

Analysers

20 July 2023

Buy

Recommendation unchanged

Share price: EUR 2.95

closing price as of 19/07/2023

Target price: EUR 5.20

Target Price unchanged

Upside/Downside Potential 76.3%

Reuters/Bloomberg

DMG.M/DM IM

Market capitalisation (EURm) 32

Current N° of shares (m) 11

Free float 37%

Daily avg. no. trad. sh. 12 mth (k) 5

Daily avg. trad. vol. 12 mth (k) 1.79

Price high/low 12 months 3.64 / 2.90

Abs Perfs 1/3/12 mths (%) -3.59/-5.75/-13.24

Estimated NAV breakdown (EURm)

NAV unlisted companies 52.2 91%

Consultancy business 5.5 10%

Write Offs -3.2 -6%

Net Financial position 3.0 5%

Total Net Asset Value 57.5 100%

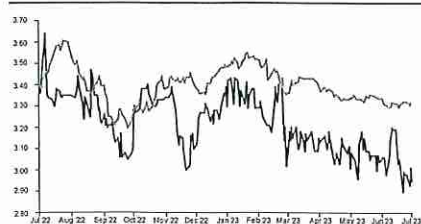
NAVPS (EUR) 5.226

Share price*: EUR 2.95

Discount/(Premium) to NAV 0.0%

Shareholders

StarTIP 23%; Innogest 6%;



Source: FactSet

DIGITAL MAGICS FTSE AIM Italia (Rebased)

Analyst(s)

Andrea Devita, CFA

andrea.devita@bancaakros.it

+39 02 4344 4031

Gian Marco Gadini

gianmarco.gadini@bancaakros.it

+39 02 4344 4236

New acceleration program in partnership with Tinexta

The facts: DM and Tinexta announced a 50/50 JV to invest EUR 5m in digital start-ups in the next 5 years.

Our analysis: Tinexta is an Italian company, listed in the STAR segment of the Milan stock exchange, operating in the Digital Trust, Cyber Security and Business Innovation areas. According to the PR, the JV will invest in early stage, seed stage and follow-rounds in digital companies, including those working on AI solutions, operating in sectors related to the target markets of Tinexta according to a logic of "business innovation". The target companies will be mainly those in whose capital DM is already present, along with others in which DM and Tinexta will first time jointly invest.

The program will involve a total of 10 companies with an average ticket of EUR 250K plus potential follow-ons, for a total of EUR 5m in a 5-year investment cycle, while the JV will have a duration of 10 years. Tinexta

Tinexta will provide the funding for the initiative through Financial Participative Instruments (SFP), while the deal flow of the JV will be managed by DM through an advisory contract.

This set-up is similar to other initiatives adopted by DM and its partners such as Apside with Intesa San Paolo. The funding structure allows DM to help its portfolio companies continue their growth trajectories with new finance and industrial support from specialized operators.

Conclusion & Action: Positive implications, this agreement provide a good boost to the EUR 10.5m planned investment by the company on a stand-alone basis in the next 5 years.