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“Probe Quant Analytics"

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CFA Institute Research Challenge
INITIATION OF COVERAGE
February 1st
2026

Technoprobe SpA

HOLD

TPRO

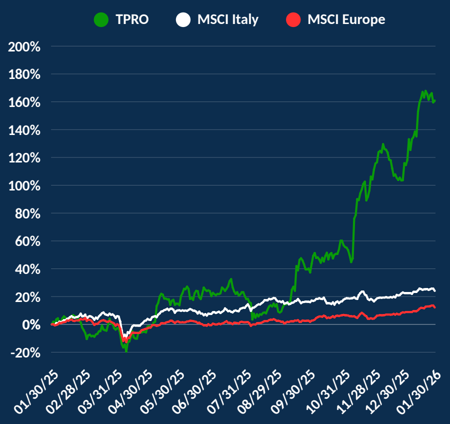
Current Price (as of Jan 30th 2026): €15.63
Target Price: €16.08
Upside: 2.88%

Market Data

Market Cap: €10.389B
Shares Outstanding[1]**:** 640.32M
Free Float: 17.64% - €1.83B
Stock Exchange: Italian Stock Exchange
ISIN: IT0005482333
SEDOL: BN6PV62
Ticker: TPRO.IM (Bloomberg)
Sector: Electronic Components and Manufacturing
Industry: Semiconductor Process Control Equipment

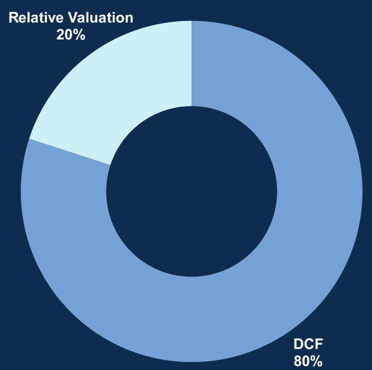
Stock Performance LTM: + 160.93%
52 Weeks Range: €4.77 - €16.60
Avg daily volume(30D): €623,484

Exhibit 1 - TPRO LTM stock performance



Source: Factset, Team analysis

Exhibit 2 - Valuation methods



Source: Team analysis

INVESTMENT SUMMARY

Innovation begins with Technoprobe

We issue a HOLD recommendation for TPRO, with a **target price of 16.08€**, consisting of a **2.88% upside** from the latest closing price of €15.63 as of January 30th 2026. Our valuation is based on a 80%/20% blend of a Discounted Free Cash Flow to Firm model and a Relative Valuation (Exhibit 2).
With a **€10.389B** market cap and **€626.9M** in revenues in FY2025E, TPRO represents the leading company in the probe card segment, benefiting from advanced proprietary technologies and a global customer base. Its strong presence in key semiconductor markets, combined with ongoing investments in production capacity and innovation, positions the company to capitalize on the continued expansion of the chip testing industry.

A piece of silicon valley just outside Milan

Technoprobe's history begins in 1989, when **Giuseppe Crippa**, helped by his son Cristiano, founded a small enterprise focused on the production of probes for the probe card market. At the time, probe cards used for semiconductor testing were still technologically underdeveloped and were manufactured exclusively in the United States. Over the following years, the business expanded steadily, and in 1993 the first organizational structure of the company began to take shape at the Crippa family residence in Merate (Lombardy), operating between the garage and the attic. During this initial phase, the core of the company consisted of Giuseppe and Cristiano, supported by Giuseppe's wife, Mariarosa Lavelli, who handled administrative activities.
In 1995 was founded "Technoprobe S.r.l." and in 1996 was purchased the first building in Cernusco Lombardone (Lombardy), where the company moved in, with about 10 employees. In the early 2000s, the company pursued both domestic expansion and international growth by establishing its first overseas offices in close proximity to key customers. This expansion initially began in France, followed by Singapore, and subsequently extended to the United States in 2007.
On February 15th 2022 TPRO went public trough an IPO on Euronext Growth Milan, achieving a post-offer valuation of approximately €3.4B . Following the IPO on EGM, Technoprobe completed the transition to the regulated Euronext Milan market, reflecting both its increased size and the broader distribution of its shares among institutional and retail investors.

Business: Probe Cards

Technoprobe designs and delivers advanced, highly innovative solutions for semiconductor testing, serving as a strategic partner to the world's leading semiconductor manufacturers. A probe card is a critical piece of equipment used in semiconductor manufacturing to electrically test integrated circuits (chips) during the wafer testing phase, before the chips are cut and packaged.
Technoprobe produces several classes of wafer probe cards, from cantilever to cutting-edge vertical MEMS cards along with the associated board infrastructure needed for complex semiconductor testing applications, with **TPEG™** representing its most advanced vertical MEMS offering for high-performance and high-density testing.

Market trends: AI fueling an exceptional growth

The rapid expansion of artificial intelligence deployment in recent years, together with the resulting increase in semiconductor production, has driven the strong performance of the TPRO stock, which has risen by **160.93% over the past 52 weeks** (Exhibit 1). In FY2026–2027, TPRO is expected to incur an additional €160 million in CAPEX (on top of maintenance CAPEX), with its production capacity projected to approximately double by the end of the two-year period. The combination of the AI driven demand combined with TPRO's high marginality leads the company to a sharp income growth outlook.

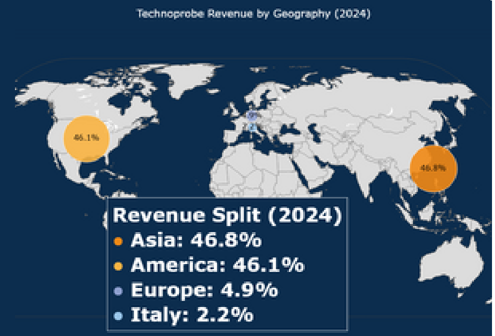
Table 1 - Key Financials

€M	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Revenues(€M)	548.9	409.3	543.2	626.9	747.3	907.9	1226.6	1575.3	1957.7	2338.9
Revenues Growth (%)	40.1%	(25.4%)	32.7%	15.4%	19.2%	21.5%	35.1%	28.4%	24.3%	19.5%
Gross Margin(%)	60.6%	48.7%	41.1%	45%	49.6%	55.3%	55.7%	56%	57.2%	57.5%
EBITDA	245.4	122.7	136.5	201.7	266.8	340.0	466.1	618.0	773.3	958.9
EBITDA Margin(%)	44.7%	30%	25.1%	32.2%	35.7%	37.4%	38%	39.2%	39.5%	41%
ROIC(%)	44.7%	20.9%	10.8%	17.3%	22.9%	28.9%	32.3%	34.6%	37.4%	40.9%
CapEx/Revenue(%)	13.6%	15.4%	15.7%	11%	18.7%	16.8%	9%	8.5%	8.5%	8%
FCFF(€M)	108	75	(4)	113	74	75	177	262	335	460
FCFF/EBITDA(%)	43.8%	60.7%	2.6%	56.1%	27.7%	22%	37.9%	42.4%	43.4%	47.9%
Net Cash/EBITDA	1.6x	2.9x	4.8x	2.1x	1.9x	1.8x	1.8x	1.8x	1.7x	1.7x

Source: Company reports, Team analysis

Note 1: In this report we consider 640,319,348 as the number of shares outstanding, a figure that takes into account the recent buyback operation completed on December 19, 2025 (Source: Refinitiv)

Exhibit 3 - Revenue by region



Source: Company reports, Team Analysis

Exhibit 4 - Technisights 1st and best supplier customer satisfaction survey

Source: Company reports, www.techinsights.com, Team Analysis

Exhibit 5 - industry Awards

Intel's Epic Award, given to top 37 intel suppliers awarded for the years 2025 and 2023

Felix industria award, recognizing the company as the best large enterprise for management performance and financial reliability for the years 2024 and 2023

TSMC excellence award, given to top 27 TSMC suppliers awarded for the years 2024 and 2020

Source: Company website, Team Analysis

Exhibit 6 - Technoprobe's Strategy

Driving advancements in logic semiconductor testing	Proliferating high speed, high voltage, radio frequency and silicon photonics
Entering the High bandwith Memory Market	Strenghtening the positioning in final testing

Source: Technoprobe Capital market day Presentation, Team Analysis.

"Technoprobe is aggressive on vertical integration; it goes as far as to acquire component suppliers like screw manufacturers to guarantee high-quality production and reduce overhead costs."

BUSINESS DESCRIPTION

Overview

Technoprobe is a global leader in the semiconductor test market, based in Cernusco Lombardone Italy, specializing in the design, manufacturing and assembly of probe cards, the critical electromechanical interfaces required to test silicon wafers before they are cut (**Appendix A3),** the company operates as a pure play technology provider, and sells probe cards to Foundries, and integrated device manufacturers IDM's. **Strategy**: TPRO aims to solidify its position as the "partner of choice" for major chipmakers and curate customer stickiness through deep technical collaboration and TPEG™ MEMS technology. TPRO has strategic focus on vertical integration, with the recent acquisitions of Harbor Electronics and DIS technologies (securing the supply chain for critical PCBs and final test boards), and gaining access to the final test market (**Appendix A3)**, TPRO has finished a share buy back campaign, having maintained a highly positive net financial position. This will further allow TPRO to capitalize on the surging demand for AI-chip testing, and the advent of new disruptive technologies in the semiconductor industry and remain ahead of competitors in the high-complexity logic market.

Business model

Technoprobe provides High-precision electromechanical testing interfaces, known as probe cards. these interfaces allow semiconductor manufacturers to identify functional defects in silicon wafers before they undergo the packaging process (**Appendix A3)**. By detecting the faults at the wafer level, the company prevents the expensive packaging of faults at the wafer level, thereby maximizing manufacturing yield and reducing the overall "cost of test". External benchmarks verify the company's Technical prowess. According to Techninsights (formerly VLSI Research) TPRO was consistently ranked as the best probe card supplier from 2017 to 2024 (**Exhibit 4).** Crucially, Technoprobe's value proposition extends beyond the product itself, while competitors rely on a fragmented supply chain driven by horizontal integration. Technoprobe is vertically integrated, the company manufactures its own proprietary components, including **mechanics, MLO, interconnection, prob needles**, and **ceramics**; crucial parts that go into the making of a probe card **Exhibit 7,** the integration grants absolute control over product quality and enables lead time compression, a critical metric for customers. Consequently the company does not operate as a commodity hardware vendor; rather, it engages in pre-production phase spanning over six month, leveraging significant resources to meet to clients demands.

Geographical and business segment

Technoprobe caters to 4 end-markets: **Consumer Electronics**, **AI & Datacenter, Automotive,** and **PC & mobile.** The business structure is consolidated into a single operating segment (IFRS8), but functionally generates sales from two distinct testing phases: the core wafer test (probe cards) and the expanding Final test (Device interface boards). The revenue mix is heavily concentrated, with PC & mobile and AI/high performance computing, combined accounting for the vast majority of sales (approx. 49% and 35% respectively), while automotive & industry and consumer Electronics remain smaller segments(~16%combined). Asia is by far the largest geographical market (46.8% of revenue), driven by the concentration of foundries and IDM's, followed by America by (46.1% of revenue, **Exhibit 1)**

Technoprobe's Network

The company's clients list include the entire semiconductor ecosystem, serving top-tier integrated device manufacturers (**IDMs**) such as **Intel**, **Samsung**, **STMicroelectronics**, and **Texas Instruments**, as well as fabless design houses like **AMD**, **Qualcomm** and **NPX**; notably, the top 3 clients account for an aggregated 48.3% of total revenue. This revenue density reflects the strategic depth of these relationships, which are cemented by the industry's "co-design" approach: because probe cards are custom-engineered which enables client's stickiness. Beyond direct clients, the network extends to include ATEs, Automated Test equipment leaders such as **Teradyne** and **Advantest. Teradyne** acquired a 10% equity stake in Technoprobe, a move that represents a strategic trade-off by divesting Teradyne's device interface solutions (DIS) to Technoprobe, exiting the hardware interface business. Technoprobe gained stronger footing in the test market, TPRO is now the leader in the Test Interface board market in the by establishing presence in the Burn in component market via acquiring DIS tech (**Appendix A3).**

Market strategy

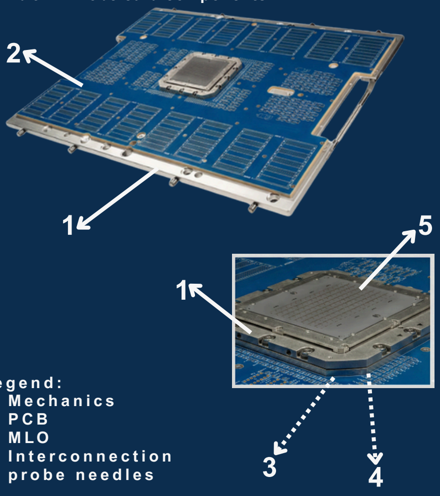
The company outlines specific priorities to sustain leadership in the 2024-2028 horizon, Including HBM expansion, proliferation of Radio frequency **(RF)** probe cards (**Exhibit 6),** The company defines its focus on vertical integration and innovation as it's main priority, further entrenching the vertical integration moat. In the fiscal year 2024, Technoprobe reported R&D spending of €63.3m (11.7% of sales), maintaining a portfolio of **600+** proprietary patents to defend its technological moat. the strategic goal is the to reduce time to market. As stated by the company, the capture of **AI & data center growth,** TPRO newest deal with WinWay Technology, underscores the company's strategic outlook, of blocking new entrants to the market, and maintaining bigger partnerships, This deal highlights a conscious trade-off regarding revenue streams. unlike its main competitor FormFactor, which has diversified into broader test systems and IC design support, TPRO remains a disciplined "pure-play" probe card manufacturer. By partnering with WinWay, TPRO effectively outsources the lower-margin logistics, assembly, repair, and distribution, while retaining the most lucrative aspect of the business: the proprietary design component and vertical manufacturing.

Industry Analysis and competitive Landscape

Overview

The probe card industry operates within the semiconductor manufacturing process. Situated between the front end (wafer fabrication) and the back-end (packaging assembly), probe cards are electromechanical interfaces responsible for Wafer Acceptance Test (WAT). This phase uses a "wafer prober" to electrically test individual die on a silicon wafer before they are cut and packaged. The primary objective is to identify defects early filtering out non-functional die to prevent the costly packaging of a defective die, a concept known as ensuring Known good die (KGD, **Appendix A3).** The general probe card market is characterized by an oligopoly, with four major players, Technoprobe, FormFactor, MPI corporation, and Micronics Japan (MJE), dominating the landscape (**Appendix A6)**. This structure ensues a highly concentrated client base, spanning across the US, Asia, and Europe, where the top 4 customers typically account for a substantial majority of industry revenue, the probe card industry bifurcates into 2 segments, probe cards for testing memory chips, and probe cards for testing non-memory chips, (non-memory, also known as Logic). Following the digital revolution , the semiconductor industry has seen unparalleled growth, amassing a total market size of USD 600bn+ in 2024. Now, we are at the brink of a new evolution, High-performance-computing (HPC), advanced packaging 3D stacking, 2.5D integration. penetrate the global economy, replacing legacy compute architectures. the global probe card market is **projected to expand significantly, growing from a USD 2.44bn in 2024 to over USD 3.133 bn by 2028 (CAGR ~6.5%).** With TPRO holding a dominant a 60% market share in the critical Vertical MEMS non memory applications segment, we are confident the company is poised to win this technological race.

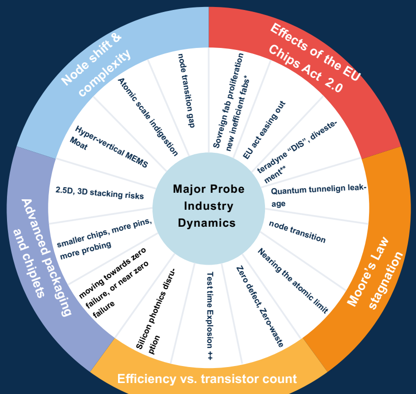
Exhibit 7 - Probe card components



Legend:
1. Mechanics
2. PCB
3. MLO
4. Interconnection
5. probe needles

Source: Company website, team analysis.

Exhibit 8 - Major probe industry Dynamics



Source: Team analysis

"Technoprobe is unique in their photonics adaption, while the rest of the industry (probe card market industry) explores the photonics application at large. Technoprobe has realized more sophisticated advancements in the niche of probe card technology, also driven by the deep vertical integration and, and the pure-play strategy to the market"

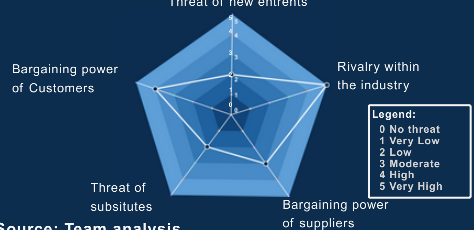
Exhibit 9 - Manufacturing Cost and Yield Scaling in Advanced Packaging

Source: Technoprobe's capital markets day presentation.

Exhibit 10 - EU chips Act Key Pilars

Source: European Commission, Team analysis

Exhibit 11 - Porter's Five Forces



Source: Team analysis

Market dynamics: demand and supply

Demand drivers:
we identify three structural tailwinds propelling the industry, We believe Technoprobe is uniquely positioned to capture outsized value compared to legacy catering peers: 1) the shift to advanced packaging, 2) exponential node complexity, 3) the return of Hardware sovereignty EU chips act 1.0 & Upcoming 2.0.

Advanced packaging — Positive
The industry is undergoing a paradigm shift form monolithic architectures to heterogenous integration (Advanced packaging), a market set to reach USD 79.4bn by 2030 (CAGR 8-12%). As manufacturers stack multiple functional dies (Chiplets) into a single package, the economic risk of yield failure multiples (**Appendix A3**); by function of defective dies numbers, as a single defective die can scrape a package worth thousands of dollars. This **"cost of failure"** dynamic (**Exhibit 9),** forces manufacturers to adopt increasingly rigorous testing regimes. with the Telecom & infrastructure segment (AI accelerators) growing at 14.9% **CAGR**, the demand for Technoprobe's high-density interface solutions is decoupling from standard volume growth.

Technological disruption and node complexity — Positive
Moore's law is pushing node sizes toward the physical limits of 2nm and beyond, with mass production expected by 2025-2027. As transistor density jumps from ~250 Million transistors/m^2 (3nm) to ~300M/m^2 (2nm), the likelihood of defects increases exponentially. The precision required to test these nodes, isn't found in the conventional cantilever probe cards, TPRO holds a near 1 percent market share in the cantilever probe card market, a strategic trade-off to focus on developing Micro-Electro-Mechanical Systems (MEMS) the industry go technology to test nodes where gate pitches shrink below 45 nm, where TPRO is the undisputed leader. Furthermore, the industry is witnessing a nascent shift toward integrated Silicon Photonics, using light instead of electrons (electricity), creating a new frontier for high-speed testing requirements.

Return of Hardware sovereignty EU chips act 1.0 & Upcoming 2.0 — Positive
A "deglobalization" of the semiconductor supply chain is underway, catapulted by the EU Chips Act (€43 bn budget, **Exhibit 10)** and the US CHIPS act Act ($52.7 bn). Europe's and the US governments are incentivizing the construction of domestic fabs to reduce dependence on Asian manufacturing, aiming to double the EU's global market share by 20% by 2030. a EU chip act 2.0 is underway cementing the stance on relocating sensitive industries, the semiconductor industry in our case, consultation with experts were undergone on September of 2025, shifting the strategy from a defensive reaction, to pushing innovation. And as every new fab requires its own set of qualification Hardware, this ineffeciency in the global suply chain acts as a volume multiplier for Technoprobe's consumables.

Supply drivers[2]:

Vertical integration ensuring delivery resilience — Positive
With the complexity of AI chips and the growing demand, top-tier players are forced to control their entire value chain, our assessment concluded that no competitor is on par with Technoprobe's level of vertical integration. MPI corporation, a player in the non-memory market although to a smaller extent is characterized with horizontal integration as opposed to vertical integration. In the case of TPRO the acquisition of harbor electronics and DIS, now DIS tech was a strategic pivot to internalize the supply of critical PCBs and final test boards, TPRO vertical integration is a definite headwind.

Commercial lag in Deep Cryogenic capabilities (Quantum computing), and adverse effects to vertical integration — Not positive.
whilst in the supporting burn-in test market TRPO commands over 8% market share, TPRO faces a void in the emerging "cold computing sector", also known as cryogenic, on their communications TPRO expressed plans to expand to non-legacy memory market (**HBM**), but the company takes no position on supporting cryogenic systems, the later operate at temperatures under -150°C (-238°F) to preserve qubit coherence, a supply chain currently monopolized by competitors like FormFactor. Unlike standard MEMS probing, cryogenic testing demands specialized materials that function near absolute zero. Technoprobe's lack of dedicated cryogenic platform positions it outside of this high value niche, potentially constraining its total addressable market (**TAM**) as quantum computing scales from USD 4 bn today to a projected USD 72 bn, according to bullish reports. we view this as a long term implication: if the industry moves to superconducting qubits, away from the classical silicon.

Competitive Overview

The probe card market is characterized by high entry barriers due to customer stickiness and big R&d spending. the spending is characterized by a specific focus on harboring cutting edge technologies and further entrenching the vertical integration moat.

Dominance through a single market strategy: Technoprobe maintains a 64% market share within the the MEMS Non-memory probe card segment. In an oligopolistic landscape shared primarily with Formfactor and MPI, Technoprobe's dominance is the result of a strategic trade-off: sacrificing broad market presence to achieve total specialization in high-disruption segment. However, the company is now at a pivotal inflection point, while the company focused on the non-memory probe card market, the high demand for **High-bandwidth-memory (HBM),** a critical component integrated with advanced AI chips. By leveraging it's proprietary TPEG™ MEMS vertical technology, the company is uniquely positioned to cater to testing requirements of HBM form factors.

well positioned to capture new market trends: the semiconductor industry is entering an era of unprecedented complexity as traditional silicon approaches its physical atomic limits. To sustain Moore's law, the industry is pivoting toward integrating other materials, such as germanium to enhance conductivity, and exploring quantum computing as a specialized complement to traditional silicon-based logic. To that end, Technoprobe is well positioned to drive innovation, the company is already known for the integration of silicon photonics. This leadership is backed by a proven track record of research excellence, with employees actively contributing to the field via technical papers and seminars at Swtest and other industry conferences. Furthermore, technoprobe's strategic entry into the High bandwidth memory (HBM) market, market characterized with CAGR of 25.58% CAGR over 2026-2031, a high growth non legacy sector positions the company to benefit from the AI-driven expansion.

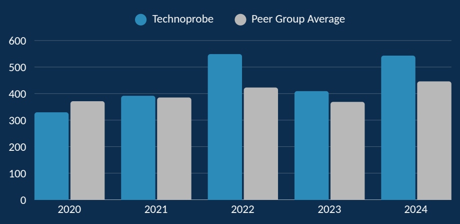
Technorpobe's strategic partnerships and Market leadership: with a highly connected customer base, where the three main clients account for 48% of sales, the Company underwent the signing of two strategic partnerships with Teradyne and Advantest. As these two firms are the primary rivals in the Automated Test Equipment (ATE) market clear indicator that Technoprobe is the best probe card supplier in it's respective market.

Note 2 : we define a "Driver" as any structural force that causes the market to change, regardless of whether it is positive or not positive.

FINANCIAL ANALYSIS

Exhibit 12 -Technoprobe vs. Peers' Average Revenues (EUR M)

Revenue CAGR: TPRO~13% Peer Group Average~6%



Source: FactSet, Company reports

Overview and Peer Context

Technoprobe operates within the global semiconductor test equipment industry, competing primarily with **FormFactor, Micronics Japan**, and **MPI Corporation**. These peers represent the core global suppliers of probe cards and related testing solutions across logic, memory, and advanced semiconductor nodes.

In terms of revenue scale, Technoprobe consistently operates at or above the peer-group average across the cycle, particularly during industry upswings (**Exhibit 12**). This reflects its strong positioning in advanced probe cards serving leading-edge logic and memory applications, as well as its deep relationships with top-tier foundries and integrated device manufacturers. **Over 2020–2024**, Technoprobe's revenue growth has also tracked at or above the peer-group average, indicating that its scale is supported by sustained growth rather than purely cyclical effects.

However, revenue scale alone does not fully capture economic performance in this capital-intensive industry. Differences in product mix, test complexity, manufacturing efficiency, and investment cycles can lead to significant dispersion in profitability and cash flow generation across peers. As such, Technoprobe's financial profile must be interpreted through a deeper analysis of **margin structure, operating leverage, return on invested capital,** and **capital discipline**, rather than through revenue comparisons in isolation. This peer context provides the foundation for the subsequent financial analysis, which focuses on the quality, sustainability, and normalization of Technoprobe's earnings and cash flow generation across the semiconductor cycle.

Table 2 - Key Financials

€M	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Operating Profitability												
Gross Margin	61.7%	59.9%	60.6%	48.7%	41.1%	45.0%	49.6%	55.3%	55.7%	56.0%	57.2%	57.5%
EBITDA Margin	48.2%	44.6%	*44.7%*	*30.0%*	*25.1%*	*32.2%*	*35.7%*	*37.4%*	*38.0%*	*39.2%*	*39.5%*	*41.0%*
Operating Margin	43.5%	38.2%	38.0%	19.5%	12.4%	21.2%	26.1%	32.0%	34%	35.4%	35.7%	37.5%
Net Margin	30.8%	30.5%	27.0%	23.8%	11.6%	14.8%	21.3%	24.7%	25.9%	26.7%	26.8%	28.2%
Returns & Value Creation												
ROIC	34.0%	38.2%	44.7%	20.9%	10.8%	17.3%	22.9%	28.9%	32.3%	34.6%	37.4%	40.9%
ROA	28.9%	24.5%	21.1%	10.8%	5.4%	8.1%	12.2%	15.0%	16.5%	16.6%	16.5%	17.0%
ROE	36.7%	30.9%	25.1%	12.5%	6.1%	9.4%	14.6%	18.0%	19.7%	19.9%	19.7%	20.3%
Asset Turnover	0.9x	0.8x	0.8x	0.5x	0.5x	0.5x	0.6x	0.6x	0.6x	0.6x	0.6x	0.6x
Liquidity & Capital Structure												
Current Ratio	2.8x	4.7x	6x	7.9x	8.1x	5.4x	5.5x	5.7x	5.7x	5.7x	5.7x	5.7x
Net Cash / EBITDA	0.8x	0.8x	1.6x	2.9x	4.8x	2.1x	1.9x	1.8x	1.8x	1.8x	1.7x	1.7x
Interest Coverage Ratio	660.9x	763.6x	979.5x	277.1x	41.8x	151.9x	157.4x	195.2x	217.4x	221.3x	219.8x	226.6x
Working Capital Discipline												
CCC (Cash Conversion Cycle)	89	139	151	194	154	150	136	137	127	130	132	134

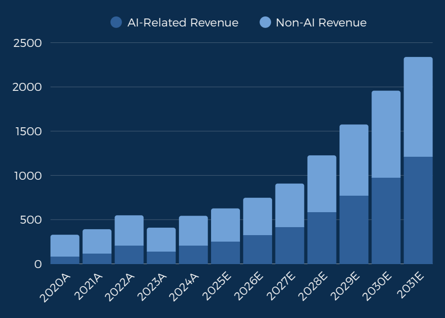
Source: Company reports, Team analysis

Table 2 presents a consolidated view of Technoprobe's key financial metrics across the cycle, highlighting both cyclical volatility and the company's underlying operating strength.

Certain headline ratios in 2023–2024 display temporary distortions that reflect **accounting and investment effects rather than structural deterioration**. In particular, the compression of operating margins alongside comparatively resilient net margins in 2023 is driven by **non-recurring tax benefits** and **elevated depreciation and amortizatio**n following an **investment-heavy phase**. These effects temporarily decouple net income from core operating profitability.

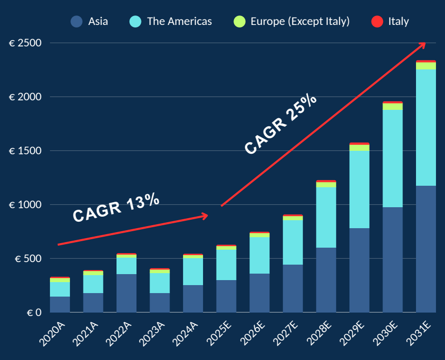
As a result, the table should be interpreted in conjunction with the normalized margin, ROIC, and cash flow analysis presented in the subsequent pillars. From 2025 onward, the convergence of operating, net, and return metrics reflects the unwinding of these distortions, improving capacity utilization, and a transition toward a more normalized earnings and cash generation profile, within a balance sheet characterized by a strong net cash position and ample liquidity.

Exhibit 13 - Revenue by End Market (AI vs Non-AI) (EUR M)



Source: Company Reports, Team Analysis

Exhibit 14 - Revenue Forecast by Geography (EUR M)



Source: Company Reports, Team Analysis

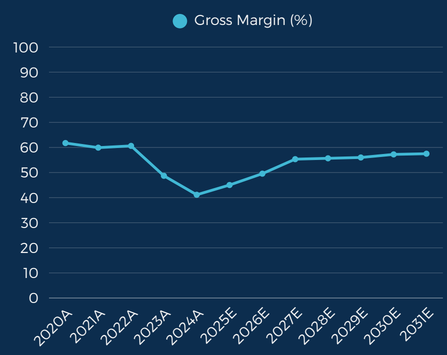
Revenue Quality and Structural Growth Exposure

Revenue by End Market (AI vs. Non-AI). To assess the quality and sustainability of Technoprobe's growth profile, we analyze revenue exposure by end market. While the company reports probe-card revenues on an aggregate basis, industry data indicates that wafer sort and probe-card solutions account for more than 40% of total semiconductor test equipment spending, with growth increasingly driven by data centers, high-performance computing, and AI accelerators. These applications require significantly higher test intensity, more complex probe architectures, and higher average selling prices compared to traditional consumer and industrial chips. Industry commentary further indicates that **AI accelerators** and advanced memory architectures (e.g., **high-bandwidth memory(HBM)**) structurally increase probe-card content per wafer, reinforcing the durability of this demand beyond cyclical volume recovery.

As illustrated in **Exhibit 13**, Technoprobe's end-market exposure shows a clear **structural shift toward AI-related revenue** over the forecast horizon. This evolution reflects sustained investment in data-center infrastructure, accelerated adoption of AI accelerators, and increasing complexity at advanced technology nodes. As a result, Technoprobe benefits not only from recovering wafer volumes, but also from structurally richer product content per chip, supporting higher-quality revenue growth and margin resilience across the semiconductor cycle.

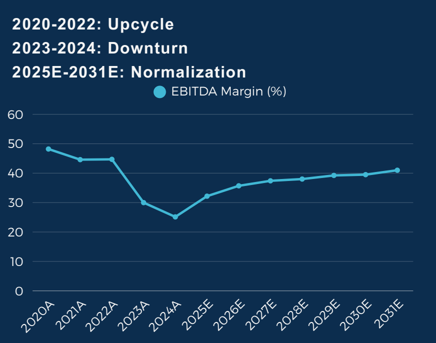
Revenue Forecast by Geography. Technoprobe's geographic revenue profile further reinforces the structural quality of its growth. Asia Pacific remains the largest contributor due to the concentration of leading-edge foundries and memory manufacturers. At the same time, North America's share increases progressively, supported by AI and high-performance computing capacity expansion among hyperscale data-center customers. Europe (excluding Italy) and Italy provide a stable revenue base anchored by long-standing customer relationships and mature end markets. This geographic mix shift, illustrated in **Exhibit 14**, aligns Technoprobe's revenue exposure with regions characterized by higher capital intensity, faster technology adoption, and structurally stronger semiconductor demand.

Exhibit 15 - Gross Margin Cycle and Normalization Path (%)



Source: Company Reports, Team Analysis

Exhibit 16 - EBITDA Margin Through the Semiconductor Cycle (%)

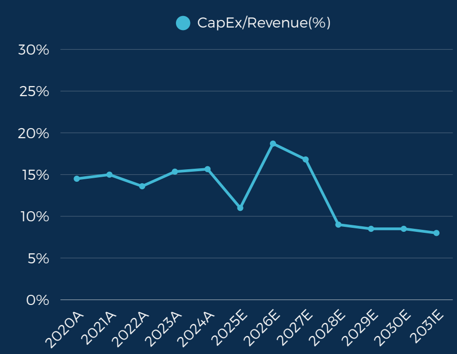


Source: Company Reports, Team Analysis

Exhibit 17 - ROIC vs. WACC (%)

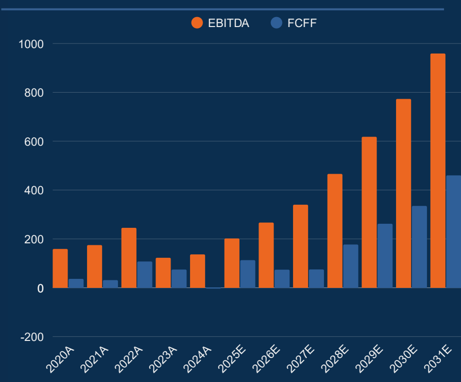
Source: Company Reports, Team Analysis

Exhibit 18 - CapEx Intensity (CapEx/Revenue, %)



Source: Company Reports, Team Analysis

Exhibit 19 - EBITDA and FCFF (EUR M)



Source: Company Reports, Team Analysis

Revenue Growth Outlook. The resulting acceleration in revenue growth reflects a combination of cyclical semiconductor normalization following the 2023–2024 downturn and structurally driven demand from AI, advanced logic, and high-performance computing. Growth is further supported by geographic mix shifts and the expansion of Technoprobe's product portfolio following the integration of DIS Technology and Harbor Electronics, which extend the company's addressable market beyond wafer-level probe cards into device-interface and final-test solutions. As a result, consolidated revenues are forecast to grow at a **~25% CAGR over 2025–2031**, compared to a historical CAGR of approximately **13% over 2020–2024**, indicating a transition toward a structurally higher and more durable growth trajectory. The underlying revenue construction methodology and geographic build-up are presented in **Appendix B1**, while the relative contribution of each growth driver is decomposed in **Appendix B2**.

Gross Margin Dynamics and Competitive Positioning

Gross margin is the primary operating performance indicator for probe-card suppliers, capturing the combined effects of product differentiation, pricing power, manufacturing efficiency, and customer value creation. In capital-intensive semiconductor test equipment businesses, gross margin provides a more informative measure of competitive positioning than balance-sheet metrics alone. During the **2020–2022 semiconductor upcycle**, Technoprobe delivered gross margins **consistently above 60%**, reflecting strong pricing power, high capacity utilization, and a favorable product mix in advanced probe cards serving leading-edge logic and memory nodes (**Exhibit 15**).

During the **2023–2024 downturn** led to a pronounced margin compression, with gross margin declining to **49% in 2023** and further to **41% in 2024**. This contraction was driven primarily by industry-wide volume declines, customer inventory correction, and underutilization of manufacturing capacity, compounded by temporary dilution from acquired lower-margin activities and integration-related inefficiencies.

From 2025 onward, gross margins are forecast to normalize progressively as semiconductor demand recovers, fab utilization improves, and integration synergies are realized. Margins are expected to exceed **50% by 2026** and converge toward a normalized **range of approximately 57–58% by 2031**. This recovery is supported by rising test complexity at advanced technology nodes, structurally higher AI-related demand, and an improving product mix toward higher-value probe cards and interface solutions. Importantly, the margin compression observed in 2023–2024 reflects **cyclical and integration-related effects rather than structural erosion** of Technoprobe's competitive position. The projected normalization path confirms the company's ability to translate technological leadership into **sustained pricing power and resilient unit economics** across the semiconductor cycle. The underlying drivers of gross margin recovery are detailed in **Appendix B3**.

Operating Leverage & Value Creation

Operating leverage and value creation are assessed through the interaction between profitability normalization and capital efficiency across the semiconductor cycle. As shown in **Exhibit 16**, Technoprobe's EBITDA margin closely follows industry cyclicality. During the 2020–2022 upcycle, margins exceeded 45%, reflecting strong pricing power, elevated capacity utilization, and a favorable product mix in advanced probe cards. The subsequent downturn in 2023–2024 resulted in a sharp margin compression to approximately 25%, driven by volume declines, underutilization of manufacturing capacity, and elevated fixed costs following capacity expansion. The recovery in operating profitability translates into a **delayed but sustained improvement in capital efficiency**. As illustrated in **Exhibit 17**, ROIC declined materially during the downturn, bottoming in 2024 as earnings weakened while the invested capital base expanded following elevated capital expenditures. From 2026 onward, ROIC is forecast to exceed the company's weighted average cost of capital, indicating a return to economic value creation as incremental returns on invested capital improve.

The lag between EBITDA margin normalization and ROIC recovery reflects the capital-intensive nature of the probe-card business. While margins respond relatively quickly to volume normalization, ROIC improves more gradually as revenues scale on an expanded asset base and capital intensity moderates toward maintenance levels. This dynamic confirms that recent ROIC compression was **investment-driven and cyclical**, rather than indicative of structural inefficiency. A detailed analytical decomposition of the ROIC recovery is provided in **Appendix B4**, which links margin expansion, asset efficiency, and capital normalization to the company's transition from an investment phase toward sustainable value creation.

Capital Discipline and Cash Flow Generation

Capital allocation discipline is a central determinant of long-term value creation in capital-intensive semiconductor equipment businesses, where periods of strong growth are often accompanied by elevated reinvestment requirements. As shown in **Exhibit 18**, Technoprobe's capital intensity increased materially during the 2020–2024 period, peaking during the industry downturn. This reflects a deliberate investment phase characterized by manufacturing capacity expansion, process automation, and portfolio broadening beyond traditional wafer-level probe cards. During this phase, CapEx consistently exceeded historical maintenance levels, temporarily suppressing free cash flow despite resilient underlying operating profitability.

From 2025 onward, capital intensity is forecast to follow a clearly declining trajectory, converging toward a **normalized maintenance range of approximately 8–9% of revenues** by the outer forecast years. This evolution reflects the completion of the recent capacity build-out and a strategic shift from expansionary investment toward optimization and monetization of an already expanded asset base. As a result, incremental growth is increasingly supported by higher utilization and operational leverage rather than incremental capital deployment.

The normalization of capital intensity translates directly into a marked improvement in cash flow generation. **Exhibit 19** illustrates the evolution of EBITDA and FCFF following the investment trough in 2024, when free cash flow turned temporarily negative due to peak CapEx and working capital absorption associated with capacity ramp-up. The latter is also reflected in a temporary lengthening of the CCC during the downturn, as inventories and receivables adjusted to weaker demand conditions.

From 2025 onward, free cash flow grows faster than EBITDA as reinvestment needs moderate and operating cash generation strengthens, consistent with a transition toward a **structurally cash-generative operating model**. By the outer forecast years, free cash flow scales more closely with EBITDA, consistent with a mature , **capital-disciplined operating profile**. This confirms that recent free cash flow pressure was cyclical and **investment-driven rather than structural**. A detailed decomposition of the conversion dynamics is provided in **Appendix B5**.

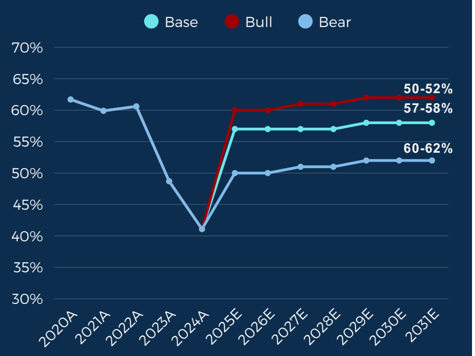
Scenario Analysis

Table 3. Scenario Summary

Scenario	Key Narrative	Fair Value (€)	Upside/ Downside
Bear	Prolonged normalization, weak utilization, delayed margin recovery	€11.9	-26%
Base	Cycle normalization + structural AI growth	€16.18	Base (100%)
Bull	AI-driven supercycle with strong operating leverage and capital efficiency	€22.0	+37%

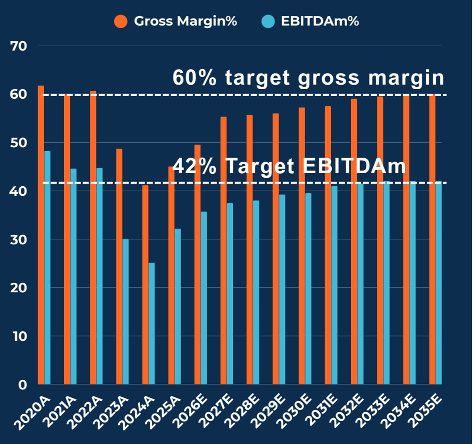
Source: Company Reports, Team Analysis

Exhibit 20 - Gross Margin Assumptions by Scenario (%



Source: Company Reports, Team Analysis

Exhibit 21 - margins dynamics



Source: Company reports, Team analysis

Exhibit 22 - Sensitivity analysis

LONG TERM GROWTH RATE (columns) / LONG TERM WACC (rows)

16.18	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
7.40%	14.62	15.56	16.68	18.05	19.76	21.95	24.86
7.65%	14.23	15.10	16.12	17.36	18.89	20.83	23.34
7.90%	13.87	14.67	15.61	16.74	18.12	19.84	22.04
8.15%	13.54	14.28	15.15	16.18	17.42	18.96	20.90
8.40%	13.23	13.92	14.72	15.66	16.80	18.18	19.91
8.65%	12.94	13.58	14.32	15.20	16.23	17.49	19.03
8.90%	12.67	13.27	13.96	14.77	15.72	16.86	18.25

Source: Team Analysis

Exhibit 23 - DCF Summary

NPV of estimated period (€M)	*2,389.3*
NPV of TV (€M)	*7,289.4*
Enterprise Value (€M)	*9,678.7*
Net debt (FY2025E) (€M)	*-680*
Equity Value (€M)	*10,358.7*
Shares outstanding	*640.32*
DCF TP	***€16.18***
Last observed market price	***€15.63***
Upside	***+3.51%***

Source: Factset, Refinitiv, Team Analysis

To assess the robustness of Technoprobe's valuation across different operating environments, we develop a **three-scenario framework** reflecting alternative paths for **semiconductor demand normalization, AI-driven structural growth, and capital efficiency.**

The **Base Case** represents our central operating view and underpins the DCF valuation. The **Bull** and **Bear** cases capture upside and downside deviations driven by operating performance rather than changes in business model or finance structure.

The **base case** assumes a gradual recovery in semiconductor demand from 2025 onward, supported by inventory normalization, improving fab utilization, and **structurally higher test intensity** driven by AI, advanced logic, and high-performance computing. Structurally **higher test content per wafer**—particularly in AI accelerators and advanced memory (including **high-bandwidth memory(HBM)**)—supports a higher mid-cycle profitability and return profile than in prior semiconductor cycles. Under this scenario, margins, returns, and cash flow generation normalize progressively toward sustainable mid-cycle levels. This scenario forms the reference valuation, as summarized in **Table 3** and detailed in **Appendix B6**.

The **bull case** reflects an accelerated AI-driven upcycle, characterized by sustained high utilization, stronger pricing power in advanced probe-card and interface solutions, and faster capital normalization. Operating leverage and capital efficiency improve more rapidly as sustained high utilization accelerates margin normalization and cash generation relative to the base case, supporting higher long-term value creation.

Conversely, the **bear case** assumes a slower and more volatile recovery, with delayed utilization normalization and continued pricing pressure in standard product segments. Elevated capital intensity and weaker operating leverage delay ROIC recovery, compressing valuation outcomes despite an intact long-term business model.

Overall, the scenario analysis highlights that valuation sensitivity is driven primarily by differences in **utilization, margin normalization, and capital discipline**, rather than structural business risk. Across all scenarios, Technoprobe maintains a credible path toward **ROIC exceeding WACC**, reinforcing the resilience of its long-term value creation profile. Detailed quantitative assumptions are presented in **Appendix B6**, with gross margin paths by scenario illustrated in **Exhibit 20**.

VALUATION

We issue our **HOLD recommendation** and a **target price of €16.08**, corresponding to a **2.88% upside** from the last observed closing price of €15.63 as of January 30th 2026.

Given the lack of direct competitors, TPRO's unique vertically integrated business model, and its specific combination capital structure and cash position, we consider a DCF model the most reliable valuation approach. To reinforce the robustness of our results, we complement the DCF with a relative valuation, based on a restricted group of peers. In addition, in order to cross-check the results deriving from DCF and RV we also simulated 100,000 stock price scenarios by performing a **Montecarlo simulation** based on a **Merton Jump Diffusion model (appendix C4)**.

DCF

Our DCF model relies on the base case scenario previously illustrated, we opt for a three stages DCF based on 8.54% WACC for the first two stages (FY2026E-FY2035E), and a maturity phase based on a GGM.

The breakdown of the three stages is as follows:

- **2026-2030: Business expansion:**

In this period, TPRO is expected to **raise his production capacity sharply**, The expansion of production capacity is expected to occur both through **investments in new facilities and through M&A deals**, Although the new major investments will take time to reach full efficiency, we still expect a significant short-term revenue expansion (**2026E-2030E 27.22% revenue CAGR**), driven by the sharp demand coming from AI Datacenters and other AI related applications.

- **2031-2035: Consolidating position and margins:**

During the second stage, TPRO is expected to **consolidate its market position**, maintaining its revenue growth trajectory at a slower pace while achieving a slight improvement in margins, reaching a **60% target gross margin and a 42% target EBITDAm (Exhibit 21)**. During this period, CAPEX/revenue ratio declines and revenues for 2031E–2036E are expected to grow at a 10.64% CAGR.

- **Terminal Value:**

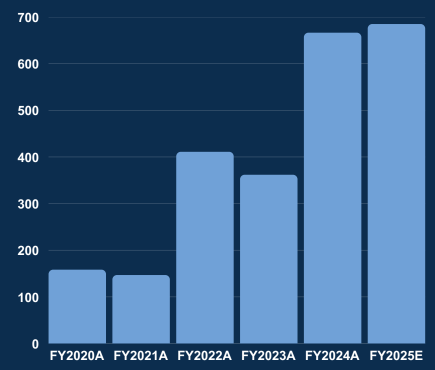
From 2036, we assumed a **terminal growth rate of 3%** and applied a **long-term WACC of 8.30%**, including a **sensitivity analysis (Exhibit 22)** to assess the impact of different combinations of g and LT WACC. The selection of the long-term growth rate is supported by the sector's high level of innovation, TPRO's high marginality and it's strong market position, which leads us to assume a growth rate exceeding of one point the ECB's inflation target.

Table 3 - FCFF (€M)

	HISTORICAL				FORECAST										
	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
REVENUE	392	549	409	543	627	747	908	1227	1575	1958	2339	2681	2997	3263	3505
EBIT	150	209	80	67	133	195	291	417	558	699	876	1020	1154	1253	1340
TAXES	-33	-59	12	-34	-46	-65	-94	-127	-161	-201	-251	-293	-334	-365	-395
D&A	25	37	43	69	69	76	42	49	60	75	83	93	105	118	132
CAPEX	-59	-75	-63	-85	-69	-140	-153	-110	-134	-166	-187	-215	-240	-261	-280
Δ WC	-54	-3	-3	-51	10	-16	-42	-83	-89	-104	-104	-89	-81	-71	-64
FCFF	31	108	75	-4	113	74	75	177	262	335	460	572	676	764	846

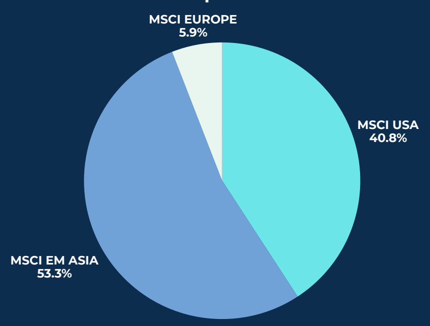
Source: Company Reports, Team Analysis

Exhibit 24 - Cash and ST investments (€M)



Source: Factset, Team Analysis

Exhibit 25 - Custom benchmark index composition



source: Team elaboration

Exhibit 26 - Relative valuation summary

Company	Country	FY2026E EV/EBITDA
Technoprobe	Italy	35.75x
MPI	Taiwan	38.53x
WinWay Technology	Taiwan	39.83x
FormFactor	United States	31.34x
Chunghwa Precision Test	Taiwan	41.60x
Micronics Japan	Japan	10.66x
TSE	South Korea	9.51x

FY 2026E peers median EV/EBITDA	34.93x
FY 2026E TPRO EBITDA (€M)	268
FY 2026E TPRO EV (€M)	9364
Net debt (FY2025E) (€M)	-680
Equity Value (€M)	10044
Shares outstanding*	640.32
RV Target price	€15.69
Last observed market price	€15.63
Upside	+0.38%

Source: Factset, Refinitiv, Team Analysis

Exhibit 27 - Descriptive statistics of daily log-returns

Mean	0,09%
Standard deviation	2,49%
Skewness	0,36
Excess kurtosis	7,19
Min	-16,20%
Max	17,70%

Source: Factset, Team Analysis

Exhibit 28 - 1 year simulated prices distribution

Source: Factset, Team Analysis

The DCF model based on the base-case scenario yields an **enterprise value of €9,678.7 millions (Exhibit 23)**, with 24.69% of the value generated over the 10-year forecast period and the remaining 75.31% attributable to the terminal value. In all the TPs computation we use FY2025E cash and equivalents estimated in 685millions (Exhibit 24), from which we subtract the minorities (4.74M) and the pension liabilities (0.43M) obtaining a **-680 million net debt**. The **DCF target price is €16.18 per share** which represents a **3.51% upside** from de latest observable market price of €15.63 as of January 30th 2026 .

WACC

Capital structure:

Since **TPRO does not rely on financial debt** , the WACC corresponds solely to the cost of equity. The choice of this gearing does not allow the company to benefit of tax-shield related to interest expenses, but guarantees more resilience for the firm during economic downturns.

Cost of equity estimation (Appendix C1):

Since in the multi-inear regression of the Fama and French Three factors model the SMB and HML factors **does not yield statistically significant slope coefficients**, we opted to rely on a **CAPM framework** to estimate the cost of equity as it shows the best statistical robustness.

The Beta coefficient is estimated through a linear regression between TPRO's monthly log-returns and the eccess return of a **custom benchmark** reflecting the **geographical revenue exposure** of TPRO. The decision to construct a custom index stems from TPRO's particular sales distribution around America, Asia and Europe.

The custom benchmark components are weighted following H12025A revenue geographical breakdown.

The indices chosen to compose the benchmark are (Exhibit 25):

- MSCI EUROPE
- MSCI EM ASIA
- MSCI USA

we consider the custom benchmark the most appropriate regressor to explain TPRO's returns, it offers a geographic allocation more aligned with TPRO's one, while a global index would have overweighted the US market and an European index would have been unfit given that the region accounts for less than 6% of TPRO's revenues.

Beta	1.1439	Obtained through a linear regression between TPRO's stock monthly log-returns and the return of the custom benchmark index.
ERP	4.88%	Obtained through a weighted average of the Equity Risk Premia of the regions in which TPRO operates (Source: Damodaran)
Risk free	2.96%	European 10Y interest rate swap (Source: ECB)
WACC	8.54%	$K_e = R_f + \beta(R_m - R_f)$

Relative Valuation

As previously mentioned, TPRO operates in a market niche with a limited number of players and truly comparable companies, hence we conducted a relative valuation of a carefully selected group of firms(appendix C2), but the contribution of this valuation method to the final TP is **limited to 20%** .

We consider the **EV/EBITDA** multiple the most reliable metric for a this relative valuation, mainly because of its characteristic to **neutralize several factors that would otherwise reduce comparability across the peer group.**

First, the Enterprise Value framework removes the influence of **different capital structures**, eliminating distortions related to financial leverage and allowing the comparison to focus on operating performance rather than financing choices.

Moreover, EBITDA allows to **neutralize the cross-country differences in accounting laws on D&A, in particular the impact of amortization arising from past M&A transactions and other non-operating assets**, which are frequent both in TPRO's history and in the industry .

We judged net income-based metrics unsuitable to conduct this relative valuation because of the biases that may arise from different cash positions and debt levels.

The peer analysis of TPRO yields an estimated **FY2026E EV/EBITDA multiple of 34.93x**, corresponding to a **fair price of €15.69 (Exhibit 26)**. Despite the limitations of this approach, the resulting price appears to be consistent with the HOLD recommendation and with the price estimated through the DCF model.

Montecarlo Simulation

In addition to the standard valuation approache DCF and Relative Valuation we conducted a Monte Carlo simulation to generate **100,000 potential future price paths for the TPRO stock** (appendix C4). Given the high sensitivity of such simulations to initial assumptions, we do not consider the mean value of the simulated distribution as a component of the target price because, but rather to employ the simulated prices distribution as a **benchmarking tool for the three previously defined scenarios.**

In this type of simulation, it is common to employ a Geometric Brownian Motion framework, which assumes that returns are not autocorrelated and normally distributed.

For TPRO's stock paths simulation the **GMB is not suitable**, the daily log-return distribution shows a non-negligible excess kurtosis (Exhibit 27), which means that the normal distribution underestimates the tails of the return distribution.

To mitigate this problem we adopt a **Merton Jump Diffusion model**, which is an extension of the GMB with the **addition of a Poisson process to introduce random price jumps**.

The simulation results show a 25th percentile price of €12.38, a median price of €16.22 and a 75th percentile price of €21.25, each one of theese values is comparable respectively with the Bear, Base and Bull cases (Exhibit 28).

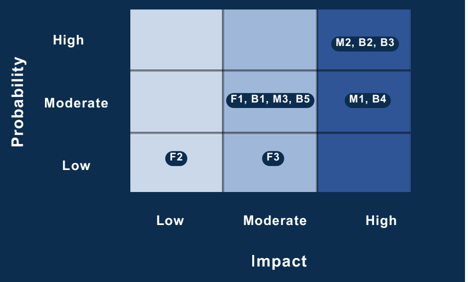
Target Price

To conclude our valuation we combine the **DCF model target price with 80% weight** and the **Relative valuation target price with 20% weight**.

The resulting target price is **€16.08 per share**, representing a **2.88% upside** from the latest observable market price of €15.63 as of January 30th 2026.

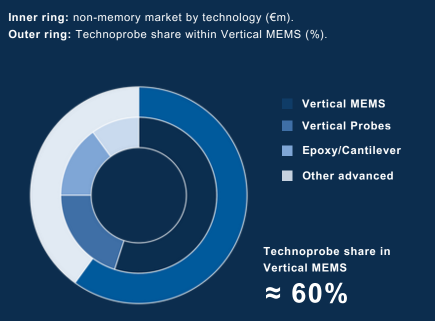
We interpret the results of this valuation as a confirmation of the fairness of TPRO's current market price and therefore issue a **HOLD recommendation**.

Exhibit 29 - Risk Map



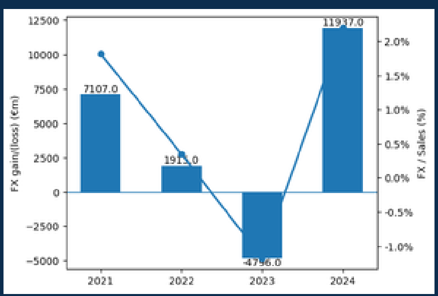
Source: Company reports, Team Analysis

Exhibit 30 - Technoprobe exposure within the non-memory probe cards market (2024)



Source: Company Reports, Team Analysis

Exhibit 31- Gains (Losses) due to Forex



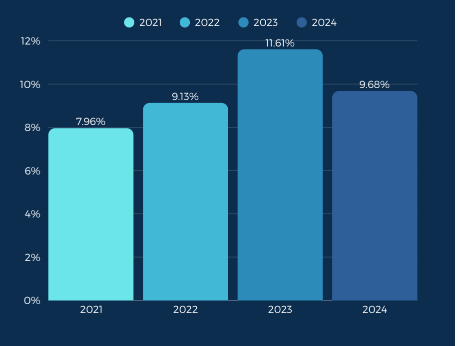
Source: Company Reports, Team Analysis

Exhibit 32 - Buyback vs Liquidiy Buffer

Year	Block	Metric	Base	Buyback	Δ
2023A	CASH	Ending cash (€m)	362	350	-11.75
		Buyback cash-out (€m)	0.00	11.75	11.75
	LEVERAGE	Net debt (€m)	-345	-333	11.75
		Net debt / EBITDA (x)	-2.81	-2.71	0.10
2024A	CASH	Ending cash (€m)	666	632	-34.67
		Buyback cash-out (€m)	0.00	34.67	34.67
	LEVERAGE	Net debt (€m)	-633	-599	34.67
		Net debt / EBITDA (x)	-4.64	-4.39	0.25
2025A/E	CASH	Ending cash (€m)	758	698	-60.00
		Buyback cash-out (€m)	0.00	60.00	60.00
	LEVERAGE	Net debt (€m)	-725	-665	60.00
		Net debt / EBITDA (x)	-3.59	-3.30	0.30

Source: Company Reports, Team Analysis

Exhibit 33 - R&D Intensity (as % of Revenues)



Source: Company Reports, Team Analysis

INVESTMENT RISKS

Technoprobe operates in a highly cyclical and technology-driven semiconductor environment, where deviations from expected demand, investment cycles or technological roadmaps may materially affect the Group's financial performance. A rigorous risk analysis is therefore required to assess the consistency of the underlying assumptions adopted in the valuation model. This section identifies the main market, financial and operational risks faced by Technoprobe further evaluating their likelihood and impact (*Exhibit 29*).

Market Risks

M1: AI BUBBLE? High impact | Moderate prob.

Technoprobe's exposure to AI-driven demand is structurally linked to its leadership in Vertical MEMS probe cards within the non-memory segment (*Exhibit 30*). While this specialization supports market leadership, a slowdown or normalization in AI-driven investments could disproporionately affect demand for Technoprobe's core products.

Mitigants:

The Group invests in continuous portfolio diversification within the non-memory segment, expanding applications across automotive, industrial and consumer end-markets.

M2: CYCLICALITY OF SEMICONDUCTOR SECTOR High impact | High prob.

The semiconductor industry is structurally cyclical, with downturns leading to rapid cuts in customer CapEx. As Technoprobe's revenues are closely linked to semiconductor production volumes, cyclical slowdowns can quickly reduce revenues, margins and order visibility (*Appendix D1*).

Mitigants:

Technoprobe's exposure to semiconductor market cyclicality is partially mitigated by the structural characteristics of the probe card segment. Unlike front-end equipment or capacity-driven capital expenditures, testing activities remain essential throughout the semiconductor cycle, as manufacturers must continue to test wafers and devices even during periods of weaker end-market demand or production slowdowns.

M3: COMPETITION IN A HIGHLY CONCENTRATED MARKET Moderate impact | Moderate prob.

Technoprobe operates in a highly competitive and dynamic market characterized by a limited number of large global players and high technological intensity. The Group faces the risk of losing market share or failing to achieve targeted growth due to intensified competition, the potential entry of new operators, rapid technological change, and increasing customer expectations.

Mitigants:

Technoprobe mitigates this risk through strong specialization in high-value-added Probe Cards supported by significant ongoing investments in R&D, and a high degree of customization tailored to customer needs. Additional barriers to entry include long qualification cycles, deep integration with clients' production processes, and substantial capital requirements for new entrants, all of which help protect Technoprobe's competitive position despite a concentrated market structure.

Financial Risks

F1: FX RATES VOLATILITY Moderate impact | Moderate prob.

Fluctuations in exchange rates may affect Technoprobe's financial performance, as a significant share of revenues is generated in USD while a large portion of operating costs is incurred in EUR, with additional exposure arising from multiple foreign functional currencies across the group.

Mitigants:

Technoprobe is exposed to foreign exchange risk, as shown by the volatility of FX gains and losses over time. However, the impact remains limited and broadly contained within ±2% of revenues, suggesting that FX risk has not been a major driver of earnings volatility (*Exhibit 31*).

F2: BUYBACK VS LIQUIDITY BUFFER Low impact | Low prob.

Since 2023,Technoprobe has been executing a sizeable share buyback programme, representing a meaningful discretionary cash outflow. While value-accretive for shareholders, the buyback progressively reduces the Group's liquidity buffer and net cash position, making the balance sheet structurally less conservative in a cyclical and capital-intensive industry (*Exhibit 32*).

Mitigants:

Very strong liquidity position, with €666m of cash and cash equivalents as of FY2024, largely exceeding short-term obligations. Net cash balance and virtually no financial debt, with buybacks fully funded through internal resources.

F3: CREDIT RISK Moderate impact | Low prob.

Technoprobe's credit risk mainly arises from trade receivables linked to a highly concentrated customer base. As of FY2024, receivables amounted to €118.8m, with limited structural deterioration as only €1.15m were overdue beyond 90 days; however, concentration remains high, with 27.9% of receivables linked to a single customer and 72.7% to the top five customers.

Mitigants:

The Group can gradually diversify the customer base, both geographically and across end-markets, through continued investment in R&D and product innovation to broaden applications and reduce dependence on a limited number of large customers.

Business Risks

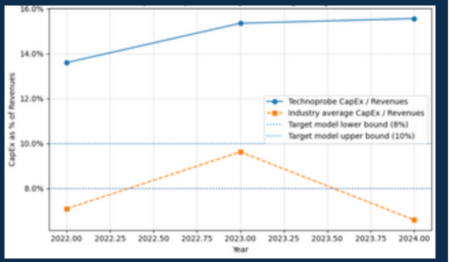
B1: SUPPLY CHAIN Moderate impact | Moderate prob.

Semiconductor testing equipment relies on highly specialized components. The Group relies on three major foreign suppliers, which are believed to be the only ones available for certain critical components used in Probe Card production. As a result, any disruption in these relationships could significantly interrupt or slow down the production process, with potentially material adverse effects on the Group's economic and financial position.

Mitigants:

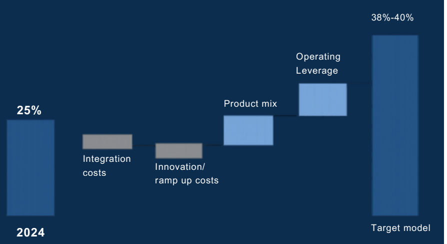
The Company has adopted a vertically integrated business model and has launched projects to internalize the production of key components; moreover, business continuity agreements are already in place with the suppliers.

Exhibit 34 - Technoprobe CapEx Intensity vs Industry & Target model



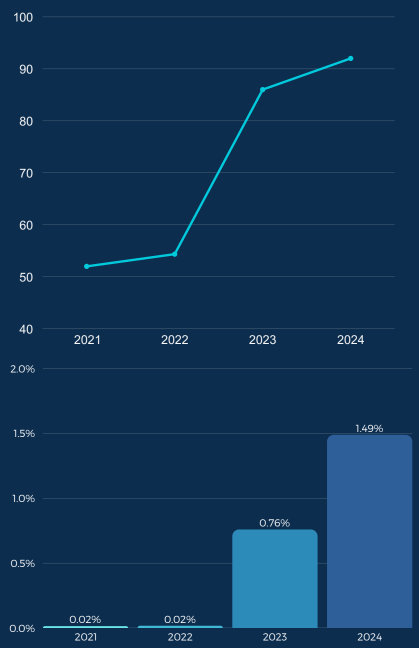
Source: *Company Reports, Team Analysis*

Exhibit 35 - Profitability Profile



Source: *Company Reports, Team Analysis*

Exhibit 36 - Energy Intensity (MWh / €m of Revenues) and Share of Renewable Energy Consumption (%)



Source: *Company reports, Team Analysis*

Exhibit 37 - Technoprobe's ESG pillars

Source: *Company reports*

Exhibit 38 - ESG Scoring and Weights

PILLAR	E	S	G
Weight	30%	35%	35%
Score	5,93	6,11	6,34

Overall Rating

Source: *Team analysis*

B2: COMPETING AT THE TECHNOLOGICAL FRONTIER

High impact High prob.

Rapid technological innovation in advanced semiconductor testing (e.g. HBM, 3D stacking and chiplet architectures) is significantly increasing the complexity of probe card design. Failure to keep pace with these developments could result in technological obsolescence and loss of competitive positioning for Technoprobe, also considering that competition is intense and concentrated among a small number of global players,

Mitigants:
The Group has a strong focus on continuous innovation, achieved through ongoing investment in research and development, dedicated specialist teams, and the systematic upgrade of its technologies and product portfolio (*Exhibit 33*). In addition, the acquisition of DIS Tech strengthens Technoprobe's capabilities in high-performance PCBs and device interface boards, enabling deeper vertical integration and closer coupling between probe cards and final testing solutions (*Appendix D2*).

B3: MANUFACTURING (OVER)CAPACITY

High impact High prob.

The company is currently in a heavy investment phase, with CapEx well above industry peers to support new facilities, acquisitions, and advanced product lines. This assessment is based on a comparison between Technoprobe's CapEx intensity and the average CapEx intensity of its three main competitors—FormFactor, Micronics Japan, and MPI Corporation—which highlights a structurally higher investment effort by Technoprobe (*Exhibit 34*). The resulting risk is twofold: insufficient capacity could constrain growth in high-demand segments such as AI and HBM, while weaker-than-expected demand could lead to overcapacity and structurally lower returns, particularly given Technoprobe's significantly higher CapEx intensity relative to peers.

Mitigants:
These investments are intended to support future volume growth and a structurally improved product mix, particularly in higher-margin segments such as AI logic and HBM. As integration and ramp-up costs normalize, management expects a gradual recovery in profitability, supported by operating leverage and mix improvement, with EBITDA margins converging toward the 38–40% target model over the medium term (*Exhibit 35*).

B4: INNOVATION AT RISK: INTELLECTUAL PROPERTY EXPOSURE

High impact Moderate prob.

Technoprobe is exposed to the risk of infringing third-party intellectual and industrial property rights, as well as to third parties infringing its own IP (patents, know-how, trademarks). Such events could lead to litigation, regulatory actions, additional costs, or limitations on business activities, with potentially material financial and operational impacts.

Mitigants:
Technoprobe mitigates this risk through a broad and well-established IP portfolio, comprising more than 20 registered trademarks, over 500 granted industrial patents, and more than 200 pending patent applications covering approximately 60 proprietary inventions. Additional mitigation measures include the protection of know-how and trade secrets through internal security and confidentiality policies, restricted access to sensitive information, and non-disclosure and non-compete agreements with employees and third parties, alongside active monitoring and legal enforcement of its IP rights.

B5: THE GREEN HORIZON

Moderate impact Moderate prob.

Technoprobe is exposed to climate transition risk arising from stricter environmental regulations, evolving market and technological standards, and the shift toward a low-carbon economy. This may lead to higher compliance and transition costs, increased operating expenses, potential asset devaluation, and reduced demand if the company does not align with decarbonization objectives (*Exhibit 36*).

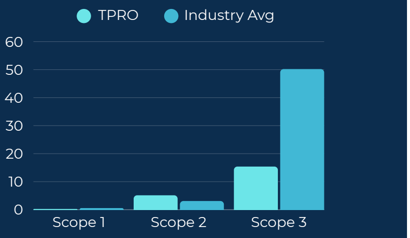
Mitigants:
The Group has implemented a multi-year energy efficiency plan, continued in 2024, focused on both technical and behavioral improvements and supported by investments in plant modernization and the adoption of more efficient technologies, with energy consumption continuously monitored by a dedicated Energy Manager. In parallel, Technoprobe has expanded on-site renewable energy generation at its production sites and promotes sustainable mobility among employees by encouraging the use of public transportation.

Environmental Social and Governance

BBB: a compliance driven approach

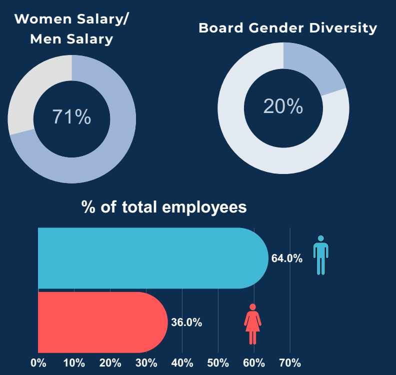
Technoprobe approaches ESG matters as an integral component of its business model and long-term value creation, with a particular focus on **transparency and regulatory** compliance. Through its sustainability report, the Group aims to provide a clear and structured overview of its ESG practices, ensuring transparency, traceability and comparability of information. While the Company's **current ESG approach** is more **compliance-oriented**, Technoprobe is strengthening its sustainability governance and reporting practices, ***laying foundation for a more structured integration of ESG considerations*** into its strategic and operational decision-making processes. This overall positioning is reflected in the final ESG rating resulting from our model (**BBB**), corresponding to a **score of 6**. This outcome represents a balanced assessment of a company with **sound ESG foundation**, while still at an **early stage in the transition** towards a more action and target-driven sustainability strategy: the rating captures the **absence** of **more advanced environmental policies**, **quantitative targets** and **proactive** sustainability **initiatives**, which currently limits Technoprobe's positioning relative to higher-rated peers. To assess Technoprobe's ESG performance, we developed a **proprietary model based on a peer-relative scoring approach**. For what concerns the selection of peers, since Technoprobe operates in a highly specialized segment characterized by a limited number of direct competitors, we included in our model also companies that, despite not producing identical products, share comparable structural/operational features: exposure to the semiconductor and advanced electronics value chain, high-precision and capital intensive manufacturing processes, strong reliance on R&D, global customers, similar regulatory and sustainability challenges. The model considered **47 metrics** (13 for E, 12 for S, 22 for G) grouped into **16 key factors**. The metrics were chosen after conducting a detailed analysis of Technoprobe's non-financial report, with particular attention to the factors that are most material for the company, both in terms of strengths and weaknesses.

Exhibit 39 - GHG emissions (Scope 1,2,3) in percentage of thousands of revenues



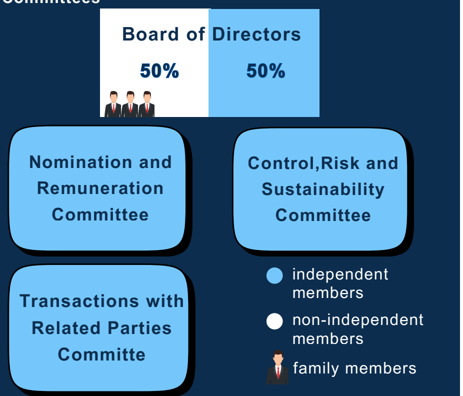
Source: Company Reports, Team analysis

Exhibit 40 - Male and female workers



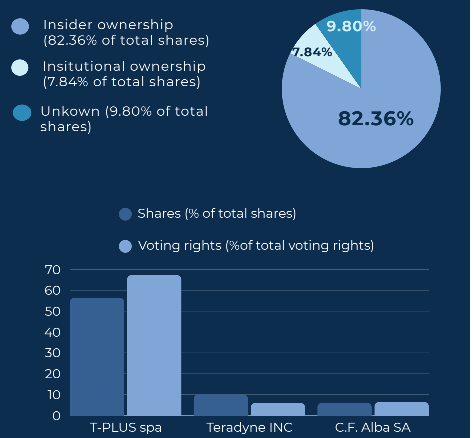
Source: Company Reports

Exhibit 41 - Board of Directors and Internal Committees



Source: Company Reports

Exhibit 42 - Shareholder Capital



Source: Company Reports, Factset, Team analysis

Exhibit 43 - Short-Term Incentives Structure

Type of Objective	Objective	Weight	Payout
Economic-Financial Objectives	**ProbeCards Market:** *Revenues+EBITDA Margin* **Final Test Market:** *Revenues+EBITDA Margin*	85%	80% 100% 130%
Sustainability Objectives	**ESG:** waste volume reduction/revenues; total energy consumption/ revenues; renewable energy	10%	On/Off
Innovation Objectives	**Innovation:** AI project to improve productivity	5%	On/Off

Source: Company Reports

The **proprietary conversion model** we used to transform scores into ratings (*Appendix E1*), is inspired by credit rating scales and it reflects a gradual progression in sustainability performance, from weak ESG profiles to best-in-class practices.The association between numerical scores and letter-based ratings is designed to be **conceptually consistent with the logic underlying credit ratings**. In this sense, **a score of 6 corresponds to a BBB rating**, which is commonly recognized in credit risk analysis as the threshold for **investment grade,** this level represents an adequate and stable profile, characterized by sound fundamentals and manageable risk exposure, while still leaving room for further improvements. Detailed decomposition of ESG model in Appendix E.

Environmental: rating BBB

ENERGY AND RENEWABLES (25%): ***early-stage transition, not yet aligned with best practices.*** Technoprobe reports its total energy consumption, mainly driven by production processes and operations of advanced testing equipment (lighting, refrigeration, general power supply). The energy mix still relies on **conventional energy sources**, but the Company discloses the **contribution of renewable energy sources** (solar energy), which currently represents just a limited percentage of total energy consumption (**1,49%**). While energy usage is monitored and transparently reported, Technoprobe does not have any formal efficiency target or resource reduction objective yet. Still, the Group is working on the **development of a decarbonization plan**. **EMISSIONS PROFILE (20%)**: ***supply-chain-driven emissions.*** The main emissions driver for Technoprobe is represented by **Scope 3 emissions** (**73,29% of total emissions**) that concern all those indirect emissions along the value chain, both upstream and downstream (*Exhibit 39*). The most relevant categories are **capital goods** (CAT2, 32,200 tCO2e)) and **purchased goods and services** (31,275 tCO2e); these mainly consist of production machinery, high-technology equipment and advanced materials purchased by Technoprobe **from its suppliers.** The effective management of supplier sustainability emerges in the double materiality analysis conducted by the Company as a **material topic**. As a result, for Technoprobe is not sufficient to improve internal energy efficiency alone; rather it is ***necessary to take action across the supply chain***. Possible decarbonization levers include: better selection of suppliers, eco-design of machinery, extension of the useful life of capital goods, reduction of business travels and more efficient logistics. **WATER AND WASTE MANAGEMENT (20%,15%)**: Technoprobe discloses its total water consumption (mainly for hygienic and domestic purposes), showing awareness of water usage across its operational footprint; however, the Group has not implemented any action or any quantitative target aimed at reducing water consumption. As such, **water management remains limited to consumption monitoring** and **on-site treatment** systems where needed. For what concerns **waste management**, the Group discloses data about hazardous and non-hazardous waste generated by its operations. Even thought Technoprobe does not have formal policies about circular economy or targets on waste amounts, it has **promoted initiatives aimed at reducing waste generation** and **encouraging recovery and reuse.**

Social: rating BBB+

Technoprobe has formal Health and Safety Policies for its own workforce: the Code of Conduct, data protection policies, health and safety management systems that covers approximately 53% of employees, indicating **room for extension across the full workforce**. The company has established effective remediation and grievance mechanisms for its workforce formalized into the **Global Whistleblowing Policy** and the Organizational Model pursuant to Legislative Decree 231/2001. Technoprobe discloses workforce composition data, including **employee turnover (14%)**, **gender distribution (36%)** and workforce size: these indicators suggest **moderate workforce stability** but **limited gender diversity**, consistent with a STEM industrial context. The Company has adopted a **Supplier Code of Conduct**, requiring suppliers to comply with minimum standards on health and safety, working conditions and accident prevention; the whistleblowing mechanism is also extended to the supply chain but without a structured-engagement-process of value chain workers (**engagement case-by-case**). For what concerns **policies related to consumers and end-users**, the Code of Conduct includes provisions on customer relations, product responsibility and ethical business practices; there is also an example of customer engagement because the Company **involved clients in the double materiality assessment**, reflecting a more advanced approach compared to other social dimensions. About product safety and quality matters, Technoprobe shows **no product quality controversies**, reflecting the highly customized and high reliability of its products and its close collaboration with customers in their industry. As such, the Company has been awarded of the *"Excellent Performance Award 2024"* by TSMC and of the *"EPIC Distinguished Supplier Award"* by Intel among other important recognitions on their products.

Governance: rating BBB+

Technoprobe's governance framework reflects a **solid and structured approach to corporate governance**, characterized by formalized policies, defined committee structures and a clear allocation of roles and responsibilities. Based on the assessment of key governance factors and peer-relative benchmarking, the Group achieves an **overall Governance rating of BBB+**, suggesting **sound governance practices with scope for further improvements toward best-in-class standards**. **Board independence** stands **at 50%** (Exhibit 41) and the committee structures are fully established (Nomination and Remuneration C., Control,Risk and Sustainability C., Transactions with Correlated Parties C.) and they are **fully independent** (100% of committee members are independent), contributing positively to oversight quality and internal control effectiveness. The distinction between executive and non-executive roles together with the **absence of CEO-Chairman Duality**, supports **balanced decision making and mitigates concentration of power risks**. However, **gender diversity remains limited** (20%), indicating room for improvement relative to best-practice benchmarks. Technoprobe demonstrates a structured and transparent executive compensation framework including the presence of incentive structure and pay-for-performance mechanisms. Regarding incentives, short-term ones include **ESG-related objectives**, showing the desire for an alignment between management incentives and long-term value creation (Exhibit 43). The ownership structure of the Group is highly concentrated, with a **majority shareholder holding more than 30% of voting rights**. The veto power of the major shareholder is not formally stated but it's a **de facto veto power**. For these reasons, the governance structure might limit minority shareholder influence, despite formal protections being in place. Technoprobe has **internal control systems in place** and reports non-significant accounting controversies; audit rotation occurs every 9 years, aligning with regulatory expectations. However, the Company **does not currently have an external assurance on sustainability** (CSR reporting), limiting the credibility of non-financial disclosures.

Momentum

Despite showing a solid ESG rating at BBB level, Technoprobe has demonstrated a **positive sustainability momentum over recent years (2021-2024)**. The company has strengthened its social commitement, thorugh the **establishment in 2023 of the Mariarosa and Giuseppe Crippa Foundation**, aimed at supporting philantropic initiatives, social and local communities inclusion. At the same time, **workforce stability has improved**, as reflected in a lower employee turnover compared to previous years (**from 21% in 2021 to 14% in 2024**). From a governance point of view, sustainability oversight has been enhanced with the evolution of the former Control and Risk Committee into the Control, Risk **and Sustainability** Committee, **formally integrating ESG considerations into board-level supervision**. Overall. these developments indicate a **gradual but consistent improvement** in Technoprobe's sustainability practices over time.

APPENDICES

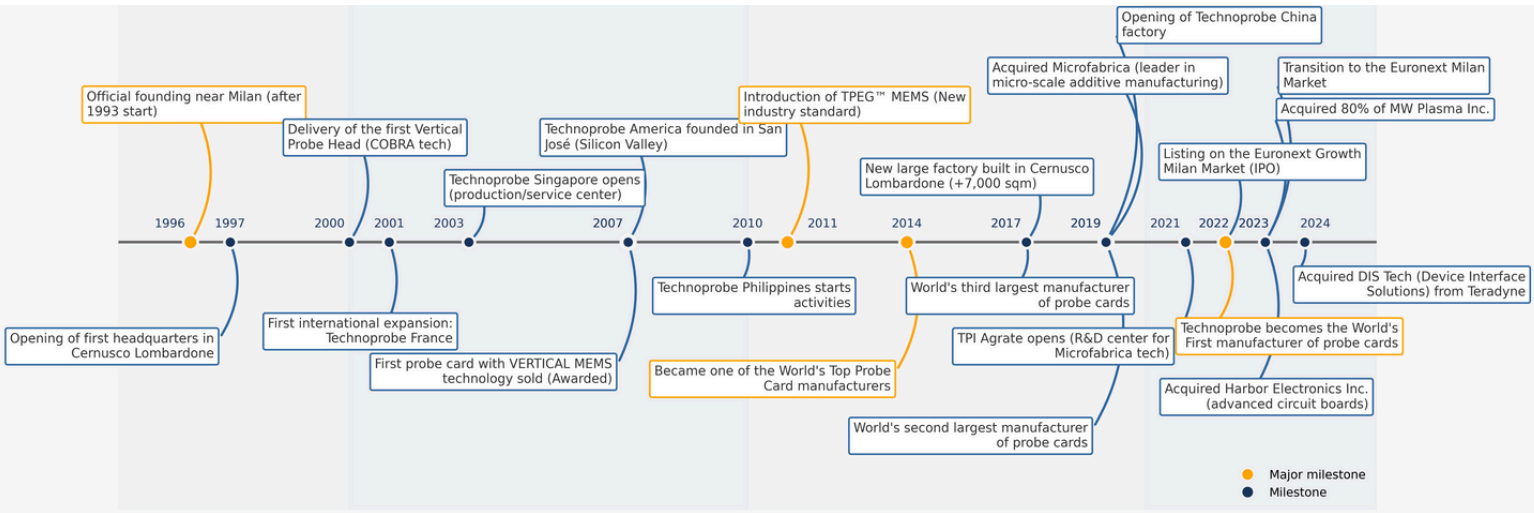
A. Business Description

A1. Glossary

Term	Definition
ATE	Companies that design and manufacture computer systems used to execute electrical systems
Ceramics	insulating plates used in the case of technoprobe's probe cards to house the MLO organic, and other parts
Conductor	Of a material, the ability to conduct electricity, i.e., allowing the current to flow easily
Die	A tiny, unpackaged piece cut from the silicon wafer.
Fabless	A company that designs chips but outsources the manufacturing to a foundry (e.g., Nvidia, AMD, Qualcomm)
Foundry	A company that operates semiconductor fabrication plants (Fabs) to manufacture chips for third parties (e.g., TSMC)
IDM	A company that designs, manufactures, and sells its own chips (e.g., Intel, Samsung, Texas Instruments, STMicroelectronics.)
IC	Die+ packaging+ external pins.
Insulator	Of a material, the ability to insulate, i.e., not conduct
Interconnect	Refers to electrical pathways in probe cards that route signals from tester to probes
LSI	Semiconductor technology that involves embedding thousands to tens of thousands of electronic components, primarily transistors, onto a single small silicon

Term	Definition
Mechanics	The mechanical components and assembly of probe cards, see Exhibit 4, Probe card components
MLO	A high density board sits between the probe head and the PCB, housed in between 2 ceramic substrates, ensures a stable high-frequency transmition with low loss of signal in vertical probe cards setps
OSAT	third party companies that handles the final packaging and final test of the chip after it has been cut from the wafer (e.g., ASE, Ankor)
Printed circuit Board	A board on which integrated circuits, electronic components such transistors, capacitors, can be soldered and connected providing mechanical support to the entire system.
Semi-conductor	of a material, the ability to conduct electricity, albeit not to the level of metal conductivity.
Silicon wafer	the thin slice of silicon upon which integrated circuits are fabricated
TPEG™	Technoprobe Etching and galvanic.
ULSI	(Ultra Large-scale integration): extends VLSI to billions + transistors
VLSI	(Very Large-scale integration): packs millions to billions of transistors on a single chip

A2. History of technoprobe



A3. Technology

3.1 key players in the semiconductor industry.

Integrated device Manufacturers

Companies that design and manufacture, and outsource some of the production to foundries, e.g., Intel, Samsung

Fabless design companies

Companies that design the chip ICs, however they outsource manufacturing to pure-play foundries or IDMs. e.g., **Qualcomm** and **AMD**

Pure-play foundries

Manufacturers that make silicon wafers, but do not design the ICs themselves, e.g., TSMC

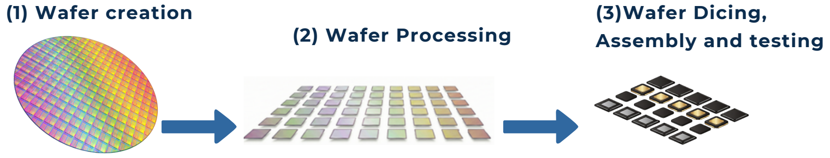
Semiconductor IP companies

companies that design and license system architecture

OSAT companies

Outsourced Semiconductor Assembly and Test, refers to the outsourcing of the packaging and testing processes.

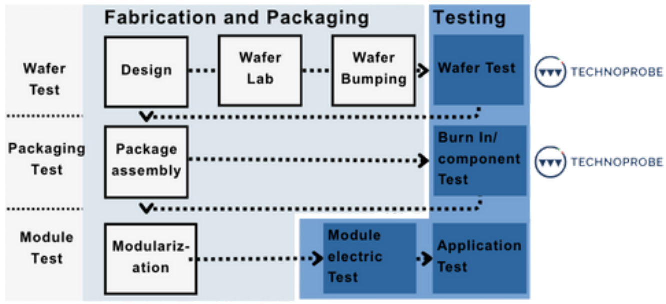
3.2 Wafer probing position on the semiconductor supply chain



Steps:
1. melt Silica and carbon
2. Form Ingots
3. Slice ingots

Steps:
1. Deposition
2. Patterning & Lithography
3. Removal
4. Physical property alteration
5. Repeat 1-4 as Necessary
6. **Wafer probing, probe cards utilizations , subsequent Yield analysis**

Steps:
1. Die Bonding
2. External interconnect Formation
3. Encapsulation
4. Sealing
5. Final Testing



Technoprobe occupies a vital position in the semiconductor value chain at the “wafer Processing” **(2)** stage, serving as the essential gatekeeper between front-end wafer fabrication and back-end packaging **(3)**. Leveraging its proprietary TPEG™ MEMS technology, Technoprobe manufactures advanced probe cards capable of establishing precise electrical contact with thousands of microscopic pads simultaneously. This capability directly addresses key industry shifts toward complex 3D and system-in-package (SiP) architectures, Technoprobe’s technology is critical for identifying **Know good die (KGD)** early in the process. by filtering out defects before they are integrated into expensive packages **figure 1**, their probe cards not only prevent the waste of functional components but also provide the high-fidelity data necessary for **yield learning** insured by their advanced interconnect**,** the industry’s top priority for improving fab processing and accelerating time to market.

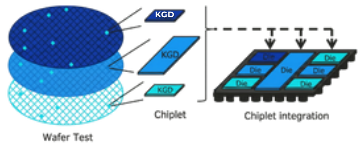
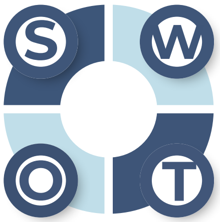


Figure 1, KGD’s and chiplet integration, source team analysis

A4. Swot Analysis

Strenghts
- Vertical integration
- Technological leadership In MEMS, TPEG™ MEMS
- Sound financial health wealth, with significant cash reserves (approx. €657M in H1 2025)
- Strategic alliances, the recent partnership with Teradyne which acquired a 10% stake in TPRO), and divested dis tech to TRPO

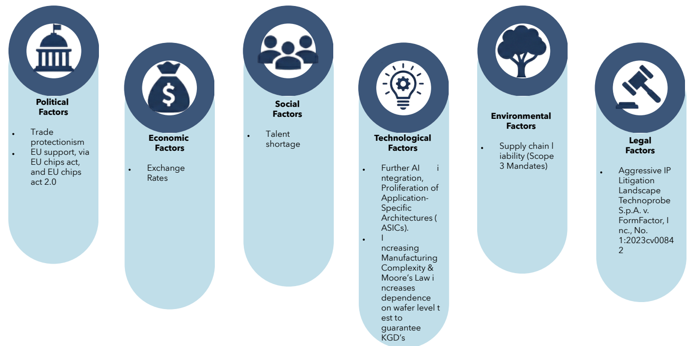
Opportunities
- Chiplets and advanced packaging, presents increased dependence on wafer level testing.
- Strategic M&A: the strong cash position, incentives to be more aggressive on m&a and have a strong buyer advantage
- Automotive Electrification: Although currently facing a cyclical slowdown, the long-term trend of EVs and ADAS (autonomous driving) will require massive volumes of tested silicon, diversifying Technoprobe away from consumer electronics
- Expand to include IC design, as it plays to Technoprobe’s capabilities



Weaknesses
- Customer concentration
- Vertical integration, albeit with all its cost cutting and lead time compression benefits is heavily concentrated in its Italian locations
- horizontal integration (exploring new revenue streams), also leads to marginalization of other TPRO locations

Threats
- Geopolitical Tech wars, escalation of US-China trade restrictions, associated with the unpredictability of president D.J.Trump mandates in the upcoming years, all nuances that can affect to an extent
- Cyclical Industry Downturns, The semiconductor industry is notoriously boom-and-bust. recent bust circa 2022-2023.

A5. Pestel Analysis

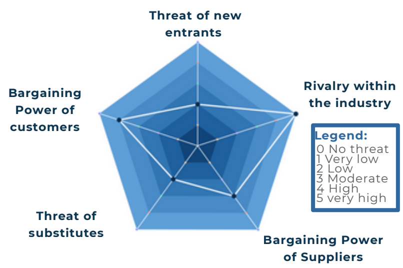


Company	country	key financials			focus areas		
		Total revenue FY2024A	Revenue breakdown	Ebitda Margin FY2024A	Non memory vertical MEMS	other non memory	Memory
Technprobe	Italy	€543M	TPEG vertical MEMS 98%; Cantilever 1%; Motherboard and final testing 1%	25,14%	[√] Leader	[ ] Marginal	Potential
FormFactor	USA	€644,5M	Engineering Systems 24%; probe cards 76%	12,79%	[√] core	[√] Leader	[√] core
MJC	Japan	€310 M	Probe cards; Testing equipement	25%	[√] MEMS-SP	[√] U-Probe	LEADER
TSE	Korea	€215M	probe card 30%; Interface Board 30%; Test Socket 13%; Oled 18%, other 9%	19.41%	[√] Existing	[√] Interface	[√] HBM
MPI Corp	Taiwan	€265M	Equipment 22.7%; probe cards 75.4%; other 1.9%	26%	[√] Core	[√] existing	[ ] Marginal

Source: Factset, Refinitiv, Company Reports, Team Analysis

The competitive landscape is dominated by a clear oligopoly, with Technoprobe (Italy), FormFactor (USA), MJC (Japan), and MPI Corp (Taiwan) leading the market. Financial comparisons reveal distinct strategic trade-offs between scale and profitability. While FormFactor leads in top-line revenue (€644.5M), Technoprobe(€543M) demonstrates superior operational efficiency with an EBITDA margin of 25.14%, nearly double FormFactor’s 12.79%. This validates Technoprobe's focused "pure-play" strategy, where 98% of revenue is derived from TPEG Vertical MEMS, compared to FormFactor’s diversified model (76% probe cards, 24% engineering systems). Technoprobe is identified as the Leader in Non-memory vertical MEMS, reinforcing its technological moat in the logic sector. This remains a competitive frontier. MJC is currently the "Leader" in memory, and TSE(Korea) has established a foothold in the high-growth HBM (High Bandwidth Memory) segment. Technoprobe currently categorizes memory as "Potential," aligning with its strategic priority to enter and disrupt this market (as detailed in the Strategy section). The remainder of the market consists of fragmented, private niche players (e.g., Star Technologies, Wentworth Laboratories, GGB Industries), which hold marginal market shares (often <1%) and specialize in specific applications like RF or controlling instruments, lacking the scale to compete for broad high-volume contracts.

A7. Porter’s Five forces



Source: Company Reports, Team Analysis

1- Threat of new entrants - Low
The industry is characterized by massive R&D requirements and significant technological moats, creating high barriers to entry. For an incumbent to break in is difficult; the most likely entry scenario involves a company in a related field making a strategic pivot. uch occurrences are rare, not only due to the hyper-specialized expertise required but also because of the significant strategic trade-offs—an entrant would have to compromise their core business to compete effectively in this niche.

2- Rivalry within the industry - Very high
Rivalry is high, companies are competing in a red ocean of memory and non memory applications, making it crucial to have competitive advantages, i.e., doing what competition does best, better, hence a fierce and intense rivalry, confirmed by big capex and r&d spending

3- Bargaining Power of customers - high
TPRO’s client base includes industry giants such as **Intel**, **Samsung**, **STMicroelectronics**, **Texas Instruments**, **AMD**, **NXP**, and **Qualcomm**. These “Tier-A” players hold significant leverage. However TPRO does negotiate, because the cost of testing is a relatively small portion of the client's total Bill of Materials (BOM).

4- Threat of substitutes - Low
Electrical testing remains the industry standard. While photonics testing is an emerging technological threat, Technoprobe has proactively mitigated this by developing advanced applications and integrating photonics directly into their probe card offerings.

5- Bargaining Power of Suppliers
The bargaining power of suppliers is limited because the primary value resides in Technoprobe’s proprietary designs and specialized manufacturing processes rather than the raw materials themselves. While high-grade components are essential, TPRO’s scale and the niche nature of these inputs ensure that suppliers have few alternative buyers, keeping their leverage in check, in short the comapny has immense purchasing power.

B. Financial Anaysis

B1. Revenue Forecast by Geography

€M	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E
ASIA-PACIFIC	149.6	182.4	357	178.9	254.6	302.4	362.1	446.5	602.6	783.4	979.4	1175.2
THE AMERICAS	132.7	166.7	153.4	187.9	250.3	283.3	338.7	410.3	562.1	719.6	899.4	1079.3
EUROPE (EX-ITALY)	36.5	33	28.7	31.6	26.6	29.3	33.7	37.1	46.4	55.6	61.2	65.8
ITALY	10.7	9.6	9.8	10.9	11.7	11.9	12.8	14.0	15.5	16.7	17.7	18.6
TOTAL REVENUE	329.5	391.7	548.9	409.3	543.2	626.9	747.3	910.7	1,179.2	1,524.9	1,894.6	2,263.2

Source: Company Reports, Team Analysis

Revenue Forecasting Methodology. Technoprobe's revenues are forecast using a **bottom-up geographic segmentation model** reflecting differentiated demand drivers across Asia-Pacific, the Americas, Europe (ex-Italy), and Italy.

Revenue growth is driven by:

- Semiconductor wafer production volumes
- **Test intensity per wafer**, increasing with **advanced nodes and AI workloads**
- **Product mix evolution toward high-complexity probe cards and interface hardware**
- **Consolidation of Device Interface Solutions (DIS) and Harbor Electronics**
- Regional semiconductor manufacturing investments

The forecast period (2025–2031) captures both:
(i) a **cyclical recovery phase** following the 2023–2024 semiconductor downturn, and
(ii) a transition toward a **normalized long-term growth trajectory**.

Asia and the Americas represent the primary growth engines, supported by **advanced logic and memory manufacturing**, AI and high-performance computing demand, and **rising test complexity**. Europe is forecast to grow at a more moderate pace due to its mature end markets and higher exposure to automotive and industrial semiconductors. Italy provides a stable, low-growth domestic base.

The forecast also reflects a broader product offering that extends beyond traditional wafer-level probe cards into adjacent test solutions, increasing wallet share per customer and expanding the company's addressable market. Growth decelerates progressively in the outer forecast years as Technoprobe transitions from post-downturn recovery toward a normalized expansion phase.

B2. Revenue Growth Bridge (Key Drivers)

Driver	Contribution to Growth	Rationale
Semiconductor cycle recovery	+	Demand re-normalization after inventory correction
AI & advanced logic demand	++	Higher test-intensity & complexity
Geographic mix shift	+	Faster growth in Asia & the Americas
Portfolio expansion into interface & final-test solutions	+	Expanded product portfolio and higher wallet share
Final test exposure growth	+	Structural expansion beyond probe cards

Source: Company Reports, Team Analysis

The semiconductor downturn in 2023–2024 reflected inventory corrections and underutilization across the industry. As end-demand normalizes, wafer volumes and test intensity recover, driving a cyclical rebound in probe-card demand. At the same time, **AI accelerators**, data-center CPUs, and advanced-node logic increasingly rely on advanced memory architectures, including **high-bandwidth memory (HBM)**, which materially raise test intensity and probe-card complexity. These architectures require significantly higher pin counts, tighter tolerances, and more frequent testing, **structurally increasing probe-card content per chip** and supporting **higher average selling prices**.Management confirmed that **AI-driven demand** from data centers and advanced logic applications is expected to remain the primary growth driver over the medium term, supporting both volume recovery and structurally higher test complexity

Growth is further supported by **faster expansion in Asia and North America**, where advanced logic, memory, and AI manufacturing capacity is scaling more rapidly than in mature European markets. Finally, the **integration of recently acquired interface and final-test capabilities** extends Technoprobe's offering into device-interface boards and final-test hardware, increasing wallet share per customer and expanding the company's served market. Together, these drivers create a growth profile that is **both cyclical and structural in nature**, supporting sustained above-market revenue expansion beyond the current semiconductor upcycle.

B3. Gross Margin Bridge - Key Drivers

Driver	Impact	Rationale
Semiconductor cycle recovery	+	Higher fab utilization and volume leverage
AI & advanced logic demand	++	Higher test complexity and richer probe architectures
Product mix shift	+	Shift toward high-value probe cards and interface solutions
Integration synergies	+	Manufacturing and procurement efficiencies
Underutilization unwind	+	Fixed cost absorption

Source: Company Reports, Team Analysis

Technoprobe's gross margin evolution reflects the combined effects of semiconductor cycle dynamics, capacity utilization, product mix, and integration-related efficiencies.

1. Semiconductor Cycle Recovery: The sharp margin contraction in 2023–2024 was primarily driven by industry-wide volume declines, customer inventory corrections, and reduced fab utilization. As semiconductor demand normalizes from 2025 onward, recovering wafer volumes support a cyclical rebound in gross margins through improved utilization of an already expanded manufacturing base.

2. Underutilization Unwind and Operating Leverage: Probe-card manufacturing is characterized by a high fixed-cost structure. During the downturn, underutilization mechanically compressed margins. As utilization improves, incremental volumes generate disproportionately higher contribution margins, accelerating fixed-cost absorption and supporting margin normalization.

3. Product Mix Upgrade and Test Complexity: Structural growth in AI accelerators, advanced logic, and high-performance computing drives materially higher test complexity per wafer. These applications require more advanced probe architectures, higher pin counts, tighter tolerances, and more frequent testing, supporting higher average selling prices and structurally richer gross margins.

4. Integration Synergies: The 2024 margin trough reflects temporary dilution from lower-margin acquired activities and integration inefficiencies. Over the medium term, procurement synergies, manufacturing optimization, and cross-selling across probe cards, interface solutions, and final-test hardware support gradual margin accretion

5. Pricing Power and Technology Leadership: Technoprobe's leadership in advanced-node logic and memory probe cards underpins pricing power in high-performance segments. As customers transition toward more complex device architectures, the company captures higher value-added content per chip, reinforcing sustainable gross margin expansion beyond the cycle.

B4. ROIC Decomposition (Analytical Bridge)

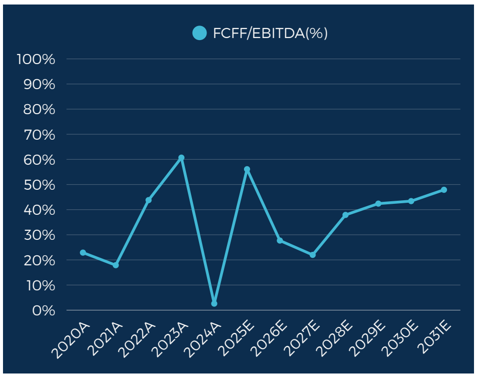
Driver	Impact on ROIC	Explanation
EBITDA Margin	↑	Operating leverage as volumes recover
Asset Turnover	↑	Revenue scales on expanded asset base
Invested Capital	stabilizes	Growth capex moderates after capacity expansion, improving capital productivity
Effective tax rate	Neutral	No recurring tax distortions assumed

Source: Company Reports, Team Analysis

ROIC is calculated as NOPAT divided by average invested capital, where NOPAT represents after-tax operating profit and invested capital includes net working capital, tangible and intangible assets, net of excess cash. The recovery in ROIC is primarily driven by **EBITDA margin expansion**, as operating leverage improves with higher volumes and utilization of an already expanded manufacturing base. This allows operating profits to grow faster than the underlying capital base. **Asset turnover improves** gradually as revenues scale on fixed and intangible assets added during the prior investment phase, enhancing capital productivity without proportional asset growth. At the same time, **invested capital stabilizes** as capital expenditures normalize following the completion of the recent capacity expansion and excess liquidity is redeployed. The effective tax rate is assumed to remain broadly neutral in the absence of recurring tax distortions.

Overall, this decomposition explains why **ROIC recovery lags margin normalization**: profitability improves first, while capital efficiency recovers more gradually as the enlarged asset base is absorbed. The framework highlights the **transition from an investment-intensive phase toward a more normalized return profile**.

B5. FCFF/EBITDA Conversion Dynamics



Source: Company Reports, Team Analysis

FCFF/EBITDA conversion exhibits pronounced volatility over the 2020–2024 period, driven primarily by elevated capital expenditures, working capital absorption, and capacity ramp-up effects rather than weakness in underlying operating profitability. The sharp compression observed in 2024 reflects peak investment intensity during a period of subdued industry demand and integration-related cash outflows. Despite resilient EBITDA generation, free cash flow was temporarily depressed as the company prioritized capacity expansion and strategic investment.

From 2025 onward, conversion improves steadily as capital intensity normalizes and operating cash generation scales with higher utilization and efficiency gains. By the outer forecast years, FCFF conversion stabilizes in the **40–50% range**, consistent with a mature, capital-disciplined semiconductor equipment supplier.

Overall, the **FCFF/EBITDA trajectory** confirms that recent free cash flow weakness was **investment-driven and transitional**, supporting the view that Technoprobe's cash generation profile normalizes as the business exits its expansionary phase.

B6. SCENARIO ANALYSIS

Key Metrics (2031E)	Bear Case	Base Case	Bull Case
Revenue CAGR (2025-2031)	~15%	~25%	~30%
Gross Margin	50-52%	57-58%	60-62%
EBITDA Margin	34-36%	40-41%	45-47%
ROIC	26-30%	38-41%	42-45%
CapEx/Revenue	~9.5-10%	~8.5-9%	~7.5-8%
Cash Conversion Cycle (CCC)	~145 days	~135 days	~120 days
Fair Value per Share (€)	11.9	16.18	22
Upside/Downside vs Base	-26%	Base (100%)	+37%

Source: Company reports, team estimates

The scenario framework is constructed by varying a consistent set of **operating and capital efficiency assumptions** around the base-case forecast. All scenarios share the same business perimeter and cost of capital; differences reflect alternative paths for demand normalization, utilization, pricing power, and capital discipline.
Revenue growth assumptions differ primarily in the pace of semiconductor demand recovery and the intensity of **AI-driven investment** across data centers and advanced logic nodes. The **base case** reflects normalized industry conditions with structurally higher test complexity, while the **bull and bear cases** capture faster or slower utilization recovery, respectively.
Profitability outcomes vary through changes in **gross and EBITDA margins** driven by operating leverage, product mix, and pricing power. Higher utilization and richer product mix support faster margin normalization in the bull case, while prolonged underutilization and pricing pressure delay margin recovery in the bear case. These dynamics are consistent with the margin normalization mechanisms discussed in the main financial analysis.
Capital efficiency assumptions differentiate scenarios through variations in **CapEx intensity** and working capital behavior. In the base case, capital intensity converges toward management's stated maintenance range. In the bull case, capital intensity declines more rapidly as utilization improves, while in the bear case it remains elevated for longer due to slower capacity absorption. Corresponding differences in inventory levels and cash conversion cycles reflect these alternative operating environments.
Valuation outcomes are derived by applying **scenario-specific cash flow profiles** within the same valuation framework used for the base case. Upside and downside relative to the base case therefore reflect dispersion in operating performance rather than changes in financial leverage or discount assumptions. As such, the scenario analysis provides a **quantitative bridge** between the financial analysis and the valuation outcomes.

C. Valuation

C1. WACC, ERP, Beta, Rf

Equity Risk Premium

For TPRO's equity risk premium we use a country-weighted average of market risk premia, considering the current (june 2025) Company's geographical revenue share. The marginal contribution for each country, shown in the table below, is then added to obtain the corresponding Regional ERP.

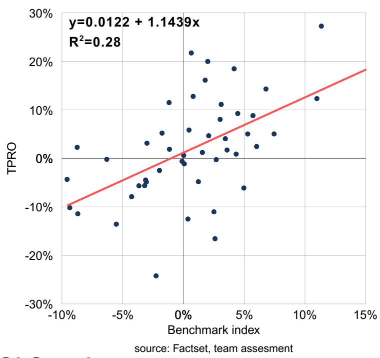
Region	ERP	Weight
USA	4.46%	40.80%
ASIA	5.15%	53.30%
EUROPE	5.32%	5.90%
TPRO ERP	**4.88%**	100%

Source: Damodaran, Company reports, Team analysis

Beta

To compute TPRO's beta coefficient, we used an approach analogous to the ERP's, employing a custom benchmark, consisting in a portfolio made of three equity indices (MSCI USA, MSCI EM ASIA, MSCI EUROPE) mantaining the same weights used in the ERP computation.
The linear regression of TPRO's monthly log-returns (47 observations from 02/16/2022 to 01/16/2026) and the monthly log-returns of the benchmark index resulted in a slope coefficient equal to 1.1439, with strong statistical significance (P-Val<0.001).
We preferred to create our own benchmark instead of computing the weighted average of the betas against the local indices for taking into account the correlation between American, Asian and European market, in order to have a more precise measure of TPRO's stock sensitivity to the market changes.
To be certain to consider all the risk factors we also performed a multi linear regression to estimate Fama and French 3 factor model coefficients, the Size and Value factors resulted to be not significant nor it's noticed an appreciable improvement in the fitting of the model.

OLS estimate and scatterplot:



	Coefficient	P-VAL
ALPHA	0.0122	36.1%
BETA	1.1439	0.01%
R^2	0.28	

Source: Factset,Team analysis

Company	Beta 3Y monthly vs local index
MPI Corp	1.42
FormFactor	2.1
WinWay Technology	1.56
Chunghwa Precision Test	1.27
Micronics Japan	1.51

Source: Factset,Team analysis

OLS estimate:
We prefer to use log-returns rather than arithmetic returns, as they tend to exhibit a more symmetric distribution with less pronounced tails, which is desirable for statistical modeling and inference, for P-values estimation we opt for heteroschedasticity and autocorrelation robust standard errors. Furthermore, we rely on monthly observations instead of weekly ones in order to mitigate the impact of short-term fluctuations and market microstructure noise that may obscure the underlying dynamics of stock returns. The drawback of this choice is a reduction in the number of available observations (47 available observations vs 60 optimal observations).

Comparison with competitors' beta coefficients:
By comparing the beta coefficient we obtained through our estimation and the 3Y beta vs local index of the main competitors (Source: Factset) it's noticable that TPRO exhibits a lower sistematic risk in comparison with the other companies, this can be explained by TPRO's stronger cash position and the absence of financial debt (unlevered).

WACC

Risk free return:
for the estimation period (2026E-2035E) we use a 10Y interest rate swap, obtained by the ECB AAA government bonds yield curve, equal to 2.96%, for the long term WACC we opted for the 30Y interest rate swap equal to 3.30% derived with the same method. (source: ECB)

Long term WACC:
In the long term we assumed Beta coefficient reverts to 1 and a 5% long term ERP value, as an average value of developed markets excess return among the last 30 years.
(source: Factset)

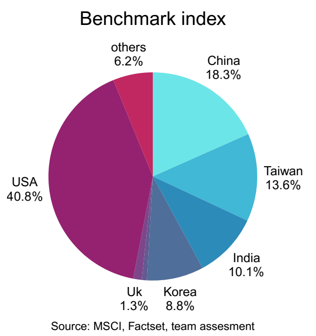
Short term WACC	
Risk free	2.96%
Beta	1.1439
ERP	4.88%
D/E	0
WACC ST	8.513%

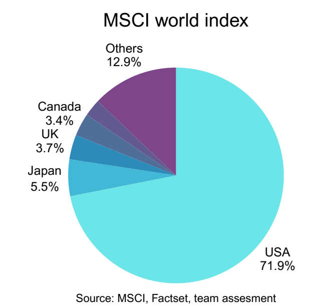
Source: Factset,ECB,Team analysis

Long term WACC	
Risk free	3.30%
Beta	1
ERP	5%
D/E	0
WACC LT	8.30%

Source: Factset,ECB,Team analysis

Geographical breakdown of benchmark index





Global market-cap weighted indices tend to allocate over than 70% of exposure in US equities, using a global index would have overweighted the impact of US market on TPRO's beta estimation.

Fama e French three factor model estimation:

	Coefficient	P-VAL	Regressor
BETA MKT	1.1338	0.01%	**ERP:** Monthly log-returns of custom benchmark: MSCI USA (40.8%), MSCI EM ASIA (53.3%), MSCI EUROPE (5.9%)
BETA SIZE	1.1066	13.93%	**SMB:** Monthly returns of a custom portfolio with long position on MSCI USA SMALL CAP, MSCI EM ASIA SMALL CAP and MSCI EUROPE SMALL CAP and short on MSCI USA LARGE CAP, MSCI EM ASIA LARGE CAP and MSCI EUROPE LARGE CAP. (Same weights of the custom benchmark)
BETA VALUE	-0.0125	89.23%	**HML:** Monthly return of a custom portfolio with long position on MSCI USA VALUE, MSCI EM ASIA VALUE and MSCI EUROPE VALUE and short on MSCI USA GROWTH, MSCI EM ASIA GROWTH and MSCI EUROPE GROWTH. (Same weights of the custom benchmark)
Adj R^2	28.45%		

Source: Factset,Team analysis

C2. Peer selection and relative valuation

Given that TPRO operates in a highly specialized market niche with a limited number of players, maintains a specific focus on non-memory and SoC probe-card applications, and benefits from a level of vertical integration unmatched by any competitor, we have chosen to conduct the relative valuation using a narrow peer group specifically, those companies that are most comparable in terms of size and product offering, many probe card manufacturers are structured as private companies, which makes them unsuitable for a valuation based on trading multiples .

Company	Country	Market Cap (eM)	Net debt/EBITDA	Main PC application	Comparable
MPI Corp	Taiwan	6512.7	0.05x	Both	✓
FormFactor	United States	4826.1	-2.46x	Both	✓
WinWay Technology	Taiwan	3793.9	-1.06x	Non-Memory	✓
Chunghwa Precision Test	Taiwan	2589.8	-2.33x	Memory	✓
Micronics Japan	Japan	1939.9	-0.43x	Non-Memory	✓
TSE Co.	South Korea	469.8	-0.18x	Memory	✓
Japan Electronic Materials	Japan	329.1	-1.34x	Memory	✗
TFE Co.	South Korea	239.8	-1.20x	Memory	✗
ProbeLeader	Taiwan	35.9	27.01x	Both	✗
Protec Mems Technology	South Korea	20.2	-2.24x	Memory	✗

Source: Factset,Team analysis

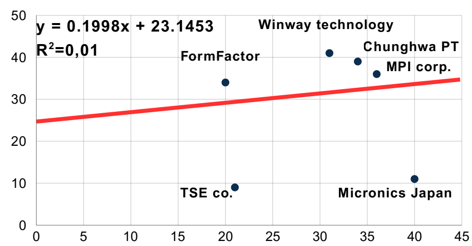
As shown in the table, the only major non-Asian player in the probe card manufacturing industry, besides Technoprobe, is FormFactor. It can also be observed that, in terms of market capitalization, all the competitors are smaller in size. To make the peer comparison more meaningful, we decided to exclude companies with a market cap below 400 million, in order to obtain a more realistic benchmark in terms of market share and operating leverage.

Relative valuation:
We consider EV/EBITDA is the most suitable metric for this RV, net-income based indicators such as the P/E ratio may be biased by different cash positions amounts and different levels of financial leverage. The company is also the only European player in its segment, so a capital-structure-neutral approach ensures cleaner comparability with global peers. EV/EBITDA avoids the impact of differing accounting policies on depreciation and amortizations, which can materially affect net income. This makes the valuation more consistent and focused on underlying operating performance.

Peer group	FY2026E EV/EBITDA	FY2026E EBITDAm%
WinWay Technology	39.83	31.08
Chunghwa Precision Test	41.60	34.43
FormFactor	31.34	20.13
MPI Corp	38.53	35.89
Micronics Japan	10.66	39.98
TSE Co.	9.51	21.05

Source: Factset,Refinitiv,Team assesment

Peers FY2026E EV/EBITDA vs FY2026E EBITDAm%



Source: Factset, Refinitiv, Team assesment

Since there is virtually no correlation between the peers' FY2026E EV/EBITDA multiples and their corresponding FY2026E EBITDA margins, we choose to use the median multiple. This allows us to exclude outliers such as Micronics Japan and TSE Co., which show significantly lower multiples compared to the other companies. The relative valuation of TPRO results in a FY2026E EV/EBITDA multiple of 34.93x, corresponding in a fair price of 15.69. However, although the peer group includes the companies most similar to TPRO, there remain structural differences that weaken the relative valuation approach. TPRO has a level of vertical integration that the comparables do not possess, and it enjoys higher liquidity than all the other companies, both in absolute and relative terms. This aspects could partially justify the valuation differences among the firms.

C3. DCF

Starting from the base case scenario we projected TPRO's financials for a 10Y estimation period, with a FY2026E-FY2035E revenue CAGR equal to 18.73%, this strong growth is backed by important CAPEX investments, for instance in FY2026-2027 TPRO is expected to invest €160M, in addition to the manteinance CAPEX, to expand production capacity.

income projection (€M):

	HISTORICAL					FORECAST										
	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E	FY2031E	FY2032E	FY2033E	FY2034E	FY2035E
Revenue	**329.45**	**391.74**	**548.93**	**409.27**	**543.15**	**626.90**	**747.31**	**907.88**	**1226.63**	**1575.33**	**1957.65**	**2338.88**	**2681.28**	**2996.83**	**3262.83**	**3504.89**
growth YoY		*18.91%*	*40.13%*	*-25.44%*	*32.71%*	*15.42%*	*19.21%*	*21.49%*	*35.11%*	*28.43%*	*24.27%*	*19.47%*	*14.64%*	*11.77%*	*8.88%*	*7.42%*
EBITDA	**158.84**	**174.70**	**245.36**	**122.73**	**136.52**	**201.74**	**268.06**	**340.00**	**466.12**	**618.00**	**773.27**	**958.94**	**1112.73**	**1258.67**	**1370.39**	**1472.05**
EBITDAm	*48.21%*	*44.60%*	*44.70%*	*29.99%*	*25.14%*	*32.18%*	*35.70%*	*37.45%*	*38.00%*	*39.23%*	*39.50%*	*41.00%*	*41.50%*	*42.00%*	*42.00%*	*42.00%*
growth YoY		*9.99%*	*40.45%*	*-49.98%*	*11.23%*	*47.77%*	*32.26%*	*27.43%*	*37.09%*	*32.59%*	*25.12%*	*24.01%*	*16.04%*	*13.12%*	*8.88%*	*7.42%*
EBIT	**143.41**	**149.66**	**208.63**	**79.79**	**67.19**	**132.78**	**195.05**	**290.76**	**417.49**	**558.01**	**698.65**	**875.95**	**1019.63**	**1153.95**	**1252.71**	**1340.33**
EBITm	*43.53%*	*38.20%*	*38.01%*	*19.50%*	*12.37%*	*21.18%*	*26.10%*	*32.03%*	*34.04%*	*35.42%*	*35.69%*	*37.45%*	*38.03%*	*38.51%*	*38.39%*	*38.24%*
growth YoY		*4.36%*	*39.40%*	*-61.75%*	*-15.80%*	*97.63%*	*46.90%*	*49.07%*	*43.59%*	*33.66%*	*25.20%*	*25.38%*	*16.40%*	*13.17%*	*8.56%*	*7.00%*
Tax rate	**24.20%**	**21.73%**	**28.45%**	**-14.24%**	**35.24%**	**30.73%**	**29.59%**	**29.25%**	**29.22%**	**29.11%**	**29.11%**	**28.95%**	**28.90%**	**28.85%**	**28.81%**	**28.76%**
NOPAT	**103.52**	**119.11**	**148.39**	**97.32**	**62.87**	**103.36**	**153.57**	**227.41**	**321.21**	**425.49**	**531.07**	**667.50**	**781.57**	**891.47**	**978.10**	**1058.71**
Net margin	*30.85%*	*30.47%*	*27.00%*	*23.79%*	*11.56%*	*14.77%*	*21.32%*	*24.75%*	*25.87%*	*26.68%*	*26.80%*	*28.20%*	*28.80%*	*29.39%*	*29.62%*	*29.84%*
EPS	€ 0.21	€ 0.21	€ 0.25	€ 0.16	€ 0.10	€ 0.16	€ 0.24	€ 0.36	€ 0.51	€ 0.67	€ 0.84	€ 1.06	€ 1.24	€ 1.41	€ 1.55	€ 1.68

Source: Company reports, team estimates

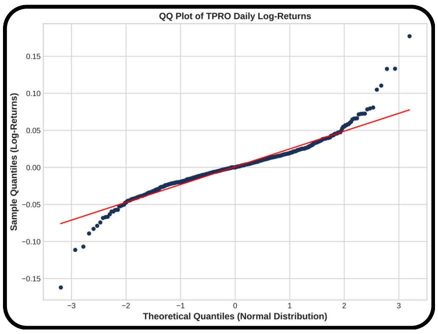
One aspect of our projection of the company's income is the estimation of the tax rate. Since TPRO is headquartered in Italy, specifically in Lombardy, it is subject to a 24% corporate tax and a regional tax on productive activities (IRAP) with a 3.90% rate, whose tax base does not allow the deduction of interest expenses or personnel costs, except for employees engaged in R&D. Consequently, given that TPRO has an irrelevant interest expense, the variation in the overall tax rate over the forecasted years is mainly driven by the expected expenditure on personnel that TPRO is assumed to employ. (Source: Italian Legislative Decree No. 446 of 15 December 1997)

FCFF projection (€M):

	FORECAST									
	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
REVENUE	*747.31*	*907.88*	*1226.63*	*1575.33*	*1957.65*	*2338.88*	*2681.28*	*2996.83*	*3262.83*	*3504.89*
EBIT	*195.05*	*290.76*	*417.49*	*558.01*	*698.65*	*875.95*	*1019.63*	*1153.95*	*1252.71*	*1340.33*
TAXES	*-64.52*	*-94.00*	*-132.62*	*-174.72*	*-218.12*	*-271.94*	*-317.71*	*-361.49*	*-395.76*	*-427.39*
D&A	*76.45*	*42.16*	*48.63*	*60.00*	*74.62*	*82.99*	*93.10*	*104.72*	*117.68*	*131.72*
CAPEX	*-139.78*	*-152.63*	*-110.40*	*-133.90*	*-166.40*	*-187.11*	*-214.50*	*-239.75*	*-261.03*	*-280.39*
Δ WC	*-16.36*	*-42.10*	*-82.83*	*-89.39*	*-103.88*	*-103.65*	*-88.58*	*-80.63*	*-70.67*	*-64.31*
FCFF	*73.87*	*74.84*	*176.61*	*262.19*	*335.41*	*459.73*	*571.59*	*675.81*	*764.09*	*845.72*
WACC	*8.54%*	*8.54%*	*8.54%*	*8.54%*	*8.54%*	*8.54%*	*8.54%*	*8.54%*	*8.54%*	*8.54%*
DF	*0.9271*	*0.8541*	*0.7867*	*0.7248*	*0.6678*	*0.6152*	*0.5667*	*0.5221*	*0.4810*	*0.4431*
Disc.FCFF	*68.48*	*63.92*	*138.95*	*190.04*	*223.98*	*282.83*	*323.89*	*352.81*	*367.50*	*374.75*
NPV of estimated period	2,389.30									
NPV of TV	7,289.47									
DCF target price	***€16.18***									

Source: Company reports, team analysis

C4. Montecarlo simulation



Model choice:
To double check the robustness of the DCF and RV results, we decided to run a **Monte Carlo simulation** to model, in order to obtain an empirical distribution of **100k 1Y forward stock prices**.
Given that the distribution of TPRO's daily log-returns exhibits a **significant excess kurtosis** (clearly identifiable in the QQ-plot where the returns that further away from 2STDs or more from the average are way more likely than in a normal distribution), hence base the model to only a GBM would have been unfit. Therefore, we opted for a **Merton jump-diffusion model**, which allows for the introduction of discrete price jumps randomly spred in the paths, through the use of a **Poisson process**.
The MC consists in the discrete simulation (252 time steps per year) of the following **Stochastic Differential Equation**:

$$dS_t = \mu S_t\,dt + \sigma S_t\,dW_t + S_t\,dJ_t$$

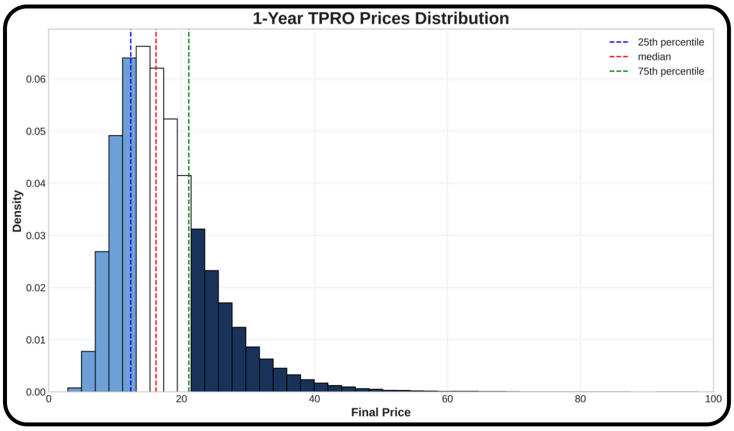
Where dJ_t Is a Compund Poisson process with: $J_t = \sum_{j=1}^{N_t} Y_j,\ Y_i \sim \mathcal{N}(m, \delta^2)\ i.i.d$ and intensity equal to $\lambda\,dt$

Model Calibration:
to set the parameters of the simulation we analyzed the TPRO's daily log-returns (from feb 16th 2026 to Jan 30th 2026), identifying the extreme daily returns with a 2 STDs cutoff, the frequence (annualized) of the jumps gives the λ coefficient that represents Poisson intensity, the μ and σ values are identified respectively as the mean and standard deviation of non-extreme returns, while m and δ are computed as the mean and standard deviation of the previously identified jumps.

Symbol	Variable	Value
μ	drift of diffusion part (annualized)	11,53%
σ	STD of diffusion part (annualized)	29.08%
λ	Poisson intensity (Annualized)	11.65
m	Mean of Jumps distribution (daily)	0.96%
δ	STD of Jumps distributions (daily)	8.03%

Simulation results:
The simulation results are synthetized as follows:

Starting price (S_0)	**€15.63**
N simulations	**100,000**
Mean	**€17.62**
Min	**€7.45**
25th percentile	**€12.38**
median	**€16.22**
75th percentile	**€21.25**
Max	**€107.14**



Insights from the simulation:

Although Monte Carlo simulation can be useful in many contexts, we have decided not to include it among the valuation methods and to retain it only as a benchmark, as it is extremely sensitive to the initial assumptions.
Moreover, the model calibration is based on historical data; therefore, there is no guarantee that the estimated parameters will remain constant over time.
By examining the distribution of the simulated one-year prices, we observe that, with an estimated probability of 50%, the price will fall within the range of €12.38 to €21.25, thereby reinforcing our projections across the three scenarios, with a concentration around the base case scenario (DCF target price of €16.18 vs €16.22 of median simulated prices).

D. INVESTMENT RISKS

D1. EBITDA Margin Sensitivity- Fixed Costs Rigidity

Fixed Cost Rigidity			
Volume Decline	**Low (40%)**	**Base Case (45%)**	**High (50%)**
0%	25%	25%	25%
-5%	23%	23%	22%
-10%	21%	20%	19%
-15%	18%	17%	16%
-20%	15%	14%	13%

Source: Company reports, team analysis

To assess Technoprobe's exposure to the structural cyclicality of the semiconductor industry, a sensitivity analysis was conducted on the Group's operating profitability, focusing on the impact of volume contractions on EBITDA margins. The analysis is based on the 2024 cost structure and isolates short-term operating leverage effects by assuming limited cost flexibility during a cyclical downturn. Raw materials and part of service costs were treated as variable, while personnel, R&D and the majority of SG&A expenses were assumed to be fixed in the short term, resulting in an estimated fixed cost base of approximately 45% of revenues.

EBITDA margins were then recalculated under different volume decline scenarios, ranging from 0% to –20%, and alternative assumptions on fixed cost rigidity. Overall, the analysis confirms that semiconductor cyclicality represents a key driver of earnings volatility for Technoprobe, not due to demand sensitivity alone, but primarily through the interaction between revenue fluctuations and a structurally rigid cost base.

D2. Completing the Testing Puzzle - the Acquisition of DIS Tech

In May 2024, Technoprobe completed the acquisition of the Device Interface Solutions (DIS) business from Teradyne for a cash consideration of approximately €82 million, alongside a strategic partnership aimed at accelerating growth in advanced testing solutions and facilitating entry into the final testing market. The transaction strengthens Technoprobe's capabilities in high-performance PCBs and device interface boards, supporting vertical integration and roadmap expansion.

From a financial perspective, the transaction generated approximately €19.6 million of goodwill, exposing the Group to potential impairment risk should DIS underperform relative to expectations. DIS contributed around €64 million in revenues between May and December 2024 (equivalent to approximately €100.8 million on a full-year basis), representing a meaningful share of Group revenues. As a result, underperformance or integration delays could have a material impact on Technoprobe's financial results. To mitigate structural complexity, in December 2024 Technoprobe completed the merger by incorporation of DIS Tech Italia into the parent company, with the objective of simplifying governance, optimizing resource allocation, and reducing overhead costs. Despite this reorganization, full operational and technological integration remains a key risk over the medium term.

E. ENVIRONMENTAL SOCIAL AND GOVERNANCE

Starting from the analysis of Technoprobe's non-financial reports (Sustainability Report, Governance Report and Remuneration Report for 2024) and integrating the information taken from these documents with Refinitiv, Factset, Orbis and Aida data, we developed our proprietary model to assess Technoprobe's ESG performance. For each metric considered, a **relative score** was assigned to Technoprobe **based on its positioning versus peers**. The model distinguishes between **quantitative** (numbers) and **qualitative** (binary) metrics, applying different scoring logics depending on the nature of the indicators. For quantitative ones, we first identified the **direction of desirability** (-1 if a lower metric was preferrable, +1 otherwise); we calculated the **peer-group mean** and **standard deviation** and then we **converted Technoprobe's value into an oriented z-score**, measuring how far the company is from the peer average in terms of standard deviation. At the end, the z-score is **converted into a discrete score on a 4-10 scale**, using predefined thresholds. For qualitative metrics, all the binary values are not interpreted as "T = good/desirable, F = bad/undesirable" by default. Instead, their contribution to ESG score depends on **how common or rare the observed behavior is within the selected peer group**. Example: for binary values where the presence of a feature is considered positive: if Technoprobe exhibits T, but the same feature is widely adopted by peers, the score contribution is limited (the behavior represents industry standard practice); while if Technoprobe exhibits T and the positive feature is less common among peers, the metric receives a higher score; same reasoning holds for negative measures (see the table on the right). The converted **metric-level scores** were subsequently **aggregated with a weighted average** (with weights on key-factors) to obtain **pillar-level scores** for E, S, G. Finally, we **combined the pillar-level scores** (through another weighted average) **to produce an overall ESG score** for the Company, providing a synthetic yet comparable assessment of the Group's sustainability profile relative to its peers. The conversion from score to rating is based on the proprietory table below.

TPRO metric	% Industry positive	Score
Positive metric	≥ 90%	6
Positive metric	60–89%	7
Positive metric	40–59%	8
TPRO metric	**% Industry positive**	**Score**
Negative metric	≥ 80%	4
Negative metric	40–79%	5
Negative metric	< 40%	6

z oriented	Score
z ≥ +2	10
z ≥ 1,5	9
z ≥ 1	8
z ≥ 0,5	7
z ≥ - 0,5	6
z ≥ - 1	5
z ≥ - 1,5	4

Source: Team Analysis

E1. Rating conversion table

SCORES	D	C	CC	CCC	B-	B	B+	BB-	BB	BB+	BBB-	BBB	BBB+	A-	A	A+	AA-	AA	AA+	AAA
	0.5	1	1.5	2	2.5	3	3.5	4	4.5	5	5.5	6	6.5	7	7.5	8	8.5	9	9.5	10

Source: Team Analysis

E2. Main ESG Metrics divided by pillar

ENVIRONMENT 30%							
Key factors	Metrics	TPRO 2024	Industry 2024	Best 2024	Worst 2024	TPRO SCORE	
						Metric	ALL
Energy Management (25%)	Energy Consumption [MWh/€K revenues]	9,27%	7,82%	1,65%	16,49%	6	5,93
	Renewable Energy Sources [MWh/€K revenues]	0,14%	0,54%	1,61%	0,02%	7	
	Resource Reduction Targets [T/F]	F	57,14% T - 42,86% F	T	F	5	
Water Management (25%)	Water Usage [m^3 /€K revenues]	4,17%	35,06%	4,17%	62,05%	9	
	Policies for managing water resources [T/F]	F	66,67% T - 33,33% F	T	F	5	
Sustainable Product (10%)	Environmental product [T/F]	F	66,67% T - 33,33% F	T	F	5	
GHG Emissions Management (25%)	GHG emissions-SCOPE 1 [tCO2e/€K revenues]	0,25%	0,56%	0,08%	1,76%	7	
	GHG emissions-SCOPE 2 [tCO2e/€K revenues]	5,13%	3,09%	0,27%	6,33%	5	
	GHG emissions-SCOPE 3 [tCO2e/€K revenues]	15,39%	50,21%	2,44%	1960,82%	6	
	Emissions Policies [T/F]	F	57,14% T - 42,86% F	T	F	5	
	Emissions Targets [T/F]	F	85,71% T - 14,29% F	T	F	4	
Toxic Emissions and Waste (15%)	Toxic Waste [tCO2e/€K revenues]	0,10%	0,03%	0,001%	0,10%	4	
	Waste Reduction Initiatives [T/F]	T	85,71% T - 14,29% F	T	T	6	

SOCIAL 35%							
Key factors	Metrics	TPRO 2024	Industry 2024	Best 2024	Worst 2024	TPRO SCORE	
						Metric	ALL
Occupational Health and Safety (30%)	Health and Safety Policies [T/F]	T	100% T - 0% F	T	T	6	6,11
	Workplace Accidents [T/F]	T	83% T - 17% F	F	T	6	
Product Safety and Quality (20%)	Product Quality Controversies [T/F]	F	14% T - 86% F	F	T	7	
Labor Practices and Employment (15%)	Employee Turnover [%]	14%	10,47%	7,20%	17,00%	5	
	Women Employees [%]	36%	33,41%	46,8%	19,48%	6	
	Women Salary/Men Salary [%]	70,98%	80,77%	98,7%	70,98%	4	
Ethics and Compliance (20%)	Competitive Behaviour [T/F]	T	100% T - 0% F	T	T	6	
	Professional Ethics [T/F]	T	100% T - 0% F	T	T	6	
Supply Chain (12,5%)	Policy Supply Chain Health and Safety [T/F]	T	100% T - 0% F	T	T	6	
	Supply Chain Health and Safety Training [T/F]	T	43% T - 57% F	T	F	8	
	Grievance and Whistleblowing Mechanisms [T/F]	T	100% T - 0% F	T	T	6	
Community Rights and Relations (2,5%)	Policies Community Involvement [T/F]	F	57% T - 43% F	T	F	5	

Source: Refinitiv, Company Reports, ORBIS, AIDA,Factset

GOVERNANCE 35%							
Key factors	Metrics	TPRO 2024	Industry 2024	Best 2024	Worst 2024	TPRO SCORE	
						Metric	ALL
Executive Compensation (25%)	Executive Remuneration [T/F]	T	71% T -29% F	T	F	7	6,34
	Remuneration Governance [T/F]	T	86% T - 14% F	T	F	7	
	Incentive Structure [T/F]	T	71% T - 29% F	T	F	7	
	Pay for Performance [T/F]	T	86% T - 14% F	T	F	7	
Shareholder Rights (25%)	Majority Shareholder 30+% of voting share [T/F]	T	29% T - 71% F	F	T	6	
	Stakeholders Engagement [T/F]	T	100% T - 0% F	T	T	6	
	Free Float Share Capital [T/F]	17,64%	54,43%	94,80%	16,40%	4	
	Major Shareholder Veto Power [T/F]	T	29% T - 71% F	F	T	5	
Board Composition (35,0%)	Board independence [%]	50%	50,30%	63,64%	33,00%	6	
	Executive Individual Compensation [T/F]	T	71% T - 29% F	T	F	7	
	Board Gender Diversity [%]	20%	30,04%	57,00%	9,09%	5	
	CEO Chairman Duality [T/F]	F	29% T - 71% F	F	T	7	
	Nomination and Remuneration Committee [T/F]	T	100% T - 0% F	T	T	6	
	Nomination and Remuneration Committee Indep.[%]	100%	78,67%	100,00%	60,00%	8	
	Control, Risk and Sustainability committee [T/F]	T	100% T - 0% F	T	T	6	
	Control, Risk and Sustainability Committee Indep.[%]	100%	74,35%	100,00%	66,67%	9	
	Transactions with Related Parties Committee [T/F]	T	60% T - 40% F	T	F	7	
	Transactions with Related Parties Committee Indep.[T/F]	100%	89,00%	100,00%	67,00%	7	
Accounting and Audit Practices (10%)	Internal Control Systems [T/F]	T	100% T - 0% F	T	T	6	
	Accounting controversies [T/F]	F	14% T - 86% F	F	T	7	
	CSR Sustainability External Audit [T/F]	F	67% T - 33% F	T	F	5	
Business Ethics (5%)	Policy Bribery and Corruption [T/F]	T	100% T - 0% F	T	T	6	

Source: Refinitiv, Company reports, ORBIS, AIDA,Factset

E3.Board of Directors

Full name	M/F	Offices	In charge since	Independent	No. of other offices	Age	Committee			Backgrounds
							Control & Risks	Remuneration	Transactions with Related Parties	
Cristiano Alessandro Crippa	M	Chairman (President)	1992	No	7	55	-	-	-	• Contribution to the establishment and development of the Issuer. • Chief Executive Officer of DA-TOR S.p.A. (2018-2022)
Roberto Alessandro Crippa	M	Deputy Chair	2024	No	6	45	-	-	-	• **Degree in Chemical Engineering** (Politecnico di Milano)
Elisabetta Cugnasca	F	Non-Executive director	2024	Yes	1	53	Member	Member	Member	• **Degree in Economics and Business Administration** (Bocconi) with a specialization in Business Economics • International Director Programme at **INSEAD**
Stefano Felici	M	CEO	2024	No	2	52	-	-	-	• **Degree in Engineering** (Politecnico di Milano) • **Phd in Electronic Engineering**
Carlos Ortega Arias-Paz	M	Non-Executive director	2025	Yes	5	59	-	-	-	• **Degree in Economics** (cum laude) (Harvard University) • **MBA** of Harvard Business School
Susanna Pedretti	F	Non-Executive director	2024	Yes	4	48	Chairman	Member	Member	• **Degree in Law** (University of Milan)
Antonio Sanna	M	Non-Executive director	2024	Yes	2	70	-	-	Chairman	• **Degree in Law and Political Science** (Economics Track)
Giulio Sirtori	M	Lead Independent Director	2024	Yes	3	65	Member	Chairman	-	• CEO of Lecco Terziaria Srl (2000-2007) • General Director of Confindustria Lecco e Sondrio (2007-2008) • Director of Confindustria Lecco and CEO of Union Service Srl (from 2008) • Vice President of Confindustria Lecco and Sondrio (since 2015)
Gregory Stephen Smith	M	Non-Executive director	2024	No	1	62	-	-	-	• **Degree in Electronic Engineering** (University of Pennsylvania) • **Master's degree** from Worcester Polytechnic Institute
Chih Kuang Yang	M	Non-Executive director	2025	No	1	51	-	-	-	• Bachelor in **Physics and Chemical Engineering** • **PhD** in Chemical Engineering (National Tsing Hua University)

Source: Refinitiv, Company reports, ORBIS, AIDA,Factset