ECOMEMBRANE

Earnings Review

BUY ord. *(Unchanged)*
Target: **€ 6.50** *(Prev. €6.90)*
Risk: High

STOCKDATA			ORD
Price (as of 10 Apr 2026)			4.8
Bloomberg Code			ECMB IM
Market Cap (€ mn)			21
Free Float			41%
Shares Out (mn)			4.3
52 week Range			€ 3.5 - 5.6
Daily Volume			11,351
Performance (%)	**1M**	**3M**	**1Y**
Absolute	18.2	25.7	37.9
Rel to FTSE Italia All-Share	12.7	21.9	0.3
MAIN METRICS	**2025**	**2026E**	**2027E**
SALES Adj	35.1	40.7	45.1
EBITDA Adj	3.3	3.5	4.1
EBIT Adj	1.8	2.0	2.5
NET INCOME Adj	1.1	1.2	1.5
EPS Adj - €c	26.6	29.0	35.4
DPS Ord - €c	9.6	10.5	10.5
MULTIPLES	**2025**	**2026E**	**2027E**
P/E ord Adj	14.5x	16.6x	13.6x
EV/EBITDA Adj	4.2x	5.2x	4.4x
EV/EBIT Adj	7.8x	9.1x	7.1x
REMUNERATION	**2025**	**2026E**	**2027E**
Div. Yield ord (A)	2.1%	2.2%	2.2%
FCF Yield Adj	-6.1%	0.8%	5.2%
INDEBTEDNESS	**2025**	**2026E**	**2027E**
NFP Adj	4.2	4.0	4.6
D/Ebitda Adj	n.m.	n.m.	n.m.

ADJUSTING FOR THE NEW MARKETS

FY2025 results showed a healthy performance, with better-than-expected results and strong operating growth (+75% EBITDA and +577% Net income). Despite the better achieved figures, we believe the ongoing geopolitical concerns may be an issue in terms of both higher procurement and financing costs, which may cause some slowdown in coming months (under request for price adjustments). We have reduced EPS in the region of -1%/-5% in the 2026-2028 period and our target price to €6.5ps (-6%) confirming the positive view (BUY). If, on the one side, underlying markets are negatively impacted by the global scenario, on the other side the Italian regulation has improved in the last few months, with extended timelines for Biomethane project implementation and the first calls for a new round of incentives.

■ Strong operating results in FY 2025

ECMB FY25 results came out above expectations, with significant improvement in operating performance and projects implementation. More in detail ECMB reported:

- **Revenues at €35mn (+66% YoY)** vs €29mn expected;
- **EBITDA at €3.27mn (+75% YoY)** vs €2.25mn expected;
- **Net Income at €1.14mn (+577% YoY)** vs €0.50mn expected;
- **NFP (cash) at €4.24mn (€5.42mn cash at YE 2024**) vs €5.27mn expected;

Results showed a significant acceleration in the implementation of both the core biomethane projects (around 50% of the +14€mn increase in sales) **and Solar installations** (for the remaining 50% of the sales growth), **with profitability increasing from 8.9% EBITDA margin in 2024 up to the current 9.3% of the FY2025.** Current backlog (including highly visible projects from pipeline) is now in the region of €35mn, which would imply some 80-85% coverage of 2026 expected sales (assuming 90% pertains to current year). Although **NFP came out below expectations, we signal that the lower results mainly refer to the acceleration of the underlying business** (mainly solar) with a higher incidence of stocks linked to the finalization of the Romea projects (10 MW solar plant).

■ Geopolitical conditions and different business mix

While 2025 and beginning of 2026 have showed significant acceleration in business implementation (both biogas and solar)**, we also believe the geopolitical situation is going to negatively affect global industrial activities,** both in terms of higher procurement costs (mainly solar panel, steel/aluminum structures, transport costs as well as PVC and Plastics) and financing risks. Furthermore, **we also believe 2026/27 will be characterized by a different sales mix for ECMB,** with a lower incidence of authorization/development projects (high margins) and a higher contribution from Solar / EPC activities (lower profitability). **As a consequence of the above we have reduced our EPS expectations in the region of -1%/-5% in the period 2026-2028.**

■ Regulation has improved in the last few months

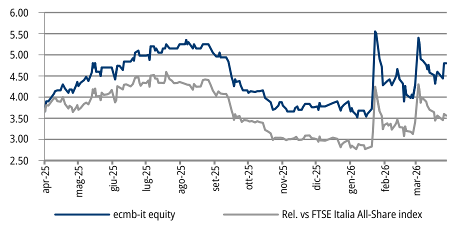
1. Government has started to talk about the possibility of a new round of incentives for Biomethane construction/conversion.
2. The Italian regulator has extended the deadline for the construction of plants under the NRRP incentives mechanisms. Operators will have now additional 24 months to finalize the construction of biomethane plants.

The extension of the deadline is a crucial achievement as it increases the visibility of the Biomethane segment, with a potential residual market worth up to €38mn for ECMB in the next 2 years (almost fully covering the expected divisional sales)**. New incentives may instead increase long term visibility beyond 2027-2028**

■ New target price of €6.5ps (-6%). BUY confirmed

In light of the considerations above, the higher tensions on the international markets (higher material costs and risk free) and the lower estimates for the period 2026-28, **we have reduced our target price to €6.5ps (-6%) confirming the BUY recommendation.** Our target offers an upside of 30% on current prices and it implies a valuation of 18.3x PE and 6.0x EV/EBITDA as measured in 2027.

PRICE ORD LAST 365 DAYS



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MAIN FIGURES - EURmn	2023	2024	2025	2026E	2027E	2028E
SALES Adj	15.3	21.1	35.1	40.7	45.1	48.2
Growth	7.6%	37.9%	66.2%	16.1%	10.6%	6.9%
EBITDA Adj	2.0	1.9	3.3	3.5	4.1	4.5
Growth	-36.7%	-8.4%	74.9%	7.9%	16.7%	8.5%
EBIT Adj	1.0	0.7	1.8	2.0	2.5	2.8
Growth	-61.0%	-29.7%	153.2%	15.1%	24.2%	12.0%
PBT Adj	1.0	0.7	1.7	2.0	2.5	2.8
Growth	-61.9%	-26.1%	138.9%	15.5%	24.3%	12.3%
Net Income Adj	0.6	0.2	1.1	1.2	1.5	1.7
Growth	-65.6%	-72.7%	591.5%	9.1%	22.2%	13.9%

MARGIN - %	2023	2024	2025	2026E	2027E	2028E
EBITDA Adj Margin	13.3%	8.9%	9.3%	8.7%	9.1%	9.3%
Ebit Adj margin	6.4%	3.3%	5.0%	5.0%	5.6%	5.8%
Pbt Adj margin	6.3%	3.4%	4.9%	4.8%	5.4%	5.7%
Net Income Adj margin	3.9%	0.8%	3.3%	3.1%	3.4%	3.6%

SHARE DATA	2023	2024	2025	2026E	2027E	2028E
EPS Adj - €c	27.4	3.8	26.6	29.0	35.4	40.3
Growth	n.a.	-86.0%	591.5%	9.1%	22.2%	13.9%
DPS ord(A) - €c	5.6	0.0	9.6	10.5	10.5	10.5
BVPS	3.5	3.4	3.6	3.7	3.7	3.8

VARIOUS	2023	2024	2025	2026E	2027E	2028E
Capital Employed	9.9	10.6	13.1	14.5	15.2	15.5
FCF	-3.5	-0.1	-1.2	0.2	1.1	1.6
CAPEX	2.5	0.8	0.5	1.1	1.0	1.0
Working capital	4.3	5.1	8.3	10.0	11.0	11.8
Trading Working capital	5.6	6.1	11.3	11.1	12.5	13.4

INDEBTNESS	2023	2024	2025	2026E	2027E	2028E
Nfp Adj	5.8	5.4	4.2	4.0	4.6	5.7
D/E Adj	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Debt / EBITDA Adj	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Interest Coverage	n.m.	n.m.	66.8x	72.0x	68.6x	74.5x

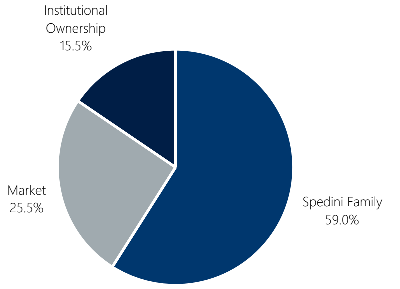
MARKET RATIOS	2023	2024	2025	2026E	2027E	2028E
P/E Ord Adj	27.7x	122x	14.5x	16.6x	13.6x	11.9x
PBV	2.3x	1.7x	1.2x	1.3x	1.3x	1.3x

EV FIGURES	2023	2024	2025	2026E	2027E	2028E
EV/Sales	1.8x	0.8x	0.4x	0.5x	0.4x	0.4x
EV/EBITDA Adj	13.5x	8.5x	4.2x	5.2x	4.4x	3.8x
EV/EBIT Adj	27.9x	22.9x	7.8x	9.1x	7.1x	6.1x
EV/CE	2.8x	1.5x	1.0x	1.3x	1.2x	1.1x

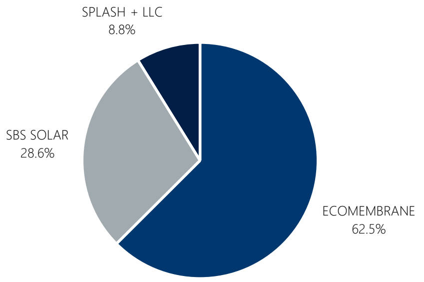
REMUNERATION	2023	2024	2025	2026E	2027E	2028E
Div. Yield ord	0.7%	0.0%	2.1%	2.2%	2.2%	2.2%
FCF Yield Adj	-10.0%	-0.6%	-6.1%	0.8%	5.2%	7.9%
Roce Adj	10.2%	4.9%	10.8%	10.6%	12.3%	13.3%

Source: Company data and Equita SIM estimates

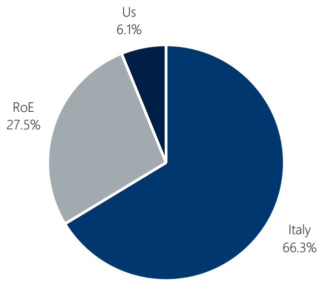
SHAREHOLDERS



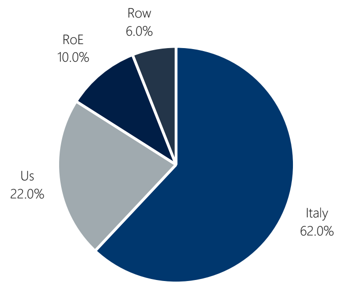
SALES SPLIT



EBITDA 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. Ecomembrane is facing the new opportunity of the energy market transformation by also **entering the Solar segment through Epc, Development and Tracker reselling through the acquisition of a specialized company (SBS solar).**

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	WEAKNESSES /THREATS
- 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, Solar epc, trackers, licencing - Relevant technological footprint, with continued development of new products. - Resiliency of business model proved also through the COVID-19 years. - 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. - M&A opportunities to consolidate presence. - Potential interest from bigger groups may rise speculative appeal on the group in the coming years	- Limited sizein 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).

SIGNIFICANT DEPLOYMENT OF THE PROJECT PIPELINE DURING FY25

After the presentation of the FY2025 results (with figures above expectations and healthy improvement in operating results - EBITDA +75% and NI +577% YoY), we are revisiting Ecomembrane's business case, taking into account the most recent deterioration in international markets (inflationary trend from the Iran's war) which we believe may negatively influence both the procurement costs (ie solar panel, steel/aluminum structures, transport costs as well as PVC procurement) and the financing cost of projects. If on the one side the geopolitical consequences may slowdown the group's development, on the other side we are also considering some regulatory improvements in Italy, which increase visibility on Biomethane projects implementation in the next 2 years.

■ FY2025 results above expectations

ECMB registered a significant improvement in FY2025 operating results, above expectations and with the underlying market showing an acceleration in the implementation of projects during the 2H of the year.

More in detail, ECMB reported:

- **Revenues at €35mn (+66% YoY)** vs €29mn expected;
- **EBITDA at €3.27mn (+75% YoY)** vs €2.25mn expected;
- **Net Income at €1.14mn (+577% YoY)** vs €0.50mn expected;
- **NFP (cash) at €4.24mn** (€5.42mn cash at YE 2024) vs €5.27mn expected;
- **DPS at €0.096** vs €0.10 expected.

A summary of the reported results is also provided in the following table.

ECOMEMBRANE - 12M 25 - RESULTS

		EXPECTED		REPORTED	
	12M-24	12M-25E	YoY gr. %	12M-25E	YoY gr. %
Revenues - €mn	21.11	29.00	37%	35.09	66%
EBITDA - €mn	1.87	2.25	20%	3.27	75%
Margin	8.9%	8%	-	9.3%	-
Ebit - €mn	0.69	0.95	37%	1.76	153%
Margin	n.a.	nm	-	n.a.	-
Net income - €mn	0.17	0.50	197%	1.14	577%
Margin	n.a.	nm	-	n.a.	-
NFP - €mn ** (cash position)	5.42	5.27	nm	4.24	nm

*Source: Equita SIM estimates and Company data Note: ** YE & Current*

Results showed a significant acceleration in the implementation of both the core biomethane projects (around 50% of the +14€mn increase in sales) **and the solar installations** (for the remaining 50% of the sales growth), **with profitability increasing from 8.9% EBITDA margin in 2024 up to the current 9.3% of the FY2025** (despite the lower contribution from the high margin sales of Authorization/Developments and the higher incidence of the EPC activities which traditionally have much lower profitability).

NFP came out below expectations, although we signal that the lower results mainly refer to the acceleration of the underlying business, especially in the solar constructions. Working capital increased, in fact, in the region of €+3.2mn (at 24% of sales) with a higher incidence of inventories, mainly for the realization of the Romea projects (10 MW solar plant installation) whose finalization is expected in the 1h of 2026.

A full representation of both P&L and BS is provided in the following tables.

FY2025 PROFIT AND LOSS

Profit and Loss account (Figures in Euro/000)	31.12.2025	% (*)	31.12.2024	% (*)	Variazione	%
Revenue from Sales and services	25.714	73,3%	20.097	95,2%	5.618	28,0%
Change to inventories of products in progress,semi-finished and finished products	(85)	(0,2%)	331	1,6%	(416)	(125,7%)
Variation in work in progress on order	8.862	25,3%	-	-	8.862	n.a.
Increases in fixed assets for internal work	300	0,9%	502	2,4%	(202)	(40,2%)
Other revenue and proceeds	297	0,8%	183	0,9%	114	62,4%
Value of Production	**35.088**	**100,0%**	**21.112**	**100,0%**	**13.976**	**66,2%**
Raw, acillary and consumable materials and goods	(15.989)	(45,6%)	(6.748)	(32,0%)	(9.242)	(137,0%)
Service costs	(8.807)	(25,1%)	(5.858)	(27,7%)	(2.949)	(50,3%)
Leased assets	(1.512)	(4,3%)	(1.083)	(5,1%)	(429)	(39,6%)
Variation to inventories of raw, subsidiary materials consumables and goods	1.801	5,1%	(155)	(0,7%)	1.956	1261,3%
Personnel costs	(6.827)	(19,5%)	(5.266)	(24,9%)	(1.560)	(29,6%)
Sundry operating expences	(484)	(1,4%)	(133)	(0,6%)	(351)	(264,2%)
EBITDA**	**3.271**	**9,3%**	**1.870**	**8,9%**	**1.401**	**74,9%**
Ammortisation of Intangible assets	(795)	(2,3%)	(681)	(3,2%)	(114)	(16,7%)
Depreciation of Tangible Assets	(411)	(1,2%)	(401)	(1,9%)	(11)	(2,6%)
Provisions for risks	(246)	(0,7%)	(94)	(0,4%)	(152)	(162,0%)
Receivables written down	(62)	(0,2%)	-	-	(62)	n.a.
EBIT ***	**1.757**	**5,0%**	**694**	**3,3%**	**1.063**	**153,0%**
Financial result	(49)	(0,1%)	21	0,1%	(69)	(334,3%)
EBT	**1.708**	**4,9%**	**715**	**3,4%**	**993**	**138,9%**
Income tax	(371)	(1,1%)	(279)	(1,3%)	(92)	(33,2%)
Result for the year	**1.337**	**3,8%**	**436**	**2,1%**	**901**	**207%**
Profit (Loss) for the period attributable to the group	1.141		165			
Profit (Loss) for the period attributable to non-controlling interests	196		271			

Source: Company data

FY2025 BALANCE SHEET

Balance Sheet (Figures in Euro/000)	31.12.2025	% (*)	31.12.2024	% (*)	Variazione	%
Intangible fixed assets	3.323	27,5%	3.783	38,7%	(459)	(12,1%)
Tangible fixed assets	1.407	11,6%	1.721	17,6%	(313)	(18,2%)
Financial fixed assets	144	1,2%	88	0,9%	55	62,6%
Fixed assets**	**4.874**	**40,3%**	**5.592**	**57,3%**	**(717)**	**(12,8%)**
Inventories	14.680	121,3%	4.336	44,4%	10.344	238,6%
Trede receivables	8.938	73,9%	6.550	67,1%	2.388	36,5%
Trade Payables	(6.519)	(53,9%)	(3.282)	(33,6%)	(3.237)	(98,6%)
Commercial Current Assets	**17.099**	**141,3%**	**7.604**	**77,9%**	**9.495**	**124,9%**
Oteher current assets	1.355	11,2%	745	7,6%	610	81,9%
Other current liabilities	(10.751)	(88,9%)	(3.234)	(33,1%)	(7.517)	(232,4%)
Net tax receivables and payables	594	4,9%	153	1,6%	440	287,2%
Net accruals and deferrals	24	0,2%	(164)	(1,7%)	187	114,5%
Net current assets***	**8.320**	**68,8%**	**5.104**	**52,3%**	**3.215**	**63,0%**
Provision for risks and charges	(500)	(4,1%)	(400)	(4,1%)	(101)	(25,2%)
Severance Indemnity Fund	(594)	(4,9%)	(532)	(5,4%)	(62)	(11,6%)
Net Invested Capital (Uses)****	**12.100**	**100,0%**	**9.764**	**100,0%**	**2.336**	**23,9%**
Payables to Banks	4.420	36,5%	4.406	45,1%	14	0,3%
Payables to other landers	317	2,6%	482	4,9%	(165)	(34,3%)
Cash and Cash equivalents	(8.975)	(74,2%)	(10.303)	(105,5%)	1.329	12,9%
Net Financial Debt*****	**(4.238)**	**(35,0%)**	**(5.415)**	**(55,5%)**	**1.178**	**21,7%**
Share Capital	1.427	11,8%	1.427	14,6%	–	-
Reserves and retained earnings	13.125	108,5%	13.187	135,1%	(62)	(0,5%)
Consolidation reserve	243	2,0%	243	2,5%	–	-
Profit (Loss) attributable to the Group	1.141	9,4%	165	1,7%	975	589,7%
Shareholders' Equity (Own Funds)	**15.936**	**131,7%**	**15.023**	**153,9%**	**913**	**6,1%**
Share Capitel and third-party reserves	206	1,7%	(114)	(1,2%)	320	280,6%
Profit (Loss) attributable to non-controlling	196	1,62%	271	2,77%	(75)	(27,6%)
Total Sources	**12.100**	**100,0%**	**9.764**	**100,0%**	**2.336**	**23,9%**

Source: Company data

All in all, we believe 2025 showed a significant change of speed in the implementation of the biomethane project in Italy. After the significant delays suffered through 2024 mainly due to the change in regulation and the associated postponement of projects in the industry, the last incentive tenders awarded in mid-2025 have accelerated the construction phase.

As we understand, **ECMB currently has backlog** (including highly visible projects from pipeline) **of around €35mn, out of which some €20mn in the gas businesses and around €15mn in the solar segment (of which some €2mn residual for the Romea project). Assuming 90% of this refers to 2026 revenues, it would dimply some 80-85% coverage of 2026 expected sales.** We believe this confirms the acceleration in projects implementation also for 2026.

ACCOUNTING FOR SLOWDOWN IN ECONOMICS AND DIFFERENT BUSINESS MIX

While 2025 and beginning of 2026 have showed significant acceleration in business implementation, we believe the ongoing geopolitical situation is going to negatively affect industrial activities. Though short-term procurement has been covered by ECMB (with a good level of PVC in stock to serve ongoing projects) and future raw material price increases may be transferred into final pricing scheme, we believe the ongoing situation may have an impact during 2026/27, both in terms of higher procurement costs (mainly solar panel, steel/aluminum structure, transport costs as well as PVC and Plastics) and financing risks. We believe, in fact, that the uncertainties on the rising cost of debt and capital requirements may cause some delay in the implementation/construction processes.

Furthermore, **we also believe 2026/27 will be characterized by a different sales mix, with a lower incidence of authorization/development projects (high margin business) and a higher contribution from Solar / EPC activities (lower profitability).**

As a consequence of the above, and in the period 2026-28, we have:

1. **Increased revenues in the region of +5%,** mainly thanks to the higher expected unitary prices as well as higher contribution of EPC/SOLAR activities.
2. **Decreased EBITDA in the region of -5%/-6%** and EPS in the region of -1%/-5%, reflecting the worse mix, the lower contribution of development/licensing activities as well as minor project delays due to re-pricing activities.
3. **We have lowered the expected cash position at the end of 2026,** mainly increasing the capital expenditure, including the envisaged acquisition of the land associated with solar project development.

In the following table a summary of the applied changes to P&L and BS estimates

CHANGE IN ESTIMATES					
MAIN FIGURES	2025	2026 E	2027 E	2028 E	CAGR 28-25
Old Revenues - €mn	35.1	38.3	43.4	46.4	9.8%
Change	0%	6%	4%	4%	nm
New Revenues- € mn	35.1	40.7	45.1	48.2	11.2%
Old EBITDA adj. - €mn	3.3	3.7	4.4	4.7	12.9%
Change	0%	-5%	-6%	-5%	nm
New EBITDA adj. - € mn	3.3	3.5	4.1	4.5	11.0%
Old Net Income adj - € mn	1.1	1.3	1.6	1.8	17.1%
Change	0%	-1%	-4%	-5%	nm
New Net Income adj - € mn	1.1	1.2	1.5	1.7	14.9%
Old Nfp - €mn	4.2	5.1	5.5	6.4	nm
Change	0%	-22%	-15%	-11%	nm
New Nfp - € mn	4.2	4.0	4.6	5.7	nm

Source: Equita SIM estimates and Company data

Although we are assuming a more prudent approach, we anyway signal that, in the last year, ECMB has signed agreements which may lead to higher efficiencies and plant optimization going forward. This includes, as an example, the partnership with the Indian group LuckyTech, from which we expect ECMB to take benefits in terms of both procurement and plant debottleneck (especially on project with lower complexity).

Furthermore, as we will better describe in the next pages, the geopolitical situation may favor a better regulatory approach. In the look for additional gas source diversification, we believe EU legislator may additionally push for capacity additions in the coming years.

IMPROVING REGULATORY PERSPECTIVE

If, on the one side, the market conditions have deteriorated considering the ongoing geopolitical situation, on the other side we believe the "regulatory" environment has instead slightly improved with regards to the Biomethane perspective.

In the last few months in fact:

1. **Government has started to talk about the possibility of new rounds of incentives** for Biomethane construction/conversion, beyond the old NRRP targets (257,000 smc/h with the last tender awarded in May 2025). We believe the most recent concerns in the international gas markets may suggest Europe continuing to sustain the expansion of the whole biogas industry, as an alternative diversification of gas sources.

2. **In February 2026 the Italian regulator has modified the rules for the biomethane incentives attribution, by extending the deadline for the construction of plants.** The new regulation introduces strategic operational flexibility in order to safeguard the achievement of the NRRP targets and to ensure the construction of biomethane production plants: the key deadline of 30 June 2026 is no longer identified as the final date for the plant "construction" but it is now identified as the date by which the GSE will have to enter into "concession agreements" with the beneficiaries.
   To ensure that the plants come into operation, an appropriate period has been set, equal to 24 months from communication by the GSE of the concession agreements. This period is relevant not only to access capital grants, but also in accessing operating grants provided for by the decree.

The extension of the deadline is a crucial achievement. The market started to fear, in fact, that the projects awarded in the last tenders would not have been finalized in time, with subsequent project cancelation and unfulfillment of the NRRP targets.

With the extension of the deadlines cited above and by assuming that the plant effectively realized in the past months are:
- 70% of the 3rd tender;
- 50% of the 4th tender;
- 20% of the 5th tender

and assuming ECMB to achieve a 30% market share of the remaining projects, **we estimate the residual Biomethane market from the NRRP incentives may be worth some €38mn for the group.** This would be enough to sustain ECMB's sales in the Biogas sub-segment for the next 2 years (this excluding additional tenders eventually published by regulator in the coming months).

NRRP TENDERS FOR BIOMETHAN - DM 15/12/2022 – RESIDUAL MARKET

PIPELINE ASSESSMENT	smc/h	1st tender - 10/07/2023	2nd tender - 24/11/2023	3rd tender - 10/05/2024	4th tender - 30/10/2024	5th tender - 17/05/2025
TOTAL NRRP funds	257,000	67,000	108,272	131,893	162,499	134,730
Reported awarded projects - smc/h	-	29,998	25,881	58,119	62,332	122,842 *
Cumulated awarded (net of cancellation) - smc/h	-	23,998 **	44,703 **	91,199 **	141,064 **	239,338 **
Cumulated awarded (net of cancellation) - %	-	9%	17%	35%	55%	93%
Assumed average size of projects - smc/h		500	507	440	448	412
Number of projects		60	51	132	139	298
Of which green field - 70%		42	36	92	97	209
Of which reconversion - 30%		18	15	40	42	89
Ecomembrane potential market (pipeline) * - €mn		6.7	5.7	14.7	15.4	33.1
Assumed realized - €mn		6.7	5.7	10.3	7.7	6.6
RESIDUAL NOT YET REALIZED - €mn	38.5 €mn	0.0	0.0	4.4	7.7	26.5

*** Assuming 20% is withdrawed * @ 0.4mn for greenfield and 0.3mn for reconversion*
Source: Equita SIM estimates

NEW TARGET PRICE OF €6.2ps (-6%)

In light of the considerations above, the higher tensions on the international markets (higher material costs and risk free) and the lower estimates for the period 2026-28, **we have slightly reduced our target price to €6.5ps (-6%) confirming the BUY recommendation.** Our target offers an upside of 30% on current prices and it implies a valuation of 18.3x PE and 6.0x EV/EBITDA as measured in 2027.

VALUATION			
SOTP	Weight	EV - €mn	Details
EV - €MN (Dcf Valuation)	50%	26.7	Wacc 9.9%; G 2%; Roce at 15%
EV - €MN (Ev/EBITDA multiple)	50%	27.1	-20% discount vs EU Capital Goods
ENTERPRISE VALUE - €mn	100%	26.9	6.0x Ev/EBITDA 2027
Net financial position / Cash		4.0	End of 2025 Nfp
Financial assets		0.1	book value
Minorities		-2.0	10x PE
Provisions		-1.3	Book value
Own shares		0.0	nm
EQUITY VALUE		27.7	-
Current shares		4.3	-
TARGET PRICE		6.5	18.3x PE 2027

Source: Equita SIM estimates

Our target price includes a mix of DCF and MULITPLE valuation with around -20% discount vs the average EV/EBITDA multiples of comparable Capital Goods groups,

PEERS VALAUTION ANALYSIS														
		PE			EV / EBITDA			DVD YIELD			D/EBITDA			
Ticker		2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	
Cambi Asa	Hydrolysis	29.8 x	10.6 x	8.2 x	19.9 x	7.2 x	5.4 x	4.3%	2.5%	7.1%	cash	cash	cash	
Fluidra Sa	Swimming pool	15.7 x	13.6 x	12.0 x	9.5 x	8.4 x	7.6 x	3.3%	3.7%	4.2%	1.8 x	1.4 x	1.1 x	
Industrie De N	Hydrogen	19.4 x	16.4 x	13.7 x	8.5 x	7.3 x	6.2 x	1.4%	1.5%	1.5%	cash	cash	cash	
Sergeferrari Group	tensile architecture	8.5 x	7.0 x	5.4 x	4.4 x	4.0 x	-	3.4%	4.1%	4.8%	2.3 x	1.9 x	1.7 x	
Interpump Group	high pressure	17.1 x	15.1 x	13.9 x	8.7 x	7.6 x	6.8 x	1.0%	1.0%	1.1%	0.3 x	cash	cash	
Pentair Plc	water solutions	16.3 x	14.9 x	13.8 x	12.7 x	11.3 x	10.0 x	1.2%	1.3%	1.4%	0.8 x	0.3 x	cash	
Indutrade Ab	systems	24.0 x	21.6 x	20.2 x	14.4 x	13.1 x	12.1 x	1.5%	1.7%	1.8%	0.9 x	0.6 x	0.1 x	
Sulzer Ag	purification tech	17.2 x	15.7 x	14.3 x	10.2 x	9.1 x	8.2 x	3.0%	3.3%	3.6%	0.2 x	cash	cash	
Ksb Se & Co. Kgaa	pumps	11.8 x	10.6 x	9.8 x	4.6 x	4.0 x	3.4 x	2.9%	3.1%	3.5%	cash	cash	cash	
Selected capital goods		17.8 x	13.9 x	12.4 x	10.3 x	8.0 x	7.5 x	2.4%	2.5%	3.2%	0.8 x	0.4 x	0.0 x	
Ecomembrane	Biogas membrane	18.4 x	16.9 x	13.8 x	5.4 x	5.2 x	4.3 x	0.4%	3.6%	4.8%	0.0 x	0.0 x	0.0 x	

Source: Equita SIM estimates and Factset Consensus

We believe ECMB:

1. **Remains well positioned in an industry with good perspective** as sustained both at EU and Italian level through ambitious targets of penetration for biogas/biomethane through 2030. With a 30% expected market share in the membrane business we believe ECMB sits in a good position to sustain associated growth going forward.
2. **The group has been able to diversify in alternative business** with the Solar activities showing strong improvement in the past years.
3. At 13.7x PE AND 4.4x EV/EBITDA and with a €4mn net cash position **we believe ECMB doesn't fully discount the growth opportunities for the coming years** (we estimate 11% CAGR of Revenues and EBITDA through 2028 and +15% CAGR of EPS in the same period).

SENSITIVITY

		Exit Roce assumption				
		11.0%	13.0%	15.0%	17.0%	19.0%
Multiple discount vs peers	-15%	6.1	6.4	6.7	6.8	7.0
	-20%	5.9	6.2	6.5	6.7	6.8
	-25%	5.7	6.0	6.3	6.5	6.6
	30%	7.8	8.2	8.4	8.6	8.8

Source: Equita SIM estimates

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/Biomethane/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 access to financing sources

P&L - €mn	2023	2024	2025	2026E	2027E	2028E
SALES Rep	15.3	21.1	35.1	40.7	45.1	48.2
Growth	7.6%	37.9%	66.2%	16.1%	10.6%	6.9%
EBITDA Rep	2.0	1.9	3.3	3.5	4.1	4.5
Growth	-36.7%	-8.4%	74.9%	7.9%	16.7%	8.5%
Margin	13.3%	8.9%	9.3%	8.7%	9.1%	9.3%
Depr. & Amort	-1.0	-1.1	-1.2	-1.2	-1.3	-1.4
Other Provisions & Write D	-0.1	-0.1	-0.3	-0.3	-0.3	-0.3
D&A	-1.1	-1.2	-1.5	-1.5	-1.6	-1.7
EBIT Rep	1.0	0.7	1.8	2.0	2.5	2.8
Growth	-61.0%	-29.7%	153.2%	15.1%	24.2%	12.0%
Margin	6.4%	3.3%	5.0%	5.0%	5.6%	5.8%
Net Interest Charges	0.0	0.0	0.0	0.0	-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
Financial Expenses	0.0	0.0	0.0	0.0	-0.1	-0.1
Non Recurrings	0.0	0.0	0.0	0.0	0.0	0.0
PBT Rep	1.5	0.7	1.7	2.0	2.5	2.8
Growth	-39.5%	-53.5%	138.9%	15.5%	24.3%	12.3%
Income Taxes	-0.4	-0.3	-0.4	-0.5	-0.7	-0.8
Tax rate	-23.6%	-39.0%	-21.7%	-27.0%	-30.0%	-30.0%
Minority Interest	0.0	-0.3	-0.2	-0.2	-0.2	-0.2
Net Income Rep	1.2	0.2	1.1	1.2	1.5	1.7
Growth	-33.2%	-86.0%	591.5%	9.1%	22.2%	13.9%
Margin	7.7%	0.8%	3.3%	3.1%	3.4%	3.6%
Net Income Adj	0.6	0.2	1.1	1.2	1.5	1.7
Growth	-65.6%	-72.7%	591.5%	9.1%	22.2%	13.9%
Margin	3.9%	0.8%	3.3%	3.1%	3.4%	3.6%

CF Statement	2023	2024	2025	2026E	2027E	2028E
FFO	2.3	1.6	2.5	2.7	3.1	3.4
Chg. in Working Capital	-2.4	-0.8	-3.2	-1.7	-1.1	-0.8
Other chg. in OCF	0.0	0.0	0.2	0.2	0.0	0.0
NCF from Operations	0.0	0.8	-0.5	1.3	2.1	2.6
CAPEX	-2.5	-0.8	-0.5	-1.1	-1.0	-1.0
Financial Investments	0.2	0.0	-0.1	0.0	0.0	0.0
Other chg in investments	-1.8	0.0	0.0	0.0	0.0	0.0
NCF from Investments	-4.1	-0.8	-0.5	-1.1	-1.0	-1.0
Dividends paid	-0.7	-0.2	0.0	-0.4	-0.4	-0.5
Capital Increases	11.0	0.0	0.0	0.0	0.0	0.0
Other changes in financing	0.7	-0.1	-0.2	0.0	0.0	0.0
NCF from Financing	11.0	-0.3	-0.2	-0.4	-0.4	-0.5
CHG IN NFP	6.8	-0.4	-1.2	-0.2	0.6	1.1

Source: Company data and Equita SIM estimates

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BUY	ETR >= 10%	ETR >= 15%	ETR >= 20%
HOLD	-5% <ETR< 10%	-5% <ETR< 15%	0% <ETR< 20%
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Date	Rec.	Target Price	Risk.	Comment
April 13, 2026	Buy	6.50	High	-
September 29, 2025	Buy	6.90	High	-

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