CFA Institute Research Challenge
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CFA Society Italy
" The Big Short-list "

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SELL

TPRO.MI

Price: 15.63€

Target Price: 7.64€

Downside: 51.20%

Dividend Yield: 0.00%

Stock data

Market Capitalization: 10,60B

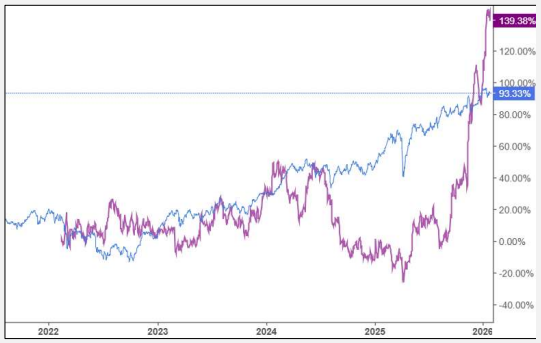
Shares Outstanding: 653,261M

Exchange: Italian Stock Exchange

Ticker: TPRO.MI

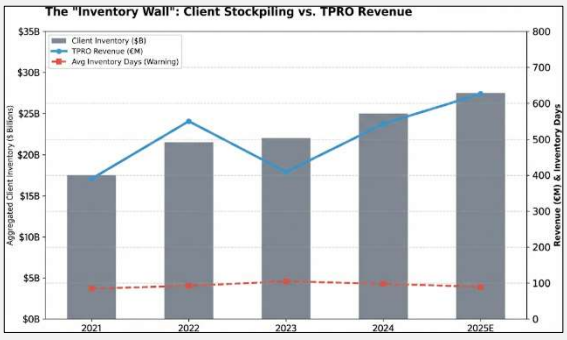
52 week H/L: 4.77 - 16.60

Stock Performance
(FTSE MIB Comparsion)
Purple: TPRO



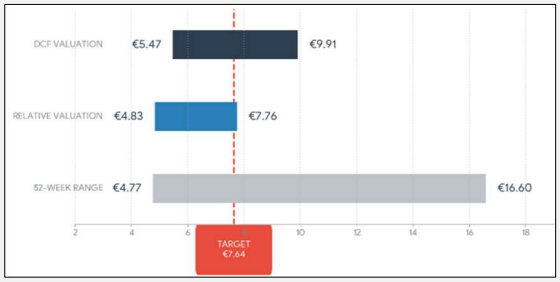
Blue: FTSE MIB

Exhibit: 0



Source: team estimates

Exhibit: 1 **Football Field Valuation**



Source: team estimates

KPIs									
(€M)	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenues	549	411	546	623	713	804	892	974	1.050
EBITDA	245	125	139	208	259	319	368	410	448
EBITDAm	*44,67%*	*30,32%*	*25,47%*	*33,45%*	*36,30%*	*39,65%*	*41,29%*	*42,07%*	*42,66%*
EBIT	208	82	70	143	184	235	275	308	338
EBITm	*37,97%*	*19,88%*	*12,76%*	*23,01%*	*25,86%*	*29,21%*	*30,85%*	*31,63%*	*32,22%*
EPS	0,25	0,16	0,10	0,15	0,19	0,24	0,28	0,31	0,35
NFP	- 405	- 348	- 648	- 699	- 740	- 829	- 944	- 1.094	- 1.287
ROE	20,11%	11,91%	5,08%	7,16%	8,48%	9,62%	10,09%	10,16%	10,08%
ROCE	27,97%	9,84%	5,54%	10,62%	12,53%	14,47%	15,29%	15,38%	15,20%
D/E	1,11%	1,66%	1,52%	1,28%	0,97%	0,69%	0,45%	0,41%	0,37%

INVESTMENT SUMMARY

Recommendation

We issue a SELL recommendation on Technoprobe S.p.A. with a 12-month target price of €7.64, implying a 51.20% downside compared to the closing price of January 30, 2026 (€15.63).

General Overview

Technoprobe is a leading supplier of probe cards for semiconductor testing, characterized by strong technological capabilities and deep, long-term integration with the product roadmaps of a limited number of global IDM and foundry customers. While this positioning ensures relationship stability and high switching costs, it also structurally ties the company's revenue trajectory to customers' capital expenditure and inventory cycles rather than to autonomous, sustainable growth. This dependence was clearly visible in Q1 2023, when average inventory days at key customers reached historical highs, triggering a sharp destocking phase that led to a significant collapse in Technoprobe's revenues (-25% YoY) despite unchanged competitive positioning (exhibit 0). The episode highlights the company's limited visibility and pronounced earnings volatility, which the market continues to underestimate. Following the IPO, the stock benefited from elevated valuation multiples, buyback activity, and a narrative closely linked to the growth prospects of its largest customers; however, these factors have reinforced a symbiotic valuation framework in which Technoprobe trades as a structural growth story, while its fundamentals remain those of a high-quality but highly cyclical supplier. Furthermore, the company is entering the HBM segment, which, based on disclosures and commentary from its main competitors, appears to be characterized by structurally lower profitability, implying additional pressure on margins at a time when the market is instead assuming mix-driven margin expansion. In our view, market expectations continue to overestimate the durability and pace of growth, justifying a SELL rating with a target price of €7.64, reflecting normalized cycle-adjusted earnings and a re-rating toward more appropriate cyclical multiples.

Valuation summary: Blended Approach

To capture both the intrinsic long-term potential and current market sentiment, we calculated the Target Price using a Weighted Average Valuation approach. Specifically, we employed a DCF model based on three scenarios (Base 60%, Best 20%, Worst 20%), assigning it an 80% weight. The remaining 20% was allocated to a Relative Valuation, incorporating both direct Peer multiples and Damodaran's sector benchmarks to mitigate potential small-sample bias, given that our qualitative analysis displays that the specific niche where Technoprobe and its competitors operate is currently affected by AI-born hype, also carried by TSMC's strong growth. Finally, we conducted a sensitivity analysis using a Tornado Chart to assess the impact of key metric variations on valuation, with a Monte Carlo Simulation to test probability distributions. Viewed together, the different parts of our approach support our SELL recommendation, highlighting a disconnect between the recent stock price volatility and the company's underlying fundamentals (exhibit 1).

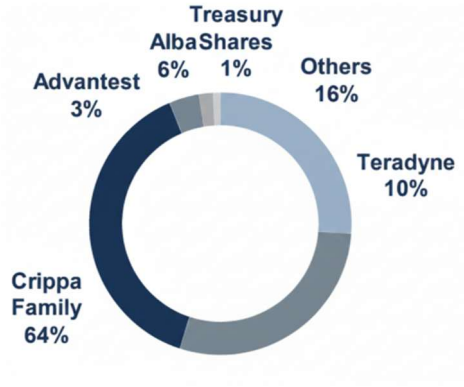
Exhibit: 2 ***Growing Path***

Source: company report, team estimates

Exhibit: 3

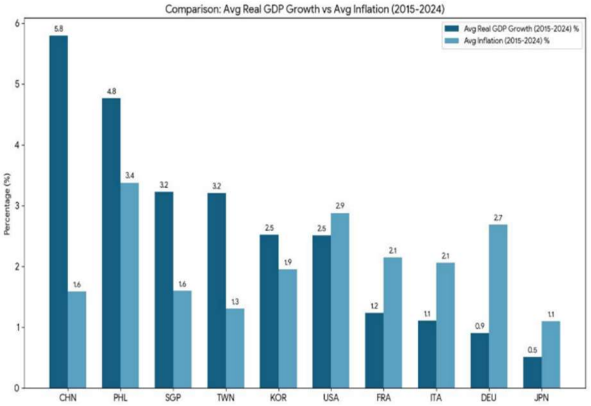
Source: company report

Exhibit: 3 ***Shareholders Structure***



Source: company report

Exhibit: 5



Source: team estimates

BUSINESS OVERVIEW

Company Profile and Core Activity: Technoprobe S.p.A. is a leading Italian multinational operating in the semiconductor and microelectronics industry. Specifically, the company specializes in the design, development, and manufacturing of Probe Cards, which are high-precision electro-mechanical interfaces used for testing non-memory or System-on-Chip (SoC) semiconductors. To understand its business model, one must look at the testing process: if semiconductors are the "brain" of digital devices, Technoprobe provides the tools to ensure the brains function flawlessly. The Probe Card acts as the "fingertips" of the testing phase; it is a circular interface equipped with thousands of microscopic needles (probes), often thinner than a human hair. These probes establish a precise electrical connection between the chip and the Automatic Test Equipment (ATE), allowing the manufacturer to identify defects at the wafer level before final assembly. Technoprobe reports a single operating segment due to the homogeneous nature of its activities, but its business focuses on three key pillars: the core production of Probe Cards for non-memory chips, vertical integration through the production of test components (such as Printed Circuit Boards), and R&D solutions for Advanced Packaging architectures.

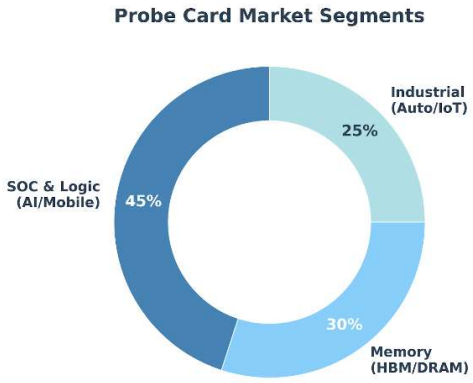
History and Strategic Evolution: Founded in 1996 by Giuseppe Crippa in a garage in Cernusco Lombardone (Lecco), the company has evolved from a small local entity into a global technology leader. A major turning point occurred between the year 2000 and 2007 with the introduction of proprietary vertical MEMS (Micro-Electro-Mechanical Systems) technology, which fueled the company's international expansion. In recent years, Technoprobe has accelerated its corporate maturity. The company listed on Euronext Growth Milan in 2022 and transitioned to the regulated Euronext Milan market in 2023 aiming to attract institutional capital and increase transparency. Between 2023 and 2024, the group finalized significant strategic operations, including a partnership with Advantest Corporation and the acquisition of the Device Interface Solutions division from Teradyne, Inc., aiming to consolidate its leadership in the semiconductor testing value chain (exhibit 2).

Operational Footprint and Client Base Headquartered in Italy: Technoprobe employs over 3,300 people and manages a global footprint with 21 locations, including production sites in Lombardy and Sicily, and commercial or R&D branches in the USA, France, Germany, Japan, South Korea, and Taiwan (exhibit 3). This global presence is essential to serve top-tier clients in the industry. Technoprobe's portfolio includes major tech giants such as Apple, Nvidia, Qualcomm, Samsung, AMD, Intel, and TSMC. The company invests heavily in innovation to maintain this client base, operating four research centers and holding over 600 proprietary patents.

Subsidiaries and Vertical Integration: Technoprobe controls several strategic subsidiaries that support its vertical integration strategy: Microfabrica (USA): Acquired in 2019, this company specializes in high-volume micro-manufacturing and R&D for sectors including aerospace and medicine; Harbor Electronics (USA): Acquired in 2022, it focuses on the production of advanced Printed Circuit Boards (PCBs) for the testing market; Yee Wei: An R&D-focused subsidiary based in Asia.

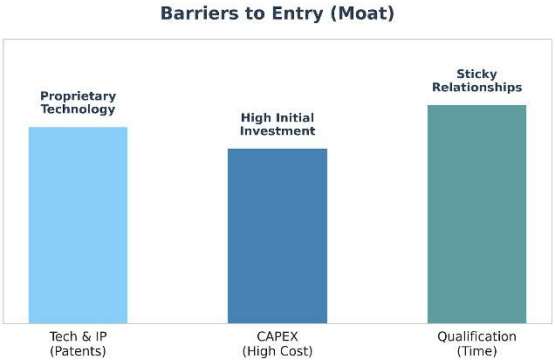
Ownership and Governance: Despite being a public company, Technoprobe maintains a concentrated ownership structure. The company is controlled by T-PLUS S.p.A., which holds approximately 57.96% of the share capital and 70.47% of voting rights. T-PLUS is the holding company of the Crippa family (the late Giuseppe Crippa and his children Alessandro, Roberto, and Monica), ensuring that decision-making remains firmly with the founding family. This governance structure allows management to prioritize long-term technological dominance over short-term quarterly profit optimization, a crucial advantage in a capital-

Exhibit: 6



Source: team estimates

Exhibit: 7



Source: team estimates

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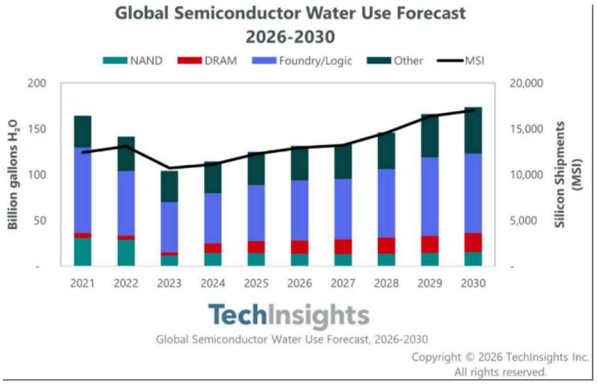
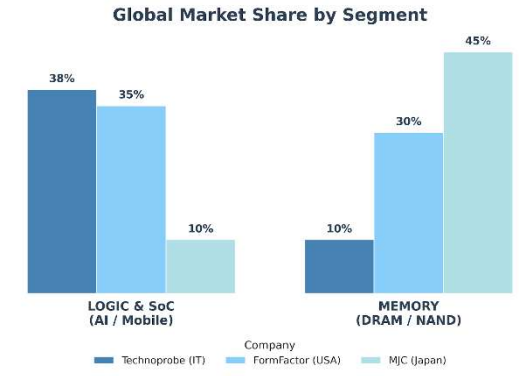


Source: Global Semiconductor Water Use Forecast, 2026-2030 by Lara Chamness

Exhibit: 9



Source: team estimates

intensive sector. However, it is worth noting that key management roles are also held by family members, such as Stefano Felici serving as CEO.

INDUSTRY OVERVIEW

The Macro Scenario

Global markets are currently defined by a sharp decoupling between high-growth Asian hubs and stagnating European economies, further strained by an intensifying geopolitical crisis. While the USA maintains resilience through robust domestic consumption, and CHN/PHL lead in cumulative real growth, the Eurozone (DEU, FRA, ITA) faces a "growth-inflation trap" where average price indices consistently outpace real output. The transition toward a multipolar world order is forcing a structural shift from global efficiency to regional resilience, with trade fragmentation and energy security now acting as primary inflation drivers. For institutional investors, this environment demands a strategic pivot toward jurisdictions benefiting from friend-shoring (SGP, TWN) and a higher risk premium on European assets, as the "peace dividend" of the last decade is replaced by heightened defense spending and supply-chain volatility. (exhibit 5).

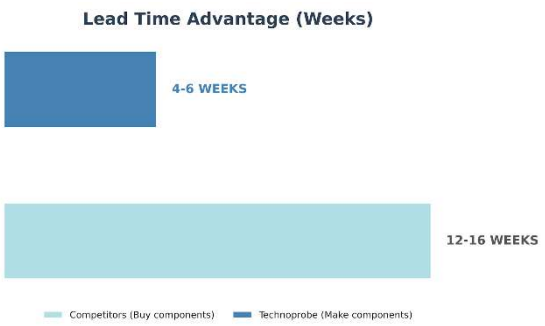
A Structural Paradigm Shift: The semiconductor industry is currently navigating a historic expansion phase, often described as a "super-cycle." Market projections indicate that the sector is on track to surpass the $1 trillion revenue threshold by 2026, driven not merely by volume but by a structural increase in chip complexity and Average Selling Prices (ASP). For the testing equipment market, this growth is amplified by a technological revolution: the transition from monolithic designs to "Chiplet" architecture and Heterogeneous Integration. In this new paradigm, processors are no longer single pieces of silicon, but assemblies of multiple "dies" packaged together. This shift makes the "Known Good Die" (KGD) concept paramount: if a single defective chiplet is integrated into a high-value package (e.g., worth over $2,000), the entire unit must be scrapped. Consequently, manufacturers are forced to perform rigorous and thorough testing on every die before assembly, drastically increasing test intensity and positioning Technoprobe's high-parallelism solutions as a critical enabler of the industry's roadmap.

Market Segmentation and Strategic Verticals: The Probe Card market, valued at approximately $2.1 billion in 2023, is segmented into three key strategic verticals, each with distinct drivers: 1. SOC & Logic (The Core Business): This is the highest-value segment, driven by AI investment cycles (NVIDIA, AMD) and the smartphone market (Apple, Qualcomm). It predominantly utilizes Vertical MEMS technology to handle the extreme current densities required by AI-driven GPUs. Technoprobe competes head-to-head with US-based FormFactor here, leveraging its T-Core technology superiority. 2. Memory (DRAM & NAND): Historically dominated by Japanese competitors, this segment is becoming a major growth vector due to the rise of High Bandwidth Memory (HBM) for AI applications. The convergence of Memory and Logic technologies plays directly into Technoprobe's expertise in high-parallelism testing. 3. Non-Memory / Industrial: Serving the automotive and IoT sectors, this segment acts as a stable "cash cow". The demand here is driven by the electrification of vehicles (SiC/GaN chips) and the "Zero Defect" standard required for ADAS systems, which mandates testing across extreme thermal ranges (-40°C to +150°C) (exhibit 6).

Competitive Advantage

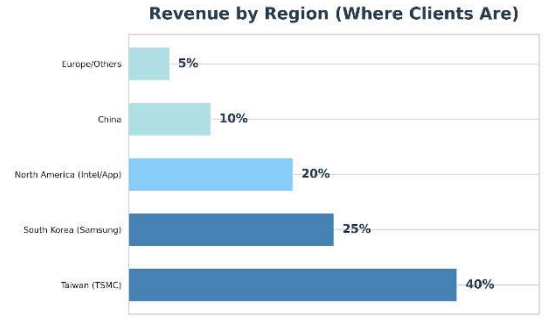
The "Glocal" Strategy: A defining characteristic of the industry is the need for close collaboration with clients. Technoprobe has implemented a "Glocal" strategy, maintaining its R&D and main manufacturing technological core in Italy (to mitigate IP theft risks) while establishing a network of Design Centers and Service Hubs in key global hotspots: Silicon Valley, Taiwan (Hsinchu), South Korea, and Southeast Asia. Since probe cards are custom-engineered and co-developed rather than off-the-shelf products, being physically located near

Exhibit: 10



Source: team elaboration

Exhibit: 11



Source: team elaboration

Exhibit: 12

STRENGTHS

- **MEMS Tech Leadership:** Unmatched capabilities in Vertical MEMS for Logic/SoC. The T-Core technology provides ultra-fine pitches and superior current carrying capacity.
- **Full Vertical Integration:** Internal production of needles, ceramics, and PCBs (via Harbor) reduces reliance on external suppliers, improving margins and TTM.
- **Financial Resilience:** Historical EBITDA margins exceeding 40% during cycle peaks and a robust Net Cash Position (NFP).

WEAKNESSES

- **Customer Concentration:** High dependence on a restricted cluster of "Tier-1" clients (Apple, TSMC, Intel, NVIDIA). Allocation shifts can materially impact revenue.
- **Geographic Concentration:** Core manufacturing is heavily concentrated in Italy (Cernusco/Agrate), representing a "Single Point of Failure" risk compared to distributed competitors.
- **Stock Liquidity:** Low free float due to high ownership concentration by the founding family, which may deter large institutional investors.

client design hubs allows Technoprobe to function as a strategic ally rather than a simple vendor. This proximity creates high switching costs: once a probe card is certified for a specific chip design, changing suppliers becomes economically and operationally unfeasible for the client. Barriers to Entry and Economic Moat: The industry is protected by formidable barriers to entry that safeguard incumbents' margins (exhibit 7): 1) Technological & IP Barriers: Technoprobe holds over 600 patents and employs proprietary manufacturing processes (similar to jewelry making) using precious metals like Palladium and Rhodium. New entrants cannot simply replicate these complex MEMS designs without infringing on IPs or lacking the trade secrets developed over decades. 2) Capital Intensity: The transition to MEMS requires "semiconductor-grade" equipment (lithography, laser micromachining), necessitating significant initial CapEx that deters smaller competitors. 3) Qualification Cycles: Becoming a supplier for major players like Intel or TSMC involves a rigorous qualification process that can take years. Inclusion in a customer's roadmap is a "sticky" relationship that ensures long-term revenue visibility.

Future Outlook

Capture the "Complexity Alpha": Looking ahead to 2030, the industry is expected to grow at a Base Case CAGR of 11% (source: Global Semiconductor Water Use Forecast, 2026-2030 by Lara Chamness) (exhibit 8), outpacing standard silicon volume growth (approx. 7%). This "Alpha" is generated by the complexity premium: as chips move to advanced nodes (<4nm), the value of testing increases disproportionately. Technoprobe is uniquely positioned to capture this value through its vertically integrated business model, which secures margins by manufacturing critical components (such as ceramic plates and probes) in-house while generating recurring revenue through spares and maintenance.

COMPETITIVE POSITIONING

Market Structure

A High-Tech Oligopoly: The semiconductor testing market is characterized by a landscape is dominated by a "Big Three" dynamic: Technoprobe, FormFactor, and Micronics Japan Co. (MJC). Technoprobe has effectively secured the leadership position in the Non-Memory / SOC segment, which is the most technologically demanding and lucrative portion of the market. While MJC maintains dominance in the commoditized Memory sector, the real battle for supremacy in Logic and AI chips is a transatlantic duel between Technoprobe and FormFactor (exhibit 9).

The Economic Moat

"Jewelry-Scale" Vertical Integration: What truly differentiates Technoprobe from its competitors is its extreme level of Vertical Integration. While many peers outsource the production of critical sub-components, Technoprobe operates like an industrial goldsmith. The company designs and manufactures its key components in-house, specifically: (i) Ceramic Plates: Produced internally to ensure thermal stability. (ii) Contact Probes: Manufactured using proprietary alloys of Palladium, Rhodium, and Gold. (iii) Interposers (PCBs): Partially produced in-house and strengthened by the strategic acquisition of Harbor Electronics. This "Make or Buy" strategy creates a twofold competitive advantage: it safeguards operating margins against supplier price hikes and, more importantly, it allows for rapid prototyping. In an industry where time-to-market is everything, the ability to redesign a needle alloy or a ceramic guide plate in weeks rather than months is a "killer application" for clients like Apple or NVIDIA. (exhibit 10)

Technological Leadership

The "T-Core" Advantage: Technoprobe's economic moat is further widened by its IP portfolio, which includes over 600 patents. Technological superiority is

OPPORTUNITIES

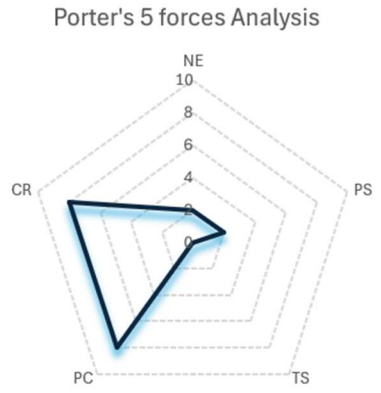
- **Memory Market Expansion:** Entering the DRAM/HBM market (currently led by MJC) significantly increases the TAM. HBM test requirements are shifting towards Logic-like technologies.
- **Strategic M&A:** Potential to acquire complementary technologies (e.g., Final Test Sockets, Load Boards) to become a 360-degree "Test Interface" provider.
- **AI Super-Cycle:** Generative AI creates a multi-year tailwind for high-complexity, high-margin probe cards.

THREATS

- **Geopolitics & Export Controls:** Trade restrictions toward China could limit growth or force a supply chain bifurcation with subsidized local competitors.
- **Tech Disruption:** Advances in "die-less testing" or radical changes in packaging (like extreme Fan-Out Wafer Level Packaging) could alter traditional probe card requirements.
- **Macro Cyclicality:** A global recession reducing consumer electronics demand would lead to immediate cuts in wafer starts and probe card orders.

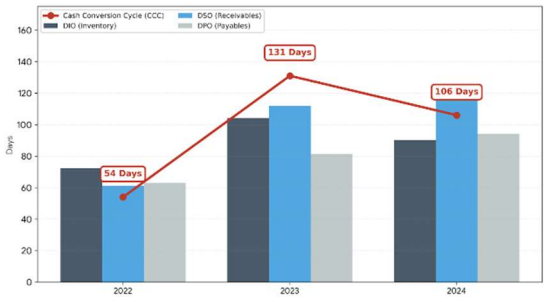
Source: team estimates

Exhibit: 13



Source: team estimates

Exhibit: 14



Source: team estimates

most evident in the T-Core technology, specifically engineered for the AI era. Competitors struggle to match Technoprobe's ability to handle the thermal challenges of modern AI GPUs. When testing chips like NVIDIA's Blackwell, currents can exceed 1,000 Amperes. Technoprobe's proprietary MEMS design allows for high-parallelism testing (testing hundreds of chips at once) without overheating the wafer. This capability positions the company at the forefront of the industry's roadmap towards <4nm nodes.

Strategic Alliances

The "Kingmaker" Partnerships: A decisive shift in the competitive landscape occurred with the recent strategic agreements with the two giants of Automatic Test Equipment (ATE): Teradyne and Advantest. - The Teradyne Deal: By acquiring the Device Interface Solutions (DIS) division from Teradyne and welcoming Teradyne as a shareholder, Technoprobe has effectively become the preferred interface partner for Teradyne's testers. - The Advantest Partnership: A similar strategic alliance ensures that Technoprobe is a priority supplier for Advantest's massive installed base. These moves have created a formidable barrier to entry. For a new competitor to enter the market, they would not only need to replicate Technoprobe's technology (which is patent-protected) but also break the commercial "lock-in" established with the primary manufacturers of the testing machines themselves. The "Glocal" Defense Strategy Finally, Technoprobe defends its market share through a "Glocal" strategy. Recognizing that Probe Cards are co-engineered products, the company has placed its Design Centers geographically adjacent to its key clients' HQs. By having engineers in Silicon Valley (for Apple/NVIDIA/Intel), Taiwan (for TSMC), and South Korea (for Samsung), Technoprobe embeds itself into the client's design cycle years before mass production begins. This proximity creates extremely high switching costs: once a chip is designed around a Technoprobe card, switching to a competitor like FormFactor would require a costly and risky re-qualification process that few clients are willing to undertake.

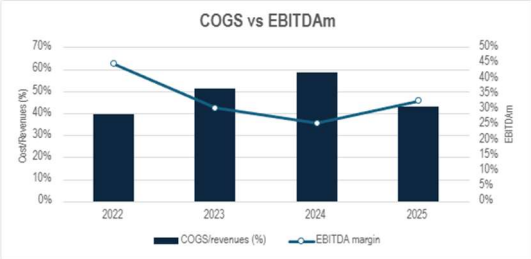
Porters' 5 forces analysis (exhibit 13)

1. **Threat of New Entrants (NE)**: (Low) Barriers to entry are structural and technological, creating a deep "Economic Moat" that is extremely difficult for new entrants to bridge. Qualifying with top tier foundries requires years of rigorous testing. Since a single failure in the probing phase can cause massive yield losses, customers are extremely risk-averse toward unproven vendors. The Mechanical Shop cover a crucial barrier for Technoprobe, the company designs and builds custom production machinery that is unavailable on the open market. A potential new entrant cannot simply "buy" the technology to compete, but they would need to replicate decades of proprietary mechanical R&D. CapEx Intensity: The requirement to invest hundreds of millions in advanced clean rooms and pilot lines makes the payback period unsustainable for startups without guaranteed volume agreements.

2. **Bargaining Power of Suppliers (PS)**: (Low) Technoprobe enjoys a unique competitive advantage due to its deep Vertical Integration. This protects margins and ensures operational continuity even during global shortages. In-house machinery development drastically reduces dependency on external equipment vendors shielding the company from price hikes on standard equipment. Harbor Electronics Acquisition: This acquisition internalized the production of advanced PCBs (Final Test Boards), effectively neutralizing the last major external critical dependency.

3. **Threat of Substitutes (TS)**: (Very Low / Non-Existent) There are no scalable industrial alternatives to physical probing for wafer sort. Optical inspection (AOI) detects visual defects but cannot test the chip's electrical functionality. As chips

Exhibit: 15



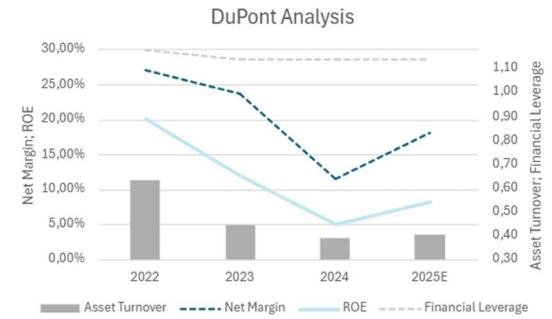
Source: team estimates

Exhibit: 16

Key Profitability	2022	2023	2024
EBITDA m	44,67%	30,32%	25,47%
EBIT m	37,97%	19,88%	12,76%
ROE	20,11%	11,91%	5,08%
ROI	61,45%	17,41%	11,81%
net CapEx/Revenues	-	17,15%	17,77%

Source: team estimates

Exhibit: 17



Source: team estimates

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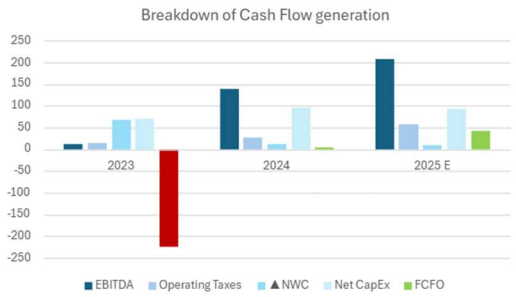
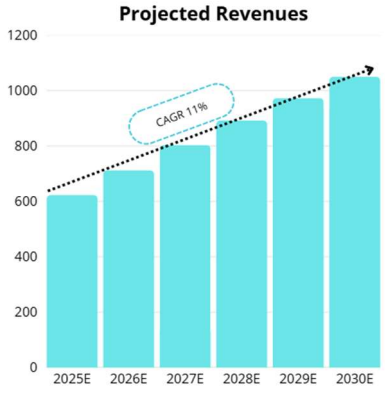


Source: team estimates

Exhibit: 19



Source: team estimates

become more complex, testing becomes even more critical. Since one bad piece can ruin an entire expensive system, verifying every single chip (Known Good Die) is mandatory, making Technoprobe's technology essential.

4. **Bargaining Power of Customers (PC):** (High but mitigated by Switching Costs) Customers are concentrated giants who exert pressure on prices, but the relationship is one of strong interdependency. Co-Design Lock-in: Probe cards are co-designed with the customer's chip months before production. Once a card is validated for a specific architecture, changing suppliers mid-cycle is technically risky and prohibitively expensive (High Switching Costs).

5. **Competitive Rivalry (CR)**: (High - Technological Oligopoly) The market operates under a consolidated oligopoly regime, where competition is driven more by technological performance rather than price wars. FormFactor (USA): The primary rival in the Logic/SOC segment. Although larger and more diversified, Technoprobe has gained market share in advanced nodes due to greater agility and vertical focus. This creates a de facto duopoly in the High-End segment. Micronics Japan (MJC): The historical leader in Memory. Rivalry here is intensifying drastically as Technoprobe aggressively enters the Memory (HBM) market with new MEMS solutions, challenging Japanese dominance. MPI Corp (Taiwan): A growing competitor in the mid-range segment, geographically advantaged in Taiwan, but maintaining a technological gap on nodes smaller than 3nm.

FINANCIAL ANALYSIS

Starting from 2022, Technoprobe has seen its main financial metrics slow down and decrease substantially across the board. This trend is largely attributable to the M&A activity conducted during this period. Most of the capital required for these acquisitions was financed through equity and internal cash reserves, in line with Technoprobe's debt-free business strategy.

Margins: Revenues experienced a sharp contraction in 2023, driven by a weak consumer market demand and a spike in customers' inventory days, before stabilizing in 2024. The external slowdown damaged working capital efficiency, pushing inventory days to a record 104 in 2023 (exhibit 14). This surge had two causes: a sudden drop in client orders, and the strategy of Technoprobe to manage with high inventory levels, in order to satisfy every order, despite facing the risk of obsolescence. Margins declined primarily due to the revenue contraction (negative operating leverage), while R&D investments remained sustained at high levels (~€57m) to support the internal mechanical shop and the integration of the Harbor Electronics acquisition. As a direct consequence, the EBITDA margin progressively declined to 25% in 2024. (exhibit 15) (exhibit 16). ROE hits its lowest point in 2024, driven by declines in both Asset Turnover (due to aggressive Capex) and Net Margin. Furthermore, the DuPont analysis reveals inefficient capital allocation: a low 1.14x leverage ratio signals that the excess cash doesn't unlock value for shareholders (exhibit 17).

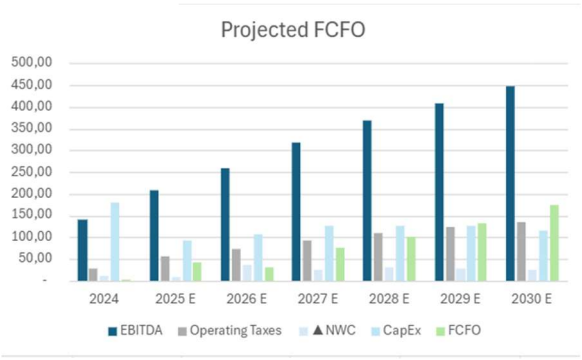
FCFO analysis: Technoprobe reported negative cash flows throughout the historical period due to heavy investment activity related to the various M&A transactions executed through 2024, resulting in a Net CapEx/Revenues ratio of 18% (2024). Consequently, reported FCFOs remained consistently negative for all analyzed historical years. We have presented only Adjusted FCFOs to exclude CapEx related to strategic M&A operations, aiming to measure the underlying operating cash generated by the company; by doing so, the Adjusted FCFO stands at a barely positive €3m in 2024, a year where CapEx actually reached historical highs. (exhibit 18).

Exhibit: 20

Key Stats	2025E	2026E	2027E	2028E	2029E	2030E
EBITDA m	33,45%	36,30%	39,65%	41,29%	42,07%	42,66%
EBIT m	23,01%	25,86%	29,21%	30,85%	31,63%	32,22%
ROE	8,31%	9,70%	10,89%	11,31%	11,27%	11,07%
ROI	22,04%	25,56%	29,78%	32,31%	34,08%	36,23%
CapEx/Revenues	16,00%	15,00%	14,00%	13,00%	12,00%	11,00%
D&A/CapEx	69,60%	61,71%	67,19%	73,58%	80,69%	94,91%
Turnover	0,96	0,99	1,02	1,05	1,08	1,12

Source: team estimates

Exhibit: 21



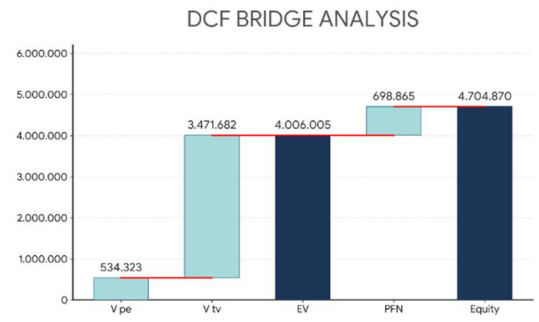
Source: team estimates

Exhibit: 22

CAPM	
Risk Free Rate	2,72%
β	0,849
β unlevered	0,847
β unlevered corrected for cash	0,947
ERP	4,23%
Ko	7,28%

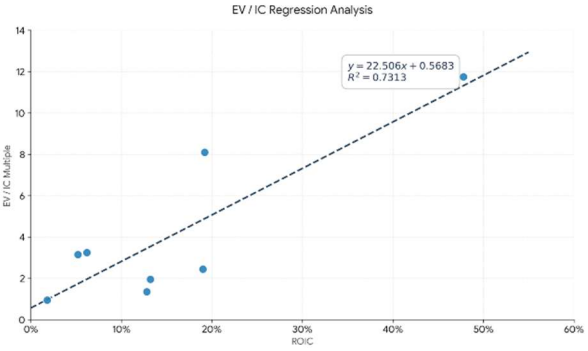
Source: team estimates

Exhibit: 23



Source: team estimates

Exhibit: 24



Source: team estimates

FUTURE ANALYSIS: Revenues The semiconductor market is experiencing an unprecedented expansion phase, with sales forecasts revised upwards indicating the crossing of the historic $1 trillion threshold in 2026. This growth is driven by a 23% increase in 2025 and an exceptional +26% projected for 2026. For Technoprobe, this macroeconomic scenario transforms testing demand into a critical revenue driver, supported not only by volumes but by a structural increase in Average Selling Prices (ASP). We estimate revenues to grow with an 11% CAGR (2025E-2030E) (exhibit 19) as a mix between volume growth (+10%) and ASP increase (+11% in 2025) with a shift toward <4nm nodes. This growth is supported by Market Dynamics & Strategic Drivers: (i) AI-Driven Scarcity and ASP Surges: The market is dominated by extreme demand for GPUs and DRAM (HBM), pushing prices to record levels. Specifically, HBM3e/HBM4 memories require MEMS probe cards with ultra-high pin densities, directly increasing the value of test cards; (ii) The Advanced Node Expansion (<4nm): Advanced nodes will surge from 0.3% of the market in 2023 to 37% by 2030. With the Logic segment accounting for up to 57% of fab activity, Technoprobe is the direct beneficiary given its estimated ~40% market share in MEMS Logic; (iii) High-End Automotive & ADAS: As the sector transitions to complex AI SoCs, test intensity skyrockets. For instance, an advanced multi-die product like NVIDIA Blackwell requires 200 times more resources (cleaning, testing, precision) than a legacy chip. The requirement to test every single die (Known Good Die) makes TPRO's probe cards essential; (iv) Regional Advantage: The rise of North America as a production hub and TSMC's investments in Arizona (3nm/2nm) guarantee a local, high-margin order pipeline for the 2026-2030 period.

FUTURE ANALYSIS: Margins The primary profitability metric is the EBITDA margin, which is projected to expand significantly from 25.5% to 42.7% by 2030E (16.53% CAGR), effectively realigning with historical highs. This expansion is driven primarily by top-line growth and operating leverage. Moving on costs, raw materials remain the largest component; however, we forecast their incidence on sales to gradually decline from the current 25.9% back to historical normalized levels, signaling improved production efficiency and stronger bargaining power. Consequently, the EBIT margin is expected to surge from 12.8% to a target of 32%, confirming a progressive and structural improvement in operating leverage. (exhibit 20).

FUTURE ANALYSIS: CapEx/FCFO: through normalization

We projected Capital Expenditures by modeling a progressive normalization of the CapEx-to-Sales ratio. While the company must continue investing to maintain technological leadership, we expect capital intensity to decrease over time, stabilizing at a target ratio of 11%. At this terminal level, D&A will represent approximately 90% of CapEx, indicating a transition to an optimal efficiency state where investments are primarily allocated to maintenance rather than aggressive capacity expansion. This reduction in capital intensity will be a key driver for cash generation: Free Cash Flow (FCFO) is expected to benefit directly, reaching €173m in 2030E (exhibit 21).

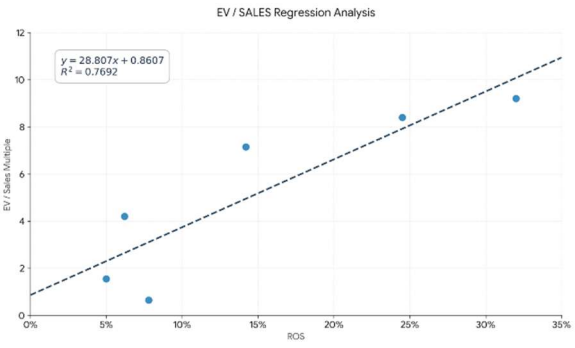
VALUATION

Methodology and Recommendation

We issue a **SELL** recommendation for Technoprobe. This conclusion is supported by a structured valuation framework primarily based on a **Discounted Cash Flow (DCF)** analysis, which we believe best captures the company's fundamental value by highlighting how current market prices already manifest overly optimistic growth expectations. We strengthened this approach with a **Relative Valuation (Multiples)** analysis. Finally, we performed a **Monte Carlo simulation** with 10,000 iterations to stress-test our DCF assumptions and establish a statistically robust target price range.

WACC Calculation: In our valuation, given the company's persistent negative Net Financial Position (NFP), the Weighted Average Cost of Capital (WACC) is

Exhibit: 25



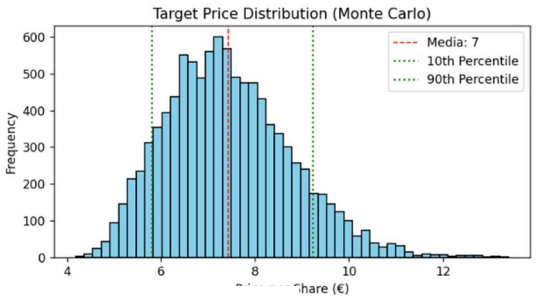
Source: team estimates

Exhibit: 26

EV/IC	FY 24	FY 25
Japan Electronic Materials	0,91x	1,31x
Chunghwa Precision Test Tech	3,18x	8,35x
FormFactor Inc.	3,29x	5,26x
Micronics Japan Co.	2,45x	4,98x
MPI Corporation	8,08x	14,38x
CICOR TECHNOLOGIES-REG	1,31x	2,94x
AIXTRON SE	1,94x	2,44x
ASML HOLDING NV	11,69x	19,55x
Technoprobe target	3,23x	8,60x
Price	7,23	17,62

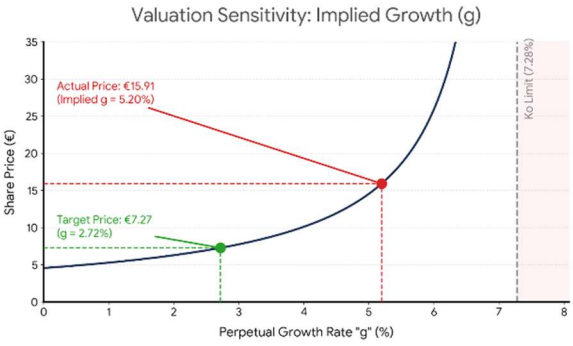
Source: team estimates

Exhibit: 27



Source: team estimates

Exhibit: 28



Source: team estimates

constant and equivalent to the unlevered Cost of Capital (Ko). To determine Ko, we applied the Capital Asset Pricing Model (CAPM) approach, calculated as follows: (i) Risk-Free Rate: We utilized the yield on the 10-year German Bund; (ii) Country Risk Premium: We added a weighted spread based on the Credit Default Swaps (CDS) of the countries in which the company operates; (iii) Beta: We adopted a 2-year weekly raw beta, subsequently unlevered and adjusted for cash holdings to isolate the pure operating risk. (Exhibit 22).

Discounted Cash Flow (DCF): Our DCF model is scenario-based and weighed across three distinct outcomes to capture operational volatility. Base Case: Assumes a Revenue CAGR of 11% over the explicit forecast period (2026E-2030E), yielding a target price of **€7.27**. Best Case: Reflects maximum foreseeable expansion with a Revenue CAGR of 15.5% and significant operating leverage improvements, returning a target price of **€9.91**. Worst Case: A conservative scenario assuming a Revenue CAGR of 6.5% with lower efficiency, resulting in a target price of **€5.47**. For the Terminal Value, we applied a perpetual growth rate (g) of 2.72% to the 2030E normalized margins. This rate is obtained from global GDP projections, weighted by the company's cyclical Beta, to accurately reflect Technoprobe's exposure to the global semiconductor cycle. (Exhibit 23).

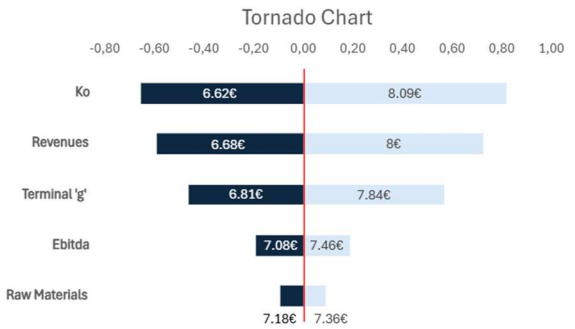
Relative Valuation (Multiples): Given the scarcity of direct competitors due to Technoprobe's unique business model, we adopted a dual approach: (i) Regression Analysis: We generated value maps by regressing sector-relevant multiples against key profitability drivers. Based on the resulting comparable sample, the regression between EV/IC multiple and ROIC yielded a price of **€7.23**, on the other hand EV/SALES regressed with ROS yielded a price of **€4.83**. (ii) Sector Approach: To mitigate the risk of small-sample bias and potential overvaluation, we incorporated broader Semiconductor Equipment sector multiples (Source: Damodaran). Applying both the EV/IC and the EV/SALES multiples, the first one yielded a price of **€6.61**, the second one yielded a price of **€7.76**. Our analysis highlights that the selected peers are influenced by sector-wide overestimation of growth. To emphasize this, we calculated the pricing gap between historical multiples (2024) and current multiples (2025), revealing a significant spread of **€7.23** (implied by 2024 multiples) versus **€17.62**. (Exhibit 24) (Exhibit 25) (Exhibit 26)

Monte Carlo Simulation: To account for uncertainty, we ran a stochastic analysis using 10,000 Monte Carlo iterations. The model stresses key inputs, specifically Revenues and EBIT margin (via triangular distributions) and WACC (via normal distribution, while maintaining a positive correlation between growth and margins to reflect operating leverage logic. The simulation results in a value distribution with a mean Target Price of €7.46, within a 90% confidence interval ranging from €5.83 to €9.26. (Exhibit 27).

Reverse DCF: The Expectation Gap: To validate our thesis, we performed a Reverse DCF to isolate expectations implicitly embedded in the current stock price. The analysis indicates that the market is attributing an implied perpetual growth rate of 5.20% to the business. We consider this an extreme assumption, as it sits significantly above global GDP growth and dangerously close to the company's own Cost of Capital, implying an unrealistic scenario of indefinite hyper-growth. (Exhibit 28).

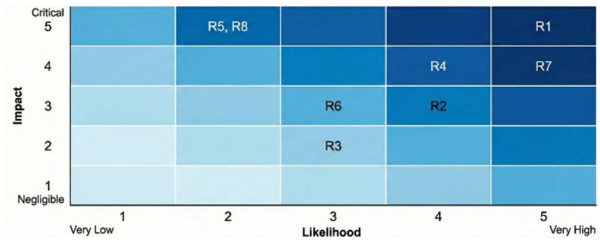
Sensitivity Analysis (Tornado Chart): Finally, our sensitivity analysis highlights the elasticity of our valuation. As shown in the Tornado Chart, the Target Price is most sensitive to variations in the Cost of Capital (Ko) and Revenue growth. Conversely, fluctuations in Raw Material prices have a negligible impact. Based on these stress tests, the fundamental value fluctuates within a range of €6.62 to €8.09, reinforcing our conservative stance. (Exhibit 29).

Exhibit: 29



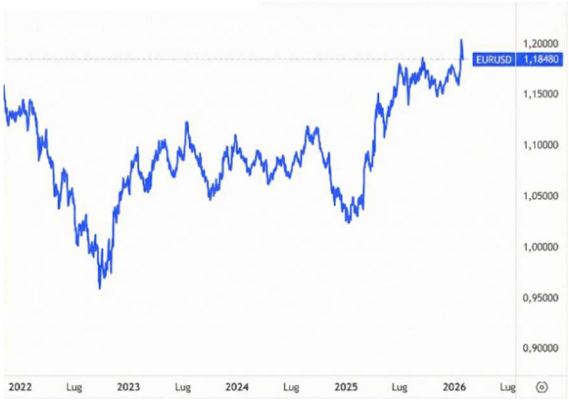
Source: team estimates

Exhibit 30 ***Likelyhood Map***



Source: team estimates

Exhibit: 31 ***EUR/USD***



Source: Trading View

Exhibit: 32 ***Concentration of matierial***

Source: team elaboration

INVESTMENT RISK (Exhibit 30)

MARKET RISKS

(R1) Geopolitical Exposure and Trade Restrictions: Despite being an Italian entity, Technoprobe is deeply embedded in a global supply chain that is increasingly fragmented by geopolitical tensions. 1. **China Exposure**: With Asia accounting for approximately 46.8% of revenue, the company faces risks related to export controls imposed by the USA and EU. Restrictions on selling advanced testing technology to Chinese clients could permanently sever access to a crucial growth market. 2. **(R2) Supply Chain Bifurcation:** The risk of a "technological bifurcation" (a split between Western and Chinese standards) could force Technoprobe to navigate complex compliance landscapes, increasing operational costs. 3. **Trade War Impact:** The current macroeconomic scenario is critical, particularly regarding trade tensions between the USA and China. The US government has imposed strict tariff restrictions and controls on semiconductor exports to China. For Technoprobe, this implies a potential reduction in revenue: as principal customers scale back their operations or orders to comply with these restrictions, the demand for probe cards will likely decrease. China too fights back with its own restrictions on raw materials.

(R3) Operational Risks: Raw Materials and Production: Technoprobe's manufacturing process is closer to industrial jewelry making than standard electronics assembly. Production of probe needles requires significant quantities of precious metals, specifically Palladium, Rhodium, and Gold. Price volatility in these commodities directly impacts the Cost of Goods Sold (**COGS**). Although the company employs hedging strategies and material recovery processes to mitigate this exposure, a sustained spike in precious metal prices could compress gross margins. Additionally, the high capital intensity required for "semiconductor-grade" equipment (lithography, laser micromachining) results in substantial depreciation charges, creating high operating leverage.

(R4) Semiconductor Cyclicality and the "AI Bubble" Threat: The semiconductor industry is inherently cyclical. Demand for Probe Cards is closely correlated with the Capital Expenditure (**CapEx**) budgets of chip manufacturers. In periods of macroeconomic slowdown or inventory gluts (oversupply), clients immediately cut CapEx, directly **impacting Technoprobe's order backlog**. A more specific, emerging risk concerns the potential "AI Bubble.". A significant portion of the current industry growth is driven by a circular ecosystem where entities like NVIDIA, OpenAI, and their backers invest in one another to fuel demand. Should investor sentiment towards AI cool down, or if the monetization of AI applications fails to materialize as quickly as expected, the demand for high-end testing consumables could contract sharply.

FINANCIAL RISKS

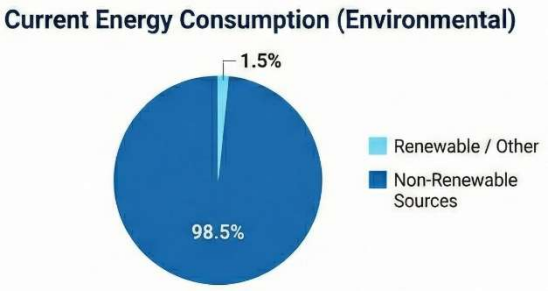
(R5) Business Concentration and "Whale" Dependency: Technoprobe's revenue structure exhibits a high degree of customer concentration, a typical feature of the semiconductor supply chain. Although the company maintains a negative **Net Financial Position** (NFP), it relies heavily on a limited number of top-tier clients. While this confirms Technoprobe's status as a premium supplier, it exposes the firm to significant credit risk. In 2023, Technoprobe reached peak levels of **DIO** (Days Inventory Outstanding) and **DSO** (Days Sales Outstanding). Given this exposure, a payment delay from just one major customer could trigger severe cash flow disruptions. Furthermore, the **loss of a single "design win"** or exclusion from a key customer's technological roadmap could have a material impact on the company's financial performance.

(R6) FX Risk (Dollar Depreciation): Technoprobe faces a structural currency mismatch: revenues are almost entirely in USD, while a significant portion of costs (HQ, labor) is in EUR. A sustained depreciation of the Dollar against the Euro would negatively impact the Income Statement. With constant costs in Euros, lower converted revenues would directly compress EBITDA margins (Exhibit 31).

OPERATING RISKS

(R8) Disruptive Technology (Quantum Computing): A risk of **technological substitution** comes from Quantum Computing. Quantum processors require testing interfaces that operate at cryogenic temperatures (near absolute zero), a technology different from current MEMS probe cards. Since Technoprobe has not significantly invested in this niche, a sudden acceleration in quantum adoption could erode future market share and margins.

Exhibit: 33



Source: team elaboration

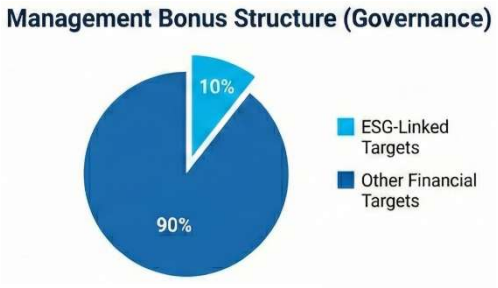
Exhibit: 34

Source: team elaboration

Exhibit: 35

Source: company presentation

Exhibit: 36



Source: company presentation

(R7) Technological Obsolescence and Talent Scarcity: The barrier to entry in this sector is technological. However, this also constitutes a risk: the industry is constantly shifting towards smaller nodes (<4nm) and new architectures like Chiplets. Technoprobe must maintain a relentless pace of R&D to avoid obsolescence. This innovation is dependent on human capital. The company relies on hyper-specialized engineers for its MEMS and micro-manufacturing processes. Difficulty in recruiting or retaining talent in competitive hubs like Lombardy (Brianza) or Silicon Valley represents a tangible threat to the company's ability to maintain its "T-Core" technological advantage. Governance and Minority Shareholder Rights Technoprobe is a public company with a concentrated ownership structure, typical of Italian family capitalism. The company is controlled by T-PLUS S.p.A., the holding vehicle of the founding Crippa family, which retains approximately 57.96% of the share capital and over 70% of the voting rights. While this structure ensures a long-term strategic vision, allowing management to prioritize technological dominance over quarterly profit optimization, it effectively limits the influence of minority shareholders. The decision-making power resides firmly with the Crippa family, which may deter some institutional investors seeking higher independence in governance.

ESG ANALYSIS:

Environmental The Transition Opportunity: The environmental pillar represents the area of greatest friction today, but also the most significant upside potential. Technoprobe operates in a capital- and energy-intensive industry, and its current metrics reflect this heavy footprint: 98.5% of energy consumption is non-renewable, resulting in a 0% alignment with the EU Taxonomy. While the absence of a formalized decarbonization plan currently acts as a "red flag" for some institutional investors, this "technical zero" masks a significant opportunity. Since 100% of Technoprobe's turnover is legally eligible for the taxonomy, the company does not need to change its business model to become "green"; it simply needs to decarbonize its energy sources. Management has already begun this transition by installing photovoltaic systems in their headquarters and implementing circular economy initiatives to recover precious metals like Gold and Rhodium from exhausted probe cards. We believe that as the company formalizes a transition plan, it will effectively unlock the value currently trapped by the environmental discount. (exhibit 33) (exhibit 34).

Social: Managing Human Capital in a Specialized Sector: In the semiconductor testing sector, intellectual property resides in people. With a workforce of over 3,300 employees, Technoprobe's ability to attract and retain engineering talent is its primary social risk. While the reported Gender Pay Gap of 29% appears elevated, we view this as largely structural, reflecting the scarcity of female engineers in the broader semiconductor industry rather than internal inequity. More importantly, the company demonstrates operational excellence through a remarkably low injury rate of 1.65, confirming that its manufacturing facilities are safe and well-managed. By combining this safety record with high-end employee welfare programs, Technoprobe actively defends its competitive advantage in the labor market.

Governance: The Anchor of Stability: For family-controlled entities, the primary concern for minority shareholders is typically the concentration of power. Technoprobe, controlled by the Crippa family via T-Plus, has effectively mitigated this "agency risk" through a robust system of checks and balances. Unlike many Italian mid-caps, the company maintains a Board of Directors where the majority (five out of nine members) are independent. This independence is structural, not just formal, as key internal committees (such as Control, Risk, and Sustainability) are composed entirely of independent directors. Furthermore, we see strong evidence of alignment between management and shareholders. The company has linked 10% of the top management's annual bonus directly to specific ESG targets. This "skin in the game" ensures that sustainability decisions are driven by financial incentives rather than mere compliance, protecting the company from value-destructive strategies. (exhibit 35) (exhibit 36).

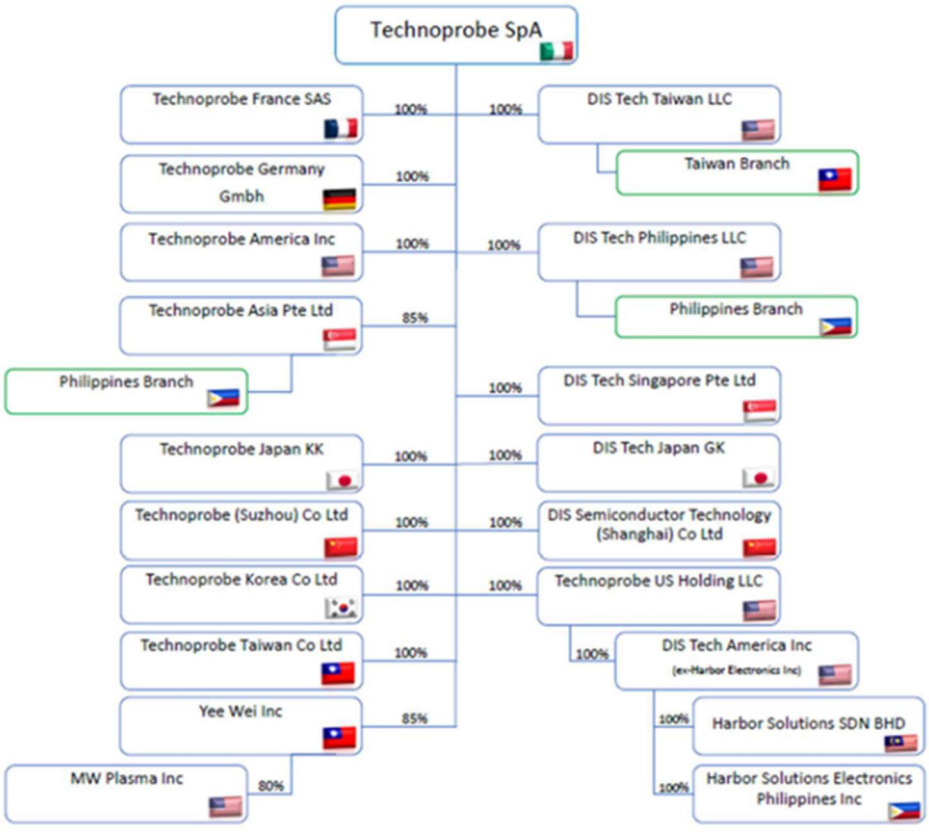
TECHNOPROBE ANNEX

ANNEX 1 — INCOME STATEMENT & BALANCE SHEET

Income Statement (€m)	2022	2023	2024	2025 E	2026E	2027E	2028E	2029E	2030E
Total Revenues	**548.929,00**	**411.158,00**	**545.605,00**	**622.900,00**	**712.522,500**	**803.572,369**	**891.913,987**	**973.525,680**	**1.049.622,725**
Growth(%)		*-25,10%*	*32,70%*	*23,72%*	*14,39%*	*12,78%*	*10,99%*	*9,15%*	*7,82%*
Raw materials	98.008,00	83.884,00	141.187,00	150.238,83	163.880,18	168.750,20	181.967,30	198.617,63	214.142,87
Variable service costs	48.771,00	42.313,00	68.784,00	61.697,42	70.574,41	79.592,78	88.342,90	96.426,42	103.963,74
Variable labor costs	73.467,00	79.481,00	99.354,00	103.342,60	118.211,48	133.317,16	147.973,53	161.513,37	174.138,29
Contribution margin	**328.683,00**	**205.480,00**	**236.280,00**	**307.621,15**	**359.856,44**	**421.912,24**	**473.630,26**	**516.968,26**	**557.377,83**
Fixed service costs	21.266,00	17.066,00	26.061,00	26.582,22	27.113,86	27.656,14	28.209,26	28.773,45	29.348,92
Fixed labor costs	62.235,00	63.743,00	71.243,00	72.667,86	74.121,22	75.603,64	77.115,71	78.658,03	80.231,19
EBITDA	**245.182,00**	**124.671,00**	**138.976,00**	**208.371,07**	**258.621,36**	**318.652,45**	**368.305,28**	**409.536,78**	**447.797,72**
EBITDA m (%)	*44,67%*	*30,32%*	*25,47%*	*33,45%*	*36,30%*	*39,65%*	*41,29%*	*42,07%*	*42,66%*
D&A	36.736,00	42.945,00	69.337,00	65.030,76	74.387,35	83.892,96	93.115,82	101.636,08	109.580,61
EBIT	**208.446,00**	**81.726,00**	**69.639,00**	**143.340,31**	**184.234,01**	**234.759,50**	**275.189,46**	**307.900,70**	**338.217,11**
EBIT m (%)	*37,97%*	*19,88%*	*12,76%*	*23,01%*	*25,86%*	*29,21%*	*30,85%*	*31,63%*	*32,22%*
Operating taxes	58.309,64	- 12.973,28	27.642,88	40.135,29	51.585,52	65.732,66	77.053,05	86.212,20	94.700,79
NOPAT	**150.136,36**	**94.699,28**	**41.996,12**	**103.205,02**	**132.648,49**	**169.026,84**	**198.136,41**	**221.688,50**	**243.516,32**
Financial income/costs	- 2.939,00	- 3.522,00	- 27.363,00	- 11.818,30	- 16.211,96	- 17.968,24	- 20.586,14	- 24.173,96	- 28.609,11
Tax shields	- 705,36	- 845,28	- 6.567,12	- 2.836,39	- 3.890,87	- 4.312,38	- 4.940,67	- 5.801,75	- 6.866,19
+/- Extra income									
Net Profit	**148.215,00**	**97.376,00**	**62.792,00**	**112.186,93**	**144.969,58**	**182.682,70**	**213.781,88**	**240.060,71**	**265.259,25**

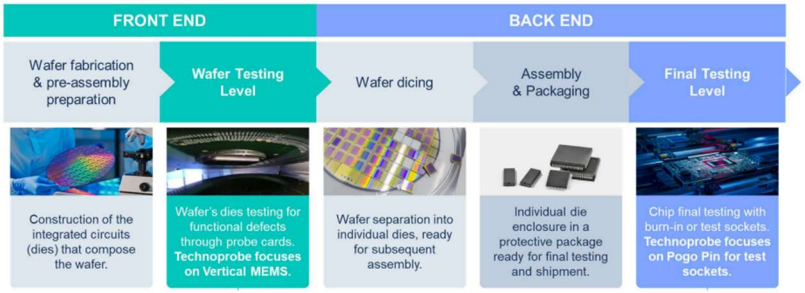
Balance Sheet (€m)	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Fixed assets	250.435,00	319.668,00	428.899,00	457.303,24	511.064,75	552.039,75	585.482,27	609.800,91	615.678,80
Inventory	110.387,00	119.030,00	136.759,00	156.133,43	178.597,82	201.419,99	223.563,32	244.019,76	263.093,91
Trade receivables	93.263,00	127.897,00	176.274,00	201.246,46	230.201,69	259.618,07	288.159,47	314.526,56	339.111,99
Assets held for sale				7.613,00					
Cash & Cash equivalents	412.733,00	361.800,00	666.377,00	715.974,44	787.576,46	899.940,65	1.047.097,59	1.235.448,46	1.470.620,45
Total Assets	**866.818,00**	**928.395,00**	**1.408.309,00**	**1.538.270,57**	**1.707.440,71**	**1.913.018,46**	**2.144.302,64**	**2.403.795,69**	**2.688.505,15**
Equity	**736.975,00**	**817.300,00**	**1.237.177,00**	**1.349.363,93**	**1.494.333,51**	**1.677.016,22**	**1.890.798,09**	**2.130.858,80**	**2.396.118,05**
Medium/Long term debt	5.847,00	10.392,00	13.843,00	12.720,00	10.720,00	8.720,00	6.720,00	6.720,00	6.720,00
Short term debt	2.352,00	3.135,00	4.958,00	4.389,00	3.389,00	2.389,00	1.389,00	1.389,00	1.389,00
Trade payables	96.180,00	92.968,00	142.805,00	163.035,96	186.493,48	210.324,60	233.446,87	254.807,66	274.725,07
Income tax payable	25.464,00	4.600,00	9.526,00	8.761,68	12.504,72	14.568,64	11.948,68	10.020,22	9.553,03
Total Liabilities	**129.843,00**	**111.095,00**	**171.132,00**	**188.906,64**	**213.107,20**	**236.002,24**	**253.504,55**	**272.936,89**	**292.387,11**
Total Equity and Liabilities	**866.818,00**	**928.395,00**	**1.408.309,00**	**1.538.270,57**	**1.707.440,71**	**1.913.018,46**	**2.144.302,64**	**2.403.795,69**	**2.688.505,15**

ANNEX 2 — ORGANIZATIONAL STRUCTURE



1. Strategic Positioning: The Critical Checkpoint

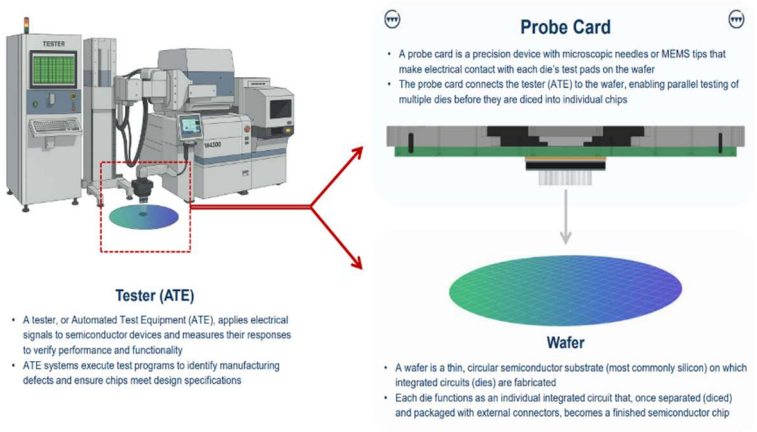
To understand Technoprobe's competitive advantage, one must look closely at the semiconductor manufacturing supply chain, specifically the critical transition between fabrication and assembly. The manufacturing process is broadly divided into the "Front End," where the integrated circuits are created on the silicon wafer, and the "Back End," where these wafers are cut (diced) and packaged into final chips. Technoprobe sits exactly at the intersection of these two phases, dominating the "Wafer Testing" stage.



The economic rationale for Technoprobe's technology is straightforward: packaging a defective chip is a waste of money. Therefore, manufacturers must identify and discard faulty circuits while they are still part of the silicon wafer, before any assembly takes place. Technoprobe provides the essential tool that makes this verification possible.

2. Operational Role

From an operational standpoint, Technoprobe does not manufacture the testing machines themselves (known as Automated Test Equipment, or ATE). Instead, they produce the critical interface required for the ATE to function. You can think of the ATE as a powerful computer that generates electrical signals to test the chip, but it lacks the ability to physically connect with the microscopic contact pads on a silicon wafer. This is where the **Probe Card** comes in.



The Probe Card acts as a sophisticated "translator" and physical bridge. It sits inside the testing machine, receiving electrical signals from the ATE and transmitting them directly to the wafer below. This is not a simple connection; it requires extreme precision. The Probe Card must align perfectly with the wafer, establishing thousands of simultaneous electrical contacts on points often smaller than a human hair.

3. Technological Anatomy and Business Model

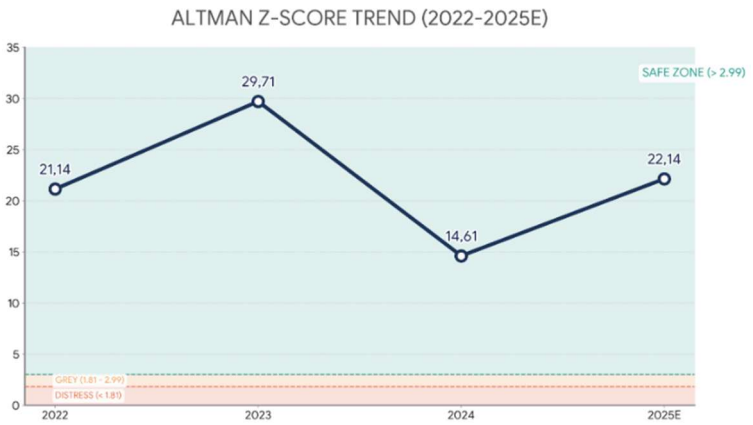
Technologically, the Probe Card is a complex assembly of mechanics and micro-electronics. At its base, it utilizes a "Probe Head" containing thousands of microscopic needles, often engineered using MEMS (Micro Electro Mechanical Systems) technology. These needles are the proprietary core of Technoprobe's IP. They are supported by ceramic plates for thermal and structural stability and connected to a large Printed Circuit Board (PCB) that routes the signals back to the main tester.

Because these needles physically touch the wafer millions of times, they degrade and wear out. Consequently, the Probe Card is not a one-time capital expenditure for chipmakers, but a high value consumable. Every new chip design requires a custom-engineered Probe Card, and high volume production requires these cards to be replaced or serviced regularly, creating a recurring revenue model tied directly to the volume and complexity of the semiconductor market.

ANNEX 4 — Z-SCORE ANALYSIS

To assess financial strength and credit risk dynamics, we performed the Altman Z-Score analysis covering the 2022-2025E period. Results indicate a score of 22.14 for 2025E, positioning Technoprobe within the "Safe Zone" for the entire period since its IPO.

This structural solidity is largely driven by the company's Net Financial Position (NFP), which allows Technoprobe to support any technological investments and market expansion internally, without relying on external capital, avoiding any increase in financial distress risk.



Another fundamental driver that is currently inflating the score is Market Capitalization, which is highly boosted by the recent stock price rally. While these metrics effectively rule out any short-term default risk, it is important to note that profitability indicators suffered a contraction in 2024 due to the broader semiconductor downturn. We expect these profitability metrics to improve from 2025 as the industry recovers, further boostering the company's organic financial stability and making the Z-Score less dependent on market capitalization volatility.

Key metrics		2022	2023	2024	2025E
short term liquidity	*(x1)*	0,82	0,76	0,80	0,80
reinvestment capacity	*(x2)*	0,17	0,10	0,04	0,06
profitability	*(x3)*	0,24	0,09	0,05	0,09
leverage	*(x4)*	30,81	46,54	21,74	33,96
asset efficiency	*(x5)*	0,63	0,44	0,39	0,40
	Z - SCORE	**21,14**	**29,71**	**14,61**	**22,14**

ANNEX 5 — PESTEL ANALYSIS

Political: Geopolitical Fragmentation and Trade Dynamics Technoprobe operates at the center of a highly sensitive, geopolitically fragmented supply chain spanning the USA, China, Taiwan, and Europe. The escalating trade friction, specifically regarding export controls on advanced semiconductor manufacturing and testing technologies to China, presents a material risk to the company's addressable market. Any intensification of these restrictions could limit access to key Asian end-markets, introducing significant volatility to revenue streams and complicating the long-term capital allocation strategies of Technoprobe's global client base.

Economic: Cyclical Sensitivity and Capex Correlation The demand for probing services is intrinsically correlated with the broader semiconductor capital equipment cycle. In periods of macroeconomic softening, chipmakers typically retrench Capex to protect cash flows, directly impacting Technoprobe's order book and reducing short-term visibility. Conversely, expansionary phases driven by secular tailwinds (such as Artificial Intelligence, automotive electrification, and hyperscale data centers) act as powerful demand multipliers. Consequently, investors must account for inherent revenue cyclicality despite the company's strong structural positioning.

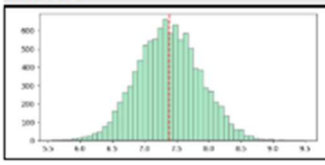
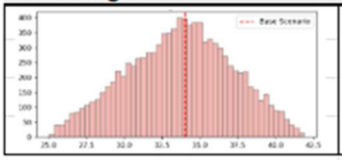
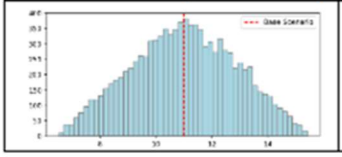
Social: Human Capital as a Strategic Asset In the niche market of microelectronics testing, specialized human capital is the primary driver of value creation. The competition for engineering talent is fierce, requiring Technoprobe to maintain aggressive investment in welfare, training, and compensation to prevent "brain drain." While necessary to sustain the company's technological moat, this dynamic exerts structural upward pressure on operating expenses (SG&A). Failure to attract and retain top-tier talent poses a direct threat to the company's innovation velocity and competitive advantage.

Technological: Complexity as a Barrier to Entry The semiconductor industry's migration toward advanced nodes (sub-5nm) and heterogeneous integration (advanced packaging) acts as a structural catalyst for Technoprobe. As chip architectures become more complex, the requirement for high-precision, high-density probing solutions becomes critical. This technological inflation favors established market leaders with proven R&D capabilities, effectively raising barriers to entry for new competitors and reinforcing Technoprobe's pricing power in the high-end segment.

Environmental: ESG Scrutiny and Cost Inflation The semiconductor value chain is under increasing pressure to reduce its carbon and water footprint. Although Technoprobe is a supplier, it is directly exposed to the stringent ESG mandates imposed on its Tier-1 clients (fabs). Future regulatory tightening, including potential carbon taxes and stricter environmental compliance standards, implies a trajectory of rising costs across the supply chain, which could weigh on long-term operating margins if not offset by efficiency gains.

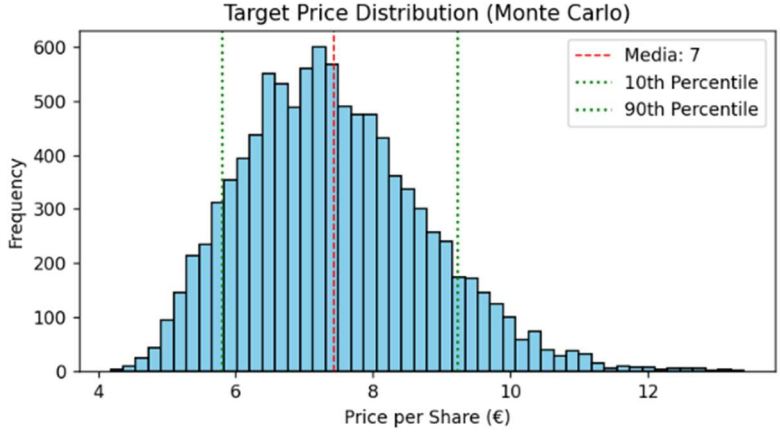
Legal: Intellectual Property and Regulatory Compliance Operating in an R&D-intensive sector implies significant exposure to Intellectual Property risks, where patent protection is vital to preserving market share. The sector is characterized by high litigation risk regarding proprietary technologies. Furthermore, the company must navigate a complex web of international export control regulations and national security laws, which can unpredictably alter the legality of sales in specific jurisdictions, potentially impacting cash flow stability.

ANNEX 6 MONTE CARLO ANALYSIS

VARIABLE	DISTRIBUTION		Key Statistical Indicators
WACC			
	normal	Allow to reflect standard market deviations	Mean: 7,38% Std. Dev: 0,50% *Based on the CAPM approach*
EBIT Margin			
	triangular	Allow to define a Minimum, Maximum, and Most Likely (Base Case) scenario, giving more weight to the central tail but capping extreme outliers	Min: 25,00% Mode: 34,00% Max: 42,00% *Estimation based on market growth*
Revenue CAGR (2025-2030)			
	triangular	Allow to define a Minimum, Maximum, and Most Likely (Base Case) scenario, giving more weight to the central tail but capping extreme outliers	Min: 6,50% Mode: 11,00% Max: 15,50% *Estimation based on market growth*

We implemented a Cholesky Decomposition in order to link revenue growth and EBIT margins, simulating the reality of the operating leverage, with an estimated correlation coefficient of 0.70 (based on historical data). We reject the assumption of independence. In a capital-intensive industry, higher volumes typically drive higher margins due to operating leverage. This mechanism prevents the model from generating "economic errors".

The simulation generated 10.000 scenarios of the intrinsic share price with the following characteristics: (i) mean target price: 7.46€; (ii) 10° percentile price: 5.83€; (iii) 90° percentile price (Upside potential): 9.26€.



ANNEX 7

OPTIMAL LEVERAGE ANALYSIS

Although Technoprobe currently operates with a negative Net Financial Position (Net Cash) and has confirmed this conservative strategy, we performed a structural analysis to determine its theoretical Optimal Leverage. The goal is to assess whether introducing debt could unlock value through tax shields, net of distress costs.

We adopted the framework proposed by **F. Beltrame** in *"Estimating SMEs Optimal Capital Structure Using Damodaran Synthetic Rating"*. This model anchors the debt capacity to the firm's actual operating return (ROCE).

The optimization process followed three mathematical steps:

(i) Cost of Debt Estimation: We first modeled the relationship between credit risk (Interest Coverage Ratio) and Cost of Debt (Kd) using Damodaran's synthetic rating tables. Given Technoprobe's normalized ROCE of 5.54% and a Risk-Free rate of 2,72%, the relationship between the Cost of Debt and Financial Leverage was linearized as follows: $Cost\ of\ Debt = 0{,}1314 * Leverage\ Ratio - 0{,}0051$. (ii) We calculated the **Net Side Effects (NSE)** per unit of capital, defined as the Present Value of Tax Benefits minus the Present Value of Distress Costs, divided by Capital Employed. Where present value of tax benefits and present value of distress costs are calculated as follow: (we used ROCE as the discount rate (Ko) to reflect the operational risk):

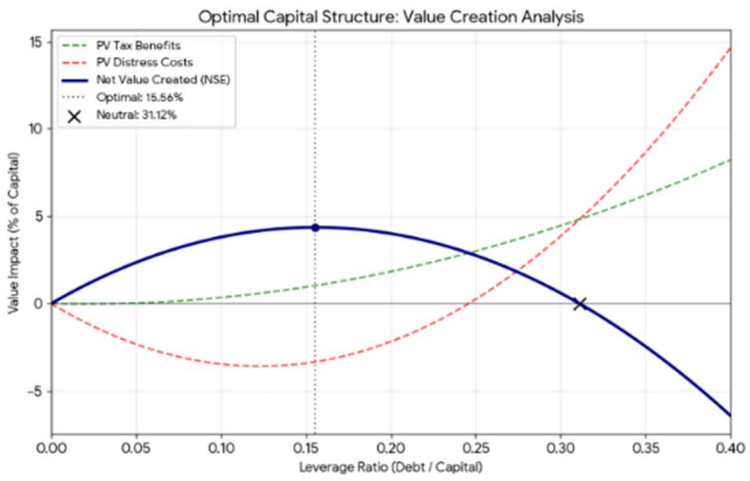
$$PV\ Tax\ benefits - PV\ Distress\ costs = D\frac{r_D t_c}{r_0} - D\frac{r_D - r_f}{r_0} \qquad \frac{Net\ side\ effects}{Capital\ employed} = Leverage\ ratio\ \frac{r_f - (\alpha + \beta \cdot Leverage\ ratio\ )(1-t_c)}{r_0}$$

(iii) By maximizing the NSE function with respect to Leverage, we derived the optimal debt ratio as follow: $Leverage\ ratio_{Optimal} = \frac{\alpha(1-t_c) - r_f}{-2\beta(1-t_c)}$. The equation yields an **Optimal Leverage Ratio** of approximately 0.15. This result implies that while Technoprobe's current zero-debt policy minimizes financial distress risk, a moderate leverage of ~15% would theoretically maximize the Enterprise Value by optimizing the trade-off between the tax deductibility of interest and the distress costs. According to the Fernandez theory, Enterprise Value represents the sum of Capital Employed and PV of Tax benefits, at the net of Distress costs.

(iv) Finally, to define the safety margin, we identified the **Neutral Leverage Ratio**, which is the level where the Net Side Effects equal zero (i.e., the tax benefits are fully eroded by distress costs). By solving the equation NSE = 0: $Leverage\ ratio_{Neutral} = \frac{r_f - \alpha(1-t_c)}{\beta(1-tc)}$.

This calculation identifies a Neutral Leverage of approximately 0.311 (31.1%). Beyond this threshold, the introduction of debt would destroy shareholder value compared to the unlevered status.

leverage	Kd	Debt	PV tax shield	PV distress	Enterprise Value	Net Value
0	-0,51%	-	-	-	1.255.978,00	-
0,05	0,15%	62.798,90	399,59	- 29.142,13	1.285.519,72	29.541,72
0,1	0,80%	125.597,80	4.370,98	- 43.401,73	1.303.750,71	47.772,71
0,13	1,18%	161.503,73	8.246,61	- 44.867,56	1.309.092,16	53.114,16
0,15	1,46%	188.396,70	11.914,18	- 42.778,79	1.310.670,98	54.692,98
0,1555916	**1,53%**	**195.419,63**	**12.979,81**	**- 41.783,89**	**1.310.741,70**	**54.763,70**
0,2	2,12%	251.195,60	23.029,19	- 27.273,32	1.306.280,51	50.302,51
0,25	2,78%	313.994,50	37.716,01	3.114,69	1.290.579,33	34.601,33
0,3	3,43%	376.793,40	55.974,64	48.385,23	1.263.567,41	7.589,41
0,3111832	**3,58%**	**390.839,26**	**60.547,23**	**60.547,23**	**1.255.978,00**	**-**
0,35	4,09%	439.592,30	77.805,08	108.538,30	1.225.244,77	- 30.733,23
0,4	4,75%	502.391,20	103.207,32	183.573,92	1.175.611,41	- 80.366,59



ANNEX 8

TECHNOPROBE HISTORICAL PRICE

ANNEX 9

PEER SELECTION

The selection of the Peer Group was carried out in two stages, combining a qualitative industry filter with a quantitative statistical validation. The goal was to identify the companies that best match Technoprobe's risk and return profile, in order to estimate consistent valuation multiples.

Given Technoprobe's niche position (leader in the Probe Card market), a single group of direct competitors was not enough to capture the valuation dynamics. Therefore, we divided the peers into two distinct macro-groups: - **Cluster A - Direct Competitors (Industry Proxies):** This includes "natural" competitors operating in the specific Probe Card segment. However, they often show lower margins and growth rates than Technoprobe. Using them as the only benchmark creates a risk of underestimating the fair value; - **Cluster B - Statistical Peers (Financial Proxies):** This includes semiconductor companies (Front-end/Back-end Equipment) that, even if they do not necessarily produce Probe Cards, share Technoprobe's "Best-in-Class" financial structure: high margins, high return and an asset-light business model.

To objectively validate the selection and weigh the influence of each company in the valuation model, we developed a Similarity Scoring algorithm. The model calculates the statistical distance between Technoprobe and each potential peer based on 5 Structural Macro-Categories: **size** (weight 35%), **margins** (weight 14%), **returns** (weight 14%), **liquidity & leverage** (weight 14%), and **operational efficiency** (weight 14%).

The data was normalized using a Standardized Z-Score to compare different types of values. Subsequently, an inverse Weighted **Euclidean Distance** was applied.

$$Score = \frac{100}{1 + \sqrt{\sum (w_i \cdot (x_{Tech} - x_{Peer})^2)}}$$

In addition to financial metrics, an Industry Fit variable was introduced in the final calculation. This variable assigns a "similarity bonus" to companies belonging to the Testing & Probe Cards segment (Cluster A). This selection allows us to estimate market multiples that reflect both Technoprobe's industrial nature and its ability to generate extra returns.

PEER COMPARISON			SIZE & GROWTH		MARGINS		RETURNS			LIQUIDITY&LEVERAGE				OPERATIONAL EFFICIENCY	SCORE	
			MKT	Revenues	EBITDAm	EBITm	ROIC	ROE	ROA	Current Ratio	Quick Ratio	D/E	Z-Score	Asset Turnover		
TECHNOPROBE SPA			**3.752.645**	**543.153**	**25,12%**	**12,36%**	**4,15%**	**5,08%**	**5,46%**	**8%**	**6,53%**	**1,52%**	**14,61**	**0,46**		
CLUSTER A																
1. FormFactor Inc. Dominates the SoC and Memory probe card market	USA	Probe Cards (SoC & Memory)	3.398.046	705.771	13,90%	8,48%	6,40%	7,50%	6,18%	4,61%	3,54%	4,14%	12,58	0,68	**63,75**	✓
2. Micronics Japan Co. key competitor in the memory segment with a strong foothold in Asian markets	JP	Probe Cards & TE	894.490	339.811	27,71%	22,59%	19,07%	19,40%	12,97%	1,61%	1,18%	2,41%	5,12	0,82	**53,19**	✓
3. Japan Electronic Materials Focused almost exclusively on probe cards	JP	Probe Cards (Pure Play)	214.817	111.487	11,08%	4,98%	1,84%	2,54%	1,84%	4,74%	4,00%	22,93%	4,10	0,52	**60,32**	✓
4. MPI Corporation Represents the emerging technological competition from Taiwan, particularly in the advanced	TW	Probe Cards & LED Test	2.571.218	292.840	29,85%	24,41%	19,18%	27%	16%	2%	1%	25%	9,29	0,70	**53,11**	✓
5. Chunghwa Precision Test Tech Specializes in semiconductor testing interface solutions, including Probe Cards and Load Boards	TW	Probe Cards (Mobile/HPC)	852.178	103.776	26,12%	13,56%	5,44%	7%	6%	5%	4%	0%	17,42	0,41	**78,62**	✓
CLUSTER B																
6. CICOR TECHNOLOGIES-REG Swiss manufacturer of printed circuit boards (PCBs) and provider of electronic manufacturing services	CH	Electronic Mfg (EMS)	271.933	504.882	12,03%	7,92%	12,90%	19,14%	7,00%	1,80%	0,88%	86,57%	2,41	1,24	40,10	✗
7. INFICON HOLDING AG-REG Vacuum Instrumentation Specialist. A critical component supplier for semiconductor fabs	CH	Vacuum Instrumentation	2.704.409	620.400	23,16%	20,27%	27,04%	31,23%	21,53%	2,76%	1,55%	11,59%	15,41	1,28	40,97	✗
8. BE SEMICONDUCTOR INDUSTRIE Operates in the "Back-End" (packaging/assembly) stage	NL	Packaging Equipment (Assembly)	10.492.996	607.473	36,91%	32,20%	21,54%	39,45%	17,08%	5,98%	5,15%	108,67%	11,06	0,57	42,63	✗
9. AIXTRON SE The leader in equipment for optical and power chips.	DE	Compound Semi (GaN/SiC)	1.714.866	633.159	22,73%	20,49%	13,19%	13,08%	10,38%	4,12%	1,38%	0,64%	8,35	0,62	60,74	✓
10. SILTRONIC AG Silicon Wafer Manufacturer. Produces the raw silicon wafers used by chipmakers.	DE	Silicon Wafers (Raw Material)	1.395.000	1.412.800	25,75%	8,88%	3,17%	3,22%	1,31%	2,10%	1,43%	70,91%	1,02	0,29	52,87	✓
11. ASM INTERNATIONAL NV Front-End Technology Leader	NL	Wafer Processing (ALD)	27.298.420	2.932.724	34,03%	27,35%	17,04%	19,67%	14,61%	2,01%	1,43%	0,94%	14,72	0,62	52,53	✓
12. ASML HOLDING NV Global leader in photolithography systems essential for manufacturing complex integrated	NL	Lithography (EUV Monopoly)	266.921.660	28.262.900	35,17%	31,92%	38,93%	47,43%	17,10%	1,53%	0,86%	25,74%	7,50	0,64	28,14	✗