

MAKING SCIENCE

€12m capital increase at €18 per share

- Details.** Yesterday, Making Science published the term sheet of its capital increase. The company aims to raise up to €12m at €18 per share (12% discount to the last closing price). This is equivalent to 667k shares or c.8.5% of the total. The proceeds raised will be devoted to fund the company's inorganic growth strategy. Alantra is acting as co-Global Coordinator on the deal.
- The funds allocation and M&A targets.** Making Science aims at allocating the proceeds raised to fund new inorganic acquisitions, targeting companies of 20-100 employees located in Europe and LatAm. The company expects new acquisitions worth €66m EV and to contribute with €7m incremental EBITDA proforma (i.e., full year contribution and on a proportional basis) in 2022. This includes Tre Kronor Media purchase made earlier this year (€0.7m EBITDA). The acquisition scheme will consist of a mix of cash payments, earnouts, and newly issued shares (in line with past acquisitions). Beyond 2022, Making Science will seek further acquisitions in 2023-24 in Europe, LatAm, the US, and Asia worth €75m that are expected to contribute with €8m additional PF EBITDA. These purchases are expected to maintain a similar funding scheme and, if needed, new equity raises.
- 2022 outlook.** Making Science has guided for €14.9-16.1m PF EBITDA in 2022 which is made up of: 1) 25-40% organic growth in the core business (vs. €7.2m in 2021); 2) €7m incremental EBITDA from new M&A; 3) an increase in internationalisation/integration costs (vs. -€1.2m in 2021); and 4) lower EBITDA losses from Ventis (vs. -€2m in 2021). We estimate core business EBITDA organic growth at c.20% after assuming c.1pp margin fall reflecting higher integration costs. As for Ventis, we expect EBITDA to go from -€2m PF in 2021 to -€0.7m in 2022.
- 1Q22 trading update.** Making Science anticipated that both revenues and costs in Q1 are on track to reach the above 2022 targets: a) Core business revenues and EBITDA of €35.5m and €2.1-2.3m respectively (vs. our €34m and €2.1m estimate); b) Ventis revenues of €3.2m (vs. our €3.3m).

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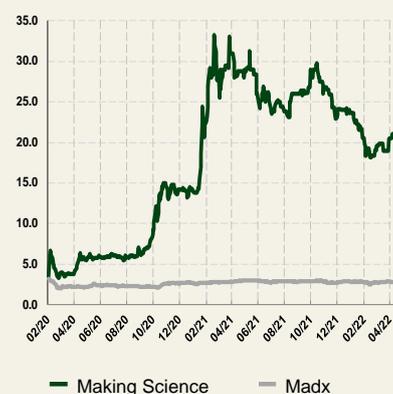
Share Price € 20.40

*Share price at the close of 05 May 2022

MAKS.MC/

Market Cap	€ 162 m
Enterprise Value	€ 192 m
Free Float	€ 37 m
Nº Shares	8 m
Average Daily Volume	€ 9 k

Performance	1m	3m	12m
Absolute %	2.5	-6.8	-28.6
Relative %	1.6	-5.5	-29.0



Financial Ratios	FY19	FY20	FY21	FY22E	FY23E	FY24E
Adj. EBITDA (€m)	2.4	3.7	5.7	10.1	13.1	16.0
Net profit (€m)	0.7	1.5	(3.5)	2.2	4.3	6.5
EPS (€)	0.10	0.22	(0.45)	0.27	0.55	0.82
Adj. EPS (€)	0.28	0.39	0.45	0.70	0.99	1.28
P/E (x)		33.8	n.a	75.4	38.0	25.2
P/E Adj. (x)		19.2	56.1	29.4	20.9	16.2
EV/EBITDA (x)		14.8	38.7	19.0	14.2	11.1
Debt/EBITDA (x)	0.5	0.7	4.1	2.3	1.3	0.5
P/BV (x)		18.1	18.7	10.8	8.4	6.3
ROE (%)		53.6	(33.2)	14.3	22.2	25.0
DPS (€)	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0

(* Historical multiples based on average share price of the year

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Within the last 12 months, Alantra Equities is participating as co-global coordinator in connection with the capital increase of Making Science Group S.A.

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