

The Italian Digital Engineering Consolidator

ADD | Fair Value: €7.39 (€6.42) | Current Price: €3.73 | Upside: +98%

Research Update

October 16th, 2025 – 7:00h

Equity Research Team

connect@ktepartners.com

Michele FILIPPIG

mfilippig@ktepartners.com

+39 331 631 6783

Francesco MAMBELLA

fmambella@ktepartners.com

+39 331 631 0793

€ Million	2023	2024	2025E	2026E	2027E	2028E
Sales Revenues	29.9	37.2	68.6	86.1	98.1	106.3
Value of Production	39.4	44.6	73.6	90.7	103.3	111.9
EBITDA	10.0	11.3	18.4	23.8	28.2	31.6
margin	25.4%	25.2%	25.0%	26.2%	27.3%	28.3%
Net Income	2.4	1.8	6.3	8.9	14.3	17.6
margin	6.0%	4.1%	8.5%	9.8%	13.8%	15.7%
Free Cash Flows	(2.8)	(17.1)	(15.7)	5.8	12.1	16.0
NFP/ (Net Cash)	25.6	1.3	14.6	8.8	(3.4)	(19.5)

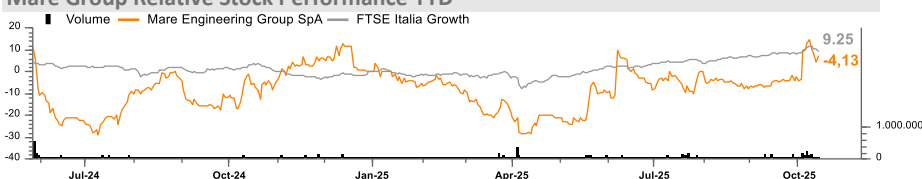
OPA Eles S.p.A. (p.12) On 6 Oct 2025, MARE launched a mandatory takeover bid for Eles at €2.25/share in cash, implying a maximum consideration of €35mn on a fully diluted basis. This follows the partial tender offer completed in Aug 2025, which increased MARE's stake to 29.04%. MARE positions the Eles acquisition as a strategic move to build an integrated Italian high-tech engineering platform. We exclude Eles from our current estimates pending deal completion; however, on a pro forma basis, the combined entity would generate approximately €110mn in VoP and ~€25mn in EBITDA for FY25E.

1H25 Financial Results (p.8). On September 26th, 2025, Mare released its 1H25 results, reporting a VoP of €24.7mn (+31% YoY vs €18.8mn), supported by organic growth and the first consolidation of Powerflex, I.D.E.A., and La SIA, which jointly added around €5mn. On a pro-forma basis, assuming full consolidation, VoP reached €31.6mn (+68% YoY) and Sales Revenues €25.0mn (+90% YoY). EBITDA stood at €4.0mn (-3% YoY), impacted by M&A-related costs of about €1mn; adjusted EBITDA reached €5.0mn (+22% YoY, 20.5% margin). On a pro-forma basis, EBITDA amounted to €5.3mn (+29% YoY) and €5.9mn adjusted (+35%, 19.9% margin). NFP worsened to €31.4mn net debt (vs €1.3mn), mainly due to higher TWC (€35.6mn vs €15.6mn, related to the new integrations) and €13mn M&A-related outflows.

KT&P Estimates (p.10). We include full-year contributions from La SIA and I.D.E.A. for FY25 onward. FY25E Sales Revenues are expected at €68.6mn (+85% YoY), with €51.0mn from Mare's previous perimeter and ca €18mn from the new subsidiaries, leading to a VoP of €73.6mn (midpoint of €72-75mn guidance), and FY25E EBITDA of €18.4mn (25.0% margin), in line with guidance (€17.5-19.5mn). NFP is projected at €14.6mn net debt (0.8x EBITDA) vs €1.3mn in FY24, mainly due to i) higher TWC (€20.7mn increase, mostly trade receivables); ii) €33mn capex mainly for M&A activities including ELES (€11.5mn) and DBA Group (€4.5mn) investments; and iii) a €17.9mn equity movement, of which €13mn from La SIA's share-swap.

Valuation (p.18). Our valuation is based on a blended approach combining DCF and peers' market multiples (EV/EBITDA and P/E) applied at Mare's FY25E and 26E EBITDA and Net Income with current perimeter. Averaging the two methodologies, Mare Group's fair value stands at €142.0mn, or €7.39ps, implying a +98% upside on the current share price. The valuation implies an EV/EBITDA multiple of 7.8x on FY25E and 6.0x on FY26E.

Mare Group Relative Stock Performance YTD



Source: Factset

Market Data

Mkt Cap (€ mn)	72.0
EV (€ mn)	73.4
Shares out.	19.2
Treasury Shares	0.6%
Free Float	45.6%

Market multiples	2024	2025E	2026E
EV/EBITDA			
Mare Group (KT&P Valuation)	12.7x	7.8x	6.0x
Mare Group (Market Valuation)	6.5x	4.0x	3.1x
Comps Median	10.4x	9.2x	8.5x
Mare Group vs Comps Median	-37.6%	-56.5%	-63.7%
P/E			
Mare Group (KT&P Valuation)	79.1x	22.6x	15.9x
Mare Group (Market Valuation)	39.5x	11.5x	8.1x
Comps Median	25.8x	17.9x	15.7x
Mare Group vs Comps Median	53.3%	-36.0%	-48.5%

Stock Data

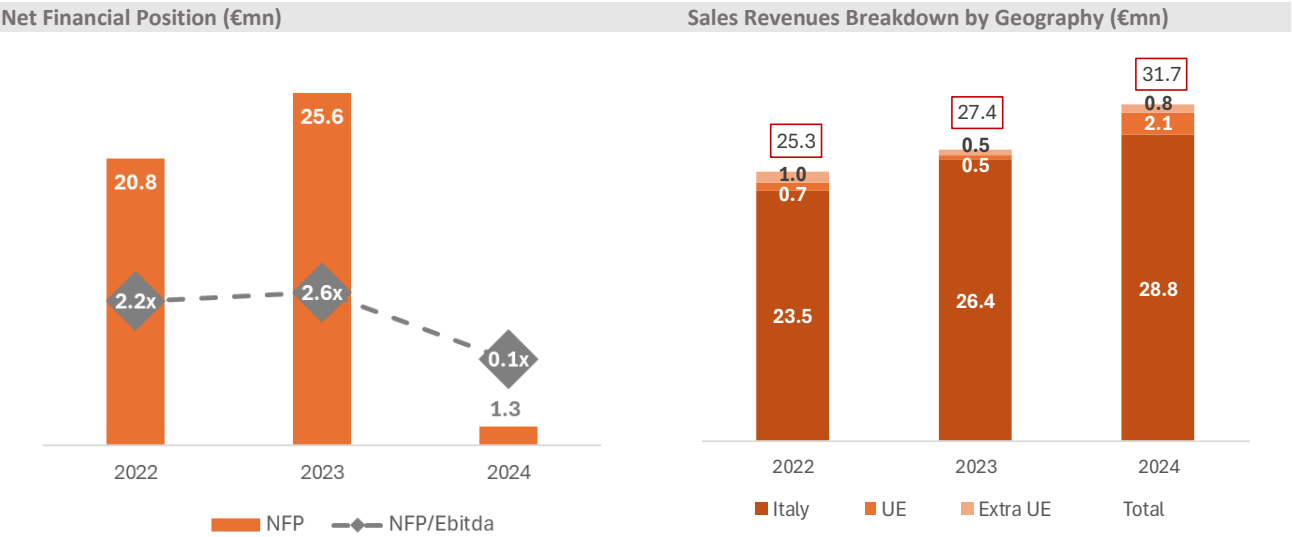
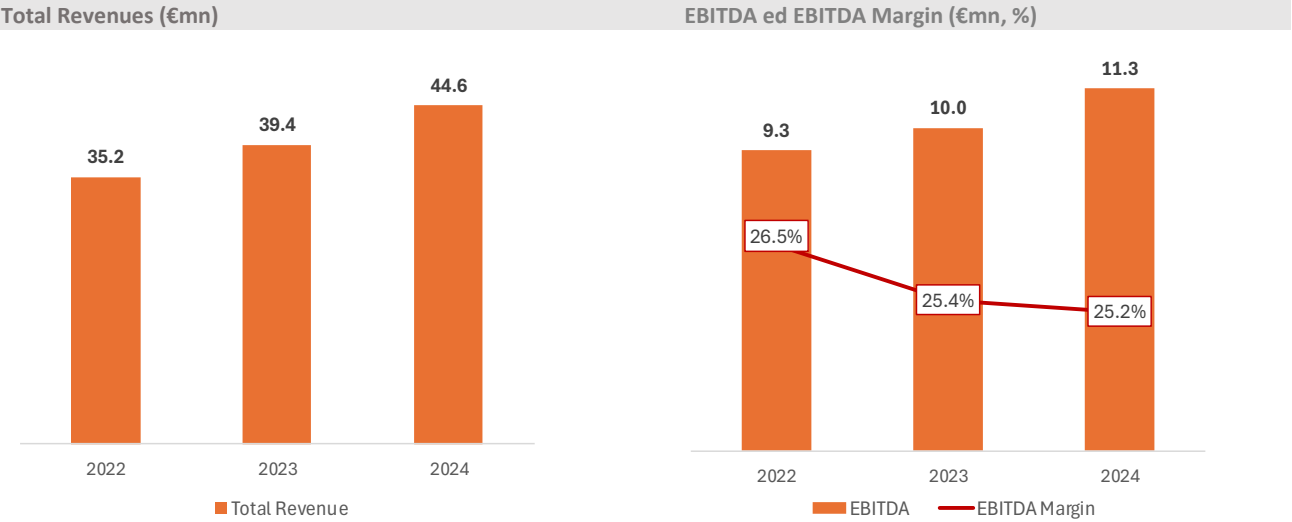
52 Wk High (€)	4.25
52 Wk Low (€)	2.34
Avg. Daily Turnover 90d (€ k)	174.8
Price Change 1w (%)	-5.06
Price Change 1m (%)	11.61
Price Change YTD (%)	4.63

Key Figures

Per Share Data	2022	2023	2024	2025E	2026E	2027E	2028E
Total shares outstanding (mn)	n.a.	14.95	19.21	19.21	19.21	19.21	19.21
EPS	n.a.	n.a.	0.12	0.32	0.46	0.74	0.91
Profit and Loss (EUR mn)							
Sales Revenues	25.3	29.9	37.2	68.6	86.1	98.1	106.3
Total Revenues	35.2	39.4	44.6	73.6	90.7	103.3	111.9
growth (%)	n.a.	11.9%	13.3%	64.8%	23.2%	13.9%	8.4%
EBITDA	9.3	10.0	11.3	18.4	23.8	28.2	31.6
EBITDA Adj margin (%)	37.0%	33.6%	30.3%	26.9%	27.6%	28.8%	29.7%
EBIT	3.8	4.8	4.6	9.5	13.7	21.1	25.7
EBIT margin (%)	14.9%	16.0%	12.3%	13.9%	16.0%	21.6%	24.1%
Net Income	3.7	2.4	1.8	6.3	8.9	14.3	17.6
Net Income margin (%)	14.7%	8.0%	4.9%	9.2%	10.4%	14.5%	16.5%
Balance Sheet (EUR mn)							
Total fixed assets	24.6	29.1	32.3	56.5	50.7	46.2	43.0
Net Working Capital (NWC)	17.0	18.4	12.8	30.5	40.5	48.1	53.8
Total Net Capital Employed	38.8	44.4	41.6	79.0	82.1	84.2	85.7
Net Financial Position/(Cash)	20.8	25.6	1.3	14.6	8.8	(3.4)	(19.5)
Total Shareholder's Equity	18.0	18.8	40.3	64.4	73.3	87.6	105.2
Cash Flow (EUR mn)							
Net Operating cash flow	9.7	8.4	5.3	16.1	19.9	22.3	24.4
Change in NWC	(6.8)	(1.8)	(1.3)	(17.7)	(10.0)	(7.6)	(5.7)
Capital expenditure	(9.9)	(9.1)	(8.3)	(11.0)	(4.2)	(2.6)	(2.7)
Free cash flow	(8.8)	(2.8)	(17.1)	(15.7)	5.8	12.1	16.0
Enterprise Value (EUR mn)							
Market Cap	n.a.	n.a.	86.1	72.0	72.0	72.0	72.0
Net financial position/(Cash)	20.8	25.6	1.3	14.6	8.8	(3.4)	(19.5)
Minorities	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Enterprise value	n.a.	n.a.	87.4	86.6	80.8	68.7	52.6
Ratios							
ROCE	9.7%	10.8%	11.0%	12.0%	16.7%	25.1%	29.9%
ROE	20.6%	12.7%	4.5%	9.7%	12.2%	16.3%	16.7%
Interest cover on EBIT	9.5x	4.3x	3.9x	7.6x	10.2x	15.7x	20.5x
NFP/EBITDA	2.2x	2.6x	0.1x	0.8x	0.4x	(0.1x)	(0.6x)
Gearing - Debt/equity	n.a.	n.a.	3.3%	22.6%	12.0%	-3.9%	-18.5%
NWC/Sales	0.5x	0.5x	0.3x	0.4x	0.4x	0.5x	0.5x
Free cash flow yield	n.a.	n.a.	-23.2%	-21.4%	7.9%	16.5%	21.8%
Multiples (x)							
EV/Sales	n.a.	n.a.	1.6x	1.0x	0.8x	0.7x	0.7x
EV/EBITDA	n.a.	n.a.	6.5x	4.0x	3.1x	2.6x	2.3x
P/E	n.a.	n.a.	39.5x	11.5x	8.1x	5.1x	4.1x

Source: Company Data (2022-2024), KT&Partners' Forecasts (2025-2028)

Key Charts



What Makes Mare Group Unique

Mare's aggressive M&A strategy has prompted some investors to question whether the company's identity is being reshaped. In our view, these strategic moves are fully coherent with Mare's DNA, reinforcing rather than redefining its core pillars. The expansion systematically deepens capabilities across three foundational dimensions: engineering-led diversification, dual hardware-software competencies, and proprietary technology incubation. Rather than diluting focus, recent transactions consolidate Mare's positioning as what management describes as a "*super tech hub*", a unique convergence of industrial production, digital engineering, and multi-front technology development that distinguishes it from pure-play software competitors.

Manufacturing (HW) and Software (SW) Duality. Mare's most distinctive competitive differentiator lies in its manufacturing capabilities, a dimension entirely absent among pure-play digital competitors. While peers develop software solutions, Mare produces physical hardware, particularly in A&D where it manufactures testing systems, mechatronic components, and avionic qualification equipment for tier-one clients including Leonardo and ESA. This HW&SW duality creates differentiated value capture: Mare participates in both engineering design margins and hardware production economics, accessing market segments closed to software-only operators. The manufacturing footprint, reinforced through Powerflex and I.D.E.A. acquisitions, transforms Mare from solutions provider to integrated systems manufacturer. This positioning yields superior bargaining power with defense primes and OEMs while enabling end-to-end value chain participation.

Engineering-Led Diversification Across High-Growth Verticals. Mare defines itself as an engineering company with transversal capabilities applied across four distinct verticals: Aerospace & Defense (A&D), Industry & Transportation, Infrastructure & Building, and SMEs. This diversification is not opportunistic but anchored in common engineering competencies spanning both physical and digital domains. The strategic logic is twofold: risk mitigation through sector-agnostic capabilities and deliberate exposure to asymmetric growth opportunities. Notably, Mare's increasing weight in A&D (the vertical exhibiting the highest growth trajectory driven by geopolitical tailwinds) positions the group to capture secular defense spending expansion in Europe. With a €17mn order backlog in A&D disclosed in mid-2025, Mare benefits from multi-year visibility in the sector poised for sustained outperformance..

Permanent Technology Incubator Generating Proprietary IP. Mare operates as a systematic incubator, maintaining 2-3 disruptive technologies in parallel development with 3-7 year commercialization horizons. Three horizontal platforms—XR Line (extended reality for training/simulation), Sypla (IoT/AI predictive maintenance), and Delfi.ai (AI-driven SME decision support)—are deployed across all four verticals, creating scalable technology leverage. Management deliberately sacrifices near-term margin to fund proprietary R&D, building defensible IP that drives differentiation and pricing power. By investing ahead of the curve, Mare embeds technology leadership that competitors must license or acquire, establishing a self-reinforcing cycle where proprietary platforms both enable M&A integration and attract acquisition targets.

That proprietary technology development represents a core pillar is evidenced by R&D investments averaging >15% of revenues over the past five years. The R&D function, led by Chairman Marco Bellucci and Managing Director Luigi Di Palma (PhD in Aerospace Engineering and 25+ years internationally recognized activity in advanced engineering), focuses on Key Enabling Technologies that generate sustainable competitive advantage. Mare has secured 4 granted patents and 2 pending applications in Industry 4.0/5.0 domains, building a proprietary IP portfolio that feeds operating margin expansion. Crucially, Mare's R&D model converts market requirements into co-funded national and European programs, de-risking development while securing tier-one OEM partnerships with Leonardo and Airbus. This institutional validation reinforces Mare's positioning as a strategic technology partner, cementing the convergence of industrial manufacturing, engineering excellence, and innovation that defines its competitive moat.

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 a market-vertical operating model built on a common technology stack. Activities are organized into four client verticals—Aerospace & Defense, Industry & Transportation, Infrastructure & Building, and SMEs (cross-sector)—all powered by the Group’s horizontal platforms (XR Line, Sypla and Delfi.ai).

Aerospace & Defense focuses on mechatronics, testing and qualification, predictive maintenance, and XR-based training/simulation. The vertical leverages recent acquisitions (e.g., Powerflex, I.D.E.A., Rack Peruzzi) to address multi-year programs with tier-one clients.

Industry & Transportation covers the Group’s core engineering perimeter: industrial/product/process design and optimization, digital transformation for factories, and mobility/railway solutions. It integrates enabling technologies such as digital twin/XR and AI-driven predictive maintenance to improve efficiency, quality and time-to-market.

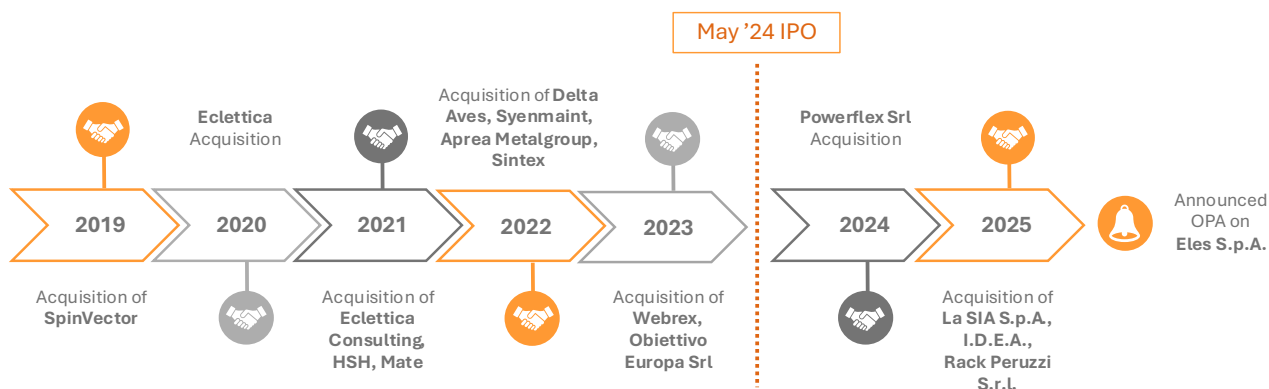
Infrastructure & Building created with the integration of La SIA—spans telecom network engineering, mobility infrastructure and civil/architectural design. The unit applies BIM, digital twins and safety/lifecycle monitoring to public-tender and framework-contract projects across critical infrastructure and construction.

SMEs (cross-sector) provides a consolidated channel to small and mid-sized enterprises, combining AI-based decision support and funding scouting (Delfi.ai, Obiettivo Europa), with selected digital services, marketing/communication assets and hardware/software resale. The unit is designed to generate recurring revenues from scalable, data-driven services.

Mare Group’s platforms are supported by strong R&D investments. 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 15 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 15 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 has moved from legacy brand lines to four client verticals—Aerospace & Defense, Industry & Transportation, Infrastructure & Building, and SMEs (cross-sector)—all powered by horizontal platforms (XR Line for XR/digital twin, Sypla for IoT/AI predictive maintenance, Delfi.ai for AI-based decision support and funding scouting). This model clusters solutions by end-market while reusing common technology to scale innovation and speed execution.

- ***... 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 FY2024, Mare Group delivered a CAGR of 26.5%, with Value of Production rising from €17.5mn to €44.6mn, while EBITDA grew at 13.6% CAGR, reaching €11.3mn in FY24. 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

- **Voluntary Tender Offer on Eles Semiconductor Equipment S.p.A.** On October 6th, 2025, Mare Group announced a voluntary mandatory tender offer (OPA totalitaria) on Eles Semiconductor Equipment S.p.A., aimed at acquiring control and, where conditions are met, delisting the company. The offer follows the partial tender and exchange offer (OPAS) completed in August 2025, which brought Mare's stake to 29.04% of share capital (27.3% voting rights), making it Eles' largest shareholder. The offer price is €2.25 per share in cash, equal to the consideration of the previous OPAS, representing a +1.2% premium vs the October 3rd closing (€2.22) and +41% vs June 9th, the day before the partial offer announcement. The maximum total consideration amounts to €34.95mn. The OPA will be financed through a €40mn facility designed to avoid shareholder dilution. Although Eles' board continues to view the offer as hostile, on October 3rd Mare entered into a 5y shareholder agreement (*patto parasociale*) with ELES' director Massimiliano Bellucci (CEO of subsidiary CBL Electronics) ensuring consultation and voting alignment at Eles shareholders' meetings.
- **Approval of Mergers by Incorporation of La SIA, M2R Holding, and Powerflex.** Between late September and early October 2025, Mare Group's Board of Directors approved the mergers by incorporation of La SIA S.p.A., M2R Holding S.r.l., and Powerflex S.r.l. into Mare Engineering Group S.p.A. The mergers will eliminate redundant costs linked to the former standalone entities (especially the listed one), such as governance, compliance, and administrative expenses, while streamlining internal processes and improving scalability.
- **Acquisition and full integration of La SIA S.p.A.** Between February and August 2025, Mare Group completed the full acquisition of La SIA S.p.A., a leader in digital engineering and architecture. The transaction began on February 12th, with the signing of a binding agreement for a 70.6% stake. The closing took place on May 30th, 2025, following regulatory and Golden Power clearances, and was followed by the launch of a mandatory takeover bid (OPAS) for the remaining 29.4% of the share capital. On August 5th, 2025, Mare exceeded the 95% ownership threshold, triggering the squeeze-out procedure and finalizing La SIA's full integration into the Group. The deal implied a total equity value of €19.2mn for La SIA, corresponding to €3.38 per share and a 16.7% premium on the pre-announcement price. Based on La SIA's FY24 and FY25 consensus estimates, the transaction was executed at an EV/EBIT multiple of 7.4x and 6.3x.
- **New Orders in Aerospace & Defense and Infrastructure Segments.** Between May and July 2025, Mare Group secured over €25mn in new contracts across the A&D and Infrastructure divisions. The A&D segment accounted for ~€17mn, including projects in radar, avionics, and mobility systems. In the Infrastructure area, was awarded projects worth over €8mn, of which approximately €5.8mn attributable to La SIA, mainly involving energy network supervision, civil architecture, and sports infrastructure for the 2026 Mediterranean Games.
- **Acquisition of Rack Peruzzi S.r.l.** On May 27th, 2025, MARE signed a binding agreement to acquire 100% of Rack Peruzzi S.r.l., a historic Piedmont-based company with +50 years of experience in secure systems design and production for A&D. The transaction, valued at a base price of €336k, includes an adjustment mechanism applying a 4x multiple on normalized FY24 EBITDA (€175k) and accounts for an estimated net debt of €0.4mn, bringing the total commitment to around €0.5mn including site investments. Rack Peruzzi closed FY23 with a VoP of about €1.6mn and €150k of EBITDA.

- **Investment in TradeLab S.p.A.** On May 17th, 2025, Mare Group signed a Framework and Shareholders' Agreement with TradeLab S.p.A., investing ~€1mn for 10% of its post-IPO capital. The partnership, ahead of TradeLab's listing on EGM, aims to develop AI and SaaS synergies leveraging Mare's Delfi.AI platform.
- **Acquisition of 10.29% of DBA Group S.p.A.** On April 17th, 2025, Mare Group acquired 10.29% of DBA Group S.p.A., a listed firm in engineering and ICT infrastructure, for ~€4.5mn (1.185mn shares at ~€3.80/share). The deal values DBA at €43.7mn equity and €52.9mn EV, based on FY24 net debt of €9.2mn. With FY24 EBITDA of €12.0mn, the implied EV/EBITDA multiple is 4.4x.
- **Acquisition of I.D.E.A. S.r.l.** On March 14th, 2025, Mare Group finalized the acquisition of 100% of I.D.E.A. S.r.l., a company specialized in industrial automation and electro-mechanical systems, with operating branches leased from MO.S.A.I.C. (Motion System and Information Control S.r.l.), currently undergoing restructuring. The transaction, executed at nominal value (€10,000), is aligned with Mare's external growth strategy, strengthening its Applied Engineering division, particularly in Aerospace & Defense. In FY23, I.D.E.A. recorded €1.5mn in revenues and €23k in EBITDA, based on an 8-month abbreviated financial year.

R&D Developments

R&D investments create proprietary IP assets while providing access to OEM partnerships and European research ecosystems, positioning Mare as a technology hub with scalable platforms deployable across A&D, Infrastructure, and Industry verticals. As evidence that proprietary technology development represents a core pillar of Mare's identity, R&D Investments averaged over >15% of annual revenues over last 5 years.

- **Approval of SPINTA R&D Project by MIMIT.** On October 1st, 2025, Mare Group announced that the Ministry of Enterprises and Made in Italy (MIMIT) approved funding for SPINTA, a €3mn R&D project under the "FRI – Critical Technologies STEP" program, focused on applying AI to efficiency and quality assurance within the agri-food supply chain. The 36-month project, coordinated by Mare Group as lead partner, includes €2.4mn in eligible costs, a €1.2mn subsidized loan, and a €0.6mn non-repayable grant. Activities will include: i) developing LLM-based models to enhance food traceability; ii) applying AI algorithms for industrial energy optimization; and iii) creating a core platform for real-time data processing from heterogeneous systems.
- **Approval of INNOVA-AI Platform by MIMIT.** On September 4th, 2025, Mare Group received approval from the Ministry of Enterprises and Made in Italy (MIMIT) for its three-year INNOVA-AI project, a scalable no-code AI platform designed to enable companies to build customized AI solutions using their corporate data. The project, worth €4.1mn, has been granted up to €3.0mn in incentives.
- **CRYOSTAR European R&D Project Approval.** On June 3rd, 2025, the European Commission approved the CRYOSTAR project under the Horizon Europe – Clean Aviation Joint Undertaking, involving 13 partners from six countries to develop innovative liquid hydrogen cryogenic tanks for next-generation aircraft. The project totals €5.1mn in fully funded activities, with €0.7mn allocated to Mare Group (50% to be advanced in 2025). Mare will lead the design and validation of structural containment systems ensuring impact resistance and safety compliance.

1H25 Financial Results

On September 26th, 2025, Mare Group reported its 1H25 consolidated results, closing the period with Value of Production (VoP) of €24.7mn (+31% YoY vs €18.8mn). The strong top-line expansion reflects both organic growth and the first-time consolidation of Powerflex (for 5/6 of the semester), I.D.E.A. (for 3/6), and La SIA (for 1/6), which jointly contributed to roughly €5mn of overall increase in revenues.

On a pro-forma basis, which assumes full consolidation of all subsidiaries for the entire semester the Group's VoP reached €31.6mn (ca. €13mn from the acquired companies), representing a +68% YoY increase from €18.8mn in 1H24. Pro-forma Sales Revenues amounted to €25.0mn, up +90% YoY. The pro-forma view provides a more accurate representation of Mare Group's new scale following recent acquisitions and offers a realistic reference for the FY25 consolidated perimeter.

In 1H25, Mare Group's EBITDA stood at €4.0mn, slightly below the €4.1mn recorded in 1H24 (-3% YoY), reflecting a temporarily higher cost base linked to the Group's enlarged perimeter and one-off expenses related to M&A activity. Excluding approximately €1.0mn in extraordinary costs primarily associated with acquisition and integration processes, the adjusted EBITDA would amount to €5.0mn, implying a +22% YoY increase vs the prior year. The EBITDA margin decreased at 16.1% of VoP (vs 21.8% in 1H24), while the adjusted margin is at 20.2%. On a pro-forma basis, EBITDA reached €5.3mn, up +29% YoY from €4.1mn in 1H24, with an EBITDA margin of 16.7%. Adjusted for extraordinary costs, the pro-forma EBITDA would amount to €6.3mn, marking a +54% YoY increase and an adjusted margin of 19.9%.

D&A expenses rose sharply to €4.8mn (vs €2.5mn in 1H24), reflecting the activation of new amortization plans on proprietary technological platforms and the inclusion of goodwill arising from the recent M&A transactions. After accounting for Net Financial expenses (€0.7mn vs €0.5mn in 1H24) and taxes (€0.1mn vs €0.3mn in 1H24), Mare reported a Net Loss of €1.7mn, compared to €0.6mn net income in 1H24, mainly impacted by extraordinary and non-recurring costs associated with the integration of newly acquired companies. On an adjusted basis (excluding approximately €1.0mn in one-off charges and €0.6mn of non-recurring expenses and other extraordinary costs) the Net Income would be close to breakeven.

As of June 30th, 2025, Mare Group's Net Financial Position (NFP) stood at €31.4mn net debt, compared to €1.3mn net debt at the end of FY24, reflecting the expansion of the Group's operating scale and the cash absorption linked to recent M&A activity. The change in NFP over the period was primarily driven by two factors: i) a temporary increase in Trade Working Capital, which rose to €35.6mn from €15.6mn at FY24 year-end, mainly reflecting the enlarged consolidation scope following the inclusion of newly acquired companies, on top of higher inventory levels linked to Aerospace & Defense projects; and ii) extraordinary movements related to M&A transactions, totaling approximately €13mn, including €6.4mn for acquisition payments, €2.6mn for the consolidation of acquired companies' financial liabilities, and €4mn for strategic industrial investments in the Aerospace & Defense area.

1H24-25 Income Statement (€mn)

€ Millions	1H24A	FY24A	1H25A	YoY %
Total Revenues	18.8	44.6	24.7	31%
<i>Growth %</i>	7.2%	13.3%	31.4%	
Products and Raw materials	(2.2)	(4.6)	(2.5)	
Gross Profit	16.6	40.1	22.3	34%
<i>Gross Margin</i>	88.4%	89.7%	90.1%	
Cost of Services	(3.4)	(7.4)	(6.5)	-91%
Rental Costs	(0.7)	(1.3)	(1.0)	-40%
Personnel Expenses	(7.9)	(15.9)	(8.9)	-13%
Other Operating Expenses	(0.5)	(4.1)	(1.9)	n.m.
EBITDA	4.1	11.3	4.0	-3%
<i>EBITDA margin</i>	21.8%	25.2%	16.1%	
D&A and Provisions	(2.6)	(6.7)	(4.9)	
EBIT	1.5	4.6	(0.9)	n.m.
<i>EBIT margin</i>		10.3%	-3.7%	
Financial Income and Expenses	(0.5)	(1.2)	(0.7)	
Extraordinary items	(0.1)	(0.0)	(0.0)	
EBT	0.8	3.4	(1.6)	n.m.
Taxes	(0.3)	(1.6)	(0.1)	
<i>Tax Rate</i>	32.6%	46.7%	-3.9%	
Net Income	0.6	1.8	(1.7)	n.m.
<i>Net margin</i>	3.0%	4.1%	-6.7%	
Minorities	0.0	0.0	0.2	
Net Income attributable to the Group	0.6	1.8	(1.8)	n.m.
<i>Net margin</i>	3.0%	4.0%		

Source: KT&Partners elaboration on Company data

1H24-25 Balance Sheet (€mn)

€ Millions	1H24A	FY24	1H25A	Delta
Fixed Assets	31.1	32.3	56.3	2.0
Trade receivables	19.0	15.6	28.5	0.0
Inventory	4.1	8.7	18.1	0.4
Trade Payables	(5.0)	(8.8)	(11.0)	(0.2)
Trade Working Capital	18.1	15.6	35.6	0.2
Other assets and liabilities	(2.5)	(2.7)	(2.5)	(3.1)
Net Working Capital	15.6	12.8	33.1	(2.8)
Other Provisions	(3.3)	(3.6)	(5.2)	(0.2)
Net Capital Employed	43.3	41.6	84.2	(1.0)
Group shareholders' equity	24.3	40.2	49.1	5.7
Minority shareholders' equity	-	0.0	3.6	(0.2)
Total shareholders' equity	24.3	40.3	52.7	5.5
Short-term debt / Cash (-)	6.4	(9.7)	4.6	(3.8)
Long-term liabilities	12.6	11.1	26.8	(2.7)
Net Financial Position	19.1	1.3	31.4	(6.5)
Sources	43.3	41.6	84.2	(1.0)

Source: KT&Partners elaboration on Company data

Summary of Forecast Changes

Our revised forecasts now incorporate full-year contributions from La SIA and IDEA for FY25 and onwards, reflecting their consolidation into the group. We have not yet included ELES pending completion of the totalitarian tender offer (OPA).

We forecast FY25E sales revenues of €68.6mn, up 85% YoY. This comprises €50.1mn from Mare Group's pre-acquisition perimeter (including Powerflex)—unchanged from our prior view—plus €17mn from La SIA (including M2R) and €1.5mn from IDEA. Adding €5mn from work-in-progress, increases in fixed assets, and other revenues brings FY25E Value of Production to €73.6mn, positioned at the midpoint of management's €72-75mn guidance range.

Operating costs are modeled at approximately €55mn, driven by service costs of roughly €16mn (21.5% of VoP) and personnel expenses of circa €25mn (34% of VoP). This yields FY25E EBITDA of €18.4mn at a 25.0% margin, again tracking the midpoint of the €17.5-19.5mn guidance band. The margin profile reflects dilution from La SIA, which operates below 20% margins versus Mare's pre-acquisition operations that we expect to deliver approx. 28% margins. However, we anticipate roughly 100bp of annual margin expansion as integration advances and cost synergies materialize over the coming years.

In FY25, Mare Group's Net Financial Position (NFP) is expected to increase to €14.6mn net debt (0.8x EBITDA) from €1.3mn net debt at FY24. The change in NFP is primarily explained by: i) a temporary increase in TWC of €20.7mn, mainly driven by the rise in trade receivables (€36.6mn vs €15.6mn in FY24) following the expansion of operations and the inclusion of newly acquired entities; ii) Capex outflows of €33mn, almost entirely related to M&A and investments, including the acquisitions of minority stakes in ELES (€11.5mn) and in DBA Group (€4.5mn); and iii) a positive €17.9mn equity movement, of which approximately €13mn refers to the share-swap component of the La SIA acquisition.

We reiterate that our estimates do not yet incorporate the totalitarian takeover bid (OPA totalitaria) for ELES, launched on October 6th. The offer envisages a maximum total cash consideration of €34.95mn on a fully diluted basis (see OPA on ELES Semiconductor Equipment below). This amount would need to be partly financed externally for the portion exceeding the €15mn cash and equivalents reported as of June 30th.

Change in Estimates

€ Millions	2024A	2025E	2025E	Change	2026E	2026E	Change	2027E	2027E	Change	2028E
	Actual	Old	New		Old	New		Old	New		New
Sales Revenues	37.2	50.1	68.6	37%	59.2	86.1	45%	68.5	98.1	43%	106.3
YoY Change (%)	24.5%	32.5%	84.5%		18.1%	25.6%		15.6%	13.9%		8.4%
Value of Production	44.6	56.5	73.6	30%	65.5	90.7	38%	75.5	103.3	37%	111.9
YoY Change (%)	13.3%	26.0%	64.8%		16.0%	23.2%		15.1%	13.9%		8.4%
EBITDA	11.3	15.7	18.4	17%	19.5	23.8	22%	23.9	28.2	18%	31.6
EBITDA Margin	25.2%	27.8%	25.0%	-2.7%	29.8%	26.2%	-3.6%	31.7%	27.3%	-4.4%	28.3%
EBIT	4.6	7.5	9.5	27%	10.8	13.7	27%	16.9	21.1	25%	25.7
EBIT Margin	10.3%	13.3%	12.9%		16.5%	15.2%		22.4%	20.5%		22.9%
Net Income	1.8	4.3	6.3	45%	6.8	8.9	31%	11.3	14.3	26%	17.6
Net Margin	4.1%	7.7%	8.5%		10.4%	9.8%		15.0%	13.8%		15.7%
NFP	1.3	(0.8)	14.6	15.4	(17.1)	8.8	25.9	(33.3)	(3.4)	29.9	(19.5)

Source: KT&Partners estimates, company data.

PFN Bridge

€ Million	FY24	FY25E	FY26E	FY27E	FY28E
EBIT	4.6	9.5	13.7	21.1	25.7
Non monetary Adjustments	2.9	8.9	10.0	7.1	6.0
Change in TWC	(5.2)	(20.7)	(10.0)	(7.6)	(5.7)
Other changes in WC	3.9	3.0	-	-	-
Operating Cash Flow	6.2	0.7	13.8	20.6	25.9
Capex	(21.1)	(33.1)	(4.2)	(2.6)	(2.7)
Free Cash Flow	(14.9)	(32.4)	9.6	18.0	23.2
Interests, Taxes & Use of Funds	(2.8)	1.3	(3.8)	(5.9)	(7.1)
Change in Equity	19.8	17.9	-	-	-
Change in Cash Eq	22.2	-	-	-	-
Change in NFP	24.3	(13.3)	5.8	12.1	16.1
Begin NFP	25.6	1.3	14.6	8.8	(3.4)
End NFP	1.3	14.6	8.8	(3.4)	(19.5)

Source: KT&Partners estimates, company data.

OPA on Eles Semiconductor Equipment

On October 6th, 2025, Mare Engineering Group S.p.A. announced a voluntary totalitarian takeover bid (OPA totalitaria) on Eles Semiconductor Equipment S.p.A., aimed at acquiring control and, where conditions are met, delisting. The transaction follows a voluntary partial tender and exchange offer (OPAS parziale) completed in August 2025, which brought Mare to hold 29.04% of the share capital (27.24% voting rights), becoming the largest shareholder. The current mandatory bid emerges after the breakdown of dialogue with Eles' management and key shareholders, culminating in the shareholders' meeting rejection (September 8, 2025) of the proposal to expand the Board of Directors to include three Mare representatives. Despite Eles' board continuing to regard the transaction as hostile Mare secured the public support of Massimiliano Bellucci, member of Eles' Board of Directors and CEO of CBL Electronics (ELES' subsidiary), together with Andrea Cannavicci, also director of CBL. On October 3rd, 2025, Mare and Dr. Bellucci entered into a 5y shareholders agreements (*patto parasociale*) establishing prior consultation and alignment in voting rights at Eles' shareholders' meetings.

Mare positions the Eles acquisition as part of building an Italian high-tech engineering hub across the innovation value chain. The strategic rationale rests on three pillars: (i) Aerospace & Defense expansion through end-to-end capabilities combining Eles' testing methodology with Mare's ruggedized systems for avionics and defense platforms, leveraging rising global defense budgets; (ii) AI-enhanced semiconductor testing by integrating Mare's proprietary AI platforms with Eles' RETE methodology to reduce test costs through predictive analytics; and (iii) European R&D access to compete for EU Chips Act funding (€43 billion initiative).

Mare Group and Eles business combination (FY25E)

FY25E (€mn)	Mare Group	ELES	Combined
Sales Revenues	68.6	37.9	106.5
Value of Production	73.6	38.4	112.0
EBITDA	18.4	6.5	24.9
EBITDA Margin	25.0%	16.9%	22.2%
EBIT	9.5	2.5	12.0
EBIT Margin	12.9%	6.5%	10.7%
Net Income	6.2	1.2	7.4
# Employees *	510	194	704

Source: KT&P's estimates (Mare Group, Eles), (*) as of 30th June 2025

Mare's offer at €2.25 per share implies an EV/EBITDA multiple of 5.7x for FY25E and 4.9x for FY26E. The Eles Board of Directors unanimously rejected the partial offer, citing undervaluation based on a fairness opinion from Cross Court Capital that established a range of €2.83 to €3.37 per share, as well as the absence of strategic alignment. We value Eles at €3.08 per share ([link to our latest research update on Eles](#)) which implies an EV/EBITDA multiple of 8.1x for FY25E and 6.4x for FY26E.

Transaction Details

The consideration stands at €2.25 per share in cash, unchanged from the partial tender offer of June 2025. This represents a premium of 1.2% versus the market price on October 3, 2025, of (€2.22), and a 41% premium versus June 9, 2025, the day before the partial offer announcement. The offer targets a maximum of 15,534,351 shares, excluding the 5,183,480 shares already held by Mare. The maximum total consideration amounts to €34.95mn on a fully diluted basis, including 2.9mn new shares that would result from the full conversion of the remaining ELES warrants (strike price: €2.20). The OPA will be financed through a €40mn loan facility signed with an undisclosed primary financial institution, with a pledge on shares acquired by Mare Group under the offer. The structure is 100% cash-based (unlike the partial tender offer), with no share component, in line with Mare's objective of avoiding further shareholder dilution.

Strategic Rationale and Key Synergies

Mare Group positions the transaction as a component of its strategic plan to create the "Italian hub for high-tech engineering," aggregating competencies across the entire innovation value chain.

Aerospace & Defense expansion: The integration of Eles would enable an end-to-end offering combining functional test benches using Eles' RETE methodology with Powerflex capabilities, rugged containers and racks with mechanical protection from Powerflex and Rack Peruzzi, and integrated subsystems for control, diagnostics, and actuation from both Eles and Mare. The target market encompasses avionics systems, onboard electronics, and intelligent subsystems for ground, naval, and aerospace platforms. Mare cites already-initiated collaborations such as the SAIS project with CBL Eles for the NGCTR inceptor with Leonardo Helicopters as proof of technical complementarity. The market opportunity is substantial, with defense budgets increasing globally and significant European programs requiring integrated electronic systems for next-generation platforms.

Enhanced semiconductor testing through AI: Mare possesses proprietary platforms including SYPLA for AI-driven predictive maintenance and AITRAINER for machine learning applications. Integration with Eles' RETE methodology would enable the application of deep learning to burn-in data for early anomaly detection, transformation of processes from reactive to predictive thereby reducing test costs and cycle times, and retrofitting of Eles products with AI analytics to improve quality and reliability.

Strategic access to European R&D and markets: Mare has completed over 40 research projects and maintains strong partnerships with universities and European institutions including the European Defence Agency and aviation programs. Combining forces would expand capabilities into high-performance computing chips and AI testing, positioning the merged entity to compete for EU Chips Act funding. This €43 billion European initiative aims to double Europe's global semiconductor market share to 20% by 2030. Mare already works on cutting-edge projects like hybrid-electric aircraft and supplies major defense contractors including Leonardo. Through Eles subsidiary CBL, synergies exist in space applications where Mare's Powerflex already operates. Together, they could offer complete solutions—from specialized testing equipment to protective containers to electronic control systems—serving major clients like ESA, NATO, and European defense manufacturers. This end-to-end capability addresses growing demand for advanced electronic systems in aerospace and defense.

Eles - Company Description

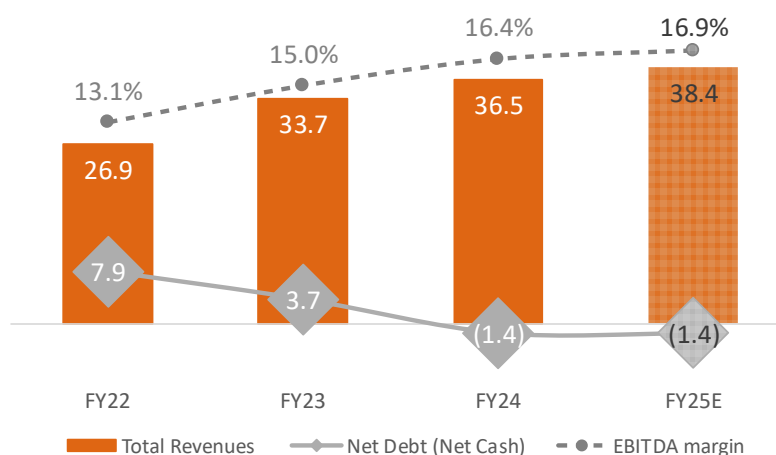
Eles was founded in 1988 and completed its IPO on June 2019, on Euronext Growth Milan, raising €6 million at €3.6 per share. The company is headquartered in Todi (Perugia). Eles is the Italian leader in reliability testing for semiconductors, with a proprietary RETE methodology that integrates functional testing and reliability during burn-in, contrasting with traditional sequential approaches. The advantages include an 80% reduction in test time, lower costs, and coverage of up to 100% of functional tests on the Test for Reliability platform.

Business segments: Eles operates across two business units. The **Semiconductors** division accounted for 66% of FY24 sales revenues at €23.6mn. This segment operates through two product lines: Test Systems (€10mn), which provides automated test equipment platforms for semiconductor manufacturers focusing on mission-critical devices, and Test Applications (€13.6mn), which delivers testing solutions based on the RETE methodology for customers requiring integrated reliability and functional validation. The division serves manufacturers of high-performance computing chips, AI processors, automotive ADAS devices, and industrial semiconductors. The **Aerospace & Defense** segment represented 34% of FY24 sales at €12.1mn. This division designs and manufactures test systems for avionics electronic control units (ECUs), naval defense modules, and satellite applications. The business model is shifting on standardized, scalable solutions rather than pure engineering-on-demand services, serving prime contractors, defense OEMs including Leonardo, and space agencies such as ESA.

End-market breakdown: Eles serves three primary end-markets. The Industrial/AI/HPC segment addresses manufacturers of artificial intelligence chips, high-performance computing devices, and data center processors, leveraging the RETE methodology's advantages for complex, high-reliability testing requirements. The Automotive segment focuses on testing ADAS (Advanced Driver Assistance Systems) semiconductors and safety-critical automotive electronics for tier-one suppliers and OEMs. The A&D vertical provides testing solutions for avionics systems, satellite communication devices, and naval/defense electronics, operating in a market characterized by stringent reliability standards and long qualification cycles.

Geographic presence: In FY24, international markets represented half of sales. Within international operations, the Americas contributed €3.6mn (10% of sales), serving Silicon Valley laboratories and US aerospace customers. Asia generated €6.2mn (17% of sales), including recent expansion into India and established presence with Japanese and Korean semiconductor manufacturers. EMEA excluding Italy represented €7.9mn (22% of sales), primarily serving European automotive suppliers and defense contractors across France, Germany, and the UK.

Eles S.p.A. VoP (€mn), PFN (€mn), EBITDA Margin (%)



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

Optimization of Mare Group's Business Lines

Mare Group is migrating from its previous three-pillar structure—Applied Engineering, Digital Services, and Technology Platforms—to a market-vertical operating model built on a common technology stack. The new blueprint clusters activities and acquired companies under four market verticals—Aerospace & Defense, Industry & Transportation, Infrastructure & Building, and SMEs (cross-sector)—while keeping horizontal platforms (XR Line, Sypla, Delfi.AI) available across all businesses.

Aerospace & Defense

This vertical federates mechatronics, testing and predictive-maintenance capabilities and XR-based training/simulation, incorporating the contributions of recent acquisitions (e.g., Powerflex, I.D.E.A., Rack Peruzzi). It is the most dynamic growth area, supported by a visible multi-year order pipeline with tier-one defense clients and by the concentration of Mare's R&D programs in this domain.

Industry & Transportation

The “core engineering” perimeter—industrial design, process and product optimization, railway/transport solutions, and digital transformation projects—remains a large, diversified practice serving automotive and broader industrial customers. It is expected to grow steadily (more mature profile vs. the other verticals) while absorbing enabling technologies such as XR, Sypla (AI-driven predictive maintenance), and data/AI solutions. This vertical is the most mature within the group, showing lower growth rates than the others but maintaining high profitability and strong client retention.

Infrastructure & Building

Created with the integration of La SIA, this vertical spans telecom network engineering, mobility infrastructure and civil/architectural design. It leverages Mare's digital toolset (BIM, digital twin, Sypla, XR Line) to enhance design accuracy, site safety and asset life-cycle monitoring, and benefits from a significant multi-year backlog of awarded public-tender projects.

SMEs (cross-sector)

A consolidated channel to small and mid-sized enterprises combining Delfi (AI-based decision support and funding scouting), Obiettivo Europa, marketing/communication assets and selected hardware/software resale. The unit is designed as a scalable funnel for lead generation and recurring digital services to SMEs.

Mare Group New Business Units' Split



Source: Mare Group 2025 Presentation

Across all four verticals, Mare operates five horizontal specialties (assisted by XR Line, Delfi.ai, and Sypla) that anchor solution design and delivery: XR simulation & digital twin; testing & predictive maintenance; industrial engineering; digital transformation; AI-based decision support. Recent M&A—full acquisitions and minority stakes—has been mapped to these specialties to accelerate capability depth and market access; minority participations (e.g., ELES, DBA Group, TradeLab) extend optionality in adjacent niches.

XR Line. 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.

Delfi.ai. 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.

Sypla – 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.

Valuation

Following the projections of Mare Group’s future financials (excluding the impact from the ongoing OPA on Eles), and while M&A remains a structural component of the Group’s growth strategy, our FY25–28E estimates are based on the current consolidation perimeter. On this basis, the company’s valuation was performed using two standard methodologies: market multiples and Discounted Cash Flow (DCF).

- **Market Multiples (EV/EBITDA, P/E):** Using a selected peer group of European and Italian digital engineering companies, we applied average FY25E–FY26E EV/EBITDA and P/E multiples to Mare Group’s forecasts, incorporating a 20% liquidity and size discount. The adjustment reflects the company’s smaller market capitalization compared with peers, while its higher profitability profile (average EBITDA margin of 27.7% vs peers’ 15.4%) partially offsets this effect. The application of peer multiples yields an implied equity value of €126.7mn, or €6.60ps.
- **Discounted Cash Flow (DCF):** We projected Mare Group’s Free Cash Flows over the FY25E–FY28E period, discounted at a WACC of 9.6% and a terminal growth rate of 2.0%. This approach results in an implied equity value of €157.2mn, or €8.18ps.

To calculate Enterprise Value, we use the FY24 Net debt position of €1.3mn.

Valuation Recap		
	Equity Value €mn	Value per share €
EV/EBITDA	147.8	7.69
P/E	105.7	5.50
Average Multiples	126.7	6.60
DCF	157.2	8.18
Average Value	142.0	7.39

Source: FactSet, KT&Partners’ Elaboration

By averaging the outputs of both methodologies, we derive a fair equity valuation of €142.0mn, corresponding to a target price of €7.39 per share, and implying an EV/EBITDA multiple of 7.8x on FY25E EBITDA (6.0x on FY26E EBITDA).

KT&Partners’ Implied Multiples		
	FY25E	FY26E
EV/EBITDA implied	7.8x	6.0x
P/E implied	22.6x	15.9x

Source: KT&P’s estimates, Factset consensus data

Market Multiples Valuation

Following the comparables analysis, we proceeded with the definition of peers’ market multiples focusing on 2025-27 data. MARE trades at notably lower multiples if compared to the peer group, with 4.0x FY25 EV/EBITDA and 11.5x FY25 P/E.

Peer Comparison – Market Multiples 2025-27

Company Name	Exchange	Market Cap	Avg. EBITDA Margin (25-27)	CAGR Sales (24-27)	EV/EBITDA 2025	EV/EBITDA 2026	EV/EBITDA 2027	P/E 2025	P/E 2026	P/E 2027
TXT e-solutions S.p.A.	Milan	428	15%	15%	9.6x	8.5x	7.7x	18.6x	15.3x	13.0x
Arcadis NV	Euronext Amsterdam	4,269	13%	1%	9.3x	8.5x	8.0x	17.2x	13.5x	12.3x
QinetiQ Group plc	London	3,047	16%	4%	9.0x	8.3x	7.5x	15.8x	14.4x	13.4x
Indra Sistemas, S.A. Class A	Spain	7,158	12%	11%	11.8x	9.5x	8.6x	20.2x	18.5x	16.4x
Tinexta SpA	Milan	696	25%	8%	7.8x	7.1x	6.6x	25.8x	19.0x	15.4x
Reply S.p.A.	Milan	4,426	18%	8%	8.8x	8.5x	7.8x	17.2x	16.1x	14.7x
Average		3,337	16.6%	7.8%	9.4x	8.4x	7.7x	19.1x	16.1x	14.2x
Median		3,658	15.4%	8.3%	9.2x	8.5x	7.8x	17.9x	15.7x	14.1x
Mare Group	EGM	72	27.7%	41.3%	4.0x	3.1x	2.6x	11.5x	8.1x	5.1x

Source: FactSet, KT&Partners’ Elaboration

We based our evaluation on Mare Group’s estimated EBITDA and Net Income for 2025 and 2026 estimates. The 20% liquidity/size adjustment reflects the company’s smaller market capitalization compared with peers (peer’s median market cap above €3.5bn), partially offset by its stronger profitability profile. Mare Group posts the highest EBITDA margin in the sample, with 25%+ marginality versus the peers’ median of 15%+, which supports the robustness of its operating model.

Multiple Valuation - EV/EBITDA and P/E

EV/EBITDA	Median		P/E	Median	
Multiple Valuation (€mn)	2025E	2026E	Multiple Valuation (€mn)	2025E	2026E
EV/EBITDA Comps	9.4x	8.4x	P/E Comps	19.1x	16.1x
Mare EBITDA	18.4	23.8	Mare Net Income	6.3	8.9
Enterprise value	172.8	200.1	Equity Value	120.2	144.0
Average Enterprise value	186.5		Average Equity value	132.1	
Liquidity/Size Discount	20%		Liquidity/Size Discount	20%	
EV Post-Discount	149.2		Equity Value	105.7	
NFP / (Cash) FY24	1.3		# shares (mn)	19.2	
Minorities	0.0		Fair value per share	5.50	
Equity Value	147.8				
# shares (mn)	19.2				
Fair value per share	7.69				

Source: FactSet, KT&Partners’ elaboration

Peer Comparison

The peer group comprises 6 companies selected to provide comparable benchmarks across Mare's distinctive positioning as an engineering-driven technology group with manufacturing capabilities and vertical market specialization. The sample balances sector-specific comparability (aerospace & defense, infrastructure engineering, industrial technology) with geographic relevance, spanning Italian, European, and UK markets.

From a business model perspective, the selection acknowledges Mare's unique hybrid profile—combining applied engineering, digital services, and hardware manufacturing—which creates inherent comparability challenges versus pure-play software peers. The group includes engineering-focused operators (Arcadis, Indra Sistemas, QinetiQ), technology services providers (TXT, Reply), and digital services platforms (Tinexta), reflecting the multi-dimensional nature of Mare's operations across its four verticals: Aerospace & Defense, Industry & Transportation, Infrastructure & Building, and SMEs.

The Italian peers (TXT, Reply, Tinexta) offer closer scale and market dynamics comparability, while larger European operators (Arcadis, Indra Sistemas, QinetiQ) illustrate sector-specific valuation frameworks and long-term growth trajectories as Mare scales through M&A and organic expansion, particularly post-La SIA acquisition.

All selected peers demonstrate capabilities in applying technology (whether software, engineering methodologies, or integrated solutions) to mission-critical industrial applications, though none fully replicates Mare's convergence of engineering diversification, manufacturing capacity, and proprietary technology incubation.

- **TXT e-solutions S.p.A.:** Listed on Euronext Milan (TXT-IT) with market cap €428mn. TXT develops vertical software for aerospace, aviation, and industrial sectors, including flight simulation, planning optimization, and fintech solutions. Its aerospace focus provides partial overlap with Mare's A&D vertical, though TXT operates as pure-play software without manufacturing capabilities. Comparable in Italian market positioning and technological depth in aerospace applications. FY24 revenues: €305mn.
- **Arcadis NV:** Listed on Euronext Amsterdam (ARCAD-NL) with market cap €4.3bn. Arcadis is a Dutch engineering and consultancy firm focused on infrastructure, water, environment, and buildings across design, engineering, and project management. Strong comparability with Mare's Infrastructure & Building vertical post-La SIA, particularly in BIM methodologies and large-scale infrastructure projects. Scale difference significant but provides sector benchmark. FY24 revenues: €5.0bn.
- **QinetiQ Group plc:** Listed on LSE (QQ-UK) with market cap £3.0bn. QinetiQ provides defense technology, engineering services, and products to military and government customers, spanning air, land, sea, and cyber domains. Offers direct comparability with Mare's A&D vertical in both engineering services and hardware manufacturing (testing equipment, specialized components). Demonstrates valuation framework for defense-oriented technology providers. FY24 revenues: £2.3bn.
- **Indra Sistemas S.A.:** Listed on BME (IDR-ES) with market cap €7.2bn. Spanish technology and consulting multinational operating across transport & traffic, defense & security, energy & industry, and financial services. Strong comparability across multiple dimensions: engineering capabilities, defense/aerospace exposure, hardware-software duality, and vertical diversification strategy. Most comprehensive peer despite scale differential. FY24 revenues: €5.4bn.

- **Tinexta SpA:** Listed on Euronext Milan (TNXT-IT) with market cap €696mn. Italian digital services provider operating through Digital Trust (cybersecurity, compliance), Business Innovation (credit management, marketing), and Credit Information divisions. Limited operational overlap with Mare's core engineering activities; included as Italian technology services benchmark but weak comparability on business model. FY24 revenues: €396mn.
- **Reply S.p.A.:** Listed on Euronext Milan (REY-IT) with market cap €4.4bn. Italian IT consulting group specializing in digital transformation, system integration, and vertical applications across telco, media, industry, finance, and retail. Offers comparability through Italian positioning, R&D intensity, and specialized vertical approach, though lacks Mare's engineering foundation and manufacturing dimension. FY24 revenues: €2.3bn.

DCF Valuation

We have conducted our valuation using a four-year DCF model, based on 12.6% cost of equity, 5.1% cost of debt and a D/E ratio of 50%. The cost of equity is a function of the risk-free rate of 3.5% (Italian 10y BTP), 5.4% equity risk premium (Damodaran country risk premium for Italy) and a premium for size and liquidity of 2.5% (source: Duff&Phelps). We, therefore, obtained 9.6% WACC.

We discounted 2025-28E annual cash flows and considered a terminal growth rate of 2.0%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation				
€ Thousands	2025E	2026E	2027E	2028E
EBIT	9.5	13.7	21.1	25.7
- Taxes on EBIT	(2.3)	(3.8)	(5.9)	(7.2)
NOPAT	7.2	9.9	15.2	18.5
+ D&A & Provisions	8.9	10.0	7.1	6.0
Net operating cash flow	16.1	19.9	22.3	24.4
-/+ Change in working capital	(17.7)	(10.0)	(7.6)	(5.7)
- CAPEX	(27.1)	(4.2)	(2.6)	(2.7)
Free Cash Flow	(28.6)	5.8	12.1	16.0
growth rate (g)	2.0%			
WACC	9.6%			
FCF discounted	(28.1)	5.2	9.9	11.9
Discounted Cumulated FCFO	(1.1)			
Terminal Value	214.4			
Discounted TV	159.6			
Enterprise Value	158.5			
NFP FY24	1.3			
Minorities FY24	0.0			
Equity Value	157.2			
# shares (mn)	19.2			
Value per share (€)	8.18			

Source: Company Data, KT&Partners' Elaboration

Sensitivity Analysis						
€ Millions		WACC				
Terminal growth Rate		10.1%	9.9%	9.6%	9.4%	9.1%
	1.5%	135.6	140.9	146.6	152.6	159.0
	1.8%	140.1	145.7	151.7	158.1	164.9
	2.0%	144.9	150.8	157.2	164.0	171.2
	2.3%	150.0	156.3	163.0	170.2	178.0
	2.5%	155.4	162.1	169.2	177.0	185.3

Source: KT&Partners' Elaboration

DISCLAIMER

THIS DOCUMENT WAS PREPARED BY MICHELE FILIPPIG – VICE PRESIDENT – AND FRANCESCO MAMBELLA - ANALYST - ON BEHALF OF KT&PARTNERS S.R.L., WITH REGISTERED OFFICE AT VIA DELLA POSTA 10, MILAN, ITALY, MILAN COMPANY REGISTER NO. 1926922, SPECIALIZING IN FINANCIAL RESEARCH AND ANALYSIS (HEREINAFTER, “KT&PARTNERS”).

NO OTHER PEOPLE OR COMPANY CONTRIBUTED TO THE RESEARCH. NEITHER THE MEMBERS OF THE RESEARCH TEAM, NOR ANY PERSON CLOSELY ASSOCIATED WITH THEM HAVE ANY RELATIONSHIPS OR ARE INVOLVED IN CIRCUMSTANCES THAT MAY REASONABLY BE EXPECTED TO IMPAIR THE OBJECTIVITY OF THE RESEARCH, INCLUDING INTERESTS OR CONFLICTS OF INTEREST, ON THEIR PART OR ON THE PART OF ANY NATURAL OR LEGAL PERSON WORKING FOR THEM, WHO WAS INVOLVED IN PRODUCING THE RESEARCH.

FOR THIS PURPOSE, THE MEMBERS OF THE RESEARCH TEAM CERTIFY THAT: (I) THEY HAVE NOT RECEIVED AND WILL NOT RECEIVE ANY DIRECT OR INDIRECT COMPENSATION IN EXCHANGE FOR ANY VIEWS EXPRESSED IN THE RESEARCH; (II) THEY DO NOT OWN ANY SECURITIES AND/OR ANY OTHER FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY OR ANY FINANCIAL INSTRUMENT WHICH THE PRICE DEPENDS ON, OR IS LINKED TO ANY SECURITIES AND/OR ANY FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY; (III) NEITHER THE ANALYSTS NOR ANY MEMBER OF THE ANALYST’S HOUSEHOLD SERVE AS AN OFFICER, DIRECTOR OR ADVISORY BOARD MEMBER OF THE COMPANY.

KT&PARTNERS HAS IN PLACE AN EQUITY RESEARCH POLICY, IN ORDER TO RULE RESEARCH SERVICES IN COMPLIANCE WITH PARLIAMENT REGULATION (EU) NO.596/2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 958/2016 ON MARKET ABUSE. IN THIS POLICY, THERE ARE ALSO DESCRIBED THE ORGANIZATIONAL MECHANISMS ADOPTED BY KT&PARTNERS TO PREVENT AND PROFESSIONALLY MANAGE CONFLICTS OF INTEREST THAT MAY ARISE DURING THE PERFORMANCE OF THE RESEARCH. IN ANY CASE, CHINESE WALLS AND OTHER INFORMATION BARRIERS ARE IN PLACE TO AVOID THE EXCHANGE OF CONFIDENTIAL INFORMATION BETWEEN THE EQUITY RESEARCH DEPARTMENT AND OTHER SERVICES AREAS.

KT&PARTNERS PREPARED THIS DOCUMENT ON BEHALF OF MARE ENGINEERING GROUP S.P.A. ACCORDING TO AN AGREEMENT ENTERED WITH THE SAME AND ON THE BASIS OF THE DATA AND PUBLIC INFORMATION PROVIDED BY THE SAME OR DERIVED FROM SOURCES DEEMED SERIOUS AND RELIABLE ON THE FINANCIAL MARKET BUT WHOSE ABSOLUTE TRUSTWORTHINESS, COMPLETENESS, AND ACCURACY CANNOT BE GUARANTEED. THE FEES AGREED FOR THIS RESEARCH DO NOT DEPEND ON THE RESULTS OF THE RESEARCH.

KT&PARTNERS PREVIOUSLY PUBLISHED A REPORT ON MARE GROUP SPA S.B. ON MARCH 4, 2025 WITH A FAIR VALUE OF €6.42 PER SHARE.

THIS DOCUMENT IS A SOURCE OF INFORMATION ONLY, AND IS NOT PART OF, AND IN NO WAY MUST BE CONSIDERED AN OFFER TO SELL, SUBSCRIBE OR TRADE, OR A SOLICITATION TO PURCHASE, SUBSCRIBE OR TRADE, FINANCIAL INSTRUMENTS/PRODUCTS, OR IN GENERAL TO INVEST, NOR MUST IT BE CONSIDERED ANY FORM OF CONSULTING FOR AN INVESTMENT IN FINANCIAL INSTRUMENTS.

THE INFORMATION PROVIDED IN THIS DOCUMENT MUST NOT BE UNDERSTOOD AS A REQUEST OR SUGGESTION TO CONDUCT OR CARRY OUT A SPECIFIC TRANSACTION.

EACH INVESTOR MUST FORM HIS/HER OWN OPINION BASED EXCLUSIVELY ON HIS/HER ASSESSMENT OF THE ADVISABILITY OF INVESTING. ANY INVESTMENT DECISION MADE ON THE BASIS OF THE INFORMATION AND ANALYSES IN THIS DOCUMENT IS THE EXCLUSIVE RESPONSIBILITY OF THE RECIPIENTS OF THIS DOCUMENT, WHO MUST CONSIDER THIS DOCUMENT MERELY AS A SOURCE OF INFORMATION AND ANALYSIS TO SUPPORT SUCH DECISION.

ANY OPINIONS, FORECAST OR ESTIMATES CONTAINED HEREIN CONSTITUTE A JUDGEMENT AS AT THE DATE OF THIS DOCUMENT, AND THERE CAN BE NO ASSURANCE THAT THE FUTURE RESULTS OF THE COMPANY AND/OR ANY FUTURE EVENTS WILL BE CONSISTENT WITH ANY OF SUCH OPINIONS, FORECAST OR ESTIMATES.

KT&PARTNERS MAKES NO EXPLICIT OR IMPLICIT GUARANTEE WITH RESPECT TO PERFORMANCE OR THE OUTCOME OF ANY INVESTMENT OR PROJECTIONS MADE.

THEREFORE, KT&PARTNERS, ITS REPRESENTATIVES AND/OR EMPLOYEES WILL NOT BE LIABLE FOR ANY EFFECT DERIVING FROM THE USE OF THIS DOCUMENT, AND HEREBY DECLINE ALL LIABILITY FOR ANY DIRECT OR INDIRECT DAMAGES, FINANCIAL OR OTHERWISE, DERIVING FROM ANY USE OF THE INFORMATION IT CONTAINS.

KT&PARTNERS AIMS TO PROVIDE CONTINUOUS COVERAGE OF THE COMPANY IN CONJUNCTION WITH ANY EXCEPTIONAL EVENT THAT OCCURS AFFECTING THE ISSUER'S SPHERE OF OPERATIONS AND IN ANY CASE AT LEAST TWICE PER YEAR.

IN THIS STUDY, DCF AND MULTIPLE VALUATION MODELS HAVE BEEN USED. RECOMMENDATIONS FOLLOW THE FOLLOWING RULES:

- 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

