



GVS



FILTER TECHNOLOGY

GVS S.p.A.

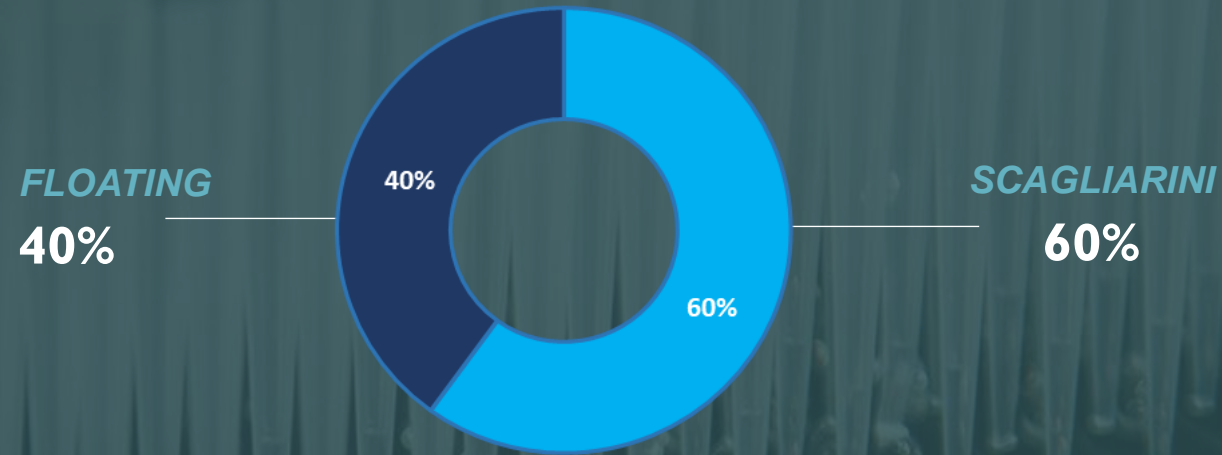


BUY

Current Market Price €6.10/share (Updated: 13/02/2024)

Target Price
€7.11/SHARE
Upside: 16.56%

FAMILY BUSINESS



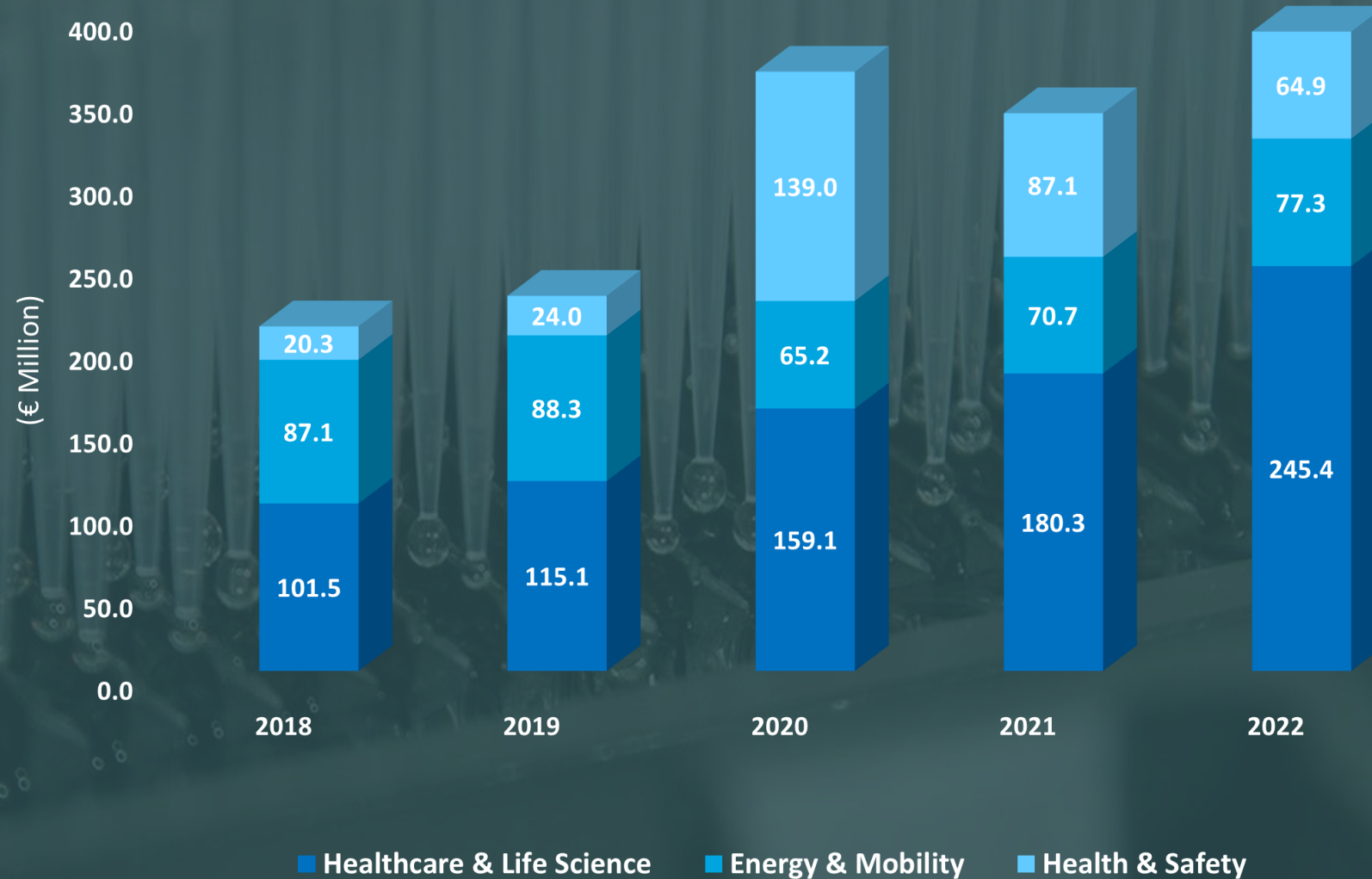
60% 51% Massimo Scagliarini

49% Marco Scagliarini

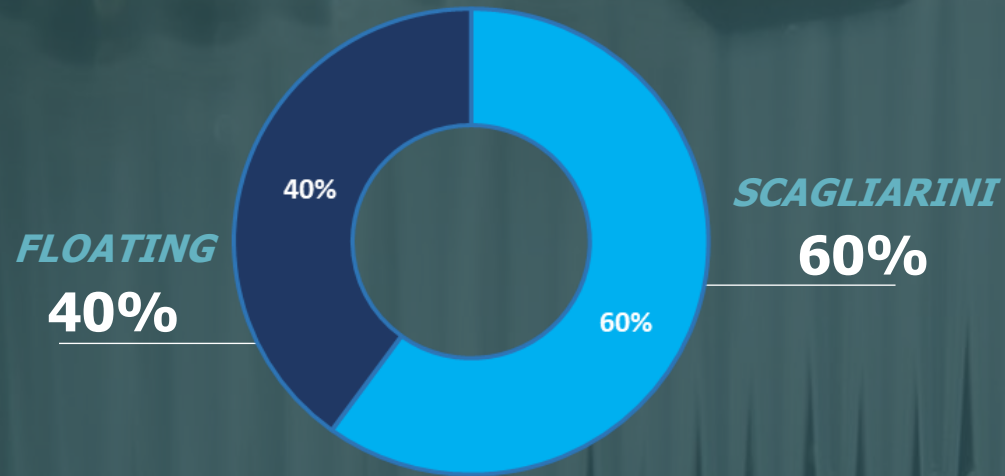
2.63% Mediolanum Gestione Fondi

40% 1.86% INVESCO (...)

DIVERSIFICATION



FAMILY BUSINESS



Health & Safety

- 17% of Tot. Revenues (FY23), widening B2C sales

Energy & Mobility

- 16% of Tot. Revenues (FY23)

Healthcare and Life Science

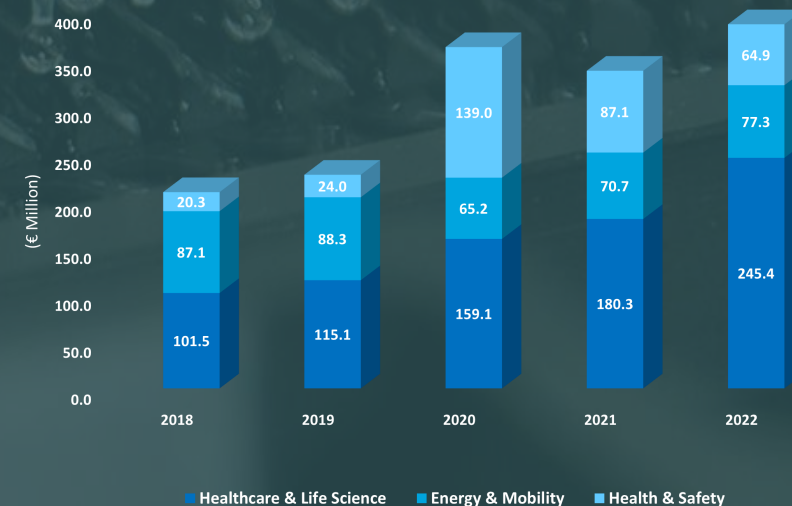
- 67% of Tot. Revenues (FY23), main driver of revenues (€280,80m revenues FY23)

60% 51% Massimo Scagliarini

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40% 2.63% Mediolanum Gestione Fondi

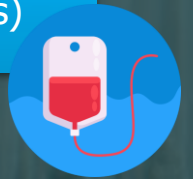
1.86% INVESCO (...)



**Healthcare
and Life
Science**

- **67% of Tot. Revenues (FY23),
main driver of revenues
(€280,80m revenues FY23)**

- **Healthcare & Liquid**
(52% of Tot. Revenues)



**Health &
Safety**

- **17% of Tot. Revenues (FY23),
widening B2C sales**

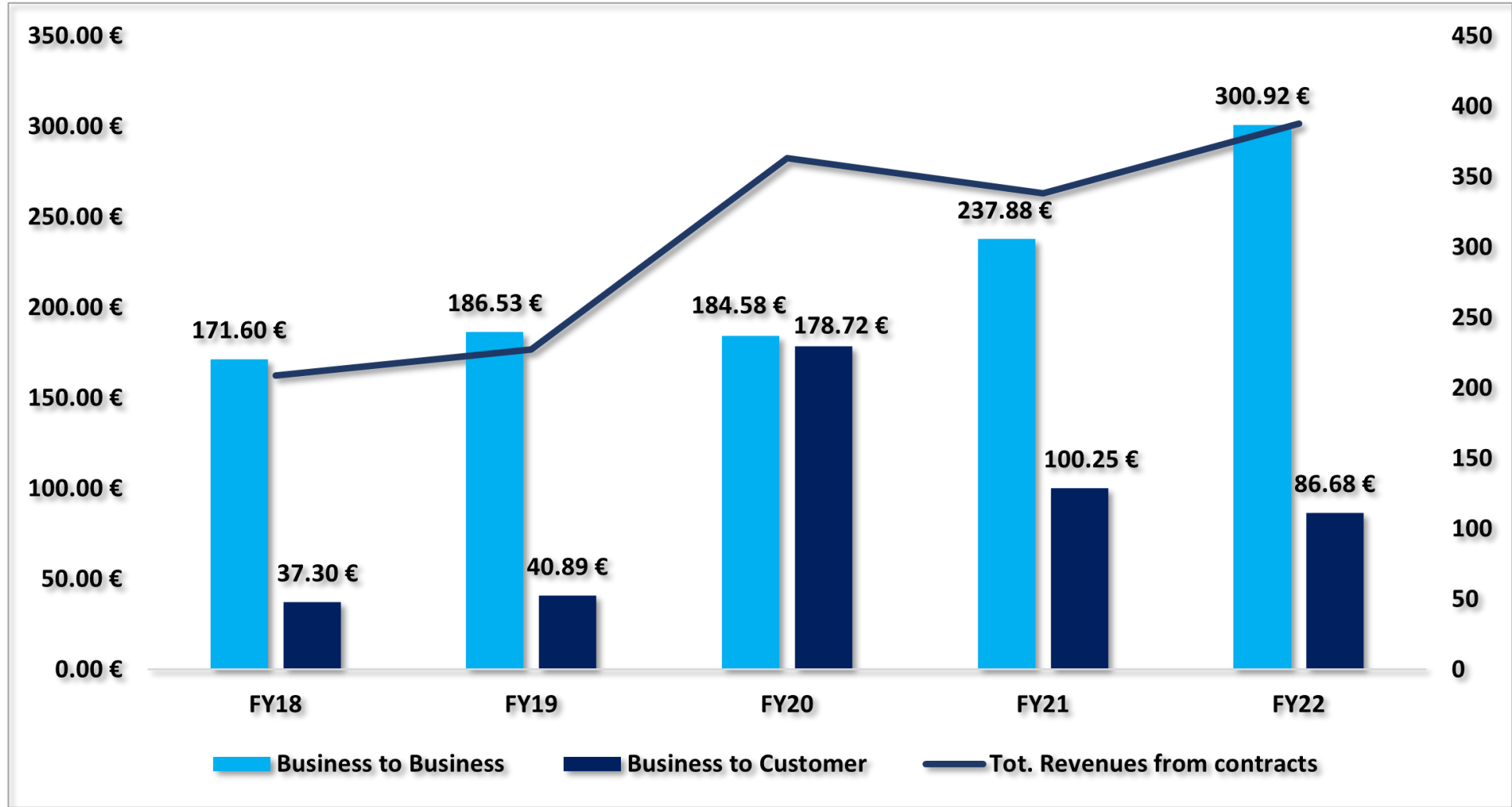
- **Personal Safety** (16% of
Tot. Revenues)




**Energy &
Mobility**


- **16% of Tot. Revenues (FY23)**

B2B vs B2C

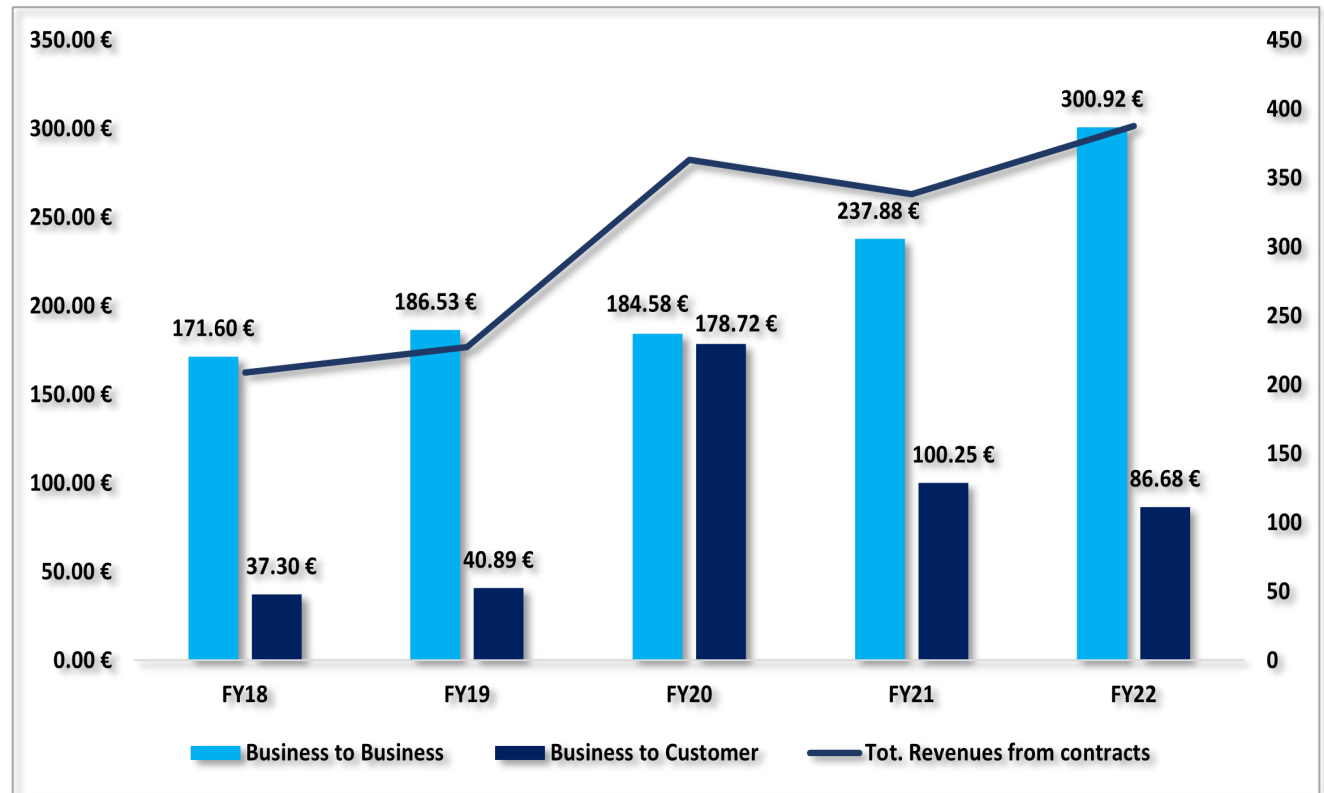


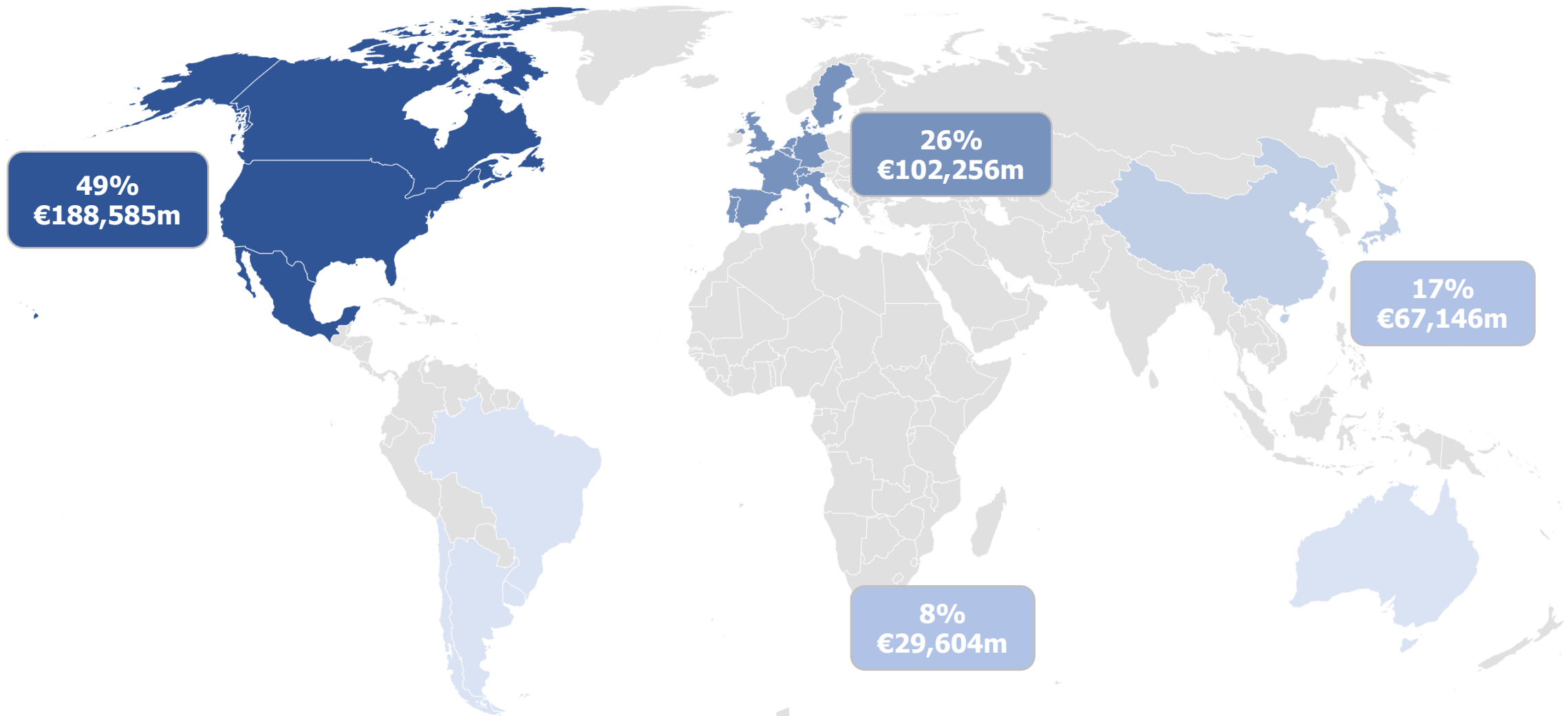
 **GVS main source of revenues come from B2B sales products, corresponding to 77.64%**

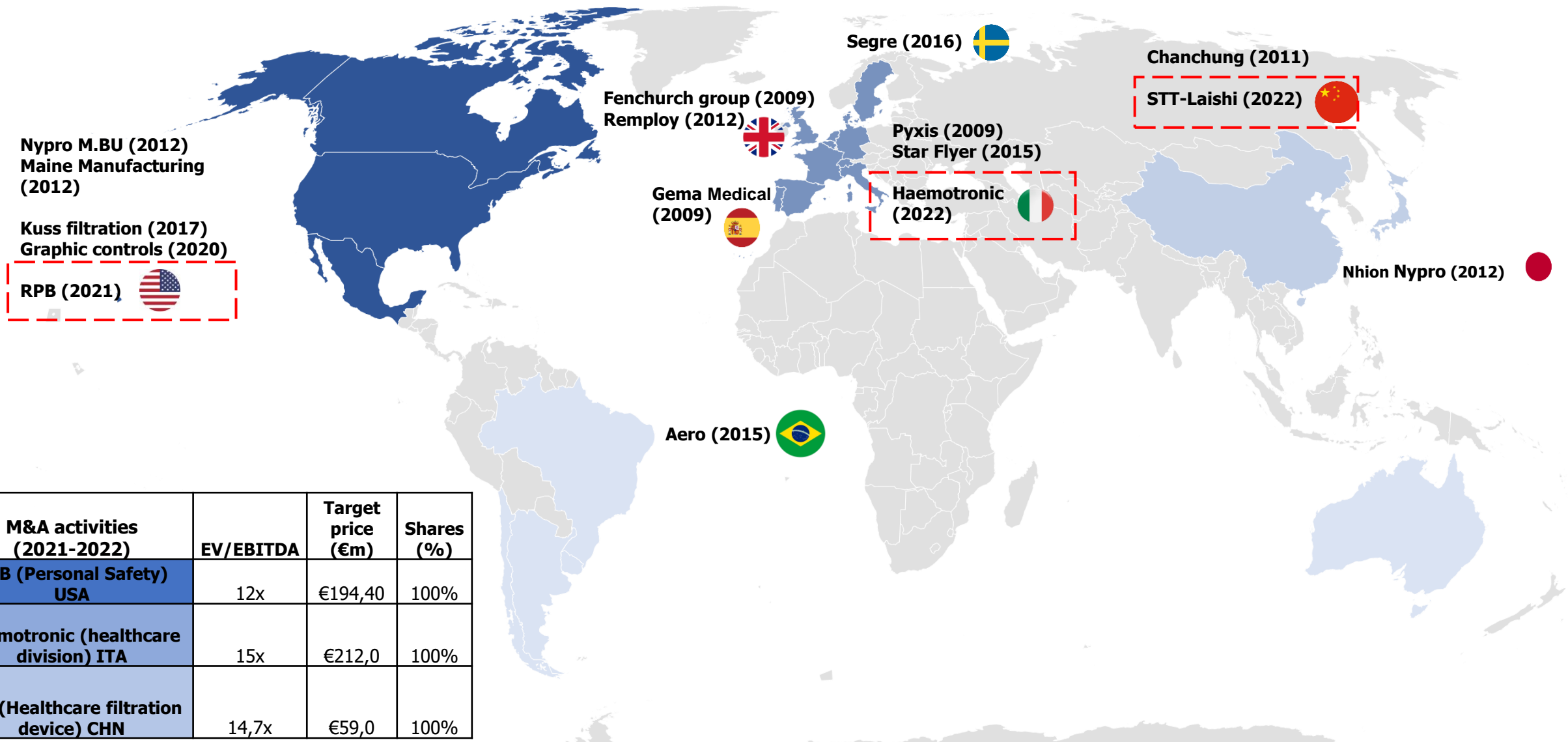
 **22.36% of revenues from customers (FY22) came from B2C activities**

 **Due to recent M&As GVS plans to increase exposure to B2C channels.**

B2B vs B2C





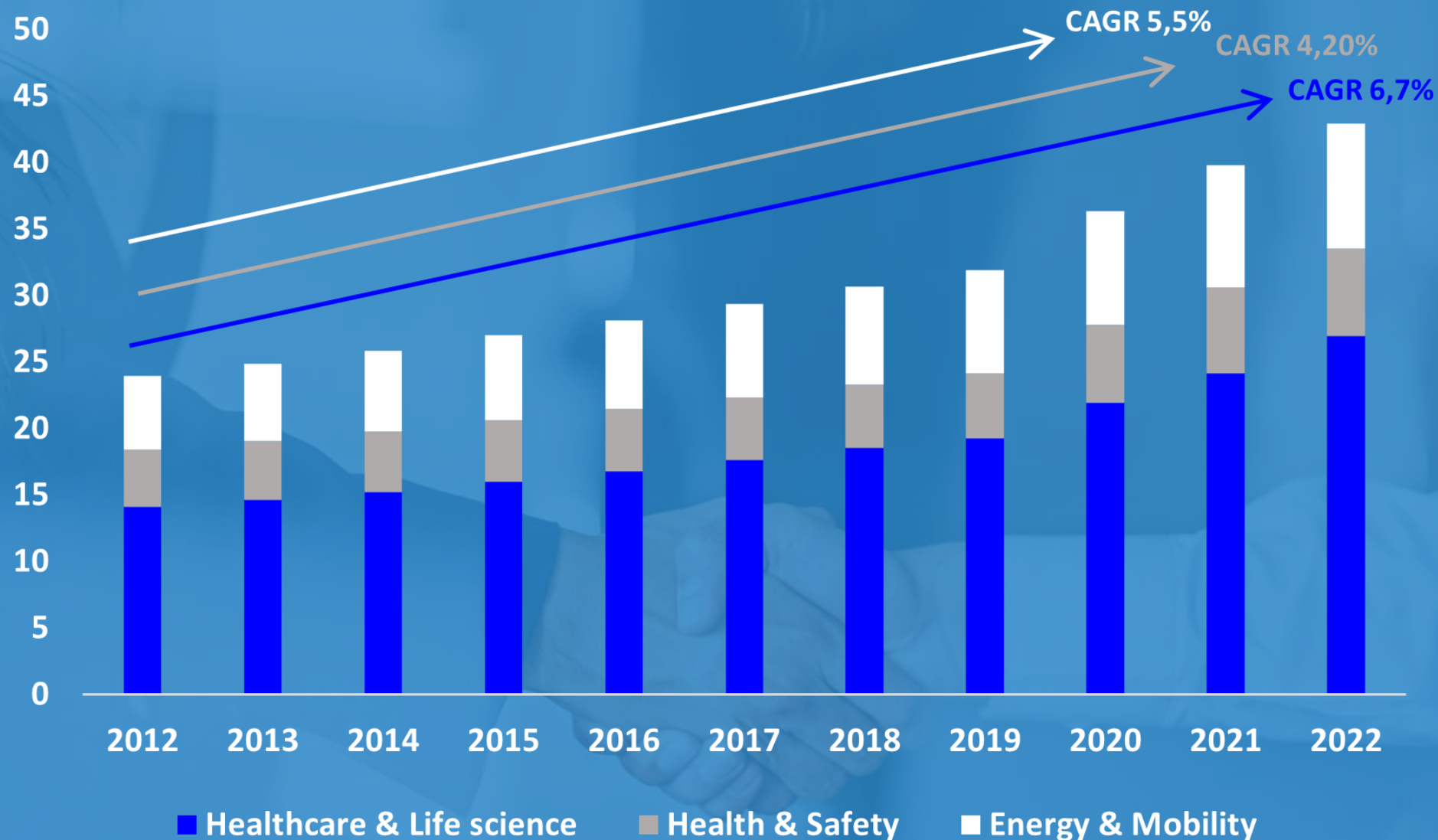


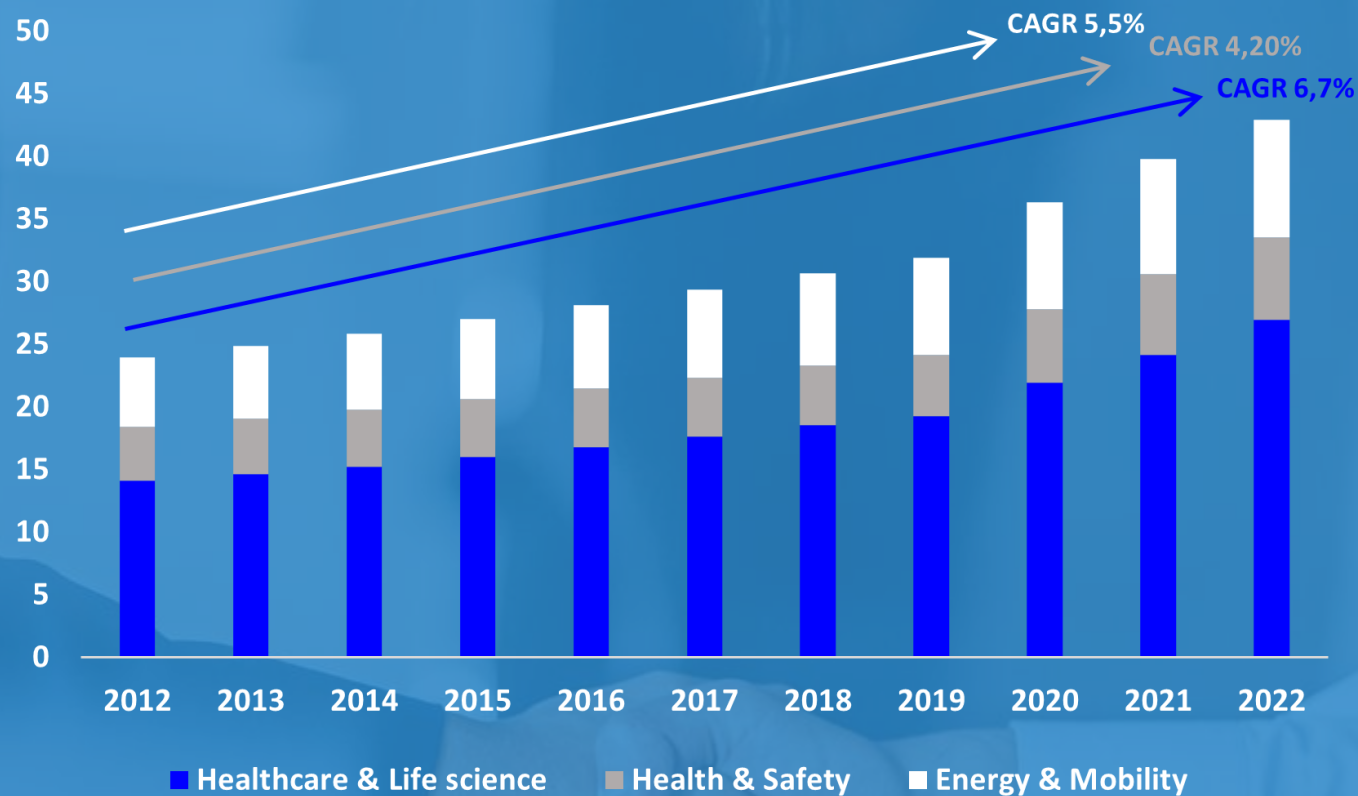
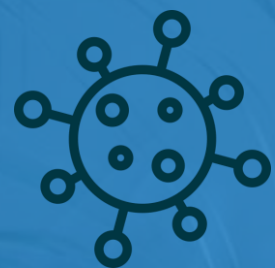
M&A activities (2021-2022)	EV/EBITDA	Target price (€m)	Shares (%)
RPB (Personal Safety) USA	12x	€194,40	100%
Haemotronic (healthcare division) ITA	15x	€212,0	100%
STT (Healthcare filtration device) CHN	14,7x	€59,0	100%

INDUSTRY

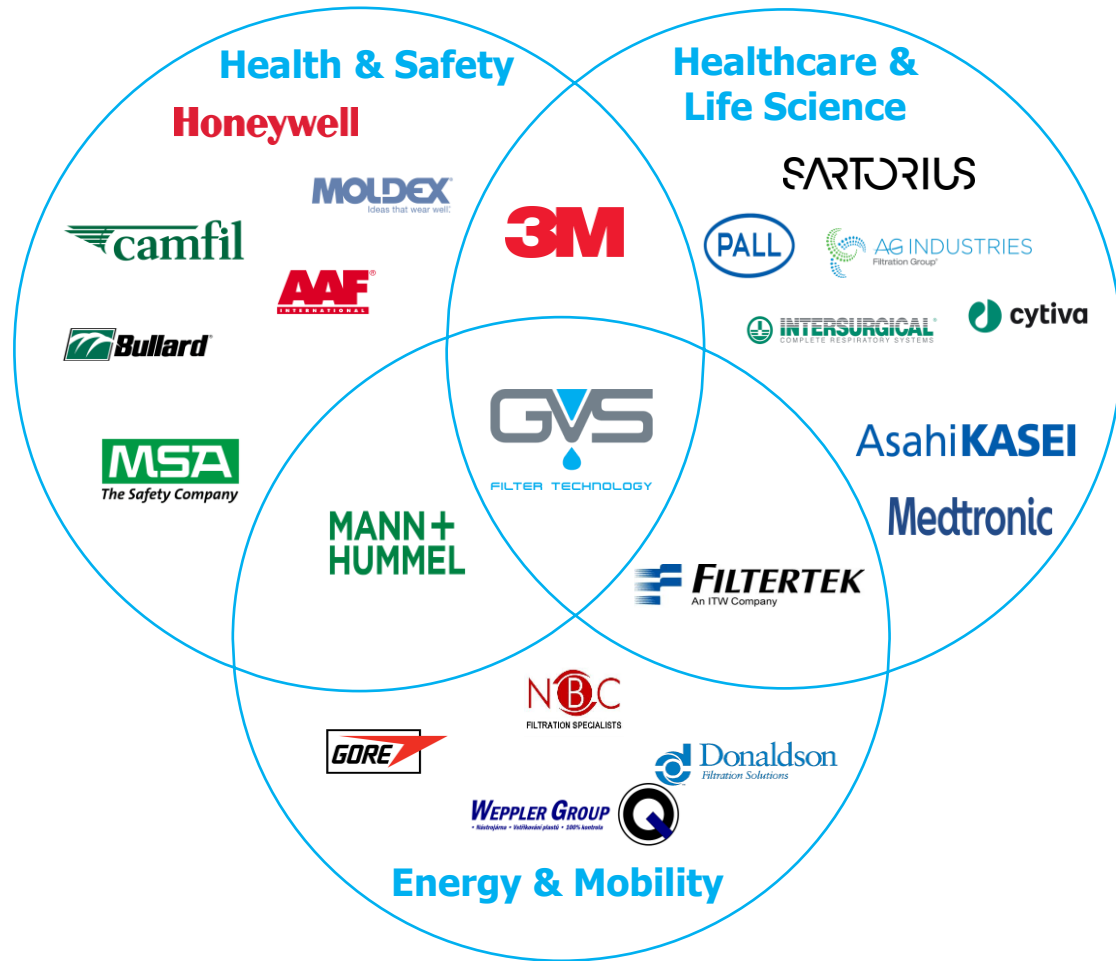


Turning covid into purified air...

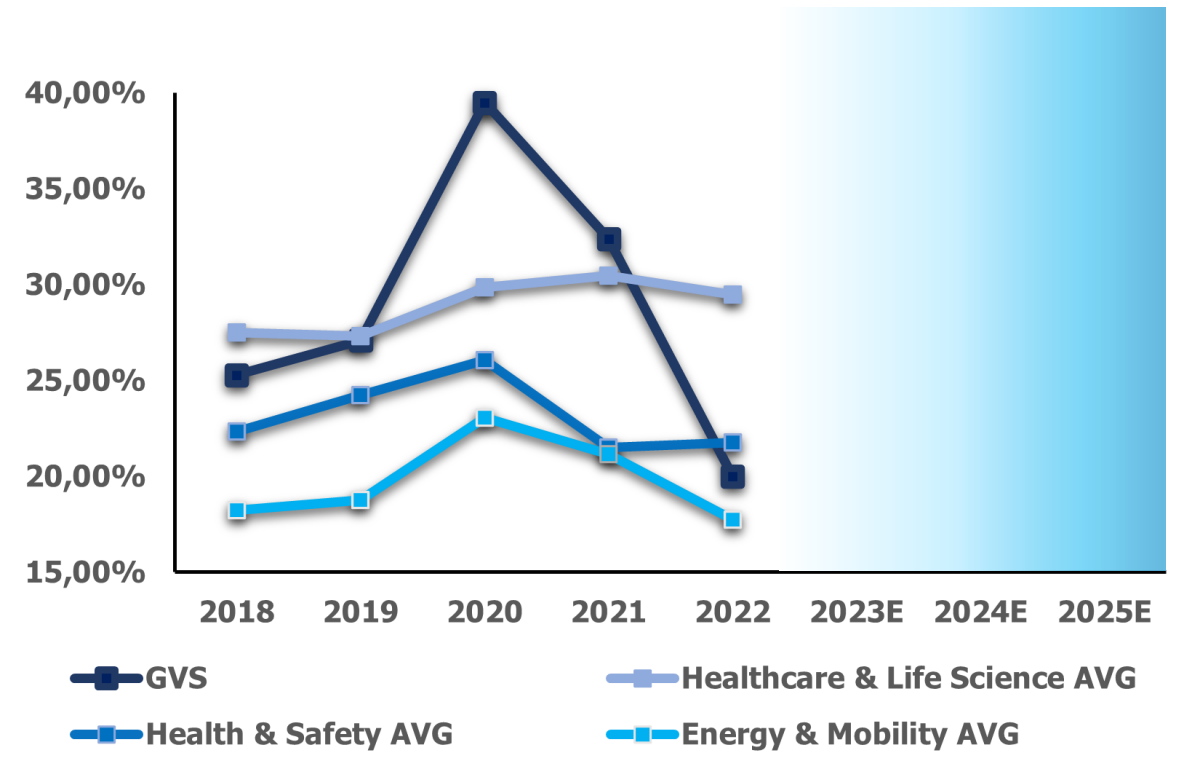




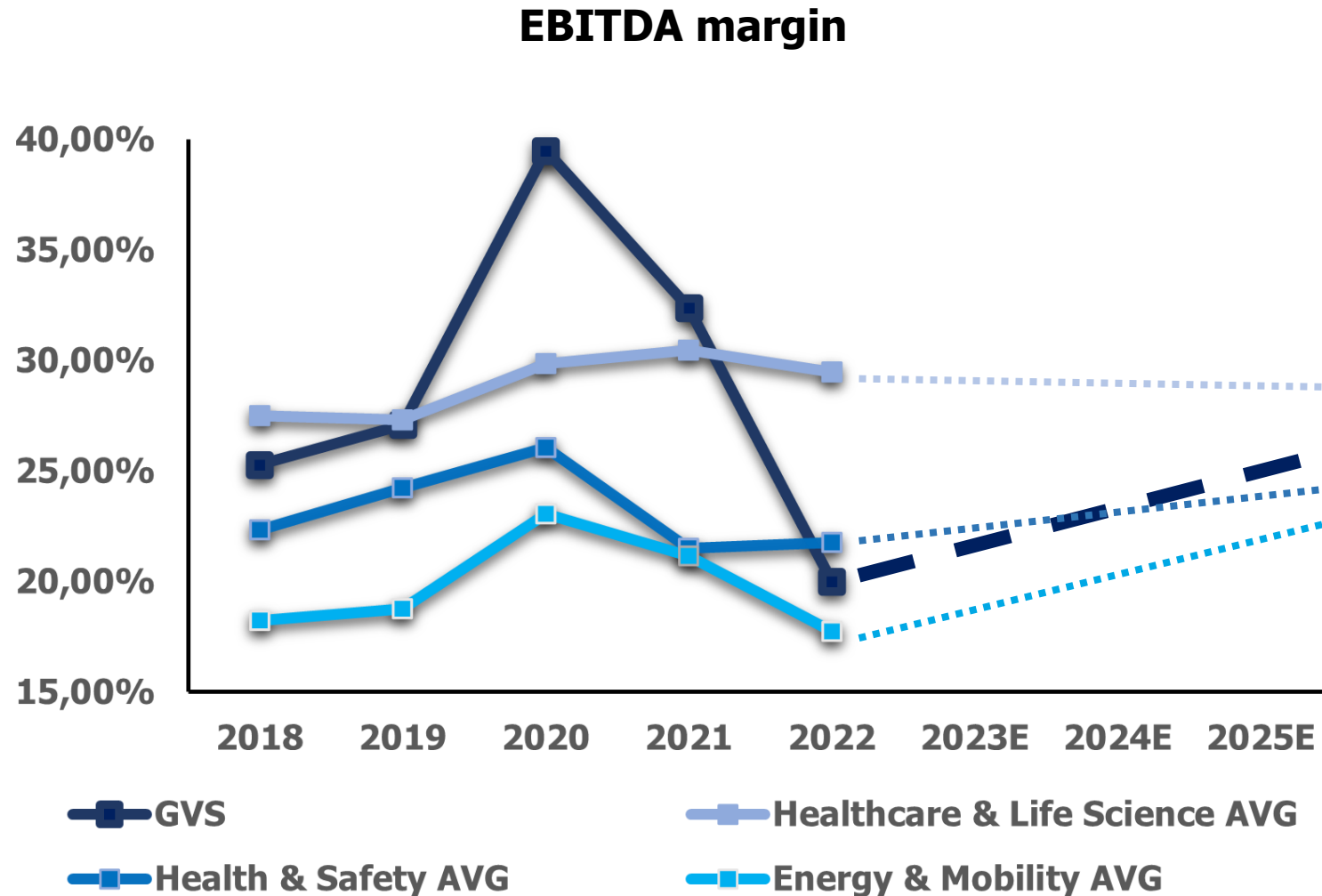
In a world full of dust...



EBITDA margin



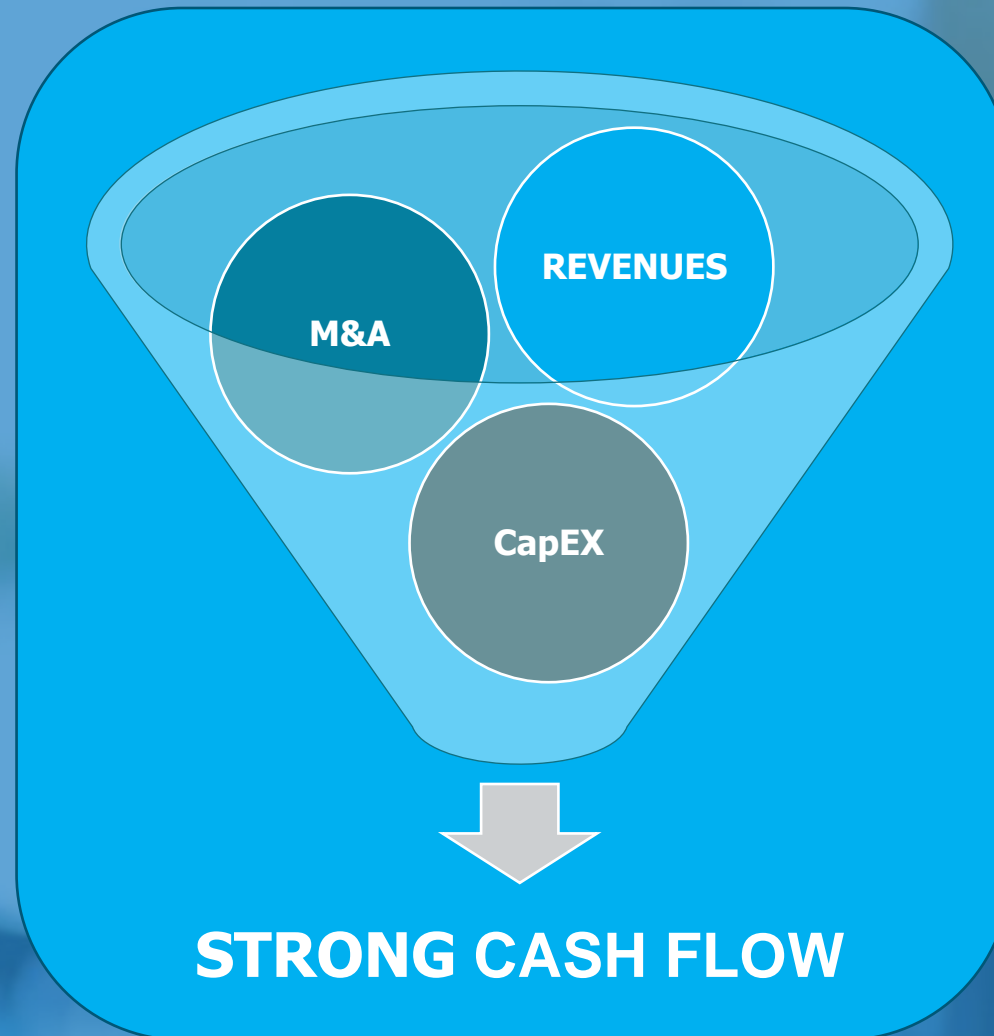
GVS Purifies performance through the membrane of margins...



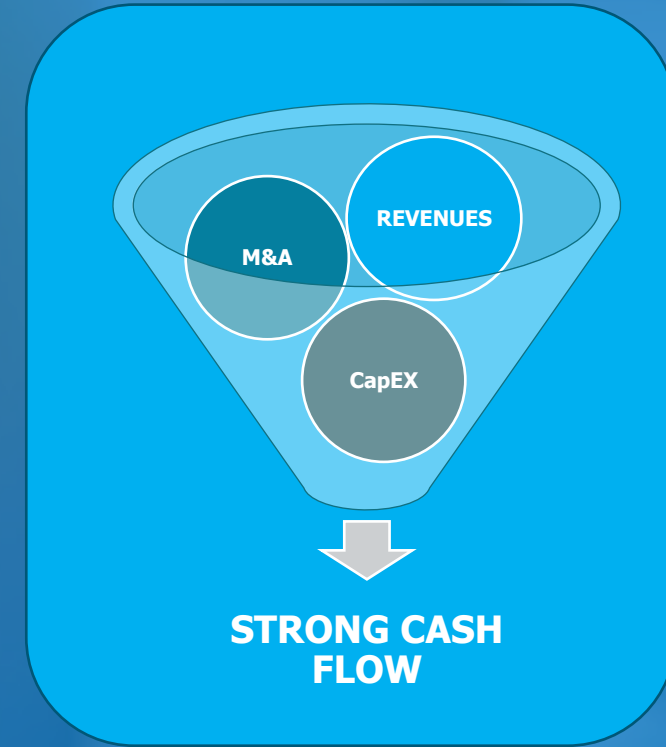
FINANCIAL SITUATION



Filtering financials into strong cash-flow generation



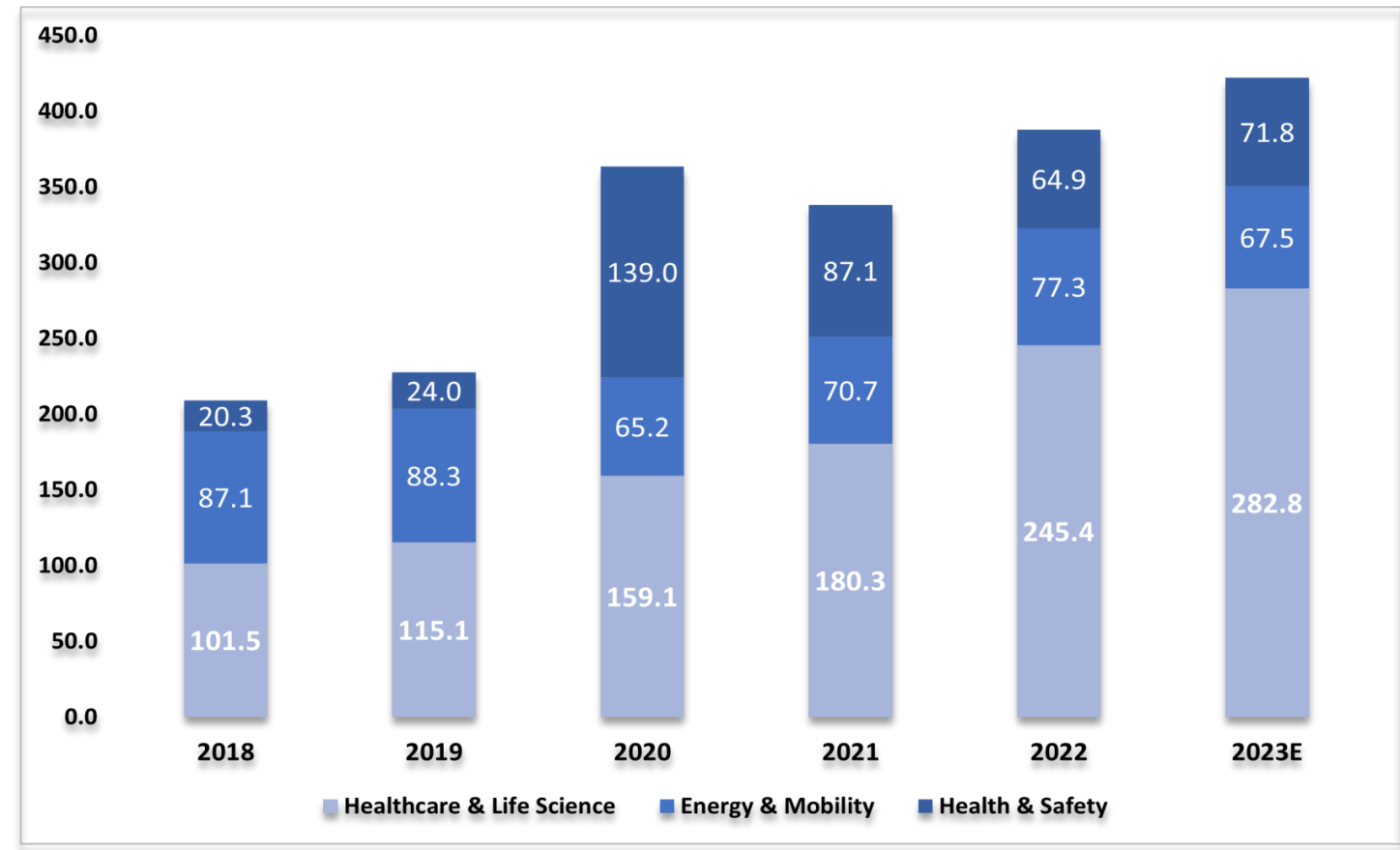
Filtering financials into strong cash-flow generation



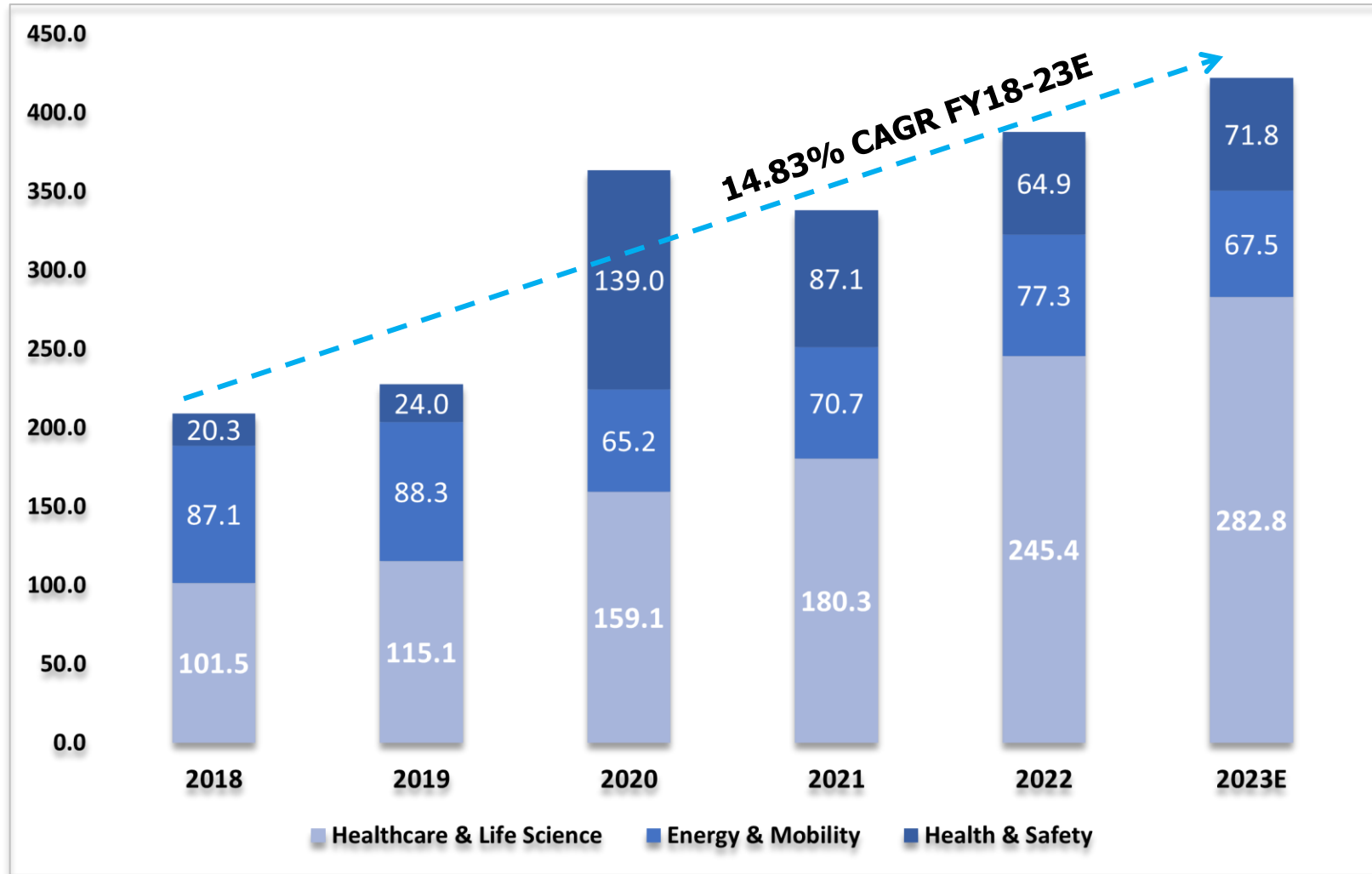
1) GVS purifies investors confidence thanks to a solid stream of revenues

GVS holds a strong record of revenues generation

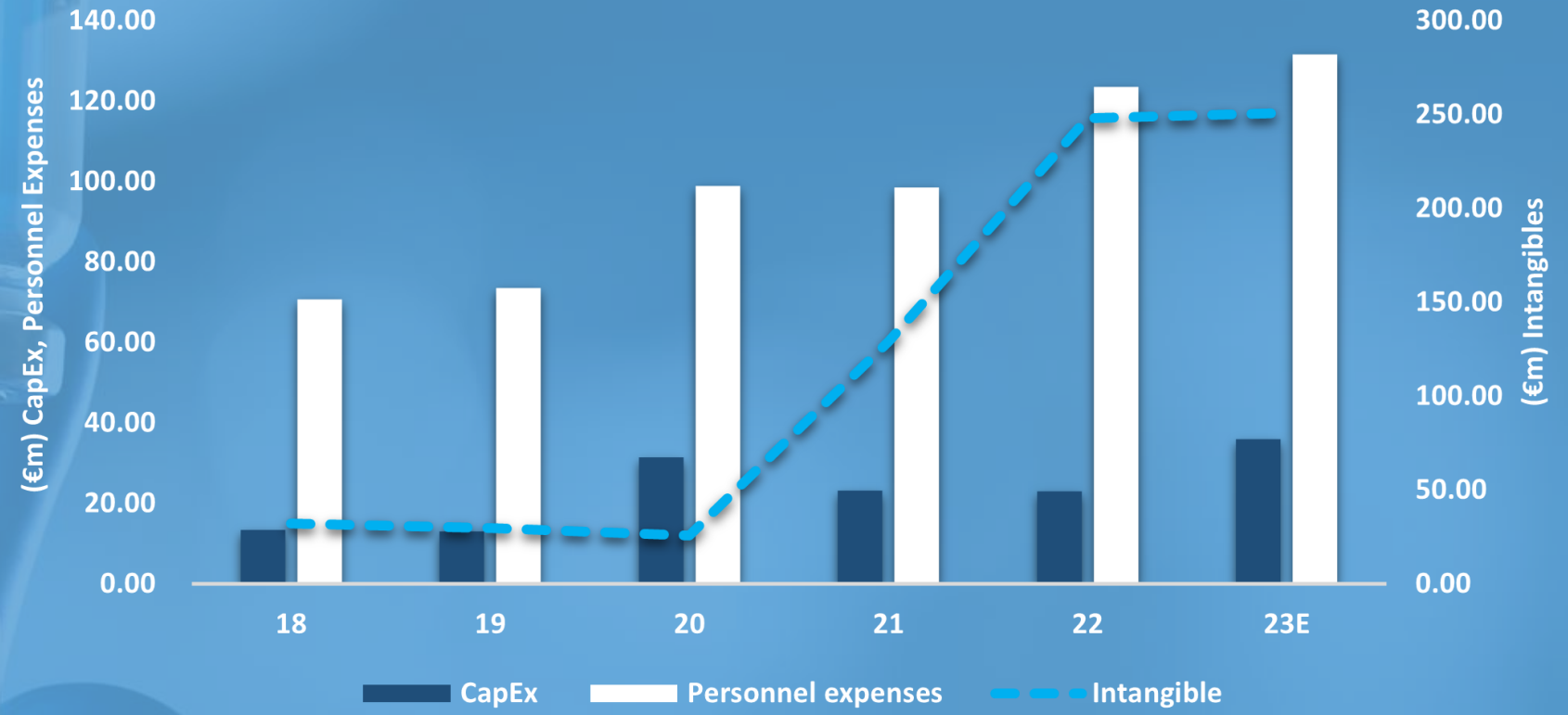
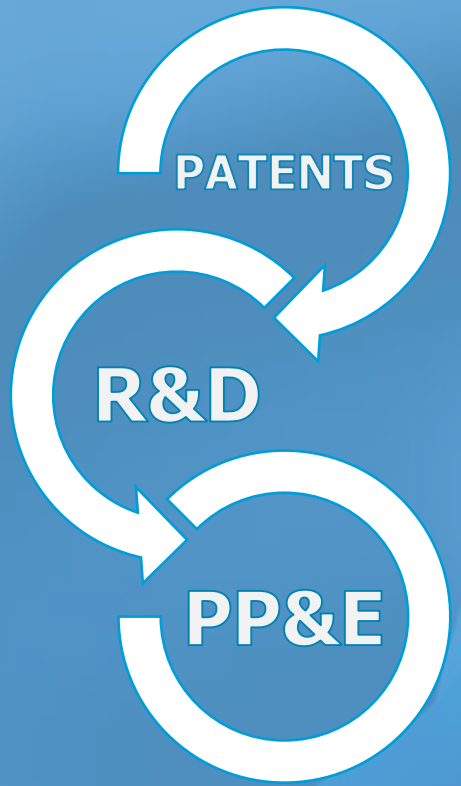
14.83% CAGR FY18-23



Source: Refinitiv data, team elaboration



2) Clearing the path toward a bright future: driven by continuous investments

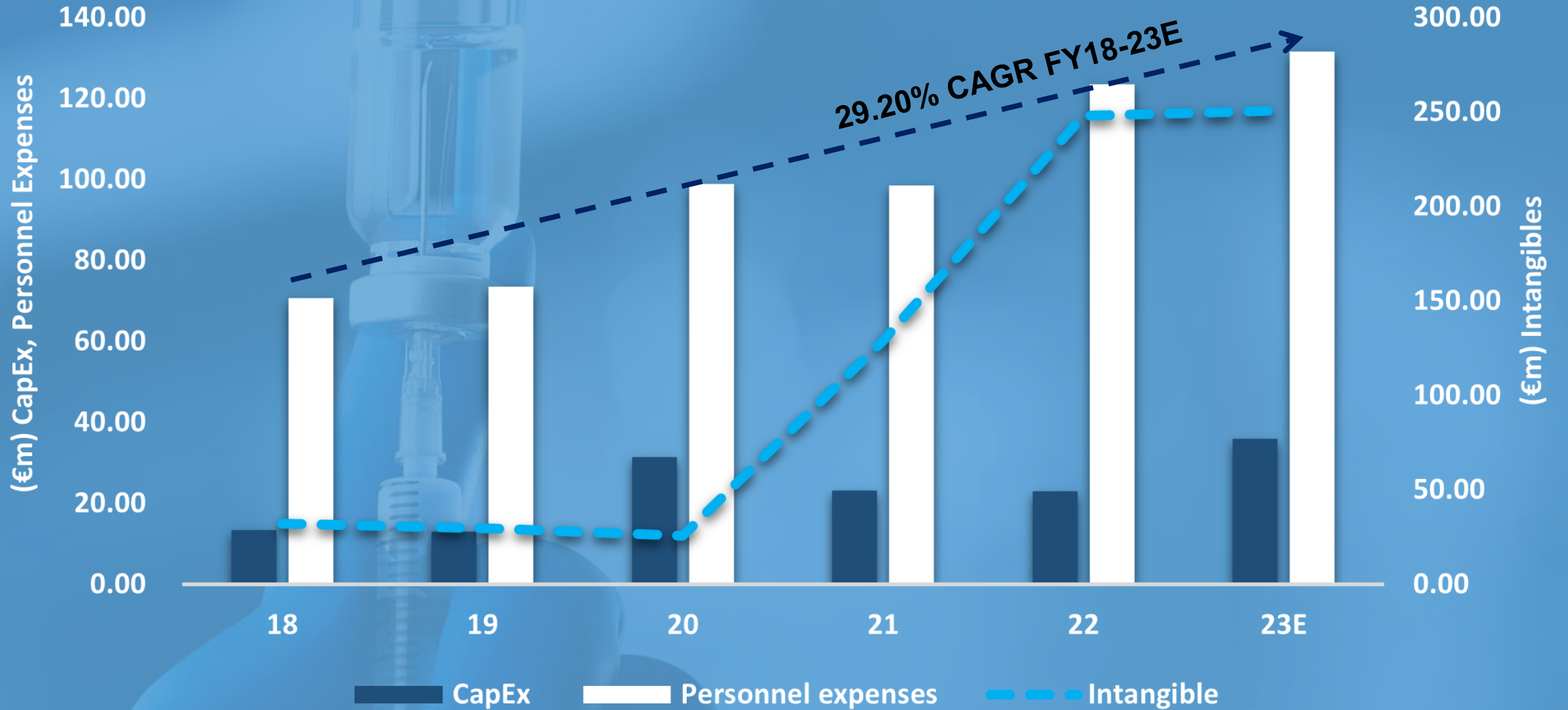


Continuous investment in Capex and intangible assets

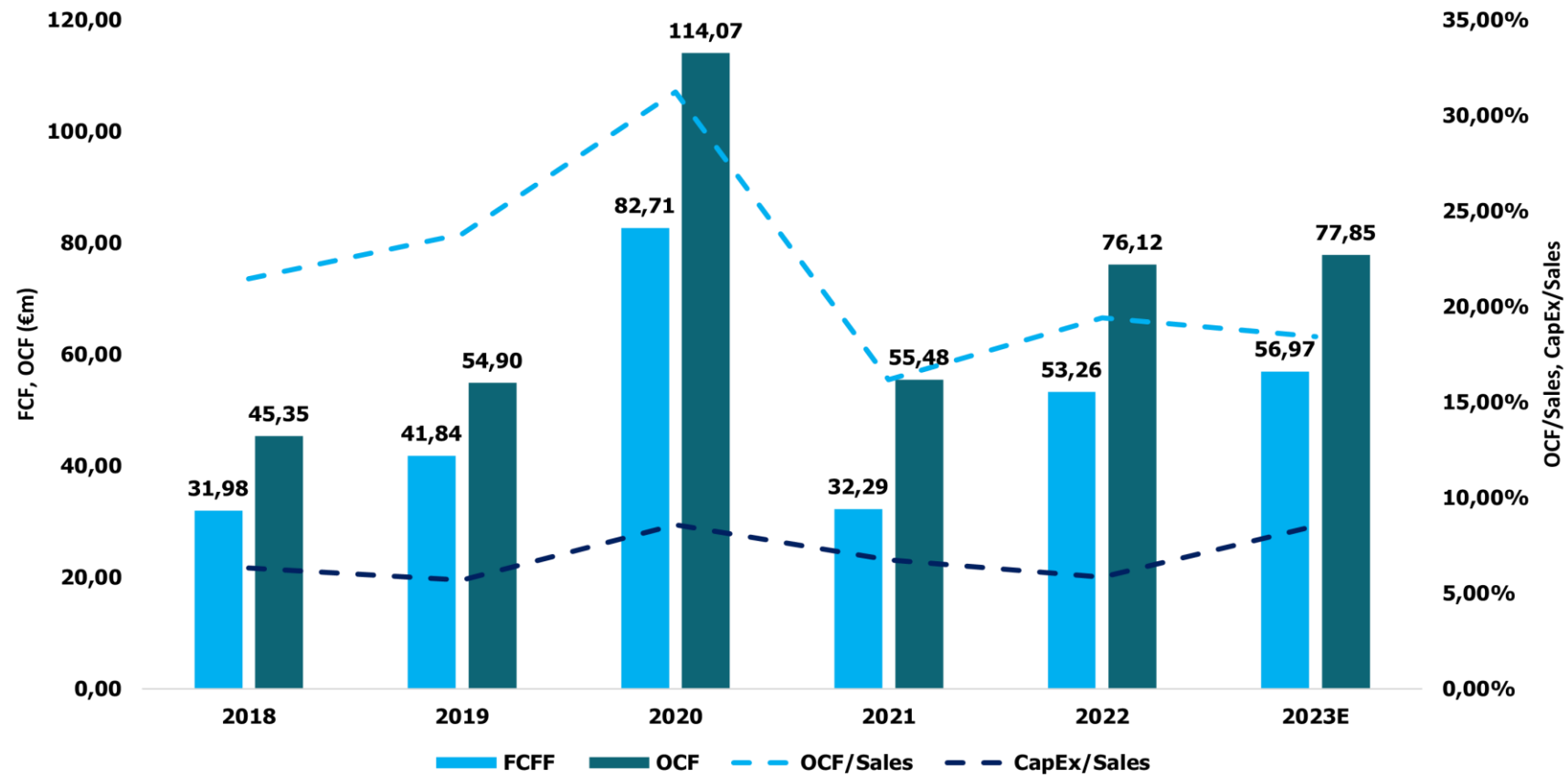


Driven by patents and PP&E, alongside elevated personnel costs due to M&A activities

Source: Refinitiv data, team elaboration



3) Breathing purely filtered Free Cash Flows...



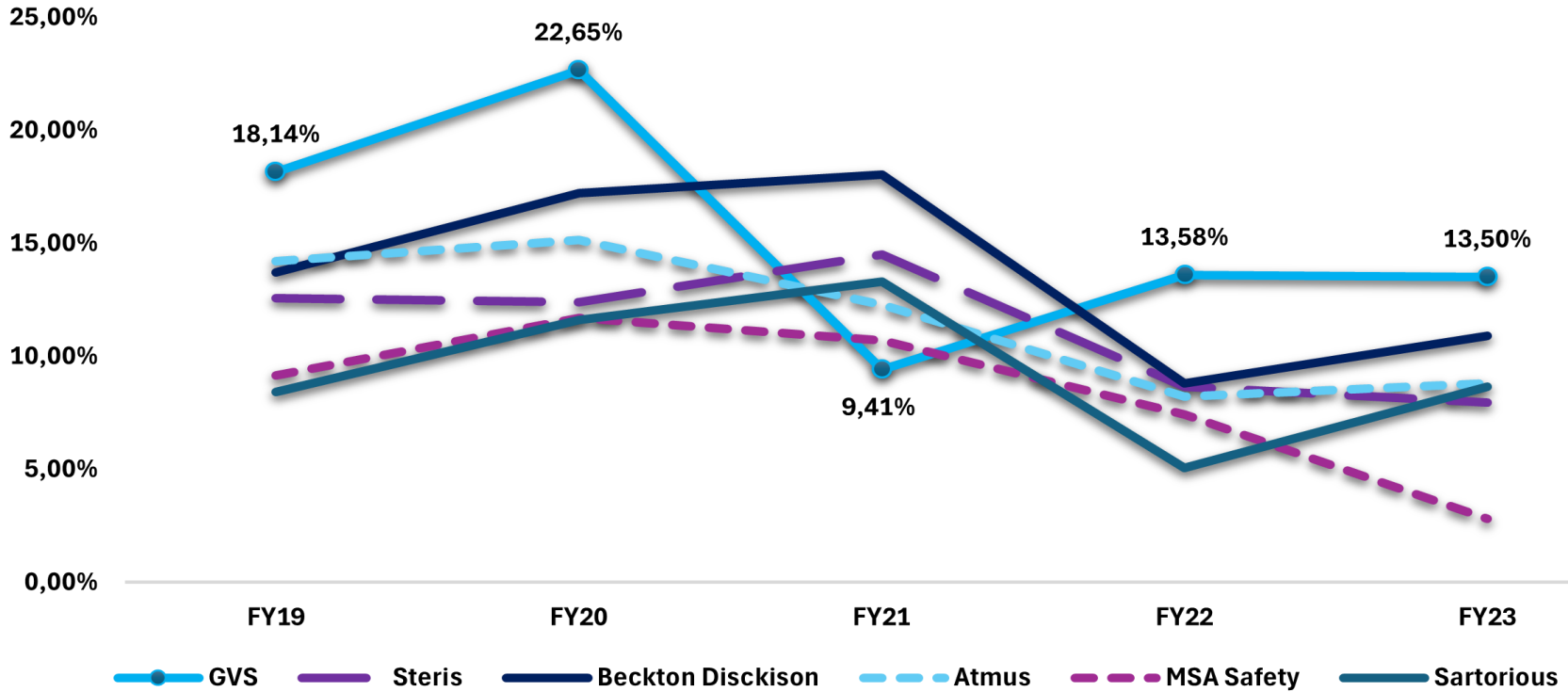
FCF
+12.24%
CAGR
FY18-23

OCF
+11.41%
CAGR FY18-23

FY20 OCF over-performance
€114.07m

Filtering ahead with superior free cash flows, leaving competitors in the dust...

FCF/Sales

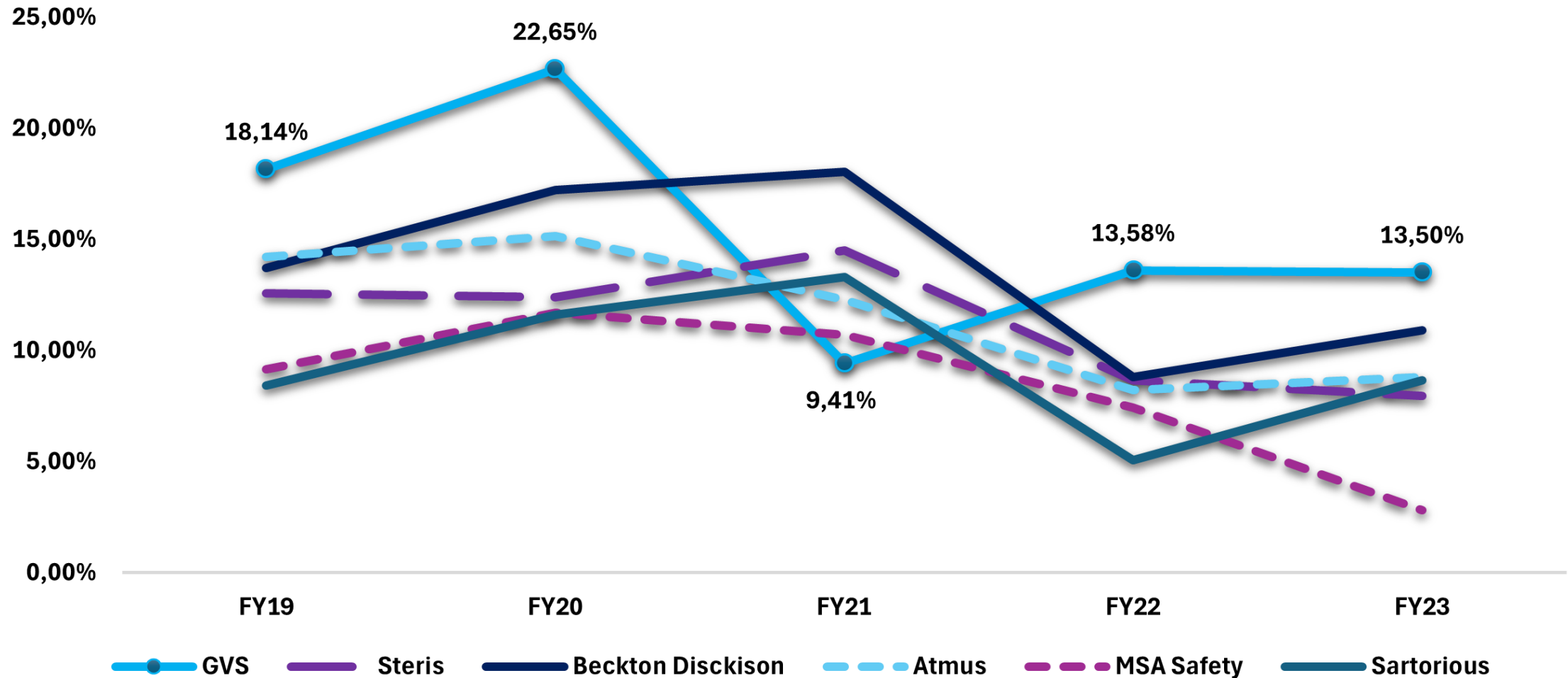


**AVG FCF/Sales:
15.46% (FY19-23)**

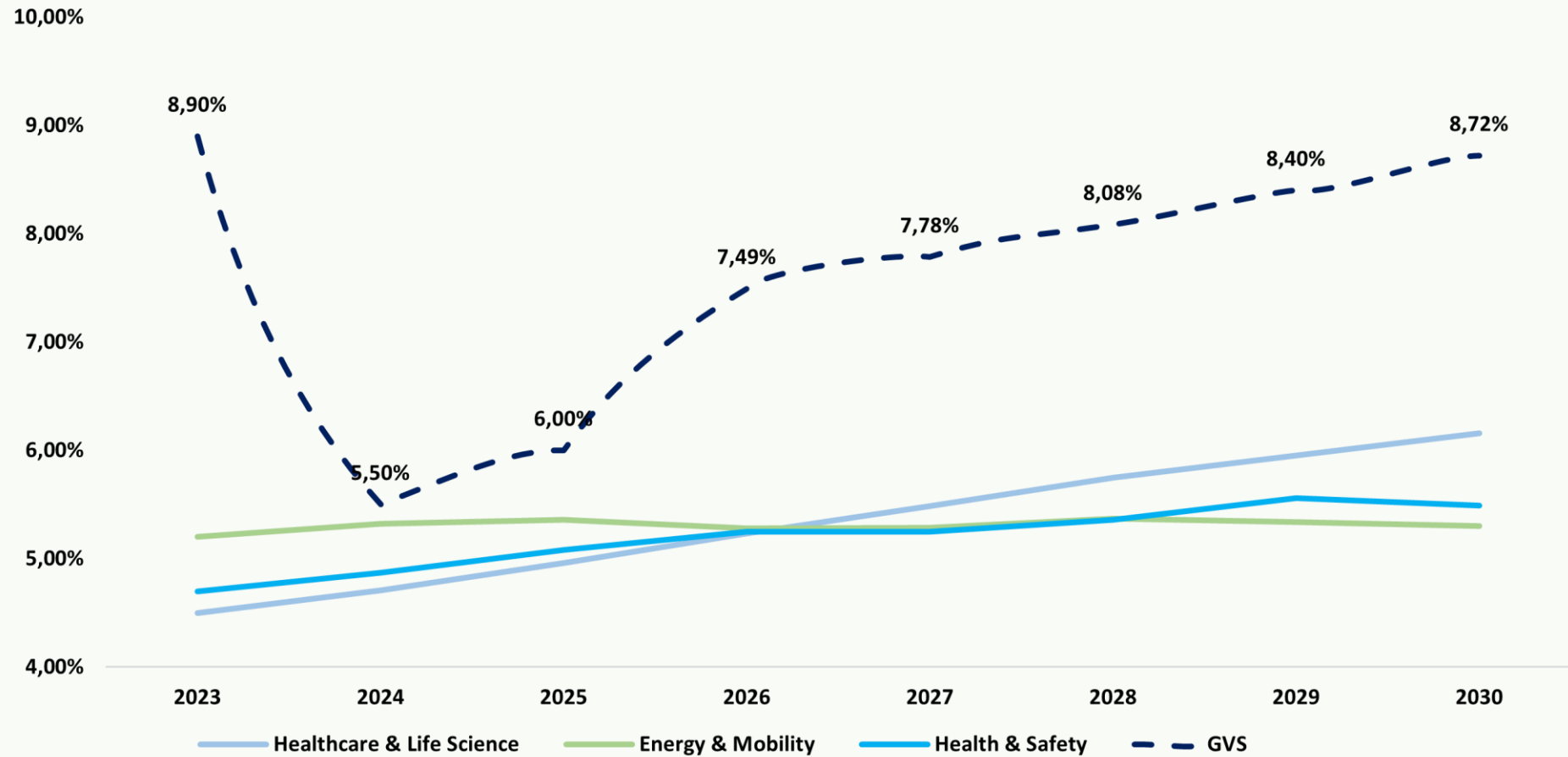
**Industry Mean:
10.89%**

Filtering ahead with superior free cash flows, leaving competitors in the dust...

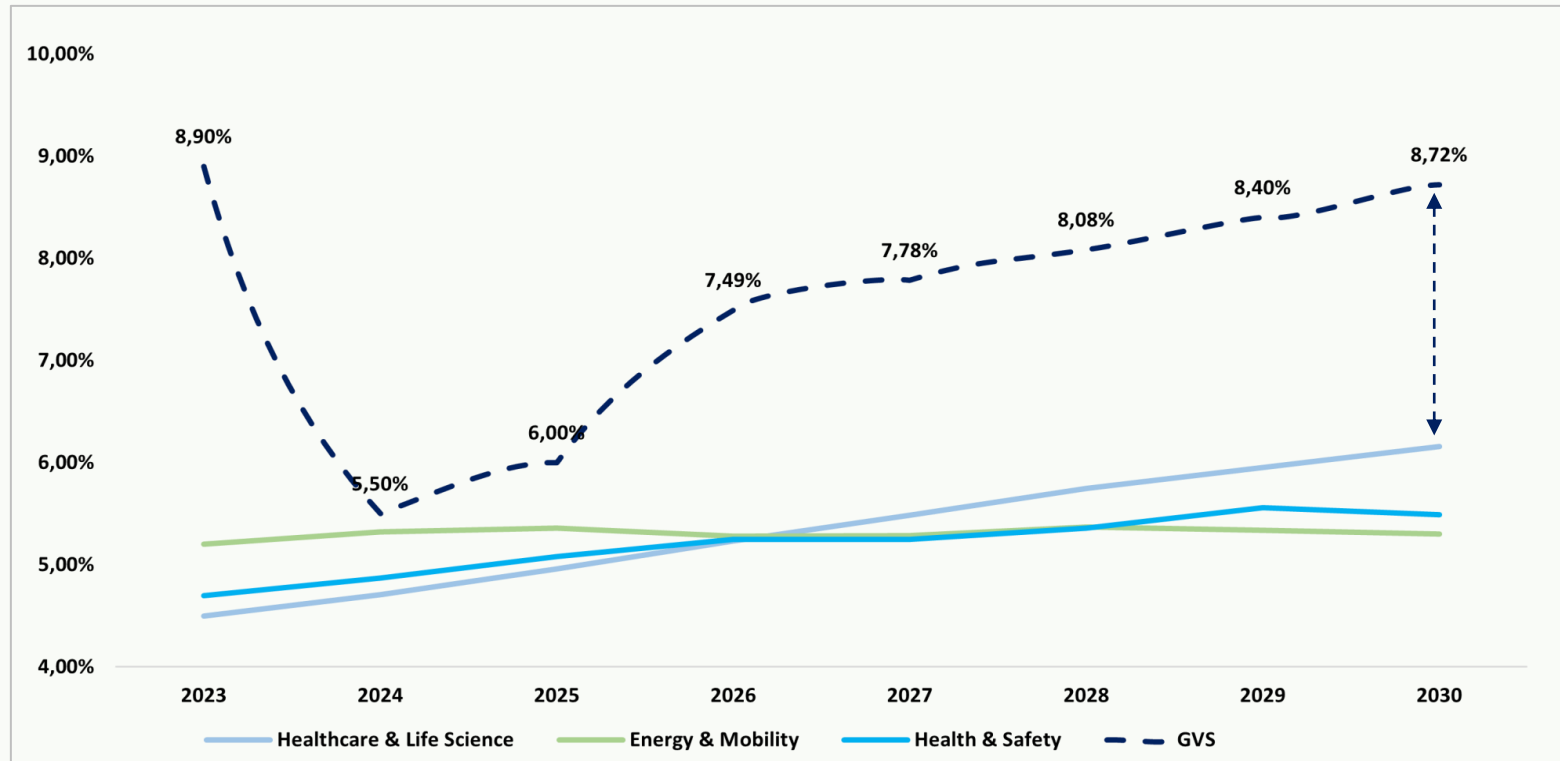
FCF/Sales



The Filtration industry is expected to grow at a 5.41% CAGR FY23-30....



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Healthcare & Life Science:
5.46% CAGR FY23-30

Higher Demand in Laboratory & Equipment and drug manufacturing

Energy & Mobility:
5.32% CAGR FY23-30

Growing demand for cleaner energy sources: Hydrogen & Electric Vehicles

Health & Safety:
5.27% CAGR FY23-30

Increase in use of respirators (rising concerns about air pollution)

Industry CAGR
5.41%

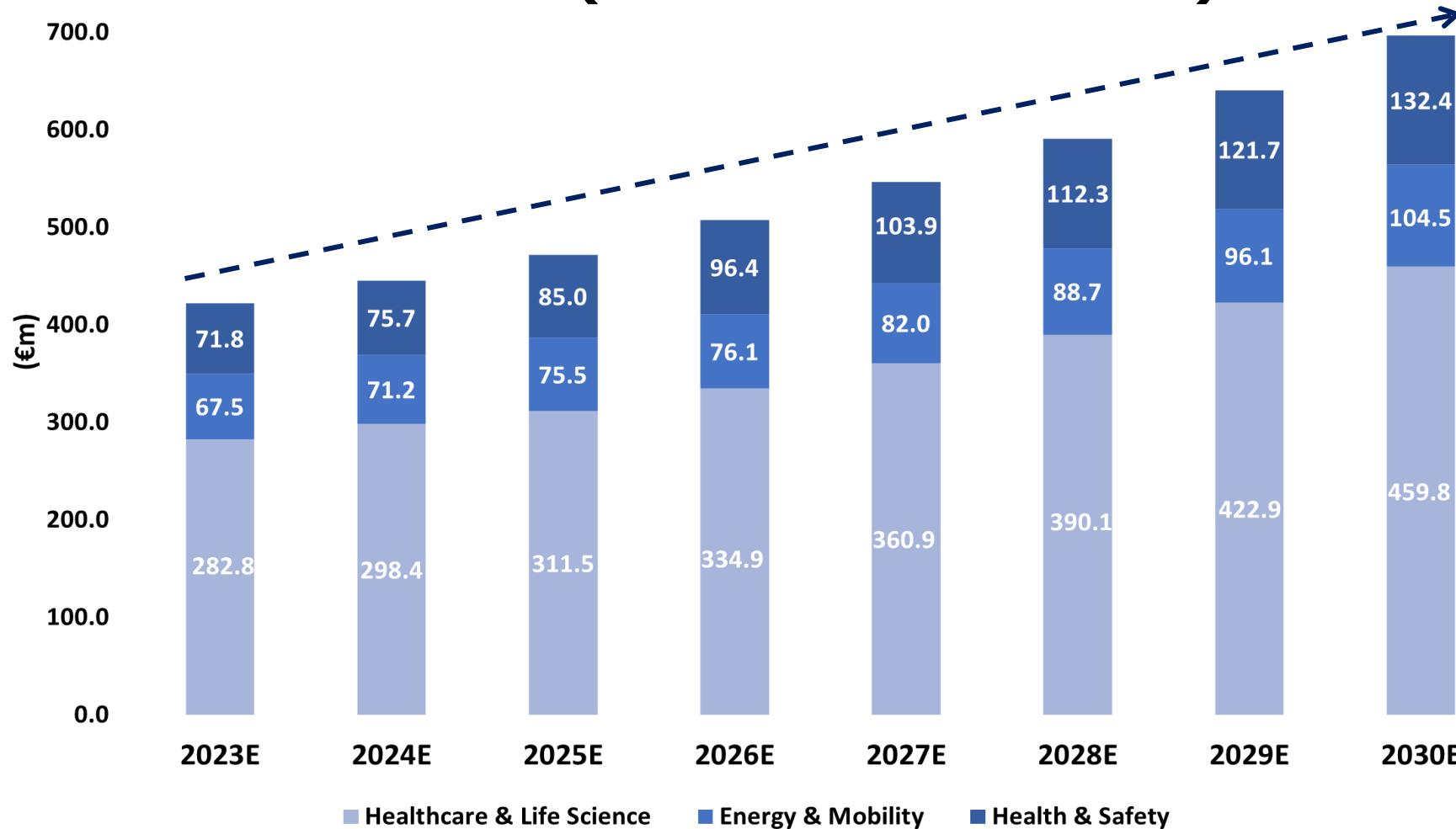


Over-performance
+2.01%

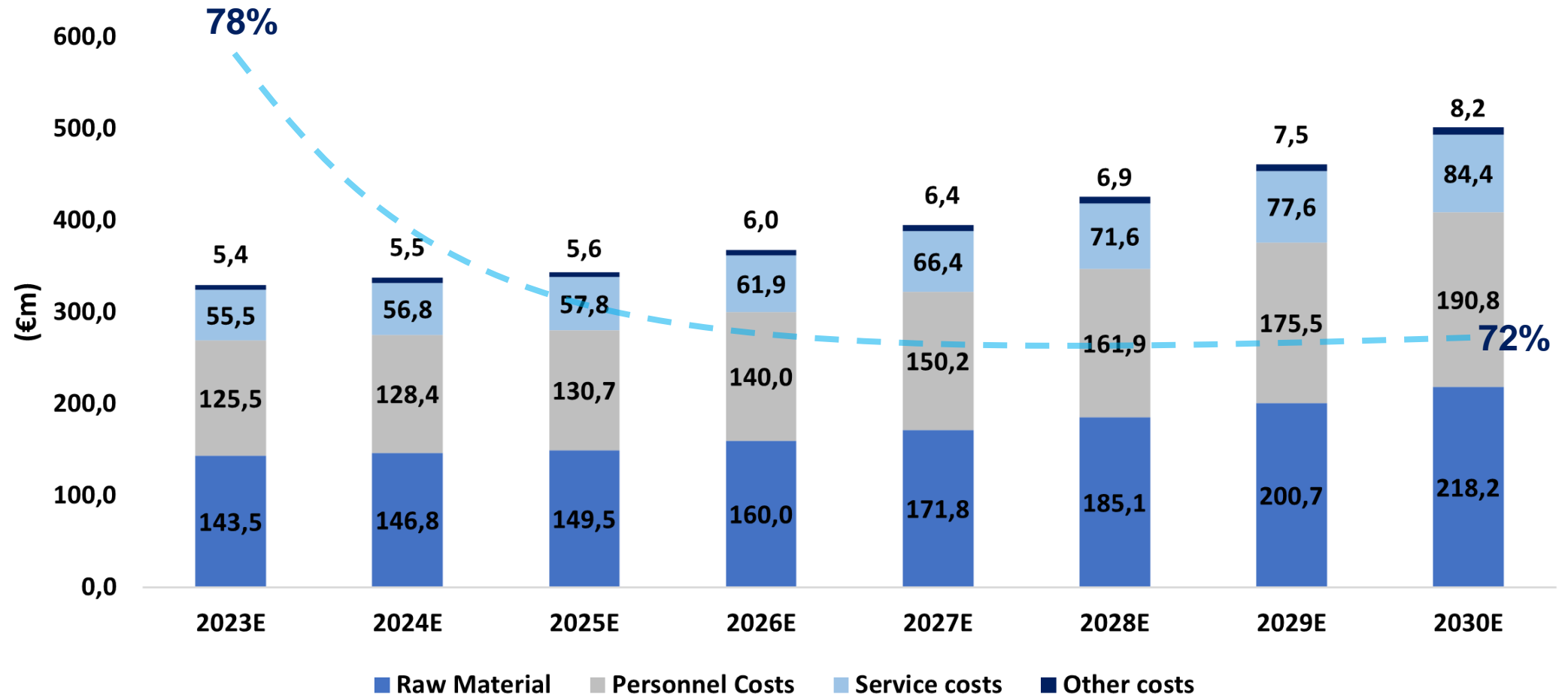


7.42% CAGR
FY23-30

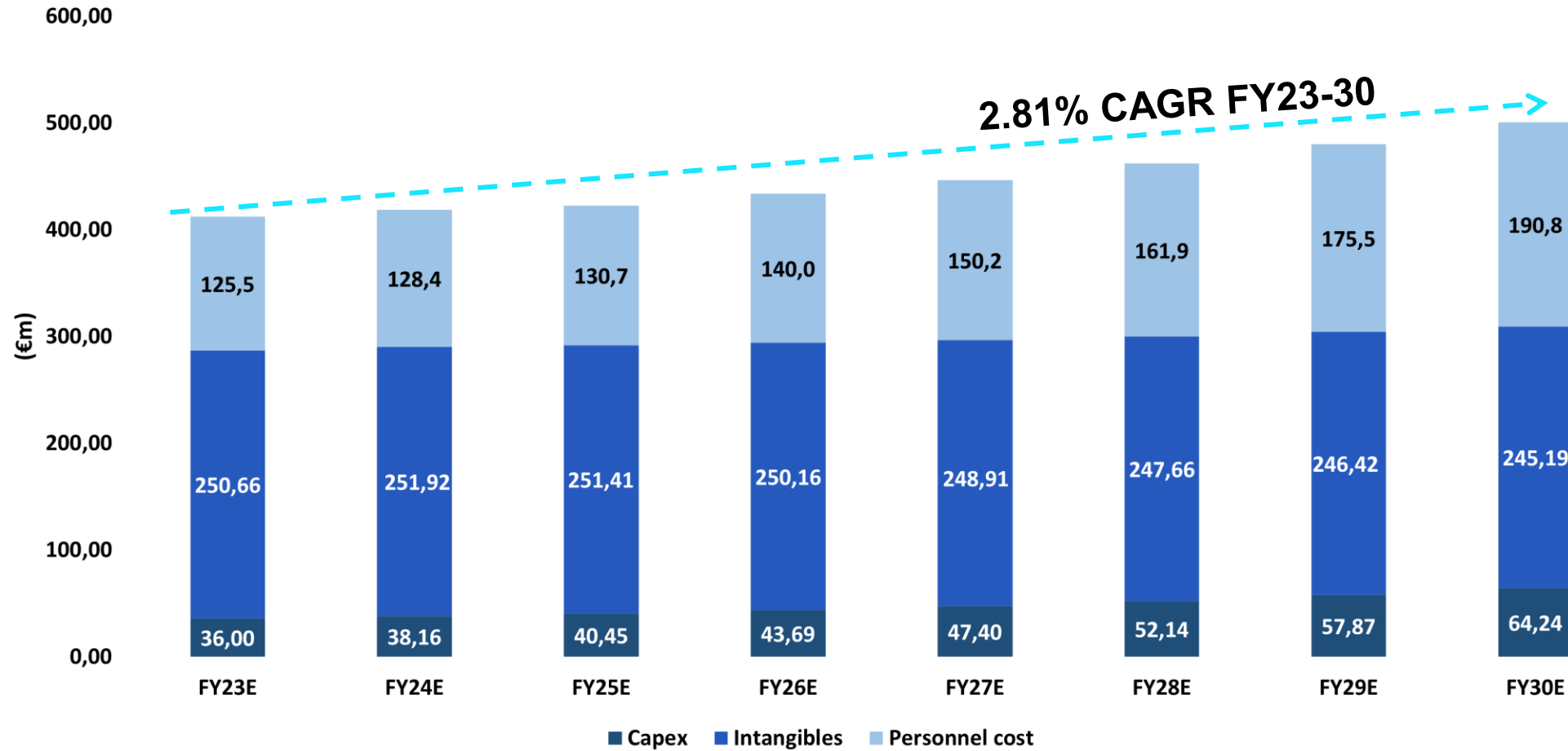
Revenues (7.42% CAGR FY23-30)



Costs (6.17% CAGR FY23-30)

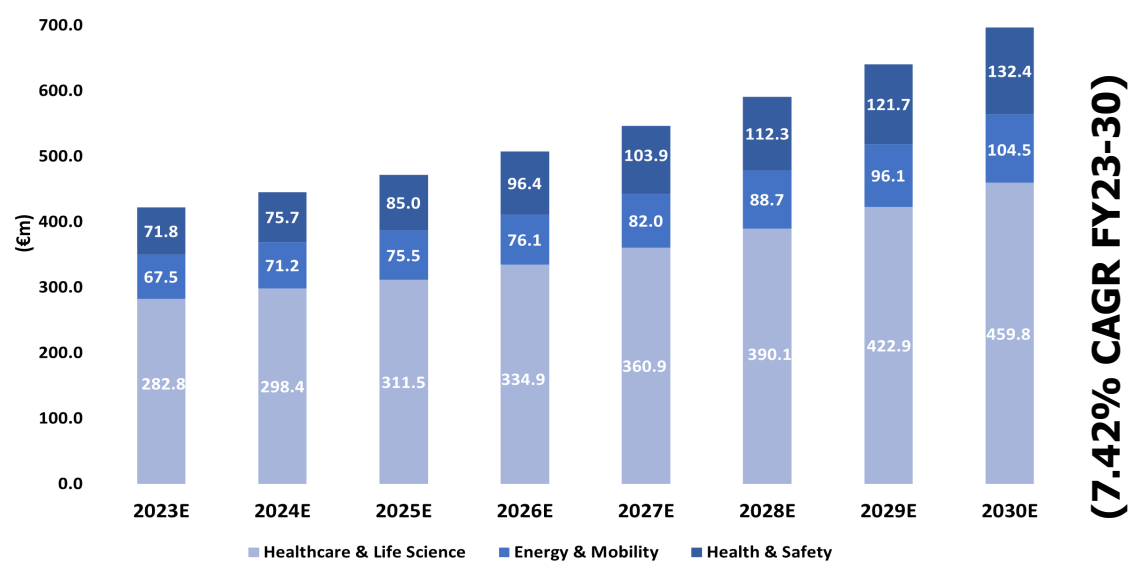


Investments (2.81% CAGR FY23-30)

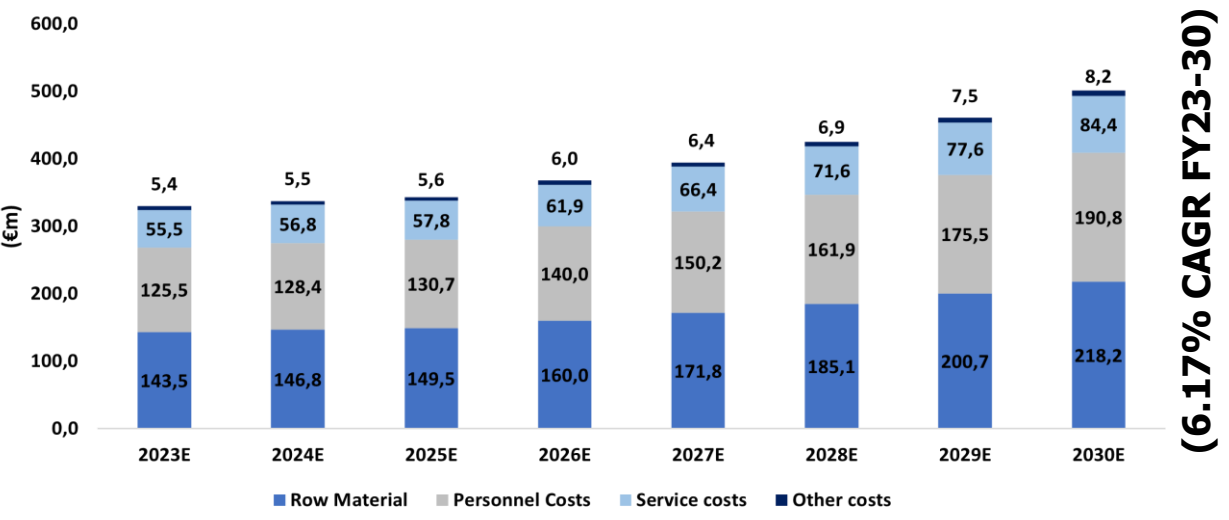


GVS will ride the wave

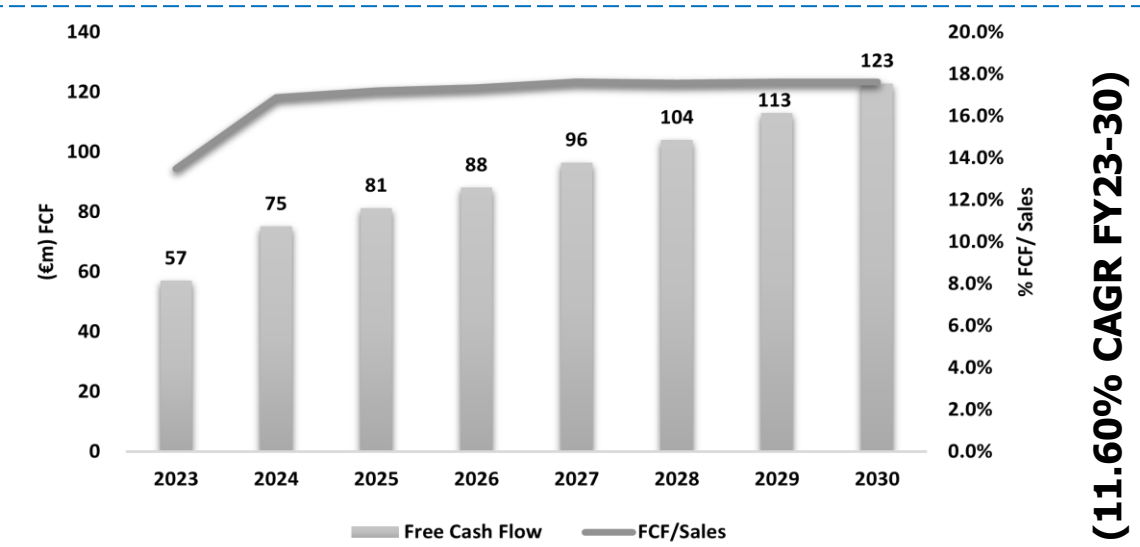
Revenues



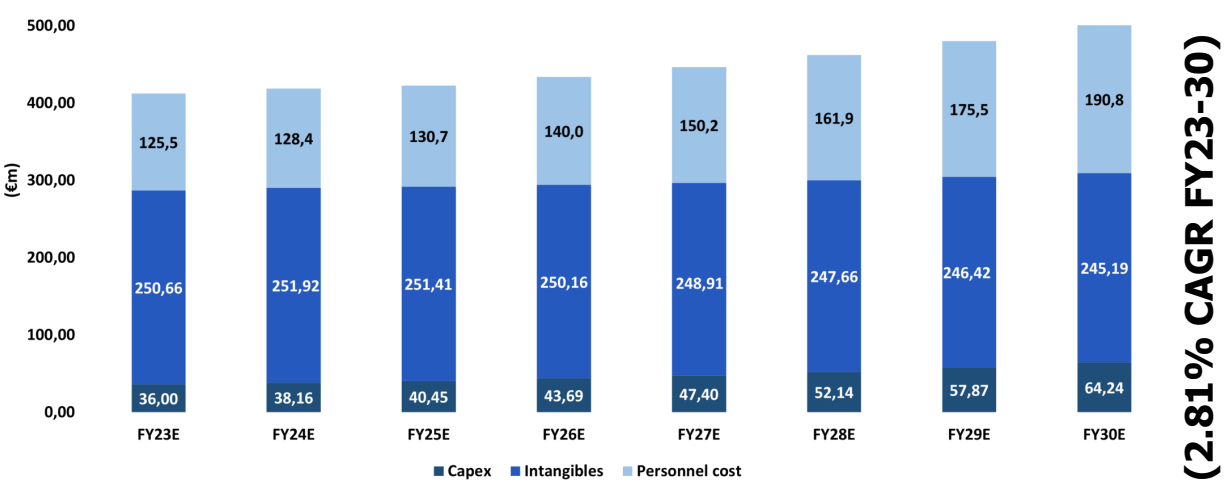
Costs



Free Cash Flows



Investments



VALUATION





2-stage DCF Analysis

Drivers:

- 1) Growing Revenues
- 2) Growing CapEx
- 3) Higher Margins

- 8.5% FCFF CAGR FY23-30

- Dynamic WACC (5.91% - 6-16%)

- 2.7% Terminal Growth Rate



2-stage DCF Analysis

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€2.93b

ENTERPRISE VALUE

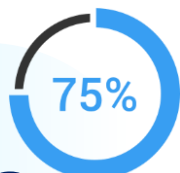
€1.25b

EQUITY VALUE

€1.79b

TOTAL DEBT

2-stage DCF Analysis



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€2.93b

ENTERPRISE VALUE

€1.25b

EQUITY VALUE

€1.79b

TOTAL DEBT

BUY

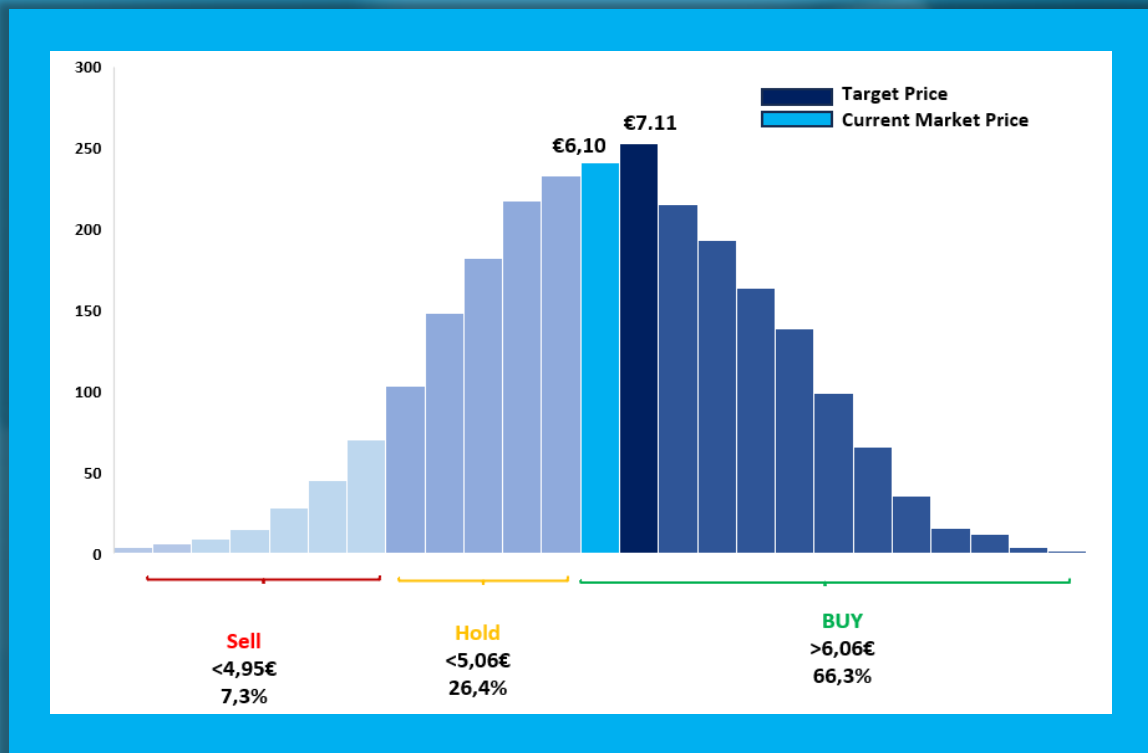


€7.16

**TARGET
PRICE**

**17.38%
UPSIDE**

Monte Carlo simulation



Sensitivity Analysis

Perpetual Growth (g)	WACC								
	4,16%	4,66%	5,16%	5,66%	6,16%	6,66%	7,16%	7,66%	8,16%
3,45%	27,97	17,17	12,69	10,23	8,68	7,62	6,84	6,24	5,78
3,20%	21,12	14,51	11,28	9,36	8,09	7,19	6,51	5,99	5,57
2,95%	17,10	12,64	10,19	8,65	7,59	6,81	6,22	5,76	5,38
2,70%	14,45	11,24	9,33	8,06	7,16	6,49	5,97	5,55	5,21
2,45%	12,58	10,15	8,62	7,56	6,79	6,20	5,74	5,36	5,06
2,20%	11,19	9,29	8,03	7,14	6,47	5,95	5,53	5,19	4,91
1,95%	10,11	8,58	7,53	6,77	6,18	5,72	5,35	5,04	4,78
1,70%	9,25	8,00	7,11	6,44	5,93	5,52	5,18	4,90	4,66

BUY	HOLD	SELL
68.1%	27.8%	4.2%

Terminal Growth Rate: 2.7%

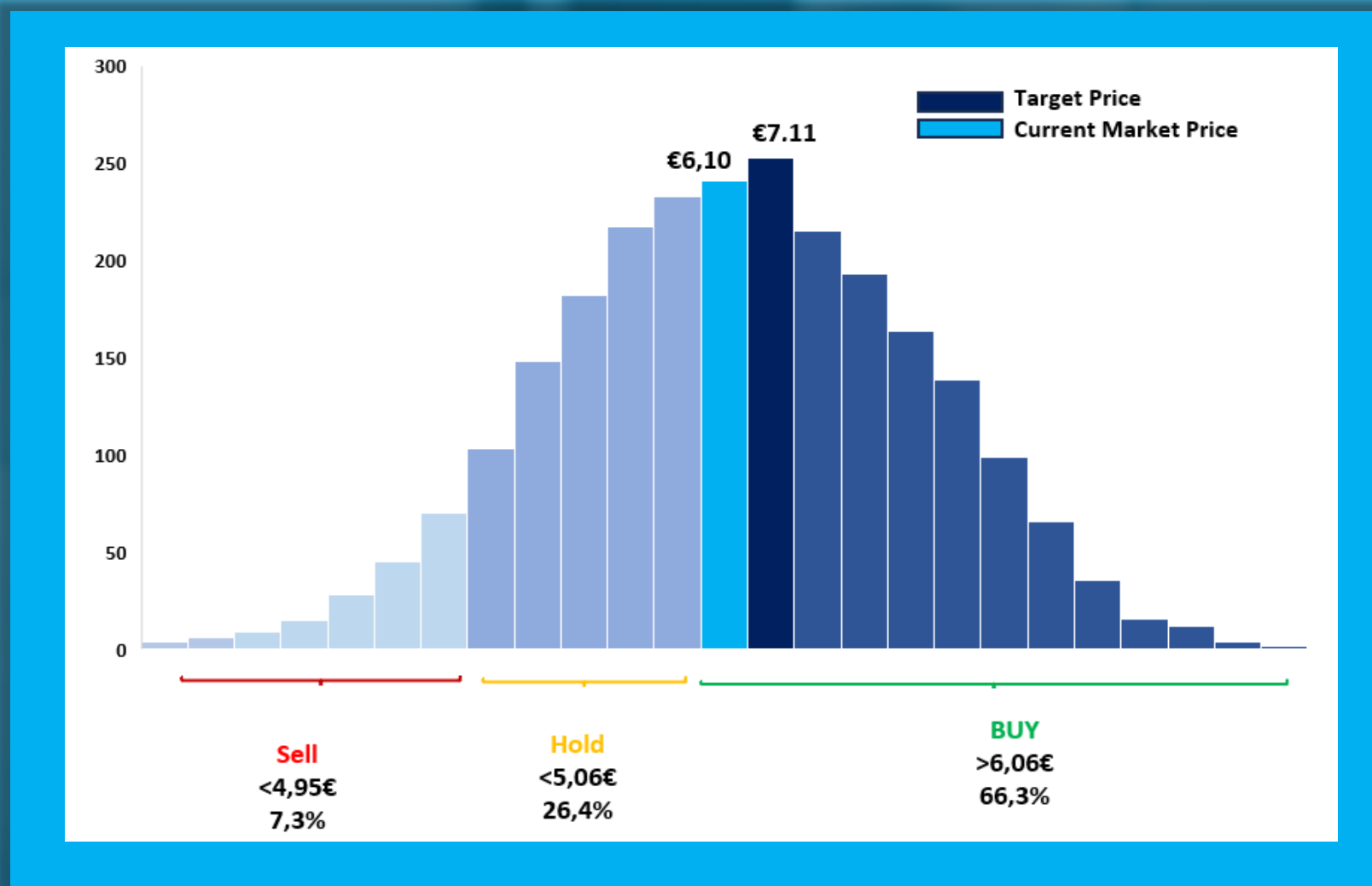
Weighted average growth rate China, USA, Eurozone, Brazil

WACC : 5.91% - 6.16%

D/E: Dynamic according to assumptions

(31% Debt-69% Equity by FY30)

Monte Carlo Simulation



Iterations: 10.000

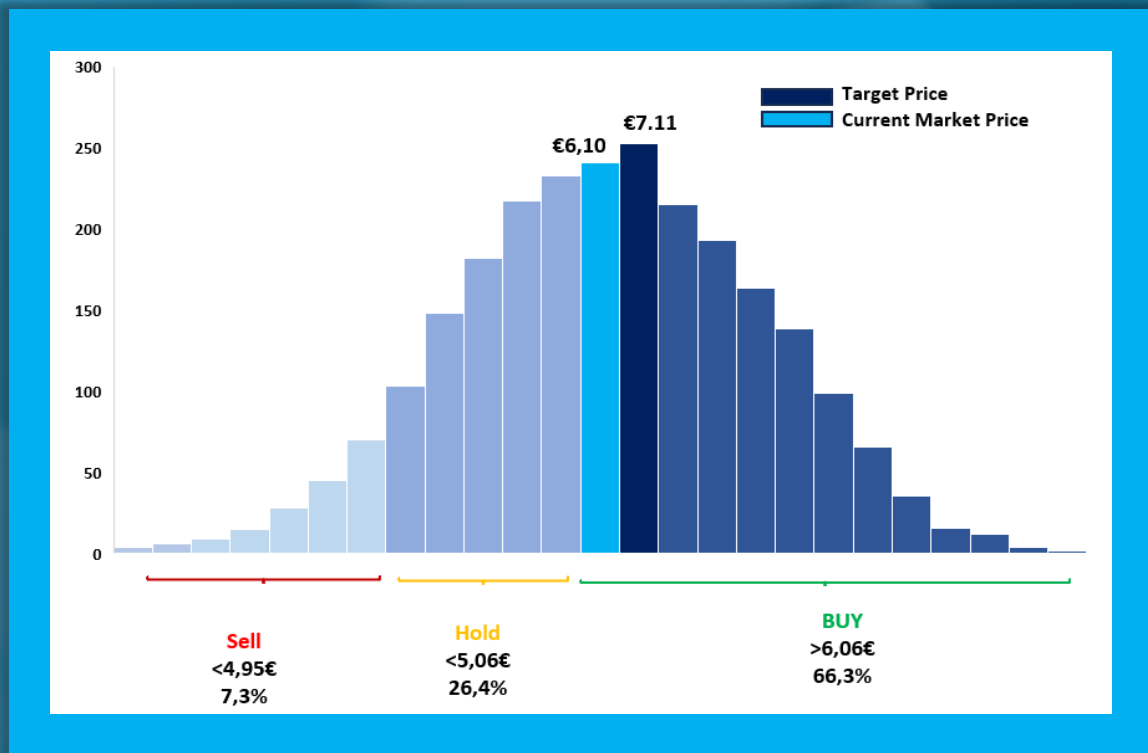


Stressed variables: CapEx and Revenues growth rate

Sensitivity Analysis

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		BUY			HOLD			SELL		
		68.1%			27.8%			4.2%		

Monte Carlo simulation



BUY
66,3%

Sensitivity Analysis

		WACC								
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Perpetual Growth (g)	3,45%	27,97	17,17	12,69	10,23	8,68	7,62	6,84	6,24	5,78
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		BUY			HOLD			SELL		
		68.1%			27.8%			4.2%		

BUY
68,1%

Relative Valuation

25%



EV/EBITDA

25.44x
 sartorius

MAX

12.34x

 FILTER TECHNOLOGY

6.92x


MIN

1) GVS is Under-estimated: 13.28% discount

2) EV/EBITDA Industry Mean: 14.23x

3) Implied Share price: €6.97/Share

RISKS



PURIFYING THE COMPANY FROM RISKS...

- 
1) COMPETITIVE POSITIONING
- 
2) TECHNOLOGY OBSOLESCENCE
- 
3) M&A TRANSACTIONS
- 
4) LIQUIDITY

MARKET VIEW

Impact		Very Low	Low	Medium	High	Very High
Probability	Very High					3
	High			1		
	Medium				2	
	Low					
	Very Low			4		

PURIFYING THE COMPANY FROM RISKS...

 **1) COMPETITIVE POSITIONING**

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PURIFYING THE COMPANY FROM RISKS...

 1) COMPETITIVE POSITIONING

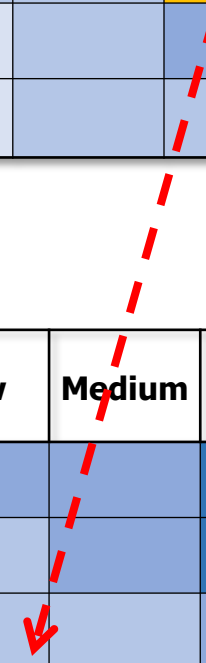
 2) TECHNOLOGY OBSOLESCENCE

 3) M&A TRANSACTIONS

 4) LIQUIDITY

Impact		Very Low	Low	Medium	High	Very High
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PURIFYING THE COMPANY FROM RISKS...

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 **1) COMPETITIVE POSITIONING**

 **2) TECHNOLOGY OBSOLESCENCE**

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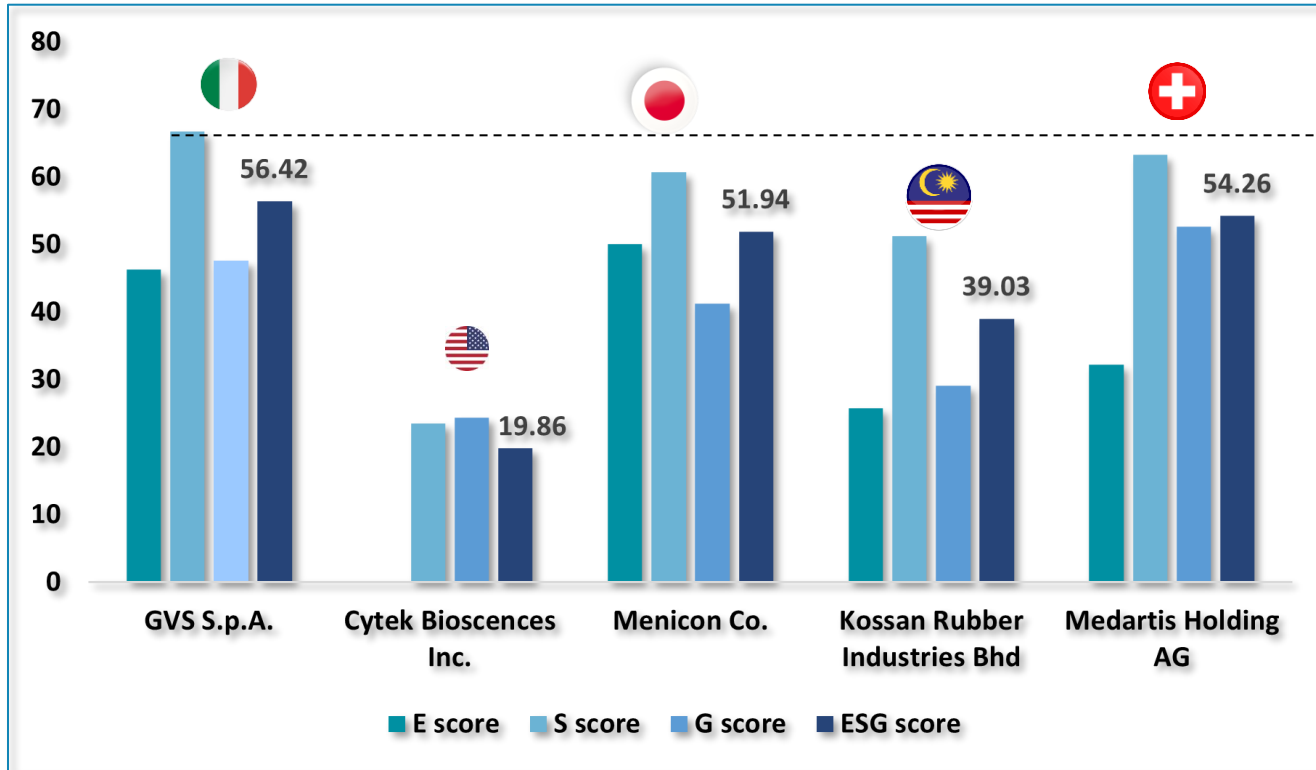


Impact		Very Low	Low	Medium	High	Very High
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	High					
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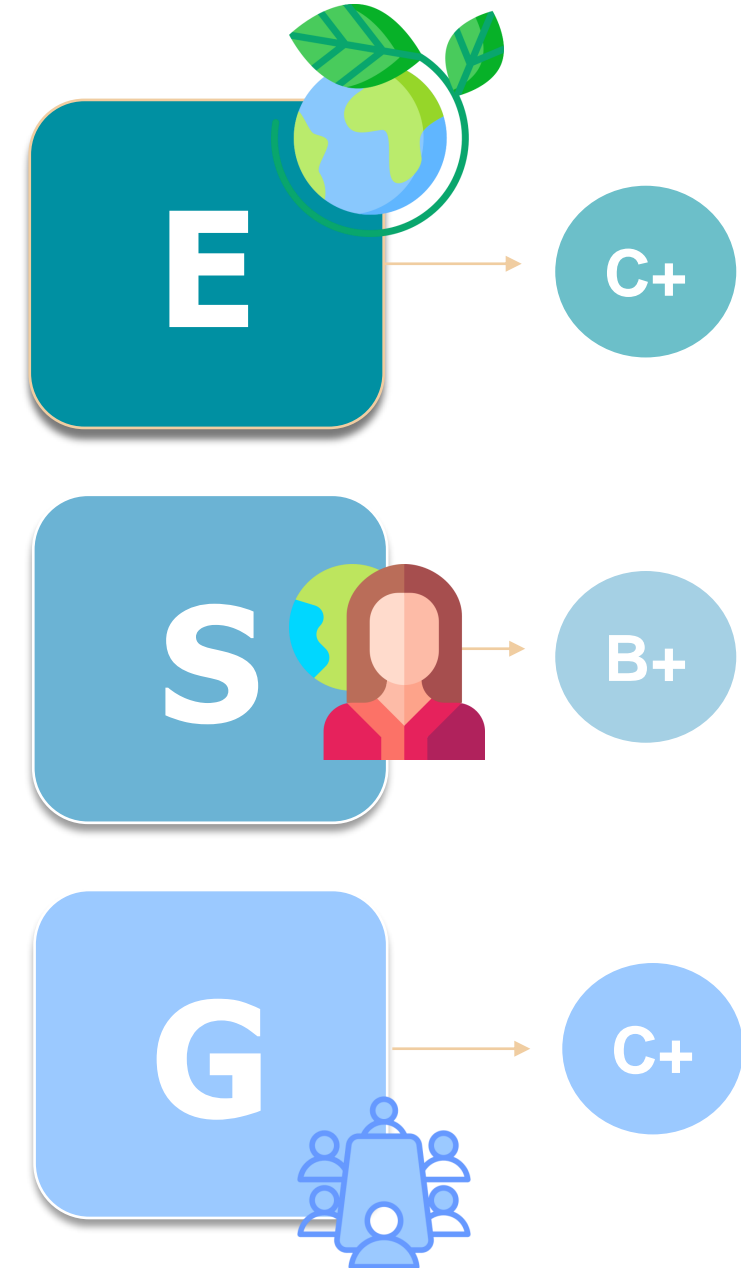


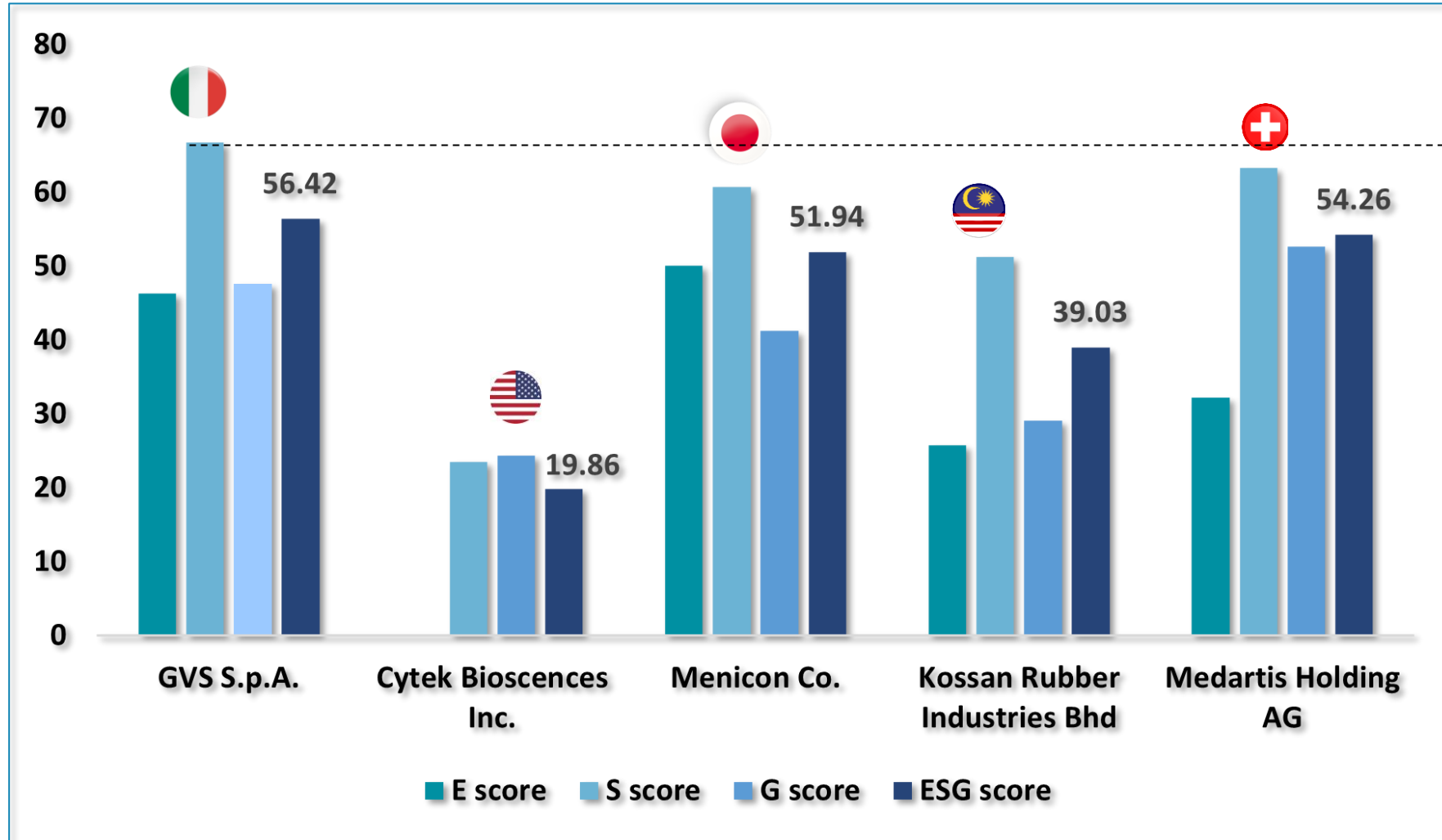
ESG

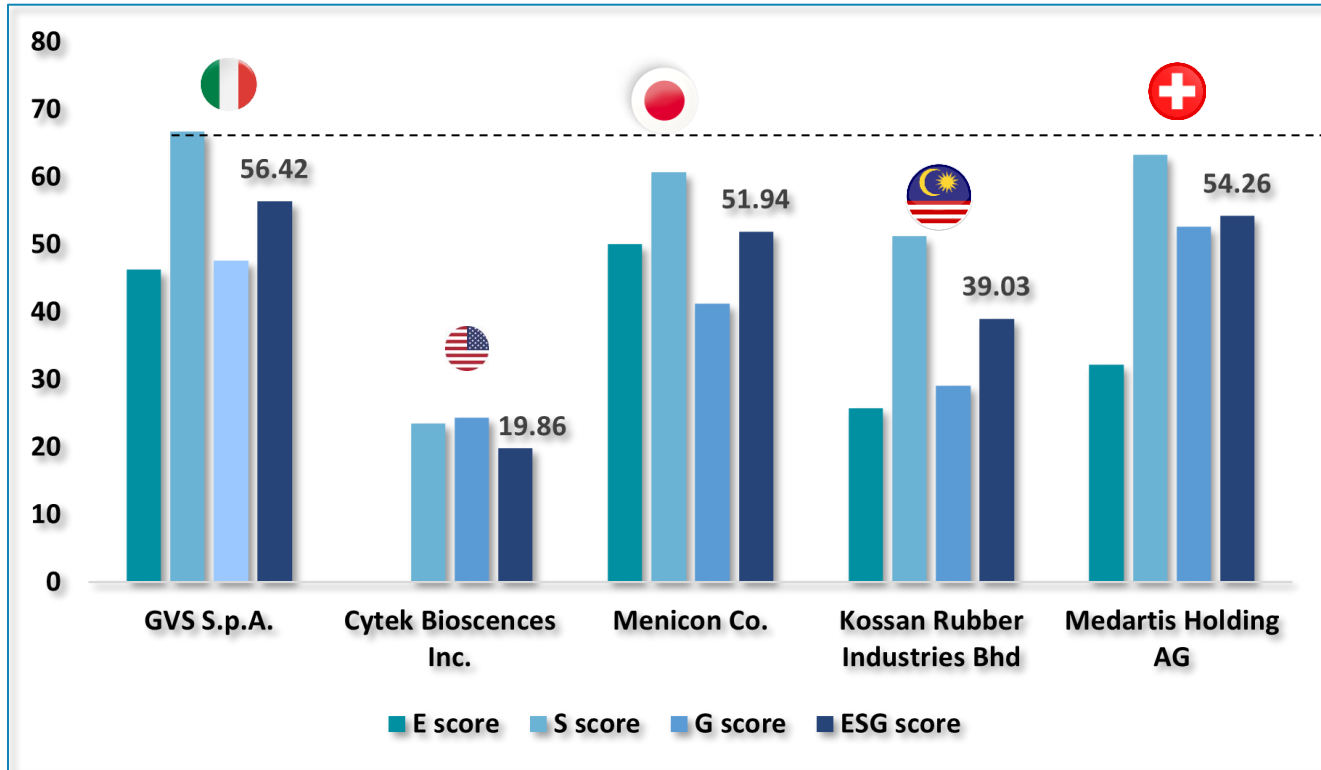




MARKET CAP: \$1.082 - \$1.121 Mil USD
INDUSTRY: Healthcare Equipment and Supplies







MARKET CAP: \$1.082 - \$1.121 Mil USD
INDUSTRY: Healthcare Equipment and Supplies



SCORE: 46.27/100

Sustainable Raw Materials

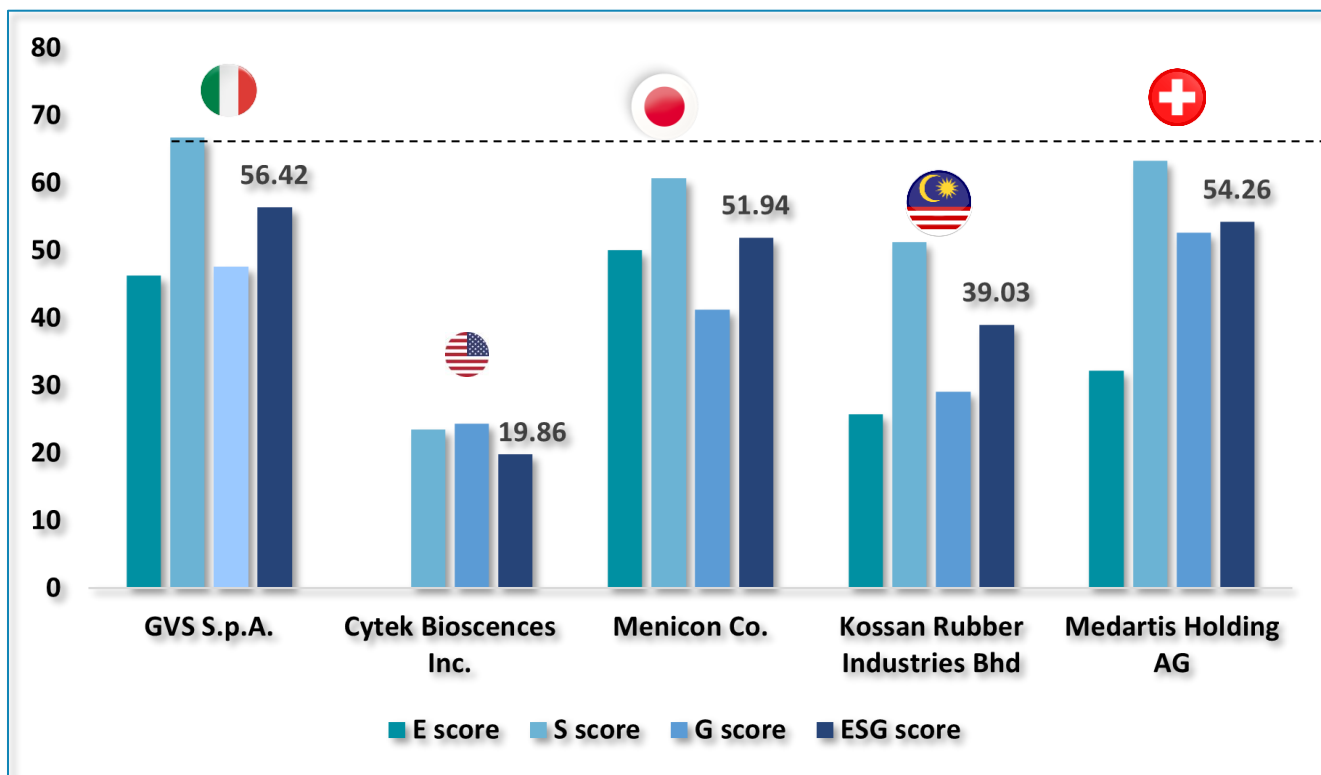
Water conservations

Sustainable packaging

Renewable energy

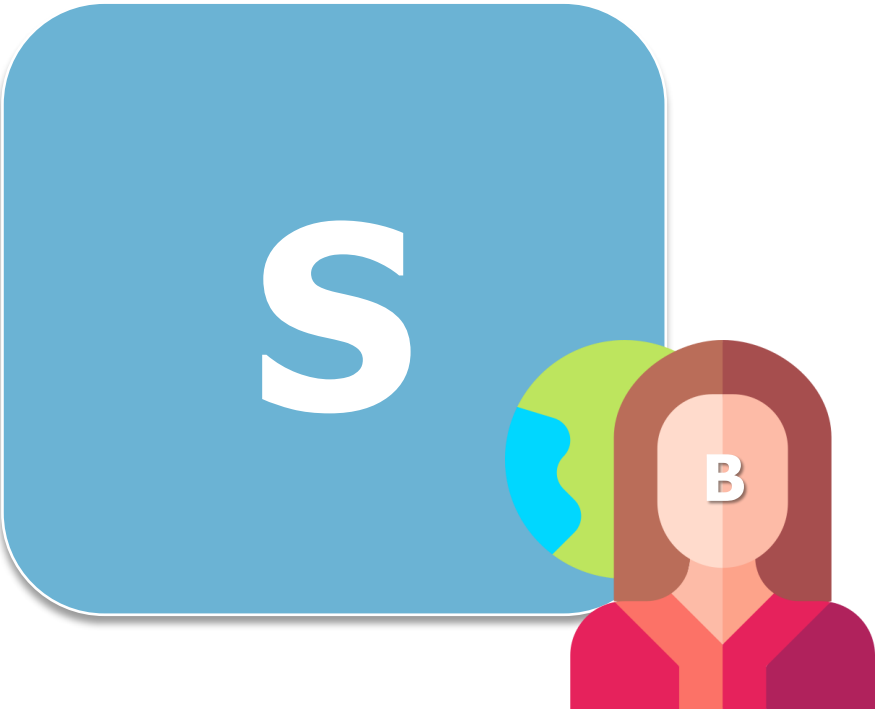
Circular economy



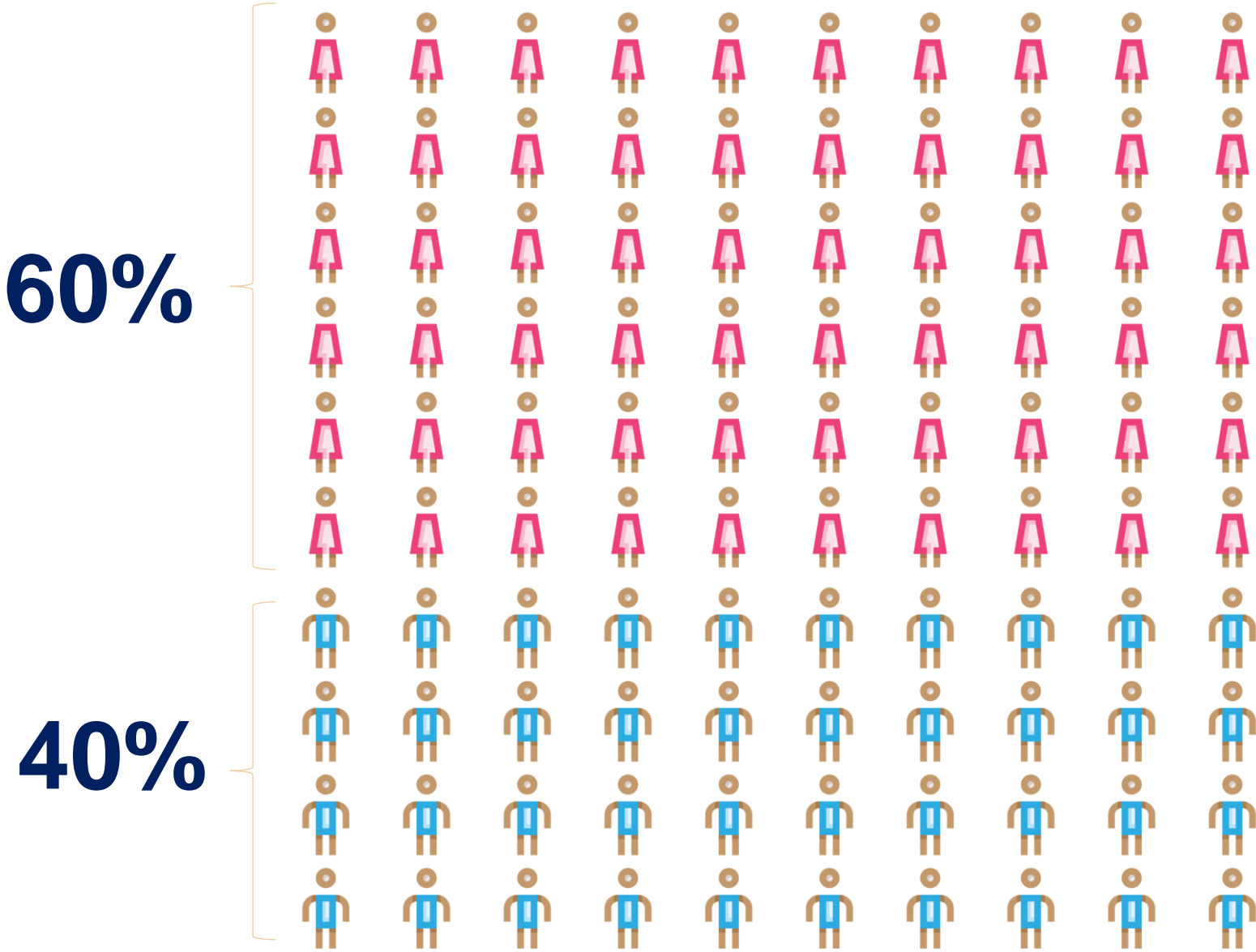


MARKET CAP: \$1.082 - \$1.121 Mil USD
INDUSTRY: Healthcare Equipment and Supplies

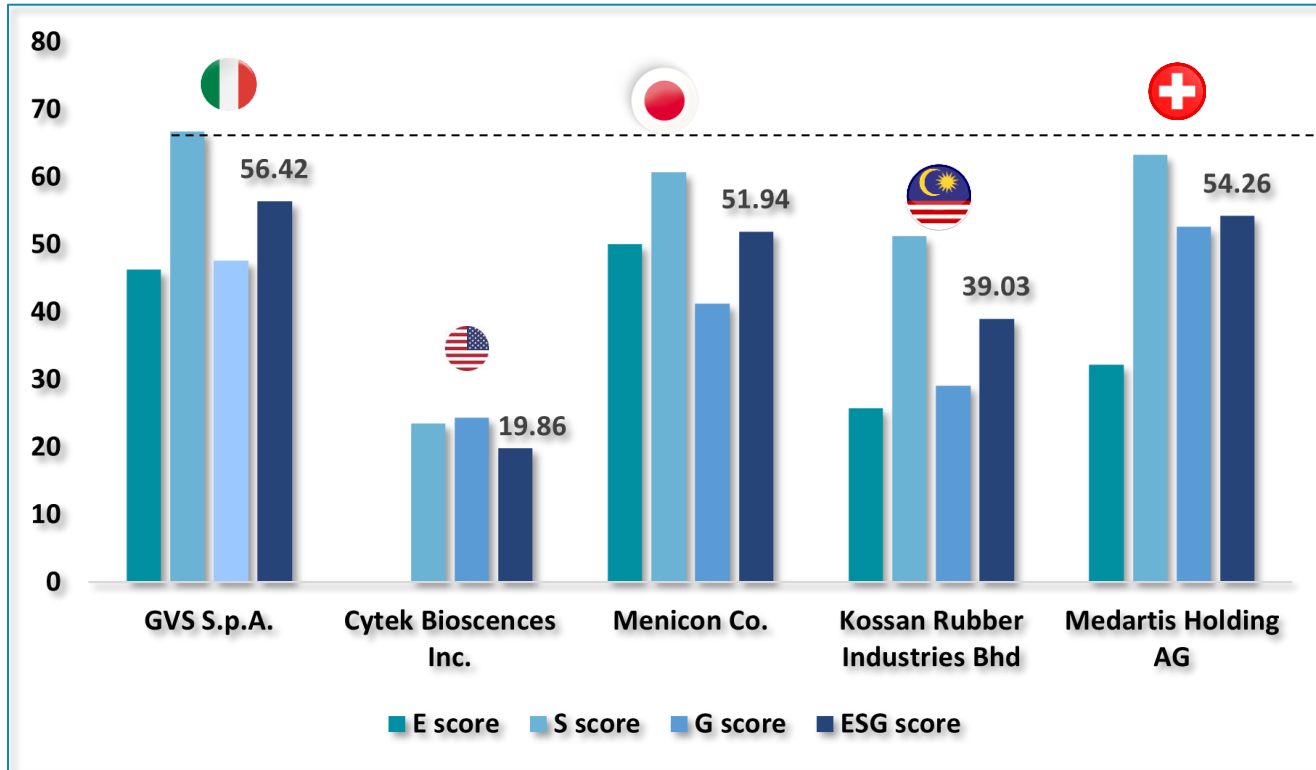




Source: Refinitiv data, team elaboration



Source: Company data, team elaboration



MARKET CAP: \$1.082 - \$1.121 Mil USD
INDUSTRY: Healthcare Equipment and Supplies



SCORE: 47.61/100

Transparency in financial reporting, investor relations and corporate communications

93% Attendance at board meeting

44% of women in Board of Directors

Majority of Board Directors are independent, including Chairman



Filtrating Success through the membranes of a bright future...

WE ISSUE A BUY RECOMENDATION OF 1-YEAR TARGET PRICE OF €7.11/ Share

WITH A 16.56% UPSIDE

AGAINST A CURRENT MARKET PRICE OF €6.10/ Share



GVS is a high-quality filter, able to transform any type of inflow into purified outflow.

A scientist wearing a white lab coat, a blue surgical cap, and a white face mask is working at a computer workstation in a laboratory. The scientist is looking at a large monitor displaying a 3D model of a virus particle. The background shows laboratory equipment, including a microscope and various glassware. A semi-transparent blue overlay covers the left side of the image, containing the text "Q&A" and "THANKS FOR YOUR ATTENTION!".

Q&A

**THANKS FOR YOUR
ATTENTION!**