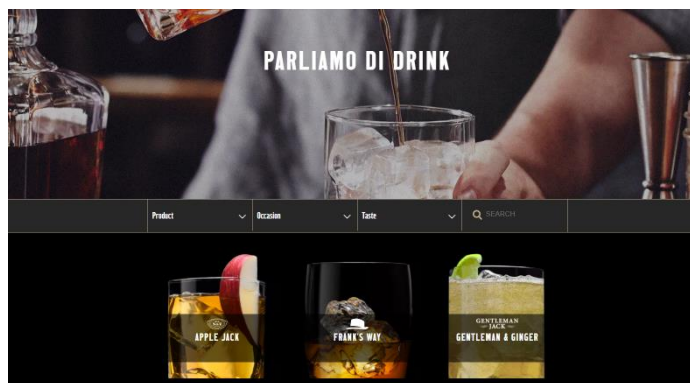
Jack Daniel's – A 10+ years relationship keeping on over time



Jack Daniel's and Triboo has been collaborating for more than 10 years with the partnership renewed in 2021. Triboo manages on the behalf of Jack Daniel's its **Facebook and Instagram** social profiles, the **website**, and the **newsletters**. The success of the brand's storytelling on social channels is supported by 2020 results:

- +170,000,000 impressions
- +195,000 interactions
- +232,000 clicks on links to marketplace

Jack Daniel's Website and Social Profiles



Source: jackdaniels.com, Instagram

Media and Advertising Business Unit

The media and advertising business unit represents the Group’s more traditional activity that in 2021 accounted for 20% of total revenues. In this business, Triboo operates as web advertiser, selling advertising space on both proprietary editorial website and on the brand companies’ websites through concession agreements. Triboo acts as reference player for: i) publishers, providing technology support to define the websites’ advertising structure, improving KPIs and monetisation; and ii) advertisers, identifying the most appropriate channels to improve advertising campaign results. Display format, video, and audio can be sold through premium or in reservation programming. The unsold advertising spaces are then entrusted to external third-party partners that ensure their filling.

For 2022, a great opportunity for growth is expected to come from the awarding of the ICE tender. In fact, in June 2021 Triboo – in partnership with Pomilio Blumm and LVenture Group – won the tender called by ICE (Agency for the promotion abroad and the internationalization of Italian companies) to globally promote Made in Italy with the purpose to relaunch Italian export post-pandemic. The campaign started in the second half of 2021, for a total planned investment of €39mn. Triboo's main role will be to promote the advertising campaigns developed by its partners through its web advertising division.

This business unit also include the **online publishing content creation** segment, **performance marketing**, and **lead generation** activities.

As for the **online publishing** segment, the Company currently holds 15 newspapers and magazines, all in digital format with the exception for Wall Street Italia, also available in printed version. In addition to its proprietary editorial content, Triboo leverages on its proprietary thematic portals and brand partners’ website to collect data on users’ purchase behaviour and interests, increasing the traffic and leads on brand partners’ website and e-commerce. The leads generated are qualified digitally and automatically through Triboo’s proprietary platform or by telephone through a call center that certifies clients’ data and confirms their interest.

Looking at the **performance marketing** activities, Triboo selects the best performing channel according to the product to be promoted and carries out dynamic tests to monitor performance and improve the conversion rate of campaigns.

Triboo’s Proprietary Editorial Publishing



Source: Company Data

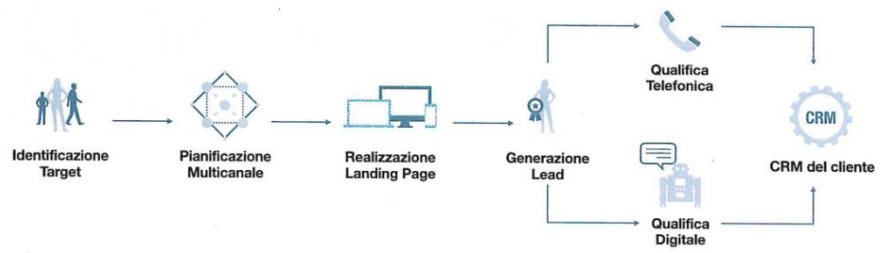
Triboo’s Proprietary Portal



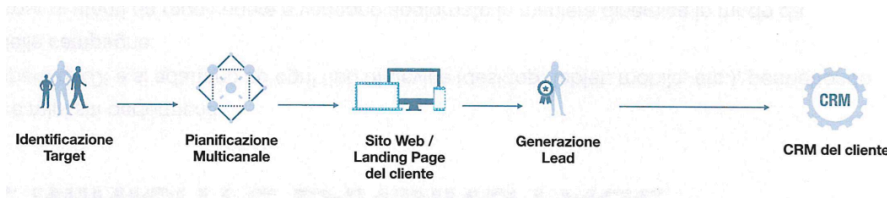
Source: T-Direct Website

Lead generation strategic flow

Triboo's properties



Brand partners' properties



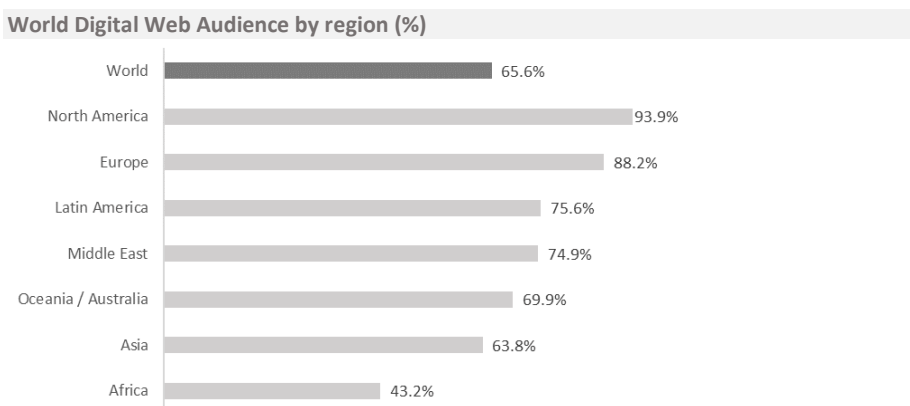
Source: Company Data

Market Overview

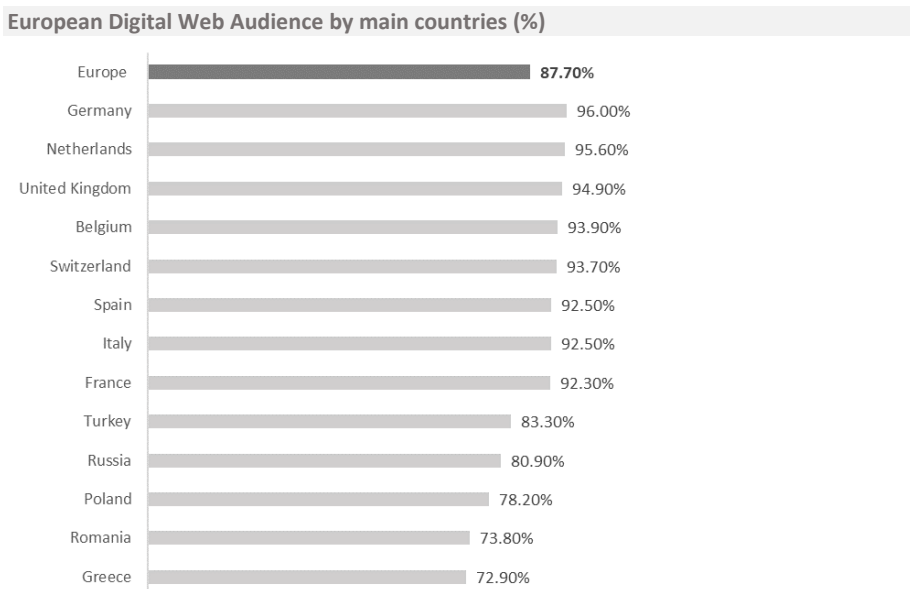
Triboo stands out for operating in distinct but synergic markets: i) e-commerce, ii) digital marketing and advertising, and iii) online publishing.

Digital Web Audience

Over the years, Digital has radically influenced people’s lifestyles. According to Internet World Stats, the worldwide Digital Web Audience stood at 65.6% (5.2bn out of 7.8bn people had access to and use the Internet). North America was the geographical area with the highest penetration rate (93.9%), followed by Europe (88.2%). The region with the lowest penetration rate was Africa (43.2%), while Asia, with 63.8% of the population having access to the web, represented the first area in terms of number of Internet users (53.4% on overall global internet users).³ Looking at Europe, all the main developed countries showed a penetration rate higher than 90%, whereas Eastern Europe countries registered the lowest penetration rate. In 2020, Italy recorded 54.8mn of Internet users, with a penetration rate of 92.5%.



Source: Internet World Stats, March 2021



Source: Internet World Stats, March 2021. Note: Europe penetration rate is different among the two graphs because of different detection period (Global, data as of March 31st 2021, European, data as of December 31st 2020)

Social media users have registered a strong growth as well. According to a survey conducted by “We are social,”⁴ in 2020 users of social platforms grew by 13%, with almost half a billion

³ Source: Internet World Stats, January 2021

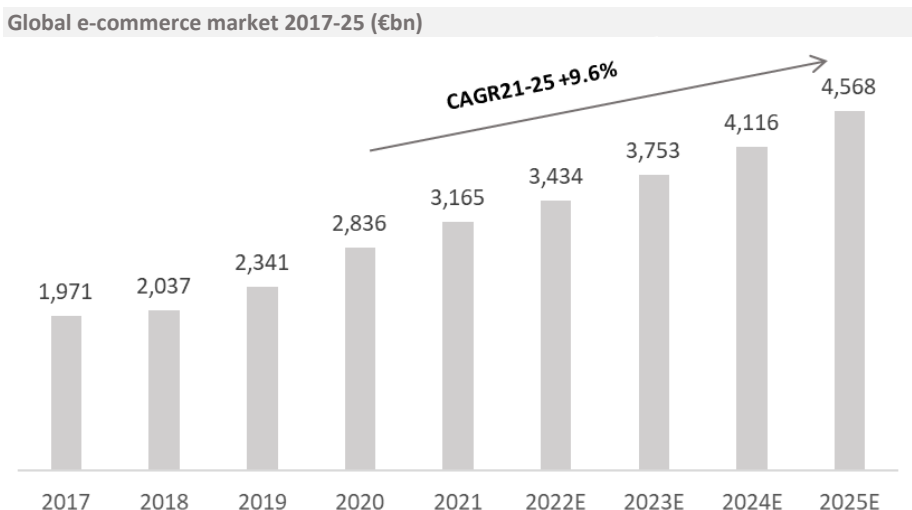
⁴ Source: We Are Social, “Digital 2021: I dati globali”, January 2021

of new users, reaching 4.2bn people globally connected. Overall, 53.6% of the global population had at least one social media profile, with time spent on these platforms continuing to grow year over year, rising from 1 hour and 51 minutes per day in 2015 to 2 hours and 25 minutes per day in 2020.

E-commerce Market

E-commerce was one of the main channels boosted by the digital innovation. It experienced a remarkable growth in the past decade, and expectations are that it will have excellent growth chances also in the coming years. In 2020, the global e-commerce channel was boosted by the pandemic crisis, (+21% YoY to €2,836bn) as users became increasingly inclined to buy online. According to a survey dating back to January 2021, more than 3 out of 4 people bought something online in the previous month, with Italy ranking above the global average (79.7% vs 76.8%), and only behind the UK (85.5%) and Germany (81.6%) among European countries.⁵

In 2021, E-commerce market reached €3,165bn, increasing by 11% YoY. It is expected that the global e-commerce market will reach €4,568bn by 2025, growing at a CAGR21-25 of 9.6%.

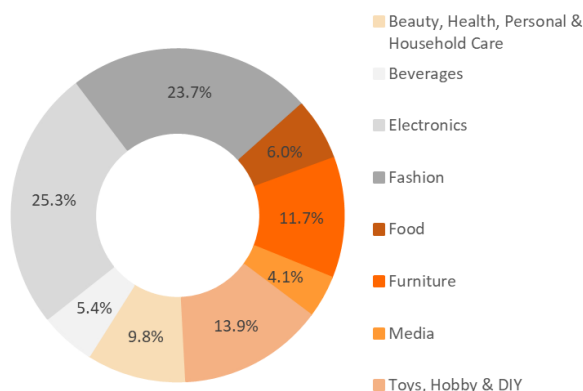


Source: Statista, Digital Market Outlook e-commerce, December 2021

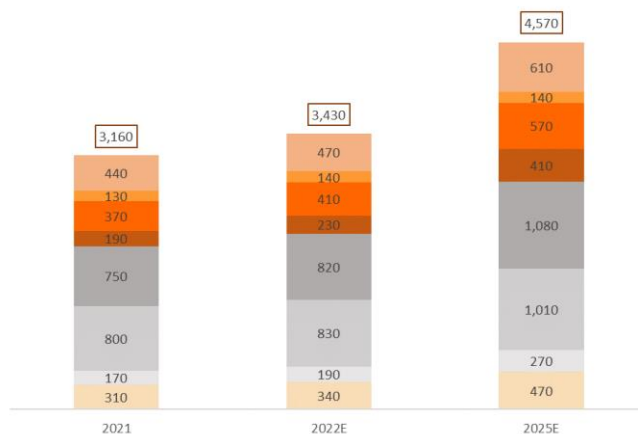
According to Statista, in 2021 the Electronics segment continued to be the first e-commerce category, with a market share of 25.3%, followed by Fashion (23.7%). In the upcoming years, it is expected that Fashion will lead the market, overpassing the primacy of Electronics and growing at a CAGR21-25 of 9.6%. Food and Beverages segments are expected to lead the growth (CAGR21-25 of 21.2% and 12.3%, respectively), followed by the Furniture sector (11.4%) and Beauty, Health and Personal Care sector (11%).

⁵ Source: We Are Social, "Digital 2021: I dati globali", January 2021

2021 E-commerce market by category (%)



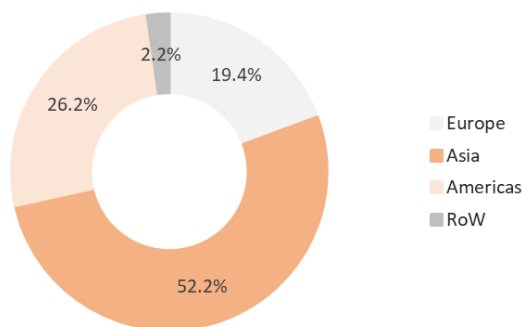
2021-2025E E-commerce by category estimates (€bn)



Source: Statista, Digital Market Outlook e-commerce, December 2021

Looking at market by region, in 2021 Asia represented the biggest e-commerce market (ca. 52% or €1,651bn), experiencing a +9.7% YoY growth. Among Asian countries, China was the biggest market (also at global level) and is expected to lead the market through 2025, with Fashion segment accounting for the bulk. Americas ranked at second place with a 26.2% weight (€830bn), followed by Europe with a 19.4% stake (€613bn, +12.3% CAGR21-25E).

2020 e-commerce market by geographical area (%)



Source: Statista, Digital Market Outlook e-commerce, December 2021

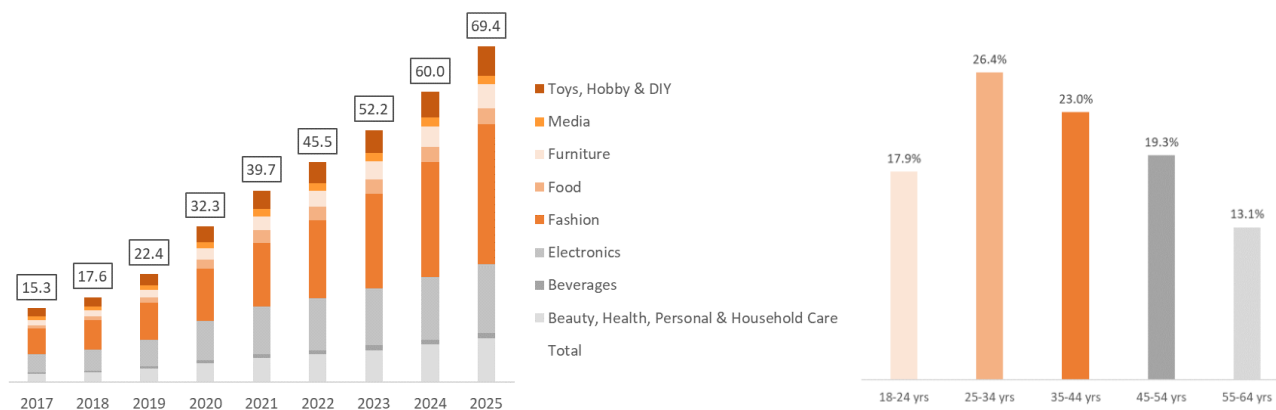
Italian E-Commerce Market

In 2021, the Italian e-commerce market registered a higher growth than the European average (22.9% YoY vs +11.1% YoY), amounting to €39.7bn. Fashion witnessed the highest spending (€13.2bn), followed by Electronics (€9.8bn), but the highest YoY growth on consumption was registered by Food segment (+38.6% at €2.6bn). The Italian e-commerce market is expected to reach €69.4bn by 2025, growing at a CAGR21-25E of 15%. Fashion is expected to maintain its primacy with a 42% stake, also thanks to the highest expected sectors' growth, increasing at a CAGR21-25 of 21.6%.

The Italian market also boasts a wide and fragmented user base. The highest stake of 2021 online buyers came from the 25-34 age group (26.4%), followed by 35-44 years and 45-54 years segments (with a 23% and a 19.3% contribution, respectively).

2017-25 Italian e-commerce market (€bn)

Online buyers by age's group in 2021 (%)



Source: Statista, Digital Market Outlook e-commerce, December 2021

Digital Marketing and Advertising Market

Digital advertising helps companies in delivering marketing messages to their potential customers, using internet. This market includes advertisements in results pages of search engines (Search Advertising), Banners Advertising, Video Advertising, and paid digital Classifieds. The segment also involves the always-more-disruptive Social Media Advertising, i.e., advertising on social media under form of sponsored posts. Digital Advertising market experienced a +18% CAGR17-21 compared with an overall advertising market almost unchanged in the same period.

The global digital advertising market amounted to €412bn in 2021, and is expected to grow at a CAGR21-26 of +9.1%, reaching €636bn in 2025. It is worth noticing that the top three companies operating in digital advertising field (Google, Facebook, and ByteDance) generated on their own 65% of total sales revenues in 2020.⁶ The largest digital adv segment in 2021 was Search Advertising, accounting for 37.2% of total market, and it is expected that it will remain the biggest segment within digital advertising, experiencing a CAGR21-26 of 7.1%.⁷ Video advertising was the second segment in term of size in 2021 (30.2%), followed by Banner advertising (28.5% with a 15.6% increase YoY) mainly driven by mobile spending. Video Advertising is expected to be the fastest growing segment over the period 2021-26, with a CAGR of +13.2%. Social media advertising kept on its growth path over the past few years, rising from €45.4bn (or 21.8% of total digital market size) in 2017, to €152bn (or 36.8%) in 2021 and by 2026 it is expected to further increase its contribution to 44.5%, for a total value of €283bn.⁸

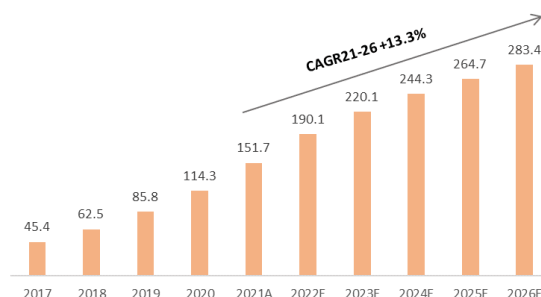
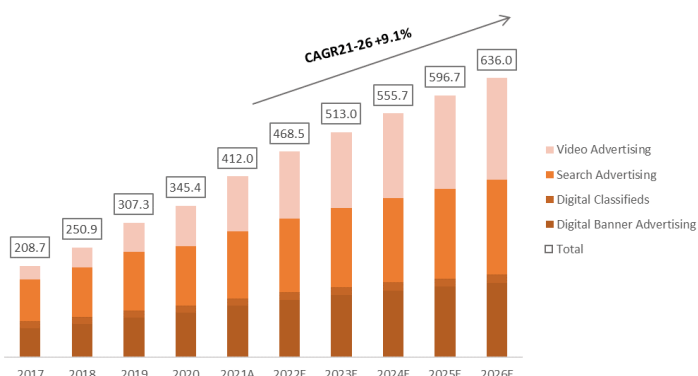
⁶ Source: Statista, The shape of the digital advertising industry

⁷ Source: Statista Advertising and Media Outlook, March 2022

⁸ Source: Statista Advertising and Media Outlook, March 2022

2017-26E Digital Advertising market by segment (€bn)

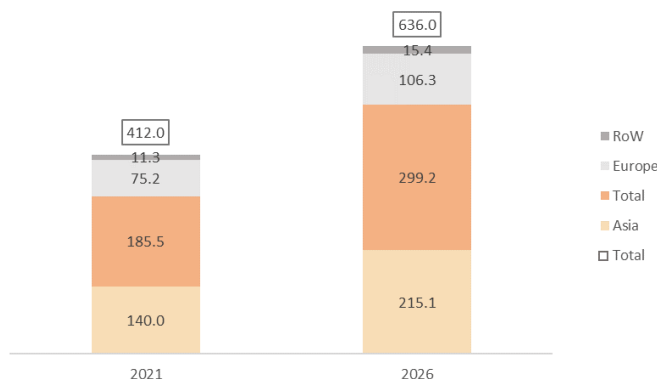
Social Media Advertising 2017-26E (€bn)



Source: Statista Advertising and Media Outlook, March 2022

Comparing different geographical areas, in 2021 Americas accounted for the bulk (45%, mainly supported by the US market), with Asia and Europe still lagging behind with a 34% and a 18.2% market share, respectively. Considering growth rates, Americas and Asia are expected to lead the race with a CAGR21-26 of 10% and 9%, respectively.⁹

Digital Advertising market by geographical area 2021-26E (€bn)



Source: Statista Advertising and Media Outlook, March 2022

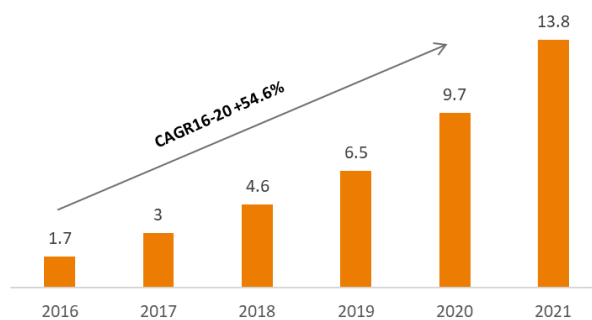
In recent times, more traditional forms of marketing are giving way to new ways of communicating with the end consumer that exploit the increasingly strategic role of social networks. One of the most important of these is **influencer marketing**, a form of social media marketing that involves product placements and endorsements from online creators.

According to Statista, the influencer marketing market was worth \$1.7bn in 2016, and in 2020 it reached \$9.7bn, growing at an outstanding CAGR16-20 of 54.6%. It is also expected that in 2021, the influencer marketing market will reach \$13.8bn, registering +42% YoY.¹⁰

⁹ Source: Statista Advertising and Media Outlook, March 2022

¹⁰ Source: Statista, Influencer Marketing worldwide, February 2021

Influencer Marketing Market size worldwide 2016-21 (\$bn)



Source: Statista, Influencer Marketing worldwide, 2021

Focus on Branded Entertainment

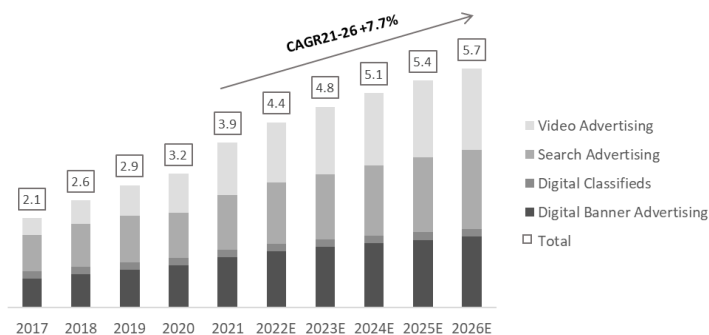
The pandemic has also created a very different communication context, by modifying the relationship between brand and reference audience, leading to a massive shift from traditional to digital advertising. Consequently, interesting developments are expected from the **branded entertainment** market, i.e. the production of entertainment media. In 2021 the branded entertainment – after ending 2020 with a €526mn size value and decreasing by 4% YoY because of the burden of pandemic restrictions – fully resumed to pre-pandemic results, experiencing a YoY double-digit growth and amounting to €589mn. During 2021, Digital demand became more and more strategical, absorbing 43% of the total investment, while TV slightly declined to 40%. The growth of digital was mainly boosted by its affordability with respect to other channels: the average cost for 79% of digital projects is less than €100k, while 80% of TV projects cost between €100k and €350k. Looking at end markets, 30% of brand entertainments' projects concern the Food and Beverage sector, followed by Telco and Tech (10%) Non-profits with 9% and Health&Beauty with 8%.

Italian Digital Advertising Market

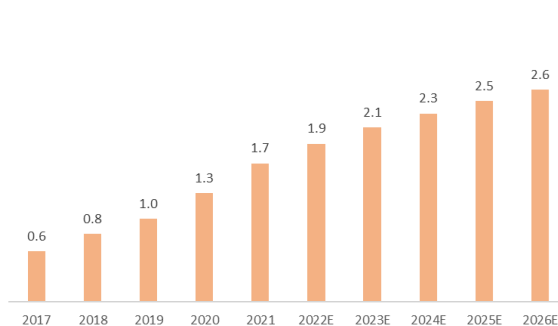
The Italian Digital Advertising market amounted to €3.9bn in 2021, after experiencing an increase of +23.6% YoY. The main contribution came from Search advertising (that weighted for 32.8% of the overall market), followed by Video Advertising (32.1%), that grew at the highest pace of +34% YoY. It is expected that the market will rise at a CAGR21-26E of 7.7% reaching €5.7bn. The growth will be mainly driven by the boost coming from Video Advertising (CAGR21-26E of +8.9%), which is expected to become the first category in terms of contribution (33.9% in 2026, +1.8pp vs 2021). Furthermore, Social media advertising¹¹ is expected to grow at a CAGR21-26E of 8.9%, increasing its weight on digital advertising by 2.5pp with respect to 2021, to ca. 45.5%.

¹¹ Social Media advertising refers to Banners and Video Advertising generated by social networks.

Italian Digital Advertising market by segment (€bn)



Social Media Advertising 2017-26E (€bn)

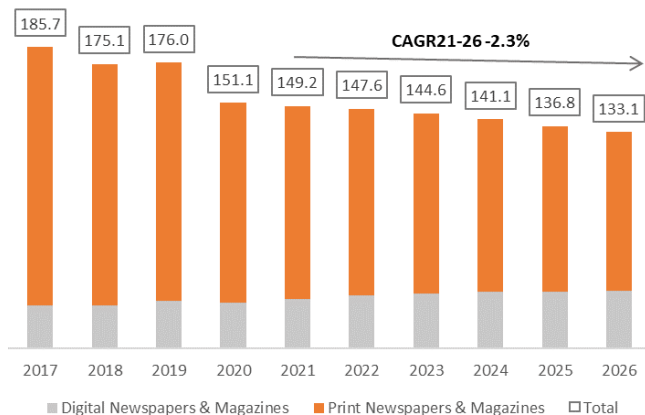


Source: Statista Advertising and Media Outlook, March 2022

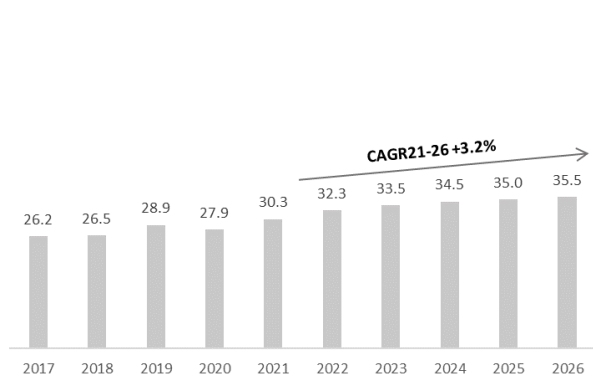
Digital Newspapers and Magazines Market

The printed newspaper and magazines segment is increasingly being replaced by digital editorial content. According to Statista data, while the print sector recorded a CAGR17-20 of -8.2%, the digital sector grew by 2.1%. By 2026, the digital segment (worth €30.3bn in 2021) is expected to reach €35.5bn, growing at a CAGR21-26 of 3.2% and accounting for 26.7% of the total market. Growth in the Digital segment is expected to only partially offset the reduction in the Print segment, which will lead to an overall market decline of -2.3%¹².

Newspapers and Magazines market 2017-26 (€bn)



Digital Newspapers and Magazines market 2017-26 (€bn)

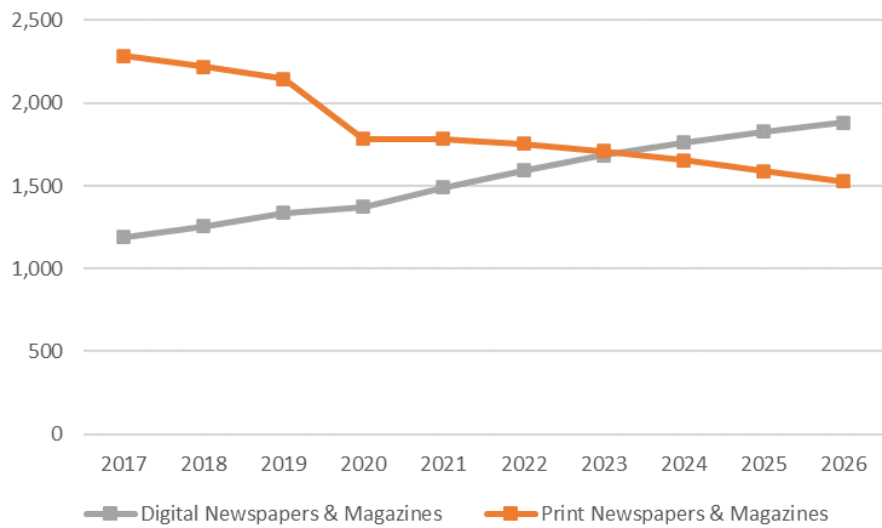


Source: Statista, Advertising and Media Outlook, Newspapers and Magazines, December 2021

However, it is interesting to note that the trend toward digital is now so much consolidated that the number of readers of digital content is expected to reach the number of readers of printed newspapers by 2023, overcoming it definitively in 2024.

¹² Source: Statista, Advertising and Media Outlook, Newspapers and Magazines, December 2021

Number of readers Traditional vs Digital segment (mn)

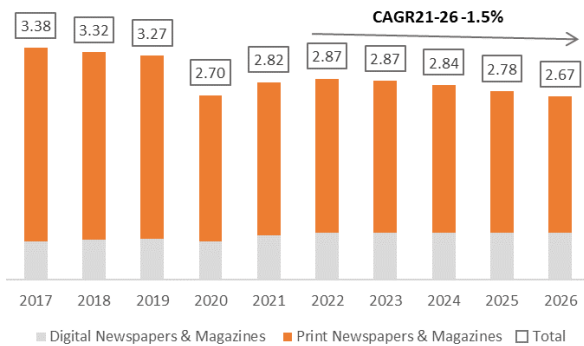


Source: Statista, Advertising and Media Outlook, Newspapers and Magazines, December 2021

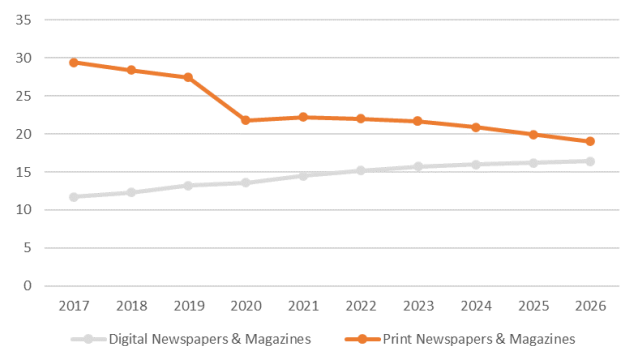
Italian Digital Newspapers and Magazines Market

The Italian Newspapers and Magazines market stood at €2.8bn in 2021, up by 7.1% YoY mainly due to the Digital segment rise that experienced a +14.3% YoY growth. The Traditional segment, on the other hand, showed a less-pronounced growth at 5.2%. The market value is expected to slightly decrease until 2026, with growth in the digital segment only partially offsetting a slight the decline in Print Magazines and Newspapers. As a result, digital is expected to increase its weight on the total market to 25.5% (from 22.2% in 2021). In conflict with the global figure, Italy is more traditionalist and still tied to printed copies. Indeed in 2026 the number of digital content readers is expected to be lower than that of paper readers (16.4mn vs 19mn)¹³.

Italian Digital Newspapers and Magazines market (€bn)



Number of readers Traditional vs Digital segment (mn)



Source: Statista, Advertising and Media Outlook, Newspapers and Magazines, December 2021

¹³ Source: Statista, Advertising and Media Outlook, Newspapers and Magazines, December 2021

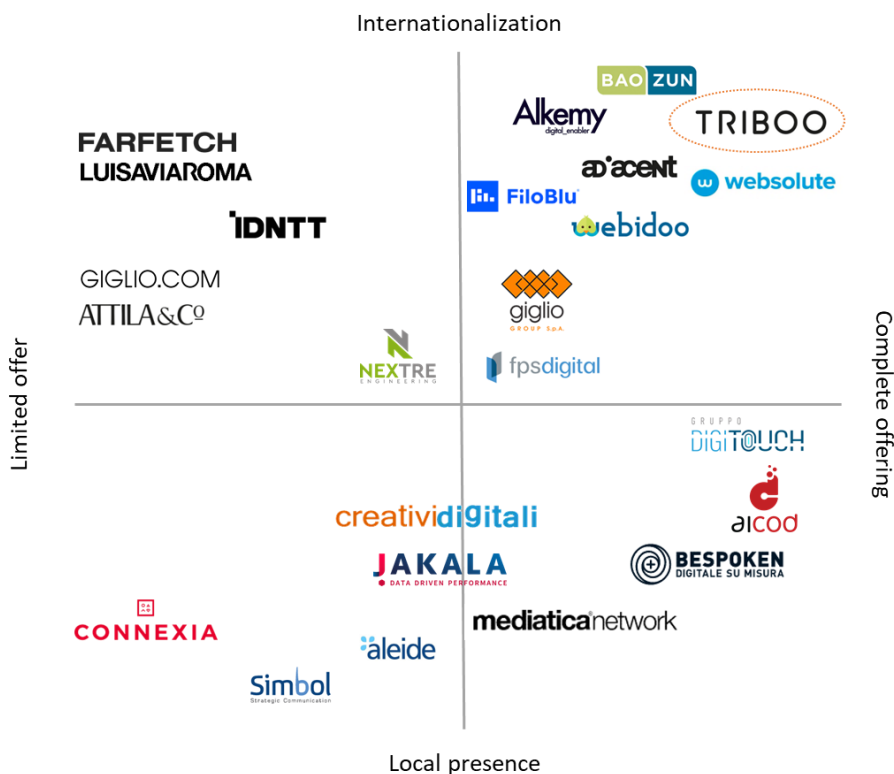
Competitive Arena

The digital transformation market has been undergoing an important acceleration over the years, which has led to a significant growth in the number of companies operating in the market, both on the e-commerce and digital marketing sides. Thanks to its cross-sectional presence in e-commerce, digital marketing and advertising, and online publishing markets, Triboo is one of the companies with the widest and most complete offerings.

Considering a panel of companies operating in the above-mentioned markets – listed and unlisted – we ranked them according to two criteria: i) the completeness of the offer, where a more complete offer means the combined offer of consultancy, e-commerce, and website development, digital marketing, web advertising, content creation, and data analytics services; and ii) the degree of internationalisation, i.e., companies that provide an internationalisation service to their Italian brand partners, leveraging on the certification obtained to collaborate with leading foreign operators (e.g., Alibaba).

Triboo positions as a single-services provider with the most comprehensive offer, providing standalone or bundled services. Furthermore, Triboo is one of the leading companies that allow brands to implement their digital and e-commerce strategies worldwide thanks to its certification as a T-mall partner and with direct access to the main search engines and social media in China, South Korea, and the Middle East.

Triboo's Competitive Positioning



Source: KT&P's Elaborations

Historical Financials

Triboo’s key financial for 2021 are:

- Sales revenues at €94.7mn vs €81.4mn in FY20, +11.9% CAGR19-21;
- EBITDA at €13mn (+23% CAGR19-21), with an EBITDA margin of 13.3%;
- EBIT at €1.8mn (vs €10k in FY19);
- Net income attributable to the Group at €1.8mn (vs €0.1mn in FY19);
- Net Debt at €2.4mn (vs €9.9mn in FY19).

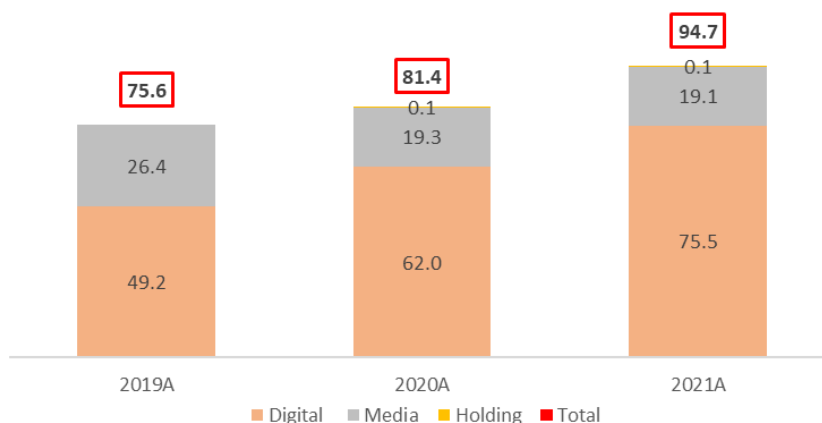
Revenue Breakdown

Over the 2019-21 period, Triboo showed a remarkable growth, with sales revenues growing at a CAGR19-21 of +12% reaching €94.7mn in 2021. In 2021, the company experienced a +16% YoY increase, mainly driven by the Digital BU.

Triboo’s revenues are based on two main business lines:

- **Digital** – the revenues’ segment that includes solutions related to e-commerce and digital marketing accounted for €75.5mn (or 80%) of sales revenues in 2021 (+24% CAGR19-21). The increasing contribution over the period is mainly attributable to i) the expansion in e-commerce activities, ii) the growth of digital marketing, and iii) the increased contribution from content creation following offer expansion to Photo shooting and Video content through its subsidiary E-Photo.
- **Media** – the revenues’ segment attributable to the company’s most traditional business of Web Advertising, Online Publishing, and Lead Generation reached €19.1mn in 2021 (-15% CAGR19-21), still below pre-COVID levels, also due to some promotional campaigns’ slowdowns. Media segment accounted for the remaining 20% of revenues (vs 34% in 2019). However, particularly for 2022, a great opportunity for growth is expected to come from the awarding of the ICE tender.

2019-2021 Sales Revenues Breakdown (€mn)



Source: Company Data

Note: FY19 media data sales include holding contribution

Profitability Analysis

EBITDA grew more than proportional compared to revenue, increasing at +23% CAGR19-21 and reaching €13mn, with an EBITDA margin of 13.3%, +2.2pp compared to 2019. Profitability improvement was driven by i) economies of scale in terms of labour and services costs, despite a lower use of redundancy funds and an increase in employees by 44 units in FY21 and ii) a different revenue mix. Furthermore, EBITDA margin grew despite the increase of raw material costs incidence from 2.5% in 2020 to 5.6% in 2021, following the acquisition of Innovas in FY21.

We should note that: a) FY20 data (and partially FY21 figures) were also positively impacted by the sale of face masks; and b) FY21 EBITDA was negatively impacted – among other things – by €1.1mn of non-recurring costs related to consultancy and to the settlement agreement signed with the minority shareholders of a subsidiary. Without non-recurring items, FY21 EBITDA would have equal to €13.9mn for an EBITDA margin at 14.3%.

FY21 company's EBIT amounted to €1.8mn, from ca. €10k in 2019, while Net income attributable to the group increased from €0.1mn in 2019 to €1.8mn in 2021. It is worth noting that in 2020 Net Income was negatively impacted by €1.2mn attributable to impairments of goodwill associated to Triboo Media and Emittente Nerazzurra. On the other side, FY21 Net income was positively impacted by €1.1mn following the release of the deferred tax provision on the back of the alignment of the book and fiscal value of an asset of the Media BU.

2019-2021 Consolidated Income Statement

€ Millions	FY19A	FY20A	FY21A	CAGR 19-21
Digital	49.2	62.0	75.5	24%
Media	26.4	19.3	19.1	-15%
Holding	-	0.1	0.1	n.a.
Sales Revenues	75.6	81.4	94.7	12%
Growth %	14.1%	7.7%	16.2%	
Other Revenues	1.6	1.8	3.1	39%
Total Revenues	77.2	83.3	97.7	13%
Growth %	10.9%	7.9%	17.3%	
Products and Raw materials	-	(2.1)	(5.5)	
Cost of Services	(47.4)	(50.2)	(57.0)	
Personnel Expenses	(18.2)	(15.7)	(17.7)	
Other Operating Expenses	(3.0)	(2.7)	(4.4)	
EBITDA	8.6	12.6	13.0	23%
EBITDA margin	11.1%	15.2%	13.3%	2%
Growth %	-13.5%	47.5%	3.1%	
D&A and Provisions	(8.6)	(10.3)	(11.2)	
EBIT	0.0	2.3	1.8	n.m.
EBIT margin	0.0%	2.8%	1.9%	2%
Growth %	-99.7%	n.m.	-21.6%	
Financial Income and Expenses	0.4	(0.7)	0.0	
Extraordinary items	-	-	-	
EBT	0.4	1.7	1.8	122%
Taxes	(0.2)	(0.9)	0.5	
Tax Rate	46.3%	52.5%	-29.2%	
Net Income	0.2	0.8	2.4	244%
Net margin	0.3%	0.9%	2.4%	2%
Growth %	-91.0%	293.0%	201.8%	
Minorities	0.1	0.2	0.6	
Net Income attributable to the Group	0.1	0.6	1.8	437%
Net margin	0.1%	0.7%	1.9%	2%
Growth %	-96.4%	841.3%	206.6%	

Source: Company Data. Note: FY19 media data sales include holding contribution

Capital Structure Analysis

In FY21, fixed assets amounted to €65.5mn almost in line with 2019, with the decrease in Intangible assets offset by the increase in both Tangible assets (from €9.3mn to €13.7mn) – following the rental of new offices (increase in Right of Use items from €6.4mn to €10.7mn) – and in Other LT Assets (from €3.5mn to €5.1mn). The decrease in goodwill (2021 vs 2019) from €30.3mn to €28.6mn is due to i) the impairment process on some Group companies' goodwill for €1.2mn and ii) the reduction in goodwill for €0.4mn following the disposal of Shiny.

The incidence of NWC on sales remained almost unchanged over the period 2019-21 in the range of -23/-25%. The negative sign of NWC is mainly due high DPO that are typical of the e-commerce business.

Net financial position strongly improved from €9.9mn of net debt in 2019 to €2.4mn in 2021, resulting in an NFP/EBITDA of 0.2x in FY21. Therefore, in 2021, D/E ratio reached 6.7%, decreasing by more than 22pp from FY19 (when it was equal to 29.3%). We note that NFP include €8.6mn of financial liabilities (increased by €4.2mn compared to FY20) related to IFRS16 debt recognition.

2019-2021 Consolidated Balance Sheet

€ Millions	FY19A	FY20A	FY21A
Goodwill	30.3	28.7	28.6
Intangible	22.4	20.1	18.1
Tangible	9.3	8.6	13.7
<i>of which ROU Assets -IFRS 16</i>	6.6	6.4	10.7
Other LT Assets	3.5	3.6	5.1
Fixed Assets	65.6	61.1	65.5
Trade receivables	31.1	46.1	33.2
Inventory	-	-	0.8
Trade Payables	(48.3)	(60.4)	(51.3)
Trade Working Capital	(17.3)	(14.3)	(17.2)
Other assets and liabilities	(1.9)	(4.4)	(6.8)
Net Working Capital	(19.2)	(18.6)	(24.0)
Other Provisions	(2.7)	(2.8)	(3.0)
Net Capital Employed	43.7	39.6	38.5
Group shareholders' equity	33.5	33.6	35.5
Minority shareholders' equity	0.3	0.5	0.6
Total shareholders' equity	33.8	34.1	36.1
Short-term debt / Cash (-)	(1.0)	(11.5)	(22.1)
Long-term liabilities	10.9	17.1	24.6
Net Financial Position	9.9	5.6	2.4
Sources	43.7	39.6	38.5

Source: Company Data

Group's Strategy

Over the coming years, Triboo aims at strengthening its strategic position in the digital marketing and e-commerce arena by:

- **Expanding its customer portfolio with new leading brands with high growth potential.** Capitalizing on its consolidated experience and capabilities, Triboo aims at attracting new brands that are looking at enhancing their digital and e-commerce strategies. In scouting new brands, Triboo will focus on brands active in highly profitable markets with interesting sales and growth outlook.
- **Exploiting up- and cross-selling opportunities.** Being active in a promising and growing market and providing a 360-degree offer, Triboo aims at leveraging on its existing client base to exploit up-and-cross selling opportunities.
- **Strengthening its international presence.** Triboo will consolidate its activity abroad, particularly China and the United States, also pursuing strategic alliances. In this regard, both the companies Triboo Shanghai and East Media – to date still in a start-up phase – are expected to keep growing and improving their profitability, leading to a greater contribution to the group's result.
- **Enriching its digital offering.** Although in the immediate future the e-commerce is expected to be the main driver for company's growth, in the long term the company's purpose is to focus more on the highest added-value services, such as digital marketing and content creation, which according to the management are expected to experience the highest growth.
- **Growing through external lines.** Triboo will pursue investments and seek acquisitions to strengthen its offering, technology, and capabilities. In particular, the Group aims at seizing opportunities in sectors where its presence is still low like social media and influencer marketing.

Deconstructing Forecasts

Our financial projections over the 2022-25 period consider Triboo's business model and strategy. No impact from future M&As have been taken into account.

Starting from the top line, we anticipate FY22 sales revenues at €103.4mn, growing at a CAGR21A-25E of 7% and reaching €125mn in FY25. Net sales growth will be mainly driven by:

- Digital segment growth at a CAGR21-25 of 7% (from €75.5mn in 2021 to €100.8mn in 2025), mainly thanks to i) e-commerce contribution, both Online and Offline channel, also thanks to the recent acquired company Innovas, ii) a growing contribution from Digital content and marketing driven by E-Photo's content creation.
- Media division is expected to grow at a lower CAGR21-25 of 6%, reaching €24.1mn in 2025. For 2022, a significant contribution is expected to come from the awarding of the ICE tender, enhancing revenues' growth to €22.5mn.

We expect FY22 EBITDA margin at 16.1%, improving by 2.8pp compared to 2021 thanks to: i) a different revenue mix, thanks to both the contribution in FY22 from ICE and higher-value-added services (i.e., content creation, influencer marketing, etc.); ii) a reduction in cost of services incidence; and iii) economies of scale in terms of labour costs. In FY23 we expect profitability to decrease to 15.7% due to the lack of contribution from ICE tender compared to FY22, and then progressively improving to 16.5% in FY25. In absolute terms, we anticipate EBITDA to grow at a higher pace than revenues (+13% CAGR21-25), reaching €21mn in FY25.

Looking at the bottom line, we anticipate FY22 Net Income attributable to the Group to amount to €3.9mn, growing at a CAGR21-25 of 44% and reaching €7.8mn in 2025, benefitting from business growth and an expected increase in profitability over the period examined.

2019-2025 Consolidated Income Statement

€ Millions	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E	CAGR 21A-25E
Digital	49.2	62.0	75.5	80.8	86.4	93.3	100.8	7%
Media	26.4	19.3	19.1	22.5	20.3	22.3	24.1	6%
Holding	-	0.1	0.1	0.1	0.1	0.1	0.1	
Sales Revenues	75.6	81.4	94.7	103.4	106.8	115.7	125.0	7%
<i>Growth %</i>	14.1%	7.7%	16.2%	9.2%	3.3%	8.4%	8.0%	
Other Revenues	1.6	1.8	3.1	1.55	1.60	1.7	1.9	-12%
Total Revenues	77.2	83.3	97.7	104.9	108.4	117.4	126.8	7%
<i>Growth %</i>	10.9%	7.9%	17.3%	7.4%	3.3%	8.4%	8.0%	
Products and Raw materials	-	(2.1)	(5.5)	(6.0)	(6.2)	(6.7)	(7.3)	
Cost of Services	(47.4)	(50.2)	(57.0)	(60.1)	(62.2)	(66.9)	(71.7)	
Personnel Expenses	(18.2)	(15.7)	(17.7)	(18.5)	(19.4)	(21.1)	(22.7)	
Other Operating Expenses	(3.0)	(2.7)	(4.4)	(3.4)	(3.5)	(3.8)	(4.1)	
EBITDA	8.6	12.6	13.0	16.9	17.0	19.0	21.0	13%
<i>EBITDA margin</i>	11.1%	15.2%	13.3%	16.1%	15.7%	16.1%	16.5%	
<i>Growth %</i>	-13.5%	47.5%	3.1%	30.0%	0.1%	11.8%	10.6%	
D&A and Provisions	(8.6)	(10.3)	(11.2)	(9.1)	(8.8)	(8.5)	(6.1)	
EBIT	0.0	2.3	1.8	7.9	8.1	10.5	14.9	69%
<i>EBIT margin</i>	0.0%	2.8%	1.9%	7.5%	7.5%	8.9%	11.8%	
<i>Growth %</i>	-99.7%	n.m.	-21.6%	330.2%	3.3%	28.7%	42.5%	
Financial Income and Expenses	0.4	(0.7)	0.0	(0.6)	(0.6)	(0.5)	(0.5)	
Extraordinary items	-	-	-	-	-	-	-	
EBT	0.4	1.7	1.8	7.3	7.5	9.9	14.4	67%
Taxes	(0.2)	(0.9)	0.5	(2.1)	(2.2)	(2.9)	(4.2)	
<i>Tax Rate</i>	46.3%	52.5%	-29.2%	29.0%	29.0%	29.0%	29.0%	
Net Income	0.2	0.8	2.4	5.2	5.4	7.0	10.2	44%
<i>Net margin</i>	0.3%	0.9%	2.4%	4.9%	4.9%	6.0%	8.1%	
<i>Growth %</i>	-91.0%	293.0%	201.8%	116.2%	4.0%	31.5%	45.4%	
Minorities	0.1	0.2	0.6	1.2	1.3	1.7	2.4	
Net Income attributable to the Group	0.1	0.6	1.8	3.9	4.1	5.4	7.8	44%
<i>Net margin</i>	0.1%	0.7%	1.9%	3.7%	3.8%	4.6%	6.2%	
<i>Growth %</i>	-96.4%	841.3%	206.6%	116.2%	4.0%	31.5%	45.4%	

Source: Company Data, KT&Partners'Elaboration

As for the balance sheet, we expect NWC going from -€24mn in 2021 to -€6.5mn in 2025, mainly following the company's business growth, with an average incidence on sales at -11% over the period 2022-25 (vs -25% in FY21).

Thanks to its growing and profitable business, along with Company's strong cash-generation capacity, we expect NFP to progressively improve over the 2021-25 period, going from a net debt of €2.4mn in FY21 to a net cash position of €27.6mn in FY25 (with an average FCF/EBITDA at ca. 37% over the 2022-25 period).

2019-2025 Consolidated Balance Sheet

€ Millions	FY19A	FY20A	FY21A	FY22E	FY23E	FY24E	FY25E
Goodwill	30.3	28.7	28.6	28.6	28.6	28.6	28.6
Intangible	22.4	20.1	18.1	16.1	14.4	12.9	14.0
Tangible	9.3	8.6	13.7	12.4	11.2	9.9	8.9
Other LT Assets	3.5	3.6	5.1	5.1	5.1	5.1	5.1
Fixed Assets	65.6	61.1	65.5	62.2	59.2	56.5	56.5
Trade receivables	31.1	46.1	33.2	46.2	47.7	51.7	55.8
Inventory	-	-	0.8	1.3	1.6	1.7	1.8
Trade Payables	(48.3)	(60.4)	(51.3)	(57.3)	(55.9)	(56.4)	(57.4)
Trade Working Capital	(17.3)	(14.3)	(17.2)	(9.7)	(6.7)	(3.1)	0.2
Other assets and liabilities	(1.9)	(4.4)	(6.8)	(6.8)	(6.8)	(6.8)	(6.8)
Net Working Capital	(19.2)	(18.6)	(24.0)	(16.5)	(13.4)	(9.8)	(6.5)
Other Provisions	(2.7)	(2.8)	(3.0)	(4.3)	(5.8)	(7.3)	(9.0)
Net Capital Employed	43.7	39.6	38.5	41.4	40.0	39.3	41.0
Group shareholders' equity	33.5	33.6	35.5	40.0	45.3	52.0	61.5
Minority shareholders' equity	0.3	0.5	0.6	1.8	3.1	4.8	7.2
Total shareholders' equity	33.8	34.1	36.1	41.8	48.4	56.7	68.6
Short-term debt / Cash (-)	(1.0)	(11.5)	(22.1)	(25.0)	(33.0)	(41.9)	(52.2)
Long-term liabilities	10.9	17.1	24.6	24.6	24.6	24.6	24.6
Net Financial Position	9.9	5.6	2.4	(0.4)	(8.4)	(17.4)	(27.6)
Sources	43.7	39.6	38.5	41.4	40.0	39.3	41.0

Source: Company Data, KT&P's Elaborations

Valuation

Following the projections of Triboo's future financials, we carried out the valuations of the company by applying the DCF and market multiples methods:

1. EV/EBITDA and P/E multiples, which return a value of €2.99ps;
2. DCF analysis based on WACC of 10.8% and 1.5% perpetual growth, returns a value of €2.97ps.

The average of the two methods yields a fair value of €2.98ps or an equity value of €85.7mn.

Valuation Recap

	Equity Value €mn	Value per share €
EV/EBITDA	114.7	3.99
P/E	57.3	2.00
Average - multiples	86.0	2.99
DCF	85.3	2.97
Average	85.7	2.98

Source: FactSet, KT&Partners' Elaboration

Peer Comparison

In order to define Triboo's peer sample, we carried out an in-depth analysis of listed companies active in i) Digital market, operating either in E-commerce or in Digital and Content marketing field and ii) Media market. In selecting potential peers, we consider Triboo's offering, business model, growth, and profitability profile.

For peer analysis, we built a sample of eight companies, which includes:

- **Baozun Inc Class A:** listed on Hong Kong stock exchange with a market capitalization of €530mn, Baozun is a famous brand e-commerce business partner, and a leading digital technology and solution company in China. The Group leverages on its integrated capabilities to encompass all aspects of the e-commerce value chain from IT solutions to store operations, digital marketing, customer services, warehousing, and fulfilment. In FY21, the company reached €1.2bn of revenues.
- **ad pepper media International N.V.:** listed on XETRA stock exchange with a market capitalization of €76mn, the company provides digital marketing services and technology solutions. The firm also provides display, lead generation, email, search engine, and affiliate marketing services to media agencies, advertisers, and publishers. It operates through the following segments: Ad Pepper Media, Webgains and Ad Agents. In FY21, the company sales revenues amounted to €28mn.
- **S4 Capital plc:** listed on London stock exchange with a market capitalization of €1.9bn, the company engages in the provision of digital advertising and marketing services. It operates through the Content Practice segment – which includes creative content, campaigns, and assets for paid, social, and earned media from digital platforms – and Data and Digital Media segment – which encompasses campaign management analytics, creative production and ad serving, platform and systems integration and transition. Company's FY21 sales revenues reached €799mn.
- **Alkemy SpA:** listed on Borsa Italiana stock exchange with a market capitalization of €81mn, Alkemy operated in the digital transformation market, helping companies to develop their business by defining the relevant strategy exploiting technology, data, and creativity. The company provides marketing and information technology consulting services, data and analytics, brand experience, and product and space design. In FY21, the company sales' revenues reached €94mn.

- **Websolute SpA:** listed on Borsa Italiana stock exchange with a market capitalization of €26mn, Websolute is a digital company that provides solutions for digital communication and marketing. The firm's activity is focused on digital strategy concepts and technologies for branding policies, website design, electronic commerce, web marketing, and social media marketing. In FY21, company's revenues amounted to €19mn.
- **DigiTouch SpA:** listed on Borsa Italiana stock exchange with a market capitalization of €29mn, the company engages in the digital advertising business. It operates through the following business divisions: technology services (through Data analysis, AI, Martech system integration), e-commerce services (with e-commerce, cloud solutions, and UX), and marketing services (providing content and creativity, SEO, omnichannel marketing). The company reached €37mn sales revenues in FY21.
- **SYZGY AG:** listed on XETRA stock exchange with a market capitalization of €83mn, the company engages with the creation and design of digital solutions and products for brands, companies, and people. Syzygy deals with consultancy, implementation for transformation in marketing and sales, enterprise technology, performance marketing, and media. In FY21, the company reached €60mn of sales revenues.
- **RCS MediaGroup S.p.A.:** listed on Borsa Italiana stock exchange with a market capitalization of €374mn, RCS provides multimedia publishing activities. It operates through the following segments: Newspapers Italy, Magazines Italy, Advertising and Sport, Unidad Editorial, and Other Corporate activities. The company is focused on i) editing, production, and marketing of publishing products related to renowned newspaper, such as Corriere della Sera and La Gazzetta dello Sport; ii) magazines, including weeklies and monthlies; and iii) advertising concessionaire activity. In FY21 company's revenues amounted to €846mn.

Then, we analyzed our panel looking at Sales and EBITDA historical and projected growth, comparing them with Triboo's historical and expected results. At a historical level, despite lower sales growth rates than our peers panel (+11.9% vs 15.7%), Triboo has recorded a higher growth of EBITDA (23.3% vs 3.2% peers' average). Furthermore, by comparing peers' historical and projected marginalities with Triboo's historical and projected financials, we note that over the 2019-21 period Triboo showed an average EBITDA margin higher than its peers: 2019-21 average peer's EBITDA margin was 11.9% while Triboo's EBITDA margin was equal to 13.2%. Over the 2019-21 period, Triboo reported lower EBIT margin and net margin than the comps' average, mainly due to the high level of investments carried out over the period.

Looking at the following years, despite we expect sales and EBITDA to grow at slower pace than average's comps, Triboo's profitability is projected to be almost in line with its peer's panel at ca. 16%.

Peers' Sales and EBITDA Growth 2019-24 (€mn)

Company Name	Sales						CAGR 2019-'21	CAGR 2021-'24
	2019	2020	2021	2022	2023	2024		
Baozun Inc Class A	941	1,125	1,233	1,510	1,723	1,845	14.4%	14.4%
ad pepper media International N.V.	22	26	28	29	32	35	12.6%	8.0%
S4 Capital plc	245	385	799	1,065	1,347	1,732	80.5%	29.4%
Alkemy SpA	81	74	94	108	118	128	7.5%	10.8%
Websolute SpA	13	13	19	22	26	33	20.4%	21.1%
DigiTouch SpA	36	31	37	42	46	59	2.1%	16.2%
SYZGY AG	64	56	60	66	73	78	-3.3%	9.1%
RCS MediaGroup S.p.A.	924	750	846	857	862	850	-4.3%	0.1%
Peers Average	291	307	389	462	528	595	15.7%	15.2%
Triboo SpA	76	81	95	103	107	116	11.9%	6.9%

Company Name	EBITDA						CAGR 2019-'21	CAGR 2021-'24
	2019	2020	2021	2022	2023	2024		
Baozun Inc Class A	67	83	18	59	102	138	-47.7%	95.8%
ad pepper media International N.V.	3	5	4	4	6	7	20.6%	22.0%
S4 Capital plc	39	67	114	183	241	325	71.6%	41.8%
Alkemy SpA	1	4	8	12	15	17	n.m.	29.3%
Websolute SpA	2	1	3	5	6	7	27.8%	40.3%
DigiTouch SpA	5	5	5	7	8	10	4.9%	21.1%
SYZGY AG	8	8	12	13	14	14	25.2%	4.8%
RCS MediaGroup S.p.A.	140	74	116	132	138	124	-8.8%	2.1%
Peers Average	33	31	35	52	66	80	3.2%	31.7%
Triboo SpA	9	13	13	17	17	19	23.3%	13.3%

Source: FactSet, KT&Partners' Elaboration

Peers' EBITDA Margin, EBIT Margin and Net Margin (2019-24)

Company Name	EBITDA Margin						EBIT Margin						Net Margin					
	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024	2019	2020	2021	2022	2023	2024
Baozun Inc Class A	7.2%	7.4%	1.5%	3.9%	5.9%	7.5%	5.5%	5.7%	neg	2.5%	4.2%	5.6%	3.9%	4.8%	neg	1.2%	2.7%	4.1%
ad pepper media International N.V.	12.9%	20.0%	14.8%	15.3%	19.0%	21.4%	8.4%	15.6%	10.5%	11.6%	15.5%	18.1%	6.2%	14.3%	6.2%	5.5%	8.2%	10.3%
S4 Capital plc	15.8%	17.4%	14.3%	17.2%	17.9%	18.7%	4.2%	6.6%	6.0%	16.3%	17.0%	17.8%	neg	neg	neg	7.9%	8.9%	11.0%
Alkemy SpA	1.0%	6.0%	8.3%	11.6%	12.7%	13.2%	neg	3.6%	5.7%	9.5%	10.2%	10.9%	neg	2.4%	4.5%	6.3%	7.1%	7.7%
Websolute SpA	12.7%	4.9%	14.3%	20.3%	23.0%	22.3%	4.2%	neg	5.2%	12.7%	16.2%	15.9%	2.7%	2.3%	2.4%	8.5%	11.1%	8.6%
DigiTouch SpA	13.6%	14.5%	14.3%	16.4%	17.4%	16.2%	5.3%	3.9%	4.3%	4.0%	5.0%	5.0%	0.7%	neg	1.3%	1.9%	2.6%	2.6%
SYZGY AG	12.4%	13.7%	20.8%	19.0%	18.7%	18.4%	4.0%	3.5%	7.2%	10.5%	10.9%	11.2%	5.4%	3.7%	6.7%	6.5%	6.8%	7.1%
RCS MediaGroup S.p.A.	15.1%	9.9%	13.8%	15.4%	16.1%	14.6%	9.8%	3.6%	8.1%	9.8%	10.6%	8.8%	7.4%	4.2%	8.6%	6.0%	6.5%	5.9%
Peers Average	11.3%	11.7%	12.8%	14.9%	16.3%	16.5%	5.9%	6.1%	6.7%	9.6%	11.2%	11.7%	4.4%	5.3%	5.0%	5.5%	6.8%	7.1%
Triboo SpA	11.1%	15.2%	13.3%	16.1%	15.7%	16.1%	0.0%	2.8%	1.9%	7.5%	7.5%	8.9%	0.1%	0.7%	1.9%	3.7%	3.8%	4.6%

Source: FactSet, KT&Partners' Elaboration

Market Multiples Valuation

Following the comparables' analysis, we proceeded with the definition of market multiples for each peer group, focusing on 2021-23 data.

Peer Comparison – Market Multiples 2021-2023

Company Name	Exchange	Market Cap	EV/SALES 2021	EV/SALES 2022	EV/SALES 2023	EV/EBITDA 2021	EV/EBITDA 2022	EV/EBITDA 2023	EV/EBIT 2021	EV/EBIT 2022	EV/EBIT 2023	P/E 2021	P/E 2022	P/E 2023
Baozun Inc Class A	Hong Kong	530	0.5x	0.4x	0.4x	34.1x	10.7x	6.2x	n.m.	16.9x	8.7x	n.m.	20.1x	9.7x
ad pepper media International N.V.	XETRA	76	1.9x	1.8x	1.6x	12.7x	11.8x	8.6x	17.9x	15.5x	10.5x	42.1x	43.8x	28.0x
S4 Capital plc	London	1,940	2.4x	1.8x	1.4x	17.1x	10.6x	8.1x	n.m.	11.2x	8.5x	n.m.	16.2x	12.4x
Alkemy SpA	Milan	81	1.0x	0.8x	0.8x	11.6x	7.3x	6.1x	16.8x	8.9x	7.5x	18.4x	11.6x	9.4x
Websolute SpA	Milan	26	1.5x	1.3x	1.1x	10.6x	6.2x	4.8x	29.1x	9.9x	6.8x	n.m.	14.5x	9.4x
DigiTouch SpA	Milan	29	0.9x	0.8x	0.7x	6.1x	4.8x	4.1x	20.6x	19.3x	14.3x	n.m.	36.0x	24.0x
SVZGY AG	XETRA	83	1.7x	1.6x	1.4x	8.3x	8.2x	7.7x	24.1x	15.0x	13.2x	20.5x	19.1x	16.8x
RCS MediaGroup S.p.A.	Milan	374	0.6x	0.6x	0.6x	4.4x	3.9x	3.7x	7.6x	6.1x	5.7x	5.1x	7.2x	6.6x
Average peer group		392	1.3x	1.1x	1.0x	13.1x	7.9x	6.2x	19.4x	12.9x	9.4x	21.5x	21.1x	14.5x
Median peer group		82	1.2x	1.0x	0.9x	11.1x	7.8x	6.1x	19.3x	13.1x	8.6x	19.5x	17.7x	11.1x
Triboo SpA	Milan	38	0.4x	0.4x	0.4x	3.2x	2.4x	2.4x	22.6x	5.3x	5.1x	21.1x	9.8x	9.4x

Source: FactSet, KT&Partners' Elaboration

We based our evaluation upon our estimates of Triboo's EBITDA and net income for 2022 and 2023.

EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2022E	2023E
EV/EBITDA Comps	7.8x	6.1x
Triboo SpA EBITDA	16.9	17.0
Enterprise value	131.4	103.9
Triboo SpA FY21 Net Debt	2.4	2.4
Triboo FY21 Minorities	0.6	0.6
Equity Value	128.4	100.9
Average Equity Value		114.7
Liquidity/Size Discount		0%
Equity Value Post-Discount		114.7
Number of shares (mn)		28.7
Value per Share €		4.0

Source: FactSet, KT&Partners' Elaboration

P/E Multiple Valuation

Multiple Valuation (€mn)	2022E	2023E
P/E Comps	17.7x	11.1x
Triboo SpA Net Income	3.9	4.1
Equity Value	69.4	45.2
Average Equity Value		57.3
Liquidity/Size Discount		0%
Equity Value Post-Discount		57.3
Number of shares (mn)		28.7
Value per Share €		2.0

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 11.5% cost of equity, 3% cost of debt, and a D/E ratio of 8.6% (Damodaran for Retain Online). The cost of equity is a function of the risk-free rate of 2.3% (Italian 10y BTP), 4.6% equity risk premium (Damodaran for a mature market – 12m March '21/Feb '22 average) and a premium for size and liquidity of 3.1% (source: Duff&Phelps). We, therefore, obtained 10.8% WACC.

We discounted 2022E-25E annual cash flows and considered a terminal growth rate of 1.5%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation

€ Millions	2022E	2023E	2024E	2025E
EBIT	7.9	8.1	10.5	14.9
Taxes	(2.3)	(2.4)	(3.0)	(4.3)
D&A	8.6	8.3	8.0	5.6
Change in Net Working Capital	(7.5)	(3.1)	(3.6)	(3.3)
Change in Funds	1.4	1.4	1.6	1.7
Net Operating Cash Flow	8.0	12.5	13.4	14.5
Capex	(5.3)	(5.3)	(5.3)	(5.6)
FCFO	2.7	7.2	8.1	8.9
g	1.5%			
Wacc	10.8%			
FCFO (discounted)	2.6	6.1	6.2	6.2
Discounted Cumulated FCFO	21.0			
TV	97.6			
TV (discounted)	67.3			
Enterprise Value	88.3			
NFP FY21	2.4			
Minorities	0.6			
Equity Value	85.3			
Current number of shares (mn)	28.7			
Value per share (€)	3.0			

Source: Company Data, KT&Partners' Elaboration

Sensitivity Analysis

€ Millions	Terminal growth Rate	WACC				
		11.3%	11.0%	10.8%	10.5%	10.3%
	1.0%	77.3	79.4	81.6	83.9	86.3
	1.3%	78.9	81.1	83.4	85.8	88.4
	1.5%	80.6	82.9	85.3	87.9	90.6
	1.8%	82.4	84.8	87.4	90.0	92.9
	2.0%	84.3	86.9	89.5	92.3	95.3

Source: Company Data, KT&Partners' Elaboration

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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

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