

POWERSOFT

Sector: Technology

Music still playing

PWS delivered a solid set of 1H24 results, achieving double-digit growth in both revenues and EBITDA, driven primarily by its US operations. The improved EBITDA margin of 26.8% signals the group's strong operating efficiencies. Net cash decreased notably, primarily due to inventory build-up triggered by dealer orders, which are delayed by high stock levels. This has prompted us to revise our FY24E revenue forecast downward by 5%, while maintaining unchanged our margin projections. We adjusted our FY25-26E estimates accordingly to sustain similar growth rates. We project net cash to increase in 2H24E, supported by the group's robust cash generation, with approximately Eu10mn in free cash flow expected. Overall, we anticipate an 11% CAGR in sales over 2023-26E, with an average EBITDA margin of 26.5%. Powersoft is trading at 7.8x 2025 EV/EBITDA, in line with peers, but is expected to deliver stronger fundamentals and growth rates across the board. We reiterate our BUY rating and confirm our fully diluted TP of Eu18.0/share (19% upside) based on our relative (30% weight) and DCF (70%) valuation methods.

- **Iterim sales grew by 12% YoY driven by the USA.** 1H24 sales reached Eu36.5mn, up from Eu32.5mn, reflecting 12% YoY growth, despite a tough comparison (1H23 sales were up 69% YoY). This top-line increase was primarily driven by strong volume growth in North America (+31% YoY; 32% of sales) and Europe (+6% YoY; 49% of sales), reinforcing positive momentum. APAC sales declined by 13% YoY, though its contribution to total revenue was modest. Other minor regions (equal to 6% of sales), including the Middle East, posted triple-digit growth rates on average, underlining the group's successful internationalization strategy.
- **Another strong print in EBITDA.** 1H24 EBITDA reached Eu9.9mn (27% margin), up 15% YoY, in line with our FY profitability estimates, reaffirming solid operating leverage. EBIT stood at Eu8.5mn (23% margin), up from Eu7.3mn (22%) in 1H23. Net profit increased by 20% YoY to Eu6.3mn (17% margin) from Eu5.2mn (16%). The net cash position declined sharply from Eu17.8mn to Eu5.4mn, primarily due to: 1) Eu12.7mn NWC absorption from bold inventory build-up to meet rising dealer orders; 2) Eu1.4mn in capex; and 3) Eu10.7mn in dividend payments. This was partially mitigated by Eu2.3mn cash inflow from the partial exercise of the stock-option plan.
- **Positive momentum persists at a more sustainable pace.** The group is well-positioned for continued international expansion, with a focus on strengthening its competitive edge in key markets such as the US and APAC. Recent hires, including two business development managers and three solution engineers, highlight the company's commitment to accelerating growth in these regions. The addition of new verticals within the installation market is expected to enhance PWS's market share, while the recent launch of cloud-enabled products like Verso and Unica should increase business visibility and support growth initiatives in the medium long-term. Management's qualitative outlook suggests ongoing growth in 2H, though at a slower pace due to elevated dealer inventory levels.
- **We trim our FY24E sales but confirming a growth trajectory.** We lowered our FY24E revenues by 5%, reflecting a more normalized trend in 2H24E (+5% YoY) due to the high level of dealer inventory. We adjusted FY25-26E top-line accordingly to maintain a similar growth rate. The EBITDA margin is confirmed at 26.2%, driven by the group's strong operating efficiencies. We lower net cash by approximately Eu1.5mn to Eu15mn this year, due to further NWC cash absorption. All in all, we expect the group to reach Eu76mn in FY24E revenues and Eu22.7mn in EBITDA, with a net profit of Eu14.9mn/15.4% margin.
- **BUY reiterated with TP of Eu18.0/share.** Powersoft is trading at 7.8x 2025 EV/EBITDA, in line with peers, but we expect higher growth rates and profitability across the board. We confirm our BUY rating and TP to Eu18.0/share, as a result of our relative (30% weight) and DCF (70%) valuation methods. The highly anticipated M&A deal of the group is the next catalyst that could further enhance the appeal of the equity story and unlock additional value creation.

BUY

Unchanged

TP 18.0

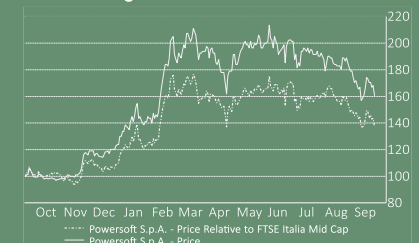
Unchanged

Target price upside 19%

Change in EPS est.	FY24E	FY25E
	-4.2%	-5.2%

Ticker (BBG, Reut)	PWS IM	PWS MI
Share price Ord. (Eu)		15.1
N. of Ord. shares (mn)		12.5
Total N. of shares (mn)		12.5
Market cap (Eu mn)		189
Total Market Cap (EU mn)		189
Free Float Ord. (%)		24.4%
Free Float Ord. (Eu mn)		46
Daily AVG liquidity Ord. (Eu k)		100

	1M	3M	12M
Absolute Perf.	-11.0%	-9.3%	68.1%
Rel.to FTSEMIDCap	-9.5%	-6.0%	52.7%
52 weeks range		7.9	17.4



	FY23A	FY24E	FY25E
Sales	70	76	86
EBITDA adj.	19.7	20.0	22.7
Net profit adj.	12.1	11.7	13.5
EPS adj.	1.024	0.957	1.060
DPS - Ord.	0.817	0.850	0.768
EV/EBITDA adj.	3.3x	8.8x	7.8x
P/E adj.	6.7x	16.2x	14.5x
Dividend yield	11.9%	5.6%	5.1%
FCF yield	-1.7%	3.4%	7.5%
Net debt/(Net cash)	(17.8)	(14.9)	(18.8)
Net debt/EBITDA	nm	nm	nm

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Summary Financials (IFRS)

P&L account (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	48.2	69.3	74.8	84.5	94.7
Value of Production	48.8	70.3	75.9	85.6	95.8
EBITDA reported	12.4	19.7	20.0	22.7	25.6
D&A	(2.0)	(2.5)	(3.2)	(3.0)	(2.9)
EBIT reported	9.9	16.6	16.0	18.7	21.6
Net financial charges	(1.0)	(0.0)	0.1	(0.1)	(0.1)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	8.9	16.6	16.1	18.6	21.5
Taxes	(2.5)	(4.6)	(4.4)	(5.1)	(5.9)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	6.3	12.1	11.7	13.5	15.6
EBITDA adjusted	12.4	19.7	20.0	22.7	25.6
EBIT adjusted	9.9	16.6	16.0	18.7	21.6
Net profit adjusted	6.3	12.1	11.7	13.5	15.6

Margins (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Gross margin	na	na	na	na	na
EBITDA margin (adj)	25.3%	28.0%	26.4%	26.5%	26.7%
EBIT margin (adj)	20.3%	23.7%	21.1%	21.8%	22.6%
Pre-tax margin	18.2%	23.6%	21.2%	21.7%	22.5%
Net profit margin (adj)	13.0%	17.1%	15.4%	15.7%	16.3%

Growth rates (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Sales	27.7%	44.0%	7.9%	12.8%	11.9%
EBITDA	93.0%	59.5%	1.7%	13.2%	12.7%
EBITDA adjusted	93.0%	59.5%	1.7%	13.2%	12.7%
EBIT	149.0%	68.1%	-4.0%	17.0%	15.8%
EBIT adjusted	149.0%	68.1%	-4.0%	17.0%	15.8%
Pre-tax	120.9%	87.6%	-3.3%	15.6%	15.9%
Net profit	110.6%	90.0%	-3.3%	15.6%	15.9%
Net profit adjusted	110.6%	90.0%	-3.3%	15.6%	15.9%

Per share data	FY22A	FY23A	FY24E	FY25E	FY26E
Shares	11.728	11.838	12.530	12.907	12.907
Shares diluted	11.728	11.838	12.907	12.907	12.907
N. of shares AVG	11.401	11.783	12.184	12.719	12.907
N. of shares diluted AVG	11.401	11.783	12.816	12.816	12.816
EPS	0.557	1.024	0.957	1.060	1.210
EPS adjusted	0.557	1.024	0.957	1.060	1.210
DPS - Ord.	0.820	0.817	0.850	0.768	0.888
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	2.732	2.918	3.094	3.244	3.519

Enterprise value (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Share price Ord. (Eu)	4.4	6.9	15.1	15.1	15.1
Market cap Diluted	51.1	81.4	189.2	194.9	194.9
Net debt/(Net cash)	(24.3)	(17.8)	(14.9)	(18.8)	(21.2)
Adjustments	0.9	1.3	1.3	1.5	1.7
Enterprise value	27.7	64.9	175.6	177.6	175.3

Cash flow (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
EBITDA reported	12.4	19.7	20.0	22.7	25.6
Net financial charges	(1.0)	(0.0)	0.1	(0.1)	(0.1)
Cash taxes	(2.5)	(4.6)	(4.4)	(5.1)	(5.9)
Ch. in Working Capital	(1.3)	(13.4)	(6.5)	(0.2)	(2.0)
Other operating items	(2.5)	(0.3)	0.1	0.2	0.2
Operating cash flow	5.0	1.4	9.3	17.5	17.7
Capex	(2.2)	(2.7)	(2.9)	(2.8)	(2.7)
FCF	2.9	(1.3)	6.3	14.7	15.0
Disposals/Acquisitions	0.0	0.0	0.0	0.0	0.0
Changes in Equity	1.3	0.6	2.3	0.0	0.0
Others	2.3	0.0	0.0	0.0	0.0
Dividends	(1.8)	(9.7)	(10.7)	(9.9)	(11.5)
Ch. in NFP	4.7	(10.4)	(2.0)	4.8	3.5

Ratios (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Capex/VoP	4.4%	3.9%	3.8%	3.3%	2.8%
Capex/D&A	1.1x	1.1x	0.9x	0.9x	0.9x
FCF/EBITDA	23.1%	nm	31.7%	64.7%	58.6%
FCF/Net profit	44.9%	nm	54.4%	108.8%	95.9%
Dividend pay-out	88.7%	88.3%	85.0%	85.0%	85.0%

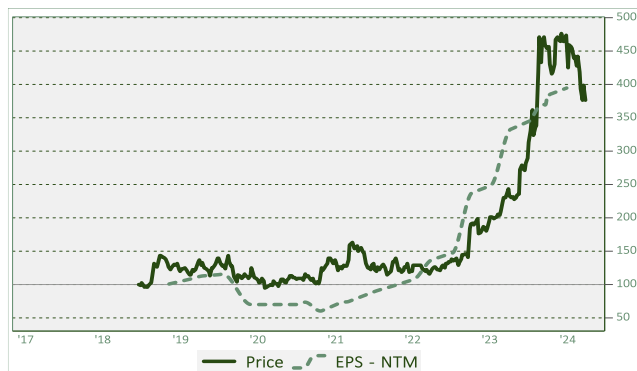
Balance sheet (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Working capital	4.6	13.1	19.6	19.8	21.8
Fixed assets	3.2	4.8	4.5	4.2	4.1
Provisions & others	(0.9)	(1.3)	(1.3)	(1.5)	(1.7)
Net capital employed	6.9	16.6	22.8	22.5	24.2
Net debt/(Net cash)	(24.3)	(17.8)	(14.9)	(18.8)	(21.2)
Equity	31.1	34.4	37.7	41.3	45.4
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Working capital/VoP	9.4%	18.6%	25.9%	23.1%	22.8%
Net debt/Equity	nm	nm	nm	nm	nm
Net debt/EBITDA	nm	nm	nm	nm	nm

Valuation	FY22A	FY23A	FY24E	FY25E	FY26E
EV/CE	3.5x	3.6x	7.3x	7.4x	6.8x
P/BV	1.6x	2.4x	5.0x	4.7x	4.3x
EV/Sales	0.6x	0.9x	2.3x	2.1x	1.8x
EV/EBITDA	2.2x	3.3x	8.8x	7.8x	6.9x
EV/EBITDA adjusted	2.2x	3.3x	8.8x	7.8x	6.9x
EV/EBIT	2.8x	3.9x	11.0x	9.5x	8.1x
EV/EBIT adjusted	2.8x	3.9x	11.0x	9.5x	8.1x
P/E	8.0x	5.3x	14.9x	13.1x	11.1x
P/E adjusted	8.0x	6.7x	16.2x	14.5x	12.5x
ROCE pre-tax	118.6%	129.5%	76.2%	77.8%	86.8%
ROE	20.4%	35.1%	30.9%	32.7%	34.4%
EV/FCF	9.7x	-48.2x	27.7x	12.1x	11.7x
FCF yield	5.6%	-1.7%	3.4%	7.5%	7.7%
Dividend yield	18.8%	11.9%	5.6%	5.1%	5.9%

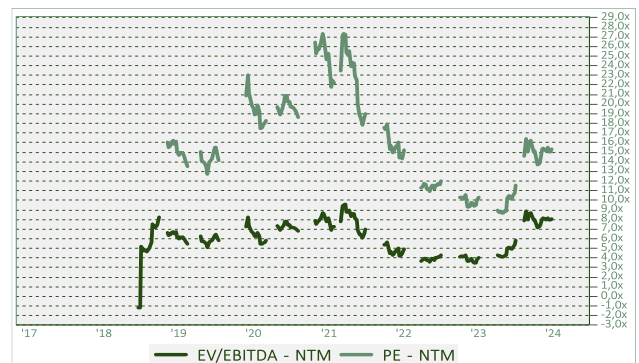
Share price performance

PWS share price is up by c. 50% YTD



Valuation

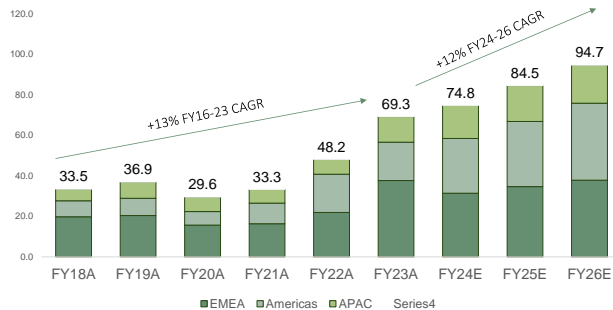
Multiples are well below the peak reached in 2021 despite recent re-rating



Key Charts

Powersoft – Sales (FY18A-26E)

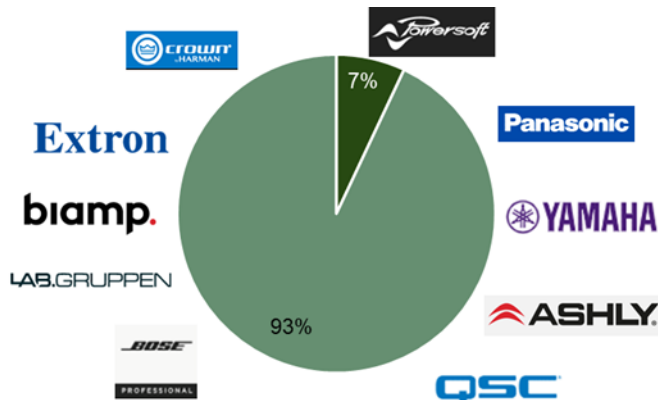
+12% sales CAGR over FY24-26 with Americas / APAC being the best performers



Source: Powersoft, Alantra estimates

Powersoft’s estimated market share in rack amplifiers

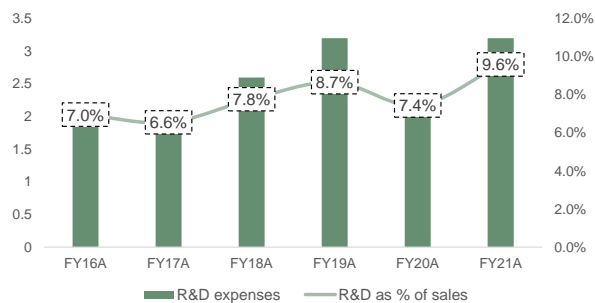
We estimate a market share of 7% in professional rack amplifiers (the core business of Powersoft)



Source: Alantra estimate

Powersoft – R&D expenses

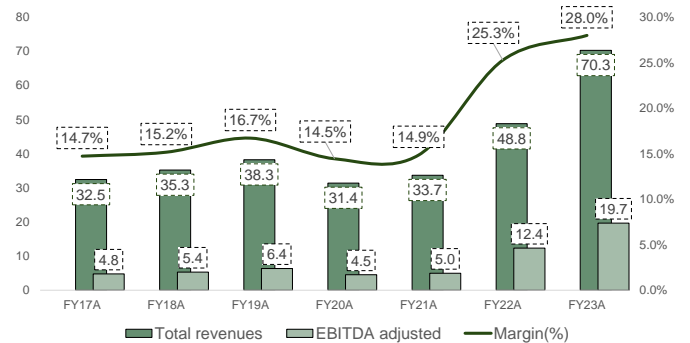
R&D expenses are constantly at high single digit



Source: Powersoft, Alantra

Powersoft – Historical financials (FY17-23A)

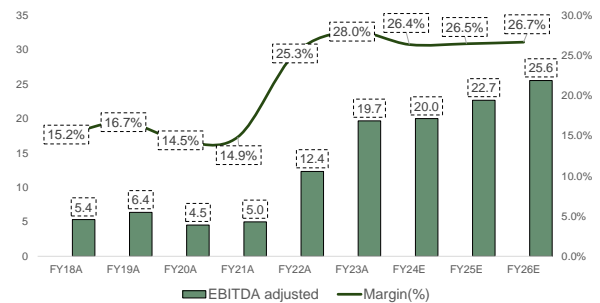
+13% top line CAGR in 2017-23 with EBITDA margin reaching 28% in 2023



Source: Powersoft financial reports

Powersoft – Adj. EBITDA and margin (FY18A-26E)

EBITDA margin should normalize to c. 26.5% in FY24-26, due to higher personnel to support mounting volumes in business



Source: Powersoft, Alantra Estimates

Powersoft – Net Cash position

Ample room for acquisitions and/or dividend distribution



Source: Powersoft, Alantra estimates

Profile

Background	Powersoft is a global leader in the design and manufacturing of high-end patented technologies and solutions for the professional audio sector. The group is specialized in the production of pro-audio power amplifiers, which represent a key part of an audio system (the electronic circuits that increase the power of the electric signal that drives loudspeakers). Powersoft key products are rack amplifiers (systems) - for both touring and fixed installations - amplification modules (components, to be assembled into OEM’s active loudspeakers) and other audio products, estimated at >90% of sales. Safety multimedia devices, sound controllers and transducers complement the product offering.
Positioning	We believe that the group is a leading global player with estimated market share of 7% in the core business of rack amplifiers. We struggle to find independent product specialists with a similar positioning. The German group IcePower and the Danish player Pascal are mainly producers of professional module amplifiers. Other competitive brands are part of larger multi-brand conglomerates, including the Swedish Lab.Gruppen (acquired in 2015 by the Philippian group Music Tribe) and Crown (part of the US group Harman, acquired by Samsung in 2016). Other competitors are large mono-brand integrated groups, including Bose Professional, Panasonic, Yamaha, Ashly and QSC. Powersoft’s technologies are protected by trademarks. In addition, the group significantly invests in innovation (R&D on sales at 7-8% on average over the last 5 years; 30% of the workforce in R&D). The group has established strong reputation, links and relationships with top clients (Pioneer, Bose, Panasonic, RCF and others) and distributors. Powersoft also supplies module amplifiers to the top loudspeaker brands (L’Acoustics and d&b Audiotechnik).
Growth	Powersoft has grown much faster than its reference market over the 16-23 period (+14% vs +9%) powered by continuous R&D investments in product innovation and product offering expansion and by the strengthening of the global distribution network. Powersoft should continue to outperform the reference market in the coming years. Looking forward, we see a 11% revenue CAGR over FY23-26 with Americas and APAC being the best performers. Regain of production volumes and costs efficiencies should translate into EBITDA growing faster than revenues and EBITDA margin landing in the region of 26-27% by 2024 onward from 14.5% in 2020.
Strategy	The group is bearing fruits from a new strategic chapter started in 2021: (i) shift from supplier to partner in sound technology, and (ii) from large installations requiring high power amplifiers to the large addressable market of small commercial installations around the globe. Over the last few years, the company has been significantly investing to reinforce its distribution network in US and China, the two largest addressable markets expected to account for over 40% of the total Professional Amplifier market by 2025. Powersoft can use M&A to optimize the capital structure, enhance its growth profile and further improve the competitive positioning. We estimate a fire power of over Eu45mn. As a frontrunner in innovation in the professional audio industry, R&D efforts of the company will be deployed in the development of new products and new solutions for this market. On top the company is now working on different projects to enlarge its product offering and penetrate new markets (e.g. partnership with Ferrari).

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> Pioneer in the development of class D professional amplifiers R&D driven business model Established production and distribution set-up and strong links with top clients 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> Many competitors are part of larger and more diversified groups Lower than average market share in US and China Inefficient capital structure (strong cash pile) 	
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> Expansion of the product portfolio and addressed market segments Market share gain in US and China Selective M&A to increase market share in amplifiers and/or expand in other products 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> Technological obsolescence Potential disruptions in the supply chain of key components Change in consumer habits with reduction of live events 	
<p style="text-align: center;">Key shareholders</p> <ul style="list-style-type: none"> Evolve S.r.l. 75.65% Lorenzo Lepri 3.11% Free Float 24.35% 	<p style="text-align: center;">Management</p> <ul style="list-style-type: none"> Carlo Lastrucci - Chairman Luca Lastrucci - CEO Massimo Ghedini - CFO and IR Claudio Lastrucci - R&D Antonio Peruch - Production Engineering Luca Giorgi - Sales and Business Development Gianmaria Guarini – Operation Akira Mochimaru - Global Marketing 	<p style="text-align: center;">Next events</p>

2H24 Results

Strong set of results

Interim sales grew by 12% YoY driven by the USA. 1H24 EBITDA reached Eu9.9mn (27% margin), up 15% YoY

Eu mn	1H23A	1H24A	YoY%	2H23A	2H24E	YoY%	FY23A	FY24E	YoY%
Net sales	32.5	36.5	12%	36.7	38.3	4%	69.3	74.8	8%
Total Revenues	33.1	36.9	12%	37.3	39.0	5%	70.3	75.9	8%
EBITDA adjusted	8.6	9.9	15%	11.1	10.1	-8%	19.7	20.0	2%
<i>Ebitda Margin %</i>	<i>26.1%</i>	<i>26.8%</i>		<i>30.1%</i>	<i>26.4%</i>		<i>28.0%</i>	<i>26.4%</i>	
EBIT adjusted	7.3	8.5	17%	9.4	7.5	-20%	16.6	16.0	-4%
<i>Ebit Margin %</i>	<i>22.0%</i>	<i>22.9%</i>		<i>25.5%</i>	<i>19.6%</i>		<i>23.7%</i>	<i>21.1%</i>	
Restated Net Profit	5.2	6.3	20%	6.8	5.4	-21%	12.1	11.7	-3%
<i>Net Profit Margin %</i>	<i>15.8%</i>	<i>17.0%</i>		<i>18.6%</i>	<i>14.0%</i>		<i>17.1%</i>	<i>15.4%</i>	
NFP end of the period	15.0	5.4		17.8	14.9		17.8	14.9	

Source: Company data and Alantra estimates

Change in estimates

We trim our estimates

We decrease our FY24E revenues by 5%, while adjusting the figures for the following years to maintain similar growth projections.

(Eu mn)	NEW estimates			Change			OLD estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Total Revenues / Value of Production	75.9	85.6	95.8	-5.0%	-5.0%	-5.0%	79.9	90.1	100.8
EBITDA Reported	20.0	22.7	25.6	-4.3%	-4.3%	-4.3%	20.9	23.7	26.7
EBIT Reported	16.0	18.7	21.6	-5.1%	-4.9%	-4.8%	16.8	19.7	22.7
Pretax Profit	16.1	18.6	21.5	-4.2%	-5.2%	-5.1%	16.8	19.6	22.7
Net profit	11.7	13.5	15.6	-4.2%	-5.2%	-5.1%	12.2	14.2	16.5
EPS	0.903	1.044	1.210	-4.2%	-5.2%	-5.1%	0.943	1.102	1.275
Net financial position	14.9	18.8	21.2	1.7	0.2	(1.2)	16.7	19.0	20.0

Source: Company data and Alantra estimates

M&A fire power

M&A fire power

With the current capital structure and a target leverage at 1.0x Net Debt/EBITDA, we estimate an M&A firepower of c. Eu40mn in 2024

	Acquisition multiple (EV/EBITDA)				
	6.0x	7.0x	8.0x	9.0x	10.0x
EBITDA of the target - Eu mn					
2024	7.0	5.8	5.0	4.4	3.9
Additional Debt (Deals 100% financed with debt) - Eu mn					
2024	42.0	40.8	40.0	39.3	38.9
Target Net debt/EBITDA of the group post-deals	1.0x				

Source: Company data and Alantra estimates

Peers

Trading multiples

At current market price, the stock trading in line on EV/EBITDA 2025E multiple

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE			
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	
POWERSOFT	ITALY	172	2.3 x	2.1 x	1.8 x	8.8 x	7.8 x	6.9 x	11.0 x	9.5 x	8.1 x	14.9 x	13.1 x	11.1 x	
Premium (discount) to Peers' Median			71%	66%	51%	11%	-3%	1%	-8%	-9%	-36%	-10%	-18%	-20%	
PEERS			Average	1.6 x	1.5 x	1.4 x	8.8 x	9.6 x	6.5 x	11.6 x	10.4 x	11.5 x	29.8 x	14.0 x	12.8 x
			Median	1.4 x	1.2 x	1.2 x	7.9 x	8.1 x	6.8 x	12.0 x	10.5 x	12.6 x	16.5 x	15.9 x	13.9 x
B&C Speakers S.p.A.	ITALY	165	1.6 x	1.5 x	1.4 x	7.3 x	6.7 x	6.2 x	8.1 x	7.4 x	6.8 x	9.9 x	10.1 x	9.2 x	
Focusrite PLC	UNITED KINGDOM	201	1.4 x	1.2 x	1.2 x	8.5 x	8.1 x	7.8 x	13.2 x	12.8 x	12.6 x	16.5 x	15.9 x	15.1 x	
Sound Peers			Average	1.5 x	1.4 x	1.3 x	7.9 x	7.4 x	7.0 x	10.6 x	10.1 x	9.7 x	13.2 x	13.0 x	12.189
			Median	1.5 x	1.4 x	1.3 x	7.9 x	7.4 x	7.0 x	10.6 x	10.1 x	9.7 x	13.2 x	13.0 x	12.2 x
Cirrus Logic, Inc.	UNITED STATES	5,879	3.4 x	3.2 x	3.3 x	12.9 x	13.1 x	na	14.2 x	13.1 x	14.4 x	18.1 x	16.9 x	17.8 x	
SECO S.p.A.	ITALY	296	na	na	na	na	na	na	na	na	na	93.8 x	18.8 x	14.1 x	
Kontron AG	GERMANY	1,050	0.7 x	0.6 x	0.6 x	6.7 x	5.4 x	4.8 x	10.8 x	8.1 x	7.1 x	10.5 x	8.1 x	7.0 x	
Eurotech S.p.A.	ITALY	37	0.9 x	0.8 x	0.7 x	na	15.0 x	7.3 x	na	na	16.8 x	na	na	13.7 x	
Electronics Peers			Average	1.7 x	1.5 x	1.5 x	9.8 x	11.2 x	6.1 x	12.5 x	10.6 x	12.8 x	40.8 x	14.6 x	13.1 x
			Median	0.9 x	0.8 x	0.7 x	9.8 x	13.1 x	6.1 x	12.5 x	10.6 x	14.4 x	18.1 x	16.9 x	13.9 x
Live Nation Entertainment, Inc.	UNITED STATES	22,189	1.0 x	0.9 x	0.8 x	11.6 x	10.4 x	9.1 x	24.2 x	17.0 x	14.0 x	nm	46.7 x	38.7 x	
CTS Eventim AG & Co. KGaA	GERMANY	8,573	3.0 x	2.8 x	2.5 x	15.2 x	13.2 x	11.6 x	17.7 x	15.7 x	13.9 x	27.1 x	25.3 x	23.5 x	
Madison Square Garden Sports Corp. Class A	UNITED STATES	3,601	5.0 x	5.3 x	4.8 x	nm	nm	nm	nm	nm	nm	nm	nm	nm	
GL Events SA	FRANCE	568	0.7 x	0.7 x	0.6 x	3.9 x	3.7 x	3.4 x	6.7 x	6.2 x	5.7 x	7.8 x	7.8 x	7.0 x	
Eventbrite, Inc. Class A	UNITED STATES	203	0.4 x	0.3 x	0.1 x	3.6 x	2.2 x	0.9 x	na	na	na	na	na	nm	
Live Events Companies			Average	2.0 x	2.0 x	1.8 x	8.6 x	7.4 x	6.2 x	16.2 x	13.0 x	11.2 x	17.5 x	26.6 x	23.1 x
			Median	1.0 x	0.9 x	0.8 x	7.8 x	7.0 x	6.2 x	17.7 x	15.7 x	13.9 x	17.5 x	25.3 x	23.5 x

Source: Alantra estimates and Factset

Financials

PWS is expected to post higher profitability vs direct peers and boasting higher growth potential

Company	Country	Mkt Cap (Eu mn)	FY24E - FY26E average margins					CAGR FY23A - FY26E				
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	Net Profit	
POWERSOFT	ITALY	172	26.5%	21.8%	15.8%	3.3%	85.0%	10.8%	9.1%	9.2%	9.0%	
B&C Speakers S.p.A.	ITALY	165	22.5%	20.3%	15.3%	2.0%	51.6%	7.7%	6.3%	7.3%	8.6%	
Focusrite PLC	UNITED KINGDOM	201	15.6%	9.9%	6.5%	2.2%	39.9%	-2.2%	-12.7%	-19.5%	-21.4%	
Sound Peers			Average	19.0%	15.1%	10.9%	2.1%	45.8%	2.7%	-3.2%	-6.1%	-6.4%
			Median	19.0%	15.1%	10.9%	2.1%	45.8%	2.7%	-3.2%	-6.1%	-6.4%
Cirrus Logic, Inc.	UNITED STATES	5,879	25.6%	23.8%	19.6%	2.1%	na	3.6%	na	0.2%	0.2%	
SECO S.p.A.	ITALY	296	21.1%	11.6%	4.9%	8.8%	0.0%	4.4%	3.3%	12.7%	14.5%	
Kontron AG	GERMANY	1,050	11.0%	7.1%	5.9%	3.9%	44.0%	21.9%	27.5%	nm	nm	
Eurotech S.p.A.	ITALY	37	5.3%	-0.9%	-1.0%	4.3%	0.0%	10.7%	nm	nm	nm	
Italian Electronics companies			Average	15.7%	10.4%	7.4%	4.8%	14.7%	10.2%	15.4%	6.5%	7.3%
			Median	16.0%	9.4%	5.4%	4.1%	0.0%	7.6%	15.4%	6.5%	7.3%
Live Nation Entertainment, Inc.	UNITED STATES	22,189	11.0%	7.1%	5.9%	3.9%	44.0%	21.9%	27.5%	26.6%	23.7%	
CTS Eventim AG & Co. KGaA	GERMANY	8,573	3.7%	-2.4%	-3.1%	4.1%	0.0%	na	na	na	na	
Madison Square Garden Sports Corp. Class A	UNITED STATES	3,601	8.8%	5.1%	2.2%	2.5%	0.0%	9.0%	11.9%	16.6%	38.7%	
GL Events SA	FRANCE	568	20.9%	17.6%	12.1%	3.9%	48.4%	8.0%	9.0%	10.3%	10.4%	
Eventbrite, Inc. Class A	UNITED STATES	203	12.2%	14.2%	5.5%	0.1%	0.0%	5.4%	6.0%	na	na	
Live events companies			Average	11.3%	8.3%	4.5%	2.9%	18.5%	11.1%	13.6%	17.8%	24.3%
			Median	11.0%	7.1%	5.5%	3.9%	0.0%	8.5%	10.4%	16.6%	23.7%

Source: Alantra estimates and Factset

Performance

The stock has underperformed peers in the last 6M

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
POWERSOFT	ITALY	172	-11.0%	-9.3%	-14.4%	68.1%	140.3%	206.7%
PEERS	Average		-2.5%	-1.2%	-8.2%	-3.9%	-14.6%	8.4%
	Median		-0.3%	-2.2%	-4.3%	-0.2%	-22.1%	2.6%
B&C Speakers S.p.A.	ITALY	165	0.0%	0.0%	-13.5%	-3.8%	34.5%	25.0%
Focusrite PLC	UNITED KINGDOM	201	-20.4%	-27.1%	-10.3%	-46.7%	-83.0%	-49.6%
Carel Industries SpA	ITALY	2,084	4.8%	5.2%	-6.7%	-13.7%	-24.9%	45.6%
Eurotech S.p.A.	ITALY	37	-19.9%	-11.9%	-41.5%	-56.9%	-80.3%	-85.6%
SECO S.p.A.	ITALY	296	-12.9%	-28.7%	-36.5%	-45.1%	-62.8%	na
Live Nation Entertainment, Inc.	UNITED STATES	22,189	11.0%	20.2%	1.4%	34.7%	15.8%	61.1%
CTS Eventim AG & Co. KGaA	GERMANY	8,573	6.1%	13.5%	19.9%	65.5%	39.5%	79.0%
Madison Square Garden Sports Corp. Cl	UNITED STATES	3,601	-1.0%	11.8%	13.4%	14.4%	7.5%	9.5%
Eventbrite, Inc. Class A	UNITED STATES	203	-17.3%	-40.5%	-50.4%	-71.2%	-85.1%	-83.5%

Source: Alantra estimates and Factset

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