

## Investment Research

Reason: Company Newsflow

4 January 2017

**Not rated****Share price: EUR 10.33**

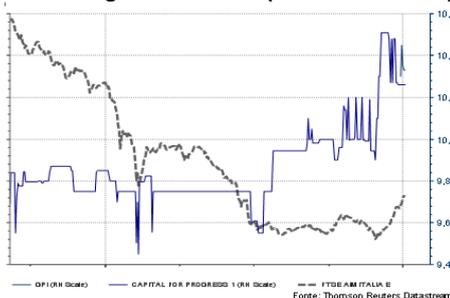
closing price as of 03/01/2017

Reuters/Bloomberg	GPI.MI/GPI IM
Daily avg. no. trad. sh. 12 mth	2
Daily avg. trad. vol. 12 mth (m)	30.31
Price high 12 mth (EUR)	10.51
Price low 12 mth (EUR)	9.45
Abs. perf. 1 mth	0.3%
Abs. perf. 3 mth	3.3%
Abs. perf. 12 mth	4.9%

Market capitalisation (EURm)	158
Current N° of shares (m)	15
Free float	34%

**Figures refer to GPI perimeter before merger with CFP1 and acquisitions:**

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	91	119	147
EBITDA (m)	16	22	27
EBITDA margin	18.0%	18.1%	18.5%
EBIT (m)	6	13	17
EBIT margin	6.3%	11.0%	11.3%
Net Profit (adj.)(m)	2	6	8
ROCE	5.7%	11.6%	12.0%
Net debt/(cash) (m)	41	40	45
Net Debt Equity	2.6	1.8	1.6
Net Debt/EBITDA	2.5	1.8	1.7
Int. cover(EBITDA/Fin.int)	7.9	8.8	11.2
EV/Sales	1.4	1.1	1.4
EV/EBITDA	7.6	5.9	7.7
EV/EBITDA (adj.)	7.6	5.9	7.7
EV/EBIT	21.5	9.7	12.6
P/E (adj.)	44.1	14.2	10.6
P/BV	4.6	3.7	2.8
OpFCF yield	-19.2%	0.5%	-7.6%
Dividend yield	0.4%	1.5%	1.5%
EPS (adj.)	0.22	0.74	0.98
BVPS	2.14	2.83	3.65
DPS	0.05	0.16	0.16

**Chart merger CFP1 + GPI (since 29.12.2016)****GPI starts 2017 with the listing on AIM Italia and two acquisitions**

The listing of GPI on AIM Italia last Thursday 2016 is the result of the merger of the SPAC Capital For Progress 1 into GPI. GPI's share capital of EUR 8,526,330 is divided into 15,263,300 shares (o/w 5,110,000 ordinary shares, 10,000,000 B shares and 153,000 C shares - B and C categories are not listed).

The listed company GPI is the entity resulting from the business combination of the private company GPI and the already listed SPAC Capital For Progress 1, according to a transaction that took place on December 29th according to the following simplified math:

**CFP1-GPI: Business combination simplified maths**

	Valuation Eur ml	# shares million	Market Cap Eur ml	Val / sh. Eur
GPI	100.0	10.0	100.0	10
CFP1	50.0	5.11	51.1	10
<b>new GPI</b>		<b>15.1</b>	<b>151.1</b>	<b>10</b>

Source: Banca Akros

The business combination provides for a capital injection from CFP1 of around EUR 50m that is due to reduce significantly the net financial position of the new entity at the end of 2016 based on a preliminary estimate that considers the normal use of pro-soluto factoring contracts.

Note that the governance provides a sound control in the hands of the founder Fausto Manzana:

- 5.110m ordinary shares are the only listed category
- 10m Cat B shares have double-voting rights
- 153.3k Cat C shares have no voting right

**Acquisition of Insiel Mercato and PCS:** On 29th December GPI finalised the agreement with the TBS Group to acquire 55% of Insiel Mercato (IM) based in Trieste (Italy) and the total capital of PCS based in Klagenfurt (Austria). The consideration paid at closing was EUR 13m (included EUR 0.5m earn-out) for the acquisition of PCS (Professional Clinical Software) and EUR 1.8m for the acquisition of 55% of IM.

GPI and TBS also signed a call/put option expiring in 3 years on the remaining 45% of IM and a commercial partnership aimed at integrating the two groups' software resources in a convergent strategy between Ict and medical devices, for both hospitals and home-based applications.

**Conclusions:** After the successful starting in the AIM market we put Under Review our recommendation and our Target Price in order to quantify the positive effects of the recent acquisitions: preliminary and pro-forma data are not available for the newly acquired companies that we estimate (based on 2015 figures) to add around EUR 30m sales to the GPI group perimeter.

**Analyst:** Paola Saggiotti +39 02 4344 4287 paola.saggiotti@bancaakros.it

For important disclosure information, please refer to the disclaimer page of this report

## ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

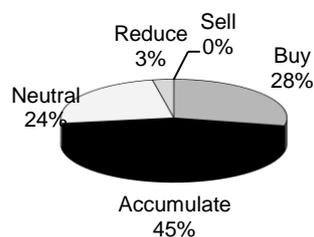
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

### Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

### Banca Akros Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

Date and time of production: 4 January 2017: 11:18 **CET**

First date and time of dissemination: 4 January 2017: 11:23 **CET**

Il presente documento è stato redatto da Paola Saglietti (socio AIAF) che svolge funzioni di analista presso Banca Akros SpA ("Banca Akros"), soggetto responsabile della produzione del documento stesso.

Banca Akros è una banca autorizzata anche alla prestazione di servizi di investimento appartenente al Gruppo Bipiemme Banca Popolare di Milano (il "Gruppo"), ed è soggetta all'attività di direzione e coordinamento di Banca Popolare di Milano (la "Capogruppo"). La banca è iscritta all'albo delle Banche al n. 5328 ed è soggetta alla regolamentazione e alla vigilanza di Banca d'Italia e Consob. La banca ha prodotto il presente documento solo per i propri clienti professionali ai sensi della Direttiva 2004/39/CE e dell'Allegato 3 del Regolamento Intermediari Consob.

**Esso è stato distribuito il giorno 4 gennaio 2017.**

Banca Akros, ai sensi degli artt. 69 quater e quinquies del Regolamento Consob in materia di Emittenti ("comunicazione al pubblico di interessi e di conflitti di interessi"), dichiara di avere un proprio specifico interesse riguardo all'emittente, agli strumenti finanziari e alle operazioni oggetto del documento, in quanto **ha partecipato (in qualità di joint-bookrunner) al consorzio di collocamento di azioni di Capital for Progress 1 (mercato AIM) nel corso del 2015 e ha percepito o percepirà commissioni in relazione alla business combination tra Capital for Progress 1 e GPI. Inoltre, Banca Akros potrebbe prestare in futuro servizi di consulenza e di investment banking a favore di GPI e/o dei rispettivi azionisti, a fronte dei quali potrà percepire commissioni.**

**Banca Akros svolge il ruolo di Nomad del titolo GPI, quotato sul mercato AIM.**

L'analista di Banca Akros Paola Saglietti (socio AIAF), che ha redatto il presente documento, ha maturato una significativa esperienza presso Banca Akros e altri intermediari.

L'analista e i suoi familiari non detengono Strumenti Finanziari emessi dagli Emittenti oggetto di analisi, né svolgono ruoli di amministrazione, direzione o consulenza per gli Emittenti, né l'analista riceve bonus, stipendi o altre forme di retribuzione correlate, direttamente o indirettamente, al successo di operazioni di investment banking.

Banca Akros, nell'ultimo anno, ha pubblicato lo studio di inizio di copertura di Capital For Progress 1 in data 6 ottobre 2016.

La Banca rende disponibili ulteriori informazioni, ai sensi delle disposizioni Consob di attuazione dell'art. 114, comma 8 del D.Lgs 58/98 (TUF) ed in particolare ai sensi dell'art. 69 quinquies, comma 2, del Regolamento Emittenti, presso il proprio sito internet, si veda:

<http://www.bancaakros.it/menu-informativa/analisi-finanziaria-e-market-abuse.aspx>.

Le informazioni e le opinioni contenute in questo documento si basano su fonti ritenute attendibili. La provenienza di dette informazioni e il fatto che si tratti di informazioni già rese note al pubblico è stata oggetto di ogni ragionevole verifica da parte di Banca Akros. Banca Akros tuttavia, nonostante le suddette verifiche, non può garantire in alcun modo né potrà in nessun caso essere ritenuta responsabile qualora le informazioni alla stessa fornite, riprodotte nel presente documento, ovvero sulla base delle quali è stato redatto il presente documento, si rivelino non accurate, complete, veritiere ovvero corrette.

Il documento è fornito a solo scopo informativo; esso non costituisce proposta contrattuale, offerta o sollecitazione all'acquisto e/o alla vendita di strumenti finanziari o, in genere, all'investimento, né costituisce consulenza in materia di investimenti. Banca Akros non fornisce alcuna garanzia di raggiungimento di qualunque previsione e/o stima contenuto nel documento stesso. Inoltre Banca Akros non assume alcuna responsabilità in merito a qualsivoglia conseguenza e/o danno derivante dall'utilizzo del presente documento e/o delle informazioni in esso contenute. Le informazioni o le opinioni ivi contenute possono variare senza alcun conseguente obbligo di comunicazione in capo a Banca Akros, fermi restando eventuali obblighi di legge o regolamentari.

E' vietata la riproduzione e/o la ridistribuzione, in tutto o in parte, direttamente o indirettamente, del presente documento, non espressamente autorizzata.

## Recommendation history for GPI

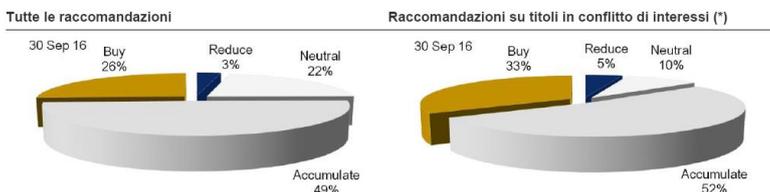
Date	Recommendation	Target price	Price at change date
04-Jan-17	Not rated	0.00	10.33

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Banca Akros continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

Current analyst: Paola Saglietti (since 4 Jan 2017)

## Percentuale delle raccomandazioni al 30 settembre 2016



(\*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 22% del totale degli emittenti oggetto di copertura

## Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP (ESN). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ('related investments'). These reports are prepared for the clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members. Research is available through the ESN Members sales representative. ESN will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. Only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document.

For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members and on each "company recommendation history", please visit the ESN website ([www.esnpartnership.eu](http://www.esnpartnership.eu)) or refer to the ESN Members website. Additional information is always available upon request. **For additional information and individual disclaimer please refer to [www.esnpartnership.eu](http://www.esnpartnership.eu) and to each ESN Member websites:**

[www.bancaakros.it](http://www.bancaakros.it) regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

[www.caixabi.pt](http://www.caixabi.pt) regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

[www.cmcioms.com](http://www.cmcioms.com) regulated by the AMF - Autorité des marchés financiers

[www.equinet-ag.de](http://www.equinet-ag.de) regulated by the BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht

[www.ibg.gr](http://www.ibg.gr) regulated by the HCMC - Hellenic Capital Market Commission

[www.nibcmarkets.com](http://www.nibcmarkets.com) regulated by the AFM - Autoriteit Financiële Markten

[www.op.fi](http://www.op.fi) regulated by the Financial Supervision Authority

[www.valores.gvcgaesco.es](http://www.valores.gvcgaesco.es) regulated by CNMV - Comisión Nacional del Mercado de Valores

## Members of ESN (European Securities Network LLP)



GRUPPO BPM

**Banca Akros S.p.A.**

Viale Eginardo, 29

20149 MILANO

Italy

Phone: +39 02 43 444 389

Fax: +39 02 43 444 302



**Caixa-Banco de Investimento**

Rua Barata Salgueiro, nº 33

1269-057 Lisboa

Portugal

Phone: +351 21 313 73 00

Fax: +351 21 389 68 98



**CM - CIC Market Solutions**

6, avenue de Provence

75441 Paris

Cedex 09

France

Phone: +33 1 53 48 80 78

Fax: +33 1 53 48 82 25



**equinet Bank AG**

Gräbstraße 97

60487 Frankfurt am Main

Germany

Phone: +49 69 - 58997 - 212

Fax: +49 69 - 58997 - 299



**GVC Gaesco Beka, SV, SA**

C/ Marques de Villamagna 3

28001 Madrid

Spain

Phone: +34 91 436 7813



**Investment Bank of Greece**

32 Aigialeias Str & Paradissou,

151 25 Maroussi,

Greece

Tel: +30 210 81 73 383



**NIBC Markets N.V.**

Nieuwezijds Voorburgwal 162

P.O.Box 235

1000 AE Amsterdam

The Netherlands

Phone: +31 20 550 8500

Fax: +31 20 626 8064



**OP Corporate Bank plc**

P.O.Box 308

Teollisuuskatu 1, 00013 Helsinki

Finland

Phone: +358 10 252 011

Fax: +358 10 252 2703

