

Digital Magics

Sponsored Research

Italy | Financial Services Holdings



Analysar

27 February 2024

Buy

Recommendation unchanged

Share price: EUR 2.15

closing price as of 26/02/2024

Target price: EUR 4.20

Target Price unchanged

Upside/Downside Potential 95.3%

Reuters/Bloomberg

DMG.MI/DM IM

Market capitalisation (EURm)

Current N° of shares (m)

Free float 37%

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

Daily avg. trad. vol. 12 mth (k) 18.74

Price high/low 12 months 3.41 / 2.02

Abs Perfs 1/3/12 mths (%) -7.33/-6.93/-33.85

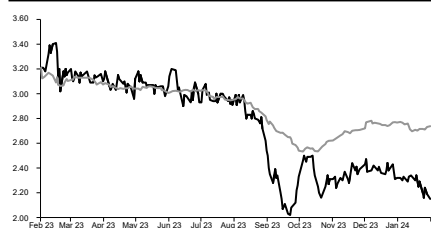
Total Net Asset Value 0.0 0%

NAVPS (EUR) nm

Share price*: EUR 2.15

Shareholders

StarTIP 23%; Innogest 6%;



Source: FactSet

DIGITAL MAGICS FTSE AIM Italia (Rebased)

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Publication of FY 23 preliminary results

The facts: DM published yesterday its preliminary FY 23 results.

Our analysis: we summarize the main items of the publication.

EUR thousand	FY 2022	H1 23	FY 2023
Revenues	4,433	2,528	4,800/5,300
Value of Production	1,187	161	1,200/1,300
Labour cost	-1,776	-1,465	-4,900/-4,400
EBITDA	0	0	-300/-200
EBIT	160	37	-950/-800
Write downs	-512	-369	-1,750/-1,550
Net Income	-1,187	-1,713	-5,500/-5,100
Net debt (cash)	-3,041	-2,060	-1,813

Source: Company data

Revenues and EBITDA are not crucial in this business.

No details were provided on the investment portfolio. However, we note significant write downs (>EUR 4.4m, compared with 1.78m in FY 22) ahead of the planned merger with LVenture.

The press release jointly published by DM and LVenture also reported FY 24 guidance with revenues of EUR 11.5/12.7m, EBITDA of EUR 1.32/1.90m and net debt of EUR 4.2/5.1m.

The companies highlighted that CONSOB's authorisation process is underway and remains the last suspension condition to be fulfilled. The end of the process is expected by the first half of March 2023 and the signing of the merger ought to take place on 1 April 2024.

Conclusion & Action: the merger process is going on as planned.