

Redefining Engineering: La SIA Acquisition

ADD | Fair Value: €6.42 (€6.42) | Current Price: €4.07 | Upside: +58%

€ Million	FY21A	FY22A	FY23A	FY24E	FY25E	FY26E	FY27E
Value of Production	24.3	35.2	39.4	44.8	56.5	65.5	75.5
EBITDA	6.8	9.3	10.0	13.7	15.7	19.5	23.9
margin	27.9%	26.5%	25.4%	30.5%	27.8%	29.8%	31.7%
Net Profit	2.5	3.7	2.4	3.5	4.3	6.8	11.3
margin	10.4%	10.5%	6.0%	7.7%	7.7%	10.4%	15.0%
EPS	n.a.	n.a.	n.a.	0.23	0.29	0.45	0.75
NFP	11.8	20.8	25.6	1.8	(0.8)	(17.1)	(33.3)

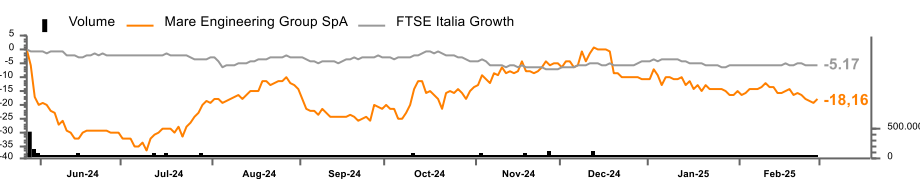
Source: Company Data (2021-2023), KT&Partners' Elaboration (2024-2027)

La SIA acquisition. Mare Group announced the acquisition of a 70.6% stake in La SIA S.p.A. on February 12, 2025, reinforcing its position among Italy's top independent engineering firms. Following the closing, Mare will launch a mandatory takeover bid (OPAS) for the remaining 29.4%, marking the first exchange offer between two EGM-listed companies. The integration of La SIA's expertise in civil engineering, telecommunications, and infrastructure with Mare Group's technology-driven approach unlocks operational and strategic synergies. By embedding XR Line for digital twin modelling and Sypla for AI-driven predictive maintenance into La SIA's workflows, the acquisition enhances efficiency, cost optimization, and recurring revenue generation.

Preliminary FY24 Results. On February 28, 2025, MARE announced its preliminary FY24 results, reporting a Value of Production (VoP) of €44.6mn (+13.1% YoY), aligning with the upper range of the company's guidance (€42-45mn) and in line with our estimates (€44.8mn). Adj. EBITDA (adj for €2mn of net extraordinary expenses) reached €13.2mn, at the guidance midpoint (€12.5-14mn) but below our projection of €13.7mn. The company reported an adj. NFP of €1.3mn (adjusted for €0.5mn buyback for the Powerflex transaction); in line with €1.8mn of our FY24E estimates, which includes the buy-back. This reflects a significant deleveraging from €24.7mn net debt in FY23, driven mainly by the €6mn net IPO proceeds and the ABB in Dec '24.

Valuation Unchanged, Awaiting Further Guidance. We keep the valuation unchanged for now, pending further guidance on La SIA's guidance. While we have not yet incorporated La SIA into our estimates, we have adjusted our Net Financial Position to reflect the proceeds from the Accelerated Bookbuilding (ABB). Our previous FY24E NFP estimate of €14.6mn is now revised to €1.8mn in net debt, following the inclusion of €12.8mn from the ABB (€12.4mn from the first tranche and €0.45mn from the second tranche raised by year-end). Our valuation remains unchanged at this stage. However, we see this acquisition as a strategic accretive for Mare Group's shareholders. The company acquired La SIA at an EV/EBIT multiple of 7.4x for FY24E and 6.3x for FY25E, significantly below Mare's trading multiples at the time of the announcement (10.4x and 8.9x for FY24E and FY25E EBIT, respectively), focusing on EBIT multiples as the two companies exhibit similar operating margins (ca. 13-15%). The valuation gap, combined with tangible day-one synergies, reinforces the deal's compelling financial and strategic rationale.

Mare Group Relative Stock Performance Chart since IPO (May '24)



Source: Factset

Research Update

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Market Data

Main Shareholders	
Antonio Maria Zinno	25.20%
Marco Bellucci	18.40%
Valerio Griffa	14.79%
Other	24.60%
Invitalia SpA	5.10%
Mkt Cap (€ mn)	49.0
EV (€ mn)	74.8
Shares out.	12.1
Treasury Shares	1.10%
Free Float	10.81%

Market multiples	2023A	2024E	2025E
EV/EBITDA			
Mare Group S.p.A.	6.0x	4.4x	3.8x
Comps Median	7.3x	7.0x	6.9x
Mare Group S.p.A. vs Median	-17.8%	-37.1%	-44.2%
P/E			
Mare Group S.p.A.	27.7x	17.6x	14.1x
Comps Median	13.1x	11.4x	11.4x
Mare Group S.p.A. vs Median	111.6%	53.4%	23.0%

Stock Data

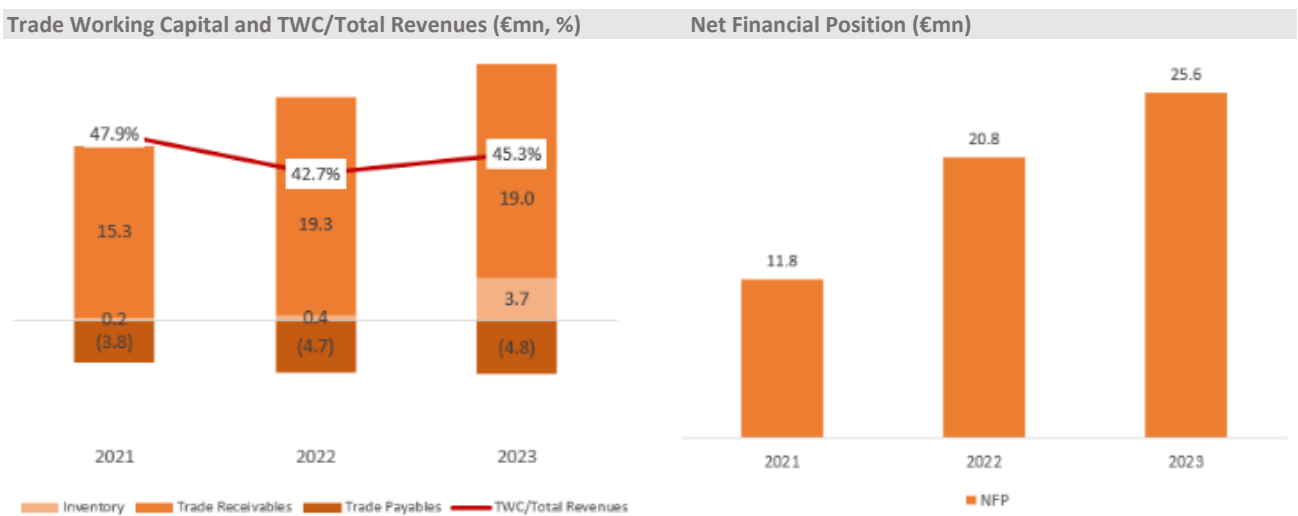
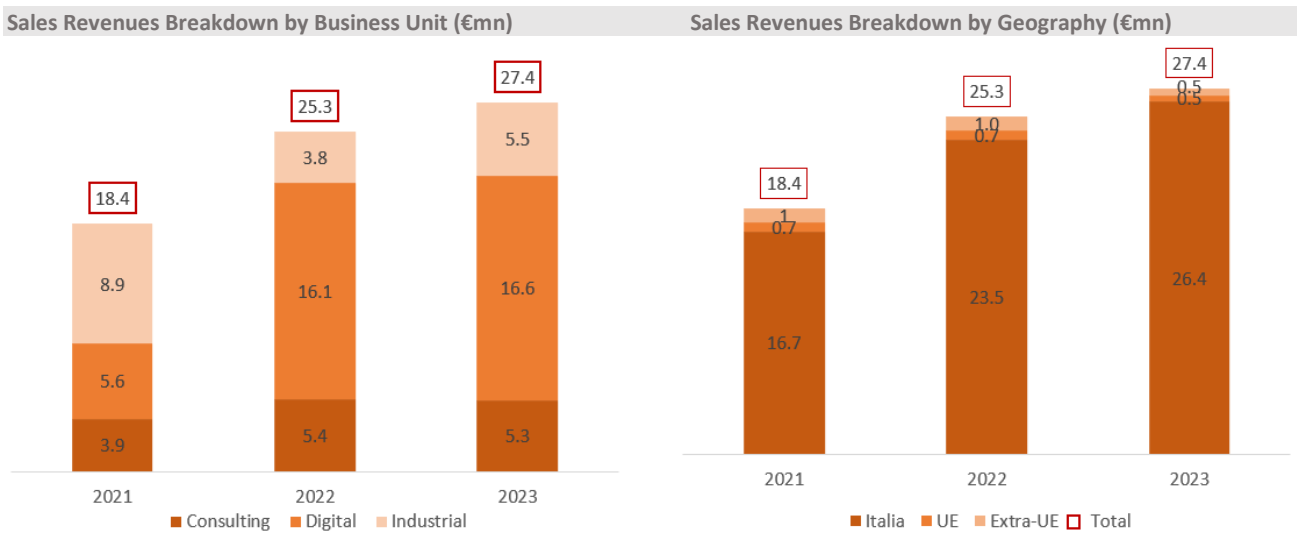
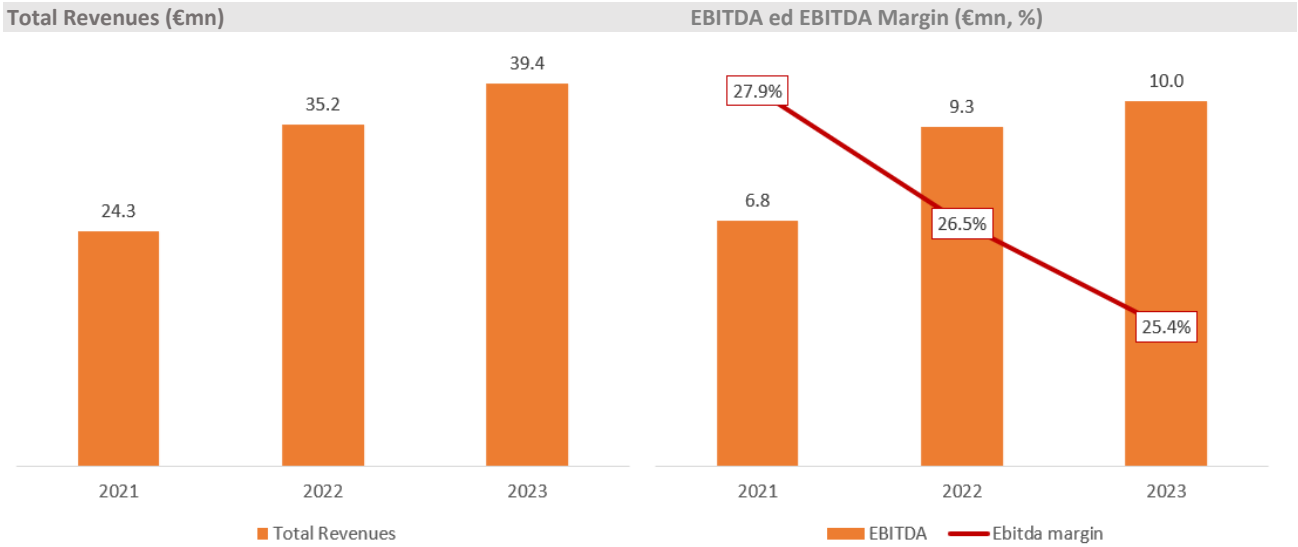
52 Wk High (€)	5.90
52 Wk Low (€)	3.08
Avg. Daily Trading 90d	17,721
Price Change 1w (%)	-2.86
Price Change 1m (%)	-8.02
Price Change YTD (%)	-9.15

Key Figures - Mare Engineering Group SpA

Current price (€)	Fair Value (€)		Sector				Free Float (%)
4.07	6.42		Technology				10.8%
Per Share Data	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Total shares outstanding (mn)	n.a.	n.a.	12.05	14.95	15.60	15.60	15.60
EPS	n.a.	n.a.	n.a.	0.23	0.28	0.44	0.72
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Total Revenues	24.3	35.2	39.4	44.8	56.5	65.5	75.5
Sales	18.4	25.3	27.4	37.8	50.1	59.2	68.5
EBITDA	6.8	9.3	10.0	13.7	15.7	19.5	23.9
EBIT	3.2	3.8	4.8	6.4	7.5	10.8	16.9
EBT	2.6	3.4	3.7	4.9	6.0	9.4	15.7
Taxes	(0.1)	0.3	(1.3)	(1.4)	(1.7)	(2.6)	(4.4)
Tax rate	3%	-10%	35%	29%	28%	28%	28%
Net Income	2.5	3.7	2.4	3.5	4.3	6.8	11.3
Net Income attributable to the Group	2.1	3.7	2.2	3.5	4.3	6.8	11.3
Balance Sheet (EUR million)	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Total fixed assets	18.5	24.6	29.1	27.1	24.1	18.1	14.0
Net Working Capital (NWC)	9.8	17.0	18.4	21.8	24.3	27.7	29.5
Provisions	(2.8)	(2.8)	(3.1)	(4.9)	(7.3)	(9.7)	(12.2)
Total Net capital employed	25.5	38.8	44.4	44.0	41.1	36.2	31.3
Net financial position/(Cash)	11.8	20.8	25.6	1.8	(0.8)	(17.1)	(33.3)
Group Shareholder's Equity	10.7	18.0	18.6	42.0	41.7	53.1	64.4
Minorities	3.1	0.0	0.2	0.2	0.2	0.2	0.2
Total Shareholder's Equity	13.8	18.0	18.8	42.2	41.8	53.3	64.6
Cash Flow (EUR million)	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Net operating cash flow	6.8	9.7	8.4	11.8	13.6	16.5	19.2
Change in NWC	(0.3)	(6.8)	(1.8)	(3.4)	(2.5)	(3.4)	(1.8)
Capital expenditure	(7.5)	(9.9)	(9.1)	(4.8)	(4.5)	(2.1)	(2.2)
Other cash items/Uses of funds	(2.6)	(1.8)	(0.3)	5.0	1.8	1.7	1.9
Free cash flow	(3.6)	(8.8)	(2.8)	8.6	8.4	12.6	17.1
Enterprise Value (EUR million)	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Market Cap	n.a.	n.a.	49.0	60.9	63.5	63.5	63.5
Minorities	3.1	0.0	0.2	0.2	0.2	0.2	0.2
Net financial position/(Cash)	11.8	20.8	25.6	1.8	(0.8)	(17.1)	(33.3)
Enterprise value	n.m.	n.m.	74.8	62.9	62.9	46.6	30.4
Ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E	2027E
EBITDA margin	27.9%	26.5%	25.4%	30.5%	27.8%	29.8%	31.7%
EBIT margin	13.3%	10.7%	12.1%	14.3%	13.3%	16.5%	22.4%
Gearing - Debt/equity	n.m.	n.m.	n.m.	4.4%	-1.9%	-32.2%	-51.7%
Interest cover on EBIT	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
NFP/EBITDA	1.74x	2.23x	2.55x	0.14x	-0.05x	-0.88x	-1.39x
ROCE	12.7%	9.7%	10.8%	14.5%	18.3%	29.9%	54.1%
ROE	20.0%	20.6%	11.8%	8.3%	10.4%	12.8%	17.5%
EV/Sales	n.a.	n.a.	2.2x	1.6x	1.2x	1.0x	0.9x
EV/EBITDA	n.a.	n.a.	6.0x	4.4x	3.8x	3.1x	2.5x
EV/EBIT	n.a.	n.a.	15.6x	9.8x	8.3x	5.8x	3.7x
P/E	n.a.	n.a.	27.7x	17.6x	14.1x	9.0x	5.4x
Free cash flow yield	n.a.	n.a.	-4.7%	14.3%	14.0%	21.0%	28.5%
Growth Rates (%)	2021A	2022A	2023A	2024E	2025E	2026E	2027E
Sales	n.a.	45.2%	11.9%	13.7%	26.0%	16.0%	15.1%
EBITDA	n.a.	38.0%	7.4%	36.3%	14.8%	24.5%	22.5%
EBIT	n.a.	16.4%	27.2%	33.6%	17.6%	44.1%	56.4%
Net Income	n.a.	46.6%	-35.8%	45.5%	24.8%	57.2%	66.0%

Source: Company Data (2020-2023), KT&Partners' Forecasts (2024-2027)

Key Charts



Company Overview

Founded in 2001 at the University of Federico II in Naples, Mare Engineering Group SpA (“Mare Group”) is a digital engineering company at the forefront of innovation. The company collaborates with large enterprises to develop cutting-edge solutions while leveraging these technologies to create tailored products and services for small businesses. Mare Group is driving the digital and sustainability transition through its core business lines: Applied Engineering, Digital Services, and Technology Platforms.

Applied Engineering specializes in advanced design and optimization of products, processes, and infrastructures, in brief digital engineering for physical processes. Utilizing Industry 4.0 and Industry 5.0 technologies, it drives innovation in key sectors such as manufacturing, transportation, aerospace, automotive, and defense. Services include mechatronic testing, prototyping, and process enhancement.

Digital Services offers extensive digitalization solutions, including custom product development, cloud services, and scalable tools for businesses of all sizes. For SMEs, Mare Group provides flexible horizontal solutions, hardware sales, and office Software-as-a-Service (SaaS) offerings to facilitate their digital transformation. Its expertise also extends to computer vision applications for anomaly detection.

Technology Platforms enable scalable innovation, ensuring adaptability to market dynamics and client needs. These include: (i) **XR Line**: Extended reality solutions for training and remote support, featuring natural interaction and seamless integration; (ii) **Delfi.AI**: Competitive analytics and innovation path design, offering fund scouting for SMEs using only their VAT numbers. (iii) **Sypla**: An IoT and AI-based system for predictive maintenance and monitoring in sectors like energy optimization, building management, and railways.

Mare Group’s platforms are supported by strong R&D investments, particularly in Rail, Aerospace & Defense, and AI. The company operates through internally developed brands and acquisitions, including La SIA, a leader in digital engineering and mission-critical infrastructure. This acquisition positions Mare Group among Italy’s top 10 independent engineering firms, enhancing its capabilities in BIM methodologies, digital twin technologies, and AI-driven predictive modeling.

Mare Group’s innovation ecosystem is supported by a robust market presence, including over 1,000 clients, 500+ employees (as of February 2025), and 13 operational and sales offices. Its diverse product portfolio is continually enriched through significant R&D investments and strategic mergers and acquisitions. Since 2019, Mare Group has completed 13 M&A deals, including the acquisition of Powerflex and La SIA, enhancing its ability to deliver digital transformation and sustainability solutions tailored for Italian SMEs.

Growth Through Strategic Acquisitions



Source: Company Presentation

Investment Case

- **Emerging as the key aggregation hub for Italy's digital engineering sector...** Mare Group is a key player in digital engineering, integrating advanced design, digital services, and proprietary technology platforms to support enterprises in their digital and sustainability transition. The company provides solutions across multiple industries, including manufacturing, aerospace and defense, automotive, railways, leveraging AI, IoT, and Extended Reality (XR) to enhance efficiency and performance. Following more than 14 acquisitions since 2019, Mare Group is solidifying its position as the leading consolidator in Italy's digital engineering sector.

- **... Offering an ecosystem of enabling technologies to drive digital transformation...** The company operates through three strategic business lines: Applied Engineering, focused on advanced product and process optimization; Digital Services, offering cloud, software, and AI-driven solutions; and Technology Platforms, which includes XR Line, Delfi.AI, and Sypla, enabling predictive maintenance and innovation.

- **... strengthened by the acquisition of La SIA, expanding capabilities in mission-critical infrastructure...** The recent acquisition of La SIA S.p.A., a leader in digital engineering and architectural solutions, enhances Mare Group's expertise in mission-critical infrastructure, smart mobility, and AI-driven predictive modelling. This integration reinforces Mare Group's position among Italy's top 10 independent engineering firms¹, extending its reach into civil engineering, telecommunications, and large-scale infrastructure projects through BIM methodologies and digital twin technologies.

- **... operating with a scalable and capital-efficient model...** Mare Group follows an asset-light approach, developing high-value digital solutions while leveraging strategic acquisitions to expand capabilities. The integration of La SIA introduces cross-selling opportunities and operational synergies, improving scalability and driving recurring revenue models.

- **... backed by strong financial performance and a clear growth trajectory.** Between FY2020 and FY2023, Mare Group delivered a CAGR of 31.1%, with revenues rising from €17.5mn to €39.4mn, while EBITDA grew at 14.1% CAGR, reaching €10.0mn in FY23. The company continues to pursue an ambitious growth strategy, targeting €100mn+ in revenues, supported by its technological expertise, M&A-driven expansion, and strong R&D investments.

¹ Based on the Classifica Guamari of the top 200 Italian engineering firms, excluding companies belonging to larger corporate groups. The ranking is based on a pro-forma 2023 VoP of ~€60mn for Mare Group, including Powerflex and La SIA.

Recent Developments

- **Acquisition of La SIA S.p.A.** On February 12, 2025, Mare Group signed a binding agreement to acquire a 70.6% stake in La SIA S.p.A., a leader in digital engineering and architecture, through a transaction valued at €2.48mn in cash and 2.56mn new Mare Group shares (€13.5mn consideration). Following the closing, Mare Group will launch a mandatory takeover bid (OPAS) for the remaining 29.4% of La SIA's share capital, marking the first operation of this kind on Euronext Growth Milan (total consideration of €19.2mn, valuing La SIA at €3.38ps with a premium of 16.7% on the closing price of February 12th and at an acquisition multiple EV/EBIT FY24E of 7.4x and 6.3x in FY25E, based on Consensus Estimates). *More info on this operation in §Acquisition of La SIA S.p.A..*
- **€8 Million in New Financing.** On January 9, 2025, Mare Group secured an €8mn loan package from Cassa Depositi e Prestiti (CDP) and BPER Banca S.p.A.. The loans are backed by SACE's "Garanzia Futuro" program, featuring favorable terms with a 5y maturity and a 9m grace period.
- **Completion of €15.5mn ABB Capital Increase.** On December 20, 2024, Mare Group successfully completed an Accelerated Bookbuilding (ABB) procedure, raising €15.5mn through the placement of 3.44mn new shares at €4.50ps (€4.58ps the closing price on December 19th, 2024).
- **€4.5 Million Aerospace & Defense Agreement.** On December 3, 2024, Mare Group signed a framework agreement worth up to €4.5mn with a leading international Aerospace & Defense client. The project includes real-time monitoring, predictive algorithms, GIS sensor integration, and automated alert systems, with €0.5mn in expected revenue by year-end 2024 and completion within 24 months.
- **Entry into the Spanish Market.** On September 19, 2024 Mare Group expanded internationally by launching the Spanish website objetivoeuropa.com for its subsidiary, Obiettivo Europa S.r.l., marking its entry into the Spanish market. Obiettivo Europa, a leader in monitoring and evaluating grant opportunities for SMEs in Italy, initiated its internationalization strategy targeting Spain due to its entrepreneurial similarity with Italy.
- **Two strategic collaborations.** On September 12, 2024, Mare Group secured two partnerships from a prominent Italian and an international multinational in Extended Reality and Digital Twin technologies, generating €1.1mn in orders for 2024.
- **Acquisition of Powerflex S.r.l.** On July 21, 2024 Mare Group signed a binding agreement to acquire 100% of Powerflex S.r.l., a company specializing in defense, aerospace, and engineering solutions, for €1.15mn. The transaction was structured as 90% through the transfer of 250k Mare Group shares (132.7k treasury shares and 117.3k newly issued shares at €4.0ps) and 10% in cash (€150k). The acquisition was successfully closed on December 18, 2024. *More info on this operation in the §Appendix.*
- **Approval of Research Project IMPROVE.** On July 10, 2024, Mare Group secured MIMIT approval for its IMPROVE project on predictive production management, with a €5.8mn budget (€2.1mn for Mare Group). The Board also approved the 2024-2027 Stock Option and Stock Grant Plans.

Acquisition of La SIA

On February 12, 2025, Mare Group announced the acquisition of a 70.6% stake in La SIA S.p.A., a leader in digital engineering and architecture solutions. This acquisition strengthens Mare's position among Italy's top independent engineering firms, integrating La SIA's expertise in infrastructure, civil engineering, and sustainable mobility with Mare's XR Line (digital twin) and Sypla (AI-driven predictive maintenance) platforms. As Mare's largest acquisition to date, the deal supports its goal of surpassing €100mn in revenues and reinforces its leadership in digital engineering.

Mare Group and La SIA business combination (FY25E)

FY25E (€mn)	Mare Group	La SIA	Combined
Value of Production	56.5	18.3	74.8
EBITDA	15.7	3.2	18.9
EBITDA Margin	27.8%	17.5%	25.3%
EBIT	7.5	2.6	10.1
EBIT Margin	13.3%	14.2%	13.5%
Net Income	4.7	2.0	6.7
# Employees	358	150	508

Source: KT&P's estimates (Mare Group), Consensus estimates (La SIA)

The acquisition aligns with the increasing convergence of engineering and ICT consultancy/system integration, as seen in Accenture's December 2024 acquisition of IQT Group, an engineering services provider for large infrastructure projects.

Transaction Details

Mare Group will acquire 70.6% of La SIA from its founding shareholders—CSE Holding (Maurizio Ciardi), Aspasia (Mario Rampini), and GLSR (Riccardo Sacconi)—through a payment structure of 82.3% in shares and 17.7% in cash. Specifically: 2.56mn Mare shares will be issued via a reserved capital increase; €2.48mn in cash will be paid. The deal values La SIA at €3.38 per share, a 17% premium to its pre-announcement price, and Mare at €4.31 per share, based on its market price at the time of the announcement. The deal values La SIA at €3.38 per share, representing a 17% premium to its pre-announcement price, and Mare at €4.31 per share (market price at the time of the announcement). La SIA's equity is valued at €19.2mn (€3.38/share), with an Enterprise Value (EV) of €16.3mn, factoring in its FY24 consensus net cash position of €2.9mn. This implies an EV/EBIT multiple of 7.4x for FY24E and 6.3x for FY25E, based on consensus estimates.

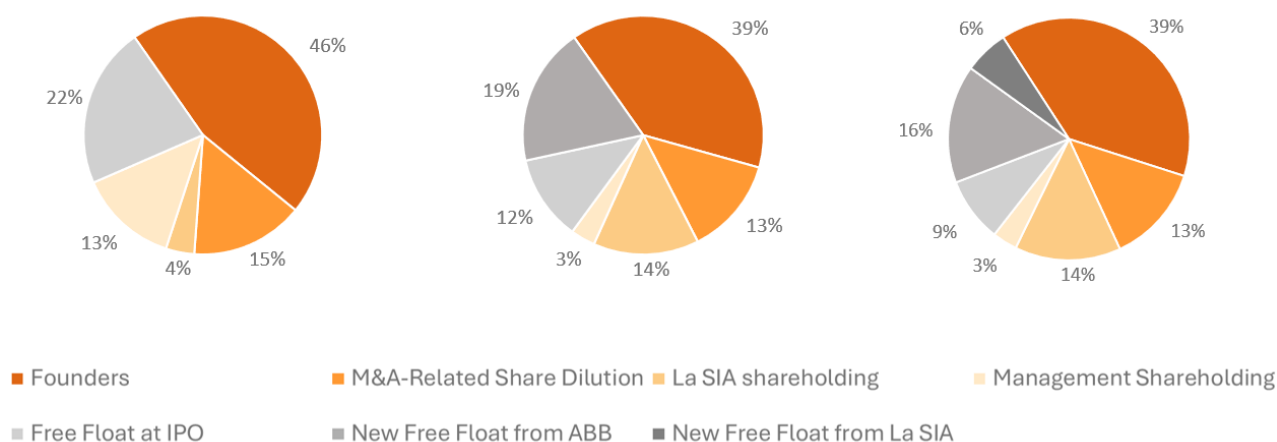
Following closing, Mare will launch a mandatory takeover bid for the remaining 29.4% of La SIA, offering 320 Mare shares + €310 in cash per 500 La SIA shares—in line with the initial acquisition terms. This is the first OPAS (Offerta Pubblica di Acquisto e Scambio) among two companies listed in the EGM segment. The total consideration includes €1.03mn in cash and 1.07mn Mare shares.

Upon completion of the deal, La SIA's founders will become significant shareholders in Mare Group and will assume key managerial roles within the company. Notably, Maurizio Ciardi will join Mare Group's Board of Directors with operational responsibilities for La SIA's business unit. Furthermore, the agreement includes a lock-up commitment of 36 months for Aspasia and GLSR and 24 months for CSE Holding.

Changes in Shareholder Structure

Following the acquisition of 70.6% of La SIA, its three founding partners will collectively hold 14% of Mare Group's share capital, making them the second-largest shareholder as a group, behind CEO & Founder Antonio Maria Zinno, who will retain a 17% stake post-closing of the majority acquisition.

Change in Shareholder's structure: Post ABB, Post Closing of La SIA's Majority Stake, and Post OPAS



Source: KT&P's elaboration on company data

Strategic Rationale and Key Synergies

Mare Group's acquisition of La SIA accelerates its growth strategy, **expanding its presence in critical infrastructure, civil engineering, and sustainable mobility**. This move enhances its technological edge, leveraging proprietary platforms like XR Line for digital twin modeling and Sypla for AI-driven predictive maintenance to improve efficiency, scalability, and cost optimization.

- **Expansion of Applied Engineering beyond manufacturing** – The integration of La SIA allows Mare Group to extend its Applied Engineering division beyond industrial applications, incorporating critical infrastructure and civil engineering. This enhances its ability to design and manage large-scale projects, particularly in urban development, smart mobility, and public infrastructure.
- **Integration of proprietary technology platforms** – Mare Group's advanced technology solutions will be embedded into La SIA's workflows, improving scalability and operational efficiency. The XR Line platform will drive digital twin modeling, playing a crucial role in the entire construction lifecycle—from training and safety compliance to real-time conformity checks, automated support, and remote supervision. **With BIM methodologies becoming mandatory, XR Line serves as an enabling technology, significantly reducing errors, waste, and accidents while improving project execution.** Simultaneously, Sypla will enable AI-driven predictive maintenance, leveraging IoT and artificial intelligence to **shift from a reactive to a proactive maintenance model**. By introducing a complete predictive maintenance platform, Sypla extends the billing cycle across the full life span of infrastructure assets, optimizing cost structures and creating **recurring revenue streams**.

Softwares' synergies



Source: Company Presentation

La SIA's Rationale for Joining Mare Group

The acquisition by Mare Group provides La SIA with the scale, technology, and market access needed to overcome key structural challenges and accelerate its growth trajectory. By integrating into a larger, technology-driven group, La SIA gains the tools to diversify its business, enhance its technological offering, and improve its competitive positioning.

- **Access to New High-Value Verticals** - Becoming part of Mare Group allows La SIA to expand beyond its core markets, leveraging Mare's established industry relationships and financial strength to pursue larger-scale infrastructure and industrial projects. This broader market access enables a more balanced revenue mix, reducing exposure to cyclical demand fluctuations, at the same time reducing La SIA's historical reliance on a few large telecom clients.
- **Technological Leap in Digital Engineering** - By embedding Mare's proprietary platforms—XR Line for digital twin modeling and Sypla for AI-driven predictive maintenance—La SIA closes its gap in AI, IoT, and automation. The integration supports predictive maintenance models, transitioning La SIA from one-off project revenue to scalable, recurring income streams.
- **Strengthening Workforce and Talent Development** - Mare's university partnerships and R&D ecosystem provide a structured framework for talent acquisition and upskilling, addressing challenges in employee retention and specialized expertise. Access to larger, more complex projects enhances career development and workforce stability.

La SIA - Company Description

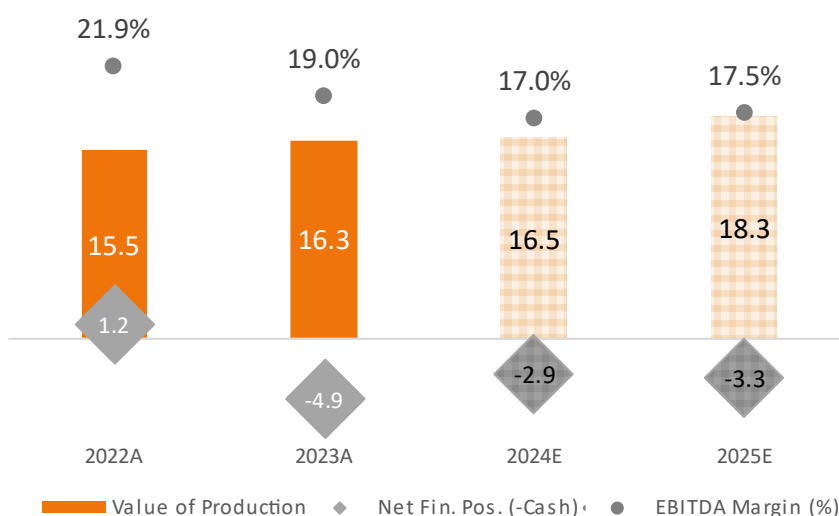
Founded in 2004, La SIA S.p.A. is a leading Italian engineering and design firm. The company went public on Euronext Growth Milan in August 2023, raising €6.0mn at €3.6 per share.

La SIA specializes in Design & Engineering services for corporate clients and public institutions across Telecommunications, Civil & Architectural Design, Project & Works Management, and Infrastructure Development. The company leverages advanced digital methodologies, including Building Information Modeling (BIM), Digital Twin technology, and geospatial analysis tools (drones, laser scanning), delivering high-precision solutions across the project lifecycle. Key Business Areas are:

- Civil Engineering (48% VoP in 9M24) → Designs public buildings (schools, hospitals, offices, data centers) with a focus on sustainability, energy efficiency, and safety, leveraging BIM for cost and project optimization.
- Telecommunications (40% VoP in 9M24) → Develops fiber-optic networks, 5G infrastructure, and smart buildings, specializing in FTTH, data centers, and digital twin modeling for seamless connectivity.
- Utility & Infrastructure (12% VoP in 9M24) → Manages energy, water, and transport infrastructure, including photovoltaic plants, high-voltage systems, and urban mobility solutions, integrating smart monitoring and predictive maintenance.
- Architecture & Urban Design → A growing segment focused on architectural design, procurement consultancy, and urban planning, expanding through public tenders and design competitions.

La SIA has eight operational offices across Italy and a flexible workforce model (46% employees, 54% contractors), optimizing project execution. It holds a 27% win rate in competitive tenders (2021-2022) and has delivered major engineering projects in aerospace, automotive, industrial manufacturing, and civil infrastructure.

La SIA S.p.A. VoP (€mn), PFN (€mn), EBIT Margin (%)

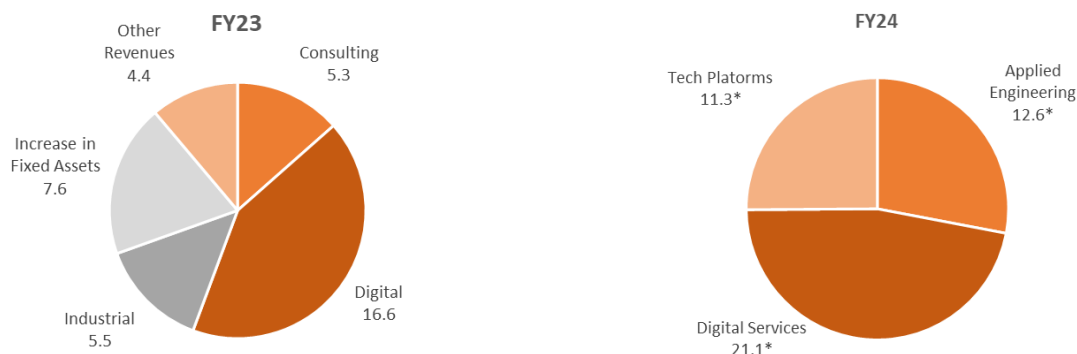


Source: KT&P's Elaboration on Company Data and on Consensus Estimates

Appendix: Optimization of Mare Group’s Business Lines

Mare Group, alongside its FY24 guidance, has announced a strategic reorganization of its three former commercial brands—*Mare Digital*, *Mare Consulting*, and *Mare Industrial*—into three newly defined business units: *Applied Engineering*, *Digital Services*, and *Technology Platforms*. This transformation reflects a refined focus on delivering value through specialized expertise and streamlined operations.

FY23 Value of Production by Previous Brand Structure vs. FY24E Company-Guided VoP Distribution by New Business Units



Source: Company Guidance and Data, Note: (*) based on the upper bounds of approved guidance

Applied Engineering

This business unit focuses on the design and optimization of products and processes, accounting for 28% to the guided FY24 Value of Production (VoP)².

Applied Engineering is an evolution of the previous *Mare Industrial*, which served medium and large industrial enterprises by driving innovation in product and process development, optimizing costs, and minimizing waste. Its offerings include product and process engineering, along with plant and green engineering services. The *Sypla Platform*, previously under *Mare Industrial*, has now been realigned to the Technology Platforms division.

Digital Services

This business unit is dedicated to the end-to-end development of software and cloud-based products and services, as well as enabling the digital transformation of businesses of all sizes, contributing 47% to the guided FY24 Value of Production (VoP)³.

The new Digital Services BU evolves from the former *Mare Digital*, which integrated advanced digital technologies into business processes for medium and large enterprises, as well as public administrations. It specialized in creating bespoke solutions and providing essential ICT services. The *XR Line* has been separated and integrated into the new *Technology Platforms* division, detailed below. Additionally, portions of the former *Mare Consulting* operations have been consolidated into Digital Services. This includes expertise in assisting SMEs with securing and managing funds for innovation, competitive enhancement, and providing services such as Training 4.0, Brand & Business Value, and IP & ESG Management. However, *Delfi.AI*, a major channel of *Mare Consulting*, has been transferred to the *Technology Platforms* division, outlined below.

²Based on the upper bound of FY24 Company guidance

³Based on the upper bound of FY24 Company guidance

Technology Platforms

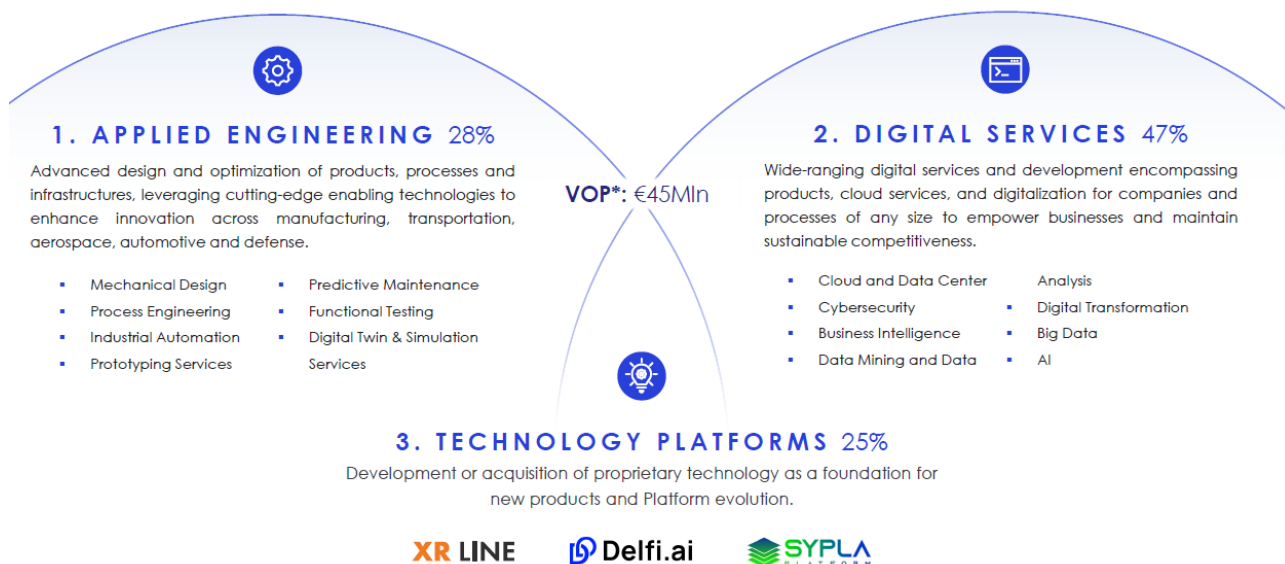
Contributing 25% to the guided FY24 VoP⁴, the Technology Platforms business unit consolidates Mare Group’s proprietary technologies, forming the foundation for new products and platform evolution. This new BU includes three key technologies.

XR Line. Previously part of *Mare Digital*, the XR Line leverages experiential technologies such as Virtual Reality (VR) and Augmented Reality (AR) to support production, design, prototyping, presentation and remote support. The XR line empowers clients to independently create virtual training environments without requiring specialized development skills, enabling scalability and cost-efficiency. The XR Line is projected to generate approximately €3–4 million in VoP for FY24.

Delfi.ai. Formerly part of *Mare Consulting*, Delfi.ai is Mare Group’s AI-driven platform designed to help SMEs evaluate and improve their innovation capabilities. It offers a quick self-assessment via an intuitive interface, providing a free report that reveals the company's innovation index and tailored strategies for growth. Acting as a marketplace, Delfi.ai also connects businesses to products and services that drive digital transformation. Launched in 2022, the platform reflects Mare Group’s commitment to making advanced technology accessible to all businesses. The Delfi.ai platform is expected to contribute c.€7-7.5mn in VoP for FY24.

Sypla – Previously part of *Mare Industrial*, SYPLA RAIL is a predictive diagnostics system built on the SYENMAINT® Platform, combining sensors, hardware, firmware, and software to optimize rail system maintenance. By analysing extensive datasets collected from intelligent sensors installed on trains and utilizing proprietary algorithms, SYPLA RAIL can pre-emptively identify the optimal timing for maintenance activities on railways, even before any anomalies or failures occur. The system dynamically schedules interventions, monitors rolling stock and infrastructure, and streamlines maintenance processes.

Mare Group New Business Units



Source: Mare Group 2024 Guidance Presentation, Note; (l) based on the upper bounds of approved guidance

⁴Based on the upper bound of FY24 Company guidance

Appendix: Acquisition of Powerflex S.r.l.

On July 23, 2024, Mare Group S.p.A. announced a binding agreement to acquire 100% of Powerflex S.r.l., a company specialized in the Aerospace & Defense sector and the production and testing of mechatronic systems. The acquisition represents a strategic expansion for Mare Group, strengthening its technological capabilities and market positioning in Defense, Avionics, Aerospace, Naval, and Railway sectors. The transaction was completed on December 18, 2024.

The total consideration of €1.15mn was structured as follows:

- €1.0mn (c. 90%) paid through the transfer of 250k Mare Group shares, consisting of 132.7k treasury shares and 117.3k newly issued shares, with a capital increase of €469k executed via contribution in kind.
- €150k in cash paid to Immobili S.r.l.

The issuance price for the new Mare Group shares was set at €4.00ps, as stipulated in the agreement (noting a market price of €3.615ps on the announcement date, i.e. 10.7% premium). The newly issued shares are subject to a 12-month lock-up period.

Powerflex reported FY23 revenues of approximately €4.0mn, with an EBITDA of €0.4mn (9.6% margin). Considering the FY23 NFP of €1.3mn, the EV of Powerflex is calculated at €2.45mn, resulting in a 6.8x EV/EBITDA multiple based on the 2023 EBITDA, aligned with the multiple of Mare Group at the time of the announcement. Given the acquisition structure and the valuation of Powerflex, the goodwill generated is expected to be minimal. The financial results of Powerflex will be consolidated into Mare Group's accounts starting from FY2025 in the P&L, following the expected closing by December 31, 2024, but will be visible in the FY24 Balance Sheet. The acquisition has strategic rationale and synergy due to the following reasons:

Enhancing Technical Capabilities: Powerflex, established in 1996, is recognized for delivering high-quality mechanical and electronic engineering solutions across Defence, Avionics, Aerospace, Naval, and Railway sectors. This acquisition enables Mare Group to integrate advanced mechatronic system production and testing capabilities, thus broadening its service offerings.

Strengthening Client Relationships: Powerflex has established significant relationships with technologically advanced clients, including Leonardo, a key player in the aerospace and defence industries. Mare Group aims to leverage these relationships, to enhance its presence and strengthen its value proposition to both existing and new clients.

Operational and Financial Efficiency: Integrating Powerflex, Mare Group is expected to eliminate duplicate costs and create cost synergies. This integration is projected to elevate Powerflex's EBITDA margins to close the gap with Mare Group's >25% levels.

Revenue Growth through Cross-Selling: The acquisition facilitates cross-selling opportunities, leveraging Powerflex's expertise and Mare Group's established market presence. This synergy is anticipated to drive significant revenue growth, with Powerflex expected to grow its revenues by 15%, aided by Mare Group's planned CAPEX investments of c. €1mn in 2025.

Utilization of Strategic Incentives: Powerflex's operations in the Zona Economica Speciale (ZES) provide access to substantial tax incentives. These incentives, expected to generate tax credits equating to 50% of incremental revenues (€1mn expected for Mare), will enhance profitability and support further growth.

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- ADD – FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD – FOR A FAIR VALUE < 15% AND > – 15% ON CURRENT PRICE
- REDUCE – FOR A FAIR VALUE < – 15% ON CURRENT PRICE

