



 EQUITA

**ECOMEMBRANE S.P.A.**  
Initiation of Coverage





# ECOMEMBRANE

Initiation of Coverage

**BUY** ord. (Prev.: n.a)

Target: **€ 12.00** (Prev.: n.a)

Risk: High

STOCKDATA	ORD
Price (as of 15 Jun 2023)	8.3
Bloomberg Code	ECMB IM
Market Cap (€ mn)	36
Free Float	41%
Shares Out (mn)	4.3
52 week Range	-
Daily Volume	1,800

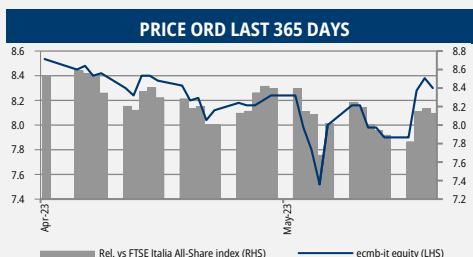
Performance (%)	1M	3M	1Y
Absolute	-0.2	na	na
Rel to FTSE Italia All-Share	-1.9	na	na

MAIN METRICS	2022	2023E	2024E
SALES Adj	14.2	19.5	27.9
EBITDA Adj	3.2	3.8	5.6
EBIT Adj	2.5	2.7	4.3
NET INCOME Adj	1.8	1.9	2.9
EPS Adj - €c	n.m.	43.1	68.3
DPS Ord - €c	n.m.	17.2	27.3

MULTIPLES	2022	2023E	2024E
P/E ord Adj	n.a.	19.3x	12.2x
EV/EBITDA Adj	n.a.	7.2x	4.7x
EV/EBIT Adj	n.a.	9.8x	6.2x

REMUNERATION	2022	2023E	2024E
Div. Yield ord (A)	n.a.	2.1%	3.3%
FCF Yield Adj	n.a.	10.0%	9.8%

INDEBTEDNESS	2022	2023E	2024E
NFP Adj	-1.0	9.2	10.4
D/Ebitda Adj	0.3x	n.m.	n.m.



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## ENABLING THE CLEAN GAS REVOLUTION

*Ecomembrane is a specialized producer of PVC-coated membrane covers which is a critical component for gasholders, biogas plants, digesters and odor control systems as well as other applications. We forecast the group to be able to post a +35% cagr in both Ebitda and Net Income through 2025 by taking benefits of the strong underlying market conditions in the clean gas sector, driven by stringent regulatory requirements and the penetration of new technologies (CO2 capture/batteries and Hydrogen). With a good visibility of 2023 results (+17% growth in Ebitda) and a rich portfolio of special projects in the CO2 battery storage for 2024-25 (€6-7mn sales), we believe Ecomembrane may enjoy a strong profitability growth in the next years.*

*We are initiating the coverage with a BUY recommendation and a target price of €12ps, which offers an upside of +43% on current prices and which implies a 2024E implied multiple of 17.6x PE and 7.4x EV/EBITDA. Ecomembrane is trading at an attractive valuation of 12.2x PE and 4.7x EV/EBITDA, with a solid net cash position of €9.2mn at the end of 2023E which we believe may allow the group to additionally boost growth through selected acquisitions, in the coming months.*

### ■ A key enabler of the clean gas revolution

Ecomembrane is a specialized producer of PVC-coated membrane covers and technical systems, used in the fields of gasholders, biogas plants, digesters and odor control systems as well as in the upcoming future applications of the Co2 storage/capture and the Hydrogen industry. After having expanded its market presence in the last decade, with a 3.1x sales growth since 2011 and a more recent +30% Cagr in the period 2019-22, Ecomembrane is facing the new opportunity of the energy market transformation. **The underlying clean gas market, in fact, is expected to expand significantly in the next years, thanks to the international net-zero/environmental policies, the replacement cycle of old assets, the penetration of new technologies and the market concentration** (as indicated by the European Biogas Association and US DOE departments, the EU Biogas/Biomethan market is forecasted at 1.9x-2.4x rate through 2030; the US Renewables Natural Gas – RNG - markets at 2.4x through 2030; the CO2/CCS/storage at >10x through 2030/2050). **In this contest, Ecomembrane produces a “key strategic” component** (from 7%-10% of the capex costs of biogas/biomethan projects), **for which the company is able to provide “tailor-made” premium quality solutions**

### ■ We initiate with a BUY rating and a €12ps target price

**We are initiating the coverage of Ecomembrane with a BUY recommendation and a target of €12.0ps which offers an upside of 43% on current prices and which implies a valuation of 17.6x PE and 7.4x EV/EBITDA as measured in 2024.**

We believe that:

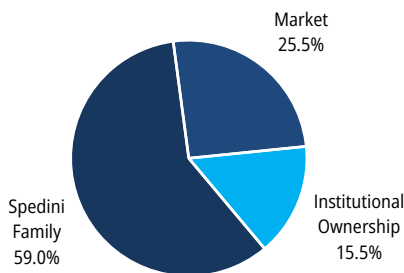
- The underlying industry of “Clean gas” is rapidly expanding** on the back of the energy transformation process and on the path towards the net-zero targets as sustained by both EU and US policies. This will offer sizeable opportunities of growth in the next decade;
- Ecomembrane will take benefit from a consolidated presence in a high growth market in coming years.** With a recently upgraded and expanded production capacity, a solid cash position post IPO, a high degree of visibility on 2023E Sales and a series of new market opportunities in the fields of CO2 Storage and the new biogas technologies, **we expect the group to achieve a +35% cagr of both Ebitda and Net Income through 2025** with a reasonable degree of visibility and a solid balance sheet (€9mn net cash at YE23 ex M&A) which may allow for additional opportunities through external acquisitions;
- Valuation appears attractive at 12.2x PE and 4.7x EV/EBITDA as measured on 2024** (at significant discount vs avg. EU capital goods), with a strong cash position and a high expected growth rate (+35% cagr Ebitda and Net Income).

<b>MAIN FIGURES - EURmn</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
SALES	10.5	11.7	14.2	19.5	27.9	37.0
Growth	n.a.	11.5%	21.3%	37.2%	42.8%	32.6%
EBITDA Adj	1.5	2.4	3.2	3.8	5.6	7.9
Growth	n.a.	60.1%	33.9%	16.6%	48.5%	41.4%
EBIT Adj	1.2	1.9	2.5	2.7	4.3	6.4
Growth	n.a.	58.8%	33.3%	8.5%	55.2%	49.4%
PBT Adj	1.1	1.8	2.5	2.6	4.2	6.3
Growth	n.a.	61.9%	38.2%	3.9%	58.5%	50.7%
Net Income Adj	0.8	1.5	1.8	1.9	2.9	4.4
Growth	n.a.	74.9%	20.9%	5.2%	58.5%	50.7%
<b>MARGIN - %</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
EBITDA Adj Margin	14.3%	20.5%	22.6%	19.2%	20.0%	21.3%
Ebit Adj margin	11.4%	16.2%	17.8%	14.1%	15.3%	17.2%
Pbt Adj margin	10.8%	15.7%	17.9%	13.5%	15.0%	17.1%
Net Income Adj margin	7.9%	12.4%	12.4%	9.5%	10.5%	12.0%
<b>SHARE DATA</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
EPS Adj	n.m.	n.m.	n.m.	43.1	68.3	103
Growth	n.m.	n.m.	n.m.	-26.5%	58.5%	50.7%
DPS ord(A)	n.m.	n.m.	n.m.	17.2	27.3	27.3
BVPS	n.m.	n.m.	n.m.	3.5	4.0	4.7
<b>VARIOUS</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Capital Employed	4.3	4.5	4.2	6.2	7.7	9.0
FCF	n.a.	2.8	-0.1	3.6	3.5	5.1
CAPEX	n.a.	0.5	2.5	1.8	0.8	0.8
Working capital	1.4	1.4	1.9	2.8	4.3	5.8
Trading Working capital	2.5	3.2	3.6	5.2	7.7	10.2
<b>INDEBTNESS</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Nfp Adj	-1.2	-0.9	-1.0	9.2	10.4	12.7
D/E Adj	0.43	0.28	0.38	n.m.	n.m.	n.m.
Debt / EBITDA Adj	0.8x	0.4x	0.3x	n.m.	n.m.	n.m.
Interest Coverage	25.9x	42.2x	n.m.	37.6x	79.7x	158x
<b>MARKET RATIOS</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
P/E Ord Adj	n.a.	n.a.	n.a.	19.3x	12.2x	8.1x
PBV	n.a.	n.a.	n.a.	2.4x	2.1x	1.8x
<b>EV FIGURES</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
EV/Sales	n.a.	n.a.	n.a.	1.4x	0.9x	0.7x
EV/EBITDA Adj	n.a.	n.a.	n.a.	7.2x	4.7x	3.1x
EV/EBIT Adj	n.a.	n.a.	n.a.	9.8x	6.2x	3.8x
EV/CE	n.a.	n.a.	n.a.	4.3x	3.4x	2.7x
<b>REMUNERATION</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
Div. Yield ord	n.a.	n.a.	n.a.	2.1%	3.3%	3.3%
FCF Yield Adj	n.a.	n.a.	n.a.	10.0%	9.8%	14.2%
Roce Adj	n.a.	31.5%	42.3%	38.1%	44.4%	55.6%

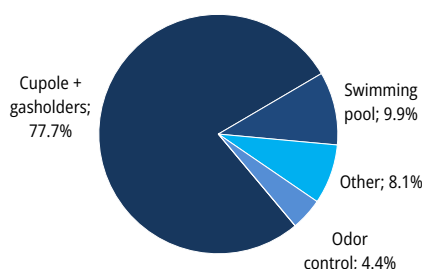
Source: Company data and Equita SIM estimates



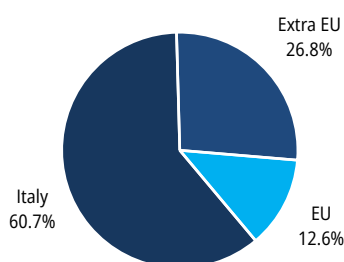
**SHAREHOLDERS**



**SALES SPLIT**



**GEOGRAPHIES (SALES)**



**BUSINESS DESCRIPTION**

Ecomembrane is a specialized producer of PVC-coated membrane covers and technical systems, used in the fields of gasholders, biogas plants, digesters and odor control systems as well as in the upcoming future applications of the Co2 storage/capture and the Hydrogen industry. After having expanded its market presence in the last decade, with a 3.1x sales growth since 2011 and a more recent +30% Cagr in the period 2019-22, Ecomembrane is facing the new opportunity of the energy market transformation.

■ **Market drivers**

The underlying clean gas market, in fact, is expected to expand significantly in the next years, thanks to the international net-zero/environmental policies, the replacement cycle of old assets, the penetration of new technologies and the market concentration (as indicated by the European Biogas Association and US DOE departments, the EU Biogas/Biomethan market is forecasted at 1.9x-2.4x rate through 2030; the US Renewables Natural Gas – RNG – markets at 2.4x through 2030; the CO2/CCS/storage at >10x through 2030/2050). In this contest, Ecomembrane produces a “key strategic” component (from 7%-10% of the capex costs of biogas/biomethan projects), for which the company is able to provide “tailor-made” premium quality solutions

**STRENGTHS / OPPORTUNITIES**

- **Consolidated historical presence** in the clean biogas market with **International presence** and production facilities both in Europe and US.
- **Full control of the value chain.**
- **Wide range of products:** gasholders, odour control, swimming pools, Co2, hydrogen
- **Relevant technological footprint,** with continued development of new products.
- **High profitability and very strong balance sheet.**
- **Resiliency of business model** proved also through the COVID-19 years.
- **Recently upgraded capacity** available from the 2h of 2023
- **Short route to market, and constant price revision** protects against inflation
- **The regulatory requirements** on both Energy transition and circular economy (EUGreen Deal), as well as the needs to increase security of supply and energy independence (Repower Eu)
- **Rapidly consolidating market,** with “Funds”, “Utilities” and “Specialized operators” opening up to a higher share of wallet and services.
- **Refurbishment cycle,** in the next 2-3 years.
- **New technology requirements** in the fields of Carbon Capture, Battery storage and Hydrogen.
- **M&A opportunities** to consolidate presence.
- **Investment in production capacity** expansion and efficiency will help to boost profitability.
- **Potential interest from bigger groups** may rise speculative appeal on the group in the coming years

**WEAKNESSES /THREATS**

- **Limited size** in a highly fragmented market.
- **Significant expansion capacity investments realized in 2022 will require an ad-hoc set up** of the new facilities in the coming months.
- **Business model remains linked to Government/regulatory push** for investments in alternative energy sources.
- **Eventual regulatory intervention** to reduce incentives measure to the industry may dilute growth opportunities.
- **Consolidation of the client base in the sector may lead to higher competition** on contracts and tenders for biogas plant construction.
- **Authorization issue on client’s projects,** may dilute growth opportunities in the coming years.
- **Logistics issue and raw material unavailability** may potentially delay projects execution
- **Rapid growth in coming years will require personnel expansion and phase up of plant and persons**
- **Business model will have to be tested** for the significant expected increase of dimension (profitability).

## INVESTMENT CASE

**Founded in 2000 as a spin-off of the “Agrisilos-Piscine Laghetto” group and managed by the 3rd generation of family engineers, Ecomembrane is an industrial company, within the capital goods segment, producing critical components for the clean-gas arena (Biogas, Methane, Co2 & Hydrogen).**

More in details, **Ecomembrane is a specialized producer of PVC-coated membrane covers and technical systems, used in the fields of gasholders, biogas plants, digesters and odor control systems as well as in the upcoming future applications of the CO2 storage/capture and the Hydrogen industry.**

### ECOMEMBRANE PRODUCT EXAMPLE



Source: Company information

### LAST 3 YEARS PERFORMANCE DATA

PROFIT & LOSS	2020	2021	2022*
Revenues - €mn	10.6	12.0	14.8
Ebitda Adjusted - €mn	1.5	2.4	3.2
Ebitda Adj. Margin - %	14.2%	20.0%	21.8%
Net Income Adjusted - €mn	0.8	1.5	1.8
Net Debt - €Mn	-1.2	-0.9	-1.0
BALANCE SHEET	2020	2021	2022*
Tangibles & Intangibles - €mn	2.9	3.1	2.3
Working Capital - €mn	1.4	1.4	1.9
Shareholder'S Equity - €mn	2.8	3.3	2.8
Net Debt - €mn	1.2	0.9	1.0
CASH FLOW	2020	2021	2022*
Capex - €mn	0.5	0.5	2.5
Working Capital - €mn	0.3	1.0	0.5
INDEBTEDNESS	2020	2021	2022*
Net Debt - €mn	-1.2	-0.9	-1.0
D/Ebitda	0.8 x	0.4 x	0.3 x

Source: Equita SIM on company data Note: \* PF post real estate disposal

We believe that, thanks to...:

- **a consolidated historical presence in the industry**, with a very well known brand at international level (also as previous EPC operator in the field of biogas plant);
- **a strong technological foot-print** (with several patents associated to the productions activities);
- **an already consolidated presence at international level** (with production facilities both in Italy and US);
- **a full control of the value chain**, with presence across the whole spectrum of activities from the engineering/projecting phase (with the possibility to develop tailor made solutions) up to the post-sales services;
- **a wide range of addressable markets** including Agricultural, Industrial Waste-Water Treatment Plants (WWTPs), Organic waste treatment, Landfills, Methane, Co2, Hydrogen, Swimming pool, Odor systems and other;
- **a strong balance sheet**, which opens up the possibility for external growth opportunities;
- **a recently expanded production capacity**, to manage upcoming larger orders from the new markets (CCS and Hydrogen) and a consolidating demand.

**...Ecomembrane has an attractive profile**, which will allow the group to capture the expected significant ongoing market expansion driven by the EU regulatory requirement towards the net zero targets (including security of supply and diversification of energy sources).

## ECOMEMBRANE PRODUCTS



Source: Company information

### ■ Main market references and Ecomembrane position

After having expanded its market presence in the last decade, with a 3.1x sales growth since 2011 and a more recent +30% Cagr in the period 2019-2022 (with >1,100 plants installed through the world), Ecomembrane is facing the new opportunity of the energy market transformation.

As we will better describe in the note:

- **the regulatory requirements** (including the EU green deal, the most recent RepowerEU as well as the Inflation Reduction Act - IRA - in US) **coupled with the increasing needs to ensure security of supply and diversification of energy sources;**
- **the ramp up of new technologies (CO2 and Hydrogen storage)**
- **the increasing penetration of the circular economy concepts (recycling/reuse)**
- **the expected replacement cycle from the first useful life termination**

are pushing ahead ambitious targets in terms of installed capacity for both the whole clean gas industry. More in details:

- **The EU BIOGAS/BIOMETHAN MARKET is expected to increase production from 18.4bcm at the end of 2021 to roughly 35-45bcm through 2030 (1.9x – 2.4x growth factor)** as indicated by the European Biogas Association (EBA). The growth potential may reach up to 95-167 bcm in 2050 (or 5.2x-9.1x growth factor)
- **The US BIOGAS MARKET is expected to drive demand for Renewables Natural Gas (RNG) at a growth factor of 2.4x through 2030** compared to 2021 levels, supported by incentives policies and corporate strategies<sup>1</sup>
- **The CO2 capture (CCS) market is expected to achieve a >10x growth rate through 2030/2050**<sup>2</sup>
- **The HYDROGEN market is expected to develop at a rate of 2.5x through 2030 (vs 2020)** and with a 6% cagr through 2050<sup>2</sup>

**Within this market contest, Ecomembrane is a very well positioned player, with high quality and mission critical products, which are essential in the value chain of the clean gas industry.**

In the following table we report a summary of the main characteristics of Ecomembrane's solution as well as the reference markets, the geographical presence and the main pillars of the group's strategy.

<sup>1</sup> Source: American Biogas Council

<sup>2</sup> Source: Maire Technimont - latest 2023 strategy presentation

**MISSION CRITICAL**

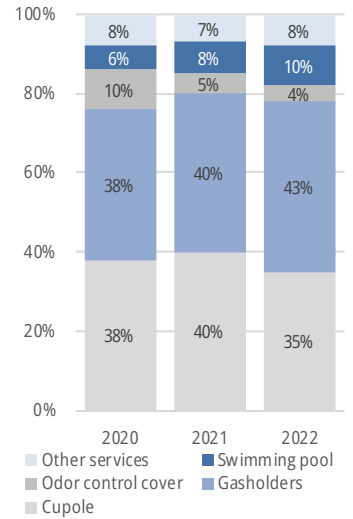
Our products are central elements in the construction of biogas/biomethane plants and gaseous storage systems  
**- Italian first mover in the industry, with more than 20 years of experience -**

 <b>HIGH QUALITY</b> Every product component has been designed with the <b>best materials</b> available, to ensure <b>high performance standards</b> for <b>many years of use</b>	 <b>ORIGINALITY</b> Ecomembrane product designs and methods of manufacture are protected by <b>national and international patents</b>
 <b>ON DEMAND PRODUCTS</b> All Ecomembrane's products can be manufactured and <b>customized to specific sizes</b> , storage capacities, shapes and colours specified by the client	 <b>LOW MAINTENANCE</b> Ecomembrane products are designed and installed with the goal of <b>minimizing maintenance costs</b> over the life span of the product
 <b>HIGH WORKING PRESSURE</b> In-house designed <b>pressure control valves</b> and use of high quality materials allow Ecomembrane's gasholders to operate at working pressures higher than those competitors can reach	 <b>PARTNERSHIP WITH CLIENTS</b> Key values are <b>partnership with clients and trustworthiness</b> . Ecomembrane focuses on each project's unique requirements and actively consults with clients from the design stage to installation and post-sale
 <b>WORLD RECORD STORAGE</b> Ecomembrane's <b>knowledge and experience</b> has enabled to manufacture and install the <b>world's biggest membrane gasholders</b> which are ideal for clients who require large gas storage facilities	 <b>RECOGNIZED BRAND</b> Ecomembrane brand relies on <b>international recognition</b> in the reference market segment

All of the above distinctive characteristics have grown Ecomembrane to become the **leading player** in a niche sector, able to maintain **high margins** for a critical component that represents only **5-8%<sup>(1)</sup>** of the total cost of a plant

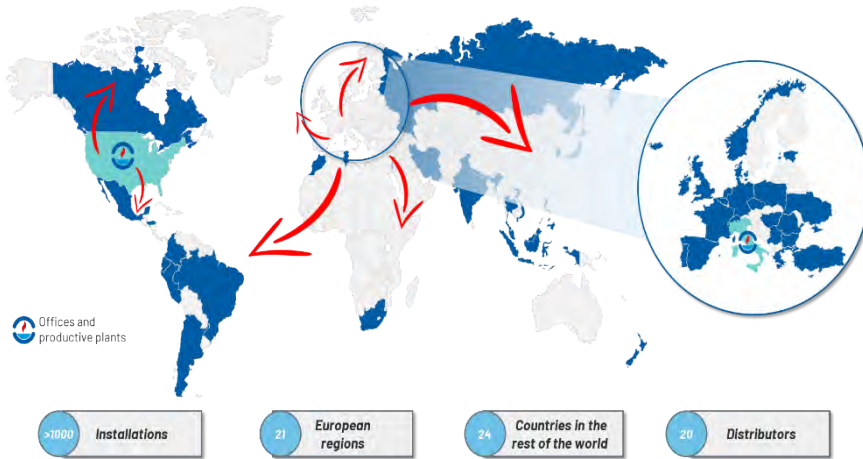
Source: Company information

**END MARKET REVENUES SPLIT**



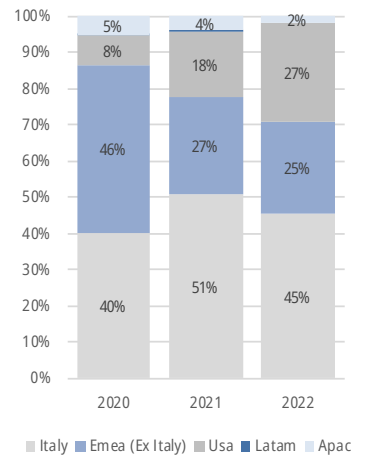
Source: Company information

**GLOBAL FOOTPRINT**



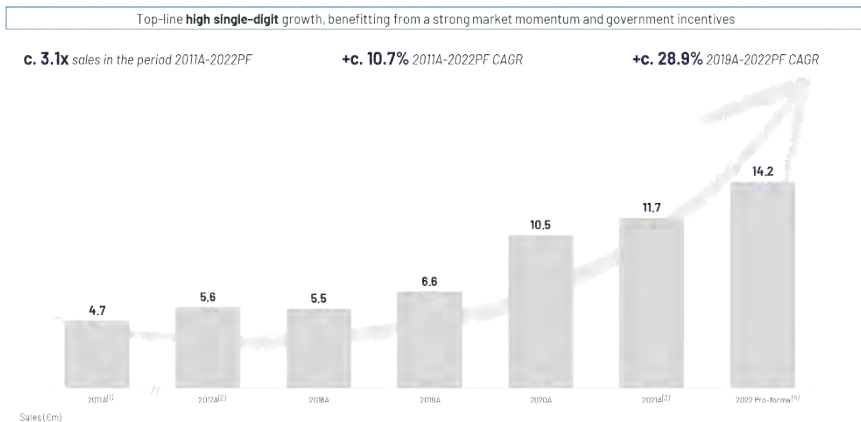
Source: Company information

**GEOGRAPHICAL REVENUES SPLIT**



Source: Company information

**HISTORICAL TRACK RECORD**



Notes (1) Figures referred to Ecomembrane Srl (2) Consolidated, but not audited figures, from 2017 to 2020 (3) Consolidated and audited figures (4) consolidated and audited Pro-Forma figures Source: Company information

**MAIN STRATEGIC GOALS**

- Increase marketing efforts to improve brand recognition in the reference markets
- Increase sales and marketing force in US and North Europe
- M&A growth to consolidate market presence
- Further vertical integration through internalization of production steps
- Focus on cost efficiency, economies of scale and operating leverage
- Investment in new facilities/machinery to improve productivity
- Expand presence in new markets (CCS and Hydrogen)

Source: Company information

## ■ Expected growth rate

In light of the good underlying conditions of the clean gas market as well as the strong position of Ecomembrane in the reference space, we expect the group to be able to deliver through 2025:

1. A cagr of Sales and Ebitda and Net income in the region of 35%;
2. The penetration in new markets (CO2 battery storage);
3. A strong balance sheet with a cash position eventually to be used for additional M&A opportunities

In the following table we report our P&L and BS forecasts through 2025

PROFIT & LOSS	2020	2021	2022	2022PF	2023 E	2024 E	2025 E	CAGR
<b>Revenues - €mn</b>	<b>10.6</b>	<b>12.0</b>	<b>14.8</b>	<b>14.8</b>	<b>19.9</b>	<b>28.2</b>	<b>37.3</b>	<b>36%</b>
Growth	59%	14%	23%	23%	35%	42%	32%	-
<b>Gross Profit - €mn</b>	<b>5.1</b>	<b>7.2</b>	<b>8.5</b>	<b>8.7</b>	<b>10.9</b>	<b>14.3</b>	<b>18.3</b>	<b>28%</b>
Growth	-	41%	18%	20%	26%	31%	28%	-
<b>Ebitda - €mn</b>	<b>1.5</b>	<b>2.4</b>	<b>3.3</b>	<b>3.2</b>	<b>3.8</b>	<b>5.6</b>	<b>7.9</b>	<b>35%</b>
Growth	-	60%	39%	34%	17%	49%	41%	-
<b>Ebit - € mn</b>	<b>1.2</b>	<b>1.9</b>	<b>2.6</b>	<b>2.5</b>	<b>2.7</b>	<b>4.3</b>	<b>6.4</b>	<b>36%</b>
Growth	-	59%	38%	33%	8%	55%	49%	-
<b>Pbt - €mn</b>	<b>1.1</b>	<b>1.8</b>	<b>2.6</b>	<b>2.5</b>	<b>2.6</b>	<b>4.2</b>	<b>6.3</b>	<b>35%</b>
Growth	-	62%	41%	38%	4%	58%	51%	-
<b>Net Income - €mn</b>	<b>0.8</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>2.9</b>	<b>4.4</b>	<b>36%</b>
Growth	-	75%	25%	21%	5%	58%	51%	-
MARGINS	2020	2021	2022	2022PF	2023 E	2024 E	2025 E	CAGR
Gross profit margin	48%	60%	58%	59%	55%	51%	49%	-
Ebitda margin	14%	20%	23%	22%	19%	20%	21%	-
Ebit margin	11%	16%	18%	17%	14%	15%	17%	-
Pbt margin	11%	15%	18%	17%	13%	15%	17%	-
Ni margin	8%	12%	12%	12%	9%	10%	12%	-
DEBT & CASH FLOW	2020	2021	2022	2022PF	2023 E	2024 E	2025 E	CAGR
<b>Net debt - €mn</b>	<b>-1.2</b>	<b>-0.9</b>	<b>-2.4</b>	<b>-1.0</b>	<b>9.2</b>	<b>10.4</b>	<b>12.7</b>	-
D/Ebitda	0.8 x	0.4 x	0.7 x	0.3 x	cash	cash	cash	-
Shareholder's equity - €mn	2.76	3.28	4.32	2.76	14.90	17.10	20.34	-
Tangible / Intangible Capex	0.50	0.53	2.53	2.53	1.80	0.80	0.80	-
Working capital - €mn	1.37	1.37	1.98	1.89	2.82	4.32	5.76	-
REVENUES SPLIT - SEGMENT	2020	2021	2022	2022PF	2023 E	2024 E	2025 E	CAGR
Cupole & Gasholders - €mn	8.0	9.3	11.1	11.1	15.7	20.7	25.9	<b>33%</b>
Odor control - €mn	1.1	0.6	0.6	0.6	0.7	0.8	0.8	<b>10%</b>
Co2 - €mn	0.0	0.0	0.0	0.0	0.6	3.0	6.2	<b>nm</b>
Hydrogen - €mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>nm</b>
Swimming pool - €mn	0.7	1.0	1.4	1.4	0.8	0.9	1.0	<b>-10%</b>
Other services - €mn	0.8	0.8	1.1	1.1	1.8	2.5	3.0	<b>38%</b>

Source: Company data and Equita SIM Estimates

The above estimates are calculated taking into considerations:

- **the good visibility in terms of order backlog** with more than 600 offers already placed at the time of the IPO (usual success rate of 40%) with a total value of the contracts at 2x vs 2022. We estimate that, on the base of the actual sales, the offer presented and the pipeline of projects, **Ecomembrane may have reached a very high visibility on the 2023 expected Revenues;**
- the underlying expected growth rate of the clean-gas industry at European level;
- the expected replacement cycle on 30% of the outstanding assets already installed by Ecomembrane;
- **the progressive expansion of the service business** in light of the increasing size of projects and the market concentration process from specialized clean gas operators;
- **the already available new projects in the field of CO2 capture/storage;**
- **the economies of scale from the already finalized capacity increase** (3.1x factor vs 2022) implemented in the past months and expected to go at regime from 2H2023;
- **the new automatization process from the new factory;**



- **the internalization of part of the production** (ie. steel products for plant structures), with consequent reduction of third parties services;
- **the low level of interest charges** considering the strong cash position post capital increase;
- **the contribution of the €11mn capital increase from the IPO process;**
- **a dividend payout ratio in the region of 40%** of the ordinary net income;

We believe the above estimates has a reasonable degree of visibility also considering that numbers doesn't include:

- Potential benefits from M&A deals using the proceeds of the IPO (we estimate Ecomembrane to have a €15-20mn potential to keep industry 0.9-1.1x D/Ebitda ratio).
- The potential additional development of the Hydrogen business which may instead ramp up in the next years (post 2025-2026) and for which Ecomembrane recently gained an additional patent and have started first marketing to clients

### ■ Shareholding structure

Upon completion of the IPO process, and factoring in both the €11mn capital increase and the secondary offer and green shoe, Ecomembrane is 59% controlled by the Spedini Family, with Lorenzo Spedini (Founder and CEO) at 50.4% stake and Luigi Spedini (co-founder) at 8.6% control. The IPO process enabled two additional reference shareholders to join among the institutional investors, with Eiffel Investment Group at 9.9% of the capital and Eltifplus (Credem) at 5.6% control.

A summary of the shareholder's base post IPO is provided in the following table.

SHAREHOLDER'S BASE		
	SHARES	STAKE
Lorenzo Spedini	2.164.706	50.4%
Luigi Spedini	370.611	8.6%
Eiffel Investment Group	424.200	9.9%
Eltifplus (Credem Private Equity SGR SPA)	240.000	5.6%
Mercato	1.094.600	25.5%
<b>Totale</b>	<b>4.294.117</b>	<b>100.0%</b>

Source: Company web site – investor section

### ■ Recent newsflow post IPO

**Some additional newsflow have emerged since the IPO process, which we believe attributes some more visibility to the investment case:**

1. **Ecomembrane has achieved a new patent in the Hydrogen segment.** The group has in fact realized a prototype for the low pressure storage of the gas which is suitable for hydrogen gasometer applications. The patent doesn't refer to a single component but to a wide range of solutions used for the hydrogen storage applications. Ecomembrane has already started to attend exhibitions and the response is proving to be positive, with first clients already presenting some requests/offers. The company is expecting to achieve first orders by the end of the year and to be able to achieve first revenues contributions already in 2024. We are currently not including Hydrogen contributions in our profit expectations which may represent an upside to profit expectations going forward.
2. **Regulation is moving ahead,** with the first tender of the NRRP program (National Recovery and Resiliency Plan) dedicated to Biomethan expected to be published the 29<sup>th</sup> of June. We expect **only part of the €1.9bn NRRP funds for biomethan to be awarded in this tender, with Ecomembrane potentially having a 20%-30% market share and a quota of the awarded capex for each project, which usually reaches some 7%-10% of the total.** This should provide additional visibility to both 2023 and 2024 expected development. Furthermore, the energy regulator (ARERA) has recently approved the attribution of a mandate to Snam Rete Gas to coordinate and improve the aggregation and connection of biogas plants, with the aim to facilitate expansion of the sector under the NRRP plan provisions

3. **Steel component production has been internalized**, with Ecomembrane now self producing part of its steel requirement in the new internal production unit, as part of the strategy target to reduce third parties services and to increase overall profitability.
4. **Discussion for a potential M&A deal in US are in advanced stage**. As reported by “Milano Finanza” at the beginning of June (with some declaration of the CEO), Ecomembrane is looking to close an acquisition in US by the end of 2023 (potential \$3mn sales as indicated at the time of the IPO)

**Finally, while at the time of the IPO, Ecomembrane indicated a 30%-40% coverage of expected 2023 sales, we believe that, considering actual sales, presented offers and pipeline of projects, the visibility on 2023 figures is very high.**

■ **SWOT Analysis**

In the following table we report the SWOT analysis for the group.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- <b>Consolidated historical presence</b> in the clean biogas market with premium products and technologies allowing for tailor made solutions.</li> <li>- <b>International presence</b> with production facilities both in Europe and US.</li> <li>- <b>Full control of the value chain</b>, from projecting/scouting to advisory and post sale.</li> <li>- <b>Wide range of products</b>: gasholders, odour control, swimming pools, Co2, hydrogen</li> <li>- <b>Strong knowledge of the industry</b> with 20 year presence and wide network of distributors, agents and direct sales manager.</li> <li>- <b>Relevant technological footprint</b>, with continued development of new product, solution and services which makes Ecomembrane a tur-key operator and a one-stop shop for consolidated EPC players</li> <li>- <b>High profitability and very strong balance sheet.</b></li> <li>- <b>Resiliency of business model</b> proved also through the COVID-19 years and the most recent inflationary period.</li> <li>- <b>Strong management team</b> with consolidated experience in the sector</li> <li>- <b>Recently upgraded capacity</b> production with major investments already finalized and available from the 2h of 2023</li> <li>- <b>Visibility on order book for 2023</b></li> <li>- <b>Short route to market, and constant price revision</b> protects against inflation</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Limited size</b> in a highly fragmented market.</li> <li>- <b>Significant expansion capacity investments realized in 2022 will require an ad-hoc set up</b> of the new facilities in the coming months.</li> <li>- <b>Business model remains linked to Government/regulatory push</b> for investments in alternative energy sources.</li> <li>-</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- <b>The regulatory requirements</b> on both Energy transition and circular economy (EUGreen Deal), as well as the needs to increase security of supply and energy independence (Repower Eu) will drive relevant market growth in the clean gas markets in the next decade.</li> <li>- <b>Rapidly consolidating market</b>, with “Funds”, “Utilities” and “Specialized operators” increasing portfolio dimension, thus opening up to a higher share of wallet and services penetration.</li> <li>- <b>Refurbishment cycle</b>, for the &gt;1,100 plants already installed will deploy for 30% of the outstanding assets in the next 2-3 years.</li> <li>- <b>New technology requirements</b> in the fields of Carbon Capture (CCS), Battery storage (for which Ecomembrane already has orders) and Hydrogen (H2) may boost order size and quantities in coming years.</li> <li>- <b>M&amp;A opportunities</b> to consolidate presence in the market will allow for further efficiency gains and market share expansion.</li> <li>- <b>Investment in production capacity</b> expansion and efficiency will help to boost profitability.</li> <li>- <b>Participation in 2 start up in the new Biogas technologies (Alvus/Favus)</b> will open up new market from preferred clients.</li> <li>- <b>Potential interest from bigger groups</b> may rise speculative appeal on the group in the coming years</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Eventual regulatory intervention</b> to reduce incentives measure to the industry may dilute growth opportunities.</li> <li>- <b>Consolidation of the client base in the sector may lead to higher competition</b> on contracts and tenders for biogas plant construction.</li> <li>- <b>Authorization issue on client's projects</b>, may dilute growth opportunities in the coming years.</li> <li>- <b>Logistics issue and raw material unavailability</b> may potentially delay projects execution</li> <li>- <b>Rapid growth in coming years will require personnel expansion and phase up of plant and persons</b></li> <li>- <b>Business model will have to be tested</b> for the significant expected increase of dimension (profitability).</li> </ul>

## WE INITIATE WITH A BUY RATING AND A €12ps TARGET PRICE

**We initiate the coverage of Ecomembrane with a target price of €12ps, which offers an upside of around 43% on current prices and which implies a valuation of 17.6x PE and 7.4x Ev/Ebitda as measured on 2024.**

In setting our target price, we have factored in the following elements:

- **The group operates in a high growth sector**, bolstered by global environmental policies (especially in EU and US), and which presents potential new opportunities going forward in the fields of CO2 capture/battery storage and the Hydrogen business.
- **Ecomembrane manufactures critical components for wide range of applications**, including clean gas products, odor control systems, swimming pools and other various applications;
- **The company has an international customer base with production facilities in Italy and US;**
- **The company has a strong balance sheet**, with a healthy net cash position after the IPO (€9mn at the end of 2023);
- **It is enjoying a strong Return on Capital Employed** (in the region of 40-50% through 2025) thanks to the expected growth, the already completed capacity expansion investments, the unique market position and the ability to manage complex projects as high-quality preferred partners.

**We have also considered that Ecomembrane has a relatively small scale and the need to prove consistency on results achievements through the cycle.**

### ■ Comparable market multiples

Introducing some valuation references to assess Ecomembrane's position is not an easy task, as there are no available direct competitors listed on the markets and the because the value proposition of Ecomembrane which is quite unique and diversified.

**Considering Ecomembrane's market position, we have selected a restricted panel of capital goods** which are present in the fields of:

- Biogas production plants (Scandinavian Biogas Fuels);
- Components for pressure management systems (Vat group);
- Components for high quality measurement systems (Pfeiffer AG, Indutrade);
- Pool equipment for water treatment (Pentair);
- Components for fluid management, hydrolysis and waste/sludge management (Cambi Asa, Interpump, KSB);
- Building materials for tensile architecture (Serge Ferrari);
- Hydrogen solutions (Industrie DeNora);
- Swimming pools (including Fluidra which has acquired the Piscine-Laghetto brand).

As a reference for the company, **we have also considered the average valuation multiples of the capital goods companies sitting in the SXXP Index.**

As we show in the following table:

1. **The selected capital goods panel trades at 2024E of: PE 20.7x and EV/EBITDA 12.2x, with a 0.9x D/Ebitda;**
2. **The average of the capital goods in the SXXP index trades at 2024E of: PE 18.7x and EV/EBITDA 10.2x, with a 0.3x D/Ebitda ratio.**

The reference valuation metrics of Ecomembrane's peer is provided in the following table.

PEERS GROUP VALUATION														
Ticker	Price	Market cap - local	PE			EV / EBITDA			DVD YIELD			D/EBITDA		
			2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Cambi Asa	11.2	156	17.3 x	22.5 x	17.1 x	11.3 x	13.2 x	9.6 x	1.3%	4.1%	3.1%	cash	cash	cash
Fluidra Sa	17.6	3,381	18.1 x	14.9 x	13.5 x	10.6 x	9.1 x	8.5 x	3.3%	3.4%	3.6%	2.7 x	2.2 x	1.8 x
Industrie De N	20.3	4,251	39.5 x	31.6 x	27.0 x	23.0 x	19.0 x	15.4 x	0.4%	0.5%	0.5%	cash	cash	cash
Sergeferrari Group	14.1	174	10.9 x	9.6 x	8.9 x	5.3 x	4.6 x	3.7 x	2.9%	3.3%	3.6%	1.6 x	1.2 x	0.6 x
Interpump Group	52.3	5,690	18.9 x	18.2 x	16.7 x	11.1 x	10.4 x	9.6 x	0.7%	0.7%	0.8%	0.8 x	0.3 x	cash
Pentair Plc	61.0	9,222	16.7 x	15.0 x	13.3 x	13.0 x	11.8 x	10.4 x	1.4%	1.5%	1.6%	2.0 x	1.4 x	0.9 x
Indutrade Ab	260.7	8,192	29.5 x	27.9 x	25.7 x	18.8 x	17.8 x	16.5 x	1.1%	1.2%	1.3%	1.4 x	0.9 x	0.4 x
Vat Group Ag	371.9	11,433	54.0 x	42.8 x	34.8 x	37.7 x	30.4 x	25.0 x	1.7%	1.8%	2.1%	0.0 x	cash	cash
Sulzer Ag	78.9	2,770	12.9 x	12.3 x	12.5 x	6.9 x	6.5 x	6.1 x	4.5%	4.7%	4.9%	0.6 x	0.4 x	0.3 x
Scan Biogas Fuels	19.7	74	nm	29.0 x	10.8 x	18.8 x	10.5 x	7.2 x	0.0%	0.0%	0.0%	9.2 x	6.0 x	3.9 x
Pfeiffer Vac Techn	149.2	1,472	19.5 x	17.0 x	15.7 x	9.9 x	8.9 x	8.0 x	0.1%	1.0%	1.6%	cash	cash	cash
Ksb Se & Co. Kga	560.0	943	8.6 x	7.6 x	6.8 x	4.7 x	4.2 x	3.7 x	3.8%	4.3%	5.0%	1.4 x	1.2 x	0.9 x
<b>Selected capital goods</b>	-	-	<b>22.4 x</b>	<b>20.7 x</b>	<b>16.9 x</b>	<b>14.3 x</b>	<b>12.2 x</b>	<b>10.3 x</b>	<b>1.8%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>1.3 x</b>	<b>0.9 x</b>	<b>0.5 x</b>
<b>SXXP capital goods</b>	-	-	<b>22.5 x</b>	<b>18.7 x</b>	<b>16.6 x</b>	<b>11.5 x</b>	<b>10.2 x</b>	<b>9.2 x</b>	<b>1.9%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>0.6 x</b>	<b>0.3 x</b>	<b>cash</b>
<b>Ecomembrane</b>	<b>8.4</b>	<b>36</b>	<b>19.4 x</b>	<b>12.3 x</b>	<b>8.1 x</b>	<b>7.2 x</b>	<b>4.7 x</b>	<b>3.0 x</b>	<b>2.0%</b>	<b>2.1%</b>	<b>3.3%</b>	<b>cash</b>	<b>cash</b>	<b>cash</b>
Discount/premium	-	-	-13%	-41%	-52%	-50%	-55%	-71%	10%	-7%	39%	nm	nm	nm

Source: Equita SIM estimates, Bloomberg and Factset consensus figures

**As it can be observed, Ecomembrane is currently trading at around -40% discount on PE and -55% discount on Ev/ Ebitda vs the selected Capital Goods panel as measured in 2024.**

We believe Ecomembrane positively compares to the above described panel in light of:

- **an expected higher growth rate of Ebitda and Net Income** (Cagr of around +35% through 2025) vs the average of the selected panel (Cagr of around +10% in the same period);
- **the lower indebtedness**, with Ecomembrane expected to have a net cash positive position at the end of 2023 vs the 0.9x ratio of the selected panel and the 0.3x of the average SXXP capital goods names. We estimate that, by assuming Ecomembrane to maintain same leverage as competitors at 1.0x D/Ebitda (2023-2024), it should be able to have an additional fire power of €15-20mn in 2023-25 to run acquisitions (with the group already having selected some M&A options as described in previous pages).
- **a higher exposure to the themes of energy transformation**, considering the simultaneous presence in the fields of Biogas, Biomethan, CO2 Battery storage and Hydrogen)

Anyway, in addition to the above mentioned factors, **we also acknowledge that certain considerations may lead to a discount on Ecomembrane's valuation. These include the company's scale and liquidity, the inherent risk involved in entering the new markets of CO2 and hydrogen and the need to demonstrate consistency in results delivery through business cycle.**

We believe a -25% discount vs the average Ev/Ebitda of the selected panel above may be appropriate (vs current -55%).



■ We set up a target of €12ps based on a multiple of 7.5x Ev/Ebitda 2024E

We have set up our target price for Ecomembrane on the base of a 2024E EV/EBITDA multiple valuation.

EV/EBITDA VALUATION						
References & Sensitivity	Valuation	Sensitivity Analysis				
2024E Ebitda - €mn	5.6	5.6	5.6	5.6	5.6	5.6
2024E Ev/Ebitda Multiple	7.5 x	6.7 x	7.2 x	7.5 x	8.2 x	8.7 x
<b>ENTERPRISE VALUE - €mn</b>	<b>42.1</b>	<b>37.2</b>	<b>40.0</b>	<b>42.1</b>	<b>45.7</b>	<b>48.6</b>
Net cash end 2024E - €mn	12.7	12.7	12.7	12.7	12.7	12.7
Financial assets - €mn	0.3	0.3	0.3	0.3	0.3	0.3
Minorities - €mn	0.0	0.0	0.0	0.0	0.0	0.0
Provisions/Pensions - €mn	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8
<b>EQUITY VALUE - €mn</b>	<b>54.2</b>	<b>49.3</b>	<b>52.1</b>	<b>54.2</b>	<b>57.8</b>	<b>60.7</b>
Shares Fully diluted	4.3	4.3	4.3	4.3	4.3	4.3
Dcf to YE 2023 discount factor	0.95	0.95	0.95	0.95	0.95	0.95
<b>TARGET PRICE - € ps</b>	<b>12.0</b>	<b>10.9</b>	<b>11.6</b>	<b>12.0</b>	<b>12.8</b>	<b>13.5</b>

Source: Equita SIM estimates

As already anticipated above, although we believe Ecomembrane well compares to the average of the Capital Goods in the market due to the higher expected growth rate (+35% cagr Ebitda and Net Income) and a better exposure to the themes of energy transformation, we also believe that the relatively small scale and liquidity of the group, as well as the need to prove consistency on results achievements, call for a discount vs the average market valuation.

We have set up our €12PS target price on the base of a 7.5x Ev/Ebitda multiple applied on 2024 expected results, which is around -25% discount vs the average EU capital goods (target would imply 2023E Ev/Ebitda of 11.3x EV/Ebitda). The valuation has been discounted to the 12months target, by using a reference Wacc of 10%.

As a cross check to our reference base valuation, we have also run a sensitivity analysis through a DCF methodology. To the scope of the analysis, we have normalized Ebitda growth and investment in the coming years, using a 2% "G" growth rate for the terminal value and a 10% reference WACC for the discounting purposes.

DCF VALUATION					
MAIN FIGURES	2024 E	2025 E	2026 E	...	EXIT
EBITDA - €mn	5.6	7.9	8.2	...	9.5
EBIT - €mn	4.3	6.4	6.6	...	7.4
TAX €mn	-1.2	-1.8	-1.8	...	-2.1
<b>NOPAT - €mn</b>	<b>3.1</b>	<b>4.6</b>	<b>4.8</b>	...	<b>5.4</b>
Capex	-0.8	-0.8	-1.5	...	-1.8
D&A&Provisions	1.0	1.3	1.5	...	2.0
Chg in wk and other Cap. Empl. Changes	-1.5	-1.4	0.1	...	-0.6
<b>FCF - €mn</b>	<b>1.8</b>	<b>3.7</b>	<b>4.8</b>	...	<b>5.0</b>
<b>TV - €mn</b>					<b>64.6</b>
Years	0.0	1.0	2.0	...	8.0
Discount	1.00	0.91	0.83	...	0.47
<b>DCF</b>	<b>1.8</b>	<b>3.3</b>	<b>4.0</b>	...	<b>2.4</b>
<b>DTV</b>					<b>30.4</b>
<b>Enterprise Value - €mn</b>	<b>52.5</b>	<b>Reference</b>			
Nfp - €mn	9.2	BV 2023E			
Financial assets - €mn	0.3	BV 2023E			
Minorities - €mn	0.0	BV 2023E			
Pension/Provisions - €mn	-0.8	BV 2023E			
<b>Equity value end of 2024 - €mn</b>	<b>61.2</b>	-			
Shares Fully diluted	4.3	-			
<b>PS valuation end of 2024 - €</b>	<b>14.2</b>	-			
Discount to 12m target price	0.95	-			
<b>Implied DCF target price - €</b>	<b>13.6</b>	-			

Source: Equita SIM estimates

**The DCF analysis leads to a higher target price, with a reference 12 months fwd valuation of €13.6ps.** The DCF approach, in fact, still implies the group to be able to achieve a relevant Return on Capital employed in the coming years for which, anyway, the visibility is low considering the ongoing rapid evolution of the market.

In the following table we have included a sensitivity analysis of the DCF valuation to both exit ROCE and G.

		DCF SENSITIVITY ANALYSIS				
		EXIT ROCE				
		25%	28%	30%	33%	35%
G	0.5%	11.8	12.0	12.2	12.4	12.5
	1.5%	12.6	12.8	13.1	13.3	13.4
	2.0%	13.0	13.3	13.6	13.8	14.0
	2.5%	13.6	13.9	14.1	14.4	14.6
	3.0%	14.2	14.5	14.8	15.1	15.3

Source: Equita SIM estimates

#### ■ Investment case: BUY

**In light of the considerations above, we have decided to initiate the coverage of Ecomembrane with a BUY recommendation.**

We believe that **the underlying perspective of the clean gas market looks very attractive.** EU biogas market is expected to deploy growth rates from 1.9x to 2.4x through 2030, the US market is expected to grow at rate of 2.4x through 2030, while Hydrogen and CCS markets envisage growth rates from 2.5x up to 10x through 2030. This is going to be driven by stringent regulatory requirements in terms of energy transition, security of supply and quest for energy independence from Russia energy (Green Deal, Repower EU, Pnrr, US ira), but also by new technologies penetration (CCS and H2), circular economy concepts expansion as well as market concentration (new services and maintenance business) and replacement cycle (30% if existing assets approaching end of useful life in the next 2-3 years). Within this market contest, we also believe that Ecomembrane:

1. **Has a very well consolidated presence in the market thanks to:**
  - a. **a very well-known brand**, in the field of biogas plant and with continuous requests for the development of strategic partnerships from leading industry players;
  - b. **an already well-established international presence** with more than 1,000 plants already installed through the world through a truly international distribution network, and 2 production facilities in Italy and US.
  - c. **a strong technological footprint** with the highest number of patents in the segment, the group constantly invests in R&D to led innovation, recognition and certifications at international level.
  - d. **a full control of the value chain**, with presence across the whole spectrum of activities from the engineering/projecting phase (with the possibility to develop tailor made solutions) up to the post-sales services. This ensure Ecomembrane a significant competitive advantage as a one-stop-shop provider of products and solutions for tailor made requests and mission-critical technologies.
  - e. **no main exposure to single clients or raw material provider**, which is particularly helpful in the market of the last few years with strong inflationary trends and constrains on the logistics and components;
  - f. **a resilient business model** which provided for strong protection through the COVID period and through 2022. The support from regulation has granted underlying growth despite of the underlying economic background

2. **Has attractive growth rates going forward. We estimate Ecomembrane to be able to achieve around +35 CAGR in turnover and in Ebitda through 2025.** We believe this is compatible with:
  - a. **The underlying growth of the industry** described above, which is expected to more than double in the coming years.
  - b. **The good visibility in terms of order backlog** with more than 600 offers already placed (usual success rate of 40%) with a total value of the contracts at 2x vs 2022. **Ecomembrane currently has 30% of the expected Revenues of 2023 already covered (with peaks of 40% in certain subsegments)**
  - c. **A strong potential in terms of efficiencies gains.** Ecomembrane has recently significantly expanded its production capacity in the welding activities (from 2500m<sup>2</sup> to 4500m<sup>2</sup>) and internalized the Steel production unit (1200m<sup>2</sup>). Our expectations is that this should allow Ecomembrane to almost tripling the production capacity within 2023. We believe the group should gain significant benefit from the automatization process from the new facilities as well as the internalization of production processes.
  - d. **The new business lines of special projects in the fields of CCS and hydrogen** which is significantly increasing the average value of contracts in the range of 2x/4x. Furthermore, the minority stake owned in Alvus/Favus, could lead additional greenfield/brownfield projects in the region of €10-15mn in the coming years.
  - e. **The M&A opportunities** with the proceeds from IPO potentially leading to additional expansion of the business by the mean of external acquisitions
  - f. **a wide range of addressable markets** including Agricultural, Industrial Waste-Water Treatment Plants (WWTPs), Organic waste treatment, Landfills, Methane, Co<sub>2</sub>, Hydrogen, Swimming pool, Odor systems and other;
  - g. **a wide range of addressable markets** including Agricultural, Industrial Waste-Water Treatment Plants (WWTPs), Organic waste treatment, Landfills, Methane, Co<sub>2</sub>, Hydrogen, Swimming pool, Odor systems and other, which allows Ecomembrane to capture the expected growth.
3. **Has a strong balance sheet**, with a 0.3x D/Ebitda at the end of 2022PF and an expected net cash positive position after the primary offer through the IPO process. This will allow Ecomembrane to exploit all the market potential both through organic growth and by the mean of external acquisition
4. **Valuation appears really attractive** at 12.2x PE and 4.7x EV/EBITDA as measured on 2024, at significant discount vs avg EU capital goods, with a higher expected growth (+35% cagr Ebitda and Net income through 2025) and with a strong cash position (€9mn at the end of 2023 ex M&A) which may allow for additional growth opportunities through selected acquisitions.

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## UNDERSTANDING ECOMEMBRANE POSITION

Founded in 2000 as a spin-off of the “Agrisilos-Piscine Laghetto” group and managed by the 3rd generation of family engineers, **Ecomembrane is an industrial company, within the capital goods segment, producing critical components for the clean-gas arena (Biogas, Methane, Co2 & Hydrogen).**

More in details, with around €14.8mn of Revenues at the end of 2022 (around +40% vs 2020), **Ecomembrane is a specialized producer of PVC-coated membrane covers and technical systems, used in the fields of gasholders, biogas plants, digesters and odor control systems as well as in the upcoming future applications of the Co2 storage/capture (CCS) and the Hydrogen industry (H2).**

**ECOMEMBRANE: Pvc membrane - Gas holders**



Source: Company Information

**ECOMEMBRANE: Pvc membrane - odor control system**



Source: Company Information

As a first mover in the sector, Ecomembrane has now more than 20 years of experience providing...:

1. **“Tailor made” or “industrial” productions of guaranteed PVC coated membranes** of any size;
2. **Partnership and advisory** from design stage to installation of the equipment;
3. **Post-sale maintenance services;**

...to clients sitting in a wide range of end markets in the renewables and biogas fields (Cupole, Gasholders, Odor control Cover, Swimming pool and other services).

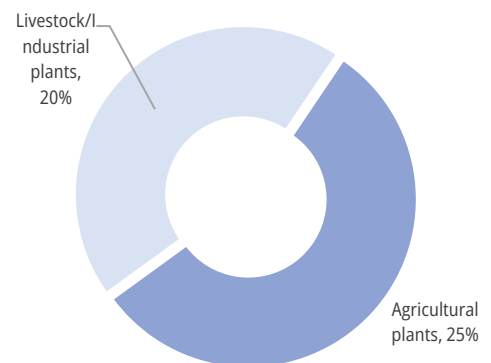
Ecomembrane owns 9 currently active patents (+3 additional under development) and has production facilities in Italy (Cremona) and US (Arkansas), 40fte (+15 people under service agreement in US) at the end of 2022, with more than 1,000 installations realized around the world in the past years in 21 EU regions and 24 countries in the rest of the World.

### GLOBAL FOOTPRINT



Source: Company Information

### >1,000 PLANTS - Distribution application fields



Source: Data from Company's web site

The group has successfully expanded in the last decade reaching €14.8mn of revenues at the end of 2022, with a 3.1x growth rate in the period 2011-2022A and +28.9% Cagr in the period 2019-2022, which includes the difficult COVID-19 period, through which Ecomembrane has been able to show a significant performance resilience thanks to its highly growing end markets, the ability to pass-through costs and the vertical integration in the reference sector.

In the following table we report a summary of the historical evolution of sales since 2011 and a more detailed summary of the performance in the last 3 years

HISTORICAL TRACK RECORD - €mn		LAST 3 YEARS PERFORMANCE DATA																											
<p>Top-line <b>high single-digit</b> growth, benefiting from a strong market momentum and government incentives</p> <p><b>c. 3.1x</b> sales in the period 2011A-2022PF      <b>+c. 10.7%</b> 2011A-2022PF CAGR      <b>+c. 28.9%</b> 2019A-2022PF CAGR</p>		<p><b>PROFIT &amp; LOSS</b></p> <table border="1"> <thead> <tr> <th></th> <th>2020</th> <th>2021</th> <th>2022*</th> </tr> </thead> <tbody> <tr> <td>Revenues - €mn</td> <td>10.58</td> <td>12.02</td> <td>14.75</td> </tr> <tr> <td>Ebitda Adjusted - €mn</td> <td>1.50</td> <td>2.41</td> <td>3.22</td> </tr> <tr> <td>Ebitda Adj. Margin - %</td> <td>14.2%</td> <td>20.0%</td> <td>21.8%</td> </tr> <tr> <td>Net Income Adjusted - €mn</td> <td>0.83</td> <td>1.46</td> <td>1.76</td> </tr> <tr> <td>Net Debt - €mn</td> <td>-1.19</td> <td>-0.93</td> <td>-1.04</td> </tr> </tbody> </table>					2020	2021	2022*	Revenues - €mn	10.58	12.02	14.75	Ebitda Adjusted - €mn	1.50	2.41	3.22	Ebitda Adj. Margin - %	14.2%	20.0%	21.8%	Net Income Adjusted - €mn	0.83	1.46	1.76	Net Debt - €mn	-1.19	-0.93	-1.04
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<p>Source: Company informations</p>		<p>Source: Company informations *Pro-Forma figures ex Real Estate</p>																											

### ■ Historical background and group organization

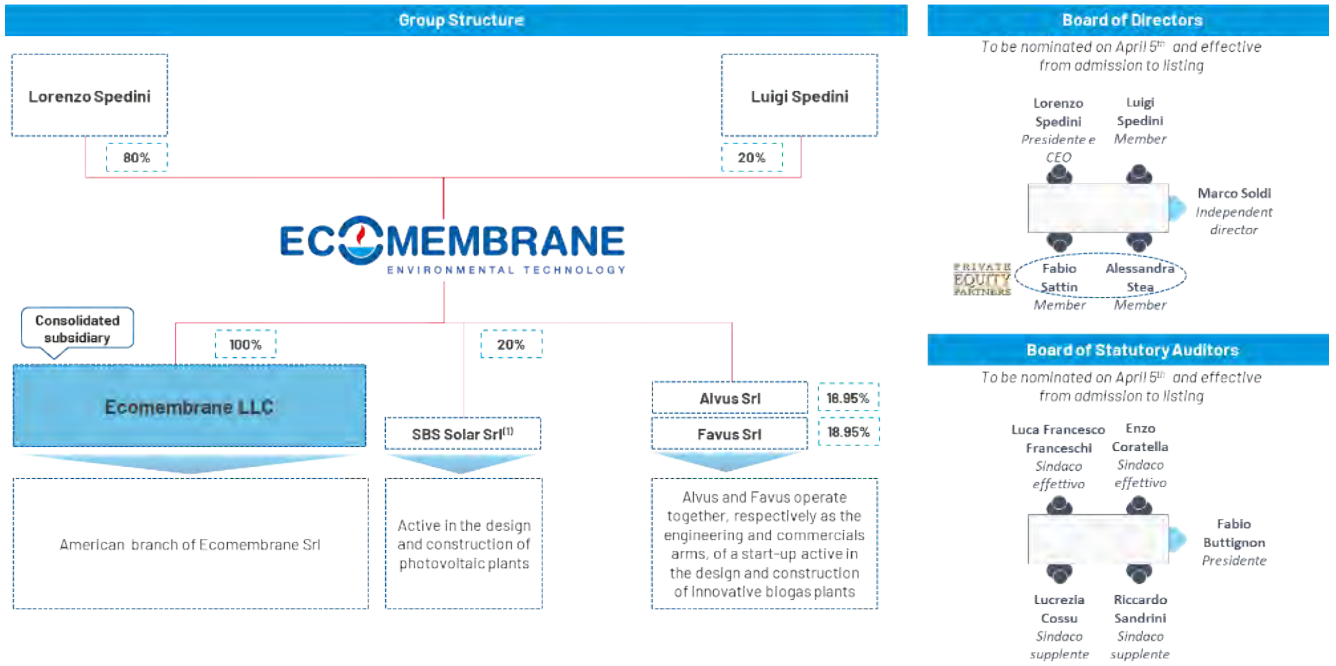
**100% owned by the “Spedini” family (80% Lorenzo Spedini as Chairman/CEO and 20% Luigi Spedini as co-founder), Ecomembrane has origins in the 1970s, with the foundation of Agrisilos Srl, a local company active in the production of membrane for swimming pools (through the very well known brand “Piscine-Laghetto”) which rapidly became one of the market leader during the ‘80s/’90s.**

After having been contacted by ENEA (National Agency for the New Technologies) in 1982 to elaborate and develop a solution to substitute ancient gas-holders realized in stainless steel, Agrisilos started a new business line dedicated to the PVC-membrane addressed to the biogas industry. Agrisilos also acted as EPC operators for the biogas plant production.

**The diversification of the business activities led to the start up of Ecomembrane in January 19<sup>th</sup> 2000, as a spin-off of Agrisilos/Piscine-Laghetto which then become part of the Fluidra group (listed company).**

At the spin-off of the group, the majority of the shareholdings as well as the management of the group passed to Lorenzo Spedini (son of Luigi Spedini) which is currently the major shareholder (80% control) as well as Chairman and CEO of the group.

**ECOMEMBRANE: Current shareholder's base and board of directors**



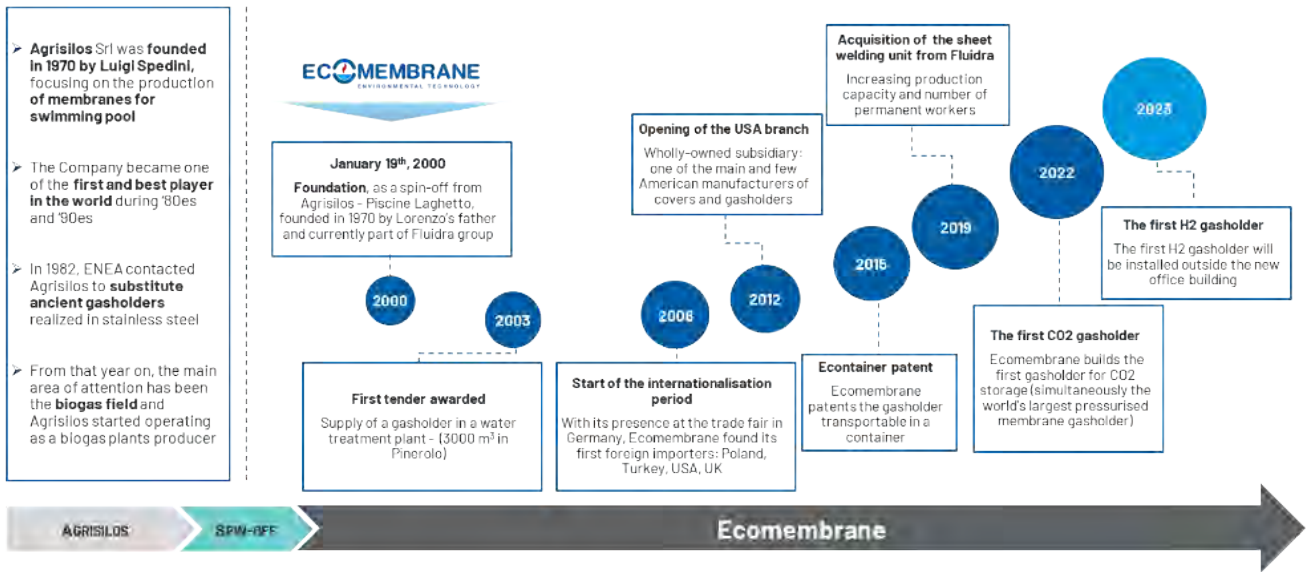
Source: ECOMEMBRANE IPO presentation note: (1) Spedini family owns a total stake of 80%

The group has constantly developed in the last 20 years from the first tenders awarded in 2003 in the water treatment plants, up to the internationalization of the business from 2008, the opening of a US branch as a wholly owned subsidiary in 2012 and through current days, with the most recent applications in the fields of CO2 capture (2022) and Hydrogen gas-holders (2023).

In the following table a summary of the historical background of Ecomembrane through its foundation.

**ECOMEMBRANE: HISTORICAL BACKGROUND**

"We are the **third generation of sheet welding** - we were born as producers of sheets for agricultural silos"



Source: Company information

■ **Product range & business model**

**ECOMEMBRANE is a specialized producer of PVC-coated membrane covers and technical systems, used in the fields of gasholders, biogas plants, digesters and odor control systems as well as in the upcoming future applications of the Co2 storage/capture (CCS) and the Hydrogen industry (H2).**

The product range of ECOMEMBRANE is wide both in terms of available solutions as well as in terms of addressable markets, with one of the main competitive advantage sitting in the 360° production of all necessary components which, coupled with the old experience as EPC operator in the field of Biogas, gives Ecomembrane a full control of the value chain (from the engineering/design/production phase up to the post sale services and maintenance).

**The group has installed >1,100 plants at international levels mostly addressed to clean gas arena for a wide range of addressable markets including Agricultural, Industrial Waste-Water Treatment Plants (WWTPs), Organic waste treatment, Landfills, Methane, CO2, Hydrogen, Swimming pool, Odor systems and others.**

In the following table we report a summary of Ecomembrane’s product range as well as the main split of the currently installed base for the different industrial markets

ECOMEMBRANE: product range					
Product portfolio					Application fields
	<b>2&amp;3 MASTER</b>		<b>CUPOLA M3</b>		<b>SPECIAL SHAPES</b>
	<b>LAGOON COVER</b>		<b>CUPOLA M3 HEAT SHIELD</b>		<b>M1 CONE</b>
	<b>2MASTER ON PLATFORM</b>		<b>FLC MEMBRANE</b>		<b>CLARICOVER</b>
	<b>CUPOLA M2</b>		<b>ECONTAINER</b>		<b>ACCESORIES</b>

**1 AGRICULTURAL PLANTS – 25%**

**2 LIVESTOCK / INDUSTRIAL PLANTS – 20%**

**3 INDUSTRIAL PLANTS – 30%**

**4 WASTEWATER TREATMENT PLANTS – 20%**

**5 LANDFILLS – 5%**

Source: Company information & data from Company's web site

In general, we would underline the following elements for what regards Ecomembrane’s products:

- Pvc membrane are designed to manage constant-pressure from gas** deriving from various uses, including biogas/biomethan plants, anaerobic digestion of organic waste and sludge or industrial uses which include the most recent applications in the field of CO2 capture (CCS) and Hydrogen Storage (H2). Ecomembrane’s product **are also used to minimize odors and gaseous pollutant emissions** in water treatment businesses or slurry tank covers
- PVC membrane are seam welded by high frequency electronic machines, and are covered by 9 active patents** (+3 additional patents under development). Patents (see Appendix 1 for more details) include both production techniques and accessories (air pressure valves or level sensors and safety systems) as well as “mechanical anchoring”, which ensure to Ecomembrane a larger “share of wallet” and the possibility to be a “turn-key solution” providers in the installation on field (thus reducing the number of partners for the client’s EPC groups).
- Ecomembrane’s product are highly customizable**, with the group being able to provide “tailor made” solutions for requirements of any size. The range of products goes from membrane of few m3 in containerized gasholders, up to the most recent CO2 capture applications of up to 30,000m3 (L32m – W78m – H18m) plants.



In the following table some examples of the solutions developed by Ecomembrane in the clean gas industry

**2MASTER / 3MASTER - gasometer**



Source: Company information

**M2/M3 CUPOLE - gasometer**



Source: Company information

**M1 CONE - odor control**



Source: Company information

**FLC MEMBRANE - water treatment**



Source: Company information

**ECONTAINER - small scale gasometer**



Source: Company information

**CO2 STORAGE - Energy Dome**



Source: Company information

■ **Critical components for the biogas plants**

**Ecomembrane solutions are central elements in the construction of biogas/biomethane plants as well as gaseous storage systems.** The PVC membrane is a critical component, accounting for around 5%-8% of the total installation costs of a plant (as indicated from the management)

	PLANTS			
	CAPEX	SIZE	ECOMEMBRANE PRODUCTS	%TOTAL CAPEX
Bio gas standard plant	€3-4 mn	1 MWh	€280k	8%
Biomethan standard plant	€7-10 mn	500m3/h	€700k	8%

Source: Equita SIM estimates

A summary of the main characteristics of Ecomembrane products is provided in the following table

ECOMEMBRANE – Active patents



Our products are central elements in the construction of biogas/biomethane plants and gaseous storage systems  
 - Italian first mover in the industry, with more than 20 years of experience -

 <b>HIGH QUALITY</b>	Every product component has been designed with the <b>best materials</b> available, to ensure <b>high performance standards for many years of use</b>	 <b>ORIGINALITY</b>	Ecomembrane product designs and methods of manufacture are protected by <b>national and international patents</b>
 <b>ON DEMAND PRODUCTS</b>	All Ecomembrane's products can be manufactured and <b>customized to specific sizes</b> , storage capacities, shapes and colours specified by the client	 <b>LOW MAINTENANCE</b>	Ecomembrane products are designed and installed with the goal of <b>minimizing maintenance costs</b> over the life span of the product
 <b>HIGH WORKING PRESSURE</b>	<b>In-house designed pressure control valves</b> and use of high quality materials allow Ecomembrane's gasholders to operate at working pressures higher than those competitors can reach	 <b>PARTNERSHIP WITH CLIENTS</b>	Key values are <b>partnership with clients and trustworthiness</b> . Ecomembrane focuses on each project's unique requirements and actively consults with clients from the design stage to installation and post-sale
 <b>WORLD RECORD STORAGE</b>	Ecomembrane's <b>knowledge and experience</b> has enabled to manufacture and install the <b>world's biggest membrane gasholders</b> which are ideal for clients who require large gas storage facilities	 <b>RECOGNIZED BRAND</b>	Ecomembrane brand relies on <b>international recognition</b> in the reference market segment

All of the above distinctive characteristics have grown Ecomembrane to become the **leading player** in a niche sector, able to maintain **high margins** for a critical component that represents only **5-8%<sup>(1)</sup>** of the total cost of a plant

Source: Company information

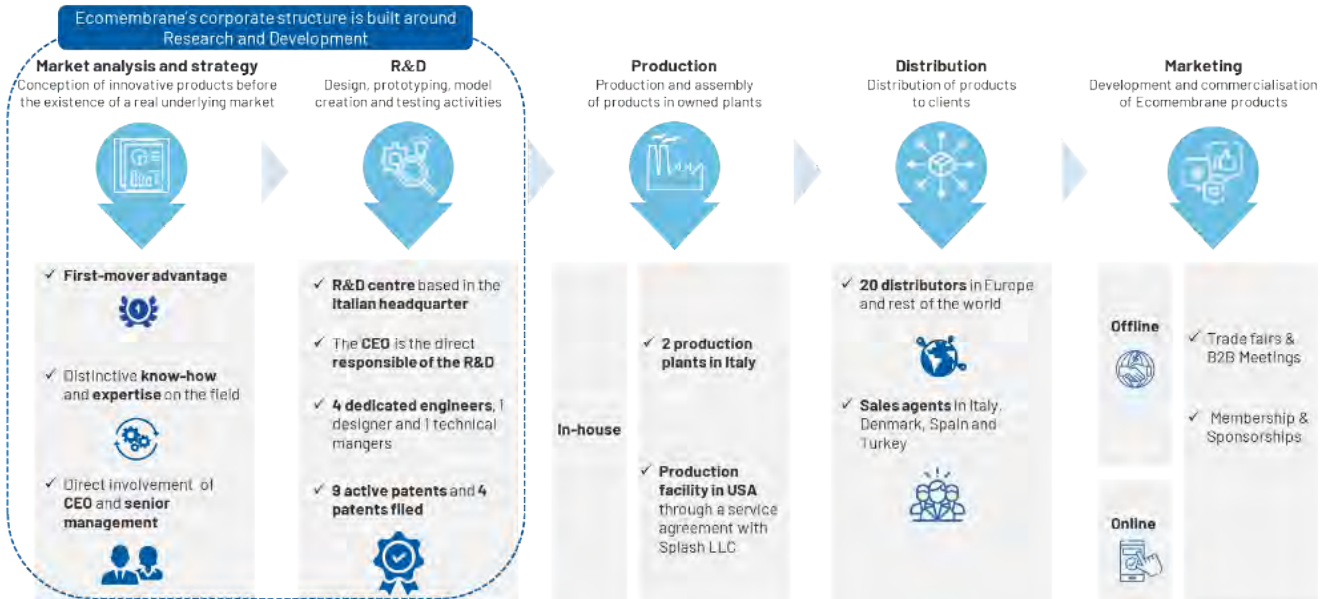
■ A vertically integrated player

Ecomembrane is a vertically integrated player, with activities ranging in:

1. **Marketing and Strategy as well as R&D**, to manage projects and tailor-made solutions from the design phase up to the ad-hoc solutions required in the installation phase;
2. **Membrane production**, with 2 facilities in Italy and 1 production site in US, whose activities goes from the cutting in size of PVC coils, to seam welding through high frequency machines. Production activities include also the realization of product accessories like the anchorage systems, the air pressure control valves, the net support systems and other functional equipment required to the on-site product installation.
3. **Distribution of products to clients** through 20 Distributors in Europe and in the rest of the world and direct sales agents in Italy, Denmark, Spain and Turkey.
4. **Marketing**, with both off-line and on-line channels which include trade/fairs & b2b meetings attendance, membership and sponsorship programs as well as newsletter, social networking and other tools.
5. **Installation and testing**, with skilled and experienced staffs of professionals to manage onsite installation and control.
6. **Services**, with all post-sale activities addressing the replacement/repairing of existing installations (the average useful life of products is in the region of 8-10 years).

A summary of the business model of Ecomembrane is summarized in the following tables.

**ECOMEMBRANE: INTEGRATED BUSINESS MODEL**



Source: Company information

The route to market of Ecomembrane's solutions usually range over a period of **4 months**, with around 2 weeks for the R&D to elaborate the tailor-made solutions, around 3 months of production phase (including both raw material purchase and assembling, and around 2/3 weeks of shipping, installation and testing.

A summary of the value chain is provided in the following table.

**ECOMEMBRANE: INTEGRATED BUSINESS MODEL**



Source: Company information

For what regards specifically the “production phase”, it mainly consists of the following steps:

1. **RAW MATERIAL PURCHASE:** Raw materials are mainly acquired from European suppliers for PVC (Germany 59%, Austria 37% and China 4%) and mainly on Italian suppliers for stainless steel materials (ie, sheet metals, pipes or, electromechanical equipment, pressure and gas leakage sensors). **The group is not particularly linked to specific suppliers, with a high degree of diversification.** Top ten suppliers accounts for 67% of total procurement (with the largest supplier accounting for 22.6% of total procurement).

#### ECOMEMBRANE – Material suppliers

		PVC material is mainly supplied from Germany (59%), Austria (37%) and China (4%). The suppliers are able to guarantee the same required high-quality standard
		Stainless steel materials: metal sheets, tubes, small metal parts
		Electromechanical equipment: fans, blowers, wiring, electrical control panels
		Sensors: pressure sensors, gas leakage sensors, load cells

*Source: Company information*

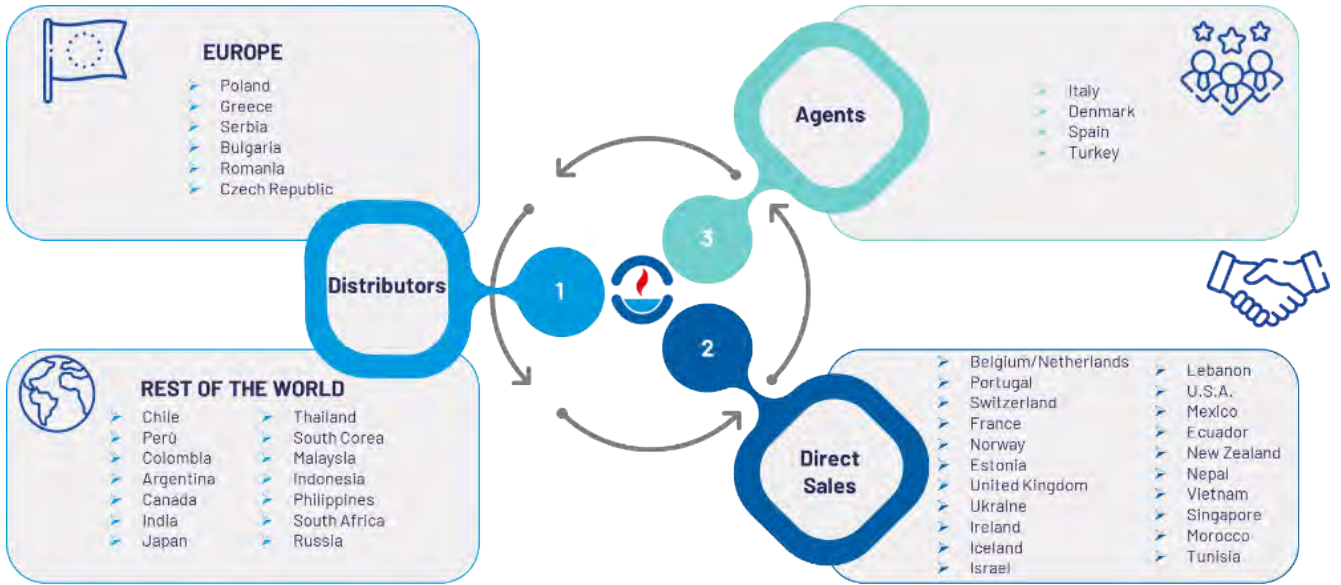
2. **TESTING AND CUTTING:** Once received the designs from the technical department, specific sheet reels are taken from the warehouse and subject to Break Strength Testing. Subsequently the sheets are cut with specific machines according to the design specifications and sent to the machine by the production manager.
3. **HIGH-FREQUENCY WELDING:** the shaped sheets from the cutting phase go through a high frequency dielectric welding (Ecomembrane’s trademark) then folded by a group of workers assisted by fork-lift trucks and subsequently sent to the order warehouse ready to be shipped to customers;
4. **COMPONENTS PRODUCTION:** at the same time as the production of the sheets, the production of the other components is carried out:
  - a. stainless steel poles are cut and welded for the construction of support pillars for membranes mounted on anaerobic digesters;
  - b. the various electromechanical components designed by the technical department and ordered from a plurality of suppliers are assembled
5. **ASSEMBLING:** the product manager verifies that the order is assembled within the contractually agreed time frame, ensuring that components deliveries are made according to a plan agreed with the purchasing department

#### ■ Distribution and Customer base

Ecomembrane has installed >1,100 plants across 21 European regions and 24 countries in the rest of the world. This has been achieved also through a wide presence in the distribution channels. Ecomembrane currently has a wide network of distributors, agents and Direct sales managers covering a several geographical areas in Europe, US, and APAC.



ECOMEMBRANE: DISTRIBUTION ACROSS REGIONS



Source: Company information

Ecomembrane’s customer base is widely diversified in several segments, and it includes:

- Builders of biogas plants in the animal husbandry industry;
- Energy and sewage management multi-utilities, involved in the operation of waste-to energy plants from municipal or industrial waste;
- Public contractors of sewage treatment plant;
- Owners of anaerobic plants treating waste from specific industrial production;
- Manufacturers of renewables energy storage systems;
- Operators and manufacturers of municipal civil waste landfills;
- Owners of intensive livestock farming;
- Dairies and milk processing plants;
- International swimming pool manufacturers.

The concentration of the customer base is very low, with top ten clients accounting for only 44% of total sales and the first client accounting for around 15.7% of sales at the end of 2022.

ECOMEMBRANE: Top 10 clients at the end of 2022



Source: Company information

■ Ecomembrane’s main European competitors

The competitors arena in Ecomembrane’s specific market niche is limited to very few and private players, often of small dimensions. With Ecomembrane enjoying an 19% market share (as measured on total revenues of the segment). The main competitors by size are:

1. **Sattler group (€16mn revenues):** which is a family owned company based in Austria that manufactures special textiles for outdoor uses and builds membrane constructions;
2. **Weiffering, (€12mn revenues):** which is specialized in covering systems for silos and membrane coveryg systems for biogas plants
3. **Agrotel (€10mn revenues):** which develops dextile solutions in agriculture, industry, trade and environmental technologies.

Considering the main success factors in the product offering and the presence in the different end markets, Ecomembrane’s solution appears to be the most complete.

A summary of the competitive arena as well as a ranking of the group’s positioning among competitors is provided in the following tables.

ECOMEMBRANE: Competitive arena

Nationality	Revenues (\$m)	Description
Austria	16	<b>SATTLER GROUP</b> is a family-owned corporation headquartered in Austria that operates worldwide. It manufactures special textiles for outdoor use, and projects and builds membrane constructions
Austria	12	<b>Wiefferink</b> is specialised in covering systems for silos and membrane covering systems for biogas plants. It serves the market with storage systems for gas, manure, water, sludge and other liquids
Germany	10	<b>Agrotel</b> develops textile solutions in agriculture, industry, trade and environmental technology
Italy	~5	<b>Alfa Teloni</b> , for more than 10 years, has been building pressostatic membranes and covers for Biogas, Biomethane and slurry storage
Germany	~5	<b>Baur Folien</b> manufactures biogas as pillow or cylinder storage bags, tank and lagoon covers, as single or double membrane covers, as well as covers for emission protection
Germany	~5	<b>DBDS</b> is an association of established experts and companies who have specialized in the fields of biogas and industrial plant construction for years
Austria	~5	<b>Membrane Systems Europe</b> is specialised in the production and installation of covering systems for the international biogas market
Austria	~5	<b>Tecon</b> develops and builds gas storage tanks with double membranes, which are used in municipal sewage treatment plants, agricultural biogas plants and industrial plants

**Ecomembrane’s Market Share<sup>(1)</sup> in its market niche: c. 19%**

Source: Company information, corporate web site Note: (1) computed as Ecomembrane 2022 Revenues/total revenues of the universe

ECOMEMBRANE: Ranking

Company	Key Success Factors							Application Field			Positioning
	Price	Quality of Materials	Advanced Technologies	International	Production Capacity	Post-Sale Service	Brand perception	Agricultural Biogas plants	Industrial WWTPs	Organic Waste Treatment	
<b>ECOMEMBRANE</b>	●●●●○	●●●●●	●●●●●	●●●●●	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●●	<b>4,2</b>
Player1	●●●●○	●●●●○	●●●●○	●●●●●	●●●●●	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	<b>3,8</b>
Player2	●●●●○	●●●●●	●●●●○	●●●●●	●●●●○	●●●●○	●●●●●	●●●●○	●●●●○	●●●●●	<b>3,8</b>
Player3	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	<b>3,6</b>
Player4	●●●●○	●●●●○	●●●●○	●●●●○	●●●●●	●●●●○	●●●●○	●●●●●	●●●●○	●●●●○	<b>3,6</b>
Player5	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	<b>3,5</b>
Player6	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●○	●●●●●	●●●●○	●●●●○	<b>3,1</b>

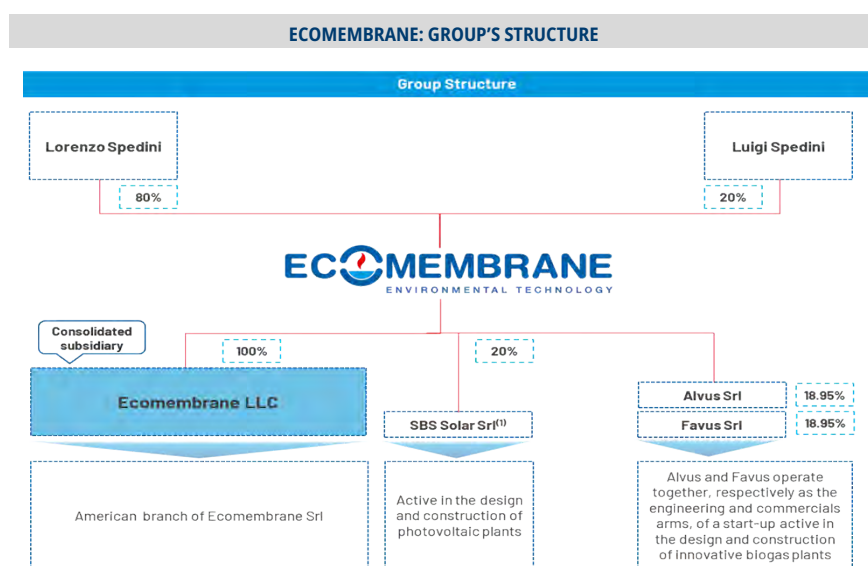
Source: Company information note: 1-5 scoring derived by a market analysis conducted by Ecomembrane management

■ **Group organization and management team**

Ecomembrane is fully controlled by the Spedini Family (Lorenzo Spedini at 80% and his father Luigi Spedini at 20%). Ecomembrane Italy also controls:

1. **The US activities as fully consolidated subsidiary** at 100% control.
2. **A 20% stake participation into SBS Solar Srl**, which is a company active in the design and construction of photovoltaic plants. Although this is not a relevant participation for Ecomembrane it provides some insight and cross selling strategies/opportunities on the core business, considering the opportunities of development of the Agrivoltaic solar segment (as per regulatory requirements) and the high presence of Agricultural exposure (25% at the end of 2022 in the sale of core products for the biogas markets).
3. **A 18.95% stake in Alvus Srl/Favus Srl**. The 2 companies operate together respectively as the engineering and commercials arms of a start-up active in the design and construction of innovative biogas plants. As it is in the case of SBS Solar srl, although the immediate contribution of these group is non-significant for Ecomembrane, the stake has a relevant strategic rational. Alvus and Favus, in fact have already developed and tested a new way (without the use of concrete/steel in the confinement tanks of biogas) that well suit the biogas generation from agricultural products. The technology has gained the attention of important investors with the BayWa BioEnergy group (owned by Macquarie infrastructure fund) is already sustaining group's operations. In light of the current minority stake owned by Ecomembrane and considering the group is among the few companies able to serve Alvus/Favus technologies, we believe Ecomembrane may highly probably become the preferred provider of the PVC membrane for the activities of the groups in Italy, considering Alvus / Favus has currently starting the scouting for 15 greenfield plants in the next 3 years plus the brownfield conversion opportunities. The participation may transform into an important source of revenues in the coming years. Ecomembrane's content for Alvus/Favus plant reaches 15%-20% vs the 7%- 10% of the more traditional plants, with revenues content reaching up to €1mn per plants, thus being potentially source of €10-15mn of revenues in the coming years only accounting for the potential green-field operations).

In the following table we report a summary of Ecomembrane group organization



Source: ECOMEMBRANE IPO presentation Note: (1) Spedini Family owns a total stake of 80%

The group is currently managed by Lorenzo Spedini (Founder and Chairman/CEO) and Paolo Giardino as Chief Financial Officer (CFO).

**Lorenzo Spedini:** with a Master of Engineering, Tensile Structure and a master of Civil and environmental engineering, is the founder and CEO of the group since the foundation in 2000. Lorenzo Spedini is also founder of the US branch serving as chairman and CEO. During the 20 years of experience he has developed and patented numerous gas membrane handling and measuring solutions for a total of 9 active and 4 pending patents.

**Paolo Giardino:** with a Master Degree in Venture Capital at the University of Pavia, he has previously held management positions in the Renewable Energy Sector, having served for almost 5 years as CFO for companies active in green power generation and energy efficiency. He was previously CFO in companies in the Healthcare sector and Director of Top consulting firms specializing in Corporate Finance.

**ECOMEMBRANE: Group's management**

**LORENZO SPEDINI**



**Chief Executive Officer**

*Founder of Ecomembrane  
+20 years of experience in the renewable energies field*

**PAOLO GIARDINO**



**Chief Financial Officer**

*Pluriannual experience as CFO in Renewable Energy and Healthcare companies*

*Source: Company information*

## ■ Historical financial figures

With around €14.8mn of Revenues at the end of PF2022 (+40% vs 2000) Ecomembrane enjoys today an Ebitda of €3.2n (more than doubled vs end of 2000) with a 22% Ebitda margin and a net income of €1.8mn. The group has a safe indebtedness at 0.3x D/Ebitda at the end of PF2022 after relevant investments closed last year to increase the installed capacity and the production opportunities for the coming years. A summary of the P&L and BS metrics in the last 3 years is provided in the following table.

PROFIT & LOSS	2020	2021	2022	2022PF
<b>Revenues - €mn</b>	<b>10.6</b>	<b>12.0</b>	<b>14.8</b>	<b>14.8</b>
Growth	59%	14%	23%	23%
<b>Gross Profit - €mn</b>	<b>5.1</b>	<b>7.2</b>	<b>8.5</b>	<b>8.7</b>
Growth	-	41%	18%	20%
<b>Ebitda - €mn</b>	<b>1.5</b>	<b>2.4</b>	<b>3.3</b>	<b>3.2</b>
Growth	-	60%	39%	34%
<b>Ebit - € mn</b>	<b>1.2</b>	<b>1.9</b>	<b>2.6</b>	<b>2.5</b>
Growth	-	59%	38%	33%
<b>Pbt - €mn</b>	<b>1.1</b>	<b>1.8</b>	<b>2.6</b>	<b>2.5</b>
Growth	-	62%	41%	38%
<b>Net Income - €mn</b>	<b>0.8</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>
Growth	-	75%	25%	21%

MARGINS	2020	2021	2022	2022PF
Gross profit margin	48%	60%	58%	59%
Ebitda margin	14%	20%	23%	22%
Ebit margin	11%	16%	18%	17%
Pbt margin	11%	15%	18%	17%
Ni margin	8%	12%	12%	12%

DEBT & CASH FLOW	2020	2021	2022	2022PF
<b>Net debt - €mn</b>	<b>-1.19</b>	<b>-0.93</b>	<b>-2.37</b>	<b>-1.04</b>
D/Ebitda	0.8 x	0.4 x	0.7 x	0.3 x
Shareholder's equity - €mn	2.76	3.28	4.32	2.76
Tangible / Intangible Capex	0.50	0.53	2.53	2.53
Working capital - €mn	1.37	1.37	1.98	1.89
Dividend cash flow - €mn	-0.30	-0.95	-0.54	-0.54

REVENUES SPLIT - SEGMENT	2020	2021	2022	2022PF
Cupole & Gasholders - €mn	8.0	9.3	11.1	11.1
Odor control - €mn	1.1	0.6	0.6	0.6
Co2 - €mn	0.0	0.0	0.0	0.0
Hydrogen - €mn	0.0	0.0	0.0	0.0
Swimming pool - €mn	0.7	1.0	1.4	1.4
Other services - €mn	0.8	0.8	1.1	1.1

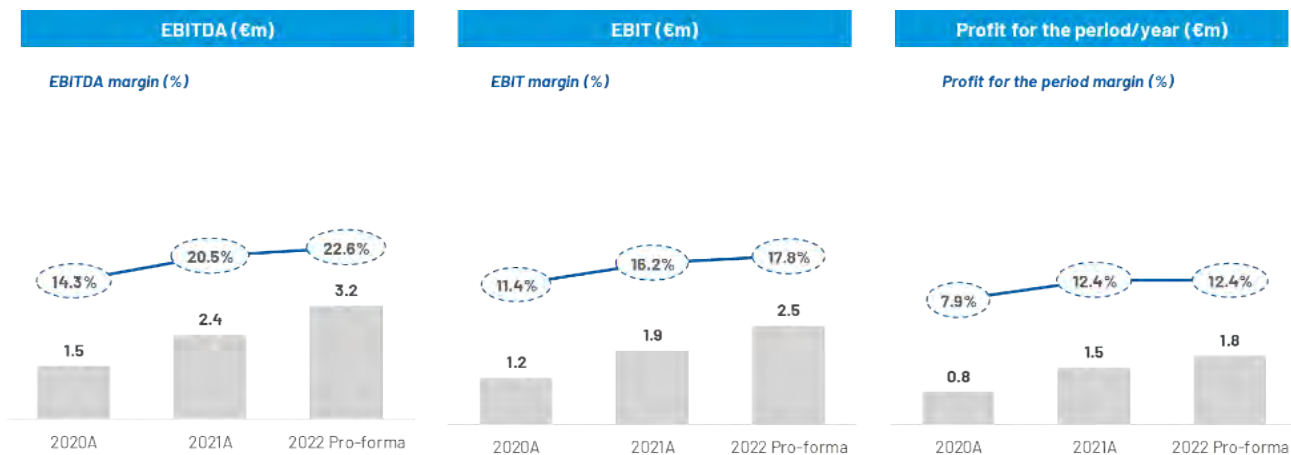
Source: Equita SIM on company data Note: Pro-Forma Figures post deconsolidation of Real Estate Assets

Note to historical figures explanation:

1. During 2021 and 2022, the Group continued the significant growth trend in turnover, with the sale of gasholders and domes used in renewable energy plants;
2. 2020 was affected by Covid, increased raw material costs and procurement difficulties, which the company could not immediately pass through in prices;
3. With regards to the variability of Gross/Ebitda margin, in 2021 Ecomembrane started buying steel raw materials and having them processed by third parties, while until 2020 the finished products were acquired. In addition, 2021 price lists were revised, thus passing through the cost increase on end clients. The further flare-up of raw material and service purchase costs in 2022 will be fully reflected into prices in 2023. Over the three-year period, the average number of employees has grown from 30 in 2020, to 34 in 2021 and 38 in 2022.



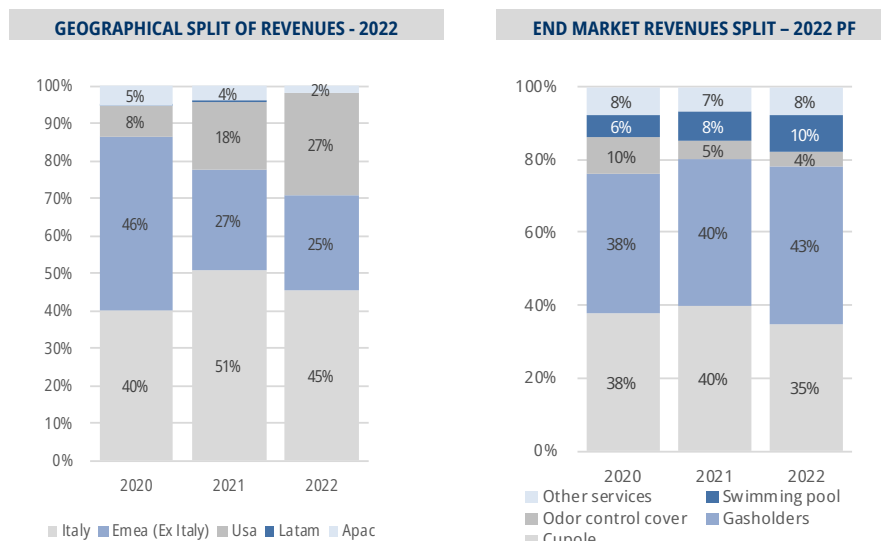
**ECOMEMBRANE: HISTORICAL MARGIN EVOLUTION**



Source: Company information

The group appears very well balanced between Italian (45%) and foreign presence (Emea 25%; Us 27% and Latam/Apac 2%). Considering the end markets as a reference, Ecomembrane’s revenues are mainly concentrated in Cupole and Gasholders (respectively 35% and 42% of total turnover).

A summary of the geographical/end markets split of revenues is provided in the following table.



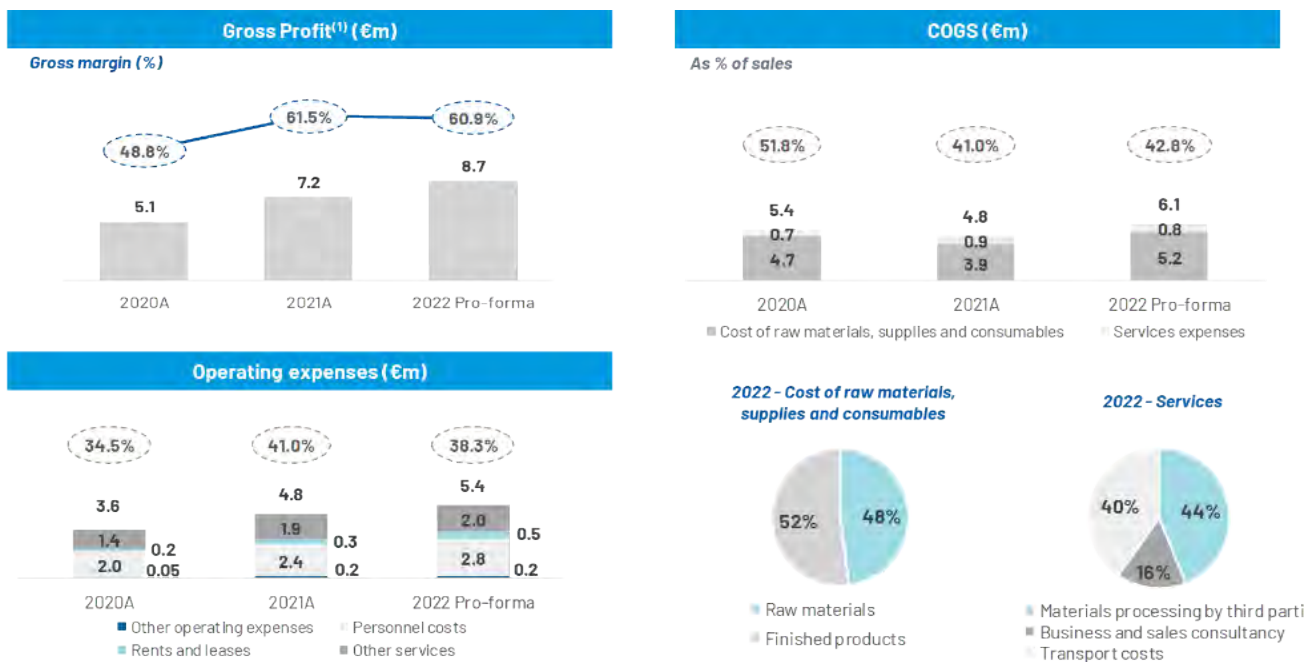
Source: Company information

Source: Company information

Ecomembrane has around 60% Gross profit, with the main items in the cost of good sold being represented by the Raw materials, supplies, and consumable costs. This predominantly refers to the PVC coils used in the membrane production, but also to steel for the fixed structure production and the technical components as well as the chip/tech components used in the production of measurement systems.

A summary of the cost composition of the group is provided in the following tables.

ECOMEMBRANE: GROSS PROFIT, COGS AND OPERATING EXPENDITURES

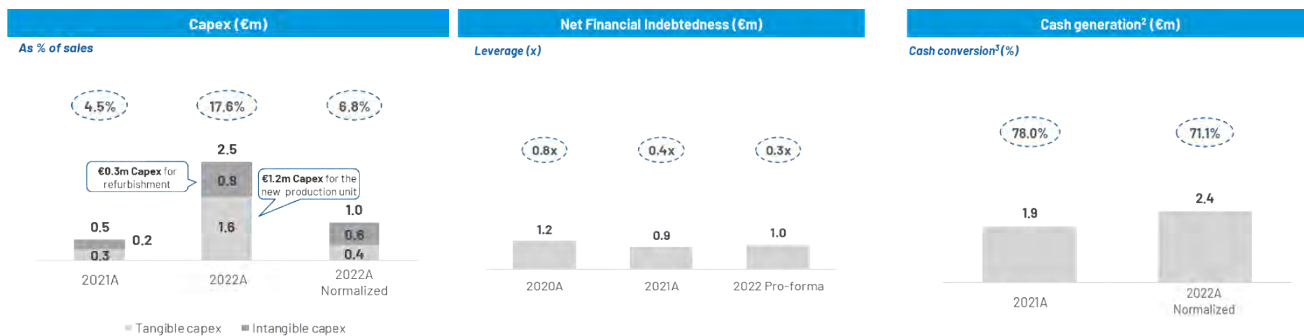


Source: ECOMEMBRANE IPO presentation Note: (1) Calculated as (Total Value of Production - COGS); "Total Value of Production" includes "Sales", "Increase in fixed assets for internal work" and "Other revenues"

Ecomembrane enjoys a particularly solid balance sheet position. Despite the significant investments run in 2022, to increase installed capacity, the D/Ebitda figure sits to a safe 0.3x (PF YE2022), with a sound normalized cash conversion of 71.4% in 2022.

Overall capex in 2022 reached €2.5 mn (vs normalized level of €0.9mn) mainly due to the investments for the new facilities dedicated to the production expansion (€1.2mn for the production unit and €0.3mn for the refurbishment).

ECOMEMBRANE: CAPEX, NFP AND CASH GENERATION



Source: Company information Notes: (2) Computed as EBITDA - Capex; (3) Computed as (EBITDA - Capex) / EBITDA

■ **Summary: Swot Analysis**

As a summary of the group position in the reference market we report the “Strength”, “Weaknesses”, “Opportunities” and “Threat” analysis of Ecomembrane in the following table.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>- <b>Consolidated historical presence</b> in the clean biogas market with premium products and technologies allowing for tailor made solutions.</li> <li>- <b>International presence</b> with production facilities both in Europe and US.</li> <li>- <b>Full control of the value chain</b>, from projecting/scouting to advisory and post sale services.</li> <li>- <b>Wide range of products:</b> gasholders, odour control, swimming pools, Co2, hydrogen</li> <li>- <b>Strong knowledge of the industry</b> with 20 year presence and wide network of distributors, agents and direct sales manager.</li> <li>- <b>Relevant technological footprint</b>, with continued development of new product, solution and services which makes Ecomembrane a tur-key operator and a one-stop shop for consolidated EPC players</li> <li>- <b>High profitability and very strong balance sheet.</b></li> <li>- <b>Resiliency of business model</b> proved also through the COVID-19 years and the most recent inflationary period.</li> <li>- <b>Strong management team</b> with consolidated experience in the sector</li> <li>- <b>Recently upgraded capacity</b> production with major investments already finalized and available from the 2h of 2023</li> <li>- <b>Visibility on order book for 2023</b></li> <li>- <b>Short route to market, and constant price revision</b> protects against inflationary trend</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Limited size</b> in a highly fragmented market.</li> <li>- <b>Significant expansion capacity investments realized in 2022 will require an ad-hoc set up</b> of the new facilities in the coming months.</li> <li>- <b>Business model remains linked to Government/regulatory push</b> for investments in alternative energy sources.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- <b>The regulatory requirements</b> on both Energy transition and circular economy (EUGreen Deal), as well as the needs to increase security of supply and energy independence (Repower Eu) will drive relevant market growth in the clean gas markets in the next decade.</li> <li>- <b>Rapidly consolidating market</b>, with “Funds”, “Utilities” and “Specialized operators” increasing portfolio dimension, thus opening up to a higher share of wallet and services penetration.</li> <li>- <b>Refurbishment cycle</b>, for the &gt;1,100 plants already installed will deploy for 30% of the outstanding assets in the next 2-3 years.</li> <li>- <b>New technology requirements</b> in the fields of Carbon Capture (CCS), Battery storage (for which Ecomembrane already has orders) and Hydrogen (H2) may boost order size and quantities in coming years.</li> <li>- <b>M&amp;A opportunities</b> to consolidate presence in the market will allow for further efficiency gains and market share expansion.</li> <li>- <b>Investment in production capacity</b> expansion and efficiency will help to boost profitability.</li> <li>- <b>Participation in 2 start up in the new Biogas technologies (Alvus/Favus)</b> will open up new market from preferred clients.</li> <li>- <b>Potential interest from bigger groups</b> may rise speculative appeal on the group in the coming years</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Eventual regulatory intervention</b> to reduce incentives measure to the industry may dilute growth opportunities.</li> <li>- <b>Consolidation of the client base in the sector may lead to higher competition</b> on contracts and tenders for biogas plant construction.</li> <li>- <b>Authorization issue on client’s projects</b>, may dilute growth opportunities in the coming years.</li> <li>- <b>Logistics issue and raw material unavailability</b> may potentially delay projects execution</li> <li>- <b>Rapid growth in coming years will require personnel expansion and phase up of plant and persons</b></li> <li>- <b>Business model will have to be tested</b> for the significant expected increase of dimension (profitability).</li> </ul>

Source: Equita SIM considerations

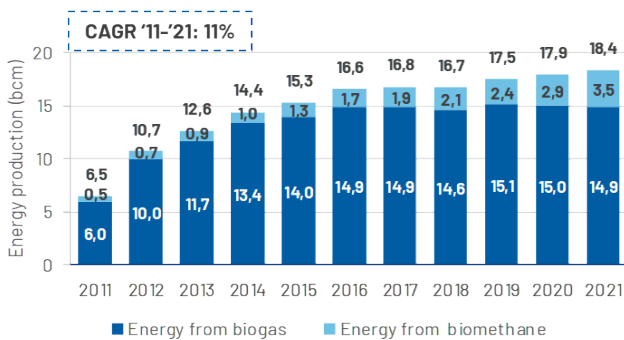
### CLEAN GAS UNDERLYING MARKET POTENTIAL

One of the most interesting elements of Ecomembrane’s equity story, has to do with its presence in a very attractive and rapidly growing underlying sector. The “clean gas” market has, in fact, shown a significant growth rate in the last years and it is expected to rapidly expand in the next decade thanks to the ongoing energy revolution.

As a reference for the growth rate achieved by the industry so far:

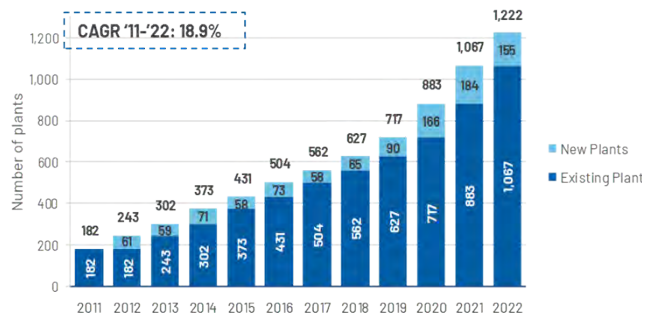
1. **The combined Biogas and Biomethan market has deployed a +11% Cagr in Europe in the period 2011-2021** moving from 6.5bcm up to 18.4bcm in 2021 with around 20,000 plants installed mainly in the Agricultural sector (64%) and Landfills (14%).
2. **The US market has reached more than 2,300 biogas sites vs around 2,100 at the end of 2015** (Source: EPA – Biogas Opportunity Roadmap Report) or a cagr of +2%, with only 15% of the biogas potential market being exploited and with some 14,958 new sites available for development (according to the American Biogas Council official website). The upgrade of Biogas plants to Renewables Natural Gas (RNG – ie. methane) has instead shown remarkable progress with **US RNG facilities moving from 60 in 2017 up to 268 at the end of 2022** (according to DOE).

EUROPE: BIOGAS AND BIOMETHAN PRODUCTION - BCM



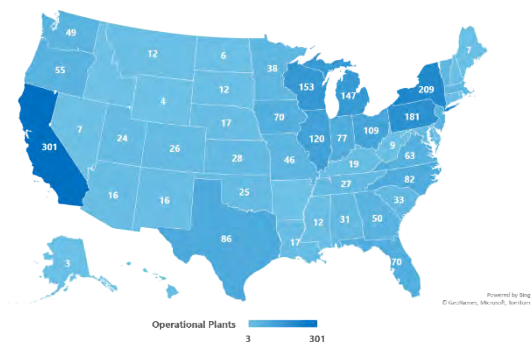
Source: EBA Statistical Report 2022

EUROPE – NUMBER OF BIOGAS/BIOMETHAN PLANTS



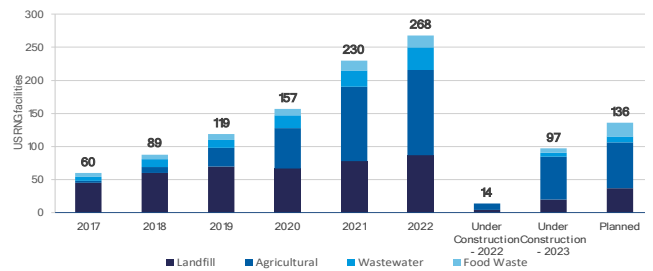
Source: EBA Statistical Report 2022

US: NUMBER OF BIOGAS SITES



Source: American Biogas Council Official Website

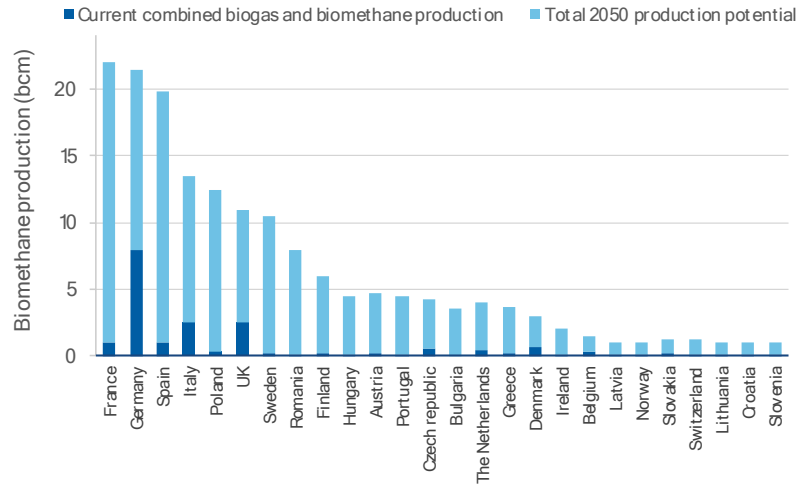
US – EVOLUTION OF RNG PLANTS



Source: Ecomembrane elaboration on public available informations

Within the European countries, Italy is the second largest market after Germany in terms of biogas plants and biogas output, with 1,800 operating biogas plants and a total production of 24 TWh in 2022 (vs 15.5 TWh at the end of 2021).

EUROPE - 2050 BIOMETHANE PRODUCTION POTENTIAL VS 2021



Source: EBA Statistical Report 2022

■ Clean gas industry drivers

While the development of the biogas/biomethan industry has been remarkable in the last years, the outlook through the next decade is still particularly attractive. As indicated in the “Biogas Market – Global industry analysis forecast 2022-2030” of Precedent Research, the Global Biogas market size is going to move from US\$53.61bn in 2021 to around US\$78.8bn in 2030, with an underlying cagr of 4.4% from 2022 to 2030. Similar figures are indicated also in the Biogas Market analysis report from Grand View Research which indicates an overall 2021 market of US\$60.1bn in 2021, expected to increase at a cagr of 4.3% from 2022 to 2030.

EUROPE - 2050 BIOMETHANE PRODUCTION POTENTIAL VS 2021

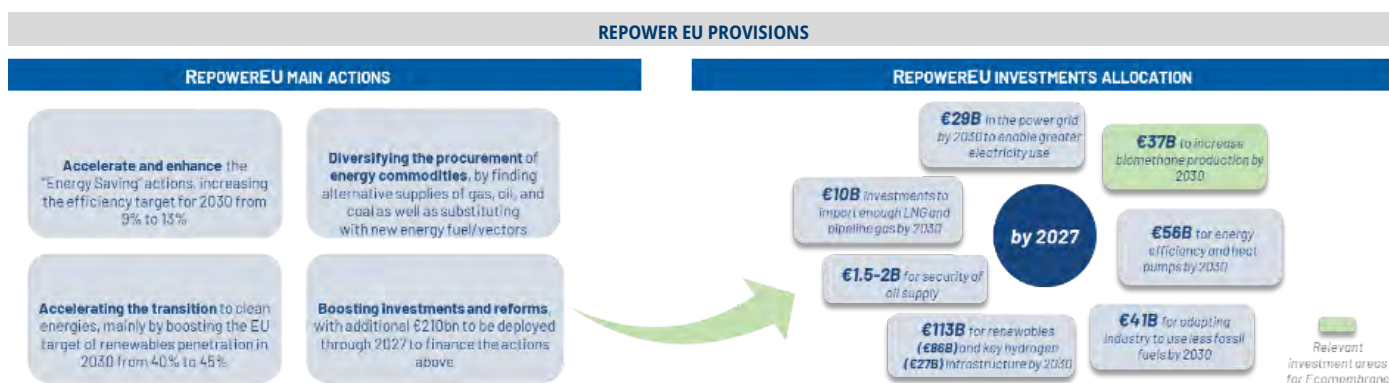


Source: PRECEDENT RESEARCH. "Biogas Market. - Global industry analysis forecast 2022-2030"



The underlying growth is going to be driven by several factors, which include a mix of regulatory/market evolutions. More in details:

1. **Stringent regulatory requirements** in terms of energy transition, emission reduction as well as security of supply and independence of energy sources from Russia. This has progressively materialized in several EU regulatory documents including:
  - a. **The EU GREEN DEAL**, aiming to establish investments and incentives to reduce GHG emission by -40% in 2030 (vs 1990) and to control global warming with an investment package of €1.1 trn in the decade.
  - b. **The FIT for 55 program**, which has set the new official 2030 targets in terms of GHG emissions (-40% vs 1990 – vs -10% in 2020), Renewables energy penetration (40% over total final energy demand - vs 20% in 2020) and energy efficiency with a -39% overall reduction of primary energy consumption vs 2007 (-20% in 2020)
  - c. **The REPOWER-EU program**, which has additionally boosted EU aims by accelerating deployment of clean energy penetration in 2030 (from 40% to 45%), diversifying the procurement of energy sources with alternative routes to Russian Oil/Gas, boosting investments and reform with additional €210bn deployed through 2027 to boost energy asset realization. Among the investments introduced by EU **there are €37bn to increase biomethane production through 2030.**



Source: European Union, Financing REPowerEU

- d. **The US Inflation Reduction Act (IRA) program**, which has introduced significant incentives measures in the form of tax credits for both the Biogas/Renewables gas/Hydrogen industries. The IRA incentives scheme is completed by additional incentives measure from the Rural Energy for America (REAP) with contributions of \$0.3bn to be allocated to the energy sector (including biogas), as well as the regional incentives program like the LCFS California program which is targeting a -20% carbon intensity by 2030.

**IRA INCENTIVES RECOGNITION**

- ✓ **Inflation Reduction Act 2022:**
  - ✓ **30% credit rate** to any project completed prior to the end of 2024 and an additional 10% bonus credit for projects meeting domestic content standards
  - ✓ **10% credit** for RNG projects in communities with fossil-fuel plant retirements, coal mine closures, or high unemployment rates
  - ✓ **Domestic fuel production** coming online between 2025-27 will also receive a **\$1.00 per gallon credit** for non-aviation fuel
  - ✓ **A "clean hydrogen" tax credit** available to hydrogen producers using RNG as feedstock

Source: Publicly available information; US Inflation Reduction Guidebook 2023

2. **New technology penetration.**

The aim to reduce GHG emissions, as well as the ongoing energy transition process especially in the fields of Electrification and Renewables energy penetration **is leading to a rapid development of alternative technologies, like the Carbon Capture (CCS) and the Hydrogen (H2). Both technologies call for the need of sophisticated storage solutions, and larger PVC membrane utilization.** This is valid also in the case of biomethan, considering the “upgrade” of traditional biogas plants into biomethan assets, requires larger assets deployment, and a larger amount of membrane utilization.

3. **Circular economy penetration and ramp up**

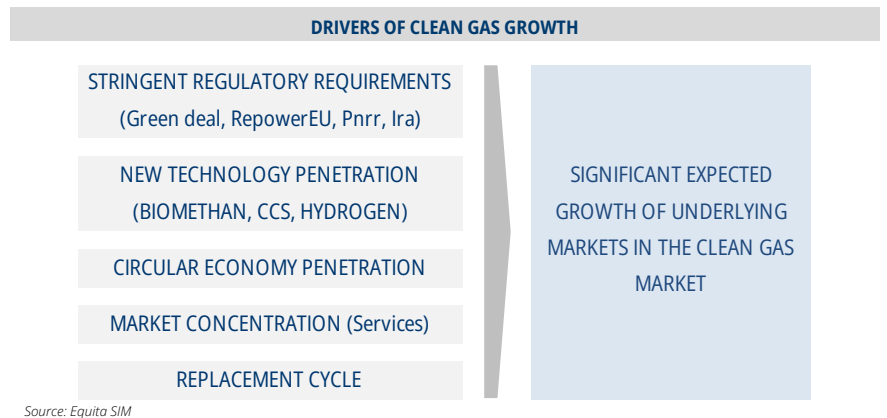
The energy transition is not the only goal pursued by the EUGREEN DEAL and FIT55 documents as the efforts in terms of CO2 reduction and energy savings also pass through the expected ramp up of the circular economy. The more stringent targets in terms of “recycling” and “recovering” of material is boosting investments in Waste treatment plants, Compost, Water treatment, sludge management, purification. All these investments require “gas control” and “odor control” systems to be development in the reference markets of Ecomembrane

4. **Market concentration**

The clean gas market is highly fragmented industry with thousands of plants distributed across Europe mainly in the agricultural fields. While the initial phase of development of the industry has been driven by strong incentives recognized to operators, the progressive evolution of the market will lead to market concentration. Infrastructure funds, Local municipalities, Private equity and specialized investors are starting to build up portfolio of assets in the look of efficiencies, scale and sustainable returns over time. We believe this is going to open a new market for servicing/maintenance activities for a company like Ecomembrane.

5. **Replacement cycle**

Ecomembrane has already installed more than 1,100 plants worldwide. This type of assets has usually 10-12 year useful life with around 30% of the plants entering replacement cycle in the next 2-3 years.

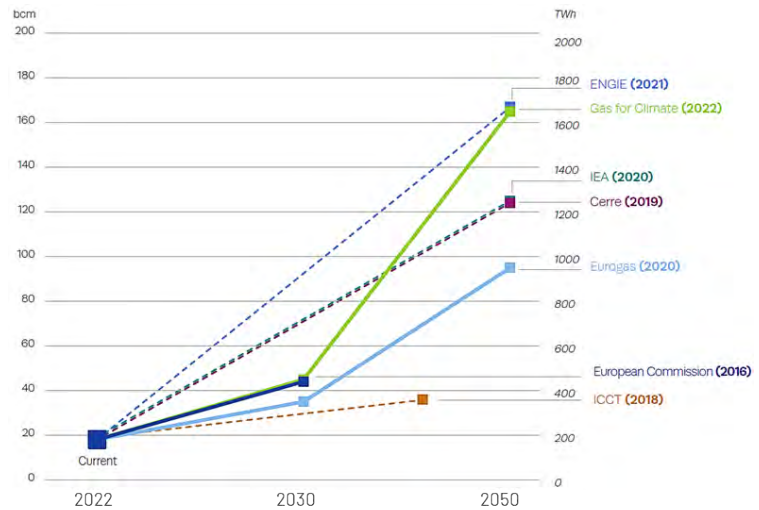


■ **Expected growth rates**

A summary of the expected growth rates in the different technologies is provided in the following pages.

**EU BIOGAS/BIOMETHAN MARKET:** as indicated by the European Biogas Association, the biogas and biomethan segments can increase production from 18.4bcm at the end of 2021 to roughly 35-45bcm through 2030 (1.9x – 2.4x growth factor). EBA indicate this may reach up to 95-167 bcm in 2050 (or 5.2x-9.1x growth factor)

**EBA BIOGAS AND BIOMETHANE PRODUCTION POTENTIAL FOR 2030 AND 2050**



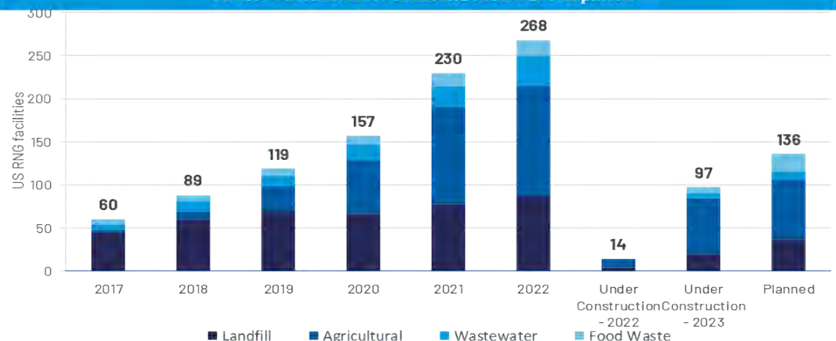
Source: EBA Statistical Report 2022

**US BIOGAS MARKET:** North American Renewables Natural Gas (RNG) demand is expected to grow by a factor of 2.4x through 2030 compared to 2021 levels, supported by incentives policies and corporate strategies.

**US RENEWABLES NATURAL GAS POTENTIAL**

North American RNG<sup>(1)</sup> demand to grow by ~2.4x through 2030 compared to 2021 levels, supported by incentives policies and corporate strategies

**US RNG Facilities 2017-2022 and future development**

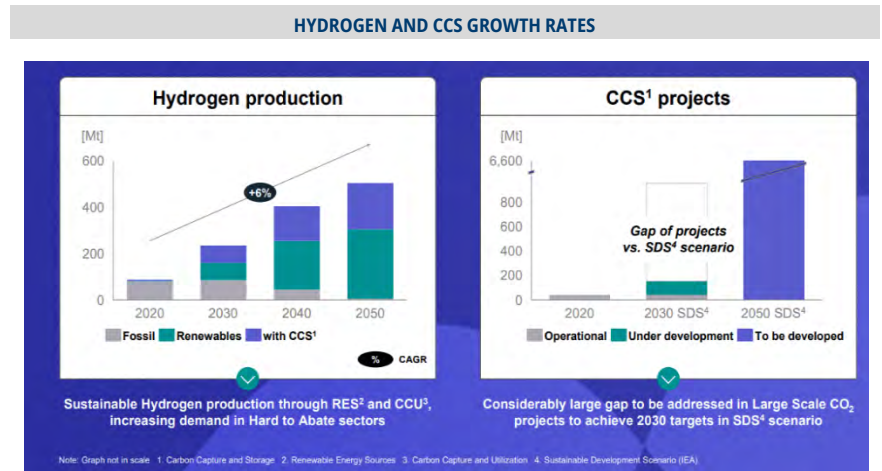


**Increased RNG production** in the US is supported by a variety of waste streams: approximately **70 million dry tons** of food waste, animal manure, wastewater sludge, fat, oils, and grease are produced annually, according to the US Department of Energy

- ✓ **Targeted waste diversion:** by 2030, the EPA wants to cut the amount of food waste that is dumped in US landfills by 50%
- ✓ Corporations, including oil and gas producers, are **pursuing RNG projects** for various reasons, including meeting ESG targets
- ✓ Major end users are also supporting RNG development in pursuit of their own decarbonization efforts (e.g., Amazon; UPS; SoCalGas)

Source: Ecomembrane elaborations on public data

**CCS / HYDROGEN:** Hydrogen markets are expected to develop at a rate of 2.5x through 2030 (vs 2020) and with a 6% Cagr through 2050, while CCS projects are expected to a >10x growth rate through 2030/2050.



Source: MAIRE 2023 Capital market day presentation

## FORECASTS FOR THE PERIOD 2022-2025

### ■ P&L and BS forecasts through 2025

In light of the good underlying conditions of the clean gas market as well as the strong position of Ecomembrane in the reference space, we expect the group to be able to deliver through 2025:

1. A cagr of Sales and Ebitda in the region of 35%;
2. An initial decrease of the Ebitda margin in 2023, as we include an increase in opex due to the rental fee post disposal of real estate as well as an initial ramp up phase of the new production facilities. We then estimate an improvement of the overall profitability with Ebitda margin moving from 19% (expected at the end of 2023) up to 21.1% in 2025;
3. A cagr of Net Income in the region of 36%;
4. A strong balance sheet with a cash position eventually to be used for additional M&A opportunities

In the following table we report our P&L and BS forecasts through 2025

PROFIT & LOSS	2020	2021	2022	2022PF	2023 E	2024 E	2025 E	CAGR
<b>Revenues - €mn</b>	<b>10.6</b>	<b>12.0</b>	<b>14.8</b>	<b>14.8</b>	<b>19.9</b>	<b>28.2</b>	<b>37.3</b>	<b>36%</b>
Growth	59%	14%	23%	23%	35%	42%	32%	-
<b>Gross Profit - €mn</b>	<b>5.1</b>	<b>7.2</b>	<b>8.5</b>	<b>8.7</b>	<b>10.9</b>	<b>14.3</b>	<b>18.3</b>	<b>28%</b>
Growth	-	41%	18%	20%	26%	31%	28%	-
<b>Ebitda - €mn</b>	<b>1.5</b>	<b>2.4</b>	<b>3.3</b>	<b>3.2</b>	<b>3.8</b>	<b>5.6</b>	<b>7.9</b>	<b>35%</b>
Growth	-	60%	39%	34%	17%	49%	41%	-
<b>Ebit - € mn</b>	<b>1.2</b>	<b>1.9</b>	<b>2.6</b>	<b>2.5</b>	<b>2.7</b>	<b>4.3</b>	<b>6.4</b>	<b>36%</b>
Growth	-	59%	38%	33%	8%	55%	49%	-
<b>Pbt - €mn</b>	<b>1.1</b>	<b>1.8</b>	<b>2.6</b>	<b>2.5</b>	<b>2.6</b>	<b>4.2</b>	<b>6.3</b>	<b>35%</b>
Growth	-	62%	41%	38%	4%	58%	51%	-
<b>Net Income - €mn</b>	<b>0.8</b>	<b>1.5</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>2.9</b>	<b>4.4</b>	<b>36%</b>
Growth	-	75%	25%	21%	5%	58%	51%	-
MARGINS	2020	2021	2022	2022PF	2023 E	2024 E	2025 E	CAGR
Gross profit margin	48%	60%	58%	59%	55%	51%	49%	-
Ebitda margin	14%	20%	23%	22%	19%	20%	21%	-
Ebit margin	11%	16%	18%	17%	14%	15%	17%	-
Pbt margin	11%	15%	18%	17%	13%	15%	17%	-
Ni margin	8%	12%	12%	12%	9%	10%	12%	-
DEBT & CASH FLOW	2020	2021	2022	2022PF	2023 E	2024 E	2025 E	CAGR
<b>Net debt - €mn</b>	<b>-1.19</b>	<b>-0.93</b>	<b>-2.37</b>	<b>-1.04</b>	<b>9.21</b>	<b>10.37</b>	<b>12.66</b>	-
D/Ebitda	0.8 x	0.4 x	0.7 x	0.3 x	cash	cash	cash	-
Shareholder's equity - €mn	2.76	3.28	4.32	2.76	14.90	17.10	20.34	-
Tangible / Intangible Capex	0.50	0.53	2.53	2.53	1.80	0.80	0.80	-
Working capital - €mn	1.37	1.37	1.98	1.89	2.82	4.32	5.76	-
REVENUES SPLIT - SEGMENT	2020	2021	2022	2022PF	2023 E	2024 E	2025 E	CAGR
Cupole & Gasholders - €mn	8.0	9.3	11.1	11.1	15.7	20.7	25.9	<b>33%</b>
Odor control - €mn	1.1	0.6	0.6	0.6	0.7	0.8	0.8	<b>10%</b>
Co2 - €mn	0.0	0.0	0.0	0.0	0.6	3.0	6.2	<b>nm</b>
Hydrogen - €mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>nm</b>
Swimming pool - €mn	0.7	1.0	1.4	1.4	0.8	0.9	1.0	<b>-10%</b>
Other services - €mn	0.8	0.8	1.1	1.1	1.8	2.5	3.0	<b>38%</b>

Source: Equita SIM estimates & company data



The above shown estimates are calculated taking into considerations:

- The already high visibility on 2023 revenues (+35% sales). As we mentioned above, recent sales channel check point to a 90%-95% visibility on 2023 sales as a sum of actual sales, accepted offers and pipeline of presented/requested contracts);
- The underlying expected growth rate of the clean-gas industry at European level;
- The expected replacement cycle on 30% of the outstanding assets already installed by Ecomembrane;
- The progressive expansion of the service business in light of the increasing size of projects and the market concentration process from specialized clean gas operators;
- The already available new projects in the field of CO2 capture/storage;
- The economies of scale from the already finalized capacity increase (3.1x factor vs 2022) implemented in the past months and expected to go at regime from 2H2023;
- The new automatization process from the new factory;
- The internalization of part of the production (ie. Steel products for plant structures), with consequent reduction of third parties services;
- The low level of interest charges considering the strong cash position post capital increase;
- The €11mn capital increase from the IPO process;
- A dividend payout ratio in the region of 40% of the ordinary net income;

We believe the above estimates has a reasonable degree of visibility also considering the numbers doesn't include:

- Potential benefits from M&A deal using the proceeds of the IPO (we estimate Ecomembrane to have a €15-20mn potential to keep industry 1x D/Ebitda ratio.
- The potential additional development of the Hydrogen business which may instead ramp up in the next years.
- The potential contribution which may derive from the Alvus/Favus stake ownership as described in the previous paragraphs.

#### ■ The special projects in CCS/CO2 storage (Energy Dome)

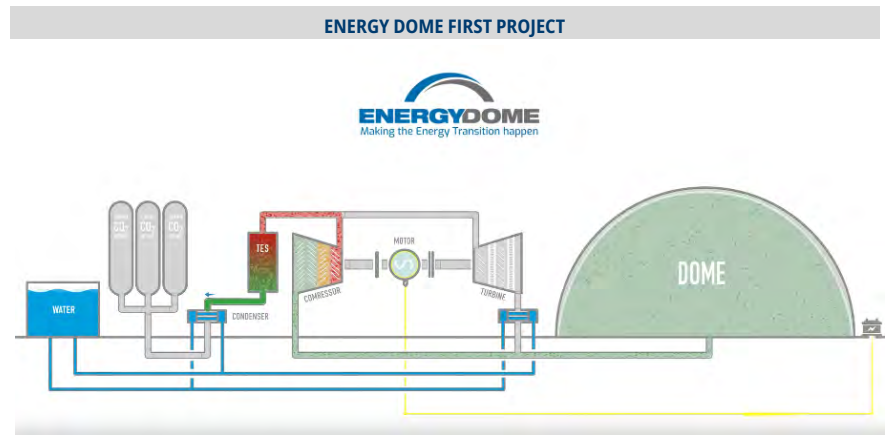
At the core of the global efforts toward energy transition and global warming control, there are all the efforts towards CO2 emission reduction (as part of the overall Green House Gas – GHG - limitation) and renewables energy increasing penetration.

Decarbonization of the industry is certainly key to overall emissions reduction, while allowing intermittence renewables to be able to produce at more predictable output through energy storage solutions is becoming a stringent requirement to the achievement of international climate goals.

In this arena, **Energy Dome** (founded in 2022 in Milan) **is an emerging long-duration energy storage solution provider**, which works simultaneously to achieve the goals of reducing CO2 in atmosphere and to be an enabler of dispatchable and affordable renewables energy production.

**Energy Dome has developed an innovative technology which use CO2 as the perfect fluid to store energy cost effectively in a closed thermodynamic process** as it is one of the few gases that can be condensed and stored as a liquid under pressure at ambient temperature. By manipulating CO2 between its gaseous and liquid phase, **Energy Dome is able to store energy and to release it at the most appropriate time.** The CO2 battery can operate in charging mode (absorbing power from the grid) and discharge mode (returning power to the grid). When operating in charging mode, the CO2 is withdrawn from a gasholder (The Dome) and compressed into an inter-refrigerated compressor. The heat generated from the compression is stored in two thermal energy storage systems. The CO2 is then condensed and stored under pressure at ambient temperature in the CO2 liquid vessels. When the system is operating in discharging mode, the liquid CO2 is evaporated in heated by recovering heat from the Thermal energy storage system. The CO2 expands into a reheated turbine, returning power to the grid and is then stored back to the Dome at ambient temperature and pressure without leakage in the atmosphere.

As you can see from the picture below, the Dome is basically realized through a PVC coated membrane.



Source: Energy Dome's web site

Ecomembrane is currently the provider of the PVC coated membrane for the Dome as described above, with Energy Dome having concluded the testing phase and going to realize the first large dimension projects in collaborations with energy groups (including A2A and Ansaldo Energia) and financial partners (including 360 Capital, Barclays, Novum Capital Partners and Third Derivative).

**The first assets already realized by Energy Dome (using Ecomembrane's technology) is also the world's largest pressurized membrane gasholder, with around 30,000m<sup>3</sup> dimension against the traditional size of Ecomembrane gas-holders (usually 10,000 m<sup>3</sup>).**

**To understand the level of "increasing size" for this kind of market, we understand Energy Dome's is already working to a much larger projects with size reaching 1,350,000m<sup>3</sup>, thus significantly increasing the size of Ecomembrane's contract value up to €1.5mn/€5mn (vs traditional average value of €0.28mn).**

**CO2 BATTERY STORAGE PROJECT – ENERGY DOME**

**CO2 energy storage is key to unlocking renewable power's full potential**

**Market niche**  
 ✓ The CO2 Battery is a long duration and large-scale energy storage system based on a thermodynamic process that efficiently stores energy by manipulating CO2 under different state conditions

**Technological innovation**  
 ✓ In 2022, Ecomembrane produces the first membrane gasholder for CO2 storage, which is simultaneously the world's largest pressurised membrane gasholder

**Client base**  
 ✓ Energy Utilities, Power Grid Utilities, wind and solar plants

**CARBON CAPTURE MARKET**  
 ✓ The CO2 gasholder is requested by part of the technologies currently used to capture CO2 emissions from industrial fumes. In this case the gasholder works as buffer tank that equalizes the flow between the fumes emitter and the gas capture system.



2MAster DOUBLE MEMBRANE GASHOLDER (L32m - W78m - H18m) Green Energy Industrial Plant in Ottana (NU) - Sardinia	Volume	c. 30.000m <sup>3</sup>
	External Volume	c. 35.000m <sup>3</sup>
	Working Pressure	4 mbar

Source: Company information

As we understand, Energy Dome is already working as partner with Ansaldo Energia for the development of an additional larger projects which may raise the value of the contracts up to €4-5mn in 2024 (we have included both the initial €1.5mn project value and the upcoming €5mn project value into our estimates for the 2023-2025 period).

As we believe the energy storage/CO2 capture technologies will be crucial for the growth of renewables in the next decade (in order to increase affordability and predictability of RES production) we believe the upside potential on special project in this fields may represent a significant source of upside for Ecomembrane in the next 2-3 years.

#### ■ The potential contracts with Alvus/Favus

As briefly indicated in the previous pages, Ecomembrane controls 18.95% of Alvus Srl/Favus Srl which operate together respectively as the engineering and commercial arms of a start-up active in the design and construction of innovative biogas plants.

As in the case of Energy Dome, we believe the presence in the activities of the group has a relevant strategic rational. Alvus/Favus, in fact has already developed and tested a new way (without the use of concrete/steel in the confinement tanks of biogas) that well suit the biogas generation from agricultural products.

The technology has gained the attention of important investors with the BayWa BioEnergy group (owned by Macquarie infrastructure fund) already sustaining/financing group's operations. In light of the current minority stake owned by Ecomembrane and considering the group is among the few companies able to serve Alvus/Favus technologies, we believe Ecomembrane may highly probably become the preferred provider of the PVC membrane for the activities of the groups in Italy.

Considering Alvus / Favus has currently starting the scouting for 15 greenfield plants in the next 3 years plus the brownfield conversion opportunities, the participation may transform into an important source of revenues in the coming years. Ecomembrane's content for Alvus/Favus plant reaches 15%-20% vs the 7%- 10% of the more traditional plants, with revenues content reaching up to €1mn per plants (thus being potentially source of €10-15 mn of revenues in the coming years only accounting for the potential green-field operations).

#### ■ Cash flows, dividends and indebtedness

With the majority of the capex expansion projects already finalized in 2021-2022 (which includes the 3x increase in production capacity) we expect Ecomembrane's to preserve a sound financial position in the next 3 years.

With a 0.3x D/Ebitda at the end of 2022PF we expect Ecomembrane to become cash positive in 2023 after the €10mn proceeds from the IPO process, with a €7.9mn net cash position at the end of 2023E.

Ecomembrane has "self-financed" its growth as well as the capacity expansion (0.3x D/Ebitda at the end of 2022PF).

In the following table a summary of the NFP and FCF evolution of the group through 2025.

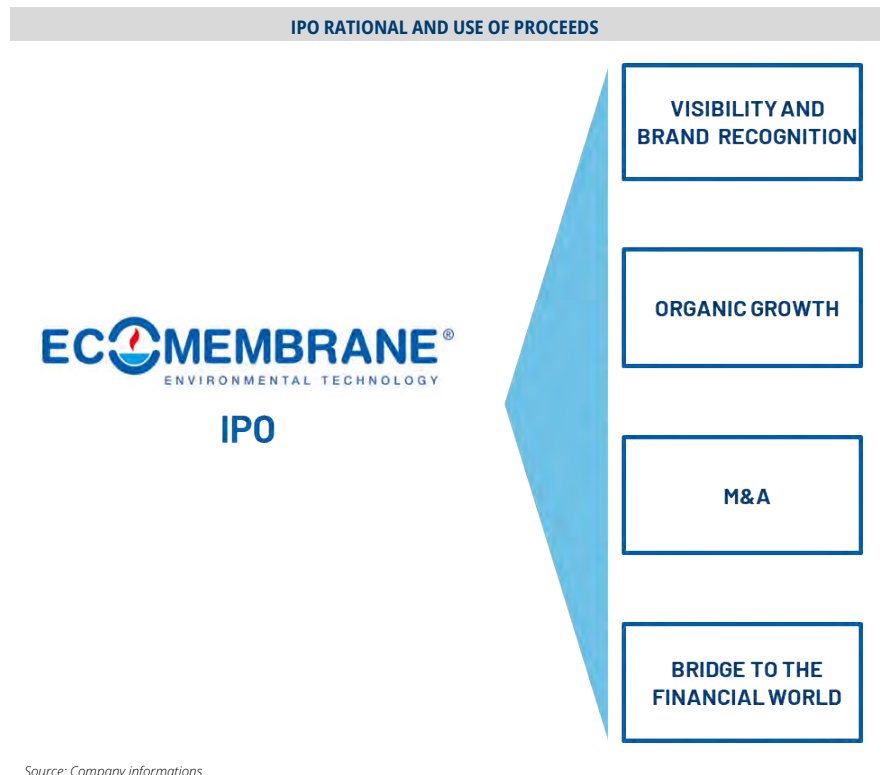
	DEBT & CASH FLOW					
	2020	2021	2022	2022PF	2023 E	2024 E
<b>Net debt - €mn</b>	<b>-1.2</b>	<b>-0.9</b>	<b>-2.4</b>	<b>-1.0</b>	<b>9.2</b>	<b>10.4</b>
D/Ebitda	0.8 x	0.4 x	0.7 x	0.3 x	cash	cash
Shareholder's equity - €mn	2.8	3.3	4.3	2.8	14.9	17.1
Tangible / Intangible Capex	0.5	0.5	2.5	2.5	1.8	0.8
Working capital - €mn	1.4	1.4	2.0	1.9	2.8	4.3
Cash flow from operations	na	2.0	1.9	1.9	1.8	2.7
Cash flow from investments	na	-0.8	-2.6	0.3	-1.8	-0.8
Cash flow from equity financing	na	-0.9	-0.8	-2.3	10.3	-0.7
<b>Change in net debt</b>	<b>na</b>	<b>0.3</b>	<b>-1.4</b>	<b>-0.1</b>	<b>10.2</b>	<b>1.2</b>

Source: Equita SIM estimates & company data

■ **M&A opportunities**

With no financial constraints and a sound financial position, the IPO process had a strong industrial sense. The listing process, in fact, provided Ecomembrane with the resources (€11mn capital increase) to:

1. **Provide adequate financial resources to pursue additional investments** in capacity addition, in case of further acceleration of the underlying markets;
2. **Provide adequate resource for potential M&A deals** in the market, where a local presence is necessary to operate and for potential acquisition of competitor's productive facilities;
3. **Increase visibility and brand recognition**, especially at international level and in specific contracts/negotiations;
4. **Improve group's connection with the financial markets**, which is showing high interests towards the world of biogas/biomethane industry and that is constantly looking for trusted industrial partners, with unique know-how and expertise.



While we think that the underlying market has already significant growth drivers going forward (regulation, decarbonization, replacement cycle, new emerging technologies and increasing market size), we also believe that M&A in particular, may represent a good source of value for Ecomembrane going forward.

Starting from the consideration that the underlying market is highly fragmented we believe selective M&A may allow the group to

1. Expand production capacity with the acquisition of competitor's production facilities;
2. Increase size to compete globally;
3. Penetrate market where a local presence is necessary to operate;
4. Diversifying and expanding customer's base;
5. Enlarge product range with the offering of complementary goods;

**Ecomembrane is already targeting 2-3 groups which well suits to the business model. The deal size range from \$2-2.5 mn up to \$12/15mn and may occur in the 2023-2025 period.**

**ECOMEMBRANE M&A OPPORTUNITIES**

- ✓ Young, growing, and fragmented market
- ✓ Europe at the forefront of technology
- ✓ Ecomembrane as a technological leader with possibility to act as a market consolidator
- ✓ Deep knowledge of the International markets and of their main actors
- ✓ Corporate Development function in the course of being established with full focus on M&A



Source: Company information

**As we anticipated above, discussion for a potential M&A deal in US are already in advanced stage of development.** As reported by MF with an interview to the CEO, we understand, Ecomembrane is looking to close an acquisition by the end of 2023 (potential \$3mn sales as indicated at the time of the IPO) not included in estimates.



## ALL THE REASONS WHY ECOMEMBRANE IS AN ATTRACTIVE VALUE PROPOSITION

Taking into considerations all the evidence run in the previous pages, **we are initiating the coverage of Ecomembrane with a BUY recommendation and a target of €12ps which offers an upside of 43% on current prices and which implies a valuation of 17.6x PE and 7.4x EV/EBITDA as measured in 2024.**

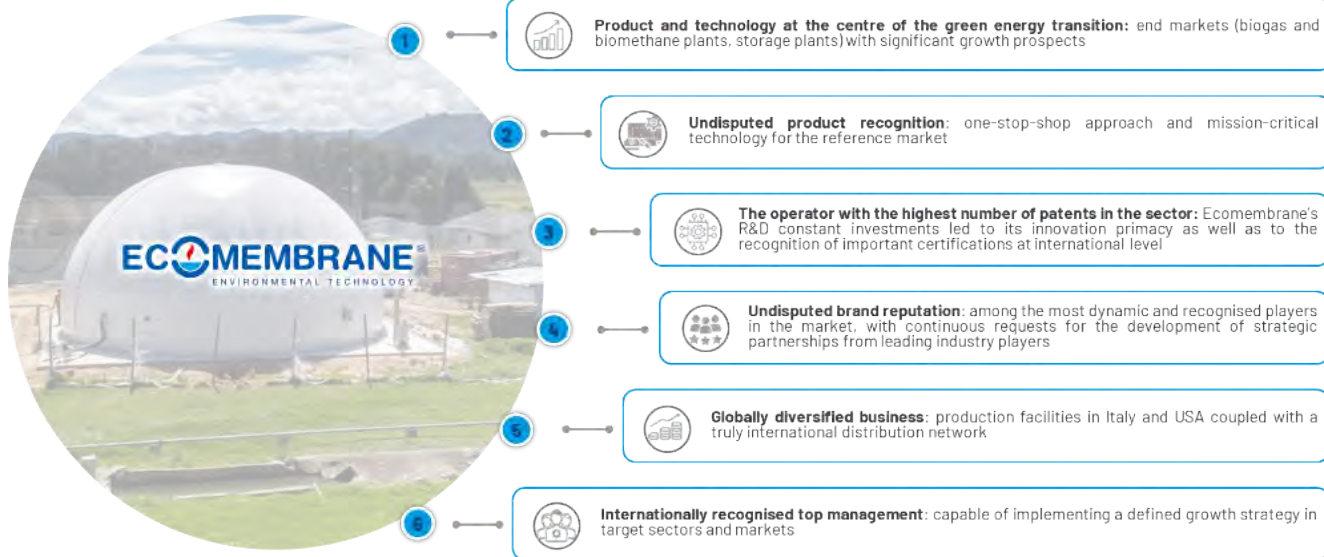
We believe that **the underlying perspective of the clean gas market looks very attractive.** Eu biogas market is expected to deploy growth rates from 1.9x to 2.4x through 2030, the US market is expected to grow at rate of 2.4x through 2030, while H2 and CCS markets envisage growth rates from 2.5x up to 10x through 2030. This is going to be driven by stringent regulatory requirements in terms of energy transition, security of supply and quest for energy independence from Russia energy (Green Deal, Repower EU, Pnrr, US ira), but also by new technologies penetration (CCS and H2), circular economy concepts expansion as well as market concentration (new services and maintenance business) and replacement cycle (30% if existing assets approaching end of useful life in the next 2-3 years)

Within this market contest, we also believe that Ecomembrane:

1. **Has a very well consolidated presence in the market thanks to:**
  - a. **a very well-known brand**, in the field of biogas plant and with continuous requests for the development of strategic partnerships form leading industry players;
  - b. **an already well-established international** presence with more than 1,000 plants already installed through the world through a truly international distribution network, and 2 production facilities in Italy and US.
  - c. **a strong technological footprint** with the highest number of patents in the segment, the group constantly invests in R&D to led innovation, recognition and certifications at international level.
  - d. **a full control of the value chain**, with presence across the whole spectrum of activities from the engineering/projecting phase (with the possibility to develop tailor made solutions) up to the post-sales services. This ensure Ecomembrane a significant competitive advantage as a one-stop-shop provider of products and solutions for tailor made requests and mission-critical technologies.
  - e. **no main exposure to single clients or raw material provider**, which is particularly helpful in the market of the last few years with strong inflationary trends and constrains on the logistics and components;
  - f. **a resilient business model** which provided for strong protection through the COVID period and through 2022. The support from regulation has granted underlying growth despite of the underlying economic background
2. **Has attractive growth rates going forward. We estimate Ecomembrane to be able to achieve around +35 CAGR in turnover and in Ebitda through 2025.** We believe this is compatible with:
  - a. **The underlying growth of the industry** described above, which is expected to more than double in the coming years.
  - b. **The good visibility in terms of order backlog** with more than 600 offers already placed (usual success rate of 40%) with a total value of the contracts at 2x vs 2022. **Ecomembrane currently has 30% of the expected Revenues of 2023 already covered (with peaks of 40% in certain subsegments)**
  - c. **A strong potential in terms of efficiencies gains.** Ecomembrane has recently significantly expanded its production capacity in the welding activities (from 2500m2 to 4500m2) and internalized the Steel production unit (1200m2). Our expectations is that this should allow Ecomembrane to almost tripling the production capacity within 2023. We believe the group should gain significant benefit from the automatization process from the new facilities as well as the internalization of production processes.

- d. **The new business lines of special projects in the fields of CCS and hydrogen** which is significantly increasing the average value of contracts in the range of 2x/4x. Furthermore, the minority stake owned in Alvus/Favus, could lead additional greenfield/brownfield projects in the region of €10-15mn in the coming years.
  - e. **The M&A opportunities** with the proceeds from IPO potentially leading to additional expansion of the business by the mean of external acquisitions
  - f. **a wide range of addressable markets** including Agricultural, Industrial Waste-Water Treatment Plants (WWTPs), Organic waste treatment, Landfills, Methane, Co2, Hydrogen, Swimming pool, Odor systems and other;
  - g. **a wide range of addressable markets** including Agricultural, Industrial Waste-Water Treatment Plants (WWTPs), Organic waste treatment, Landfills, Methane, Co2, Hydrogen, Swimming pool, Odor systems and other, which allows Ecomembrane to capture the expected growth.
3. **Has a strong balance sheet**, with a 0.3x D/Ebitda at the end of 2022PF and an expected net cash positive position after the primary offer through the IPO process. This will allow Ecomembrane to exploit all the market potential both through organic growth and by the mean of external acquisition
  4. **Valuation appears really attractive** at 12.26x PE and 4.7x EV/EBITDA as measured on 2024, at significant discount vs avg EU capital goods, with a higher expected growth (+35% cagr Ebitda and Net income through 2025) and with a strong cash position (€9mn at the end of 2023 ex M&A) which may allow for additional growth opportunities through selected acquisitions.

**MAIN PILLARS**



Source: Company information

## APPENDIX 1 – ACTIVE PATENTS

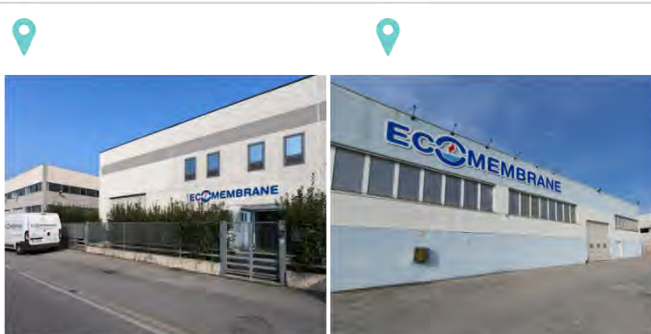

A summary of the characteristic of the currently outstanding patents is shown in the following table.

ECOMEMBRANE – ACTIVE PATENTS			
Service	Country	Issuance Date	Name
B.E.	EP (9 countries + IT)	01/05/2013	FILLING LEVER METER FOR MEMBRANE GASOMETERS
Invention	USA	21/10/2014	FILLING LEVER METER FOR MEMBRANE GASOMETERS
Invention	ITALY	24/07/2015	CUPOLA GASOMETRICA A MEMBRANA STABILIZZATA ELASTICAMENTE
Invention	ITALY	17/12/2015	GASOMETRO TRASPORTABILE
Mod. Utilità	ITALY	11/10/2018	COPERTURA ANTICODORE PRESSOSTATICA PER VASCA DI SEDIMENTAZIONE
B.E.	EP (5 countries + IT)	11/11/2020	PRESSOSTATIC ODOR CONTROL COVER FOR SLURRY TREATMENT TANK WITH DEVICE FOR REDUCING THE INNER VOLUME OCCUPIED BY HARMFUL AND MALODOROUS GASES
B.E.	EP (5 countries + IT)	31/03/2021	A MEMBRANE GAS HOLDER DOME WITH REDUCED HEAT LOSS
Invention	USA	13/12/2022	PRESSOSTATIC ODOR CONTROL COVER FOR SLURRY TREATMENT TANK WITH DEVICE FOR REDUCING THE INNER VOLUME OCCUPIED BY HARMFUL AND MALODOROUS GASES
Invention	SOUTH KOREA	20/06/2022	PRESSOSTATIC ODOR CONTROL COVER FOR SLURRY TREATMENT TANK WITH DEVICE FOR REDUCING THE INNER VOLUME OCCUPIED BY HARMFUL AND MALODOROUS GASES
Invention	ITALY	pending	GASOMETRO PNEUMATICO A MEMBRANE PER LO STOCCAGGIO DI IDROGENO GASSOSO A BASSA PRESSIONE
Invention	ITALY	pending	ELEMENTO MODULARE ATTO AD ESSERE IMPIEGATO PER LA COSTRUZIONE DI UNA FONDAZIONE DI ANCORAGGIO PER UN GASOMETRO A MEMBRANA, E FONDAZIONE COSI' OTTENUTA
Invention	ITALY	pending	SALDATRICE AD ALTA FREQUENZA MOBILE

*Source: Company information*

## APPENDIX 2 – ECOMEMBRANE FACILITIES

In following table we report some information with regards to the production facilities of Ecomembrane in Italy and in US.

ITALIAN FACILITIES – ECOMEMBRANE SRL	US FACILITIES
 <p>Purchasing office, <b>product manager</b> office, R&amp;D, commercial office, warehouse and production facility</p> <p><b>Welding facilities and steel production unit</b></p> <ul style="list-style-type: none"> <li>✓ New HQ <b>1000 m<sup>2</sup></b> <small>NEW</small></li> <li>✓ Warehouse and manufacturing of final products <b>2200 m<sup>2</sup></b></li> </ul> <p><b>#40 people team</b></p> <ul style="list-style-type: none"> <li>✓ Original welding facility <b>2500 m<sup>2</sup></b></li> <li>✓ New welding facility <b>2000 m<sup>2</sup></b> <small>NEW</small></li> <li>✓ Steel production unit <b>1200 m<sup>2</sup></b> <small>NEW</small></li> </ul>	<p>North Little Rock, Arkansas</p>  <ul style="list-style-type: none"> <li>✓ Warehouse area <b>2000 m<sup>2</sup></b></li> <li>✓ Production area <b>3200 m<sup>2</sup></b></li> </ul> <p><b>#15 people team (Splash LLC service agreement)</b></p>

*Source: Company information*

*Source: Company information*

### APPENDIX 3 – BIOGAS REFERENCES

In following table we report some information with regards to the biogas technologies.

BIOGAS REFERENCES	
<p><b>1</b> What is it and how is biogas obtained?</p> <ul style="list-style-type: none"> <li>✓ <b>Biogas</b> is generated in dedicated plants by the <b>fermentation</b> of large quantities of organic substances called <b>biomass</b></li> <li>✓ <b>Fermentation</b>, technically called <b>anaerobic digestion</b>, is caused by bacteria belonging to particular strains that, working in the absence of oxygen, transform part of the biomass into gas. This complicated biological process takes place <b>inside a special structure called a digester</b>. Once the reaction is over, what remains of the biomass is called digestate and is used in agriculture as a fertilizer</li> </ul>	<p><b>3</b> What is biogas used for?</p> <p>The main advantage of using biogas is that it <b>does not contribute to the release of new greenhouse gases</b> into the atmosphere, particularly carbon dioxide and methane</p> <p>Biogas is used to a large extent to produce <b>electricity</b> (i), and to a lesser extent <b>biomethane</b> (ii):</p> <ol style="list-style-type: none"> <li>1. The gas is fed into a <b>cogenerator</b> and burnt in an engine that converts mechanical energy into electricity. The majority of the electricity is sold into the grid, while a small portion is used to operate the plant</li> <li>2. The gas must be purified in a process called <b>upgrading</b>. The biomethane obtained is sold and used in the same way as extractive methane (for domestic use, automotive, etc.). However, this kind of plants are a minority compared to those producing electricity</li> </ol>
<p><b>2</b> What can be used to produce biogas?</p> <p>In general, biogas can be produced from any fermentable organic matter, whether of plant or animal origin. <b>Biomasses</b> can be composed by:</p> <ul style="list-style-type: none"> <li>✓ <b>Corn, winter cereals</b> (i.e., those sown in the late fall and winter period such as wheat, barley, rye, and oats) and <b>derivatives</b> (such as cornmeal);</li> <li>✓ <b>Forages</b> and <b>agricultural wastes</b> (corn stalks, straw, etc.);</li> <li>✓ <b>Slaughter</b> and <b>agribusiness industry wastes</b>;</li> <li>✓ <b>Slurry</b> and <b>manure</b> in general;</li> <li>✓ The organic fraction of <b>municipal solid waste</b>.</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Biogas</b>: the unprocessed, raw gas produced by anaerobic digestion. Depending on the feedstocks and technologies employed, its composition varies, but it typically contains <b>60% methane</b> and <b>40% carbon dioxide</b></li> <li>✓ <b>Biomethane</b>: the improved version of biogas. It has a methane content of almost 100% and a quality that is comparable to that of natural gas. Biomethane may substitute all the uses of natural gas and it can be applied in a wide range of end-use applications</li> </ul>

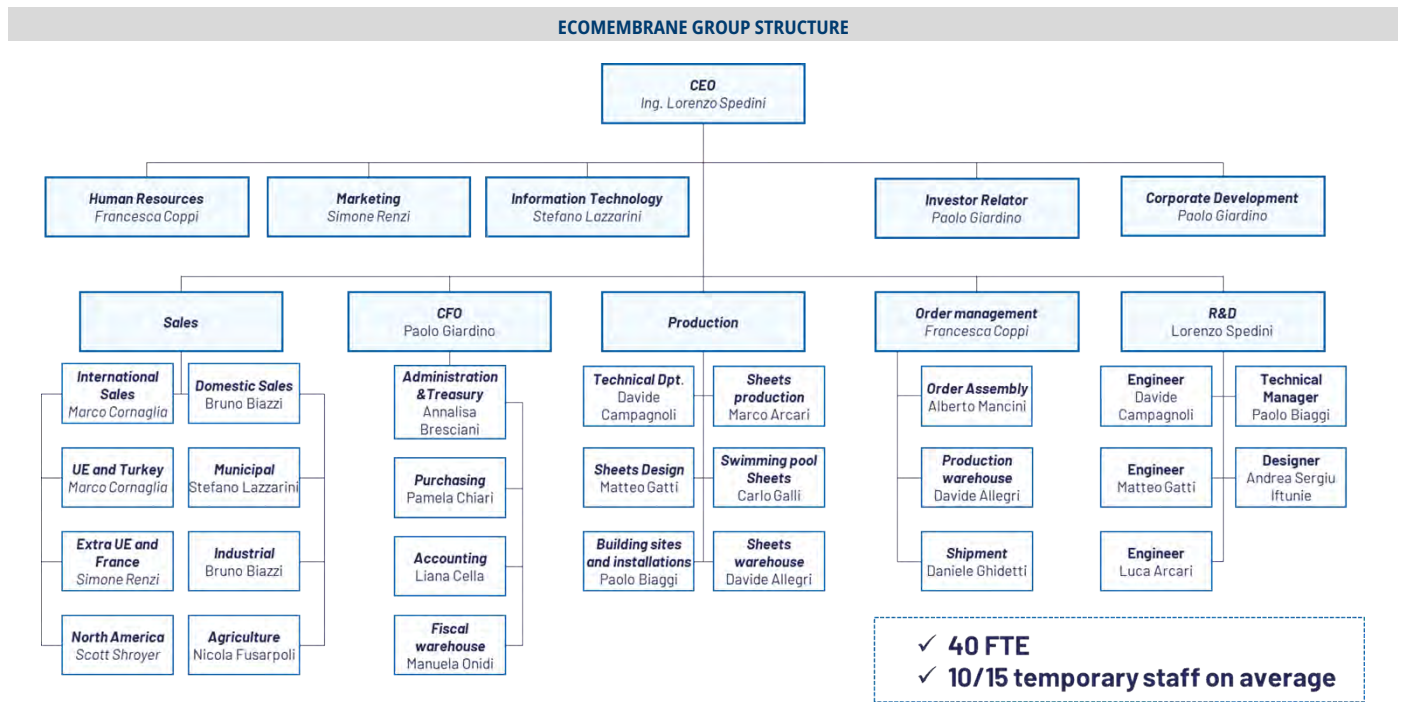
Source: Company information

BIOGAS PLANTS	
<p><b>1</b> How a biogas plant works</p> <p style="text-align: center;">Areas of Interest for ECOMEMBRANE</p>	<p><b>2</b> Biogas plant structure and components</p> <ol style="list-style-type: none"> <li>1. <b>Storage areas</b>: these can be tanks or reservoirs or sheds (usually enclosed) that are used for collection operations and possible pre-treatment of biomass, to remove any impurities and prepare the organic material for anaerobic digestion. Treatment can be mechanical (e.g., shredding, separation, etc.) or by means of thermal processes;</li> <li>2. <b>Digester</b>: through a system of pipes and pumps, pre-treated organic material is sent to the digester, large hermetically sealed tanks where biomass is continuously mixed. Here fermentation takes place through the action of microorganisms, producing biogas and digestate;</li> <li>3. <b>Gasometers</b>: some plants store biogas in special external tanks called gasometers, however it can also be stored inside the digesters themselves. The biogas is then used, further refined or distributed via pipelines or trucks;</li> <li>4. <b>Biogas treatment systems</b>: in plants that also produce biomethane, the biogas undergoes a series of refining treatments within special plants;</li> <li>5. <b>Cogeneration</b>: most biogas plants also have a cogenerator, a system equipped with an endothermic engine powered by biogas or biomethane, through which it is possible to generate both electricity and thermal energy to be released to the grid, supplied to nearby buildings, and partly used to power the biogas plant itself;</li> <li>6. <b>Digestate storage areas</b>: anaerobic digestion produces not only biogas but also organic residual materials, which are stored in special areas (tanks or reservoirs) and used in agriculture as a soil conditioner or fertilizer.</li> </ol>

Source: Company information

### APPENDIX 3 – GROUP STRUCTURE

In following table we report some information with regards to the group structure.



Source: Company information

### STATEMENT OF RISKS FOR ECOMEMBRANE S.P.A.

The primary elements that could negatively impact ECOMEMBRANE stock include:

- Relevant deterioration of the regulatory environment with reduced incentive commitment to the penetration of Biogas/Biomethan/Hydrogen.
- Relevant deterioration of the Interest rate/Inflationary environment putting at risk investment commitment from clients.
- Unforeseeable rump up of capex costs or delays in projects implementation.
- Eventual rapid increase of competition or demand/supply disruption.
- Deterioration of the access to financing sources



<b>P&amp;L - €mn</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
<b>SALES Rep</b>	<b>10.5</b>	<b>11.7</b>	<b>14.2</b>	<b>19.5</b>	<b>27.9</b>	<b>37.0</b>
Growth	n.a.	11.5%	21.3%	37.2%	42.8%	32.6%
<b>EBITDA Rep</b>	<b>1.5</b>	<b>2.4</b>	<b>3.2</b>	<b>3.8</b>	<b>5.6</b>	<b>7.9</b>
Growth	n.a.	60.1%	33.9%	16.6%	48.5%	41.4%
Margin	14.3%	20.5%	22.6%	19.2%	20.0%	21.3%
Depr. & Amort	-0.2	-0.3	-0.5	-0.7	-0.9	-0.9
Other Provisions & Write Do	-0.1	-0.2	-0.2	-0.3	-0.4	-0.6
<b>D&amp;A</b>	<b>-0.3</b>	<b>-0.5</b>	<b>-0.7</b>	<b>-1.0</b>	<b>-1.3</b>	<b>-1.5</b>
<b>EBIT Rep</b>	<b>1.2</b>	<b>1.9</b>	<b>2.5</b>	<b>2.7</b>	<b>4.3</b>	<b>6.4</b>
Growth	n.a.	58.8%	33.3%	8.5%	55.2%	49.4%
Margin	11.4%	16.2%	17.8%	14.1%	15.3%	17.2%
Net Interest Charges	-0.1	-0.1	0.0	-0.1	-0.1	-0.1
Equity & Financials	0.0	0.0	0.0	0.0	0.0	0.0
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
<b>Financial Expenses</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>
<b>PBT Rep</b>	<b>1.1</b>	<b>1.8</b>	<b>2.5</b>	<b>2.6</b>	<b>4.2</b>	<b>6.3</b>
Growth	n.a.	61.9%	38.2%	3.9%	58.5%	50.7%
Income Taxes	-0.3	-0.4	-0.8	-0.8	-1.3	-1.9
Tax rate	-26.8%	-21.0%	-30.9%	-30.0%	-30.0%	-30.0%
<b>Minority Interest</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Net Income Rep</b>	<b>0.8</b>	<b>1.5</b>	<b>1.8</b>	<b>1.9</b>	<b>2.9</b>	<b>4.4</b>
Growth	n.a.	74.9%	20.9%	5.2%	58.5%	50.7%
Margin	7.9%	12.4%	12.4%	9.5%	10.5%	12.0%
<b>Net Income Adj</b>	<b>0.8</b>	<b>1.5</b>	<b>1.8</b>	<b>1.9</b>	<b>2.9</b>	<b>4.4</b>
Growth	n.a.	74.9%	20.9%	5.2%	58.5%	50.7%
Margin	7.9%	12.4%	12.4%	9.5%	10.5%	12.0%
<b>CF Statement</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
FFO	n.a.	2.0	2.4	2.7	4.2	5.7
Chg. in Working Capital	n.a.	0.0	-0.5	-0.9	-1.5	-1.4
Other chg. in OCF	n.a.	0.0	0.0	0.0	0.0	0.0
<b>NCF from Operations</b>	<b>n.a.</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>	<b>2.7</b>	<b>4.3</b>
CAPEX	n.a.	-0.5	-2.5	-1.8	-0.8	-0.8
Financial Investments	n.a.	-0.2	0.0	0.0	0.0	0.0
Other chg in investments	n.a.	0.0	2.8	0.0	0.0	0.0
<b>NCF from Investments</b>	<b>n.a.</b>	<b>-0.8</b>	<b>0.3</b>	<b>-1.8</b>	<b>-0.8</b>	<b>-0.8</b>
Capital Increases	n.a.	0.0	0.0	11.0	0.0	0.0
Other changes in financing	n.a.	-1.0	-2.2	-0.7	-0.7	-1.2
<b>CHG IN NFP</b>	<b>n.a.</b>	<b>0.3</b>	<b>-0.1</b>	<b>10.2</b>	<b>1.2</b>	<b>2.3</b>

Source: Company data and Equito SIM estimates

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