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Industrie Technoprobe SpA

Italy | Industrial Products and Services

Initiation of Coverage | February 2026

BUY

Current Price: €15.63

Target Price: €18.57

Upside: 18.8%

Exchange: Italian Stock Exchange

Market: Euronext Milan (STAR Segment)

Ticker: TPRO

Market Data

Market Capitalization: €10,008 Bln

Shares Outstanding: €640 Mln

Shareholders Structure

Crippa Family: 57.96%

Teradyne Inc.: 10.00%

Treasury Shares 1.85%

Management >1%

Other institutional and retail investors
30.00%

Stock Performance

1Month: +28.11%

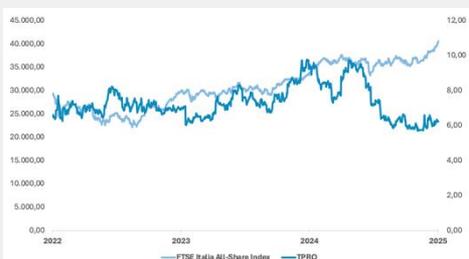
6Months: +111.79%

1Year: +160.93%

1Year High € 16.60

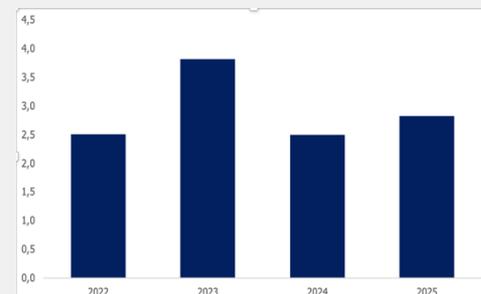
1Year Low: € 4.77

Historical Stock Performance -Exhibit 1



Source: Team Assessment, Refinitiv

Liquidity Profile: Daily Turnover-Exhibit 2



Source: Team Assessment, Refinitiv

Investment Summary

PROBING FOR ALPHA: SMALL NEEDLES, GIANT RETURNS

We initiate coverage on Technoprobe with a **BUY recommendation** and a **target price of €18.57**, implying an upside of approximately **18.8%** from the closing price as of January 30, 2025. Our valuation is primarily based on a Discounted Cash Flow (**DCF**) methodology, which we believe best captures Technoprobe's intrinsic value given its strong long-term growth profile, high operating leverage, and leading position in advanced semiconductor testing solutions.

To complement our intrinsic valuation, we performed a relative valuation analysis using EV/EBITDA and EV/EBIT multiples against a selected peer group, alongside sensitivity and scenario analyses on key assumptions (including WACC and exit multiples), which support the robustness of our target price.

Technoprobe is a global leader in advanced semiconductor testing solutions, specializing in **probe cards** for logic and memory devices. The company has built a strong competitive position by leveraging proprietary technology, long-standing customer relationships, and a scalable manufacturing platform supporting the most advanced semiconductor nodes.

Technoprobe's growth strategy combines organic innovation with targeted acquisitions, thanks to **M&A activity**, including Microfabrica (2019), Harbor Electronics (2023), MW Plasma (2023) and DIS Tech (2024), strengthening its capabilities across MEMS manufacturing, advanced PCBs, plasma technologies and device interface solutions. While revenues remain concentrated among a limited number of key customers, this reflects long-term strategic partnerships that enhance visibility and reinforce the company's competitive positioning.

VALUATION APPROACH: CAPTURING SEMICONDUCTOR GROWTH

In FY 2024, Technoprobe faced a cyclical downturn but is poised for a V-shaped recovery driven by AI and HPC demand. We valued the company using a **two-stage DCF model**, projecting cash flows until 2029E. Our assumptions utilize a **WACC of 8.69%** and a **3.0% Terminal Growth Rate**, reflecting the structural tailwinds of the semiconductor testing industry. The model explicitly captures the operating leverage, forecasting an EBITDA margin expansion from 22.5% (2024) to **~42% by 2026E**. To validate our €18.57 target, we cross-checked the intrinsic value with a **Multiple Analysis**.

The implied **33.2x EV/EBITDA** represents a premium over peers, fully justified by Technoprobe's superior profitability, proprietary MEMS technology and dominant market share in high-end probe cards.

Finally, to stress-test the robustness of our investment thesis, we performed a Monte Carlo Simulation (10,000 iterations) on key drivers including WACC, terminal growth, and margin evolution. The simulation results display a probability distribution highly concentrated around our base case, assigning a low probability to scenarios below the current market price and further reinforcing the solidity of our **BUY** rating.

KEY DRIVERS: WHY TECHNOPROBE STANDS OUT

Our investment thesis is driven by **five key factors**.

- Premium Profitability through Vertical Integration:** Technoprobe maintains an industry-leading financial profile, with an EBITDA margin of 32.6% in H1 2025 (up from 25.2% in H1 2024). This profitability is anchored by a fully vertically integrated manufacturing process, allowing the Group to capture value from design to final production and protecting margins from supply chain volatility.
- Leadership in High-Growth Logic & SoC Segments:** The Group dominates the non-memory (Logic) probe card market with a share of approximately 60% in Vertical MEMS applications. Technoprobe's "tailor-made" engineering approach for sub-7nm nodes provides significant pricing power, as its probe cards are mission-critical components for top-tier foundries and IDMs.
- The AI & Advanced Packaging Growth Engine:** Technoprobe is a direct beneficiary of the AI revolution and the shift toward Heterogeneous Integration (Chiplets). The increasing complexity of AI GPUs (e.g., Nvidia Blackwell architecture) requires a higher number of test points and more sophisticated MEMS needles, expanding Technoprobe's Serviceable Available Market (SAM) as advanced packaging is expected to reach \$79.4 billion by 2030.
- Strategic Ecosystem and Synergistic Partnerships:** The recent finalization of the 10% stake by Teradyne and the 2.5% stake by Advantest (January 2025) has cemented Technoprobe's position within the global testing ecosystem. These partnerships involve joint technology roadmaps and prioritize Technoprobe as a key supplier for high-end PCBs, fostering R&D efficiency and market-share stability.
- Financial Fortress for Strategic Growth:** As of June 30, 2025, Technoprobe boasts a Net Financial Position (NFP) surplus of €641.9 million. This robust cash position, despite significant Capex for capacity expansion, provides the "dry powder" necessary for strategic M&A and R&D investments, ensuring high financial flexibility in a cyclical industry.

Given these drivers, we believe that Technoprobe represents a compelling investment case, combining defensive qualities (proprietary MEMS technology) with aggressive growth potential. The company is uniquely positioned to capture the AI super-cycle, ensuring margin expansion and robust cash flow generation.

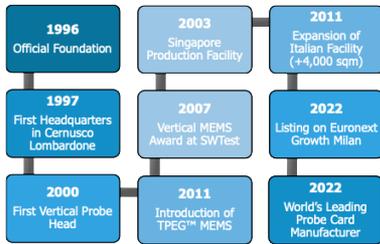
Technoprobe's History & Current Entry Point-Exhibit 3



Source: Team Assessment, Refinitiv

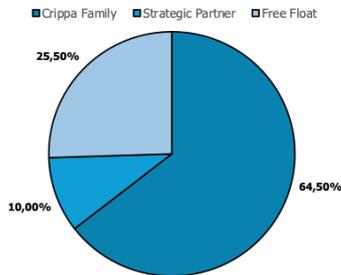
Business Description

Technoprobe's timeline- Exhibit 4



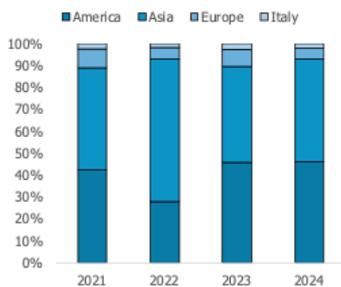
Source: Team Assessment, Company Data

Ownership structure- Exhibit 5



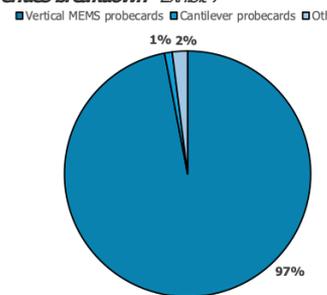
Source: Team Assessment, Company Data

Revenue % distribution by region - Exhibit 6



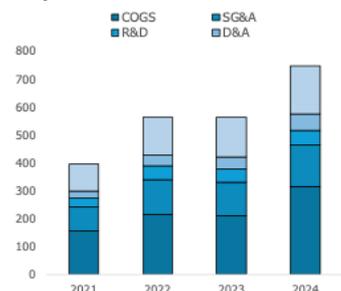
Source: Team Assessment, Company Data

Revenues breakdown - Exhibit 7



Source: Team Assessment, Company Data

Cost impact on revenue in €mln - Exhibit 8



Source: Team Assessment, Company Data

BCG Matrix - Exhibit 9



Source: Team Assessment, Company Data

COMPANY PRESENTATION: PIONEERING GLOBAL SEMICONDUCTOR SOLUTIONS

Founded in 1996 and headquartered in Italy, Technoprobe has established a robust competitive position by integrating proprietary MEMS-based probing technologies with a vertically integrated manufacturing model and longstanding partnerships with the world's leading semiconductor manufacturers. The company traces its origins to 1989, when Giuseppe Crippa and his son Cristiano launched a pioneering family business in the probe card market, then dominated by U.S. players. From these modest beginnings in Merate, Italy, Technoprobe rapidly expanded its footprint, establishing operations in key semiconductor hubs including France, Singapore, and the United States. Technological innovation has been a cornerstone of Technoprobe's development, highlighted by several industry milestones: the creation of its first Vertical Probe Head in 2000, **the introduction of the award-winning Vertical MEMS technology in 2007**, and the launch of the proprietary in 2011, which has since become an industry standard for ultra-fine pitch wafer testing (*Exhibit 4*). **TPEG™ MEMS technology**

While the company maintains its core research, development, and manufacturing activities in Italy, it has strategically distributed assembly and customer support functions across major semiconductor markets in Asia and North America. This dual operational structure ensures both technological excellence and proximity to a global client base. Technoprobe's commitment to quality and innovation has been recognized by its customers, earning it the distinction of the world's best probe card supplier for four consecutive years through 2021, underscoring its leadership and high customer satisfaction. Building on this legacy, Technoprobe has recently garnered several prestigious industry awards. In 2025, the company received the exclusive **Intel EPIC Supplier Award**, recognizing its excellence across Intel's global supply chain. It was also one of only 27 recipients of the 2024 **Excellent Performance Award** from TSMC, highlighting outstanding production support and collaboration. Additionally, Technoprobe was named **"THE BEST Supplier of 2024"** by TechInsights, **ranking first in the Test Subsystems category for customer satisfaction and partnership quality**. These recognitions reflect the company's established presence and role within the semiconductor supply chain.

In FY24, the company reported **consolidated revenues of €543 million** and strengthened its net cash position to over €656 million, reflecting a solid financial foundation that supports continued investment in innovation, capacity expansion, and selective acquisitions (*Exhibit 6*).

A VERTICALLY INTEGRATED BUSINESS MODEL FOR MARKET LEADERSHIP

Technoprobe's business model is focused on delivering highly customized probe card solutions developed in close collaboration with leading foundries and integrated device manufacturers. The company integrates design and engineering within customers' product development cycles, particularly for advanced system-on-chip and AI/HPC platforms with demanding specifications.

Production of critical components such as **MEMS structures**, multilayer organic substrates, ceramic plates and contact probes is fully internalized, supported by proprietary assembly technologies that ensure stringent process control, consistent quality and shorter qualification times. A global support network provides rapid on-site assistance, minimizing downtime in high-volume semiconductor manufacturing.

Technoprobe's technological leadership relies on advanced manufacturing capabilities, including:

- **3D metallic MEMS production**, enhanced by the 2019 acquisition of Microfabrica;
- **Investments in thin film technology** to reduce lead times and improve quality;
- **High-volume precision assembly of microcomponents**;
- **Advanced micromachining and high-accuracy laser cutting** enabling fast turnaround.

The company's product portfolio includes probe card components, advanced packaging and test sockets, mainly produced in-house to guarantee quality and reliability. Strategically, Technoprobe pursues a technology-driven M&A strategy to expand its product portfolio and enter adjacent markets, while maintaining focus on core business growth through customer consolidation, product innovation, process optimization and customized testing solutions. This integrated, innovation-led business model underpins Technoprobe's leadership in the MEMS non-memory probe card market and supports its sustainable growth (*Exhibit 7*).

ADVANCED TECHNOLOGY AND PRODUCT PORTFOLIO

Technoprobe's core product is its proprietary Vertical-MEMS probe card technology, which delivers superior precision, thermal stability, and high-parallel testing capabilities critical for advanced semiconductor nodes, heterogeneous integration, chiplet designs, and complex packaging architectures. Internal MEMS processing capabilities enable rapid iteration and continuous improvement of probe performance.

Strategic acquisitions such as Harbor Electronics and Teradyne's Device Interface Solutions have expanded the company's portfolio to include device interface boards and complementary test interfaces, allowing Technoprobe to manage a broader segment of the signal chain from wafer probing to final test. This expansion supports the provision of integrated, scalable, and reliable testing solutions. The company's comprehensive product range includes Cantilever and TPEG™ Vertical MEMS probe cards, motherboards, and final test boards, all developed with continuous innovation in advanced micromachining, 2D/3D MEMS, AI, and advanced manufacturing technologies. Most components are produced in-house to ensure quality and performance. Technoprobe's solutions serve diverse high-growth sectors including 5G, AI, IoT, automotive, data centers, telecommunications, aerospace, and consumer electronics. The company also leads the Terabit Era project, funded by the Italian government, focused on developing new test interfaces for emerging microchips in the 5G, AI, and IoT markets.

STRATEGIC ACQUISITIONS AND CUSTOMER BASE

Technoprobe's growth strategy integrates organic innovation with targeted acquisitions to enhance its technological capabilities and expand market presence. Key acquisitions include:

- **Microfabrica (2019, USD 40 million)**: specializing in MEMS manufacturing
- **Harbor Electronics (2023, USD 50 million)**: a leader in advanced printed circuit boards for semiconductor testing
- **MW Plasma (2023, USD 2 million)**: focused on microwave systems for chemical vapor deposition
- **DIS Tech (2024, USD 89 million)**: strengthens device interface solutions

The company maintains a highly concentrated business, with its top four clients accounting for approximately 50% of total revenues, reflecting strong partnerships that support Technoprobe's market position.

COST DRIVERS

From 2021 to 2024, Technoprobe's cost structure expanded in line with its growth and macroeconomic challenges. COGS nearly doubled (€157M to €314M), driven by higher production volumes and increased raw material costs amid global supply chain disruptions and inflationary pressures. SG&A rose by 76% (€85M to €150M), reflecting expanded operations and rising labor costs. R&D expenses increased by 69% (€31M to €53M), underscoring sustained investment in innovation, particularly in AI and process automation. Depreciation & Amortization more than doubled (+129%, €25M to €57M), linked to capital investments in capacity expansion and technological upgrades. Indirect labor costs grew by 77% (€98M to €173M), influenced by organizational scaling and wage inflation (*Exhibit 8*)

Industry Overview and Competitive Positioning

MARKET SEGMENTATION & TECHNICAL DRIVERS

INDUSTRY OVERVIEW: SEMICONDUCTOR TESTING & METROLOGY EQUIPMENT

Technoprobe operates within the high-value **Semiconductor Testing & Metrology Equipment** sector, a critical sub-industry that serves as the "Quality Gate" for the global silicon supply chain. While the broader semiconductor market is historically cyclical and volume-driven, the testing equipment segment is currently decoupling into a structural growth phase, driven by the exponential rise in chip complexity rather than mere unit shipments. Within the manufacturing value chain, Technoprobe occupies a unique dual position that bridges the gap between fabrication and packaging: primarily dominating the **Late-Stage Front End (Wafer Testing Level)**, where individual integrated circuits are electrically validated before the wafer is diced, and increasingly expanding into the **Back End (Final Testing Level)** to capture value post-assembly. This sector is currently underpinned by powerful secular drivers—specifically Heterogeneous Integration (Chiplets) and Advanced Packaging (CoWoS)—which have made the "Cost of Failure" prohibitive. As foundry economics shift towards multi-die systems, the requirement to identify "Known Good Dies" (KGD) has transformed testing from a low-margin validation step into a strategic yield-management asset. Consequently, the specific Probe Card market is projected to expand from approximately **\$2.4 billion in 2024** to over **\$4.2 billion by 2030**, implying a robust **CAGR of 7.9%–9.3%** (Exhibit 11), a rate that outpaces the broader semiconductor capex growth. This "Test Intensity" is further amplified by the AI super-cycle, where massive die sizes and thermal challenges in GPU production are forcing a structural upgrade in metrology infrastructure to ensure reliability at the limits of physics.

STRATEGIC MARKET SEGMENTATION FRAMEWORK: A MULTI-DIMENSIONAL APPROACH TO VALUE CAPTURE.

To accurately assess Technoprobe's competitive positioning and revenue quality, it is essential to deconstruct its addressable market through a tri-dimensional framework based on **Application Type, Technological Architecture, and Process Step** (Exhibit 14). This granular segmentation is not merely classificatory but reflects the company's strategic capital allocation and "moat" definition. By analyzing the market across these three axes, we can distinguish between high-growth, high-barrier segments (such as AI-driven Logic and proprietary MEMS) and legacy commoditized areas. Specifically, the **Application** criterion highlights the divergence between the premium Non-Memory/Logic sector and the volume-driven Memory market; the **Technology** criterion separates advanced proprietary IP (Vertical MEMS) from legacy mechanical solutions; and the **Process Step** criterion maps the company's expansion along the value chain, from its stronghold in Front-End Wafer Testing to the emerging opportunity in Back-End Final Testing. This multi-layered structure provides the necessary granularity to identify the specific drivers fueling Technoprobe's outperformance relative to general industry capex trends.

SEGMENTATION BY APPLICATION: LOGIC DOMINANCE VS. MEMORY OPPORTUNITY

Non-Memory Applications (Logic, SoC, AI): Valued at **\$1.638 billion** (68% of total market), this is Technoprobe's stronghold, where it commands a **34% global share** serving top-tier clients like NVIDIA and TSMC. Driven by the **"AI & HPC Supercycle,"** this segment demands extreme technical specs: Generative AI chips pushing reticle limits require >50,000 pin counts and 1–2 Amps per needle to manage 1000W thermal loads. This complexity drives premium ASPs and structural growth, as sub-3nm nodes require exponential "Test Intensity" to validate signal integrity in 112Gbps/224Gbps SerDes links, cementing this segment as the primary value engine.

Memory Applications (DRAM, NAND): Historically commoditized and valued at **\$805 million** (32% of market), this segment is being disrupted by **High Bandwidth Memory (HBM)**. HBM stacks (8-Hi to 16-Hi) utilize high-density micro-bumps with pitches <40µm, mirroring Logic complexity and forcing a shift from legacy probes to Technoprobe's advanced MEMS. The economic imperative for "Known Good Die" (KGD) validation in CoWoS packaging mandates "At-Speed" and "Burn-in" testing. This opens a strategic window for Technoprobe to leverage its TPEG™ platform and disrupt the incumbent duopoly via the high-growth HBM sub-segment (Exhibit 13).

SEGMENTATION BY TECHNOLOGY: THE MEMS SUPREMACY

Vertical MEMS (Micro-Electro-Mechanical Systems): Valued at **\$937 million** and growing at a **10.6% CAGR**, Vertical MEMS is the industry's premium engine. Technoprobe commands a 60% Global Market Share in this segment (Exhibit 12), leveraging its proprietary TPEG™ lithographic process to achieve pitches below 30µm. This scaling is a physical necessity for AI accelerators: only MEMS springs can support >50,000 pin counts and handle 1–2 Amps per needle for thermal management, while acting as waveguides for high-frequency signal integrity.

Vertical Probe Cards (Cobra/Buckling Beam): The **Vertical (Buckling Beam)** architecture, valued at **\$286 million**, represents a mature "Cash Cow" segment utilized for standard automotive and industrial chips. While cost-efficient for pitches >50µm, it exhibits a **Flat Growth Profile**. Its mechanical assembly cannot scale to sub-5nm densities, leaving it exposed to gradual cannibalization as MEMS technologies achieve economies of scale and address mid-range applications.

Epoxy/Cantilever & Niche Advanced (\$416M Combined): The Epoxy/Cantilever segment (**\$222 million**) is in **structural decline**, being physically unsuitable for modern Flip-Chip "Area Array" designs and limited to legacy logic. Combined with niche "Other Advanced" solutions (**\$194 million**), these represent non-strategic areas for Technoprobe, reinforcing the company's laser focus on the high-margin MEMS core.

SEGMENTATION BY PROCESS STEP: VALUE CHAIN EXPANSION

Wafer Testing Level (Core Business): Technoprobe's revenue bedrock lies in the **Late-Stage Front End**, where its **Probe Cards** act as the essential "Gatekeeper" of semiconductor economics. In the era of Advanced Packaging (CoWoS), the cost of packaging often exceeds that of the silicon itself. Consequently, the Probe Card is no longer a mere consumable, but a strategic asset required to validate "Known Good Dies" (KGD) before capital is committed to packaging. By guaranteeing "Zero Defect" transfer to the assembly stage, Technoprobe protects the gross margins of its Fabless clients (e.g., NVIDIA), justifying premium pricing power and high barriers to entry against lower-tier competitors unable to guarantee such yield reliability.

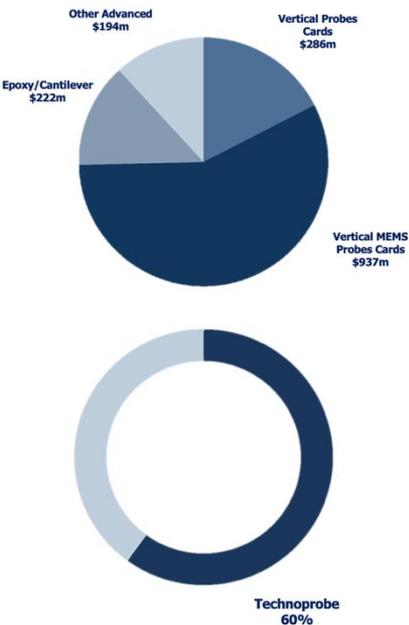
Final Testing Level (Strategic Expansion): To drive future growth beyond the wafer level, Technoprobe is aggressively expanding into the **Back End (Post-Assembly)** market, effectively doubling its addressable market opportunities. Through the strategic acquisition of Device Interface Solutions (DIS), the company now captures value across the entire test lifecycle, supplying **Test Sockets** and **Interface Boards** for the final packaged chip. This vertical integration creates a powerful "One-Stop-Shop" investment case: by controlling the entire signal path (from wafer to final package), Technoprobe increases client stickiness (Switching Costs) and captures a larger share of the customer's total test budget ("Wallet Share"), leveraging technical synergies to displace fragmented competitors.

Global Probe Card Market TAM Expansion - Exhibit 11



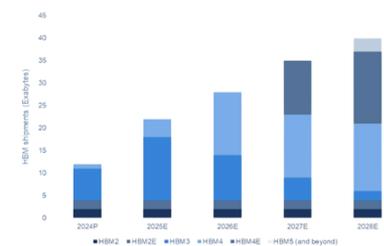
Source: Fortune Business Insights, Team Assessment

Non-Memory Technology Split & TPRO's MEMS Leadership (2024) - Exhibit 12



Source: Technoprobe Company Presentation, Team Assessment

HBM Demand Explosion - Exhibit 13



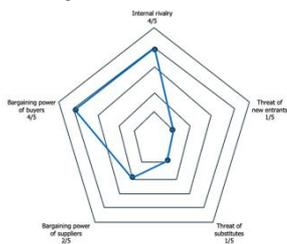
Source: Technoprobe Company Presentation, Team Assessment

TPRO's Technology Matrix - Exhibit 14

Metric/Attribute	TPEG™ Vertical MEMS	Vertical (Cobra/Buckling)	Legacy Cantilever
Life Cycle Phase	Expansion	Mature	Decline
CAGR Outlook	High (>10%)	Flat	Negative
Barriers to Entry (Moat)	Very High (Proprietary IP)	Medium (Assembly CapEx)	Low (Commoditized)
Pricing Power (Margins)	Premium (High ASP)	Standard (Medium ASP)	Low/Dilutive
Key Demand Driver	AI/HPC/HBM/Mobile	Automotive/Industrial	LCD Drivers/Legacy Logic

Source: Company data, Team Assessment

Porter's Analysis - Exhibit 15



Source: Company data, Team Assessment



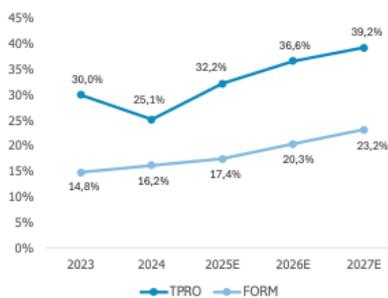
Source: Team Assessment, Company Data

Financial Comparison-Exhibit 17

(€ mln)	Company	2023A	2024A	2025E	2026E	2027E
Revenue	TPRO	409,27	543,15	626,96	729,20	887,84
	FORM	613,10	705,39	659,43	731,44	784,28
Gross Profit	TPRO	199,33	223,44	281,00	373,90	455,80
	FORM	249,76	294,24	265,35	318,07	349,23
EBIT	TPRO	79,84	67,11	134,40	196,00	271,00
	FORM	56,20	83,82	83,38	123,88	149,20
EBITDA	TPRO	122,79	136,45	202,00	264,00	346,05
	FORM	90,83	114,22	115,00	148,74	181,68
Net Income	TPRO	97,00	63,83	95,70	158,00	217,05
	FORM	52,51	83,34	77,57	107,56	131,91
Gross Margin %	TPRO	48,70%	41,14%	44,95%	46,96%	51,84%
	FORM	44,50%	45,58%	40,20%	43,75%	45,00%
EBIT Margin %	TPRO	19,51%	12,36%	21,40%	25,10%	30,10%
	FORM	9,17%	11,88%	12,64%	16,94%	19,02%
EBITDA Margin %	TPRO	30,00%	25,12%	32,20%	36,60%	39,20%
	FORM	14,82%	16,19%	17,44%	20,34%	23,16%
Net Margin %	TPRO	23,70%	11,56%	15,20%	21,60%	24,50%
	FORM	8,56%	11,81%	11,78%	14,71%	16,82%

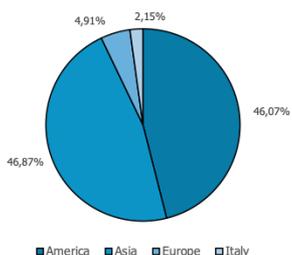
Source: Team Assessment, Refinitiv

EBITDA Margins Comparison - Exhibit 18



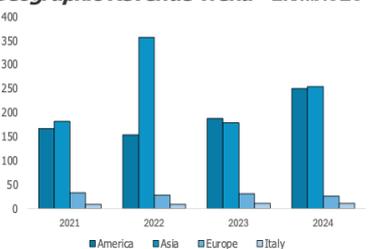
Source: Team Assessment, Company Data

Revenue by Region FY 2024 - Exhibit 19



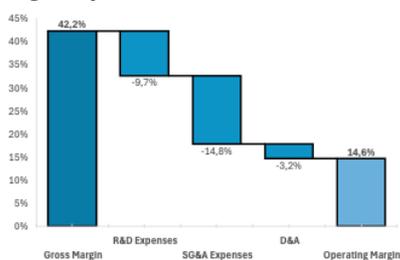
Source: Team Assessment, Company Data

Geographic Revenue Trend - Exhibit 20



Source: Team Assessment, Company Data

Bridge Analysis FY 2024 - Exhibit 21



Source: Team Assessment, Company Data

SECTOR COMPETITIVE OVERVIEW AND COMPANY POSITIONING

Technoprobe operates within the global probe card industry, characterized by significant technological specialization, extensive product customization, and comprehensive pre- and post-sales support across key semiconductor manufacturing regions. The market features substantial technical, technological, and financial barriers to entry, leading to a concentrated competitive environment with few major players.

In 2024, the total probe card market was valued at approximately \$2.4 billion, with non-memory applications representing 66% (\$1.64 billion) and memory applications 34% (\$805 million). Vertical MEMS probe cards dominate the non-memory market with a 60% share (\$937 million). This segment, valued at \$1.1 billion in 2020, is projected to grow to \$2.5 billion by 2027, driven by increasing device complexity, heightened testing requirements, and growth in AI accelerators, data centers, and advanced SoCs. The shift to advanced process nodes increases the need for sophisticated wafer probing technologies, moving performance and yield risks earlier in manufacturing.

Technoprobe's portfolio spans wafer testing during front-end manufacturing and test sockets for back-end final testing. Early collaborations with leading foundries and lengthy qualification cycles create high barriers for new entrants, positioning Technoprobe to benefit from secular growth trends tied to increased test intensity and AI-driven capital expenditures.

The probe card industry is primarily dominated by two key players: Technoprobe and FormFactor. Technoprobe holds an estimated 26% market share in the broader non-memory segment, rising to about 33% in the specialized vertical non-memory segment, focusing on advanced Vertical MEMS probe card solutions for complex wafer-level testing.

FormFactor, based in California, is the main competitor, reporting around \$700 million in revenues in 2024. Its diversified portfolio covers memory and non-memory probe cards and semiconductor diagnostic equipment. While diversified, FormFactor's presence in the ultra-high-end vertical MEMS segment is limited compared to specialized peers. It is selected as the primary peer for financial analysis due to its market leadership, comparable scale, and broad exposure.

Other notable players include:

- **Micronics Japan (MJC)** – Mainly focused on memory probe cards and semiconductor testing equipment.
- **Japan Electronic Materials (JEM)** – Predominantly active in memory probe cards.
- **MPI Corporation** – Active in memory probe cards and lower-end vertical non-MEMS solutions for non-memory applications.
- **Advantest** – Provider of advanced semiconductor chip testing equipment.
- **Teradyne** – Leading U.S. manufacturer of automated test equipment, strategic partner and minority shareholder of Technoprobe.

A significant growth opportunity lies in AI and custom ASIC wafer-level testing. In 2025, AI-related products generated an estimated 35–40% of Technoprobe's revenue, largely driven by Nvidia GPUs. Nvidia's move to vertical MEMS probe technology with the H100 GPU and advanced 4nm nodes increased testing complexity, requiring finer pitch, improved signal and power integrity, and reduced probe damage. Custom ASICs follow a similar but delayed trend. MPI holds a large share of the custom ASIC MEMS probe market with lower-end vertical MEMS technology. Adoption of high-end vertical MEMS for custom ASICs is expected to accelerate with growing package complexity and volumes, with Broadcom and Marvell likely to adopt these technologies.

Technoprobe's partnership with WinWay expands its capacity and strengthens its presence among outsourced semiconductor assembly and test (OSAT) providers, leveraging WinWay's back-end capabilities while retaining control of probe head technology. Market forecasts suggest the total addressable market for custom ASIC probe cards will grow from about €200 million in 2025 to €650 million by 2030, with Technoprobe's market share rising from roughly 10% (€20 million) to about 35% (€226 million) over the same period.

Financial Analysis

FINANCIAL PERFORMANCE ANALYSIS AND OUTLOOK

REVENUE GROWTH DRIVEN BY MARKET RECOVERY AND TARGETED ACQUISITIONS

After a 25.4% decline to €409.3 million in 2023 due to market contraction and weaker consumer demand, **TPRO's revenues rebounded 32.7% to €543.2 million in FY24**. Growth was supported by volume gains, a €64.3 million contribution from the DIS Tech acquisition, and rising demand from AI applications. In 4Q24, revenues surged over 53% YoY, driven by advanced semiconductor testing needs. TPRO outpaced the semiconductor market's ~10% growth, benefiting from exposure to AI, High Bandwidth Memory, and Chiplet segments, alongside ongoing R&D and capacity expansion. Peer FORM reported €705.7 million in FY24 (+15.1%), maintaining a larger and more diversified base despite slower growth. Revenues remain concentrated, with the top three customers representing over 48% of sales, and nearly 20% from the largest client. Geographically, 98% of revenues came from outside Italy, split roughly equally between Asia (46.8%) and the America (46.1%), with Europe under 7% (Exhibit 19).

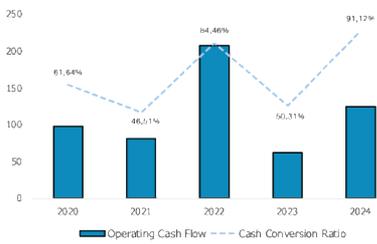
OPERATING PROFITABILITY IN TRANSITION: STRATEGIC REINVESTMENT AND MARGIN DYNAMICS

In FY24, TPRO's operating margin declined to 14.6% from 38% in 2022, mainly due to a **gross margin drop from 60.6% to 42.2% following the DIS Tech integration**. Margin pressure also came from higher R&D spending (9.7% of revenues, up from 9.1% in 2022) to maintain technological leadership, and increased SG&A expenses (14.7%) related to both recurring and one-off integration costs. Depreciation and amortization accounted for 3.2% of revenues, reflecting a significant fixed-cost base. With revenues recovering to €543.2 million, TPRO is well positioned to leverage operating leverage for margin improvement as fixed costs are absorbed. Compared to main peer FORM, TPRO shows stronger operational efficiency, with a 14.6% operating margin versus FORM's 5.8%. TPRO also maintains a higher gross margin (42.2% vs. 40.3%) and lower operating expenses relative to revenue (27.6% vs. 34.5%), demonstrating better cost control and pricing power (Exhibit 21).

OPERATIONAL EFFICIENCY DRIVES RECORD CASH CONVERSION

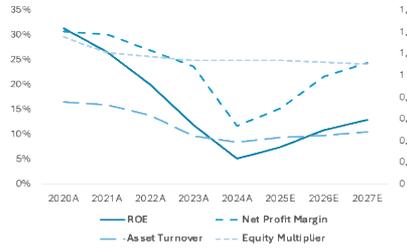
Alongside liquidity preservation, Technoprobe demonstrated exceptional earnings quality in FY24, with **Operating Cash Flow (CFO)** staging a robust recovery to **€124.4 million**, more than doubling the FY23 level. This performance was underpinned by a dramatic improvement in the **Cash Conversion Ratio (CFO/EBITDA)**, which surged to a record **91.1%** from the cyclical trough of 50.3% recorded in the previous year. This metric is critical as it validates the company's "Quality of Earnings," confirming that accounting profits are backed by strong cash realization rather than mere accruals. The decoupling of cash generation from the revenue contraction was primarily driven by the normalization of working capital dynamics following the strategic inventory buildup of FY22-23. We view this high conversion rate as a structural strength, providing the internal funding capacity required to sustain capital-intensive CAPEX cycles without stressing the balance sheet or requiring external financing (Exhibit 22).

Quality of Earnings - Exhibit 22



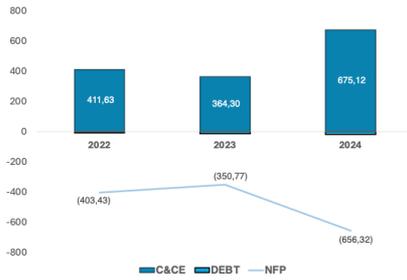
Source: Team Assessment, Company Data

DuPont Analysis - Exhibit 23



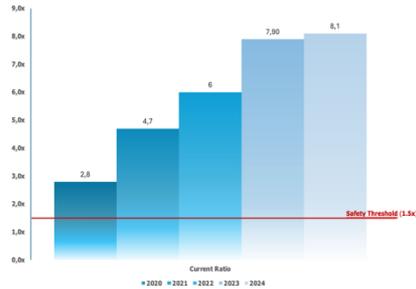
Source: Team Assessment, Company Data

NFP Dynamics in €mln - Exhibit 24



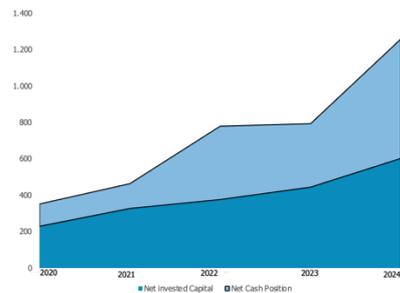
Source: Team Assessment, Company Data

Current Ratio Evolution - Exhibit 25



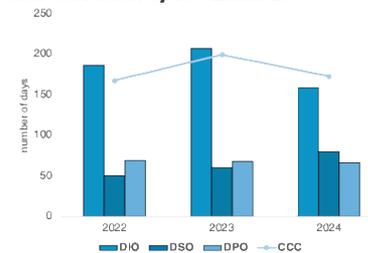
Source: Team Assessment, Company Data

Asset Composition - Exhibit 26



Source: Team Assessment, Company Data

Cash Conversion Cycle - Exhibit 27



Source: Team Assessment, Company Data

FROM DECLINE TO RECOVERY: KEY FACTORS INFLUENCING ROE PERFORMANCE

Over 2020–2024, TPRO's ROE declined sharply from 31.4% to 5.2%, primarily driven by a pronounced compression in Net Profit Margin, which fell from 30.7% to 11.8%, and by a structural deterioration in **Asset Turnover (from 0.76x to 0.39x)**, while the Equity Multiplier remained broadly stable around 1.1–1.3x, indicating a negligible contribution from financial leverage. The expected ROE recovery in 2025E–2027E (up to 12.9%) is mainly supported by a rebound in margins (Net Profit Margin seen at 24.5% in 2027E) and a gradual improvement in asset efficiency (Asset Turnover rising to 0.48x), with no material change in capital structure. FORM shows a more balanced and resilient ROE profile, with profitability declining from 11.3% in 2020 to 6.4% in 2022 before recovering to 7.1% in 2024 and forecast to reach 15.4% in 2027E, underpinned by a stabilisation and subsequent expansion in **Net Profit Margin (from 6.8% in 2022 to 16.5% in 2027E)**, a relatively stable and improving Asset Turnover (0.61x in 2023 to 0.71x in 2027E) and a gradual increase in the **Equity Multiplier (from 1.21x to 1.31x)**, reflecting a measured use of leverage to enhance equity returns.

ROBUST LIQUIDITY AND CONSERVATIVE LEVERAGE SUPPORT FINANCIAL FLEXIBILITY

In FY24, the **Group's liquidity nearly doubled to €675.1 million**, driven by cash increasing to €666.4 million through strong cash flow and efficient working capital management. The net financial position improved significantly, with net cash rising 87% to €656.3 million, reflecting low gross debt of €18.8 million (less than 3% of liquidity). This strong net cash position supports the TPRO's capacity to fund growth and acquisitions without external borrowing. Leverage ratios remain conservative, with a Net Debt/Equity of -53% and a Gearing ratio of -113%. Liquidity metrics also improved, with a **Current Ratio of 8.06 and Cash Ratio of 5.48**, well above sector averages. Compared to peer FORM—Current Ratio 4.61, Cash Ratio 2.74, and Total Debt/EBITDA of 11%—TPRO's higher liquidity and lower leverage indicate greater financial flexibility.

We interpret this massive capitalization not as a sign of balance sheet inefficiency, but as a deliberate **"Strategic Liquidity Buffer"** (Exhibit 25). Given the inherent volatility of the semiconductor industry, this cushion ensures operational continuity and allows Technoprobe to maintain high R&D spending even during severe market troughs, gaining market share while competitors are forced to cut costs. Furthermore, the high current assets reflect a strategic inventory buildup necessary to guarantee rapid response times for key clients like TSMC and NVIDIA, acting as a competitive moat in the critical "time-to-market" race. Most importantly, this liquid asset base provides unrivaled **strategic optionality**, granting Technoprobe the "dry powder" to self-fund large-scale acquisitions or aggressive capacity expansion without reliance on expensive external debt or dilutive equity issuance.

OPERATING LEVERAGE AND DOWNSIDE RISK PROFILE

TPRO reports a **Degree of Operating Leverage (DOL) of 3.1x**, reflecting fixed operating costs estimated at €165.2 million, based on variable costs of 55% of revenues. This implies that a 1% increase in revenue results in a 3.1% increase in EBIT, supported by growth in AI and HPC probe card demand. TPRO's current EBIT margin of 14.6% likely represents a cyclical trough, with break-even revenue at €367.1 million and a margin of safety of 32.4%, indicating capacity to absorb significant revenue declines without losses. By comparison, peer FormFactor (FORM) shows a higher DOL of 7.7x and a break-even revenue of €665.3 million, pointing to greater earnings volatility. FORM's narrower margin of safety at 12.9% and near break-even EBIT margin in downside scenarios reflect a more leveraged cost structure.

WORKING CAPITAL PRESSURE LIMITS CASH CONVERSION

TPRO's working capital remains high, with a **cash conversion cycle of 172.7 days in FY24**. Inventory (DIO) improved to 159 days but still ties up significant capital and risks obsolescence. Receivables (DSO) increased to 79.8 days, adding pressure on liquidity, partly offset by supplier payments (DPO) at 66.2 days. By comparison, FORM operates more efficiently with a shorter cash conversion cycle supported by lower inventory (DIO 84.5 days) and receivables (DSO 51.7 days). Although FORM's DPO is shorter (30.9 days), its leaner working capital structure enables stronger cash flow generation. This highlights TPRO's relatively higher capital intensity (Exhibit 27).

ASSET COMPOSITION AND THE EVOLUTION OF CAPITAL STRUCTURE

The evolution of Technoprobe's capital structure highlights a rare "dual-track" efficiency: the ability to aggressively expand the industrial base while simultaneously accumulating a record net cash position. As illustrated in the chart (Exhibit 26), the **Net Invested Capital (Dark Blue)** has steadily expanded from FY20 to FY24, driven by the company's proprietary **Vertical Integration strategy**. This reflects massive CAPEX deployment in expanding manufacturing facilities and acquiring next-gen machinery for 3nm and AI-chip testing, creating a tangible "hard asset" moat. Crucially, this industrial scale-up has not consumed the company's liquidity. On the contrary, the **Net Cash Position (Light Blue)** has grown at an even faster pace, now representing the dominant portion of the total capital employed. This visual "widening" of the capital base demonstrates that Technoprobe generates free cash flow far in excess of its (already high) reinvestment needs. Strategically, this composition creates a unique risk profile: the industrial base secures technological leadership, while the liquidity layer provides total immunity to interest rate cycles and the firepower for transformational M&A without leveraging the balance sheet.

PATH TO STRONG FREE CASH FLOW GROWTH

After a capital-intensive 2023–24 period with CapEx at 16.5% of sales, **TPRO's Free Cash Flow (FCF)** is projected to **rise from €30 million in 2024 to €139.5 million by 2027**, a 67% CAGR reflecting improved cash conversion. Operating cash flow growth is supported by disciplined working capital management, with net working capital steady at about 5% of revenue. CapEx intensity is expected to decline from 17.4% to 10% of sales by 2027, enabling sustained revenue growth with lower reinvestment. The FCF-to-EBITDA ratio is forecast to increase from 22% to 40%, and the FCF-to-net income ratio to about 64%, indicating a shift toward a more asset-light model and enhanced financial flexibility (Exhibit 28).

PROFIT AND RETURNS: OPERATING LEVERAGE FUELS POST-CYCLE RECOVERY

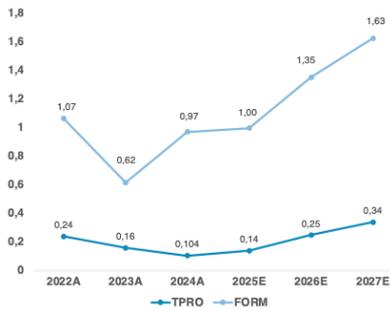
Following a cyclical trough in 2023–24, TPRO enters a recovery phase characterised by accelerating operating leverage and margin normalisation. Revenues rebound from €409.3m in 2023 to €543.2m in 2024 (+32.7% YoY) and are projected to grow to €887.8m by 2027E (CAGR ~18%), supported by volume recovery and increasing exposure to structurally growing AI-driven applications. EBITDA grows at a faster pace than revenues, **rising from €136.5m in 2024 to €346.1m by 2027E**, with margins expanding from 25.1% to 39.2%. This reflects the progressive absorption of a largely fixed cost base following the recent investment and acquisition cycle. EBIT margins expand even more sharply, from 12.4% in 2024 to 30.1% in 2027E, confirming the high earnings sensitivity to revenue growth. Net income increases from €63.8m in 2024 to €217.1m in 2027E, with net margins recovering to 24.5%, broadly in line with historical peak levels. The earnings recovery translates into a marked improvement in capital efficiency, with ROIC rising from 7% in 2024 to 27% in 2027E, driven by higher NOPAT (€203.3m) and a stabilisation of invested capital at ~€760m. Return metrics follow the same trajectory: ROA improves from 4.5% to 11.7%, while ROE rises from 5.2% to 12.9% by 2027E, despite a conservative balance sheet and limited financial leverage. This indicates that the expected return expansion is predominantly operational rather than balance-sheet driven.

Cash Flow Conversion -Exhibit 28

(€ mln)	2022A	2023A	2023E	2024E	2025E
EBITDA	122,79	136,45	202,00	264,00	346,05
(-) Cash Taxes	(44,62)	(7,81)	(32,15)	(53,25)	(73,43)
(+/-) Δ in Working Capital	(23,09)	(12,65)	(31,35)	(36,46)	(44,39)
(-) Other adjustments	(6,67)	(8,42)	-	-	-
FCF	61,75	124,41	138,50	174,29	228,23
(-) CapEx	(63,93)	(94,45)	(87,77)	(87,50)	(86,78)
FCF	(2,18)	29,96	50,73	86,79	139,45
FCF / EBITDA	(1,78%)	21,96%	25,11%	32,87%	40,30%
FCF / Net Income	(2,25%)	46,94%	53,01%	54,93%	64,25%
CapEx as % of Revenue	15,62%	17,39%	14,00%	12,00%	10,00%

Source: Team Assessment, Refinitiv

EPS Actual & Forecast -Exhibit 29



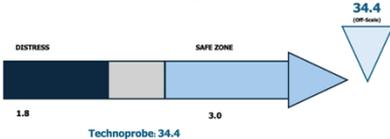
Source: Team Assessment, Company Data

Solvency Profile & Synthetic Credit Rating Outlook -Exhibit 30

(€ millions)	2023A	2024A	2025E	2026E	2027E
EBIT	79,84	67,11	134,40	196,00	271,00
EBITDA	122,79	136,45	202,00	264,00	346,05
Interest Expense	0,29	1,61	17,00	14,00	14,00
Short-term Debt	-	-	-	-	-
Long-term Debt & Leases	-	-	-	-	-
Total Gross Debt	11,00	10,06	9,11	24,65	12,40
Cash & Cash Equivalents	361,80	666,38	665,75	801,15	925,50
Net Debt / (Net Cash)	350,80	656,32	694,86	776,50	913,10
Total Debt / Equity	0,91	0,01	-0,01	0,02	0,01
Total Debt / EBITDA	0,09	0,07	-0,05	0,09	0,04
Net Debt / EBITDA	-2,86	-4,81	-3,44	-2,94	-2,64
Interest Coverage Ratio (ICR)	277,22	41,79	7,91	14,00	19,38
EBITDA / Interest Expense	426,34	84,96	11,88	18,86	24,72
Implied Credit Rating	AAA	AAA	A	AAA	AAA

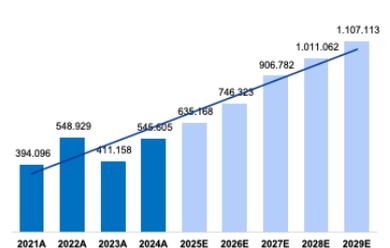
Source: Team Assessment, Refinitiv

Altman Z-Score Positioning -Exhibit 31



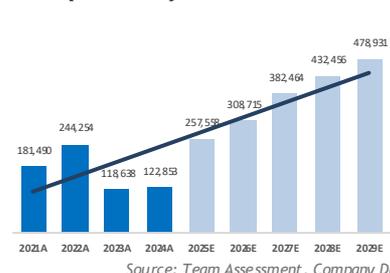
Source: Team Assessment, Company Data

Revenues (2021 - 2029) -Exhibit 32.1



Source: Team Assessment, Company Data

EBITDA (2021 - 2029) -Exhibit 32.2



Source: Team Assessment, Company Data

WACC

Equity - weight [%]	80,00%
Debt - weight [%]	20,00%
Tax [%]	24,00%
Cost of equity [%]	10,12%
Cost of debt [%]	3,91%
WACC [%]	8,69%

Source: Team Assessment, Company Data

EPS OUTLOOK REFLECTS EARNINGS RECOVERY AND CAPITAL STRUCTURE DYNAMICS

TPRO's EPS fell from €0.24 in 2022 to €0.104 in 2024, reflecting a 56.7% decline alongside net income dropping from €148 million to €63.8 million. **EPS is forecast to rebound to €0.34 by 2027**, with a **CAGR of about 35%**, supported by margin recovery and earnings normalization. Peer FORM experienced greater EPS volatility, dropping from €1.196 in 2022 to €0.675 in 2023 before recovering to €1.062 in 2024. After a slight dip in 2025, FORM's EPS is expected to rise to €1.627 by 2027, reflecting sector cyclicality and recovery (*Exhibit 29*).

CREDIT PROFILE OUTLOOK

Given the absence of official coverage from major rating agencies, we maintained our **Synthetic Credit Rating** methodology based on the Damodaran Interest Coverage Ratio (ICR) framework to forecast Technoprobe's solvency through the strategic plan horizon (*Exhibit 30*). The analysis confirms an exceptionally robust profile: FY24 closes with an **ICR of 41.8x**, firmly securing a **'AAA' rating** and confirming the company's immunity to short-term financial distress. Looking ahead, our model anticipates a temporary compression of the ratio in FY25, where the ICR is projected to normalize to **7.9x** (implying a notch adjustment to an **'A' rating**). This largely reflects a forecasted spike in gross interest expenses (projected at €17m) potentially linked to bridge financing structures or IFRS-16 lease expansions to support the industrial ramp-up, rather than a deterioration in operating performance. Crucially, this is a transient phenomenon: as the "vertical integration" investments begin to yield cash returns, the credit profile is expected to rebound immediately. By FY26-27, the ICR is forecasted to expand back to double-digit territory (**14.0x** and **19.4x** respectively), restoring the **'AAA' status**. This trajectory is underpinned by the relentless accumulation of liquidity, with the **Net Cash position** expected to surge to **€913 million by FY27E**, effectively rendering the gross debt irrelevant and securing the company's long-term unassailability.

To stress-test the rating, we deployed the Altman Z-Score. Technoprobe registered an outlier score of **34.4** (*Exhibit 31*) in FY24, shattering the standard >3.0 safety threshold. This performance is primarily driven by the massive **Market Value of Equity to Liabilities ratio (~54x)**, indicating that equity valuation dwarfs credit obligations to such an extent that financial distress is virtually impossible. We interpret this score as confirmation of the **"Option Value"** embedded in the stock: an immense equity buffer pricing in significant future growth potential rather than just balance sheet safety.

Valuation

VALUATION METHODS

We issue a **BUY** recommendation on Technoprobe, setting a **target price of €18.57**, which implies an **upside of 18.79%** from the closing price as of January 30, 2025.

Our valuation is primarily based on a Discounted Cash Flow (DCF) methodology, which we consider the most appropriate approach to capture Technoprobe's intrinsic value given its long-term growth visibility, high operating leverage, and structurally strong positioning within advanced semiconductor testing solutions. The DCF framework is particularly suitable for a capital-intensive and technology-driven business such as Technoprobe, where value creation is driven by long-term demand trends, capacity expansion, and margin scalability rather than short-term market volatility. The terminal value is estimated using an exit multiple approach, applying a sector-derived EV/EBITDA multiple to Technoprobe's normalized mid-cycle EBITDA, resulting in an implied **enterprise value of €11.24bn**. The terminal value is subsequently discounted at the WACC, ensuring full consistency with the company's risk profile and projected cash flows. After adjusting for net debt, minorities, and other balance sheet items, we derive an equity value of €11.88bn, corresponding to a fair value per share of €18.57 based on 640 million shares outstanding. To complement the intrinsic valuation and provide a robust market-based cross-check, we also performed a relative valuation analysis, benchmarking Technoprobe against a focused peer group of global probe card and semiconductor test equipment manufacturers using EV/EBITDA and EV/EBIT multiples. The implied valuation metrics are broadly consistent with those observed for high-quality peers, reinforcing the credibility of our assumptions.

Finally, we assessed the robustness of our valuation through sensitivity analyses on key drivers, including the WACC and exit multiple, as well as scenario analyses to evaluate the impact of different industry and market conditions. Overall, our valuation reflects Technoprobe's ongoing **capacity expansion**, increasing test intensity driven by advanced nodes and AI applications, and the progressive normalization of capital expenditures over the forecast horizon. The alignment between the DCF outcome and relative valuation metrics underpins our confidence in the derived target price and investment recommendation. (*Exhibit 32.1-32.2*)

DISCOUNTED CASH FLOW (DCF)

Our valuation of Technoprobe is based on a **two-stage Discounted Cash Flow (DCF)** model built on unlevered free cash flows (FCFF). The model consists of an explicit forecast **period from 2025 to 2029** and a terminal phase extending beyond the forecast horizon.

The explicit forecast period (2025-2029) reflects a progressive recovery and expansion in operating performance, driven by structural demand for advanced semiconductor testing solutions. EBIT is projected to increase steadily over the period, supported by higher test intensity, increased exposure to advanced nodes, and growing demand from AI and high-performance computing applications. NOPAT growth is reinforced by operating leverage, while free cash flow generation reflects a balanced interaction between rising profitability and sustained investment needs. Depreciation and amortization increase in line with the expanded asset base, while capital expenditures remain elevated during the forecast period, consistent with ongoing capacity expansion. Working capital absorption gradually moderates over time, reflecting improved scale and more stable operational dynamics.

The terminal value is estimated using a **perpetual growth approach**, applying a **3.0% long-term growth rate** to the terminal year FCFF, consistent with long-term nominal industry growth and Technoprobe's structural positioning within the semiconductor value chain. Both the explicit cash flows and the terminal value are discounted using a **WACC of 8.69%**, which reflects the company's business risk, exposure to cyclical end-markets, and long-term capital structure assumptions. The present value of explicit FCFF amounts to €757.9m, while the discounted terminal value contributes €10.48bn, highlighting the long-duration nature of Technoprobe's value creation profile.

The **resulting enterprise value is €11.24bn**. After adjusting for net debt, minority interests, and other balance sheet items, we derive an equity value of €11.88bn, corresponding to a fair value per share of €18.57 based on 640 million shares outstanding. Overall, the DCF outcome reflects Technoprobe's strong long-term cash flow generation, sustained investment cycle, and attractive structural growth drivers, supporting the robustness of the derived valuation and investment recommendation.



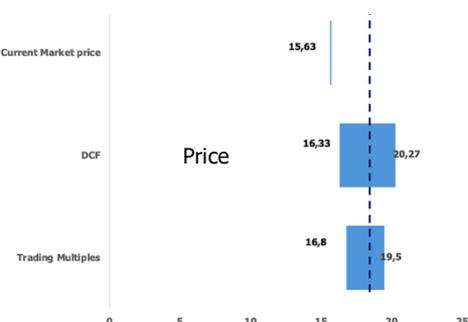
Source: Team Assessment, Company Data

Financial summary -Exhibit 35

€ mln	2024A	2025E	2026E	2027E	2028E	2029E
Revenues	545,6	632,4	740,0	895,3	993,8	1.083,3
YoY Growth %	33,3%	15,9%	17,0%	21,0%	11,0%	9,0%
EBITDA	122,9	257,6	308,7	382,5	432,5	478,9
YoY Growth %	0,1%	109,6%	19,9%	23,9%	13,1%	10,7%
EBIT	65,5	201,3	245,5	310,4	352,2	396,3
YoY Growth %	(17,94%)	207,3%	21,9%	26,5%	13,4%	12,5%
Net Income	118,3	149,9	182,9	230,9	261,2	307,2
YoY Growth %	22,0%	26,7%	22,0%	26,3%	13,1%	17,6%
NFP	(655,7)	(527,9)	(391,7)	(230,4)	(185,6)	(156,8)
EBITDA margin	22,5%	40,7%	41,7%	42,7%	43,5%	44,2%
EBIT margin	12,0%	31,8%	33,2%	34,7%	35,4%	36,6%
Net margin	21,7%	23,7%	24,7%	25,8%	26,3%	28,4%

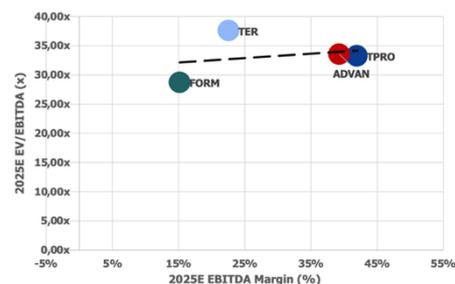
Source: Team Assessment, Company Data

Valuation Summary & Football Field -Exhibit 36



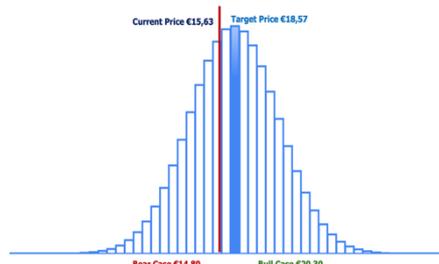
Source: Team Assessment, Company Data

Peer Group Regression Analysis (2025E)-Exhibit 37



Source: Team Assessment, Company Data

MonteCarlo Simulation -Exhibit 38



Source: Team Assessment, Company Data

WACC

The Weighted Average Cost of Capital (WACC) applied in our DCF valuation reflects Technoprobe's underlying business risk, financial profile, and long-term operating characteristics, and is derived using conservative and market-consistent assumptions.

We adopt a **risk-free rate of 3.46%**, based on long-term Eurozone government bond yields, which we consider appropriate given Technoprobe's European headquarters and globally diversified revenue base.

The cost of equity is estimated using the Capital Asset Pricing Model (CAPM) and a peer-based approach. We derive an unlevered beta of 1.21, based on a selected group of global semiconductor testing and probe card manufacturers. Given Technoprobe's limited net debt position, we assume a target leverage close to zero at the operating level, resulting in a levered beta of 1.21. Combined with a long-term equity risk premium of 5.5%, this implies a cost of equity of 10.12%, reflecting Technoprobe's exposure to structurally attractive but cyclical end-markets, as well as its strong competitive positioning.

The cost of debt is estimated using a credit-spread approach. Starting from the risk-free rate, we apply a **45 bps spread**, consistent with Technoprobe's **strong credit profile**, solid interest coverage, and conservative financial policy. This results in a pre-tax cost of debt of 3.91%.

Assuming a **target capital structure of 80% equity and 20% debt**, we derive a WACC of 8.69%, which we apply consistently across both the explicit forecast period and the terminal phase. We believe this discount rate appropriately captures Technoprobe's long-term risk profile, capital intensity, and earnings visibility, while ensuring internal consistency within the valuation framework.

MULTIPLE VALUATION ANALYSIS

To cross-check our intrinsic valuation and anchor the target price to observable market metrics, we performed a **relative valuation based on trading multiples**. The analysis is grounded on a highly selective peer group composed exclusively of FormFactor, Advantest Corporation, and Teradyne, which represent the closest listed comparables in terms of business model, technological exposure, capital intensity, and end-market positioning within the semiconductor testing and probe card segment.

Given the capital-intensive nature of the industry and differences in capital structure and depreciation policies across peers, EV/EBITDA was identified as the most appropriate metric to assess underlying operating performance. On a forward-looking basis, the selected peer group trades at an average **EV/EBITDA multiple of 33.2x**, which we consider representative of current market valuations for high-quality players in this niche.

multiple has been explicitly adopted to estimate Technoprobe's target price. The methodology consists of applying the peer group average multiple to Technoprobe's forward EBITDA, resulting in an implied enterprise value. After adjusting for net debt, minority interests, and other balance sheet items, we derive an implied equity value consistent with our DCF outcome. The close alignment between the relative valuation and the intrinsic DCF-based valuation reinforces the robustness of our assumptions and supports the credibility of the derived target price.

Overall, the relative valuation confirms that Technoprobe's valuation is well supported by prevailing market benchmarks. The implied multiple is justified by the company's structurally superior margin profile, net cash position, and strong visibility on medium-term earnings growth, driven by increasing test intensity and exposure to advanced nodes and AI-related applications. While the DCF remains our primary valuation methodology, the trading multiples analysis provides a strong market-based validation and supports our BUY recommendation. (Exhibit 34-35)

TERMINAL VALUE

The terminal value is estimated using an exit multiple approach, applying a 33.2x EV/EBITDA multiple derived from the average trading levels of a selected peer group of global semiconductor testing companies. The multiple is applied to Technoprobe's exit-year EBITDA, reflecting a normalized operating profile at the end of the explicit forecast period. The resulting terminal enterprise value is then discounted back to present value using the WACC of 8.69%, consistent with the discount rate applied throughout the DCF framework, ensuring internal coherence with the company's risk profile and a disciplined assessment of long-term value.

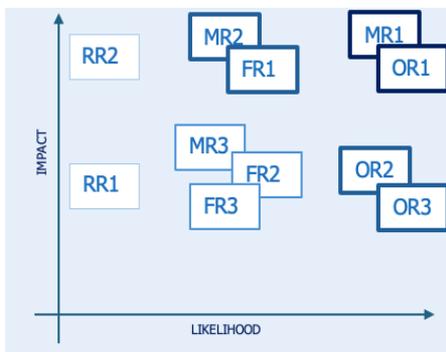
SENSITIVITY ANALYSIS

We conducted a **sensitivity analysis** on the target price by jointly varying the two key valuation drivers, namely the cost of capital (WACC) and the exit EV/EBITDA multiple. The analysis shows that, within a reasonable range of assumptions, the implied equity value remains contained within a relatively narrow interval, broadly ranging between **€14 and €20** per share. Notably, even under more conservative scenarios combining a higher WACC and a lower exit multiple compared to the base case, the resulting valuation does not materially deviate from current market levels. This indicates that the valuation is not driven by aggressive terminal assumptions and **remains robust** to moderate changes in the key parameters. (Exhibit 37-38)

TARGET PRICE DEDTERMINATION

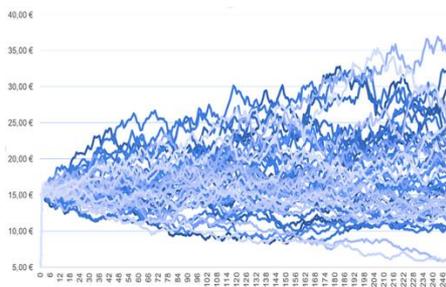
While multiple valuation approaches are presented to assess Technoprobe's equity value, the final target price is derived from a single, internally consistent valuation framework. The DCF-based exit multiple methodology is used as the primary reference, as it best reflects the company's long-term earnings power and risk profile, while remaining anchored to observable market multiples. Relative valuation and sensitivity analysis are employed as complementary tools to assess consistency and robustness, rather than as independent drivers of the target price. This approach ensures that the final valuation outcome is not influenced by selective assumptions, but instead reflects a disciplined and transparent application of market-consistent inputs.

Risk Matrix - Exhibit 39



Source: Company Data, Team Assessment

Share Price Trajectory Scenarios - Exhibit 40



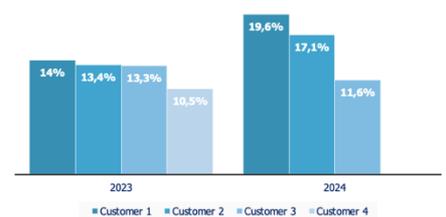
Source: Company Data, Team Assessment

Technoprobe Revenue Cyclicity - Exhibit 41



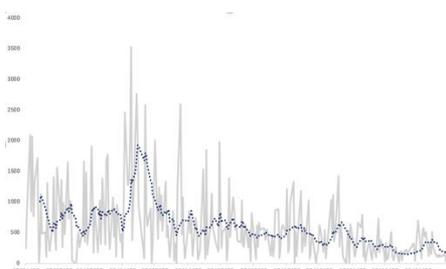
Source: Company Data, Team Assessment

Revenue concentration: customers >10% - Exhibit 42



Source: Technoprobe Annual Financial Report 2024, Note 8.1 (IFRS 8).

Liquidity Risk Profile (Amihud Indicator) - Exhibit 43



Source: Refinitiv, Team Assessment

Technoprobe operates in the semiconductor industry, which is structurally cyclical and sensitive to shifts in customer capex and technology ramps. However, the company's overall risk profile is partly mitigated by (i) high entry barriers and long qualification cycles, (ii) a strong competitive position in non-memory probe cards (often described as a near-duopoly structure), and (iii) an exceptionally strong net cash balance sheet. In this section we evaluate each risk in terms of its likelihood and potential financial impact (Exhibit 39), categorizing risks into Market, Operational, Financial, and ESG/Regulatory risks, discussing the most critical factors.

(A) MARKET RISKS:

[MR1] Semiconductor cycle and end-market demand (cyclicality): Demand for probe cards is cyclical and driven by global macro conditions, technology investment cycles, and customer capex. A slowdown in advanced-node investment, AI/HPC timing, or broader end-market weakness can reduce probe-card demand and increase earnings volatility. The business is volume-driven and management visibility is largely short-term (quarter-by-quarter) and the need to prepare capacity ahead of confirmed orders, increasing forecast risk around turning points. The revenue path illustrates this by showing how FY23 consolidated revenues fell to **€409.3m**, followed by a FY24 recovery to **€543.2m**. As further evidence, the company reported H1 2025 revenues of €325.9m (+35.2% YoY) with net profit of €34.4m, showing that performance can shift materially as industry conditions and customer ramps evolve. (Exhibit 41) **Valuation:** Primarily impacts **revenue growth trajectory** and **utilization-driven margins** (fixed-cost absorption). In downside scenarios, volume shortfalls can delay the recovery path and slow margin normalization. **Mitigation / monitoring:** Deep integration in customers' development cycles and long qualification processes reduce switching and dampen sudden share loss. Monitoring should focus on semiconductor capex signals, AI/HPC ramp timing, and inventory corrections at end-markets.

[MR2] Market Sensitivity (Beta/Volatility) and Competitive Program Risk (Near-Duopoly): Technoprobe is exposed to broader equity market risk and semiconductor sector sentiment, which can drive significant share price volatility during risk-off periods. Bloomberg risk analytics indicate time-varying market sensitivity. The 2-year weekly beta is close to market-like (Raw ≈ 0.971 ; Adjusted ≈ 0.98), while the 5-year weekly beta is lower (Raw ≈ 0.44 ; Adjusted ≈ 0.625). This implies a historically more defensive profile that has become more market-sensitive in the recent cycle. In parallel, the non-memory probe card market is structurally concentrated (often described as a near-duopoly). While this supports high entry barriers, it also creates program risk: winning/losing a limited number of key qualification programs can have a disproportionate impact because qualification cycles are long and replacement volume cannot be secured quickly. **Valuation:** The model has two channels: (i) discount-rate sensitivity, as beta directly feeds into the cost of equity (CAPM) and therefore WACC; and (ii) fundamental execution sensitivity, where program delays or slower share progression can reduce the revenue growth path and weaken the margin trajectory (mix and operating leverage), delaying base-case normalisation. **Mitigation / monitoring:** High entry barriers, proprietary know-how and vertical integration reduce competitive disruption risk, customer alignment on roadmaps is a key success factor. The company's strong net cash position also provides resilience through downturns. Monitor any indications of commoditization in non-memory.

[MR3] Geopolitical / trade restrictions (global exposure): The semiconductor supply chain faces geopolitical tension and export control risk. Technoprobe's revenue is highly international: Asia 46.8%, America 46.1%, Europe ex-Italy 4.9%, Italy 2.2% (FY24). Shocks can affect customer investment timing, shipment schedules, and compliance burden. **Valuation:** Captured via downside scenarios (delayed ramps, slower growth), can also justify a more conservative risk premium if the policy environment worsens. **Mitigation / monitoring:** Global support infrastructure and diversified regional presence, "agnostic" positioning within the test ecosystem partners reduces single-route dependence. Monitoring should focus on export-control regimes relevant to advanced nodes and packaging.

(B) OPERATIONAL RISKS:

[OR1] Customer concentration and limited customer universe: Probe cards are sold into a concentrated base of major semiconductor customers. In the 2024 annual report, Technoprobe disclosed several customers individually exceeding 10% of revenues: 19.6%, 17.1%, 11.6% (FY23: 14.0%, 13.4%, 13.3% had an additional customer at 10.5% of revenue). (Exhibit 42) A limited customer universe (roughly full market of ~10 customers) increases dependency and earnings volatility if one customer defers volumes or shifts roadmap priorities. **Valuation:** Customer concentration reduces visibility and supports conservative downside assumptions (e.g., partial revenue deferral from one large customer and slower recovery), as well as lower confidence in smooth quarter-to-quarter growth. Concentration also reinforces the importance of scenario framing in the revenue forecast. **Mitigation / monitoring:** Qualification barriers and high switching costs mitigate loss. Monitoring should focus on (i) the trend in top-customer revenue shares, (ii) program/contract momentum, and (iii) signals of customer roadmap changes that could affect volumes or product mix.

[OR2] Capacity planning, lead times and proactive inventory policy: The business must invest ahead of demand and cannot wait for confirmed orders due to short delivery lead times and the criticality of on-time delivery. This creates a risk of overcapacity in downturns or missed opportunities if demand accelerates faster than prepared capacity. The team's working-capital analysis shows a long cash conversion cycle (≈ 173 days) consistent with proactive inventory strategy. **Valuation:** In a downturn, low capacity utilization and high working capital needs can pressure margins. In an upturn, the need for higher capex and inventory build-up can compress near-term free cash flow, even though demand is rising. **Mitigation / monitoring:** Vertical integration improves control and responsiveness. Monitoring inventory levels, DIO/DSO, capex cadence versus customer roadmap visibility.

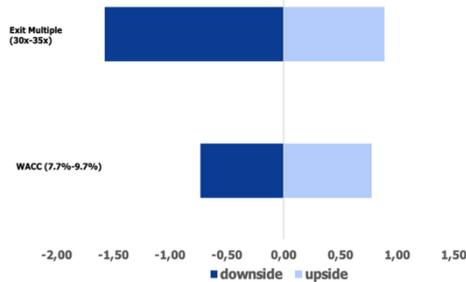
[OR3] Pricing power and margin pressure ("testing is not perceived as value adding phase"): Semiconductor testing, while mandatory, may be perceived as a cost rather than a value-added activity and thus potentially limiting pricing power during weaker demand phases. Margin volatility can also come from mix and integration of adjacent interface solutions. **Valuation:** Impacts gross/EBITDA/EBIT margin path in the forecast and the confidence in margin recovery assumptions. **Mitigation / monitoring:** Differentiation through advanced MEMS performance, reliability, and impact on yield/time-to-market strengthens pricing power. Monitoring gross margin trend, operating margin trend, and commentary on mix/pricing.

Sensitivity Analysis - Exhibit 44

	30	31	33,2	34	35
7,69%	17,6890	18,2057	19,3424	19,7557	20,2724
8,19%	17,3341	17,8390	18,9496	19,3535	19,8584
8,69%	16,9890	17,4823	18,5676	18,9623	19,4557
9,19%	16,6532	17,1353	18,1961	18,5818	19,0639
9,69%	16,3265	16,7978	17,8345	18,2115	18,6828

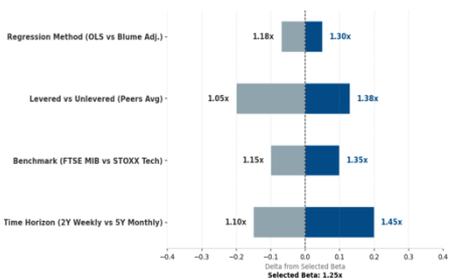
Source: Company Data, Team Assessment

Tomado Chart - Exhibit 45



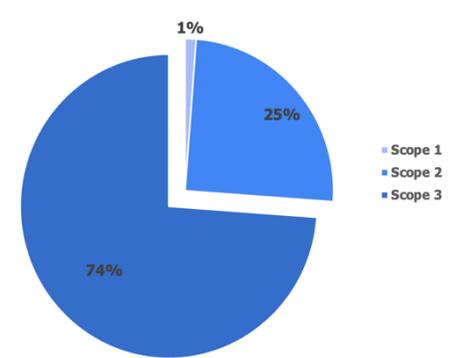
Source: Company Data, Team Assessment

Beta Estimation Sensitivity Analysis - Exhibit 46



Source: Company Data, Team Assessment

GHG Emissions by Scope - Exhibit 47



Source: Company Data, Team Assessment

Technoprobe's ESG Evolution - From Compliance to Maturity - Exhibit 48



Source: Technoprobe S.p.A. - Annual Financial Report (2024)

ESG Rating Upward Trajectory - Exhibit 49

Combined ESG Score [Min - Max]	Grade
[9.17 - 10]	AAA
[8.34 - 9.16]	AA
[7.51 - 8.33]	A
[6.67 - 7.50]	BBB
[5.84 - 6.66]	BB
[5.01 - 5.83]	B
[4.17 - 5.00]	CCC
[3.34 - 4.16]	CC
[2.51 - 3.33]	C
[0 - 2.50]	D

(C) FINANCIAL RISKS:

[FR1] Capital allocation risk (cash-rich balance sheet): Financial distress risk is materially mitigated by Technoprobe's strong balance sheet and net cash position:

- Cash & cash equivalents at YE 2024: €666.4m. (annual report & H1 2025)
- Net Financial Position (surplus) at YE 2024: €656.3m.
- Net Financial Position on 30 Jun 2025: €641.9m.

This is a core strength versus many cyclical industrial/tech names. However, excess cash can create value-destructive risk if deployed into overpriced M&A or poorly timed buybacks. **Valuation:** The net cash position supports downside protection and optionality, but capital deployment affects ROIC and long-term value creation assumptions. **Mitigation / monitoring:** acquisition price discipline, integration execution, and buyback rationale versus intrinsic value.

[FR2] FX volatility (translation and transaction exposure): With a global footprint and revenue base (Asia and America representing the majority of revenues), Technoprobe is exposed to currency translation and transaction risks (EUR vs USD and Asian currencies). In 2024 the company reported a Foreign exchange gains (losses) of €11.937m vs -€4.796m in 2023 (annual report FX result). **Valuation:** Usually reflected through conservative margin assumptions (rather than forecasting FX gains). FX adds volatility to reported earnings and cash flows. **Mitigation / monitoring:** Natural hedges from global cost base and treasury risk management for financial instruments. Monitoring net FX line and management commentary.

[FR3] Discount-Rate Sensitivity (Interest Rates, Equity Risk Premium and WACC): Despite Technoprobe's net cash position materially reduces refinancing and financial distress risk. However, the equity valuation remains sensitive to changes in market discount rates. In particular, movements in the risk-free rate and shifts in the equity risk premium can affect the company's cost of equity and overall WACC, driving meaningful changes in DCF outcomes and valuation multiples even when operating fundamentals are unchanged. (Exhibit 44) Interest rate levels may also influence financial income on cash holdings, though the dominant impact is typically through the discount-rate channel rather than P&L volatility. **Valuation:** This risk impacts valuation primarily via WACC, making it one of the largest mechanical drivers of intrinsic value in a DCF framework. A higher risk-free rate or higher equity risk premium increases the discount rate applied to forecast cash flows, compressing present value and potentially sector multiples. **Mitigation / monitoring:** Mitigation is limited because discount rates are largely market-driven; nevertheless, consistent and transparent WACC methodology (including a clearly stated beta approach) improves credibility. The strong net cash position provides flexibility to continue investing through high-rate environments. Monitoring should focus on risk-free rate levels, equity risk premium dynamics, and peer/sector WACC conditions.

(D) ESG AND REGULATORY RISKS:

[RR1] ESG transition and regulatory compliance cost (customer + EU reporting pressure): ESG expectations and regulatory requirements are increasing, especially for listed European companies and global supply chains. Technoprobe discloses Scope 1/2/3 and reports an energy mix heavily dependent on fossil sources (98.5%) with limited renewables (1.5%), implying potential transition pressure if stakeholder requirements tighten. Even though the direct environmental footprint is not as heavy as wafer fabs, it may face: additional disclosure and compliance costs, supplier due diligence pressure, customer requirements (especially global IDMs/foundries). (Exhibit 47) **Valuation:** Generally reflected through modest long-term opex/capex conservatism and reputational/contract risk consideration if expectations are not met. **Mitigation / monitoring:** Existing reporting trajectory framework, governance processes and certifications (e.g., ISO systems) provide a base. Monitoring puts emphasis on renewable adoption plans, Scope 3 initiatives, and supplier standards execution.

[RR2] Cybersecurity and IP protection (tail risk): Probe card IP and proprietary know-how are core assets. Cyber incidents or IP leakage or cyber incidents can create major reputational and commercial damage. **Valuation:** Potential loss of competitiveness, customer trust, or legal costs. Since being considered a tail risk usually addressed qualitatively, potentially supporting conservatism in terminal assumptions or risk premium framing. **Mitigation / monitoring:** Information security frameworks and strict confidentiality boundaries (barriers) in "agnostic" partnerships, strengthening security frameworks (reference: ISO 27001). While monitoring closely cybersecurity governance disclosures and incidents.

ESG Analysis

Technoprobe integrates sustainability as a strategic pillar supporting its global leadership in the probe card industry, combining technological excellence with a measurable commitment to long-term value creation. The Group's ESG journey began in 2019 and has progressively evolved from initial impact assessment to a structured and increasingly embedded sustainability framework, reinforced by the annual publication of a Sustainability Report since 2021.

Since 2022, Technoprobe has strengthened transparency through the publication of its Non-Financial Statement (NFS) in accordance with GRI 2021 standards under the "Referenced" option. In parallel, the Group participates in the Carbon Disclosure Project (CDP) for Climate Change and Water Security, achieving a score of C in 2023, in line with the European sector average. These initiatives reflect a growing alignment with internationally recognized disclosure practices. (Exhibit 48)

The ESG strategy is articulated around four core pillars, aligned with the UN Sustainable Development Goals (SDGs) and the Group's industrial profile:

Sustainable Innovation: development of high-efficiency testing solutions aimed at reducing environmental impacts across the semiconductor value chain.

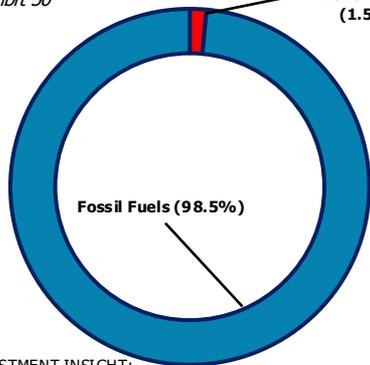
Climate Action & Transparency: comprehensive monitoring and disclosure of Scope 1, 2 and 3 emissions in line with ESRS requirements and global reporting standards.

Human Capital Development: investments in workforce stability, training, health and safety, and talent attraction in a highly specialized sector.

Ethics & Governance: a robust conduct framework aligned with Responsible Business Alliance (RBA) standards and supported by transparent governance mechanisms.

Overall, Technoprobe is transitioning from a compliance-driven ESG approach to a more strategic sustainability model, strengthening business resilience and positioning the Group to address the environmental, social, and governance challenges of the evolving semiconductor market. (Exhibit 54)

Energy Mix & Transition Risk (2024) - Exhibit 50



INVESTMENT INSIGHT:
High fossil fuel resilience exposes company to transaction risk and future Capex for decarbonization
Source: Technoprobe S.p.A. - Annual Financial Report (2024)

ESG Framework/Standard	Implementation Status	Legend: ✔ = Adopted; ⚠ = Partially adopted
Reporting GRI (Referenced)	✔	
CDP Climate & Water (score C)	✔	
Human Rights (UN Global Compact, ILO, ONU)	✔	
ISO 9001:2015 (Quality)	✔	
ISO 27001:2022 (Info Security)	✔	
ISO 14001 (Env. Guideline)	⚠	
ISO 45001 (Health & Safety)	⚠	

Source: Source: Technoprobe S.p.A. - Anuel Finandal Report (2024)

ENVIRONMENTAL (SCORE B- WEIGHT 34.1%)

Technoprobe demonstrates a solid level of environmental transparency, with full disclosure of Scope 1, 2 and 3 greenhouse gas emissions in line with ESRS requirements. In 2024, total **GHG emissions** amounted to approximately 114 ktCO_{2e} (market-based), with Scope 3 accounting for around 73% of the total, mainly driven by purchased goods, capital equipment and upstream logistics. Emission intensity stood at 0.21 tCO_{2e} per € million of revenue, providing a useful baseline for future monitoring and peer comparison.

Despite the robustness of its emissions reporting, the company has not yet defined quantitative decarbonization targets or a structured transition plan, particularly for Scope 3 emissions. The absence of net-zero commitments, internal carbon pricing mechanisms, or emission reduction roadmaps indicates a largely reactive climate strategy, potentially increasing exposure to regulatory and value-chain transition risks in the medium term.

Energy consumption remains heavily fossil-fuel dependent, with approximately 98.5% of total energy sourced from non-renewable fuels, while renewables represent only a marginal share (≈1.5%). No significant investments in energy efficiency, electrification, or renewable sourcing have been disclosed, highlighting a material gap relative to best-in-class peers and an unexploited opportunity to reduce both carbon intensity and long-term cost exposure. (Exhibit 50)

Water management presents a comparatively low-risk profile. Total water withdrawal in 2024 amounted to 22,674 m³, with only 103 m³ sourced from high water-stress areas, suggesting limited physical water risk.

Waste generation totaled 2,871 tonnes, including 364 tonnes of hazardous waste, with 16.3% recovered through recycling and recovery processes. While recovery rates remain modest, the company provides granular disclosure by waste type and treatment method, signalling a gradual strengthening of circularity-related reporting. Pollution risks are limited to the controlled use of substances of very high concern (SVHC) in minimal quantities (0.03 tonnes), with no other material environmental impacts identified.

Overall, Technoprobe exhibits a moderate environmental impact profile, supported by strong disclosure quality and low water stress exposure, but characterized by weak strategic alignment on decarbonization, renewable energy adoption and circular economy integration. (Exhibit 55)

ESG Snapshot – Technoprobe vs. Peers (2024) – Exhibit 55

Metric	Technoprobe (2024)	Peer/ Industry Benchmark	Status
Environmental			
GHG Intensity (\$tCO _{2e} /€m\$)	0.21	~0.25 (Industry Avg)	Outperformer
Renewable Energy Share	1.5%	~15-20%	Underperformer
CDP Rating (Climate)	C	C (Sector Avg)	In-line
Social			
Injury Rate	1.65	~2.10	Outperformer
Women in Management	14% (EU) / 33% (APAC)	~25%	Mixed
Governance			
Board Independence	56% (5/9 members)	~60%	In-line
Board Gender Diversity	29% (women)	~33%	Underperformer

Benchmarks based on sector averages and analyst estimates derived from FormFactor ofsolosures (FY2022), where aplicable .
Source: Refinitive , Technoprobe S.p.A - Anuel Finandal Report (2024), FormFactor CSR Disclosure

SOCIAL (SCORE BB- WEIGHT 38.1%)

Technoprobe is progressively integrating social sustainability into its corporate strategy, recognizing social factors as concrete drivers of long-term value creation.

With respect to its own workforce (ESRS S1), the Group employs **3,355 people** as of 31 December 2024, with a geographically diversified footprint. Employment stability is high, with **97.6%** employees on permanent contracts and **98.8%** working full-time. Social dialogue is well established, with **99.7%** of employees in the European Economic Area covered by collective bargaining agreements (**100% in Italy**). Employee turnover amounted to **14%** in 2024. These indicators reflect a workforce model oriented toward stability, skills development, and productivity. Along the value chain (ESRS S2), Technoprobe’s Supplier Code of Conduct and Global Procurement Policy (within an ISO 9001–certified Quality Management System) set expectations on human rights, working conditions, health and safety, and business ethics. FormFactor similarly references the Responsible Business Alliance Code of Conduct for suppliers, reports human-rights self-assessments covering approximately 80% of employees, and notes that its Dresden site has over 300 employees represented by a Works Council and covered by a collective bargaining agreement. Regarding affected communities (ESRS S3), in 2024 “Isola formativa ForMe” trained nine individuals from fragile backgrounds and involved more than 100 students in school-to-work programs at Italian sites. In relation to consumers and end-users (ESRS S4), Technoprobe prioritizes product quality, reliability, and data protection, supported by a double materiality assessment. (Exhibit 51)

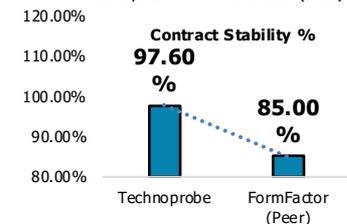
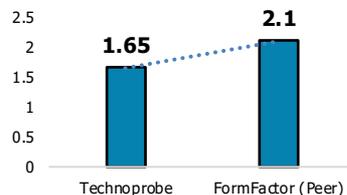
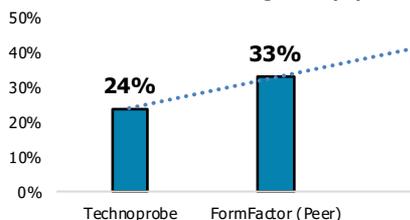
Overall, Technoprobe’s alignment with ESRS S1–S4 reflects a coherent and increasingly mature social sustainability framework that supports earnings visibility, reduces risk exposure, and strengthens the Group’s long-term growth profile. (Exhibit 52)

GOVERNANCE (SCORE B- WEIGHT 28.5%)

Technoprobe’s governance framework is increasingly mature, supported by full alignment with ESRS G1 standards and RBA (Responsible Business Alliance) guidelines. The Board of Directors (9 members, in office until FY26) exhibits a balanced structure, with **33% executive directors and 67% non-executive directors**, of which **56% of total board members (5/9) are independent and 11% are non-independent non-executive directors**, ensuring adequate oversight of management. While **female representation on the Board stands at 29%**, signalling a commitment to diversity, it remains slightly below the **33% industry benchmark** observed among peers such as De Nora, representing an area for further alignment. (Exhibit 53) The group maintains a robust ethical infrastructure through a Board-approved Global Anti-Corruption Policy and a 231/2001 Organisational Model. In 2024, the effectiveness of these controls was evidenced by zero legal convictions and a proactive training approach, with **7% of Italian employees completing whistleblowing training modules**. Supply-chain integrity is a key differentiator: ESG criteria are systematically embedded into the ISO 9001:2015 procurement process, mirroring the best practices of its main competitor, FormFactor. Overall, the governance structure is solid and mitigates material reputational risks. However, the lack of explicit links between ESG KPIs and executive compensation—a common gap among Italian mid-caps—remains a minor transparency weakness that could limit long-term strategic accountability.

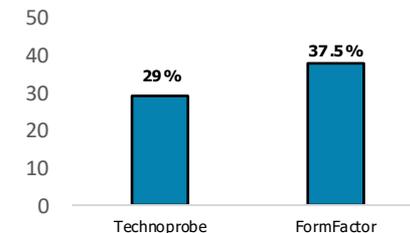
Social Capital Benchmarking & Operational Resilience - Exhibit 51

Women in Management (%)



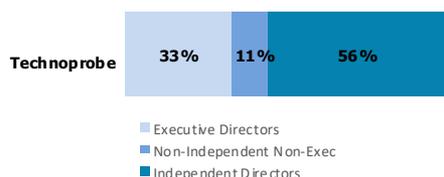
Source: Technoprobe S.p.A. - Annual Financial Report (2024), FormFactor CSR Disclosure

Board Gender Diversity - Technoprobe vs FormFactor - Exhibit 52



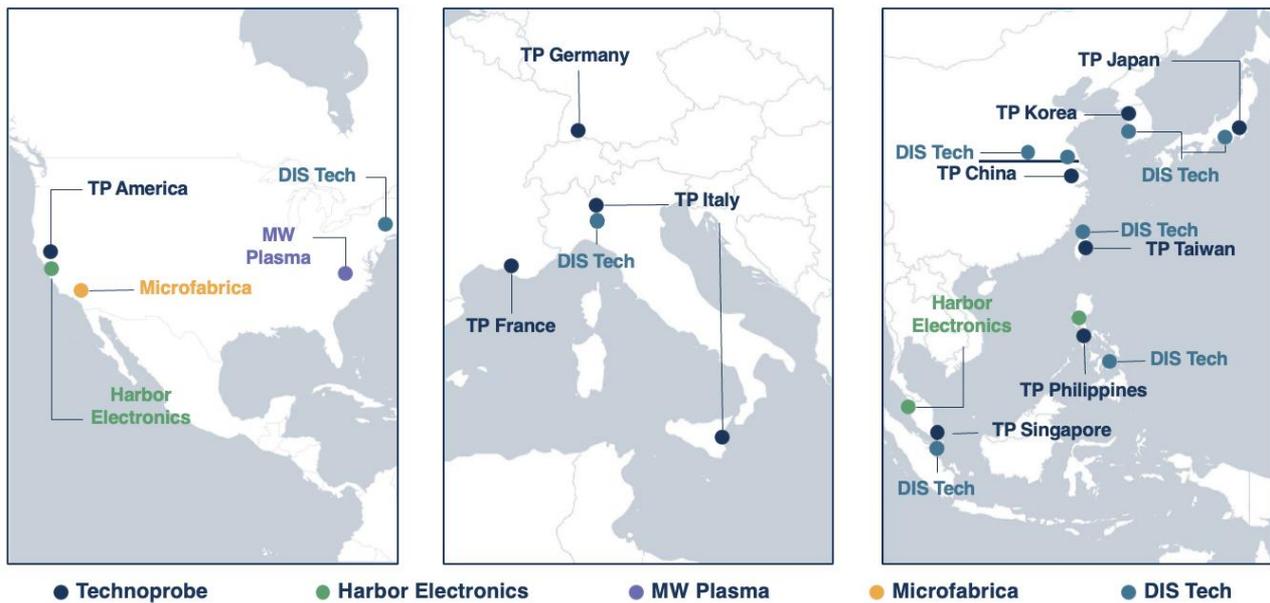
Source: Technoprobe S.p.A. - Annual Financial Report (2024), FormFactor CSR Disclosure

Board Composition -Technoprobe (FY2024)- Exhibit 53



Source: Technoprobe S.p.A. - Annual Financial Report (2024)

Appendix 1: Organization & Location

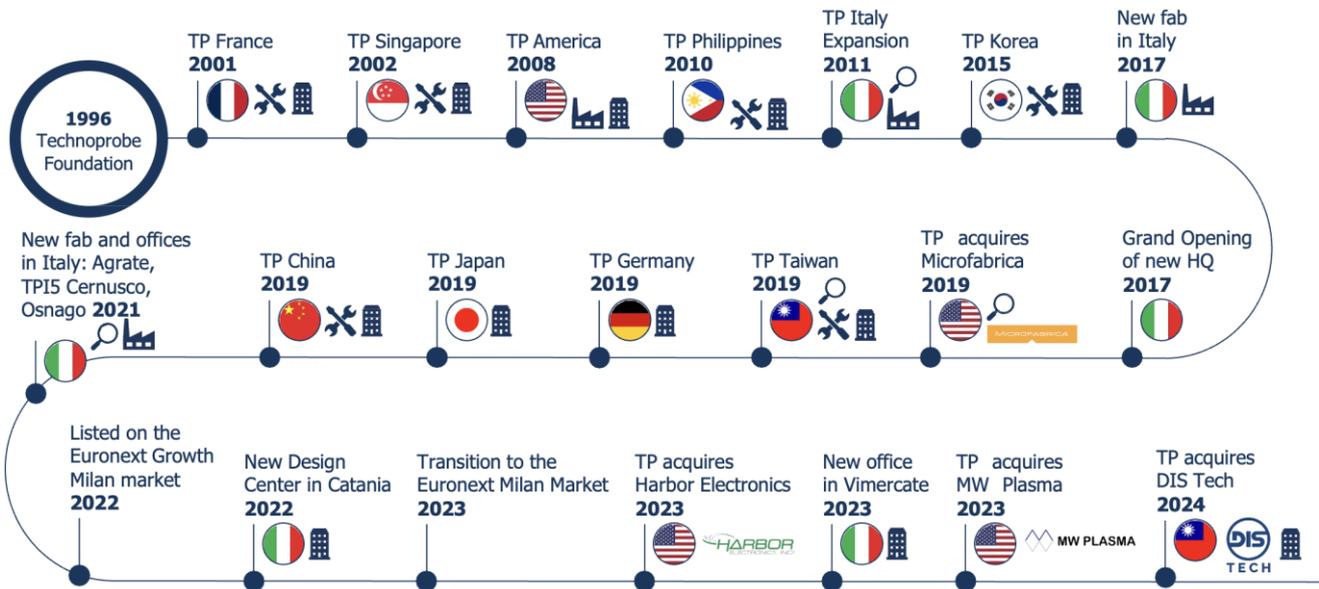


Source: Technoprobe Company Presentation

The map illustrates Technoprobe's geographic footprint and that of its industrial and technological ecosystem across North America, Europe, and Asia. This network comprises operational and engineering hubs strategically located near major semiconductor manufacturing clusters.

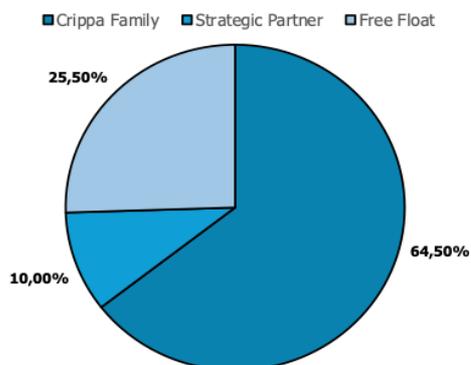
Technoprobe's core business is the design and production of probe cards for wafer-level semiconductor testing. Surrounding this core, the Group has integrated specialized companies addressing complementary segments of the testing value chain and enabling technologies:

- **Harbor Electronics:** design and manufacturing of advanced printed circuit boards (PCBs) for semiconductor testing applications.
- **DIS Tech:** development of high-performance device interface boards (DIBs) and complex test interface solutions for wafer and final testing.
- **Microfabrica:** proprietary micro-additive manufacturing technologies for precise metallic micro-components with complex geometries.
- **MW Plasma:** expertise in microwave plasma and chemical vapor deposition processes supporting advanced material processing and specialized manufacturing techniques



Source: Technoprobe Company Presentation

Appendix 2: Shareholding Structure



Technoprobe's capital structure reflects a defensive governance model with strong control stability and close integration within its industrial ecosystem.

Family Control (Anchored Governance): The Crippa family, via T-PLUS and direct holdings, controls 64.5% of the capital. Supported by a dual-class voting system, this ensures protection against market volatility and hostile takeovers, allowing management to focus on long-term R&D and innovation cycles typical of the semiconductor industry without short-term pressure.

Strategic Industrial Partnerships: With stakes held by Teradyne (10.0%), Technoprobe is positioned as a systemic partner rather than just a supplier. This cross-shareholding creates significant entry barriers and grants privileged access to key test equipment manufacturers' technology roadmaps, reducing the risk of disintermediation.

Market Quality and Free Float (25,50%): The limited free float is mainly owned by long-only institutional investors focused on technology. This scarcity, combined with industrial validation, supports premium valuation multiples versus less integrated peers.

Source: Company data, Team assessment

Appendix 3: Technoprobe's Value Chain



Source: Technoprobe Sustainability Report, Team Assessment

Value Chain Optimization and Technological Leadership

Technoprobe's business model stands out in the semiconductor sector for its above-average vertical integration. The value chain is designed to maximize control over intellectual property (IP) and minimize external dependencies, transforming the probe card from a mere component into a complex, mission-critical engineered solution.

Upstream (Critical Sourcing and Development): In the upstream phase, Technoprobe has implemented a de-risking strategy through rigorous supplier selection for premium materials, including special metal alloys and high-density printed circuit boards. Upstream integration was further strengthened in 2024 with the acquisition of DIS Tech from Teradyne, internalizing the design and production of Device Interface Boards (DIBs) and ensuring immediate technical synergy between interface boards and probe cards. This enhanced control reduces design inefficiencies and shields the supply chain from market volatility related to rare materials.

Own Operations (Core Engineering and Scalable Production): The core of the value chain lies in proprietary R&D and manufacturing capabilities, with Technoprobe internally producing millions of micro-probes and thousands of PCBs annually. Unlike competitors who outsource portions of micro-assembly, Technoprobe retains photolithography and micromechanical processes within its Italian hubs (Cernusco, Agrate). The digitalization of production processes and adherence to ISO standards (9001 and 27001) enable high scalability without compromising precision, which is critical given the highly customized nature of orders in the "Non-Memory" segment.

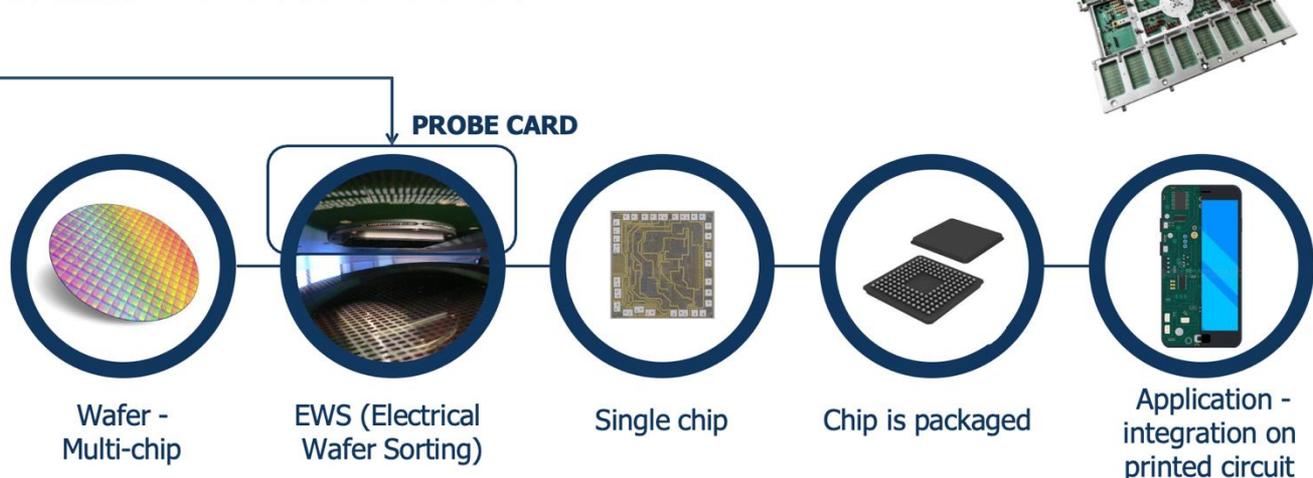
Downstream (Distribution and Integration within the Test Ecosystem): Downstream, the value chain extends beyond product delivery to integration within clients' testing systems. With the upcoming expansion in Taiwan (full operation expected by 2025), Technoprobe optimizes last-mile logistics to major global foundries. The product is treated as a "technological consumable," where probe wear and chip evolution drive a recurring replacement cycle, stabilizing downstream cash flows independently of new Automated Test Equipment (ATE) sales.

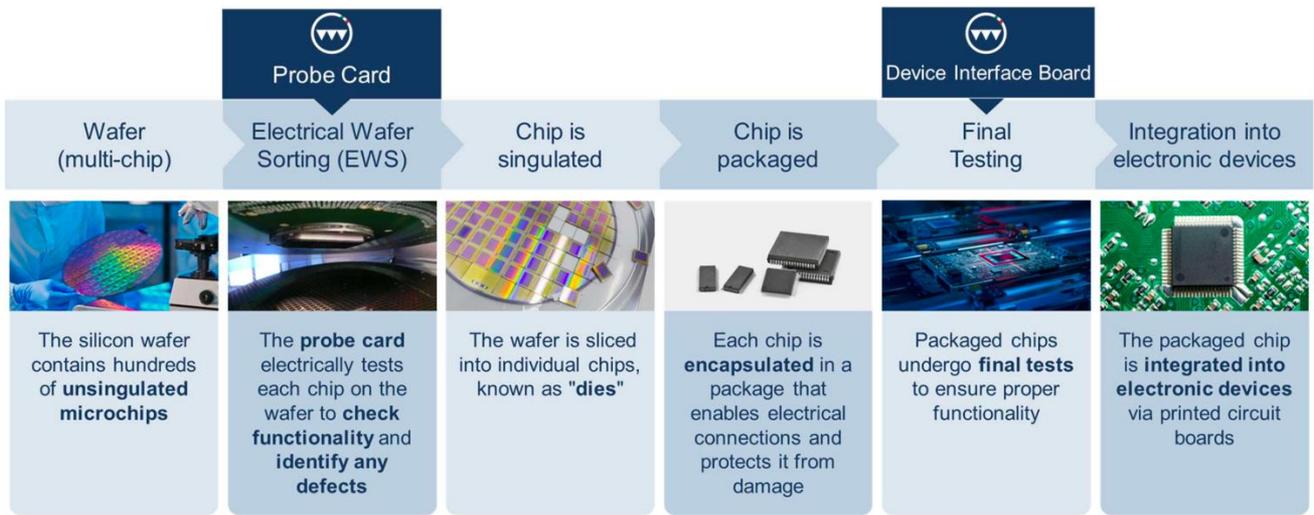
Technoprobe's value chain configuration creates near-insurmountable barriers for new entrants. The integration of DIBs post-DIS Tech acquisition transforms the company from a component supplier into a system partner. Financially, this translates into enhanced gross margin protection, as the company captures added value at every stage of production while lowering cost of goods sold (COGS) through internal efficiencies. Risk management is supported by the adoption of a Global Procurement Policy and Supplier Code of Conduct, which mitigates supply chain disruption risks related to ESG factors (Social and Governance). Monitoring of Scope 3 emissions and oversight of human rights in the upstream supply chain align Technoprobe with Article 8 and 9 SFDR fund requirements, enhancing appeal to institutional investors.

The evolution toward a more balanced geographic distribution of the value chain (Italy-Asia) positions Technoprobe as a direct beneficiary of the semiconductor production "regionalization" trend. Ongoing internalization of critical processes is expected to sustain a high Return on Equity (ROE) while reducing time-to-market compared to less integrated competitors. Overall, Technoprobe's comprehensive control over the value chain—from micro-design to specialized logistics—establishes it as the technological benchmark in semiconductor testing, maintaining a consistently controlled operational risk profile supported by best-in-class supply chain governance.

Appendix 5: Manufacturing and Product Insights

A probe card is an **electromechanical interface** that allows a chip to be tested when it is still on the wafer.





Source: Technoprobe Company Presentation

Industry Overview and Competitive Analysis

Appendix 6: SWOT Analysis

STRENGTHS

- Market Leadership in the Non-Memory Segment:** Technoprobe commands a leading market share (~34-35%) in probe cards for logic and microprocessor chips, a domain characterized by significant technological barriers to entry.
- End-to-End Vertical Integration:** The company exercises comprehensive control over its manufacturing value chain, from micro-probe design through to final assembly, resulting in elevated gross margins (exceeding 40%) and accelerated time-to-market.
- Robust Financial Positioning:** With a net cash position exceeding €650 million, bolstered by the 2024 capital raise, Technoprobe possesses strong liquidity reserves to support strategic acquisitions and substantial R&D investments.
- Strategic Partnership Ecosystem:** Teradyne's 10% equity stake, combined with collaborative engagements with TSMC and Intel, strategically anchors Technoprobe within the technology roadmaps of global semiconductor leaders.

WEAKNESSES

- Customer Concentration Risk:** The company's revenue stream is significantly concentrated among a limited number of Tier-1 clients, exposing it to potential volatility driven by their procurement strategies.
- Acquisition-Related Margin Pressure:** The incorporation of DIS Tech has induced short-term EBITDA margin compression, declining from historical highs of 30-40% to approximately 25-30% during integration and ramp-up periods.
- Foreign Exchange Exposure:** Operating on a global scale with a predominantly Euro-denominated cost base, Technoprobe is susceptible to USD/EUR currency fluctuations, with estimated impacts of €25-30 million on projected 2025 revenues.

OPPORTUNITIES

- Acceleration Driven by AI and HPC Demand:** The exponential growth in AI and High-Performance Computing chip production necessitates increasingly sophisticated and frequent testing, amplifying demand for probe cards.
- Geographic Expansion in Taiwan:** The establishment of manufacturing and operational facilities in Taiwan (expected full ramp-up by 2025) will optimize supply chain logistics and enhance market penetration within the Asia-Pacific region.
- Technological Portfolio Diversification:** The DIS Tech acquisition expands Technoprobe's technological footprint into Device Interface Boards (DIBs), broadening its product offering beyond traditional probe cards.

THREATS

- Cyclicality of the Semiconductor Market:** Downturns in key end markets such as Automotive and Industrial segments, as observed in 2024-2025, may offset growth generated by AI-driven demand.
- Geopolitical and Trade Risks:** Ongoing US-China trade tensions and export controls on advanced technologies present operational risks within the Asia-Pacific region, which accounts for over 50% of Group revenues.
- Intensifying Competition from Asian Players:** Aggressive investments by Korean and Chinese competitors in MEMS probe technology are expected to heighten competitive pressure and exert downward pricing pressure over the medium to long term.

Source: Company data, Team assessment

Appendix 7: PORTER's forces

Competitive Force	Score (1-5)	Threat Level	Technical Rationale & Strategic Drivers
Rivalry Among Existing Competitors	4	High	Concentrated duopoly (FormFactor) Intense R&D race driven by the transition to Advanced Packaging and AI-specific High-Performance Computing (HPC) chips
Bargaining Power of Buyers	4	High	High revenue concentration among Tier-1 Foundries and IDMs (e.g., TSMC, Intel, Nvidia) Buyers exercise significant pricing pressure and demand rigorous lead times
Bargaining Power of Suppliers	2	Low	Strategic Vertical Integration: Internalization of critical components (MEMS needles, PCBs, and DIBs via DIS Tech acquisition) mitigates supply chain volatility and protects margins
Threat of New Entrants	1	Minimal	Formidable barriers to entry due to a massive IP Portfolio (600+ patents) and extreme capital intensity required for high-precision micro-mechanical manufacturing
Threat of Substitute Products	1	Minimal	Physical wafer-level testing remains a non-discretionary step in the semiconductor value chain No viable alternative to probe card technology exists for high-end logic chips

Source: Company data, Team assessment

Appendix 8: PESTEL analysis

P <i>OLITICAL</i>	Geopolitical Risk Mitigation & Subsidy Access <ul style="list-style-type: none"> Major beneficiary of EU and US Chips Acts Strategic alignment with Western onshoring initiatives provides long-term CAPEX visibility Export restrictions on China remain a monitorable risk
E <i>CONOMICAL</i>	Monetary Policy Impact & Foreign Exchange Risk <ul style="list-style-type: none"> Strong correlation with global semiconductor cycle volatility Structural FX risk due to EUR-based production costs vs. USD-denominated revenues Exposure primarily to EUR/USD currency fluctuations
S <i>OCIAL</i>	Proliferation of AI & Digital Transformation <ul style="list-style-type: none"> Widespread adoption of Generative AI and High-Performance Computing (HPC) Structural increase in wafer test volumes driving probe card demand
T <i>ECHNOLOGICAL</i>	Advanced Packaging & Node Miniaturization <ul style="list-style-type: none"> Leadership in MEMS technology critical for 2nm and 3nm process nodes Collaboration with ATE leaders Teradyne and Advantest accelerates R&D cycles Reinforces Technoprobe's technological moat
E <i>NVIRONMENTAL</i>	ESG Compliance & CSRD Regulatory Requirements <ul style="list-style-type: none"> Growing institutional demand for decarbonized supply chains Focus on Scope 1-3 emissions reduction essential for ESG fund inclusion
L <i>EGAL</i>	Intellectual Property Protection <ul style="list-style-type: none"> High sector-specific litigation risk Portfolio of 600+ patents serves as key barrier against low-cost Asian competitors

Source: Company data, Team assessment

Financial Analysis

Appendix 9: Exchange Rates Used

In the financial analysis, Technoprobe has been benchmarked against its largest global competitor, the U.S.-based company FormFactor, to provide a meaningful assessment of relative performance within the probe card industry. This comparison is particularly relevant given the companies' similar technological positioning, exposure to the Non-Memory segment, and integration within the semiconductor testing value chain.

To ensure consistency and comparability of financial metrics, FormFactor's reported figures — originally denominated in U.S. dollars — have been converted into euros. This normalization eliminates distortions arising from different reporting currencies and allows for a coherent peer comparison.

The conversion has been performed using the **average USD/EUR exchange rates** for each respective year, reported below. These annual averages have been applied multiplicatively to translate USD values into EUR for analytical purposes.

USD/EUR	2021	2022	2023	2024
Avg. FX Rate	0,84484	0,95005	0,92504	0,92422

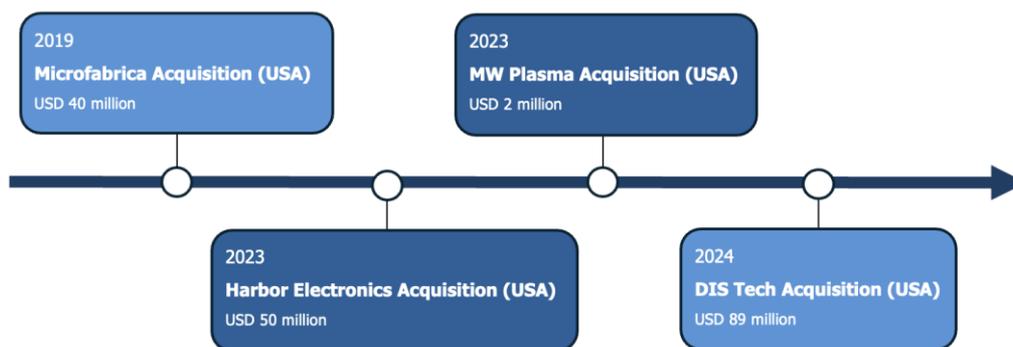
Appendix 9: Income Statement

Period ending december 31	(data in Euro'1000)	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue		394.096	548.929	411.158	545.605	632.442	739.957	895.348	993.837	1.083.282
Net sales		391.737	548.929	409.274	543.153	630.057	737.167	891.972	990.089	1.079.197
growth %			40,13%	-25,44%	32,71%	16,00%	17,00%	21,00%	11,00%	9,00%
Other income		2.359	0	1.884	2.452	2.385	2.790	3.376	3.747	4.085
growth %			-100,00%	0,00%	30,15%	0,38%	0,38%	0,38%	0,38%	0,38%
Operating expenses		(212.606)	(304.675)	(292.520)	(422.752)	(374.884)	(431.243)	(512.884)	(561.381)	(604.351)
COGS		(157.016)	(216.149)	(209.947)	(319.714)	(403.237)	(464.415)	(553.023)	(603.954)	(647.518)
% of sales		40,1%	39,4%	51,3%	58,9%	64,0%	63,0%	62,0%	61,0%	60,0%
SG&A		(21.884)	(32.107)	(25.810)	(39.664)	(53.555)	(58.973)	(66.898)	(71.286)	(75.544)
% of sales		5,6%	5,8%	6,3%	7,3%	8,5%	8,0%	7,5%	7,2%	7,0%
R&D expenses		(33.706)	(56.419)	(56.763)	(63.374)	81.907	92.146	107.037	113.860	118.712
% of sales		-8,6%	-10,3%	-13,9%	-11,7%	13,00%	12,50%	12,00%	11,50%	11,00%
EBITDA		181.490	244.254	118.638	122.853	257.558	308.715	382.464	432.456	478.931
EBITDA margin (%)		46,05%	44,50%	28,85%	22,52%	40,72%	41,72%	42,72%	43,51%	44,21%
Depreciation		(24.220)	(35.400)	(39.900)	(51.150)	(49.215)	(51.829)	(55.971)	(57.811)	(59.784)
Amortization		(820)	(1.340)	(3.040)	(6.190)	(7.020)	(11.408)	(16.050)	(22.459)	(22.801)
EBIT		156.450	207.514	75.698	65.513	201.323	245.478	310.443	352.185	396.347
EBIT margin (%)		39,70%	37,80%	18,41%	12,01%	31,83%	33,17%	34,67%	35,44%	36,59%
Interest expenses		152	213	288	1.606	(404)	(583)	(756)	(922)	(1.065)
Interest income		32	1.174	8.498	16.992	6.674	8.335	10.125	10.531	8.916
Income from associates		-	-	-	-	-	-	-	-	-
Exceptional items		-	-	-	-	-	-	-	-	-
EBT		156.634	208.901	84.484	84.111	207.593	253.229	319.812	361.794	404.198
Income taxes		33.076	59.015	(12.128)	34.210	(57.674)	(70.349)	(88.862)	(100.566)	(97.007)
Tax rate (%)		-21,12%	-28,25%	14,36%	-40,67%	27,78%	27,78%	27,79%	27,80%	24,00%
Net income		189.710	267.916	72.356	118.321	149.919	182.881	230.950	261.229	307.190
Net margin (%)		48,14%	48,81%	17,60%	21,69%	23,70%	24,72%	25,79%	26,28%	28,36%

Appendix 10: Balance Sheet

Period ending december 31	(data in Euro'1000)	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Cash and cash equivalents		146.886	413.331	364.296	675.117	548.978	413.661	254.016	209.968	181.833
Account receivables		104.746	75.781	106.476	136.435	138.095	156.522	185.726	203.443	218.796
Inventories		71.901	110.387	119.030	136.759	198.511	226.199	268.814	292.958	310.454
Other current assets		12.365	16.884	18.925	31.099	32.000	35.000	37.000	38.000	40.000
Current assets		335.898	616.383	608.727	979.410	917.584	831.382	745.555	744.369	751.083
Property, plant and equipment		169.198	209.736	252.278	295.147	312.088	331.764	345.813	357.308	356.880
Goodwill and other intangibles		16.430	21.093	43.320	111.206	181.126	264.896	360.890	368.134	377.709
Deferred tax assets		13.604	16.598	20.926	20.044	17.043	19.189	19.338	18.759	18.523
Other long term assets		2.218	3.008	3.144	2.501	2.884	2.884	2.884	2.884	2.884
Non current assets		201.450	250.435	319.668	428.898	513.140	618.734	728.925	747.085	755.996
Total assets		537.348	866.818	928.395	1.408.308	1.430.724	1.450.116	1.474.481	1.491.454	1.507.079
Account payables		37.318	44.095	39.152	56.904	71.809	85.249	103.029	114.172	124.182
ST debt		6.659	2.352	3.135	5.540	7.197	8.149	9.734	10.563	11.179
Other ST liabilities		26.923	56.823	34.556	59.146	65.000	70.000	75.000	80.000	85.000
Current liabilities		70.900	103.270	76.843	121.590	144.006	163.398	187.763	204.736	220.361
LT debt		5.516	5.847	10.392	13.843	13.843	13.843	13.843	13.843	13.843
Employee severance		-	-	-	-	-	-	-	-	-
Other LT liabilities		14.649	20.726	23.860	35.698	35.698	35.698	35.698	35.698	35.698
Non current liabilities		20.165	26.573	34.252	49.541	49.541	49.541	49.541	49.541	49.541
Total liabilities		91.065	129.843	111.095	171.131	193.547	212.939	237.304	254.277	269.902
Share capital & APIC		5.760	145.126	145.126	529.871	529.871	529.871	529.871	529.871	529.871
Other reserves		437.990	590.810	682.393	754.098	754.098,00	754.098,00	754.098,00	754.098,00	754.098,00
(Treasury stock)		-	-	(11.747)	(46.416)	(46.416)	(46.416)	(46.416)	(46.416)	(46.416)
Group equity		443.750	735.936	815.772	1.237.553	1.237.553	1.237.553	1.237.553	1.237.553	1.237.553
Minorities		2.533	1.039	1.528	(376)	(376)	(376)	(376)	(376)	(376)
Total equity		446.283	736.975	817.300	1.237.177	1.237.177	1.237.177	1.237.177	1.237.177	1.237.177
Total Equity and liabilities		537.348	866.818	928.395	1.408.308	1.430.724	1.450.116	1.474.481	1.491.454	1.507.079

Appendix 11: M&A Past Recordings



Source: Company data, Team assessment

Valuation

Appendix 12: Cost of Equity

CAPM	
Risk-free rate [%]	3.46%
Beta	1.40%
Equity risk premium [%]	5.50%
Cost of equity [%]	11.15%

The cost of equity is estimated using the Capital Asset Pricing Model (CAPM), which we consider the most appropriate framework given Technoprobe's listed status, transparent risk profile, and direct exposure to global semiconductor industry cycles. The risk-free rate is set at 3.46%, based on the average yield of long-term Eurozone government bonds, ensuring consistency with the valuation date and a European investor perspective.

Systematic risk is derived using a peer-based approach. We estimate an industry-average unlevered beta of 1.21, based on a selected group of global semiconductor testing and probe card manufacturers, thereby limiting distortions arising from company-specific capital structures or short-term share price volatility.

Given Technoprobe's limited net debt position, the beta is relevered assuming a neutral target leverage, resulting in a levered beta of 1.21. Combined with a **long-term equity risk premium of 5.5%**, this implies a **cost of equity of 10.12%**, which we believe appropriately reflects Technoprobe's exposure to structurally attractive but cyclical end-markets, operating leverage, and capital intensity, without applying discretionary or qualitative adjustments beyond market-based inputs.

Appendix 13: Cost of Debt

Cost of debt	
Risk-free rate [%]	3.46%
Spread on debt	0.45%
Cost of debt [%]	3.91%

The cost of debt is estimated using a market-based credit spread approach, reflecting Technoprobe's conservative financial profile, strong liquidity position, and structurally low leverage. Consistent with the cost of equity framework, the risk-free rate is set at 3.46%.

A credit spread of 45 basis points is applied, in line with market estimates for high-quality, investment-grade industrial issuers and consistent with Technoprobe's strong interest coverage ratios and limited reliance on external financing. This results in a pre-tax cost of debt of 3.91%.

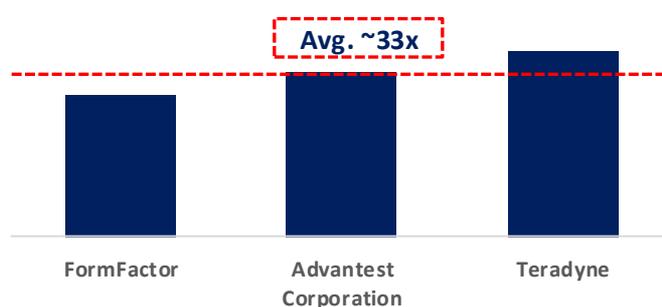
Given the company's conservative capital structure and absence of material refinancing risk, the estimated cost of debt is considered a prudent representation of Technoprobe's marginal funding cost and is applied consistently within the WACC framework.

Appendix 14: Trading multiples

The relative valuation is grounded on a highly selective peer group consisting exclusively of FormFactor, Advantest Corporation, and Teradyne, identified as the only listed companies that offer a high degree of comparability in terms of business mix, technological complexity, customer base, and exposure to the semiconductor testing and equipment value chain. The decision to limit the peer universe to these three names reflects a deliberate effort to maximize analytical precision and avoid distortions arising from scale, product, or end-market mismatches.

The analysis adopts a forward-looking perspective and places primary emphasis on the EV/EBITDA multiple, which is considered the most appropriate valuation metric for the sector given its capital-intensive nature and the relevance of operating cash flow generation. The selected peers trade at forward EV/EBITDA multiples ranging from 28.7x to 37.5x, capturing meaningful differences in size, margin profile, and growth visibility, while remaining within a coherent valuation range for high-quality industry leaders. The peer group trades at an average EV/EBITDA of 33.2x, which is deemed a fair representation of the prevailing market valuation for companies with comparable strategic positioning and earnings quality.

This 33.2x EV/EBITDA multiple has been explicitly adopted as the market reference to estimate the company's terminal value and, ultimately, its target price. The methodology consists of applying the peer group average EV/EBITDA multiple to the company's projected EBITDA in the exit year, resulting in an implied terminal enterprise value. This value is then discounted back to present value using the WACC applied throughout the DCF analysis and adjusted for net debt to derive the implied equity value and target price per share. By anchoring the target price to a focused set of highly comparable peers and an observable market multiple, the relative valuation provides a rigorous and market-consistent cross-check to the intrinsic valuation, reinforcing the robustness and credibility of the overall valuation framework.



Source: Company data, Team assessment

Appendix 15: Other risks

While the primary investment risks are centred on semiconductor cyclicity and technology ramps, the following section provides a comprehensive assessment of secondary risks. These factors are characterized by a lower probability of occurrence or a longer-duration impact horizon. However, their potential to alter the investment thesis under specific tail-risk scenarios necessitates rigorous monitoring.

[AR1] Integration Execution Risk (Interface Solutions Expansion): Scaling into adjacent interface solutions increases organisational complexity. Integration may take longer than expected, with temporary inefficiencies or slower synergy capture. **Valuation:** Timing risk on revenue synergies and margin normalisation, potential short-term cost pressure if integration requires additional overhead. **Mitigation / monitoring:** Monitor margin trends, integration progress updates and the stability of the cost base (one-offs vs structural).

[AR2] Operational Disruption Risk (Quality Event / Downtime / Delivery Failure): Probe cards are mission-critical. That being said operational disruption (equipment downtime, process interruption, quality event) can have disproportionate impact on customer production and program continuity. **Valuation:** Tail-risk: sudden volume deferrals, rework costs, potential loss of program momentum and reputational damage. **Mitigation / monitoring:** Emphasise process control and quality governance, monitor any disclosed operational incidents and customer escalation signals.

[AR3] Supplier/Input Cost Inflation and Logistics Disruption: Even with a diversified supplier base, input cost volatility and logistics disruption can pressure COGS and lead times during stressed periods. **Valuation:** Mostly a margin risk, typically captured via conservative margin assumptions under downside conditions. **Mitigation / monitoring:** Monitor procurement cost trends, lead times and supply-chain commentary, vertical integration remains a structural mitigant.

[AR4] AI/HPC "expectations" and sentiment re-rating risk: Beyond fundamental cyclicity, investor expectations can become concentrated around AI/HPC ramps, increasing the risk of sharp re-rating if market narratives shift (even if the long-term test-intensity thesis remains intact). **Valuation:** Mainly affects market multiple / implied risk premium, and short-term deviations versus intrinsic value (not the base operating model). **Mitigation / monitoring:** Monitor sector sentiment indicators and management communication on ramp timing; keep messaging consistent with disclosed roadmap visibility rather than "hero" assumptions.

[AR5] Advanced Packaging / Chiplet Adoption Timing (Second-Order Timing Risk): Increasing device complexity and advanced packaging support long-term test intensity, but adoption timing may be uneven across customers and nodes. **Valuation:** Timing/NVP risk: growth may shift later, reducing NPV even if terminal demand remains intact. **Mitigation / monitoring:** Monitor customer roadmap updates and industry adoption signals, maintain explicit timing discipline in narrative scenarios (base vs delayed).

[AR6] Talent Retention and Specialised Engineering Capacity: The competitive advantage depends on specialised MEMS/process know-how and engineering execution. Loss of key technical talent or constraints in hiring could slow innovation and qualification readiness. **Valuation:** Wage pressure and/or delayed platform wins may impact growth timing and profitability trajectory. **Mitigation / monitoring:** Monitor workforce stability indicators (if disclosed), R&D continuity, and execution cadence on next-gen programs.

[AR7] Commercial terms risk in downturns (non-concentration, non-pricing narrative): During weaker industry phases, customers may seek more conservative terms (delivery flexibility, payment terms, contract structure), creating friction even without losing programs. **Valuation:** Affects cash flow timing and operational smoothness (working relationships), rather than base revenue concentration. **Mitigation / monitoring:** Monitor management commentary on contract dynamics and customer behaviour during slowdowns.

[AR8] Governance / execution complexity from scaling a global footprint: Scaling operations across multiple regions can increase coordination complexity (execution discipline, systems/processes alignment, local compliance). **Valuation:** Can slow operational leverage realization and increase overhead if not managed tightly. **Mitigation / monitoring:** Monitor cost discipline indicators and governance/process standardisation references in disclosures.

Appendix 16: Scenario Analysis

This Scenario Analysis evaluates the potential impact of both adverse and favorable developments on Technoprobe's valuation, providing a rigorous assessment of the risks and opportunities embedded in its high-tech, cyclical business model. Our analysis utilizes a multi-factor sensitivity framework to stress-test the Base Case valuation of **€18.57** per share, which is derived from our central Monte Carlo simulation. Under the **Worst Case Scenario**, a perfect storm of delayed technological ramps, inventory obsolescence, and a spike in equity risk premia results in a total downside of **-€3.77** per share (**-20.3%**). This highlights Technoprobe's exposure to the "bullwhip effect" inherent in semiconductor supply chains. Conversely, the **Best Case Scenario** models a "super-cycle" driven by pervasive AI integration and transformative M&A execution, leading to an upside of **+€3.73** per share (**+20.1%**). This underscores the company's massive operating leverage and its unique position as a "toll-taker" in the advanced packaging revolution.

1. IMPACT OF SEMICONDUCTOR CYCLICALITY: Technoprobe's vertically integrated manufacturing model where roughly **€165** million of the cost base is fixed creates a high Degree of Operating Leverage (DOL) of **3.1x**. While this fuels profitability during upturns, it poses a severe risk during demand contractions. To quantify this, we modelled a scenario where the transition to 2nm/3nm process nodes is delayed by 12-18 months due to macroeconomic headwinds. In this scenario, underutilized cleanroom capacity and specialized machinery lead to a "margin squeeze," where EBIT margins fail to recover from the **14.6%** trough and remain below **20%** through 2026. By applying this reduced margin profile to our DCF model, we estimate a negative valuation impact of **-€2.15** per share (**-11.6%**). This scenario demonstrates that volume absorption is the single most critical driver of Technoprobe's fair value.

2. IMPACT OF CUSTOMER CONCENTRATION, PROGRAM DELAYS: Technoprobe's revenue is structurally concentrated, with top-tier foundries and IDMs (Integrated Device Manufacturers) accounting for a significant portion of the order book. We modeled a specific downside risk where a Tier-1 customer (representing **>10%** of revenue) postpones a major High-Performance Computing (HPC) program ramp. Because probe cards are custom-engineered for specific chip designs, such a delay cannot be easily offset by other customers in the short term. This leads to specialized inventory build-up and a deterioration in the Cash Conversion Cycle (CCC), which currently stands at **172.7 days**. The resulting "timing penalty" on free cash flow generation, combined with a potential loss of price premium on specialized cards, results in a negative impact of **-€0.85** per share (**-4.6%**).

3. IMPACT OF STRATEGIC INVENTORY AND "CAPITAL AT RISK": To maintain its competitive advantage of ultra-short lead times, Technoprobe maintains a proactive inventory policy. However, in an environment of rapid technological obsolescence, this "buffer strategy" carries the risk of write-downs. We modelled a scenario where a shift in testing architecture (e.g., a faster-than-expected move away from certain cantilever technologies) renders a portion of the current **€200m+** inventory obsolete. Increasing the Days Inventory Outstanding (DIO) to a stress-level of 200 days reduces the Net Present Value (NPV) of future cash flows by increasing the reinvestment rate required to sustain operations. This operational inefficiency generates a downside of **-€0.77** per share (**-4.1%**), emphasizing the fine line the company walks between service excellence and capital efficiency.

4. IMPACT OF SYSTEMIC VOLATILITY AND WACC SENSITIVITY: As a high-beta technology stock (Stress Beta: 1.40), Technoprobe is highly sensitive to shifts in the Weighted Average Cost of Capital (WACC). We conducted a sensitivity analysis on our 11.15% WACC assumption to account for a "Risk-Off" market regime. By modelling a **150-basis-point** increase in the Equity Risk Premium (ERP), consistent with previous semiconductor downcycles, the discounted value of the terminal period (which represents over **60%** of the Enterprise Value) contracts significantly. This "valuation multiple compression" scenario, even if fundamental earnings remain stable, results in a negative impact of **-€0.90** per share (**-4.8%**).

WORST CASE SCENARIO: Assumes the simultaneous crystallization of the previously mentioned risks: a stagnant semiconductor market, customer program delays, and a spike in the cost of capital. In this "stress-test" environment, valuation converges toward **€14.80** per share, representing a **-20.3%** downside. This scenario serves as a floor for the valuation, reflecting a period where the company's internal efficiency is eclipsed by external macro-adversity.

BEST CASE SCENARIO: We envision a "Blue Sky" environment where AI-driven test intensity grows at double the Base Case rate. As chiplets and 3D-packaging become the industry standard, the complexity of probe cards increases, allowing Technoprobe to exert significant pricing power. We model an EBITDA margin expansion to **42%** by 2027, driven by economies of scale and higher-margin "Device Interface" solutions. Crucially, this scenario incorporates Strategic Optionality: we assume the company utilizes its projected **€913 million** net cash position (by 2027) to acquire a high-growth competitor in the vertical probe card or automated test equipment (ATE) space. An accretive M&A transaction, adding **€100m** in high-margin revenue with a **15x** EV/EBITDA multiple, combined with organic "AI-tailwind" growth, drives the valuation to **€22.30** per share (**+20.1%**). This scenario highlights Technoprobe as a primary beneficiary of the ongoing semiconductor "arms race," backed by an impenetrable balance sheet.

Appendix 17: ESG Metric

The ESG scoring system integrates qualitative metrics (policies, compliance, and certifications) with quantitative indicators (intensity ratios, gender diversity, safety records, etc.) to derive a relative score ranging from **0 to 10** based on industry benchmarks. The framework is structured as follows:

1. Structure and Weighting

•Pillars and Buckets: The Environmental (E), Social (S), and Governance (G) pillars are subdivided into thematic buckets (e.g., *Resource Use* and *Emissions* for the Environmental pillar).

•Materiality Weights: Each bucket is assigned a percentage weight reflecting its overall materiality within the semiconductor industry. These weights determine the impact of each bucket on the final aggregate score.

2. Scoring Qualitative Metrics (Policies)

To assess policy adoption, TRUE/FALSE indicators are converted into numerical scores based on peer prevalence (p), mirroring best-in-class industry models:

- If TRUE:** $Score = 10 - (4 \times p)$
- If FALSE:** $Score = 4 \times (1 - p)$
- (Logic: This formula penalizes the absence of common industry practices (where p is high) while rewarding the adoption of differentiating standards.)

3. Scoring Quantitative Metrics

Numerical values are normalized against industry-specific benchmarks using two primary logics:

- "Higher is Better"** (e.g., % of women on board, emission reduction targets):
 $Score = 10 \times (Value / Max\ Peer\ Value)$
- "Lower is Better"** (e.g., energy intensity, tCO2e/Revenue, injury rates): A reverse scale is applied, typically:
 $Score = ROUND [8 \times (Max - Value) / (Max - Min)]$
- Health & Safety (H&S):** Specific metrics like injury rates use a specialized formula- $min(9, 9 \times (Peer\ Average / Value))$ - to highlight strong performance when significantly below the peer mean.

4. Aggregation and Interpretation

- Bucket Score:** Calculated as the arithmetic mean of the individual metric scores within each bucket.
- Final Pillar Score:** Derived from the weighted average of the bucket scores according to peer-based materiality.
- Rating Legend:** Final scores are mapped onto a scale from **AAA to D** based on the 0–10 range to ensure comparability with global rating standards.

ENVIRONMENTAL

BUCKET	METRIC	TECHNOPROBE	COMPETITORS average (Max-Min)	SCORE	
				METRIC	BUCKET
RESOURCE USE (7.6%)	Resource Reduction Policy	FALSE	100% T	0.0/10	2.7
	Policy Water Efficiency	FALSE	100% T	0.0/10	
	Policy Energy Efficiency	FALSE (not disclosed)	92% T – 8% F	0.3/10	
	Policy Sustainable Packaging	FALSE (not disclosed)	17% T – 83% F	3.3/10	
	Policy Environmental Supply Chain	TRUE (Supplier Code of Conduct includes environment protection)	100% T	6.0/10	
	Resource Reduction Targets	FALSE	75% T – 25% F	1.0/10	
	Targets Water Efficiency	FALSE	58% T – 42% F	1.7/10	
	Targets Energy Efficiency	FALSE (not disclosed)	50% T – 50% F	2.0/10	
	Total Energy Use / Million in Revenue \$	92.7	598.26 (2,435.18 – 173.35)	8.0/10	
	Renewable Energy Use Ratio	1.5	11.83% (18.66% – 0.13%)	0.8/10	
Total Water Use / Million in Revenue \$	41.8	21,427.49 (220,562 – 40.34)	8.0/10		
Policy Resource Efficiency	FALSE	58% T – 42% F	1.7/10	2.3	
Policy Emissions	FALSE (not disclosed)	92% T – 8% F	0.3/10		
Targets Emissions	FALSE (not disclosed)	83% T – 17% F	0.7/10		
Emissions Reduction Target Percentage	0.0	37.40% (100% – 3%)	0.0/10		
Total CO2 Emissions / Million in Revenue \$	210.11	77.23 (407.6 – 16.74)	5.2/10		
Total Waste / Million in Revenue \$	5.29	25.80 (149.03 – 2.96)	8.0/10		
Waste Recycled to Total Waste	16.3	64.17% (99.80% – 18.51%)	1.6/10		
ISO 14000 or EMS	no (ISO 14000/EMS not disclosed as certified)	84% ISO – 8% no – 8% both	0.0/10		
Renewable/Clean Energy Products	FALSE (not applicable / no)	58% T – 42% F	1.7/10		
Water Technologies	FALSE (not applicable / no)	50% T – 50% F	2.0/10		
Life Cycle Analysis	FALSE (no LCA disclosed)	58% T – 42% F	1.7/10		

The low score in Environmental Innovation (1.8/10) reflects a lack of disclosed LCA (Life Cycle Analysis) and dedicated water technologies, representing a potential long-term transition risk as semiconductor regulations tighten

SOCIAL

BUCKET	METRIC	TECHNOPROBE	COMPETITORS average (Max-Min)	SCORE	
				METRIC	BUCKET
WORKFORCE (7.8%)	Health & Safety Policy	TRUE	100% T	6.0/10	6.2
	Policy Employee Health & Safety	TRUE	100% T	6.0/10	
	Policy Supply Chain Health & Safety	TRUE	100% T	6.0/10	
	Policy Career Development	TRUE	92% T – 8% F	6.3/10	
	Women Employees	35.98	24.22% (31% – 15%)	10.0/10	
	Women Managers	Not disclosed; assumption = 24.39% (peer avg)	24.39% (31% – 5.40%)	7.9/10	
	Total Injury Rate Employees	1.65	6.94 (14.08 – 0.71)	9.0/10	
	Accidents Total	9	107.25 (411 – 11)	9.0/10	
	Average Training Hours	Not disclosed (ESRS S1-13 phase-in); conservative = 0	30.43 (45.72 – 16.71)	0.0/10	
	Supplier ESG training	FALSE (no disclosed)	58% T – 42% F	1.7	
HUMAN RIGHTS (11.4%)	Human Rights Policy	TRUE	100% T	6.0/10	6.0
	Policy Human Rights	TRUE	92% T – 8% F	6.3/10	
	Equal Pay for Equal Work	FALSE (no disclosed)	67% T – 33% F	1.3/10	
	Policy Minimum Wage	TRUE	58% T – 42% F	7.7/10	
	Policy Working Hours	TRUE	33% T – 67% F	8.7/10	
COMMUNITY (9.5%)	Donations / Million in Revenue	Not disclosed; conservative = 0	318.37 (851.32 – 32.96)	0.0/10	5.1
	Crisis Management Systems	TRUE	75% T – 25% F	7.0/10	
	Corruption Due Diligence	TRUE	42% T – 58% F	8.3/10	
PRODUCT RESP. (9.5%)	Policy Customer Health & Safety	TRUE	50% T – 50% F	8.0/10	6.7
	Policy Data Privacy	TRUE	100% T	6.0/10	
	Policy Cyber Security	TRUE	92% T – 8% F	6.3/10	
	ISO 9000	TRUE (UNI ISO 9001:2015 certified QMS)	92% T – 8% F	6.3/10	

BUCKET	METRIC	TECHNOPROBE	COMPETITORS average (Max-Min)	SCORE	
				METRIC	BUCKET
MANAGEMENT (19.0%)	Compensation Board Committee	TRUE	100% T	6.0/10	5.2
	Policy Board Diversity	TRUE	100% T	6.0/10	
	Policy Executive Compensation ESG Perform	FALSE (not evidenced)	92% T - 8% F	0.3/10	
	Audit Committee Independence	100.0	87.32% (100% - 50%)	10.0/10	
	Number of Board Meetings	12	9.5 (15 - 5)	8.0/10	
	Board Size	9	10 (16 - 6)	5.6/10	
	Board Gender Diversity, Percent	29.0	33.36% (50% - 12.5%)	5.8/10	
	Average Board Tenure	Est. 0.7 yrs (BoD appointed Apr 2024)	6.36 yrs (10.35 - 2.72)	0.7/10	
	Independent Board Members	55.56	69.75% (max not visible; max inferred ≈91.5%)	6.1/10	
	Board Member Compensation, \$	€2.627m (directors+statutory auditors; currency mismatch)	1,695,757 (max not visible; max inferred ≈3,192,557)	8.2/10	
SHAREHOLDERS (5.7%)	Shareholder Rights Policy	TRUE	100% T	6.0/10	7.7
	Different Voting Right Share	TRUE	17% T - 83% F	9.3/10	
	CSR Sustainability Reporting	TRUE	100% T	6.0/10	
CSR STRATEGY (3.8%)	GRI Report Guidelines	FALSE	100% T	0.0/10	3.7
	Number of SDG	0	8.92 (max not visible; max inferred ≈15.87)	0.0/10	
	Policy Tax Transparency	TRUE	33% T - 67% F	8.7/10	

While Board independence is solid (56%), the overall Governance score is capped by the absence of explicit ESG-linked executive compensation, a minor transparency gap compared to top-tier peers like FormFactor

Source: Team Assessment

Appendix 18: Governance

Technoprobe's governance framework is based on a structured system of rules, controls, and responsibilities designed to ensure effective oversight, regulatory compliance, and long-term value creation. The framework integrates risk management, compliance, and ethical business conduct across the Group's operations.

The Company has adopted an **Organisational Model pursuant to Legislative Decree 231/2001**, overseen by an independent **Supervisory Body**, aimed at preventing corporate offences and ensuring compliance with applicable regulations. Ethical standards are formalised through a **Code of Business Conduct** applicable to employees and suppliers, supported by a **Board-approved Global Anti-Corruption Compliance Policy**. In 2024, no corruption-related convictions or fines were reported.

Governance is further reinforced by the **Internal Audit** function, which assesses the effectiveness of the internal control and risk management system. A **Global Whistleblowing Policy** provides confidential and anonymous reporting channels for employees and third parties, with protection against retaliation.

Supply-chain governance is embedded through a **Supplier Code of Conduct** and a **Global Procurement Policy**, both integrated within an **ISO 9001:2015-certified Quality Management System**, extending governance standards across the value chain.

BOARD OF DIRECTORS

Technoprobe's governance structure is centered on the **Board of Directors**, responsible for strategic oversight, risk supervision, and ESG integration within corporate decision-making. The Board was appointed on **24 April 2024** and will remain in office until approval of the **FY2026 financial statements**.

The Board comprises **9 members**, including **6 non-executive** and **5 independent directors**, ensuring balanced oversight of executive management. A formal **Board Diversity Policy** is in place, covering gender, age, skills, and independence. As of FY2024, **women represent 29% of Board members**, reflecting a growing focus on board effectiveness and diversity.

The Board is supported by dedicated committees, including the **Control, Risk and ESG Committee**, the **Nomination Committee**, and the **Remuneration Committee**, which strengthen oversight of key governance areas. Overall, Technoprobe's Board-led governance model demonstrates solid alignment with **ESRS G1**, supporting sustainable growth while mitigating legal and reputational risks.

Name	Current Role	Background
Cristiano Alessandro Crippa	Chairman	Since 1992, he has been with the company and is currently Chairman. From 2018 to 2022, he was CEO of DA-TOR S.p.A., specializing in hydraulic components
Roberto Alessandro Crippa	Vice chairman	Chemical Engineering graduate from Politecnico di Milano, with the company since 2002. Director since 1999 and Vice Chairman currently. From 2018 to 2022, CEO of DA-TOR S.p.A. Named in Forbes' "Top 100 Italian Managers" in 2019
Stefano Felici	CEO	Engineering graduate with a PhD from Politecnico di Milano and extensive semiconductor experience. Former R&D and product development director. Ex-General Manager of Technoprobe America, now CEO of the company and director of its Asian subsidiaries
Giulio Sirtori	Independent Director	Classical high school graduate with extensive leadership experience in trade and industry organizations. Currently General Director of Confindustria Lecco and Sondrio, CEO of Union Service S.r.l., and independent non-executive director of the company
Carlos Ortega Arias-Paz	Independent Director	Harvard Economics graduate and MBA. Co-CEO of Corporación Financiera Alba. Board member and Chairman of Acerinox. Over 23 years in investment banking and consulting
Susanna Pedretti	Independent Director	Law graduate and Bar member since 2005. Founding Partner of Auditability, specializing in governance and compliance. Independent director with key committee roles at multiple listed companies. Member and chair of Supervisory Bodies under Italian law
Elisabetta Cugnasca	Independent Director	Economics graduate from Bocconi with INSEAD director training. Experienced in auditing and investor relations across major groups. Holds several board roles in finance and tech. Former President of Italian Investor Relator Association. University lecturer and independent non-executive director
Antonio Sanna	Independent Director	Law and Political Science graduate with senior legal and compliance roles in major listed groups. Former Head of Risk & Compliance and Legal Affairs at ACEA. Independent non-executive director of the company
Gregory Stephen Smith	Non - Independent Director	Electronic Engineering graduate with advanced technical training. Former engineer and manager at Raytheon and LTX. Now President and CEO of Teradyne Inc. Non-independent, non-executive director
Chih Kuang Yang	Non - Independent Director	Senior semiconductor executive with 20+ years' experience in wafer fabrication, IC packaging, and advanced materials. Founder and GM of Technoprobe's R&D subsidiary, Yee Wei Inc. Holds a Ph.D. in Chemical Engineering.

Source: Company data, Team assessment