

The logo consists of the letters 'GV5' in a bold, white, sans-serif font. A small white teardrop shape is positioned directly below the letter 'V'. The logo is centered horizontally and vertically against a dark blue background that features a faint, large-scale reflection of the 'GV5' text on a glass surface.

GV5



POLITECNICO
MILANO 1863

Company Overview

HOLD

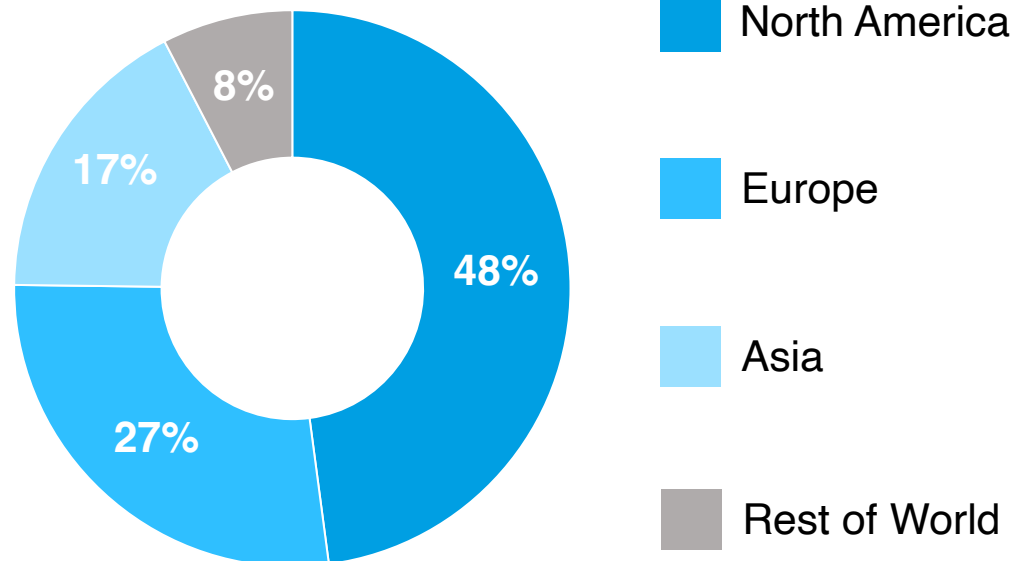
Medical

Respiratory Protection

Automotive

Laboratory

Geographical Presence

**Revenues 2023E****€427m****10Y Sales CAGR****14.4%**

Target Price €6.23

HOLD

Reference Price €6.33

TICKER: GVS.MI

MARKET CAP: €1.09b

SALES 2023E: €427m



HOLD: 3 Main Pillars

HOLD

1

Governance

CEO control
Board limited expertise

2

Debt overhang

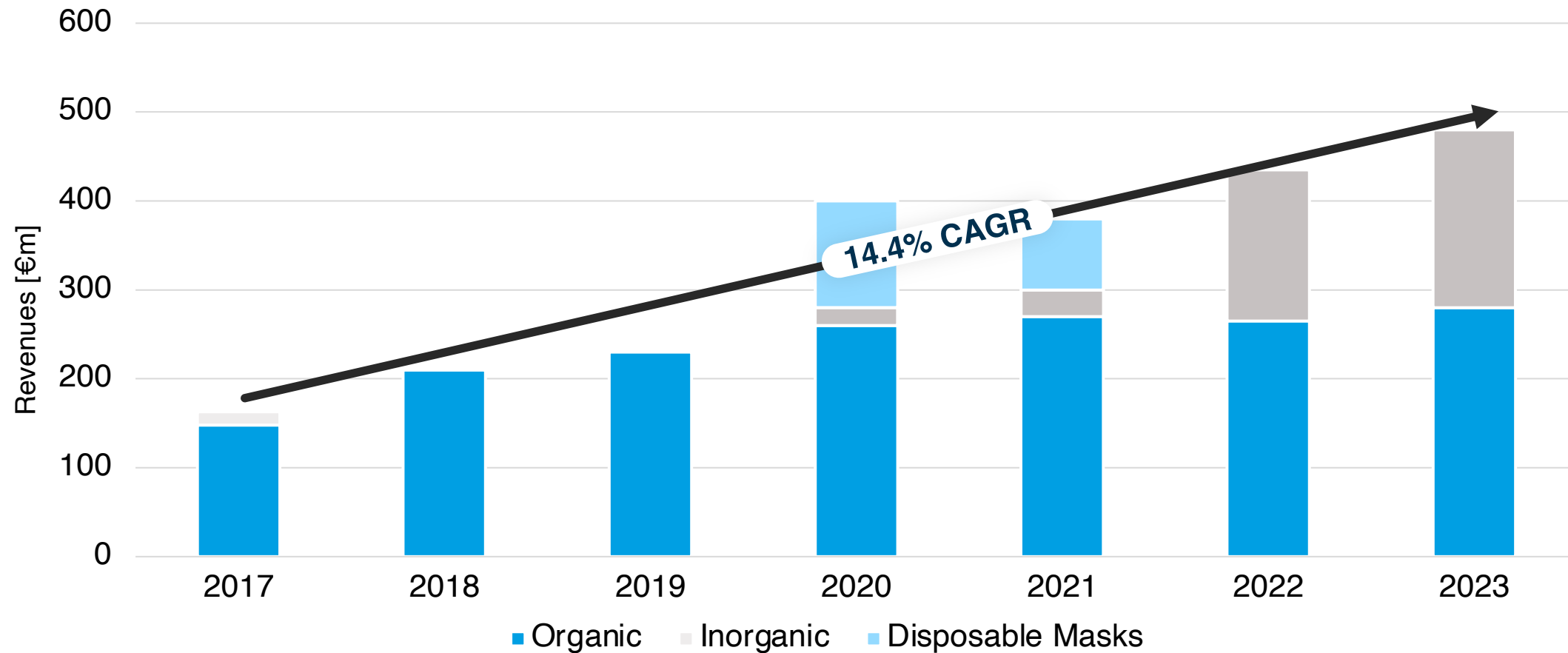
Limits growth capability

3

Cap on future growth

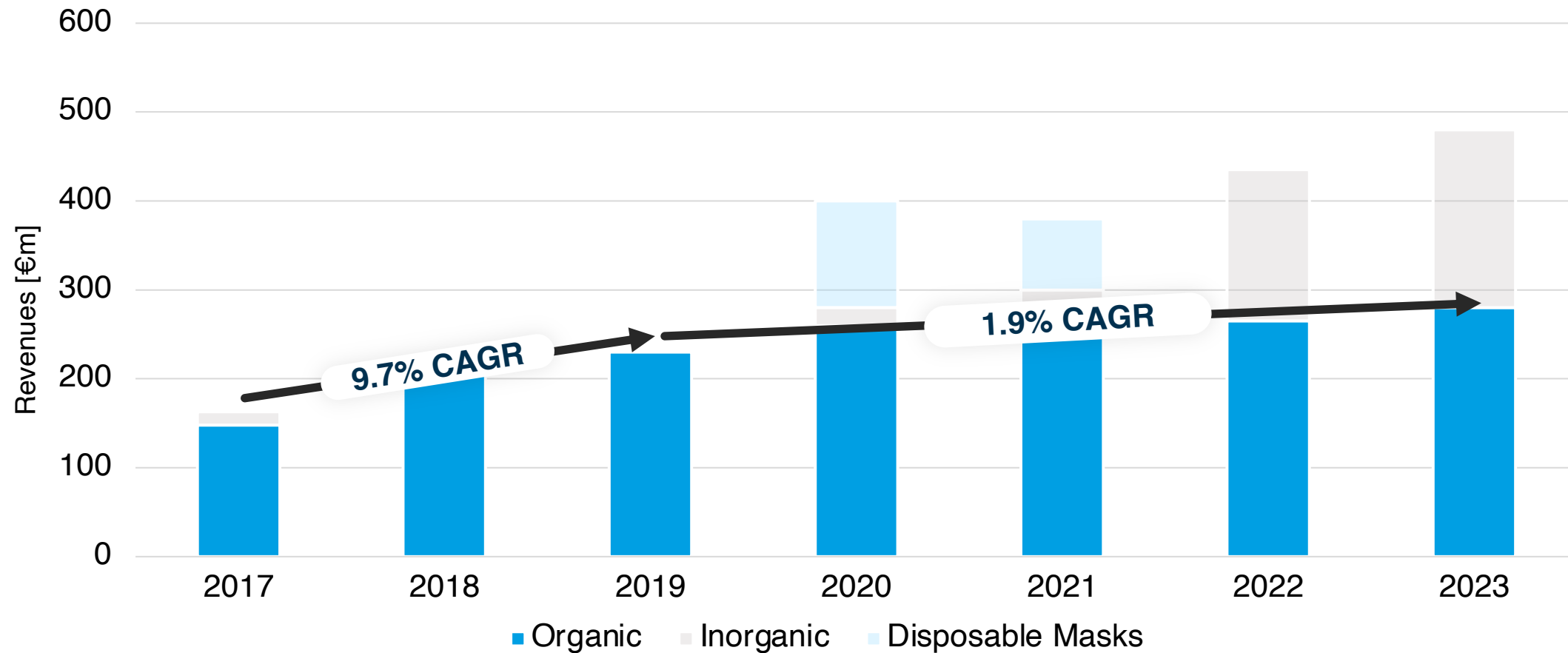
Marginal bolt-on strategy

Inorganic propelled growth

HOLD

Source: Company data, Team Elaboration

Limited **organic** contribution

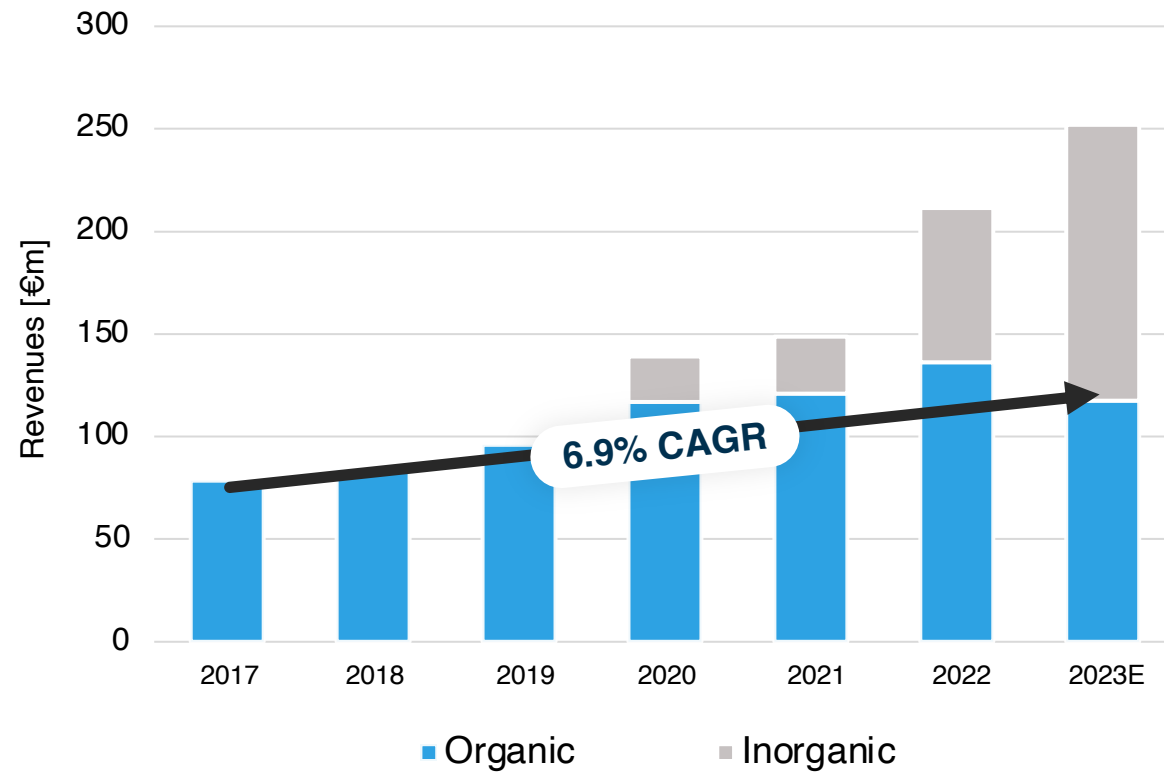
HOLD

Source: Company data, Team Elaboration

Medical: 3 M&As drive performance

HOLD

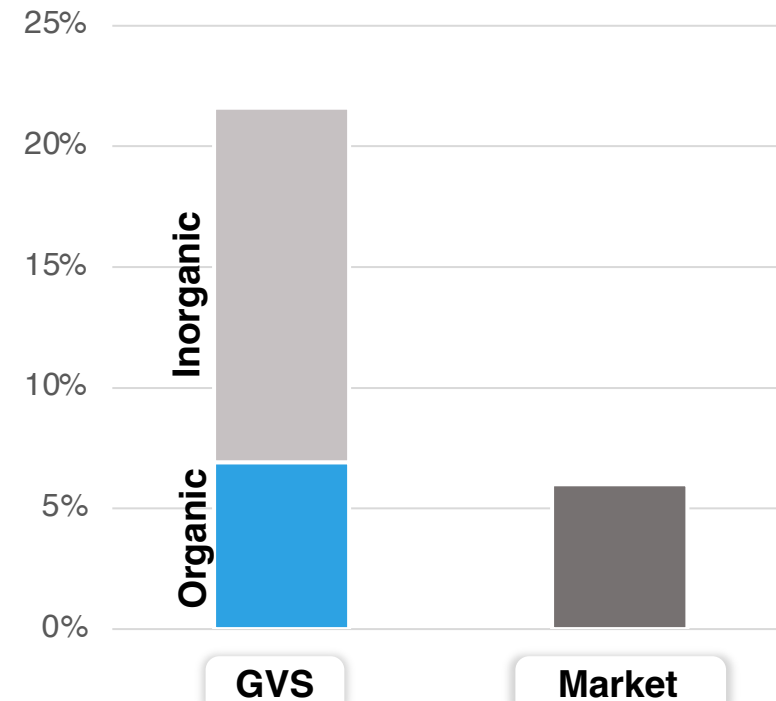
GVS 2017-2023E revenues growth



*pro-forma adjustment: M&A data considered inorganic for 2 years

Source: Company data, Team Elaboration

GVS 2017-2023E CAGR vs Market

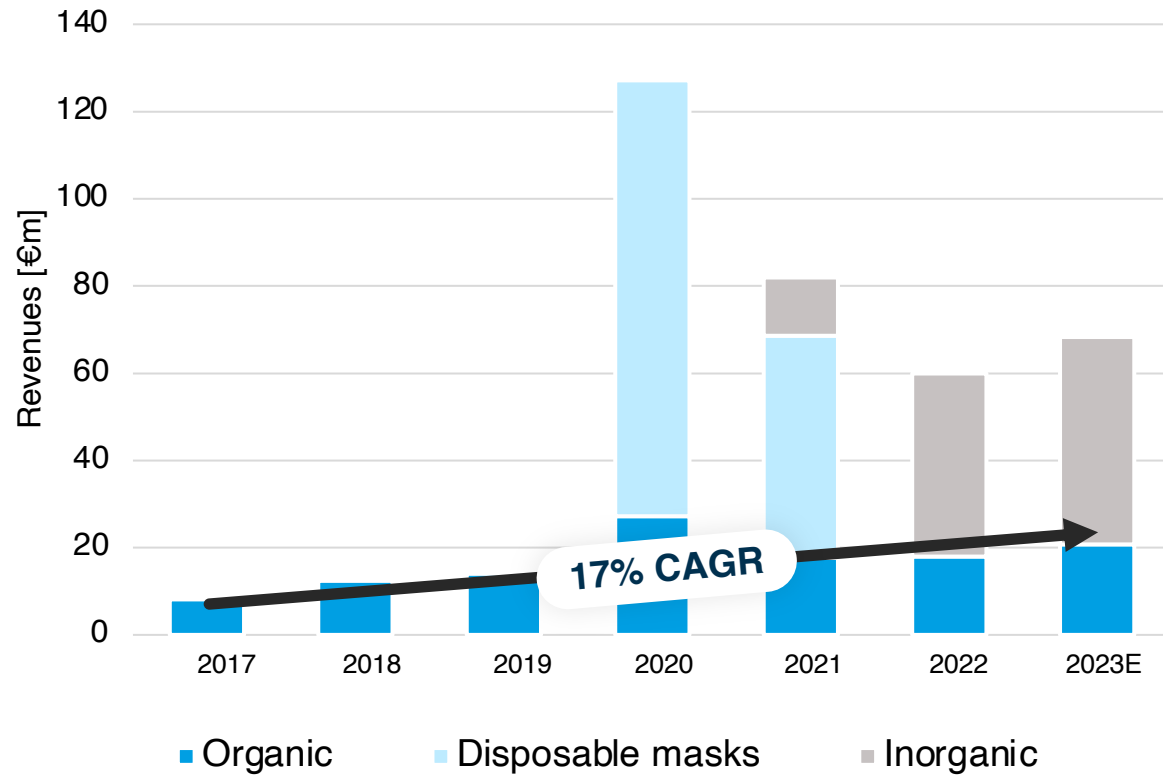


Source: Company data, Refinitiv, Team Elaboration

Respiratory Protection: Fast growth, low share

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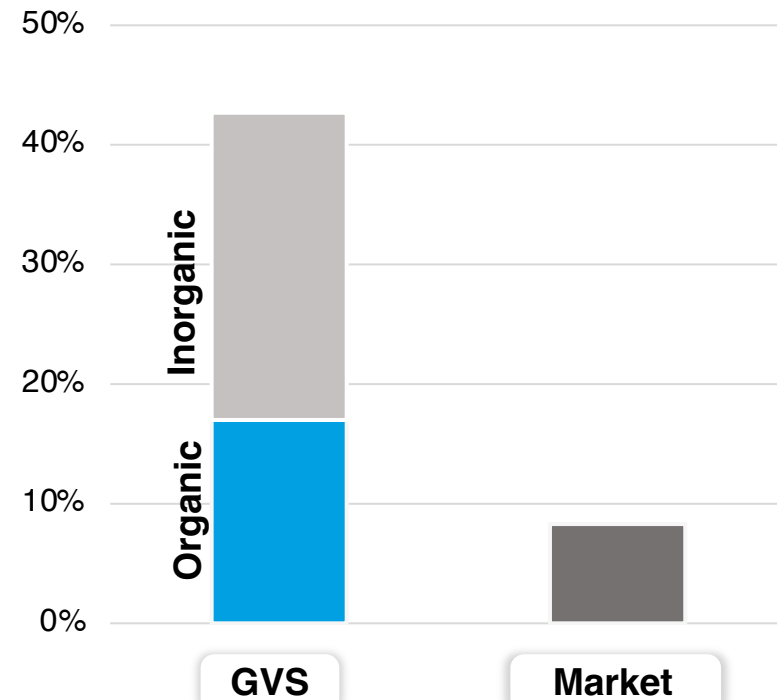
GVS 2017-2023E revenues growth



*pro-forma adjustment: M&A data considered inorganic for 3 years

Source: Company data, Team Elaboration

GVS 2017-2023E CAGR vs Market

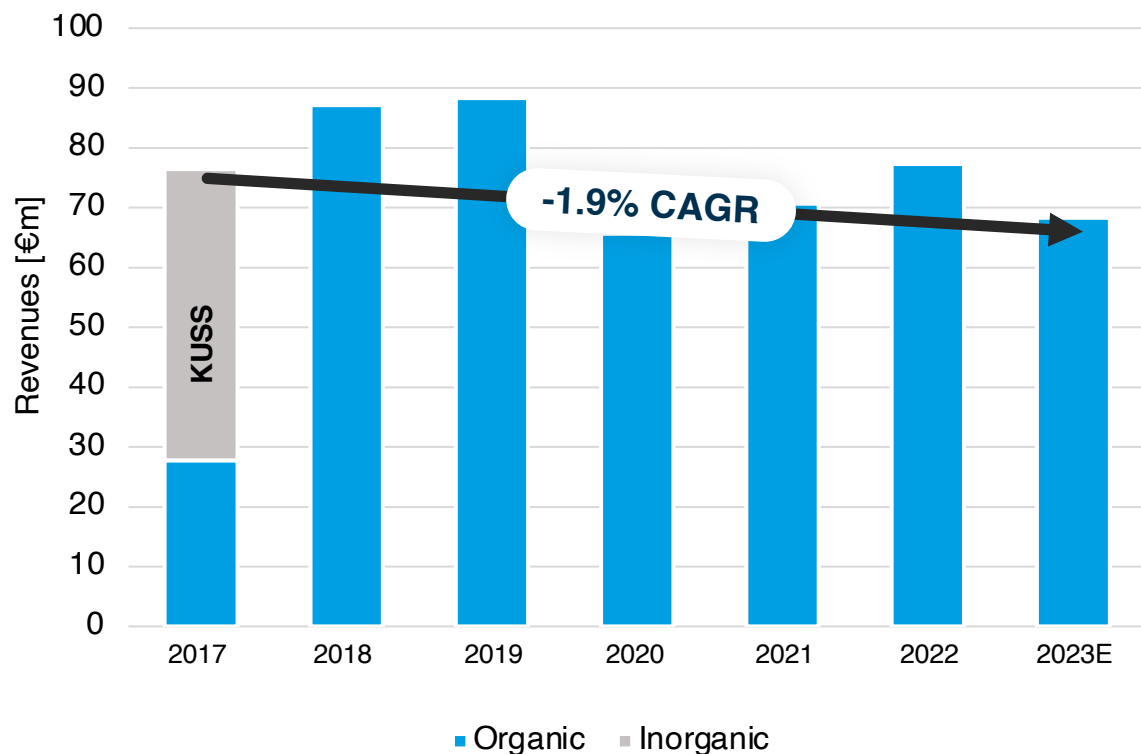


Source: Company data, Refinitiv, Team Elaboration

Automotive: Trouble keeping up with peers

HOLD

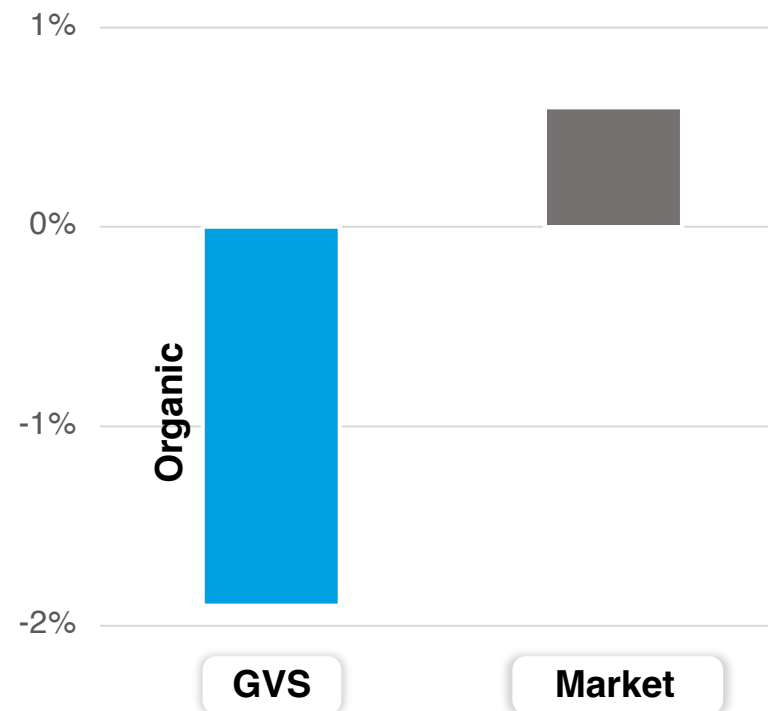
GVS 2017-2023E revenues growth



*pro-forma adjustment: FY2020 KUSS revenues related relevant product lines consolidated in 2017

Source: Company data, Team Elaboration

GVS 2017-2023E CAGR vs Market

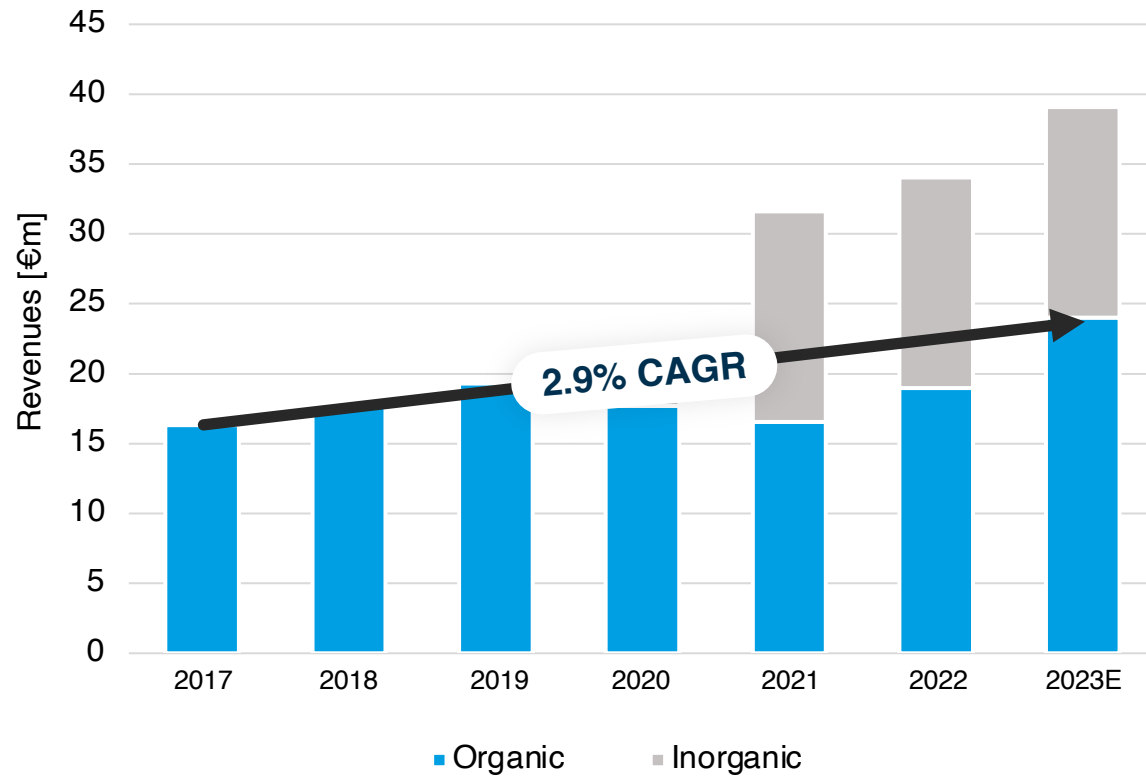


Source: Company data, Refinitiv, Team Elaboration

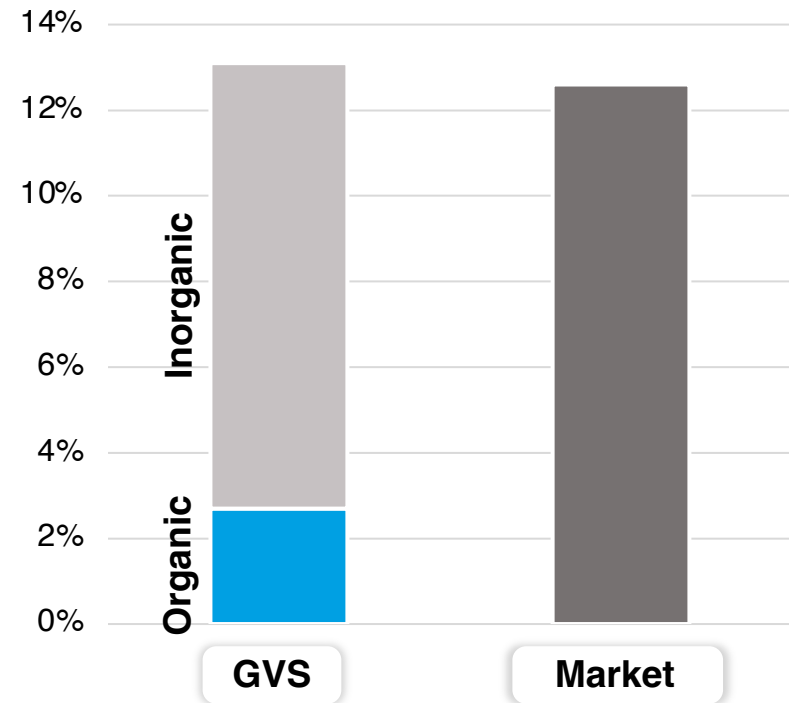
Laboratory: Weak positioning in the oligopoly

HOLD

GVS 2017-2023E revenues growth



GVS 2017-2023E CAGR vs Market



*pro-forma adjustment (conservative): FY2020 Graphics Control Laboratory Filtration BU revenues assumed constant for 2021, 2022 and 2023E

Source: Company data, Team Elaboration

Source: Company data, Refinitiv, Team Elaboration

HOLD: 3 Main Concerns

HOLD

1

Bolt-on M&As will become marginal

Bolt-on impact

Avg. bolt-on revenues weight

2017

14%

2023E

5%

2027E

4%

Source: Company data, Team Elaboration

HOLD: 3 Main Concerns

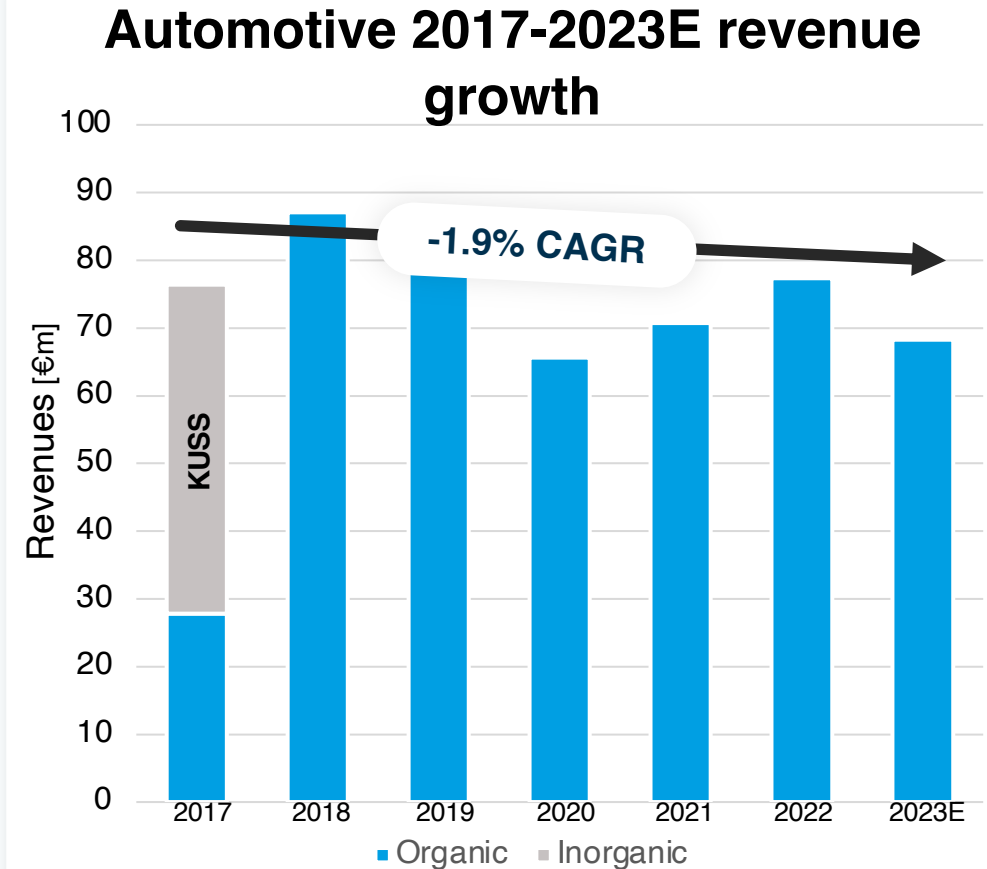
HOLD

1

Bolt-on M&As will become marginal

2

Need to demonstrated large M&As execution



HOLD: 3 Main Concerns

HOLD

1

Bolt-on M&As will become marginal

2

Need to demonstrated large M&As execution

3

Suitable targets to expand

Bioprocess – *top competitors' deals*

Acquirer	Target	Year
Sartorius	Polyplus	2023
Donaldson	Solaris	2019
Danaher	Cytiva	2017

+ 34 others

Bioprocess – *market multiples*

Avg. **9.9x** EV/Sales

Source: Team Estimates, FactSet, Orbis, Refinitiv, Houlihan Lokey

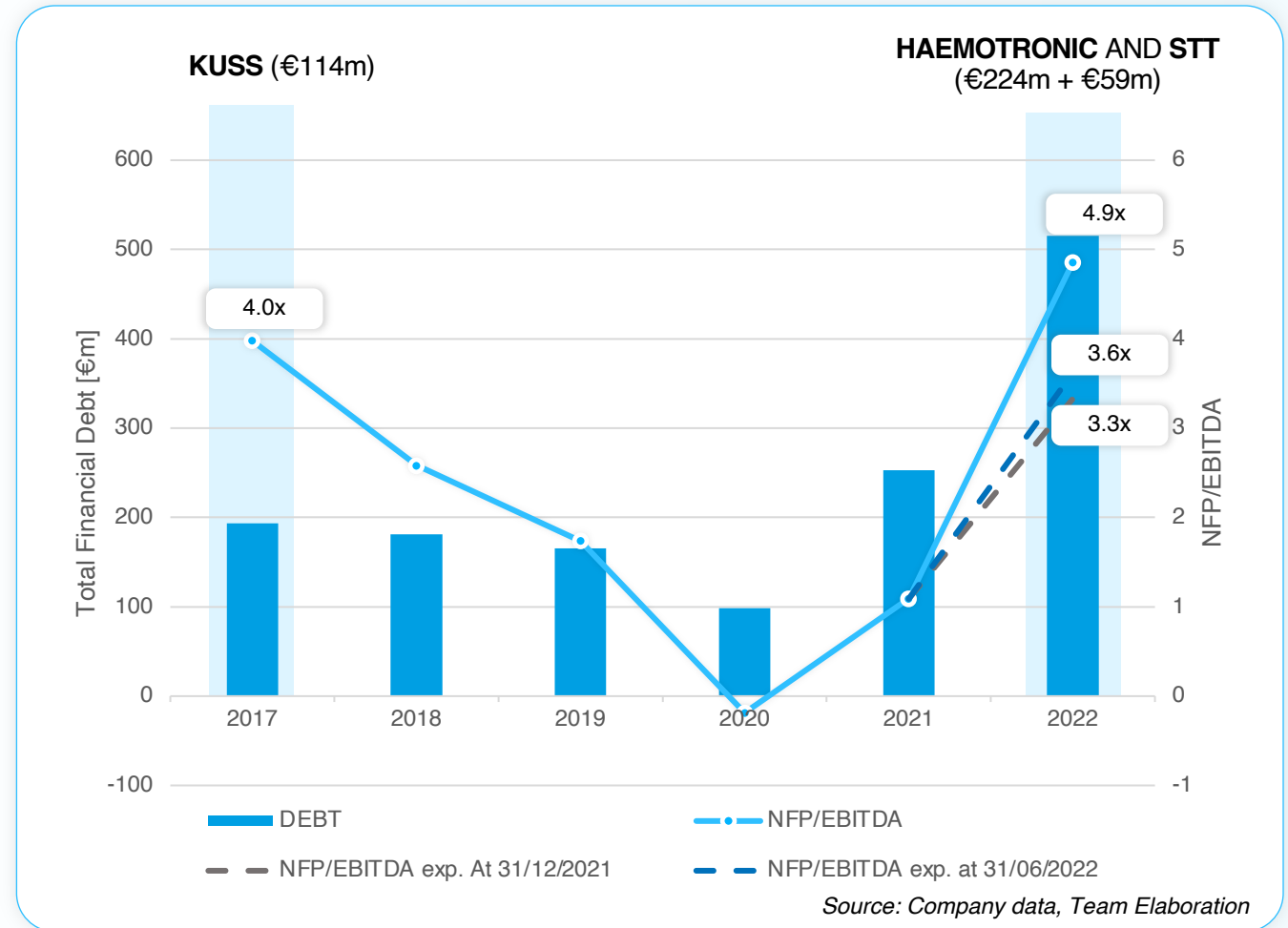
M&As created a Debt Overhang

HOLD

Leverage spike caused by EBITDAm decrease compounded with high indebtedness

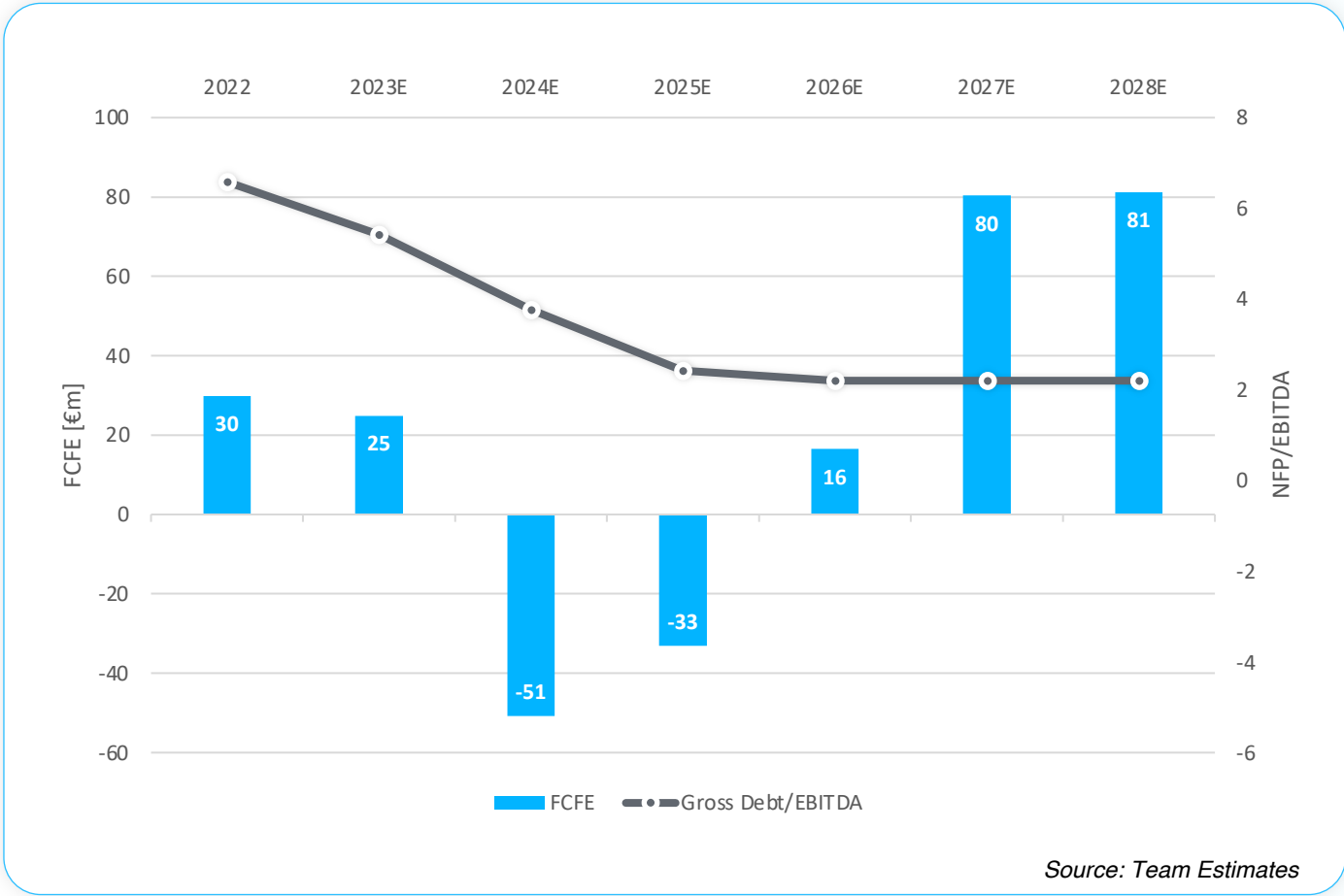
4.9x NFP/EBITDA were above the 3.5x contractually defined

€75m Shareholder loan injection after covenant breaches



Free Cash Flow Deployment

HOLD



- High indebtedness erodes FCFF
- Limited room for mid-term acquisitions and dividends distribution
- Cumulative FCFE 2023E-2027E equal to €38m

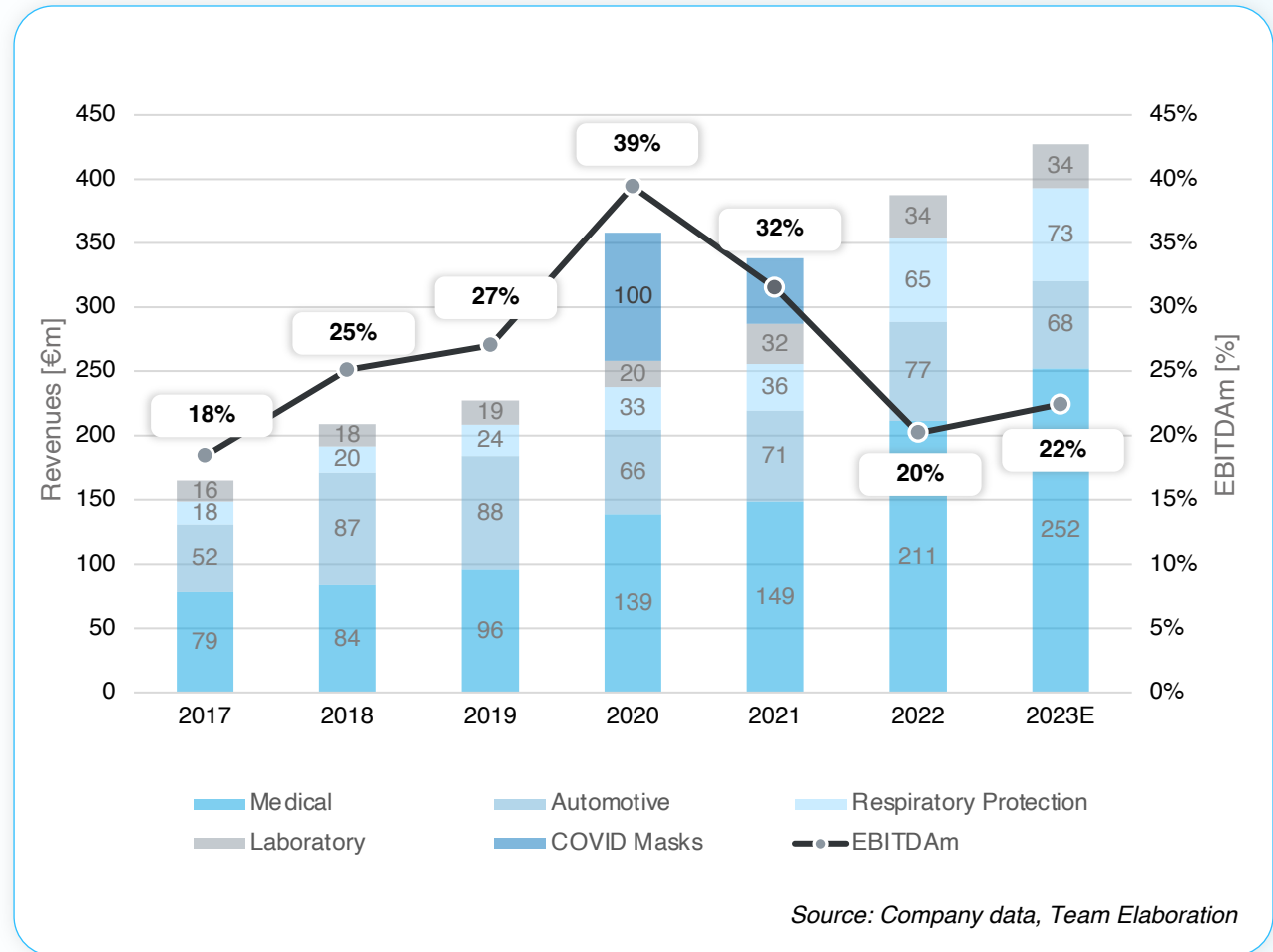
EBITDAm Volatility

HOLD

Excellent historical performance: **24% avg.** 2017-2023

COVID related products drove best historical margin at **40% in 2020**

Significant decrease in 2022, due to clients **destocking**, **inflation** and low saturation of the industrial footprint



EBITDAm Estimation Model

HOLD

Medical

Multilinear **regression** on the identified value drivers and the main peers in the Medical segment

Respiratory Protection

Weighted average of **RPB** disclosed EBITDAm and average of the main players

Automotive

Multilinear **regression** on the identified value drivers and the main peers in the Automotive segment

Laboratory

Average of EBITDAm of the 5 main players

Segment	Lower	Upper	
Medical	24%	29%	26.5%
Respiratory Protection	42%	50%	44%
Automotive	15%	20%	15%
Laboratory	16%	21%	16%

Source: Team Estimates

Drivers

R&D intensity
R&D/Revenues

Capital Intensity
Revenues/PPE



Valuation

Discounted Cash Flow

HOLD

EV
€1.37b

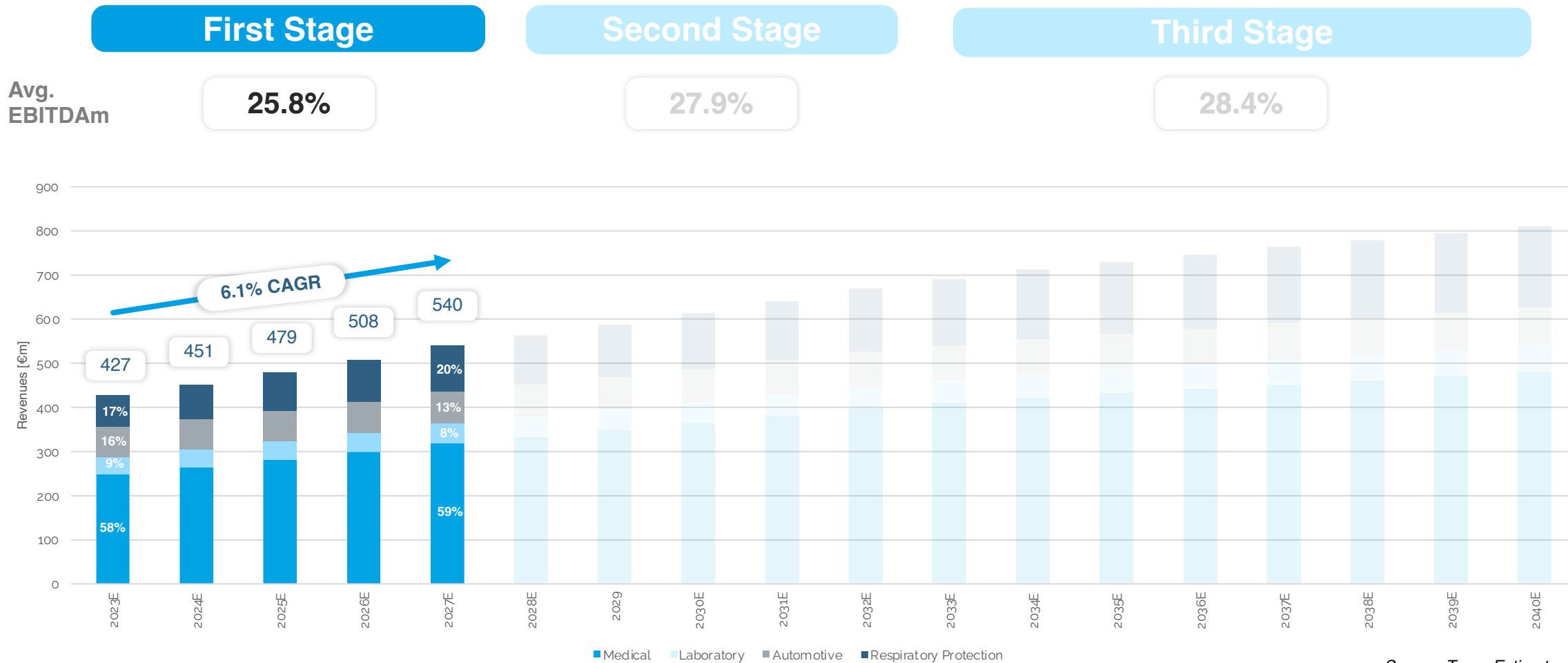
TP
€6.22

Downside
1.6%

Ke	Kd	Risk-free	FCFF CAGR 23-32E	WACC	Terminal growth rate	TV weight
7.7%	4.9%	3.5%	3.6%	6.3%	2.0%	27%

Source: Team Estimates

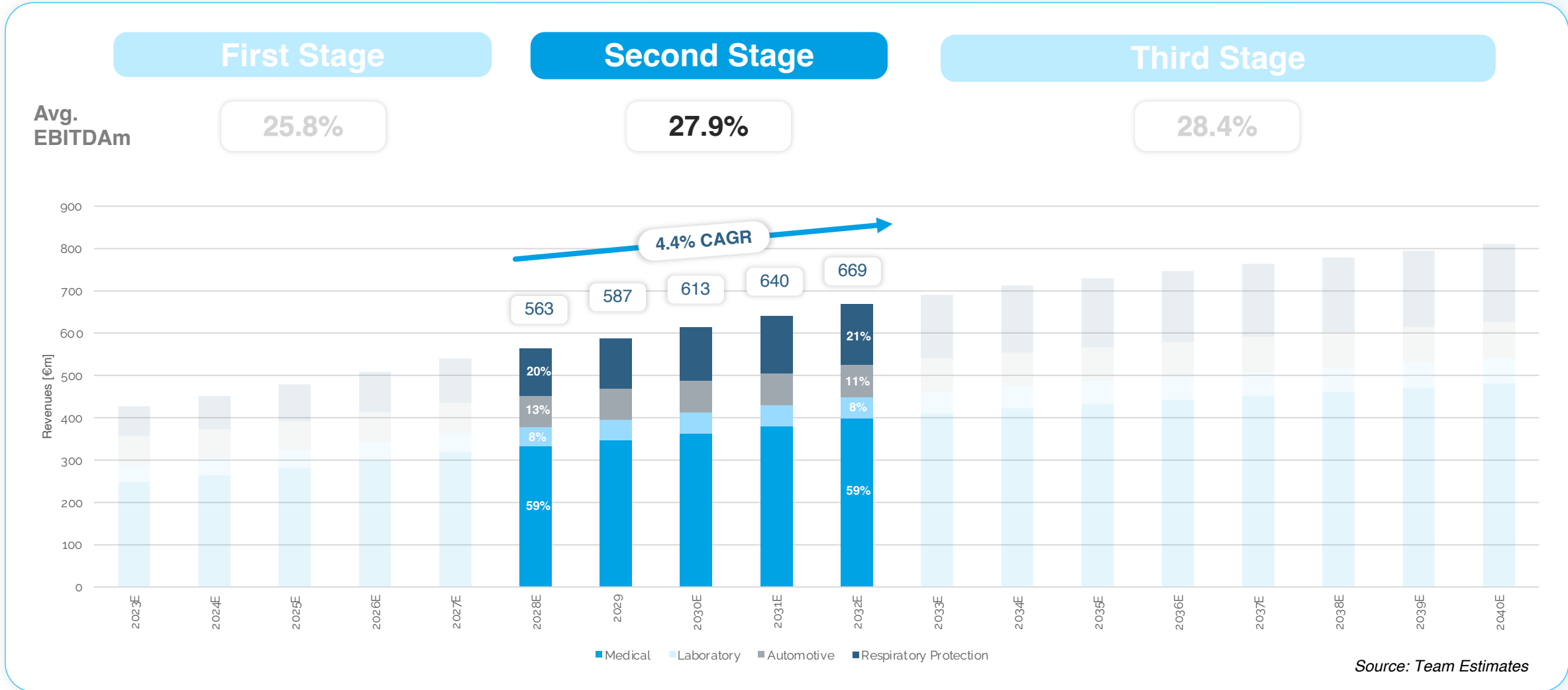
Discounted Cash Flow

HOLD


Source: Team Estimates

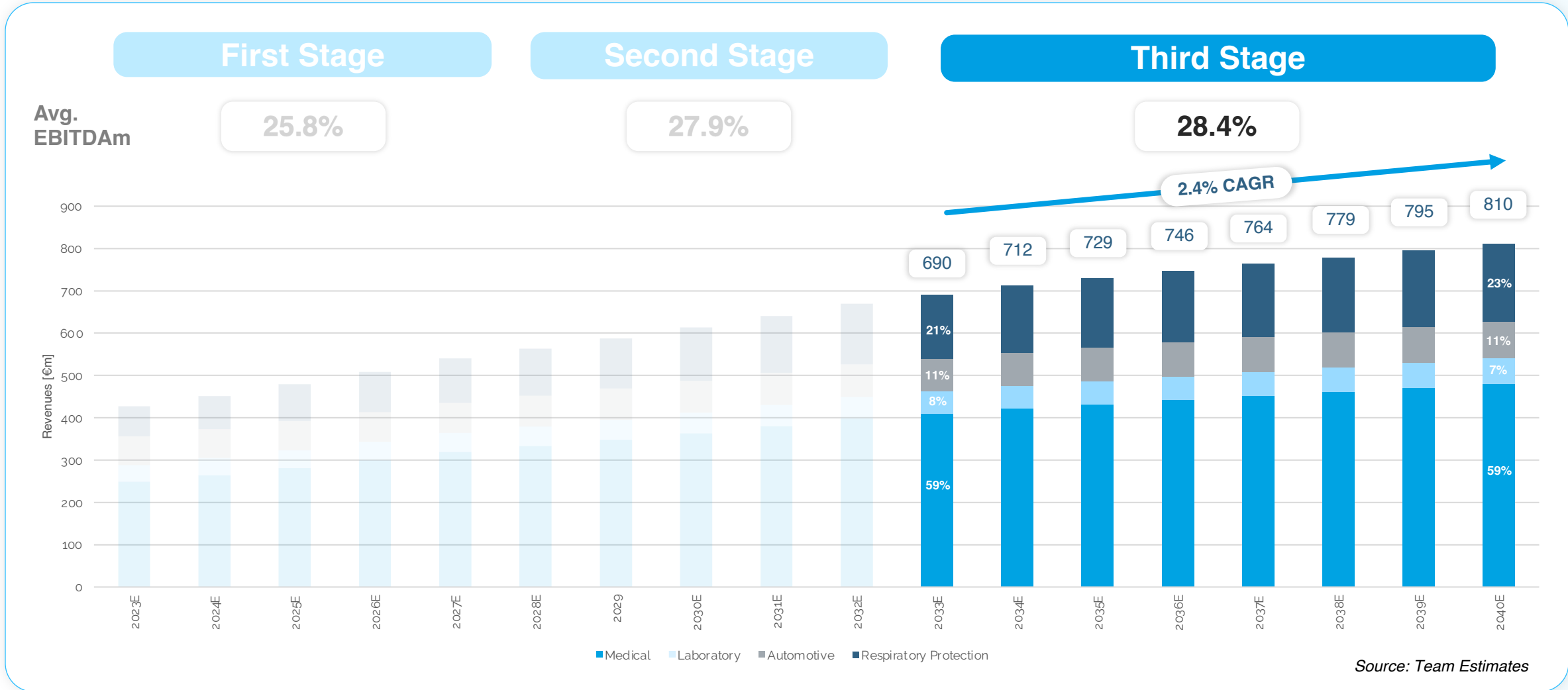
Discounted Cash Flow

HOLD



Discounted Cash Flow

HOLD



Relative Valuation

HOLD

Segment	Lower	Upper
Medical	24%	29%
Respiratory Protection	42%	50%
Automotive	15%	20%
Laboratory	16%	21%

SOTP approach

EV/EBITDA: **12.7x**

Downside: **1.6%**

TP: **€6.74**

Source: Team Estimates

Relative Valuation

HOLD

Value Drivers & Similarity metrics

R&D/Revenues

Revenues/PPE

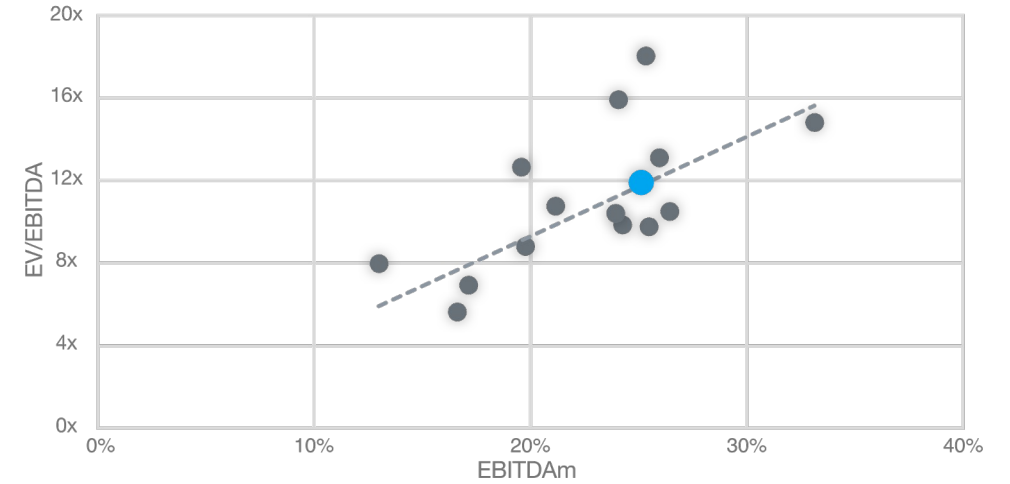
GEO presence

#M&A

CAGR Sales

Intangible/Tot. Ass

Our Model

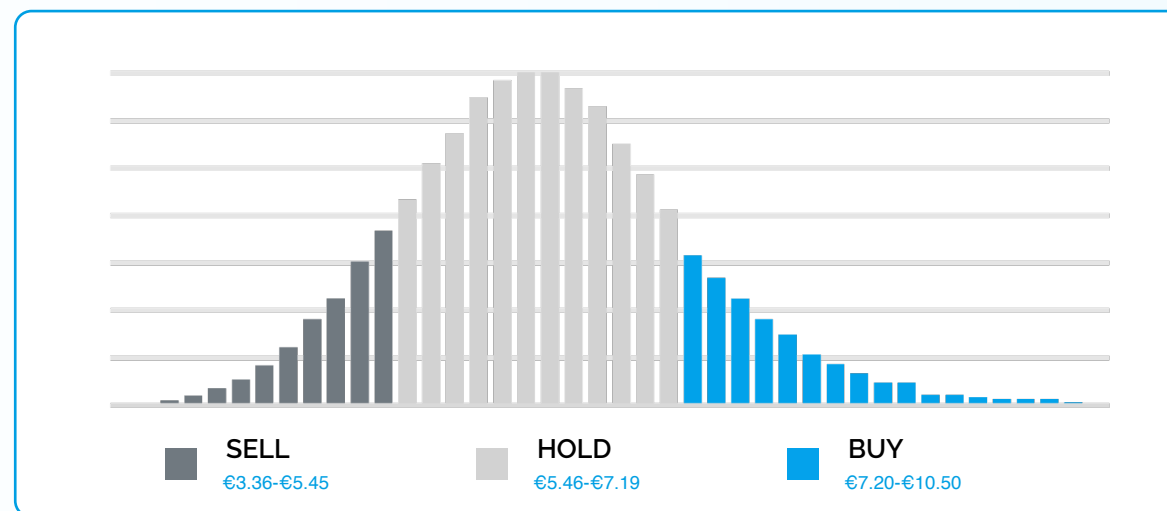
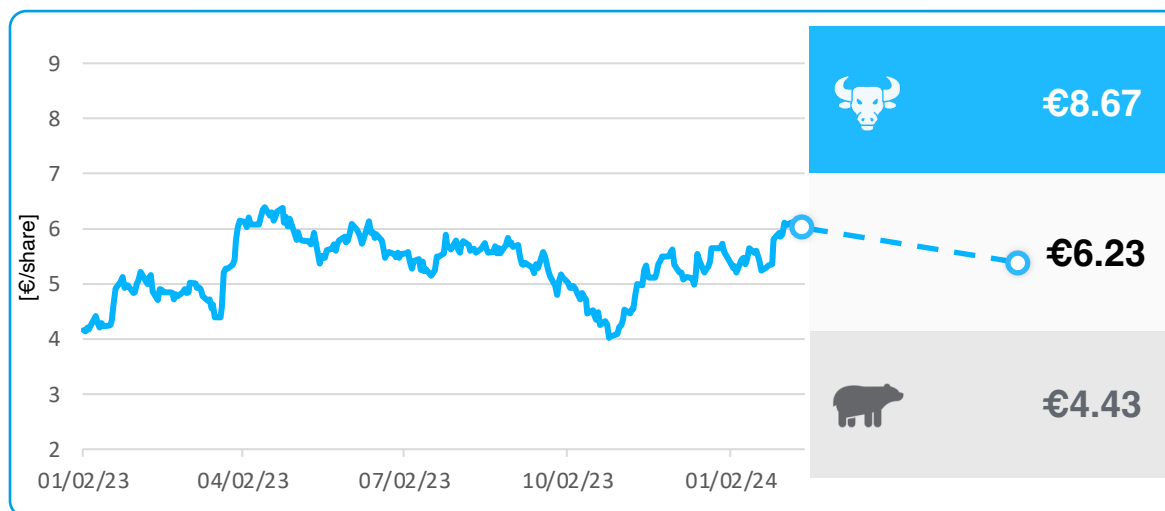

EV/EBITDA: 12.1x
Downside: 1.6%
TP: €6.14

Source: Team Estimates

Robustness checks

HOLD

WACC	TP	FCFF g		FCFF g		
		1.0%	1.5%	2.0%	2.5%	3.0%
5.60%		6.91	7.19	7.44	7.82	8.04
5.80%		6.56	6.84	7.09	7.54	7.77
6.00%		6.25	6.49	6.68	7.07	7.21
6.32%		5.80	5.99	6.22	6.51	6.79
6.50%		5.57	5.74	5.94	6.20	6.53
6.70%		5.34	5.48	5.66	5.88	6.16
7.00%		5.02	5.14	5.29	5.46	5.68



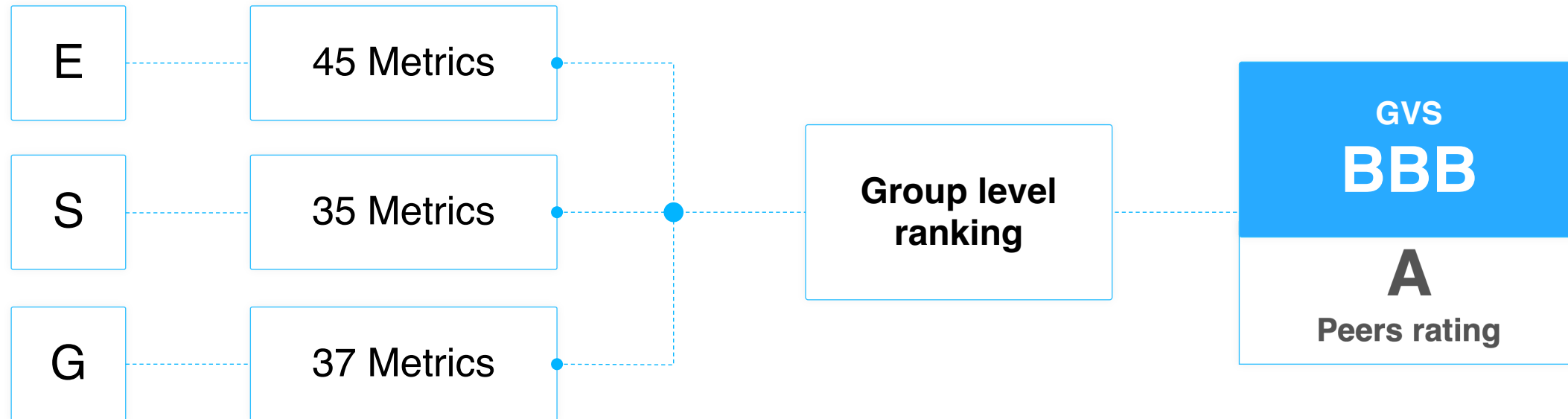


ESG

ESG: Proprietary framework

HOLD

Our model: 117 metrics grouped into 16 key factors



Source: Team Estimates, Refinitiv, Company data

ESG: Environmental

HOLD

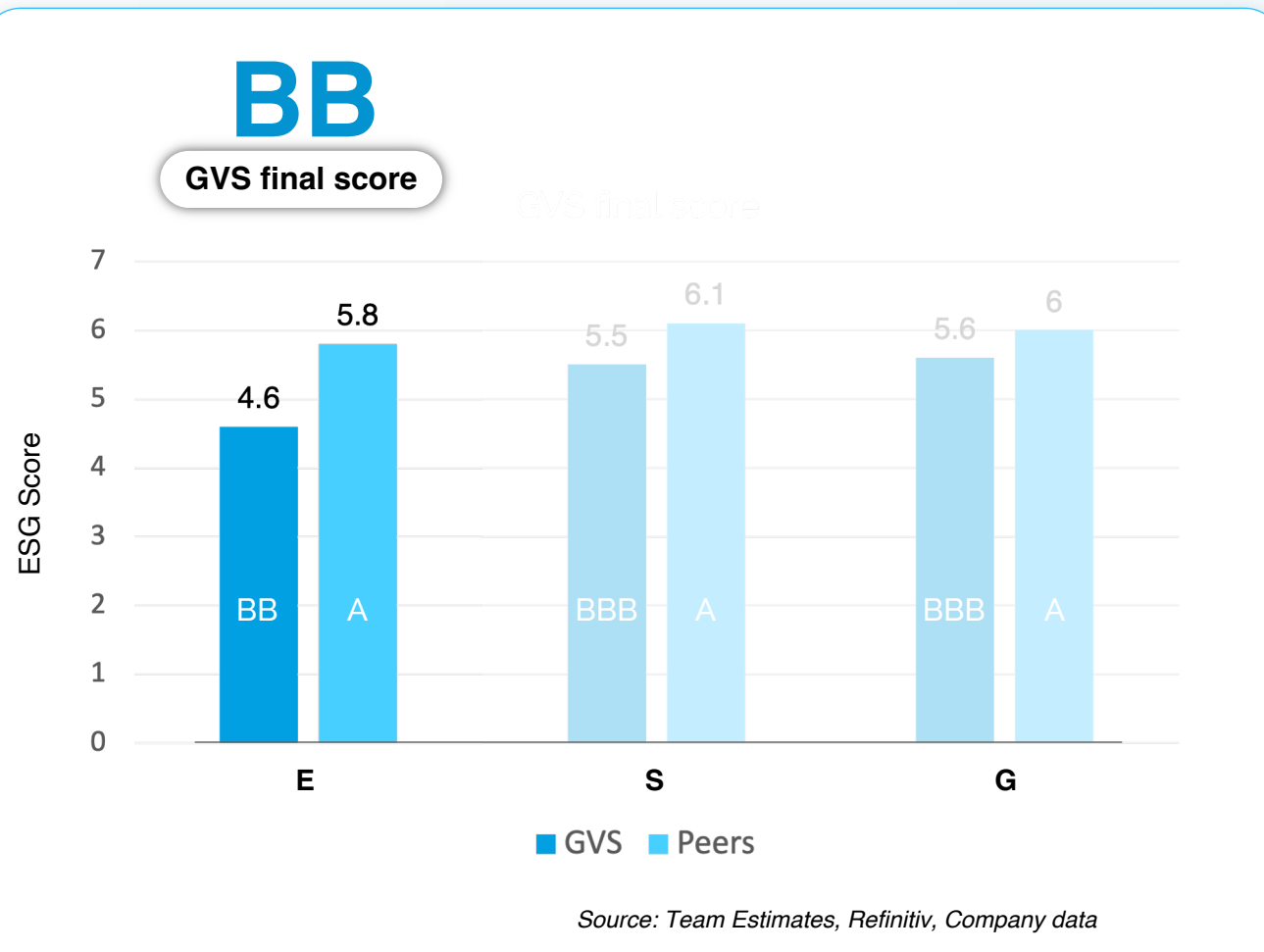
Pros and Cons



Best-in-class renewable energy use



Below-average in most metrics (energy efficiency, waste intensity, water intensity, CO2 emissions)

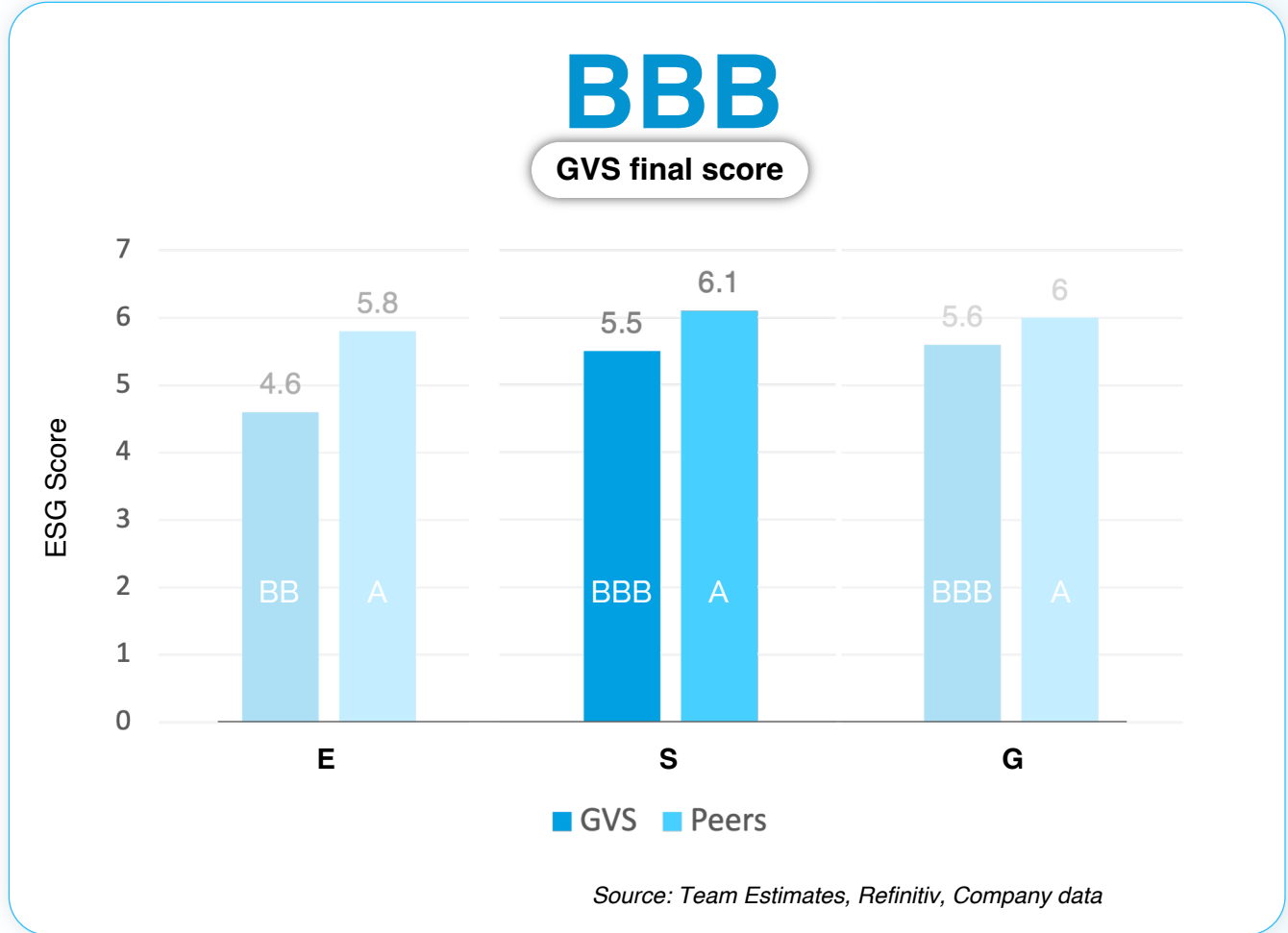


ESG: Social

HOLD

Pros and Cons

- ✓
|
Collaborations with universities
- ✓
|
Female recruiting (**55%**)
- ✓
|
Female employees (**60%**)
- ✓
|
Local suppliers
- ✗
|
Employees **turnover**

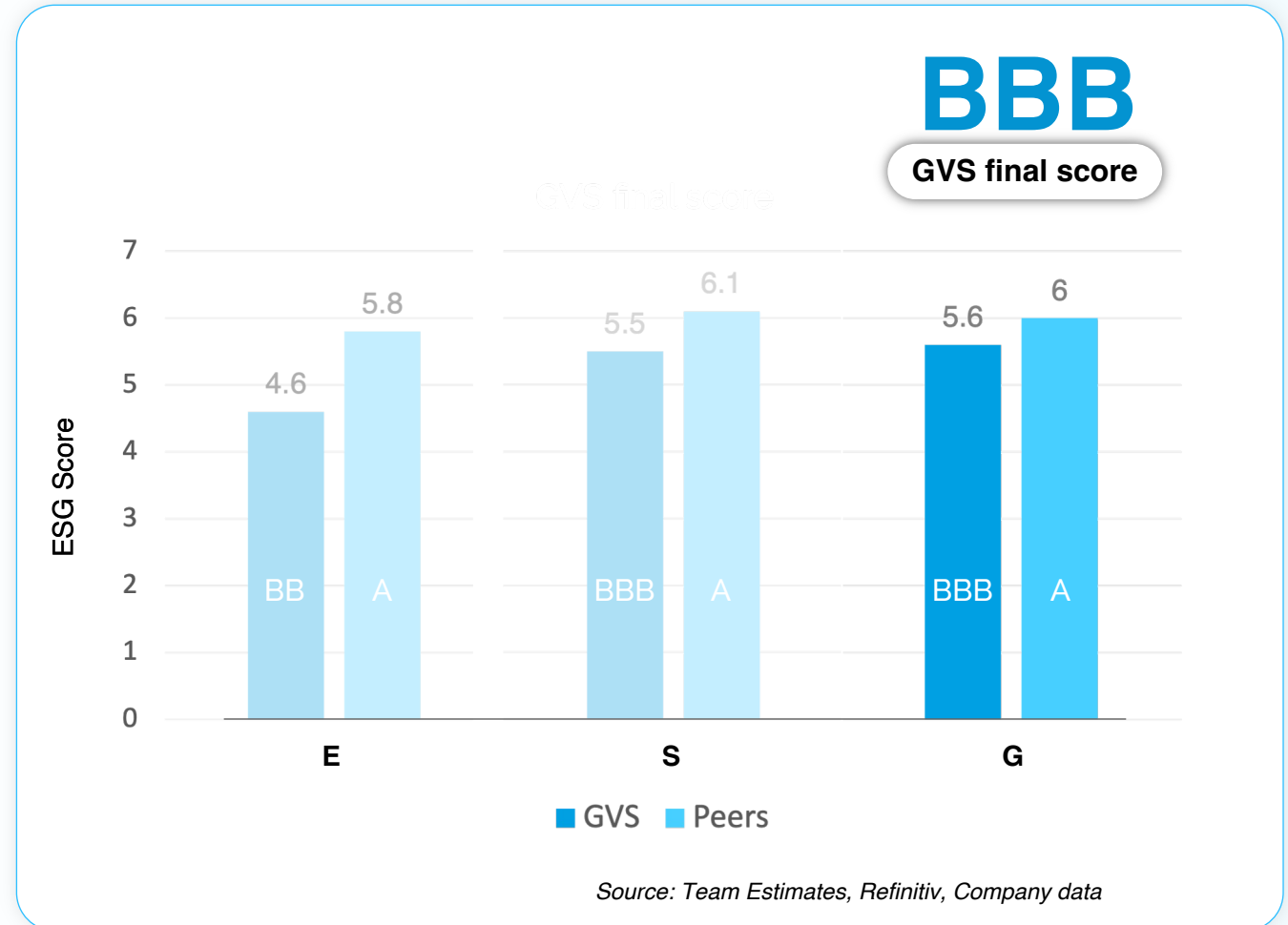


ESG: Governance

HOLD

Pros and Cons

- ✓ Female in the Board (**44%**)
- ✗ Majority shareholder's **ownership**
- ✗ **Insider** ownership
- ✗ **One share – one vote**

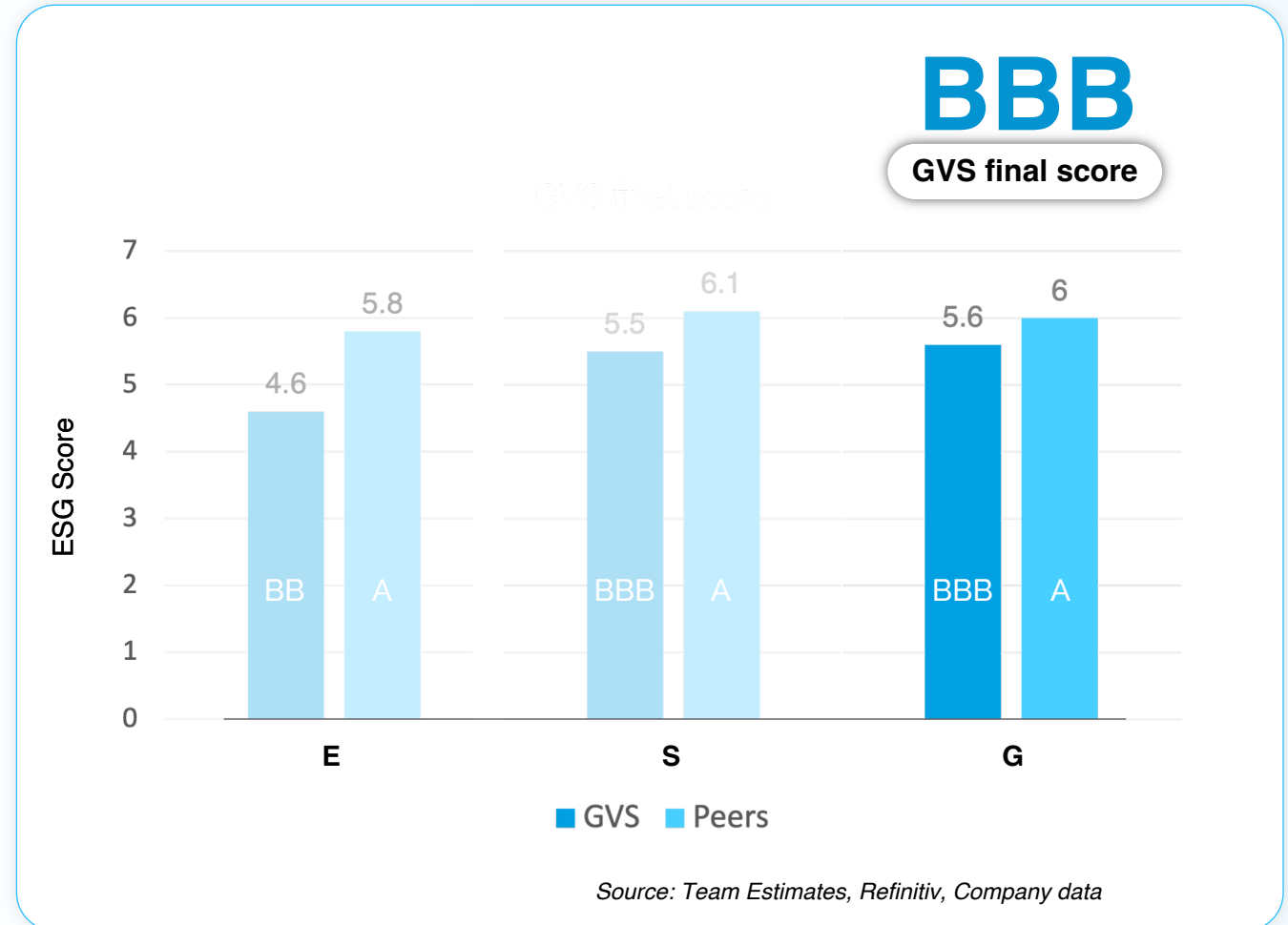


ESG: Beyond Governance

HOLD

Our take

- ✓ Strong **family commitment**
- ✗ **Shortsighted** financial planning
- ✗ Board's **lack of expertise**
- ✗ Lack of timely **disclosure**



HOLD: 3 Main Pillars

TP: €6.23

Downside: 1.6%

HOLD

1

Cap on future growth

Marginal bolt-on strategy

2

Debt overhang

Limits growth capability

3

Governance

CEO control
Board limited expertise

Annex

1. Business

- 1.1 Stock price evolution
- 1.2 Multiples
- 1.3 Projections vs Consensus
- 1.4 Products Overview
- 1.5 Customer Segmentation
- 1.6 Main Clients
- 1.7 Segment reclassification
- 1.8 Geographical distribution
- 1.9 Business Model
- 1.10 Key Success Factor
- 1.11 Market Demand Drivers
- 1.12 SWOT Analysis

2. Industry

- 2.1 Porter's 5 Forces
- 2.2 Automotive structure&players
- 2.3 Market size
- 2.4 Cagr Market 2017-2022
- 2.5 Danaher – Pall Focus

3. Revenue

- 3.1 Medical
- 3.2 Laboratory
- 3.3 Respiratory Protection
- 3.4 Automotive

- 3.5 HVAC
- 3.6 COVID Mask
- 3.7 By segment (past->future)
- 3.8 Future growth
- 3.9 By geography

4. M&A

- 4.1 Historical transaction&Rationale
- 4.2 Organic vs Inorganic + uncertain about the future
- 4.3 Strategy
- 4.4 Debt for big acquisition
- 4.5 Synergies

5. Financial

- 5.1 Revenues vs EBITDAm
- 5.2 EBITDAm Volatility
- 5.3 EBITDA evolution
- 5.4 EBITDAm evolution
- 5.5 EBITDAm vs ROCE
- 5.6 Indebtedness – EBITDAm, ROCE, NFP/EBITDA
- 5.7 Free Cash Flow Deployment
- 5.8 Profitability/liquidity GVS
- 5.9 Competitive Financial
- 5.10 Financial Debt Repayment
- 5.11 Debt and Liabilities

- 5.12 Shareholder Loan
- 5.13 Disclosed SHL Company
- 5.14 EPS
- 5.15 NWC

6. Valuation

- 6.1 DCF Three stages
- 6.2 Projected revenues
- 6.3 Projections vs Consensus
- 6.4 WACC – main assumption
- 6.5 Risk-free rate (rf)
- 6.6 Beta Market, Beta size-value
- 6.7 Cost of Debt (Kd)
- 6.8 WACC Optimization
- 6.9 Sensitivity Analysis
- 6.10 Raw materials price fluctuation and wages inflation
- 6.11 Degradation Positioning in Medical and Respiratory Protection
- 6.12 BULL Scenario
- 6.13 BIOPROCESS
- 6.14 BEAR Scenario
- 6.15 Montecarlo Simulation
- 6.16 Relative Valuation - Our Model
- 6.17 Our Model - Selection Process
- 6.18 SOTP selection
- 6.19 Outputs

- 6.20 Football field

7. Peers

- 7.1 Business Model – Our peers
- 7.2 EV/EBITDA, P/E, EBITDAm – Our peers
- 7.3 EBITDAm estimation model

8. Risks

- 8.1 Main risks
- 8.2 Stock daily volume volatility

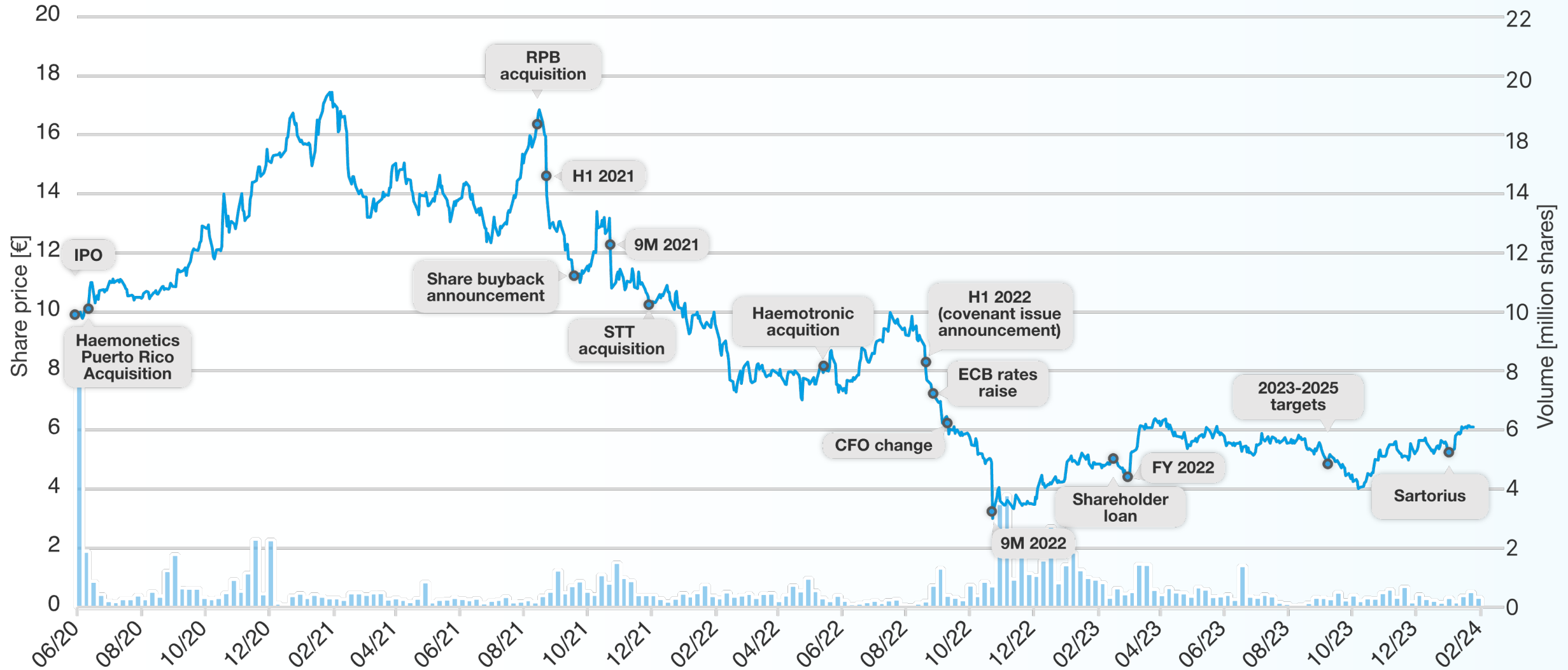
9. ESG

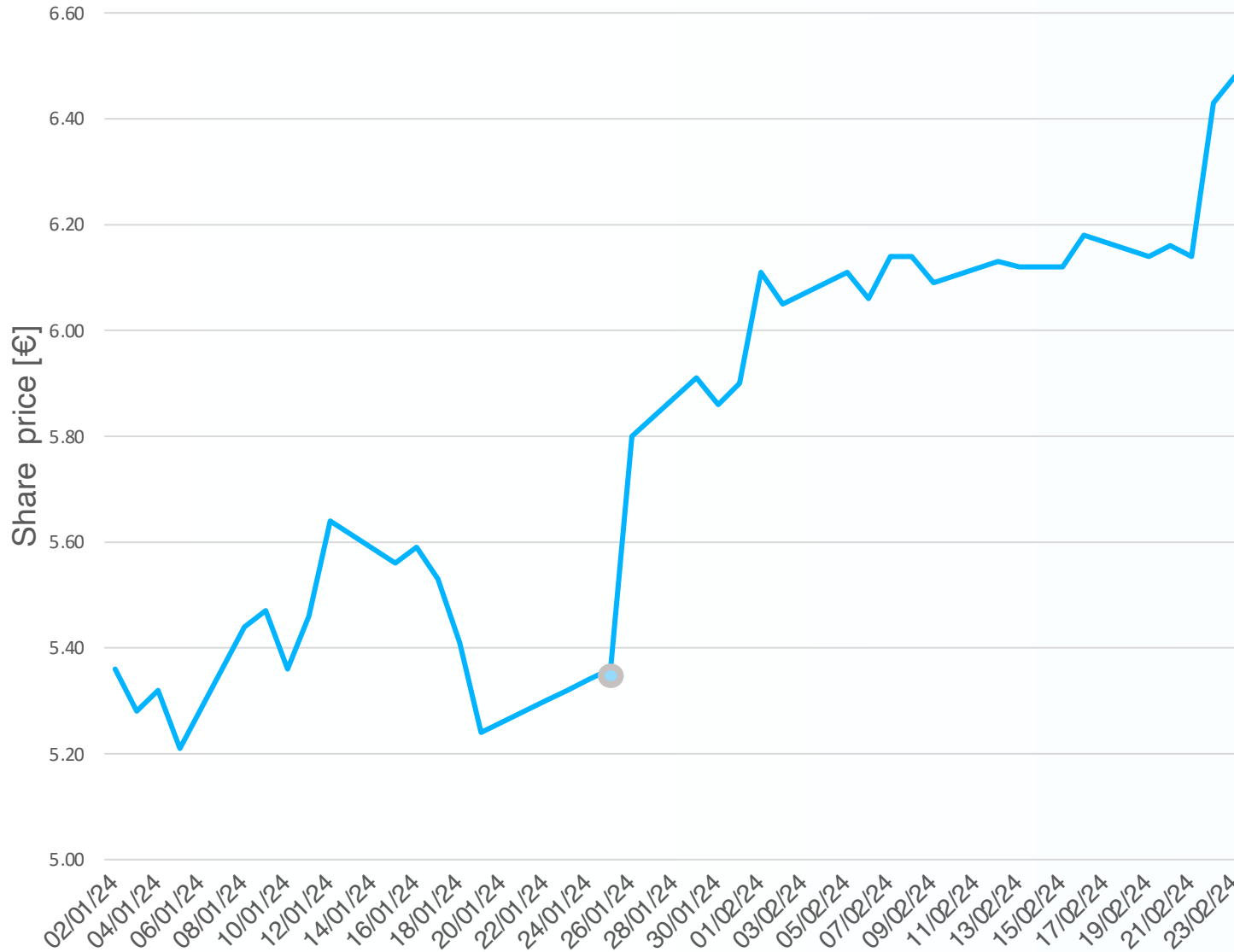
- 9.1 Framework and methodology
- 9.2 Rating
- 9.3 E Pillar
- 9.4 S Pillar
- 9.5 G Pillar
- 9.6 Board of Directors
- 9.7 Codice di Autodisciplina
- 9.8 Shareholders' structure
- 9.9 Voting System
- 9.10 The family
- 9.11 GVS Management



Business

Stock price performance – Main events





+ 18.38% YTD

26th January: Sartorius Full Year Results



Demand recovery after client destocking period in the second half of 2024



Bioprocess vs Laboratory performances



For smaller and riskier firms

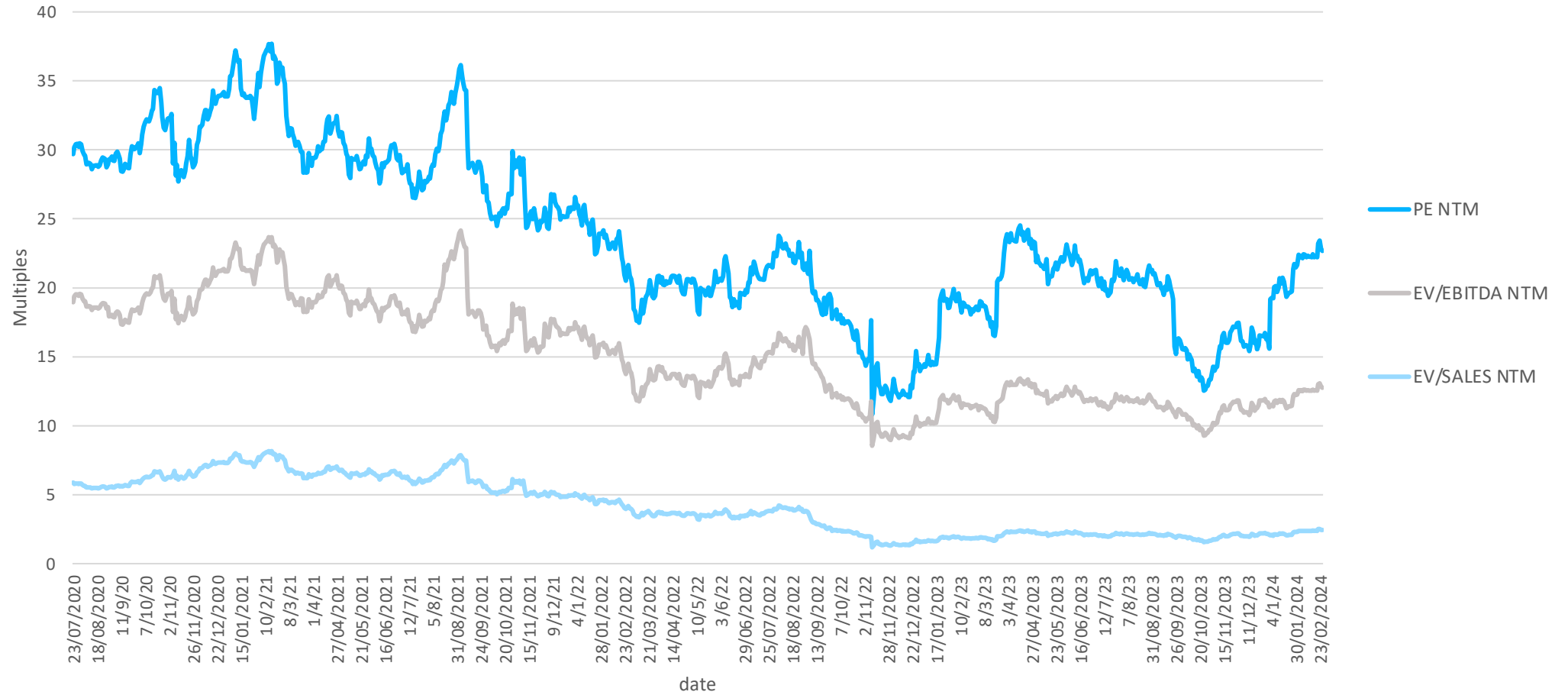
<i>If interest coverage ratio is</i>			
greater than	≤ to	Rating is	Spread is
-100000	0.499999	D2/D	20.00%
0.5	0.799999	C2/C	17.00%
0.8	1.249999	Ca2/CC	11.78%
1.25	1.499999	Caa/CCC	8.51%
1.5	1.999999	B3/B-	5.24%
2	2.499999	B2/B	3.61%
2.5	2.999999	B1/B+	3.14%
3	3.499999	Ba2/BB	2.21%
3.5	3.999999	Ba1/BB+	1.74%
4	4.499999	Baa2/BBB	1.47%
4.5	5.999999	A3/A-	1.21%
6	7.499999	A2/A	1.07%
7.5	9.499999	A1/A+	0.92%
9.5	12.499999	Aa2/AA	0.70%
12.5	100000	Aaa/AAA	0.59%

Interest Coverage Ratio 2022 = 3.94















BB+ Bond rating

















































Source: NYU Stern School of Business



















Historical and Current Multiples



	2020	2021	2022	2023E
EV/EBITDA	19.58	18.71	15.96	15
EV/SALES	7.35	5.74	2.68	3
P/E	26.91	27.27	29.35	27.4
P/B	11	6.24	2.16	2.7

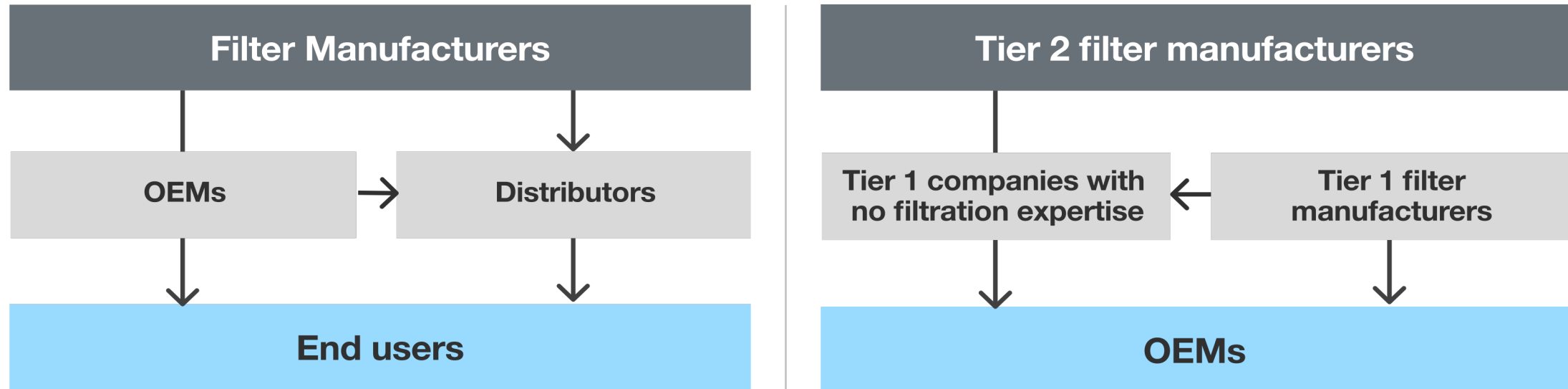
	Product category	Characteristics	Application	Acquired
Medical	 Air Filters	Products of this category find use in anaesthesia, intensive care, surgery, homecare and respiratory devices. They are used to ensure patient safety and air sterility.	Anesthesia, ICU, Emergency, Homecare, Ventilation	
	 Liquid Filters	In the liquid sub-segment, prominent applications include blood transfusion, haemodialysis, and intravenous therapies. GVS' flagship product in this subcategory is the <i>Speedflow</i> , an infusion filter, suitable for the infusion of drugs, including chemotherapeutics, anaesthetics, parenteral nutrition and saline solutions for intravascular and neuroaxial applications.	IV Therapy, Chemotherapy, Anesthesia, Infusion, Transfusion	
	 Medical components	This category encompasses complementary medical components and devices, acquired by GVS with the recent Haemotronic takeover (Jun 2022). Some of the products in this category include: connectors, drip chambers, locking devices, injection ports, medical bags, stopcocks, outflow, gravity extensions.	IV, Irrigation, Hemodialysis, Peritoneal dialysis	 Haemotronic
Laboratory	 Microbiology filters	This category includes microbiology filters (used to target viruses and bacteria), and other laboratory grade products, such as funnels, analytical monitors, dilution bottles, vials and swabs.	Air and liquid monitoring	
	 Biology filters	This category encompasses biology filters utilized for the isolation of DNA/RNA, proteins, and more. It includes RNA/DNA viral extraction kits as well as amplification kits for the detection of COVID variants.	General filtration, RNA/DNA, protein filtration	
	 Chemical filters	This category encompasses reagents for western blotting, as well as chemical filters used to separate different substances in fluids.	Fluids filtration and separation	
	 Filter membranes	Suitable for both liquid and air filtration needs. These internally produced filter membranes are chemically compatible with strong acids and most aggressive solvents such as alcohol.	Air and liquid monitoring	 Maine

Membranes	CA	CN	NY	PES	PVDF	PCTE	PETE	PTFE	MCE	PVC	RC	PA	AVG.
GVS													58.3%
Cytiva													91.7%
Merck													75.0%
Sartorius													66.7%

Automotive		Cabin air filters	Filter solutions for cabin air involves the removal of contaminants and particles from the air circulating.	Cabin air filtration	 KUSS
		Engine air filters	Air filters are used to clean the air entering the engine. They remove abrasive particles from the inlet air, ensuring combustion in the best possible conditions while maintaining optimal fuel efficiency of the vehicle.	Engine air filtration	
		Oil filters	GVS tank filters for automotive fluids prevent contamination from maintenance and topping up operations from affecting the performance of water, oil and coolant tanks and their components.	Oil systems filtration, water and coolant tank filters	
		Hydraulic filters	This category includes various filters, such as transmission filters, solenoid valves, steering filters, and filter solutions for the ABS/ESP hydraulic circuit liquid, protecting the wheel speed sensors from metallic dust contaminant and potential failure to detect wheel slip.	Hydraulic systems filtration, brake, ABS, ESP systems	
		Fuel filters	Fuel filters are incorporated into the fuel tank filters of cars to protect the fuel pump from debris and contaminants. Also includes filters for SCR Urea system.	Fuel filtration, SCR Urea system	 KUSS
Respiratory Protection		Disposable respirators	FFP3/N99 masks, from which the firm greatly benefited during the COVID pandemic CE-marked disposable masks made of polypropylene filter 94% of contaminants while maintaining low breathing resistance.	Healthcare, industrial, public	 SEGRE AB
		Reusable respirators	Reusable masks with a facepiece and replaceable filters, they are recommended for protection against organic gases, dust, pesticides and painting. Find application in automotive, construction, agriculture, shipyard industries, and repair work. Flagship of this category is the ELIPSE mask.	Hazardous environments, chemicals.	
		PAPR & SAR respirators	Complex kind of respirators, acquired with the RPB takeover in Jun 2021, they are described as powered air purifying respirators designed for hazardous environments, especially welding and grinding, providing protection against fumes and particulates.	Welding/grinding, fumes and particulate	 RPB
HVAC		HVAC filter	This segment includes filtration systems used to safeguard indoor environments and atmospheres by removing contaminants, shielding electronic devices/equipment from aerosols or liquid intrusion. For instance, HVAC filters are needed to keep sterility within clean rooms.	Laminar flow hoods, Clean room, Surgery room	 RPB



Products are categorized into three types: (i) **first-fit filters**, originally installed in OEM equipment, (ii) **replacement filters**, swapped out as needed, and (iii) **single-use filters**, mainly used in the medical sector, used once then discarded. Products range from standard off-the-shelf solutions to more custom designs for specific applications.



Customers fall into three categories: OEMs, distributors, and end users. Selling directly to end users yields higher margins for filter manufacturers thanks to the lower number of intermediaries, although OEMs often generate larger volumes and act as primary connectors between manufacturers and end users. Moreover, distributors remain crucial links for reaching end markets, as many manufacturers often lack direct sales and distribution networks.



Medical

Main customers:
Medical OEMs

Examples:

Baxter
Fresenius
Terumo
Haemonetics
NHS

Respiratory Protection

Main customers:
Distributors

Examples:

Amazon
Grainger
Tool Station
ScrewFix
Fastenal

Laboratory

Main customers:
Corporate & Distributors

Examples:

Danaher
Sartorius
Fisher Scientific
Eurofins

Automotive

Main customers:
Tier 1 players with no filtration expertise

Examples:

Continental
Bosch
ZF

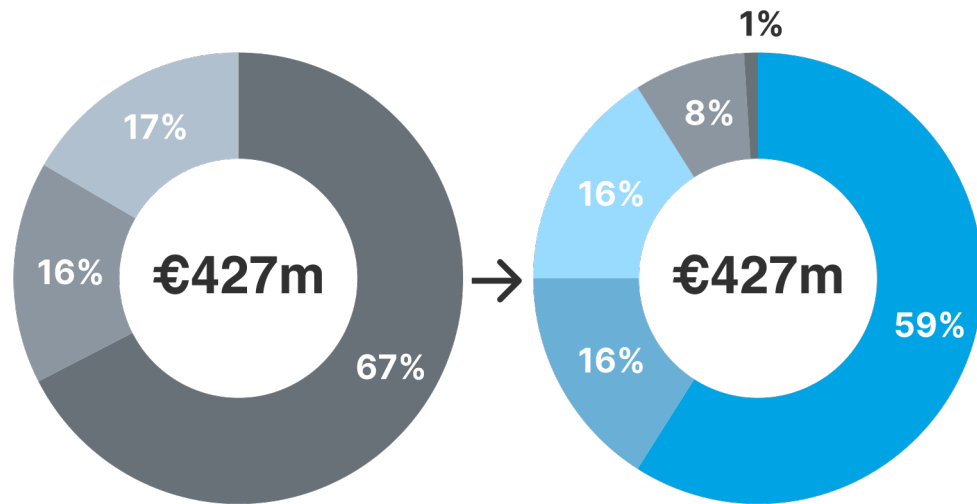
- Well-diversified client portfolio across various end-markets
- No customer exceeds 10% of revenues

	2022	2021	2020	2019	2018	2017	17-22 CAGR
B2B (OEMs)	300.9	237.9	184.6	186.5	171.6	130.2	18.2%
B2C (Distributors)	86.7	100.3	178.7	40.9	37.3	34.7	20.1%

Source: Company data, Team Elaboration



Revenues breakdown by segment



GVS classification (2023E)

- Healthcare & Life Sciences
- Energy & Mobility
- Health & Safety

Restatement (2023E)

- Medical
- Automotive
- Respiratory Protection
- Laboratory
- HVAC

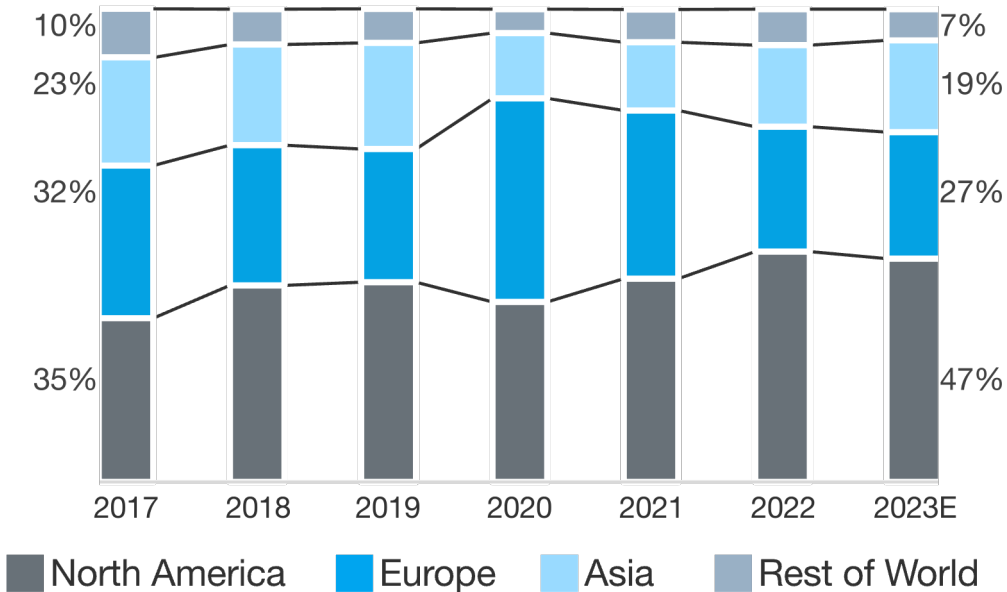
We identified **five key segments** in which GVS operates, each characterized by distinct competitive dynamics, competitors, customers, growth profiles and demand drivers. Starting from disclosed company data, we performed a **revenues reclassification** to align economic results with our segmentation. The table below shows GVS divisions in comparison to our segmentation.

	Divisions	Sub-divisions	Segmentation
GVS	H&LS	Healthcare Liquid	Medical
		Healthcare Air & Gas	
		Laboratory & Membranes	Laboratory
	H&S	Air Safety	HVAC
		Personal Safety	Respiratory protection
	E&M	Powertrain & Drivetrain Safety & Electronics Sport & Utility	Automotive

Source: Company data, Team Elaboration



Revenues breakdown by geography



GVS is a global company, with the majority of revenues generated in **North America**.

Internationalization was executed mainly through **M&As**, prompted by **Private Equity deals** (B-Group 2001-2006, Mindful Capital Partners 2011-2015).

Source: Company data, Team Elaboration



1

Industrial at the core

2

Research & Development

3

Vertical integration of filter membranes

4

Certifications and regulatory compliance

5

G-local approach

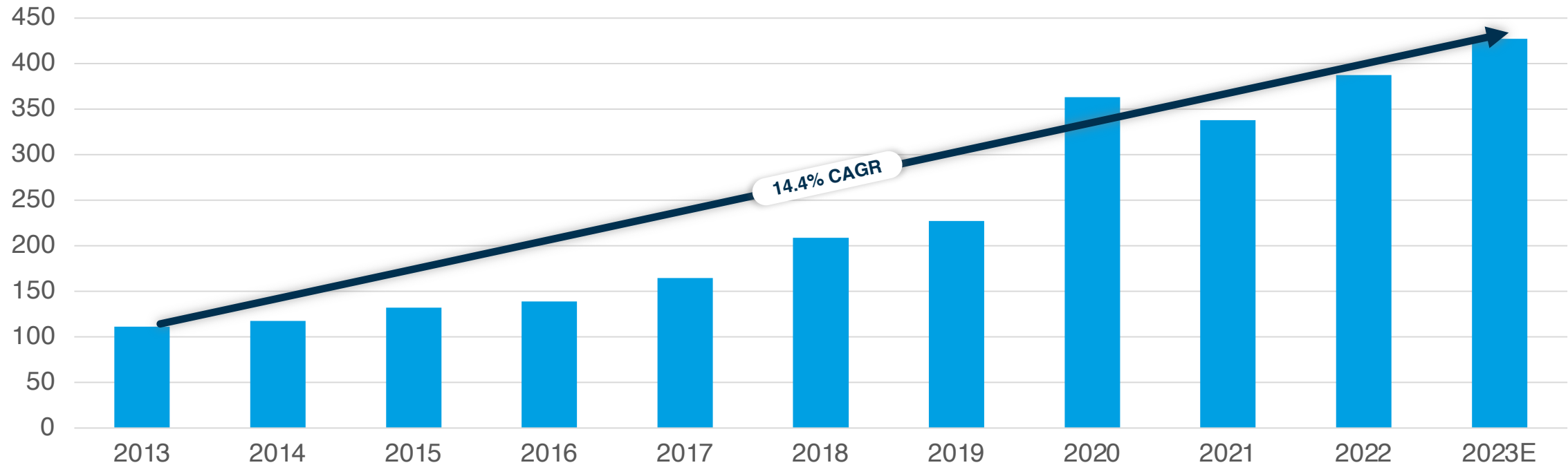
Key Success Factors



Bolt-on Expansion

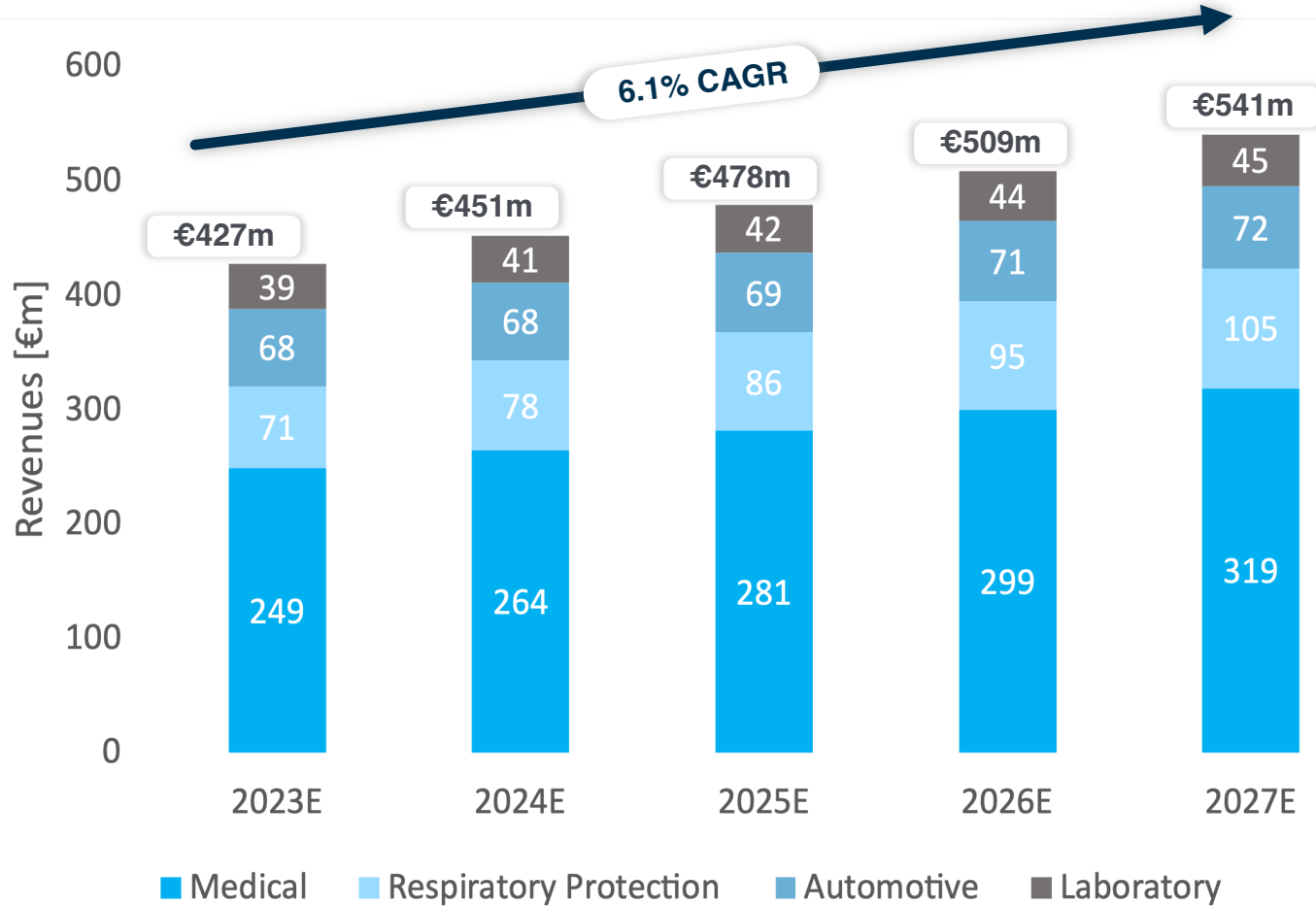
Industrial Synergies

Research & Development



Source: Company data, Team Elaboration

Organic growth and market demand drivers



Source: Team Estimates

Medical
Healthcare spending

6.4% CAGR

Respiratory Protection
Growth of the industry exposed to noxious particles and dusts

10.2% CAGR

Automotive
GDP, adjusted for the positive trend for EV vehicles and the negative production of combustion engine cars

1.4% CAGR

Laboratory
Pharmaceutical R&D

3.6% CAGR



STRENGTHS

- Strong industrial capabilities: injection molding expertise
- Effective R&D
- Local-for-local supply chain management
- Vertically integrated production of filter membranes

WEAKNESSES

- Automotive segment cyclicality
- High complexity and time to market for new products
- Difficulty in matching cost inflation with price
- CEO-Centric leadership

OPPORTUNITIES

- Expansion in the Asian market
- Electric vehicles trend
- Entrance in Bioprocess segment

THREATS

- Raw materials price fluctuation due to political tension
- High leverage after recent M&As

GVS can **benefit** from stable market growth by leveraging organic growth, continuous innovation through significant R&D expenses, loyalty to customer relationships, and in-house critical membrane production.

GVS could improve its sales by **exploiting** opportunities for geographical expansion (China) and new segment entrance (Bioprocess).

GVS' strategy is **challenged** by the capability of the management to engage in new successful target segment acquisitions.

Source: Team Elaboration



Industry



Highlights

IR – Internal Rivalry: high pressure in *Laboratory* segment given the less differentiated products features and in *Automotive* due to increasingly fierce competition coming up from tier 1 players.

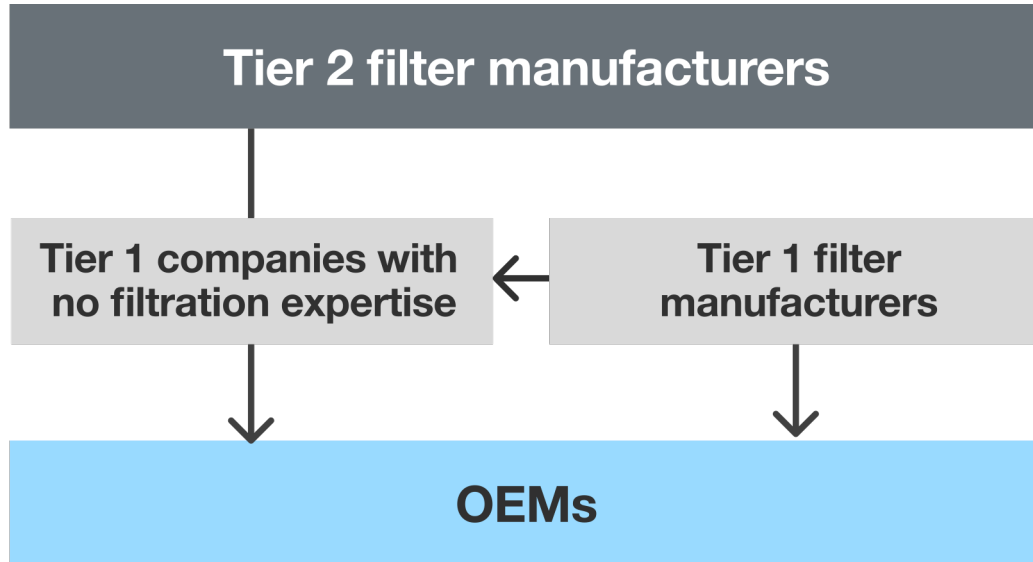
BP – Buyers Power: filter manufacturers have pricing power over OEMs because filters are both **critical applications**.

SP – Supplier Power: reliable filters need **high-quality input materials**, increasing suppliers’ power to negotiate higher prices.

TNE – Threats of New Entrants: little pressure on the filtration industry given the **high barriers:** certification needed, long-term customer relationship

TS – Threats of Substitutes: low, just presented by technological upgrades in OEM equipment requiring different filter characteristics

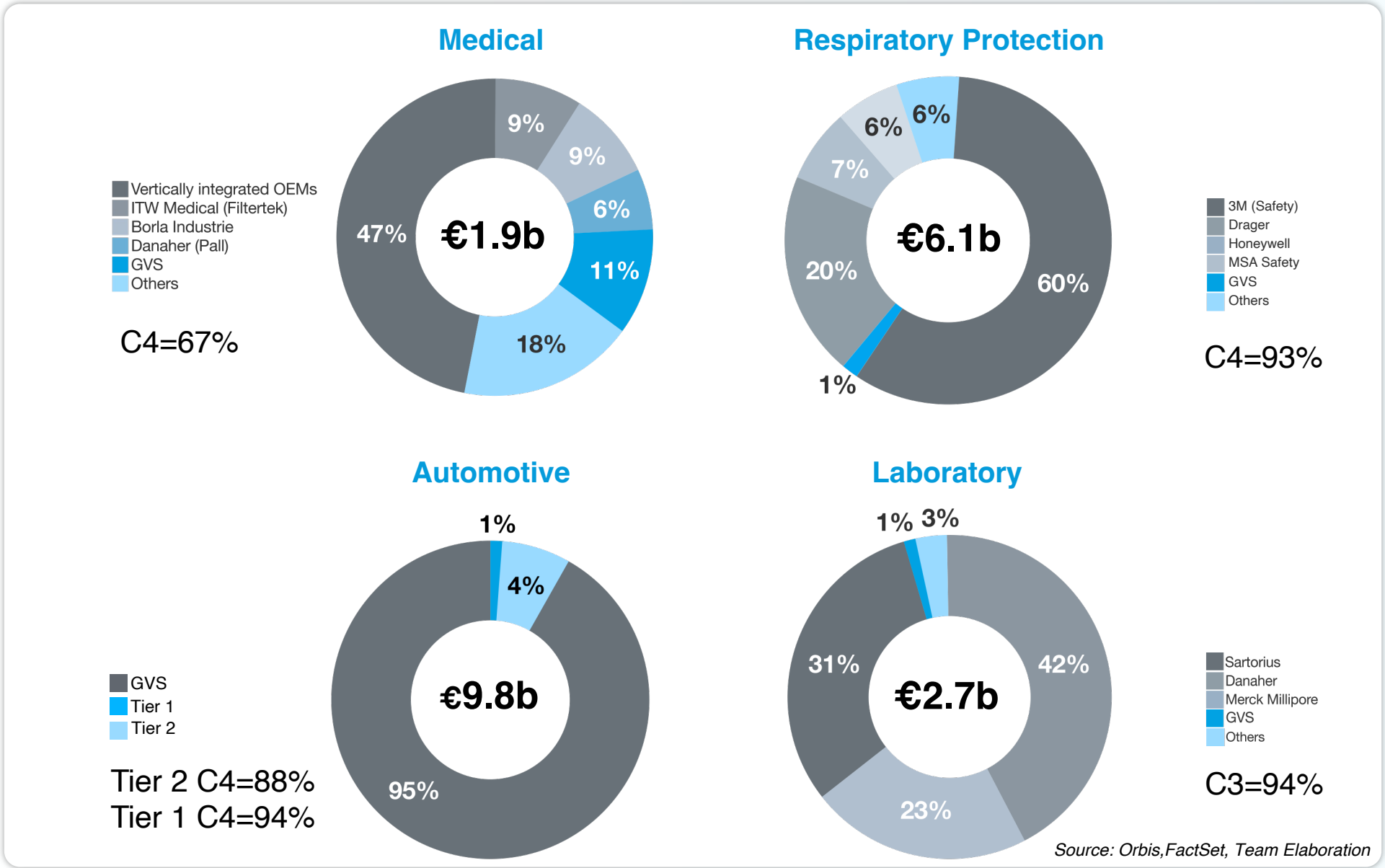
Source: Team Elaboration



Automotive Filters manufacturers	
Tier 1	Tier 2
Mann + Hummel	GVS
Atmus Filtration	Weppler Filters
UFI Filters	Kuefner
Sogefi	Filertek
Hengst	Filtran Filtration Group
Donaldson	NBC Meshtec

Source: Team Elaboration

Market size per segment

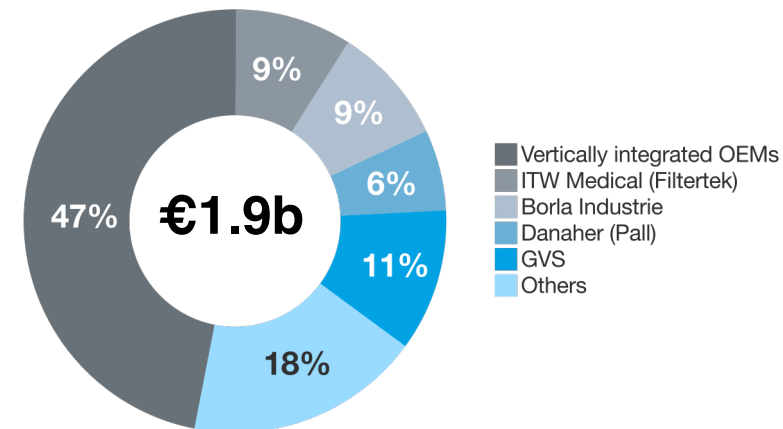
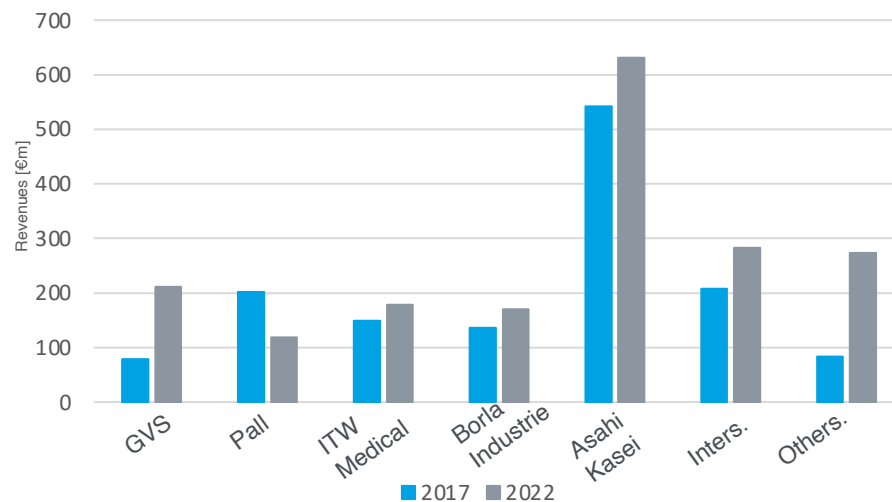


Source: Orbis, FactSet, Team Elaboration

Segmental Market Size – Medical



Company	2017		2022		CAGR 17-22
	Revenues [€m]	Market share 2017	Revenues [€m]	Market share 2022	
Medical					
GVS	78.6	5.6%	211.3	11.3%	21.9%
Pall	201.7	14.4%	119.0	6.4%	-10.0%
ITW Medical	149.29	10.7%	178.34	9.1%	3.6%
Borla Industrie SpA	135.6	9.7%	169.9	8.6%	4.6%
Asahi Kasei	542.5	38.8%	631.5	31.8%	3.1%
Intersurgical	208.2	14.9%	283.3	15.2%	6.4%
Others	83.20	5.9%	273.90	17.6%	26.9%
Market Size	1399.1	100.0%	1867.3	100.0%	5.9%

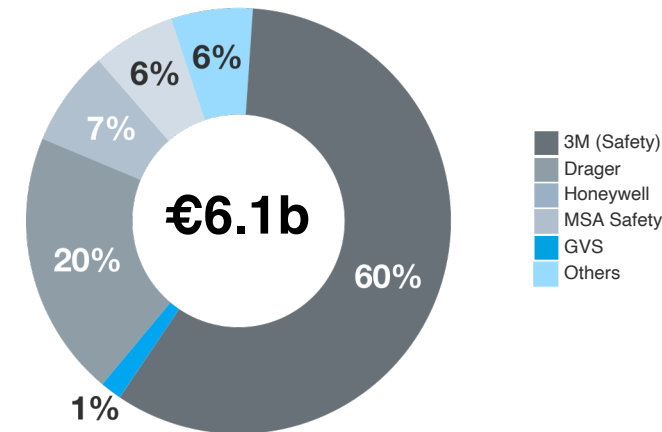
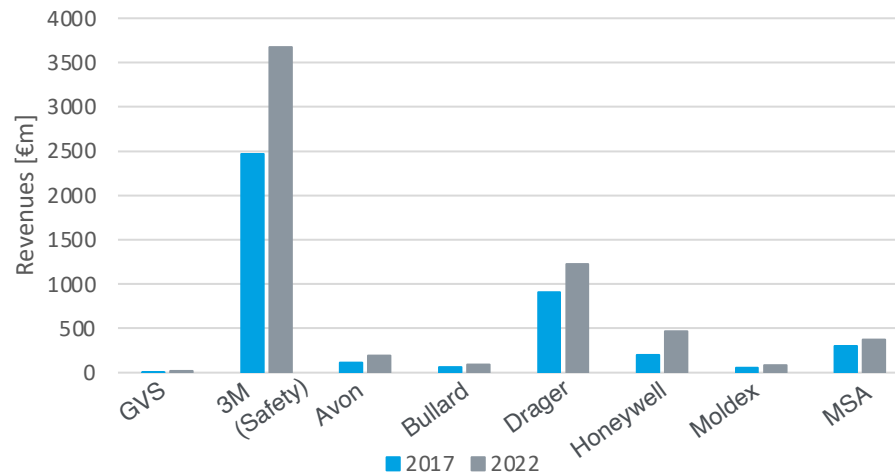


Source: Orbis, FactSet, Team Elaboration

Segmental Market Size – Respiratory Protection



Company	2017		2022		CAGR 17-22
	Revenues [€m]	Market share 2017	Revenues [€m]	Market share 2022	
Respiratory Protection					
GVS	8.1	0.2%	18.0	0.3%	17.3%
3M (Safety)	2468.1	60.0%	3671.5	60.0%	8.3%
Avon	113.8	2.8%	193.0	3.2%	11.1%
Bullard	60.4	1.5%	89.9	1.5%	8.3%
Drager	904.3	22.0%	1223.7	20.0%	6.2%
Honeywell	202.8	4.9%	467.4	7.4%	18.2%
Moldex	56.8	1.4%	84.5	1.4%	8.3%
MSA	299.2	7.3%	371.2	6.3%	4.4%
Market Size	4113.5	100.0%	6119.1	100.0%	8.3%

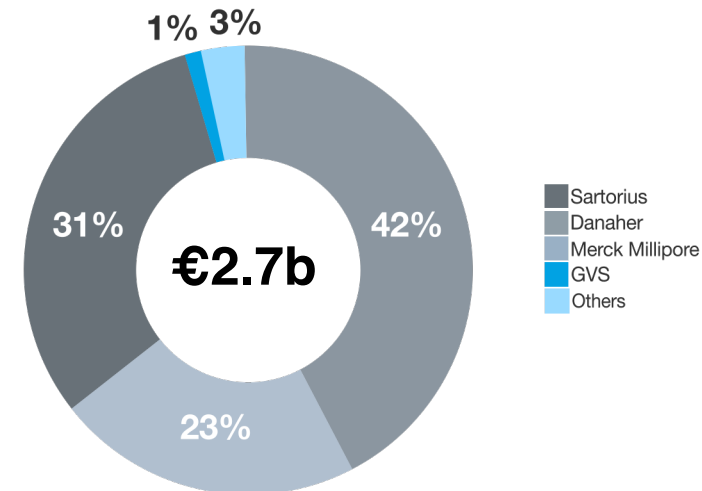
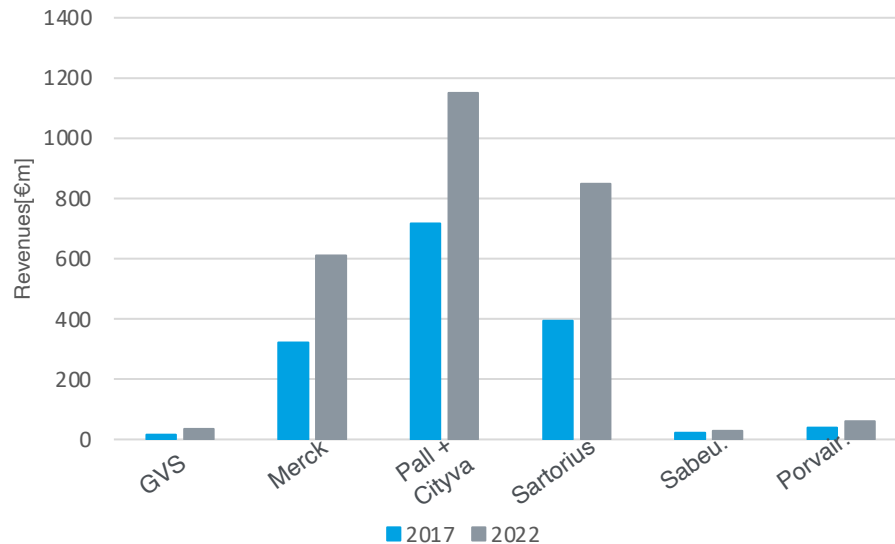


Source: Orbis, FactSet, Team Elaboration

Segmental Market Size – Laboratory



Company	2017		2022		CAGR 17-22
	Revenues [€m]	Market share 2017	Revenues [€m]	Market share 2022	
Laboratory					
GVS	16.3	1.1%	34.1	1.2%	15.9%
Merck Millipore	322.3	21.3%	611.8	22.6%	13.7%
Pall + Cytiva	717.5	47.5%	1150.1	42.1%	9.9%
Sartorius	394.2	26.1%	848.2	30.8%	16.6%
Sabeu	21.7	1.4%	28.3	1.0%	5.5%
Porvair	40.0	2.6%	60.8	2.2%	8.7%
Market Size	1511.9	100.0%	2733.3	100.0%	12.6%

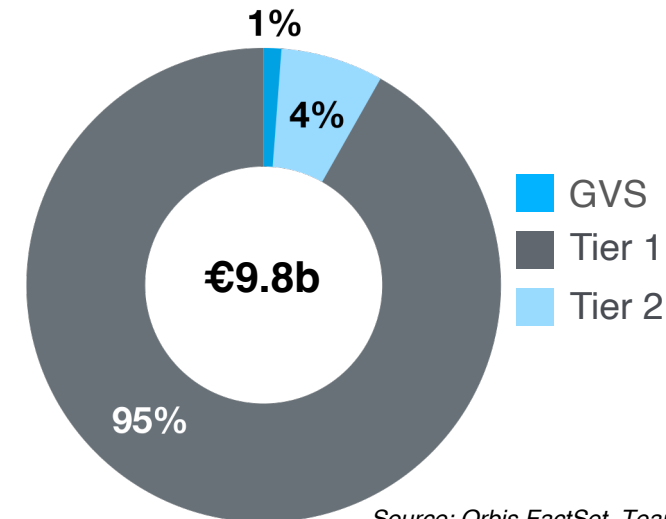
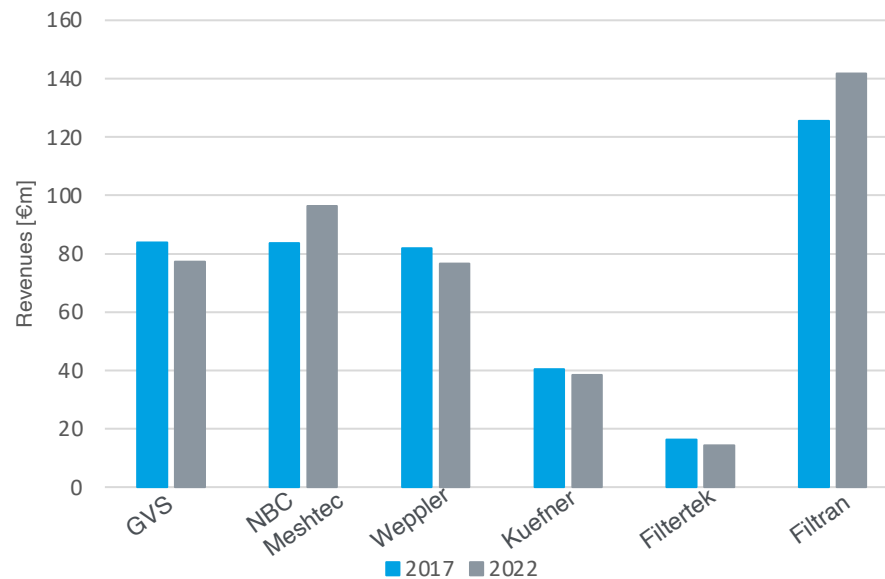


Source: Orbis, FactSet, Team Elaboration

Segmental Market Size – Automotive: Tier 2



Company	2017		2022		CAGR 17-22
	Revenues [€m]	Market share 2017	Revenues [€m]	Market share 2022	
Automotive					
GVS	83.9	19.4%	77.3	17.4%	-1.6%
NBC Meshtec	83.6	19.4%	96.4	21.7%	2.9%
Weppler Filters	81.8	19.0%	76.6	17.2%	-1.3%
Kuefner	40.5	9.4%	38.5	8.7%	-1.0%
Filtextek	16.3	3.8%	14.4	3.2%	-2.5%
Filtran Filtration Group	125.5	29.1%	141.7	31.9%	2.5%
Tier 2	431.7	100.0%	444.8	100.0%	0.6%

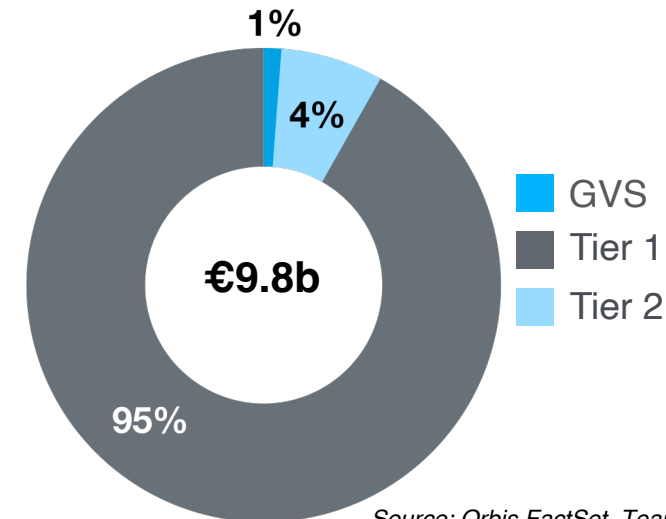
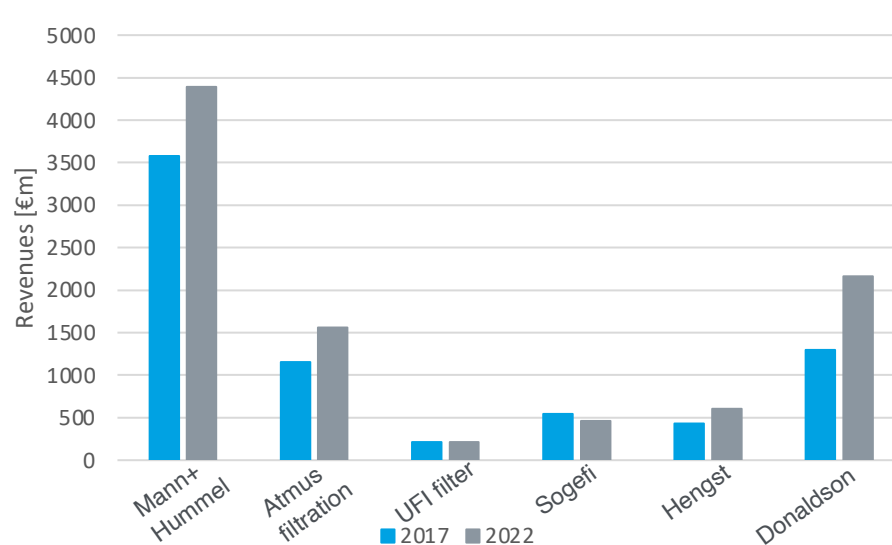


Source: Orbis, FactSet, Team Elaboration

Segmental Market Size – Automotive: Tier 1

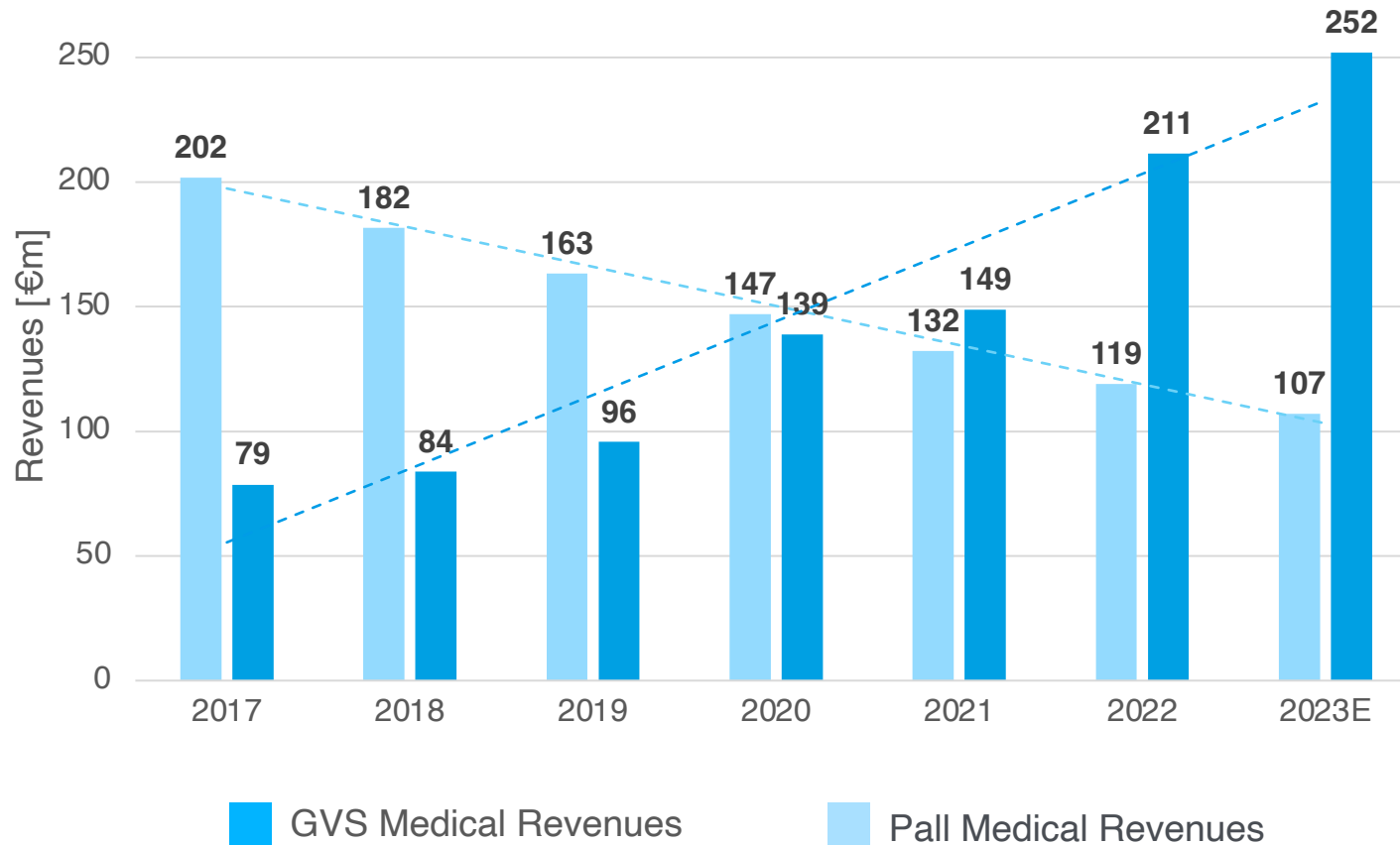


Company	2017		2022		CAGR 17-22
	Revenues [€m]	Market share 2017	Revenues [€m]	Market share 2022	
Automotive					
Mann+Hummel	3580.6	49.6%	4392.0	46.8%	4.2%
Atmus Filtration	1153.0	16.0%	1557.0	16.6%	6.2%
UFI Filters	215.5	3.0%	211.7	2.3%	-0.4%
Sogefi	546.4	7.6%	464.0	4.9%	-3.2%
Hengst	429.1	5.9%	605.5	6.4%	7.1%
Donaldson	1294.9	17.9%	2159.2	23.0%	10.8%
Tier 1	7219.5	100.0%	9389.5	100.0%	5.4%
Tier 1 + Tier 2	7651.2		9834.3		5.2%



Source: Orbis, FactSet, Team Elaboration

Danaher (Pall Corp.) is shifting its focus



21.3% CAGR

-10.0% CAGR

GVS is outperforming the market in medical, also for the focus shift of its main competitors

Pall Corp. is diminishing its presence in Medical to catch the Bioprocess trend

GVS size and lack of expertise prevent the company to enter Bioprocess in the mid term

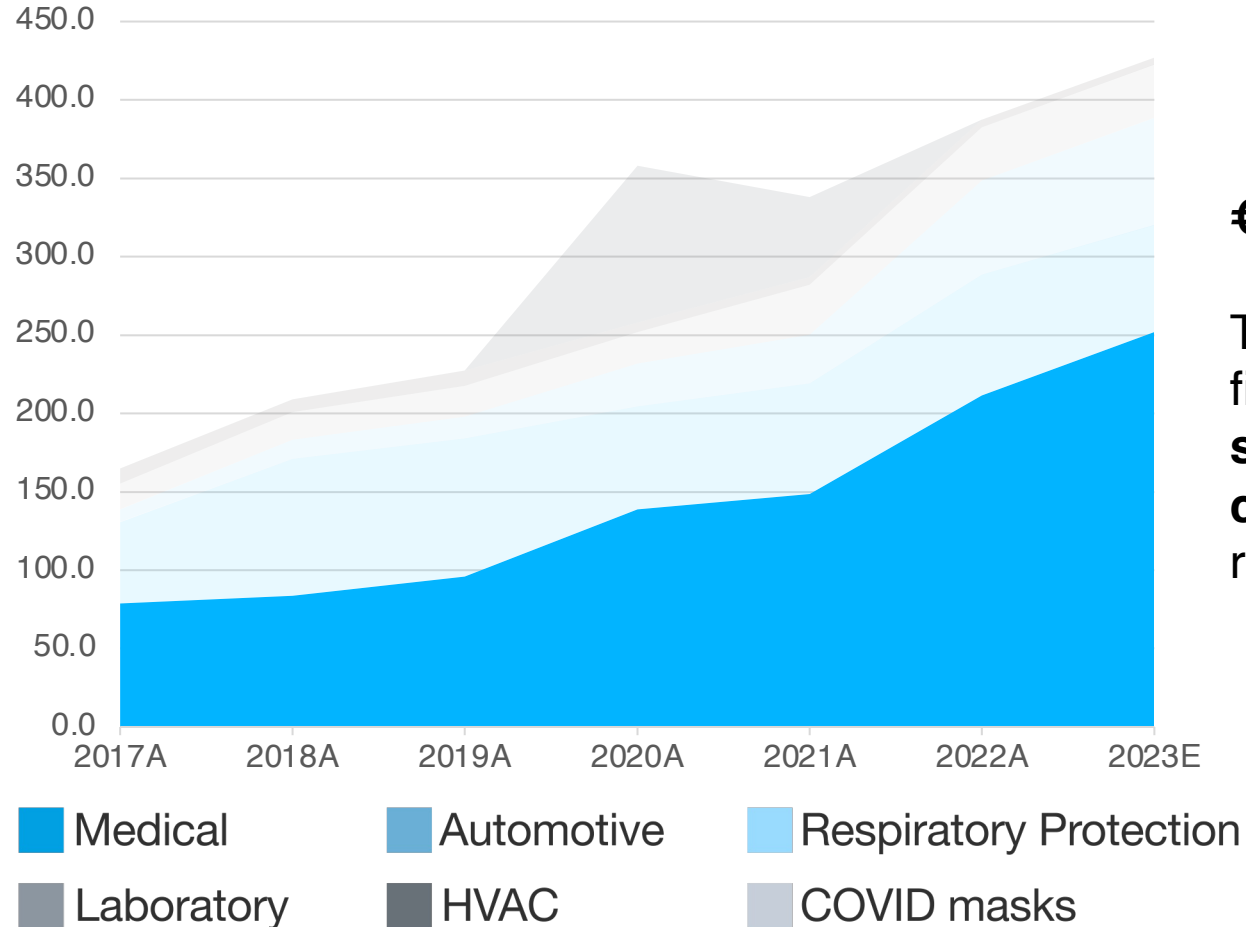
Source: Orbis, Team Elaboration, Companies Data



Revenues



Revenues breakdown by segment



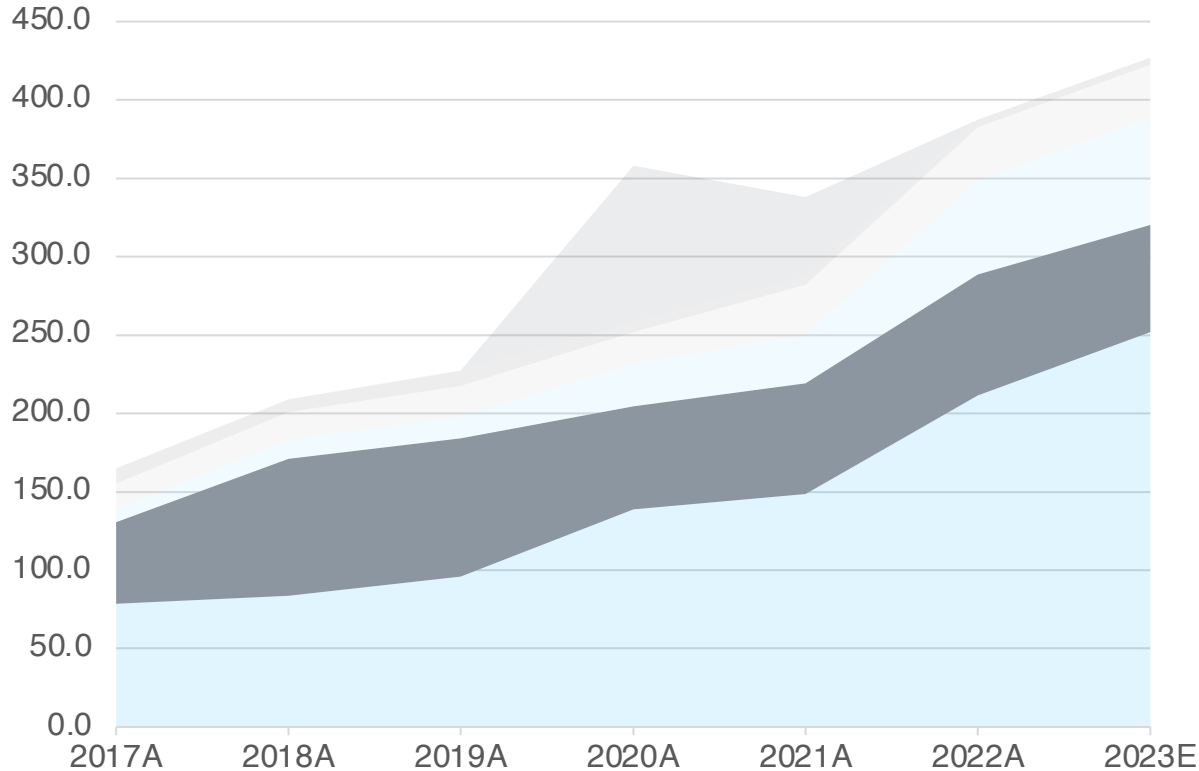
€249m 2023E revenues, 21% 2017-2023E CAGR.

The Medical segment encompasses liquid and gas filters used in **healthcare systems** to ensure **patient safety**, along with **complementary medical components** and devices acquired by GVS with the recent **Haemotronic takeover** (Jun 2022).

Source: Company Data, Team Elaboration

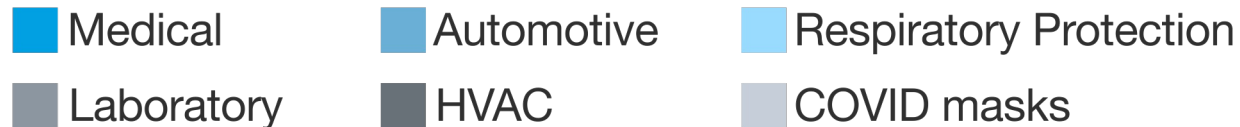


Revenues breakdown by segment



€39m 2023E revenues, 13% 2017-2023E CAGR

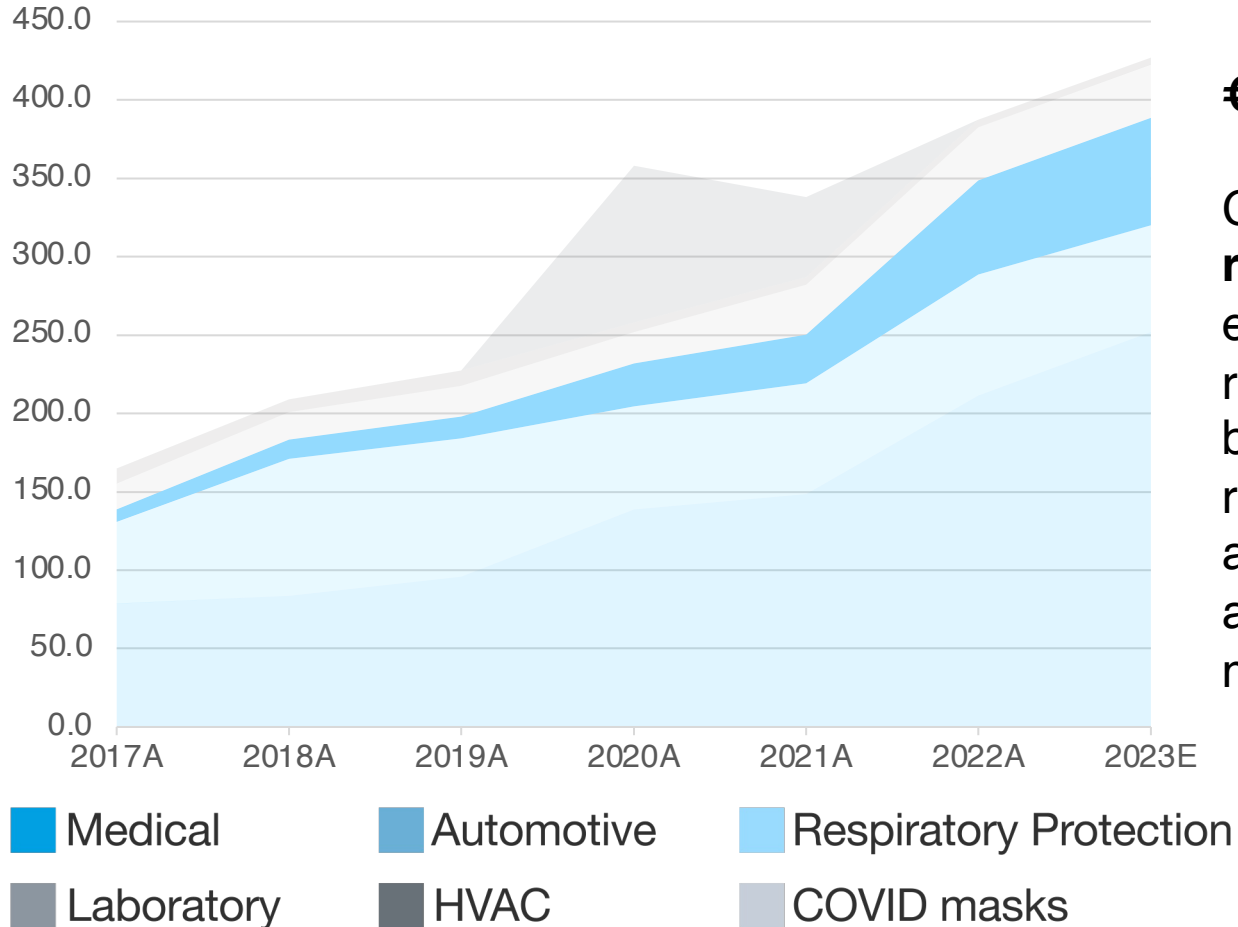
The Laboratory segment features **filters and membranes used for R&D and quality control**. GVS' product mix is comprised of **microbiology filters** (used to target viruses and bacteria), **biology filters** (used to isolate DNA/RNA, proteins, etc.), **chemical filters** (used for fluid separation), as well as internally produced filter membranes. **Laboratory customers** of GVS are equally divided between **corporate clients and distributors**.



Source: Company Data, Team Elaboration



Revenues breakdown by segment



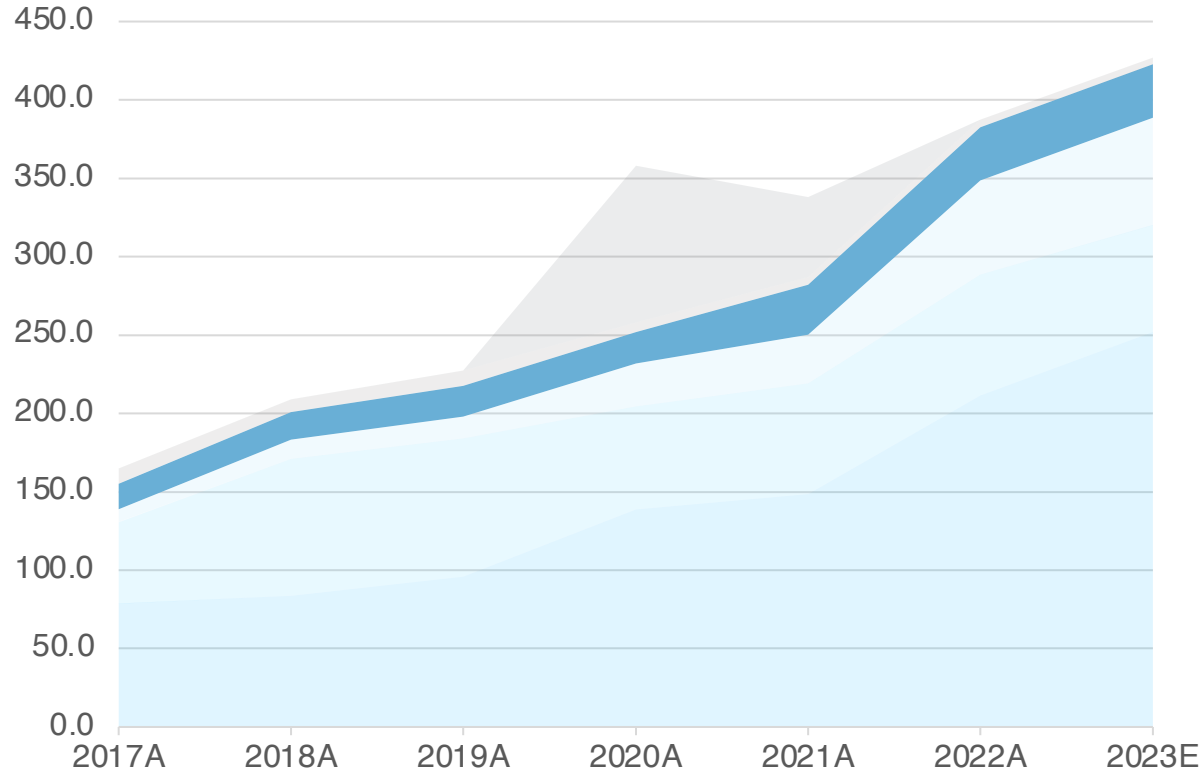
€68m 2023E revenues, 43% 2017-2023E CAGR.

GVS provides **personal protection equipment for respiratory safety** in industrial and healthcare environments. Key offerings include disposable respirators (**FFP3/N99 masks**, significantly beneficial during the COVID pandemic), reusable respirators (which lodge replaceable filters), PAPRs and SARs (more advanced kinds of respirator added after the RPB acquisition in Jun 2021). The company mainly sells to distributors in this segment.

Source: Company Data, Team Elaboration

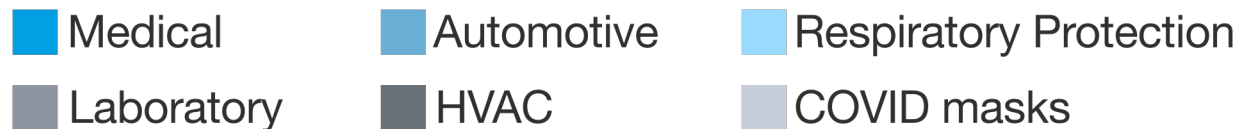


Revenues breakdown by segment



€68m 2023E revenues, -3% pro-forma 2017-2023E CAGR.

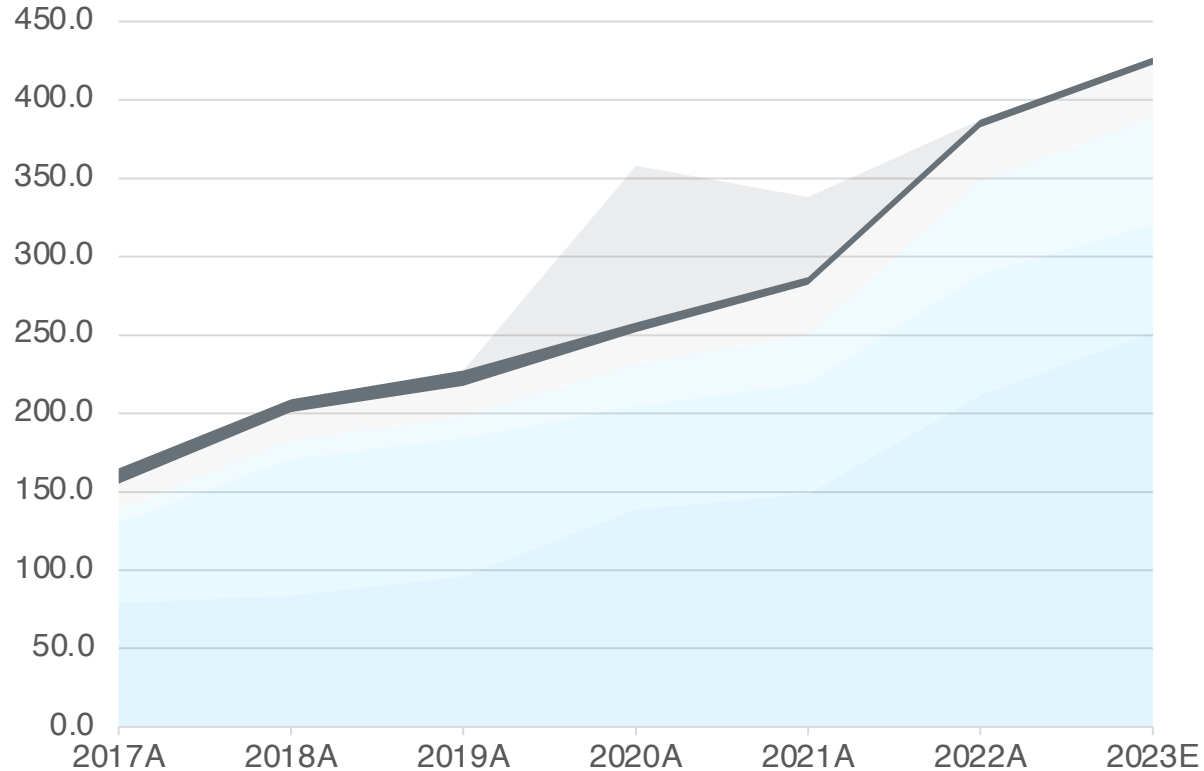
The Automotive segment includes **liquid and gas filters for passenger, commercial, and recreational vehicles**. GVS' product range, completed with the **KUSS acquisition** (Jul 2017), covers hydraulic, fuel, oil, engine air, and cabin air applications. As an **upstream tier 2 supplier**, GVS serves tier 1 suppliers lacking **in-house filtration capabilities** (e.g. *Bosch, FZ, and Continental*), which integrate its products into systems for OEMs.



Source: Company Data, Team Elaboration



Revenues breakdown by segment



€4m 2023E revenues, -13% 2017-2023E CAGR.

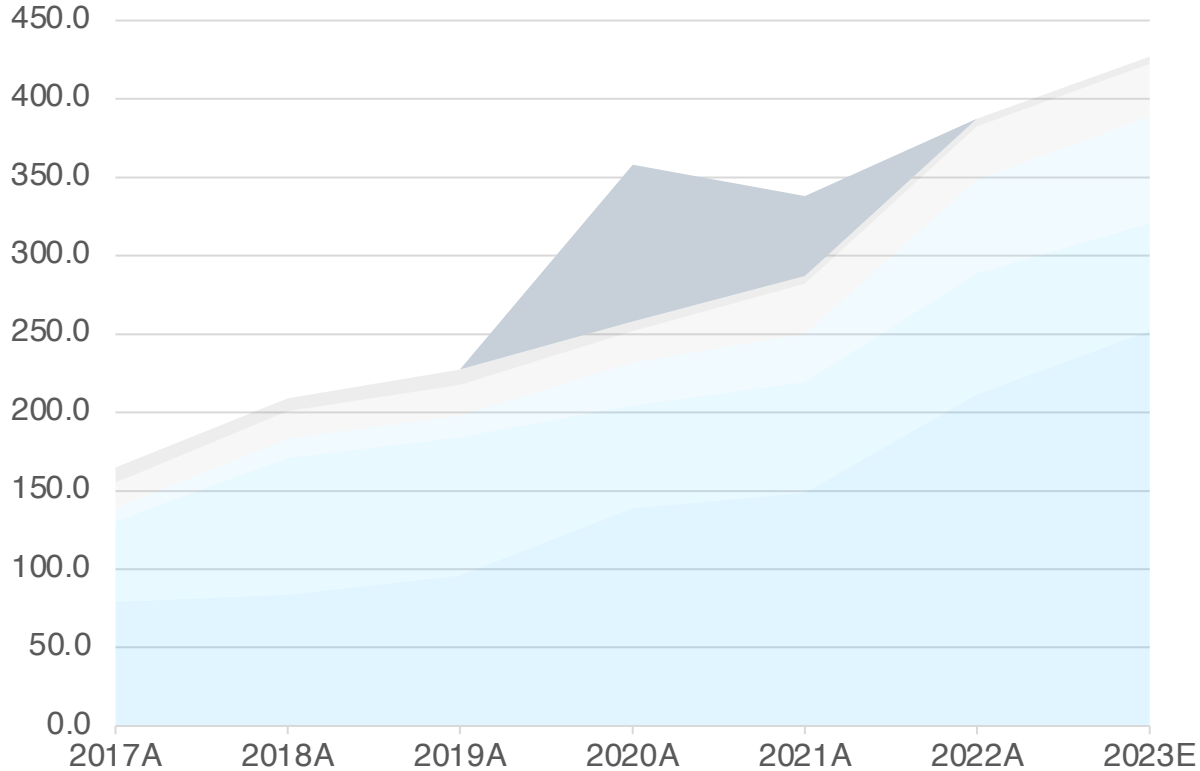
This segment consists of **filtration systems for indoor air quality and HVAC systems efficiency**. Due to its **low strategic relevance** (<1% of 2023E revenues, -13% 2017-2023E revenues CAGR), we decided to exclude it from the valuation

- Medical
- Automotive
- Respiratory Protection
- Laboratory
- HVAC
- COVID masks

Source: Company Data, Team Elaboration



Revenues breakdown by segment



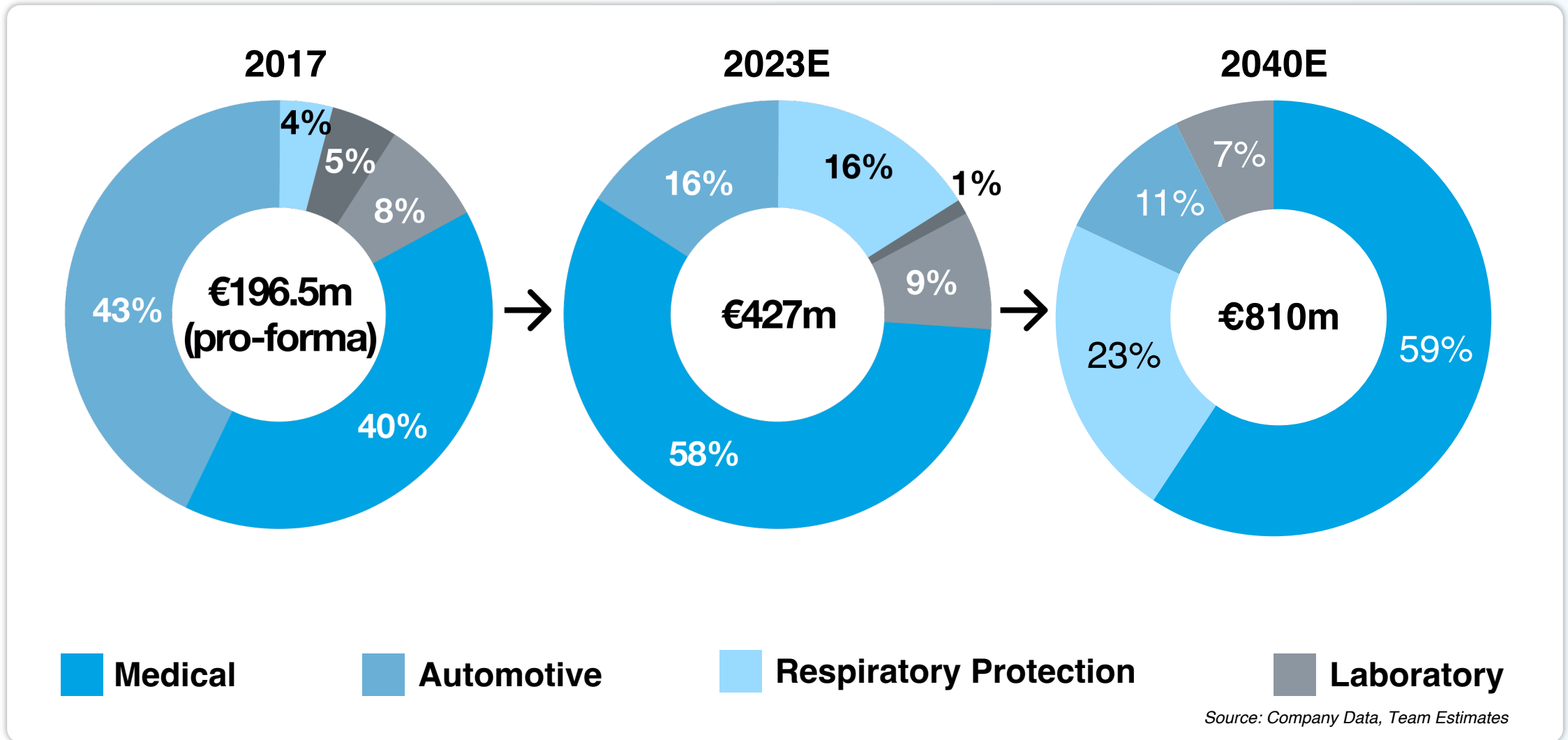
€100m in 2020, €51m in 2021.

GVS leveraged on the 2016 **acquisition of SEGRE AB**, by converting most of its production to **disposable masks** during the pandemic.

- Medical
- Automotive
- Respiratory Protection
- Laboratory
- HVAC
- COVID masks

Source: Company Data, Team Elaboration

Revenues by segment



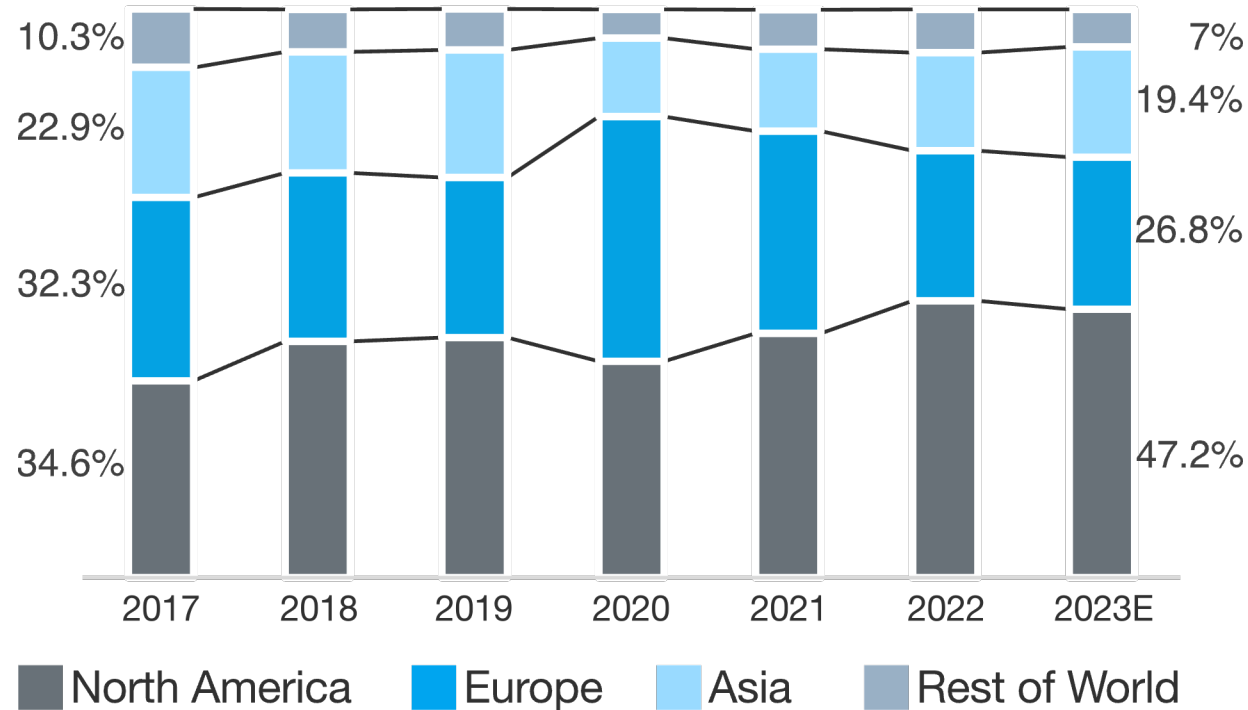


Revenues [€m]	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
GVS Group	338.1	387.6	427.2	451.5	478.7	508.3	540.3	563.3	587.6	613.3	640.5	669.3
<i>Growth</i>	<i>-6.9%</i>	<i>14.6%</i>	<i>10.2%</i>	<i>5.7%</i>	<i>6.0%</i>	<i>6.2%</i>	<i>6.3%</i>	<i>4.3%</i>	<i>4.3%</i>	<i>4.4%</i>	<i>4.4%</i>	<i>4.5%</i>
Medical	148.0	211.0	248.8	264.3	281.0	299.1	318.6	332.7	347.7	363.5	380.2	398.0
<i>Growth</i>	<i>6.5%</i>	<i>42.6%</i>	<i>17.9%</i>	<i>6.2%</i>	<i>6.3%</i>	<i>6.4%</i>	<i>6.5%</i>	<i>4.4%</i>	<i>4.5%</i>	<i>4.6%</i>	<i>4.6%</i>	<i>4.7%</i>
Laboratory	31.0	34.0	39.2	40.6	42.0	43.6	45.1	46.2	47.4	48.6	49.8	51.0
<i>Growth</i>	<i>55.0%</i>	<i>9.7%</i>	<i>15.2%</i>	<i>3.6%</i>	<i>3.6%</i>	<i>3.6%</i>	<i>3.6%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.5%</i>	<i>2.5%</i>
Automotive	70.0	77.0	68.0	68.3	69.4	70.6	71.9	72.8	73.8	74.8	75.8	76.8
<i>Growth</i>	<i>7.7%</i>	<i>10.0%</i>	<i>-11.7%</i>	<i>0.4%</i>	<i>1.7%</i>	<i>1.7%</i>	<i>1.7%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.4%</i>
RP	87.0	64.0	71.0	78.2	86.2	95.0	104.7	111.5	118.8	126.5	134.7	143.5
<i>Growth</i>	<i>-37.4%</i>	<i>-26.4%</i>	<i>10.9%</i>	<i>10.2%</i>	<i>10.2%</i>	<i>10.2%</i>	<i>10.2%</i>	<i>6.5%</i>	<i>6.5%</i>	<i>6.5%</i>	<i>6.5%</i>	<i>6.5%</i>

Source: Company Data, Team Estimates



Revenues breakdown by geography



GVS is a global company, with the majority of revenues generated in **North America**.

Internationalization was executed mainly through **M&As**, prompted by **Private Equity deals** (B-Group 2001-2006, Mindful Capital Partners 2011-2015).

With the last acquisition (STT) GVS aims to increase revenues in ASIA, with particular focus in China.

Source: Company Data, Team Elaboration



M&A

Merge & Acquisitions – Rationale

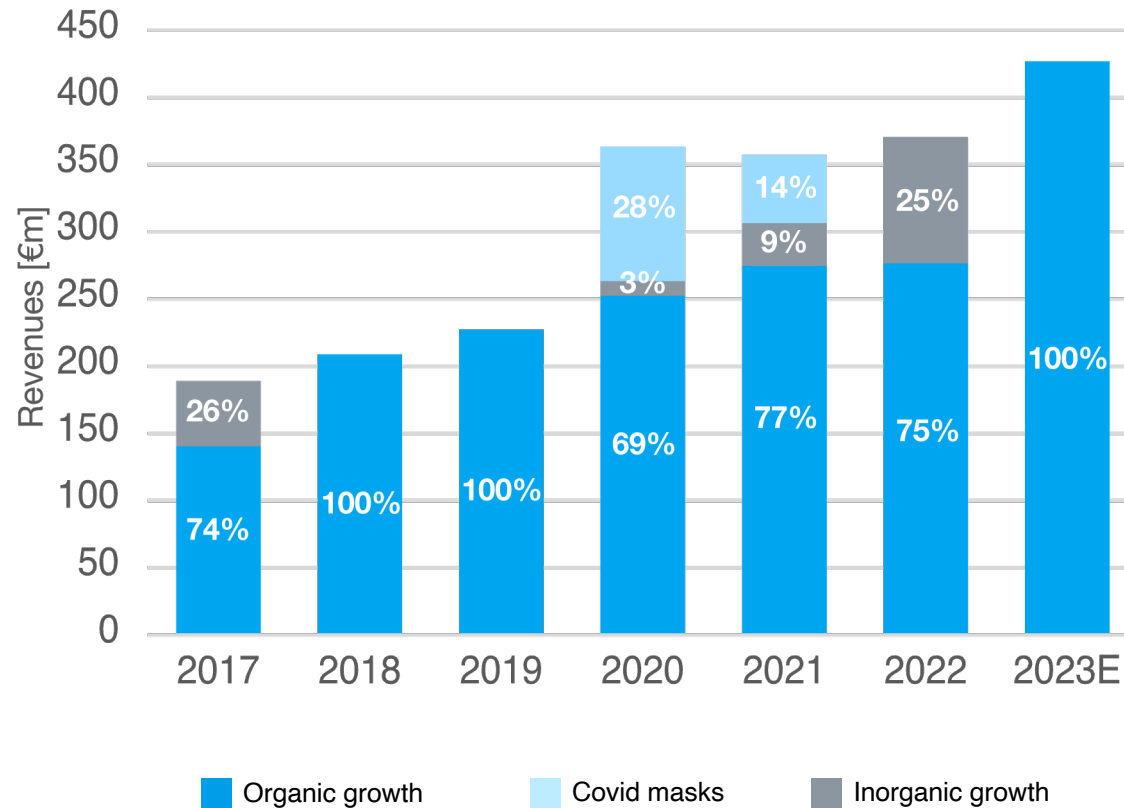


Target Company	Segment	Acquisition date	Plants location	Acquisition Rationale			
				Product range expansion	Geographical expansion	Market Share Increase	Know-how acquisition
Gema Medical	Laboratory	2009	SP	✓			
Pyxis Dialysis	Medical	2009	IT	✓		✓	
Fenchurch Group	Medical, Respiratory protection	2009	UK	✓		✓	
Chanchung	Medical	2011	CH		✓		
Maine Manufacturing <i>BU</i>	Laboratory	2012	US	✓			✓
Remploy	Air safety	2012	UK	✓			
NP Medical filtration	Medical	2012	US				
Nihon Nypro - <i>Sales licenses in Japan</i>	Medical	2012	JP		✓		
Aero2	Respiratory protection	2015	BZ				
Star Flyer	Respiratory protection	2015	IT				
Segre AB	Respiratory protection	2016	SW	✓			✓
KUSS Group	Automotive	2017	US, BZ, CH	✓	✓	✓	✓
Haemonetics Puerto Rico LLC	Medical	2020	PR		✓		
Graphic Controls - <i>GCA Business Unit</i>	Laboratory	2020	US	✓			
RPB Group	Respiratory protection	2021	US	✓		✓	✓
STT-LAISHI	Medical	2022	CH	✓	✓	✓	✓
Haemotronic	Medical	2022	IT, MX	✓		✓	✓

Source: Company Data, Team Elaboration



Uncertain About the Future



Historical bolt-on strategy will become marginal

Lack of suitable targets in current segments

Unlikely expansion into Bioprocess

Recent M&A spree sustained at the expense of NFP

Source: Company Data, Team Elaboration



Main objectives

- Geographical expansion, aiming at increasing international presence
- Cross selling, economies of scale
- Saturation plants
- Acquiring know-how, keeping up innovation
- Broadening product portfolio
- New clients

Focus

- Bolt-on acquisition
- Niche players
- Small-Medium size

Strategic guidelines

- Focus on small-medium companies highly specialized in a technological niche
- Entering in new markets
- Worldwide operation



Revenues Synergies

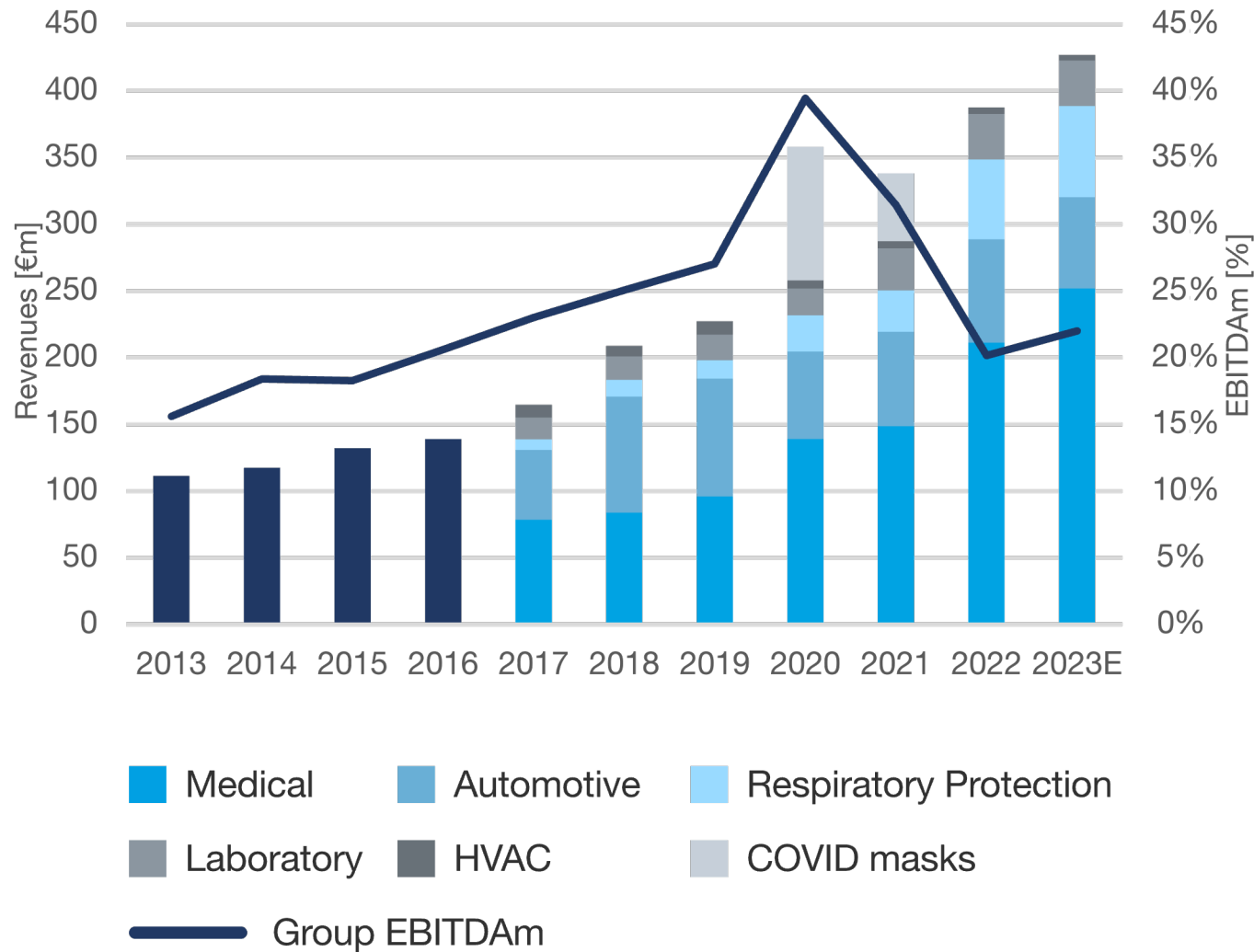
Target	Acq. year	3Y Sales CAGR pre-acq.	Sales CAGR post-acq.	Δ%
RPB	2021	21%	22%	9%
STT	2022	5%	3%	-48%
Haem.	2022	16%	25%	58%

Cost Synergies

Target	Acq. year	EBITDAm at acq.	EBITDAm 2023E	Δ%
RPB	2021	34%	51%	52%
STT	2022	10%	20%	98%
Haem.	2022	20%	21%	6%



Financial



2023E EBITDAm Adj falling back to 2017 levels at 22.4%.

Several factors contribute to this situation:

(i) a decrease in customer orders due to **destocking** following an inventory build-up during COVID.

(ii) a **delay in raising prices** to deal with mounting **inflation**.

(iii) **production inefficiencies linked to recent M&A** and a non-saturated industrial footprint.

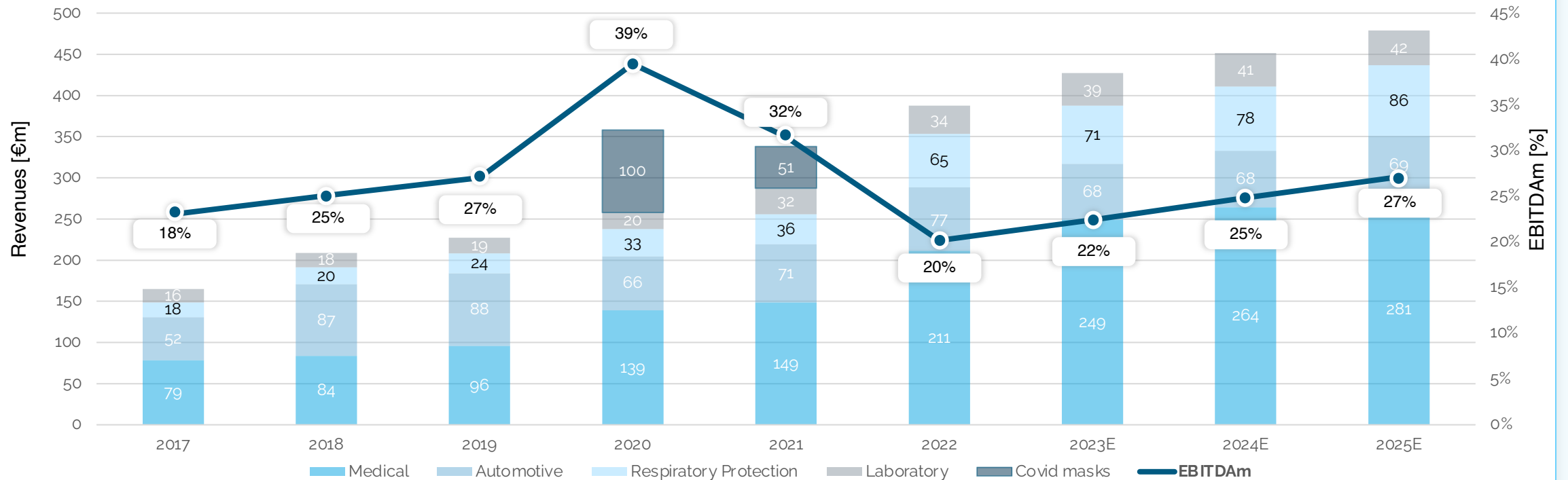
We consider these factors to be temporary

Source: FactSet, Company Data, Team Elaboration

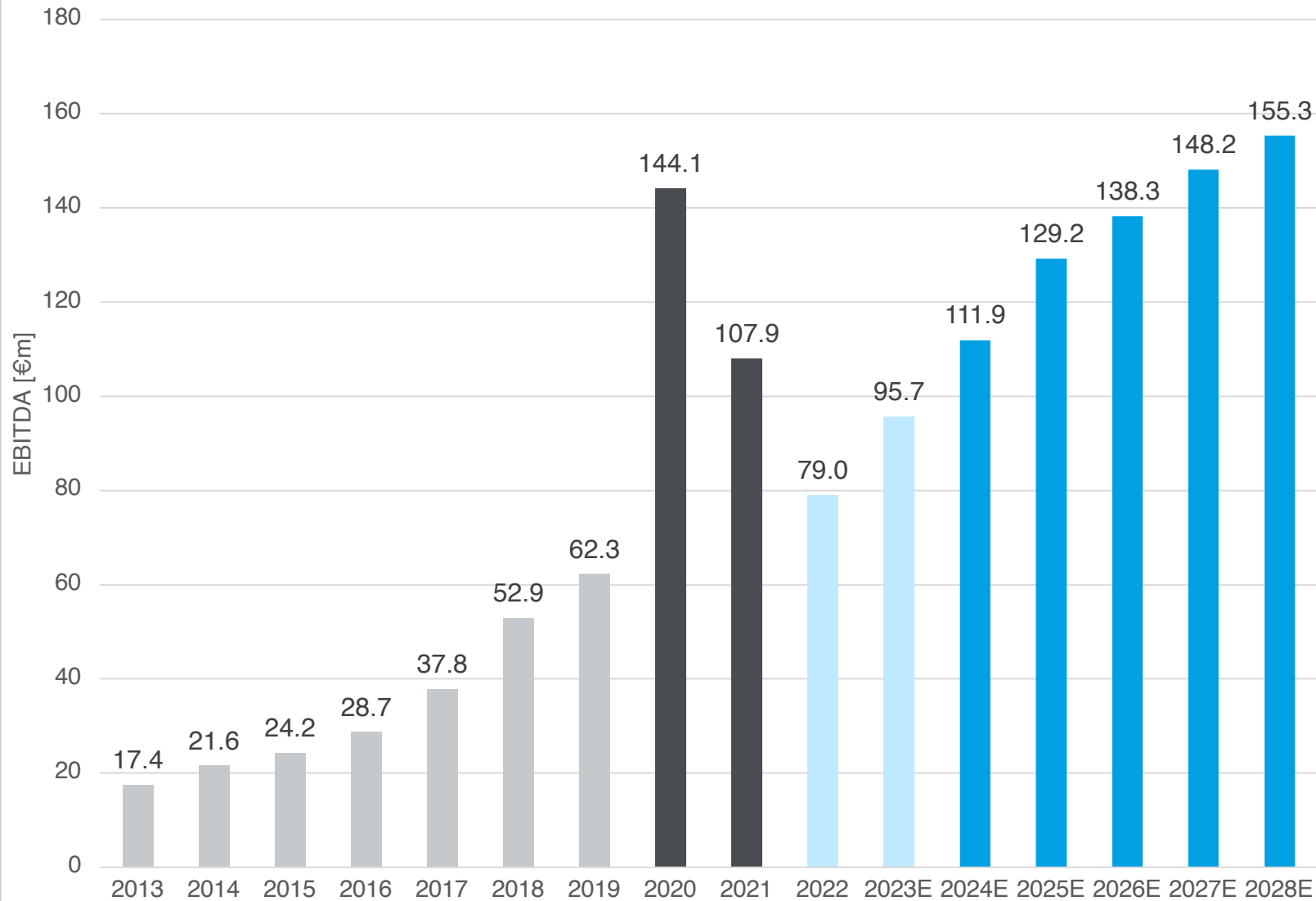
Excellent Historical Performance

Drastic fall in 2022

Expected Short-term Margins Recovery



Source: FactSet, Company Data, Team Estimates



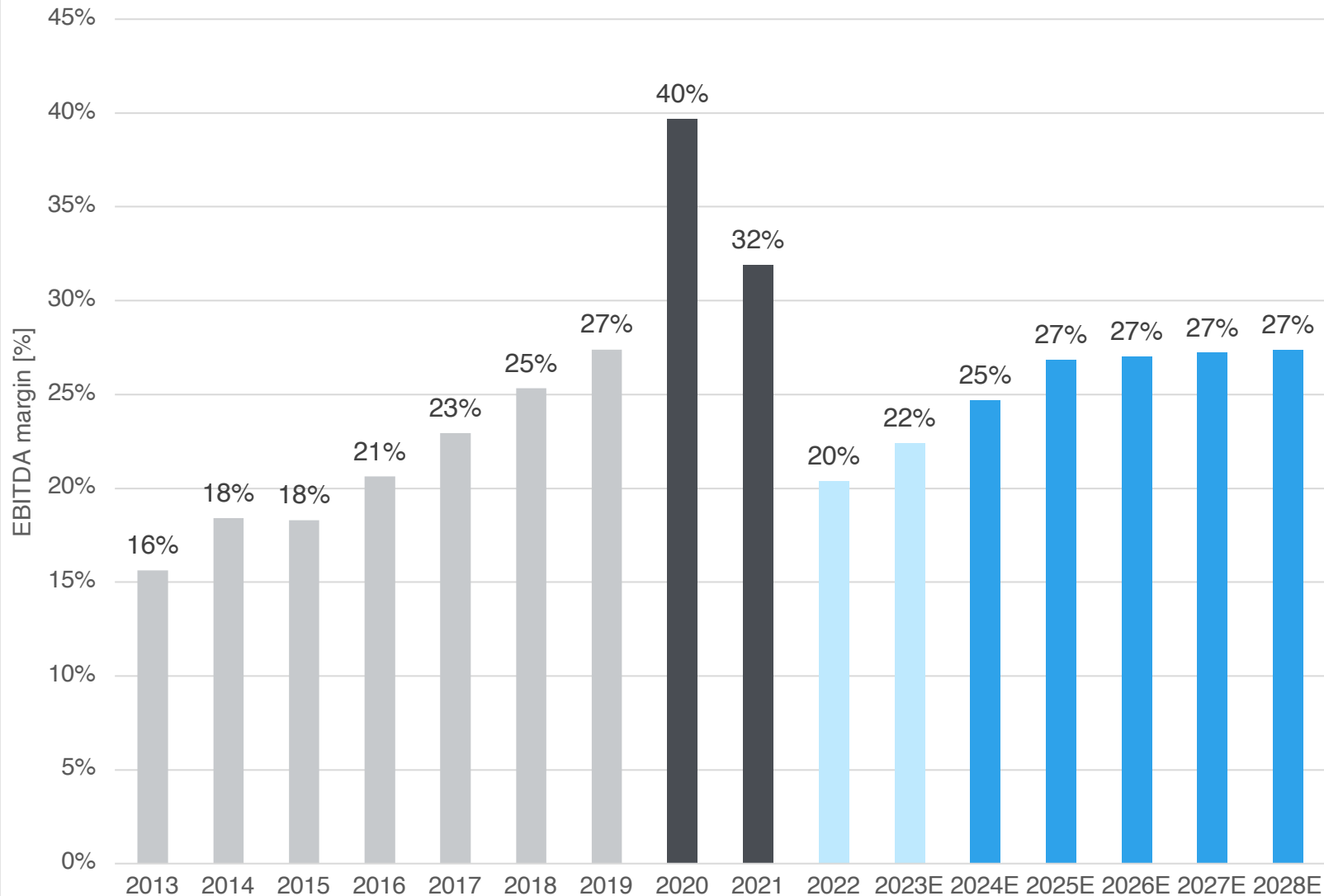
2013-2019: pre-COVID, EBITDA grew with a **double-digit 24% CAGR**.

2020-2021: during the COVID pandemic, EBITDA reached a **peak** which won't be touched again before 2027E.

2022-2023E: inflation, low plant saturation and client destocking reduced EBITDA growth and margins.

2024E-2028E: EBITDA goes back to double-digit growth at **10% CAGR**.

Source: FactSet, Team Estimates



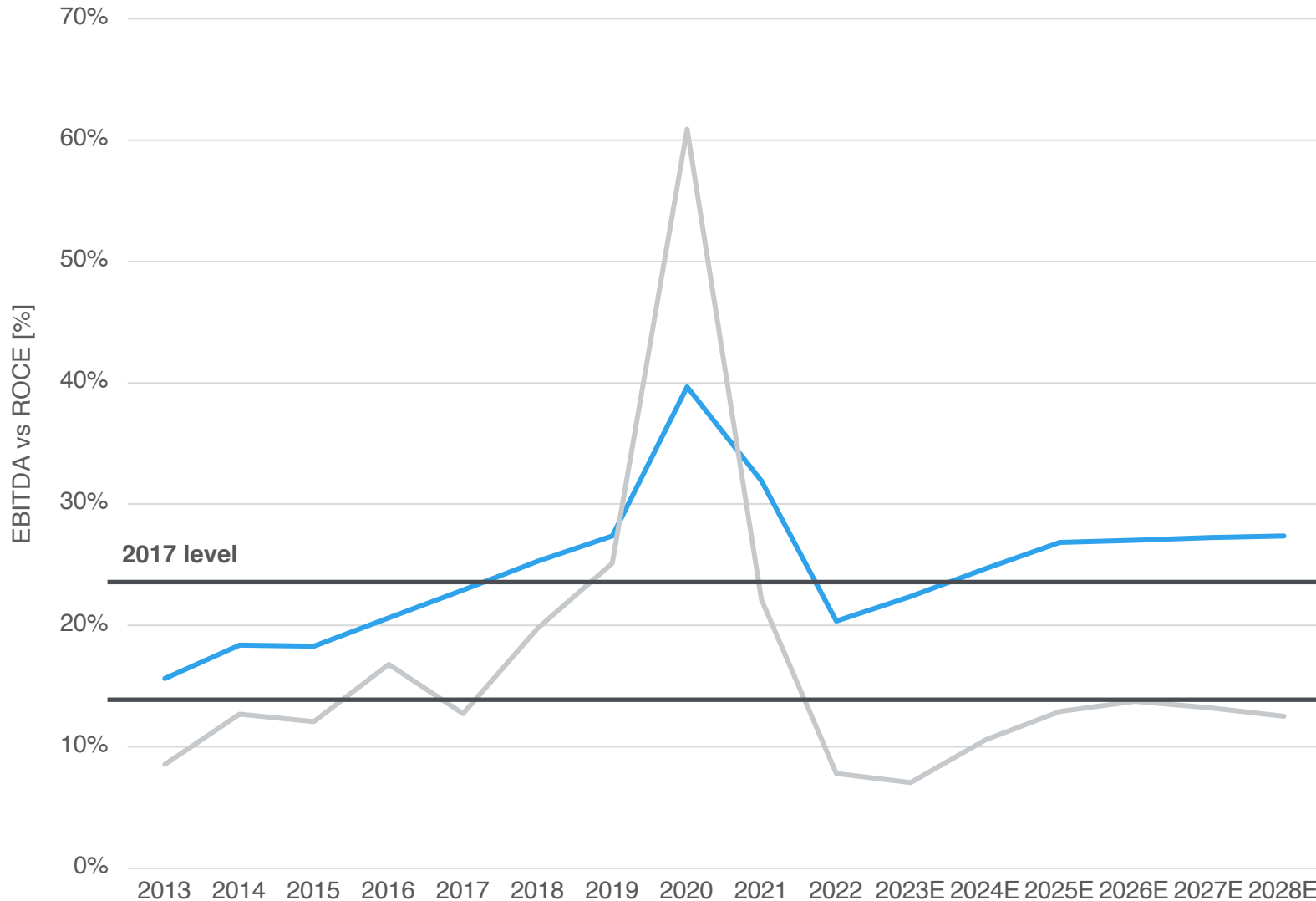
2013-2019: **constant** margins growth, signalling increasing industrial capabilities.

2020-2021: EBITDAm **peaks** during the COVID pandemic, thanks to increased sales of disposable masks and medical filters.

2022-2023E: **inflation, low plant saturation and client destocking** set EBITDAm back to 2016-2017 levels.

2024E-2028E: **EBITDA margins get back to 2019** levels following reduced inflation, restored plant saturation, and finished client destocking. Moreover, shift of mix towards Medical and RP.

Source: FactSet, Team Estimates



Both **EBITDA margin** and **ROCE peaked in 2020**, due to the COVID pandemic and the related sales of disposable masks and medical filters.

Dip in performance in 2022 and 2023, due to **inflation, client destocking** and **low plant saturation**, falling below 2017 levels.

EBITDA margin forecasted to be restored at 27% (2019 level) by 2025.

ROCE will not follow suit, due to a concurrent increase in NFP due to high indebtedness after latest M&As, **remaining below 2017 level**.

■ ROCE
■ EBITDAm

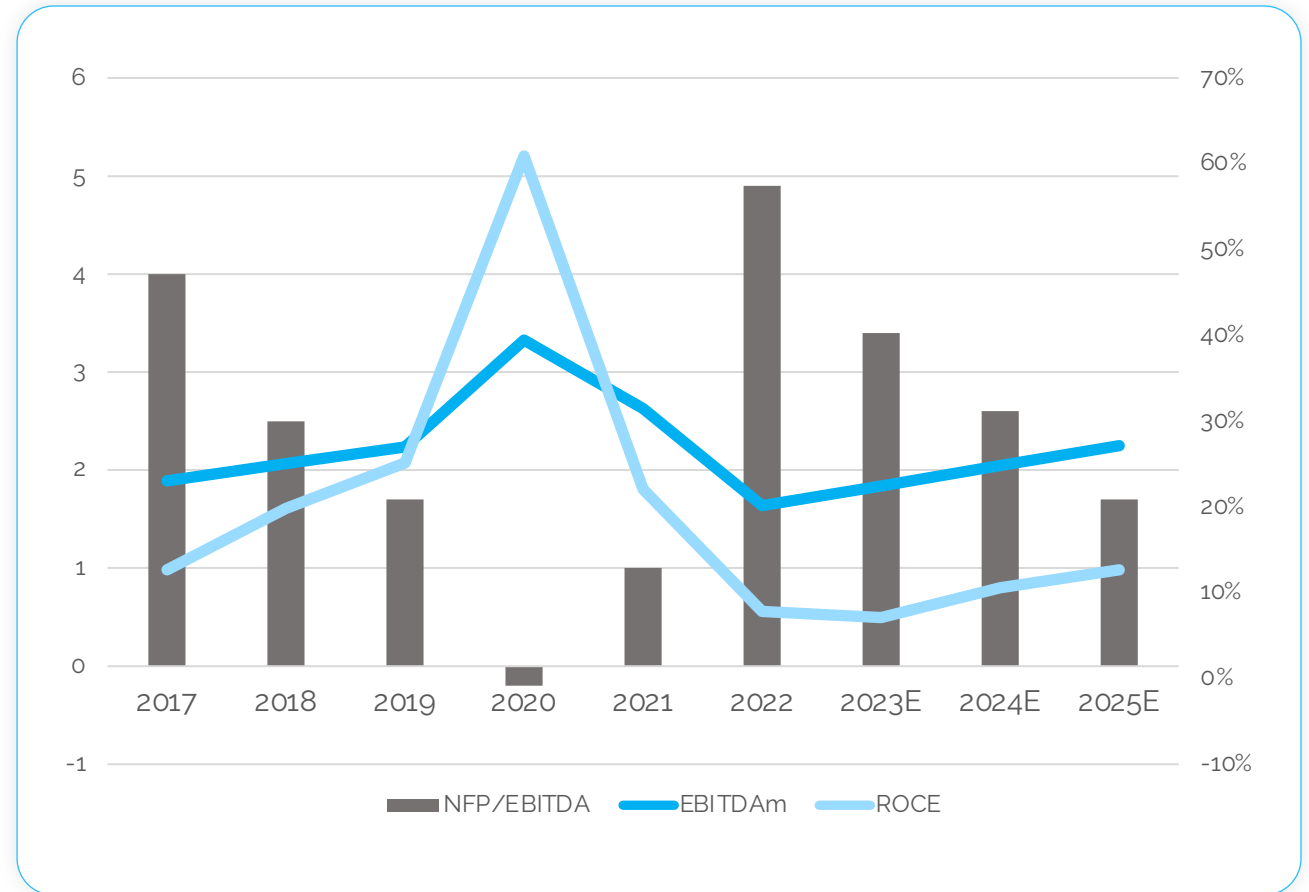
Source: FactSet, Team Estimates



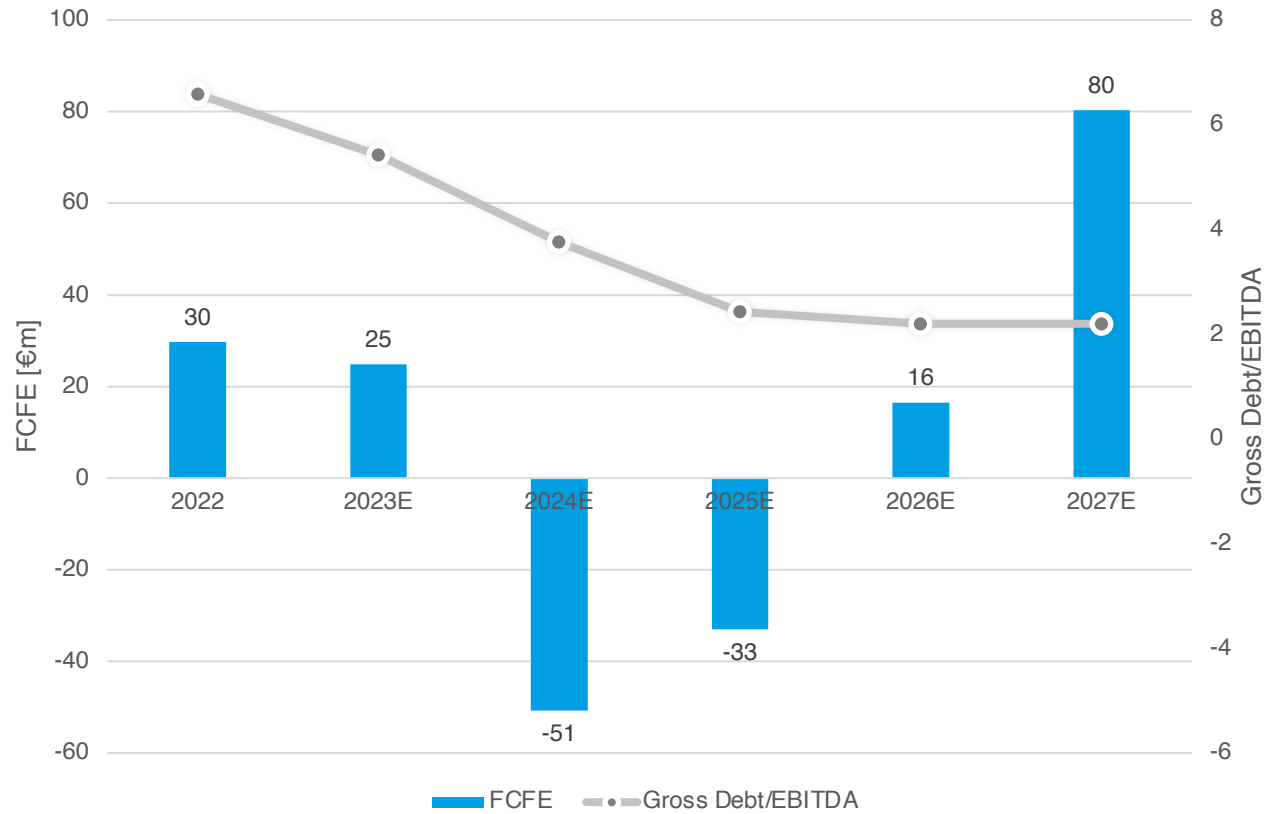
We expected EBITDAm to restore pre-COVID targets

ROCE volatility: debt changes compounded profitability inconsistency

We expect ROCE to stay below its pre-COVID performance



Source: FactSet, Team Estimates



Source: Team Estimates

High indebtedness erodes FCFF

Limited space for mid-term acquisitions and dividends distribution

Cumulative FCFE 2023E-2027E equal to €38m

Source: FactSet, Team Estimates

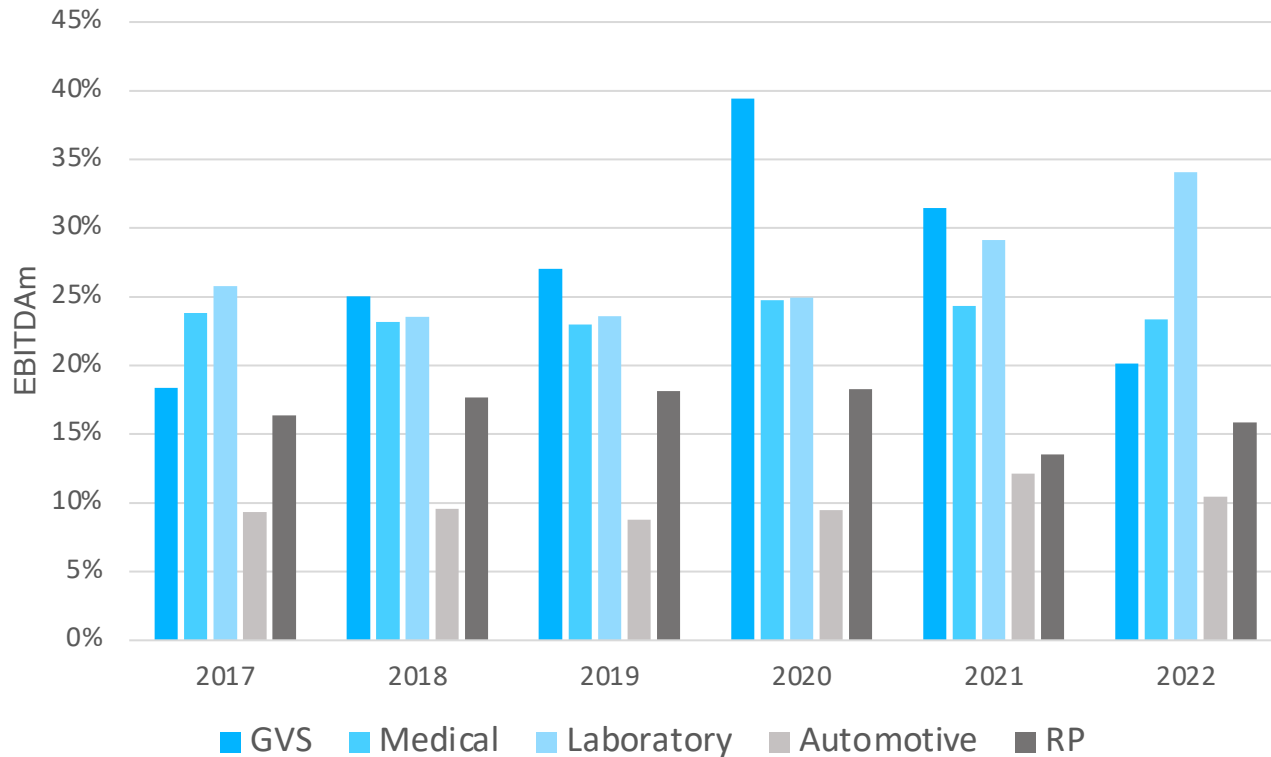


Metric	2022	2021	2020	2019	2018	2017
ROE	7.4%	22.9%	32.2%	35.1%	32.5%	11.1%
NPM	6.2%	20.0%	21.5%	14.5%	11.0%	0.4%
ROA	2.7%	12.8%	27.5%	13.7%	10.4%	6.5%
ROCE	7.8%	22.1%	60.9%	25.1%	19.8%	12.7%
ROIC	3.43%	15.02%	34.89%	17.60%	13.56%	8.12%
ATR	0.38	0.54	0.85	0.73	0.68	0.74
NWC/Revenues	0.35	0.34	0.22	0.25	0.28	0.28
Quick Ratio	0.43	1.94	2.22	1.48	1.39	1.84
Current Ratio	0.63	2.60	2.78	1.94	1.93	2.50
REVENUES/INVENTORIES	3.67	4.74	7.93	7.32	6.41	6.83
DSO	83.62	73.61	59.40	64.10	76.41	78.04
DPO	63.08	28.27	41.80	22.74	41.87	37.75
Short debt coverage ratio	0.16	1.16	4.92	1.30	1.36	0.28
Capex coverage	3.19	2.29	3.49	3.80	3.01	0.06
R&D/Sales	6.0%	6.0%	5.5%	7.8%	8.7%	6.0%
COGS/INVENTORIES	116.40	85.88	75.23	54.29	74.68	71.14

Source: FactSet, Refinitiv, Orbis Team elaboration

2022	Revenues [€m]	EBITDAm	Net Profit margin	NFP/EBITDA	D/E	ROIC	ROE	Cffo/Curr.Fin. Liabilities	Cffo/Capex	Capex/ Revenues [%]	R&D/ Revenues [%]	Current Ratio	Inventory Turnover Ratio
GVS S.p.A	387	20.2%	6.2%	4.9x	1.5x	5.8%	7.7%	0.2	3.2	5.9%	6.0%	0.6	3.7
Medical													
Asahi Kasei	19,346	11.2%	-3.3%	2.7x	0.6x	-4.2%	-5.5%	0.8	1.2	6.4%	3.9%	1.6	3.2
Medtronic Plc	29,999	30.8%	12.0%	2.0x	0.5x	5.0%	7.2%	1.6	4.3	4.6%	8.6%	2.4	2.6
Intersurgical	302	18.5%	11.3%	-	-	11.9%	14.3%	-	-	-	0.4%	5.2	7.9
Borla Industrie	159	25.2%	17.1%	-	-	22.2%	28.1%	-	-	5.6%	-	2.2	5.6
Mean	12,451	21.4%	9.3%	1.6x	0.4x	8.7%	11.0%	1.2	2.8	5.5%	4.3%	2.9	4.8
Median	9,824	21.9%	11.6%	2.0x	0.5x	8.4%	10.8%	1.2	2.8	5.6%	3.9%	2.3	4.4
Laboratory													
Danaher	22,097	34.9%	22.9%	1.2x	0.4x	10.4%	15.1%	13.5	9.8	3.7%	5.5%	1.9	4.5
Porvair plc	202	13.6%	8.5%	-0.7x	0.1x	11.1%	12.3%	0.5	3.1	2.8%	2.0%	2.2	4.1
Sartorius AG	3,395	33.8%	16.2%	1.3x	1.3x	19.4%	41.7%	1.7	2.0	13.1%	4.3%	1.1	1.9
Merk Millipore	55,581	38.4%	24.5%	0.8x	0.7x	20.5%	31.6%	3.5	0.5	14.8%	19.9%	1.5	10.0
Mean	20,319	30.2%	18.0%	0.6x	0.6x	15.4%	25.2%	4.8	3.8	8.6%	7.9%	1.7	5.1
Median	12,746	34.3%	19.6%	1.0x	0.5x	15.3%	23.4%	2.6	2.5	8.4%	4.9%	1.7	4.3
Automotive													
Cummins Inc.	31,509	14.0%	7.7%	1.3x	0.9x	16.4%	24.7%	3.4	1.8	3.3%	4.6%	1.3	4.5
Donaldson. Inc.	3,259	16.7%	10.1%	0.8x	0.6x	19.4%	29.3%	2.2	3.0	2.6%	2.1%	2.2	4.9
Mann + Hummel	4,826	8.2%	-0.2%	4.8x	-	9.8%	11.9%	0.5	1.2	5.0%	-	1.3	6.7
Parker-Hannifin	18,234	19.5%	8.3%	3.1x	1.3x	7.8%	15.3%	1.3	9.0	1.5%	1.2%	2.1	5.3
Sogefi SPA	1,552	-	1.9%	1.5x	1.9x	5.3%	14.1%	1.9	1.3	6.4%	1.7%	0.9	10.7
Mean	11,876	14.6%	5.5%	2.3x	1.2x	11.7%	19.1%	1.9	3.3	3.7%	2.4%	1.6	6.4
Median	4,826	15.3%	7.7%	1.5x	1.1x	9.8%	15.3%	1.9	1.8	3.3%	1.9%	1.3	5.3
Respiratory Protection													
3M	30,229	26.2%	16.9%	1.4x	1.1x	18.9%	38.8%	2.2	3.8	5.1%	5.4%	1.5	3.9
Avon Protection PLC	228	9.2%	2.2%	2.5x	0.4x	2.0%	2.6%	-	4.2	3.3%	2.1%	2.3	2.9
Draegerwerk AG	3,045	2.0%	-2.1%	7.5x	0.3x	-4.2%	-5.0%	4.6	4.8	2.6%	11.0%	1.6	2.8
Honeywell International Inc.	33,911	23.6%	14.0%	1.1x	1.2x	15.0%	28.2%	3.0	6.6	2.2%	4.2%	1.3	4.3
MSA Safety. Inc.	1,453.8	22.4%	11.8%	-	0.7	12.0%	20.4%	19.9	3.6	2.8%	3.7%	2.5	2.9
Mean	13,773.6	16.7%	8.5%	3.1	0.7	8.7%	17.0%	7.4	4.6	3.2%	5.3%	1.8	3.3
Median	3,045.2	22.4%	11.8%	1.9	0.7	12.0%	20.4%	3.8	4.2	2.8%	4.2%	1.6	2.9

Source: FactSet, Refinitiv, Orbis Team elaboration

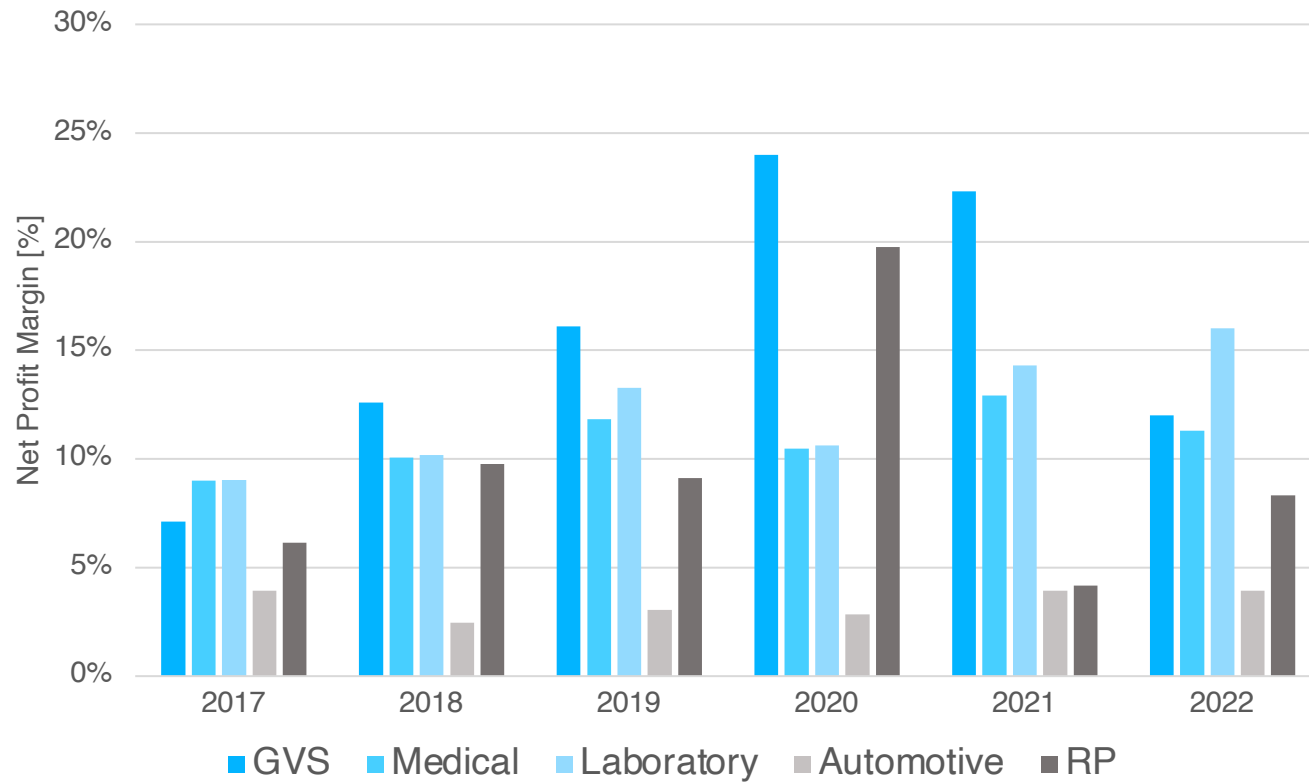


+
GVS outperforms Automotive and
 Respiratory Protection **peers**

-
Margins align to the Medical segment
(excluding 2020-2021)

-
 ...and in 2022 **Laboratory peers**
outpaced GVS (34.1% vs 20.4%)

Source: FactSet, Refinitiv, Orbis Team elaboration



GVS **outperformed** almost any segment

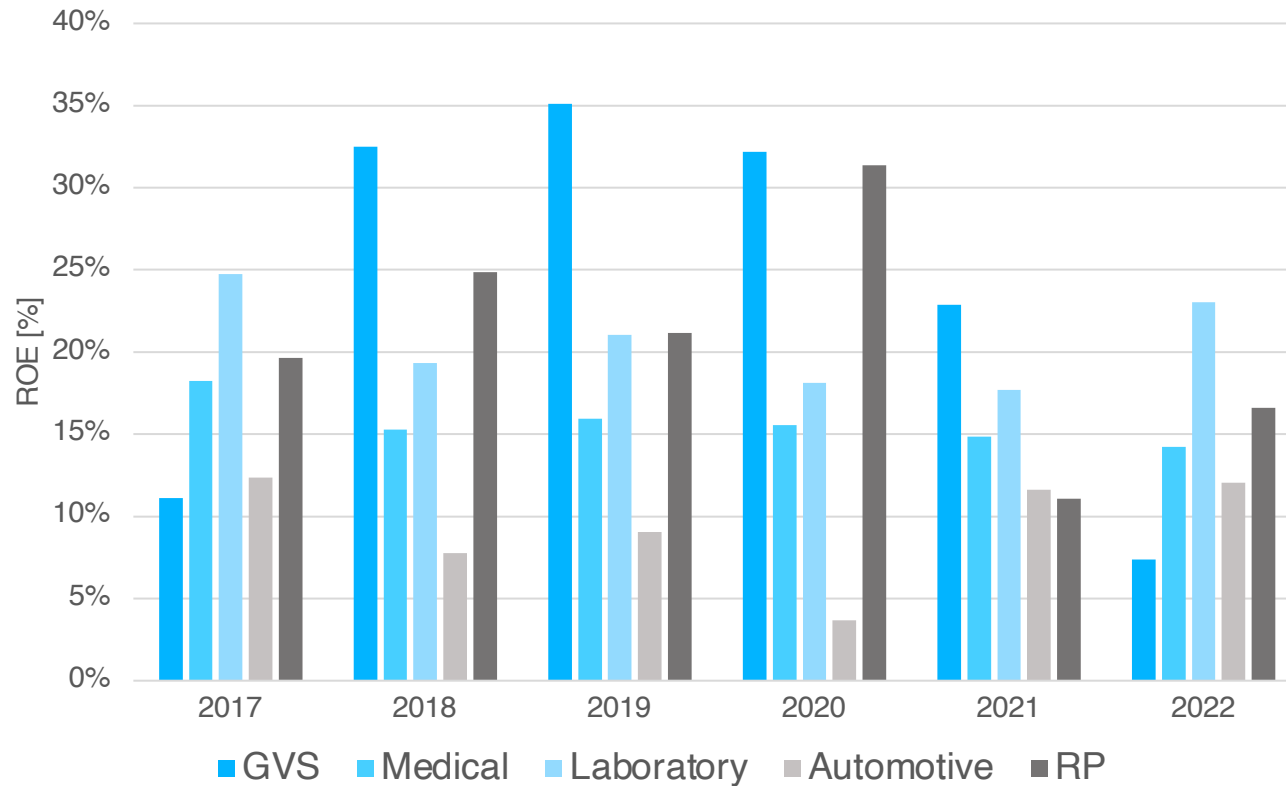


2020-2021 were extraordinary thanks to **disposable masks** production



Laboratory peers are growing, while GVS is **suffering a post COVID decline**

Source: FactSet, Refinitiv, Orbis Team elaboration



GVS outperforms its competitors. regardless the market segment

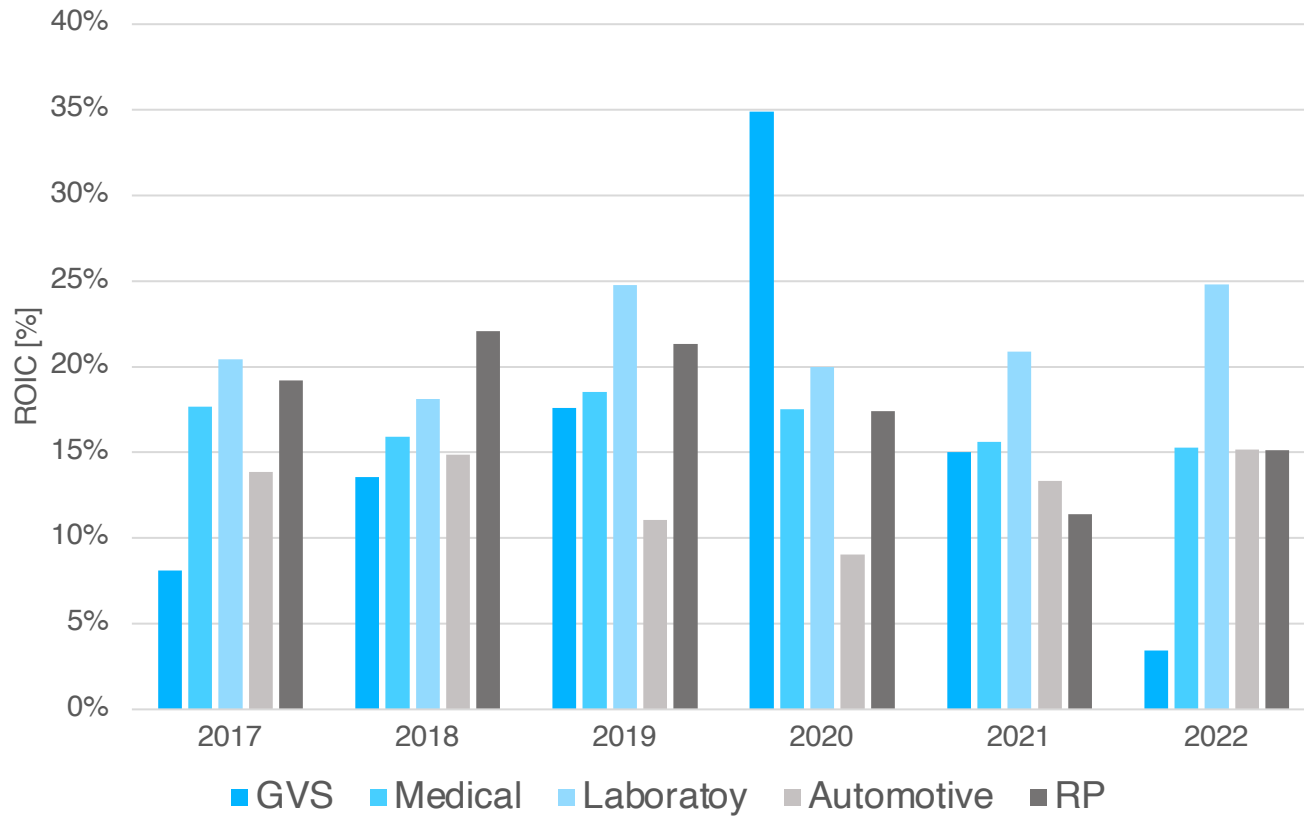


From 2019. decline in the return for the investors



2022 represents the lowest point, which feeds doubts for the future

Source: FactSet, Refinitiv, Orbis Team elaboration



In 2020, GVS outperformed its peers due to +€100m COVID related sales

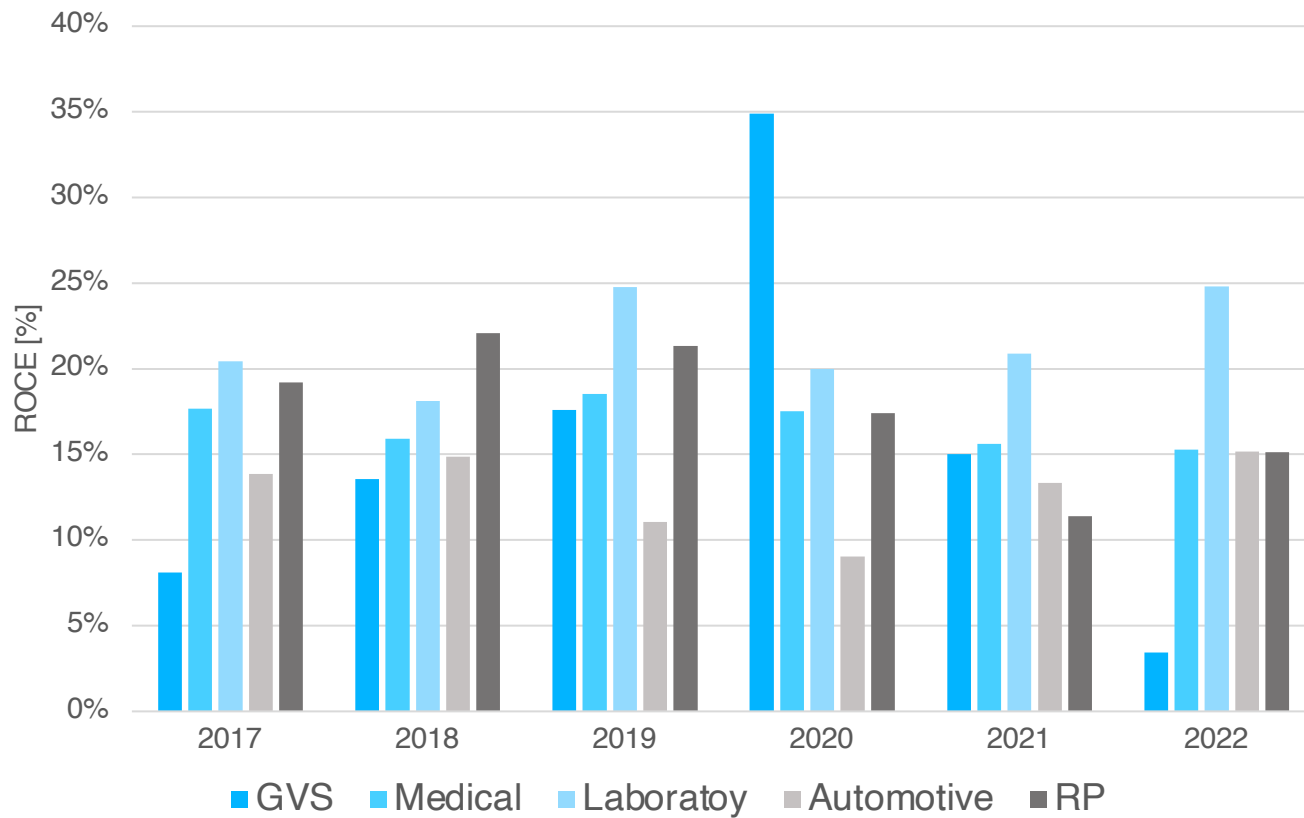


Excluding 2020, GVS is overcame by Medical and Laboratory competitors



In 2022 GVS experienced a drastic drop, due low EBIT and high debt

Source: FactSet, Refinitiv, Orbis Team elaboration



In 2020, GVS outperformed its peers due to +€100m COVID related sales

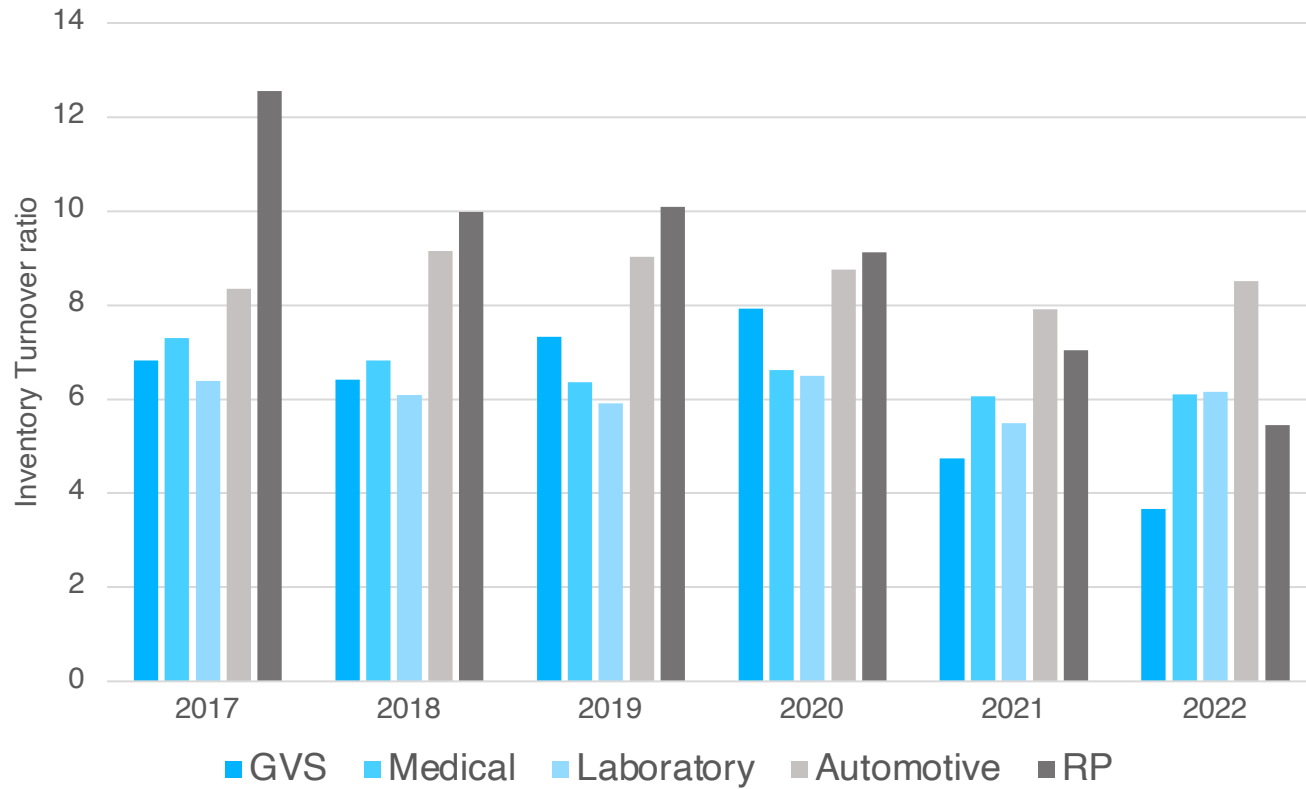


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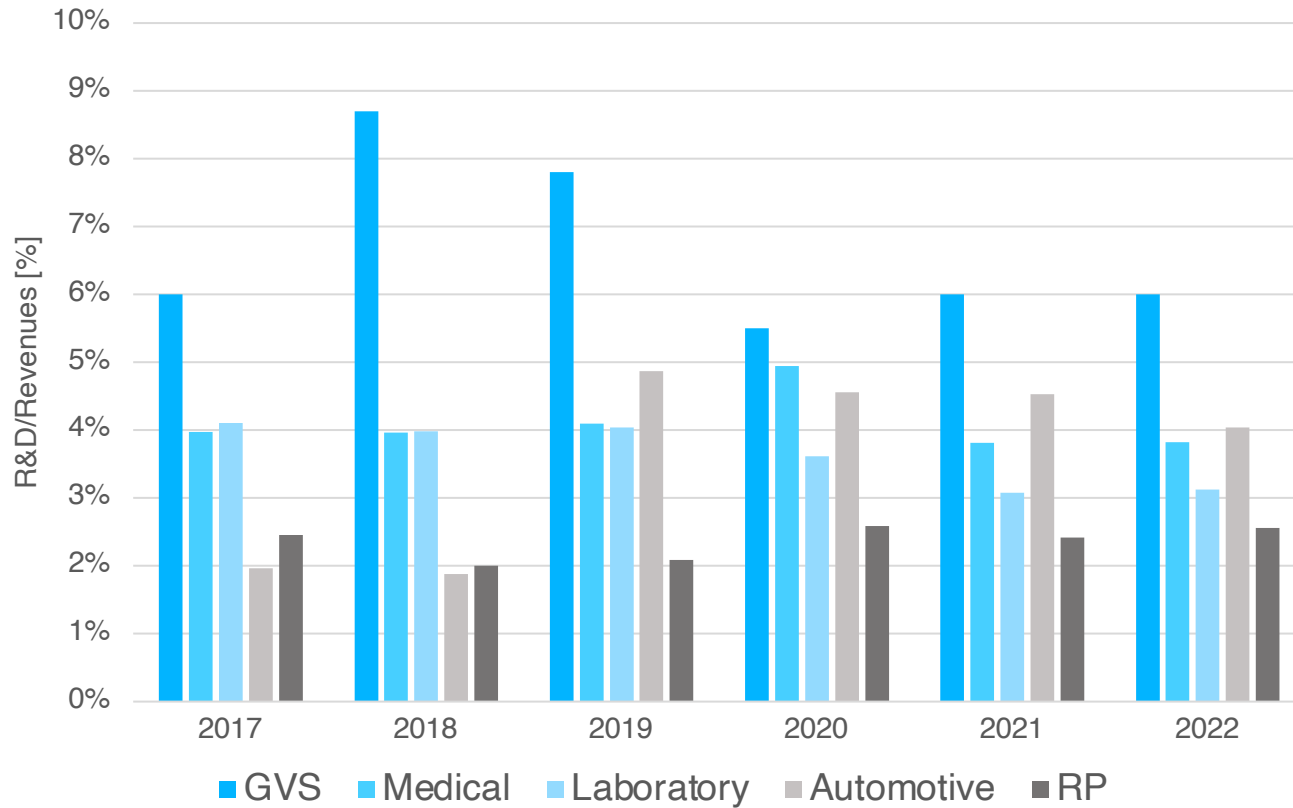
Source: FactSet, Refinitiv, Orbis Team elaboration



2022 result was influenced by clients' destocking

GVS's peers are faster to convert inventories into sales

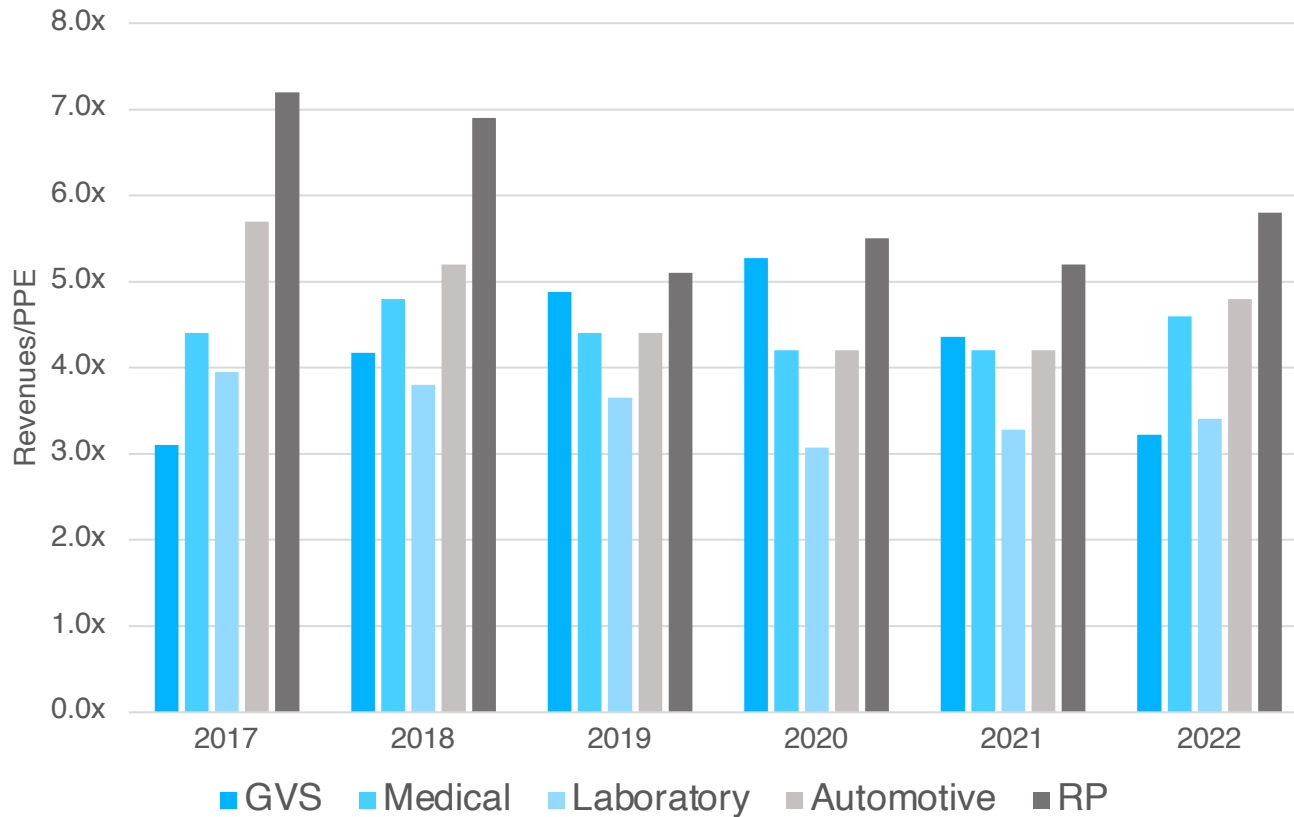
Source: FactSet, Refinitiv, Orbis Team elaboration



+
GVS commitment in developing new products is remarked by its R&D

-
Decline respect to pre-COVID ratio

Source: FactSet, Refinitiv, Orbis Team elaboration



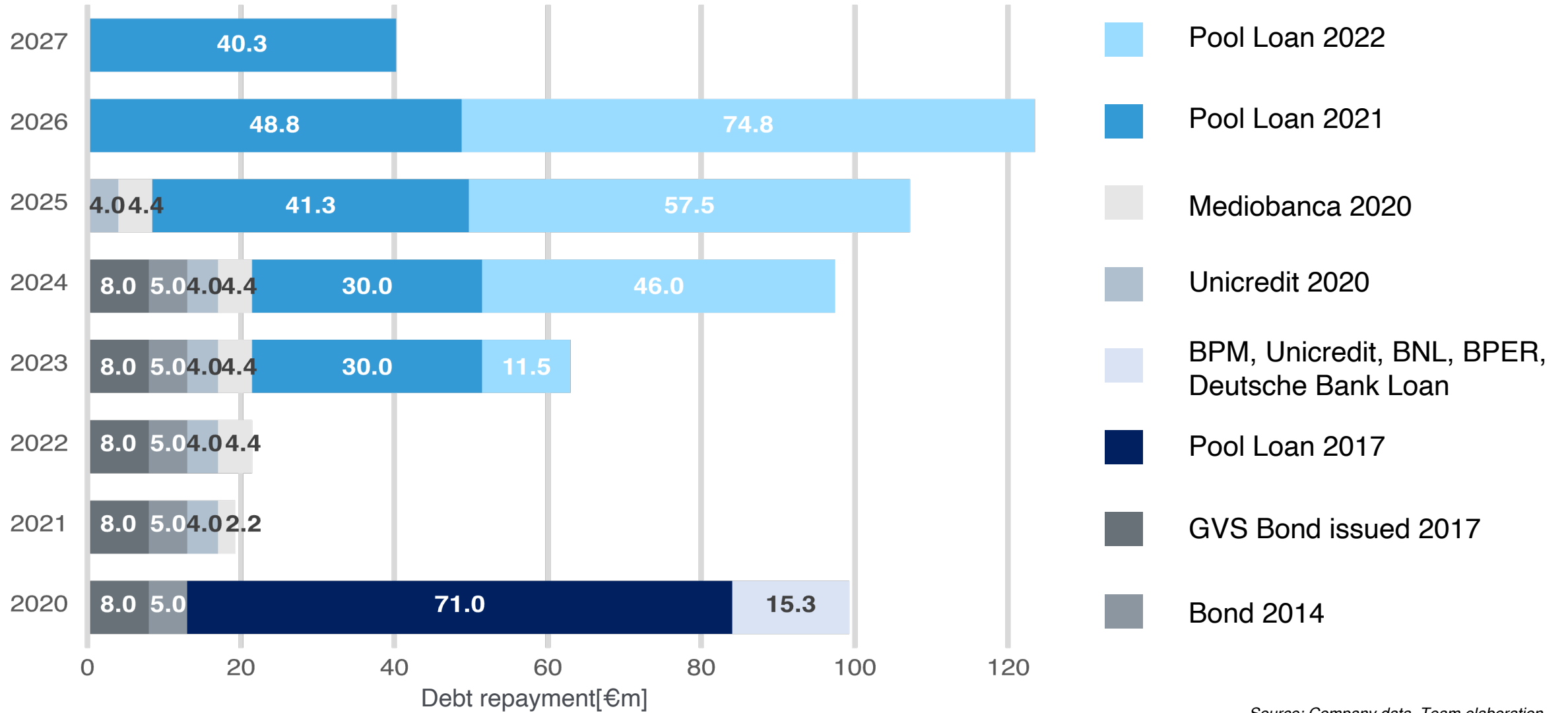
Peers earn more revenues than GVS with the comparable fixed asset*

**Each analysed peer produce internally, limiting the outsourcing*

GVS plant utilization rate is roughly 70%.

Source: FactSet, Refinitiv, Orbis, Team elaboration

Financial Debt repayment



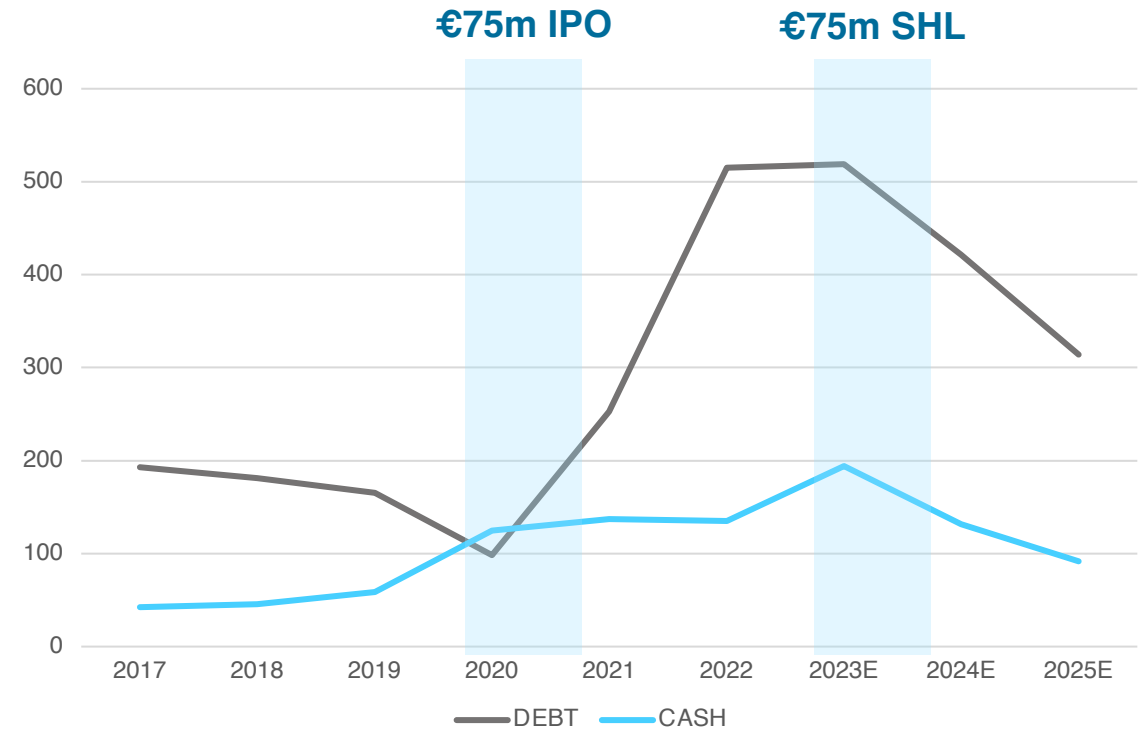
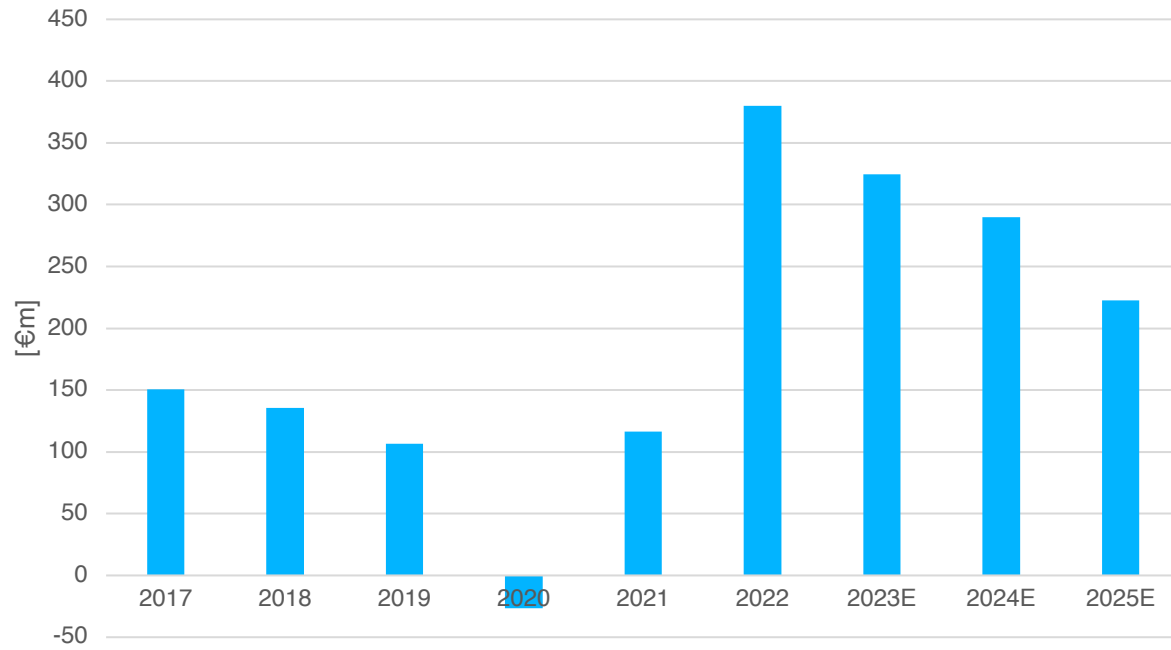
Source: Company data, Team elaboration



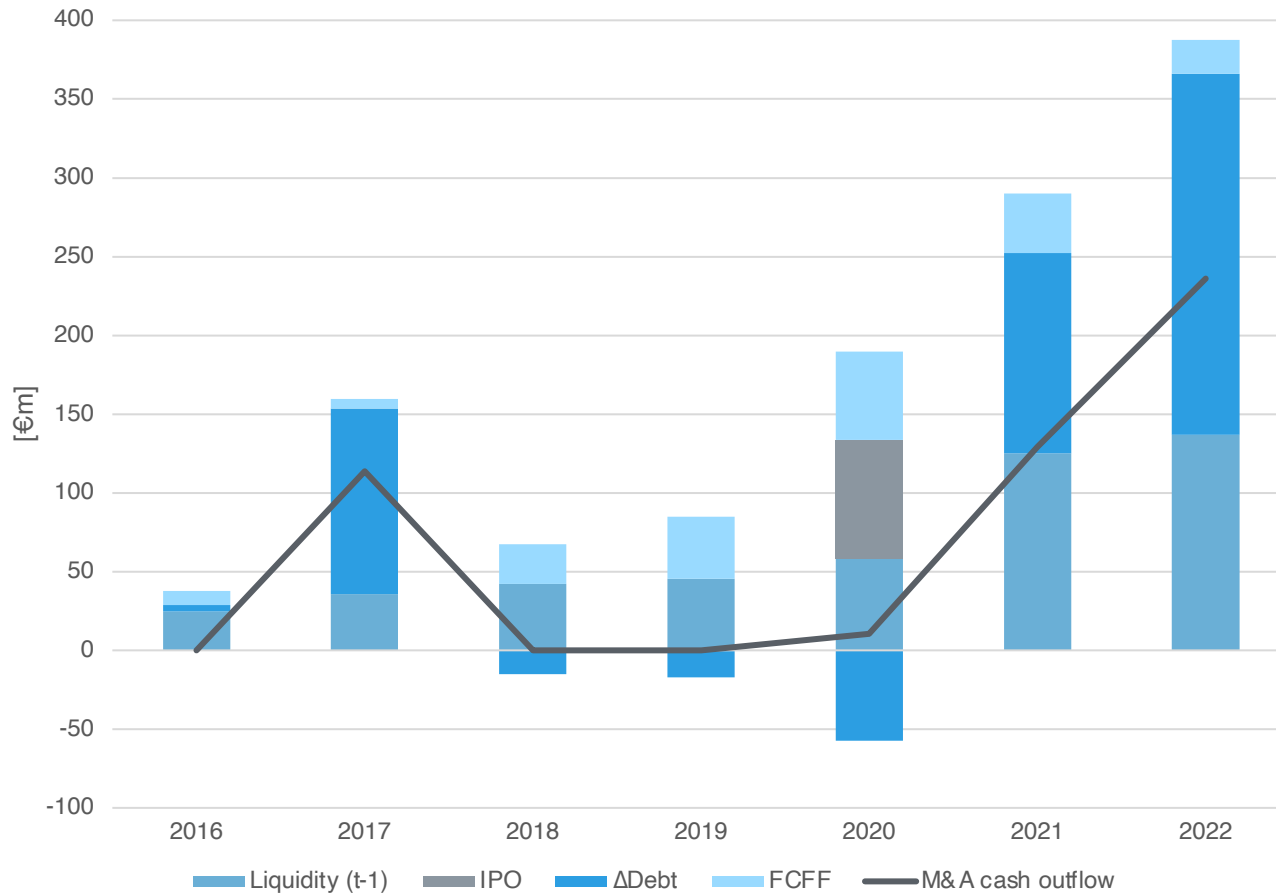
Loan	[€m]	Lender	Strategic acquisition	NFP/EBITDA (year of the acquisition)
Pool Loan 2017	90	Mediobanca, Unicredit, BNL	KUSS	4.0x
Pool Loan 2021	150	Mediobanca, Banca di credito, Crédit Agricole, Unicredit	RPB	1.1x
Pool Loan 2022	230	Mediobanca, Unicredit	Heamotronic	4.9x

Source: Company data, Team Elaboration

Adjusted Net Financial Position



Source: Company data, Team elaboration

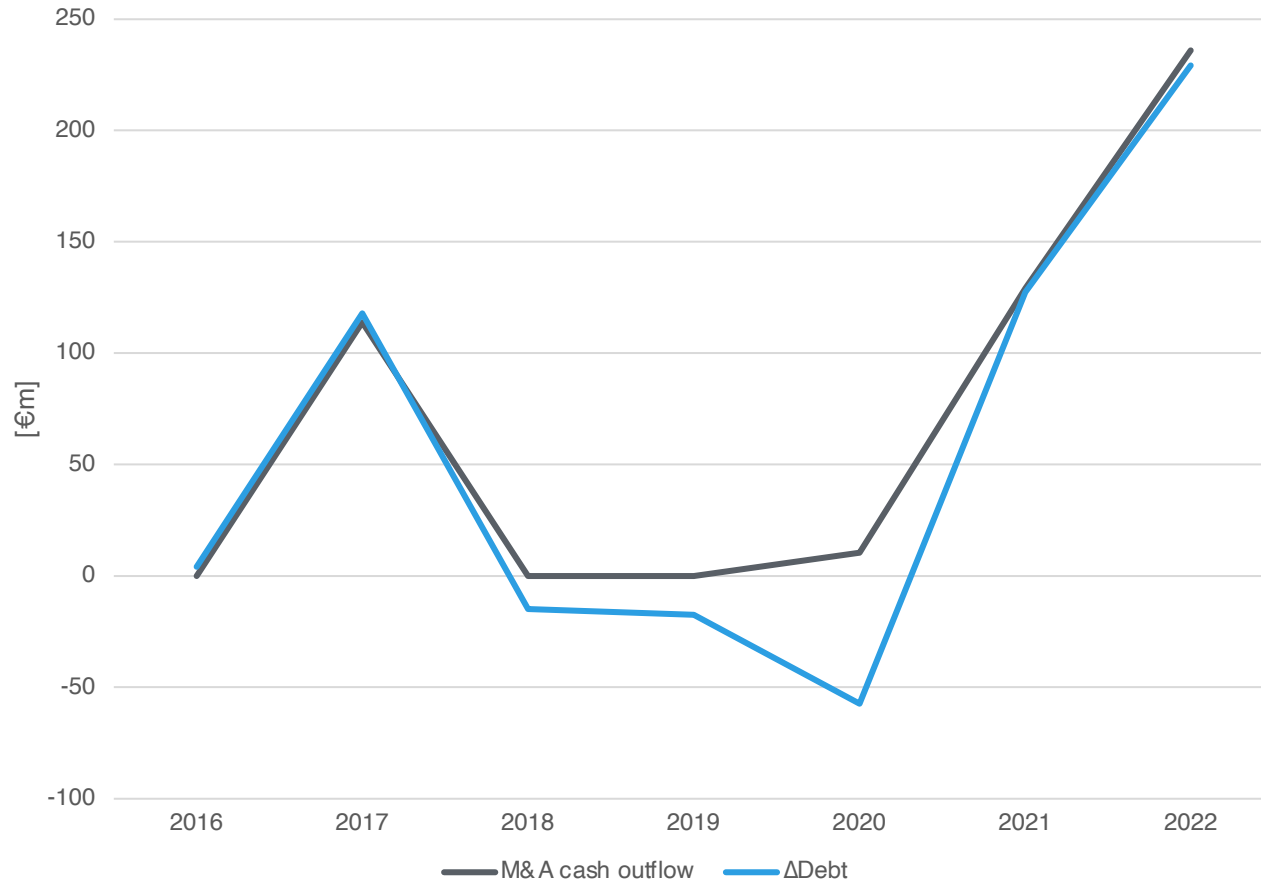


+
Debt as main financing tool for inorganic growth

-
Despite the fall culminate in 2023E, it is 3x the 2017 value (0.21 vs 0.07)

-
The recovery still insufficient to restore 2020-2021 best performance

Source: Company Data, Team elaboration



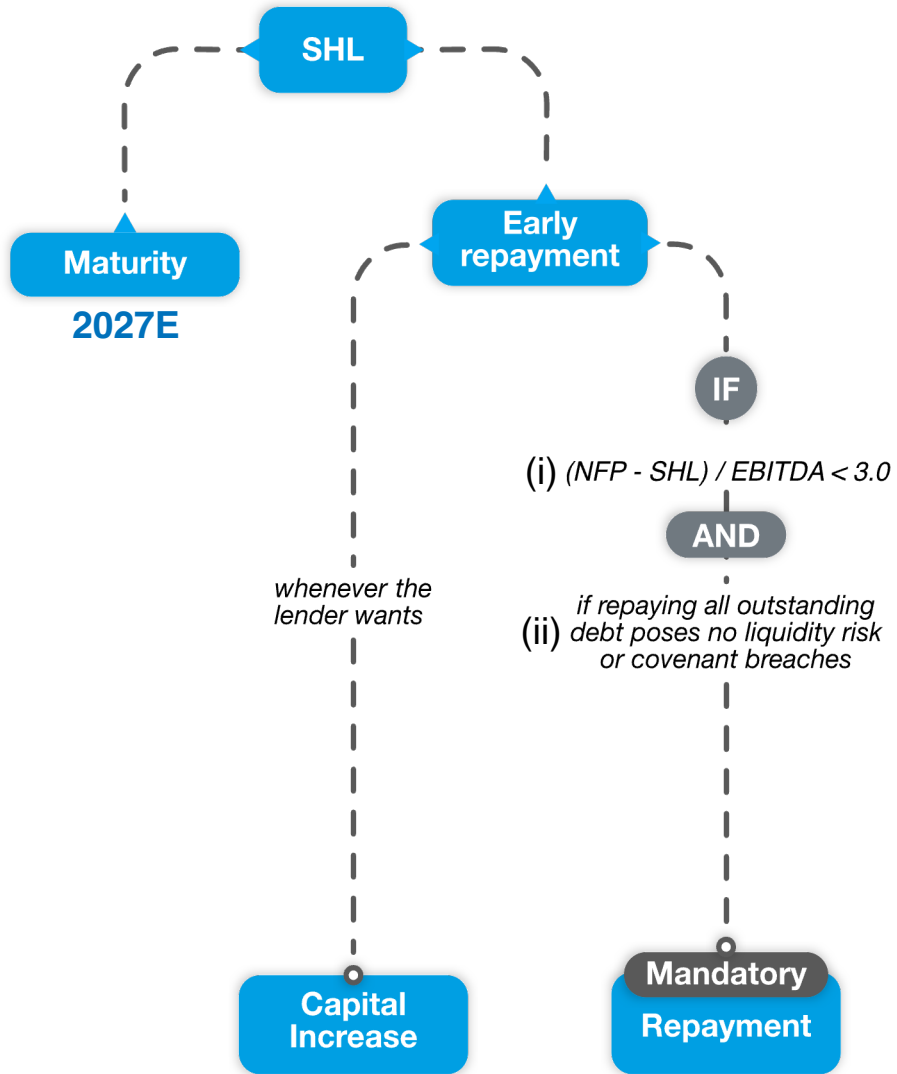
+
Debt financing is by far the preferred option to fuel M&A

+
From 2016 to 2022 GVS successfully completed 7 acquisitions

-
GVS acquired +€200m paying c.a. €600m

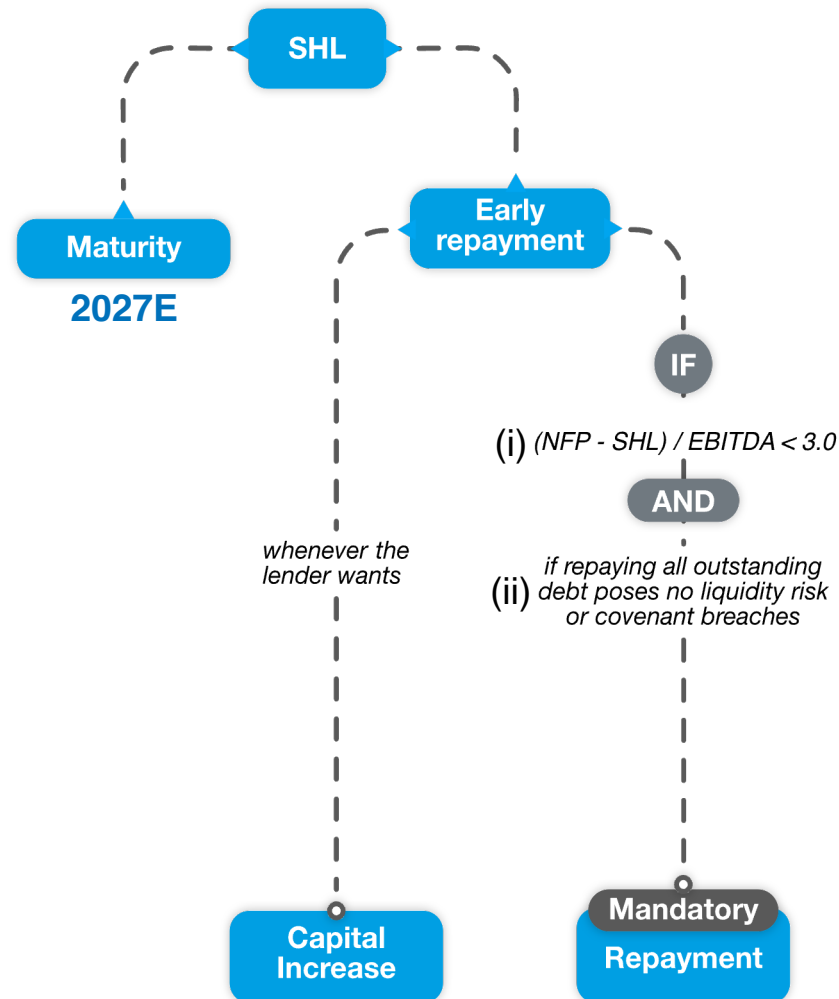
Source: Company Data, Team elaboration

Shareholder loan (SHL) – Early Repayment



	Cash (post SHL repayment)	Debt repayment	CAPEX
2024E early repayment is unfeasible: violates (ii)	57m	97m	32m
2024E early repayment is unfeasible: violates (ii)	16m	107m	34m
2026E early repayment is unfeasible with no debt	-48m	124m	34m

Source: Team elaboration



Early repayment

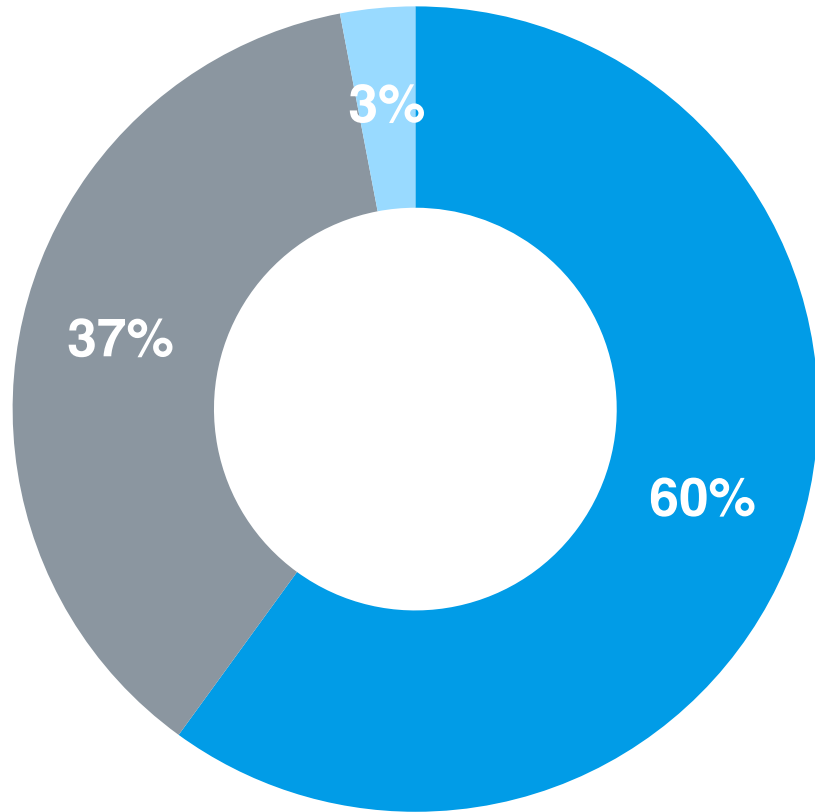
The Parties have agreed that if there is an increase in the capital of the Borrower and the Lender decides to subscribe such amount, the Lender shall be entitled to (and the Company shall be obliged to) offset the capital receivable arising from the Shareholders' Loan against the corresponding amount owed by the same to GVS as a result of subscribing of the aforesaid capital increase.

Furthermore, pursuant to the Shareholders' Loan, the occurrence of each of the following circumstances:

- (a) full repayment of the Existing Indebtedness prior to the respective repayment dates;
- (b) subsequent to 30 June 2024, the ratio of Total Consolidated Net Debt (calculated pursuant to the Loan Agreements on a pro forma basis assuming full repayment of the Shareholders' Loan) to Consolidated EBITDA (calculated pursuant to the Loan Agreements) does not exceed, as of the relevant date of verification, the ratio of 3 (the “**Early Repayment Ratio**”);

will result in GVS's obligation to repay the Shareholders' Loan in full (plus any interest) with a notice period of 60 and 180 business days, respectively, provided that:

- i. no early repayment under (a) may be triggered by the Lender unless the Company has confirmed (x) that it has cash or other resources readily available to meet its obligations for a period of at least 12 months assuming repayment of the Shareholders' Loan; and (y) that such repayment does not constitute a breach of any provision under any indebtedness owed by the Borrower (as applicable *pro tempore*);
- ii. no early repayment under (b) may be triggered by the Lender unless the Company has confirmed (A) that, on the basis of the available information relating to the economic and financial situation, there is no reason to believe that it will not be able to comply with the Covenants for two review dates following repayment and (B) (x) that it has cash or other resources readily available to meet its obligations for a period of at least 12 months assuming repayment of the Shareholders' Loan (y) that such repayment does not constitute a breach of any provision under any indebtedness owed by the Borrower (as applicable *pro tempore*).



■ Insider Ownership ■ Free float ■ 7-Industries Holding

Capital Increase

€125m

*€75m for SHL
€50m to not dilute minority shareholders*

New WACC

6.56%

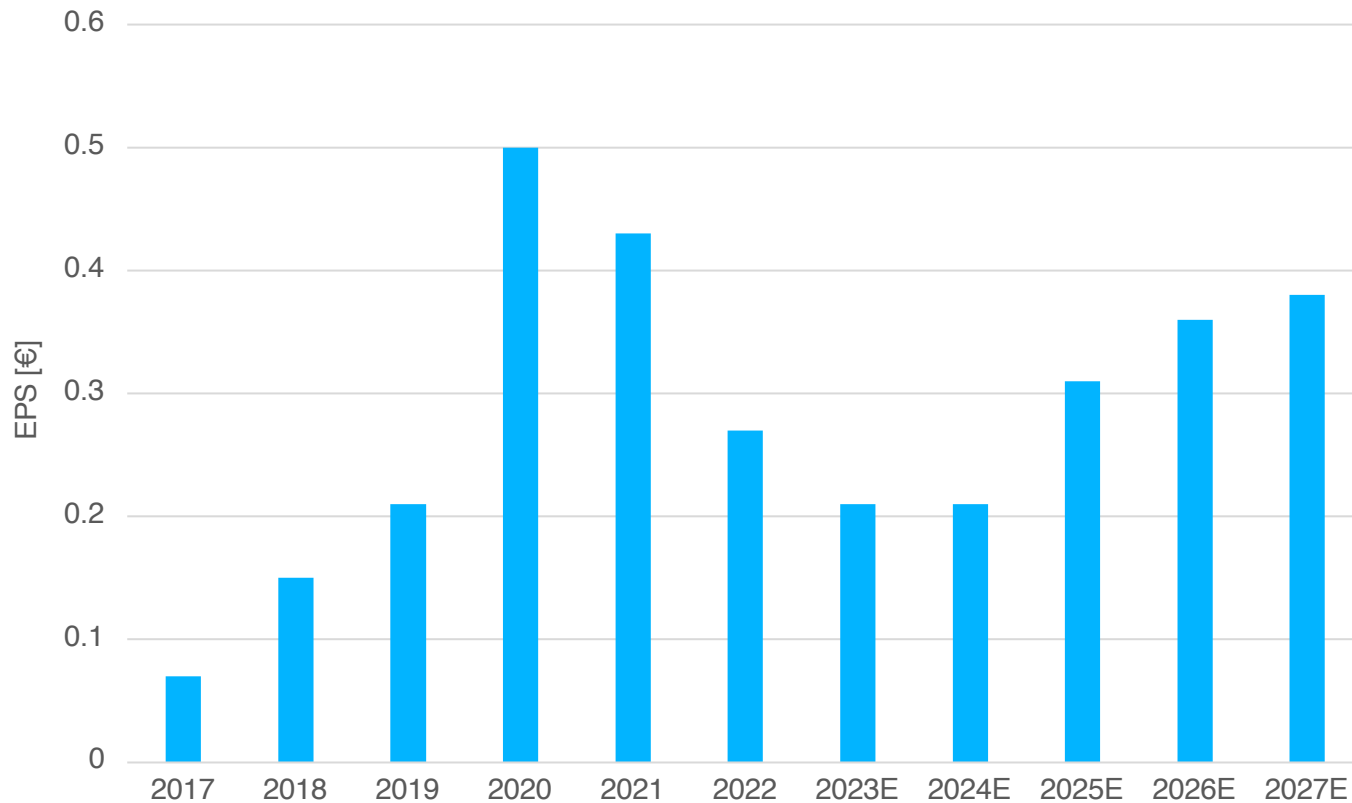
New TP

€6.01

Assuming an issue of share at the current price (€6.12)

Source: Company Data, Team elaboration

Earnings per share (EPS)



We expect an upward trend from 2023E



Despite the fall culminate in 2023E, it is 3x the 2017 value (0.21 vs 0.07)



The recovery still insufficient to restore 2020-2021 best performance

Source: Company Data, Team Estimates



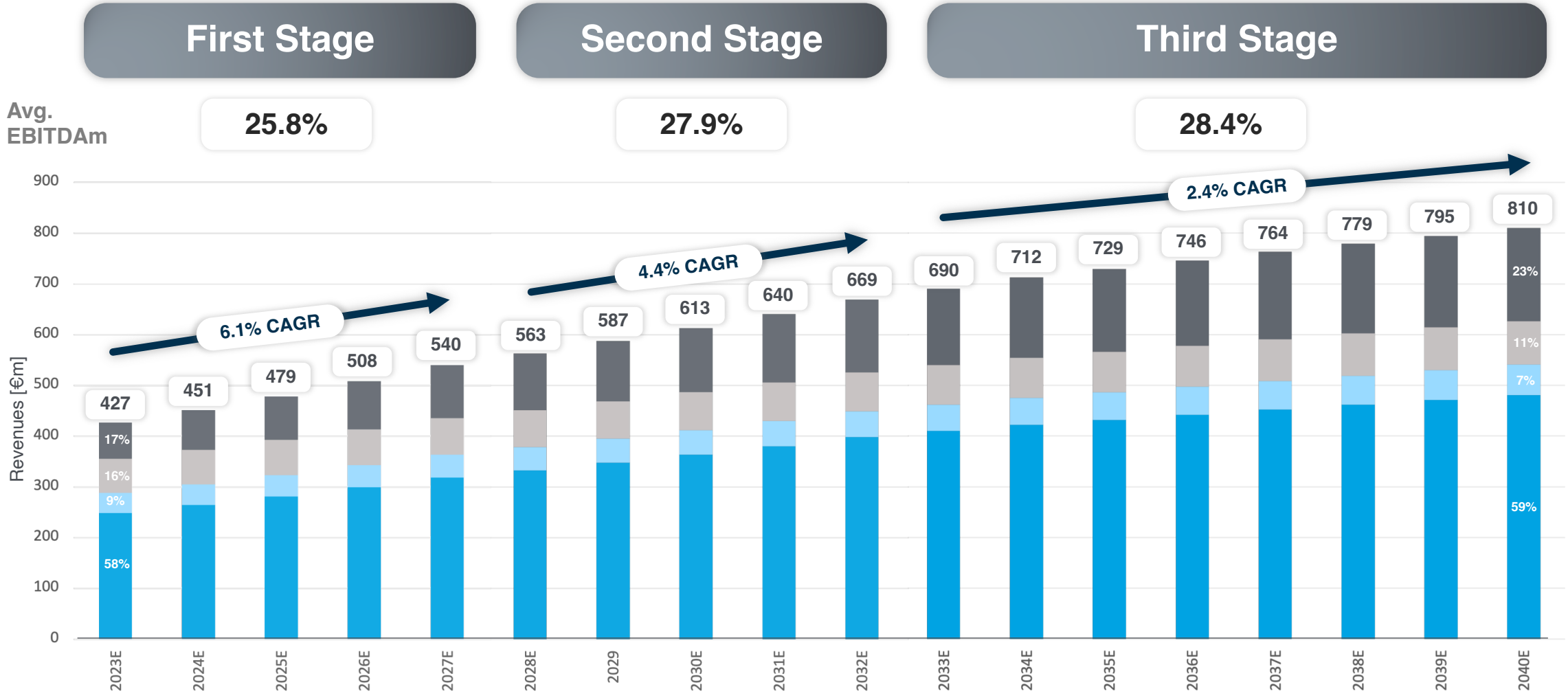
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Revenues [€m]	111.3	117.4	132.2	139.1	205.8	208.9	227.4	363.3	338.1	387.6	427.2	451.5	478.7	508.3	540.3
Inventories [€m]	16.1	17.9	20.6	21.8	30.1	33.0	31.5	46.0	72.4	106.9	117.8	96.6	79.9	84.8	90.2
<i>Margin [%]</i>	14.5%	15.2%	15.6%	15.7%	14.6%	15.8%	13.8%	12.7%	21.4%	27.6%	27.6%	21.4%	16.7%	16.7%	16.7%
Receivables [€m]	27.0	26.3	29.5	30.6	44.0	44.3	40.5	59.4	69.2	89.8	80.7	94.5	100.2	106.4	113.1
<i>Margin [%]</i>	24.3%	22.4%	22.3%	22.0%	21.4%	21.2%	17.8%	16.4%	20.5%	23.2%	18.9%	20.9%	20.9%	20.9%	20.9%
Payables [€m]	10.9	10.9	11.0	9.1	16.0	18.5	13.2	25.6	23.8	57.9	45.7	39.4	41.8	44.4	47.2
<i>Margin [%]</i>	9.8%	9.3%	8.3%	6.5%	7.8%	8.8%	5.8%	7.0%	7.0%	14.9%	10.7%	8.7%	8.7%	8.7%	8.7%
NOWC [€m]	32.2	33.3	39.1	43.3	58.1	58.7	58.8	79.9	117.7	138.8	152.9	151.7	138.3	146.8	156.1
<i>Margin [%]</i>	29.0%	28.3%	29.6%	31.1%	28.3%	28.1%	25.9%	22.0%	34.8%	35.8%	35.8%	33.6%	28.9%	28.9%	28.9%

Source: Company Data, Team Estimates



Valuation

DCF three stages

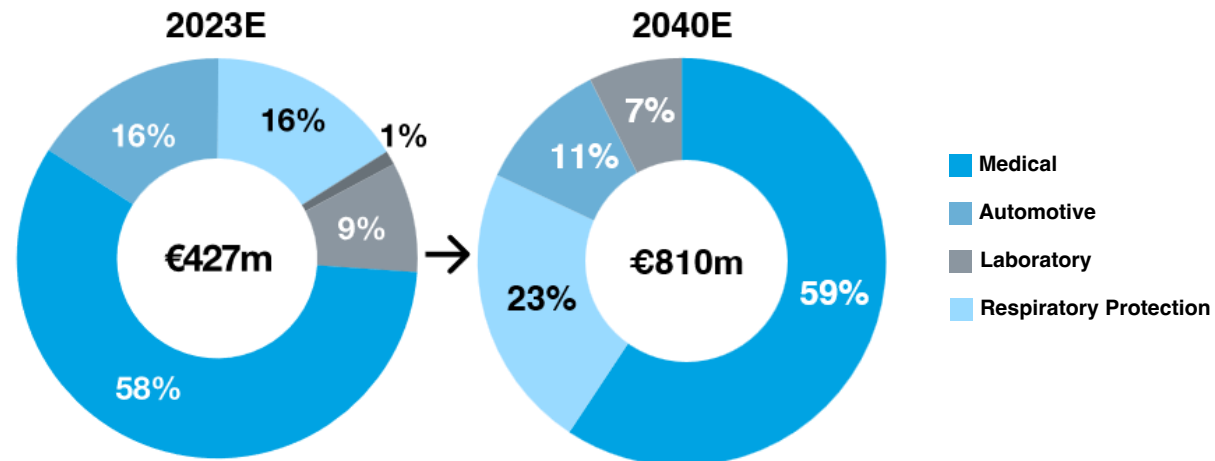


Source: Team Estimates

Projected revenues



Revenues [€m]	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	2039E	2040E
GVS Group	427.2	451.5	478.7	508.3	540.3	563.3	587.6	613.3	640.5	669.3	690.6	712.5	729.2	746.3	763.7	779.0	794.6	810.5
Growth [%]	10.2%	5.7%	6.0%	6.2%	6.3%	4.3%	4.3%	4.4%	4.4%	4.5%	3.2%	3.2%	2.3%	2.3%	2.3%	2.0%	2.0%	2.0%
Medical	248.8	264.3	281.0	299.1	318.6	332.7	347.7	363.5	380.2	398.0	410.0	422.3	432.0	441.9	452.1	461.4	471.0	480.7
Growth [%]	17.9%	6.2%	6.3%	6.4%	6.5%	4.4%	4.5%	4.6%	4.6%	4.7%	3.0%	3.0%	2.3%	2.3%	2.3%	2.1%	2.1%	2.1%
Laboratory	39.2	40.6	42.0	43.6	45.1	46.2	47.4	48.6	49.8	51.0	52.1	53.2	54.3	55.4	56.6	57.7	58.9	60.1
Growth [%]	15.2%	3.6%	3.6%	3.6%	3.6%	2.5%	2.5%	2.5%	2.5%	2.5%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Automotive	68.0	68.3	69.4	70.6	71.9	72.8	73.8	74.8	75.8	76.8	77.9	78.9	80.0	81.1	82.3	83.5	84.6	85.9
Growth [%]	-11.7%	0.4%	1.7%	1.7%	1.7%	1.3%	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Respiratory Protection	71.0	78.2	86.2	95.0	104.7	111.5	118.8	126.5	134.7	143.5	150.6	158.2	162.9	167.8	172.8	176.4	180.1	183.8
Growth [%]	10.9%	10.2%	10.2%	10.2%	10.2%	6.5%	6.5%	6.5%	6.5%	6.5%	5.0%	5.0%	3.0%	3.0%	3.0%	2.1%	2.1%	2.1%



Source: Team Estimates

Projections vs consensus



		2023E	2024E	2025E
Revenues [€m]	Team Estimates	427	452	478
	Consensus	423	445	470
EBITDAm [%]	Team Estimates	22.5%	24.8%	27.2%
	Consensus	22.0%	24.0%	26.6%
EPS [€/share]	Team Estimates	0.21	0.21	0.31
	Consensus	0.21	0.28	0.35

WACC – Main assumptions



Cost of Equity	7.7%	$K_e = R_f + \beta_m \times ERP + \beta_s \times SMB + \beta_v \times HML$
Risk-free rate (Rf)	3.49%	Return of 10Y German Government bond , adjusted adding Italy Credit Default Spread to account for the risk of operating in Italy (source <i>A.Damodaran</i>).
Beta Market (β_m)	0.80	Obtained through a multi-linear regression of GVS historical returns (36 months, weekly data) against MSCI Europe Small Cap and two Custom Portfolio which account for SMB and HML premiums in Europe (source: <i>Kenneth R. French</i>)
Beta Size (β_s)	0.81	
Beta Value (β_v)	-0.007	
Market Premium	5.8%	2003-2023 historical return (CAGR) of the MSCI Europe Small Cap index minus Rf
Small Minus Big (SMB)	1.2%	1998-2023 historical return (CAGR) of small-size vs large-size (SMB) and of value stocks vs growth stocks (HML) (source: <i>Kenneth R. French</i>)
High Minus Low (HML)	3.0%	
WACC	6.3%	$WACC = K_e \times E / (D + E) + K_d \times (1 - t_c) \times D / (D + E)$
Cost of Debt (Kd)	4.9%	Euribor + spread , estimated deriving a spread to be added to the euribor through the analysis of the company debt structure. This value for Kd implied the optimal level of leverage (<i>Annex xx</i>)
Tax rate (tc)	26.5%	Based on GVS historical performances, net of extraordinary tax events
Capital Structure (D/E)	0.5	Target leverage level to minimize cost of capital

Source: Team estimates

Risk-free rate (Rf)



$$R_f = 10Y \text{ German Government bond} + \text{Italy Country Default Spread}$$

(source: FactSet) (source: A.Damodaran)

10Y German Government bond	CDS Italy	Risk-free
2.15%	1.34%	3.49%

10Y German Government bond Yield





Beta	Coeff.
β_m	0.80
β_s	0.81
β_v	-0.007

β_m , β_s and β_v were computed with a multilinear regression, considering GVS historical returns, based on weekly data spanning the last 36 months, against the MSCI Europe Small Cap index, which best represents the market of European companies of similar size, along with two long/short portfolios reflecting the SMB and HML factors.



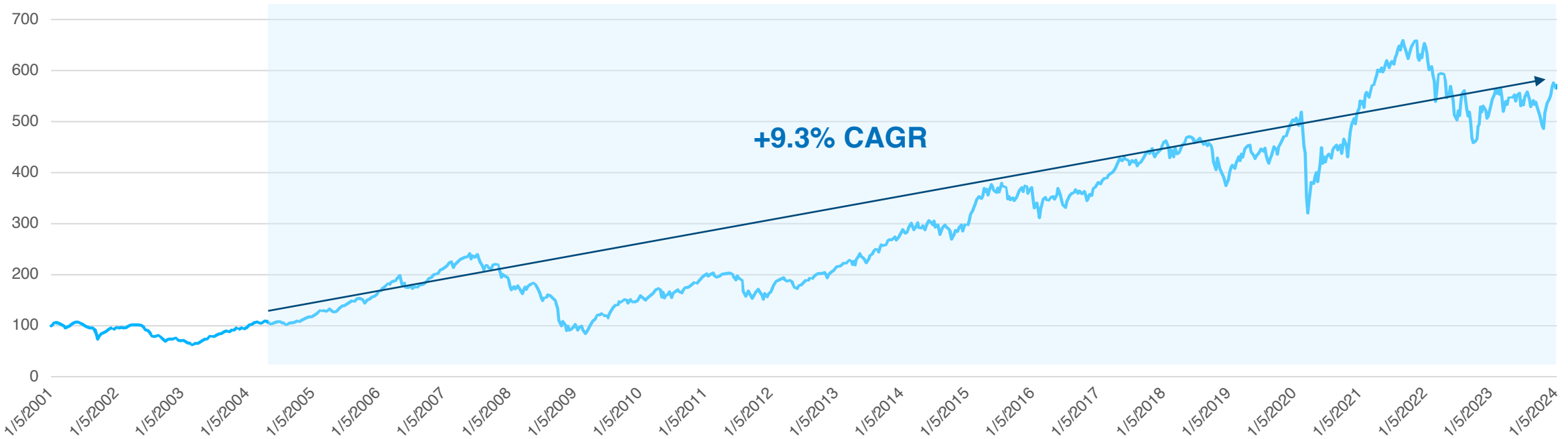
Source: MSCI, Team estimates



Variable	Premium
Market	5.8%
SMB	1.2%
HML	3.0%

The Market Risk Premium was derived by considering the CAGR of the MSCI Europe Small Cap over the last 20 years discounted with the Risk-Free Rate. SMB (Small Minus Big) and HML (High Minus Low) premiums were computed as the CAGR of SMB and HML factors for a European Custom portfolio over the last 25 years (*monthly data source: K. R. French*).

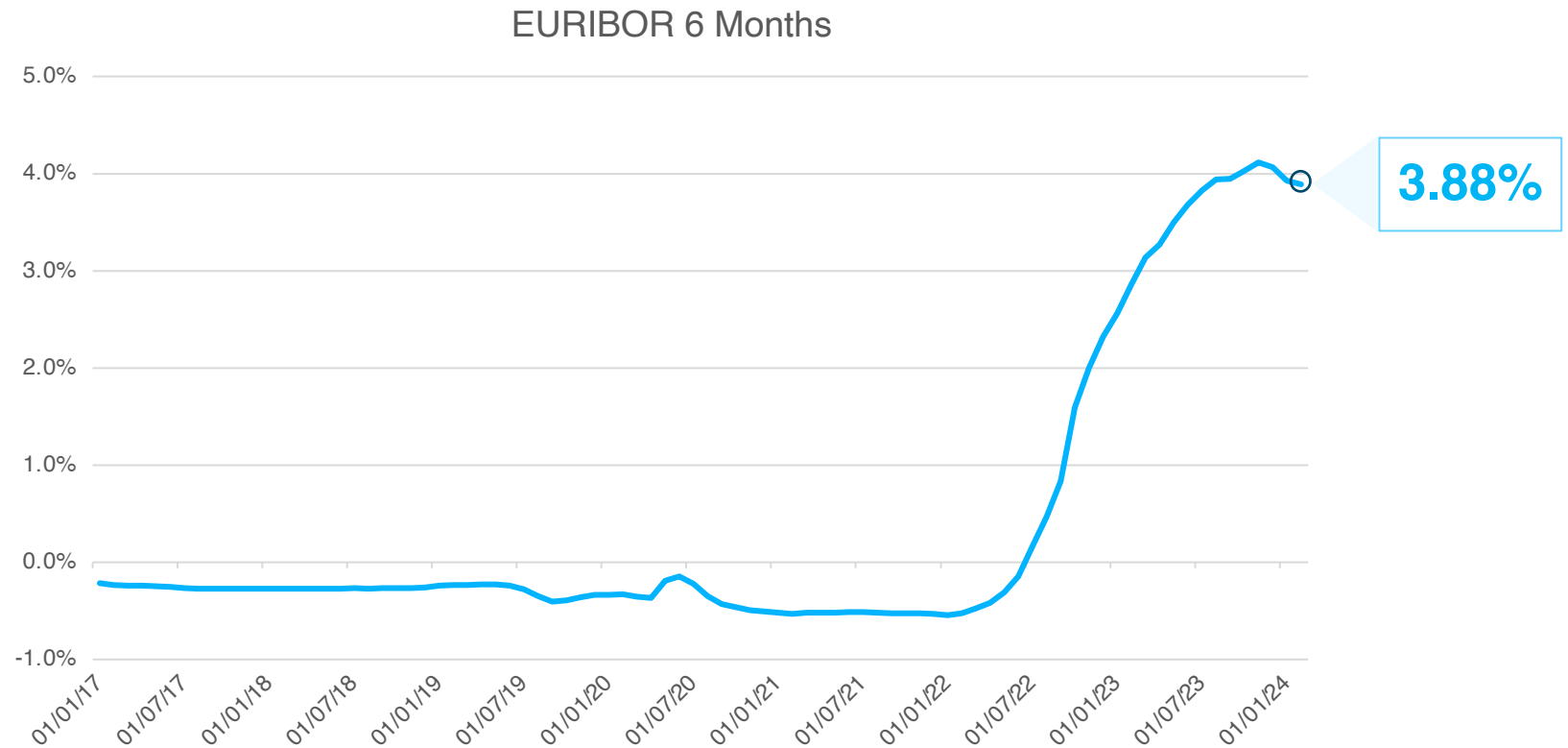
MSCI Europe Small Cap



Source: MSCI, Team estimates

$$\text{Cost of Debt (Kd)} = \text{Euribor (6 months)} + \text{Spread}$$

NFP/ EBITDA	Spread (%)	Kd (%)
< 1,2	1.00	4.88
1.5	1.25	5.13
2.00	1.55	5.43
2.50	1.80	5.68
3.00	2.00	5.88
3.50	2.20	6.08
> 4.0	2.45	6.33

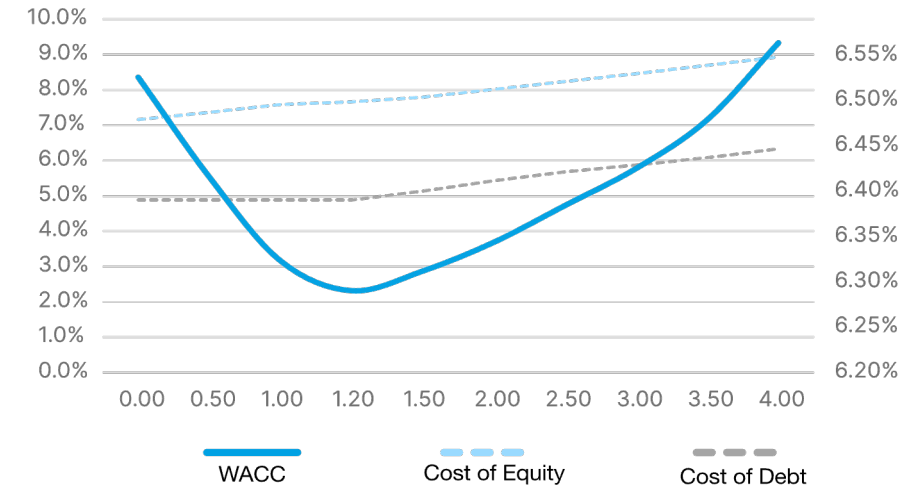


Source: EURIBOR.ee



2024E						
NFP/EBITDA	D/E	BETA	Ke	Spread	Kd	WACC
2.6	0.95x	0.70	8.5%	1.9%	5.7%	6.39%

2025E						
NFP/EBITDA	D/E	BETA	Ke	Spread	Kd	WACC
1.7	0.63x	0.60	7.9%	1.45%	5.3%	6.36%



2026E										
NFP/EBITDA	DEBT [€m]	D/E	BETA	Market Premium	Rf	Ke	Spread	Kd	Tax rate	WACC
0.0	107.7	0.2	0.5	5.8%	3.5%	7.1%	1.0%	4.9%	26.5%	6.57%
0.5	177.0	0.3	0.5	5.8%	3.5%	7.4%	1.0%	4.9%	26.5%	6.45%
1.0	246.4	0.4	0.5	5.8%	3.5%	7.6%	1.0%	4.9%	26.5%	6.36%
1.2	274.1	0.5	0.6	5.8%	3.5%	7.7%	1.0%	4.9%	26.5%	6.32%
1.5	315.7	0.6	0.6	5.8%	3.5%	7.8%	1.3%	5.2%	26.5%	6.35%
2.0	385.0	0.7	0.6	5.8%	3.5%	8.0%	1.7%	5.5%	26.5%	6.40%
2.5	454.4	0.8	0.7	5.8%	3.5%	8.2%	1.9%	5.7%	26.5%	6.43%
3.0	523.7	0.9	0.7	5.8%	3.5%	8.4%	2.1%	6.0%	26.5%	6.48%
3.5	593.1	1.1	0.7	5.8%	3.5%	8.7%	2.3%	6.2%	26.5%	6.54%
4.0	662.4	1.2	0.8	5.8%	3.5%	8.9%	2.5%	6.3%	26.5%	6.59%

Source: Team estimates

Sensitivity WACC, FCFF g, Margins and growth

		FCFF g				
TP		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	5.60%	6.91	7.23	7.54	7.92	8.24
	5.80%	6.56	6.84	7.19	7.64	7.97
	6.00%	6.25	6.49	6.78	7.17	7.31
	6.32%	5.80	5.99	6.22	6.51	6.79
	6.50%	5.57	5.74	5.94	6.20	6.53
	6.70%	5.34	5.48	5.66	5.88	6.16
	7.00%	5.02	5.14	5.29	5.46	5.68

		FCFF g				
EV/ EBITDA		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	5.60%	13.37	13.88	14.52	15.37	16.54
	5.80%	12.83	13.26	13.81	14.52	15.48
	6.00%	12.34	12.71	13.17	13.77	14.57
	6.32%	11.63	11.93	12.29	12.75	13.34
	6.50%	11.28	11.54	11.86	12.26	12.77
	6.70%	10.92	11.14	11.42	11.76	12.19
	7.00%	10.42	10.61	10.83	11.11	11.45

		EBITDAm Medical					
TP		22%	24%	26.5%	28%	30%	32%
EBITDAm RP	30%	4.15	4.58	5.12	5.44	5.88	6.31
	35%	4.54	4.97	5.51	5.83	6.27	6.70
	38%	4.77	5.20	5.74	6.07	6.50	6.94
	40%	4.93	5.36	5.90	6.22	6.66	7.10
	44%	5.24	5.68	6.22	6.55	6.98	7.42
	48%	5.55	5.98	6.53	6.85	7.29	7.73
	50%	5.70	6.14	6.68	7.01	7.45	7.89
	53%	5.94	6.37	6.92	7.25	7.69	8.13

		Sales CAGR 2024E-2027E					
TP		3.0%	4.5%	6.1%	7.0%	8.5%	10.0%
Avg. EBITDAm 2024E- 2027E	18%	5.25	5.42	5.61	5.73	5.94	6.16
	20%	5.38	5.56	5.75	5.88	6.09	6.31
	22%	5.51	5.69	5.89	6.02	6.24	6.47
	24%	5.65	5.83	6.04	6.17	6.39	6.63
	26.6%	5.82	6.01	6.22	6.36	6.59	6.83
	28%	5.91	6.11	6.32	6.46	6.69	6.94
	30%	6.04	6.24	6.47	6.61	6.84	7.10
	32%	6.18	6.38	6.61	6.75	6.99	7.25

Source: Team estimates

Sensitivity Kd, Ke

		Ke						
		6.2%	6.7%	7.2%	7.7%	8.2%	8.7%	9.2%
Kd	6.22	6.22	6.22	6.22	6.22	6.22	6.22	6.22
	3.5%	9.42	8.34	7.48	6.83	6.19	5.70	5.28
	4.0%	8.99	8.00	7.20	6.59	6.00	5.53	5.13
	4.5%	8.60	7.69	6.95	6.38	5.82	5.38	5.00
	4.9%	8.33	7.47	6.76	6.22	5.69	5.26	4.90
	5.5%	7.92	7.13	6.48	5.98	5.49	5.09	4.75
	6.0%	7.61	6.88	6.28	5.81	5.33	4.96	4.64
	6.5%	7.33	6.65	6.08	5.64	5.19	4.84	4.53
	7.0%	7.07	6.43	5.90	5.48	5.06	4.72	4.42
	7.5%	6.83	6.23	5.73	5.33	4.93	4.61	4.32

Source: Team estimates

Sensitivity WACC, FCFF g, Margins and growth

		FCFF g				
TP		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	5.60%	6.91	7.23	7.54	7.92	8.24
	5.80%	6.56	6.84	7.19	7.64	7.97
	6.00%	6.25	6.49	6.78	7.17	7.31
	6.32%	5.80	5.99	6.22	6.51	6.79
	6.50%	5.57	5.74	5.94	6.20	6.53
	6.70%	5.34	5.48	5.66	5.88	6.16
	7.00%	5.02	5.14	5.29	5.46	5.68

		FCFF g				
EV/ EBITDA		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	5.60%	13.37	13.88	14.52	15.37	16.54
	5.80%	12.83	13.26	13.81	14.52	15.48
	6.00%	12.34	12.71	13.17	13.77	14.57
	6.32%	11.63	11.93	12.29	12.75	13.34
	6.50%	11.28	11.54	11.86	12.26	12.77
	6.70%	10.92	11.14	11.42	11.76	12.19
	7.00%	10.42	10.61	10.83	11.11	11.45

		EBITDAm Medical					
TP		22%	24%	26.5%	28%	30%	32%
EBITDAm RP	30%	4.15	4.58	5.12	5.44	5.88	6.31
	35%	4.54	4.97	5.51	5.83	6.27	6.70
	38%	4.77	5.20	5.74	6.07	6.50	6.94
	40%	4.93	5.36	5.90	6.22	6.66	7.10
	44%	5.24	5.68	6.22	6.55	6.98	7.42
	48%	5.55	5.98	6.53	6.85	7.29	7.73
	50%	5.70	6.14	6.68	7.01	7.45	7.89
	53%	5.94	6.37	6.92	7.25	7.69	8.13

		Sales CAGR 2024E-2027E					
TP		3.0%	4.5%	6.1%	7.0%	8.5%	10.0%
Avg. EBITDAm 2024E- 2027E	18%	5.25	5.42	5.61	5.73	5.94	6.16
	20%	5.38	5.56	5.75	5.88	6.09	6.31
	22%	5.51	5.69	5.89	6.02	6.24	6.47
	24%	5.65	5.83	6.04	6.17	6.39	6.63
	26.6%	5.82	6.01	6.22	6.36	6.59	6.83
	28%	5.91	6.11	6.32	6.46	6.69	6.94
	30%	6.04	6.24	6.47	6.61	6.84	7.10
	32%	6.18	6.38	6.61	6.75	6.99	7.25

Source: Team estimates



		Sales CAGR 2024E-2027E					
TP		3.0%	4.5%	6.1%	7.0%	8.5%	10.0%
Avg. EBITDAm 2024E- 2027E	18%	5.25	5.42	5.61	5.73	5.94	6.16
	20%	5.38	5.56	5.75	5.88	6.09	6.31
	22%	5.51	5.69	5.89	6.02	6.24	6.47
	24%	5.65	5.83	6.04	6.17	6.39	6.63
	26.6%	5.82	6.01	6.22	6.36	6.59	6.83
	28%	5.91	6.11	6.32	6.46	6.69	6.94
	30%	6.04	6.24	6.47	6.61	6.84	7.10
	32%	6.18	6.38	6.61	6.75	6.99	7.25

Impact



Mitigant

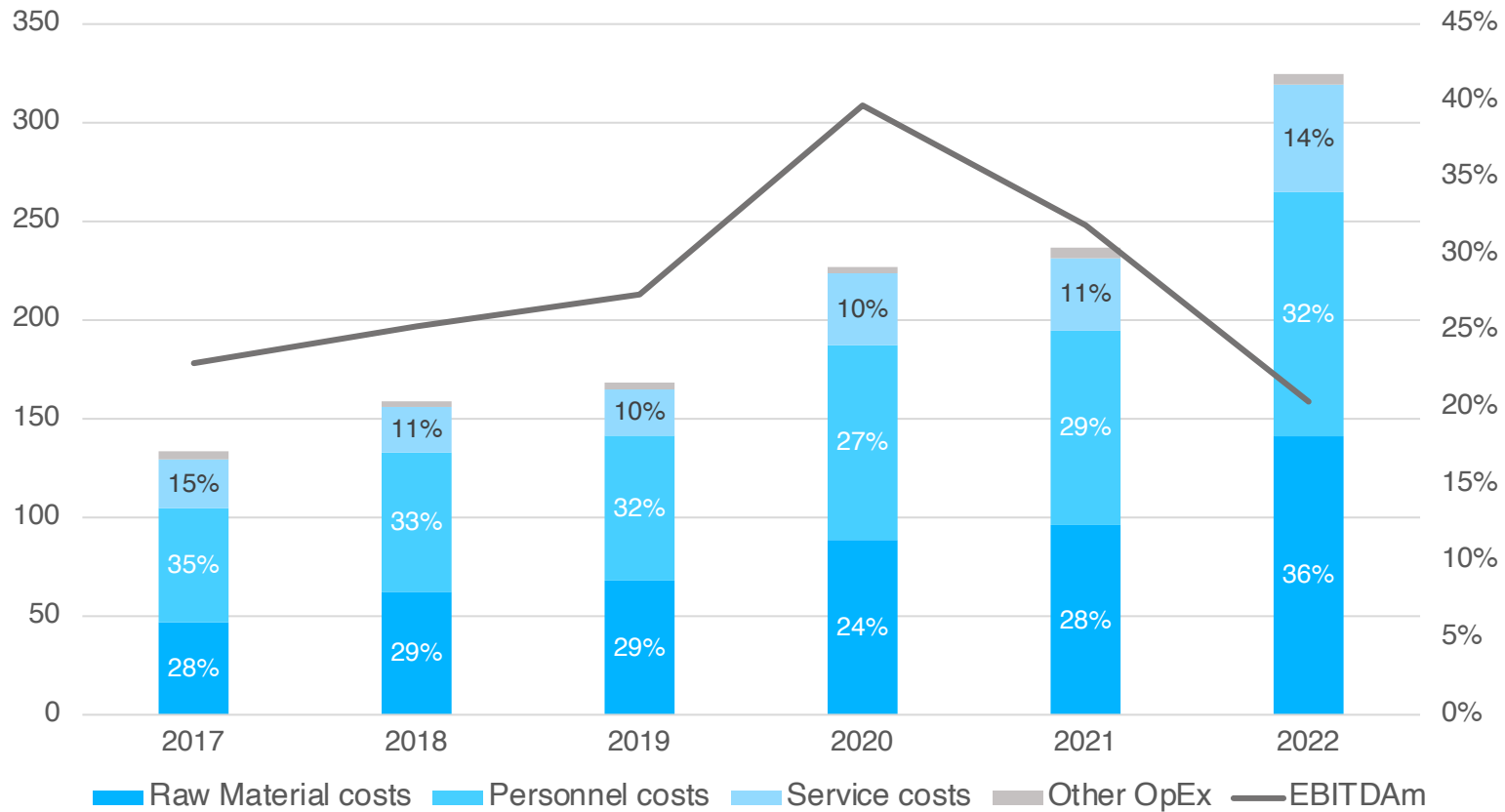
Longer contracts hedged on plastic and energy prices

Increase prices to cope with inflation

Source: Team estimates



OpEx



The combination of raw material and personnel costs correspond roughly to 65% of OpEx. The world geopolitical instability will keep high Raw materials price volatility, while the constant high inflation will determine an increase in wages in developed economies.

Source: Team estimates

Degradation of positioning in Medical and RP



		EBITDAm Medical					
TP		22%	24%	26.5%	28%	30%	32%
EBITDAm RP	30%	4.15	4.58	5.12	5.44	5.88	6.31
	35%	4.54	4.97	5.51	5.83	6.27	6.70
	38%	4.77	5.20	5.74	6.07	6.50	6.94
	40%	4.93	5.36	5.90	6.22	6.66	7.10
	44%	5.24	5.68	6.22	6.55	6.98	7.42
	48%	5.55	5.98	6.53	6.85	7.29	7.73
	50%	5.70	6.14	6.68	7.01	7.45	7.89
	53%	5.94	6.37	6.92	7.25	7.69	8.13

Source: Team estimates

Impact

EBITDAm Medical

-2.5%

EBITDAm RP

-6.0%

Mitigant

High entry-barrier

Medical clients' price inelasticity

High quality and patent-specific products



€8.67

+34% ↑

Successful expansion into bioprocess

+€0.88

Further consolidation in the medical segment

+€0.83

Successful expansion into Asia

+€0.74



Bioprocess industry historical acquisitions			
Acquisition date	Target Company	Acquirer	EV/sales
May 2023	High Purity	Getinge	13.1x
Apr 2023	Flexeyosis	Repligen	4.1x
Mar 2023	Polyplus.	Sartorius	30.0x
Feb 2023	Astrea	Biotage	8.4x
Jun 2022	Barkey	Azenta life science	4.7x
May 2022	Malema	Dover	6.1x
Jun 2022	Purilogics	Donaldson	4.4x
Jan 2022	MyChem	Maravai	16.0x
Dec 2021	Bioflex solutions	Repligen	2.9x
Nov 2021	Solaris	Donaldson	8.2x
Sep 2021	AVITIDE	Repligen	18.8x
Oct 2021	Purolite	Ecolab	9.3x
Sep 2021	Masterflex	Avantor	9.0x
Jul 2021	CellGenix	Sartorius	9.8x
Jun 2021	Aldevron	Danaher	32.0x
Jun 2021	Polymen	Repligen	7.0x
Apr 2021	UnChainr	The Carlyle Group	8.7x
Mar 2021	Pendotech	Mettler Toledo	5.5x
Jan 2021	Novasep	Sartorius	9.0x
Oct 2020	ARTeSYN	Repligen	6.7x
Oct 2020	NMS	Repligen	3.2x
Oct 2020	Bia separations	Sartorius	14.4x
Jul 2020	Sanitech west	3i	7.5x
Jun 2020	Engineerd Molding Technology	Repligen	7.7x
Dec 2019	Appikon	Getinge	3.3x
Dec 2019	Astrea	KKR / gamma	12.6x
Oct 2019	Danaher	Sartorius	4.9x
Average acquisition multiple			9.9x

+

High growth rate

**+15%
CAGR**

+

High margins

**+35%
EBITDAm**

-

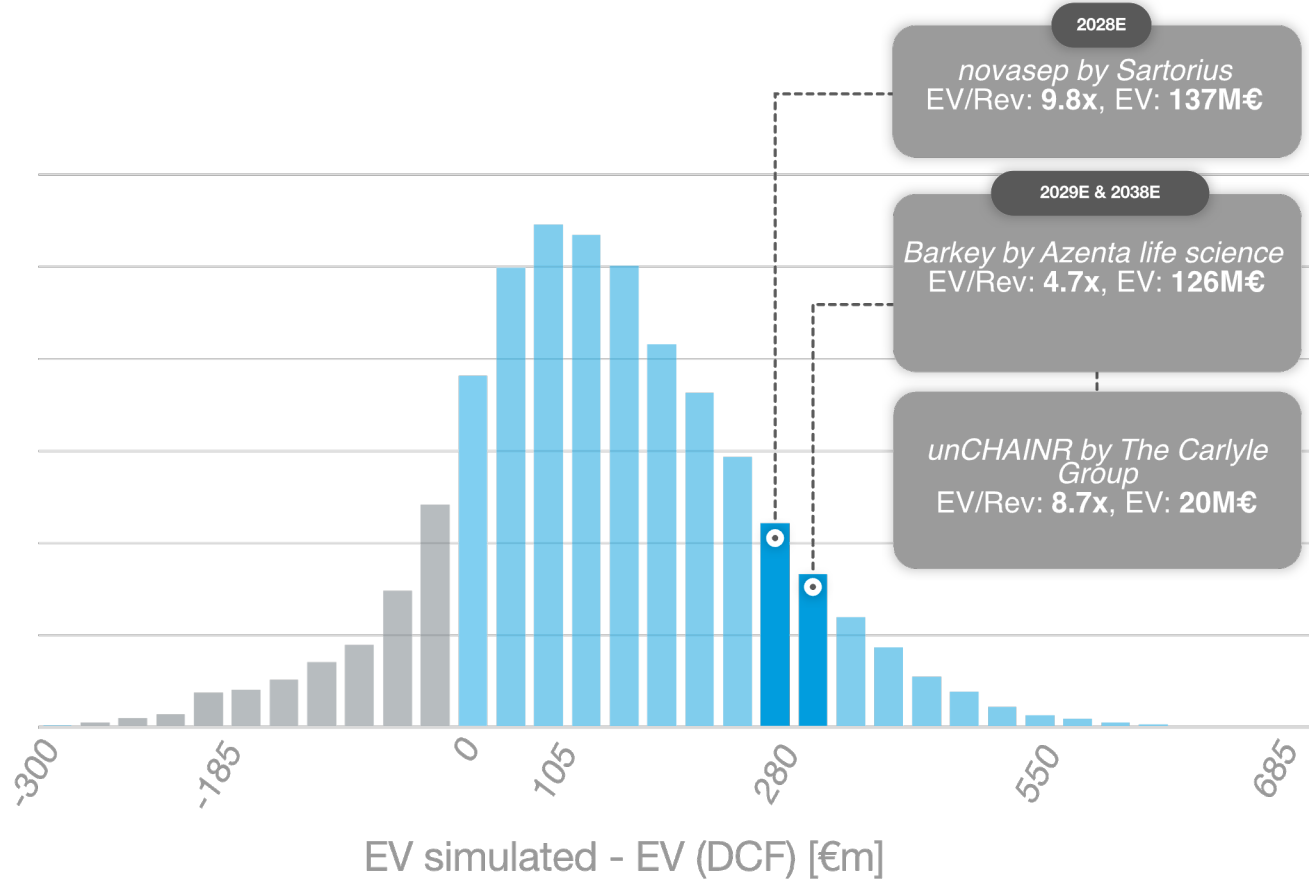
Very high multiples

**9.9x
EV/Sales**

Source: Team Estimates, FactSet, Orbis, Refinitiv, Houlihan Lokey



Montecarlo simulation: extra value from well-executed bioprocess M&As - Exhibit x



Source: Team Estimates



Expertise on part of the Bioprocess chain already in place



Possible synergies with Medical and Laboratory



Suitable production technology



Current high indebtedness prevent GVS to enter Bioprocess



€4.43

-29% ↓

Increase in competition in Medical and Respiratory Protection

-€0.87

Persistent High Inflation

-€0.53

Automotive struggles with a shift to Electric Vehicles

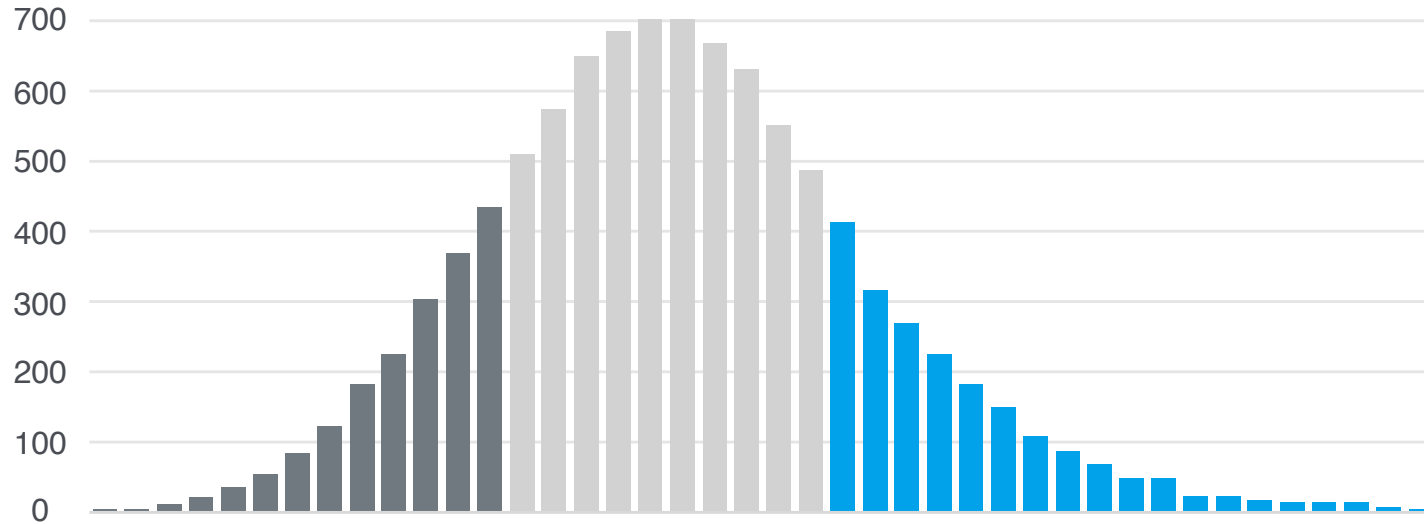
-€0.39

Source: Team estimates



	Montecarlo simulation	DCF	Montecarlo simulation		
		Assumptions	Assumed distribution	Key parameters	Description
	<i>GDP growth</i>	GDP growth forecasts (<i>source: OECD</i>)	Normal	StDev: historical standard deviation	GDP growth forecast variations independently distributed in three stages: 2024E, 2025E-2027E, 2028E-2032E
Global trends	<i>Healthcare spending p.c. growth</i>	Healthcare spending procapite growth forecast per global region (<i>source: OECD</i>)	Normal	StDev: 0.5% for each global trend variable	These factors are remarkably and notoriously unpredictable, so it is essential to incorporate standard deviation to acknowledge their inherent uncertainty to improve realism in the representation of future scenarios.
	<i>Pharmaceutical R&D growth</i>	Pharmaceutical R&D global aggregated growth (<i>source: Statista</i>)			
	<i>Electric cars production growth</i>	Electric cars production growth per global region (<i>source: Statista</i>)			
	<i>Non-electric cars production growth</i>	Non-electric cars production growth per global region (<i>source: Statista</i>)			
	<i>PPE production growth</i>	Personal Protective Equipment global aggregated production growth (<i>source: McKinsey</i>)			
Strategic factors	<i>EBITDA margin per segment</i>	Linear regression of competitors margins to GVS' value drivers	Normal	StDev: (EBITDA margins 2025E on) > (EBITDA margins 2024E)	Potential variations due to changes in the market and to account potential inaccuracies in the margins' estimates
	<i>WACC (beta)</i>	Multi-linear regression of GVS historical returns (36 months, weekly data) against MCSI Small Cap Europe and two Custom Portfolio which account for SMB and HML premiums in Europe (<i>source: Kenneth R. French</i>)	Normal	StDev: standard deviation of the historical linear regression residuals	Potential variations due to macro economical instability and other industry related risks
	<i>NWC</i>	Historical average multiple of receivables, inventories and payables over revenues	Normal	StDev: standard deviation of NWC forecasted residuals (obtained through linear regression)	Potential variations due to NWC optimization

Source: Team estimates




SELL
 €3.36-€5.45


HOLD
 €5.46-€7.10


BUY
 €7.11-€10.50

Variables	5th percentile		95th percentile	
	TP[€]	% variation	TP[€]	% variation
GDP	6.16	-1%	6.22	0%
Global trends	5.72	-8%	6.34	2%
WACC (beta)	5.29	-15%	6.34	2%
NWC	5.47	-13%	6.90	11%
EBITDAm	4.85	-22%	6.53	5%
M&As	4.98	-20%	7.40	19%

Source: Team estimates

$$\text{Similarity} = 20\% \frac{\text{R\&D Expense}}{\text{Revenues}} + 20\% \frac{\text{Intangible assets}}{\text{Total Assets}} + 20\% \frac{\text{Revenues}}{\text{PPE}} + 10\% \text{Geographical Presence} + 20\% \#M\&As \text{ last } 10Y + 10\% \text{CAGR Revenues } 2023E - 2025E$$

Company	Mkt Cap [€m]	Industry	EV/EBITDA 2024E	EBITDAm 2024E	P/E 2024E	R&D/ Revenues	Intangible/ Tot Assets	Revenues/ PPE	Geographical Presence				#M&A/ 10Y	CAGR Sales 23E-25E	Similarity (%)
									EU	NAM	ASIA	ROTW			
Smith & Nephew plc	10,650	Health Technology	9.8x	25%	14.0x	5.8%	49.0%	1.3x	16%	55%	15%	14%	1.40	5.1%	93
JENOPTIK AG	1,503	Electronic Technology	8.8x	20%	14.7x	5.6%	42.4%	1.6x	47%	22%	16%	16%	1.00	6.7%	84
Arkema SA	7,583	Chemicals: Major Diversified	5.6x	17%	9.9x	2.3%	43.0%	1.0x	32%	34%	23%	11%	1.40	4.4%	75
Croda International Plc	7,553	Chemicals: Specialty	15.9x	24%	27.3x	3.2%	37.0%	1.4x	24%	25%	23%	28%	1.10	4.2%	75
Fresenius Medical Care AG	11,217	Medical/Nursing Services	6.9x	17%	12.9x	1.2%	49.2%	1.3x	9%	70%	8%	13%	1.50	3.7%	74
Alfa Laval AB	14,270	Industrial Machinery	12.7x	20%	19.5x	2.6%	44.3%	2.3x	27%	19%	37%	17%	1.20	6.3%	73
Spectris plc	4,330	Electrical Products	10.8x	21%	17.0x	7.7%	44.5%	3.2x	22%	29%	32%	16%	1.40	4.2%	72
ConvaTec Group Plc	5,764	Medical Specialties	13.1x	26%	20.9x	4.3%	66.8%	2.5x	30%	38%	16%	17%	0.70	5.9%	71
Spirax-Sarco Engineering PLC	8,410	Industrial Machinery	18.1x	25%	27.8x	1.0%	53.0%	2.4x	21%	29%	21%	29%	1.20	5.5%	70
SEB SA	6,170	Electronics/Appliances	8.0x	13%	12.5x	2.1%	46.0%	2.3x	26%	14%	35%	25%	1.40	4.6%	69
DiaSorin S.p.A.	4,964	Medical Specialties	14.8x	33%	26.4x	6.8%	58.6%	2.5x	19%	40%	10%	31%	0.30	5.8%	67
Advanced Medical Solutions Group plc	511	Medical Specialties	10.5x	26%	19.8x	3.5%	45.8%	2.2x	37%	33%	5%	25%	0.50	9.3%	64
Interpump Group S.p.A.	4,945	Industrial Machinery	9.9x	24%	15.3x	1.5%	27.5%	1.5x	41%	26%	10%	23%	2.4	2.1%	61
Volution Group plc	950	Industrial Machinery	10.4x	24%	15.2x	1.4%	63.1%	4.0x	36%	1%	1%	62%	1.40	5.8%	60
Median			10.1x	23%	16.2x	3.0%	45%	2.1x	25%	29%	19%	21%	1.2	5%	71
Average			10.4x	22%	18.1x	3.0%	46%	1.8x	27%	31%	19%	23%	1.2	5%	71
GVS S.p.A			12.1x	25%	21.4x	5.5%	51.6%	1.2x	18.8%	48.7%	17.3%	15.2%	1.3	6.2%	

Source: Orbis, Companies Data, Refinitiv, Team estimates



R&D/Revenues: Indicates **innovation focus**. Higher spending suggests investment in future growth through **new products and process efficiency**.

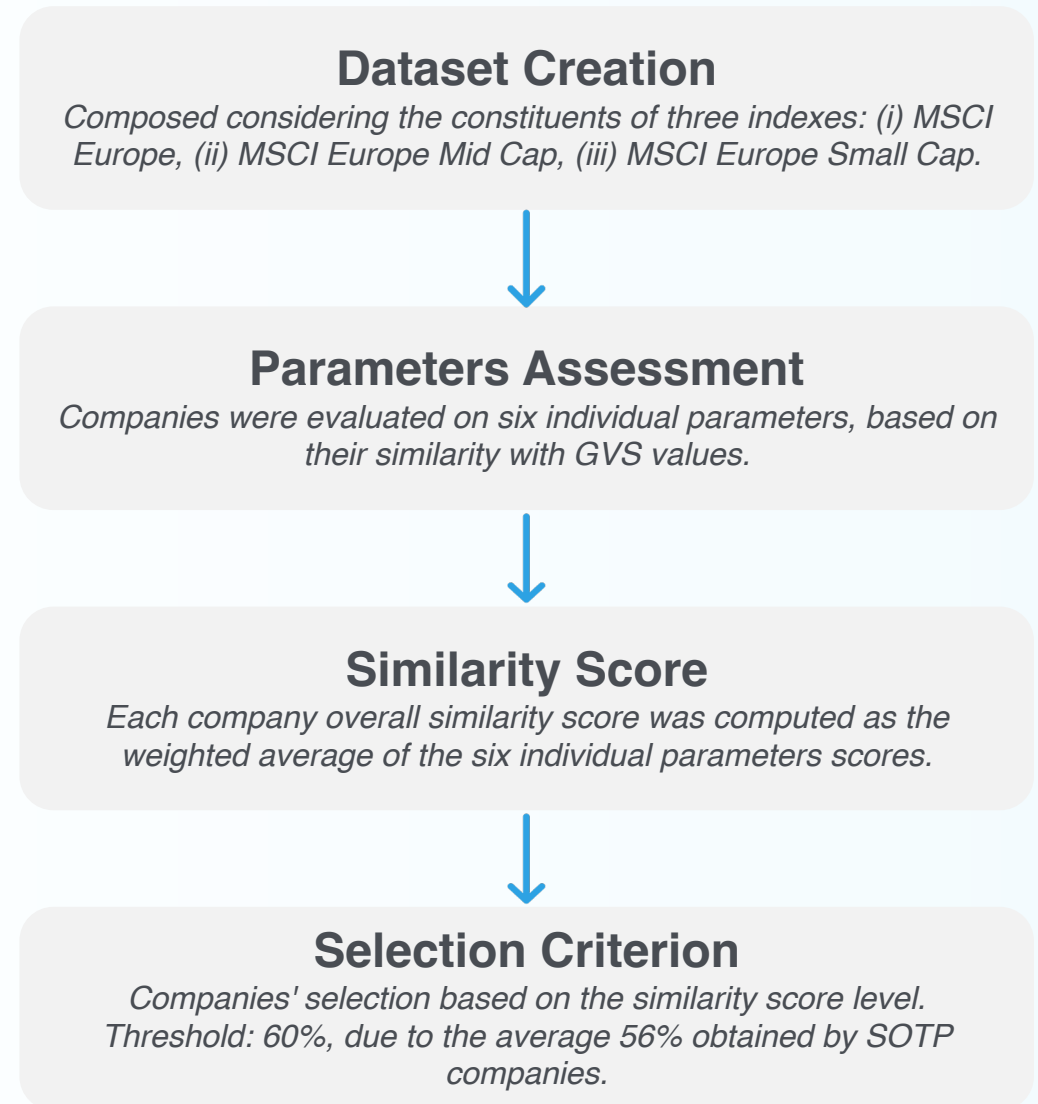
PPE/Revenues: Reflects **asset intensity**. Shows how much the company relies on physical assets for revenue generation.

Intangible Assets/Total Assets: Measures the value of non-physical assets. High ratio indicates brand, patents, technology value and customers relationships.

#M&As: Shows **inorganic growth relevance**. Frequent M&A activity can signal expansion and diversification efforts.

CAGR Sales 2023E-2025E: Projects future revenue growth. Proxy of specific **market demand strength and business scalability**.

Geographical presence: Indicates **market reach**. Diverse presence suggests **risk diversification** and broader market access.



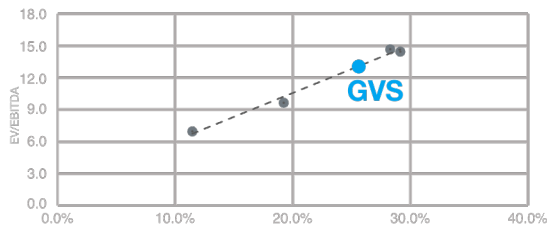
Relative Valuation – SOTP



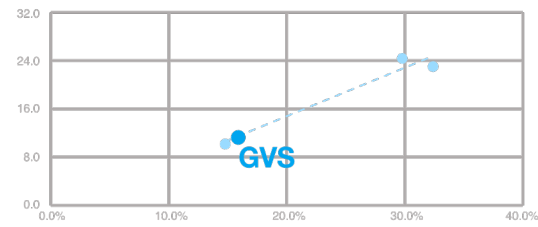
Company	Country	Size			Geography mix			Product Mix 2022					Profitability	Risk	Growth		Comparable
		Mkt Cap [€m]	Revenues 2022 [€m]	Employees	EMEA	Americas	APAC	Medical	Laboratory	E&M	Respiratory Protection	Other	EBITDAm 2022	NFP/ EBITDA	Sales CAGR 2023E-25E	EBITDA CAGR 2023E-25E	
3M	US	58,720	32,092	92,000	17%	54%	29%	25%	-	33%	13%	29%	17.5%	1.3x	3%	6%	✓
Ansell	AU	3,101	1,655	14,414	31%	54%	14%	55%				45%	17%	0.8x	4%	6%	✗
Asahi Kasei	JPY	8,971	18,783	48,897	17%	19%	64%	33%	-	8%	-	59%	11.2%	2.2x	7%	9%	✓
Autoliv INC	US	7,900	8,071	69,100	27%	34%	39%	-	-	100%	-	-	9.9%	1.1x	7%	20%	✗
Avon	GB	387	244	928	84%	16%	0%	-	-	-	64%	36%	14.6%	1.82x	8%	13%	✓
Baxter INTL	IT	16,124	14,378	60,000	19%	44%	17%	100%	-	-	-	-	21.0%	3.7x	3%	7%	✓
Becton Dickinson	IT	75,225	17,450	73,000	27%	57%	15%	49%	26%	-	-	24%	25.7%	3.3x	9%	18%	✓
BorgWarner	US	7,708	15,801	52,700	33%	39%	28%	-	-	100%	-	-	14.0%	1.2x	7%	-2%	✗
Corning inc.	US	25,243	13,499	57,500	14%	39%	47%	-	9%	-	-	91%	20.4%	1.2x	5%	20%	✗
Cummins inc.	US	1,620	1,486	4,250	47%	46%	6%	-	-	100%	-	-	12.6%	1.0x	2%	3%	✓
Danaher	US	7,464	29,939	79,000	22%	44%	34%	62%	22%	-	-	16%	34.7%	1.3x	-2%	3%	✓
Donaldson CO	US	6,543	2,975	13,000	29%	53%	18%	4%	3%	63%	-	30%	16.4%	0.9x	5%	7%	✓
DRAEGERWERK AG & CO KGAA	DE	879	2,970	16,219	33%	33%	33%	60%	-	-	40%	-	2.1%	6.4x	4%	137%	✓
Honeywell	US	134,627	33,740	97,000	19%	60%	21%	-	-	33%	19%	47%	23.3%	1.1x	5%	7%	✓
Lakeland Inds	US	128	113	1,550	14%	66%	20%	-	-	-	49%		6.2%	0.0x	9%	36%	✗
Medtronic plc	US	96,876	27,504	95,000	24%	52%	23%	100%	-	-	-	-	31.5%	2.2x	4%	4%	✓
Merck KGAA	DE	272,910	22,232	64,243	31%	34%	35%	35%	47%	-	-	18%	30.8%	1.1x	6%	6%	✗
MSA Safety	US	5,282	1,454	5,000	23%	57%	20%	-	-	-	100%	-	21.3%	1.2x	5%	7%	✓
Owens & Minor	US	1,485	9,955	13,400	2%	96%	2%	21%			79%		4.3%	4.5x	3%	9%	✗
Parker Hannifin	US	59,140	19,065	62,730	20%	68%	12%			77%		23%	21.7%	2.7x	5%	11%	✓
Porvair plc	GB	344	200	968	41%	56%	3%	-	37%	-	-	63%	15.0%	0.0x	6%	4%	✓
Sartorius AG	DE	15,800	4,175	14,827	39%	35%	26%	-	20%	-	-	80%	35.3%	1.2x	11%	18%	✓
Schaeffler AG	DE	896	15,610	82,773	41%	22%	37%	-	-	100%	-	-	13.7%	1.1x	4%	8%	✗
Sogefi	IT	245	1,552	5,384	57%	29%	14%	-	-	100%	-		12.5%	1.5x	2%	2%	✗
GVS S.p.A	IT	985	388	5,533	26%	49%	25%	55%	9%	20%	16%	-	20.4%	4.9x	5%	15%	

Source: Orbis, Companies Data, Refinitiv, Team estimates

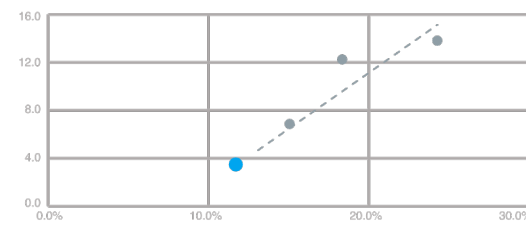
Medical				Laboratory				Automotive				Respiratory Protection			
	2024E EBITDAm	2024E EV/EBITDA	P/E 2024E		2024E EBITDAm	2024E EV/EBITDA	P/E 2024E		2024E EBITDAm	2024E EV/EBITDA	P/E 2024E		2024E EBITDAm	2024E EV/EBITDA	P/E 2024E
Baxter INTL	19.2%	9.7x	13.8x	Danaher	32.4%	23.2x	29.6x	Atmus filtr.	15.0%	6.9x	12.2x	MSA safety	25.5%	14.7x	24.0x
Becton	29.2%	14.5x	16.7x	Sartorius	29.8%	24.5x	43.4x	Parker H.	24.3%	13.9x	18.0x	Avon	15.9%	9.5x	20.7x
Medtronic	28.3%	14.7x	15.9x	Porvair	14.7%	10.3x	17.2x	Donaldson	18.4%	12.3x	17.7x	3M	27.3%	8.0x	12.0x
Asahi Kasei	11.5%	7.0x	12.7x									Honeywell inc	25.8%	14.2x	19.8x
												Dräger	8.8%	3.6x	8.4x
<i>Average</i>	16.5%	7.8x	11.7x	<i>Average</i>	25.6%	19.3x	30.1x	<i>Average</i>	19.1%	11.5x	16.0x	<i>Average</i>	20.7%	5.0x	19.3x
<i>Median</i>	14.8%	6.6x	11.3x	<i>Median</i>	29.8%	23.2x	29.6x	<i>Median</i>	18.1%	12.7x	17.7x	<i>Median</i>	25.7%	11.9x	20.2x
GVS	25.0%	12.8x	21.4x*	GVS	15.0%	8.9x	21.4x*	GVS	12.0%	6.0x	21.4x*	GVS	40.4%	18.7x	21.4x*



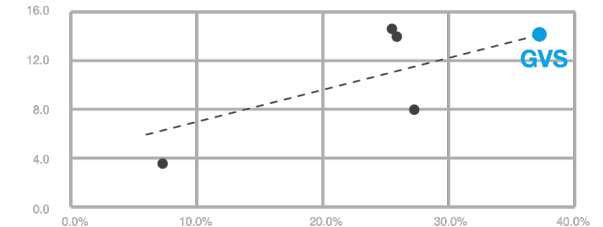
● Medical peers



● Laboratory peers



● Automotive peers



● Respiratory Protection peers

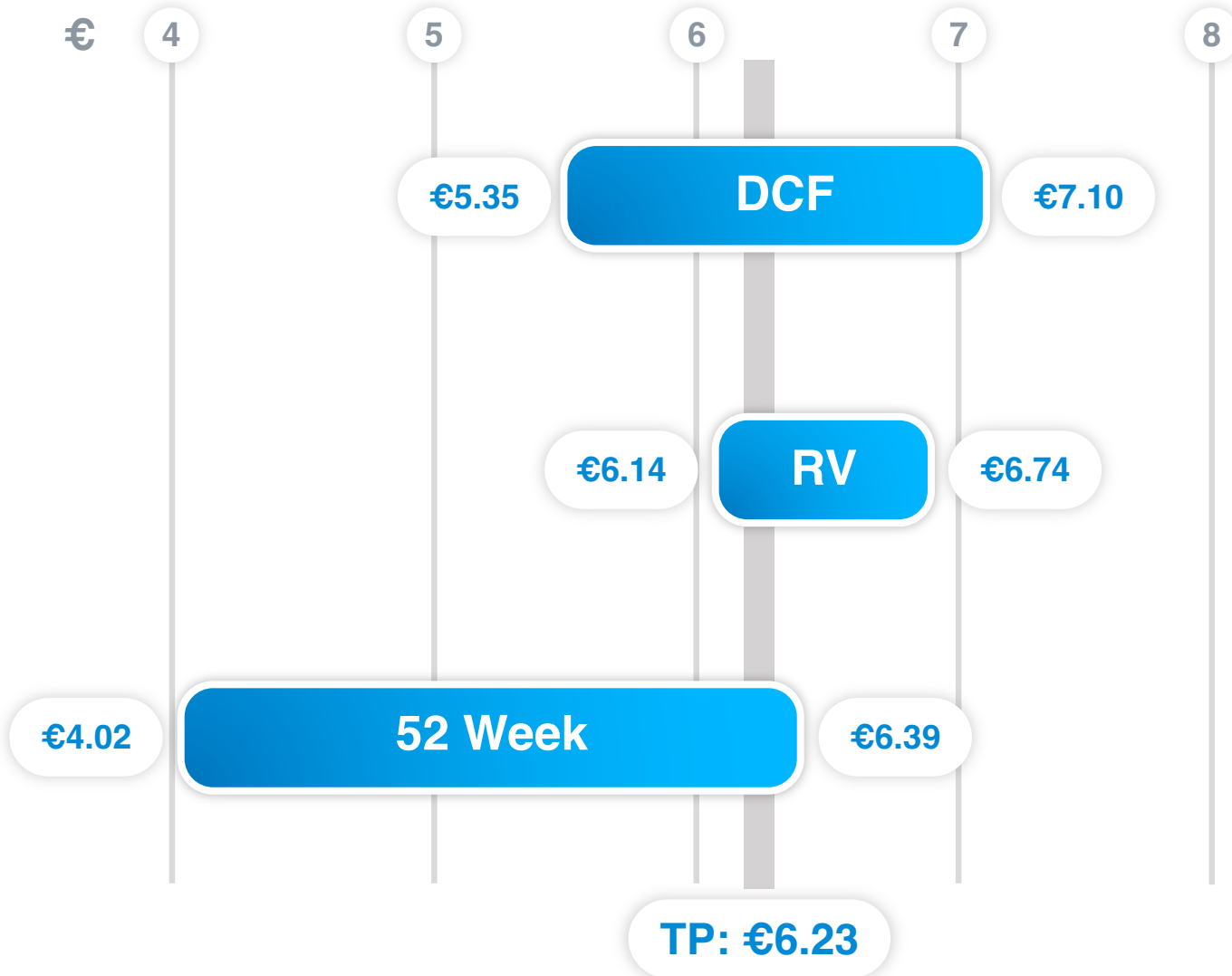
Source: Orbis, Companies Data, Refinitiv, Team estimates



Our coverage incorporates **two** relative valuations. This dual-approach methodology aims to provide a comprehensive and robust assessment of GVS' value, **considering both intrinsic value and broader market dynamics**, thus enhancing the depth of our analysis.

	Multiple (y)	Regressor (x)	Equation	Multiple (y)	2024E GVS Regressor (x)	2024E EV	2024E NFP	2024E #shares [m]	TP [€]
	Proprietary model						GVS		
	2024E EV/EBITDA	2024E EBITDA _m	$y = 44.769x + 0.994$	12.1x	24.8%	1,364	289	175	6.14
Segment	SOTP						GVS		
Medical	2024E EV/EBITDA	2024E EBITDA _m	$y = 44.753x + 1.627$	12.8x	25.0%	1,467	289	175	6.74
Laboratory			$y = 59.655x - 0.052$	8.9x	15.0%				
Automotive			$y = 69.438x - 2.337$	6.0x	12.0%				
Respiratory Protection			$y = 43.792x + 0.999$	18.7x	40.4%				

Source: Orbis, Companies Data, Refinitiv, Team estimates



DCF considers the idiosyncratic nature of GVS' competitive positioning.

Relative Valuation:

1. *Our Model* examines a peer set with similar value drivers to GVS, looking beyond the traditional filtration industry landscape.
2. *SOTP* focuses on GVS' direct competitors in each segment.

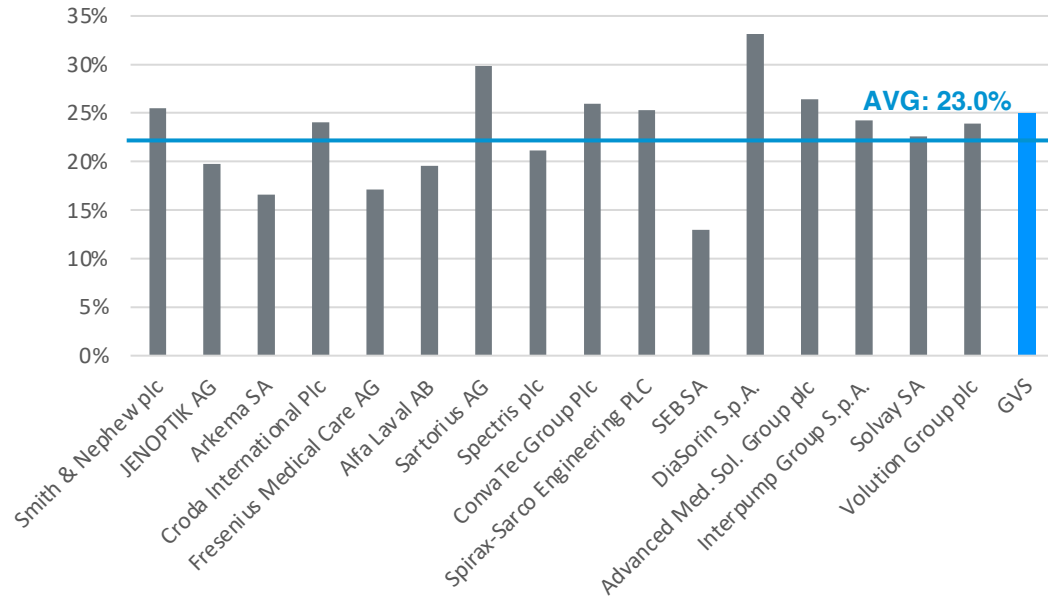


Peers

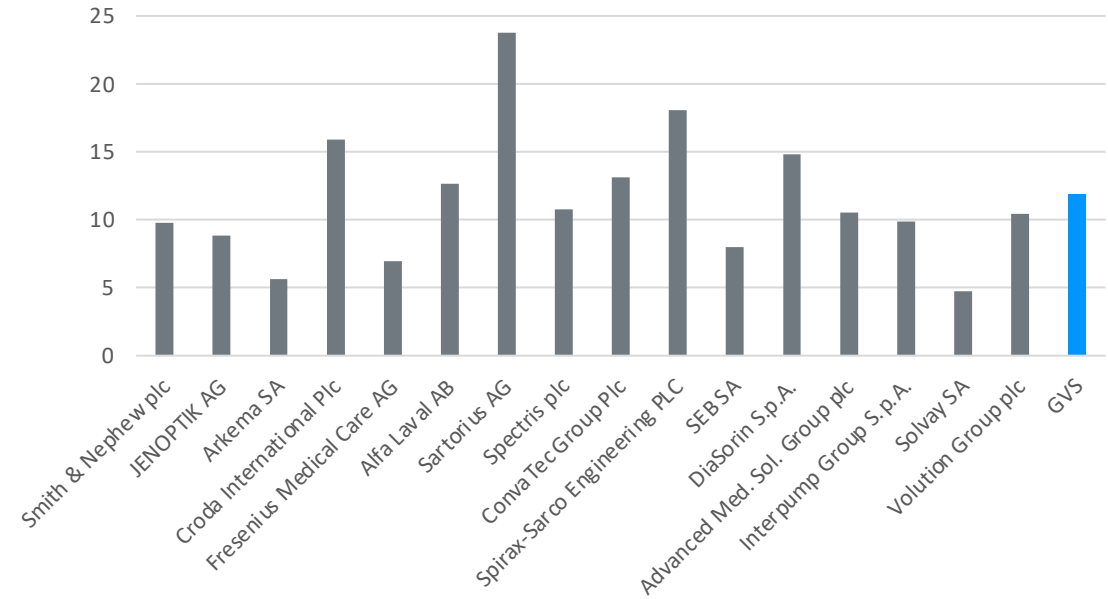


	Name	Business	Products
Healthcare and Life Sciences	Croda International plc	Life sciences and consumer care	Products and ingredients for beauty care, healthcare solutions , and improving agricultural yields
	Fresenius Medical Care AG	IV drugs, clinical nutrition, infusion therapies, medical devices, transfusion technology	Dialyzers, dialysis machines , renal pharmaceuticals
	ConvaTec Group Plc	Medical products and technologies	Chronic condition management , with products in wound, ostomy, continence, critical, and infusion care
	DiaSorin S.p.A.	Healthcare in vitro diagnostics	Reagents for in vitro diagnostics
	Smith & Nephew plc	Health Technology	Joint implants, wound care, tissue repair systems
	Advanced Medical Solutions Group plc	Manufacturer of tissue-healing technologies	Wound care , surgical dressings, medical materials
Industrial Manufacturers	Interpump Group S.p.A.	Manufacturer of high-pressure hydraulic pumps and components	High pressure pumps
	Alfa Laval AB	Chemicals, food, water, marine, energy, and environmental control	Heat transfer, separation, and fluid handling solutions.
	Spirax-Sarco Engineering plc	Industrial engineering with steam, electric thermal, and fluid path solutions.	Pumps, tubing , specialty filling systems and products for single-use applications
	Volution Group plc	Industrial Machinery	Residential/commercial ventilation , heating units, OEM components
	Spectris plc	Precision measurement solutions	High-tech instruments, test equipment, for industrial applications
	SEB SA	Household equipment manufacturer	Household equipment
	JENOPTIK AG	Optical technology	Optics , lasers, and imaging
Arkema SA	Specialty chemicals and advanced materials	Adhesives, polymers , resins, and chemicals	

EBITDAm 2024E



EV/EBITDA 2024E



Company 2024E	Smith & Nephew plc	JENOPTIK AG	Arkema SA	Croda International Plc	Fresenius Medical Care AG	Alfa Laval AB	Sartorius AG	Spectris plc	ConvaTec Group Plc	Spirax-Sarco Engineering PLC	SEB SA	DiaSorin S.p.A.	Advanced Med. Sol. Group plc	Interpump Group S.p.A.	Solvay SA	Volition Group plc
EV/EBITDA	9.77	8.82	5.63	15.92	6.94	12.66	23.75	10.77	13.11	18.05	7.98	14.82	10.52	9.86	4.72	10.42
EBITDAm	25.5%	19.8%	16.6%	24.1%	17.1%	19.6%	29.8%	21.2%	25.9%	25.3%	13.0%	33.1%	26.4%	24.2%	22.6%	23.9%
P/E	13.97	14.65	9.91	27.31	12.88	19.48	40.21	17.04	20.85	27.79	12.45	26.42	19.81	15.28	6.48	15.18

Source: FactSet, Companies Data, Refinitiv, Team estimates



Medical

Multilinear regression on the identified value drivers and the main peers in the Medical segment

Respiratory Protection

Weighted average of RPB disclosed EBITDAm and average of the main players

Automotive

Multilinear regression on the identified value drivers and the main peers in the Automotive segment

Laboratory

Average of EBITDAm of the 5 main players

Segment	Lower	Upper	
Medical	24%	29%	26.5%
Respiratory Protection	42%	50%	44%
Automotive	15%	20%	15%
Laboratory	16%	21%	16%

Source: Team Estimates

Drivers

R&D intensity
R&D/Revenues

Capital Intensity
Revenues/PPE

Source: Orbis, Companies Data, Refinitiv, Team estimates



Company	EBITDAm [%]					R&D/Revenues [%]					Revenues/PPE					ROIC [%]				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Asahi Kasei	14.5%	14.5%	14.3%	14.3%	11.2%	4.2%	4.3%	4.0%	4.0%	3.9%	3.5	2.9	3.1	3.1	3.1	11.3%	8.0%	8.2%	8.2%	-2.4%
Baxter INTL	23.3%	23.8%	22.3%	20.5%	17.3%	5.4%	4.5%	4.2%	4.1%	4.0%	2.5	2.2	2.2	2.2	2.7	16.0%	14.7%	12.0%	7.6%	-7.2%
Becton Dickins	25.6%	25.7%	22.9%	24.6%	25.7%	6.3%	6.1%	6.5%	6.7%	6.7%	3.0	3.1	2.7	3.0	3.1	5.0%	5.4%	3.5%	6.1%	6.2%
Intersurgical	16.7%	17.0%	22.5%	21.1%	18.5%	0.2%	0.1%	0.4%	0.2%	0.4%	7.2	7.5	8.0	7.5	8.6	20.9%	22.6%	31.1%	14.8%	11.9%
Lepu Medical	32.2%	32.6%	29.5%	29.5%	31.5%	6.0%	9.2%	8.5%	8.5%	9.0%	3.5	3.0	3.0	3.0	2.4	12.5%	15.5%	13.6%	15.8%	19.1%
Medtronic plc	28.7%	24.3%	27.1%	27.1%	27.3%	7.6%	8.3%	8.7%	8.7%	8.6%	6.5	5.8	5.8	5.8	5.6	8.1%	6.4%	5.9%	8.0%	7.7%
Merk KGAA	29.7%	32.0%	36.6%	36.6%	36.2%	4.1%	4.2%	3.9%	3.9%	3.8%	3.1	2.7	2.7	2.7	2.7	6.6%	6.8%	10.2%	13.0%	12.3%
Pall Corp	26.3%	34.9%	48.2%	48.2%	45.8%	6.2%	6.0%	5.9%	5.9%	5.5%	6.8	6.8	7.8	7.8	7.9	9.0%	6.3%	6.9%	11.1%	12.5%
Sartorius AG	28.6%	32.3%	36.2%	36.2%	35.7%	5.0%	4.6%	4.1%	4.1%	4.3%	2.4	2.4	2.7	2.7	2.4	13.9%	15.7%	13.3%	23.8%	21.7%
Thermo Fisher	25.2%	25.5%	31.6%	33.1%	26.5%	4.0%	3.9%	3.7%	3.6%	3.3%	5.8	4.7	4.8	4.0	4.1	8.3%	8.9%	14.0%	14.2%	10.9%
Weigao Group	27.0%	28.1%	29.3%	29.3%	28.8%	3.1%	3.1%	3.1%	3.1%	3.6%	2.0	2.0	2.1	2.1	2.0	9.1%	11.1%	11.2%	12.6%	15.9%

GVS - Output regression

27.5% 29.0% 31.5% 27.5% 22.4%

Source: Orbis, Companies Data, Refinitiv, Team estimates



Company	EBITDAm					R&D/Revenues					Revenues/PPE					ROIC				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Autoliv INC	12.5%	12.6%	10.1%	13.0%	11.4%	4.6%	4.5%	4.8%	4.5%	4.2%	5.13	4.33	3.71	4.14	4.17	16.9%	17.3%	7.9%	14.6%	15.5%
Aotecar	16.5%	7.3%	4.0%	4.4%	8.6%	2.0%	3.4%	4.7%	2.8%	2.7%	3.10	1.99	2.44	3.05	3.79	7.6%	-2.8%	-3.3%	0.0%	3.5%
Donaldson	16.4%	16.2%	16.2%	13.7%	16.3%	2.2%	2.2%	2.4%	2.4%	2.1%	3.33	3.23	2.60	2.60	2.77	27.6%	25.5%	21.1%	24.4%	25.0%
Knorr-Bremse AG	17.7%	18.3%	18.1%	15.7%	14.7%	4.1%	5.2%	5.9%	5.9%	5.8%	7.70	8.10	5.63	7.03	7.04	25.7%	23.0%	16.9%	19.8%	13.6%
Mann + Hummel	7.0%	7.3%	9.2%	9.7%	7.9%	3.5%	3.2%	2.7%	2.6%	2.3%	5.09	4.83	3.66	4.62	5.18	4.3%	6.9%	6.6%	9.3%	7.8%
Parker Hannifin	17.0%	17.8%	18.1%	21.7%	21.7%	2.3%	2.1%	2.2%	1.2%	1.2%	4.14	3.64	3.34	3.48	3.77	16.2%	13.9%	16.1%	15.2%	15.6%
Schaeffler AG	15.2%	12.9%	9.1%	15.8%	13.1%	5.9%	5.9%	6.0%	5.3%	4.8%	2.69	2.62	2.52	2.84	3.32	21.2%	14.5%	-1.7%	19.2%	14.7%
Sogefi	12.5%	11.3%	10.6%	13.7%	12.5%	9.1%	9.3%	8.6%	8.6%	7.8%	5.72	4.77	4.01	3.77	3.97	14.8%	5.7%	0.2%	8.2%	12.6%
Toyota Gosei	8.9%	6.8%	11.0%	9.2%	9.2%	8.9%	6.8%	11.0%	9.2%	9.2%	4.04	3.34	2.80	2.94	3.45	8.1%	3.5%	7.1%	5.5%	5.6%
Valeo	11.5%	11.2%	7.3%	11.7%	12.5%	6.5%	5.9%	5.8%	5.6%	6.5%	4.20	3.92	4.11	4.21	4.73	11.1%	7.3%	-9.2%	4.2%	6.1%

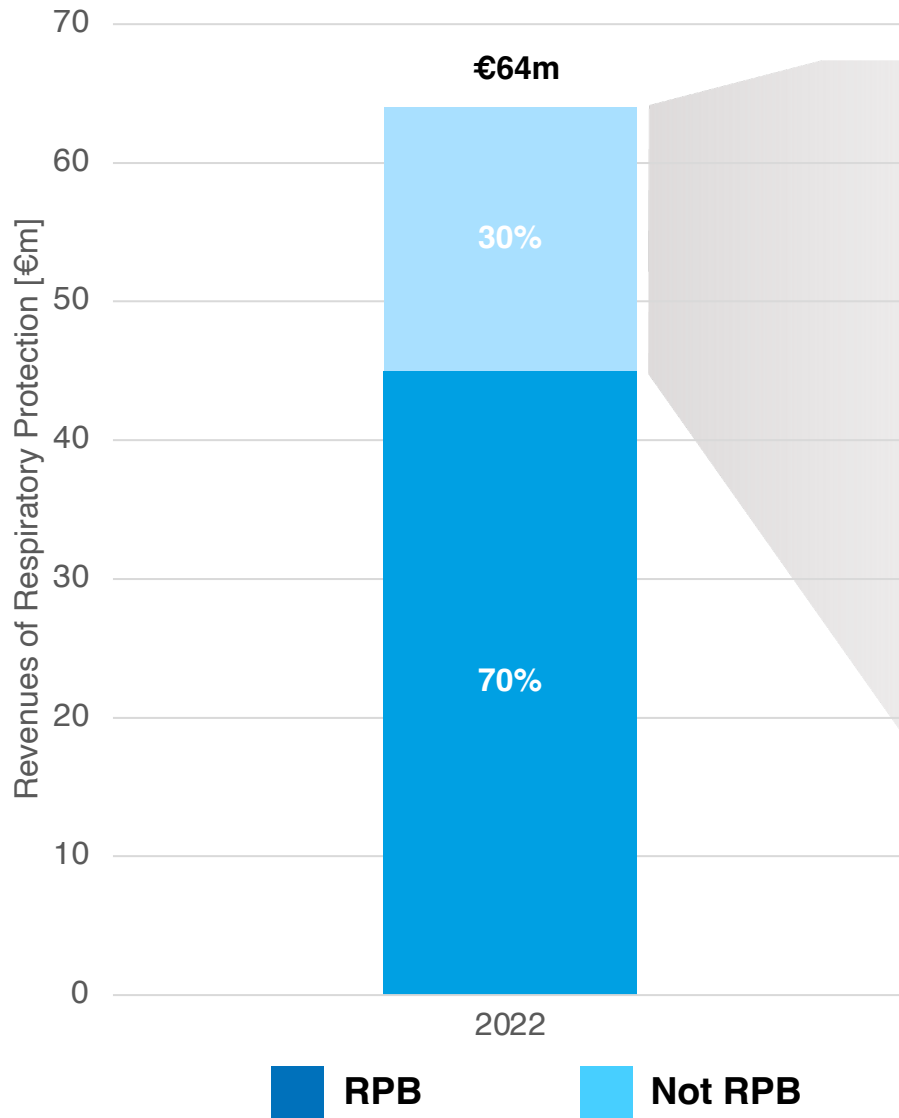
GVS - Output regression	19.8%	20.5%	15.5%	15.6%	12.4%
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Company	EBITDAm				
	2018	2019	2020	2021	2022
Ahlstrom	6.5%	8.3%	12.8%	14.8%	22.3%
Danaher	24.9%	25.4%	27.3%	34.6%	34.6%
Merk Millipore	23.6%	24.2%	28.0%	30.4%	30.8%
Porvair plc	19.0%	18.1%	20.5%	21.7%	20.3%
Sartorius - Lab	18.5%	21.6%	21.0%	26.1%	26.2%
GVS - Average	18.5%	19.5%	21.9%	18.3%	21.3%

Following the disruptions caused by the COVID pandemic, **the three major players** in the laboratory industry have strategically shifted their focus towards the **Bioprocess market**. This segment offers the potential for **larger profit margins and more consistent growth** compared to other areas of their operations. As a result of this strategic shift, their EBITDAm are **excluded from the average computation for the years 2021 and 2022**.

Source: Orbis, Companies Data, Refinitiv, Team estimates



Company	EBITDAm				
	2018	2019	2020	2021	2022
3M	23.0%	21.8%	23.6%	20.6%	10.3%
Avon Protection	16.5%	17.5%	18.0%	8.1%	3.7%
Draeger	10.0%	10.5%	10.1%	13.0%	6.0%
Honeywell International	16.3%	12.9%	16.1%	13.2%	15.6%
MSA Safety	20.1%	20.6%	21.0%	20.4%	22.1%

Avg. EBITDAm 2018-2022

+15.7%

Source: Orbis, Companies Data, Refinitiv, Team estimates



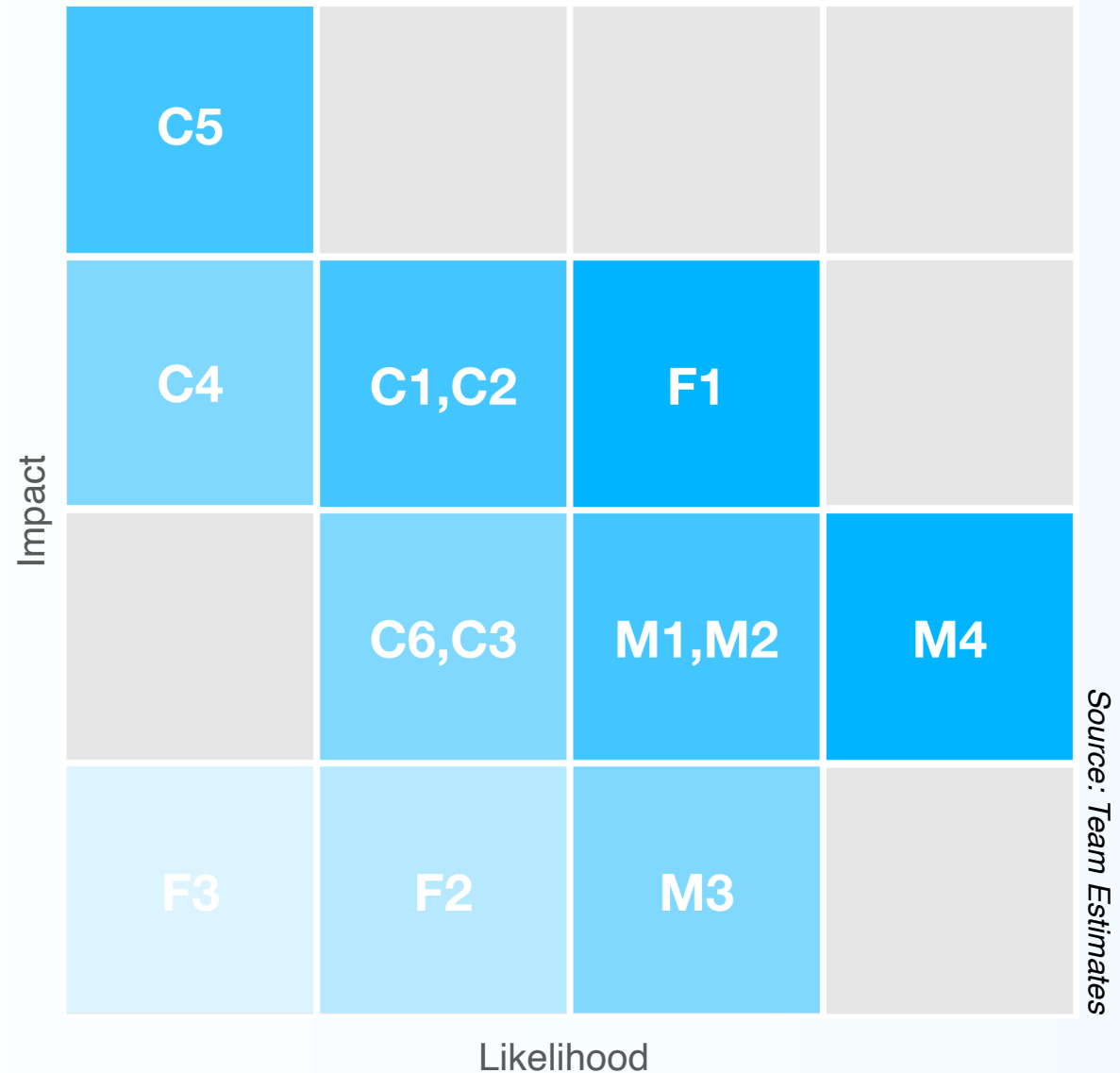
A blue-tinted photograph of a modern glass skyscraper. The building's facade is composed of a grid of windows, reflecting the sky and some greenery. The title "Investment Risks" is centered in a bold, white, sans-serif font. The overall mood is professional and corporate.

Investment Risks



Investment risks

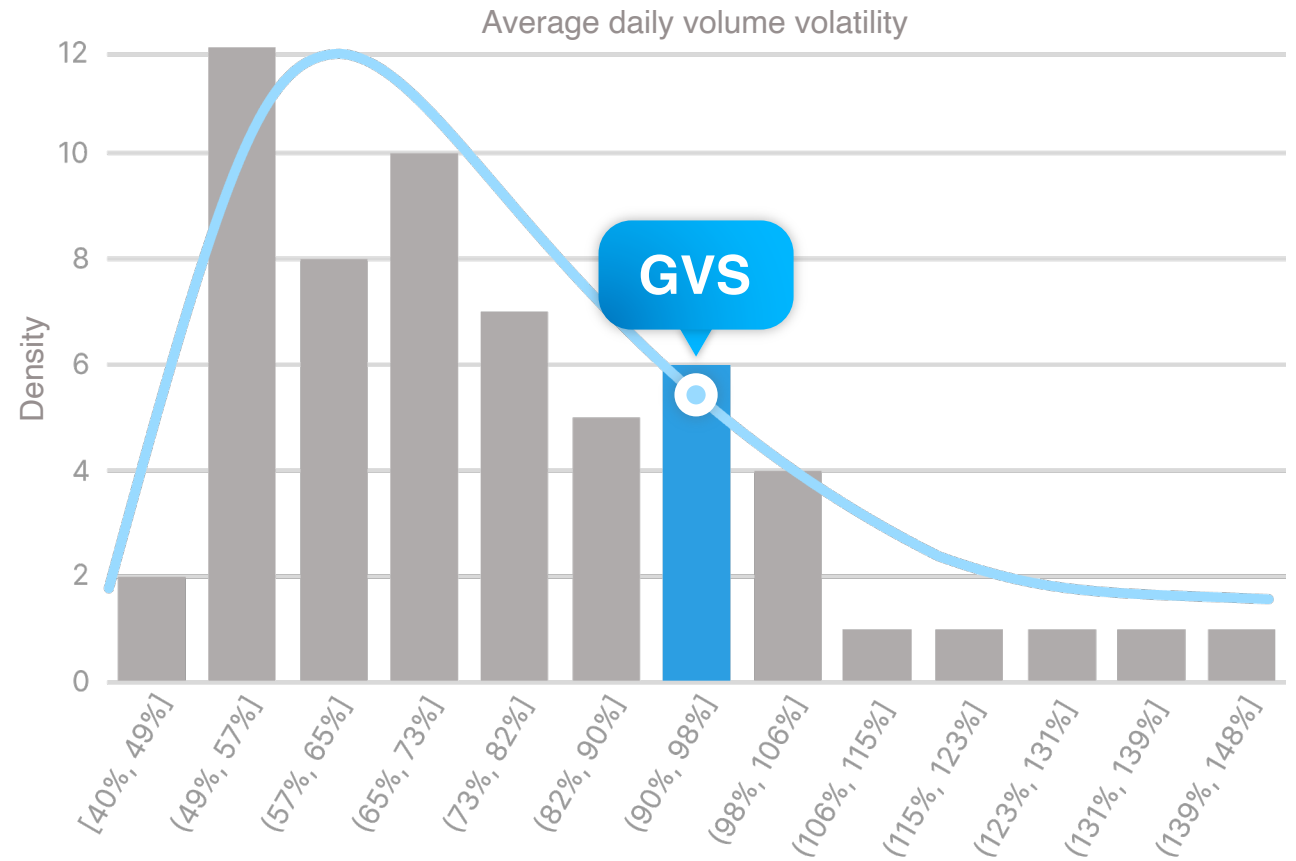
- M1.** Raw material price fluctuation and wages inflation
- M2.** Severe regulations and increasing costs for patents
- M3.** Interest rates
- M4.** Stock volume volatility
- F1.** Liquidity risk
- F2.** Credit risk
- C1.** Degradation of GVS positioning
- C2.** CEO-Centric Leadership
- C3.** Board Members' expertise
- C4.** Asian market hostage of China
- C5.** Reputational risk
- C6.** M&A execution





GVS sits in the 75° percentile of EXM constituents for stock daily volume volatility

90.3% daily volume volatility



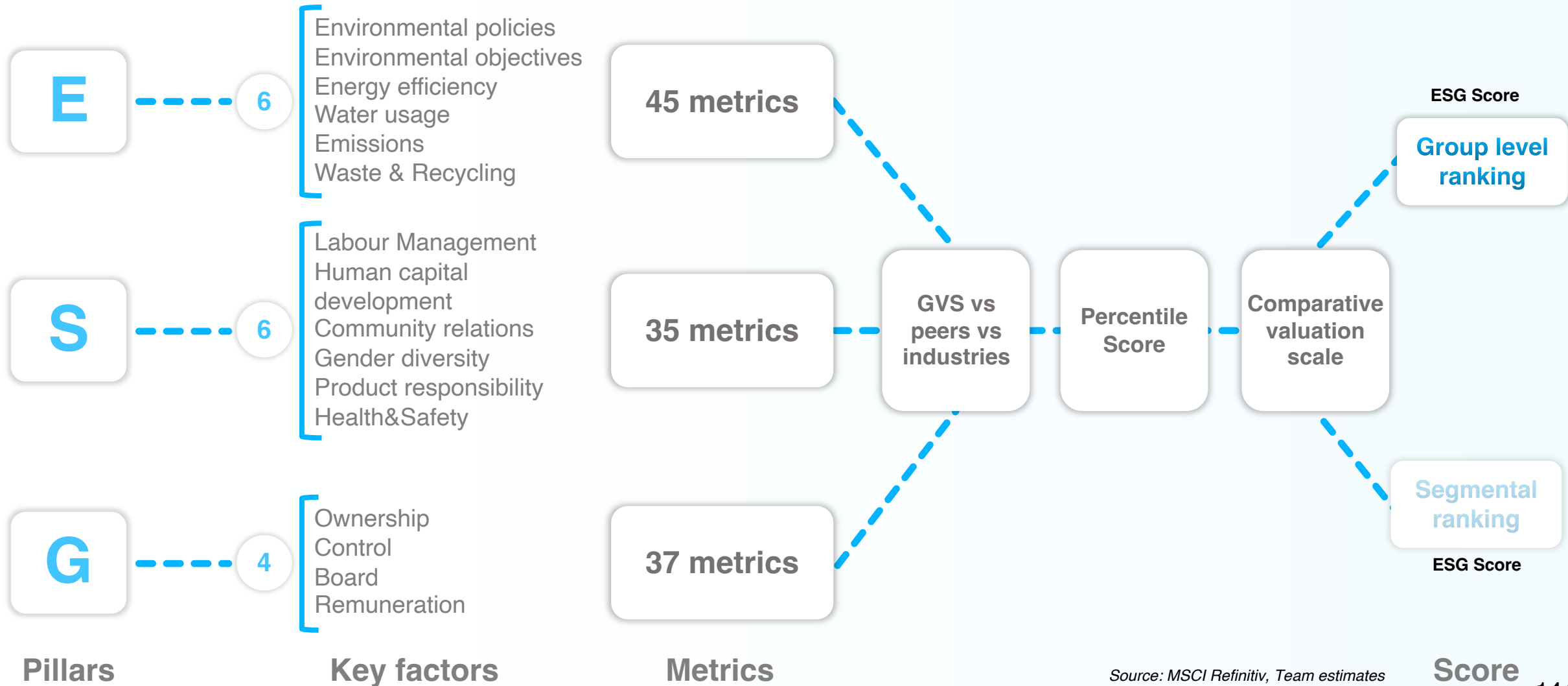
Source: Team Elaboration, Refinitiv, FactSet

A blue-tinted photograph of a modern glass skyscraper. The building's facade is composed of a grid of glass panels. On the left side, the letters 'EM' are visible, likely part of a company logo, rendered in a light blue color. The sky is a clear, deep blue. The overall image has a professional and corporate feel.

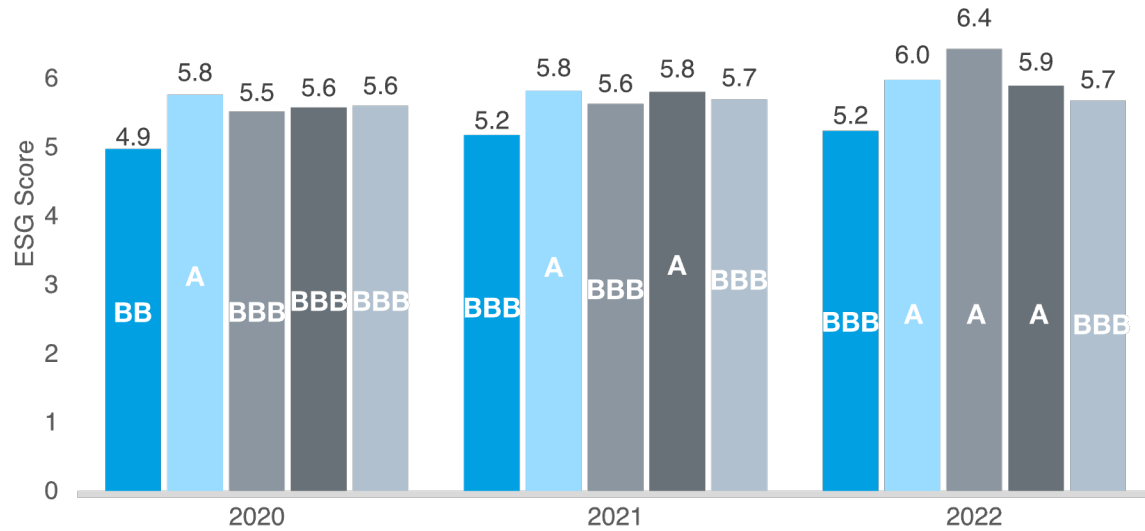
ESG



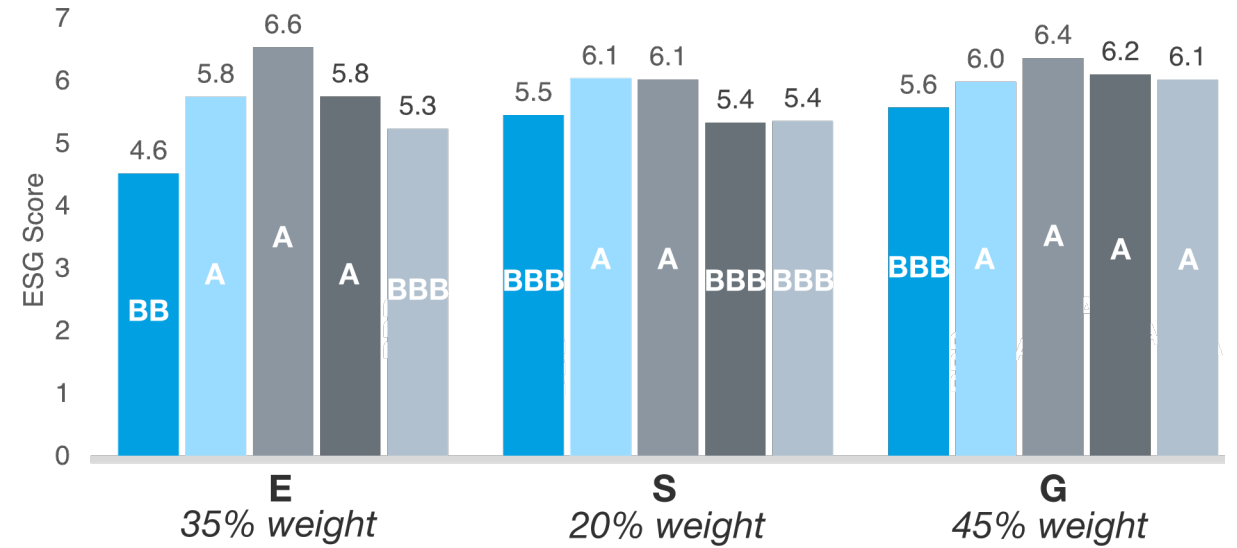
Our model: 117 metrics grouped into 16 key factors



Segmental ranking over years



In-depth ESG pillars analysis 2022



Source: MSCI Refinitiv, Team estimates

Most Environmental relevant metrics

Environment Highlights							
Key factors	Metric	GVS 2022	GVS 2021	GVS 2020	Peers 2022	Best 2022	Worst 2022
Environmental policies	Resource Reduction policy [T/F]	TRUE	TRUE	TRUE	100% T - 0% F	TRUE	FALSE
Environmental objectives	Resource Reduction Targets [T/F]	FALSE	FALSE	FALSE	57% T - 43% F	TRUE	FALSE
	Targets Water Efficiency [T/F]	FALSE	FALSE	FALSE	36% T - 64% F	TRUE	FALSE
	Targets Energy Efficiency [T/F]	FALSE	FALSE	FALSE	29% T - 71% F	TRUE	FALSE
	Targets Emissions [T/F]	FALSE	FALSE	FALSE	86% T - 14% F	TRUE	FALSE
	Toxic Chemicals Reduction [T/F]	FALSE	FALSE	FALSE	50% T - 50% F	TRUE	FALSE
Energy efficiency	Renewable Energy Use Ratio [%]	26.7%	34.5%	18.3%	18.8%	36.0%	0.8%
	Energy Consumption [GJ/€m Revenues]	804.9	729.8	573.8	357.0	112.3	804.9
Water usage	Total Water Use/€m Revenues	296.3	200.9	178.4	258.8	473.5	671.7
Emissions	CO2 Emissions [ton/€m Revenues]	53.1	56.7	53.3	36.7	8.2	86.7
	GHG Emissions Indirect, Scope 2	41.5	46.7	41.3	25.4	4.4	84.2
Waste & Recycling	Waste Certifications (ISO 14000) [T/F]	TRUE	TRUE	TRUE	93% T - 7% F	TRUE	FALSE
	EMS Certified [%]	85.7%	48.6%	67.8%	50.1%	85.7%	33.3%

Source: MSCI, Refinitiv, Team estimates

Most Social relevant metrics

Social Highlights							
Key factors	Metric	GVS 2022	GVS 2021	GVS 2020	Peers 2022	Best 2022	Worst 2022
Labour Management	Employee turnover [%]	56.2%	59.4%	40%	17.9%	6.6%	56.2%
Human Capital Development	Training Hours [h/employee]	18.3	27.4	23.0	21.3	36.2	5.9
Community Relations	Policy Fair Competition [T/F]	TRUE	TRUE	TRUE	100% T - 0% F	TRUE	-
	Corporate Responsibility Awards [T/F]	TRUE	FALSE	FALSE	57% T - 43% F	TRUE	FALSE
Gender Diversity	Women Employees [%]	56.2%	61.1%	60.0%	42.8%	77.2%	28.0%
	Female recruited [%]	54.8%	67.9%	65.1%	50.4%	54.8%	24.2%
Product Responsibility	Quality Mgt Systems [T/F]	TRUE	TRUE	TRUE	93% T - 7% F	TRUE	FALSE
	ISO 9000 [T/F]	TRUE	TRUE	TRUE	71% T - 29% F	TRUE	FALSE
Health&Safety	Injuries To Million Hours	5.5	9.5	10.1	3.7	1.1	7.3
	OHSAS 18001 [T/F]	TRUE	TRUE	TRUE	79% T - 21% F	TRUE	FALSE

Source: MSCI, Refinitiv, Team estimates

Most Governance relevant metrics

Governance Highlights							
Key factors	Metric	GVS 2022	GVS 2021	GVS 2020	Peers 2022	Best 2022	Worst 2022
Ownership	Public Ownership [%]	37.1%	37.1%	36.9%	87.7%	99.9%	28.4%
Control	Different Voting Rights share[T/F]	TRUE	FALSE	FALSE	93% T - 7% F	FALSE	TRUE
Board	CEO Chairman Duality [T/F]	FALSE	FALSE	FALSE	57% T - 43% F	FALSE	TRUE
	Women in the Board [%]	44.4%	44.4%	44.4%	26.6%	54.0%	7.7%
	Nomination Committee Independence [T/F]	TRUE	TRUE	TRUE	79% T - 21% F	TRUE	FALSE
	Succession Plan [T/F]	TRUE	FALSE	FALSE	93% T - 7% F	TRUE	FALSE
	Independent Board Members [%]	44.4%	44.4%	44.4%	71.0%	92.3%	38.5%
	CSR Sustainability Committee [T/F]	FALSE	FALSE	FALSE	71% T - 29% F	TRUE	FALSE
Remuneration	Compensation incentives [T/F]	TRUE	TRUE	FALSE	57% T - 43% F	TRUE	FALSE
	Shareholders Vote on Executive Pay[T/F]	TRUE	TRUE	TRUE	86% T - 14% F	TRUE	FALSE

Source: MSCI, Refinitiv, Team estimates

Full Name	Offices	In office since	In charge since	N° of other offices	Committees			Background
					Control and Risk	Remuneration	Appointement Proposal	
Alessandro Nasi	Chairman Executive	19/06/2020	03/05/2023	10				<ul style="list-style-type: none"> Degree in Business Administration Board director in many companies
Massimo Scagliarini	CEO Executive	24/07/1990	03/05/2023	0				<ul style="list-style-type: none"> Degree in Accounting Son of Grazia Valentini
Grazia Valentini	Founder and Non Executive Director	18/03/1987	03/05/2023	1				<ul style="list-style-type: none"> Master in Business Administration
Marco Scagliarini	Non Executive Director	24/07/1990	03/05/2023	2				<ul style="list-style-type: none"> CEO of Wallaby SpA (Family Office) Son of Grazia Valentini
Marco Pacini	Non Executive Director	01/01/2023	03/05/2023	1				<ul style="list-style-type: none"> Degree in Economics Management, Accounting, Corporate Finance
Pietro Cordova	Independent Director	03/05/2023	03/05/2023	1	✓	✓	✓	<ul style="list-style-type: none"> Degree in Economics Highly experienced individual
Anna Tanganelli	Independent Director	03/05/2023	03/05/2023	1	President			<ul style="list-style-type: none"> Degree in Economics Highly experienced individual
Michela Schizzi	Independent Director	19/06/2020	03/05/2023	1		✓	✓	<ul style="list-style-type: none"> Degree in Law Business Legal Affairs
Simona Scarpaleggia	Independent Director	03/05/2023	03/05/2023	4	✓	President	President	<ul style="list-style-type: none"> Degree in Political Science Board director in many companies

Source: Company data, Team Estimates



Full Name	Background				
	Medical	RP	Automotive	Laboratory	Other
Alessandro Nasi			✓		✓
Massimo Scagliarini	✓	✓	✓	✓	
Grazia Valentini	✓	✓	✓	✓	
Marco Scagliarini			✓		✓
Marco Pacini			✓		✓
Pietro Cordova			✓		✓
Anna Tanganelli			✓		✓
Michela Schizzi					✓
Simona Scarpaleggia					✓

- **Massimo Scagliarini and Grazia Valentini** only Directors to have broad expertise in GVS' key segments.
- **No Director** outside Massimo Scagliarini and Grazia Valentini has **expertise in GVS' key segments** for the future (Medical, RP, Bioprocess).
- **7/9** Directors with **Automotive expertise**, the least attractive segment.
- All directors with background **suboptimal for Asia expansion**.

Source: Company data, Team Estimates

GVS has adopted “Codice di Autodisciplina” (Italian Code of Conduct for Italian listed companies) since 2021. In the table we summarize the main areas of compliance and not.

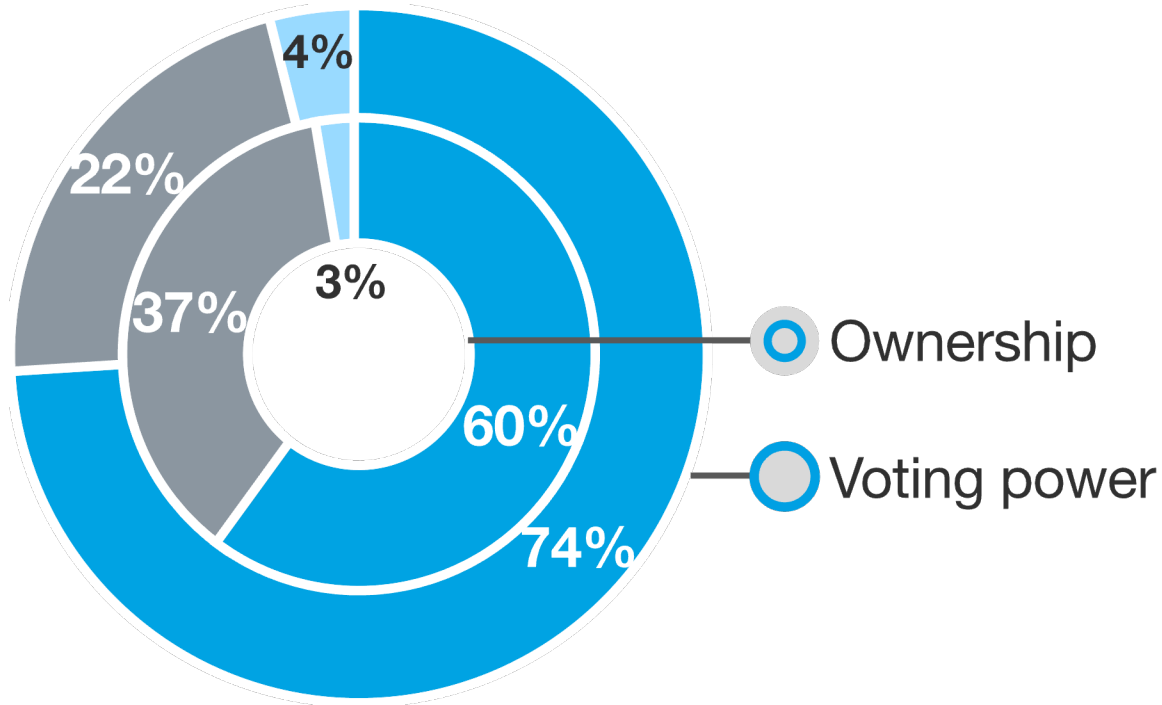
Codice di Autodisciplina	
COMPLY	DOES NOT COMPLY
Composition of the Board of Directors (BoD): i) 4/9 are independent directors, (ii) 4/9 are of female gender, (iii) absence of the Lead Independent Director justified by the clear separation of the roles of CEO and Chairman.	Some members of the BoD have relevant offices in other companies.
All independent directors were renewed recently.	There is no international representative.
Definition of guidelines for the maximum number of offices that executive/non-executive directors may cover in other companies.	Except the CEO and 2 Non-Executive-Directors (all the family members in the BoD), no one else has experience in the whole GVS related industries.
Members of Internal Auditor are elected through a voting list system.	
Presence of Committees of Remuneration, Control Sustainability and Risk, and Appointment proposal. The Committee of Remuneration (Chairman is not a member) fixes maximum amount of variable remuneration allowed.	
A Committee in 2022 has been appointed to evaluate a succession plan of executive directors.	
Disclosure of CG and main ownership stakes annually, since 2020 (IPO).	
Members of the BoD were elected both from the list of Majority and minority.	
Independent directors compose the Appointment Proposal Committee and Control Sustainability and Risk Committee.	

Source: Company data, Team Estimates

Investor name	% Outstanding	Position [€m]	Country/Region	Voting rights
Massimo Scagliarini	60.1%	536	Italy	73.68%
Capital Research and Management Company	5.7%	51	United States	n.a.
7-Industries Holding B.V.	3.1%	28	Netherland	3.67%
Invesco Ltd.	3.0%	27	United Kingdom	n.a.
T.Rowe Price Grou, Inc.	1.8%	16	United Kingdom	n.a.
Mediolanum Gestione Fondi SGR PA	1.6%	14	Italy	n.a.
The Vanguard Group, Inc.	1.4%	13	United States	n.a.
Royce & Associate, LP	1.1%	10	United States	n.a.



Source: Refinitiv, Team Estimates



During the Shareholders Meeting of 2020, Shareholders have approved the introduction of double-voting rights shares. These special shares are granted upon application to all shareholders for **over two and a half years**.

The shareholders who can boast this benefit are:

- 7 Industries Holding
- Holding company GVS S.r.L., controlled by Valentini-Scagliarini's family.

Source: Company data, Team Elaboration



Grazia Valentini



- Founder of GVS
- Non-Executive Director, BoD member
- Currently CEO of “Grace di Grazia Valentini”
- MBA

Massimo Scagliarini



- CEO of GVS
- Valentini’s son
- Major Shareholder (74%) of GVS
- No degree

Marco Scagliarini



- Non-Executive Director, Bod Member
- Valentini’s son
- CEO of Wallaby, family office
- No degree


Massimo Scagliarini:

- CEO, BoD member
- From 1985


Luca Zanin:

- VP Healthcare & Life Sciences
- From 2000


Luca Querzè:

- VP Ricerca & Sviluppo
- From 1998


Marco Pacini:

- CFO, Non Executive Director
- Economist
- Fiat, Unieuro
- From 2023


Pierre Dizier:

- VP Health & Safety
- International Business, Finance
- JSP Ltd (UK)
- From 2013


Rozemaria Bala:

- General Counsel
- Lawyer
- From 2021


Matteo Viola

- COO
- Economist
- From 2008


Claudio Tonielli:

- VP Energy & Mobility
- Electronic Engineer, MBA
- Selcom Group
- From 2016


Paola Musuraca:

- Corporate HR Director
- Management Engineer
- From 2021