



FILTER TECHNOLOGY

Blue sky thinkers

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UNIVERSITÀ DI PAVIA

2024 CFA Institute Research Challenge

February 28th 2024

Investment Recommendation

HOLD



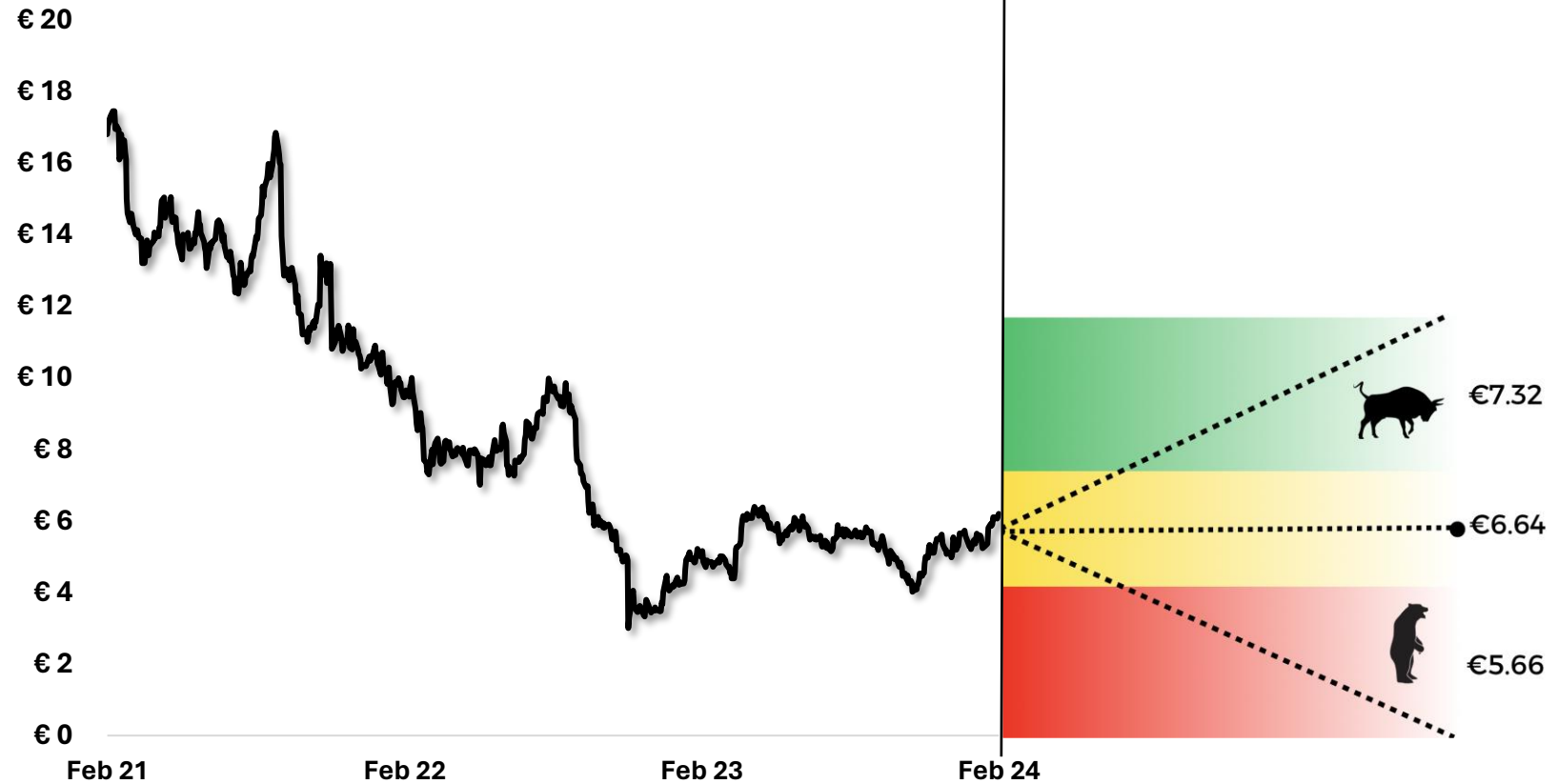
Closing Price: **€6.05**



Target price: **€6.64**



Upside: **9.8%**



HOLD recommendation: Why?

1

A **family-owned** business... BUT at which **cost** ?

2

M&A **driving growth**... ALTHOUGH pushing the **Net Debt to EBITDA** to reach **3.5x**

3

Diversified portfolio... BUT main business suffer from **destocking and high rivalry**



COMPANY OVERVIEW

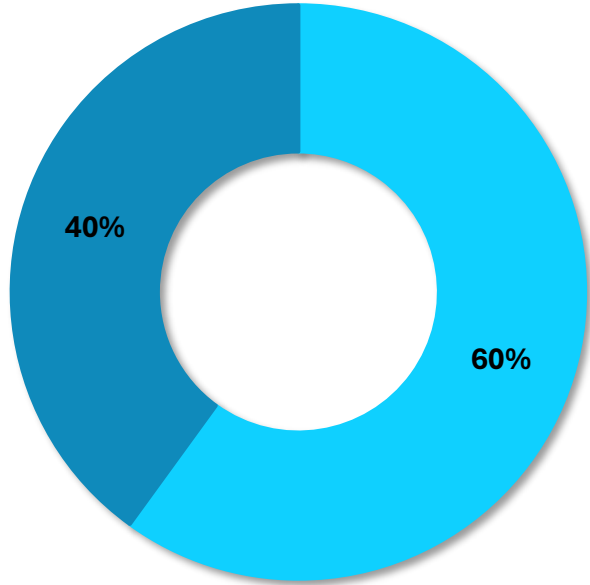
VERTICAL INTEGRATION

M&A

BUSINESS SEGMENTS

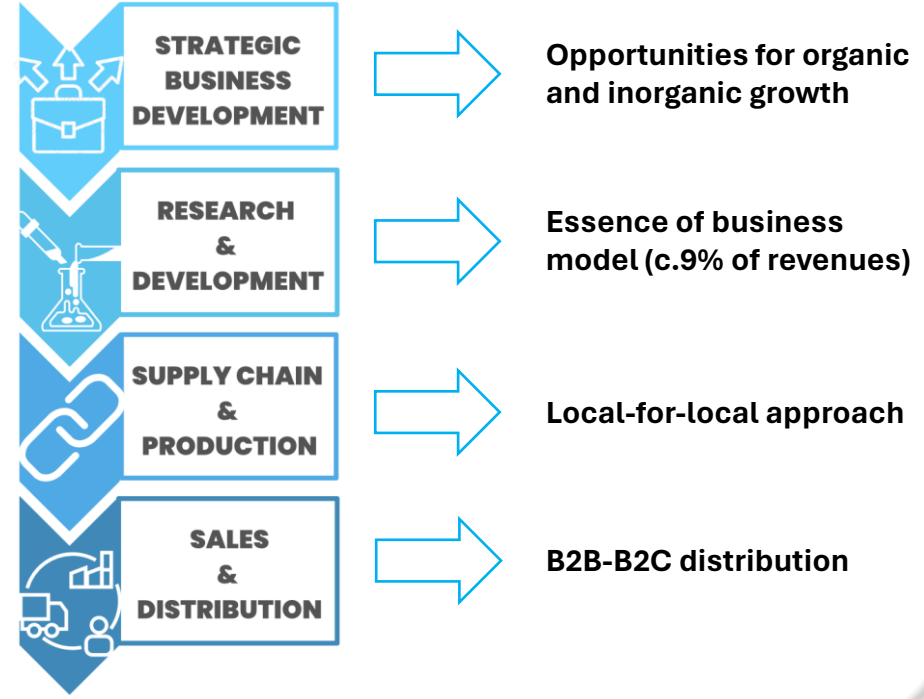
GVS is a vertical integrated manufacturer of advanced filtration solutions

GVS's Insider Ownership

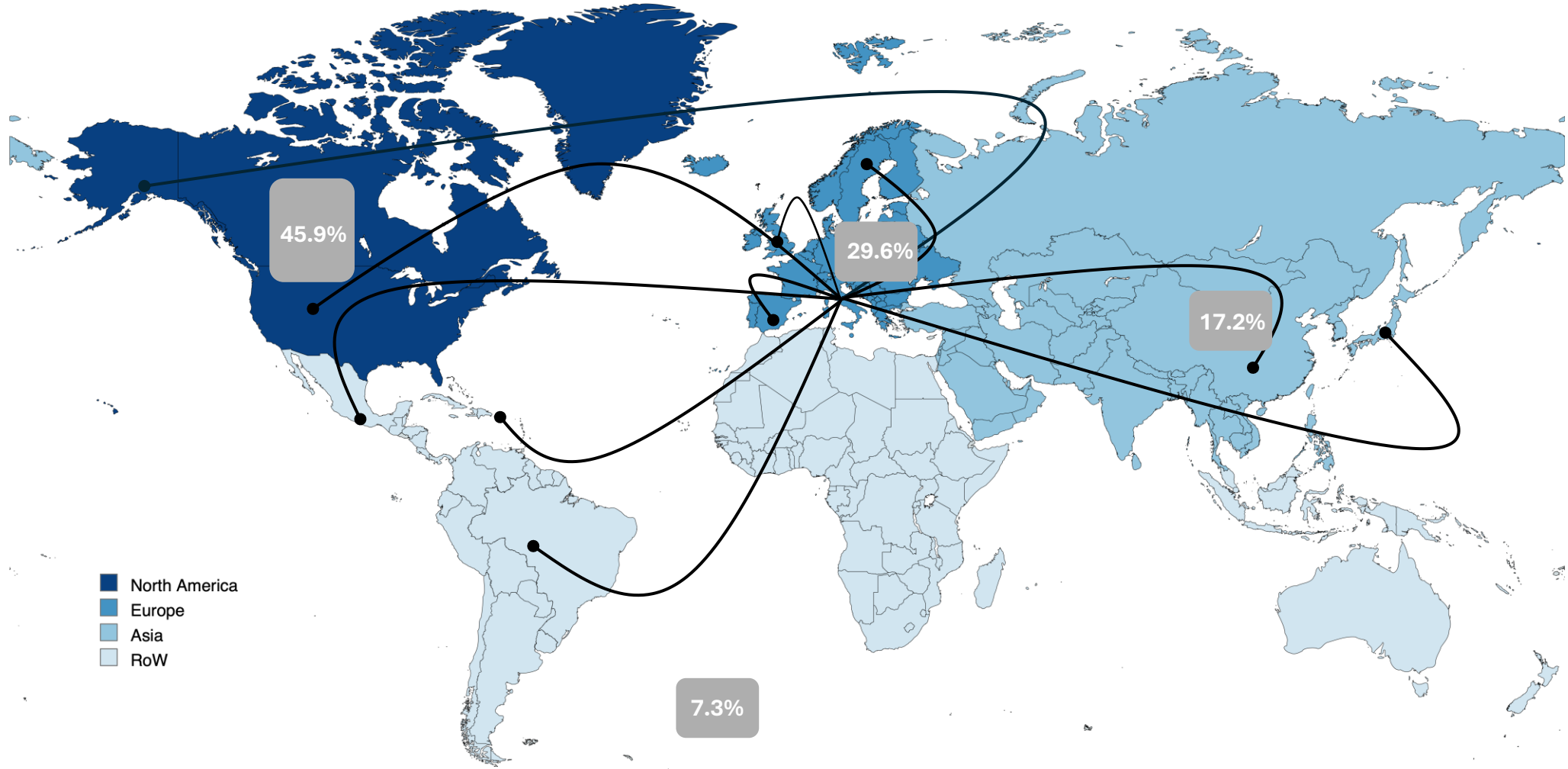


■ Scagliarini Family ■ Free Float

VERTICAL INTEGRATION



GVS global reach : M&A and sales




GVS business segments

Healthcare & Life Sciences
67.1% revenues FY23E

↓

Medical and laboratory sectors




↓

B2B

Energy & Mobility
15.5% revenues FY23E

↓

Automotive filters and components sectors




↓

B2B - OEMS

Health & Safety
17.4% revenues FY23E

↓

Respiratory masks markets



↓

B2C



FINANCIAL

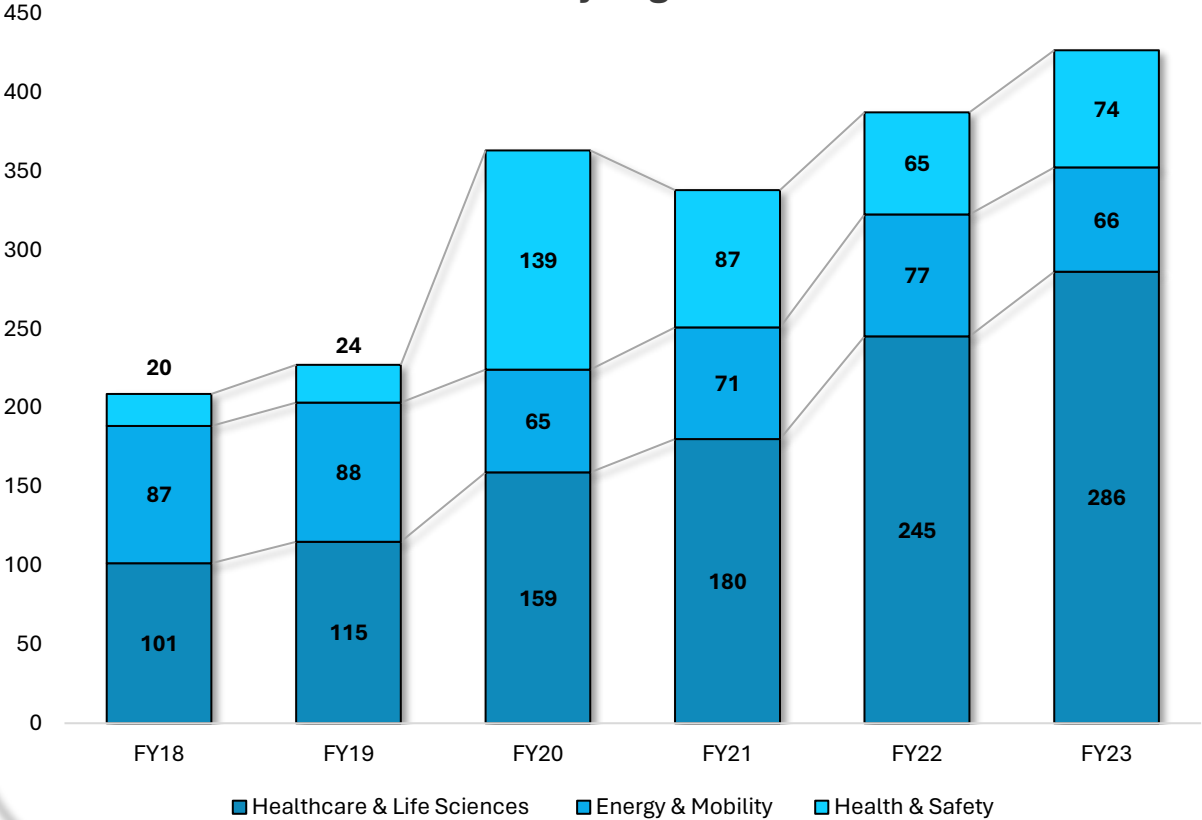
REVENUES

MARGIN

NET FINANCIAL POSITION

GVS revenues FY18-FY23

Revenues by segment



Healthcare & Life Sciences:
Dominant revenue driver
(FY18-23 CAGR of 23%).

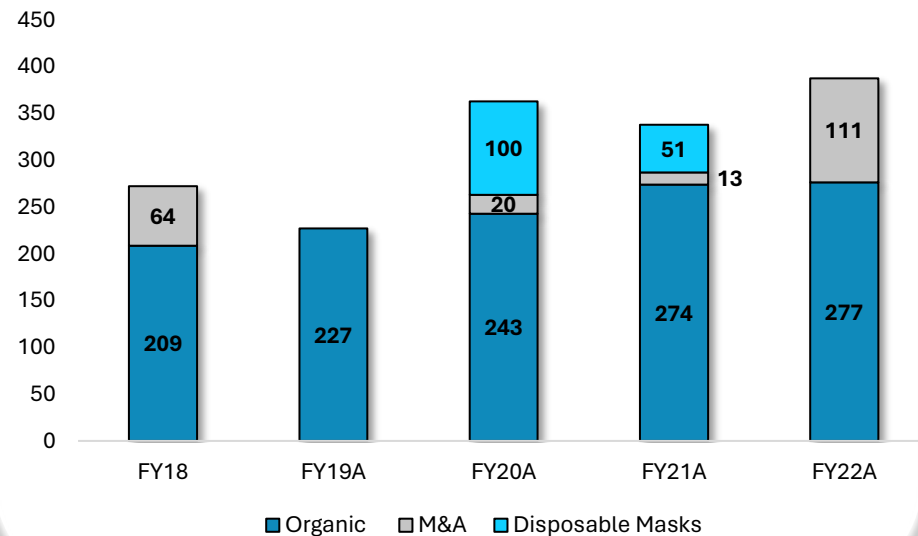
Energy & Mobility:
Secondary revenue driver
(FY18-23 CAGR of -5%).

Health & Safety:
Minor revenue driver
(FY18-23 CAGR of 15%).

Source: company data, team elaboration

M&A contribution to revenues

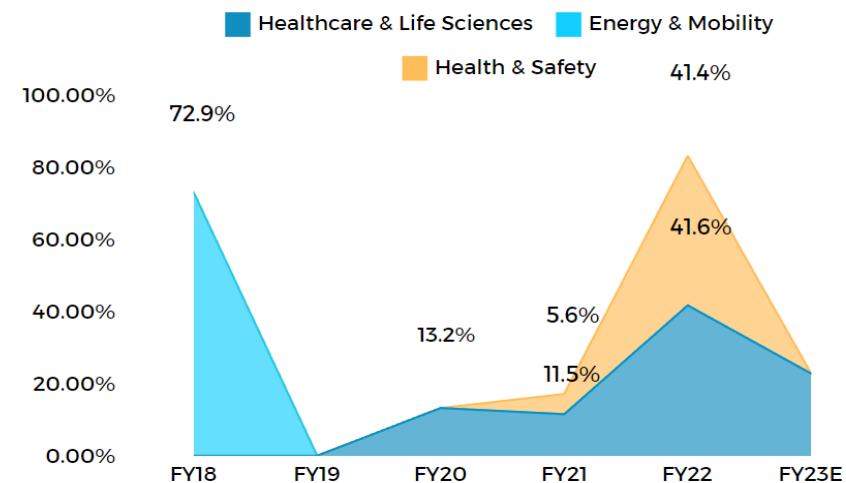
Organic Vs inorganic sales



Organic sales: 71.4% of FY22 sales

Inorganic sales: 28.6% of FY22 sales

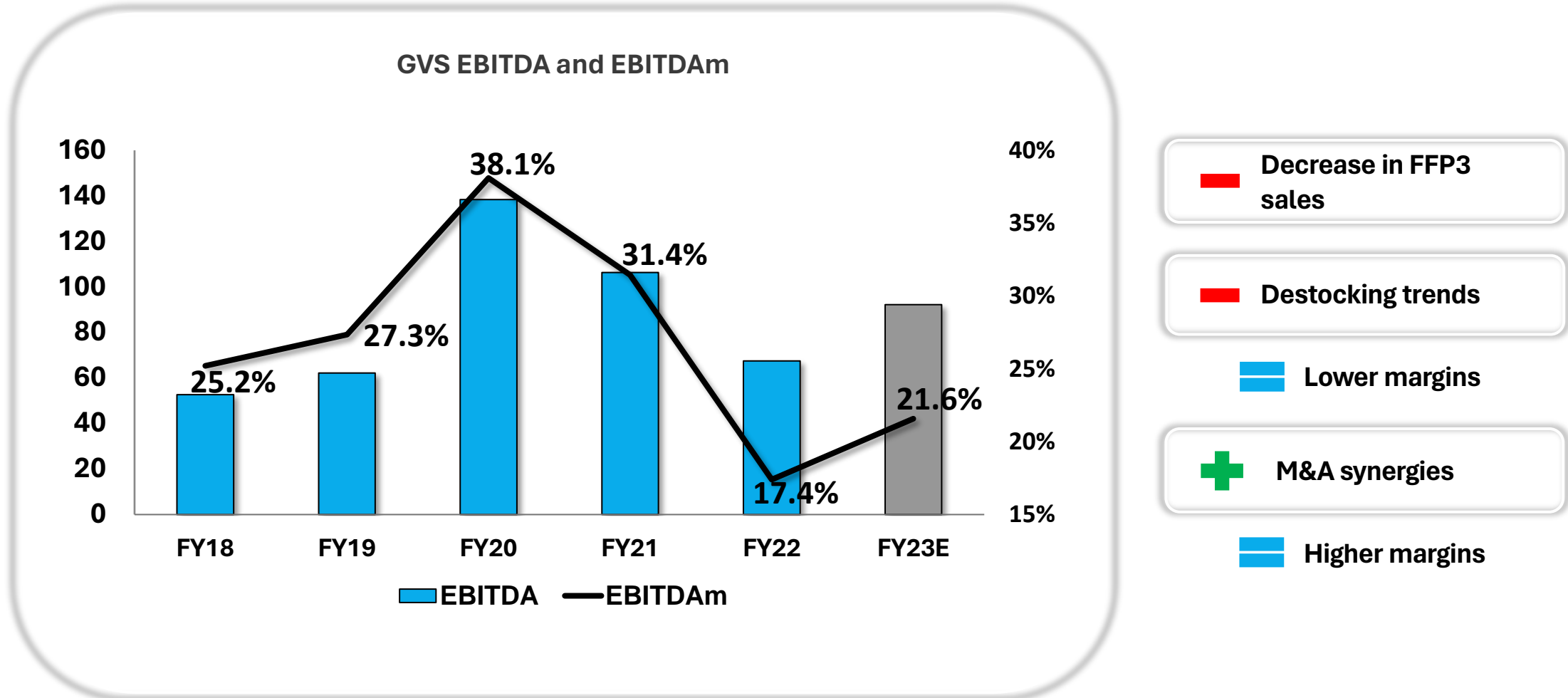
M&A contributions



Healthcare & Life Sciences: Historically highest M&A weight in revenues.

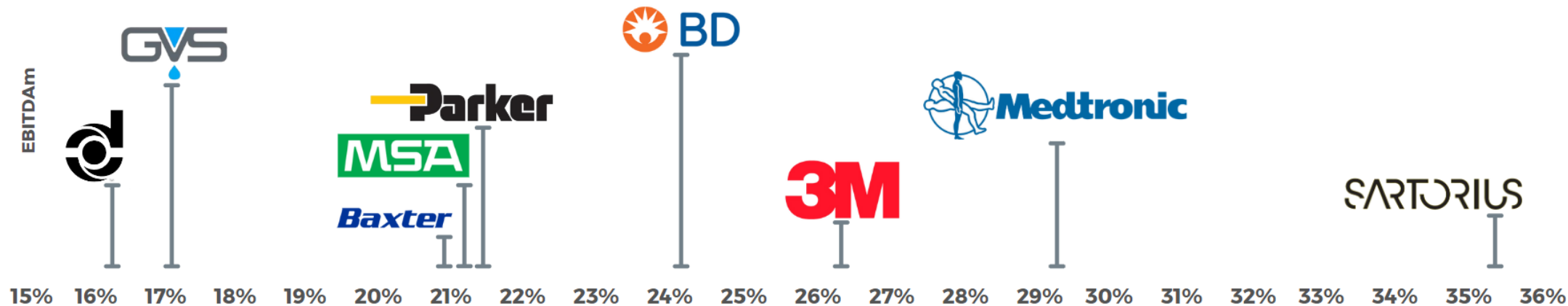
Health & Safety: Increased its magnitude through the acquisition of RPB.

Source: Company data, team elaboration



Source: Company data, team elaboration

EBITDA margin in the filtration market FY22

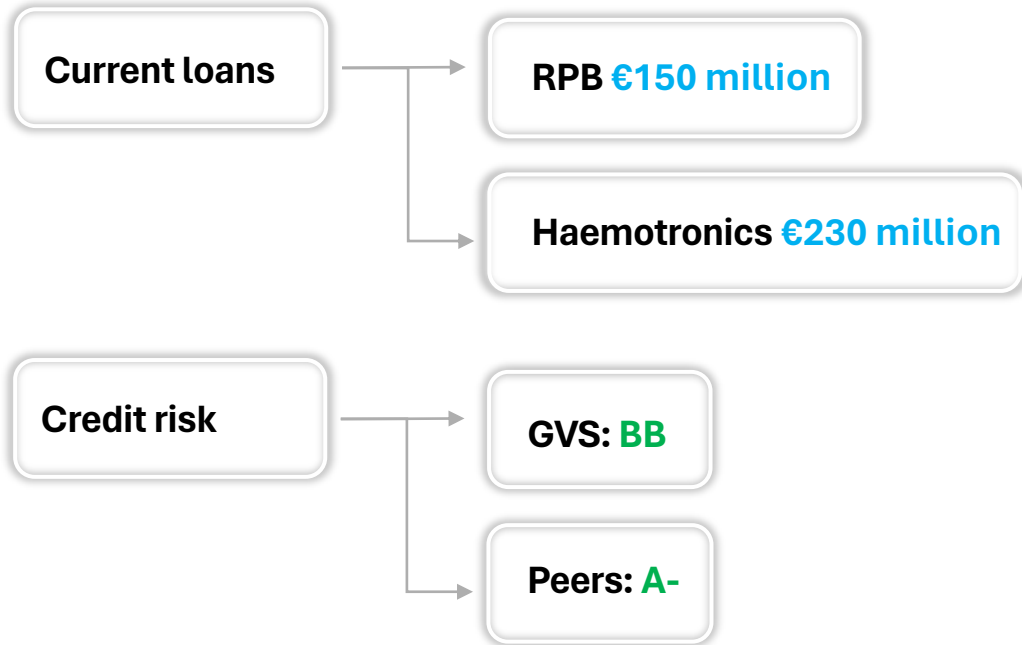


High EBITDA margin compared to Italian firms.



Low EBITDA margin with respect to global conglomerates.

Source: company data, team elaboration

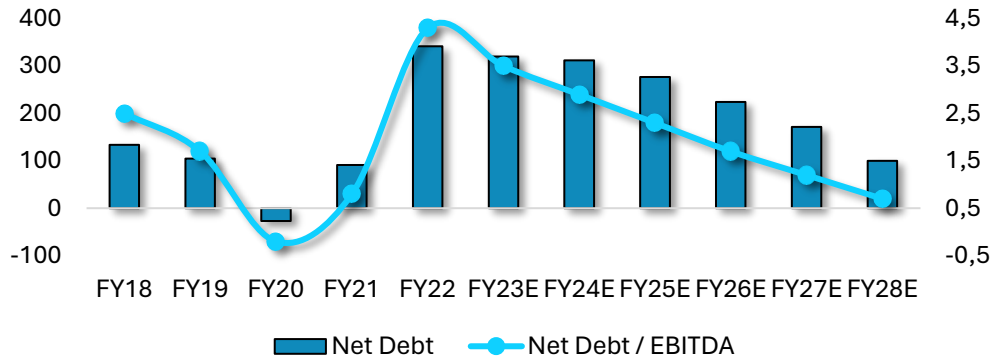


GVS's credit score vs peers

GVS	BB
3M	BBB-
BAXTER	BBB
SARTORIOUS	BBB-
MEDTRONIC	A
Becton Dickinson	A+
Parker Hannifin	A
Donaldson	AA-
MSA	BBB

Source: Refinitiv, team elaboration

Trusting the debt

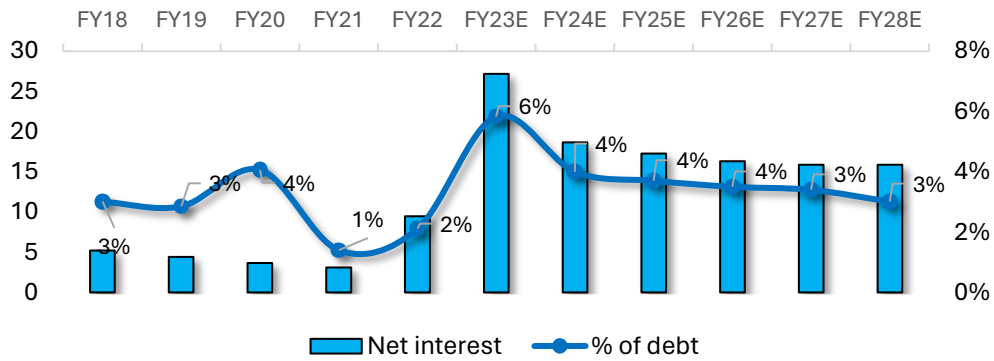


FY23E

Net debt/EBITDA: 3.5x
 Limited financial firepower

FY24E-28E

Net debt reduction
 Prioritize financial stability



FY23E

Net interest/debt at 6%
 Difficulty to cover expenses

FY24E-28E

Stabilization at 3%
 Lower interest expenses

Source: Refinitiv, team elaboration



VALUATION

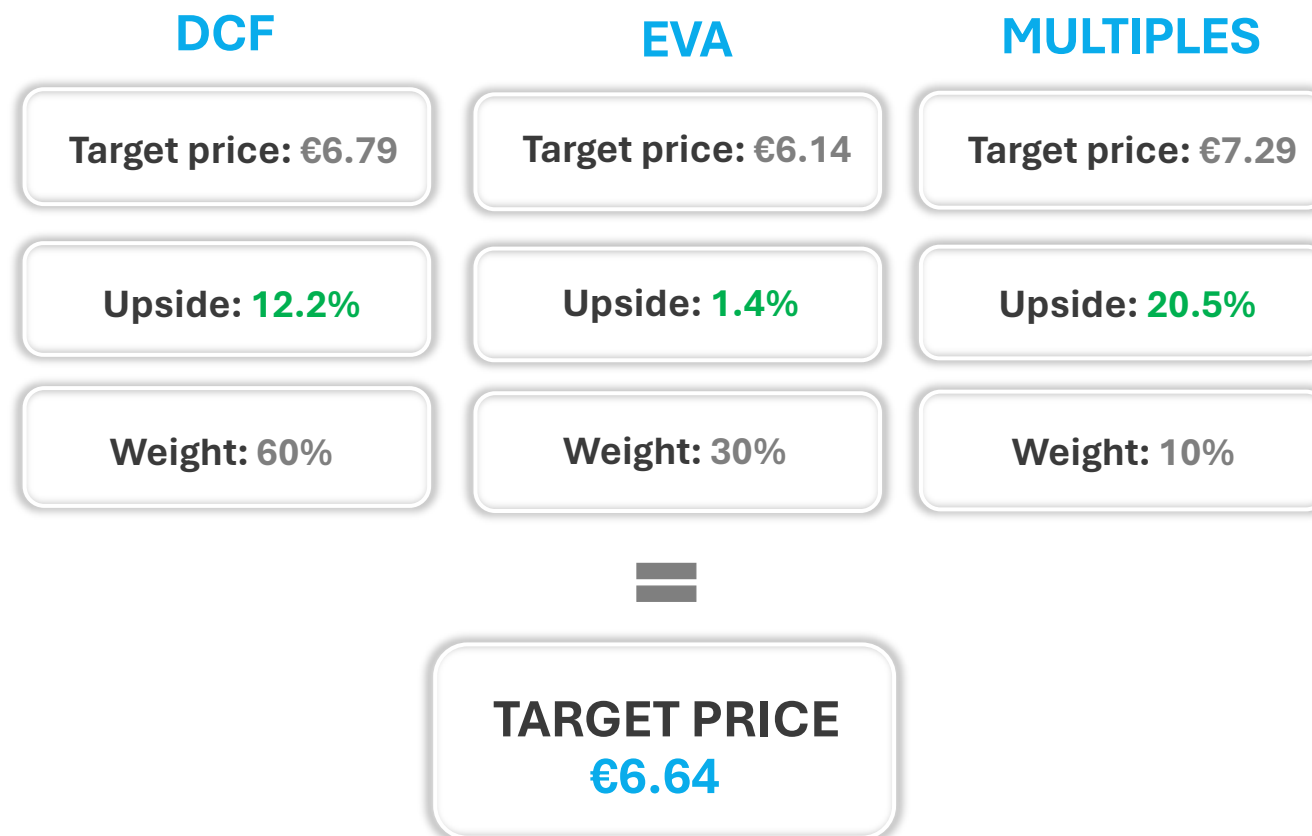
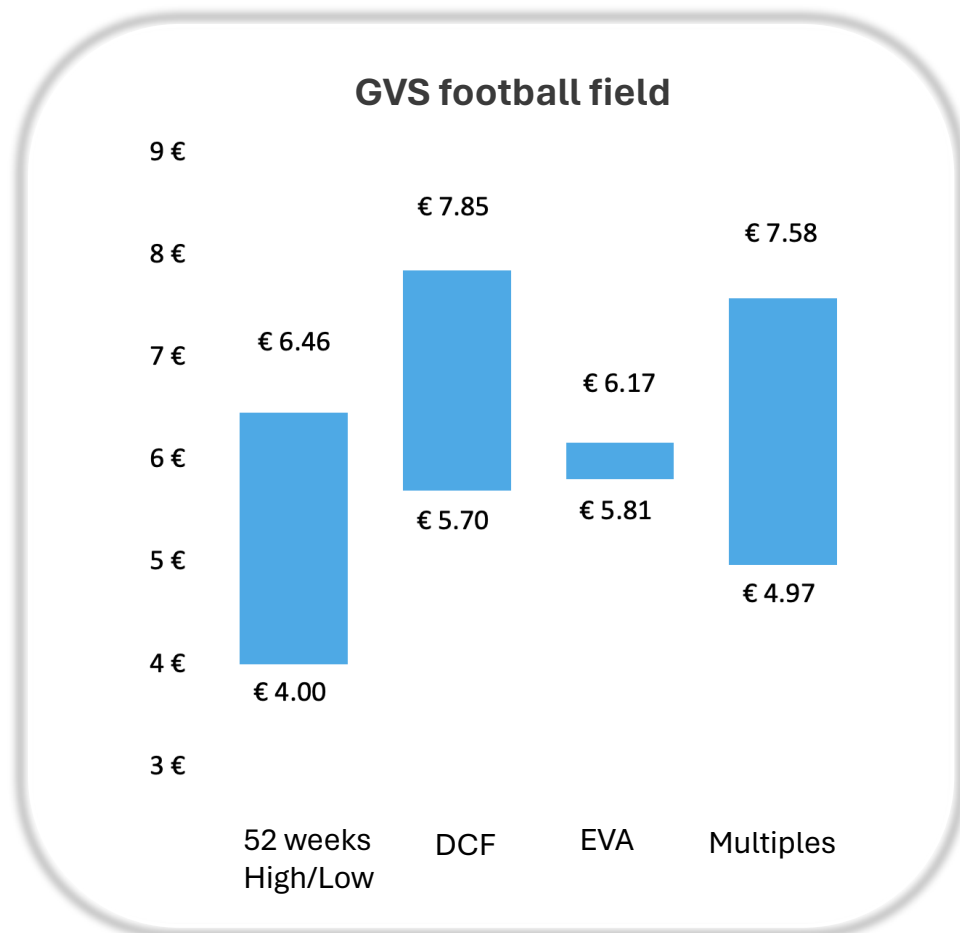
ASSUMPTIONS

DCF

EVA

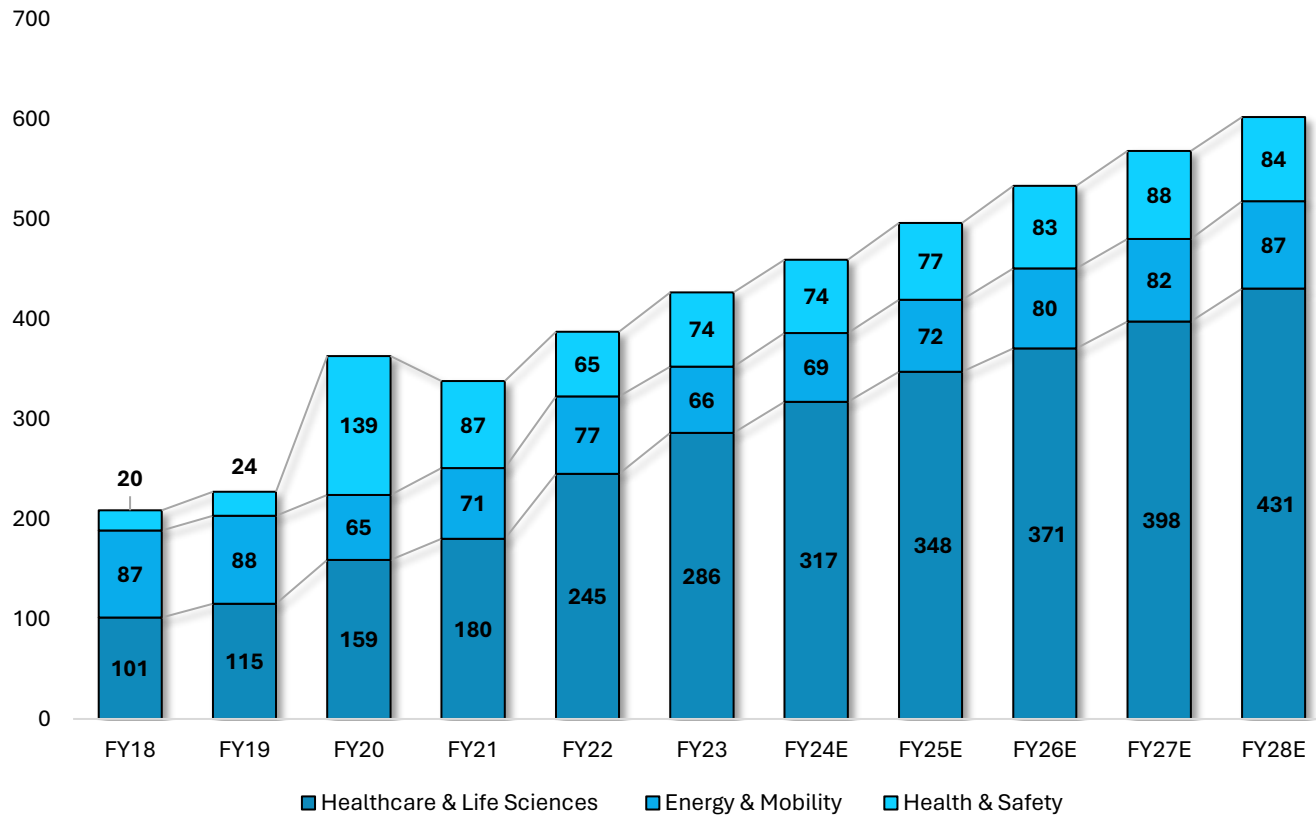
RV

RESULTS



Source: company data, team elaboration

Revenues by segment FY18-FY28



Healthcare & Life Sciences:
8.5% CAGR from FY23 to FY28
Hospital filter demand

Energy & Mobility:
5.7% CAGR from FY23 to FY28
Stabilization

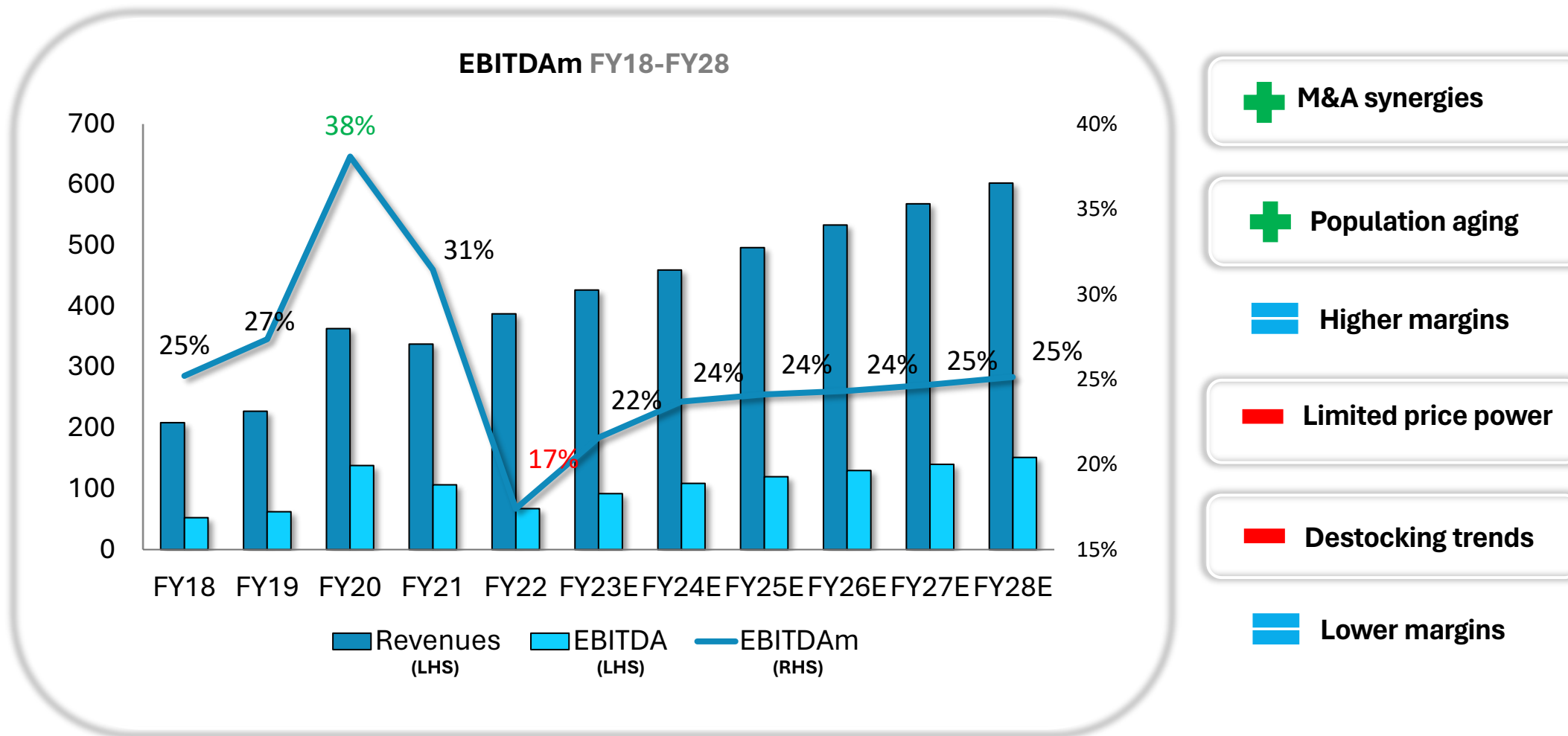
Health & Safety:
2.5% CAGR from FY23 to FY28
RPB acquisition



7% CAGR from FY23 to FY28

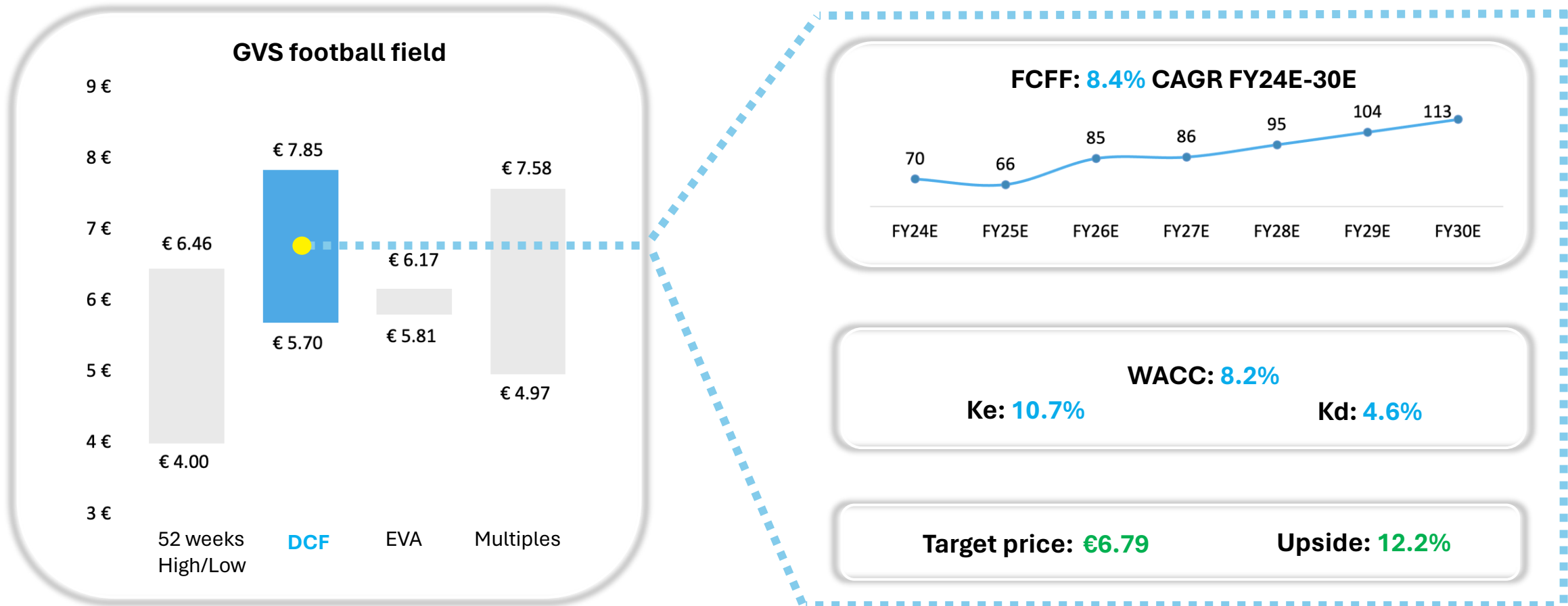
Source: company data, team elaboration

Only in FY28 the EBITDAm returns to pre-covid levels



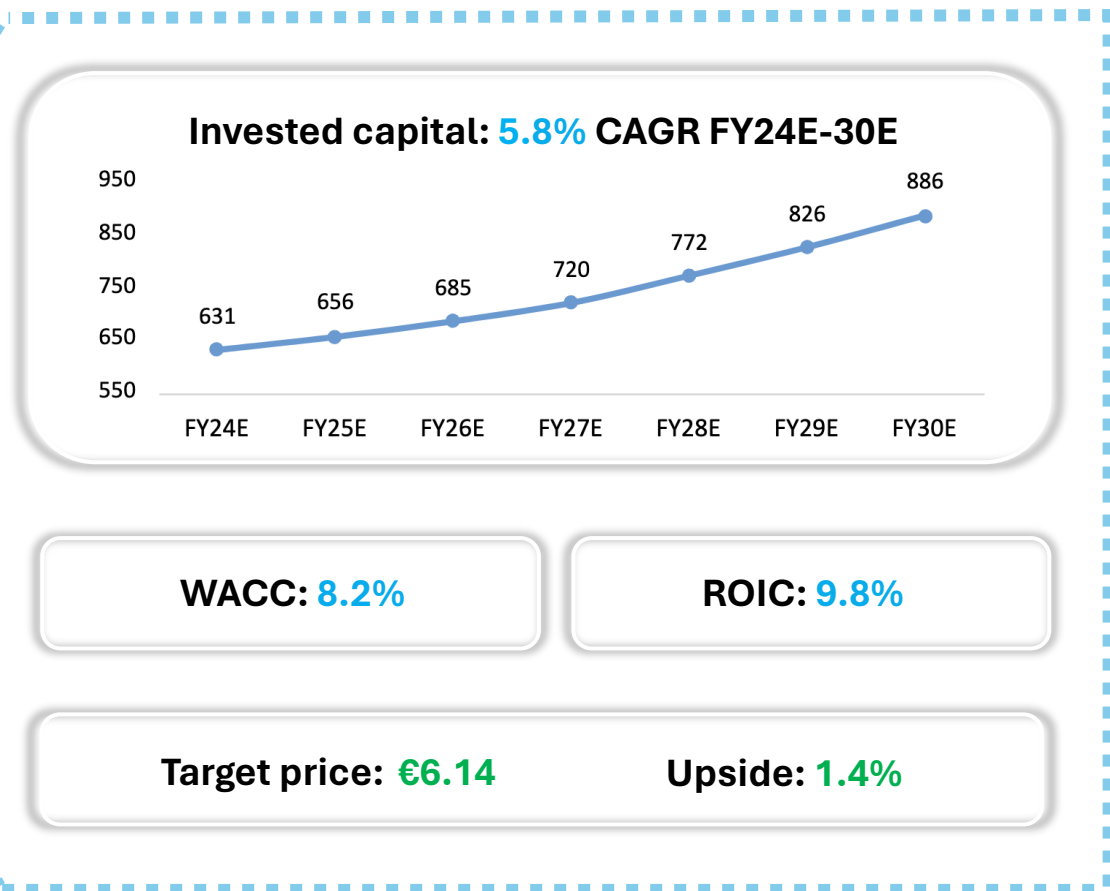
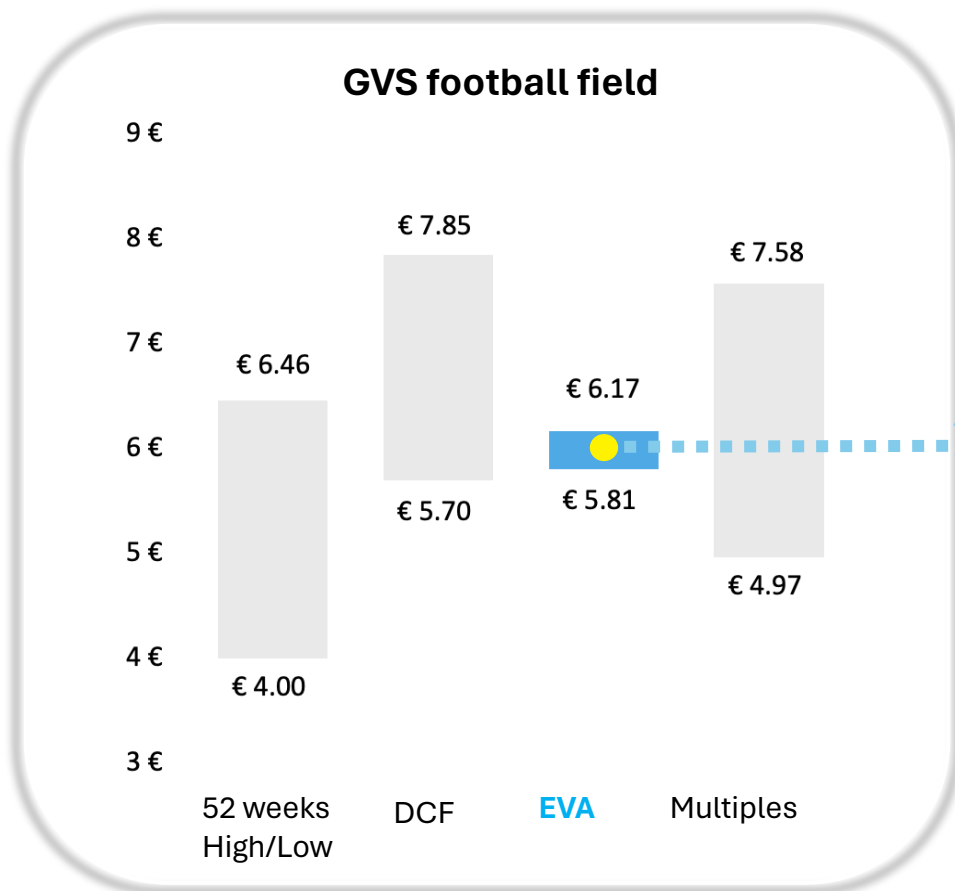
Source: company data, team elaboration

Three-stage DCF



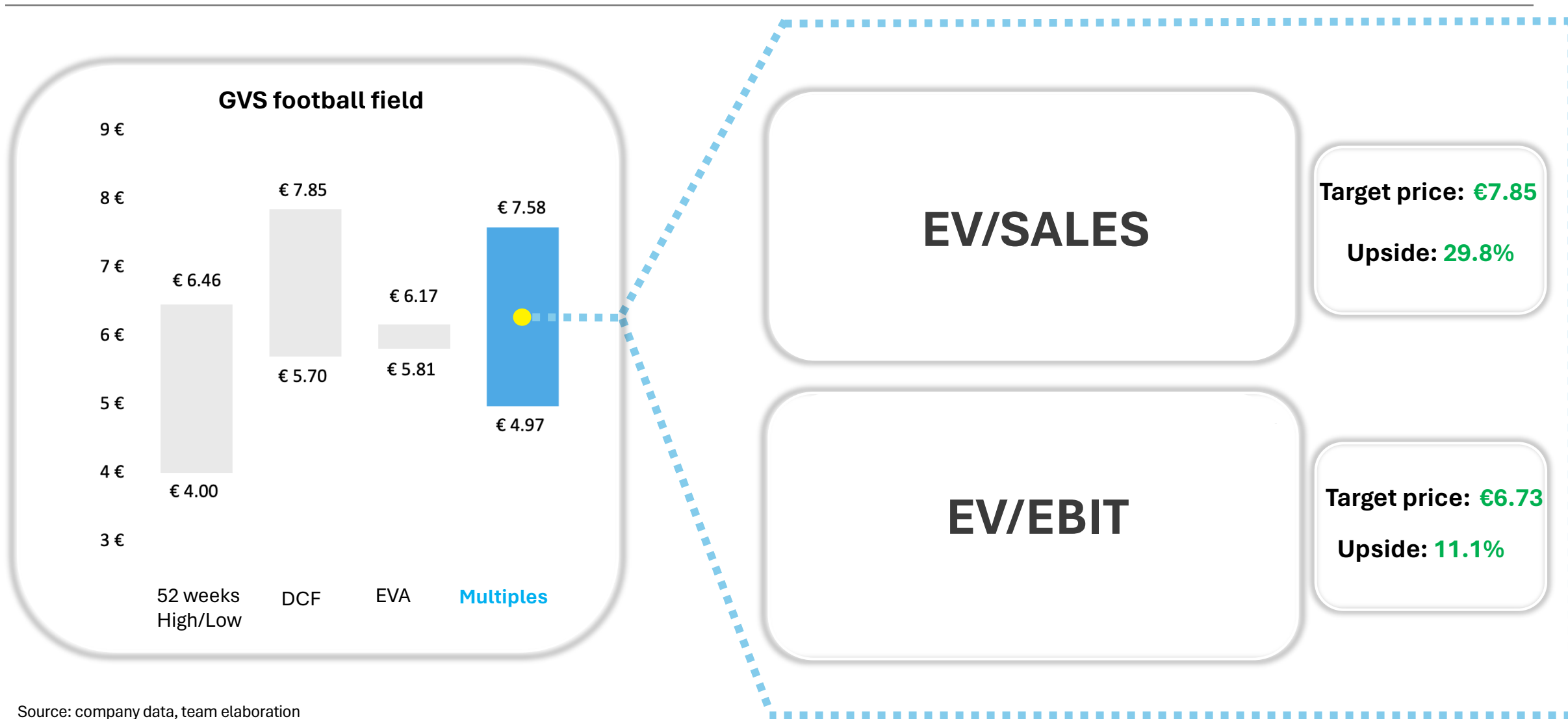
Source: company data, team elaboration

Economic Value Added (EVA)



Source: company data, team elaboration

Multiples: an EV Sales and EV EBIT insight



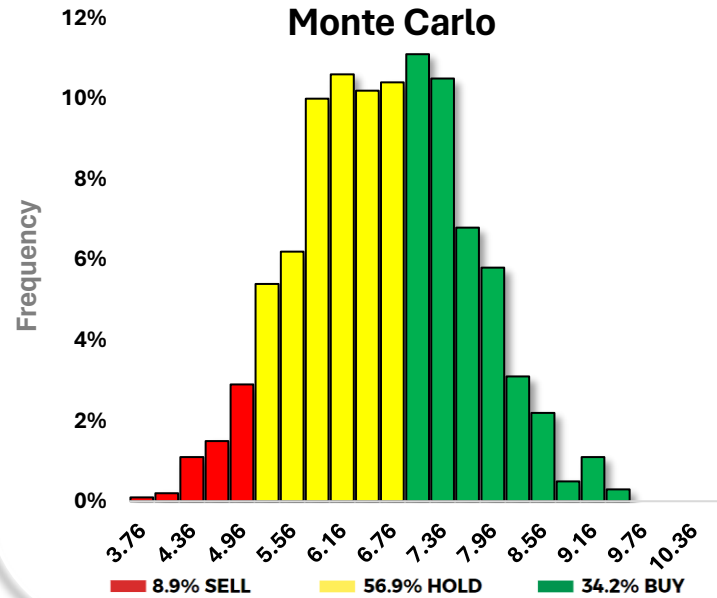
Source: company data, team elaboration

A robust result

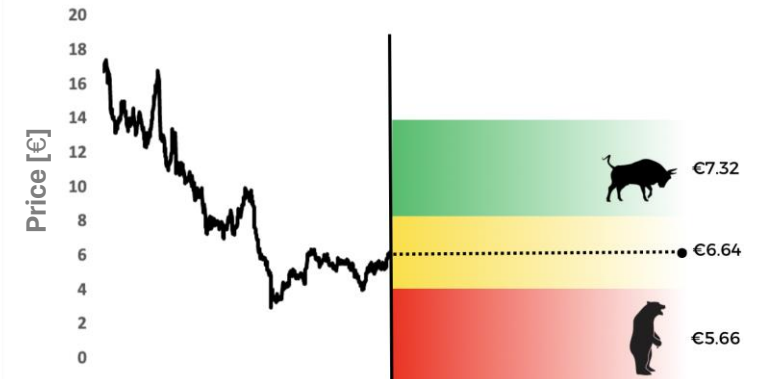
Sensitivity

Terminal growth rate

WACC	6.79	1.50%	1.75%	2.00%	2.25%	2.50%
8.74%	5.71 €	5.91	6.12	6.34	6.58	
8.49%	6.00	6.22	6.44	6.69	6.96	
8.24%	6.32	6.55	6.79	7.07	7.36	
7.99%	6.65	6.90	7.18	7.48	7.80	
7.74%	7.01	7.29	7.60	7.92	8.29	



Bull & bear scenarios



Source: company data, team elaboration



RISKS

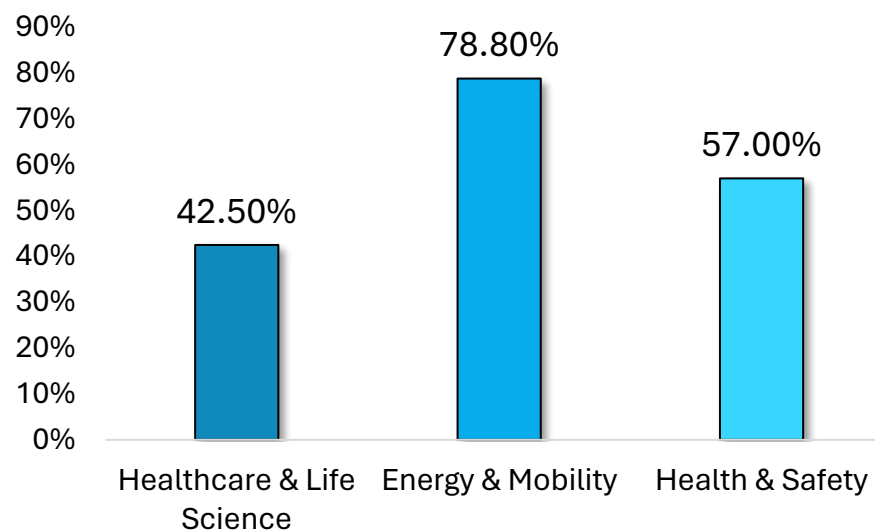
MARKET RISKS

FIRM RISKS

Demand risk



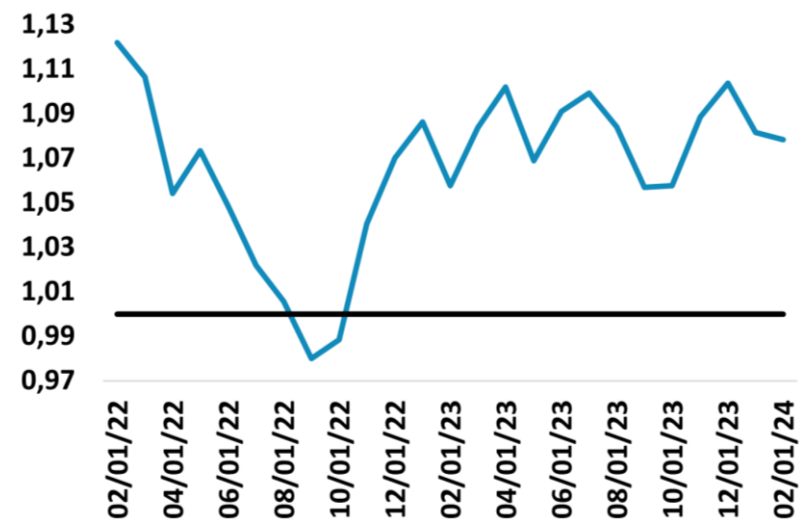
Top 15 customers



Exchange rate risk



EUR/USD FX spot rate



Source: company data, team elaboration

M&A risk



M&A 2017-2022

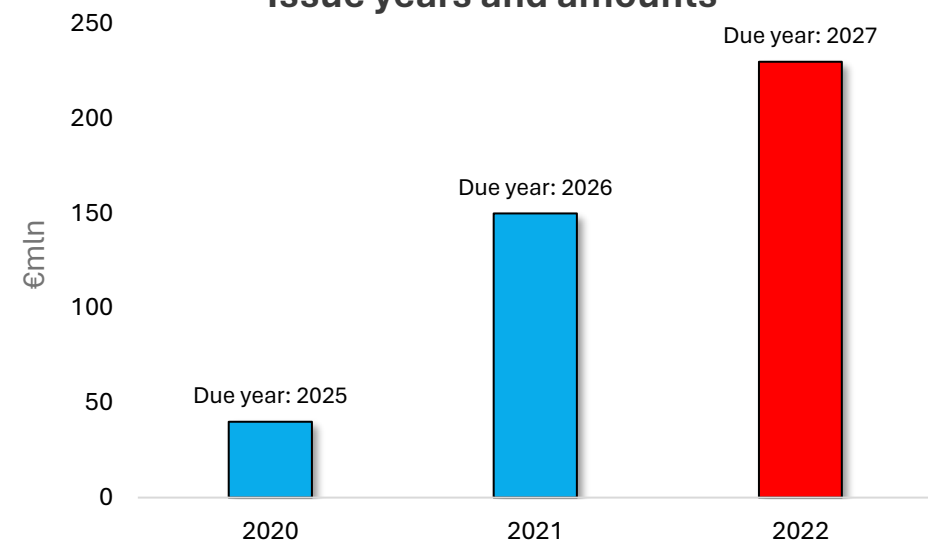
Acquisition	Year	Closing €(mln)	Revenues* €(mln)
KUSS	2017	113.8	24.41
Haemonetics	2020	15.5	12.78
Puerto Rico	2020	1.97	2.51
Graphic controls	2021	150	13.33
RPB	2021	50	20.28
STT-Laishi	2022	212	54.67
Haemotronic			

Revenues related to the FY of acquisition

Credit risk



Issue years and amounts



Source: company data, team elaboration



ESG

ENVIRONMENTAL

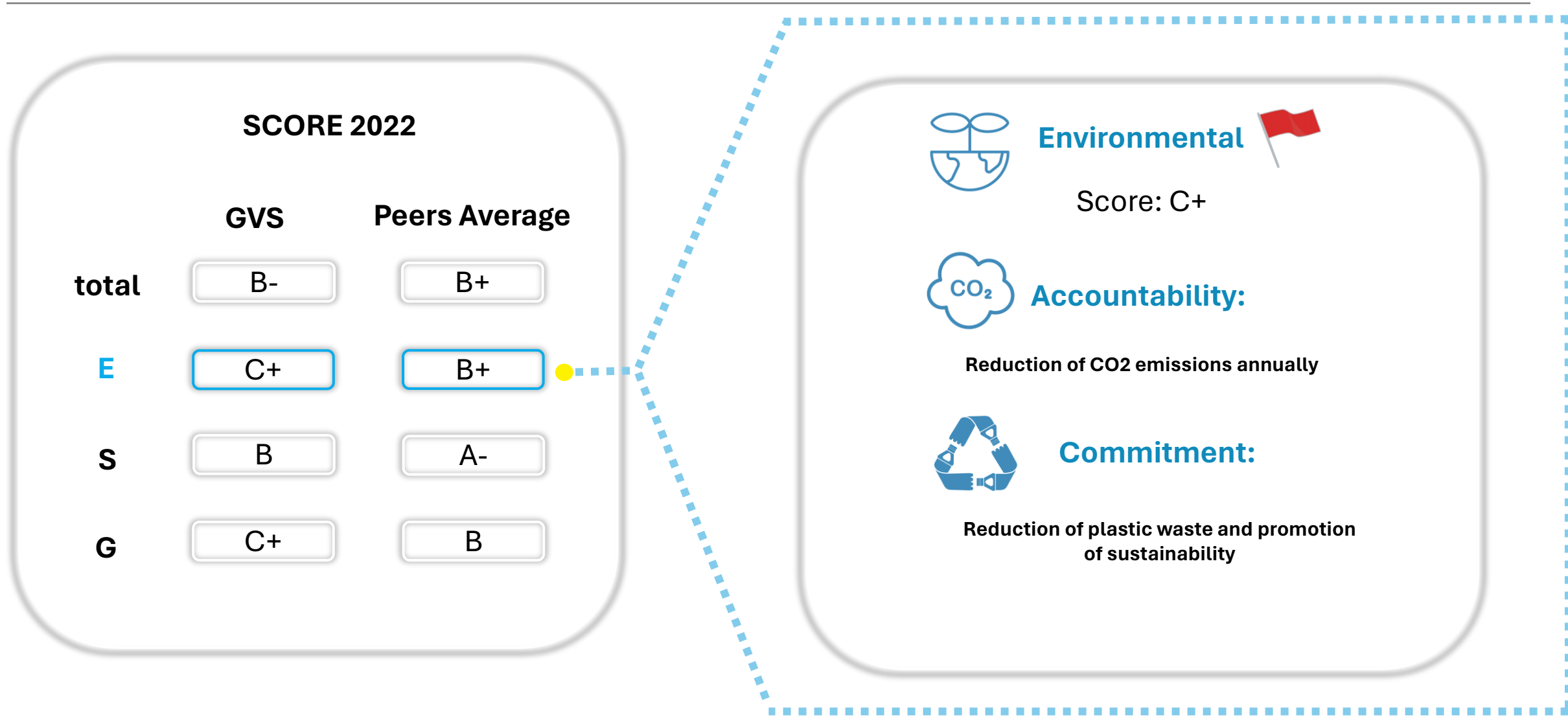
SOCIAL

GOVERNANCE

Environmental, Social and Governance: falling behind primary rivals



SCORE 2022		
	GVS	Peers Average
total	B-	B+
E	C+	B+
S	B	A-
G	C+	B

Environmental: still not enough for sustainable investments





SCORE 2022


	GVS	Peers Average
total	B-	B+
E	C+	B+
S	B	A-
G	C+	B

 **Social** 

Overall score
C+

 **Working condition:**
Minimize occupational accidents



 **Product responsibility:**
Quality, safety and enviromental protection


 **Human rights:**
44% of BoD members are women


Scagliarini family controlling GVS but at which cost?

SCORE 2022

	GVS	Peers Average
total	B-	B+
E	C+	B+
S	B	A-
G	C+	B

 **Governance** 
Score: C+

 **Inside Ownership:**
Scagliarini Family owns 60% of shares

 **Voting rights:**
Scagliarini Family controls 75% of voting rights

HOLD



Closing Price: €6.05

1

A **family-owned** business... BUT at which **cost** ?



Target price: €6.64

2

M&A **driving growth**... ALTHOUGH pushing the **Net Debt to EBITDA** to reach **3.5x**



Upside: **9.8%**

3

Diversified portfolio... BUT main business suffer from **destocking and high rivalry**



ANNEX

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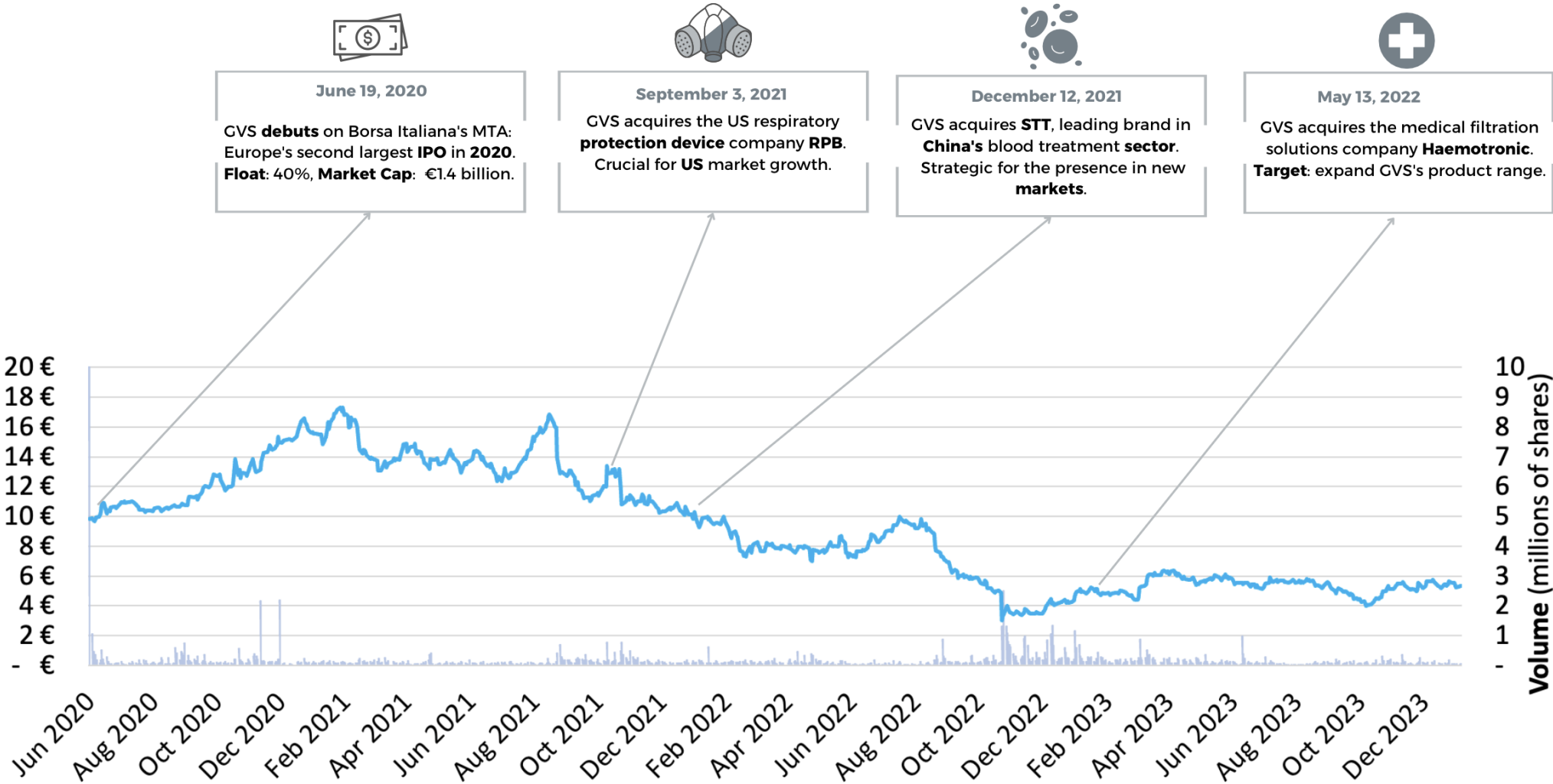
ESG

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RISKS

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[Firm risk](#)
[Inflation risk: Crude Oil](#)

Stock price evolution – Main events



Stock price evolution – FTSE Italia Mid Cap



Income statement

Income Statement €(min)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenue	209	227	363	338	388	427	460	497	534	568	603	636	671
Other operating income	3	3	2	5	4	4	4	4	4	4	4	4	4
Purchase of raw materials	-62	-68	-89	-96	-141	-144	-155	-170	-182	-191	-200	-208	-216
as a % of sales	29.8%	29.9%	24.4%	28.4%	36.4%	33.7%	33.6%	24.2%	34.0%	33.7%	33.2%	32.7%	32.2%
Personnel costs	-71	-74	-99	-99	-124	-128	-129	-134	-144	-153	-163	-172	-181
as a % of sales	33.8%	32.4%	27.2%	29.2%	31.9%	30.0%	28.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
Cost of services	-23	-23	-36	-37	-55	-62	-67	-72	-77	-82	-87	-92	-97
as a % of sales	11.0%	10.3%	10.0%	10.8%	14.1%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
Other costs	-3	-4	-3	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5
Adjusted EBITDA	53	62	144	108	79	91	109	120	130	140	151	163	176
Margin (%)	25.3%	27.3%	40.0%	31.9%	20.4%	21.2%	23.7%	24.1%	24.3%	24.7%	25.1%	25.7%	26.2%
Non recurring costs / (income)	0.2	-0.1	6	2	12	-1	0	0	0	0	0	0	0
Reported EBITDA	53	62	138	106	67	92	109	120	130	140	151	163	176
Margin (%)	25.2%	27.4%	38.1%	31.5%	17.4%	21.6%	23.7%	24.1%	24.3%	24.7%	25.1%	25.7%	26.2%
Depreciation, amortisation (excl. PPA)	-13	-13	-15	-19	-24	-30	-32	-35	-37	-40	-42	-44	-47
Adjusted EBIT	40	49	129	89	55	61	77	85	92	101	109	119	129
Margin (%)	19.1%	21.7%	35.4%	26.4%	14.1%	14.2%	16.7%	17.1%	17.3%	17.7%	18.1%	18.7%	19.2%
PPA amortization	-6	-4	-4	-5	-14	-18	-17	-16	-15	-14	-13	-12	-11
Reported EBIT	34	46	119	82	29	45	60	69	77	86	96	107	118
Margin (%)	16.4%	20.1%	32.8%	24.3%	7.5%	10.5%	13.0%	13.9%	14.5%	15.2%	16.0%	16.8%	17.6%
Finance income	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance expenses	-0.8	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9
Net financial expenses	-5	-4	-4	-3	-9	-27	-19	-17	-16	-16	0	0	0
Financial exchange gains (losses)	3	2	-9	11	15	0	0	0	0	0	0	0	0
o/w Exceptional interest items	3	0.5	0	-0.6	-3	3	3	2	2	2	2	2	2
Adjusted Profit Before Tax	35	47	115	97	63	31	56	65	74	83	107	117	127
Reported Profit Before Tax	32	44	106	90	35	17	41	52	61	71	96	107	118
Income taxes	-9	-11	-28	-22	-11	-5	-11	-13	-16	-18	-25	-28	-31
Tax Rate (%)	28.5%	24.3%	26.3%	24.7%	30.3%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%	26.0%
o/w Exceptional income tax items	3	0.5	0.4	-0.6	-3	0	0	0	0	0	0	0	0
Reported Net Profit	23	33	78	68	24	13	30	38	45	52	71	79	87
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted Net Profit attributable to shareholders	26	36	88	75	52	26	45	52	58	64	82	89	97
Margin (%)	12.5%	16.0%	24.1%	22.2%	13.5%	6.2%	10.0%	10.5%	10.9%	11.3%	13.7%	14.0%	14.4%
Adjusted net income growth (%)	145.5%	38.8%	141.6%	-14.3%	-30.2%	-49.6%	69.6%	15.6%	11.8%	10.7%	28.1%	8.3%	8.4%
Reported Net Profit attributable to shareholders	23	33	78	68	24	13	30	38	45	52	71	79	87
Adjusted EPS (basic)	0.2	0.2	0.6	0.4	0.3	0.2	0.3	0.3	0.3	0.4	0.5	0.5	0.6
Adjusted EPS (diluted)	0.2	0.2	0.6	0.4	0.3	0.2	0.3	0.3	0.3	0.4	0.5	0.5	0.6
Reported EPS (basic)	0.1	0.2	0.6	0.4	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.5	0.5
Reported EPS (diluted)	0.1	0.2	0.6	0.4	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.5	0.5

Cash Flow Statement

Cash Flow Statement €(mln)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Profit before tax	32	44	106	90	35	17	41	52	61	71	96	107	118
Total depreciation, amortisation and impairments	18	16	19	24	38	47	49	51	52	54	55	57	58
Losses / (gains) from alienation	-0.1	-0.7	0	-2.9	0	0	0	0	0	0	0	0	0
Financial charges / (income)	2	2	13	-7	-6	27	19	17	16	16	0	0	0
Other non-monetary charges	-0.1	0.5	3	7	7	0	0	0	0	0	0	0	0
(Increase) / Decrease in inventories	-3	2	-21	-10	3	6	7	-3	-7	-7	-7	-6	-7
(Increase) / Decrease in trade receivables	-2	5	-6	-5	-12	4	-4	-6	2	-5	-5	-5	-5
Increase / (decrease) in trade payables	2	-5	18	-6	14	-7	-5	-6	3	3	3	3	3
(Increase) / Decrease in other assets and liabilities	2	2	-2	-1	9	0	0	0	0	0	0	0	0
Change in working capital	-0.1	3	-11	-21	14	2	-2	-15	-2	-9	-9	-9	-9
Net change in employee benefits	-2	0	0	0	-2	0	0	0	0	0	0	0	0
Income taxes paid	-5	-10	-16	-33	-10	-5	-11	-13	-16	-18	-25	-28	-31
Net cash generated from operating activities	45	55	114	55	76	90	96	92	112	113	118	127	136
Investments in tangible assets	-11	-10	-27	-19	-18	-30	-14	-14	-14	-14	-13	-13	-12
Investments in intangible assets	-3	-3	-4	-4	-5	-6	-6	-7	-7	-8	-8	-9	-9
Disposals in tangible assets	0.3	4	0.6	7	0.1	0	0	0	0	0	0	0	0
Investments in financial assets	-0.9	-2	-4	-3	-4	0	0	0	0	0	0	0	0
Change in financial assets	0.5	0.3	0.2	0.4	6	0	0	0	0	0	0	0	0
Business combinations net of cash acquired	0	0	-11	-129	-236	0	-38	0	0	0	0	0	0
Net cash outflow from investing activities	-13	-10	-46	-148	-256	-36	-58	-21	-21	-22	-22	-22	-21
Issuance of long-term financial debt	0	7	41	150	233	0	0	0	0	0	0	0	0
Repayment of long-term financial debt	-15	-25	-103	-19	-44	0	0	0	0	0	0	0	0
Change in current financial payables	-4	0	0	0	0	0	0	0	0	0	0	0	0
Issuance of lease liabilities	0	2	0	0	0	0	0	0	0	0	0	0	0
Repayments of lease liabilities	-3	-3	-4	-2	-5	-5	-5	-5	-5	-5	-5	-5	-5
Financial charges paid	-5	-5	-5	-3	-5	-27	-19	-17	-16	-16	0	0	0
Financial income collected	2,7	0.2	0.3	0.5	1.8	0	0	0	0	0	0	0	0
Capital raise	0	0	75	-3	-1	0	0	0	0	0	0	0	0
Dividends distributed	-5	-8	-2	-23	0	0	-5	-13	-16	-17	-19	-25	-27
Net cash inflow from financing activities	-29	-32	1	101	179	-33	-29	-36	-37	-39	-25	-30	-32
Net increase in cash and cash equivalents	3	13	70	8	-2	22	8	35	53	53	71	75	83
FX impact and other variations	0.2	0.3	-3	4	-0.2	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	42	46	59	125	137	135	157	165	200	253	306	377	452
Cash and cash equivalents at end of year	46	59	125	137	135	157	165	200	253	306	377	452	534

Balance Sheet

Balance Sheet €(mln)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Intangible assets	101	100	91	228	495	477	487	471	456	441	428	416	405
Tangible fixed assets	50	47	69	78	120	126	126	112	96	78	57	34	9
Right to use assets	6	10	8	10	23	28	34	39	45	50	55	61	66
Deffered tax assets	3	1	5	2	3	3	3	3	3	3	3	3	3
Non-current financial assets	0.7	0.5	1	1	4	4	4	4	4	4	4	4	4
Other non-current assets	0	0	0	0	8	8	8	8	8	8	8	8	8
Non-Current Assets	160	159	174	319	654	648	662	637	612	585	556	527	496
Inventories	33	31	46	72	107	101	94	97	104	111	117	124	131
Trade receivables	39	35	52	53	73	69	74	79	77	82	87	92	97
Tax receivables	0.3	0.2	0.2	8	6	6	6	6	6	6	6	6	6
Other current assets	9	7	10	12	14	14	14	14	14	14	14	14	14
Current financial assets	2	4	5	8	5	5	5	5	5	5	5	5	5
Cash and cash equivalents	46	59	125	137	135	157	165	200	253	306	377	452	534
Current Assets	129	136	238	290	339	352	357	400	459	523	606	692	787
Total Assets	289	295	412	609	993	999	1019	1038	1070	1108	1162	1219	1282
Non-current financial liabilities	143	118	70	180	11	378	378	378	378	378	378	378	378
Non-current lease liabilities	4	8	5	7	17	17	17	17	17	17	17	17	17
Deferred tax liabilities	0.2	0.8	3	6	46	46	46	46	46	46	46	46	46
Provisions for employee benefits	4	4	4	4	5	5	5	5	5	5	5	5	5
Risk provisions	0.1	0	1	5	9	9	9	9	9	9	9	9	9
Other non-current liabilities	0	0	0	0	41	41	41	41	41	41	41	41	41
Total Non-Current Liabilities	152	131	84	202	129	496	496	496	496	496	496	496	496
Current financial liabilities	30	37	20	42	438	71	71	71	71	71	71	71	71
Financial liabilities deriving from leases	2	3	3	5	8	8	8	8	8	8	8	8	8
Trade payables	18	13	26	24	58	51	46	40	43	45	48	51	54
Contract liabilities	2	2	5	3	7	7	7	7	7	7	7	7	7
Tax payables	3	2	14	3	3	3	3	3	3	3	3	3	3
Other current liabilities	11	13	18	35	22	22	22	22	22	22	22	22	22
Total Current Liabilities	67	70	86	112	537	163	158	152	155	157	160	163	165
Equity attributable to shareholders	71	94	243	295	328	341	366	390	420	455	507	561	621
Minority interests	0	0	0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total Equity	71	94	243	295	328	341	366	390	420	455	507	561	621
Total Equity and Liabilities	289	295	412	609	993	999	1019	1038	1070	1108	1162	1219	1282
Balance	0	0	0	0	0	0	0	0	0	0	0	0	0

Financial Data

€(mln)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenues	209	227	363	338	388	427	460	497	534	568	603	636	671
growth (%)		8.9%	59.8%	-6.9%	14.6%	10.2%	7.7%	8.0%	7.5%	6.5%	6.0%	5.5%	5.5%
EBITDA	53	62	138	106	67	92	109	120	130	140	151	163	176
EBITDAm (%)	25.2%	27.3%	38.1%	31.4%	17.4%	21.6%	23.7%	24.1%	24.3%	24.7%	25.1%	25.7%	26.2%
EBIT	34	46	119	82	29	45	60	69	77	86	96	107	118
EBITm (%)	16.3%	20.1%	32.8%	24.4%	7.5%	10.5%	13.0%	13.9%	14.5%	15.2%	16.0%	16.8%	17.6%
Net Profit	23	33	78	68	24	13	30	38	45	52	71	79	87
growth (%)		43.2%	136.7%	-13.4%	-64.3%	-46.4%	134.6%	25.9%	18.3%	15.6%	36.2%	10.8%	10.5%
FCF	22	26	62	-124	-191	22	8	35	53	53	71	75	83
CAPEX	-13	-13	-18	-19	-18	-36	-20	-21	-21	-22	-22	-22	-21
Tangible CAPEX	-11	-10	-15	-19	-18	-30	-14	-14	-14	-14	-13	-13	-12
Intangible CAPEX	-3	-3	-3	-4	-5	-6	-6	-7	-7	-8	-8	-9	-9
Net Financial Position	134	105	-27	92	342	320	312	277	224	171	100	25	-58
Net Debt/adj EBITDA	2.5x	1.7x	-0.2x	0.8x	4.3x	3.5x	2.9x	2.3x	1.7x	1.2x	0.7x	0.2x	-0.3x
ROE	40.6%	43.9%	52.1%	28.0%	16.9%	7.9%	12.7%	13.7%	14.3%	14.7%	17.1%	16.7%	16.3%

Team Estimates and Consensus

GVS's team estimates

		FY23E	FY24E	FY25E
Revenues	Team Est.	427	460	497
	Consensus	423	445	470
EBITDAm	Team Est.	21.6%	23.7%	24.1%
	Consensus	22.0%	24.0%	26.6%
DPS	Team Est.	0.15	0.26	0.30
	Consensus	0.21	0.28	0.35

GVS guidance

REVENUES 2023E-2025E

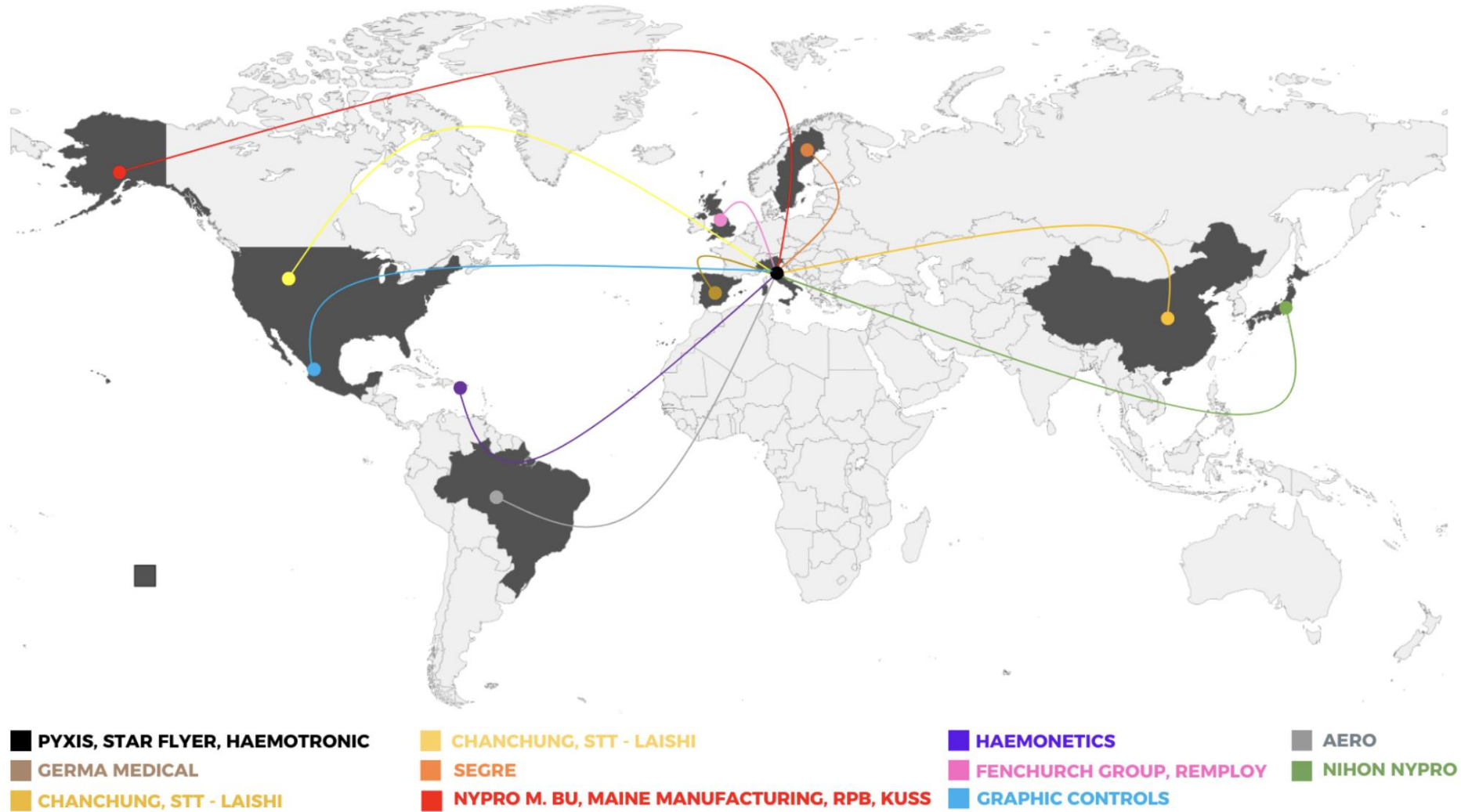
+ 4.4-5.5% -> 467-476m

EBITDAm 2025: 27-28%

A blurred background image of a modern glass-walled building. The building has a prominent sign on its upper right side that reads "GVSEI". The image is overlaid with a semi-transparent blue horizontal band across the middle, which contains the text "BUSINESS OVERVIEW".

BUSINESS OVERVIEW

M&A and geographies

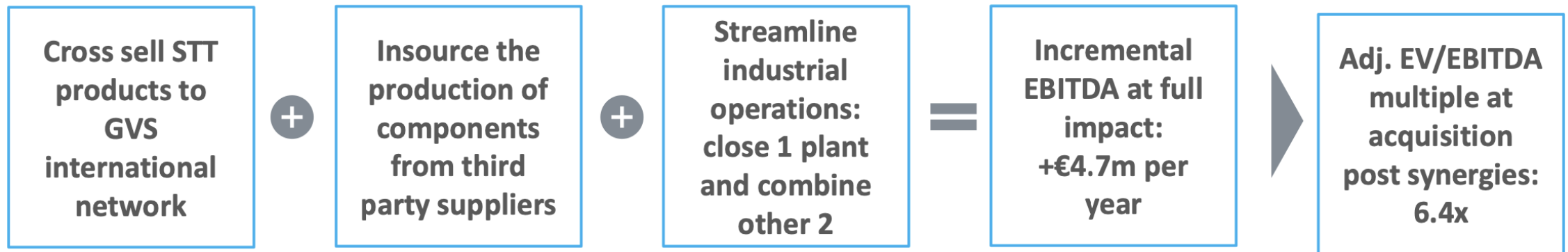


M&A description since 2017

Acquisition	Business	Year	Description	Origin	Closing €(mln)	Revenues* €(mln)
KUSS	Automotive Sport & Utility and off-road sectors	2017	Equipment manufacturer customers in the automotive, industrial equipment, materials handling, lawn and garden, agricultural and motorcycle industries	USA	113.8	24.41
Haemonetics Puerto Rico	Healthcare	2020	Blood filters	Puerto Rico	15.5	12.78
Graphic controls	Life Sciences	2020	Syringe filter product	Mexico	1.97	2.51
RPB	Personal Safety	2021	Respiratory protection devices (including supplied air respirators "SARs" and powered air purifying respirators "PAPRs")	USA	150	13.33
STT-Laishi	Healthcare	2021	Blood management related products (plasma sterilization, leuco-depletion filters and blood transfusion bags, drugs and accessories)	Shanghai	50	20.28
Haemotronic	Healthcare	2022	Advanced filtration solutions and components and bags for the medical sector	Italy and Mexico	212	54.67

Acquisition rationale:

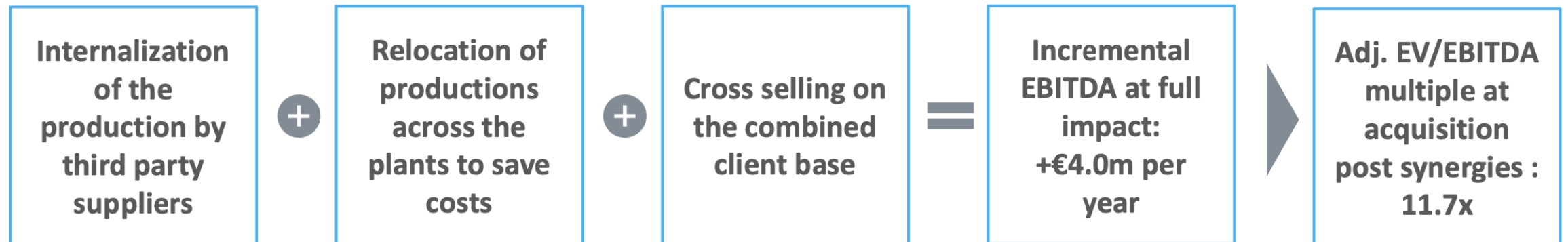
1. Penetrate the **Chinese hospitals market**.
2. **Expand GVS product portfolio** in the blood transfusion segment, transfusion bags in particular.
3. **Cross-sell STT products** to GVS international client base.
4. Streamline industrial operation, such as **new combined production plant**.



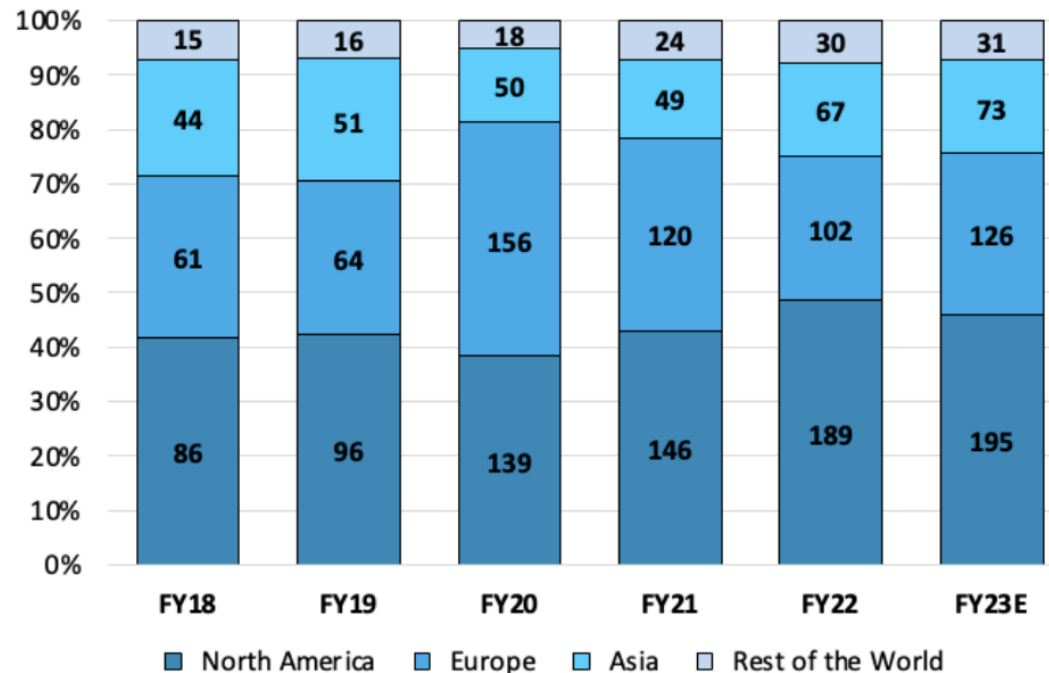
M&A contribution - Haemotronic

Acquisition rationale:

1. **Strengthening presence** in the blood infusion segment.
2. New products and technologies to be **combined with GVS products** for complete set.
3. **Increase penetration** of US market.
4. Optimize the industrial footprint and **production costs**.



Revenues by geographies historically and 2023E



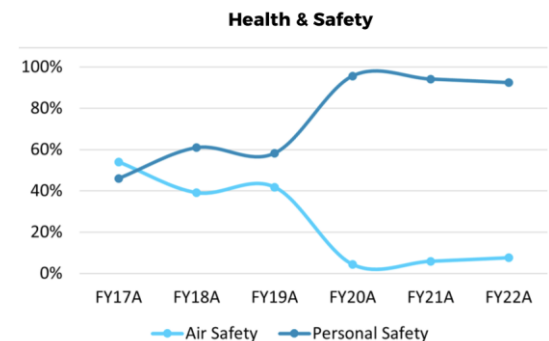
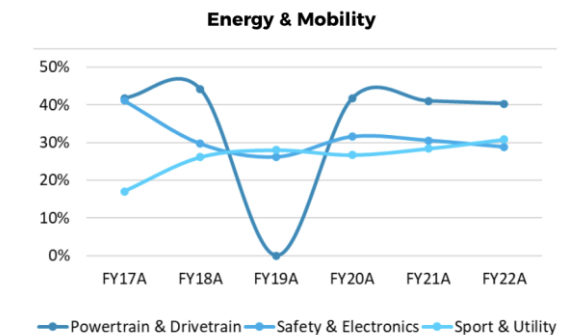
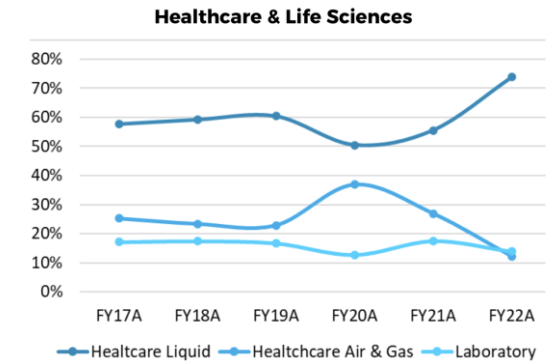
GVS's global reaches is mainly attributable to **M&A** as well as to its international approach.

Revenues come primarily from developed countries

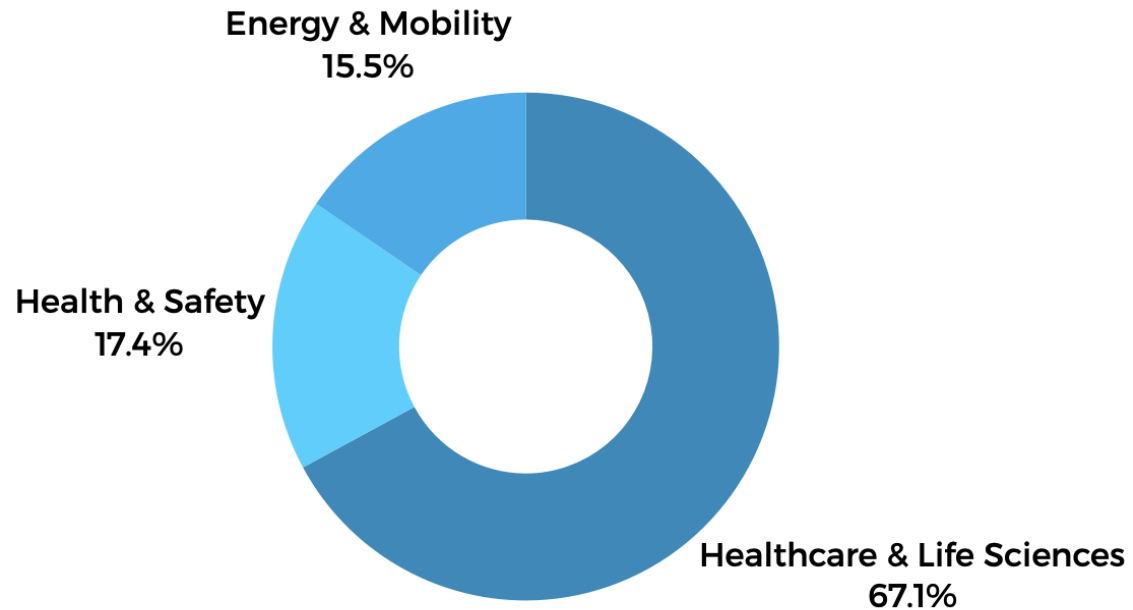
- North America: historically the primary market, expected to weight 45.9% in 2023
- Europe: second main market, expected to weight 29.6% in 2023
- Asia: expanded with the acquisition of STT, expected to weight 17.2% in 2023
- Rest of the world: expected to weight 7.3%

Revenues Breakdown historically

Revenues €(mln)	FY17	FY18	FY19	FY20	FY21	FY22
Healthcare Liquid	55	60	70	80	100	182
% / Tot Healthcare & Lifescience	57.6%	59.2%	60.4%	50.4%	55.5%	73.9%
% / Tot Revenues	33.2%	28.8%	30.6%	22.1%	29.6%	46.8%
Healthcare Air & Gas	24	23	26	59	49	30
% / Tot Healthcare & Lifescience	25.2%	23.4%	22.9%	36.9%	27.0%	12.2%
% / Tot Revenues	14.5%	11.3%	11.6%	16.1%	14.4%	7.8%
Laboratory	16	18	19	20	31	34
% / Tot Healthcare & Lifescience	17.2%	17.5%	16.7%	12.7%	17.5%	13.9%
% / Tot Revenues	9.8%	8.5%	8.5%	5.6%	9.3%	8.8%
Healthcare & Life Sciences	95	101	115	159	180	246
Powertrain & Drivetrain	22	39	40	27	29	31
% / Tot Energy & Mobility	41.8%	44.2%	0.1%	41.7%	41.0%	40.3%
% / Tot Revenues	13.2%	18.4%	0.1%	7.5%	8.6%	8.0%
Safety & Electronics	21	26	23	21	22	22
% / Tot Energy & Mobility	41.1%	29.7%	26.2%	31.6%	30.6%	28.9%
% / Tot Revenues	13.2%	12.4%	10.2%	5.7%	6.4%	5.8%
Sport & Utility	9	23	25	17	20	24
% / Tot Energy & Mobility	41.1%	26.2%	28.0%	26.7%	28.4%	30.8%
% / Tot Revenues	13.0%	10.9%	10.9%	4.8%	5.9%	6.1%
Energy & Mobility	52	88	88	65	71	77
Personal Safety	8	12	14	133	82	60
% / Tot Health & Safety	17.1%	60.9%	58.2%	95.6%	94.1%	92.4%
% / Tot Revenues	5.4%	5.9%	6.1%	36.6%	24.2%	15.5%
Air Safety	10	8	10	6	5	5
% / Tot Health & Safety	53.9%	39.1%	41.8%	4.4%	5.9%	7.6%
% / Tot Revenues	57.8%	3.8%	4.4%	1.7%	1.5%	1.3%
Health & Safety	18	20	24	139	87	65
Total	165	209	227	363	338	388



Revenues Breakdown by segments 2023E



GVS's revenues are forecasted for 2023E directly internally into the three business lines.

- Healthcare & Life sciences is expected to weight 67.1%, with €286mln of sales
- Energy & Mobility is expected to weight 15.5%, with €66mln of sales
- Healthcare & Life Sciences is expected to weight 17.4%, with €74mln of sales

Sub-divisions Main Products

Healthcare & Life Sciences

Healthcare Liquid



Healthcare Air & Gas



Laboratory



Energy & Mobility

Powertrain & Drivetrain



Safety & Electronics



Sports & Utility



Health & Safety

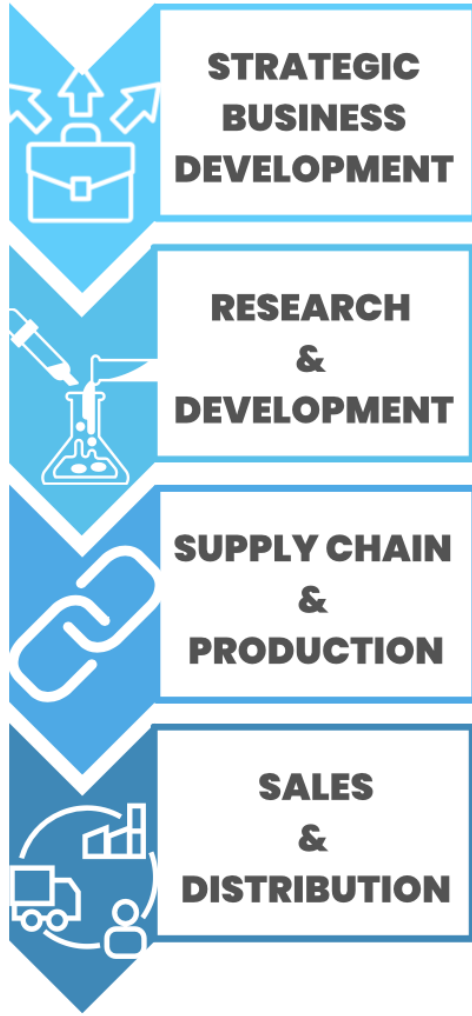
Personal Safety



Air Safety

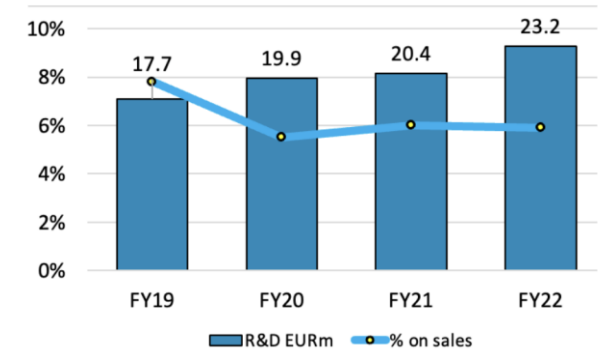


Vertical Integration



Strategic business development: monitors new business opportunities and identifies the needs of its clients

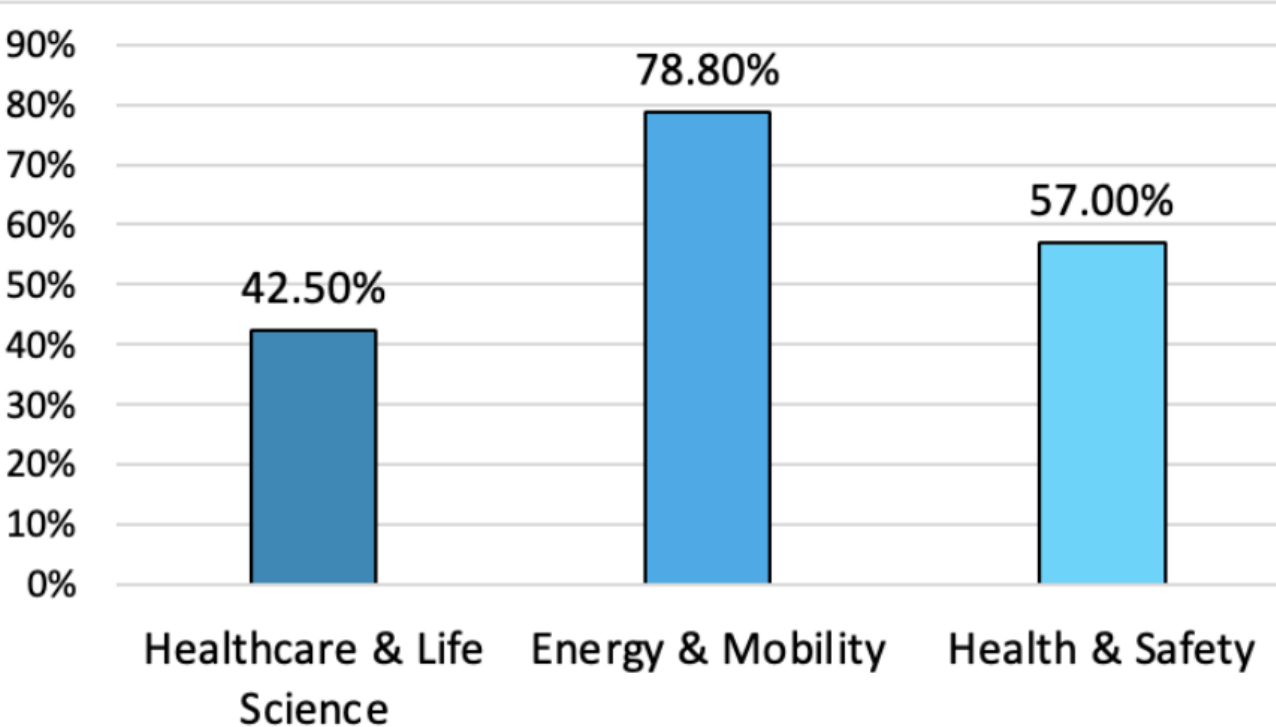
R&D: essence of the business model, thanks to its 9 worldwide research centers the Company aims to have access to the most advanced technologies



Supply chain: sources of raw materials and components, following predetermined criteria (R&D and ISO). Manufacturing strategy prioritizes market proximity and plant specialization

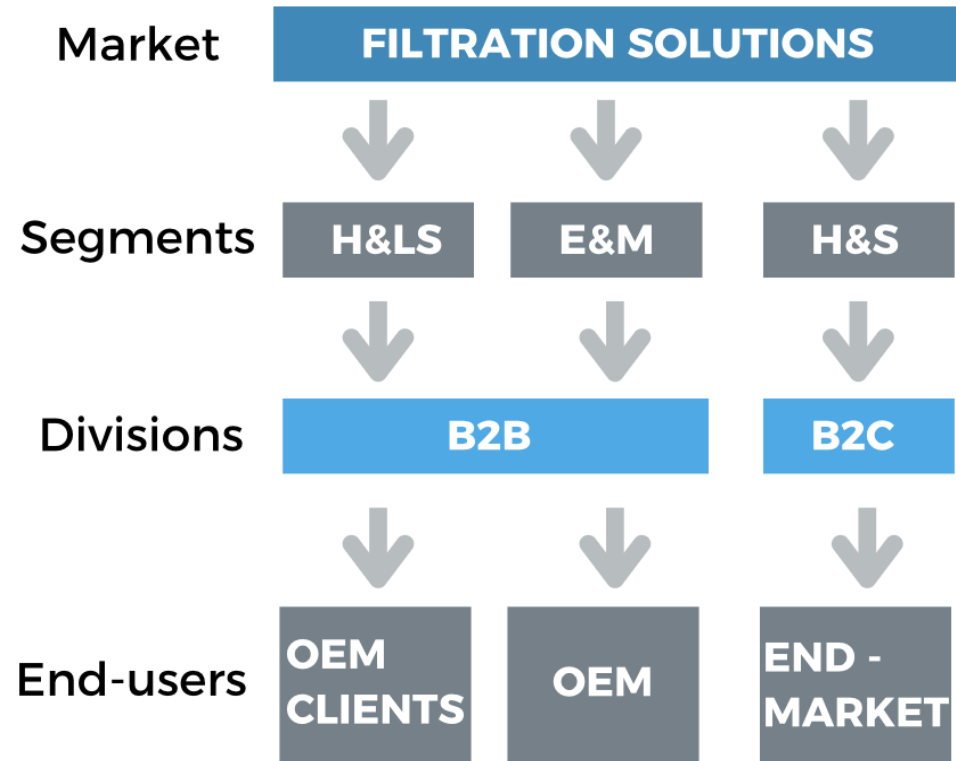
Sales and distribution: GVS sells its products both through its internal salesforce (B2B) and external distributors (B2C), with the former largely predominant.

GVS customers concentration



Customer concentration is generally low except for the Energy & Mobility segments in which is higher due to important commercial relationships with several automotive OEMs

GVS customers: B2B-B2C and contracts



Customers contracts

99% of total revenues 2023E

B2B

- Direct sales to OEM
- Individual purchase orders (3 years)

B2C

- Customers served by distributors
- Framework contracts (2 years)

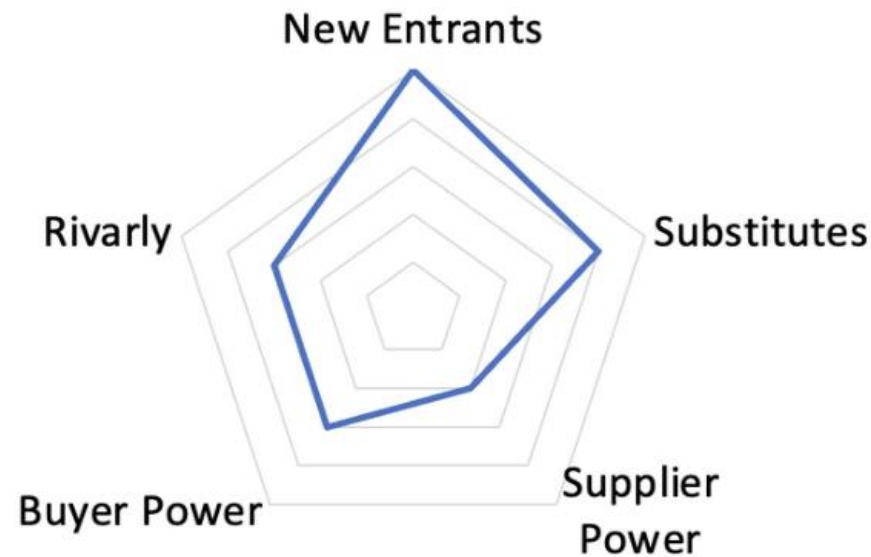
GVS blue chips clients



The background of the slide is a blurred photograph of a modern, multi-story glass-walled building. The building has a prominent sign on its upper facade that reads "GVSEI" in large, white, sans-serif capital letters. The entire image is overlaid with a semi-transparent blue filter. A horizontal white bar is positioned across the middle of the image, containing the main title text.

INDUSTRY OVERVIEW

Porter analysis



We conducted Porter's five forces to analyze the competitive forces within the industry:

- **New Entrants:** the threat is minimal thanks to the high barriers, economies of scale and strict regulation.
- **Internal Rivalry:** high due to the presence of major conglomerates and small specialized niche players.
- **Power of buyers:** low because of substantial costs of changing suppliers also in terms of time
- **Power of Supplier:** depends on technological dynamism and certified quality.
- **Substitutes:** challenging to identify direct and similar products.

S

Vertical integration

Glocal structure: global reach and local flexibility
Strong **customer involvement**



S: GVS draws its strength from the vertical integrated business structure (self-produce 60-70% of the filtration membranes).

W

Smaller size compared to the peers
Intricated **certification procedure**
Restricted **market share growth**
Limited exposure to developing countries



W: limited exposure to developing countries as the adoption of filtration solution is still low

O

New filtration systems for electric vehicles
Higher **protection devices standards**
M&A expansion in international markets



O: GVS can take advantage of the increasing trend demand for e-vehicle components.

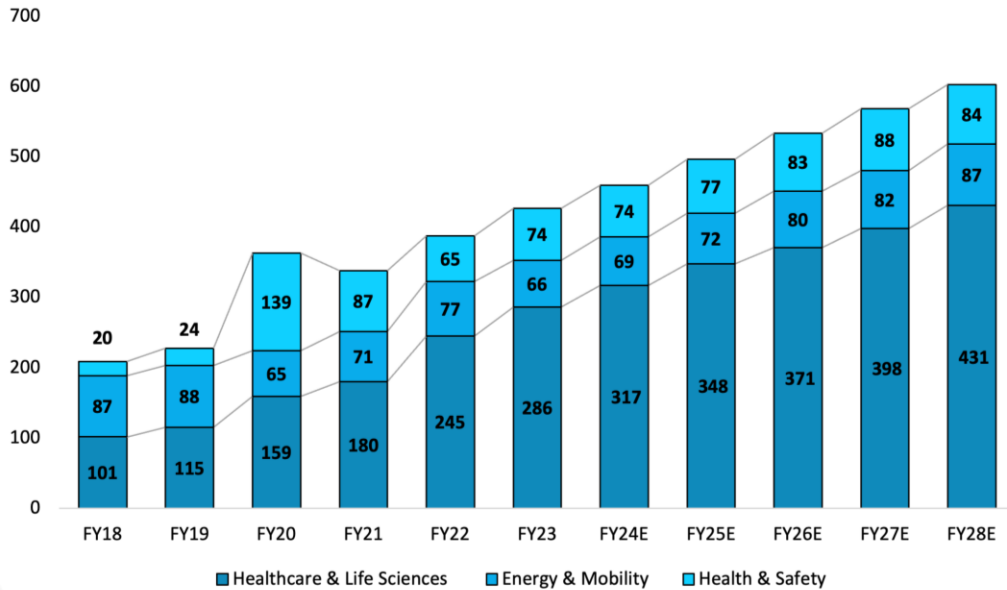
T

Low management turnover
Expensive and bad integrated **acquisitions**
Profitability reduction after the COVID-19 boost



T: low management turnover and profitability reduction after the COVID-19 boost.

Revenue trend FY18-FY30E



The industrial filtration market is expected to **grow at 5.2% CAGR** from 2023 until 2030.

Healthcare & Life Sciences

(+) Rising demand for infusion procedures, hemodialysis and transfusions.

Energy & Mobility (-) Future emissions standards – mobility poses a potential challenge to the liquid filters segment (counting for 7% of GVS revenues).

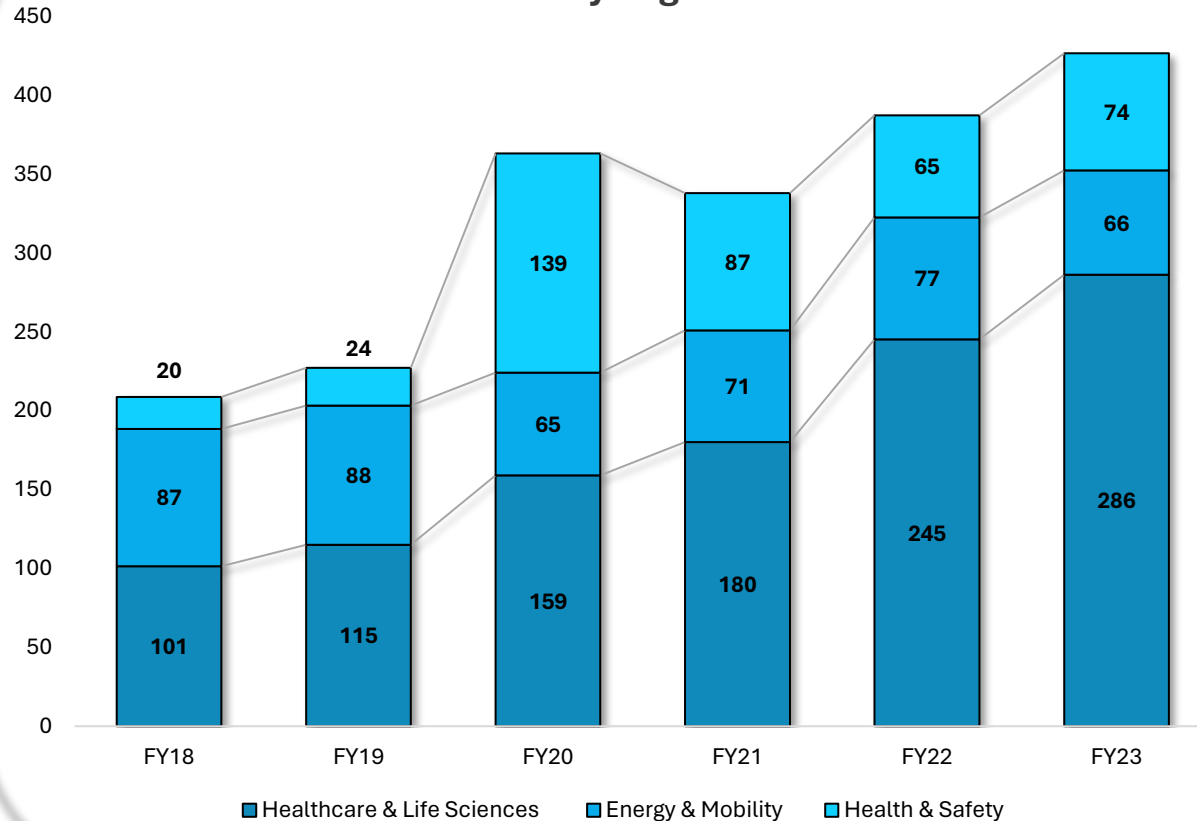
Health & Safety (+) Greater awareness on occupational risks – production of advanced filtration devices for employees protection.

The background of the slide is a blurred photograph of a modern, multi-story glass-walled building. The building has a prominent 'GVEI' logo on its upper facade. The entire image is overlaid with a semi-transparent blue filter. A horizontal white bar is positioned across the middle of the image, containing the text 'FINANCIAL ANALYSIS'.

FINANCIAL ANALYSIS

Revenues FY18-FY23

Revenues by segment



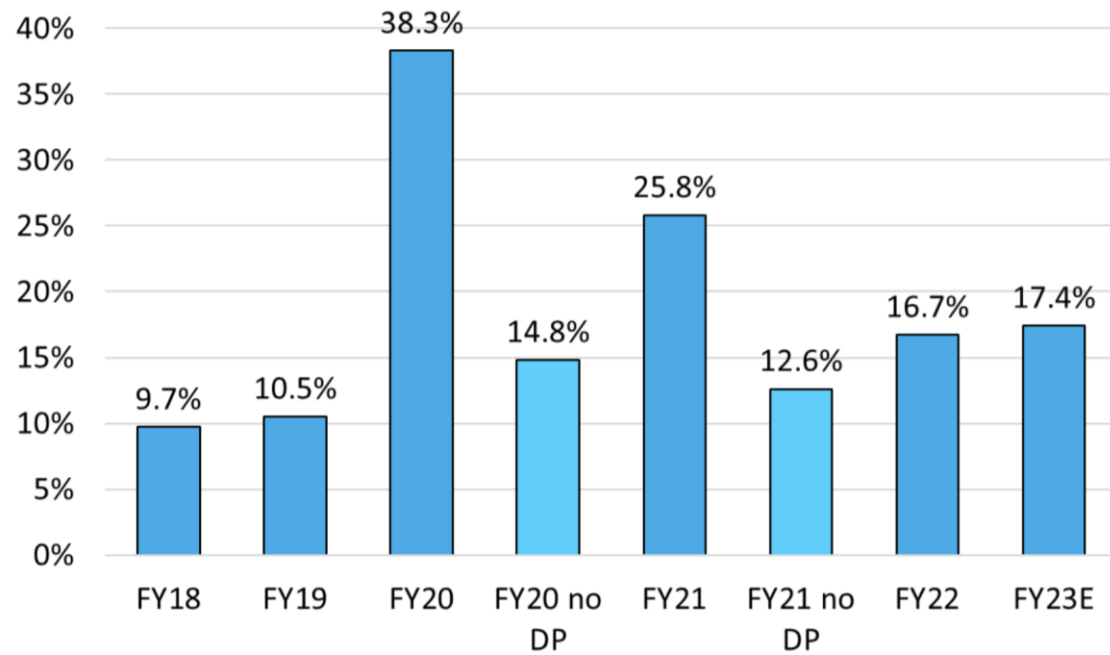
Healthcare & Life Sciences:
Dominant revenue driver
(FY18-23 CAGR of 23%).

Energy & Mobility:
Secondary revenue driver
(FY18-23 CAGR of -5%).

Health & Safety:
Minor revenue driver
(FY18-23 CAGR of 15%).

Source: company data, team elaboration

How did Covid-19 affect GVS?



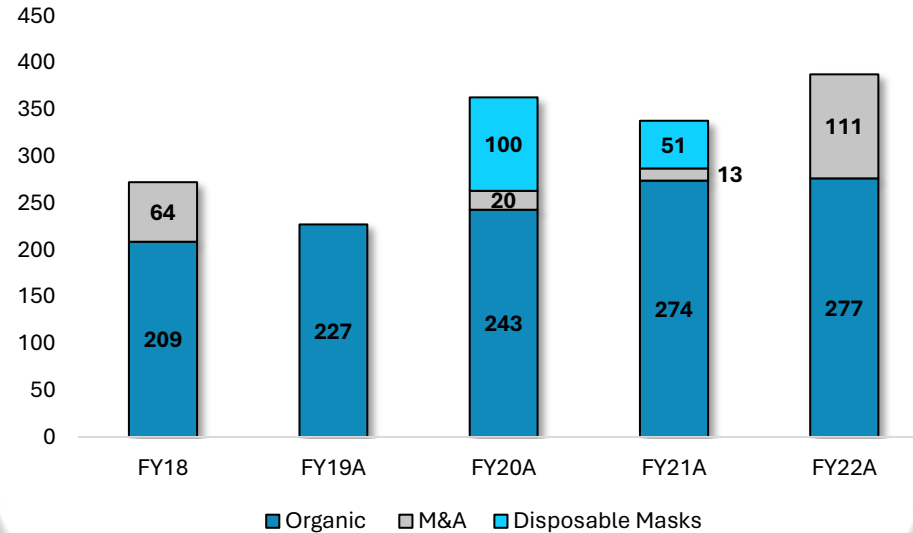
Health & Safety contribution in FY20:

With disposable masks: **38.3%**

Without disposable masks: **14.8%**

M&A contribution to revenues

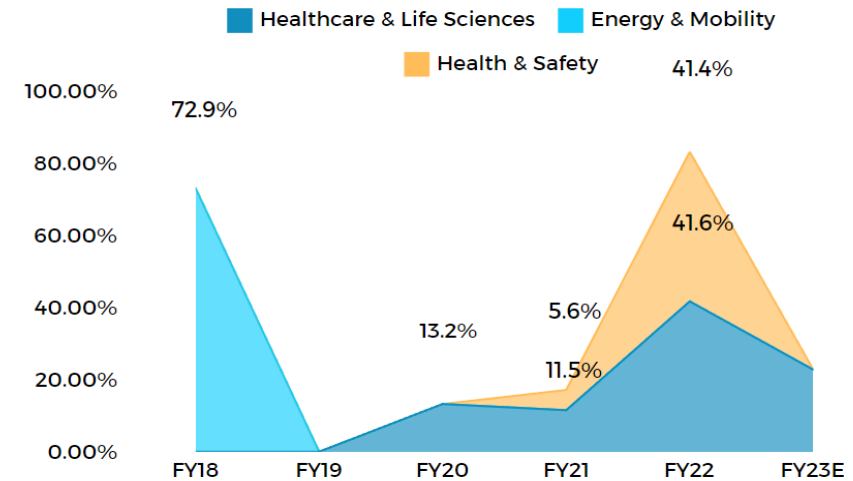
Organic Vs inorganic sales



Organic sales: 71.4% of FY22 sales

Inorganic sales: 28.6% of FY22 sales

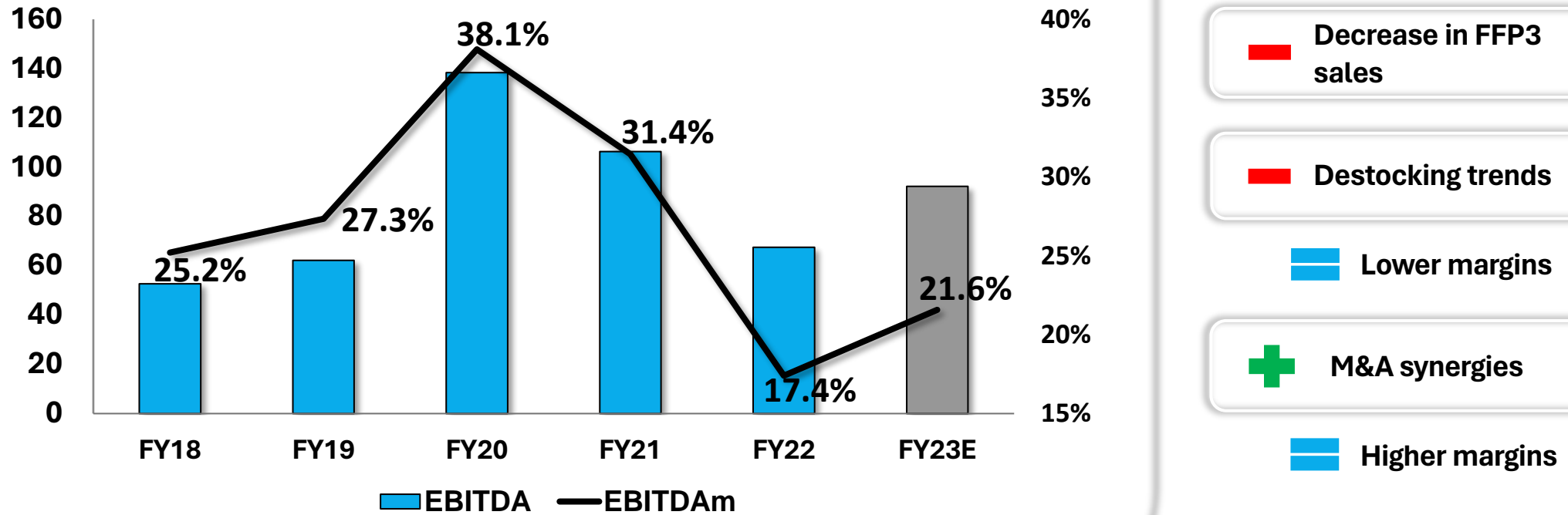
M&A contributions



Healthcare & Life Sciences: Historically highest M&A weight in revenues.

Health & Safety: Increased its magnitude through the acquisition of RPB.

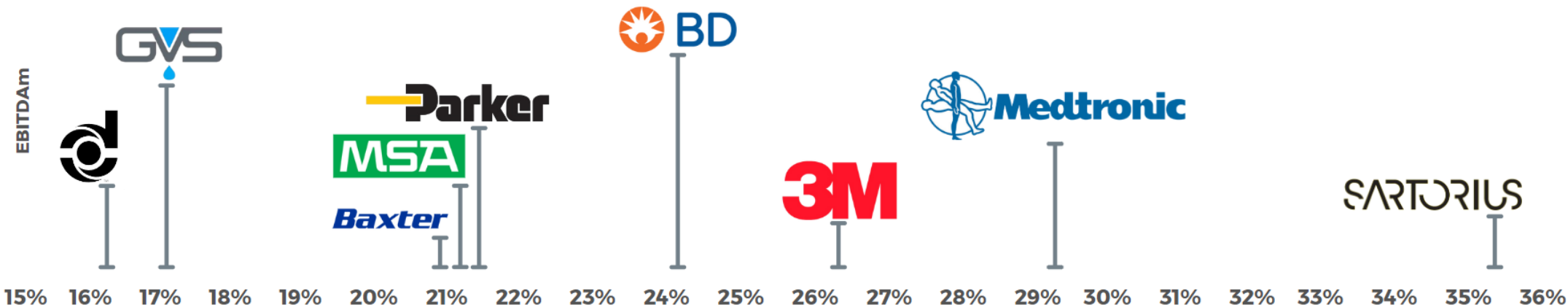
GVS EBITDA and EBITDAm



Source: Company data, team elaboration

EBITDA margin: GVS vs Peers

EBITDA margin in the filtration market FY22

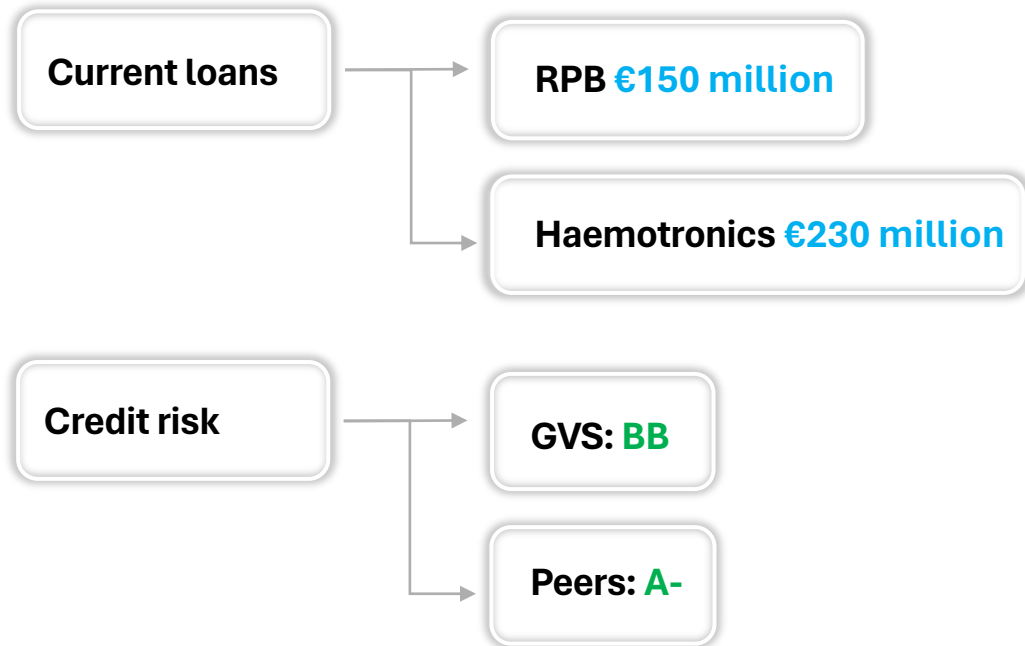


High EBITDA margin compared to Italian firms.



Low EBITDA margin with respect to global conglomerates.

Credit score: GVS vs Peers

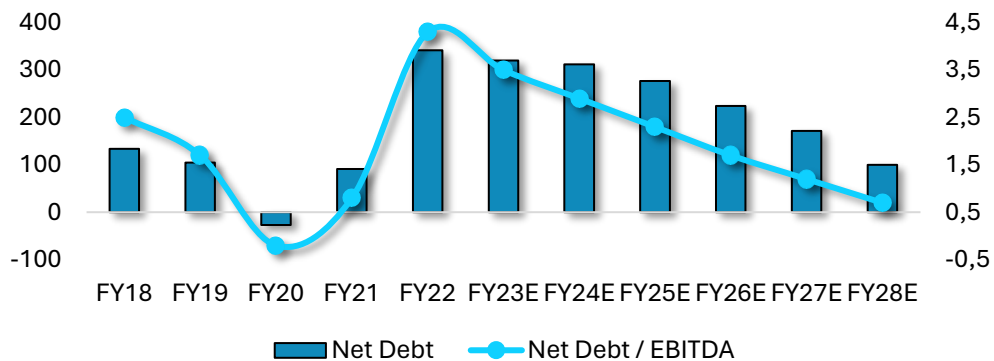


GVS's credit score vs peers

GVS	BB
3M	BBB-
BAXTER	BBB
SARTORIOUS	BBB-
MEDTRONIC	A
Becton Dickinson	A+
Parker Hannifin	A
Donaldson	AA-
MSA	BBB

Source: Refinitiv, team elaboration

Net Debt and NetDebt/EBITDA

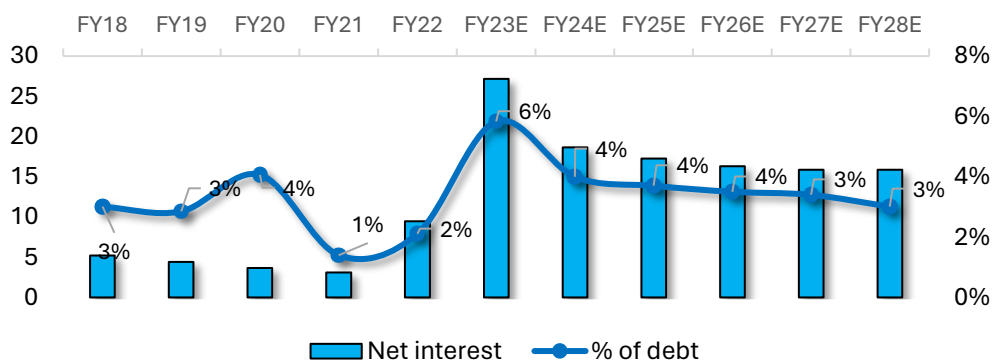


FY23E

Net debt/EBITDA: 3.5x
 Limited financial firepower

FY24E-28E

Net debt reduction
 Prioritize financial stability



FY23E

Net interest/debt at 6%
 Difficulty to cover expenses

FY24E-28E

Stabilization at 3%
 Lower interest expenses

Source: Refinitiv, team elaboration

FY18-FY20:

Upward trajectory.

Expansion of demand.

FY20-FY23E:

Downward trajectory.

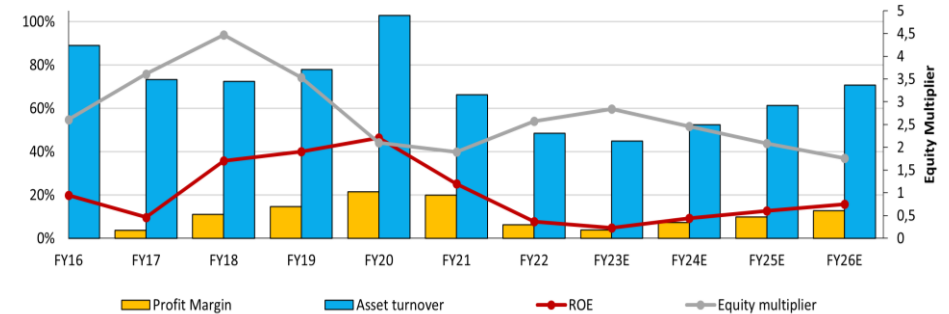
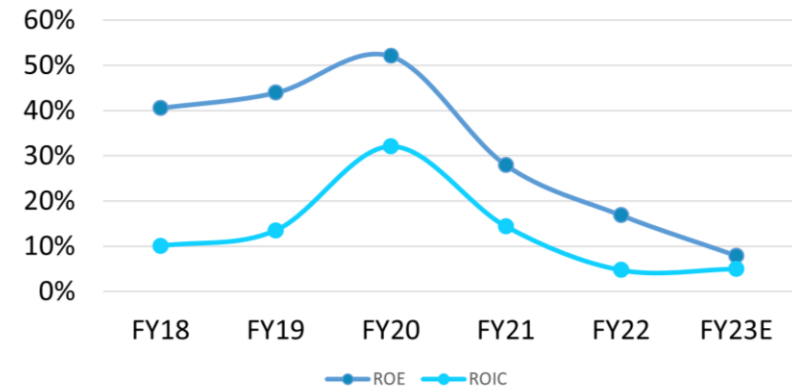
Reduction in net profit.

Convergence

GVS profitability in **alignment** with its capital structure and asset utilization.

Consequence

Maximization of returns for all stakeholders of the company.



Dividend Per Share

Focus

The deleveraging process will lead to the possibility of paying dividends.

Consequence

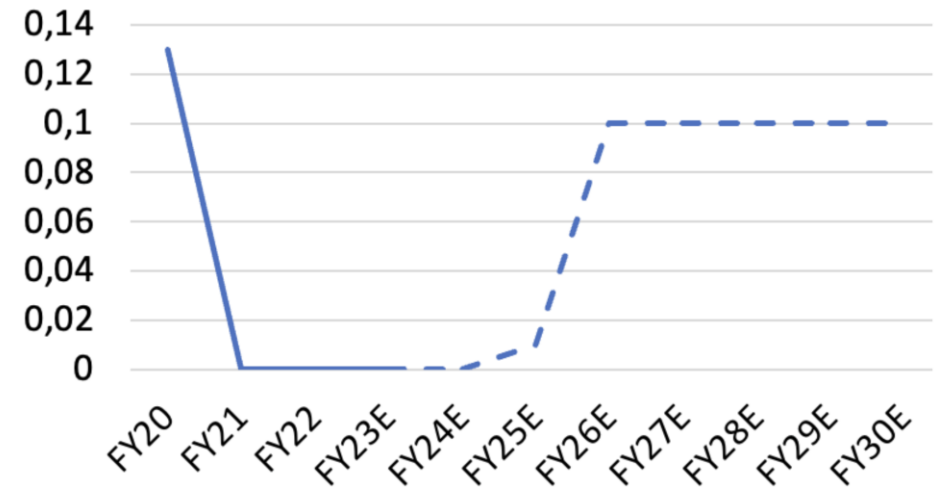
GVS won't focus on M&A.

Future

From 2026 dividends could set €0.10 per share.

Advantages

Increasing the sentiment of investors towards the company.



Rates on GVS loans

Variable rates on loans

TYPE	Issue date	Amount (€ mln)	Due date	# Installments	Frequency	Interests	Currency
Loan	Nov 2020	20	12/11/2025	9	Semiannual	6-month euribor + spread from 0.85% to 1.75%	€
Loan	Nov 2020	20	30/11/2025	60	Quarterly	3-month euribor + spread 0.75%	€
Loan	Jul 2021	150	2026	-	-	6-month euribor + spread	€
Loan	2022	230	2027	-	-	6-month euribor + spread	€

Haemotronic

Type	Bank	Amount at 2022 (mln)	Due Date	Frequency	Interest	Warranty	Covenant
Financ.	Valsabbina	1.50	1/10/2026	Biannual	1.3%	NO	NO
Financ.	Credem	1.50	15/6/2025	Quarterly	0.2%	NO	NO
Financ.	Credem	0.86	13/4/2023	Quarterly	0.2%	NO	NO
Financ.	Credem	1.00	24/11/2023	Quarterly	0.2%	NO	NO
Financ.	BPM	2.51	31/12/2024	Quarterly	0.4%	NO	NO
Financ.	BPER	3.69	31/12/2028	Biannual	0.8%	NO	NO
Financ.	Intesa	1.25	30/6/2025	Monthly	0.3%	NO	NO
Financ.	Intesa	2.25	21/9/2026	Monthly	0.2%	NO	NO
Financ.	Banco Popolare	1.59	30/9/2025	Quarterly	0.6%	NO	NO
Financ.	BPV	0.30	16/9/2026	Quarterly	1.1%	NO	NO

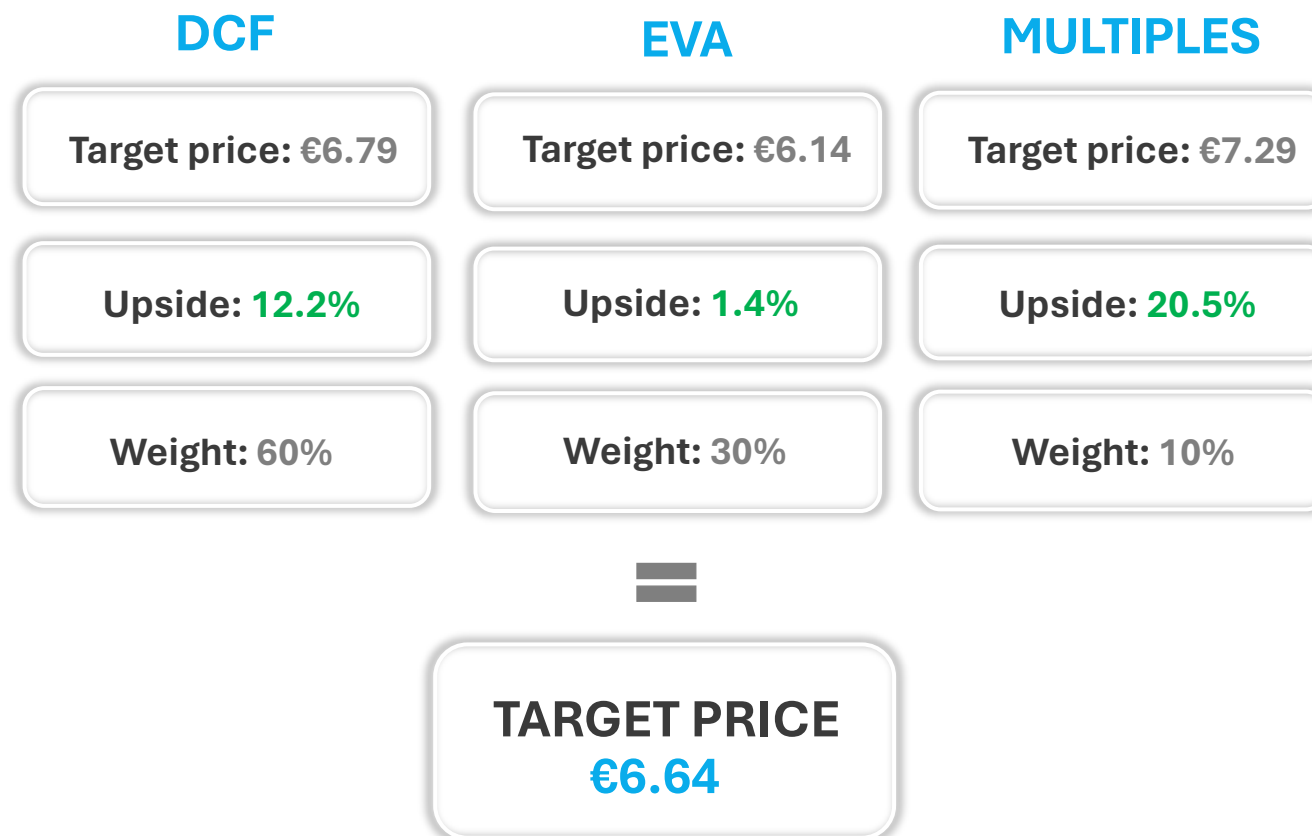
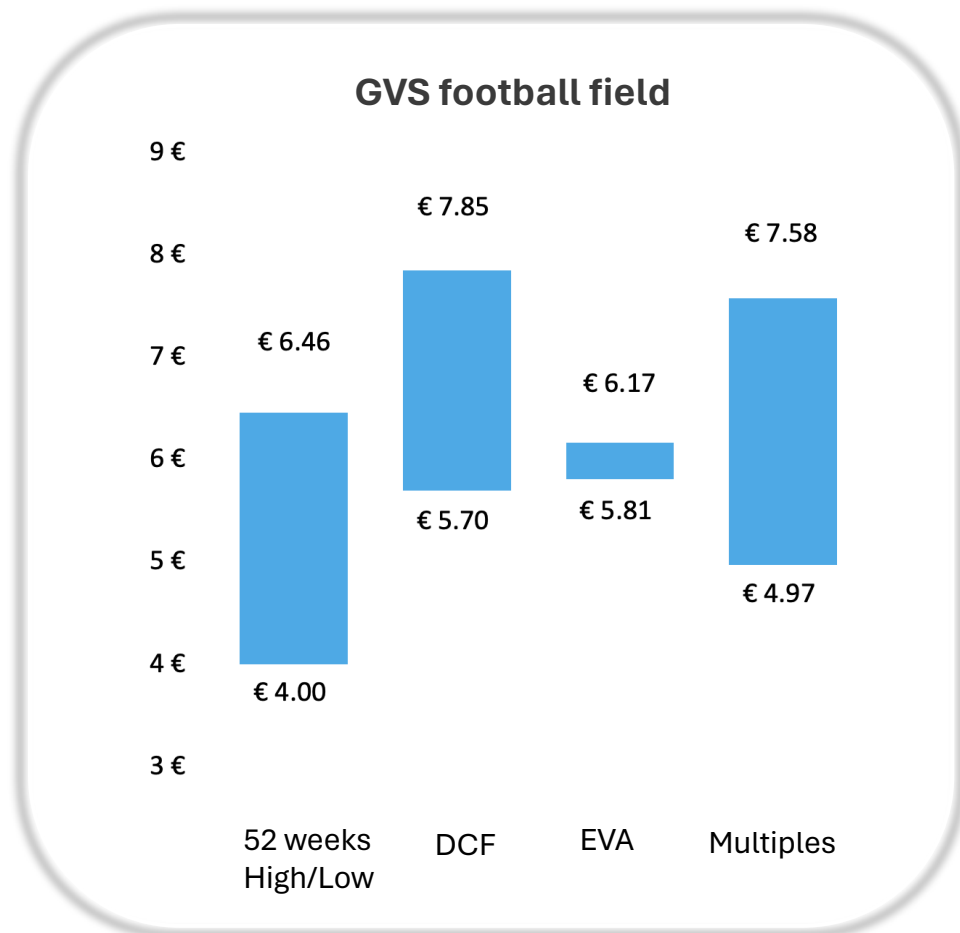
Competitive analysis: GVS vs Peers

2022	Size and Growth		Margins			Returns		CapEx		Liquidity
€(mln)	Sales	Sales CAGR 18-22	EBITm	EBITDAm	Net Margin	ROA	ROCE	CapEx/sales	CapEx/D&A	NetDebt/EBITDA
GVS										
GVS	388	16.7%	7.5%	17.4%	6.2%	2.4%	12.4%	20.1%	2	4
Healthcare & Lifescience companies										
Sartorius AG	4.175	27.8%	28.4%	35.3%	16.2%	9.7%	22.8%	13.1%	1.9	1.6
Medtronic	29.996	3.1%	20.8%	29.5%	12.0%	4.8%	9.0%	3.4%	0.4	1.7
Baxter	14.378	11.2%	11.7%	21.0%	-16.1%	-8.8%	8.0%	4.7%	1.1	5.1
Becton Dickinson & Co	18.167	4.3%	13.0%	24.8%	7.4%	2.7%	6.0%	4.0%	0.3	3.0
Average within the segment	16.679	11.6%	18.5%	27.6%	4.9%	2.0%	11.5%	6.3%	0.9	2.9
Energy & Mobility companies										
Donaldson Co Inc	3.259	6.8%	14.0%	16.7%	10.5%	13.5%	25.4%	3.1%	1.1	0.8
Parker-Hannifin Corp	18.232	9.8%	17.4%	21.7%	10.9%	7.3%	15.0%	5.4%	1.3	2.8
Average within segment	10.745	8.3%	15.7%	19.2%	10.7%	10.4%	20.2%	4.2%	1	2
Health & Safety										
3M	32.564	4%	21.6%	27.0%	16.9%	12.7%	24.5%	4.8%	0.9	1.3
MSA Safety Inc	1.454	6%	17.7%	21.3%	11.8%	7.7%	18.4%	2.9%	0.8	1.2
Average within the segment	17.009	5%	20.0%	24.0%	14.0%	10.0%	21.0%	4.0%	0.9	1.2
PEERS AVERAGE	14.811	8.3%	17.9%	23.7%	10.0%	7.5%	17.7%	4.8%	1	2



VALUATION

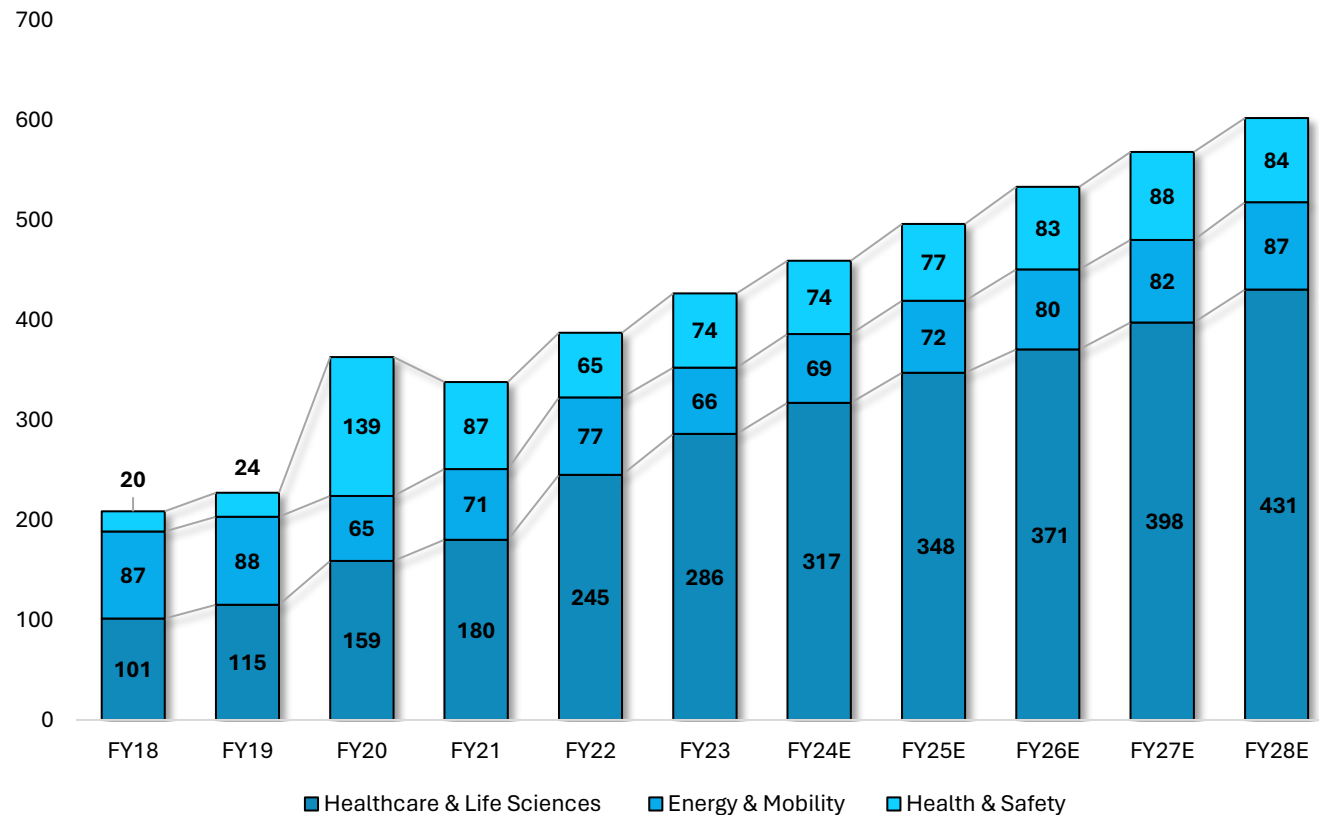
An insight to valuation



Source: company data, team elaboration

REVENUES: Top-line analysis

Revenues by segment FY18-FY28



Healthcare & Life Sciences:
8.5% CAGR from FY23 to FY28
Hospital filter demand

Energy & Mobility:
5.7% CAGR from FY23 to FY28
Stabilization

Health & Safety:
2.5% CAGR from FY23 to FY28
RPB acquisition



7% CAGR from FY23 to FY28

Source: company data, team elaboration

Revenues estimation

Revenues €(mln)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Healthcare & Life Sciences	101	115	159	180	246	286	317	348	371	398	431	458	483
<i>YoY growth</i>		13.5%	38.2%	13.3%	36.1%	16.7%	10.8%	9,6%	6.7%	7.3%	8.3%	6.2%	5.5%
Energy & Mobility	88	88	65	71	77	66	69	72	80	82	87	89	94
<i>YoY growth</i>		1.3%	-26.2%	8.5%	9.4%	-14.3%	4.1%	4.4%	11.2%	3.0%	6.0%	1.9%	5.5%
Health & Safety	20	24	139	87	65	75	74	77	83	88	85	89	94
<i>YoY growth</i>		18.2%	479.4%	-37.3%	-25.5%	14.7%	-1.1%	4.6%	7.5%	6.5%	-4.3%	5.5%	5.5%
Total	209	227	363	338	388	427	460	497	534	568	603	636	671
<i>YoY growth</i>		8.9%	59.8%	-6.9%	14.6%	10.2%	7.7%	8.0%	7.5%	6.5%	6.0%	5.5%	5.5%

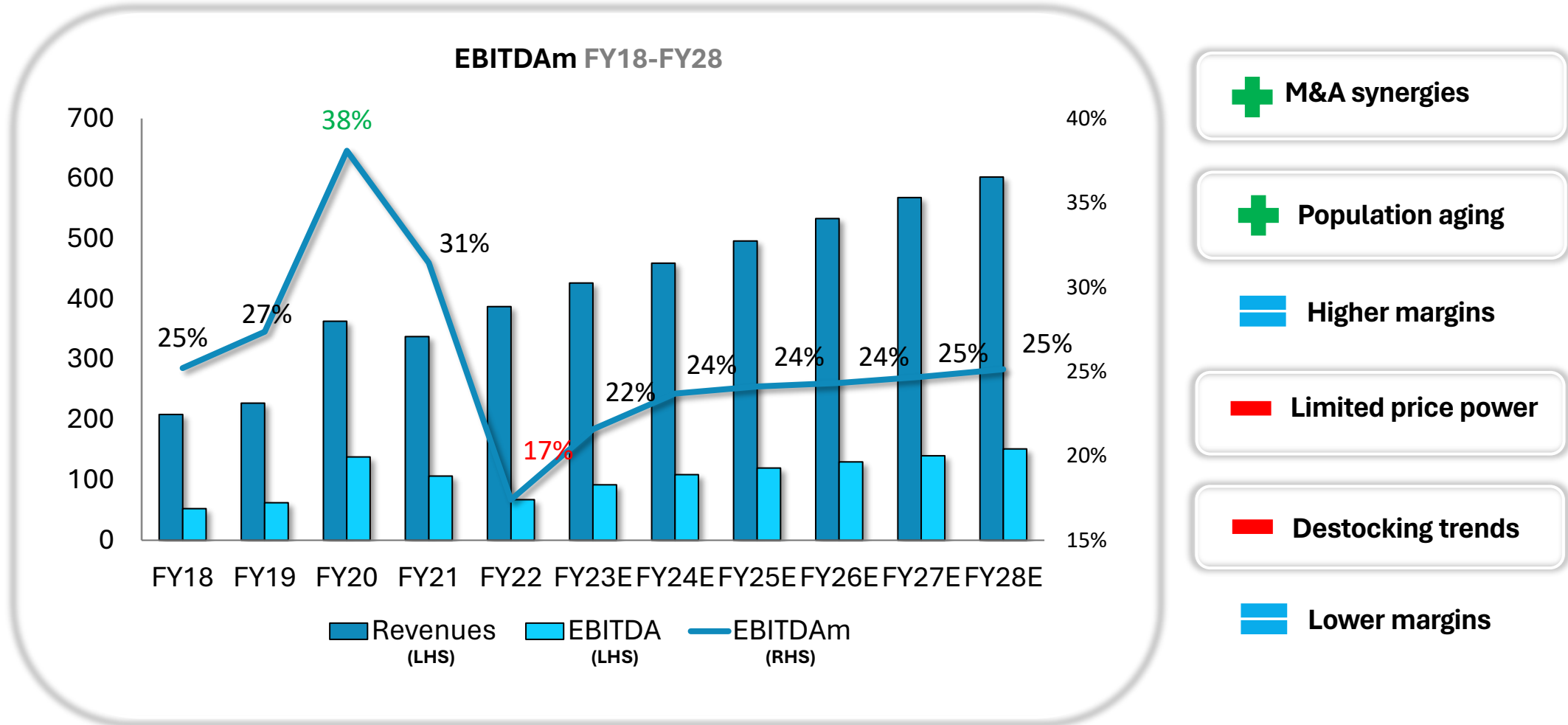
In estimating revenues we consider two different period:

(i) **2023** revenue forecasts are based on 9M2023 data.

(ii) For the period **2023-2027**, revenues were projected taking into account future trends for each of the three segments.

(iii) Lastly, for the period **2028-2030** revenue forecasts are estimated jointly for the three segments, assuming a stabilizing growth trajectory that aligns with a long-term growth rate of 5.5% in 2030.

EBITDA margin



Source: company data, team elaboration

DCF: three stage model

	FIRST STAGE	SECOND STAGE		
Years	FY23E-FY27E	FY28E-FY30E	Enterprise Value	1510m
Sales CAGR	7.3%	5.5%	Net debt	320m
Average EBITDAm	23.7%	25.7%	Pension liabilities	4.63
Average EBITm	13.4%	16.8%	minority interests	0.04
			Equity value	1185m
			Share Price	€ 6.78 per share

Ke: 10.7% WACC: 8.2% Kd: 4.6%

We computed a three-stages DCF which gave a target price of **€6.79** per share 12.2% premium to the last close:

First stage:

We forecast a 7.3% FY23E-FY27E revenue CAGR and an increasing EBITDA to 11.1%.

Second stage:

We expect the single-digit revenue growth rate to further decline as it stabilizes, with 5.5% CAGR FY28E-FY30E. Both EBITDA and CapEx decrease as well.

Terminal value:

Using a stable growth approach, 70.5% of the value comes from the third stage.

DCF: table

€(mln)	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Revenue	209	227	363	338	388	427	460	497	534	568	603	636	671
%Growth		8.9%	59.8%	-6.9%	14.6%	10.2%	7.7%	8.0%	7.5%	6.5%	6.0%	5.5%	5.5%
EBITDA	53	62	138	106	67	92	109	120	130	140	151	163	176
%margin	25.2%	27.4%	38.1%	31.5%	17.4%	21.6%	23.7%	24.1%	24.3%	24.7%	25.1%	25.7%	26.2%
D&A	-19	-17	-19	-24	-38	-47.5	-49.3	-50.9	-52.5	-53.9	-55.3	-56.6	-58.1
EBIT	34	46	119	82	29	45	60	69	77	86	96	107	118
%margin	16.4%	20.1%	32.8%	24.4%	7.5%	10.5%	13.0%	13.9%	14.5%	15.2%	16.0%	16.8%	17.6%
Taxation					27.1%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%
NOPAT					21	33	44	50	56	63	70	78	86
D&A					-38	-47	-49	-51	-52	-54	-55	-57	-58
Capital Expenditure					23	-36	-20	-21	-21	-22	-22	-22	-21
Change in NWC					14	2	-2	-15	-2	-9	-9	-9	-9
Unlevered FCF					97	47	70	66	85	86	95	104	113
Discounted FCF							65	56	67	63	64	64	65

WACC COMPUTATION: Beta and ERP

RISK FREE RATE	
10-years bond	avg 90 days
Risk free rate	4.2%

Index	
Raw Beta	0.735
Adj Beta	0.823
Beta unlevered	0.616
Beta Re-Levered	0.841

ERP COMPUTATION	
Implied ERP Mature mkt	4.6%
CRP Weighted	3.1%
ERP	7.66%

Raw Beta was estimated with a linear regression, considering the Italian benchmark against GVS's historical return, resulting in a raw Beta of **0.735**.

Then we computed the **Beta adjusted** to **0.823**, according to the Efficient Market Hypothesis.

To calculate **Beta Levered**, we start by adjusting the Raw Beta to an unlevered state, computing the average of D/E ratio over the past three years. Subsequently, we re-leverage it using a specified target D/E ratio. This process yields a **re-levered Beta** of **0.841**.

Equity Risk Premium was calculated by combining the implied US market ERP of 4% (source: Damodaran) with a weighted Country Risk Premium of 3.06%. The Country Risk Premium was determined by considering the risk premium of each region where GVS operates, weighted by the respective percentage of sales in each region. We obtained a 7.76% ERP.

Cost of Equity (Ke) was estimated with the Capital Asset Pricing Model (CAPM), which lead to a 10.7% Ke.

$$K_e = R_f + \beta(ERP)$$

Cost of Debt (Kd) was computed by averaging the yield to maturity across corporate companies with a BBB (?) rating (as GVS). These bonds yield approximately 3.6%, to which we incorporate the OAS spread. The result is a **4.6% Kd**.

Sensitivity
Terminal growth rate

	6.79	1.50%	1.75%	2.00%	2.25%	2.50%
	8.74%	5.71 €	5.91	6.12	6.34	6.58
	8.49%	6.00	6.22	6.44	6.69	6.96
	8.24%	6.32	6.55	6.79	7.07	7.36
	7.99%	6.65	6.90	7.18	7.48	7.80
	7.74%	7.01	7.29	7.60	7.92	8.29

WACC

Invested capital:

Book value adjusted with respect to operating leases, R&D expenses and other intangibles.

Operating leases:

Average percentage over the past 5 years on revenues (c.0.5%)

R&D:

On average 6% of the revenues

Goodwill:

Devaluating each year of 1%.

€(mln)	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Invested capital	630	655	685	720	772	826	886
PV OF EVA	119	114	110	107	106	105	104
Sum of PV of EVA	765						
Enterprise value	1396						
Total debt-cash	320						
Pension Liabilities	5						
Minority interests	0.04						
Equity value	1071						
# diluted shares	175						
Target price	6.14						
Last price	6.05						
Up/downside	1.4%						

€(mln)	
WACC	8.24%
ROIC	9.8%
Invested capital in place FY24E	630

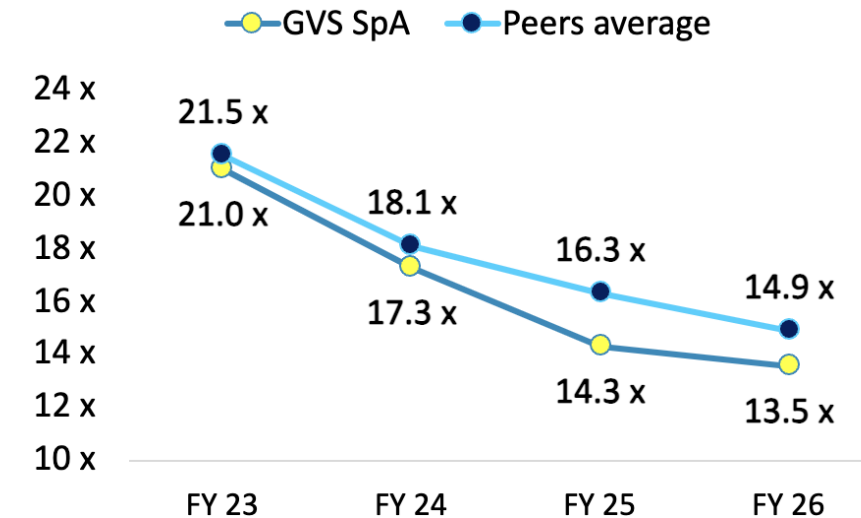
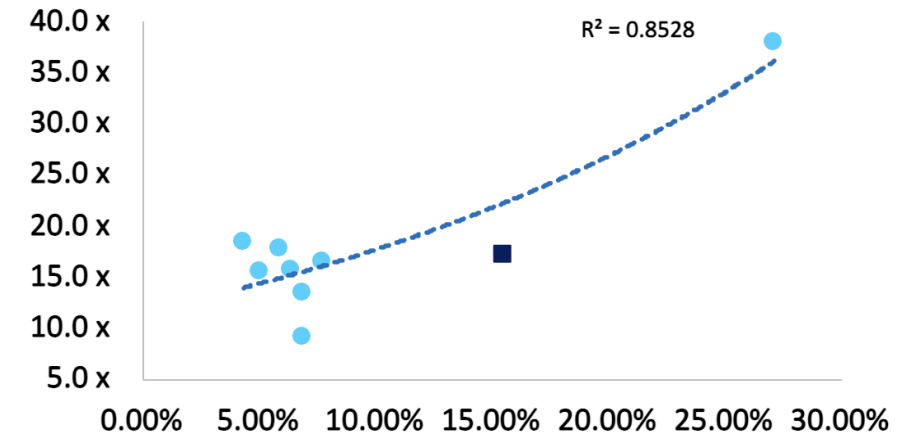
Relative valuation regression EV/EBIT

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	9.034	2.177	4.150	0.006	3.706	14.361
EBIT Cagr 25/24	103.377	19.384	5.333	0.001	55.946	150.808

Regression Statistic	
Multiple R	0.909
R Square	0.826
Adjusted R Square	0.797
Standard Error	3.845
Observation	8

	EV/EBIT	CAGR EBIT
GVS SpA	17.3	15.5%
3M Co	9.2	6.9%
Baxter Inter	13.5	6.8%
Becton Dicki	16.5	7.7%
Donaldson Co	15.6	5.0%
Medtronic PL	15.8	6.4%
Parker-Hanni	18.4	4.3%
Sartorius AG	38.0	27.1%
MSA Safety I	17.8	6.0%

EV/EBIT vs EBIT growth 24/25



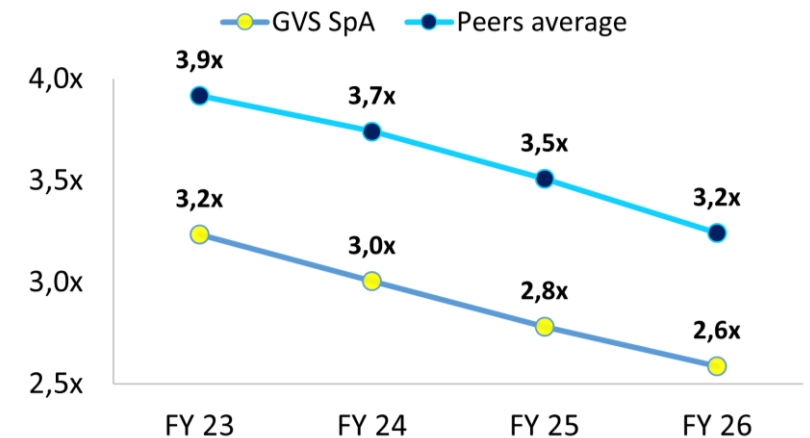
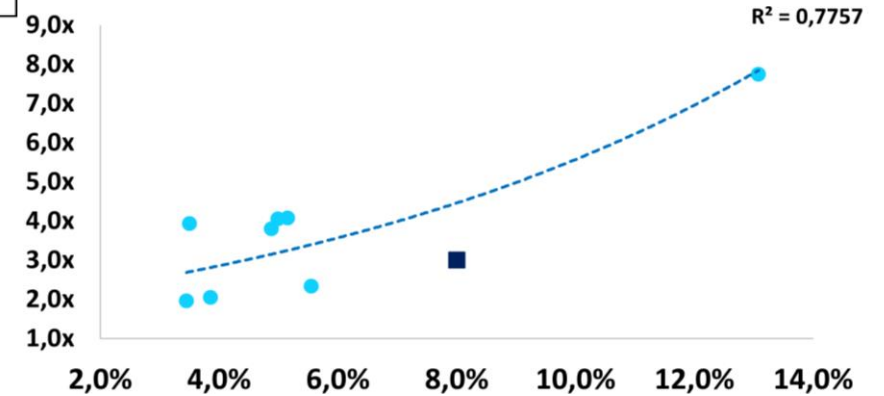
Relative valuation regression EV/SALES

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	-2.811	1.407	-1.999	0.102	-6.427	0.804
EBITm	17.682	6.366	2.778	0.039	-1.317	34.046
Sales CAGR	52.395	7.925	6.612	0.001	32.024	72.766

Regression Statistic	
Multiple R	0.954
R Square	0.911
Adjusted R Square	0.875
Standard Error	0.658
Observation	8

	EV/Sales	EBITm	Sales CAGR
GVS SpA	3.00	13.0%	8.0%
3M Co	1.96	21.3%	3.4%
Baxter Inter	2.04	15.1%	3.8%
Becton Dicki	4.05	24.5%	5.0%
Donaldson Co	2.34	15.0%	5.5%
Medtronic PL	4.07	25.8%	5.2%
Parker-Hanni	3.80	20.7%	4.9%
Sartorius AG	7.74	20.4%	13.1%
MSA Safety I	3.93	22.0%	3.5%

EV/Sales vs sales growth 24/25



MULTIPLE	FY 23	FY 24	FY 25	FY 26
EV/SALES	3.2x	3.0x	2.8x	2.6x
EV/EBITDA	15.0x	12.7x	11.5x	10.6x
EV/EBIT	30.9x	23.1x	20.1x	17.8x
EV/IC	2.3x	2.2x	2.1x	2.0x
P/E	75.8x	32.3x	27.7x	21.7x
P/S	2.5x	2.3x	2.1x	2.0x

Peers Multiples

Company	Mkt cap € (mln)	Weight	EV/Sales	EV/ IC	EV/EBITDA	EV/EBIT	P/E	P/S
GVS SpA	1066	0,3%	3,0	1,8	13	23	22	2,6
Sartorius AG	22363	6,6%	7,7	4,8	26	38	56	6,1
Medtronic PL	108047	32,1%	4,1	1,8	14	16	15	3,5
Baxter Inter	18338	5,5%	2,0	1,3	9	14	12	1,3
Becton Dicki	63543	18,9%	4,1	2,0	14	17	17	3,3
Donaldson Co	7510	2,2%	2,3	4,1	13	16	19	2,2
Parker-Hanni	60802	18,1%	3,8	3,1	15	18	19	3,2
3M Co	48589	14,4%	2,0	2,9	7	9	9	1,6
MSA Safety I	6148	1,8%	3,9	4,6	15	18	21	3,6
Peers average	27369	8,1%	2,9	3,8	11	14	15	2,6

Peer Selection: Healthcare & Life Sciences

Company	Business Description	Relevance	Segment	Comparable
Healthcare & Life Sciences				
PALL (Danaher)	Pall is a filtration, separation and purification globally leader company, which was acquired by Danaher in 2015. It provides solutions to meet the critical fluid management needs of customers mainly in the Aerospace, Medical and Biotech sector.	PALL (a subsidiary of Danaher) operates within the Life Sciences sector, similar to GVS. Despite the notable revenue concentration in the USA market like GVS, we've chosen to exclude it due to differences in the company's scale and its acquisition by Danaher, which is not a direct peer of GVS.	<ul style="list-style-type: none"> ✓ HEALTHCARE LIQUID ✓ HEALTHCARE AIR & GAS ✓ LABORATORY 	NO
Baxter	Baxter is an American group operating in the healthcare sector whose products and therapies are used in clinics and hospitals. The company's offer is focused on infusion systems and devices, plastic bags for medical use and advanced surgical equipment.	Baxter and GVS, despite significant differences in size, share a common focus on the production of infusion systems and devices. Furthermore, Baxter's implementation of a new business model, which establishes four verticalized global segments while replacing the previous matrixed structure, brings it closer in similarity to GVS. Consequently, we have elected to adopt Baxter in our comparative analyses.	<ul style="list-style-type: none"> ✓ HEALTHCARE LIQUID • HEALTHCARE AIR & GAS • LABORATORY 	YES
Sartorius AG	Sartorius AG is a worldwide German company specialized through its two divisions in the biopharmaceutical industry. It provides equipment and consumables for the laboratory and for all stages of the lifecycle of a biopharma drug.	We have chosen to compare Sartorius with GVS due to their similarities, not only because they belong to the same sector, but also for their focus over the past year on integrating the results of acquisitions into their business models	<ul style="list-style-type: none"> • HEALTHCARE LIQUID • HEALTHCARE AIR & GAS ✓ LABORATORY 	YES
Medtronic	Medtronic is a U.S. global leader specialized in the provision of medical devices through diverse business units. It focuses on the treatment of complex and challenging conditions, bringing healthcare solutions in more than 150 countries.	Despite Medtronic being larger in size compared to GVS, they share several similarities. Both companies provide devices and operate within the Healthcare Air & Gas subsegment. We have opted to include Medtronic in our comparative analysis due to its status as the primary competitor and its extensive product range.	<ul style="list-style-type: none"> • HEALTHCARE LIQUID ✓ HEALTHCARE AIR & GAS • LABORATORY 	YES
Becton Dickinson	Becton Dickinson is one of the largest American medical technology companies. It is improving the Healthcare sector by developing innovative technologies, services and solutions that help advance both clinical therapy and clinical process in 3 business units.	Both Becton Dickinson and GVS demonstrate solid growth in their respective business units within the Life Sciences sector. For the similarities in the Life Sciences segment production we've decided to adopt it as competitor.	<ul style="list-style-type: none"> • HEALTHCARE LIQUID • HEALTHCARE AIR & GAS ✓ LABORATORY 	YES

For the **Healthcare & Life Sciences** segment we chose as main peers the companies: Baxter, Sartorius AG, Medtronic and Becton Dickinson. They are comparable not for the total segment but for only some sub-segment. They are very different from GVS for dimension, but comparable for different reasons as the products, vertical business model, and the strategy based on M&A.

Peer Selection: Energy & Mobility




Company	Business Description	Relevance	Segment	Comparable
Energy & Mobility				
Parker Hannifin	Parker Hannifin is a leading U.S. manufacturer of precision engineering solutions. Its technologies and systems, which production is centred on filters for fuel and automobile engines, are used in different markets such as industrial and aerospace.	Parker , despite being larger in size compared to GVS, specializes in the filtration market, producing filters for fuel and automotive engines too. Similar to GVS, the majority of its customer base is B2B. This is why we have chosen to include Parker as a competitor in our analysis.	<ul style="list-style-type: none"> • POWERTRAIN & DRIVETRAIN ✓ SAFETY & ELECTRONICS • SPORTS & UTILITY 	YES
Donaldson	Donaldson is a vertically integrated filtration company serving a variety of industry sectors including aerospace, pharmaceuticals, industrial. It is particularly engaged in the manufacturing of engine filters and air filters designed for automotive cabins and powertrain vents.	Despite Donaldson is more diversified and includes a wide range of filters for various industrial applications, in addition to air filters and fluid filters, both companies operate in the same sector and have international customers. Therefore, Donaldson has been chosen as a relevant competitor of GVS.	<ul style="list-style-type: none"> • POWERTRAIN & DRIVETRAIN ✓ SAFETY & ELECTRONICS ✓ SPORTS & UTILITY 	YES

For the **Energy & Mobility** segment we chose as main peers the companies: Parker Hannifin and Donaldson.

They are comparable not for the total segment but for only some sub-segment.

They are very different from GVS for dimension, but comparable for the product portfolio of the segment and for the international B2B based customers.

Peer Selection: Health & Safety

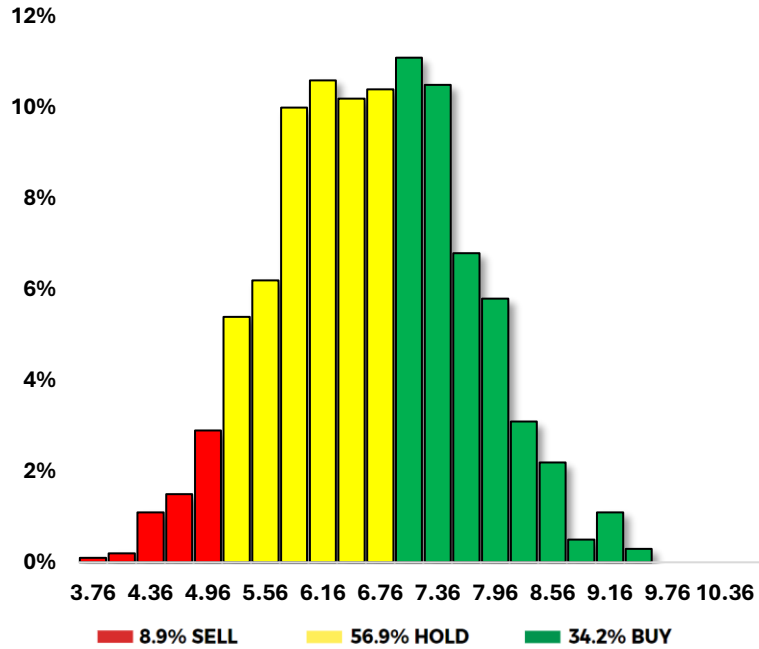
Company	Business Description	Relevance	Segment	Comparable
Health & Safety				
3M	3M company is a multinational conglomerate, spanning various industries as Safety & Industrial, Transportation & Electronics, Health Care, and Consumer with its 18k products. Moreover it leads the Safety & Industrial division with its respiratory protection including masks and full face reusable respirators.	Despite their differing business focuses and dimensions, both 3M and GVS manufacture personal protective equipment and filtration devices and have a global presence, serving clients worldwide. For these reasons, we have decided to consider them as competitors.	 PERSONAL SAFETY • AIR SAFETY	YES
Dräger	Dräger is a corporation established across 19 countries, which holds a prominent position as a leader in the Medical & Safety division. Whithin this sector, the Company develops and manufactures various anesthesia-related products that includes accessories such as masks, breathing circuits and expiration valves.	Although both operate in the Health and Safety sector, Dräger is more specialized in the production of medical and safety devices, such as ventilators, patient monitors, and toxic gas detectors. On the other hand, GVS primarily focuses on manufacturing personal protective equipment, such as respiratory masks and filters. For this reason, we have decided to exclude Dräger from the set of comparables.	 PERSONAL SAFETY • AIR SAFETY	NO
MSA Safety Inc	MSA Safety Inc. is a leading American company in the global safety sector, specializing in designing, producing, and distributing personal protective equipment (PPE) and safety gear for various industries. They prioritize workplace safety through training and consultancy programs to reduce accidents and injuries. With a strong dedication to safety and innovation, MSA continues to lead the global safety market.	MSA Safety Inc. is a leading American company in the global safety sector, specializing in designing, producing, and distributing personal protective equipment (PPE) and safety gear for various industries. They prioritize workplace safety through training and consultancy programs to reduce accidents and injuries. With a strong dedication to safety and innovation, MSA continues to lead the global safety market.	 PERSONAL SAFETY • AIR SAFETY	YES

From the **Health & Safety** segment we chose as main peers the companies: **3M**, and **MSA Safety Inc.**

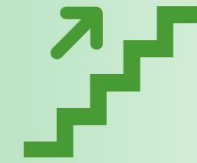
They are comparable not for the total segment but for the Personal Safety sub-segment.

They are very different from **GVS** for dimension, but comparable for different reasons as the products, the global presence and the mainly attention to the working conditions.

Bull & Bear and Montecarlo



- 1 GVS could manage its debt in the short term.
- 2 Maximise plants capacity.
- 3 EBITDAm of 26% in the long term.



€7.32
10.2%



Base case €6.64/share



€5.66
-14.8%



- 4 GVS may lag in EV filters against China and India.
- 5 Limited pricing power challenges sales growth.
- 6 Higher costs of raw materials and services.



ESG

Main Pillars



GVS score vs Peers

SCORE	2020	2021	2022
ESG Score	C+	C+	B-
Environment Score	C	C+	C+
Social Score	B-	B	B
Governance Score	C-	C-	C+

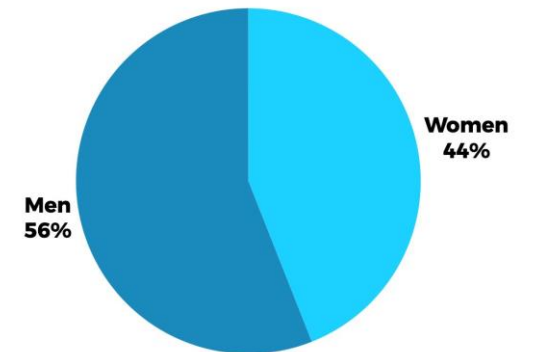
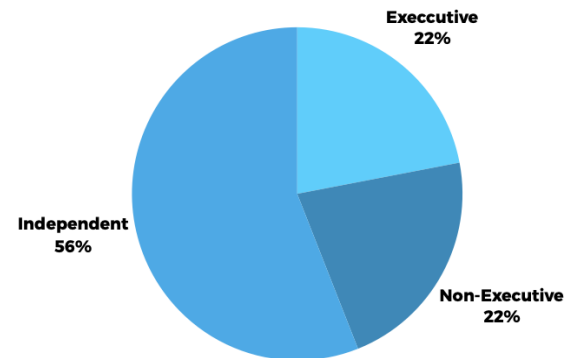
Score 2022	FactSet	Refinitiv
GVS	Average	B-
3M	Laggard	A
BAXTER	Average	A-
SARTORIOUS	Average	A
MEDTRONIC	Below Average	B+
Becton Dickinson	Average	A-
Parker Hannifin	Average	B
Donalson	Below Average	B-
MSA	Average	A-

Even if GVS is **falling behind** its main peers, since 2021 the company has been building its model to a **stronger ESG focus**, improving its score to B-.

BOARD OF DIRECTORS

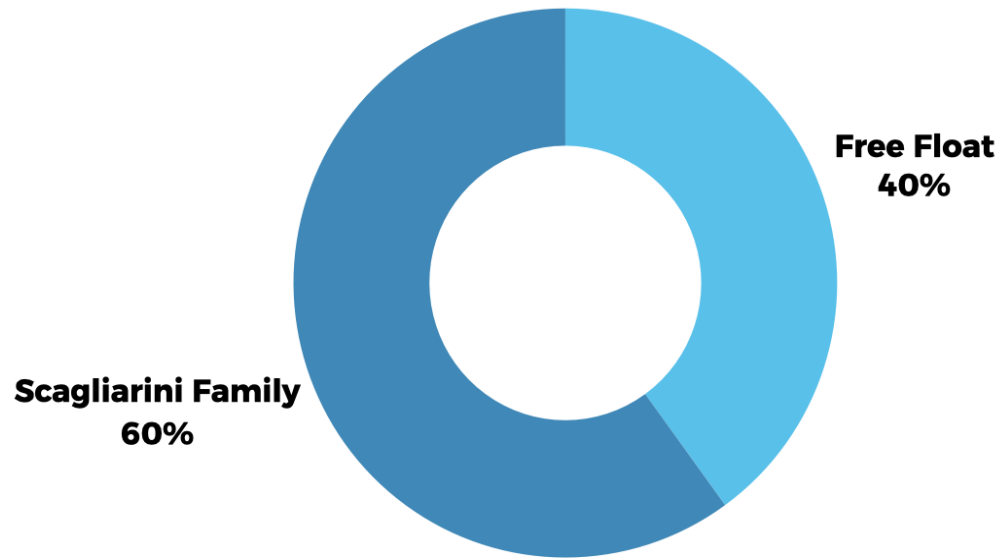
Name	Role	Since	Independent	Committees	
				Remuneration	Risk & Control
Massimo Scagliarini	CEO	2004	No	No	No
Alessandro Nasi	Chairman	2023	No	No	No
Grazia Valentini	Non executive Director	1985	No	No	No
Marco Scagliarini	Non executive Director	2023	No	No	No
Marco Pacini	Non executive Director	2023	No	No	No
Pietro Cordova	Director	2023	Yes	Yes	Yes
Anna Tanaganelli	Director	2021	Yes	No	Yes
Michela Schizzi	Director	2020	Yes	Yes	No
Simona Scarpaleggia	Director	2023	Yes	Yes	Yes

The **Board of Directors** was elected on May 3, 2023 and it will remain in place until the approval of the balance for the year ended December 31, 2025. It is composed by 9 members, with Massimo Scagliarini as CEO.

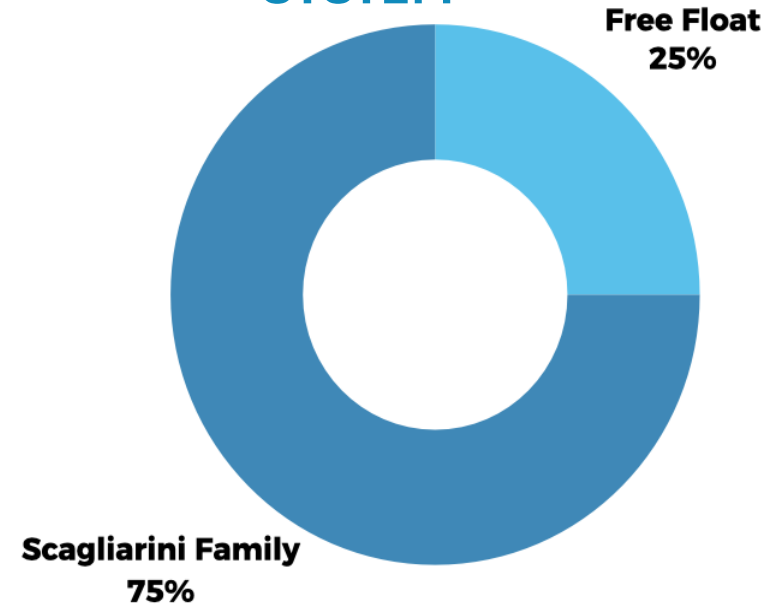


Insider Ownership and Voting Rights

OWNERSHIP



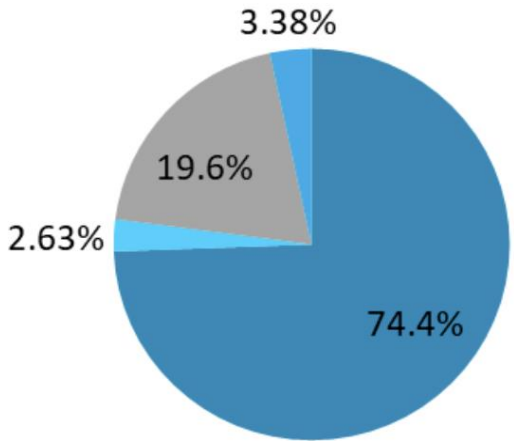
VOTING SYSTEM



Today the holding GVS Group S.p.A owns 60% of shares and 75% of the voting rights, being the only shareholders entitiled for the **double voting per share**. GVS group is owned for 37.5% by Massimo Scagliarini (CEO) and for 36.5% by Marco Scagliarini (Massimo Scagliarini's brother).

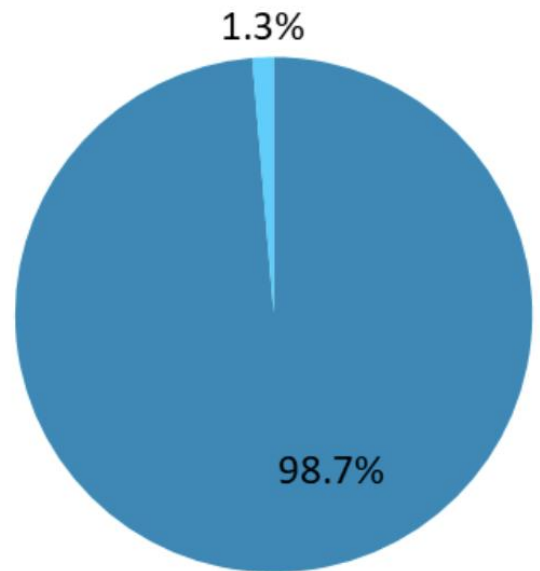
Investor type : fund and firm ownership

FUND OWNERSHIP



- Mutual Fund
- Exchange Traded Fund
- Pension Fund Portfolio
- Insurance Company Portfolio

FIRM OWNERSHIP



- Institutions
- Strategic Entities

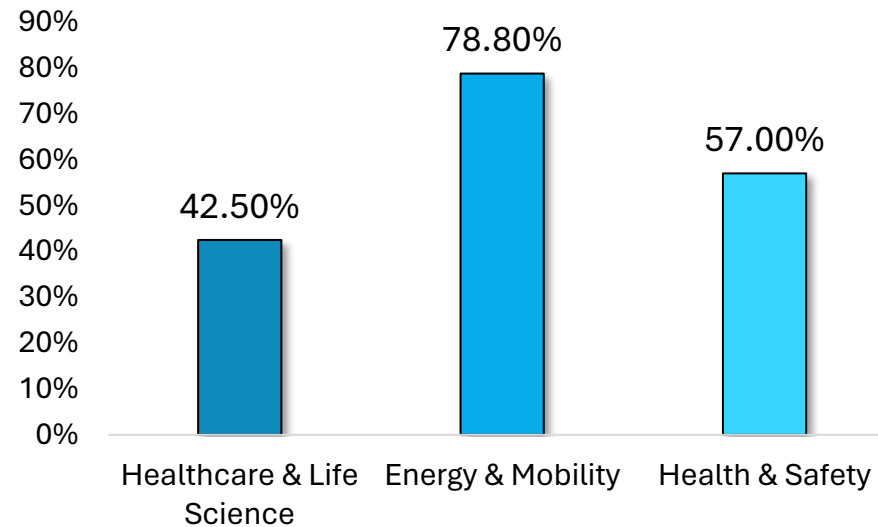


RISKS

Demand risk



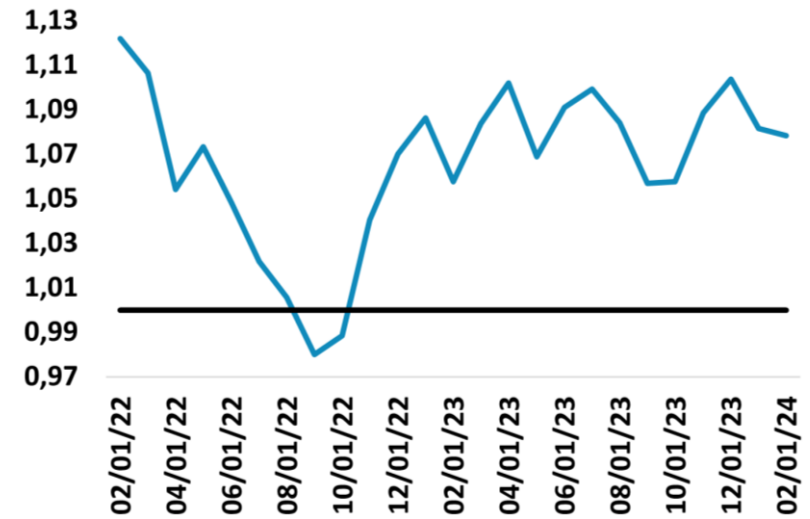
Top 15 customers



Exchange rate risk



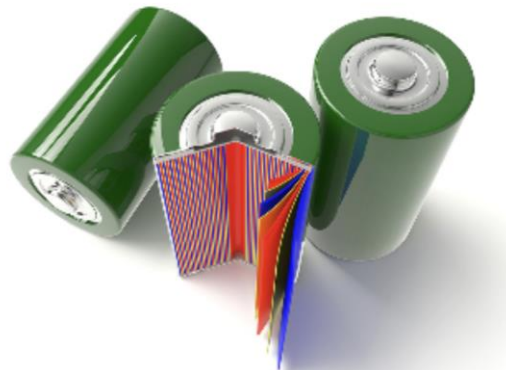
EUR/USD FX spot rate



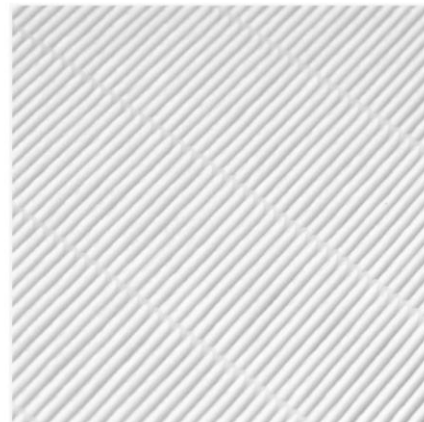
Source: company data, team elaboration

Demand risk

BEV Share Estimates, 2024	BEV Share Estimate in Region	YoY Change (2024 v. 2023)
Europe (Central/Western)	22.2%	41.0%
US	13.2%	66.4%
China	28.6%	28.0%
India	4.1%	39.0%
Global	16.2%	39.5%



Battery Cell Separator EV & ESS



EV Battery Collant Filters

GVS sector

The only sector affected by the demand risk is Energy & Mobility.

Why?

Because it is the only cyclical segment of GVS.

First risk

Falling behind the evolving Asian EV market.

Second risk

Loosing the Powertrain & Drive Train division in the future.

M&A risk



M&A 2017-2022

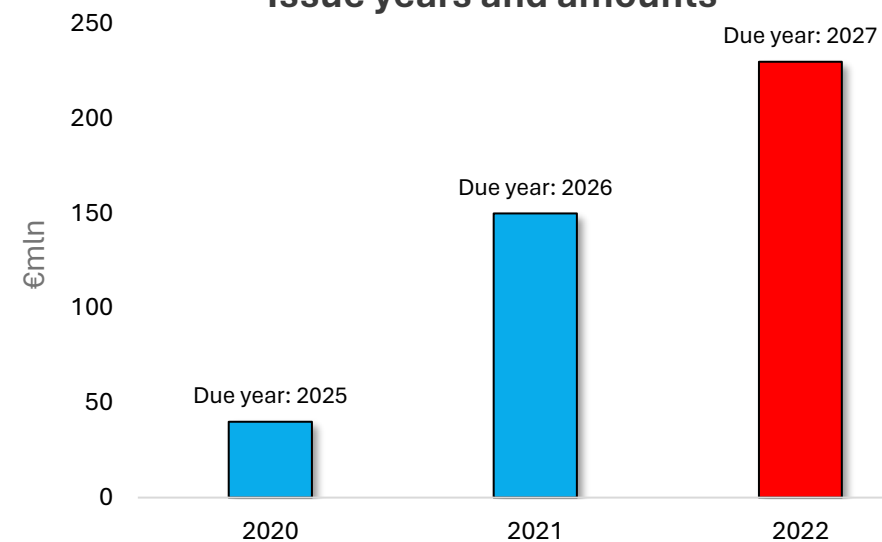
Acquisition	Year	Closing €(mln)	Revenues* €(mln)
KUSS	2017	113.8	24.41
Haemonetics Puerto Rico	2020	15.5	12.78
Graphic controls	2020	1.97	2.51
RPB	2021	150	13.33
STT-Laishi	2021	50	20.28
Haemotronic	2022	212	54.67

Revenues related to the FY of acquisition

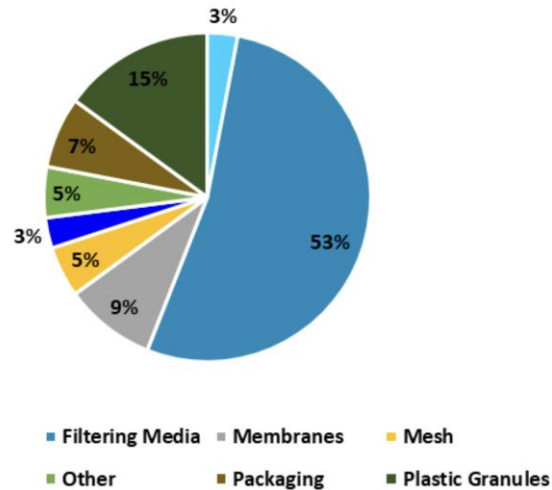
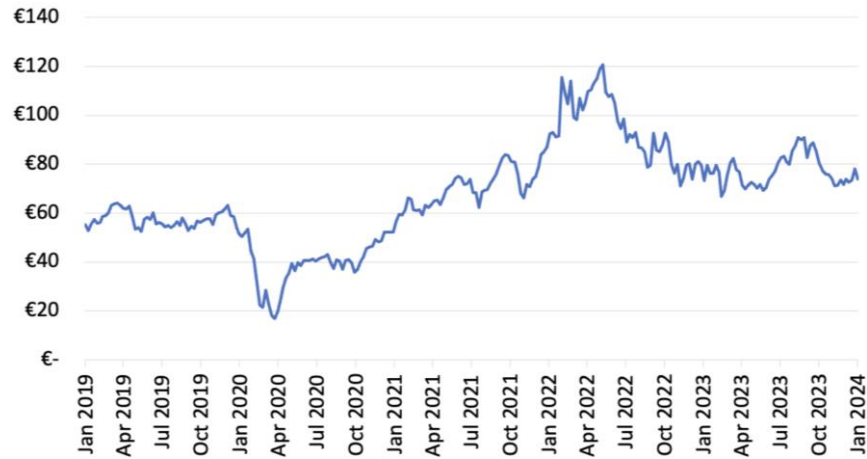
Credit risk



Issue years and amounts



Crude oil price 2019-2024



Risk factors

Geopolitical events, like Red Sea attacks and war in Gaza.

Consequences

Possible increase in crude oil price and raw material costs.

First shield

The Group is relying more and more on renewable energies.

Second shield

GVS sources internally the majority of materials.