



GVS S.p.A
GVS.MI

Downside: 7.3%*
Target price: € 5.65/Share

HOLD

*Reference Price:
€ 6.09/Share
Updated: 09/02/2024



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2024 CFA Research Challenge
Milano, February 28th 2024



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Why hold? Investment Thesis Pillars

HIGH MARGINS...BUT TOO HIGH ON GUIDANCE

MARGIN DILEMMA

IMPORTANT INVESTMENT... WITH INCREASED DEBT

INVESTMENT BURDEN

A SOLID VALUATION...WITH A RECENT JUMP

VALUATION

ESG DRIVER... STILL LOWER THAN COMPETITORS

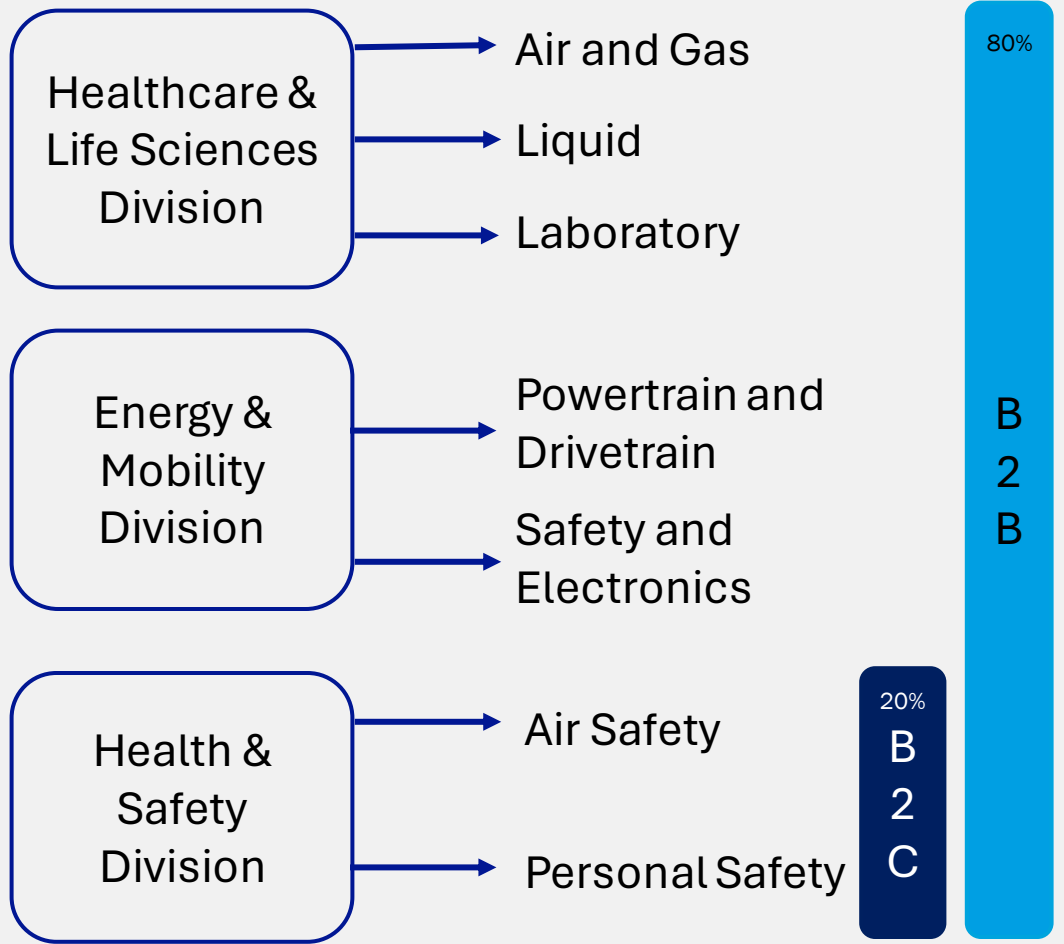
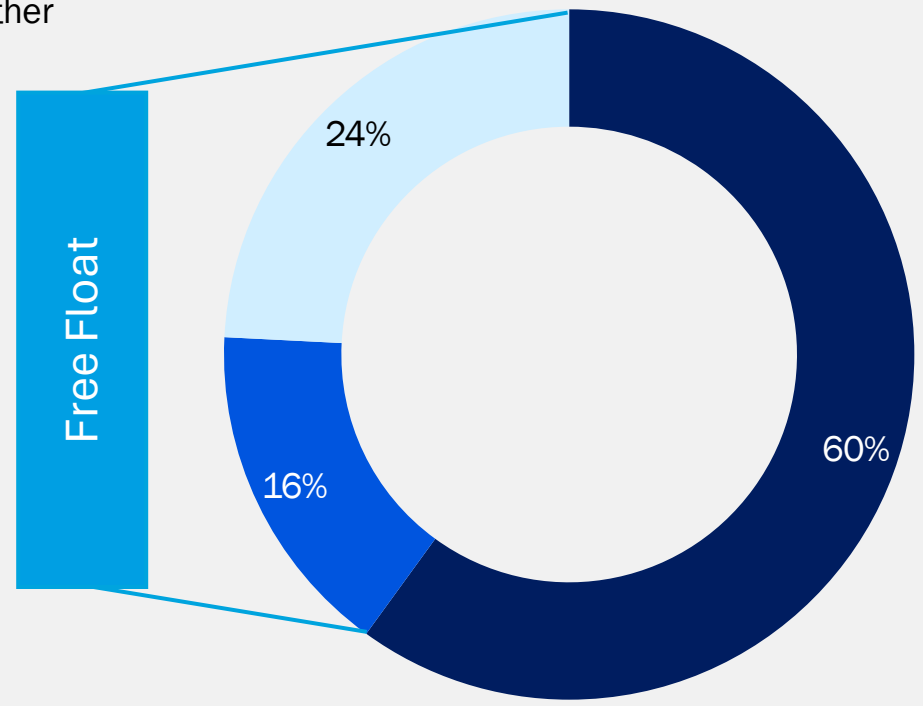
ESG



A Flash Overview on GVS

Free Float Distribution

- Massimo Scagliarini
- Institutionals
- Other

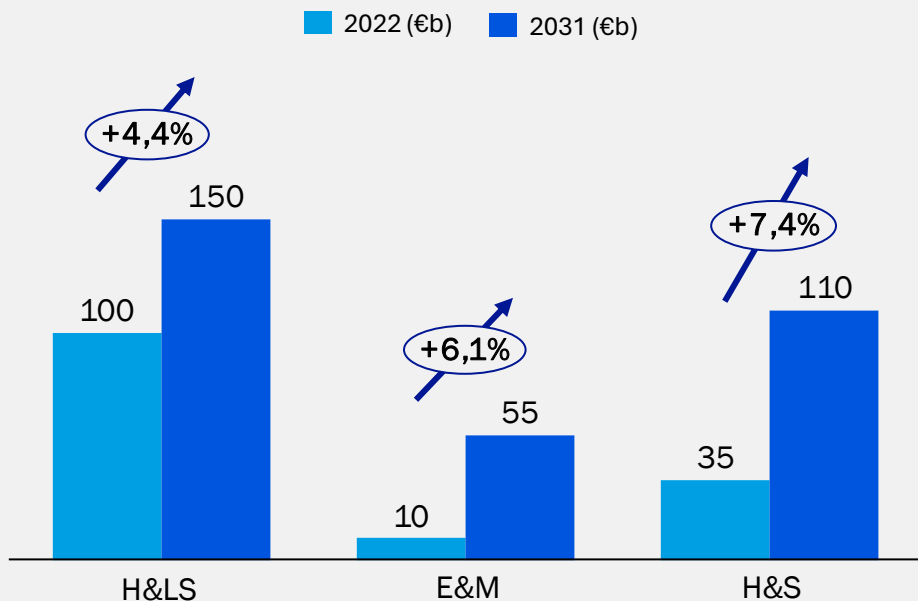


Source: Management Information



A Flash Overview on GVS: End-Market Analysis

End-Market Dimension for 2022-2031E



Competitor by End-market

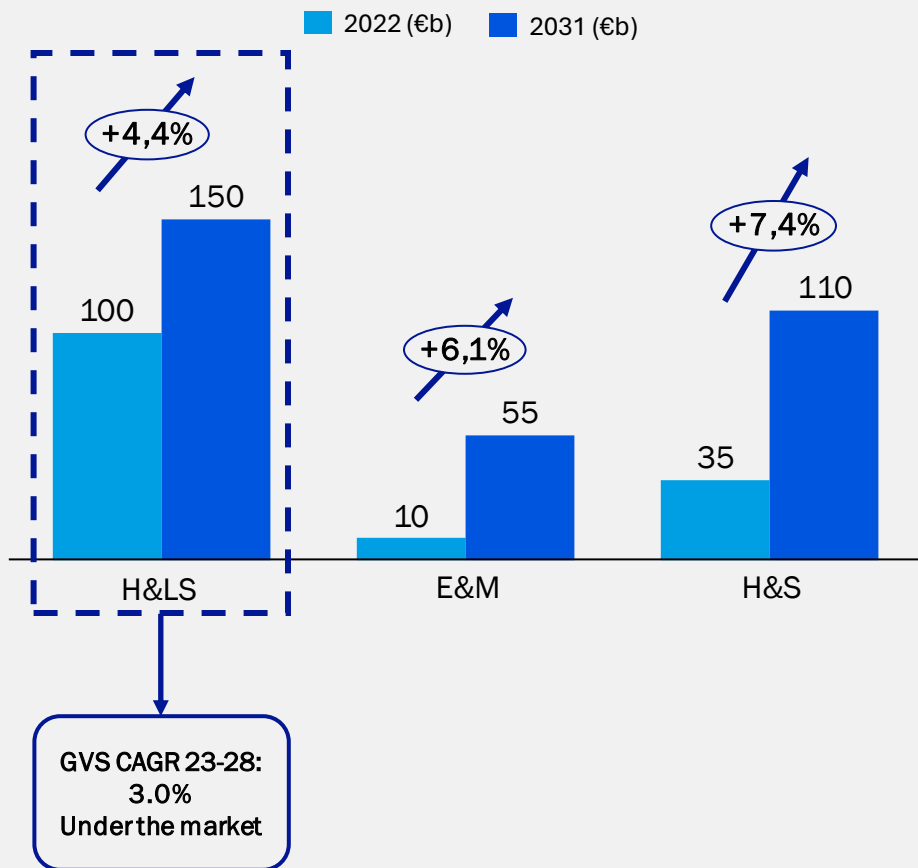
End-market	Companies	Driver
Healthcare & Life Sciences		Filter and laboratory
Energy & Mobility		Pollution and EVs
Health & Safety		Population aging and special mask equipment

Source: Management Information, Team Estimates



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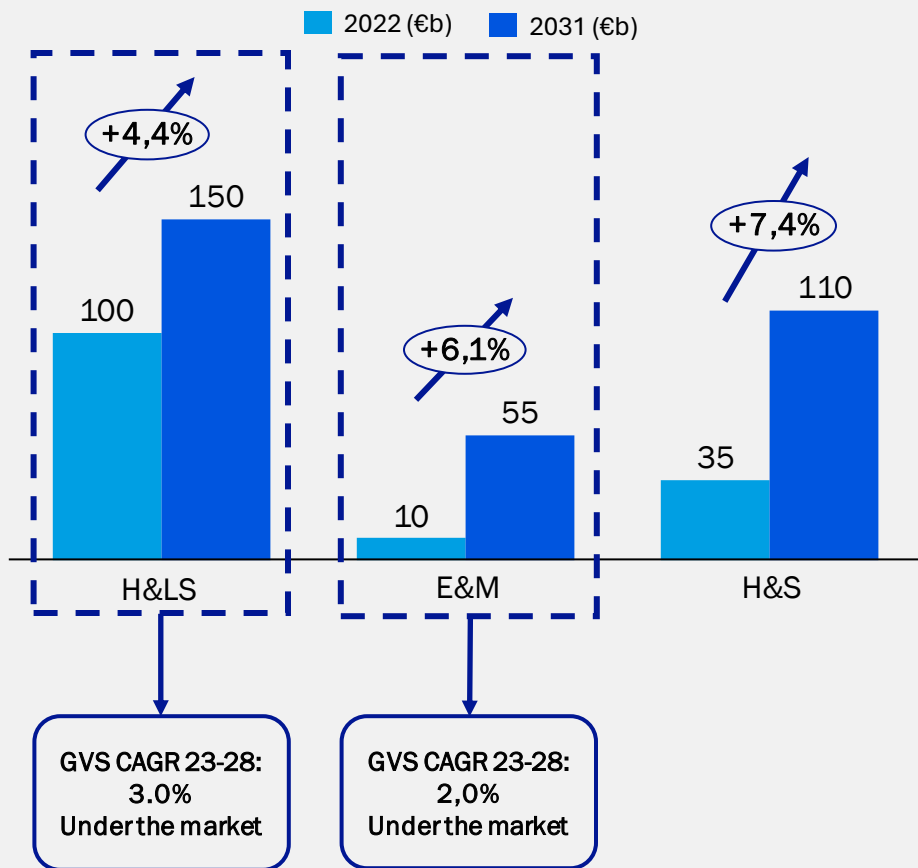
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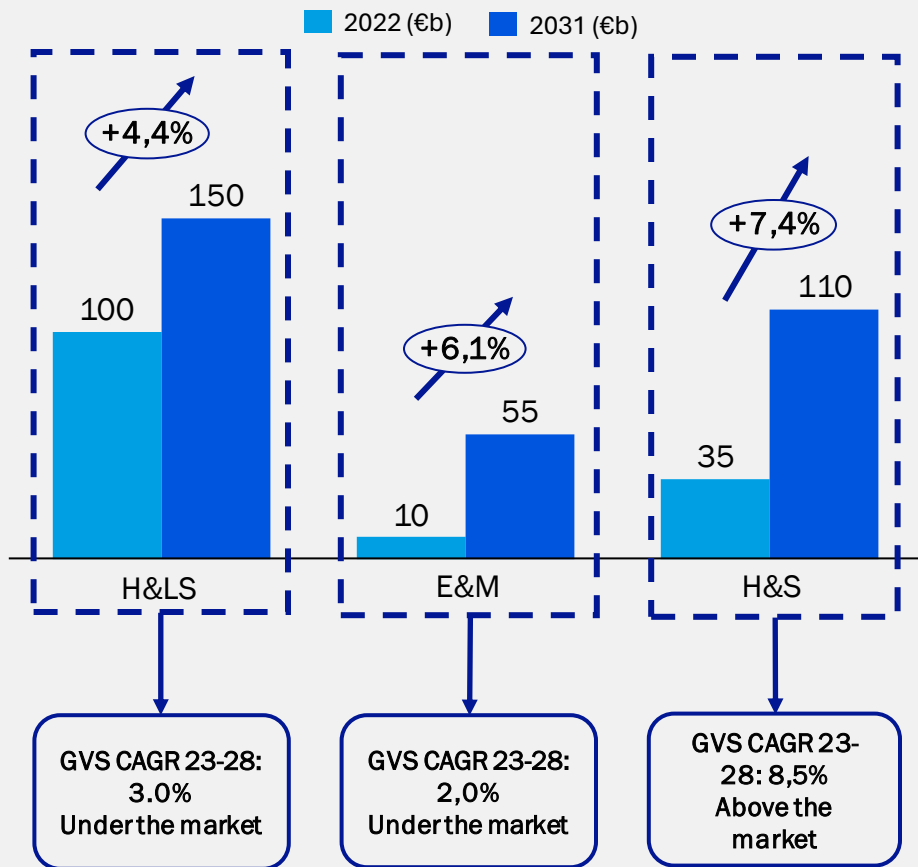
End-market	Companies	Driver
Healthcare & Life Sciences	MERCK, BD, AsahiKASEI, icu medical, Medtronic, Baxter	Filter and laboratory
Energy & Mobility	Dräger, AVON PROTECTION, 3M	Pollution and EVs
Health & Safety	PLASTIC OMNIUM, NORMA GROUP, Garrett (ADVANCING MOTION)	Population aging and special mask equipment

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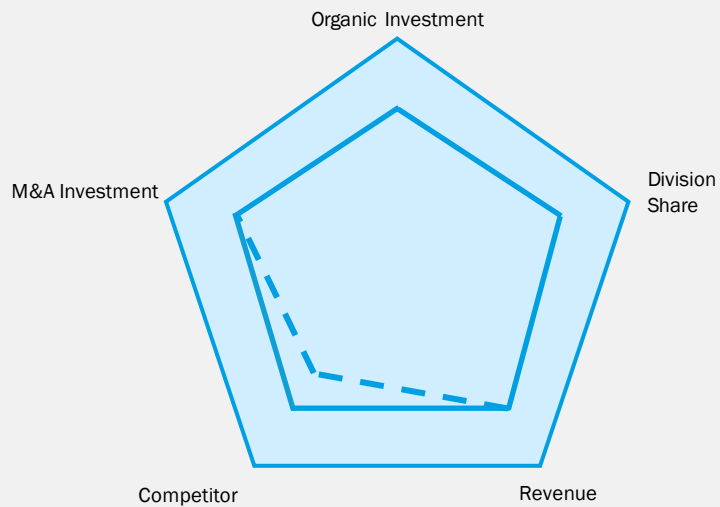
Source: Management Information, Team Estimates



A Flash Overview on GVS: Competitive Positioning During Pre- and Post-COVID-19

— 2023
- - 2020

Healthcare & Life Sciences



↑ M&A operation in line with historical value. ↑
 = H&LS will remain the core business of GVS. =

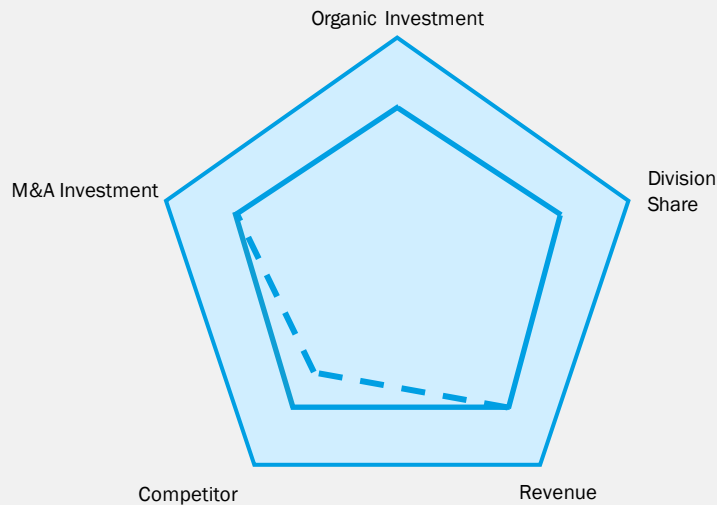
Source: Management Information, Team Estimates



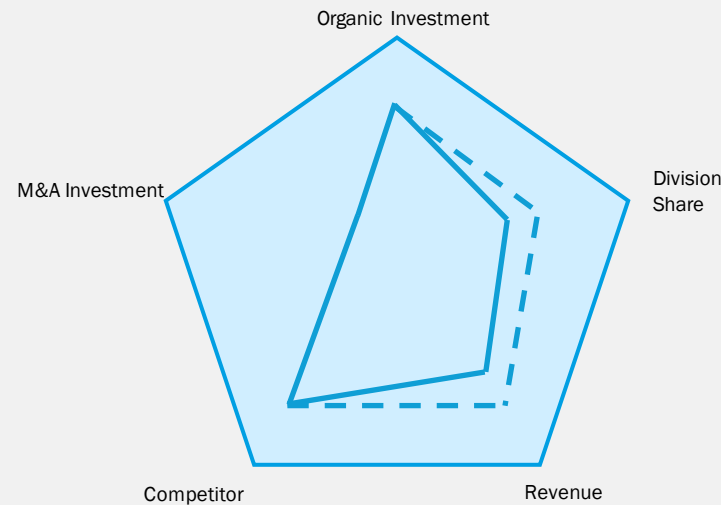
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— 2023
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Healthcare & Life Sciences



Energy & Mobility



↑ M&A operation in line with historical value. ↑
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↓ GVS shift positioning and losing market share. ↓
 ↓ E&M is the only division not covered by M&A processes. ↓

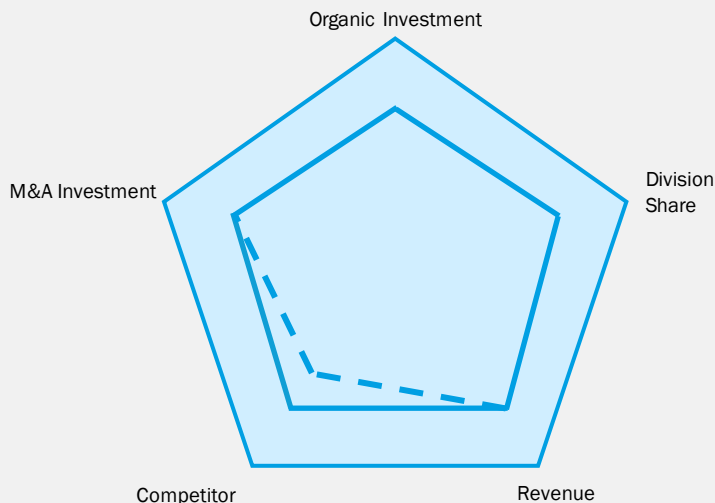
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A Flash Overview on GVS: Competitive Positioning During Pre- and Post-COVID-19

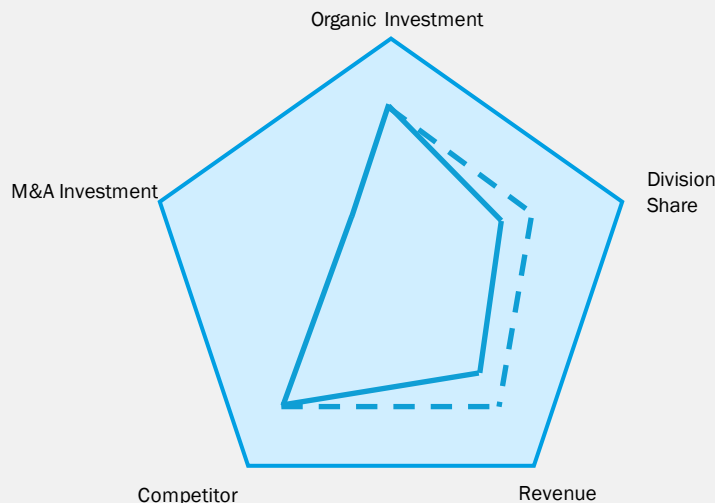
— 2023
- - 2020

Healthcare & Life Sciences



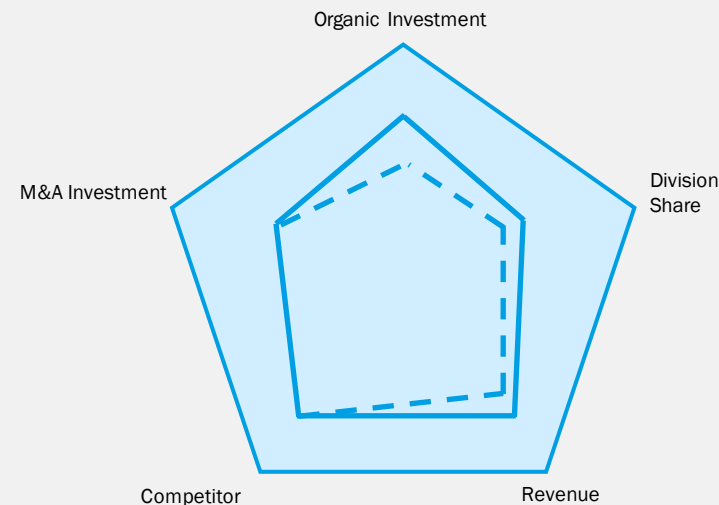
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Energy & Mobility



↓ GVS shift positioning and losing market share. ↓
 ↓ E&M is the only division not covered by M&A processes. ↓

Health & Safety



↑ GVS acquired RPB to enter the special mask niche. ↑
 ↑ H&S was developed during the COVID-19 pandemic. ↑

Source: Management Information, Team Estimates



A Flash Overview on GVS

*8% destined to "other countries"



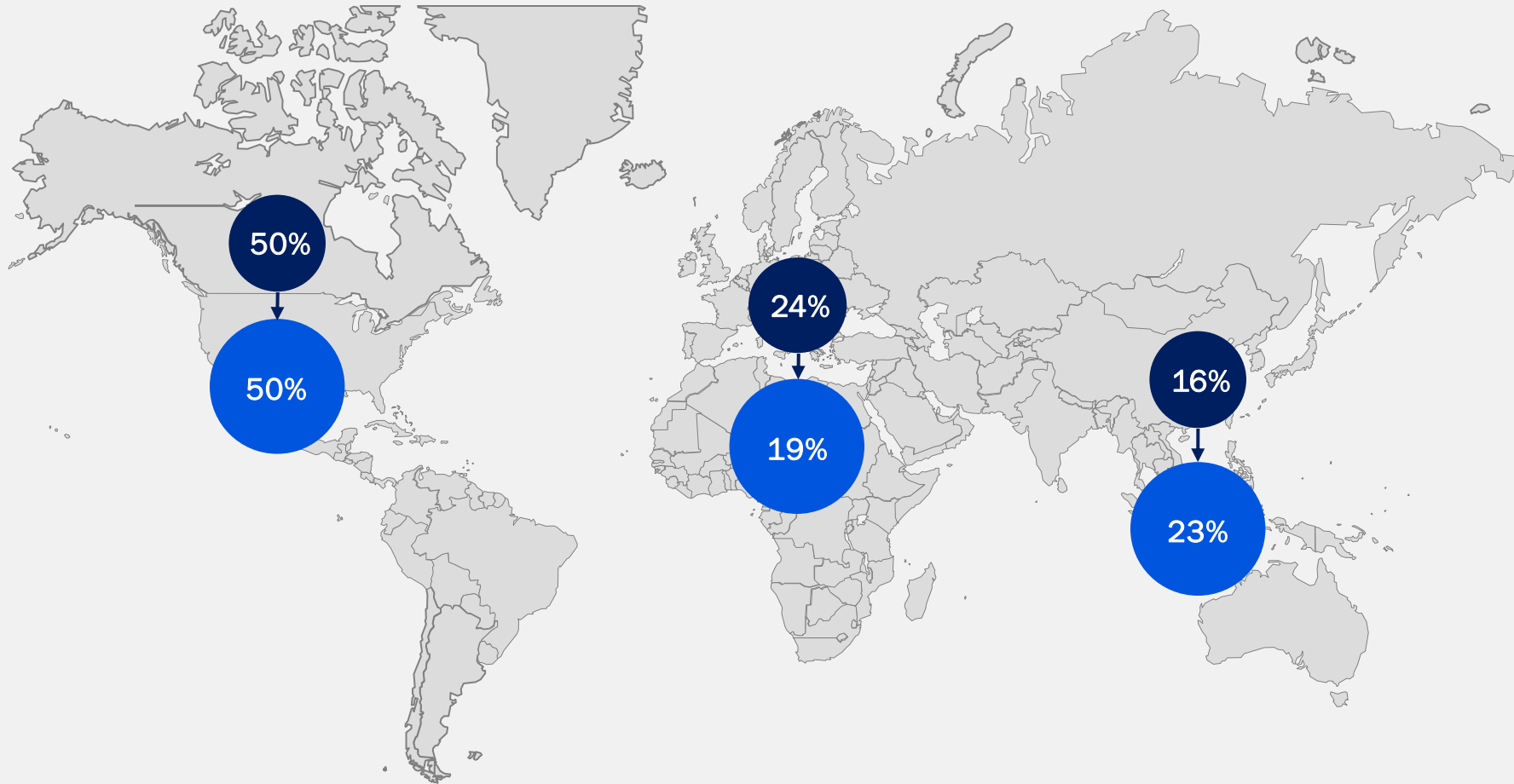
■ 2022A
■ 2025E

Source: Management Information



A Flash Overview on GVS

*8% destined to "other countries"



2022A
2025E

Source: Management Information

Why hold?

Investment Thesis Pillars

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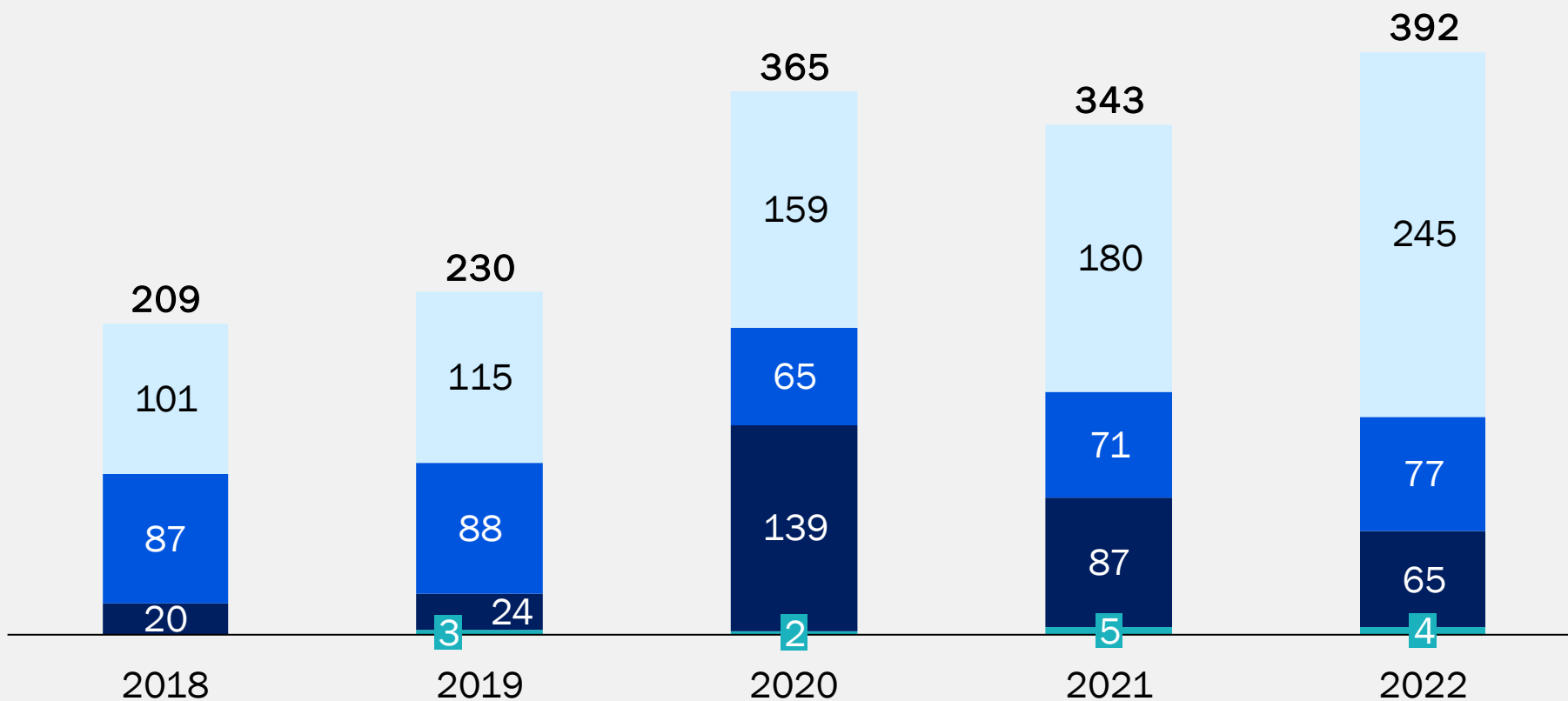


Historical Review: 2018-2022 GVS Revenues Summary

CAGR 2018-2022

H&LS	+24.7%
E&M	-2.9%
H&S	+33.7%
<hr/>	
GVS	+17.0%

Healthcare & Life Sciences
Energy & Mobility
Health & Safety
Other revenues



Source: Refinitiv

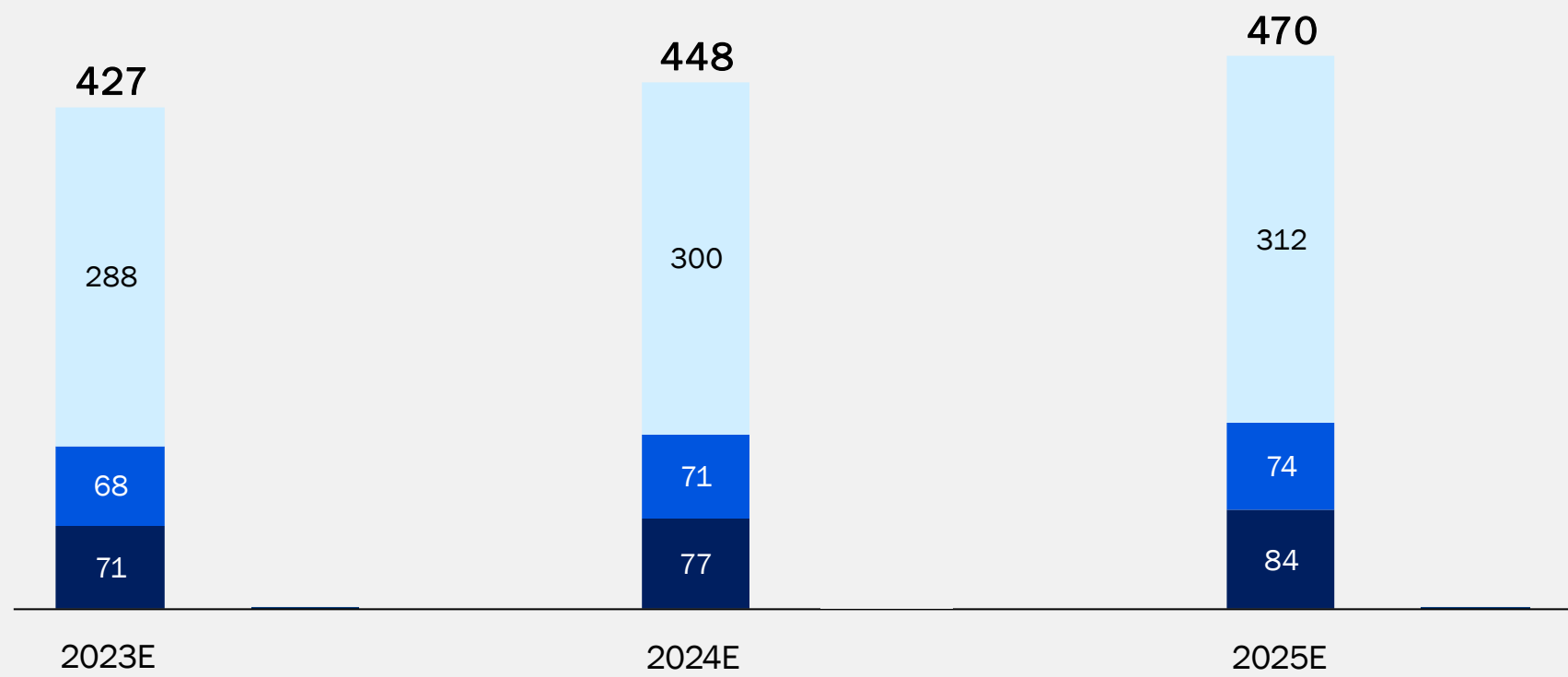


Guidance and Estimates: 2023-2025 GVS Revenue Targets

CAGR 2023-2025

	GVS TARGETS	TEAM ESTIMATES
H&LS	+4.1%	+3.0%
E&M	+4.3%	+2.5%
H&S	+8.8%	+8.5%
<hr/>		
GVS	+4.9%	+3.8%

■ Health & Life Science
■ Energy & Mobility
■ Health & Safety



Source: Management Information

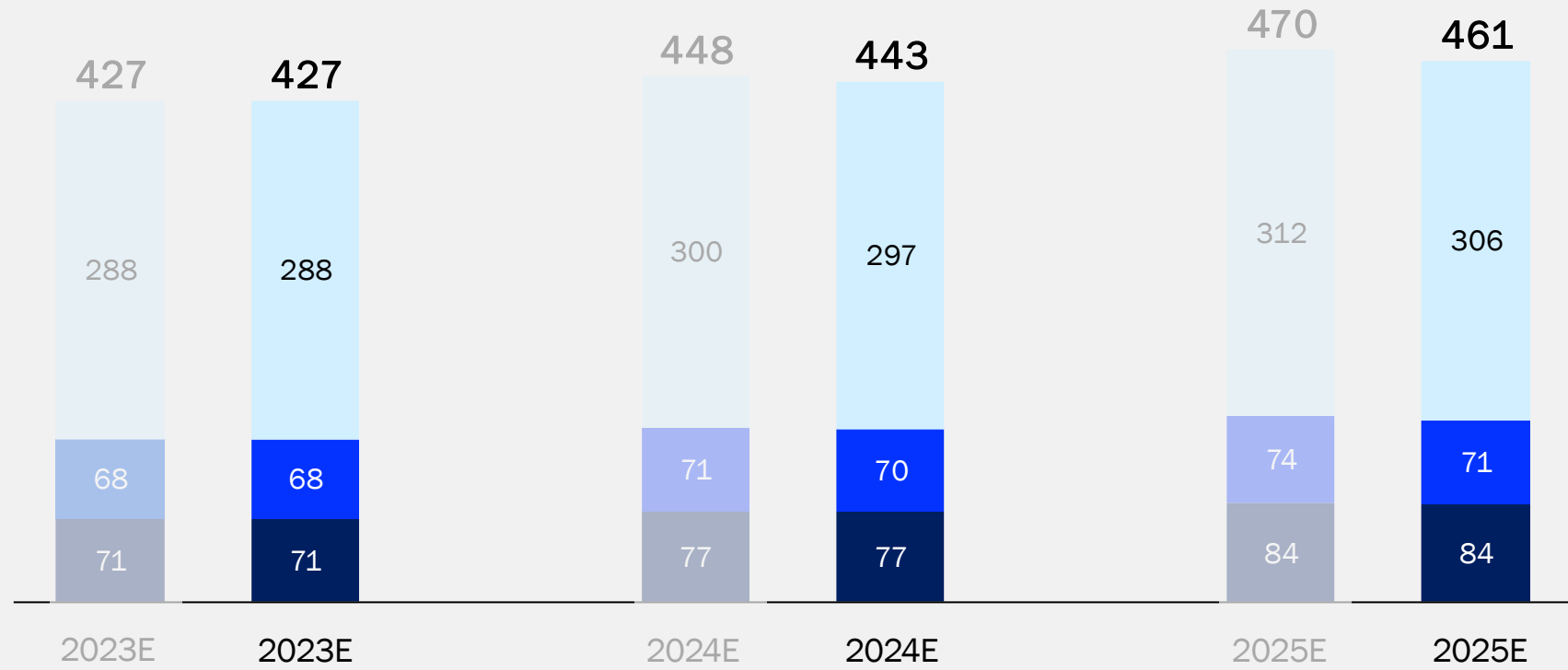


Guidance and Estimates: 2023-2025 Team Revenue Estimates

CAGR 2023-2025

	GVS TARGETS	TEAM ESTIMATES
H&LS	+4.1%	+3.0%
E&M	+4.3%	+2.5%
H&S	+8.8%	+8.5%
<hr/>		
GVS	+4.9%	+3.8%

■ Health & Life Science
■ Energy & Mobility
■ Health & Safety



Source: Team Estimates



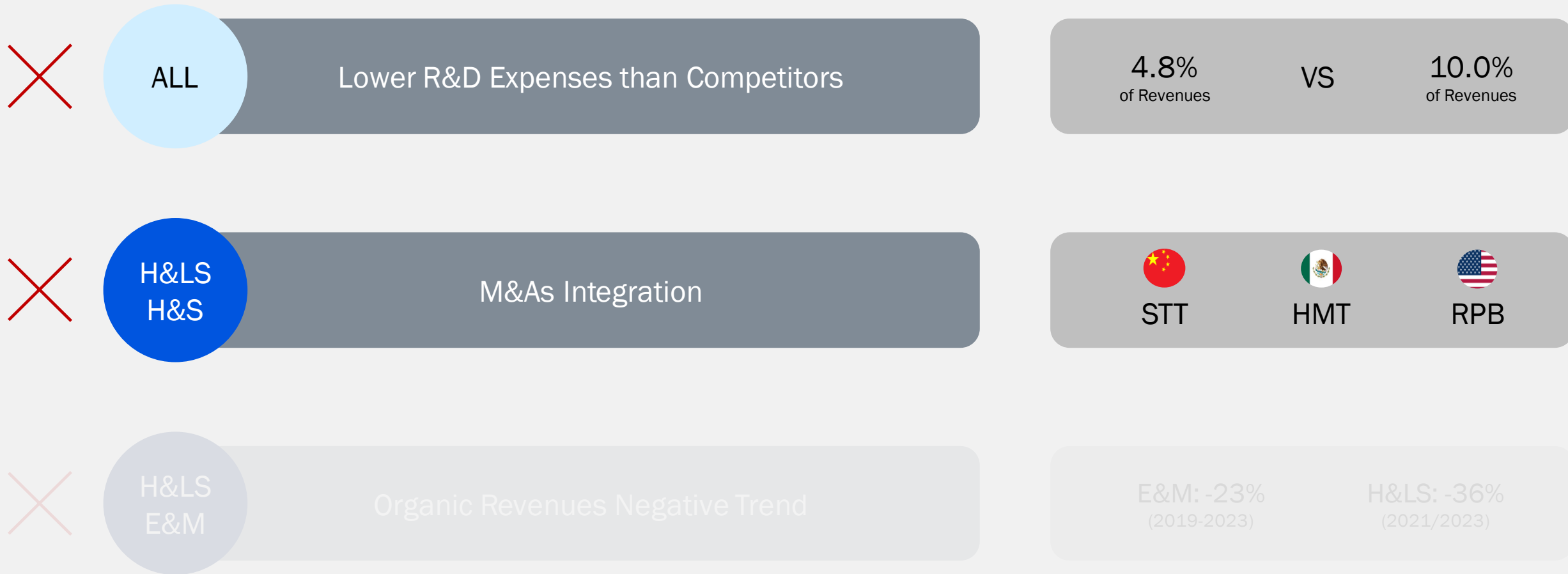
Guidance and Estimates: 2023-2025 Revenue Drivers



Source: Team Estimates, Management Information



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Source: Team Estimates, Management Information



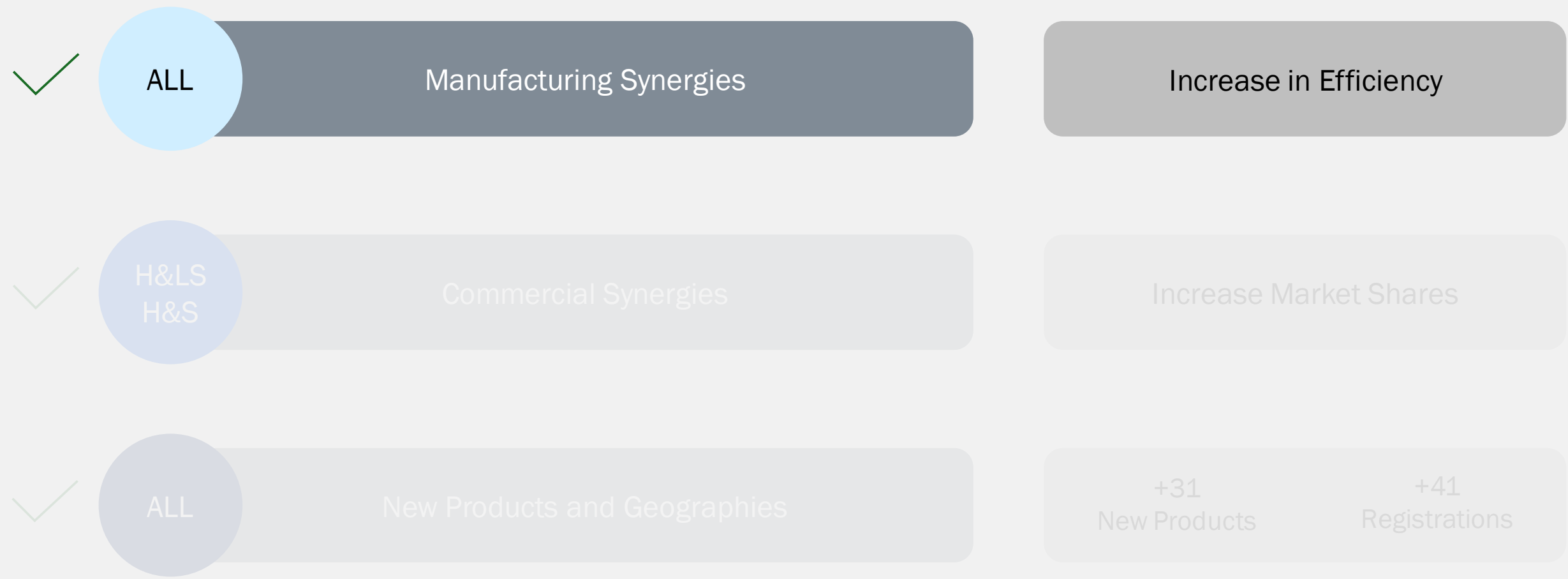
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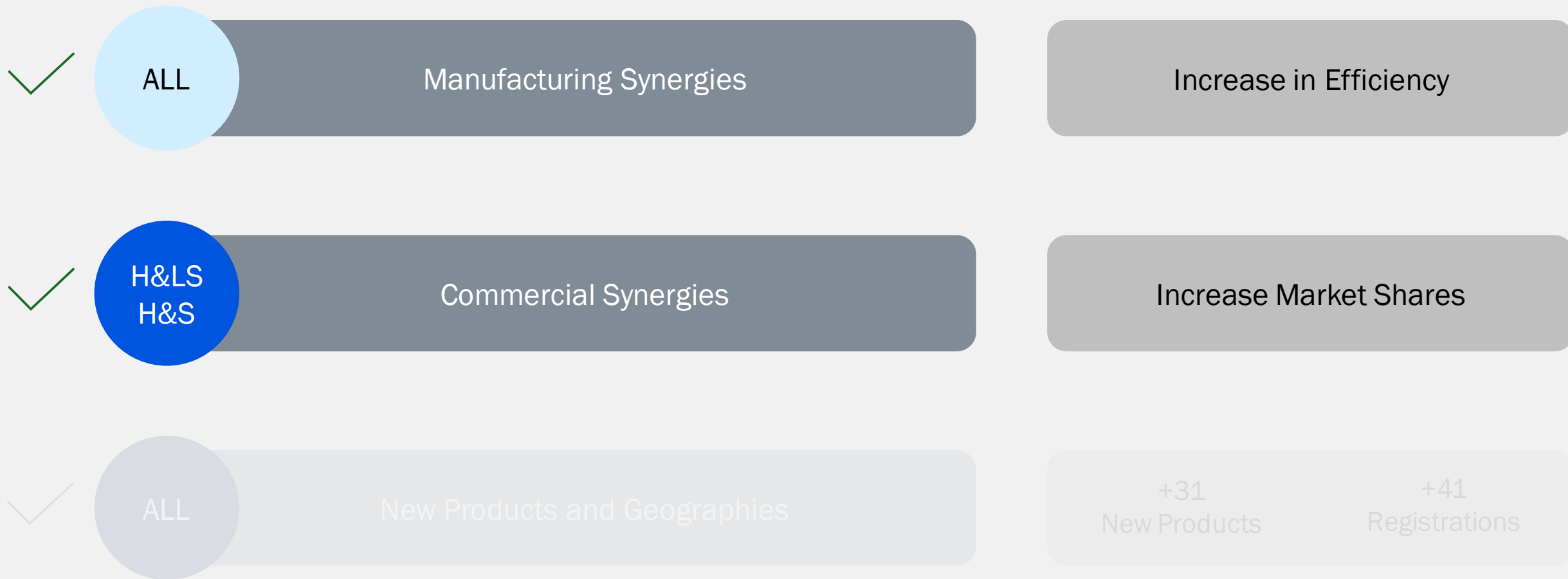
Guidance and Estimates: 2023-2025 Revenue drivers



Source: Team Estimates, Management Information



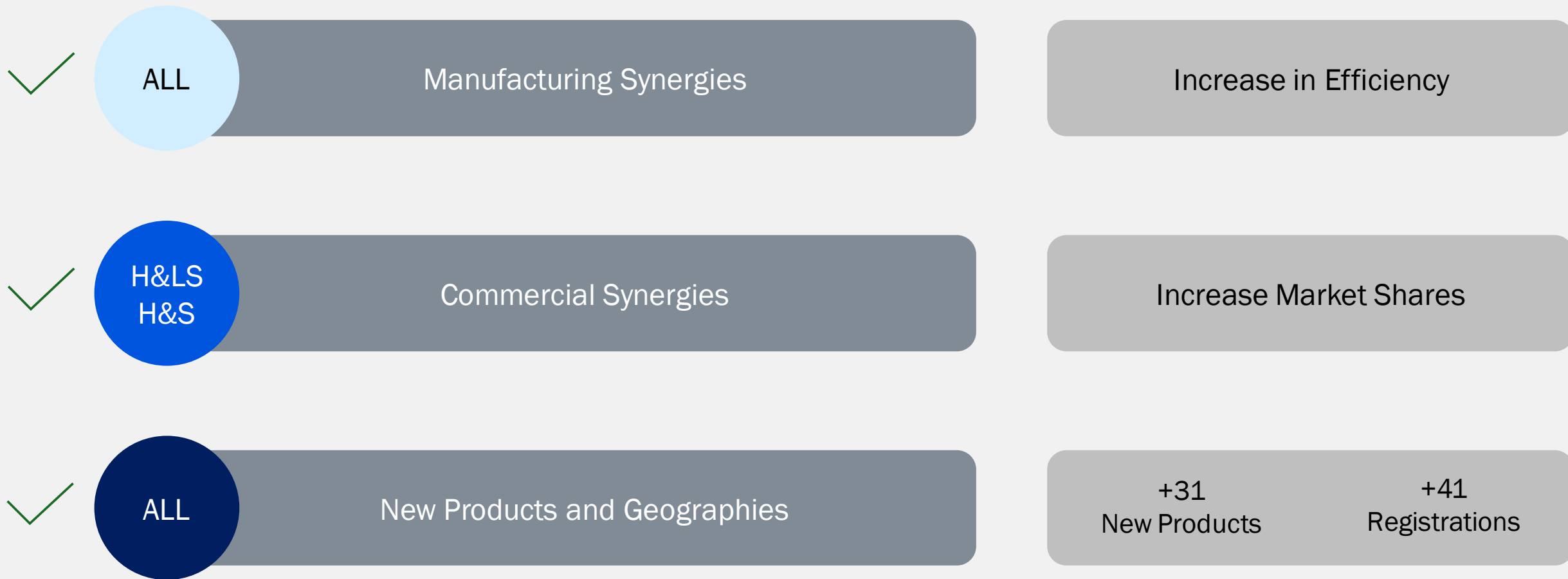
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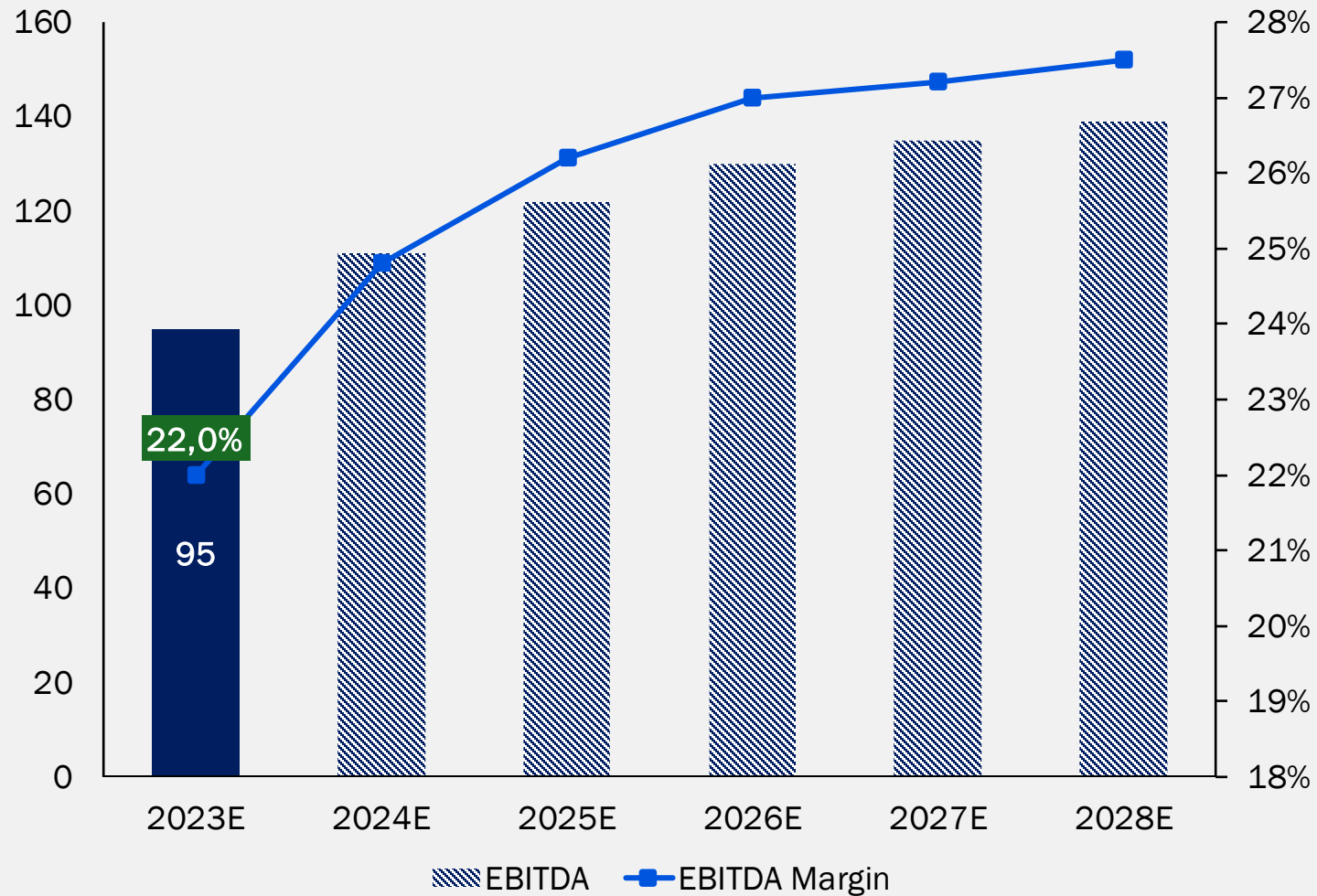
Guidance and Estimates: 2023-2025 Revenue drivers



Source: Team Estimates, Management Information



Guidance and Estimates: 2023-2025 EBITDA & EBITDA Margins

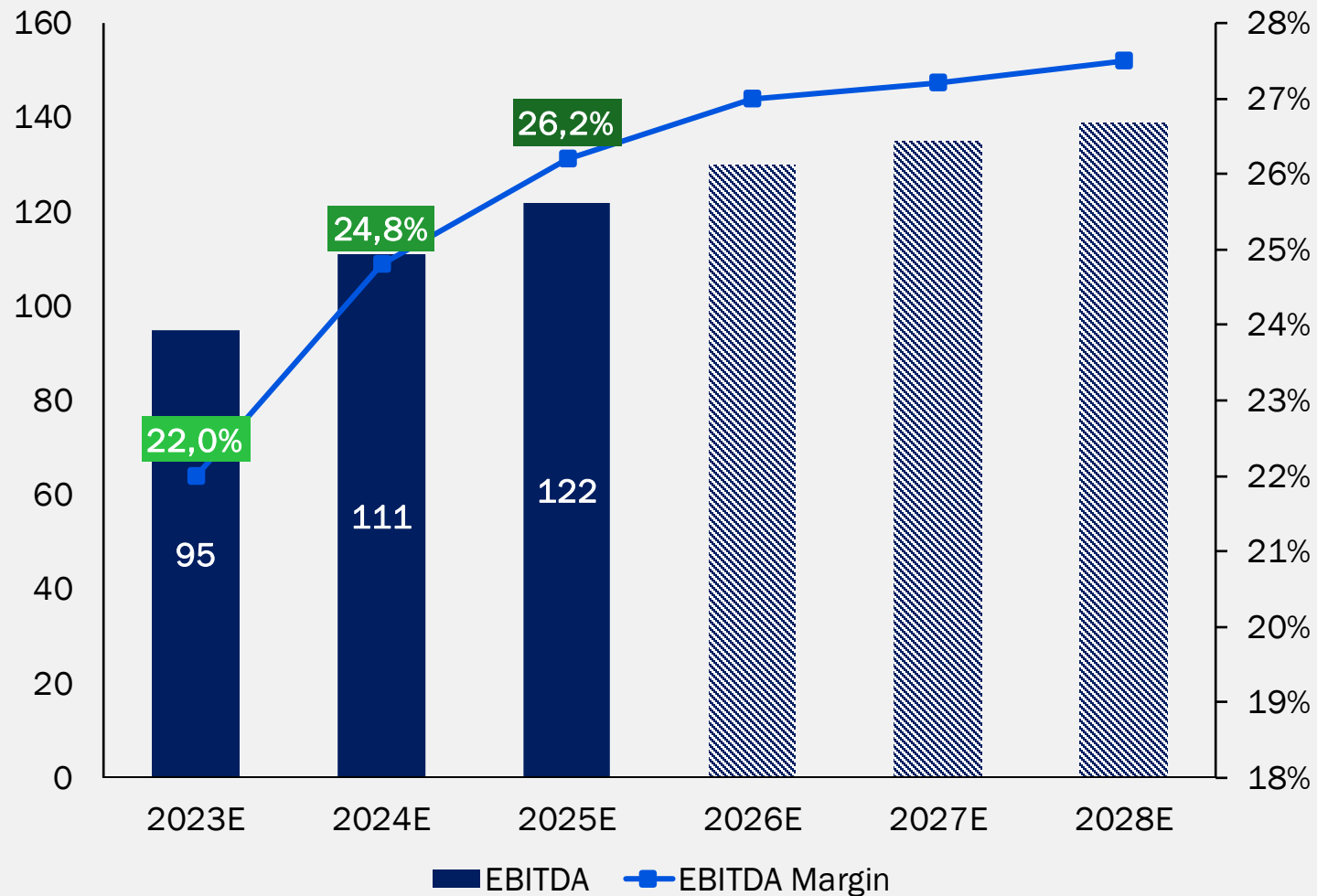


- 2023**
Guidance Confirmed
- 2024**
Increase in Efficiency
Synergies & Inflation Adj.
- 2025**
Target Not Reached
Lower Revenues
Uncertainty Destocking Policy
Integration Outcome
- 2026**
Steady Efficiency
Economies of Scale

Source: Team Estimates, Management Information



Guidance and Estimates: 2023-2025 EBITDA & EBITDA Margins

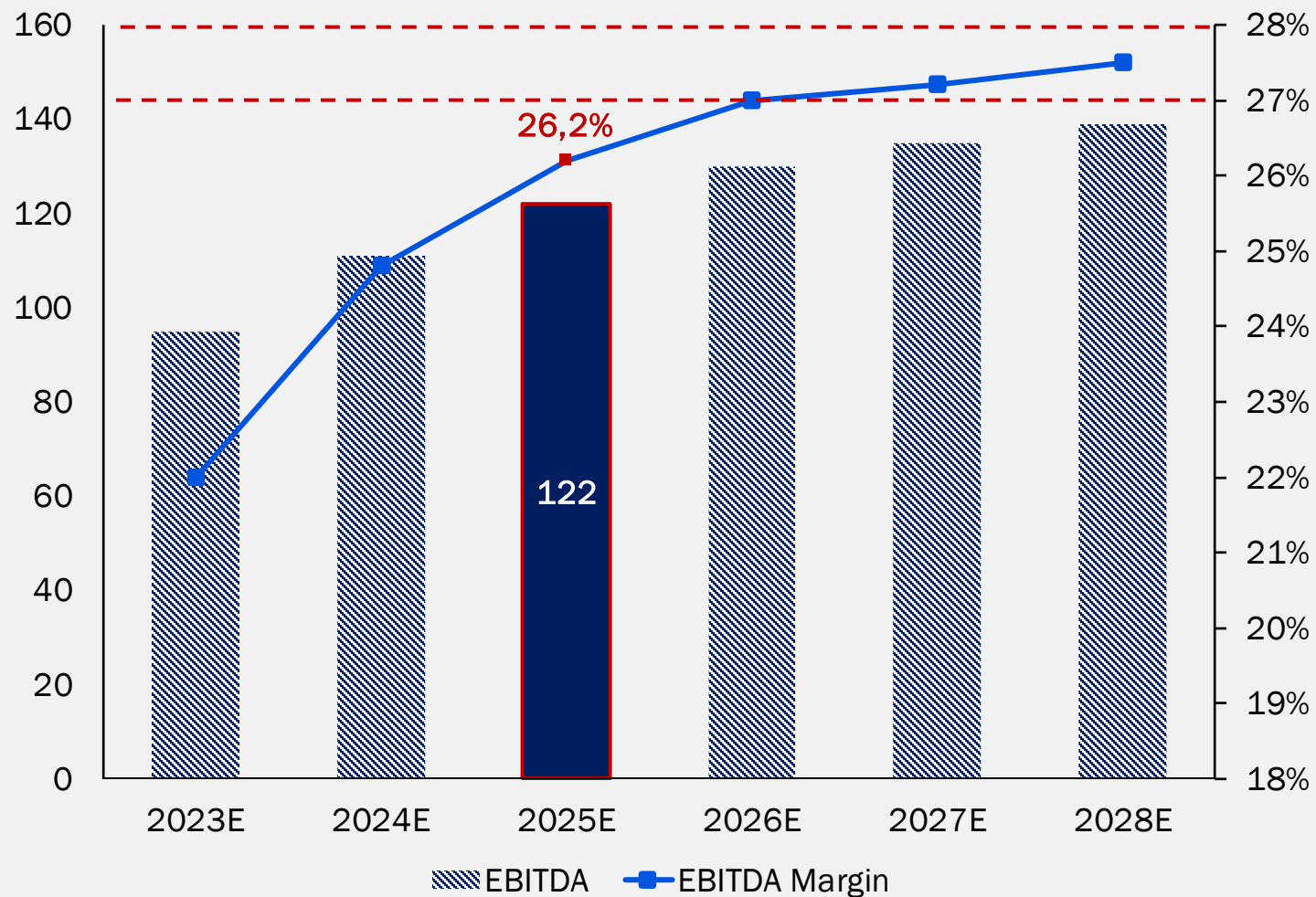


- 2023: Guidance Confirmed
- 2024-2025: Increase in Efficiency (Synergies & Inflation Adj.)
- 2025: Target Not Reached (Lower Revenues, Uncertainty Destocking Policy, Integration Outcome)
- 2026-2028: Steady Efficiency (Economies of Scale)

Source: Team Estimates, Management Information



Guidance and Estimates: 2023-2025 EBITDA & EBITDA Margins



- 2023**

Guidance Confirmed
- 2024**
2025

Increase in Efficiency
Synergies & Inflation Adj.
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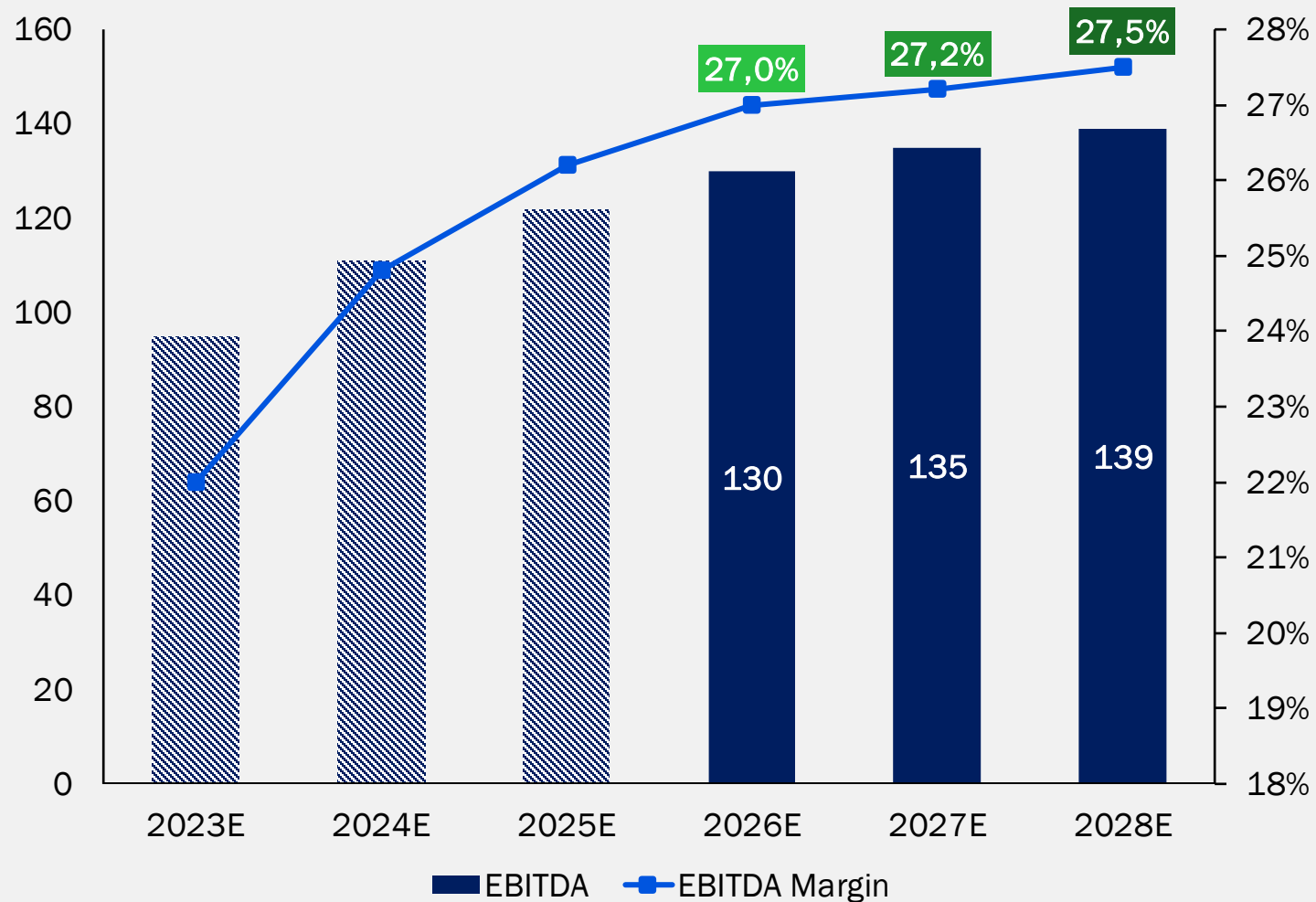
Target Not Reached
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Steady Efficiency
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Source: Team Estimates, Management Information



Guidance and Estimates: 2023-2025 EBITDA & EBITDA Margins



- 2023**

Guidance Confirmed
- 2024**
2025

Increase in Efficiency
Synergies & Inflation Adj.
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Steady Efficiency
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Source: Team Estimates, Management Information

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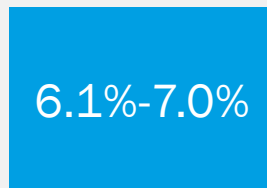
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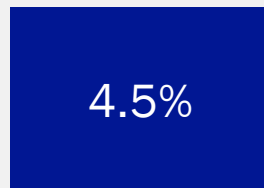
Investment Activities

Research & Development for Product

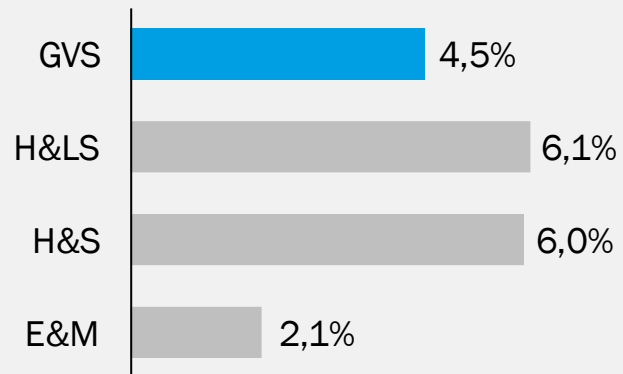
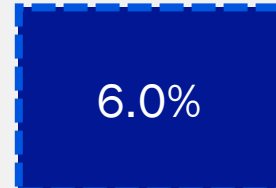
2018-2021 R&D



2023E R&D



2025E R&D



In 2023E the R&D are set at 4,5%, below the competitor's level.

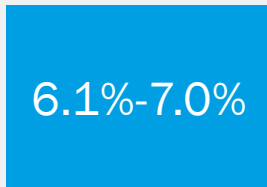
Source: Management Information



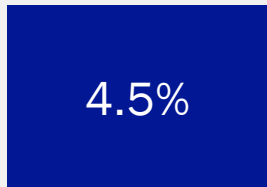
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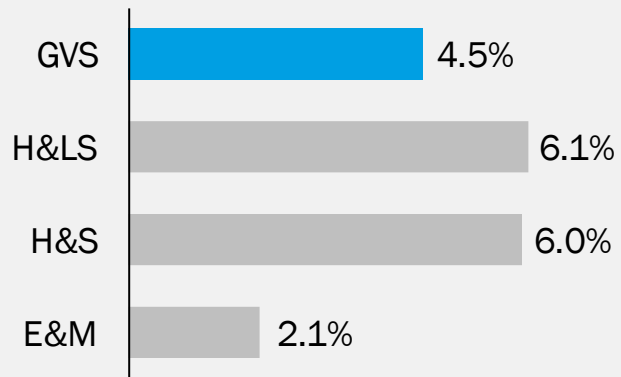
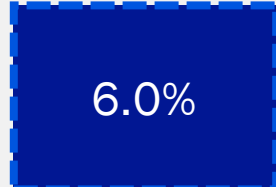
2018-2021 R&D



2023E R&D

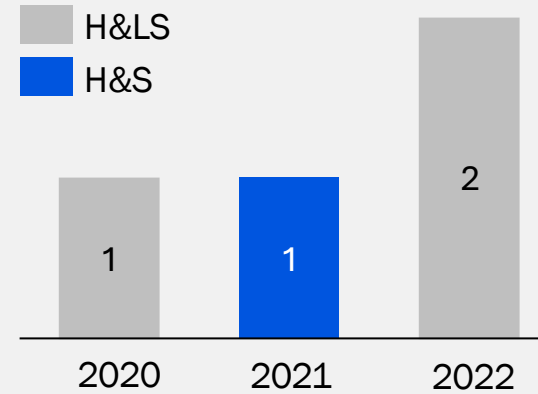


2025E R&D

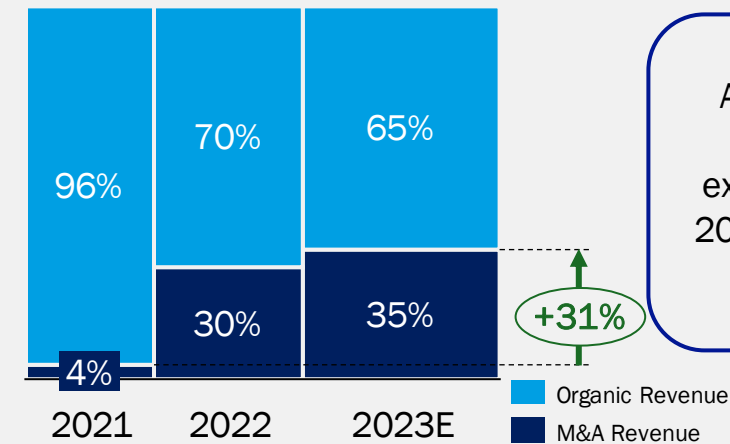


In 2023E the R&D are set at 4.5%, below the competitor's level.

M&A Operations FY 2021-2023



Three M&A operations during COVID19 in H&LS division.
One M&A operation in H&S division.

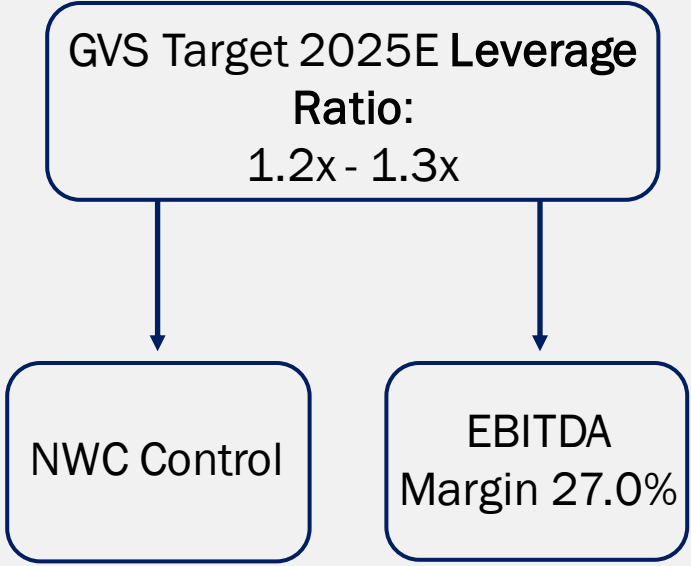
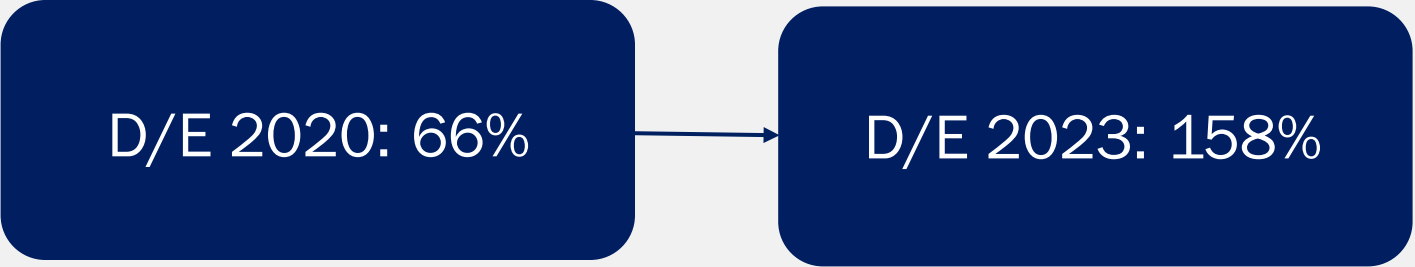


A strong increase in M&A revenues is expected for FY 2022-2023, leading to a halt in organic growth.

Source: Management Information



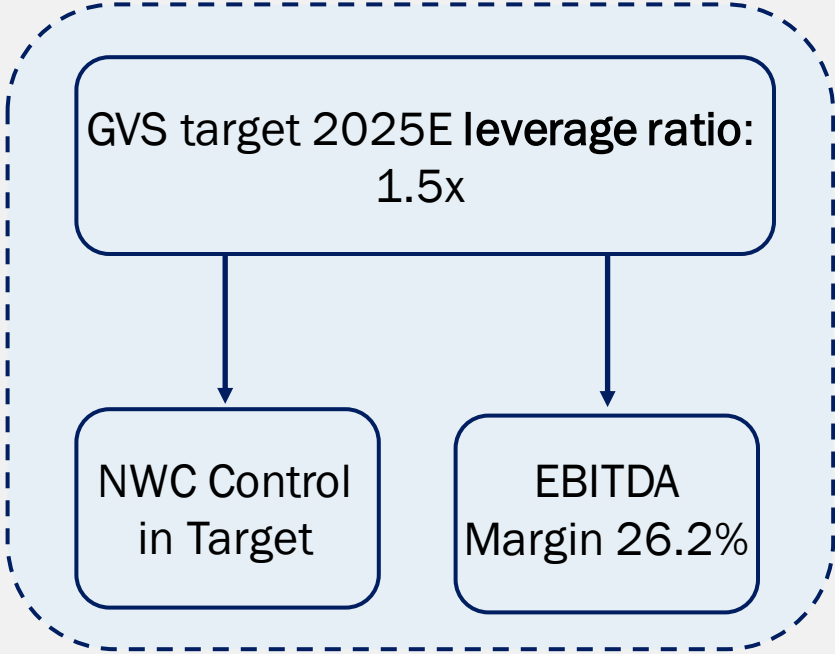
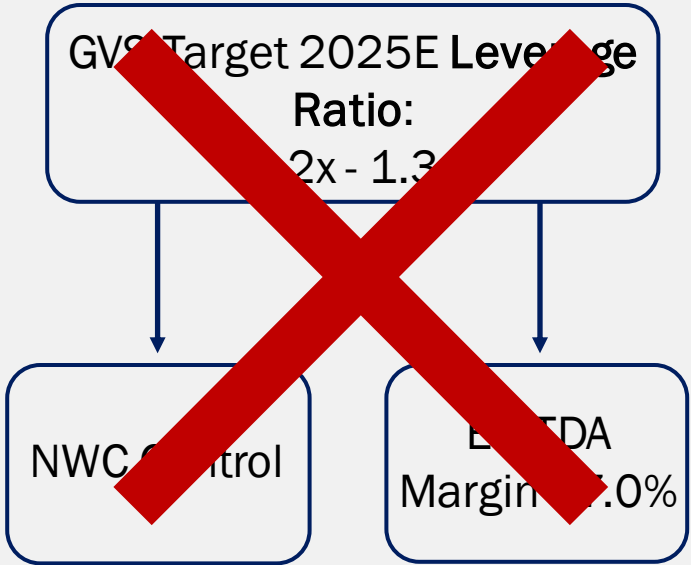
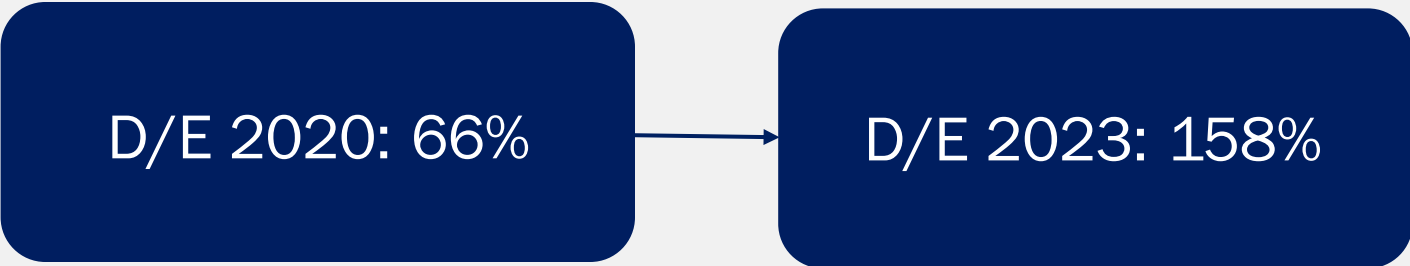
Guidance and Estimates: 2023-2025 Leverage Ratio



Source: Team Estimates, Management Information



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Source: Team Estimates, Management Information



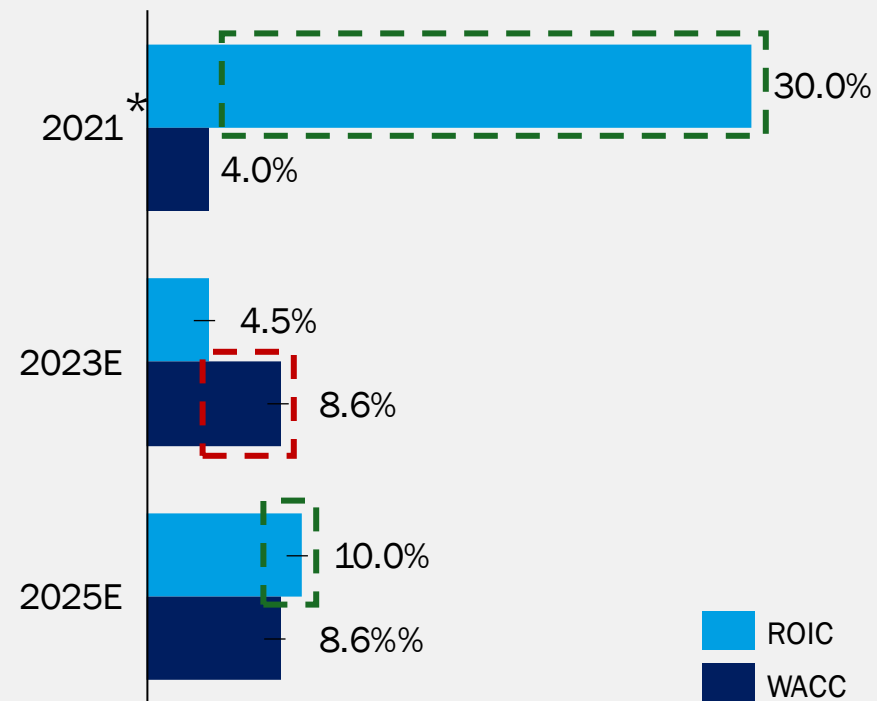
Guidance and Estimates: 2023-2025 Leverage Ratio

How to Restore Value Creation for GVS...

Past Value Creation

Actual Value Destruction

Return to Value Creation



*2021 number is inflated due to COVID-19

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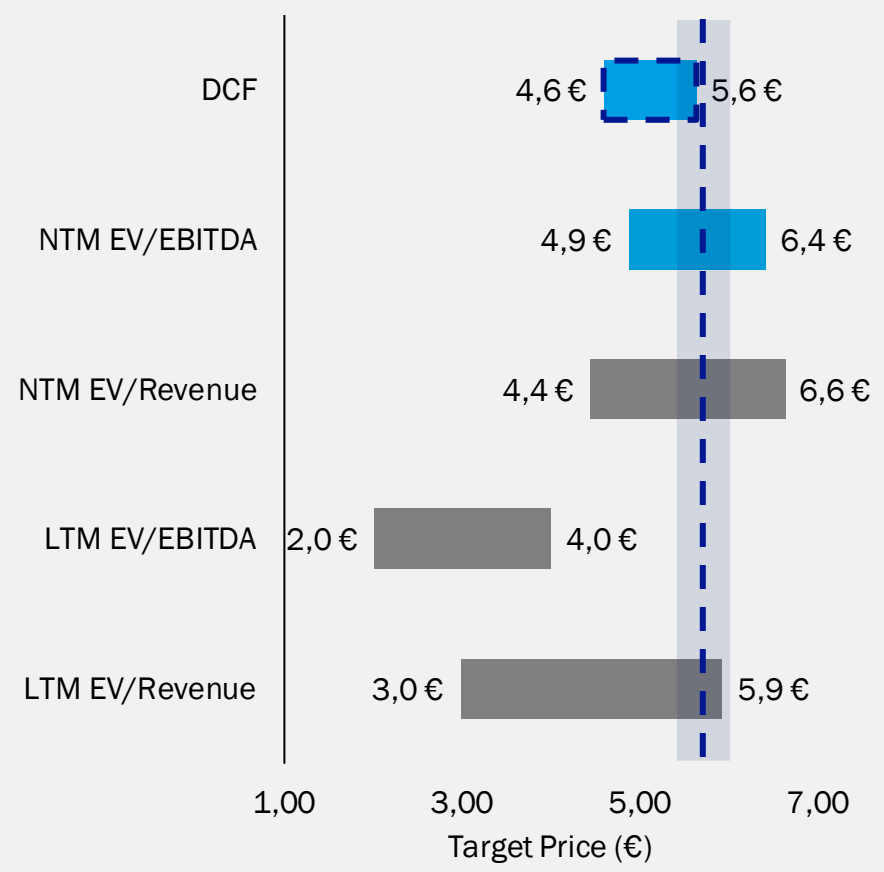
ESG DRIVER... STILL LOWER THAN COMPETITORS

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Combined Valuation Analysis: DCF and Relative Analysis

Valuation Summary



Discounted Cash Flow (70% Weight)

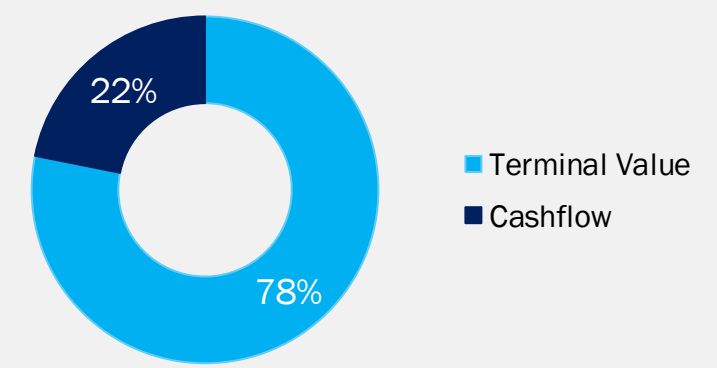
Cost of Debt 4.5%	Cost of Equity 10.0%	Beta 0.50	WACC 8.6%
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Downside 7.3%

Target Price 5.6€

DCF Method	Base Stage	Terminal Value
Years	23E - 28E	> 2028E
Sales CAGR	3.2%	2.5%
Average EBIT	18.7%	21.9%

DCF Weights

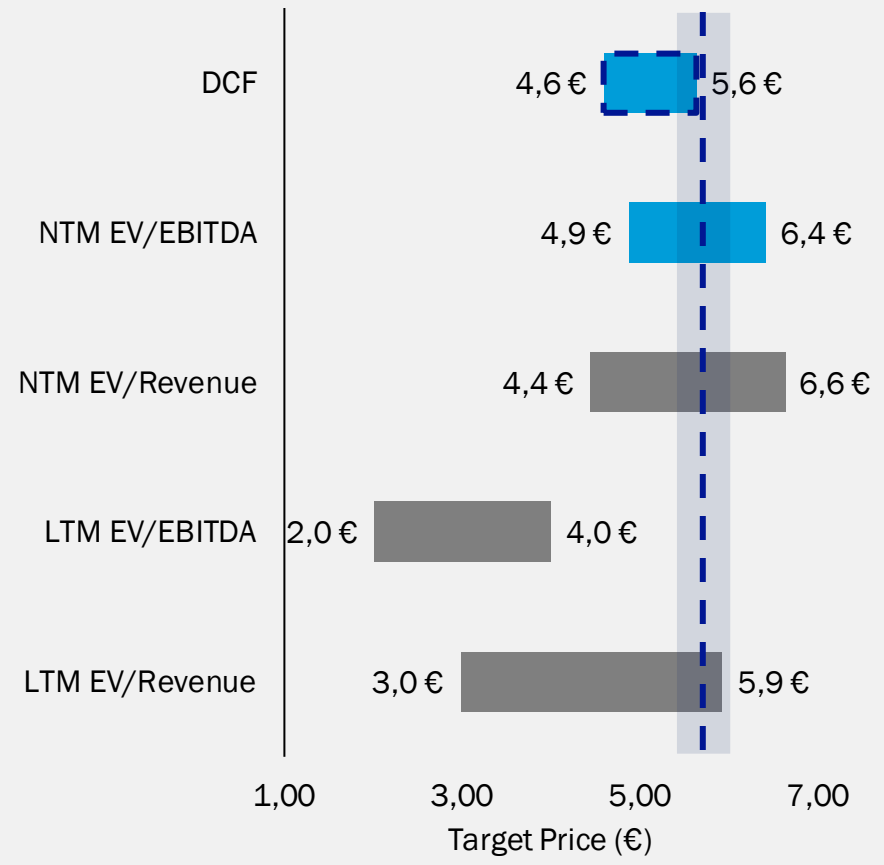


Source: Team Estimates, Refinitiv

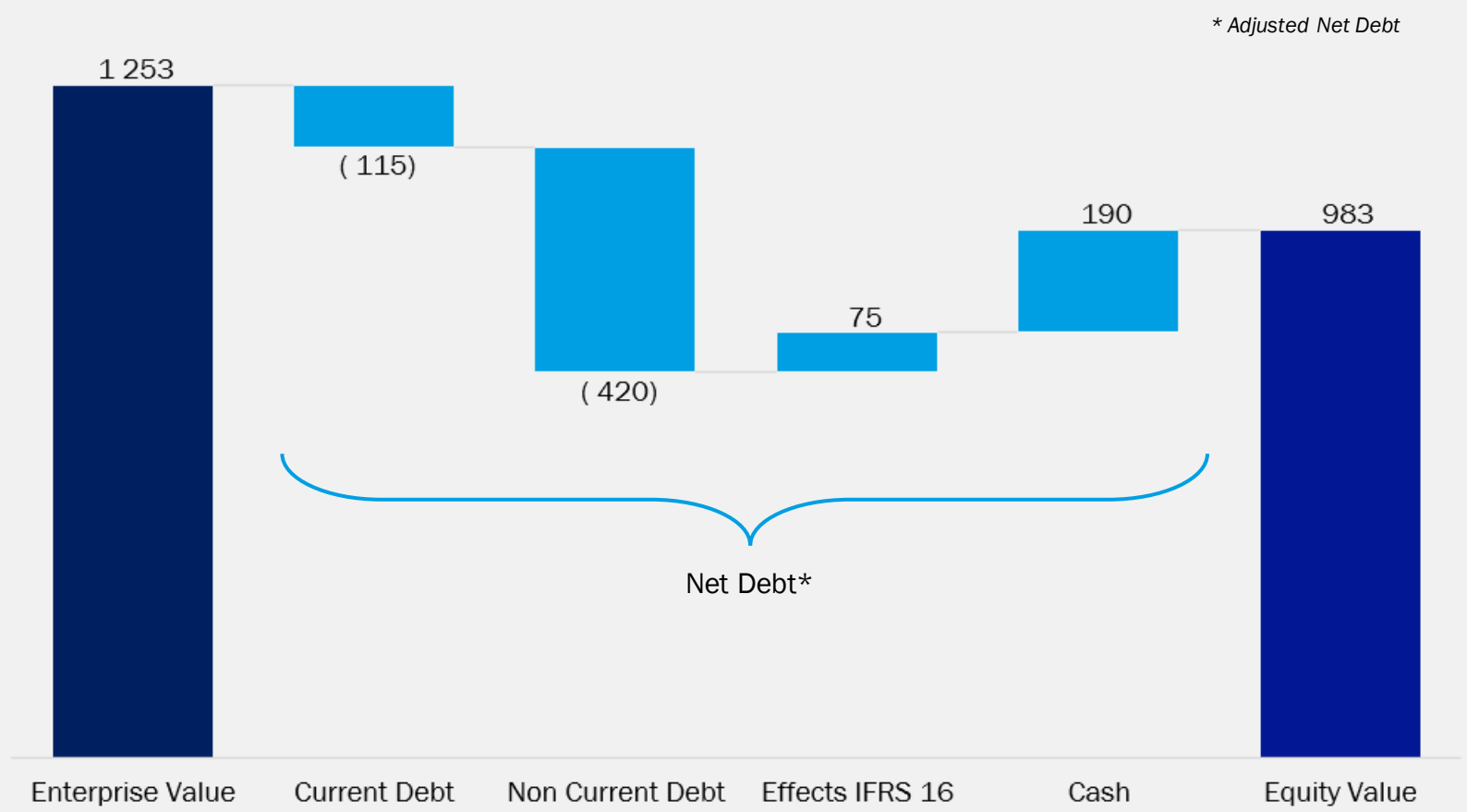


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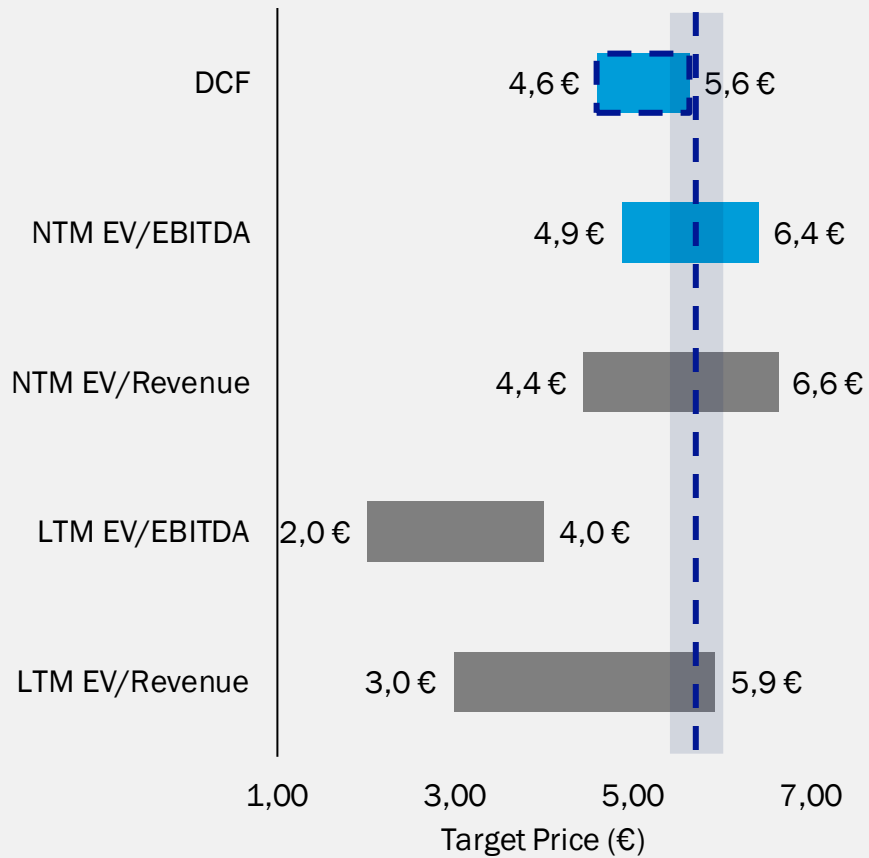


Source: Team Estimates



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Discounted Cash Flow (70% Weight)

Two-Way Sensitivity Analysis

Implied Share Price

Enterprise Value

g	WACC				
	7.6%	8.1%	8.6%	9.1%	9.6%
1.5%	5.9	5.3	4.8	4.4	4.0
2.0%	6.4	5.8	5.2	4.7	4.3
2.5%	7.1	6.3	5.6	5.1	4.6
3.0%	7.8	6.9	6.1	5.5	5.0
3.5%	8.8	7.7	6.8	6.0	5.4

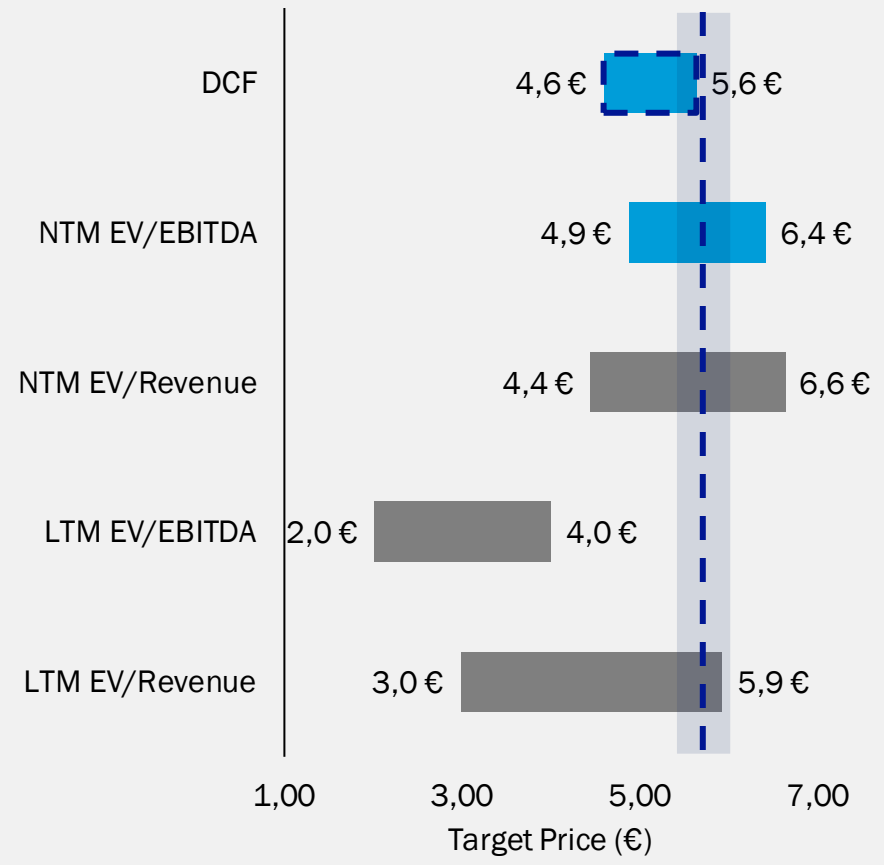
g	WACC				
	7.6%	8.1%	8.56%	9.1%	9.6%
1.5%	1299.3	1198.2	1111.4	1036.1	970.2
2.0%	1392.8	1275.9	1176.8	1091.7	1018.0
2.5%	1504.7	1367.5	1252.9	1155.8	1072.5
3.0%	1641.2	1477.3	1342.8	1230.5	1135.4
3.5%	1811.4	1611.1	1450.4	1318.7	1208.7

Source: Team Estimates



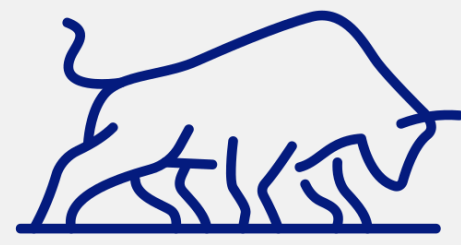
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Discounted Cash Flow (70% Weight)

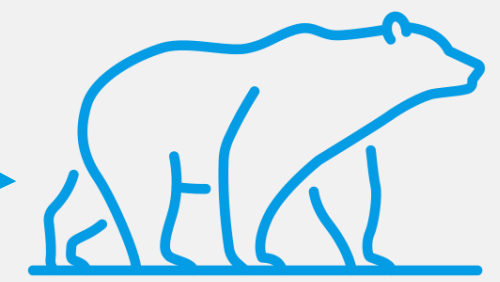
Sensitivity Analysis



- Revenues increase by 5.5% from 2023 to 2025.
- Decreased efficiency results in a 0.8% increase in revenues.
- Target EBITDA Margin of approximately 25.8%.



- Revenues increase by 6.5% from 2023 to 2025.
- Increased efficiency leads to a 0.5% increase in revenues.
- Target EBITDA Margin of 27%.

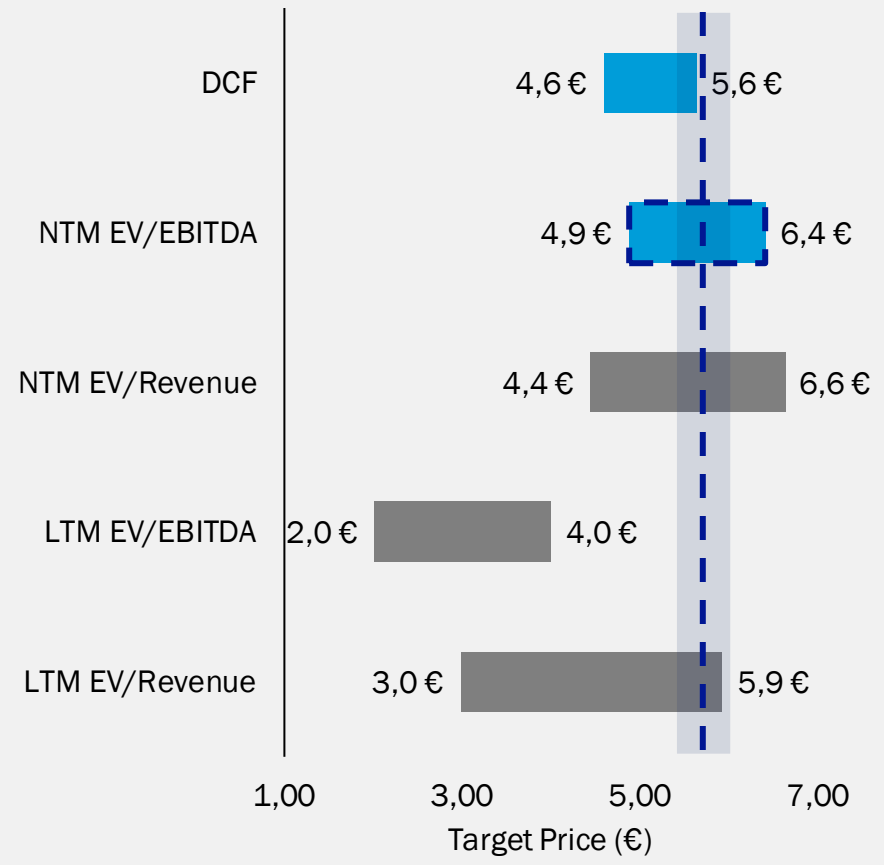


Source: Team Estimates

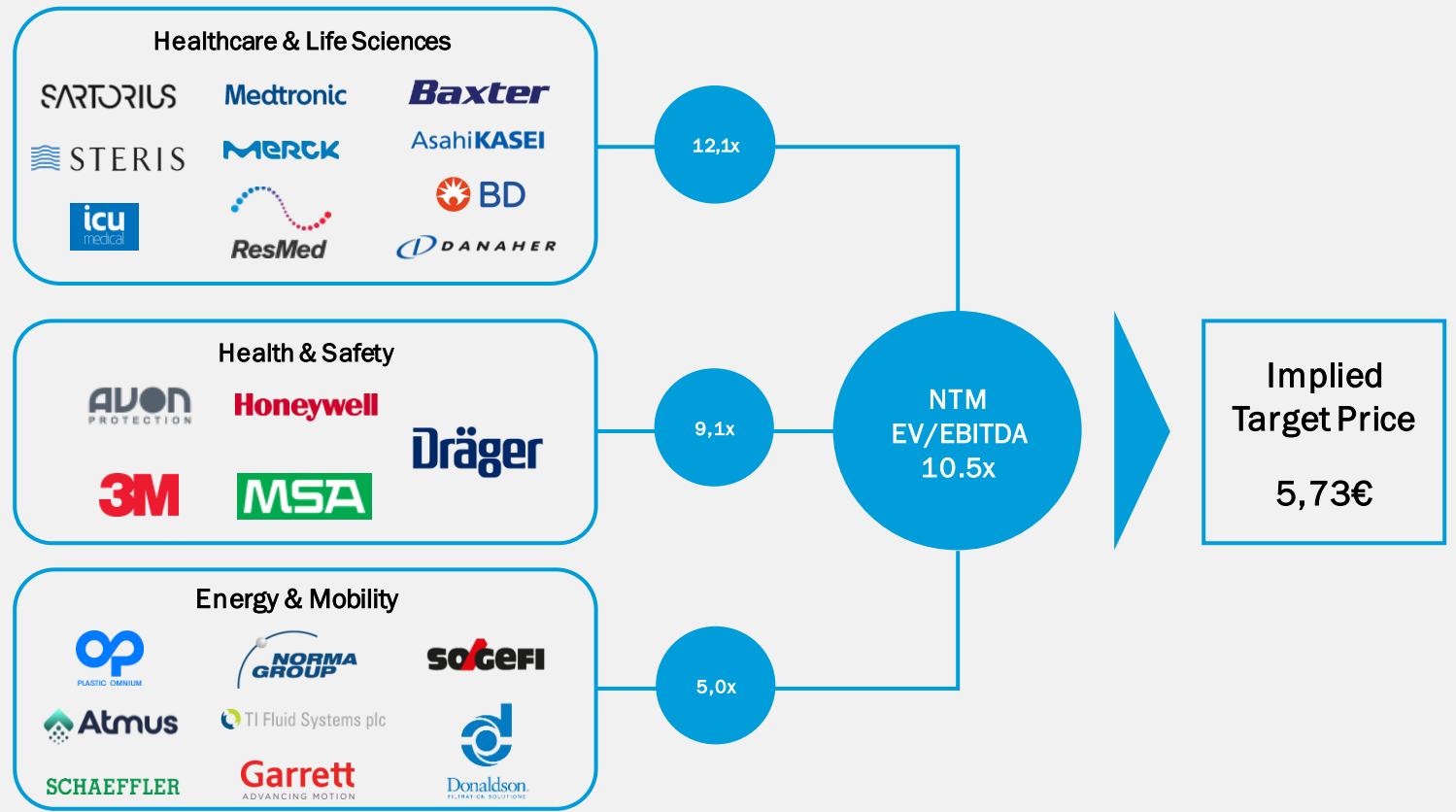


Combined Valuation Analysis: DCF and Relative Analysis

Valuation Summary



Relative Valuation (30% Weight)

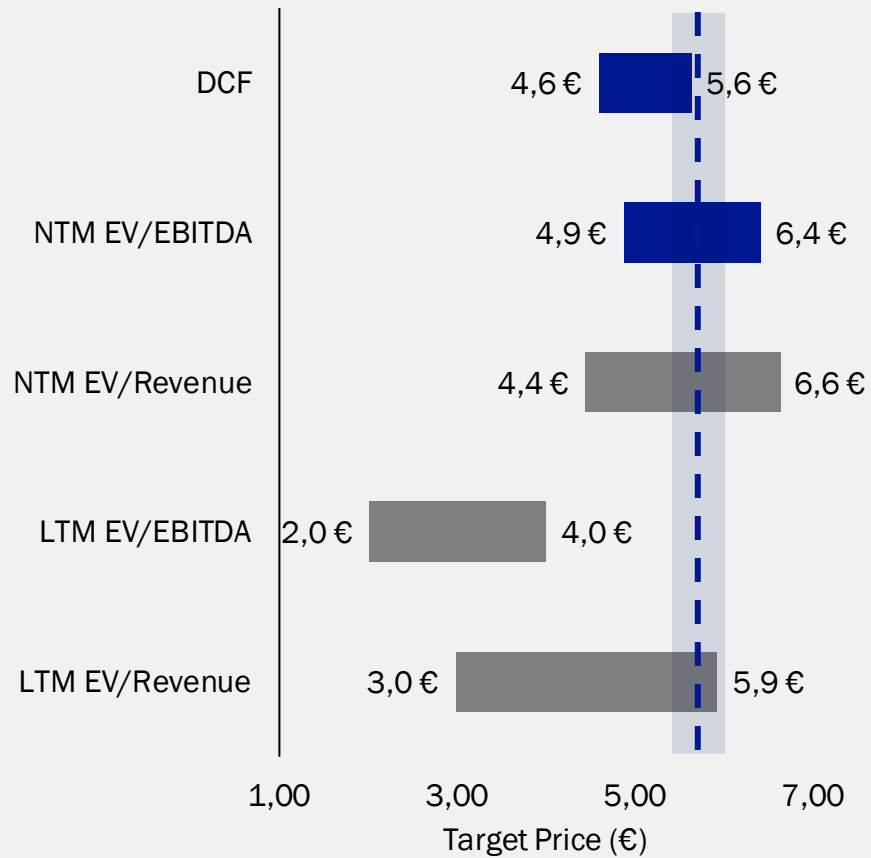


Source: Team Estimates, Refinitiv



Combined Valuation Analysis: DCF and Relative Analysis

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Discounted CF (70% Weight)

5.6€/Shares

Relative Valuation (30% Weight)

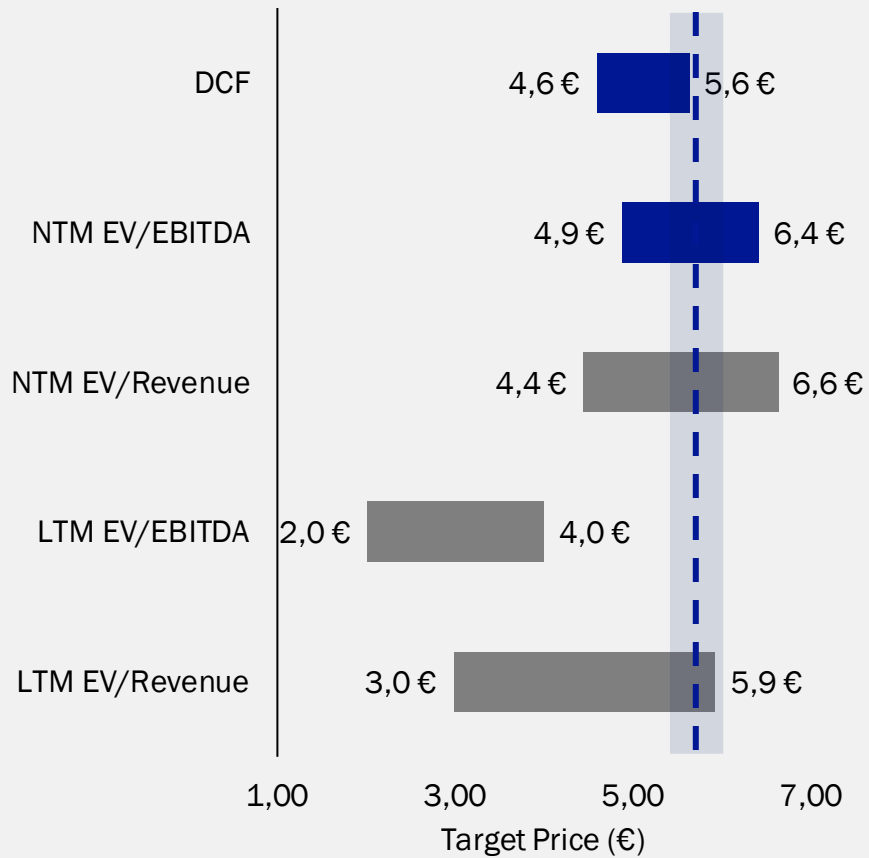
5.7€/Shares

Source: Team Estimates



Combined Valuation Analysis: DCF and Relative Analysis

Valuation Summary



Discounted CF (70% Weight)

5.6€/Shares

Relative Valuation (30% Weight)

5.7€/Shares



HOLD

5.6€
TARGET PRICE

Source: Team Estimates

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INVESTMENT BURDEN

A SOLID VALUATION...WITH A RECENT JUMP

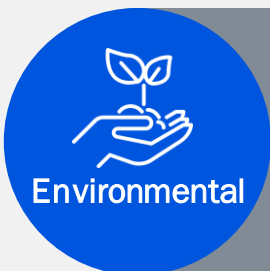
VALUATION

ESG DRIVER... STILL LOWER THAN COMPETITORS

ESG



Scoring Analysis



Increased plastic granule use and high greenhouse gas emissions underscore the need for more effective emission reduction strategies.



GVS's commitment to social responsibility, including employee well-being and diversity, contrasts with potential challenges like workplace safety during COVID-19.



Governance concerns stem from low public ownership, potential CEO conflicts of interest, and a perceived disconnect between operations and social/environmental factors, despite robust board diversity.

Source: Refinitiv, Management Information, Team Estimates



Scoring Analysis



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Environmental Score
CCC

Weight:
16.8%

Social Score
BBB

Weight:
47.3%

Governance Score
CCC

Weight:
35.9%

GVS Pillar Score
B

Source: Refinitiv, Management Information, Team Estimates



Scoring Analysis



Increased plastic granule use and high greenhouse gas emissions underscore the need for more effective emission reduction strategies.



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Environmental Score
CCC

Weight: 16.8%

Social Score
BBB

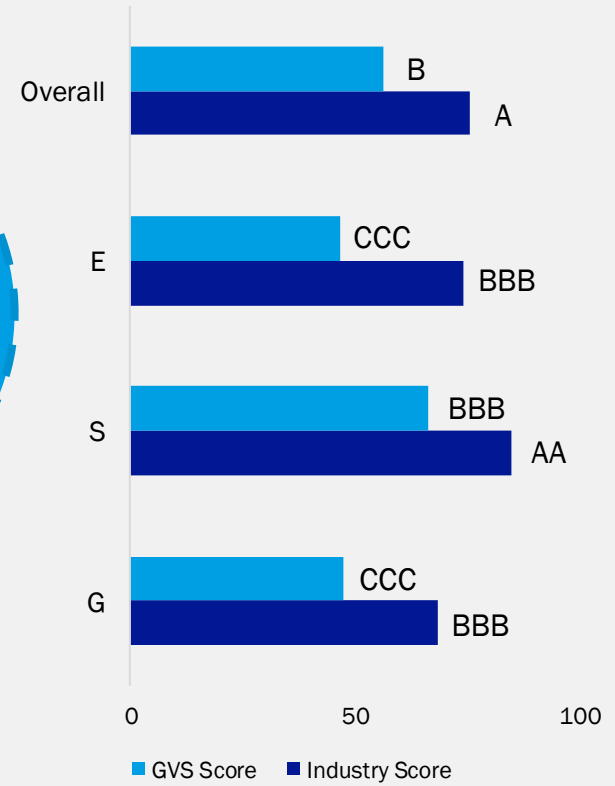
Weight: 47.3%

Governance Score
CCC

Weight: 35.9%

GVS Pillar Score
B

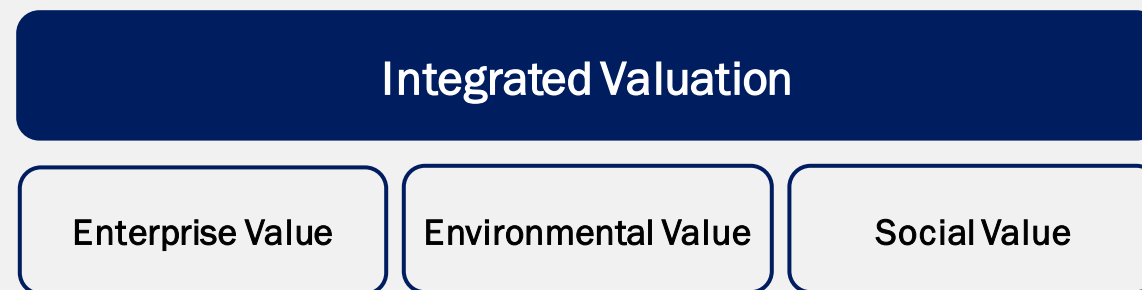
GVS's ESG Rating Compared to Industry



Source: Refinitiv, Management Information, Team Estimates



Integration Valuation Analysis



Source: Schoemaker and Schramade (2023), Team Estimates, Management Information



Integration Valuation Analysis

Integrated Valuation

Enterprise Value

Environmental Value

Social Value

Materiality Assessment

Identified important social and environmental factors.

CO2 Emissions, Waste, Water Withdrawal, Occupational Accidents, Taxes.

Quantification

Determined these factors in specific units.

kgCO2eq, kg, m3, Incident, EUR.

Monetization

Assigned monetary values using shadow prices reflecting resource scarcity or human rights breaches.

0.15€/kgCO2eq, 0.0003€/kg, 1.29€/m3, 2690€/Incident, EUR.

Forecasting

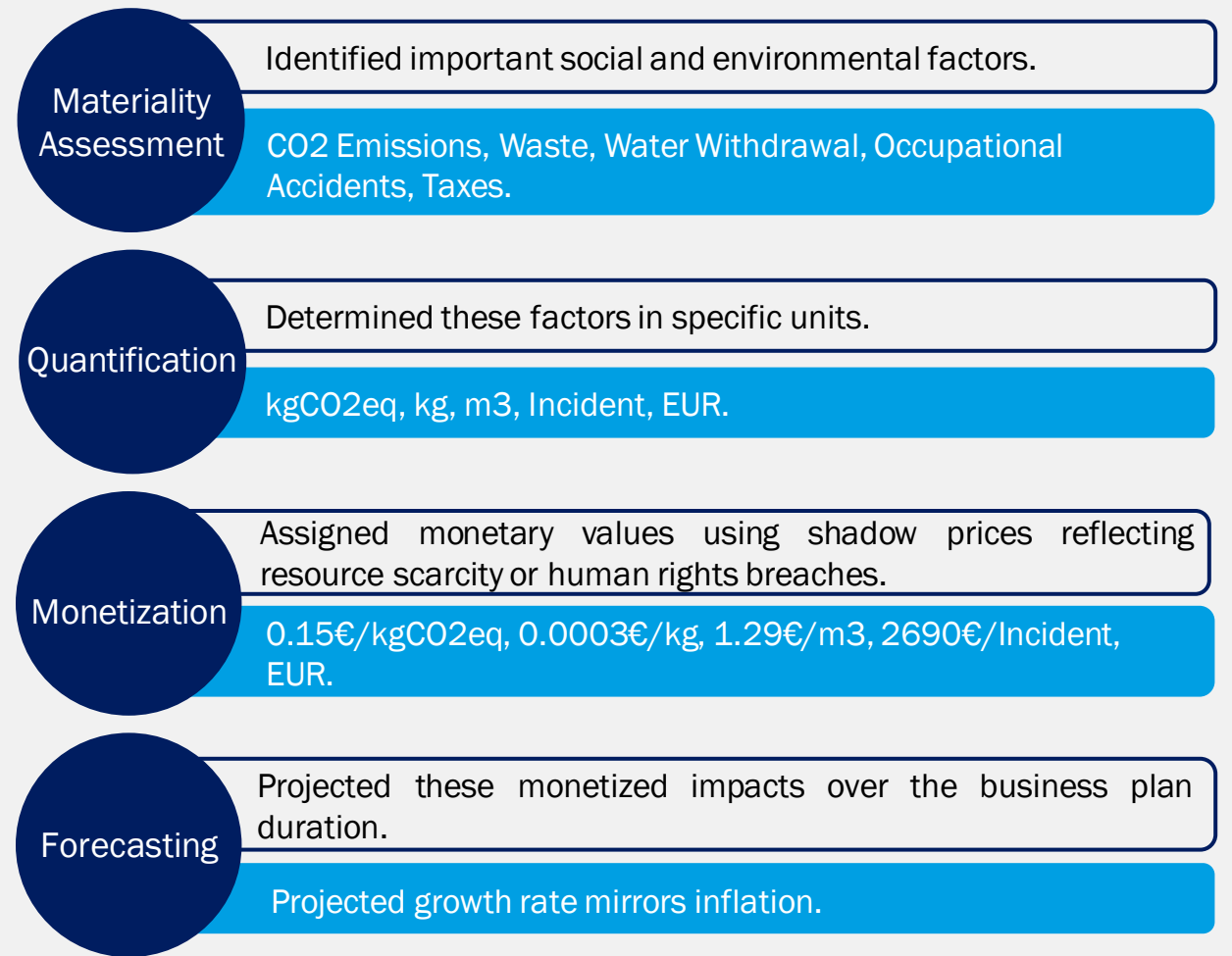
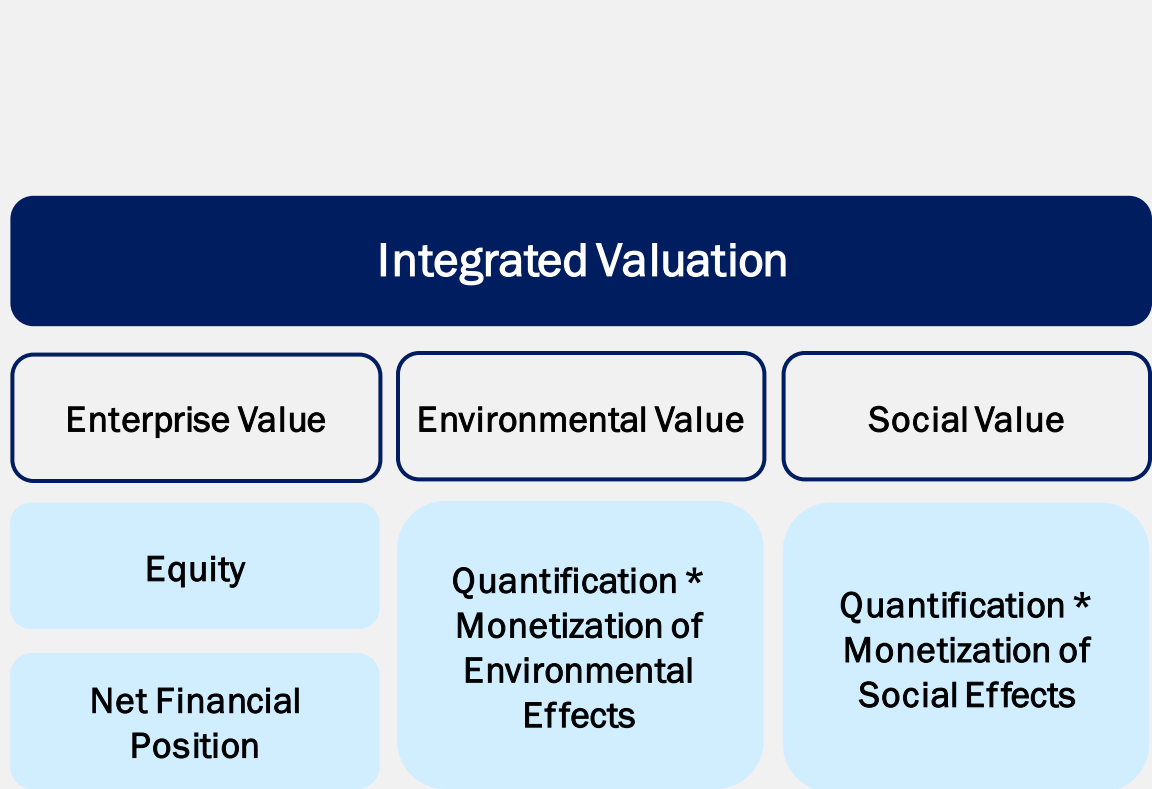
Projected these monetized impacts over the business plan duration.

Projected growth rate mirrors inflation.

Source: Schoenmaker and Schramade (2023), Team Estimates, Management Information



Integration Valuation Analysis



Source: Schoenmaker and Schramade (2023), Team Estimates, Management Information



Integration Valuation Analysis

Integrated Valuation

EURk

Enterprise Value	1 252 929
Environmental Value	(2 969)
Social Value	(555)
Integrated Value	1 249 405

Source: Schoemaker and Schramade (2023), Team Estimates, Management Information



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Integrated Valuation Analysis

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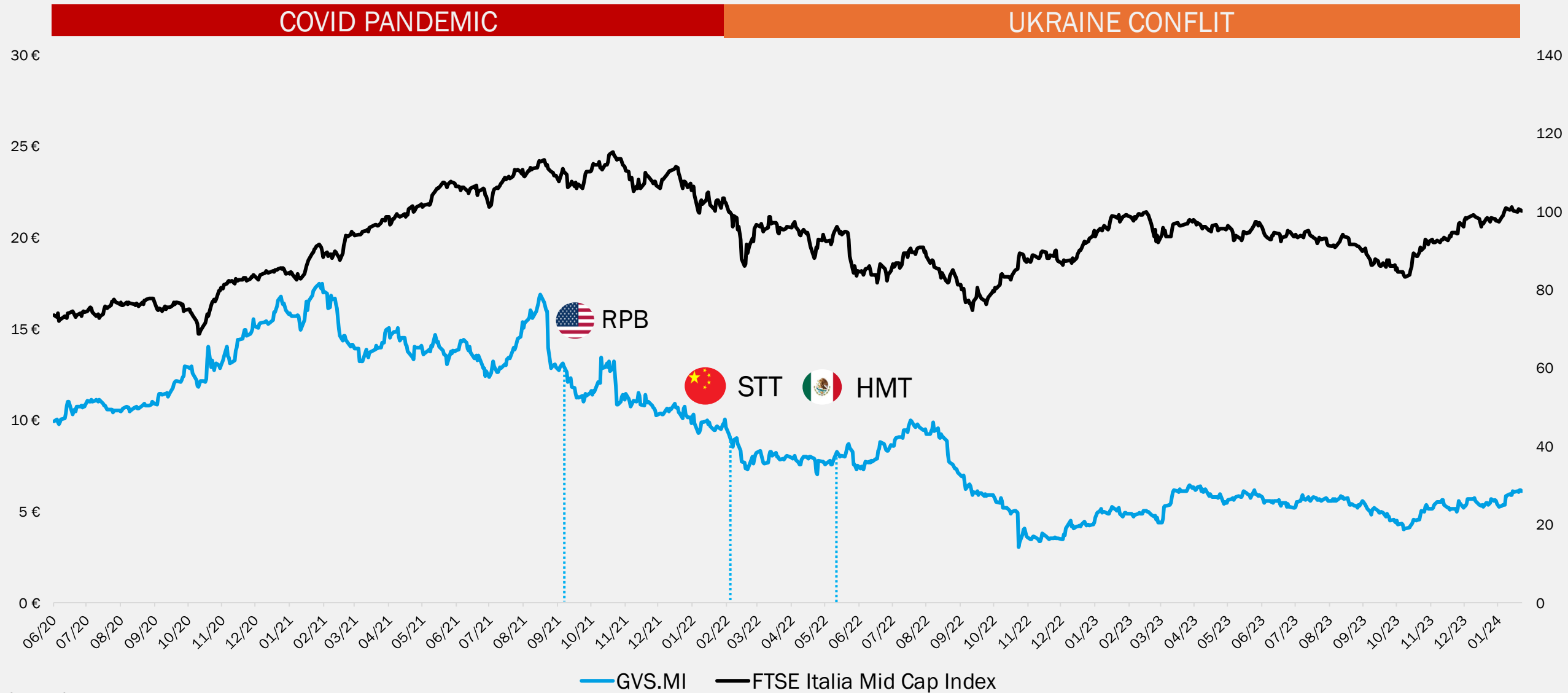
[Environmental and](#)

[Social Attributions](#)

[Results](#)



Company Overview | Stock Price Evolution





Company Overview | Products

Healthcare & Lifesciences

Healthcare air & gas

- Autoclave filters
- Insufflation and ventilation systems
- Machine filters
- Respiratory filters
- Smoke evacuation filters
- Spirometry filters
- Suction filters



Healthcare Liquid

- Bacterial air vents
- Blood tubular filters
- Infusion disc filters
- IV and liquid filters
- Medical bags
- Medical components



Laboratory

- Capsule and cartridge filter
- Disc and mini roll membrane
- DNA/RNA test kit
- Environmental monitoring
- Microfiltration devices
- Protein microarrays
- Filter papers



Energy & Mobility

Powertrain & Drivetrain

- Fuel tank and pump
- Metal components
- Reservoir
- SCR urea system



Sport & Utility

- Cabin air and HVAC system
- Engine air intake ventilation
- SCR urea systems



Safety & Electronics

- ABS, ESP and brake system
- E-axle transmission
- EV batteries
- Transmissions
- Ventilation system



Health & Safety

Personal Safety

- Disposable masks
- Face fit testing
- Half masks
- Integra masks
- Powered air purifying respirator
- Supplied air respirators



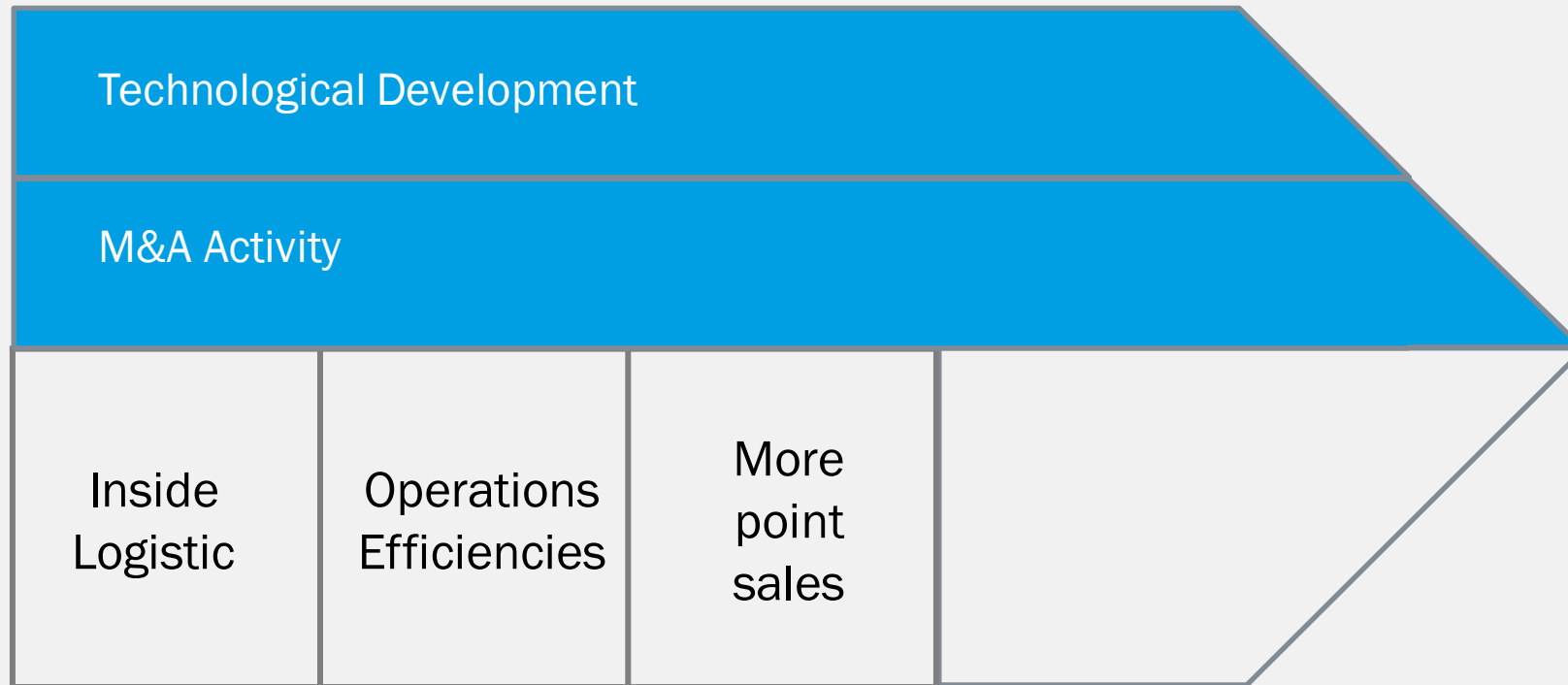
Air Safety

- Appliance
- Cosmetics
- Fume extraction
- HVAC Building





Company Overview | Value Chain



Technological development through R&D and acquisition of other players in niche markets are crucial. M&A activities aim to improve their scale.



Company Overview | Value Chain

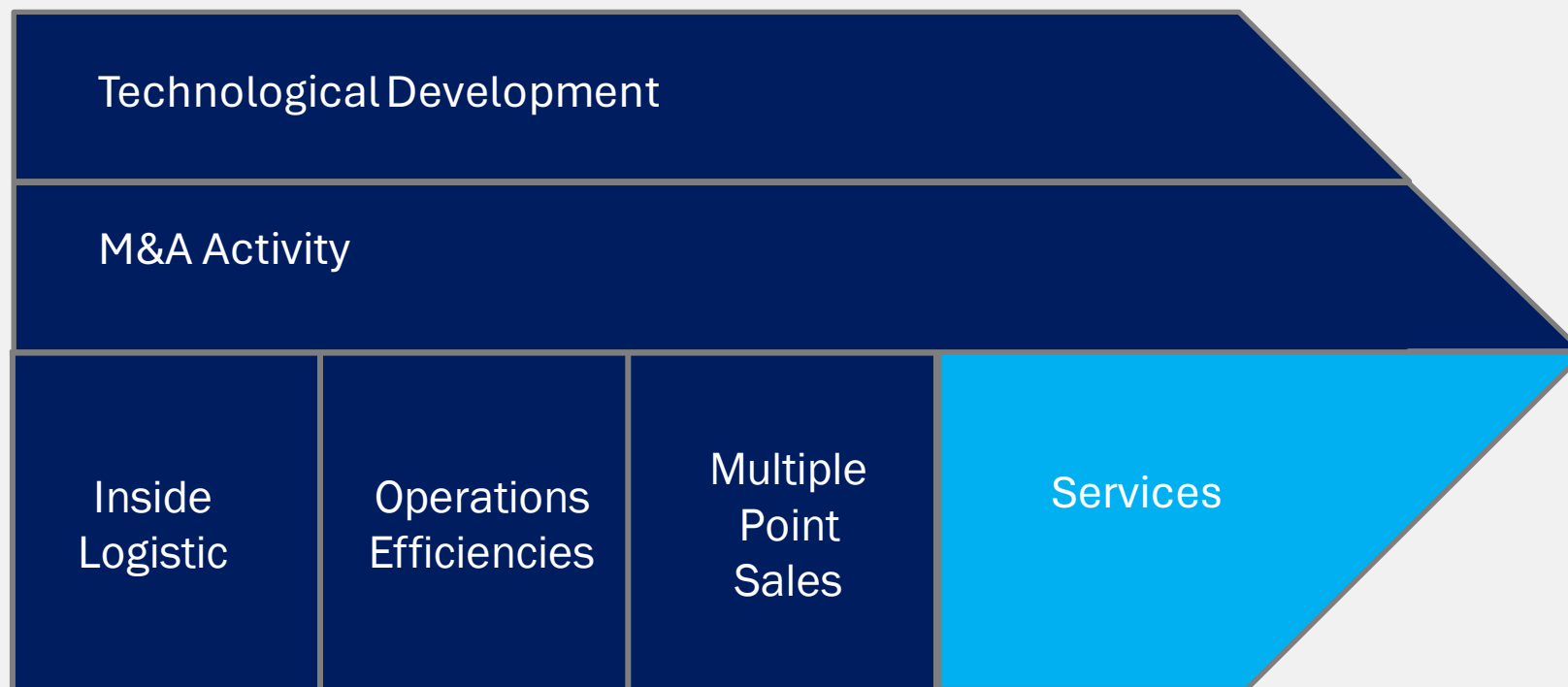


Technological development through R&D and acquisition of other players in niche markets are crucial. M&A activities aim to improve their scale.

Logistics are at a minimum when there are more and different production sites all over the world. Cost efficiency is a functional target for EBITDA Margin. Multiple sales points allow GVS to penetrate different geographic regions.



Company Overview | Value Chain



GVS offers customization of products to their clients. For B2B business, GVS elaborates a code of conduct to foster long-term partnerships, ensuring growth for all parties involved.

GVS's presence in multiple end-markets allows them to achieve cost efficiencies and potentially engage in cross-selling with their acquired companies.



Company Overview | SWOT and MOAT Analysis

SWOT

Strengths

- H&LS solid
- High M&A investment
- High-quality product
- Flexible cost structure

Weaknesses

- High leverage stop M&A
- Less dimension than peers

Opportunities

- Post-M&A integration
- Cost synergies

Threats

- No high operativity possible on M&A
- Revenue and cost synergies strategical

SWOT

COST ADVANTAGE

4

EFFICIENT SCALE

2

SIZE ADVANTAGE

1

SWITCHING COST

4

INTANGIBLES

3

«Narrow» MOAT



Company Overview | Cluster of Client

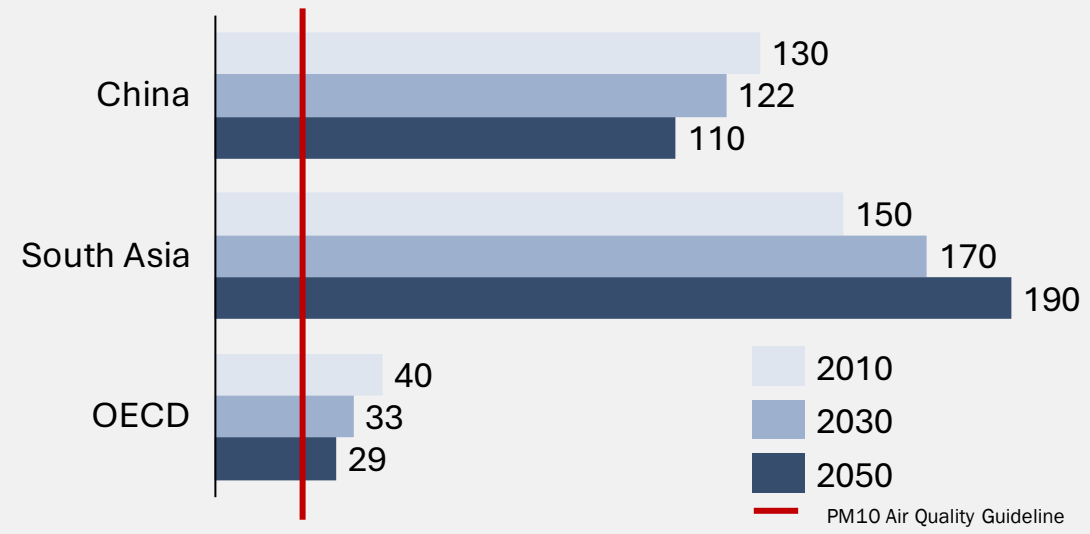
Divisions		2023 Revenues Breakdown (%)	Illustration of companies requiring GVS's products	
End Markets	Healthcare & Lifescience	Healthcare Liquid and Air	59%	
		Laboratory	8%	
	Health & Safety	Personal safety	16%	
		Air safety	1%	
	Energy & Mobility	Powertrain & Drivertrain and Safety & Electronics	12%	
		Sport & Utilities	4%	



Industry Analysis | Market Dimensions | E&M end-market

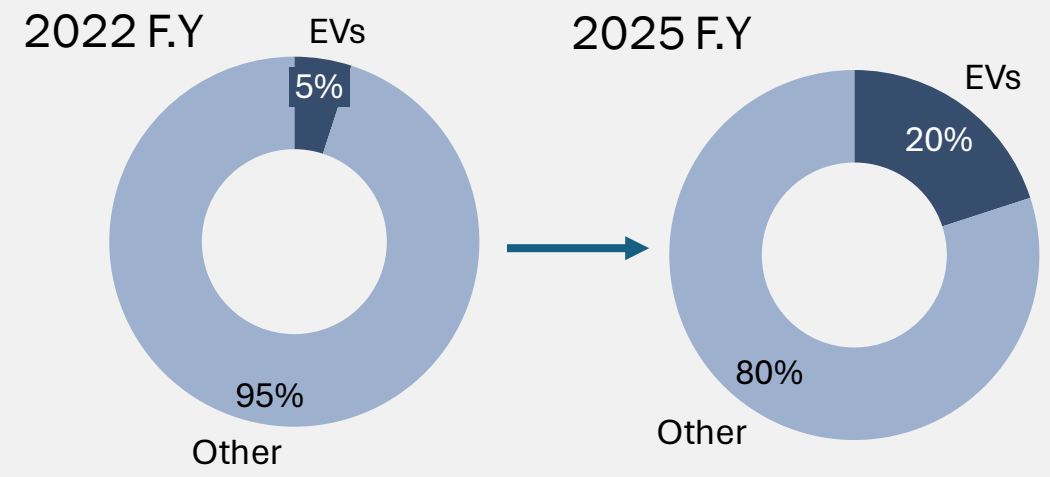
Anti-Pollution Filters

EVs



For F.Y 2030

CAGR +2,1%

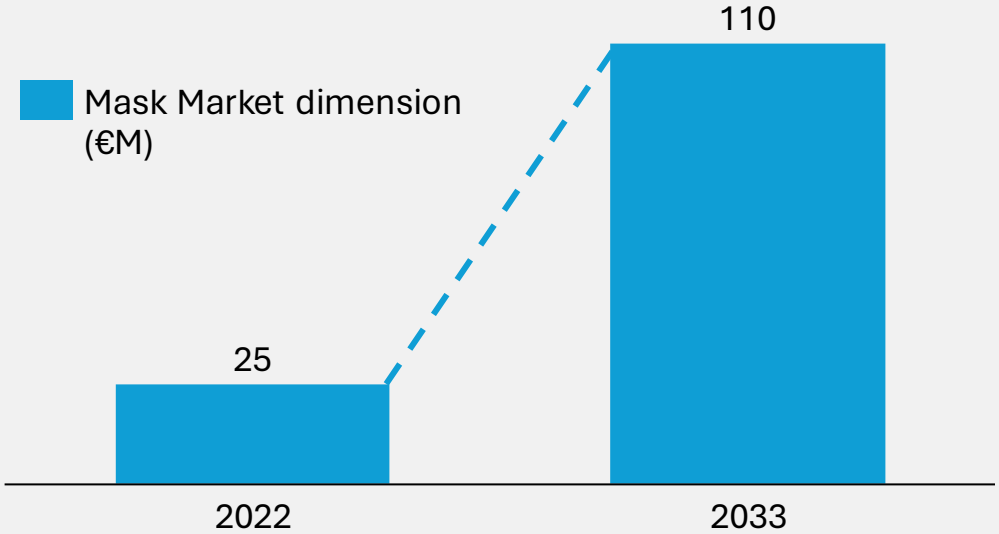


CAGR +4,5%



Industry Analysis | Market Dimensions | H&S end-market

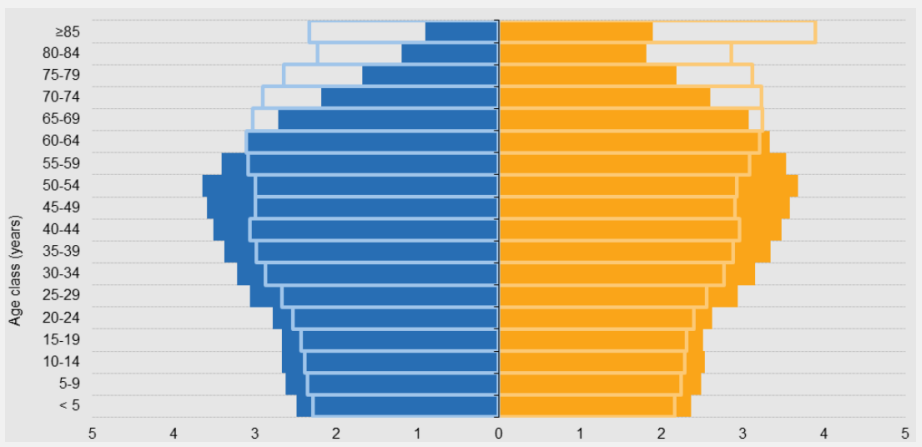
Respiratory Equipment



For F.Y 2030

CAGR +6.0%

Population Aging



CAGR +1.5%

M-2022

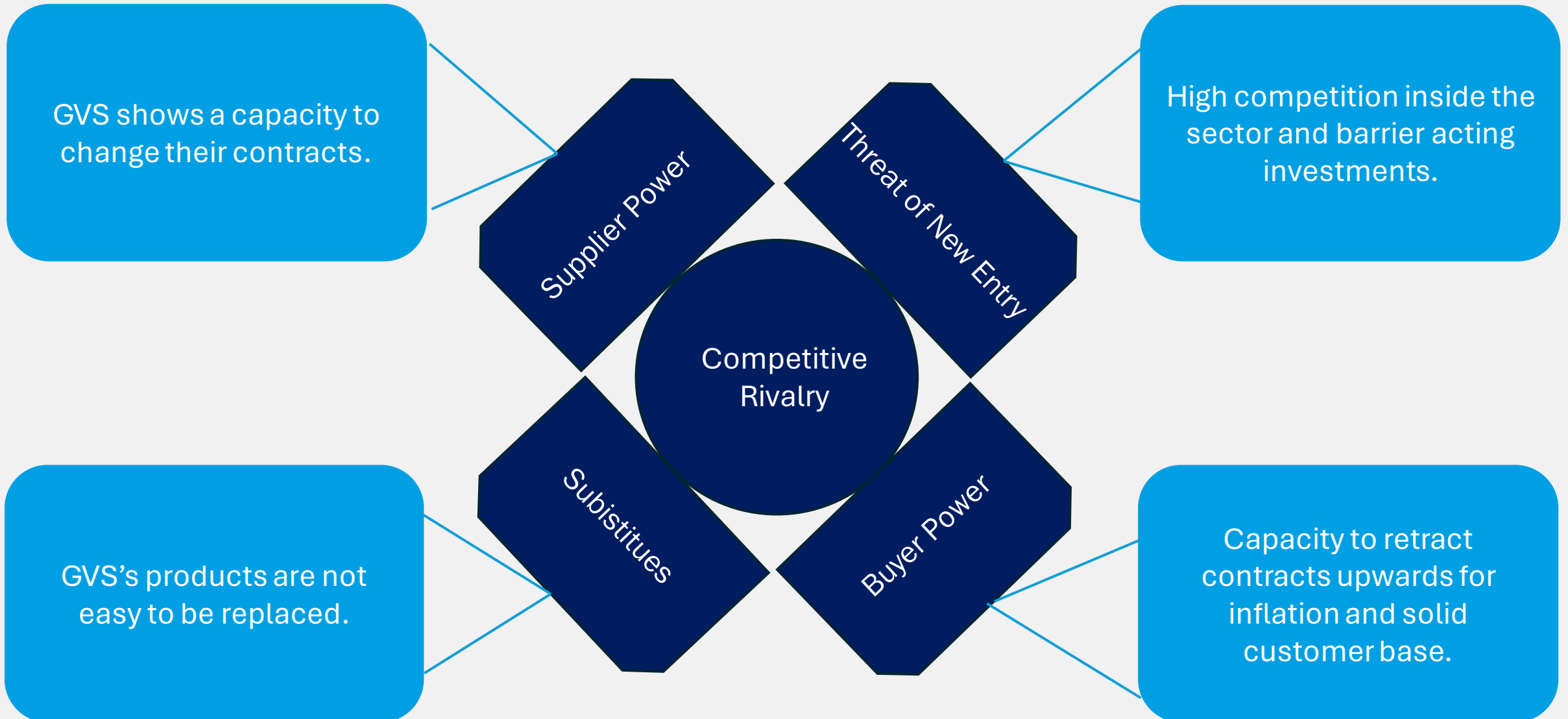
F-2022

M-2050

M-2050



Industry Analysis | Porter's Five Forces

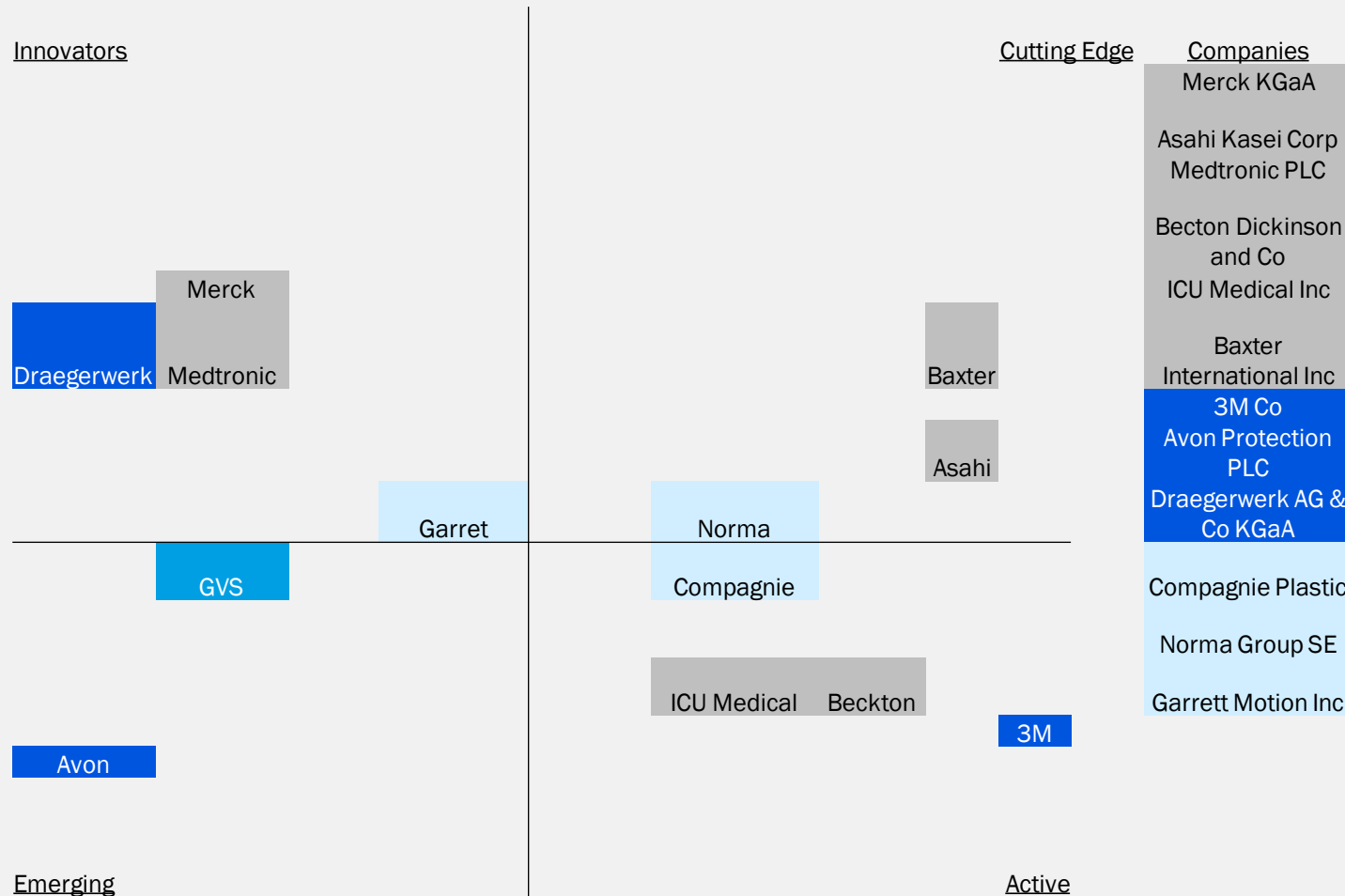




Industry Analysis | Competitive Positioning

...A good insider for future competition...

Creation



At 2023:

GVS actually stayed between the emerging – considering the less dimension and cost scale that htye can act – and innovators, investing my R&D and by M&A

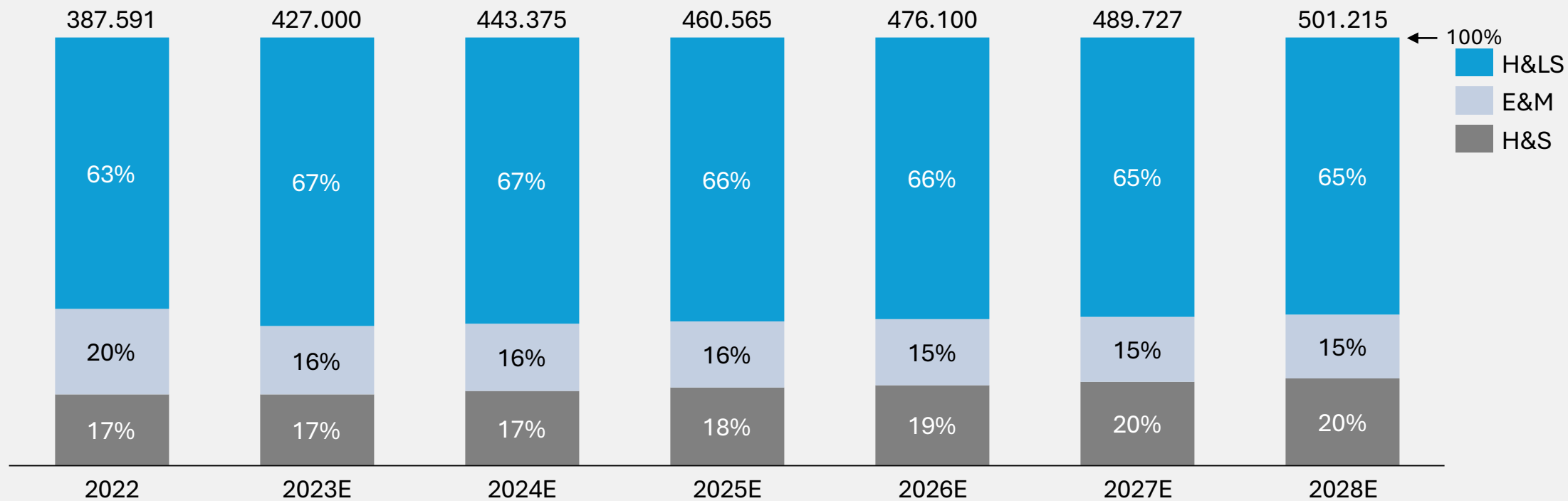
For 2028E:

In terms of positioning we expect that GVS will converge by the time to an active positioning, being able to compete with bigger competitor growing by the time



Financials | Revenues by Division

<u>FY</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023E</u>	<u>2024E</u>	<u>2025E</u>	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>
Healthcare & Lifescience	101,482	115,139	159,104	180,316	245,385	288,000	296,640	305,539	313,178	319,441	324,233
Energy & Mobility	87,121	87,898	65,193	70,715	77,330	68,000	69,700	71,443	72,931	74,146	75,073
Health & Safety	20,297	23,992	138,999	87,095	64,876	71,000	77,035	83,583	89,991	96,140	101,909





Financials | Revenues by B2X

<u>SEGMENT</u>	<u>Units</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
B2B	k€	184.581	237.877	300.196	341.600	354.700	368.452	380.880	391.782	400.972
B2C	k€	178.715	100.249	86.675	85.400	88.675	92.113	95.220	97.946	100.243
		363.296	338.126	386.871	427.000	443.375	460.565	476.100	489.728	501.215

<u>SEGMENT</u>	<u>Units</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
B2B	k€	79%	82%	82%	51%	70%	78%	80%	80%	80%	80%	80%	80%
B2C	k€	21%	18%	18%	49%	30%	22%	20%	20%	20%	20%	20%	20%

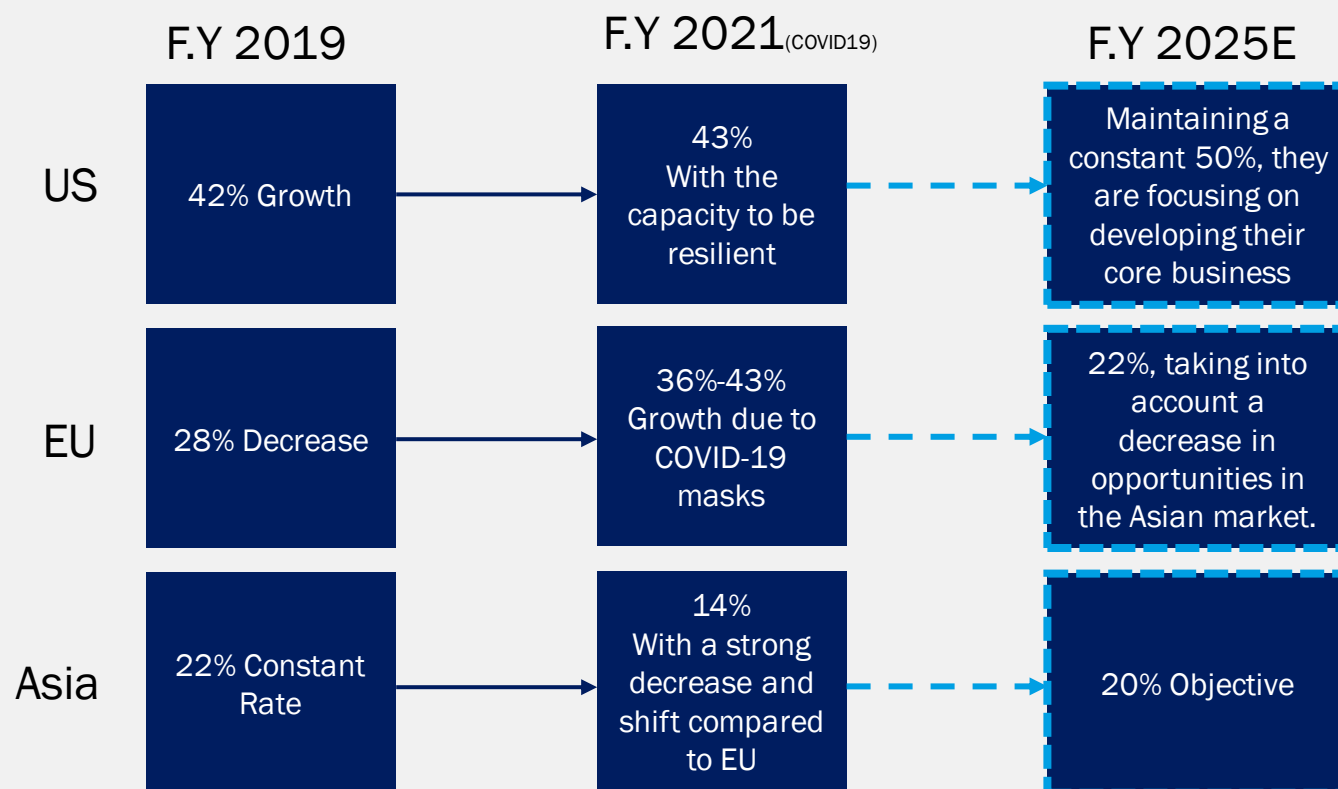
The COVID-19 pandemic brought about internal changes for GVS, leading to a shift towards the B2C market, driven by EU sales, particularly in Italy for COVID-19 masks. However, the impact was ultimately temporary.

Adjusted for COVID-19, assuming constancy over time with an 8:2 split, we anticipate an equal distribution among final consumers in the future.



Financials | Revenues by Geography

<u>GEOGRAPHIC</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023E</u>	<u>2024E</u>	<u>2025E</u>	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>
North America	42%	42%	38%	43%	49%	50%	50%	50%	50%	50%	50%
Europe	30%	28%	43%	36%	26%	24%	23%	22%	21%	20%	19%
Asia	21%	22%	14%	14%	17%	18%	19%	20%	21%	22%	23%
Other countries	8%	7%	5%	7%	8%	8%	8%	8%	8%	8%	8%





Financials | Revenues by Product

<u>Product evolution</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023E</u>	<u>2024E</u>	<u>2025E</u>	<u>2026E</u>	<u>2027E</u>	<u>2028E</u>
Healthcare Liquid	60,074	69,553	80,254	100,107	181,297	212,782	219,166	225,741	231,384	236,012	239,552
Healthcare Air & Gas	23,692	26,307	58,665	48,607	30,031	35,246	36,304	37,393	38,328	39,094	39,681
Laboratory	17,716	19,279	20,185	31,602	34,057	39,972	41,171	42,406	43,466	44,335	45,000
Healthcare & Lifesciences	101,482	115,139	159,104	180,316	245,385	288,000	296,640	305,539	313,178	319,441	324,233
Powertrain & Drivertrain	38,469	40,043	27,181	29,000	31,177	27,415	28,101	28,803	29,403	29,893	30,267
Safety & Electronics	25,869	23,123	20,597	21,626	22,315	19,623	20,113	20,616	21,046	21,396	21,664
Sport & Utility	22,783	24,732	17,415	20,089	23,838	20,962	21,486	22,023	22,482	22,857	23,142
Energy & Mobility	87,121	87,898	65,193	70,715	77,330	68,000	69,700	71,443	72,931	74,146	75,073
Personal Safety	12,366	13,971	132,933	81,981	59,961	65,621	70,487	75,225	80,542	85,565	90,699
Air Safety	7,931	10,021	6,066	5,114	4,915	5,379	6,548	8,358	9,449	10,575	11,210
Health & Safety	20,297	23,992	138,999	87,095	64,876	71,000	77,035	83,583	89,991	96,140	101,909

1. Given that H&LS encompasses GVS's core business and strongest product, we anticipate the internal split to remain approximately the same in the future. Therefore, we do not recommend altering the division trend.

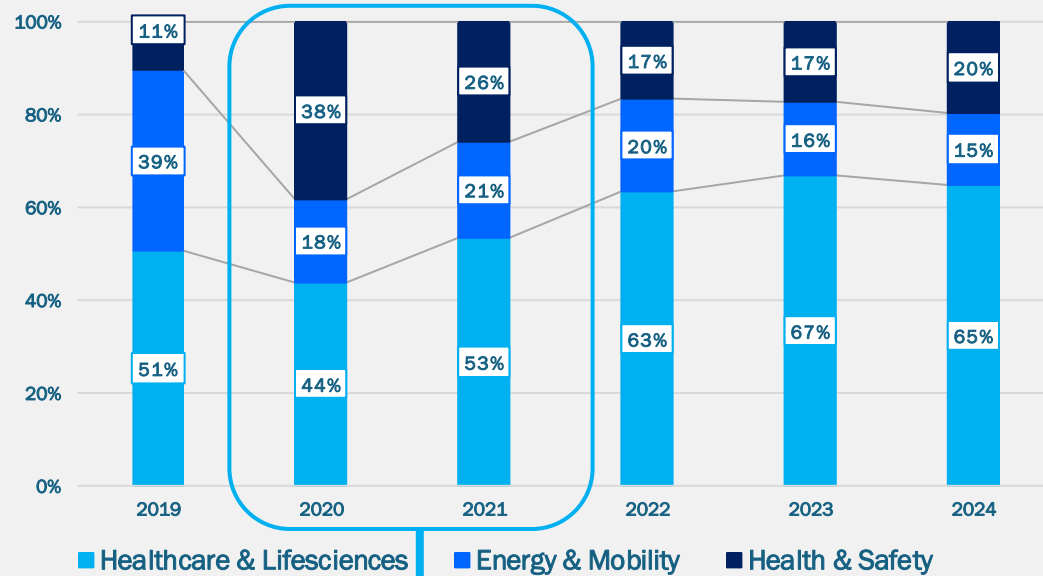
2. Based on our estimation, we do not anticipate the E&M division to return to its peak performance, considering the reduced investments made and the distinct competitive landscape compared to other divisions.

3. With investments and the RPB acquisition in 2021, we anticipate a shift in the internal split. Moving from a 92%-8% ratio for Personal Safety versus Air Safety, it could potentially reach 88%-12% by 2025E.

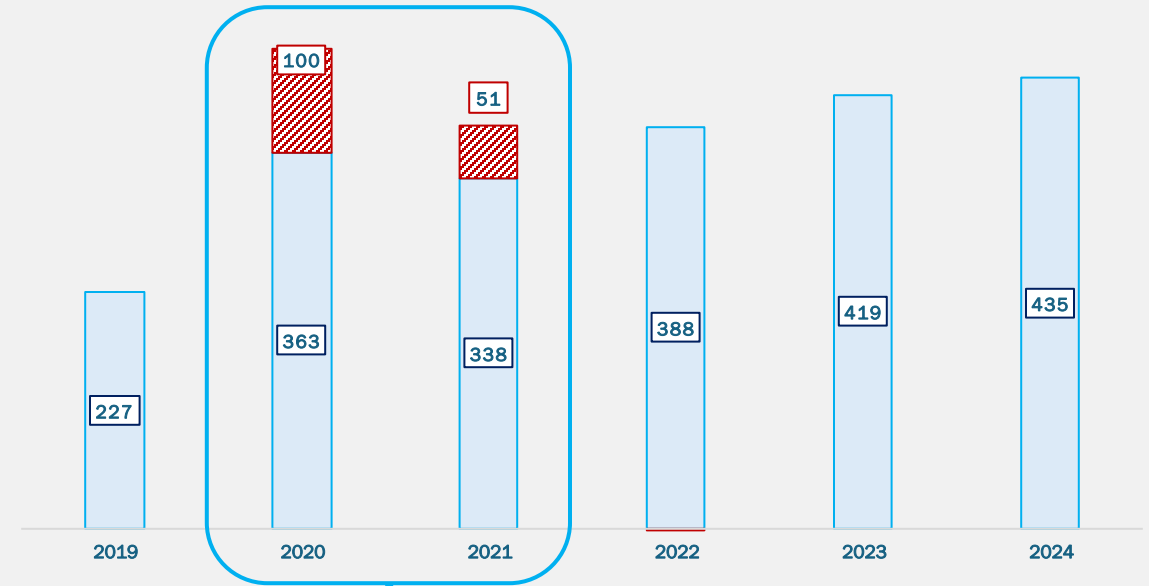


Financials | COVID-19 Effect

An event to change strategy



The pandemic event enabled GVS to penetrate the disposable mask market more effectively. H&S experienced an increase of +18%, which decreased slightly after COVID-19 but remained in growth for 2025E. E&M lost market share, with a decrease of 16% seen in 2023E.



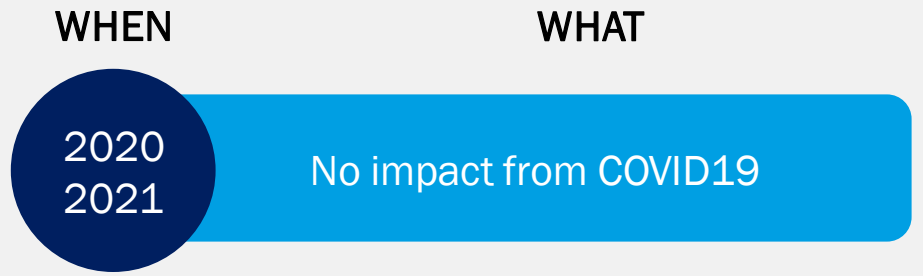
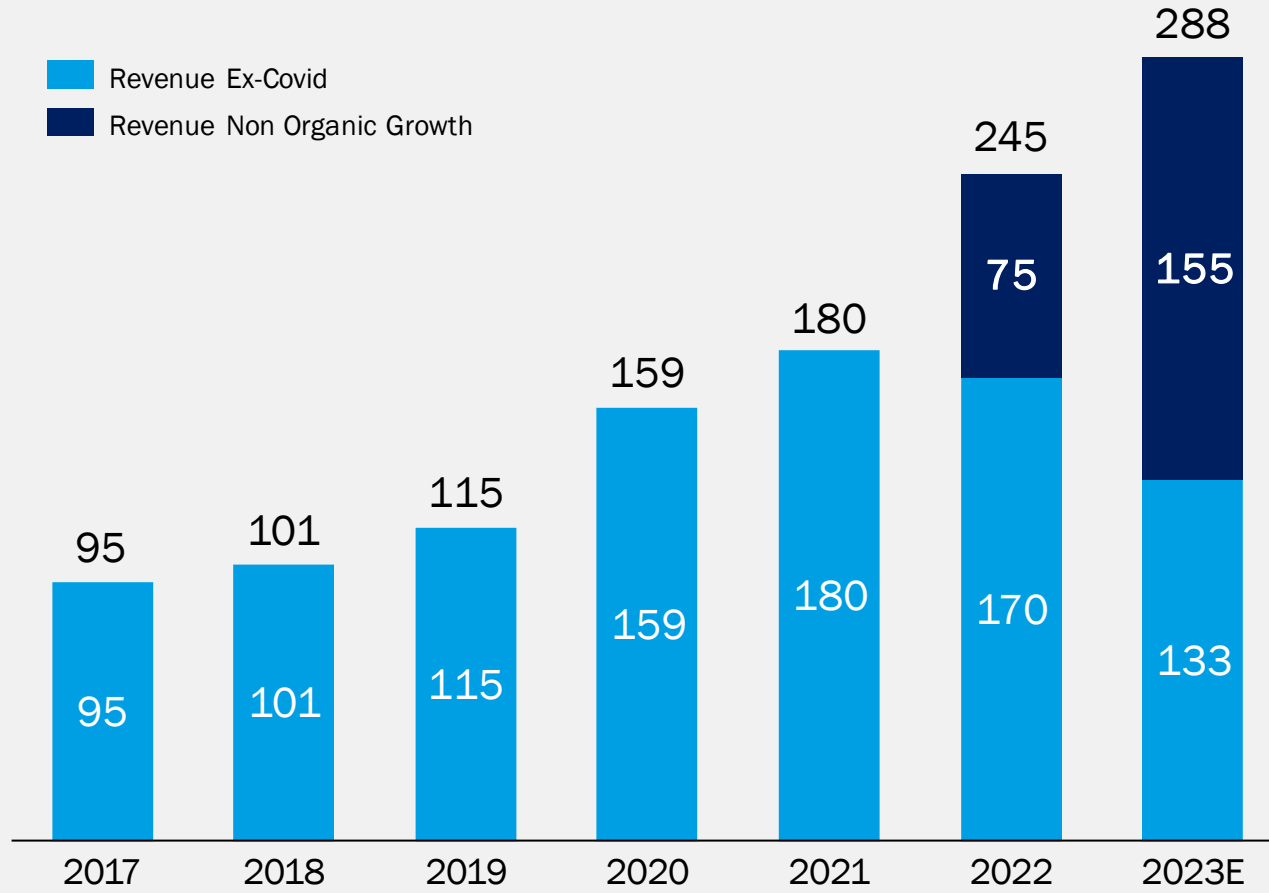
The H&S division was inflated in the fiscal year 2020-2021 due to COVID-19 revenues, amounting to a total of +€151M.

+€ 100M F.Y 2020

+€ 51M F.Y 2021

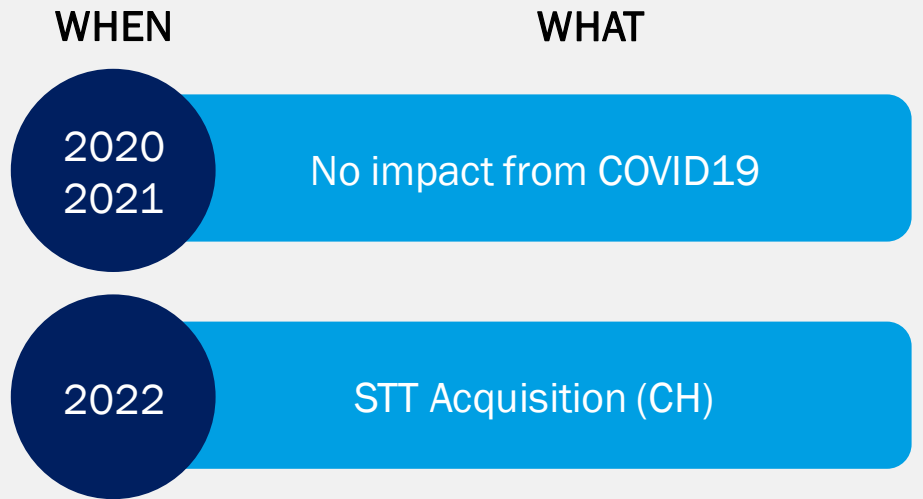
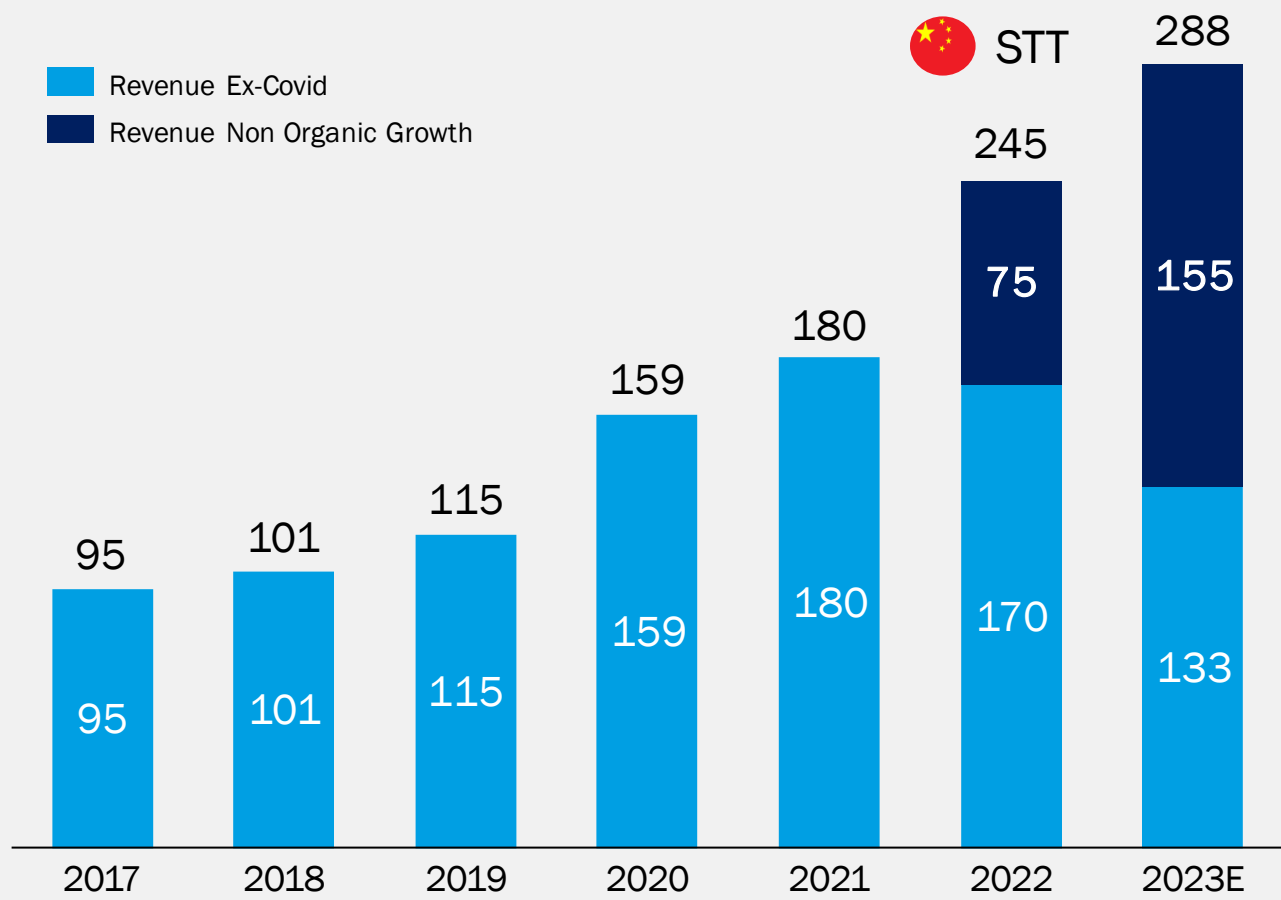


Financials | Historical Review | 2018-2022 Healthcare & Life Sciences Revenues



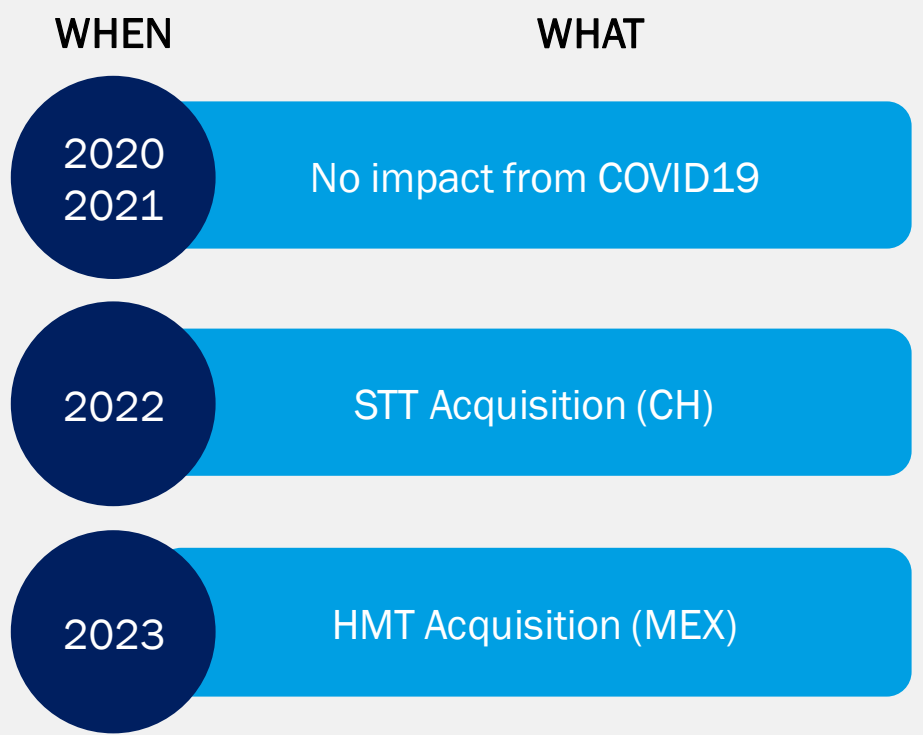
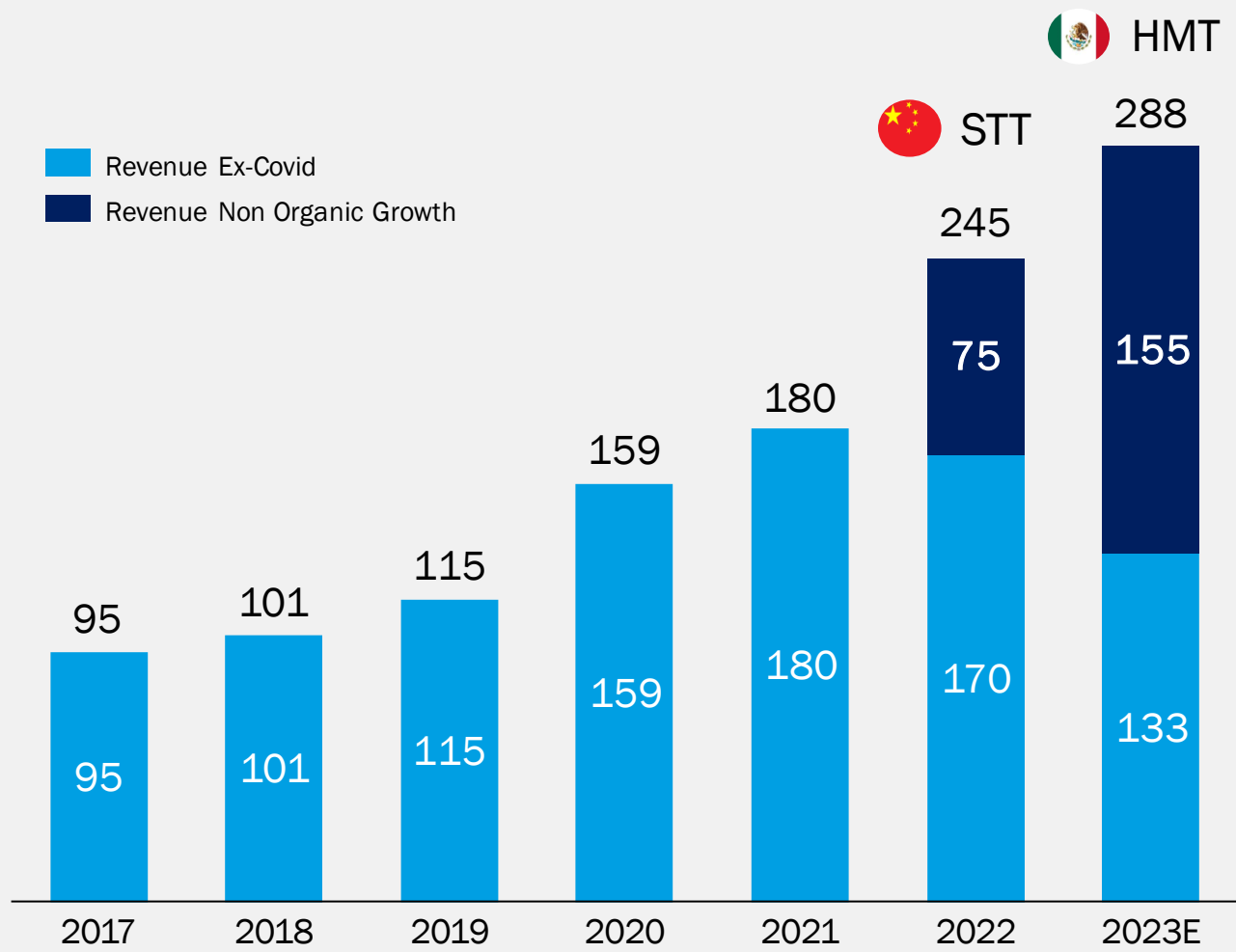


Financials | Historical Review | 2018-2022 Healthcare & Life Sciences Revenues



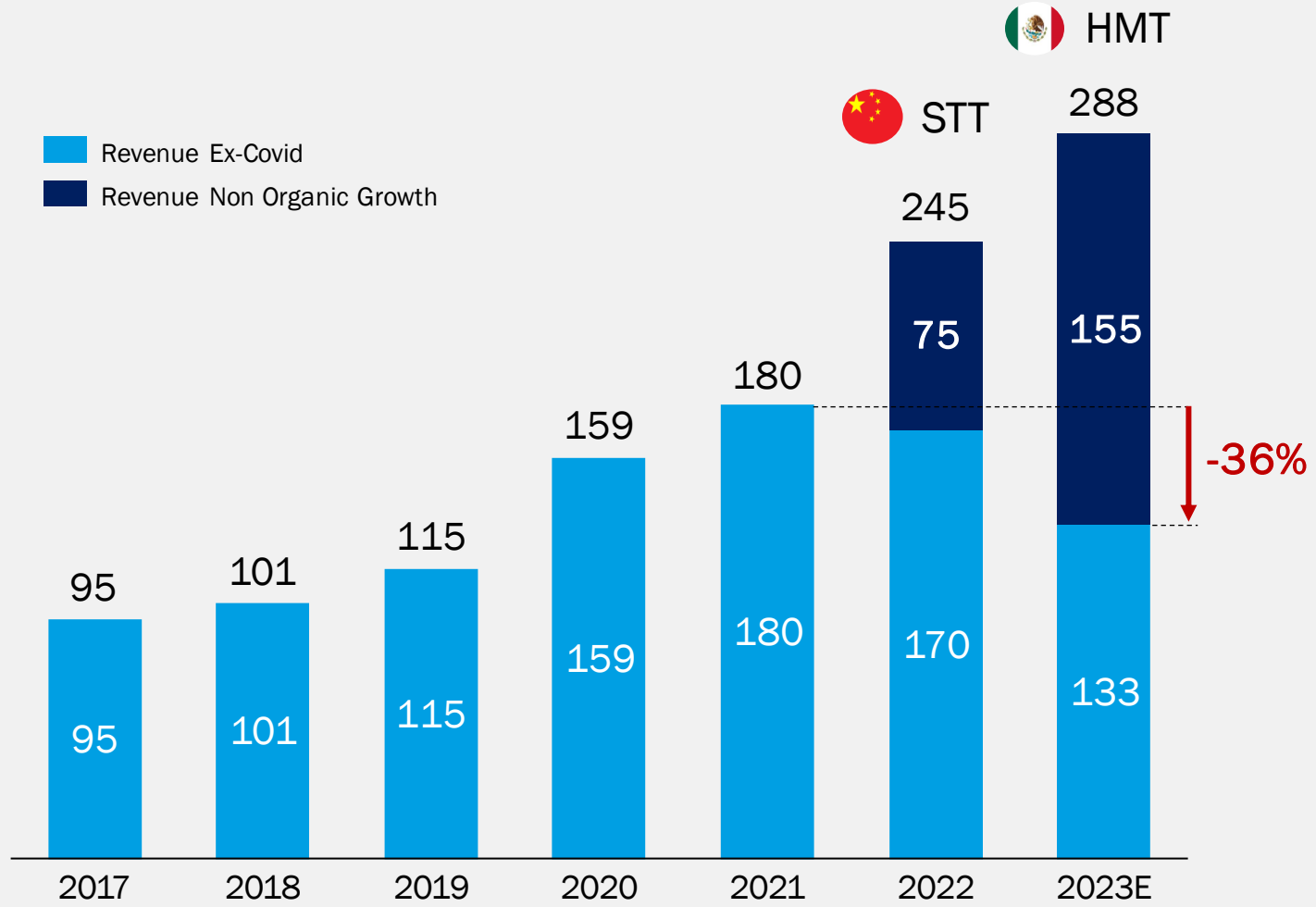


Financials | Historical Review | 2018-2022 Healthcare & Life Sciences Revenues



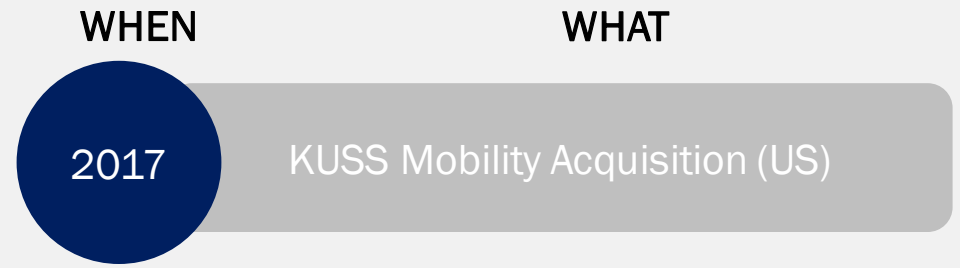
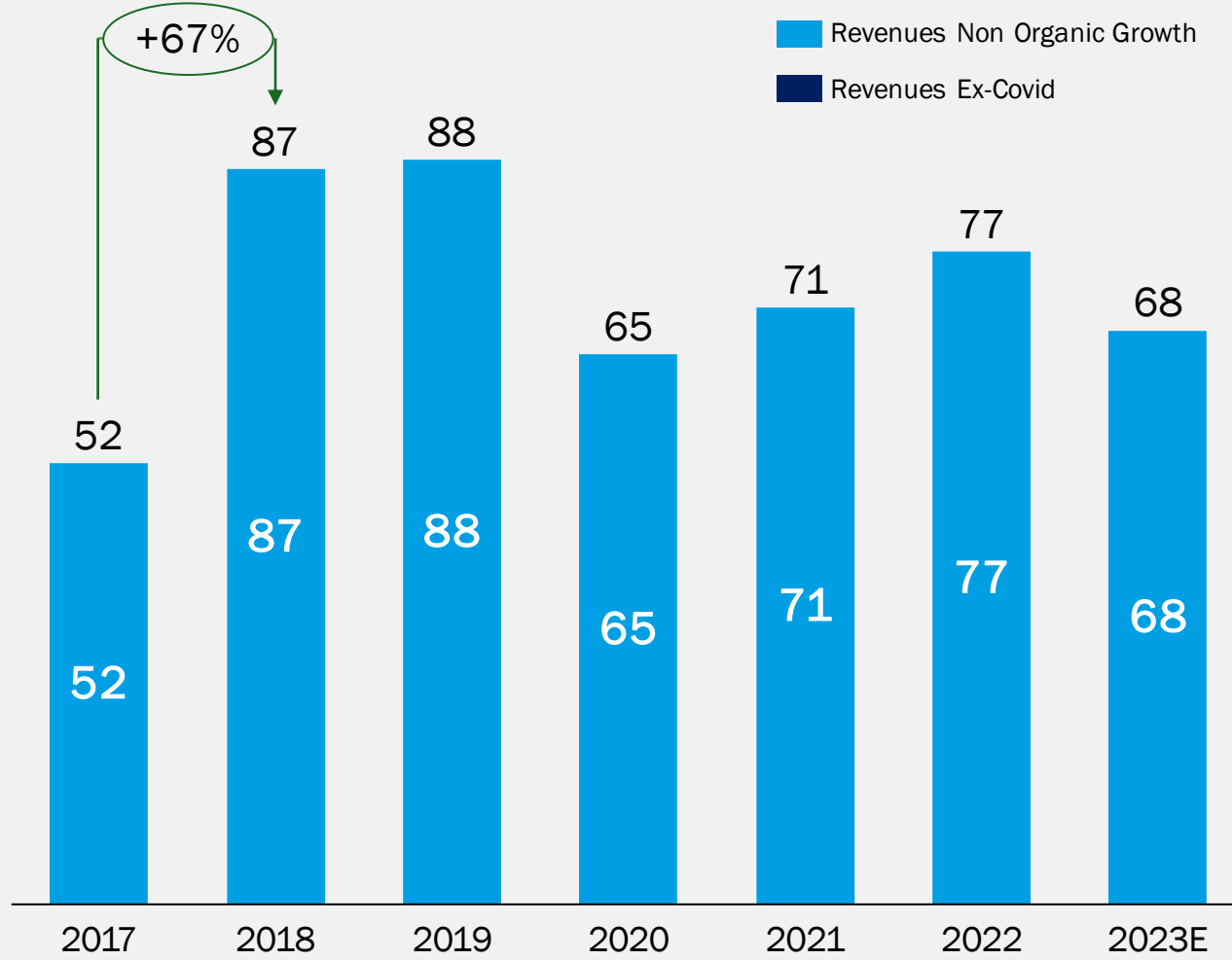


Financials | Historical Review | 2018-2022 Healthcare & Life Sciences Revenues



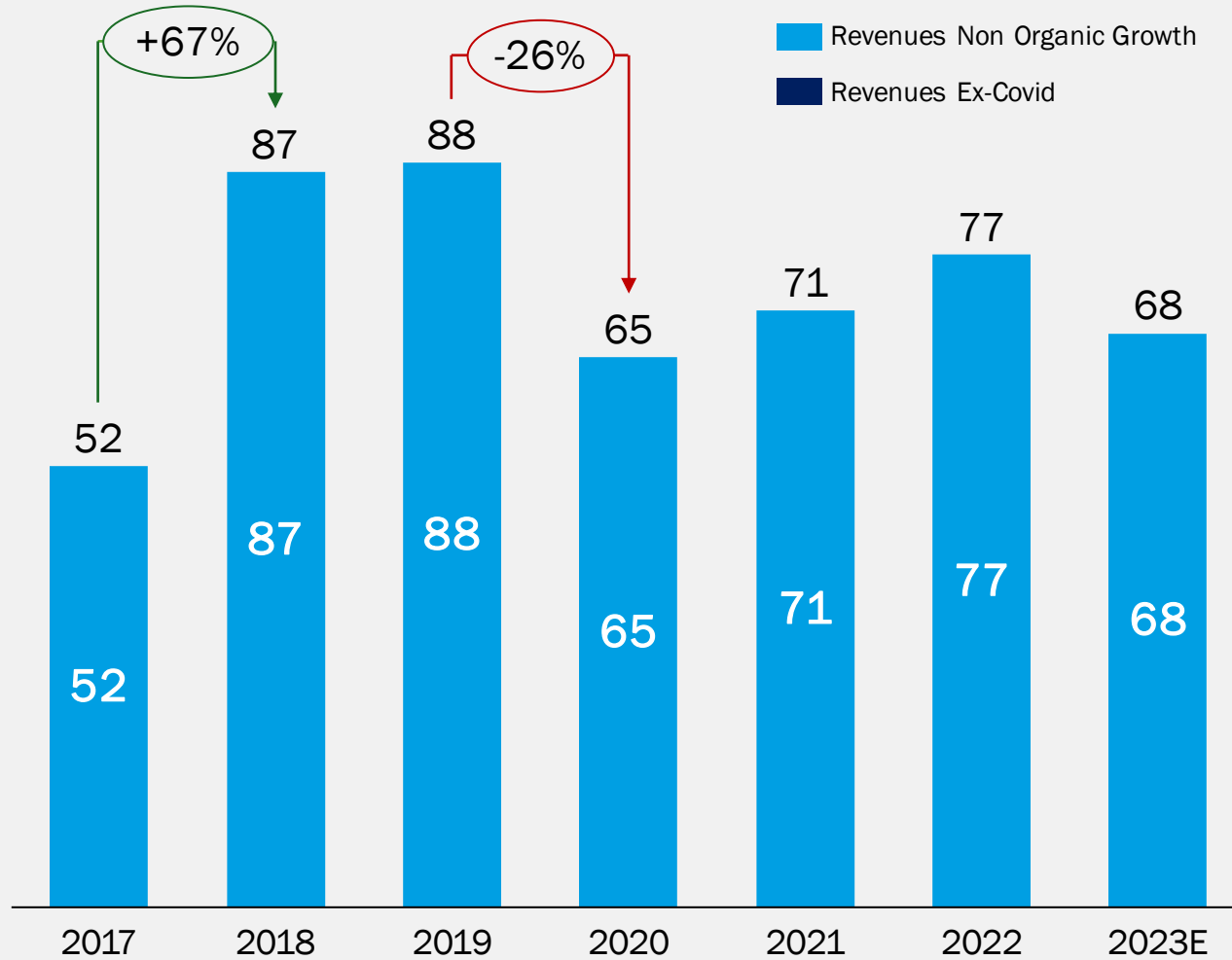


Financials | Historical Review | 2018-2022 Energy & Mobility Revenues





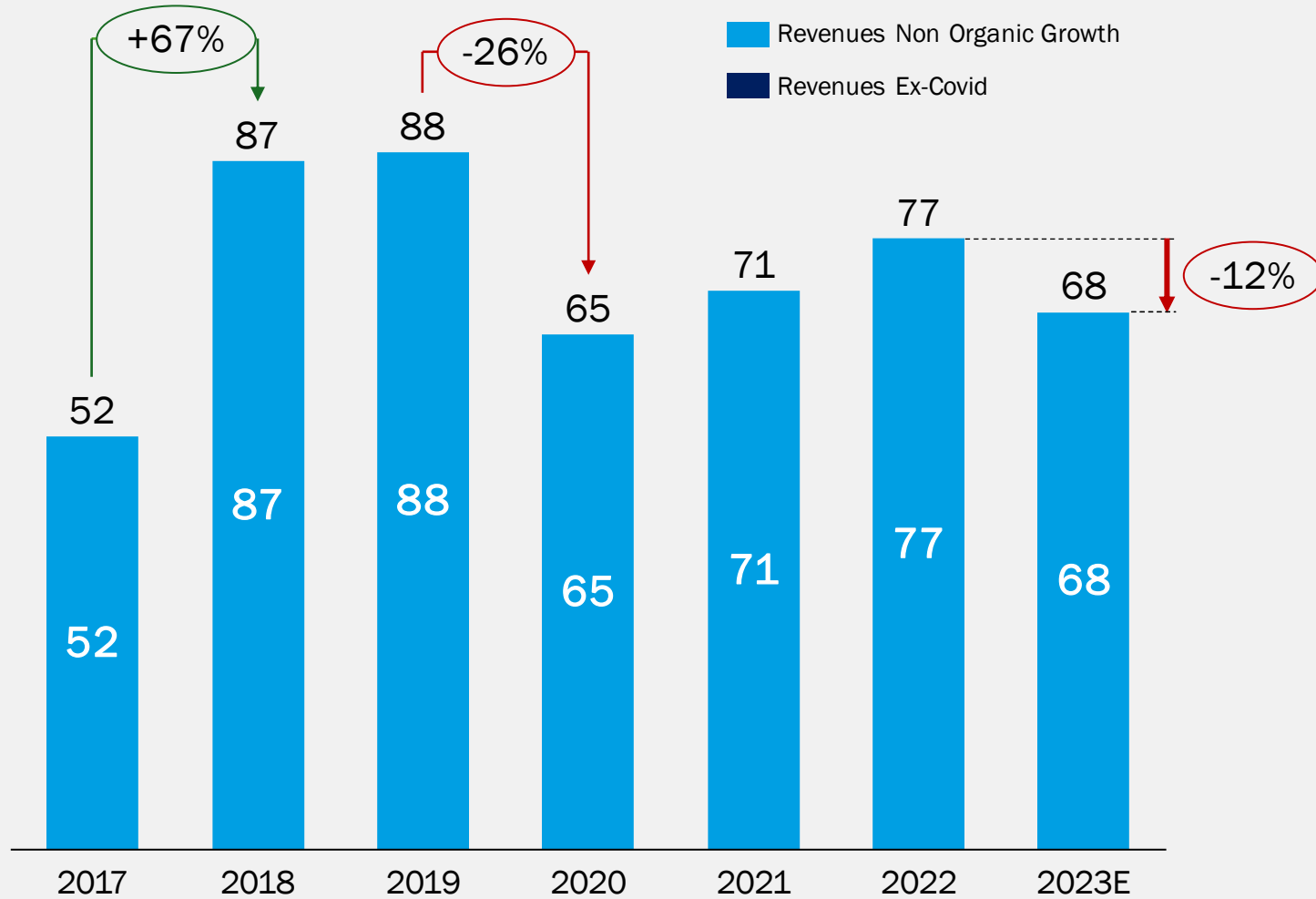
Financials | Historical Review | 2018-2022 Energy & Mobility Revenues



WHEN	WHAT
2017	KUSS Mobility Acquisition (US)
2020 2021	Relevant impact COVID19 (-26%)



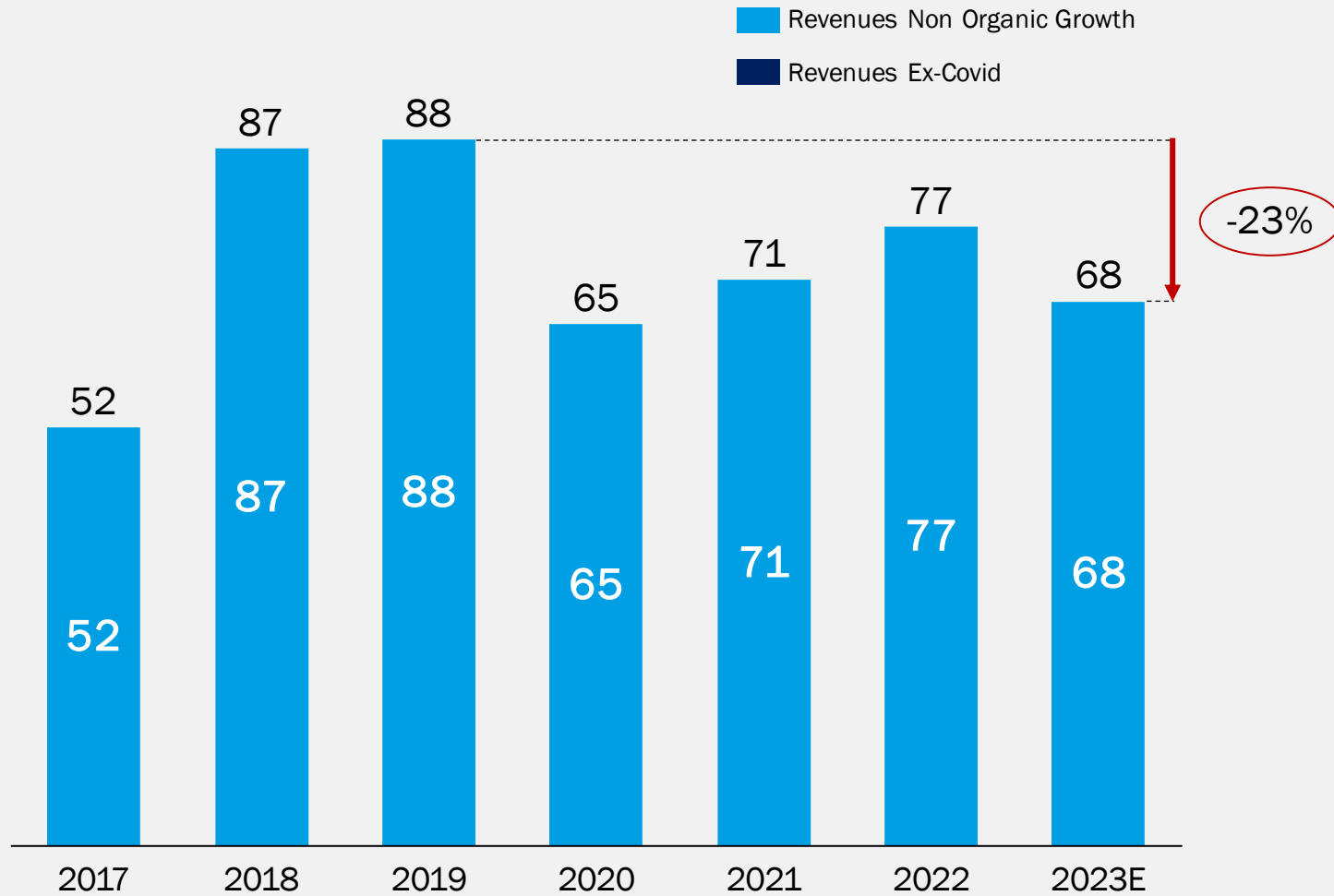
Financials | Historical Review | 2018-2022 Energy & Mobility Revenues



WHEN	WHAT
2017	KUSS Mobility Acquisition (US)
2020 2021	Relevant impact COVID19 (-26%)
2022 2023	Destocking Policy (-12%)



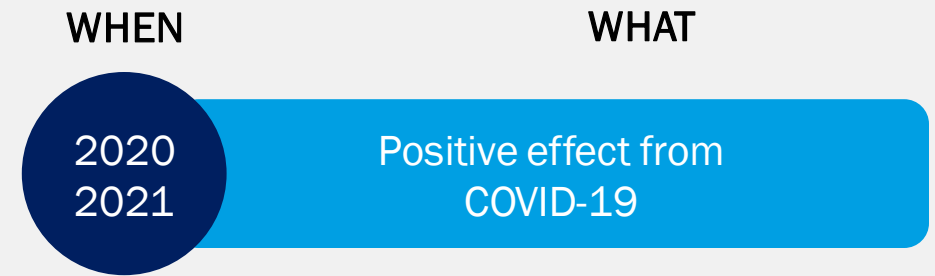
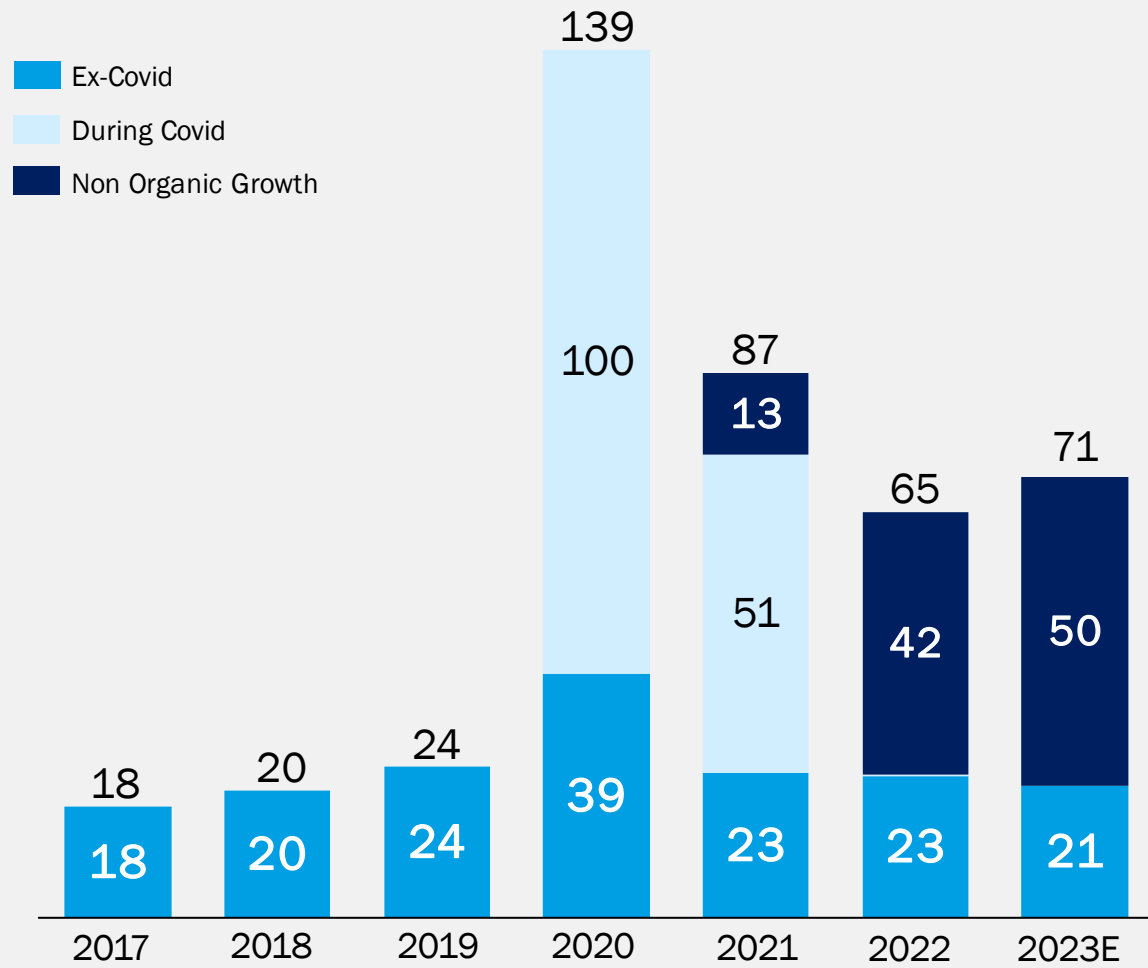
Financials | Historical Review | 2018-2022 Energy & Mobility Revenues



WHEN	WHAT
2017	KUSS Mobility Acquisition (US)
2020 2021	Relevant impact COVID19 (-26%)
2022 2023	Destocking Policy (-12%)
2019 2023	Overall Negative Trend

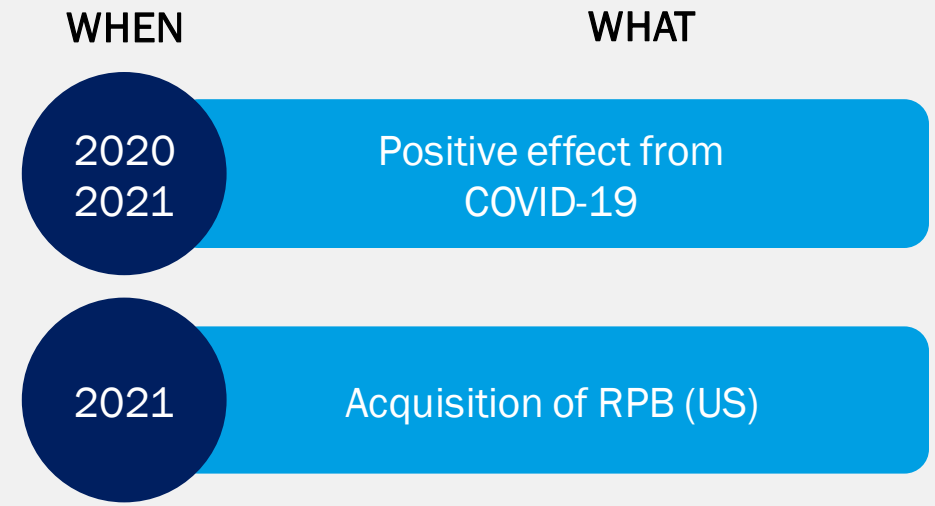
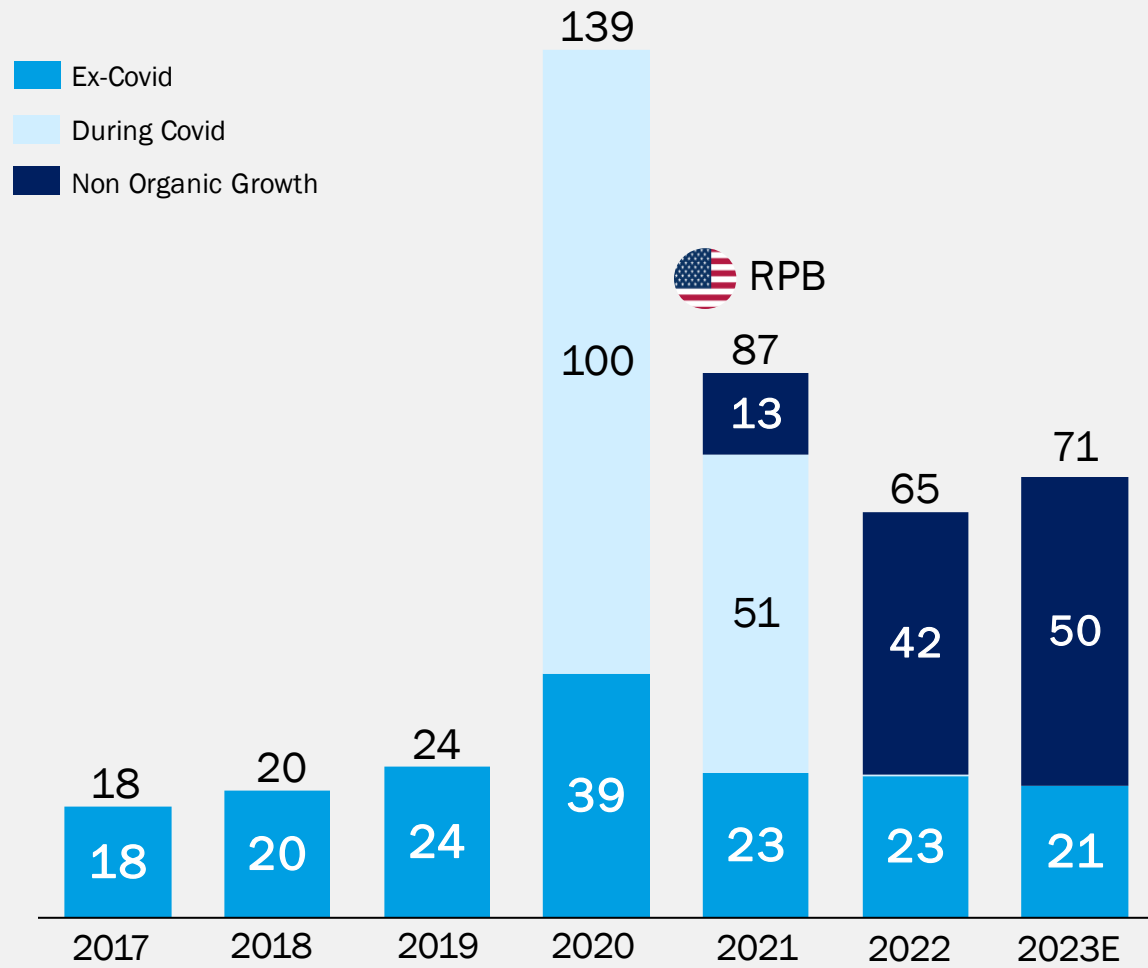


Financials | Historical Review | 2018-2022 Health & Safety Revenues



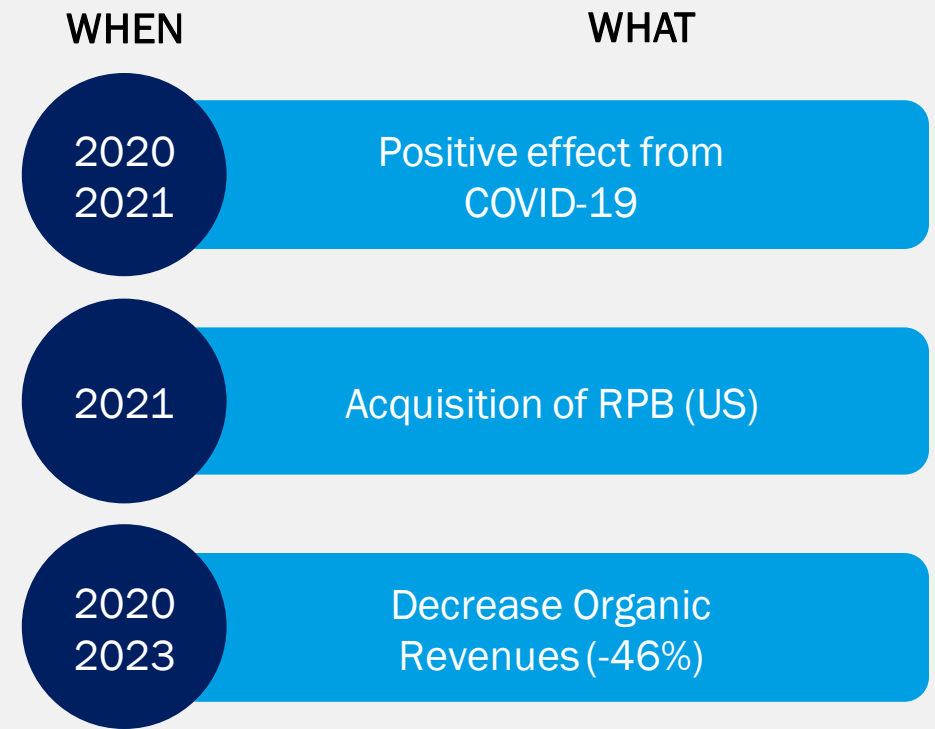
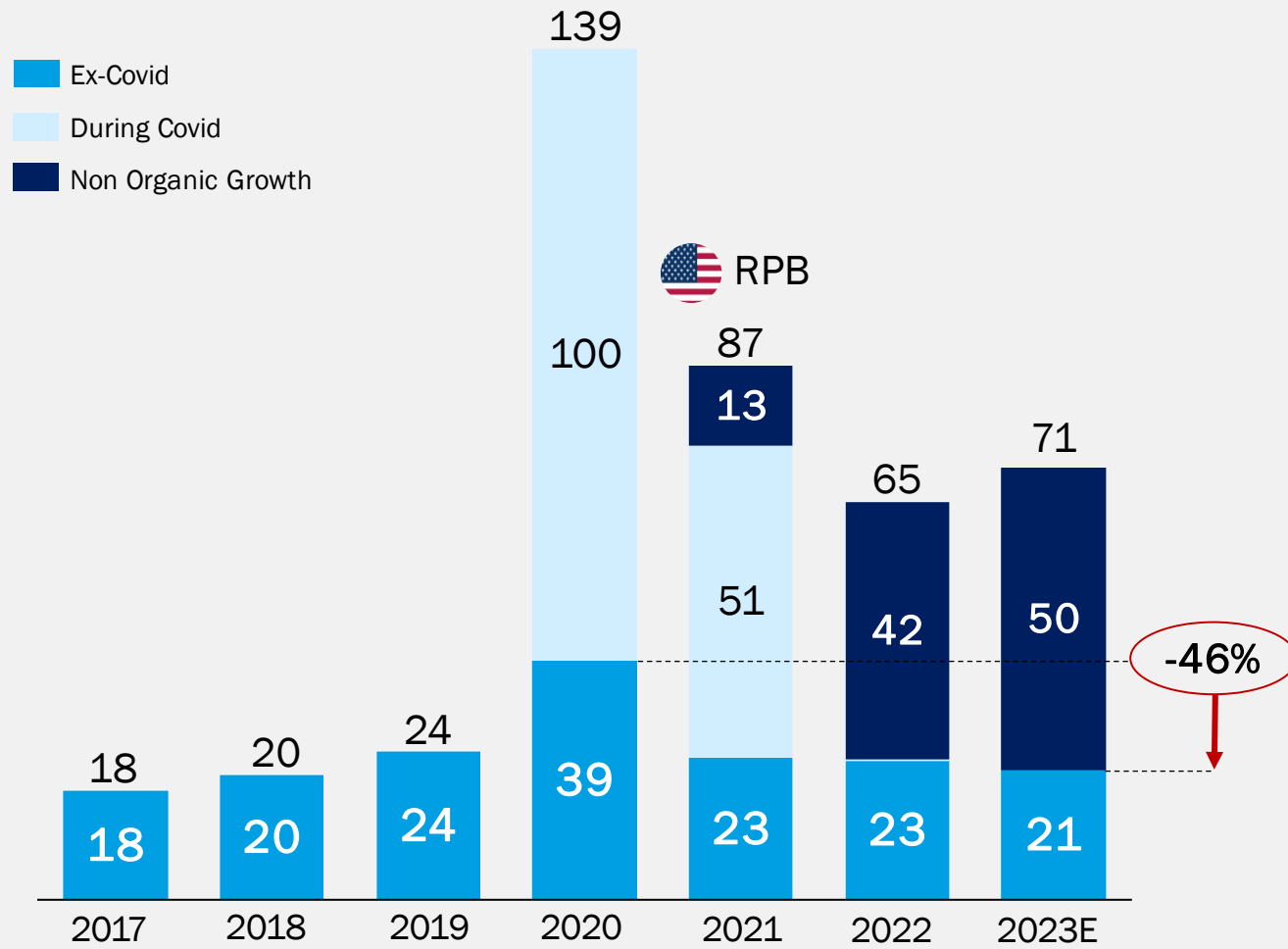


Financials | Historical Review | 2018-2022 Health & Safety Revenues



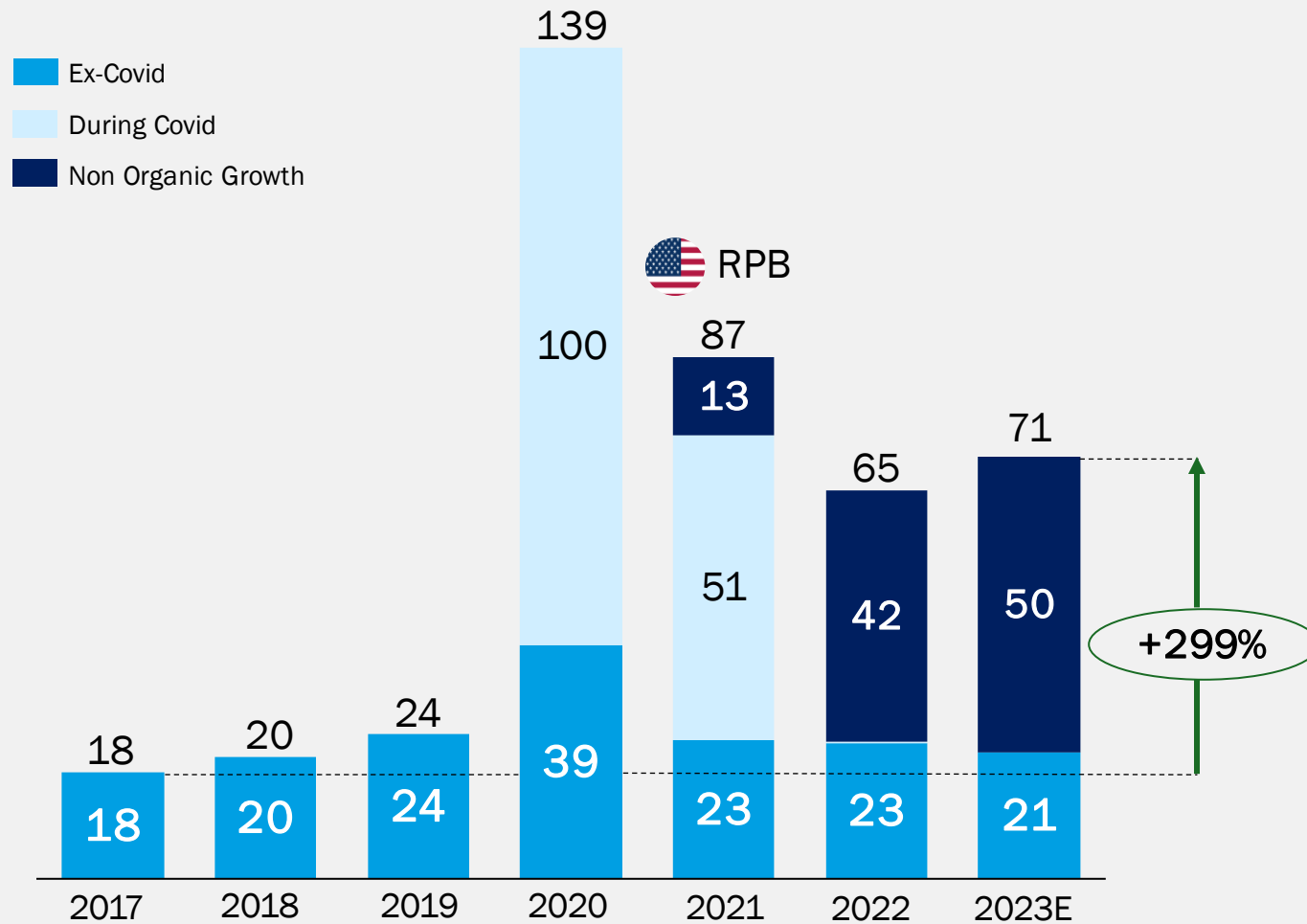


Financials | Historical Review | 2018-2022 Health & Safety Revenues





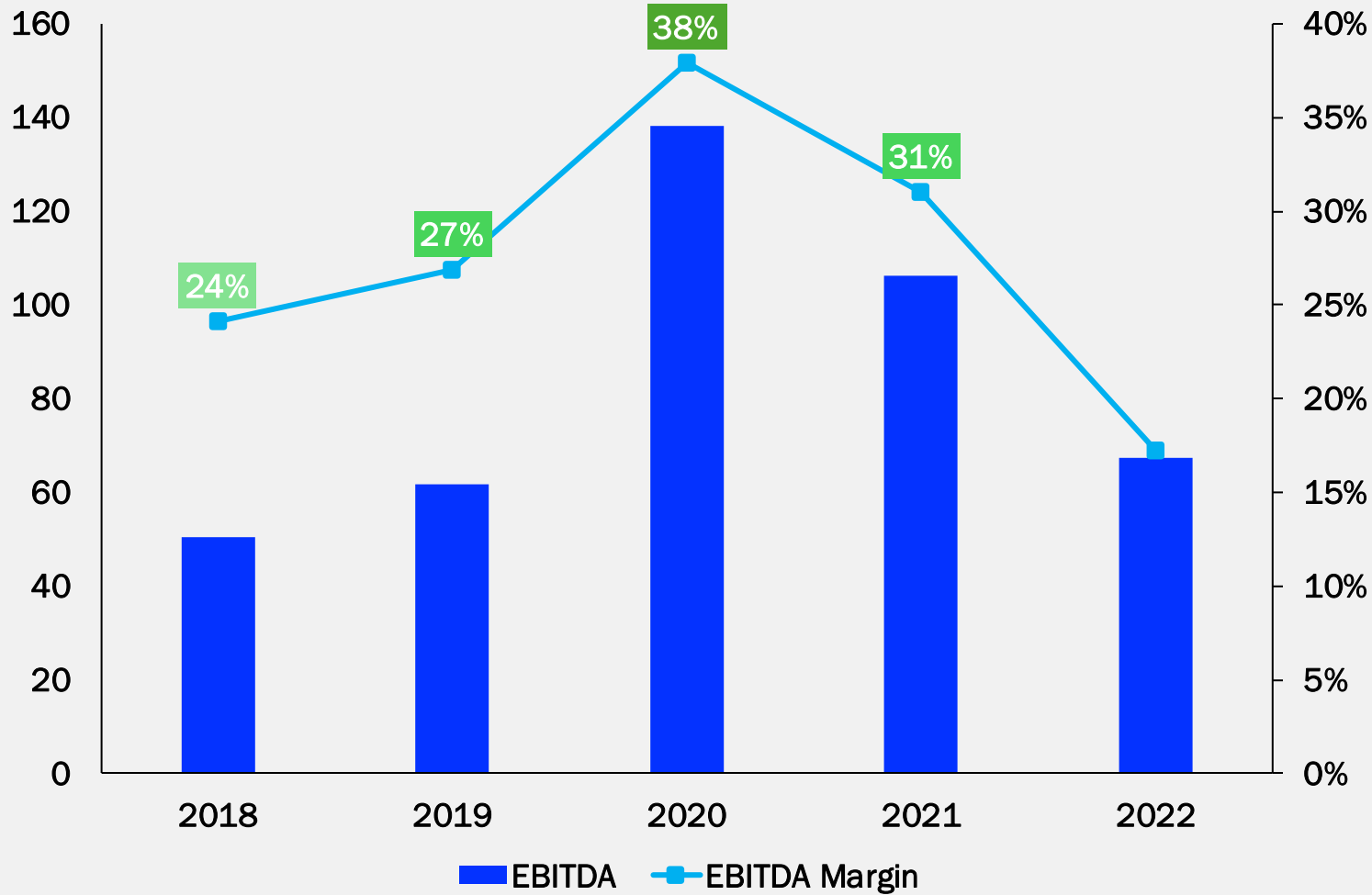
Financials | Historical Review | 2018-2022 Health & Safety Revenues



WHEN	WHAT
2020 2021	Positive effect from COVID-19
2021	Acquisition of RPB (US)
2020 2023	Decrease Organic Revenues (-46%)
2017 2023	Overall positive performance



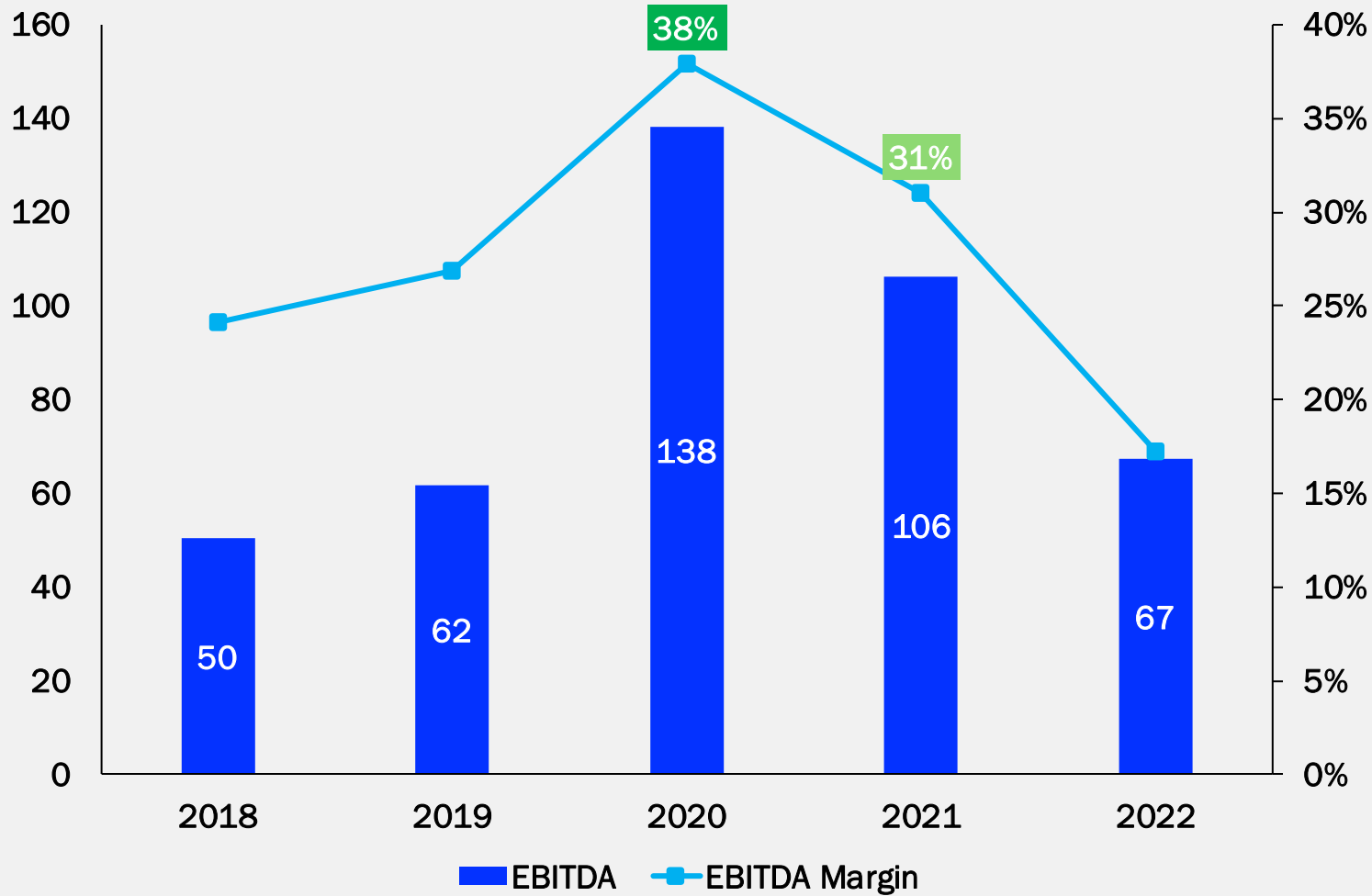
Financials | Historical Review | EBITDA & EBITDA Margin



WHEN	WHAT
2018/21	Increase in efficiency
2019	Covid19 Positive impact
2022	Decrease in efficiency (Ukraine)
2018/23	Overall Resilience and Increase in EBITDA



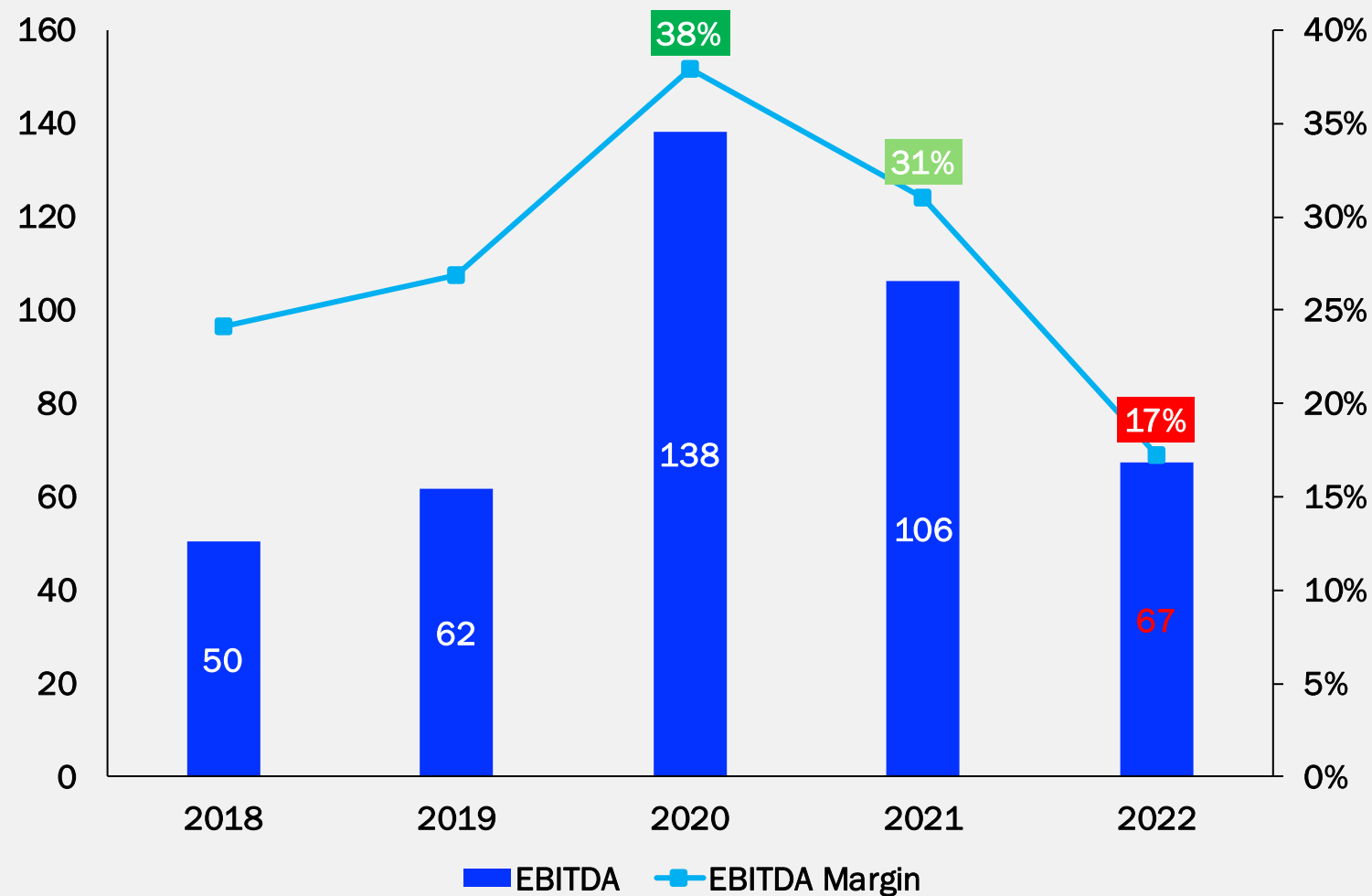
Financials | Historical Review | EBITDA & EBITDA Margin



WHEN	WHAT
2018/21	Increase in efficiency
2020/21	Covid19 Positive impact
2022	Decrease in efficiency (Ukraine)
2018/23	Overall Resilience and Increase in EBITDA



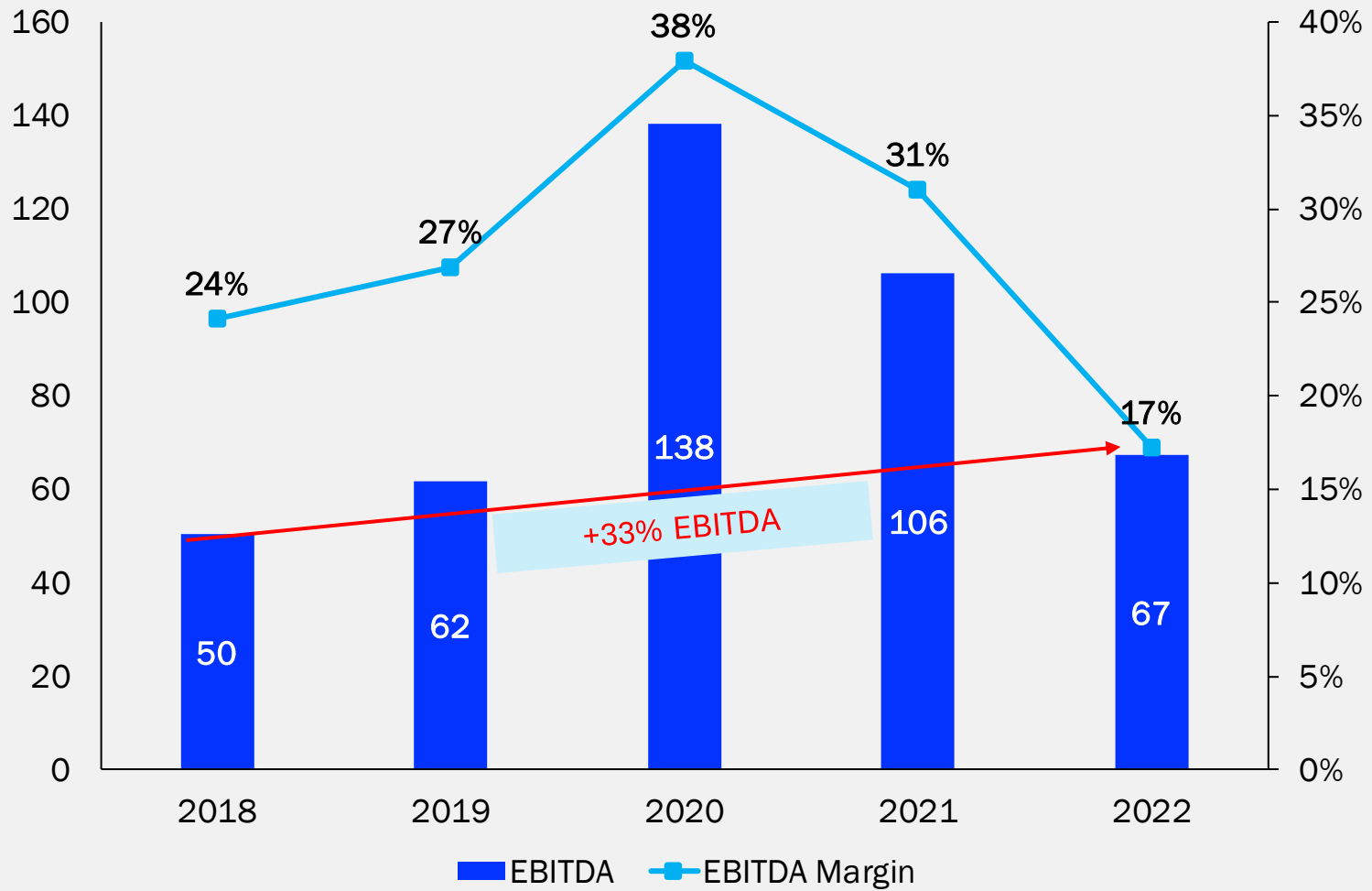
Financials | Historical Review | EBITDA & EBITDA Margin



WHEN	WHAT
2018/21	Increase in efficiency
2019	Covid19 Positive impact
2022	Decrease in Efficiency & Margins (Ukraine)
2018/23	Overall Resilience and Increase in EBITDA



Financials | Historical Review | EBITDA & EBITDA Margin



WHEN	WHAT
2018/21	Increase in efficiency
2019	Covid19 Positive impact
2022	Decrease in efficiency (Ukraine)
2018/22	Overall Resilience and Increase in EBITDA



Financials | Net Financial Position Sensitivity

An EBITDA Margin that will be very significant...

		Net Financial Position				
		160	172	181	193	205
E B I T D A	119	1,34x	1,45x	1,52x	1,62x	1,72x
	120	1,33x	1,43x	1,51x	1,61x	1,71x
	122	1,31x	1,41x	1,48x	1,58x	1,68x
	124	1,29x	1,39x	1,46x	1,56x	1,65x
	125	1,28x	1,38x	1,45x	1,54x	1,64x

EBITDA under guidance target

NWC control in target

FCFO in target

GVS target

Team estimates

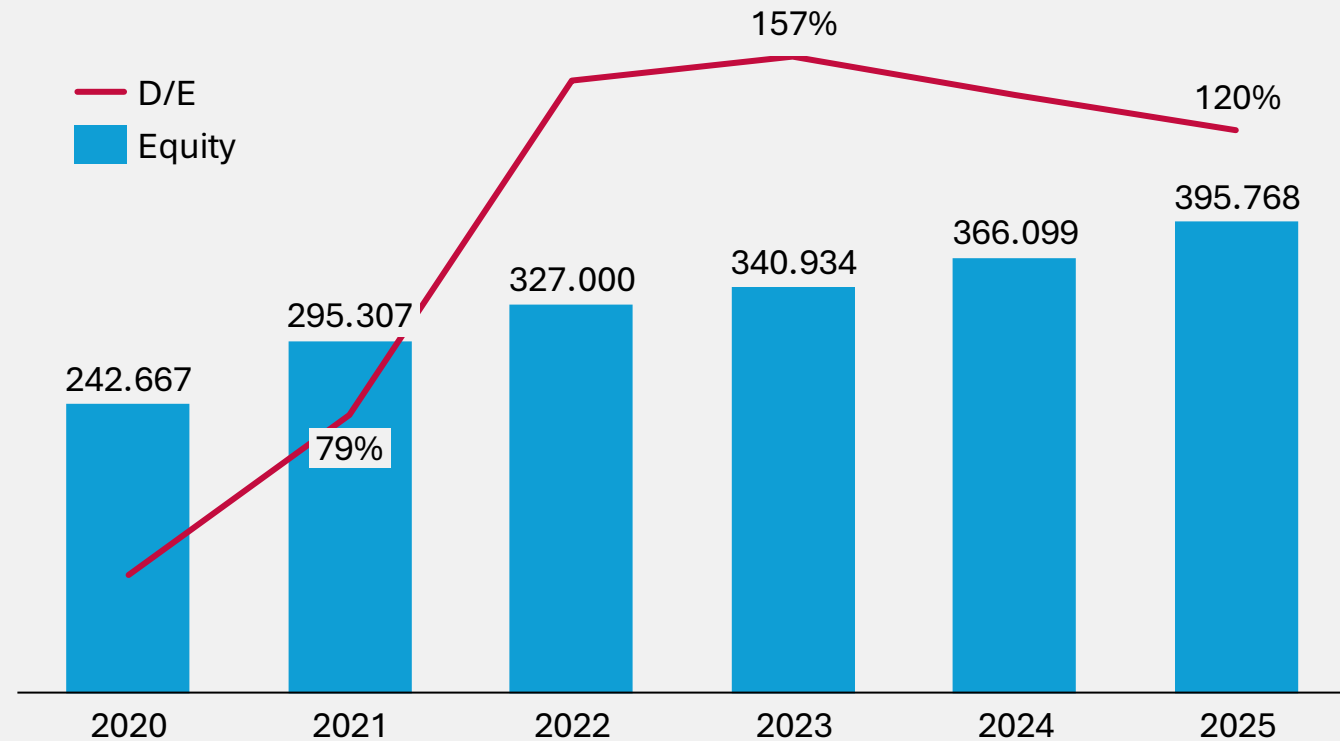


Financials | D/E Path Through Retained Earnings

<i>D/E evolution</i>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Equity	242,667	295,307	327,000	340,934	366,099	395,768
Debt	98,367	233,403	515,421	535,000	502,175	473,046
D/E	41%	79%	158%	157%	137%	120%

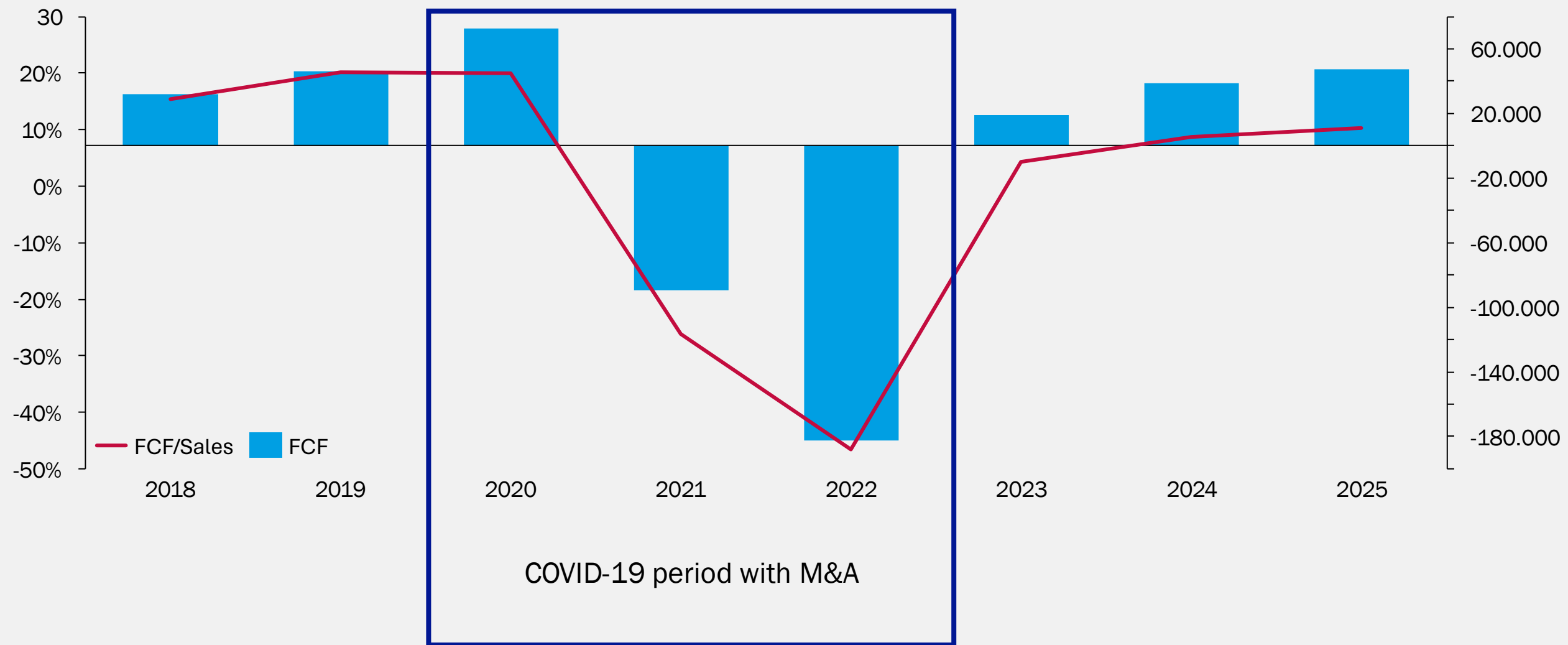
For 2025 the objective with the NFP at 1,5x will lead GVS to a D/E of 120%

Retained earnings growth c.a 10%



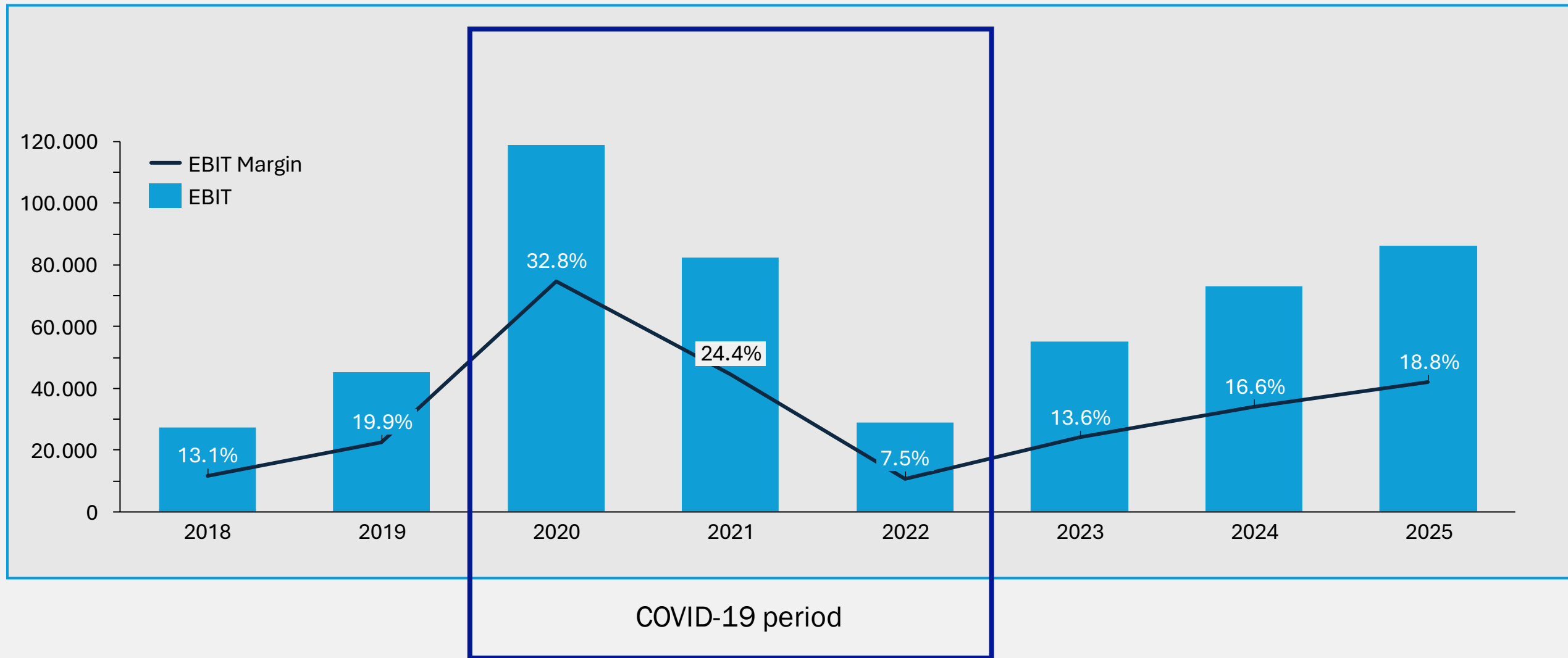


Financials | FCF and FCF/Sales



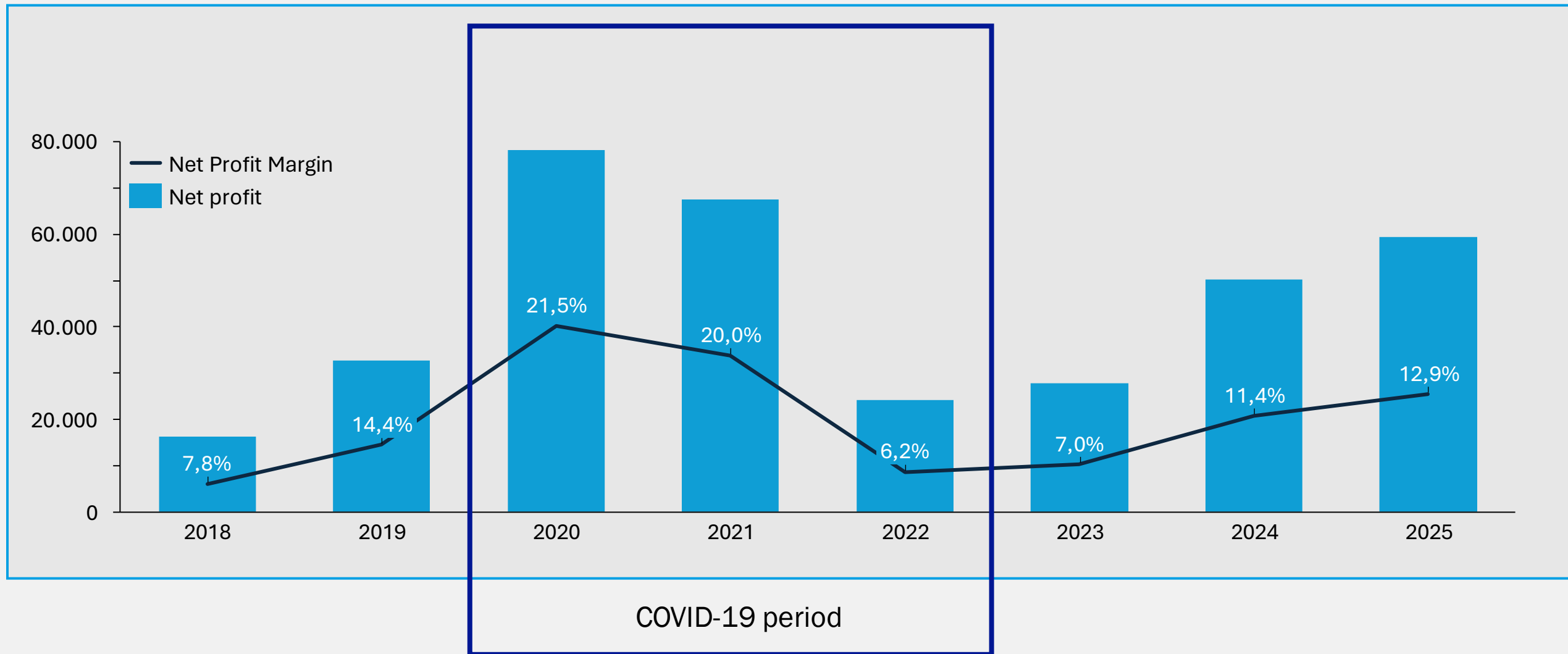


Financials | EBIT Margin





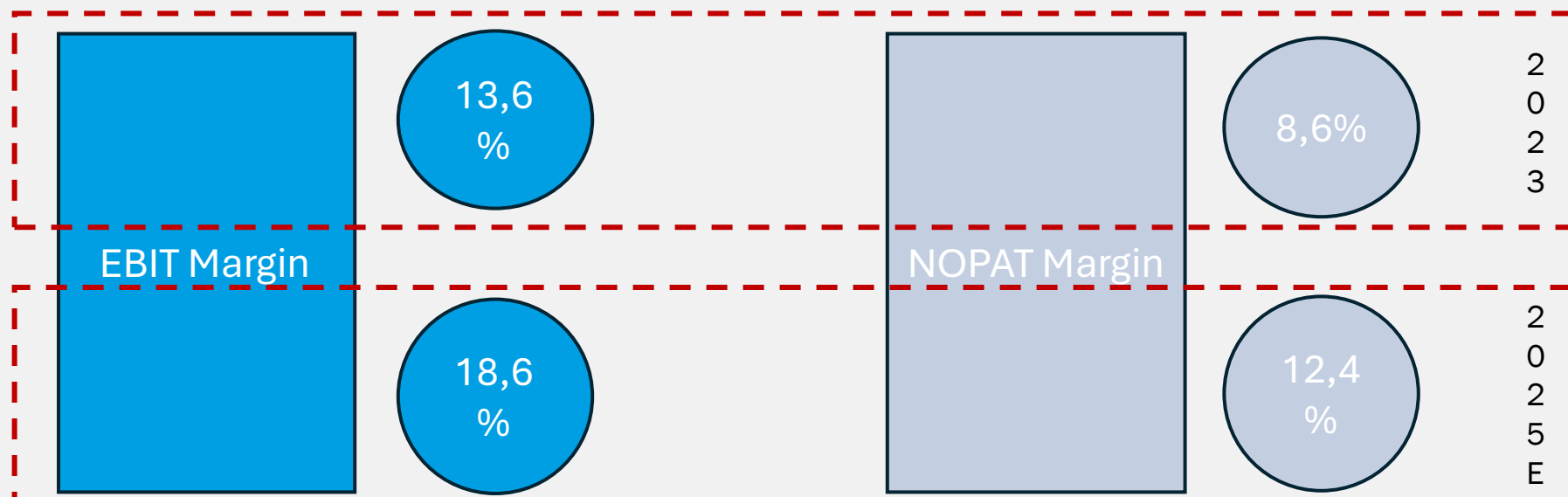
Financials | Net Profit Margin





Financials | Value Creation | NOPAT & NOPAT Margin

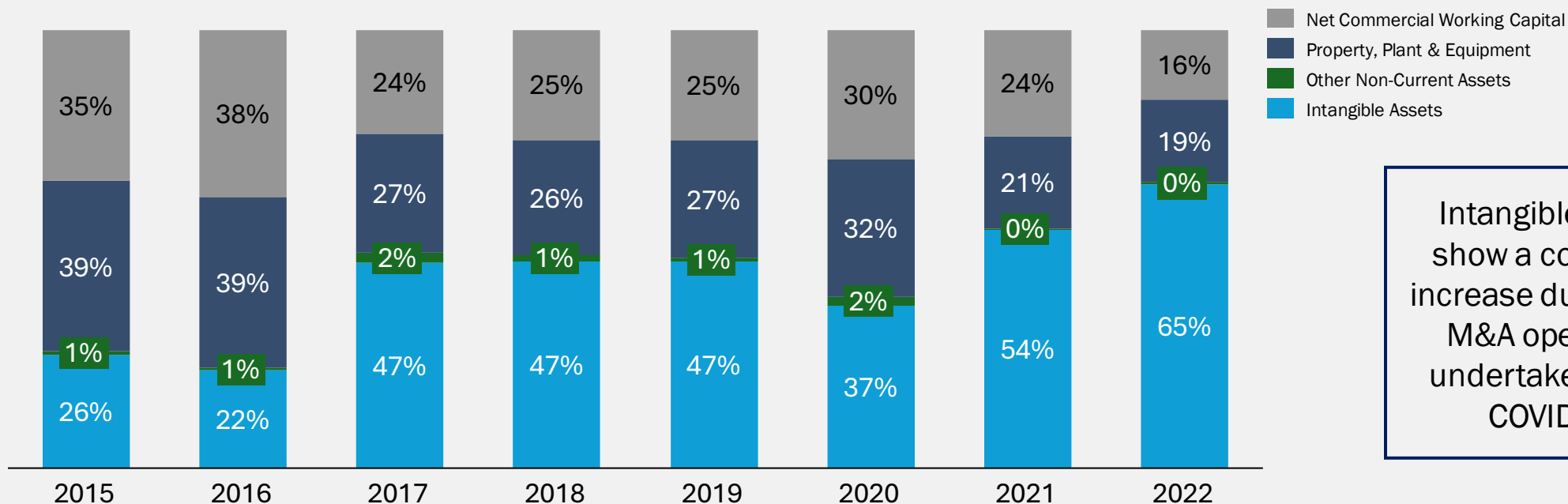
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023E</u>	<u>2024E</u>	<u>2025E</u>
EBIT	125.033	85.747	44.234	55.168	73.120	86.205
NOPAT	95.025	65.167	33.617	41.928	55.571	65.516
NOPAT Margin	26,0%	19,0%	8,6%	9,7%	12,4%	14,1%





Financials | Value Creation | Capital Invested Composition

YEAR	2015	2016	2017	2018	2019	2020	2021	2022
Net Commercial Working Capital	35,556	39,966	50,996	53,840	53,461	72,547	101,508	121,922
Property, Plant & Equipment	40,148	40,698	58,582	55,980	56,934	77,363	88,042	143,395
Other Non-Current Assets	619.0	547.0	4,594.0	2,882.0	1,451.0	4,568.0	1,502.0	3,487.0
Intangible Assets	26,658	23,275	100,835	100,923	99,846	90,979	227,743	494,846



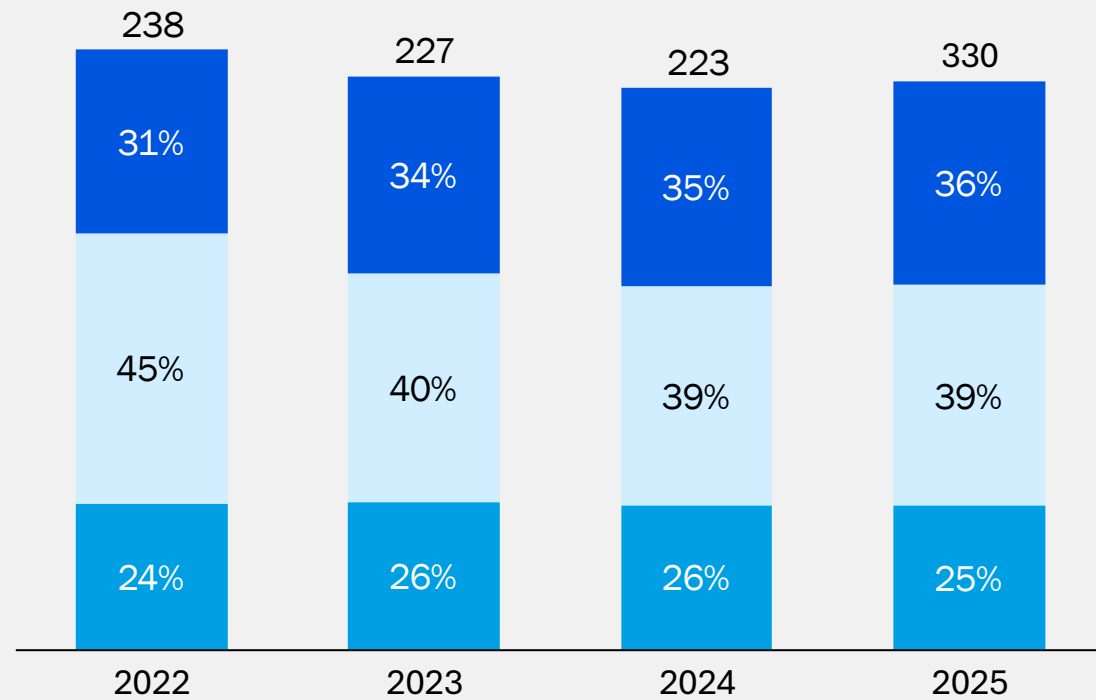
Intangible assets show a consistent increase due to the 2 M&A operations undertaken during COVID-19.



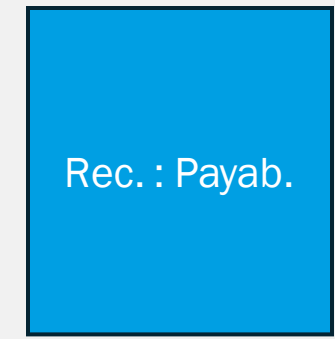
Financials | Value Creation | NWC Control

YEAR	2015	2016	2017	2018	2019	2020	2021	2022
Net Commercial Working Capital	35,556	39,966	50,996	53,840	53,461	72,547	101,508	121,922
Property, Plant & Equipment	40,148	40,698	58,582	55,980	56,934	77,363	88,042	143,395
Other Non-Current Assets	619.0	547.0	4,594.0	2,882.0	1,451.0	4,568.0	1,502.0	3,487.0
Intangible Assets	26,658	23,275	100,835	100,923	99,846	90,979	227,743	494,846

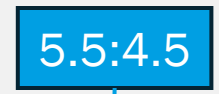
...a future prospect...



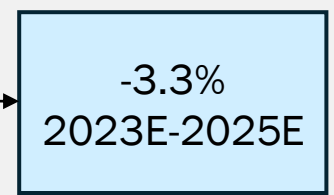
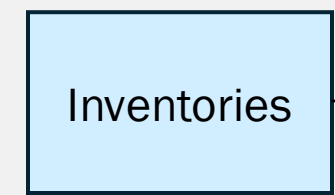
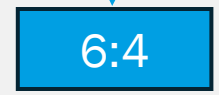
- ACCOUNTS RECEIVABLES
- INVENTORIES
- ACCOUNTS PAYABLES



from



to

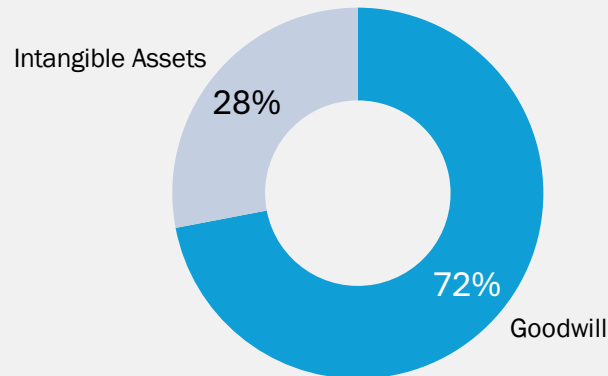




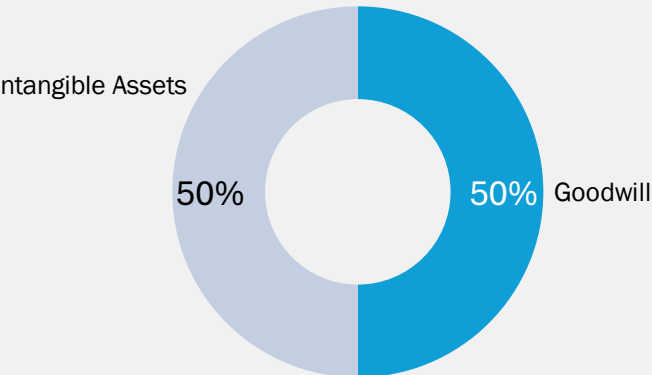
Financials | Value Creation | Intangibles Breakdown and Assessment

YEAR	2015	2016	2017	2018	2019	2020	2021	2022
Net Commercial Working Capital	35,556	39,966	50,996	53,840	53,461	72,547	101,508	121,922
Property, Plant & Equipment	40,148	40,698	58,582	55,980	56,934	77,363	88,042	143,395
Other Non-Current Assets	619.0	547.0	4,594.0	2,882.0	1,451.0	4,568.0	1,502.0	3,487.0
Intangible Assets	26,658	23,275	100,835	100,923	99,846	90,979	227,743	494,846

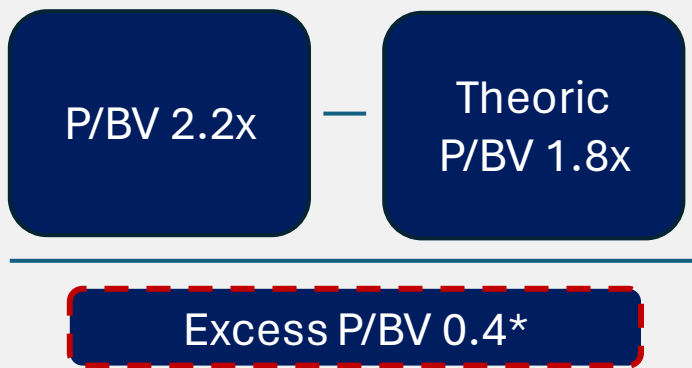
2020



2023



How the market consider it?



* Value <1 are representative of not mispricing for future expectation



Valuation | WACC Estimation

WACC Calculation	Min	Mid	Max	Comment (Source)
Risk Free Rate	2,8%	2,8%	2,8%	a Implied yield on 30y government bond of Germany in local currency adjusted for CDS (Refinitiv).
Equity Risk Premium	6,4%	6,4%	6,4%	b Equity risk premium for Italy (Damodaran).
Unlevered Beta	0,50	0,61	0,72	c Refined through analysis of peer group data, the 40th percentile (minimum value), median (mid value), and 60th percentile (maximum value) are weighted accordingly for each division of GVS (Refinitiv).
Debt/Market Capitalization	36%	49%	62%	d Refined through analysis of peer group data, the 40th percentile (minimum value), median (mid value), and 60th percentile (maximum value) are weighted accordingly for each division of GVS (Refinitiv).
Corporate Tax Rate	24%	24%	24%	e Italian corporate tax rate as of 2023.
Re-Leveraged Beta Coefficient	0,64	0,84	1,06	f Recalculated using the formula: Beta (Relevered) = Beta (Unlevered) * (1 + Debt / Market Capitalization).
Country Risk Premium	1,4%	1,4%	1,4%	g Country risk premium of Italy (Damodaran).
Size Risk Premium	1,7%	1,7%	1,7%	h Size risk premium for mid-cap companies (Duff & Phelps).
Cost of Equity	10,0%	11,3%	12,7%	$c_e = a + b * f + g + h$
Corporate/Credit Spread	0,9%	0,9%	0,9%	i Adjusted based on the median yield rating of peer companies, accounting for the risk-free rate, represented by the implied yield on the 30-year government bond of Germany (Refinitiv).
Country Default Spread	2,4%	2,4%	2,4%	j Country default spread of Italy (Damodaran).
Corporate Tax Rate	24,0%	24,0%	24,0%	k Italian corporate tax rate as of 2023.
Cost of Debt	4,5%	4,5%	4,5%	$c_d = (i + a + j) * (1 - k)$
Equity Ratio	73,4%	67,1%	61,9%	l Equity Ratio derived from peer group data, the 40th percentile (minimum value), median (mid value), and 60th percentile (maximum value) are weighted accordingly for each division of GVS (Refinitiv).
Debt Ratio	26,6%	32,9%	38,1%	m Debt Ratio derived from peer group data, the 40th percentile (minimum value), median (mid value), and 60th percentile (maximum value) are weighted accordingly for each division of GVS (Refinitiv).
Weighted Average Cost of Capital	8,6%	9,1%	9,6%	$= c_e * l + c_d * m$

Issuer Rating	10 Year Yield
AAA	3,61%
AA	3,91%
A	4,17%
BBB	4,55%
BB	6,48%
B	7,76%

Company Name	Rating	Yield
Asahi Kasei Corp	AAA	3,61%
Medtronic PLC	AAA	3,61%
Becton Dickinson and Co	AA	3,91%
ICU Medical Inc	BB	6,48%
3M Co	A/BBB	4,36%
Avon Protection PLC	n/a	n/a
Compagnie Plastic Omnium SE	n/a	n/a
Norma Group SE	n/a	n/a
Median		3,91%



Valuation | Discounted Cash Flow

DCF (EURm)	2023E	2024E	2025E	2026E	2027E	2028E	TV
EBIT	13,8	73,1	86,2	96,1	103,0	109,4	
Taxes on EBIT	3,3	17,5	20,7	23,1	24,7	26,3	
<i>Corporate Tax Rate</i>	24%	24%	24%	24%	24%	24%	
NOPAT	10,5	55,6	65,5	73,0	78,3	83,2	
<i>% growth</i>	0,0%	430,2%	17,9%	11,5%	7,2%	6,2%	
D&A	9,9	37,6	35,5	33,5	31,5	29,4	
Capital Expenditure	(6,5)	(26,5)	(27,1)	(27,8)	(28,6)	(29,4)	
Change in NWC	(2,9)	(2,5)	3,5	1,0	3,1	2,7	
Undiscounted FCFF	11,0	64,1	77,5	79,7	84,4	85,9	88,0
Terminal Value							1 452,2
Discount Period	0,3	1,3	2,3	3,3	4,3	5,3	5,3
Discount Rate	1,0	0,9	0,8	0,8	0,7	0,6	0,6
Discounted FCFF	10,8	57,9	64,4	61,0	59,5	55,8	943,6
Enterprise Value	1 252,9						
Net Financial Position	(270,0)						
Equity Value	982,9						
Equity Value (As of 02/09/2024)	1 062,2						
Upside (Downside)	-7,6%						
<i># shares</i>	174 699 554						
WACC	8,6%						
g	2,5%						

Price per Share **5,6**



Valuation | Peer Group Analysis

Company	Revenue 5Y CAGR	EBIT Margin	EBITDA Margin	ROA (m€)	ROE (m€)	CAPEX /Revenues	5 Year Beta	Market Capitalization (m€)	EV/EBIT	EV/EBITDA	EV /Revenue	P/BV	P/E
GVS SpA	16,7%	10,9%	21,3%	(0,1)	(0,3)	5,9%	0,44	896	30,1x	14,4x	2,8x	2,7x	
Healthcare & Life Science													
Merck KGaA	10,6%	22,5%	30,8%	6,3	11,7	8,1%	0,61	68 760	16,5x	11,9x	3,6x	2,6x	22,3x
Sartorius AG	16,8%	25,6%	33,6%	10,0	26,7	12,5%	0,44	21 932	27,3x	20,4x	6,5x	8,9x	36,5x
STERIS plc	15,5%	16,0%	26,9%	1,1	1,9	7,3%	0,79	20 479	29,9x	17,8x	4,8x	3,5x	186,4x
Danaher Corp	7,5%	24,8%	32,1%	7,6	13,0	3,7%	0,84	173 306	30,8x	22,8x	7,6x	3,1x	30,4x
Resmed Inc	12,8%	27,3%	31,2%	15,2	24,0	3,2%	0,68	20 577	19,9x	17,4x	5,4x	5,3x	24,3x
Asahi Kasei Corp	5,9%	3,7%	10,3%	(3,0)	(6,2)	6,3%	1,33	8 299	21,0x	7,5x	0,8x	0,7x	n/a
Medtronic PLC	0,5%	21,1%	29,6%	4,0	7,0	4,7%	0,79	98 638	18,3x	13,0x	3,9x	2,0x	28,8x
Becton Dickinson and Co	2,9%	13,9%	25,9%	3,1	6,1	5,2%	0,44	70 957	32,3x	17,8x	4,8x	2,9x	46,8x
ICU Medical Inc	13,0%	2,5%	12,5%	(1,1)	(2,3)	4,4%	0,67	2 718	73,4x	15,0x	1,9x	1,4x	n/a
Baxter International Inc	7,8%	11,1%	19,6%	(9,4)	(39,0)	4,5%	0,62	18 081	23,0x	13,3x	2,3x	3,4x	n/a
Healthcare & Life Sciences Median	9,2%	18,5%	28,3%	3,6	6,6	4,9%	0,67	21 254	25,1x	16,2x	4,3x	3,0x	30,4x
Healthcare & Life Sciences Average	9,3%	16,8%	25,3%	3,4	4,3	6,0%	0,72	50 375	29,2x	15,7x	4,2x	3,4x	53,7x
Healthcare and Safety													
3M Co	0,4%	20,7%	26,3%	(3,1)	(13,6)	5,1%	1,01	48 891	9,3x	7,3x	1,9x	6,6x	n/a
MSA Safety Inc	3,0%	19,9%	23,4%	0,6	1,6	2,9%	0,99	5 862	20,6x	17,6x	4,1x	7,5x	489,4x
Honeywell International Inc	0,0%	20,7%	23,9%	8,8	31,3	2,2%	1,03	116 045	16,9x	14,8x	3,8x	7,1x	22,9x
Avon Protection PLC	10,5%	8,8%	17,0%	3,2	6,2	3,4%	0,22	216	11,0x	6,4x	1,3x	1,2x	18,5x
Draegerwerk AG & Co KGaA	4,1%	2,3%	6,8%	1,4	3,1	2,9%	-0,33	751	13,0x	4,7x	0,3x	0,5x	17,4x
Healthcare & Safety Median	3,0%	19,9%	23,4%	1,4	3,1	2,9%	0,99	5 862	13,0x	7,3x	1,9x	6,6x	20,7x
Healthcare & Safety Average	3,6%	14,5%	19,5%	2,2	5,7	3,3%	0,59	34 353	14,2x	10,2x	2,3x	4,6x	137,0x
Energy and Mobility													
Compagnie Plastic Omnium SE	4,2%	3,1%	8,5%	2,4	8,2	4,5%	1,79	2 241	12,4x	4,6x	0,4x	1,2x	13,6x
Atmus Filtration Technologies Inc	n/a	12,6%	13,9%	n/a	n/a	2,1%	n/a	1 643	11,0x	10,0x	1,4x	1 157,8x	9,4x
Schaeffler AG	2,6%	8,1%	14,1%	4,2	15,1	5,0%	1,31	906	3,7x	2,0x	0,3x	0,9x	5,7x
TI Fluid Systems PLC	-1,5%	4,4%	10,0%	(8,3)	(30,2)	3,6%	1,64	740	n/a	31,4x	0,4x	1,1x	n/a
Donaldson Company Inc	4,8%	14,0%	16,7%	13,4	29,2	3,5%	1,08	6 810	16,0x	13,4x	2,2x	5,5x	20,5x
Sogefi SpA	-0,3%	6,3%	13,3%	3,4	16,5	6,4%	1,56	179	4,3x	2,0x	0,3x	0,7x	4,4x
Garrett Motion Inc	1,6%	13,0%	15,2%	13,8	n/a	2,5%	n/a	1 929	6,4x	5,5x	0,9x	(3,3x)	n/a
Norma Group SE	3,5%	4,2%	10,6%	2,0	4,4	4,4%	1,57	559	16,9x	7,0x	0,8x	0,8x	18,3x
Energy & Mobility Median	2,6%	7,2%	13,6%	3,4	11,6	4,0%	1,57	1 274	11,0x	6,3x	0,6x	1,0x	11,5x
Energy & Mobility Average	2,1%	8,2%	12,8%	4,4	7,2	4,0%	1,49	1 876	10,1x	9,5x	0,8x	145,6x	12,0x
Median	4,1%	13,0%	17,0%	3,2	6,2	4,4%	0,84	6 810	16,9x	13,0x	1,9x	2,6x	22,3x
Average	5,7%	13,3%	19,7%	3,4	5,5	4,7%	0,91	30 022	19,7x	12,3x	2,6x	53,1x	58,6x
Divisional Median	7,1%	17,0%	25,1%	3,2	6,8	4,4%	0,87	15 480	20,8x	13,1x	3,3x	3,3x	25,7x
Divisional Average	7,2%	15,1%	22,3%	3,4	5,0	5,2%	0,82	39 931	23,6x	13,8x	3,3x	26,3x	60,9x



Valuation | Relative Valuation

Company Name	Market Capitalization (m€)	Enterprise Value (m€)	5 Year Beta	Debt/Market Capitalization	Unleveraged Beta	LTM EV/Revenues	LTM EV/EBITDA	NTM EV/Revenues	NTM EV/EBITDA
Healthcare & Life Sciences									
Asahi Kasei Corp	8 299	13 376	1,33	74,4%	0,85	0,78x	7,55x	0,76x	7,21x
Medtronic PLC	98 638	114 999	0,79	23,4%	0,67	3,85x	13,0x	3,78x	13,3x
Becton Dickinson and Co	70 957	85 953	0,44	21,4%	0,37	4,77x	17,8x	4,71x	16,6x
ICU Medical Inc	2 718	4 086	0,66	57,7%	0,45	1,88x	15,0x	1,92x	11,0x
Merck KGaA	68 760	78 444	0,61	15,1%	0,54	3,56x	11,9x	3,66x	13,0x
Sartorius AG	21 932	25 166	0,44	11,6%	0,40	6,54x	20,4x	6,99x	23,5x
STERIS plc	20 479	23 057	0,79	14,2%	0,71	4,79x	17,8x	4,48x	15,5x
Danaher Corp	173 306	184 004	0,84	10,7%	0,77	7,62x	22,8x	6,80x	21,7x
Resmed Inc	20 577	21 724	0,68	6,6%	0,65	5,44x	17,4x	4,96x	15,8x
Baxter International Inc	18 081	32 105	0,61	87,0%	0,36	2,31x	12,3x	2,30x	11,5x
Healthcare & Life Sciences 40th Percentile			0,66	0,23	0,45	1,88x	13,0x	1,92x	11,0x
Healthcare & Life Sciences Median			0,72	0,41	0,56	2,87x	14,0x	2,85x	12,1x
Healthcare & Life Sciences 60th Percentile			0,79	0,58	0,67	3,85x	15,0x	3,78x	13,3x
Healthcare & Life Sciences Average			0,80	0,44	0,59	2,82x	13,3x	2,79x	12,0x
Health & Safety									
3M Co	48 891	59 990	1,01	31,0%	0,81	1,92x	7,31x	2,00x	7,91x
Avon Protection PLC	216	306	0,22	41,4%	0,17	1,25x	6,40x	1,23x	10,2x
MSA Safety Inc	5 862	6 497	0,99	9,2%	0,92	4,11x	17,6x	4,01x	15,9x
Honeywell International Inc	116 045	128 539	1,03	16,0%	0,92	3,76x	14,8x	3,68x	14,5x
Draegerwerk AG & Co KGaA	751	1 043	(0,33)	48,2%	(0,23)	0,32x	4,68x	0,32x	4,37x
Health & Safety 40th Percentile			0,38	33,1%	0,30	1,39x	6,58x	1,38x	8,37x
Health & Safety Median			0,62	36,2%	0,49	1,59x	6,85x	1,61x	9,05x
Health & Safety 60th Percentile			0,85	39,4%	0,68	1,79x	7,12x	1,85x	9,74x
Health & Safety Average			0,62	36,2%	0,49	1,59x	6,85x	1,61x	9,05x
Energy & Mobility									
Compagnie Plastic Omnium SE	2 241	3 915	1,79	104,6%	1,00	0,39x	4,57x	0,38x	4,17x
Norma Group SE	559	971	1,57	90,5%	0,89	0,77x	7,02x	0,75x	5,92x
Atmus Filtration Technologies Inc	1 643	2 126	n/a	0,1%	n/a	1,39x	9,96x	1,40x	7,78x
Schaeffler AG	906	4 283	1,32	388,4%	0,31	0,26x	1,97x	0,26x	2,00x
TI Fluid Systems PLC	740	1 547	1,64	197,4%	0,66	0,45x	31,4x	0,44x	3,97x
Donaldson Company Inc	6 810	7 253	1,08	9,1%	1,01	2,23x	13,4x	2,14x	12,1x
Sogefi SpA	179	450	1,56	239,7%	0,55	0,27x	1,93x	0,27x	2,17x
Garrett Motion Inc	1 929	3 210	n/a	56,6%	n/a	0,89x	5,54x	0,84x	5,16x
Energy & Mobility 40th Percentile			1,62	93,4%	0,91	0,47x	5,06x	0,45x	4,52x
Energy & Mobility Median			1,68	97,6%	0,95	0,58x	5,79x	0,57x	5,04x
Energy & Mobility 60th Percentile			1,75	101,8%	0,98	0,70x	6,53x	0,68x	5,57x
Energy & Mobility Average			1,68	97,6%	0,95	0,58x	5,79x	0,57x	5,04x
40th Percentile Divisional Weighted Peers			0,76	36,2%	0,50	1,57x	10,7x	1,59x	9,50x
Median Divisional Weighted Peers			0,86	48,9%	0,61	2,29x	11,5x	2,28x	10,5x
60th Percentile Divisional Weighted Peers			0,95	61,7%	0,72	3,00x	12,3x	2,96x	11,4x
GVS SpA			0,45	53,0%	0,32	2,80x	14,4x	2,84x	12,4x

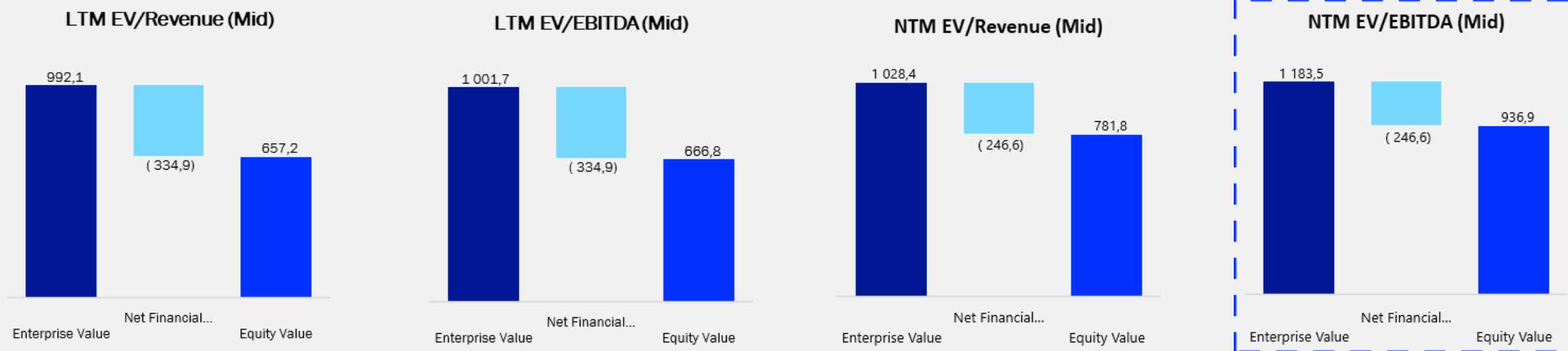
Note: Peers highlighted in grey are excluded from the analysis due to being considered outliers



Valuation | Relative Valuation

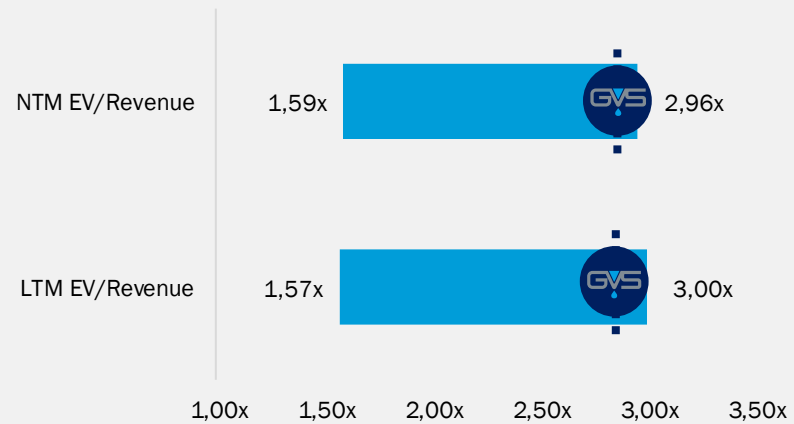
m€	LTM EV/Revenue			LTM EV/EBITDA			NTM EV/Revenue			NTM EV/EBITDA		
	Min	Mid	Max	Min	Mid	Max	Min	Mid	Max	Min	Mid	Max
Peers Multiple	1,6x	2,3x	3,0x	10,7x	11,5x	12,3x	1,6x	2,3x	3,0x	9,5x	10,5x	11,4x
Financial Metric	433,8	433,8	433,8	87,2	87,2	87,2	451,9	451,9	451,9	113,0	113,0	113,0
Enterprise Value	682,6	992,1	1 301,5	929,8	1 001,7	1 073,7	719,4	1 028,4	1 337,4	1 074,0	1 183,5	1 292,9
Net Financial Position	(334,9)	(334,9)	(334,9)	(334,9)	(334,9)	(334,9)	(246,6)	(246,6)	(246,6)	(246,6)	(246,6)	(246,6)
Equity Value	347,7	657,2	966,6	594,9	666,8	738,8	472,8	781,8	1 090,8	827,4	936,9	1 046,3
Upside/Downside	-185,64%	-51,11%	-2,73%	-66,92%	-48,92%	-34,42%	-110,03%	-27,02%	8,96%	-20,02%	-6,00%	5,09%
Implied Share Price (€)	(5,22)	2,98	5,93	2,02	3,11	4,00	(0,61)	4,45	6,64	4,87	5,73	6,41

Note: The minimum value (40th percentile), mid value (median), and maximum value (60th percentile) are weighted accordingly for each division of GVS.

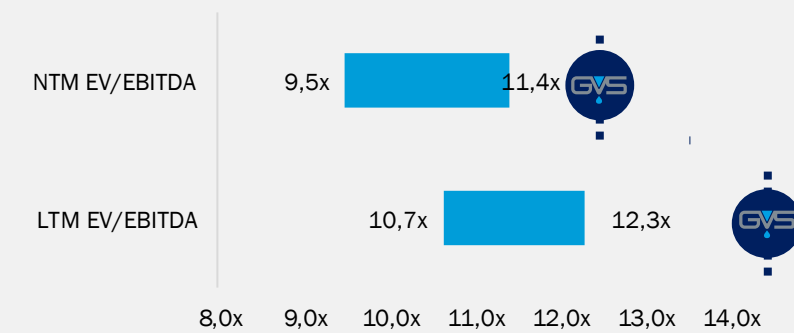
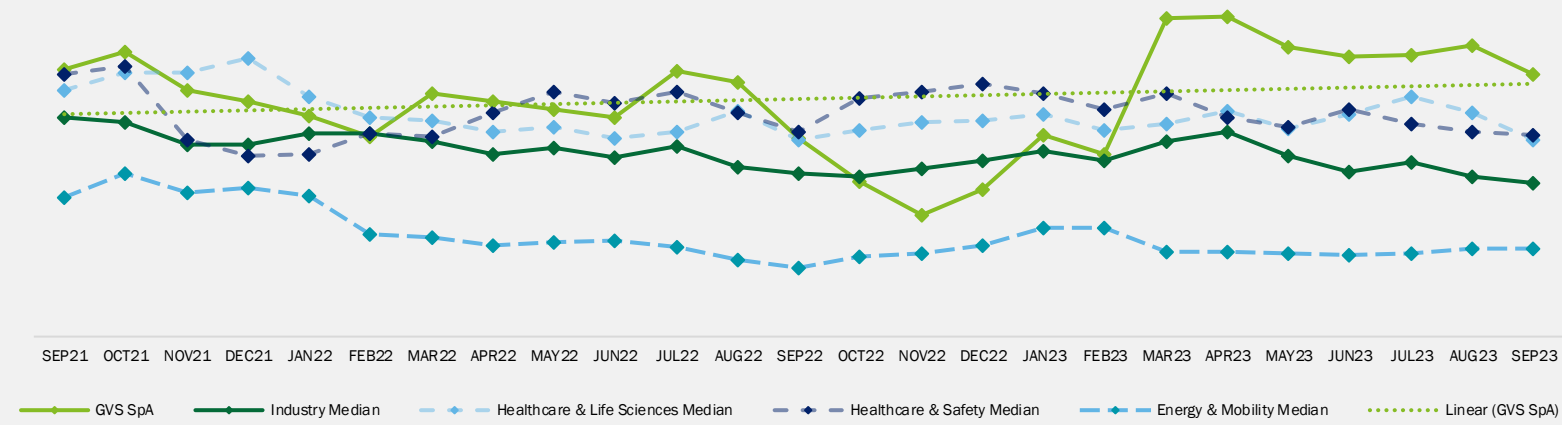




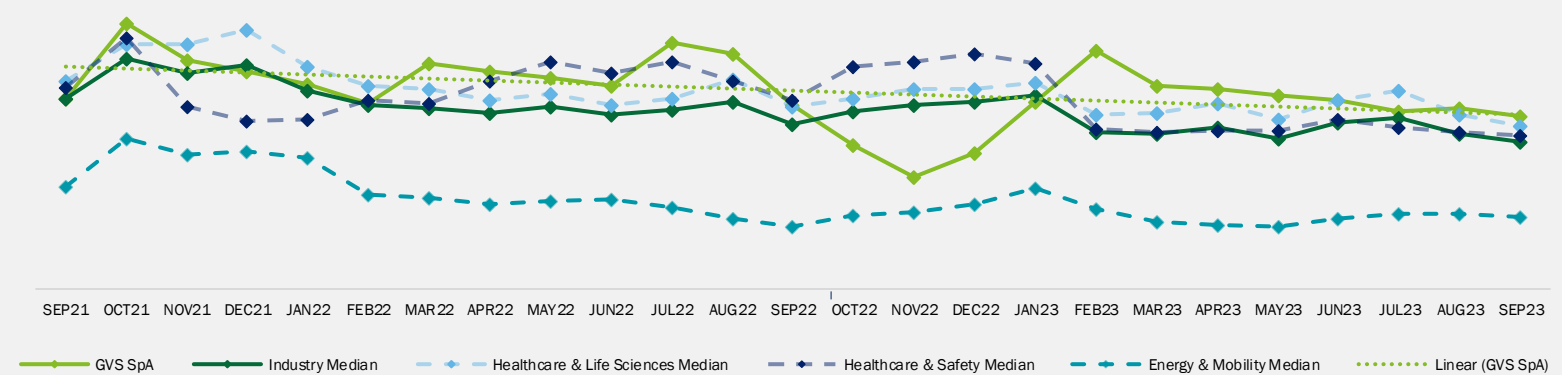
Valuation | Relative Valuation



Comparative Analysis of GVS Consensus Forward P/E Ratio Against Industry



Comparative Analysis of GVS Consensus Forward EV/EBIT Against Industry

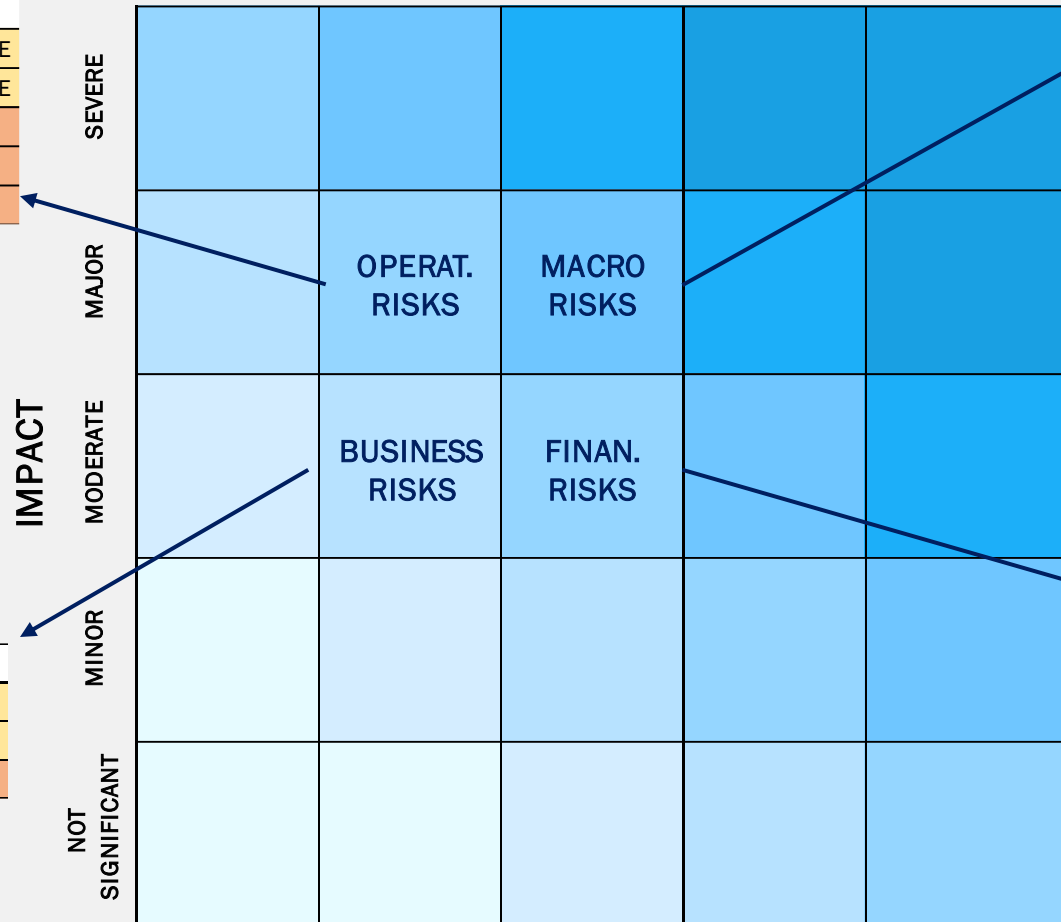




Investment Risk | Analysis

LIKELIHOOD

RARE UNLIKELY POSSIBLE LIKELY ALMOST CERTAIN



RISK	PROB.	IMPACT
(A1) Geopolitical risk	LIKELY	MODERATE
(A2) Inflation risk	UNLIKELY	MAJOR
(A3) Country risk	UNLIKELY	MAJOR
(A4) Commodities risk	POSSIBLE	MODERATE

RISK	PROB.	IMPACT
(D1) Forex risk	LIKELY	MINOR
(D2) Liquidity risk	UNLIKELY	SEVERE
(D3) Credit risk	UNLIKELY	MODERATE
(D4) Interest rates risk	POSSIBLE	MINOR

RISK	PROB.	IMPACT
(C1) Internal frauds risk	RARE	MODERATE
(C2) External frauds risk	RARE	MODERATE
(C3) Cyber security & IT risk	UNLIKELY	MAJOR
(C4) Synergies risk	POSSIBLE	MAJOR
(C5) Malfunction risk	UNLIKELY	MAJOR

RISK	PROB.	IMPACT
(B1) Management risk	POSSIBLE	MODERATE
(B2) Reputational risk	UNLIKELY	MODERATE
(B3) Market risk	UNLIKELY	MAJOR

Source: (Team Estimates from Financial Statements information)

Source: Team Estimates, Management Information, Refinitiv



ESG | Environmental Pillar

Key Factor	Key Metric	2022	2021	2020
Water Usage	Policy Water Efficiency	TRUE	TRUE	FALSE
	Targets Water Efficiency	FALSE	FALSE	FALSE
	Total Water Use / Million in Revenue \$	272,55	184,86	164,15
	Water Use To EVIC USD in million	89,42	30,06	21,55
Energy Efficiency	Policy Energy Efficiency	TRUE	TRUE	TRUE
	Targets Energy Efficiency	FALSE	FALSE	FALSE
	Total Energy Use / Million in Revenue \$	740,52	642,05	469,86
	Total Energy Use To EVIC USD in million	242,94	104,39	61,69
Renewable Energy	Renewable Energy Use Ratio	26.74%	34.46%	18.33%
	Total Renewable Energy To Energy Use in million	268389,08	344577,62	183313,03
Supply Chain	Policy Environmental Supply Chain	TRUE	TRUE	TRUE
	Environmental Supply Chain Management	TRUE	TRUE	TRUE
Carbon Emissions	CO2 Estimation Method	Reported	Reported	Reported
	Total CO2 Emissions / Million in Revenue \$	49,63	49,86	43,66
	Total CO2 Equivalent Emissions To Million Revenues USD YoY	0	0,14	--
	Total CO2 Equivalent Emissions To EVIC USD in million	16,28	8,11	5,73
Waste	Total Waste / Million in Revenue \$	11,85	12,06	9,05
	Total Hazardous Waste / Million in Revenue \$	1,78	1,9	1,54
	Waste Recycling Ratio	59.17%	48.57%	67.79%
	Waste Reduction Initiatives	TRUE	TRUE	TRUE
	ISO 14000 or EMS	ISO 14000	ISO 14000	ISO 14000
	Total Waste To EVIC USD in million	3,89	1,96	1,19
	Total Hazardous Waste To EVIC USD in million	0,58	0,31	0,2





ESG | Environmental Pillar

GRI 302-1	UoM	2022	2021	2020
Natural gas	GJ	50661	33445	33775
Diesel fuel for generators	GJ	15594	980	519
LPG	GJ	1891	1560	1705
Diesel	GJ	5715	4699	6034
Petrol	GJ	3552	3264	2677
Kerosene	GJ	627	787	629
Electricity	GJ	229125	202054	163135
<i>of which from non-renewable sources</i>	GJ	146685	117014	124919
<i>of which from renewable sources</i>	GJ	82440	85039	38216
Total energy consumed	GJ	307166	246792	208474
Self-produced electricity	GJ	298	0	0
<i>of which electricity sold</i>	GJ	0	0	0

GRI 303-3	UoM	2022	2021	2020
		Freshwater (1.0000 mg/L total dissolved solids)	Freshwater (1.0000 mg/L total dissolved solids)	Freshwater (1.0000 mg/L total dissolved solids)
Surface waters	m3	0	0	0
Groundwater	m3	9315	11935	8174
Sea water	m3	0	0	0
Water produced	m3	0	0	0
Third-party water resources	m3	103738	59122	64659
Total water withdrawal	m3	113053	71057	72833

GRI 306-3 Waste Composition in Tonnes (t)	2022		
	Waste generated	Waste not sent to landfill	Waste sent to Landfill
Waste composition			
Hazardous waste		739	266
Non-hazardous waste		4177	1690
Total waste	4916	2960	1956

GRI 305-1 and 305-2	UoM	2022	2021	2020	2019
Direct emissions (Scope 1)					
Natural gas	tCO2eq	2865	1886	1910	2088
Diesel fuel for generators	tCO2eq	1108	68	37	5
LPG	tCO2eq	121	100	109	144
Diesel	tCO2eq	406	328	429	572
Petrol	tCO2eq	238	220	180	168
Kerosene	tCO2eq	0	54	43	70
Total direct emissions	tCO2eq	4735	2657	2708	3047
Indirect emissions (Scope 2) - market based					
Electricity purchased from the grid for consumption	tCO2eq	15850	16510	16665	12293
Total indirect emissions	tCO2eq	15850	16510	16665	12293
Total emissions	tCO2eq	20584	19167	19373	15340



ESG | Social Pillar

Key Factor	Key Metric	2022	2021	2020
Health & Safety	Health & Safety Policy	TRUE	TRUE	TRUE
	Policy Employee Health & Safety	TRUE	TRUE	TRUE
	Policy Supply Chain Health & Safety	FALSE	FALSE	FALSE
	Employees Health & Safety OHSAS 18001	TRUE	TRUE	TRUE
Talent Development	Training and Development Policy	TRUE	TRUE	FALSE
	Average Training Hours	18,29	27,44	23,04
Gender Diversity	Policy Diversity and Opportunity	TRUE	TRUE	TRUE
	Targets Diversity and Opportunity	FALSE	FALSE	FALSE
	Women Employees	59.73%	61.06%	60.04%
Workforce Management	Turnover of Employees	56.20%	59.40%	40.00%
	Net Employment Creation	79.82%	-1.16%	34.47%
	Number of Employees	5533	3077	3113
Public Relations	Policy Child Labor	TRUE	TRUE	TRUE
	Policy Forced Labor	TRUE	TRUE	TRUE
	Policy Human Rights	TRUE	TRUE	TRUE
	Policy Fair Competition	TRUE	TRUE	TRUE
	Policy Bribery and Corruption	TRUE	TRUE	TRUE
	Policy Business Ethics	TRUE	TRUE	TRUE
	Policy Community Involvement	TRUE	TRUE	TRUE
	Employee Engagement Voluntary Work	FALSE	FALSE	FALSE
Product Responsibility	Policy Customer Health & Safety	FALSE	FALSE	FALSE
	Policy Data Privacy	TRUE	TRUE	TRUE
	Policy Cyber Security	FALSE	FALSE	FALSE
	Quality Mgt Systems	TRUE	TRUE	TRUE
	ISO 9000	TRUE	TRUE	TRUE





ESG | Social Pillar

GRI 2-7 Employees	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	384	435	819	231	180	411	209	155	364
Permanent	383	435	818	227	180	407	201	152	353
Fixed-Term	1	0	1	4	0	4	8	3	11
Europe (Excluding Italy)	172	695	867	200	764	964	238	724	962
Permanent	165	549	714	188	503	691	224	494	718
Fixed-Term	7	146	153	12	261	273	14	230	244
America	1186	1242	2428	624	701	1325	637	691	1328
Permanent	1177	1208	2385	618	689	1307	628	667	1295
Fixed-Term	9	34	43	6	12	18	9	24	33
Asia	219	536	755	104	160	264	100	153	253
Permanent	199	449	648	104	160	264	100	153	253
Fixed-Term	20	87	107	0	0	0	0	0	0
Total	1961	2908	4869	1159	1805	2964	1184	1723	2907

GRI 403-9 Employees and temporary workers	2022	2021	2020	2019
The number of deaths resulting from accidents at work	0	0	0	0
The number of accidents at work with serious consequences (excluding deaths)	0	1	2	2
The number of recordable occupational accidents	45	71	78	39
<i>YOY Change</i>	<i>36,6%</i>	<i>9,0%</i>	<i>-100,0%</i>	

GRI 403-10 Employees	2022	2021	2020
The number of deaths resulting from occupational diseases	0	0	0
The number of cases of occupational diseases recorded	0	3	5



ESG | Governance Pillar

GRI 405-1 Diversity of Governance Bodies and Employees	2022											
	<30			30 - 50			>50			Group		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Members of the Board of Directors	0	0	0	2	3	5	3	1	4	5	4	9
	0%	0%		40%	60%		75%	25%		56%	44%	

Key Factor	Key Metric	2022	2021	2020
Policy Board	Policy Board Size	TRUE	TRUE	TRUE
	Policy Board Independence	FALSE	FALSE	FALSE
	Policy Board Diversity	TRUE	TRUE	TRUE
	Policy Board Experience	TRUE	TRUE	TRUE
	Policy Executive Compensation Performance	TRUE	TRUE	TRUE
	Policy Executive Compensation ESG Performance	TRUE	TRUE	TRUE
	Policy Executive Retention	FALSE	FALSE	FALSE
Committee	Committee Meetings Attendance Average	100.00%	--	--
	Audit Board Committee	FALSE	FALSE	FALSE
	Internal Audit Department Reporting	TRUE	TRUE	TRUE
	Audit Committee Mgt Independence	TRUE	TRUE	TRUE
	Audit Committee Expertise	FALSE	FALSE	FALSE
	Nomination Board Committee	TRUE	TRUE	TRUE
	Nomination Committee Independence	100.00%	66.67%	66.67%
	Nomination Committee Mgt Independence	TRUE	TRUE	TRUE
	Nomination Committee Involvement	0.00%	--	--
	Nomination Committee NonExecutive Members	100.00%	66.67%	66.67%
	Compensation Board Committee	TRUE	TRUE	TRUE
	Compensation Committee Independence	66.67%	66.67%	66.67%
	Compensation Committee Mgt Independence	TRUE	FALSE	FALSE
	Compensation Committee NonExecutive Members	100.00%	66.67%	66.67%
	Corporate Governance Board Committee	FALSE	FALSE	FALSE

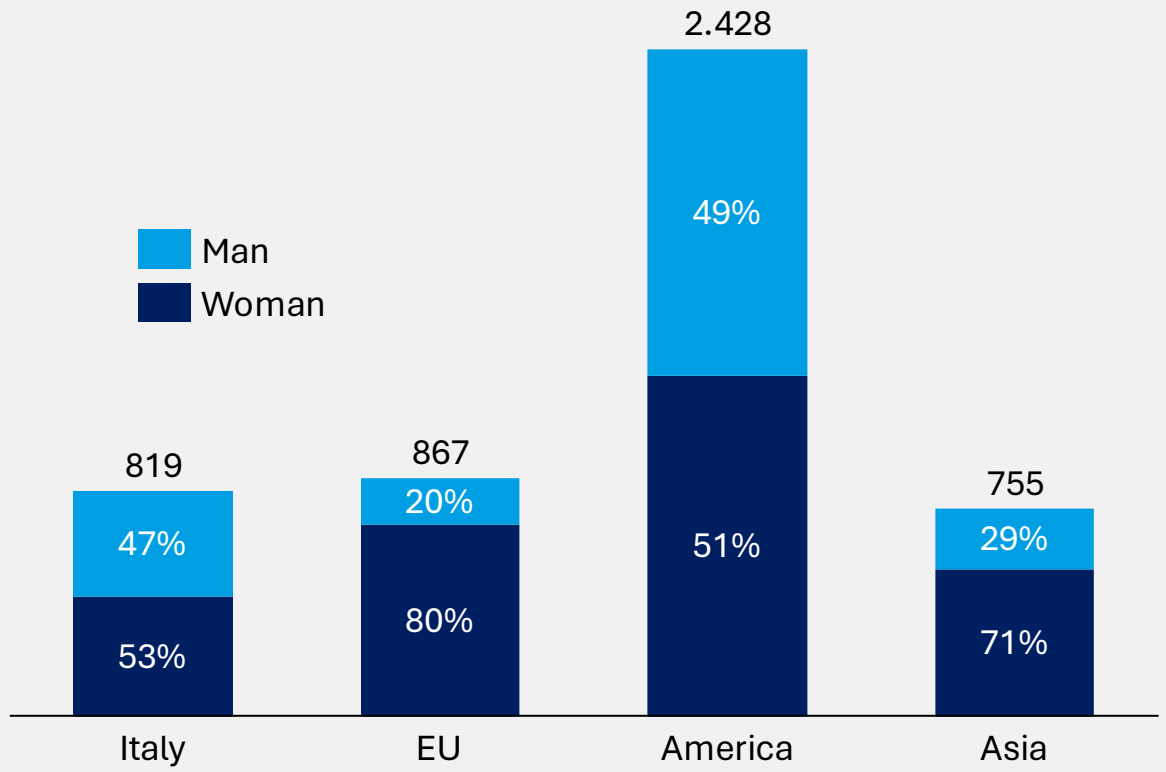
Key Factor	Key Metric	2022	2021	2020
Board	Board Functions Policy	FALSE	FALSE	FALSE
	Board Structure Policy	TRUE	TRUE	TRUE
	Board Attendance	TRUE	FALSE	FALSE
	Number of Board Meetings	10	--	--
	Board Meeting Attendance Average	93.33%	--	--
	Board Gender Diversity, Percent	44.44%	44.44%	44.44%
	Board Size	9	9	9
	Non-Executive Board Members	55.56%	44.44%	44.44%
	Independent Board Members	44.44%	44.44%	44.44%
	Board Member Term Duration	3	3	3
	Board Member Membership Limits	No Limit	No Limit	No Limit
	Classified Board Structure	FALSE	FALSE	FALSE
	Staggered Board Structure	FALSE	FALSE	FALSE
Shareholder	CEO Chairman Duality	FALSE	FALSE	FALSE
	CEO Board Member	TRUE	TRUE	TRUE
	Shareholder Rights Policy	TRUE	TRUE	TRUE
	Policy Equal Voting Right	TRUE	TRUE	TRUE
	Policy Shareholder Engagement	TRUE	TRUE	TRUE
	Different Voting Right Share	FALSE	FALSE	FALSE
Equal Shareholder Rights	TRUE	TRUE	TRUE	



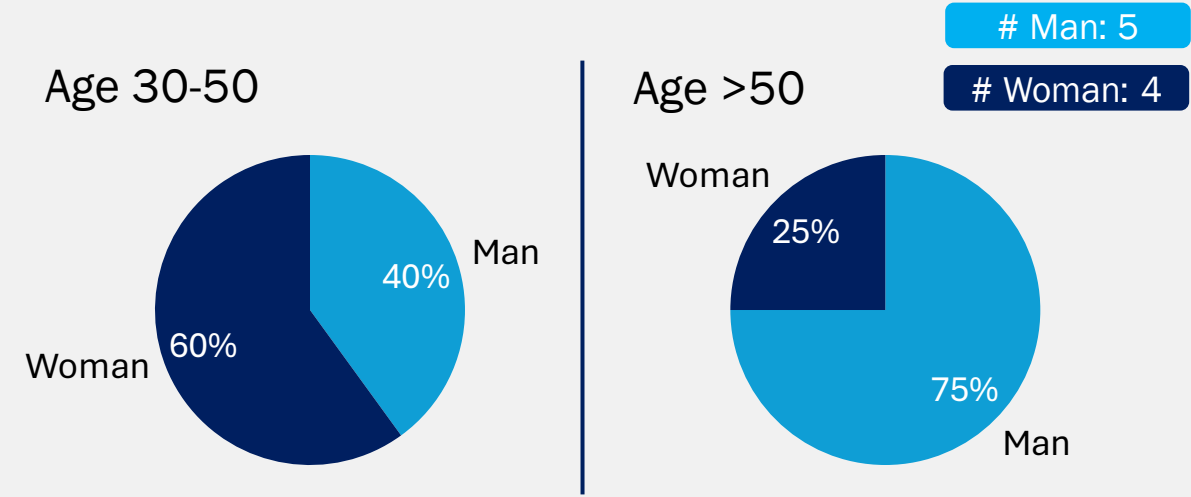


ESG | Governance Pillar | Diversity

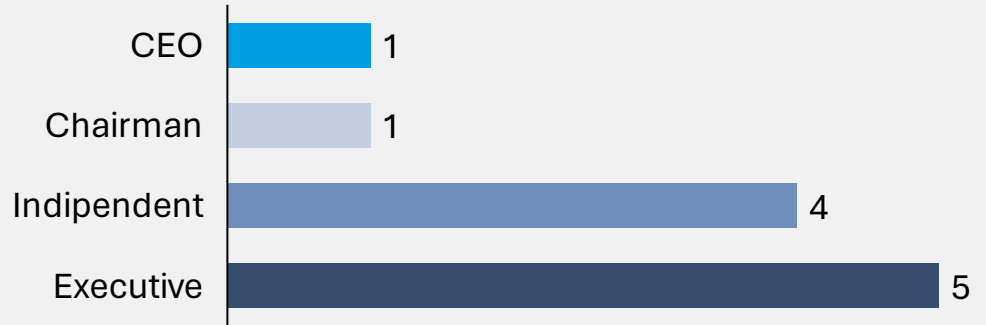
Employee Diversity



Board of Director Diversity



Composition





ESG | Governance Pillar | Board of Directors



MASSIMO SCAGLIARINI – CEO

Work for GVS from 1985

Part of GVS management from 2004

Accounting degree

CEO from 2004



ALESSANDRO NASI - CHAIRMAN

Board member of Exor N.V

Business administration degree

Chairman from 2023



ESG | Governance Pillar | Board of Directors



Grazia Valentini

Non-executive director

In GVS from 1985

Graduated in 1960

Actual CEO of Grace



Marco Scagliarini

Non-executive director

In GVS from 1987

Part of Management from 1987

Actual CEO of Wallaby



Marco Pacini

Non-executive director

In GVS from 2023

Graduated in Corporate Finance

CFO of GVS



Anna Tanganelli

Independent director

Experience in M&A

Graduated in Bocconi

CFO & Head of M&A in IREN group



Pieto Cordova

Independent director

CEO and CFO experience

Graduated at Sapienza

Now working in consulting



Michela Schizzi

Independent director

Legal & audit committee experience

Graduated at Sapienza in Law

In GVS from 2020



Simona Scarpaleggia

Independent director

Multiple board member experiences

Graduated at LUISS in Political science

In GVS from 2023



ESG | Integrated Valuation Analysis | Assumptions

Expected Growth of Monetization (Shadow Prices)

Long Term Inflation Rate	2%
--------------------------	----

Respective Discount Rates of Quantification

CO2 Emissions	30%*
Waste Use	4%
Water Withdrawal	2%
Occupational Accidents	2%

*Please note that we applied a higher discount rate adjustment for this particular scenario compared to others. This decision was made in light of GVS's ambitious plan to achieve full CO2 emissions reduction by 2050. While the resulting discount rate for such an event is calculated at -39%, we opted for a slightly more conservative approach and applied a discount rate of -30% to temper optimism.

	Prices
Greenhouse gas (GHG) emissions (EUR/kgCO2eq)	0,147
Toxic Emissions to Industrial Soil (EUR/kg)	0,0003
Scarce Water Use (EUR/m3)	1,29
Occupational Injuries (EUR/Incident)	2690



ESG | Integrated Valuation Analysis | Environmental and Social Attributions

Environmental

EUR	2022	2023E	2024E	2025E	2026E	2027E	2028E
Greenhouse gas (GHG) emissions (EUR/kgCO2eq)	0,15	0,15	0,15	0,16	0,16	0,16	0,17
Scope 1 CO2 Emissions (kgCO2eq) <i>attribution factor 100%</i>	4 735 000	3 314 500	2 320 150	1 624 105	1 136 874	795 811	557 068
Scope 2 CO2 Emissions (kgCO2eq) <i>attribution factor 25%</i>	3 962 500	2 773 750	1 941 625	1 359 138	951 396	665 977	466 184
Negative Effects due to CO2 Emissions	1 278 533	912 872	651 791	465 379	332 280	237 248	169 395
Toxic Emissions to Industrial Soil (EUR/kg)	0,0003	0,0003	0,0003	0,0003	0,0003	0,0003	0,0003
Waste Use (kg)	4 916 000	4 719 360	4 530 586	4 349 362	4 175 388	4 008 372	3 848 037
Negative Effects Due to Waste	1 475	1 444	1 414	1 385	1 356	1 328	1 300
Scarce Water Use (EUR/m3)	1,29	1,32	1,34	1,37	1,40	1,42	1,45
Water Withdrawal	113 053	79 137	55 396	38 777	27 144	19 001	13 301
Negative Effects due to Water Withdrawal	145 838	104 129	74 348	53 084	37 902	27 062	19 322
Undiscounted Effects Due to Environmental Attributions	(1 425 846)	(1 018 445)	(727 553)	(519 848)	(371 538)	(265 638)	(190 018)
Discount Period		0,50	1,50	2,50	3,50	4,50	5,50
Discount Rate	2%						
Discount Factor		0,99	0,97	0,95	0,93	0,91	0,90
Discounted Effects Due to Environmental Attributions		(1 008 410,74)	(706 259,29)	(494 738,41)	(346 659,51)	(242 990,58)	(170 409,17)

Effect Due to Environmental Attributions (2 969 468)

Social

EUR	2022	2023E	2024E	2025E	2026E	2027E	2028E
Tax Paid	10 505	11 000	19 862	23 417	26 110	27 990	29 727
Positive Effects on Taxes Paid	10 505	11 000	19 862	23 417	26 110	27 990	29 727
Occupational Injuries (EUR/Incident)	2 690	2 744	2 799	2 855	2 912	2 970	3 029
Occupational Accidents	45	44	43	42	42	41	40
Negative Effects on Employee Health and Safety	(121 050)	(121 002)	(120 953)	(120 905)	(120 856)	(120 808)	(120 760)
Undiscounted Effects due to Social Attributions	(110 545)	(110 001)	(101 091)	(97 488)	(94 746)	(92 818)	(91 032)
Discount Period		0,50	1,50	2,50	3,50	4,50	5,50
Discount Rate	2%						
Discount Factor		0,99	0,97	0,95	0,93	0,91	0,90
Discounted Effects due to Social Attributions		(108 918)	(98 133)	(92 779)	(88 402)	(84 904)	(81 639)

Effect Due to Social Attributions (554 774)



ESG | Integrated Valuation Analysis | Results

Enterprise Value	1 252 929
Environmental Value	(2 969)
Social Value	(555)
Integrated Value	1 249 405