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CFA institute research challenge

31st January

TECHNOPROBE s.p.a.

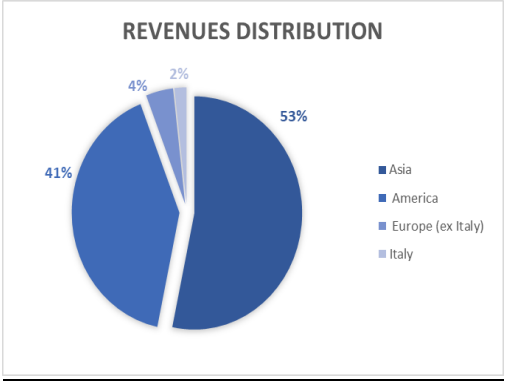
Italy | Semiconductor

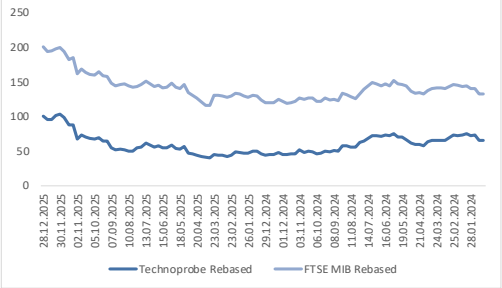
SELL

RECOMMENDATION SELL	
Valuation Date	31.01.2025
Exchange	Euronext Milan
Ticker symbol	TPRO
Target Price	***13.02 €***
Current Price*	**15.63 €**
Upside	-16.70%
Dividend yield	0%
Market capitalization	*10,19 B*
Shares Outstanding	*65,3 M*
Free float	*16%*
52 Week High	*16.60 €*
52 Week Low	*4.72 €*

**closing price as 31.01.2025*

Shareholders	shares	%
T-PLUS S.p.A.	368,653,261	56.43%
TERADYNE INTERNATIONAL HOLDINGS B.V	65,326,087	**10.00%**
ALBA EUROPE SA	39,273,889	6.01%





INVESTMENT SUMMARY

We assign a SELL recommendation on Technoprobe S.p.A. at a reference share price of **€15.63** (as of 31 January 2026). While the market appropriately recognizes the quality and strategic positioning of the Company, we believe the market is pricing in an overly optimistic scenario, resulting in meaningful downside risk at current trading levels.

Our view is grounded in a blended valuation framework, combining a discounted cash flow (DCF) model with a peer multiple reference (EV/EBITDA) to triangulate valuation outcomes and improve robustness. Based on this approach, we derive a target price of **~€13.02** per share, implying meaningful downside relative to the current market price.

Market pricing leaves limited margin of safety

Rather than relying solely on headline valuation multiples, our analysis adopts a reverse perspective by assessing the level of operating performance implicitly embedded in the current market valuation. This provides an additional consistency check and supports the view that the stock price already discounts a constructive scenario for growth and profitability, resulting in a limited margin of safety should industry conditions normalize at a slower pace.

1. Blended valuation indicates downside at current price levels

Our blended intrinsic and market-based valuation framework implies a target price materially below the current share price, indicating that the stock already reflects a constructive operating scenario at today's valuation.

2. Upside appears constrained by current pricing

At current levels, incremental upside would likely require additional improvements in end-market conditions and/or sustained profitability beyond what is already reflected in the prevailing market assessment.

3. Risk/reward profile remains asymmetric

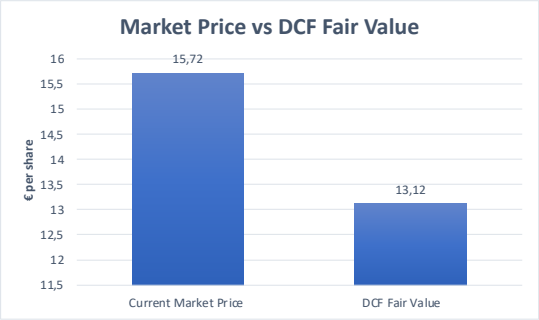
Given the sector's inherent cyclicality and the execution required to deliver growth across multiple initiatives, downside risk appears more pronounced than upside potential in the absence of new positive surprises or a further improvement in the operating environment.

Methodological note

We triangulate valuation outcomes by combining a DCF framework with a peer-based EV/EBITDA reference. The resulting blended target

price improves comparability versus market benchmarks and reduces sensitivity to a single set of assumptions.

INVESTMENT THESIS



Technoprobe's current market valuation appears to embed an optimistic scenario, largely supported by expectations of sustained semiconductor investments driven by Artificial Intelligence (AI) adoption. At the current share price of **€15.63**, the market is implicitly pricing in a prolonged period of above-trend growth and resilient profitability, with limited normalization risk across the cycle.

In our view, this narrative is overly optimistic. While AI-related investments represent a meaningful structural tailwind for the industry, demand expansion is not necessarily linear nor uninterrupted, and the semiconductor cycle remains exposed to phases of normalization, digestion and delays in customers' capital spending. Moreover, Technoprobe's valuation is particularly sensitive to long-term assumptions on growth sustainability, margin trajectory and cash flow generation, meaning that even modest downward revisions to market expectations can result in a material equity value adjustment.

Based on our DCF framework, we estimate a fair value of **€13.12 per share**, implying downside versus the current market price. Therefore, we believe the stock is currently overvalued and we reiterate our **SELL** recommendation.

VALUATION

WACC	
Rf (BTP)	3.40%
β	**0.65**
RMP	6.69%
Ke	7.75%
WACC	**7.75%**

DCF in EUR thousands	
Discounted cash flows	
Enterprise Value	***7,924,019.15 €***
- Net Financial Position (Net Debt)	647,576.00 €
Equity Value	***8,571,595.15 €***
No. of shares outstanding	***653,260,870***
Price	***13.12 €***

Our valuation of Technoprobe S.p.A. is based on a blended approach, combining an intrinsic discounted cash flow (DCF) framework with a peer multiple cross-check (EV/EBITDA). This triangulation aims to improve robustness and reduce reliance on a single methodology.

DCF framework and scope

The DCF model is constructed over an explicit forecast period from **2025 to 2028**, followed by a terminal value capturing long-term sustainable performance under normalized assumptions. The valuation adopts an enterprise value–based approach and explicitly incorporates Technoprobe's financial structure, which is characterized by a solid net cash position and limited exposure to interest-bearing financial debt.

Cash flows are discounted using a **WACC of 7.75%**. Given the Company's limited financial leverage, the WACC is primarily driven by the **cost of equity**, therefore **WACC ≈ CAPM** in our framework. Based on this framework, the DCF implies an equity value per share of **€13.12**.

The cost of equity is estimated through CAPM, using the following inputs: **risk-free rate (Rf) of 3.40%**, **adjusted beta (β) of 0.65**, and **market risk premium (MRP) of 6.69%**, resulting in a **CAPM of 7.75%**. Beta is derived through a regression of Technoprobe's returns

against FTSE Italia All-Share and then adjusted toward 1.0 to reduce estimation noise and reflect long-term mean reversion in systematic risk. The market risk premium is estimated starting from a mature equity market risk premium and incorporating an additional country risk component, consistent with sovereign risk conditions.

Key assumptions underpinning the valuation

The valuation framework is built upon a limited number of core assumptions that materially drive model outcomes and ensure internal consistency across the forecast period.

First, revenue projections are developed on an industrial and market-driven basis, coherent with Technoprobe's operating segments and publicly available management guidance. For 2025, revenue estimates are derived by extrapolating full-year figures from available semi-annual data. Forecasts for the 2026–2028 period are based on expected market growth and assumed market share dynamics across the wafer testing (logic and memory) and final testing segments. In this context, the acceleration of **Artificial Intelligence (AI)** adoption represents a key structural driver for semiconductor demand and, consequently, for investments across the industry value chain. Therefore, our revenue and investment assumptions incorporate the expectation that AI-related trends will support Technoprobe's medium-term growth.

Second, cost structures are projected using a normalized historical approach. Main operating cost items are estimated based on their historical incidence on the value of production. In parallel, forward-looking capital expenditure assumptions are built in line with publicly available information on the Company's investment plans, primarily aimed at supporting capacity expansion and operational scalability. Depreciation and amortization are modeled consistently with IAS/IFRS accounting policies, while residual income statement items and selected non-material balance sheet items are projected by applying historical average incidence ratios to their underlying drivers, ensuring internal consistency across the financial statements.

Finally, taxation is incorporated through an effective tax rate derived from historical consolidated financial statements, reflecting the geographic distribution of the Group's activities.

Company Name	EV/EBITDA
MPI corporation	***65.337***
FormFactor	***60.220***
Teradyne	***48.740***
Advantest	***48.916***
Chunghwa Precision	***75.475***
Average	**59.74**
Median	**60.22**

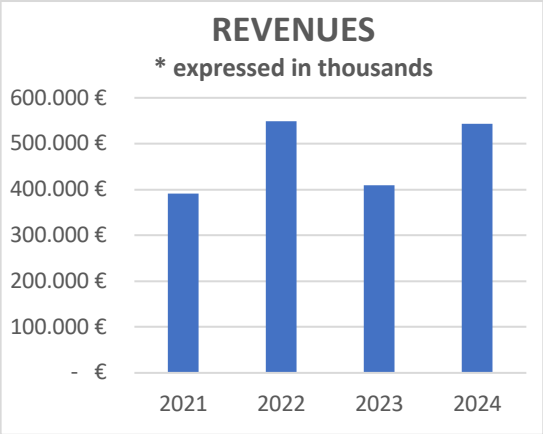
Valuation in EUR thousands	2024
EBITDA	129,364.00 €
EV/EBITDA peers	***60***
EV	7,790,241.03 €
+/- NFP	647,576.00 €
W Technoprobe	**8,437,817.03 €**
Shareout	653261
P(EV/EBITDA)	***12.92 €***

Terminal value assumptions

The terminal value is determined using a perpetual growth approach, reflecting long-term normalized profitability and cash flow generation beyond the explicit forecast horizon, consistent with mature industry dynamics.

Relative valuation cross-check (EV/EBITDA)

Relative valuation is implemented through a peer-based EV/EBITDA reference as a secondary cross-check. While not intended to replace the intrinsic framework, this approach supports comparability versus market benchmarks and provides an additional reference point for

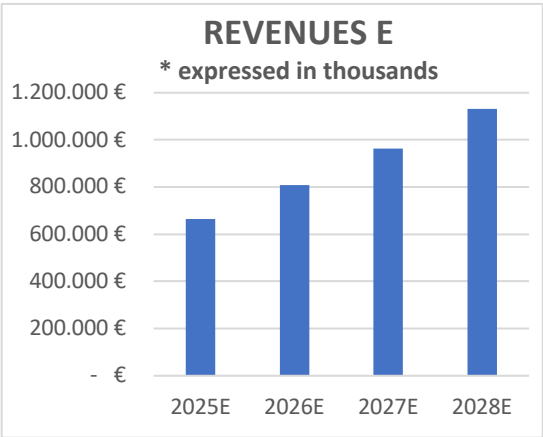


valuation triangulation. Based on our updated multiples analysis, the EV/EBITDA cross-check implies an equity value per share of **€12.92**.

Target price and link to recommendation

Combining the DCF-based intrinsic assessment (**€13.12**) and the EV/EBITDA cross-check (**€12.92**), we derive a blended target price of **~€13.02 per share**. Relative to the current trading level, this outcome supports our view that the stock is currently priced on optimistic expectations, therefore reinforcing our **SELL** recommendation.

FINANCIAL ANALYSIS

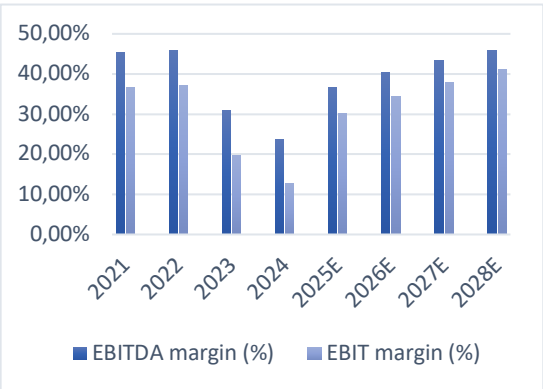


The financial analysis is based on reclassified historical financial statements for the 2021–2024 period, together with forward-looking estimates extending to 2028E. The objective of this section is to assess Technoprobe's historical performance, interpret recent financial dynamics, and provide a coherent basis for the key assumptions embedded in our valuation framework.

Historical performance and recent financial dynamics

Technoprobe delivered strong top-line growth over the period, with revenues increasing from **€391.7m** in 2021 to **€543.2m** in 2024, while the year-to-year profile reflects the inherent cyclicality of the semiconductor testing industry (**+40.1% YoY** in 2022, **-25.4%** in 2023, **+32.7%** in 2024). Over the same timeframe, the company's financial structure has also been influenced by specific corporate developments which contributed to the build-up of liquidity.

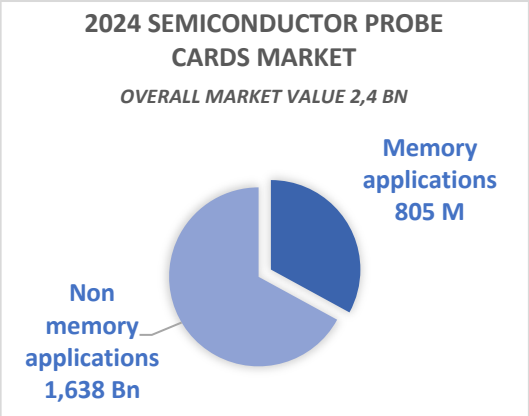
Revenue outlook and underlying drivers



Revenue expectations are developed using an industrial and market-driven approach grounded in publicly available management disclosures and observable market dynamics. Technoprobe operates primarily across wafer testing (logic and memory) and final testing, which represent the key reference markets shaping the company's medium-term performance profile. Under these assumptions, revenues are projected to increase from **€665.4m** in 2025E to **€1,130.4m** in 2028E, reflecting sustained expansion in the company's addressable markets and a gradual evolution of its positioning within core activities.

Margin evolution and profitability profile

Profitability is assessed with a view to maintaining coherence with historical performance. Following a trough in 2024 (EBITDA margin of **23.7%** and EBIT margin of **12.8%**), margins are expected to recover progressively over the forecast horizon, with EBITDA margin expanding to **36.7%** in 2025E and reaching **46.0%** by 2028E, while EBIT margin increases from **30.4%** in 2025E to **41.2%** in 2028E. From a modeling standpoint, the main operating cost items are projected based on their historical incidence on the value of production, ensuring

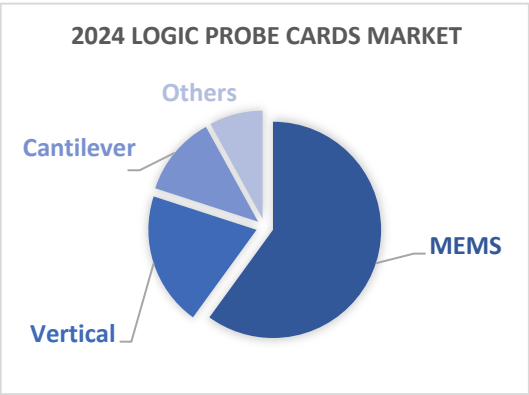


internal consistency across the income statement. In parallel, capital expenditure assumptions incorporate publicly available indications regarding investment plans aimed at supporting capacity expansion and operational scalability.

Balance sheet strength and liquidity considerations

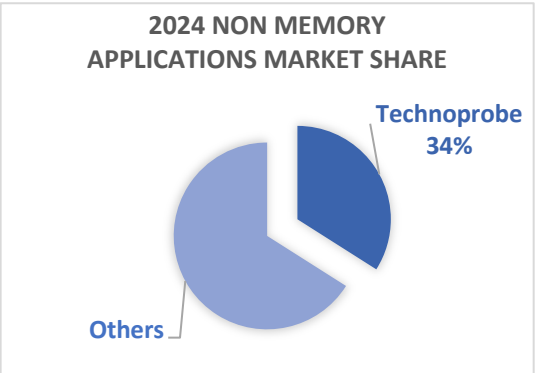
Technoprobe's balance sheet remains characterized by a strong liquidity position, providing financial flexibility across the cycle. Based on publicly available information and recent corporate developments, management is expected to deploy this liquidity primarily to support organic investment needs and, where strategically attractive opportunities emerge, to pursue selective acquisitions funded through internal resources.

BUSINESS DESCRIPTION



Technoprobe S.p.A. operates within the semiconductor value chain by providing advanced testing solutions that enable chipmakers to verify performance and reliability before and after packaging. Semiconductor testing represents a critical step in the production process, as identifying defective units early reduces inefficiencies and prevents significantly higher costs that would arise if failures were detected only at later manufacturing stages.

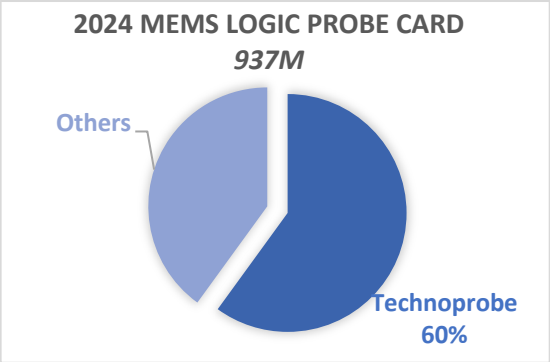
The Company's core business is the design and manufacturing of **probe cards**, which act as the physical and technological interface between the **wafer** (where chips are still embedded as "dies") and the equipment used to perform electrical testing. Probe cards are highly engineered components and are customized to customer specifications, requiring close technical collaboration and continuous dialogue with clients. As a result, supplier selection in this industry is driven primarily by **technology performance, reliability, and delivery capability**, rather than short-term price competition.



Technoprobe serves **leading global semiconductor manufacturers and foundries**, supporting advanced testing requirements through highly customized probe card solutions.

Technoprobe's exposure is primarily centered on **wafer testing**, serving both **non-memory/logic** and **memory** applications. Historically, the Company has built a dominant position in the logic segment, with an estimated market share of approximately **34%**, and reaching around **60%** when considering advanced **MEMS-based probe card technology**. In recent years, Technoprobe has also pursued strategic initiatives to strengthen its footprint in the memory segment, though the full contribution of these investments is expected to materialize progressively over the coming years.

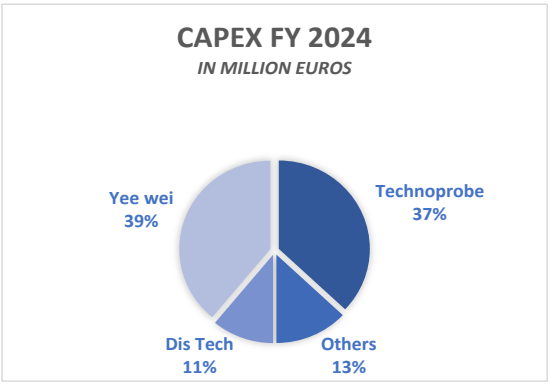
Beyond wafer testing, Technoprobe has expanded its strategic focus to **final testing**, which takes place after the chip is separated from the wafer and packaged. In 2024, the Company strengthened its presence in this segment through the acquisition of **DIS tech** from Teradyne. Final testing is closely linked to a highly concentrated ecosystem,



where **Teradyne and Advantest** play a central role as global leaders in testing equipment. Notably, Technoprobe has developed collaborative relationships with both companies, reinforced by their entry into Technoprobe's shareholder base, supporting the Company's strategic positioning in this adjacent market.

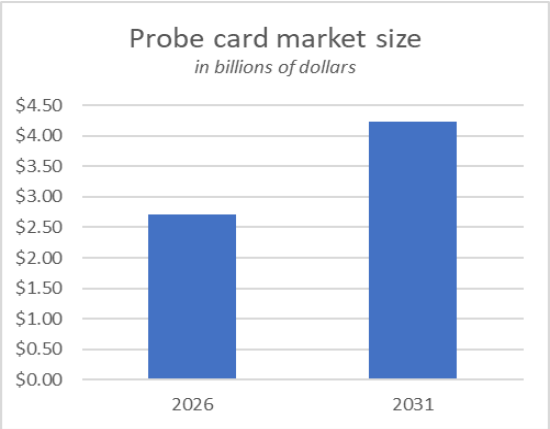
Overall, Technoprobe's business model is underpinned by high technological complexity, customized engineering, and long-term customer relationships, positioning the Company as a key partner to leading global semiconductor manufacturers.

INDUSTRY OVERVIEW & COMPETITIVE POSITIONING



Technoprobe operates in the **semiconductor test consumables** ecosystem, with core exposure to the **probe card market** for wafer testing and, increasingly, to **advanced interface solutions** linked to final testing. The industry benefits from long-term structural drivers, including the rising complexity of semiconductor devices and the growing economic relevance of testing, as defect detection at early stages prevents higher downstream costs and inefficiencies. At the same time, demand remains influenced by the semiconductor cycle, with volumes and investment intensity varying with end-market conditions and capacity utilization across the supply chain.

Market size and growth outlook

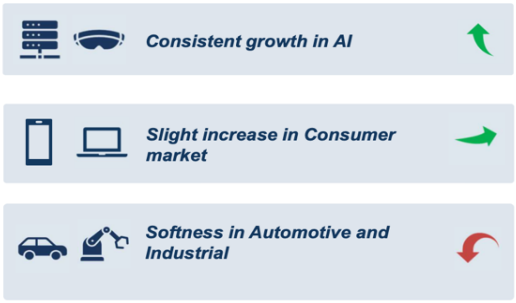


Based on the market figures presented, the **probe card market** expanded from approximately **$2.44bn in 2024** to an expected **$3.13bn in 2028**, implying a **~6.2% CAGR** over 2024–2028. Within this market, logic and memory segments show distinct growth dynamics. **Logic probe cards** increase from roughly **$1.64bn (2024)** to **$2.06bn (2028)** (corresponding to **~5.9% CAGR**), while **memory probe cards** rise from about **$0.81bn (2024)** to **$1.05bn (2028)**.

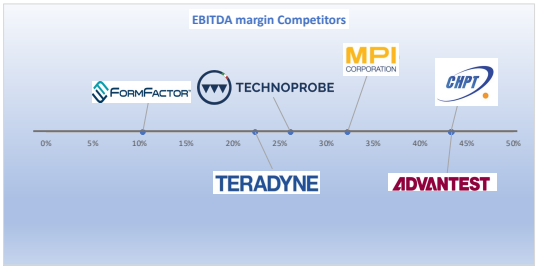
In addition, the **final testing market for Advanced PCBs** grows more moderately, from approximately **$1.03bn in 2024** to **$1.21bn in 2028**, reflecting a **~3.9% CAGR** over the period. Overall, these figures indicate a more favorable growth outlook for wafer-level probe cards relative to advanced PCBs in final testing, consistent with increasing test complexity at earlier stages of semiconductor manufacturing.

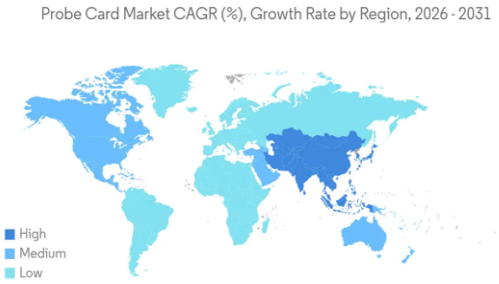
Industry structure and competitive dynamics

The probe card market is characterized by **high barriers to entry**, primarily driven by proprietary know-how, the need for **co-development with customers**, and the requirement for continuous and significant investments in R&D and advanced manufacturing processes. Supplier qualification is stringent and switching costs are structurally meaningful, resulting in long-standing customer relationships where performance, reliability, and execution are prioritized over short-term price competition.



Source: Technoprobe





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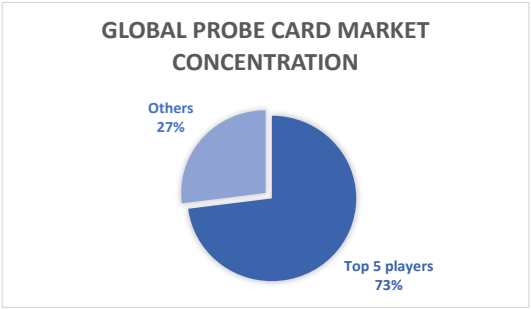


The industry is relatively concentrated, with a limited number of global players accounting for a significant share of total volumes, while smaller suppliers operate in narrower technological or geographic niches. Competitive intensity varies across segments and technology nodes, with advanced solutions requiring higher engineering capabilities and deeper integration with customer roadmaps.

From a competitive landscape perspective, the market includes a small group of established probe card manufacturers. **FormFactor** competes across both **logic/foundry and memory** applications. **Micronics Japan** and **Japan Electronic Materials** maintain strong positioning in memory-focused solutions, supported by dedicated DRAM/NAND probe card offerings, including MEMS-based technologies. **MPI** also participates in probe card solutions for semiconductor wafer testing.

In final testing, the broader ecosystem is influenced by the high concentration in automated test equipment (ATE), where **Teradyne and Advantest** represent dominant global players. This structure is relevant to interface solutions and partnership dynamics, as testing equipment leadership shapes ecosystem standards and technological requirements.

Technoprobe competitive positioning

Technoprobe's positioning is strongest in **logic wafer testing**, where it holds a meaningful market share (estimated at approximately **34%** overall in the segment, with materially higher penetration in advanced MEMS technology). The Company's competitive edge is primarily driven by:

Co-design and customization: probe cards are engineered through continuous interaction with customers, embedding deep technical collaboration and faster iteration cycles.

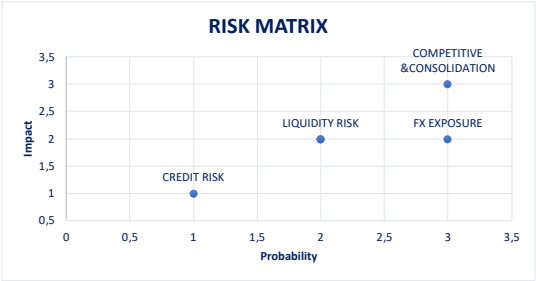
Reliability and execution: quality, delivery performance, and operational consistency are key supplier selection criteria, supporting long-term customer retention.

Technology leadership and R&D intensity (including MEMS): high-performance solutions and sustained innovation represent a structural moat in advanced nodes and complex testing requirements.

Strategically, Technoprobe is expanding beyond its core stronghold. In memory, recent strategic initiatives aim to progressively strengthen its footprint, although the full contribution may require time to materialize. In final testing, Technoprobe has accelerated its positioning through targeted actions such as the acquisition of DIS tech and collaboration initiatives within an ecosystem dominated by global test equipment leaders.

Structural demand drivers: AI and increasing test complexity

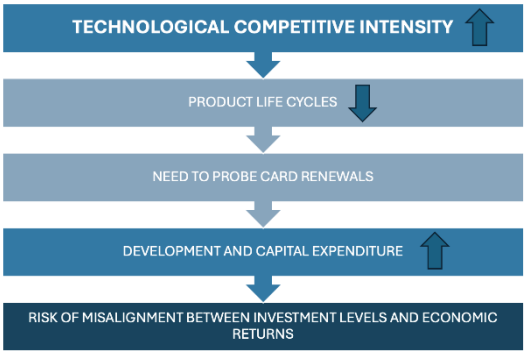
Semiconductor demand is increasingly supported by long-term structural trends, particularly the rapid expansion of AI-related compute and data center infrastructure. This transition is driving higher



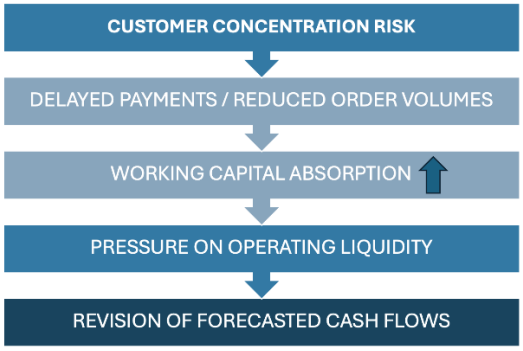
performance requirements, greater device complexity, and tighter tolerances across advanced technology nodes. As a result, testing intensity tends to increase, reinforcing the strategic relevance of probe cards and advanced testing solutions as critical enablers of yield optimization and manufacturing efficiency.

INVESTMENT RISK

Technoprobe is exposed to a risk profile primarily driven by intense competitive dynamics in the semiconductor testing ecosystem. The industry is experiencing an ongoing trend toward market consolidation, where smaller competitors may increasingly struggle due to limited access to the financial resources required to sustain continuous technological development and renewal. In this context, competitive pressure may intensify and affect the Group's ability to maintain its positioning over time. In addition, the semiconductor market could face negative impacts if global trade restrictions such as duties or import blocks were to contribute to a slowdown in worldwide demand for electronic devices, ultimately weighing on industry volumes and customer spending.

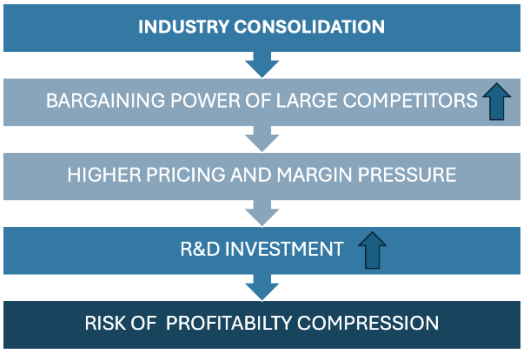


From a financial perspective, the Group's main risks include market risk, mainly related to foreign exchange fluctuations between the euro and the currencies in which it operates (with exposure to the US dollar), as well as liquidity risk, linked to the availability of financial resources to meet commitments. The Group aims to preserve a balanced financial structure over time, aligning liabilities with the asset composition while maintaining operational flexibility through liquidity generated by operations and bank funding. While credit risk is currently deemed negligible, given the size and creditworthiness of major customers, any deterioration in the financial conditions of key counterparties could still represent a downside risk. Overall, the Group's capability to generate operating liquidity, together with its debt capacity, supports the funding of working capital, investments, and financial obligations, with financial policy and risk management centrally coordinated and monitored.



Operating Risks

Competitive intensity and market consolidation (Probability: High Impact: Moderate–High)



The Group operates in a highly competitive environment, while industry consolidation may increase competitive pressure and raise the investment intensity required to sustain technology development and renewal.
Mitigation: partnerships with leading manufacturers provide a privileged perspective on technological trends, supporting a more effective allocation of R&D investments.

Global trade restrictions and end-market demand slowdown (Probability: Moderate | Impact: Moderate)

Duties or import blocks could contribute to weaker demand for electronic devices, negatively impacting semiconductor industry volumes and customer spending.

Financial Risks

FX market risk (Probability: High | Impact: Moderate) Exposure to exchange rate volatility between the euro and operating currencies, with a particularly relevant sensitivity to the US dollar. **Mitigation:** financial policy and risk monitoring are centrally directed, supporting balanced management of financial exposure over time.

Liquidity risk (Probability: Low–Moderate | Impact: Moderate) Risk related to the potential lack of financial resources required to meet financial commitments. **Mitigation:** operational flexibility is supported through liquidity generated by operations and bank funding; operating liquidity generation and debt capacity support working capital, investments, and financial obligations.

Credit risk (Probability: Low | Impact: Low) Risk linked to counterparty default, currently considered negligible given the creditworthiness of major customers, although any deterioration in key counterparties' financial conditions could represent a downside risk.

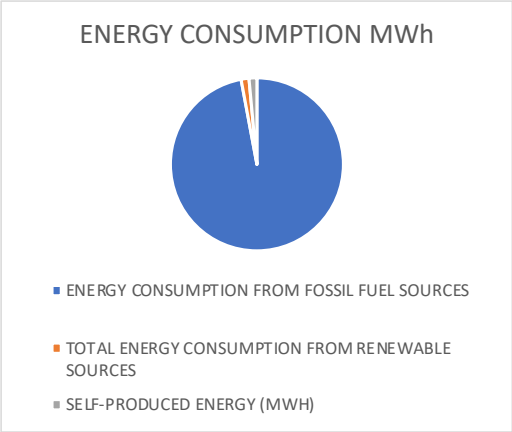
Climate Risk

Climate change exposure (Probability: Low | Impact: Low) Based on its business model, the Group does not believe it is significantly exposed to environmental risks, including those related to climate change.

ESG

Technoprobe integrates ESG factors into its operating model. While the Group's activities do not appear to generate a material direct environmental footprint, ESG considerations are becoming increasingly relevant due to customer requirements, supply-chain standards and regulatory evolution. Overall, Technoprobe's ESG approach is primarily focused on operational efficiency, human capital development and governance transparency.

Environmental (E). The Group's environmental exposure is relatively contained, given that its processes are not as energy-intensive as those of other semiconductor segments. Key areas of attention include energy efficiency, responsible resource usage and emissions control across its global production sites. However, stricter environmental regulation and



rising ESG expectations from customers may translate into higher compliance costs and additional investments over the medium to long term.

Social (S). Human capital represents a strategic asset for Technoprobe, as the business model relies on highly skilled employees, particularly in engineering and R&D. The semiconductor industry is characterized by strong competition for talent, exposing the Company to structural labor market risk related to attraction and retention. Technoprobe addresses this risk through training programs, competitive remuneration policies and initiatives aimed at employee wellbeing and professional development.

Governance (G). Technoprobe's governance framework is aligned with the standards expected of an internationally operating listed company. The Group adopts a structured corporate governance system with a clear separation of roles and responsibilities between the Board of Directors and executive management, and places strong focus on internal control systems, risk management and disclosure transparency. Nonetheless, increasing regulatory complexity and reporting requirements may raise the governance-related compliance burden over time.

Technoprobe's ESG profile can be considered moderate. The key ESG risks can be linked to (i) higher environmental compliance costs driven by evolving regulation and customer requirements, (ii) dependency on specialized human capital amid intensifying competition for talent, and (iii) the growing complexity of regulatory and reporting obligations. These risks are partially mitigated by the Group's solid financial position, its base of globally leading customers and an adequate governance structure. At present, ESG factors do not represent a primary value driver, but their relevance is expected to increase over the medium to long term, making effective ESG risk management important to preserve competitiveness and support long-term value creation.

APPENDICES

APPENDIX 1: INCOME STATEMENT

Income statement

Figures are stated in EUR thousands (EUR '000)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Sales	**391,737.00 €**	**548,929.00 €**	**409,274.00 €**	**543,153.00 €**	**665,362.43 €**	**808,415.35 €**	**962,014.26 €**	**1,130,366.76 €**
Sales % Change		*40.13%*	*-25.44%*	*32.71%*	*22.50%*	*21.50%*	*19.00%*	*17.50%*
Gross profit	327,006.00 €	447,886.00 €	327,274.00 €	404,418.00 €	539,892.97 €	657,206.12 €	793,365.14 €	942,009.33 €
Gross profit margin (%)	82.37%	81.59%	79.60%	74.12%	77.66%	79.37%	80.85%	82.01%
EBITDA	**179,973.00 €**	**252,503.00 €**	**127,281.00 €**	**129,364.00 €**	**254,861.51 €**	**334,269.59 €**	**425,383.25 €**	**528,469.69 €**
EBITDA margin (%)	***45.33%***	***46.00%***	***30.96%***	***23.71%***	***36.66%***	***40.37%***	***43.35%***	***46.01%***
Depreciation and amortisation	- 34,542.00 €	- 45,362.00 €	- 42,945.00 €	- 57,337.00 €	- 39,950.03 €	- 43,447.92 €	- 46,666.97 €	- 48,737.28 €
Other financial result and associates	- €	- 2,850.00 €	- 2,659.00 €	- 2,388.00 €	- 3,609.42 €	- 4,299.14 €	- 5,094.76 €	- 5,964.08 €
EBIT	**145,431.00 €**	**204,291.00 €**	**81,677.00 €**	**69,639.00 €**	**211,302.07 €**	**286,522.53 €**	**373,621.52 €**	**473,768.34 €**
EBIT margin (%)	***36.63%***	***37.22%***	***19.87%***	***12.76%***	***30.39%***	***34.60%***	***38.07%***	***41.24%***
Others	6,992.00 €	2,939.00 €	3,571.00 €	27,363.00 €	16,859.91 €	20,081.63 €	23,798.06 €	27,858.71 €
Earnings before tax	152,423.00 €	207,230.00 €	85,248.00 €	97,002.00 €	228,161.98 €	306,604.16 €	397,419.58 €	501,627.05 €
Tax	- 33,076.00 €	- 59,015.00 €	12,128.00 €	- 34,210.00 €	- 61,603.73 €	- 82,783.12 €	- 107,303.29 €	- 135,439.30 €
Tax rate (%)	21.7%	28.5%	-14.2%	35.3%	27%	27%	27%	27%
Net profit	118,321.00 €	147,904.00 €	96,999.00 €	63,832.00 €	166,558.24 €	223,821.04 €	290,116.29 €	366,187.75 €
Net profit margin	*29.80%*	*26.94%*	*23.59%*	*11.70%*	*23.96%*	*27.03%*	*29.56%*	*31.88%*

APPENDIX 2: FINANCIAL STATEMENT

Balance sheet

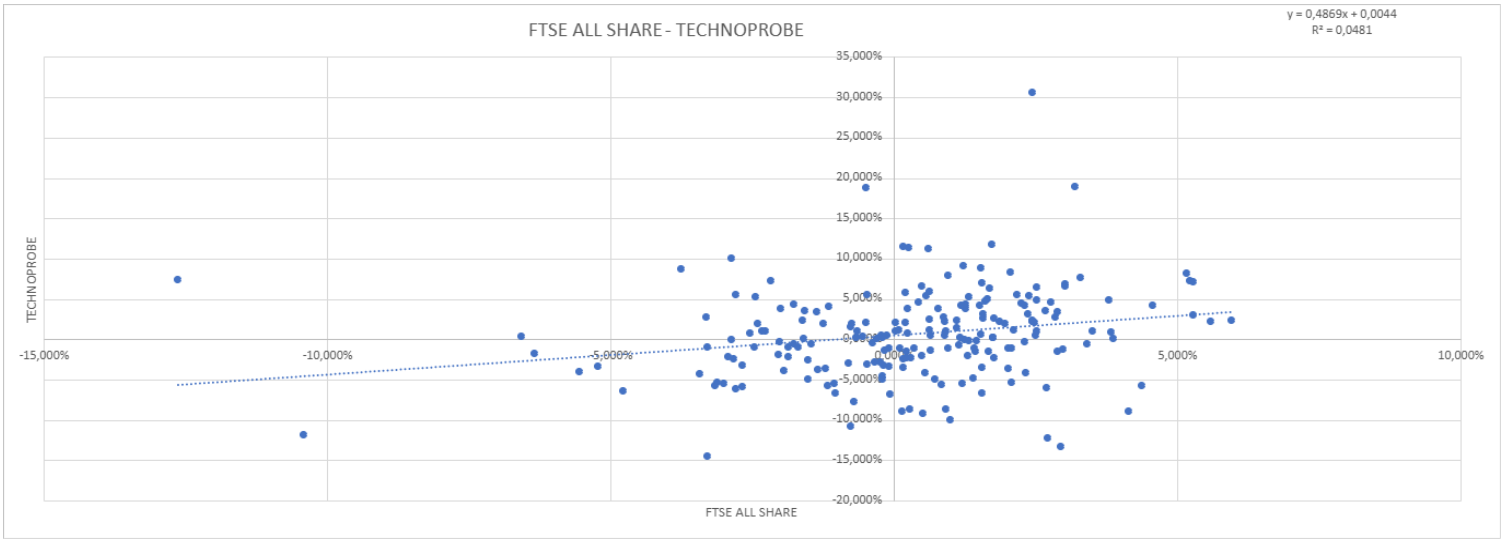
Figures are stated in EUR thousands (EUR '000)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Cash and cash equivalents	146,754.00 €	411,031.00 €	361,800.00 €	666,377.00 €	782,513.32 €	958,285.67 €	1,213,317.21 €	1,573,636.05 €
Inventories	71,901.00 €	110,387.00 €	119,030.00 €	136,759.00 €	163,933.79 €	180,327.17 €	195,749.89 €	209,582.89 €
Accounts receivable	104,607.00 €	78,717.00 €	71,179.00 €	124,361.00 €	138,617.17 €	161,683.07 €	181,713.81 €	200,954.09 €
Other current assets	26,240.00 €	34,833.00 €	79,400.00 €	75,326.00 €	109,770.56 €	115,868.90 €	127,279.93 €	137,846.71 €
Current assets	***349,502.00 €***	***634,968.00 €***	***631,409.00 €***	***1,002,823.00 €***	***1,194,834.84 €***	***1,416,164.81 €***	***1,718,060.85 €***	***2,122,019.74 €***
Tangible assets	169,198.00 €	209,736.00 €	252,278.00 €	295,147.00 €	324,661.70 €	357,127.87 €	382,126.82 €	391,679.99 €
Other Intangible assets	16,430.00 €	21,093.00 €	43,320.00 €	109,256.00 €	116,903.92 €	123,918.16 €	130,114.06 €	134,017.48 €
Financial assets	2,218.00 €	1,021.00 €	1,388.00 €	1,083.00 €	1,966.04 €	2,279.39 €	2,679.58 €	3,181.08 €
Other non-current assets								
Non-current assets	***187,846.00 €***	***231,850.00 €***	***296,986.00 €***	***405,486.00 €***	***443,531.66 €***	***483,325.41 €***	***514,920.46 €***	***528,878.55 €***
Short term debt	2,162.00 €	2,352.00 €	3,135.00 €	4,958.00 €	5,969.43 €	7,187.20 €	8,653.38 €	10,418.67 €
Accounts payable	38,862.00 €	47,175.00 €	42,318.00 €	62,409.00 €	68,593.35 €	78,299.96 €	88,217.95 €	100,484.94 €
Other short term liabilities	29,650.00 €	53,743.00 €	31,390.00 €	53,642.00 €	107,572.61 €	130,682.69 €	157,214.63 €	187,446.93 €
Current liabilities	***70,674.00 €***	***103,270.00 €***	***76,843.00 €***	***121,009.00 €***	***182,135.39 €***	***216,169.84 €***	***254,085.97 €***	***298,350.55 €***
Long term debt	5,516.00 €	5,847.00 €	10,392.00 €	13,843.00 €	10,408.27 €	6,938.85 €	4,336.78 €	2,409.32 €
Other long term provisions	14,851.00 €	20,690.00 €	23,846.00 €	36,260.00 €	42,061.60 €	48,791.46 €	56,842.05 €	66,220.98 €
Other long term liabilities	24.00 €	36.00 €	14.00 €	20.00 €	26.00 €	33.80 €	43.94 €	57.12 €
Non-current liabilities	***20,391.00 €***	***26,573.00 €***	***34,252.00 €***	***50,123.00 €***	***52,495.87 €***	***55,764.10 €***	***61,222.77 €***	***68,687.43 €***
Shareholders' equity	***446,283.00 €***	***736,975.00 €***	***817,300.00 €***	***1,237,177.00 €***	***1,403,735.24 €***	***1,627,556.28 €***	***1,917,672.57 €***	***2,283,860.32 €***
Minority interests								
Total equity	***446,283.00 €***	***736,975.00 €***	***817,300.00 €***	***1,237,177.00 €***	***1,403,735.24 €***	***1,627,556.28 €***	***1,917,672.57 €***	***2,283,860.32 €***

APPENDIX 3: CASH FLOW STATEMENT

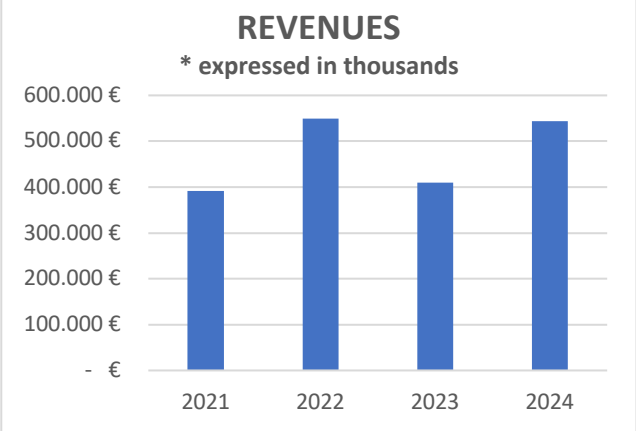
Cash flow statement

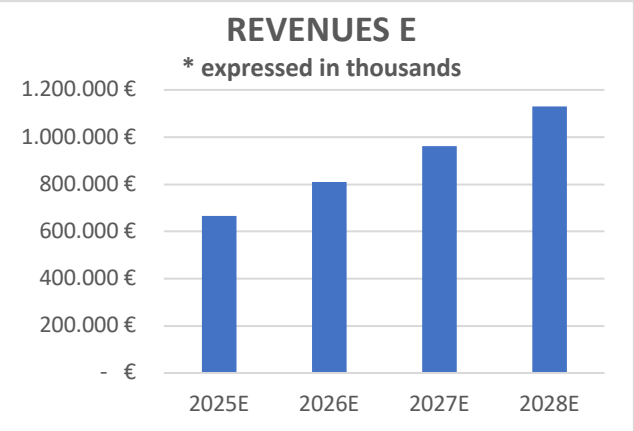
Figures are stated in EUR thousands (EUR '000)	2021	2022	2023	2024	2025E	2026E	2027E	2028E
EBIT		**204,291.00 €**	**81,677.00 €**	**69,639.00 €**	**211,302.07 €**	**286,522.53 €**	**373,621.52 €**	**473,768.34 €**
Depreciation and amortisation		45,362.00 €	42,945.00 €	57,337.00 €	39,950.03 €	43,447.92 €	46,666.97 €	48,737.28 €
Taxes adjusted (EBIT * Marginal Tax Rate)		***- 55,158.57 €***	***- 22,052.79 €***	***- 18,802.53 €***	***- 57,051.56 €***	***- 77,361.08 €***	***- 100,877.81 €***	***- 127,917.45 €***
Change in working capital		18,680.00 €	- 71,450.00 €	- 12,074.00 €	- 9,952.97 €	- 6,003.28 €	- 2,353.82 €	8,251.35 €
Capex		- 80,740.00 €	- 108,081.00 €	- 165,837.00 €	- 77,995.69 €	- 83,241.67 €	- 78,262.02 €	- 62,695.37 €
Capex / Sales (%)		-15%	-26%	-31%	-12%	-10%	-8%	-6%
Free cash flow		***132,434.43 €***	***- 76,961.79 €***	***- 69,737.53 €***	***106,251.88 €***	***163,364.42 €***	***238,794.84 €***	***340,144.15 €***

APPENDIX 4: PERFORMANCE



APPENDIX 5: REVENUE





APPENDIX 6: VALUATION SUMMARY

		DCF	EV/EBITDA	52 Week range
BLENDED VALUATION		*8,571,595,149.51 €*	*129,364.00 €*	*16.60 €*
13.06 €		*653260870*	*60*	*4.72 €*
	price	**13.12 €**	**12.92 €**	
	Weighting	70%	30%	

APPENDIX 7: RELATIVE VALUATION

Company Name	EV/EBITDA
MPI corporation	***65.337***
FormFactor	***60.220***
Teradyne	***48.740***
Advantest	***48.916***
Chunghwa Precision Test Tech Co., Ltd.	***75.475***
Average	**59.74**
Median	**60.22**

APPENDIX 8: COST OF EQUITY

CAPM	
Rf (BTP)	3.40%
β	***0.65***
MRP	**6.69%**
Ke	7.75%

We used the Capital Asset Pricing Model to calculate the cost of equity with this component: the risk-free rate is the 10-year BTP taken on (insert data); the market risk premium of Italy that was taken from Professor Damodaran's research; beta regression adjusted to the market. The cost of equity estimated is 7,75%.

APPENDIX 9: WACC

Rf (BTP)	**3.40%**
β	0.65
MRP	***6.69%***
Ke	**7.75%**
wacc	**7.75%**

We assume a stable WACC for the entire DCF forecast period; the value reflects the company's prospects in the period under consideration and uses the cost of equity and assumptions demonstrated previously. The company does not rely on the use of financial debt in its operations; for this reason, the ratio between equity and the sum of debt is equal to zero.

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