

Smart Capital

Sector: Holding

Solid FY25 with growing firepower

Smart Capital delivered strong FY25 results, with solid profitability and NAV growth. Exits from MGM, In.Un.Up., Sogefi and ALA drove capital gains, while portfolio performance remained broadly resilient. Cash pile and ongoing platform initiatives provide liquidity to fund new investments and sustain value creation.

- **Strong FY25, materially ahead YoY.** In FY25 SMCAP generated advisory revenues of Eu1.0mn, up 25% YoY from Eu0.8mn, while consolidated net profit reached Eu8.9mn versus Eu1.4mn in FY24, with Eu8.9mn attributable to the parent company. Total assets stood at Eu95.1mn, up from Eu65.3mn at YE24, while consolidated equity increased to Eu66.2mn from Eu57.0mn. Company NAV/share rose to Eu1.99 from Eu1.76 at YE24, supported by the positive performance of portfolio companies, dividend inflows, and capital gains realised on selected exits. Adjusted PFN was Eu25.1mn net cash versus Eu11.6mn at YE24, including temporary investments readily available for liquidation in funds, insurance products, and bonds.
- **Private portfolio performance remained robust in FY25,** supported by solid fundamentals and active portfolio management. The year was characterised not only by continued operational progress across key holdings, but also by a number of successful exits that crystallised value. In particular, the disposals of MGM and In.Un.Up. generated significant capital gains, contributing materially to group profitability. At the same time, Smart Capital continued to support the industrial development of its portfolio, with ongoing initiatives across core verticals such as logistics, manufacturing and technology. Early stage and platform investments also advanced, including the development of Smart4Mechanics and the integration project involving Smart4Tech, CrowdFundMe and WeAreStarting, aimed at building a leading hub in advisory and capital raising for SMEs. The combination of operational progress and efficient monetisation confirms portfolio strength and the effectiveness of the investment approach.
- **Listed companies** - Listed portfolio performance in FY25 reflected diversified dynamics across end-markets, with overall resilience supported by solid industrial execution and active portfolio management. Among key participations, Eurogroup Laminations reported revenues broadly stable YoY but experienced margin compression, with adjusted EBITDA margin around 10.7% and EBIT of Eu22.6mn, reflecting weaker volumes in the e-mobility segment and a more challenging macro environment. NextGeo confirmed strong execution, reporting revenues of Eu267.3mn and net profit of Eu49.9mn (vs Eu43.1mn in FY24), supported by solid backlog conversion and high-margin offshore and energy-related activities, albeit following an exceptional growth trajectory in the prior year. During the year, the group also completed the full exit from ALA following the takeover by H.I.G. Capital and the disposal of the Sogefi stake, crystallising significant capital gains and contributing materially to FY25 profitability.
- **Recent developments** - The group announced the integration of Smart4Tech, CrowdFundMe and WeAreStarting to build a leading advisory and capital markets platform for SMEs, while also launching the Smart4Mechanics vertical with the acquisition of a 48.9% stake in Officina Ci-Esse (Eu3.1mn outlay), strengthening its presence in high-value mechanical manufacturing. In parallel, the company completed a few value-accretive transactions, including the exits from MGM and In.Un.Up. (Eu1.8mn and Eu1.4mn), and progressed on strategic initiatives such as the acquisition of Marcap (industrial holding company with a deep rooted presence in central Italy). Midolini sold port operator MIDSEA (EV up to Eu32.3mn) to Equiter while acquiring majority control of CTS, strengthening its focus on high value lifting, transport and integrated logistics, and accelerating its strategy to build a scalable industrial services platform. In early 2026, Smart Capital further expanded its investment portfolio by increasing its stake in Arterra Bioscience and ICF and completed an Eu5.9mn capital increase.
- **NAV unchanged at Eu1.85, BUY** - Our NAV of Eu60.3mn incorporates a 15% holding discount (20% previously, as execution has de-risked the investment case and the gap between NAV and market value has become less justified) and reflects the average valuation of listed assets at market/target prices. We see the management team as having the track record and skill set to effectively allocate the growing cash reserves, with a selective approach to both listed and private investments that could unlock additional value. Eu1.85/s TP offers 19% upside, BUY.

BUY

Unchanged

TP 1.85

Unchanged

Target price upside 19%

Ticker (BBG, Reut)	SMCAP IM	SMCAP.MI
Share price Ord. (Eu)		1.6
N. of Ord. shares (mn)		32.6
Total N. of shares (mn)		32.6
Market cap (Eu mn)		51
Total Market Cap (EU mn)		51
Free Float Ord. (%)		33%
Free Float Ord. (Eu mn)		17
Daily AVG liquidity Ord. (Eu k)		8

	1M	3M	12M
Absolute Perf.	-4.3%	-3.1%	0%
Rel.to FTSEMidCap	-18.4%	-0.4%	-22%
52 weeks range		1.5	1.6



Head Of Research

Luca Arena

luca.arena@alantra.com

+39 02 63 671 620

Andrea Zampaloni

andrea.zampaloni@alantra.com

+39 02 63 671 621

Filippo Mazzoleni

filippo.mazzoleni@alantra.com

+39 02 63 671 622

NAV

Net Asset Value	Eu mn	Eu/s	% on GNAV	Methodology	Business	Net Asset Value	Eu mn	Eu/s	% on GNAV	Methodology	Business
Bernardinello Engineering	1.3	0.04	3%	26E Peers Median EV/EBITDA 10.4x	Water treatment	Bernardinello Engineering	1.3	0.04	3%	26E Peers Median EV/EBITDA 10.4x	Water treatment
CI-Esse	5.8	0.18	15%	26E Peers Median EV/EBITDA 5.9x	Precision Machining	CI-Esse	5.8	0.18	12%	26E Peers Median EV/EBITDA 5.9x	Precision Machining
Midolini F.lli	5.7	0.17	15%	26E Peers Median EV/EBITDA 9.8x	Logistics	Midolini F.lli	5.7	0.17	12%	26E Peers Median EV/EBITDA 9.8x	Logistics
Newcleo	1.3	0.04	3%	Book Value	Nuclear energy	Newcleo	1.3	0.04	3%	Book Value	Nuclear energy
OTK Kart Group	0.3	0.01	1%	26E Peers Median EV/EBITDA 10.3x	Racing go-karts	OTK Kart Group	0.3	0.01	1%	26E Peers Median EV/EBITDA 10.3x	Racing go-karts
Smart4Tech	3.1	0.10	8%	Book Value	-	Smart4Tech	3.1	0.10	7%	Book Value	-
L'orto di Jack	2.0	0.06	5%	Book Value	Grocery distribution	L'orto di Jack	2.0	0.06	4%	Book Value	Grocery distribution
Other	0.7	0.02	2%	Book Value	-	Other	0.7	0.02	2%	Book Value	-
Total Private Companies	20.2	0.62	52%			Total Private Companies	20.2	0.62	44%		
Arterra Bioscience SpA	2.5	0.08	6%	Market Value, Eu3.11/s	Health Technology	Arterra Bioscience SpA	3.0	0.09	7%	Broker TP, Eu3.8/s	Health Technology
Cofle S.p.A.	0.3	0.01	1%	Market Value, Eu2.02/s	Producer Manufacturing	Cofle S.p.A.	0.8	0.02	2%	Broker TP, Eu5.5/s	Producer Manufacturing
EuroGroup Laminations S.p.A	1.7	0.05	4%	Market Value, Eu1.2/s	Producer Manufacturing	EuroGroup Laminations S.p.A	1.7	0.05	4%	Broker TP, Eu1.23/s	Producer Manufacturing
Ferrari Group PLC	1.0	0.03	2%	Market Value, Eu7.97/s	Transportation	Ferrari Group PLC	1.4	0.04	3%	Broker TP, Eu11.75/s	Transportation
G.M. Leather S.P.A.	0.7	0.02	2%	Market Value, Eu0.74/s	Process Industries	G.M. Leather S.P.A.	2.7	0.08	6%	Broker TP, Eu2.9/s	Process Industries
Industrie Chimiche Forestali SpA	1.8	0.05	5%	Market Value, Eu6.1/s	Process Industries	Industrie Chimiche Forestali SpA	2.6	0.08	6%	Broker TP, Eu8.8/s	Process Industries
Next Geosolutions Europe SpA	6.4	0.20	16%	Market Value, Eu12.6/s	Industrial Services	Next Geosolutions Europe SpA	7.9	0.24	17%	Broker TP, Eu15.5/s	Industrial Services
SG Company Societa Benefit S.p.A.	0.6	0.02	1%	Market Value, Eu0.26/s	Communications	SG Company Societa Benefit S.p.A.	1.0	0.03	2%	Broker TP, Eu0.45/s	Communications
Unidata S.P.A.	1.4	0.04	4%	Market Value, Eu2.88/s	Communications	Unidata S.P.A.	2.4	0.08	5%	Broker TP, Eu5.1/s	Communications
Other	2.5	0.08	7%	Market Value	-	Other	2.5	0.08	6%	Market Value	-
Total Listed Companies	18.8	0.58	48%			Total Listed Companies	26.1	0.80	56%		
Gross Net Asset Value	39.0	1.20	100%			Gross Net Asset Value	46.3	1.42	100%		
NFP (debt)/cash	28.6	0.88		Last reported (FY25), adjusted*		NFP (debt)/cash	28.6	0.88		Last reported (FY25), adjusted*	
Net Asset Value	67.6	2.07				Net Asset Value	74.9	2.30			
Holding discount	15%					Holding discount	15%				
Price Target	57.1	1.75	13% Upside			Price Target	63.3	1.94	25% Upside		

Source: Alantra, Company data | * including Eu12.2mn net proceeds from ALA participation disposal detained via the vehicle Smart4Ala + the proceeds of the recent Eu5.9mn capital increase

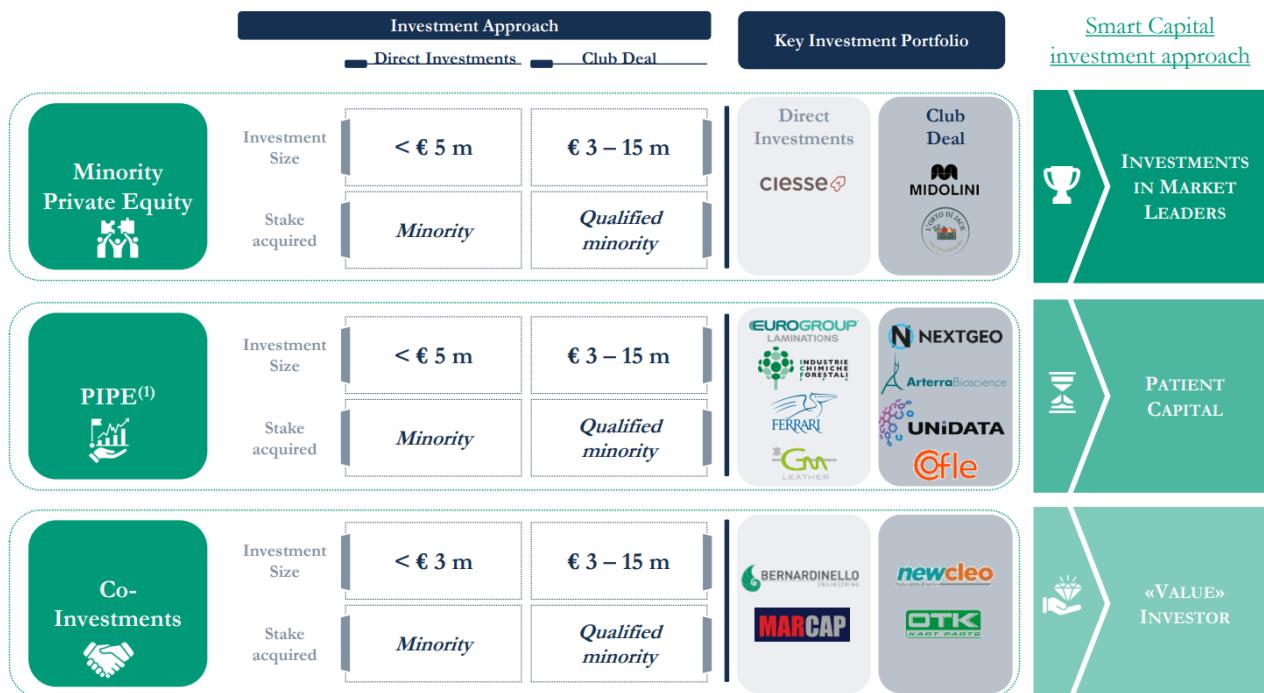
Holding discount qualitative assessment matrix

Criteria	Low	Medium	High
Net Asset Value			High-value portfolio, with significant upside potential
Portfolio composition			Diversified asset portfolio spanning multiple sectors
Growth potential		Diversified portfolio offers solid growth potential	
Management quality			Experienced management with in-house expertise
Financial health and leverage			Strong finances, potential for more capital raising
Stock liquidity and marketability	Stock liquidity: 1M av. daily turn. of Eu32k		
Regulatory compliance and governance			Strong governance frameworks
Dividend policy		Dividends may increase with exits	
Risk exposure	Assets mostly in one country		

Key Charts

Smart Capital competitive positioning

Smart Capital focuses on SMEs, providing strong support to investee companies through its advisory division (M&A, strategic advisory, management support).



Notes: 1) Private Investment in Public Equity

Smart Capital, overview of portfolio companies

A well-diversified portfolio company structure



Source: company data

Smart Capital Governance Structure

Smart Capital's management and in-house experts specialize in sourcing, selecting, analyzing, and defining investment opportunities effectively.

TEAM MEMBERS



A. Costantini - Managing Partner,
Chairman & CEO



A. Faraggiana - Managing Partner
& General Manager



R. Francani - Partner, Advisory &
Business Development Director



L. Pedrinazzi - General Manager
Smart4Tech



D. Catena - Partner, Value Creation
Director



F. Arlati - Legal Counsel



M. Vabanesi - Investment Associate



M. Conti - Financial Controller

CORPORATE GOVERNANCE & ADVISOR

BOARD OF DIRECTORS

3
Members

- A. Costantini - Chairman
- C. Agrati - Board Member
- P. Carena - Board Member
- A. Faraggiana - Board Observer
- A. Guzzini - Board Observer

BOARD OF AUDITORS

3
Members

- F. Sormani - Chairman
- D. Tomaselli - Standing Auditor
- T. Saccone - Standing Auditor

EURONEXT GROWTH ADVISOR

ALANTRA

AUDITING FIRM

KPMG

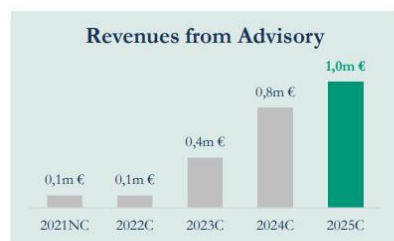
EQUITY COVERAGE

IMI | CORPORATE INVESTMENT BANKING | **ALANTRA**

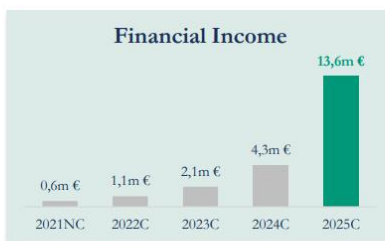
Source: Company presentation

Smart Capital FY25 key financials

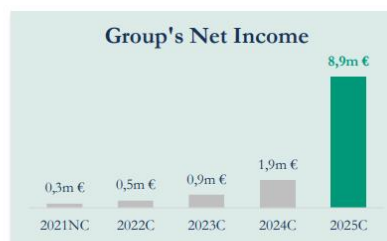
In FY25, SMACP continued its growth trajectory, achieving its strongest economic and financial results since inception.



The Group's Revenues are essentially generated by (i) advisory activities to investee companies, including club deals; (ii) free market advisory; and (iii) performance fees on disposals



2025 financial income is primarily derived from capital gains on the disposal of equity investments and, to a lesser extent, from dividends distributed by investee companies



The outstanding financial results achieved represent the Group's strongest performance since its inception



Consistent and sustained growth of the Group's assets



The Group maintains an unlevered financial structure, following the €9 million raised through its IPO in November 2024 and a further €2 million in December 2025 via a rights issue



The Group enjoys excellent capital strength

Source: Company presentation

Profile

Background	Smart Capital is an investment holding company, founded in 2020, specializing in minority and private equity investments through a club deal approach (c.100 families and entrepreneurs). The company targets Italian small and medium-sized enterprises (SMEs), both listed and unlisted, with a focus on value creation through long-term partnerships and an active management approach. With over Eu64mn in assets, the company operates across key sectors, including manufacturing, logistics, and technology with a value-added approach by seating actively in BoDs, providing M&A advisory and management support. Led by a highly experienced management team, including Andrea Costantini and Andrea Faraggiana (both having +20y of experience in the field), Smart Capital has established itself as a leading player in the Italian SME market, boasting diversified portfolio comprising 17 investments.
Positioning	Despite the fragmented nature of Italy's long-term investor landscape, Smart Capital sets itself apart by primarily focusing on SMEs, making it one of the few firms in Italy to concentrate heavily on this segment. Unlike many other players that focus solely on private equity, Smart Capital also has a strong presence in PIPE transactions, with an impressive track record of identifying and capitalizing on opportunities in the Italian stock market. Moreover, Smart Capital adopts a unique investment approach, not only providing capital but also closely supporting its portfolio of companies with comprehensive advisory services. This hands-on involvement goes beyond mere financial support, as Smart Capital seeks to drive operational improvements and strategic realignment within its portfolio.
Portfolio	Smart Capital has built a highly diversified portfolio across multiple sectors, minimizing risks associated with individual portfolio companies. Its investments span aerospace, defence, automotive, energy, fashion, and industrial sectors, ensuring exposure to a variety of growth opportunities. Investments cater to different stages of industrial and consumer supply chains, enhancing portfolio resilience. Smart Capital's provides governance representation in its participations, ensuring strategic influence. This broad sectoral distribution helps mitigate risks and positions the firm to capture growth across multiple industries, emphasizing its strategic advantage in balancing exposure while maximizing growth potential. By investing in industry leaders with proven expertise and growth potential, Smart Capital ensures a balanced and resilient portfolio, aligned with long-term sustainability and market leadership.
Strategy	Smart Capital employs a well-structured, five-phase investment process aimed at creating long-term value within Italy's SME sector. The process begins with sourcing opportunities through an extensive network of entrepreneurs, financial institutions, and industry experts. Once identified, potential investments undergo rigorous financial and qualitative analysis, including ESG assessments. The investment is then structured to align with both the company's and Smart Capital's long-term objectives, incorporating governance, performance incentives, and sustainability initiatives. After investment, Smart Capital actively monitors the portfolio companies, providing strategic advice to improve operations and drive growth. Finally, the exit strategy is carefully planned to maximize returns while ensuring the business's long-term sustainability.

Strengths

- Unique club deal model targeting Italian SMEs effectively
- Broad sector exposure diversifies risks and opportunities
- Active board roles support operational and strategic growth
- Solid IRR and successful exits demonstrate investment discipline and expertise

Weaknesses

- Minority stakes reduce strategic control in companies
- Small size limits institutional appeal and liquidity
- High reliance on two key founding managers
- Direct exposure just to Italy

Opportunities

- Italian SMEs offer scalable, high-growth investment opportunities
- EGM listing enhances capital markets access and visibility
- ESG integration aligns with sustainable finance investor trends
- Early-stage tech bets offer asymmetric return potential

Threats

- Market volatility impacts NAV and investor sentiment, and holding discount
- Exit timing in private equity remains highly uncertain
- Regulatory, ESG or geopolitical shifts may significantly affect portfolio
- Cyclical sectors increase sensitivity to macroeconomic downturns

Key shareholders*

Agrati Holding: 27.9%
Costantini Investments 23.0%
Herongreen 7.3%
Free Float: 40.0%

* voting rights

Management

Andrea Costantini - Managing Partner, Chairman & CEO
Andrea Faraggiana - Managing Partner, General Manager
Roberto Francani - Partner, Advisory & Business Dev. Director
Laura Pedrinazzi - General Manager Smart4Tech

Next events

24-Apr: AGM
25-Sep: 1H26 results

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HOLD: The stock is expected to generate returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative returns during the next 12 months.

NOT RATED: The stock is not covered.

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