

# MATICA FINTEC

**BUY**

Sector: Industrials

Price: Eu2.38 - Target: Eu4.10

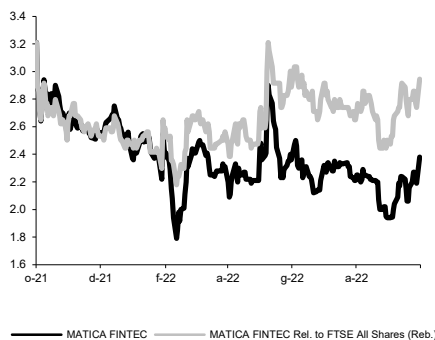
## Solid Growth and Profitability, Undervalued on Fundamentals

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### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	from 3.50 to 4.10		
	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
<b>Chg in Adj EPS</b>	+38%	+29.7%	+17.5%

### MATICA FINTEC - 12M Performance



### Stock Data

Reuters code:	MFTC.MI		
Bloomberg code:	MFT IM		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	22.7%	7.7%	-13.8%
Relative	18.3%	5.2%	4.5%
12M (H/L)	3.21/1.79		
3M Average Volume (th):	4.87		

### Shareholder Data

No. of Ord shares (mn):	11
Total no. of shares (mn):	11
Mkt Cap Ord (Eu mn):	25
Total Mkt Cap (Eu mn):	25
Mkt Float - Ord (Eu mn):	10
Mkt Float (in %):	39.3%
Main Shareholder:	
Matica Technologies AG	60.5%

### Balance Sheet Data

Book Value (Eu mn):	11
BVPS (Eu):	1.01
P/BV:	2.4
Net Financial Position (Eu mn):	1
Enterprise Value (Eu mn):	25

- Combining growth and profitability. Flexibility for M&A.** Matica Fintec competes globally as a supplier of technological systems and software for the issuing of ID documents and financial cards. The company is positioned in the high-end segment of the market (28% EBITDA margin reported in 1H22), where it competes with a few other players (Entrust Datacard, HID, Muhlbauer, Evolis, and Zebra) in a steadily growing market. After reporting strong 1H22 results, and following the acquisition of CTC in the US, we think Matica Fintec is accelerating on its profitable growth path. The company also has the financial flexibility to grow through M&A. We are raising our estimates (FY22-23E EPS +34%) and TP from Eu3.5 to Eu4.1 (fair P/E 2023e 15.6x vs. 9.1x based on current price), reiterating our BUY recommendation on the stock.
- Integration of CTC and UBIQ in the US.** In July, Matica Fintec announced the closing of the purchase of the entire capital of CTC, which owns 100% of UBIQ. The two companies, based in Minnesota, operate in the US market as suppliers of integrated hardware and software solutions for banking and digital-ID. The transaction was structured in cash (Eu1.5mn) and shares (5% of Matica Fintec's shares post transaction) for an overall value of Eu2.6mn. Through the acquisition of CTC, Matica Fintec has set up a base for future investments in local production (low CapEx involved).
- Upgrading estimates.** After the company reported better-than-expected 1H22 results, we are upgrading our model, which now includes the contribution of CTC consolidated as of July 2022. CTC is expected to add c.Eu5.0mn to sales on an annual basis, with no impact on the group's profitability once fully integrated and a slightly positive boost to the NFP. We now estimate Matica Fintec will close FY22e with sales of Eu18mn (+26% YoY), EBITDA close to Eu5.0mn (+52%) a 27% margin, net profit of Eu2.2mn, and no debt. We are raising our previous 2022-23e sales estimate by +10% on avg., EBITDA by +32%, and EPS by +34%.
- BUY; target Eu4.1 (from Eu3.5).** The business model is built on excellent operations management combined with a strong technological identity. This proved resilient during the pandemic, and recurring revenues (software and consumables) come to >30% of the total (> 2x the sales of equipment over the product cycle). Our TP of Eu4.1 (from Eu3.5 previously) is based on a DCF valuation of the business. At target, we value Matica Fintec at FY22-23e EV/sales multiples of 2.3x/1.8x, EV/EBITDA of 8.8x/7.4x and P/E of 20.0x/15.6x, which we deem undemanding in light of its technological positioning (good visibility on growth), solid profitability and cash conversion. Matica Fintec is indirectly controlled by its chairman and founder Sandro Camilleri with 60.5% of shares. Ai Holding owns 5%, with a free float of 34%.

Key Figures & Ratios	2020A	2021A	2022E	2023E	2024E
Sales (Eu mn)	13	15	19	24	27
EBITDA Adj (Eu mn)	2	3	5	6	7
Net Profit Adj (Eu mn)	0	1	2	3	3
EPS New Adj (Eu)	0.008	0.111	0.205	0.261	0.324
EPS Old Adj (Eu)	0.008	0.111	0.149	0.201	0.276
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	8.1	5.4	5.1	4.2	3.2
EV/EBIT Adj	32.5	8.8	6.9	5.3	3.9
P/E Adj	nm	21.4	11.6	9.1	7.3
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.2	-0.6	-0.2	-0.4	-0.7

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MATICA FINTEC – Key Figures						
Profit & Loss (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	15	13	15	19	24	27
EBITDA	3	2	3	5	6	7
EBIT	1	1	2	4	5	5
Financial Income (charges)	-0	-0	-0	-0	-0	-0
Associates & Others	0	-0	0	0	0	0
Pre-tax Profit	1	0	2	3	4	5
Taxes	-0	-0	-1	-1	-1	-2
Tax rate	54.8%	74.9%	31.3%	33.0%	31.4%	31.3%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	0	0	1	2	3	3
EBITDA Adj	3	2	3	5	6	7
EBIT Adj	1	1	2	4	5	5
Net Profit Adj	0	0	1	2	3	3
Per Share Data (Eu)	2019A	2020A	2021A	2022E	2023E	2024E
Total Shares Outstanding (mn) - Average	11	11	11	11	11	11
Total Shares Outstanding (mn) - Year End	11	11	11	11	11	11
EPS f.d	0.029	0.005	0.118	0.205	0.261	0.324
EPS Adj f.d	0.010	0.008	0.111	0.205	0.261	0.324
BVPS f.d	0.711	0.728	0.820	1.010	1.271	1.595
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
Dividend per Share SAV						
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash Flow (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Gross Cash Flow	3	2	2	3	4	5
Change in NWC	-2	-2	1	-1	-1	-1
Capital Expenditure	-1	-2	-1	-2	-2	-2
Other Cash Items	-1	1	1	0	0	0
Free Cash Flow (FCF)	-1	-1	3	1	2	3
Acquisitions, Divestments & Other Items	0	0	0	-2	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	5	0	-0	0	0	0
Change in Net Financial Position	5	-1	3	-0	2	3
Balance Sheet (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Total Fixed Assets	6	6	6	6	6	7
Net Working Capital	3	4	4	5	5	6
Long term Liabilities	-0	-1	-1	-1	-1	-1
Net Capital Employed	9	10	9	10	11	12
Net Cash (Debt)	1	-0	2	1	2	5
Group Equity	7	8	9	11	14	17
Minorities	0	0	0	0	0	0
Net Equity	7	8	9	11	14	17
Enterprise Value (Eu mn)	2019A	2020A	2021A	2022E	2023E	2024E
Average Mkt Cap	20	15	18	25	25	25
Adjustments (Associate & Minorities)	-2	-2	-1	-1	-1	-1
Net Cash (Debt)	1	-0	2	1	2	5
Enterprise Value	22	18	18	25	24	21
Ratios (%)	2019A	2020A	2021A	2022E	2023E	2024E
EBITDA Adj Margin	21.2%	17.0%	21.6%	26.1%	24.2%	24.5%
EBIT Adj Margin	4.3%	4.2%	13.2%	19.4%	19.3%	20.1%
Gearing - Debt/Equity	-9.7%	5.8%	-21.0%	-8.2%	-18.2%	-28.3%
Interest Cover on EBIT	2.5	1.8	6.2	8.6	9.8	12.2
Net Debt/EBITDA Adj	-0.2	0.2	-0.6	-0.2	-0.4	-0.7
ROACE*	7.6%	5.7%	21.0%	39.0%	42.9%	47.5%
ROE*	2.1%	1.1%	14.2%	22.5%	22.9%	22.6%
EV/CE	2.5	1.9	1.8	2.7	2.2	1.8
EV/Sales	1.4	1.4	1.2	1.3	1.0	0.8
EV/EBITDA Adj	6.8	8.1	5.4	5.1	4.2	3.2
EV/EBIT Adj	33.3	32.5	8.8	6.9	5.3	3.9
Free Cash Flow Yield	-2.0%	-2.9%	11.0%	3.9%	6.3%	10.2%
Growth Rates (%)	2019A	2020A	2021A	2022E	2023E	2024E
Sales	7.0%	-14.9%	19.1%	25.6%	23.4%	16.0%
EBITDA Adj	40.3%	-31.9%	51.3%	52.1%	14.1%	17.4%
EBIT Adj	nm	-16.9%	270.8%	84.4%	22.4%	21.2%
Net Profit Adj	nm	-83.6%	2332.9%	78.5%	27.4%	24.0%
EPS Adj	nm	-20.4%	1326.8%	84.3%	27.4%	24.0%
DPS						

\*Excluding extraordinary items Source: Intermonte SIM estimates

## Matica Fintec in Brief

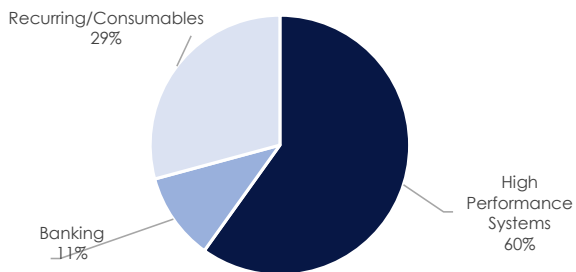
### Company description

Matica Fintec is a company operating globally in the design, production, and marketing of high-end systems used by governments and financial institutions to issue cards for digital ID and payments. The group offers a broad portfolio of solutions capable of satisfying customers' needs for both centralised and decentralised issuing systems.

### Strengths/Opportunities

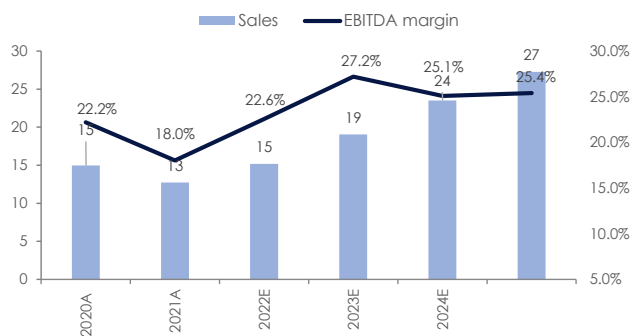
- Exposure to growing markets for digital identity and payments
- Management team, excellent operations management, R&D at the heart of the business model, positioned in the high-end value-added niches of the market
- Accelerating growth in US after acquisitions
- Financially solid

Figure 1: Sales by product 2021



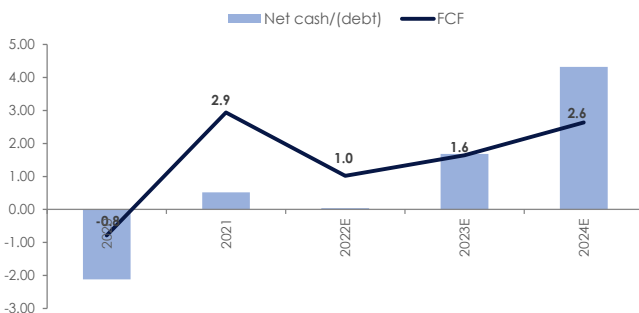
Source: Company data

Figure 3: Sales (Eu mn), EBITDA margin (%) 2019-2024E



Source: Company data, Intermonte SIM

Figure 5: Balance Sheet and FCF 2020-2024E (Eu mn)



Source: Intermonte SIM

### Management

**Chairman:** Sandro Camilleri  
**General Manager:** Gabriella Minerva  
**Operation Director:** Pietro Broggian

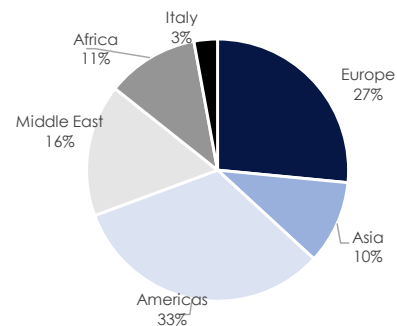
### Shareholding

Matica Tech. AG	60.5%
Ai Holding	5.00%

### Weaknesses/Threats

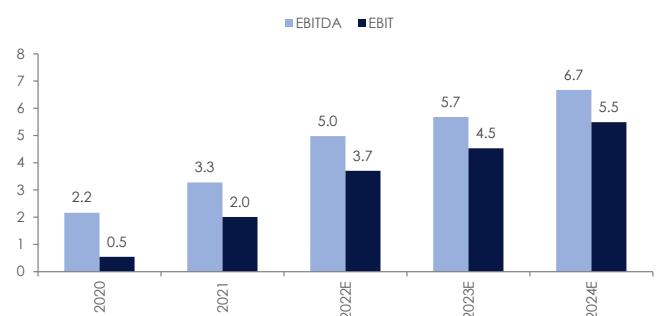
- Matica Fintec's competitors are larger in size, although less agile or flexible at making tailor-made products at low cost
- The sector is characterised by a high degree of innovation and integration of new technology
- Low stock liquidity

Figure 2: Sales by geographical region 2021



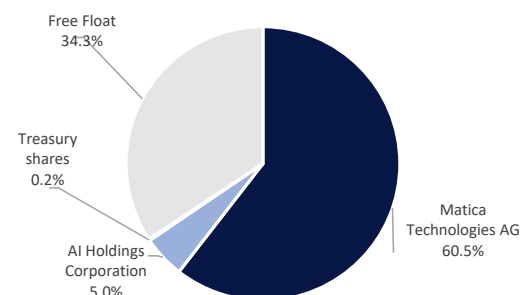
Source: Company data

Figure 4: EBITDA, EBIT 2020-2024E (Eu mn)



Source: Company data, Intermonte SIM

Figure 6: Shareholding



Source: Company data

## Executive Summary

**Matica Fintec:** competes globally as a supplier of technological systems for the issuing of ID documents (ID cards, driving licences, passports) and financial cards (debit cards, pre-paid cards, credit cards), the main customers for which are governmental and financial institutions worldwide (Italy accounted for 3% of sales in 2021). The company's core markets are niche ones, where Matica Fintec competes with a limited number of other players (Entrust Datacard, HID, Muhlbauer, Evolis, and Zebra are the main competitors) to supply both centralised and decentralised instant issuing solutions. The company is positioned in the high-end segments of card issuing systems and software for digital ID and payments, and reported a 28% EBITDA margin in 1H22 reflecting the technological content of its offer; management estimates the addressable market may be worth >USD1bn globally (ex-China). The market is growing steadily (5-7% per year) driven by the need for identification documents (virtual and physical domains) that incorporate the best available security standards while containing as much information as possible about citizens. The company has its headquarters in Milan and a production facility at Galliate (Piedmont) from which it sells products worldwide. It recently acquired two software companies in the US, which represent an asset base for future investments in local production (Matica Fintec is mostly an assembler of technology, so this will not entail significant CapEx). According to our estimates, the company will close FY22 with sales of Eu18mn (+26% YoY), a 27% EBITDA margin, net profit of Eu2.2mn, and no debt. The market cap is Eu24mn. Matica Fintec is indirectly controlled by its Chairman and founder Sandro Camilleri with 60.5% of shares. Ai Holding owns 5%, free float is 34%.

**Business model built on excellent operations management, industrial engineering.** The business model is built on excellent operations management and the ability to develop and rapidly integrate new technology, which is part of Matica Fintec's DNA. The model involves the design of machines with a modular structure and common/standard electronic components to manufacture high-volume, centralised systems as well as decentralised desktop solutions. This model enables the rapid upscaling of volumes and provides flexibility to adapting production to customer requirements at a low cost. This is reflected by a gross margin of c.60% in each half-year since 2019, resulting in a high and resilient EBITDA margin (close to 20% during the pandemic year and reaching 28% in 1H22). Moreover, the model enables rapid establishment of new capacity, as we expect to be the case in the US market.

**...and the R&D identity of Matica Fintec.** The other key pillar of the business model is the company's ability to develop and/or rapidly integrate new technology into its products. This capability is a hallmark of the company, which came into life as a spin-off of the R&D activities of the Matica Group to position a company in the very high-end segment of the market. The introduction of Drop-on-Demand inkjet technology is an example of this and is a key driver of strong profitability.

**Two acquisitions closed in the US in July. Others may follow.** On 25 May Matica Fintec announced the signing of a binding contract with Japanese company Ai Holding for the acquisition of the entire capital of CTC, which owns 100% of UBIQ. The companies, based in Minnesota, operate in the US market as suppliers of integrated hardware and software solutions for banking and digital-ID. The transaction, closed in mid-July, was structured in cash (Eu1.5mn) and shares (5% of Matica Fintec's shares post transaction) for an overall value of Eu2.6mn. As a result, Ai Holding, which committed to a 12-month lock-up from closing, received 534,991 shares, partially existing treasury shares (351,000 shares) and partially through the issue new shares (183,991 or 1.7% of shares post transaction). The acquisition of CTC allows Matica Fintec to expand in the value chain by integrating software for EMV payments, e-wallet, and digital-ID solutions, and will set-up an asset base in the US market, which now becomes the group's key market (>35% of sales post-transaction).

**FY22-24 estimates.** After the company reported better-than-expected 1H22 results, we are upgrading our model, which now includes the contribution of CTC consolidated as of July 2022. CTC is expected to add c.Eu5.0mn of annual sales, with no impact on the group's profitability once fully integrated, and a slight boost to the NFP. We estimate Matica Fintec will close FY22e with sales of Eu18mn (+26% YoY), EBITDA close to Eu5.0mn (+52%) a 27% margin, net profit of Eu2.2mn, and no debt. In the coming years, we expect the company to grow sales to over Eu26mn in 2024e (+22% CAGR21-24e) before potential M&A, with EBITDA rising to almost Eu6.0mn in 2023E and Eu7.0mn in 2024E (+27% CAGR21-24e), and net profit reaching Eu3.5mn in 2024e (+41% CAGR2021-24e), with over Eu5.0mn FCF generated over the 2022-24 period (Eu4mn net cash position in 2024e). We are raising our previous 2022-23e sales estimates by +10% on avg., EBITDA by +32%, EPS by +34%.

## Valuation

Our TP of Eu4.1 (from Eu3.5 previously including WACC from 8.5% to 9.0%) is based on a DCF valuation of the business. At target, we value Matica Fintec at FY22-23e EV/Sales of 2.3x/1.8x, EV/EBITDA of 8.8x/7.4x and P/E of 20.0x/15.6x, which we deem undemanding in light of its technological positioning in growing niche markets (good visibility on growth), solid profitability and cash conversion. Competitors include Zebra (Eu14bn mkt cap, <20% of sales in Matica's core markets), Muhlbauer, and Evolis. Amongst non-listed companies, key competitors are Entrust Datacard and HID.

Matica Fintec vs. FTSE Italia All Shares YtD, rebased



Source: Bloomberg

Matica Fintec trading multiples – current price and TP of Eu4.1

Multiples (current price)	2020A	2021A	2022E	2023E	2024E
Mkt Cap EURmn	15.5	26.5	25.4	25.4	25.4
EV/SALES	1.4x	1.7x	1.3x	1.0x	0.8x
EV/EBITDA	8.1x	7.9x	5.1x	4.2x	3.2x
EV/EBIT	32.5x	13.0x	6.8x	5.2x	3.8x
P/E	188.5x	22.7x	11.6x	9.1x	7.3x
FCF YIELD %	-5.1%	11.2%	4.0%	6.5%	10.4%
Multiples (target price)	2020A	2021A	2022E	2023E	2024E
Mkt cap target Eumn	43.1	43.1	43.9	43.9	43.9
EV/SALES	3.6x	2.8x	2.3x	1.8x	1.4x
EV/EBITDA	20.9x	13.0x	8.8x	7.4x	5.9x
EV/EBIT	83.6x	21.2x	11.8x	9.3x	7.2x
P/E	525.8x	36.9x	20.0x	15.6x	12.7x
FCF YIELD %	-1.8%	6.8%	2.3%	3.7%	6.0%

Source: Intermonte Sim

## Shareholding structure

Matica Fintec's share capital is composed of 10.7mn shares. The main shareholder is Matica AG, which owns 60.5% of Matica Fintec and is indirectly controlled by company Chairman Sandro Camilleri. Ai Holding owns 5.0%, and the free float is 34%.

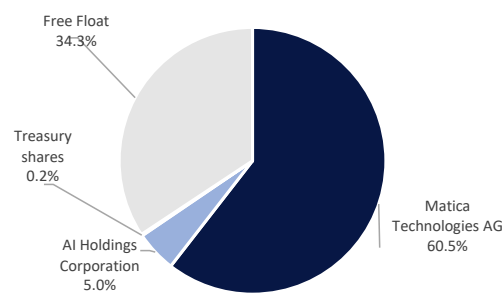
The company, established in 2017 as a spin-off of the R&D division of Matica Technologies, was floated on the AIM Italia in November 2019 at Eu1.8 per share. As part of the flotation, 4.03mn warrants were issued based on an exchange ratio of 10 warrants for 1 share. The warrants expire in November 2022. Exercise price is Eu2.276 per share.

### Shareholding, warrants outstanding

	Shares (m)	% Ownership
Matica Technologies AG	6.47	60.51%
AI Holdings Corporation	0.53	5.00%
Treasury shares	0.02	0.19%
Free Float	3.67	34.31%
<b>Number of shares (m)</b>	<b>10.70</b>	<b>100.0%</b>
<b>Warrant</b>		
Warrant outstanding mn	4.03	
exchange ratio	10 warrants: 1 share	
Max shares to issue mn	0.40	
<b>Shares fully diluted</b>	<b>11.1</b>	
New shares on total fully diluted s	3.6%	
Exercise period	Strike price	Cash-in - Eu mn
15-30/11/2022	2.276	0.9

Source: Company data, Intermonte Sim estimates

### Shareholding structure



Source: Company data

## Earnings model FY22-24e

### 1H22 results

In 1H22 sales came in at €8.34mn (+18% YoY), vs. our est. of €8.03mn (+4% vs. est.), EBITDA at €2.34mn (+51% YoY), vs. our est. of €2.03mn (+15% vs. est.), with EBITDA margin at 28% (21.9% in 1H21) driven by the improving mix after a shift towards products at the high-end of the value chain. Net profit at €1.21mn, almost doubled YoY, compared to our est. of €0.96mn, with NFP was positive for Eu0.7mn.

### FY22-24 estimates

We estimate Matica Fintec will close FY22e with sales of Eu18mn (+26% YoY), EBITDA close to Eu5.0mn (+52%), a 27% margin, net profit of Eu2.2mn, and no debt. In the coming years, we expect the company to achieve:

- sales of Eu26mn in 2024E (+22% CAGR21-24e) before potential M&A, driven by growing demand in core markets, new product/technology offering, and an increase in spares and consumables reflecting the growing installed base
- EBITDA rising to almost Eu6.0mn in 2023E and Eu7.0mn in 2024E (+27% CAGR21-24e), with the margin remaining above 25%
- EBIT above Eu5.0mn in FY24E (+40% CAGR2021-24e) with the margin reaching 21%
- Net profit reaching Eu3.5mn in 2024e (+41% CAGR2021-24e)
- Operating working capital absorbing Eu2mn in the 2022-24e period
- Cumulative CapEx of Eu4.5m over the 2022-24e period (Eu1.5mn avg. a year)
- Adjusted NFP including tax liabilities slightly positive in 2022 (net cash position) and reaching Eu4mn in 2024e assuming no dividend payout or acquisitions, with over Eu5.0mn FCF generated over the 2022-24 period

#### Key data FY20-24e

Eu mn	2020A	2021E	2022E	2023E	2024E
<b>Value of production</b>	<b>12.74</b>	<b>14.95</b>	<b>17.43</b>	<b>20.50</b>	<b>24.13</b>
growth %	-14.9%	18.2%	17.5%	17.5%	16.0%
<b>EBITDA</b>	<b>2.16</b>	<b>3.03</b>	<b>3.67</b>	<b>4.39</b>	<b>5.40</b>
growth %	-31.9%	40.0%	21.1%	19.6%	23.0%
margin %	18.0%	21.3%	22.0%	22.4%	23.8%
<b>EBIT</b>	<b>0.54</b>	<b>1.73</b>	<b>2.39</b>	<b>3.14</b>	<b>4.20</b>
growth %	-16.9%	219.8%	38.2%	31.4%	33.8%
margin %	4.5%	12.2%	14.3%	16.0%	18.5%
<b>Net Profit</b>	<b>0.05</b>	<b>1.06</b>	<b>1.52</b>	<b>2.06</b>	<b>2.82</b>
growth %	-83.6%	2001.8%	43.4%	35.5%	36.9%
Financial Net Debt / (Cash)	0.44	0.25	-0.08	-0.91	-2.63
Other financial liabilities	1.67	1.45	1.10	0.80	0.50
<b>Adj. net debt</b>	<b>2.12</b>	<b>1.70</b>	<b>1.02</b>	<b>-0.11</b>	<b>-2.13</b>
EPS	0.00	0.10	0.15	0.20	0.27
BVPS	0.73	0.84	0.99	1.19	1.46
Adj. Net Debt/EBITDA	1.0x	0.6x	0.3x	0.0x	-0.4x

Source: Intermonte SIM

## Estimates Change

### Change in estimates

(Eu mn)	2021	2022E	2023E	2024E
<b>Revenues new</b>	<b>14.5</b>	<b>18.3</b>	<b>22.6</b>	<b>26.3</b>
Revenues old		17.0	20.0	23.2
% change		7.4%	13.0%	13.0%
<b>EBITDA new</b>	<b>3.3</b>	<b>5.0</b>	<b>5.7</b>	<b>6.7</b>
EBITDA old		3.7	4.4	5.4
% change		35.7%	29.4%	23.5%
<b>EBIT new</b>	<b>2.0</b>	<b>3.7</b>	<b>4.5</b>	<b>5.5</b>
EBIT old		2.4	3.1	4.2
% change		54.8%	44.3%	30.7%
<b>Net Profit new</b>	<b>1.2</b>	<b>2.2</b>	<b>2.8</b>	<b>3.5</b>
Net profit old		1.5	2.1	2.8
% change		44.1%	35.4%	22.7%
<b>Net debt/(cash) new</b>	<b>-1.8</b>	<b>-0.9</b>	<b>-2.5</b>	<b>-4.8</b>
Net debt/(cash) old		-2.3	-3.1	-4.9
% change		-61.6%	-20.7%	-0.6%
<b>EPS new</b>	<b>0.111</b>	<b>0.205</b>	<b>0.261</b>	<b>0.324</b>
EPS old		0.149	0.201	0.276
		38.0%	29.7%	17.5%

Source: Company data, Intermonte estimates



## Financials

### Profit & Loss

Eu mn	2020A	2021A	2022E	2023E	2024E
Sales	12.01	14.51	18.31	22.64	26.26
Capitalized works	0.73	0.67	0.75	0.88	1.02
<b>Value of production</b>	<b>12.74</b>	<b>15.18</b>	<b>19.06</b>	<b>23.52</b>	<b>27.28</b>
growth %	-14.9%	0.0%	26.2%	10.0%	16.0%
COGS	-5.23	-6.37	-7.56	-9.86	-11.30
<b>Gross Profit</b>	<b>7.51</b>	<b>8.80</b>	<b>11.50</b>	<b>13.66</b>	<b>15.98</b>
margin %	58.9%	58.0%	60.3%	58.1%	58.6%
Services	-1.96	-2.15	-2.81	-3.51	-4.07
on sales %	16.3%	14.8%	14.8%	15.5%	15.5%
Labour cost	-3.06	-3.08	-3.45	-4.10	-4.87
on sales %	25.5%	21.2%	18.8%	18.1%	18.5%
G&A	-0.25	-0.25	-0.29	-0.30	-0.30
Others	-0.07	-0.05	-0.07	-0.07	-0.07
Total operating costs	-5.34	-5.53	-6.52	-7.98	-9.31
<b>EBITDA</b>	<b>2.16</b>	<b>3.27</b>	<b>4.98</b>	<b>5.68</b>	<b>6.67</b>
growth %	-31.9%	51.3%	52.1%	14.1%	17.4%
margin %	18.0%	22.6%	27.2%	25.1%	25.4%
D&A	-1.53	-1.27	-1.08	-1.15	-1.18
Provisions and others	-0.09	0.00	-0.20	0.00	0.00
D&A and others	-1.62	-1.27	-1.28	-1.15	-1.18
<b>EBIT</b>	<b>0.54</b>	<b>2.01</b>	<b>3.70</b>	<b>4.53</b>	<b>5.49</b>
growth %	-16.9%	270.8%	84.4%	22.4%	21.2%
margin %	4.5%	13.8%	20.2%	20.0%	20.9%
Financial Income	0.08	0.05	0.00	0.00	0.00
Financial expensens	-0.37	-0.38	-0.43	-0.46	-0.45
Total financial income/(costs)	-0.29	-0.33	-0.43	-0.46	-0.45
Extraordinaries	-0.05	0.11	0.00	0.00	0.00
Profit Before Tax	0.20	1.79	3.27	4.07	5.04
Taxes	-0.15	-0.56	-1.08	-1.28	-1.58
tax rate%	74.9%	31.3%	33.0%	31.4%	31.3%
Minorities	0.00	0.00	0.00	0.00	0.00
<b>Net Profit</b>	<b>0.05</b>	<b>1.23</b>	<b>2.19</b>	<b>2.79</b>	<b>3.46</b>
growth %	-83.6%	2332.9%	78.5%	27.4%	24.0%
One-off income/(costs)	-0.03	0.07	0.00	0.00	0.00
Adj. Net Profit	0.08	1.15	2.19	2.79	3.46
growth %	-20.4%	1307.9%	89.9%	27.4%	24.0%
<b>Data per share</b>	<b>2020A</b>	<b>2021A</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
Number of shares m	10.5	10.5	10.7	10.7	10.7
Treasury shares	0.0	0.1	0.0	0.0	0.0
Shares net of treasury shares	10.5	10.4	10.7	10.7	10.7
EPS reported	0.00	0.12	0.21	0.26	0.32
EPS Adj.	0.01	0.11	0.21	0.26	0.32
DPS	0.00	0.00	0.00	0.00	0.00
FCF per share	-0.08	0.28	0.10	0.15	0.25
BVPS	0.73	0.83	1.01	1.27	1.60

Source: Intermonte SIM

**Balance Sheet**

Eu mn	2020A	2021A	2022E	2023E	2024E
Intangible Assets	5.49	5.39	5.39	5.39	5.39
Tangible Assets	0.52	0.41	0.83	1.18	1.50
Financial investment	0.04	0.04	0.04	0.04	0.04
Tax assets	0.31	0.03	0.03	0.03	0.03
Employee benefit obligations	-0.48	-0.36	-0.37	-0.37	-0.37
Other non current assets/liabilities	0.00	0.00	0.00	0.00	0.00
<b>Total Fixed Assets</b>	<b>6.37</b>	<b>5.87</b>	<b>5.92</b>	<b>6.27</b>	<b>6.59</b>
<b>Invested Capital</b>	<b>9.77</b>	<b>8.10</b>	<b>10.77</b>	<b>11.92</b>	<b>12.74</b>
Minorities	0.00	0.00	0.00	0.00	0.00
Shareholders equity	7.65	8.62	10.81	13.60	17.06
<b>Shareholder funds</b>	<b>7.65</b>	<b>8.62</b>	<b>10.81</b>	<b>13.60</b>	<b>17.06</b>
Cash	-7.36	-13.47	-12.54	-14.14	-16.48
Financial Net Debt / (Cash)	0.44	-1.81	-0.88	-2.48	-4.82
Other financial liabilities	1.67	1.29	0.84	0.80	0.50
<b>Adj. net debt/(cash)</b>	<b>2.12</b>	<b>-0.52</b>	<b>-0.04</b>	<b>-1.68</b>	<b>-4.32</b>
<b>Total Sources</b>	<b>9.77</b>	<b>8.10</b>	<b>10.77</b>	<b>11.92</b>	<b>12.74</b>
ROE	1.1%	14.2%	22.5%	22.9%	22.6%
ROIC	4.1%	15.7%	27.4%	28.0%	31.2%

Source: Intermonte SIM

**Cash Flow**

Eu mn	2020A	2021A	2022E	2023E	2024E
EBIT	0.54	2.01	3.70	4.53	5.49
D&A and others	1.62	1.27	1.28	1.15	1.18
Cash flow from operations	2.16	3.27	4.98	5.68	6.67
Change in Net Working Capital	-1.63	0.63	-0.95	-0.80	-0.50
Capex	-1.59	-1.00	-1.50	-1.50	-1.50
Taxes	-0.28	-0.39	-1.08	-1.28	-1.58
Interests and others	0.54	0.43	-0.43	-0.46	-0.45
<b>FCF</b>	<b>-0.79</b>	<b>2.94</b>	<b>1.02</b>	<b>1.64</b>	<b>2.64</b>
Acquisitions & Disposals	0.00	0.00	-1.50	0.00	0.00
Dividends	0.00	0.00	0.00	0.00	0.00
Change in equity	0.00	0.00	0.00	0.00	0.00
Others	0.00	-0.30	0.00	0.00	0.00
Increase/(decrease) in adjs.net debt	0.79	-2.64	0.48	-1.64	-2.64
Adj. net debt beginning of the year	1.33	2.12	-0.52	-0.04	-1.68
<b>Adj. net debt end of the year</b>	<b>2.12</b>	<b>-0.52</b>	<b>-0.04</b>	<b>-1.68</b>	<b>-4.32</b>
Adj. Net Debt/EBITDA	1.0x	-0.2x	0.0x	-0.3x	-0.6x
Debt/Equity	0.28	-0.06	0.00	-0.12	-0.25

Source: Intermonte SIM

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	MATICA FINTEC		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	4.10	Previous Target (Eu):	3.50
Current Price (Eu):	2.38	Previous Price (Eu):	2.48
Date of report:	25/10/2022	Date of last report:	27/05/2022

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- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/earnings (P/E), EV/EBITDA, EV/EBIT, price/sales.
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- NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;
- UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;
- SELL: stock expected to underperform the market by over 25% over a 12 month period.

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

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OUTPERFORM:	48.36 %
NEUTRAL:	27.87 %
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SELL:	00.00 %

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OUTPERFORM:	50.00 %
NEUTRAL:	11.54 %
UNDERPERFORM	00.00 %
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Emittente	%	Long/Short

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