

COSTAMP GROUP

Growing margins and strong order backlog

Growing margins and continuous focus on R&D: Costamp Group, leader in the engineering, production and trade of dies for die casting, concluded the reverse takeover of Modelleria Brambilla in 2018. Since, Management has worked on the rationalization of the Group structure and the integration of the business units with recovery in profitability and a growing order backlog as a result. 1H 2019 closed with an EBITDA margin of 10.2% recording a significant increase vs. FY 2018 PF (2.7%) despite a slight decrease in revenues (-9%) reflecting uncertain conditions in the automotive market. Management has recently confirmed strategic guidelines with focus on international expansion, R&D aimed at innovative projects and widening of product range.

Strong order backlog: Management also announced an order backlog at the end of June of Euro 55 m, showing an increase of +19% vs. 1H 2018 and to be evaded within year end 2020.

Ongoing technology process: The Group, is strongly focused on R&D and continues to invest in innovative projects: Puzzle Die Configuration, Cavity Insert Fast Change Configuration and Low-Pressure Forging Technology.

Increase in profitability in 1H 2019: revenues in 1H 2019 came in at Euro 28.7 m (vs. Euro 31.5 m 1H 2018 PF). EBITDA was of Euro 2.9 m (vs. Euro 2.8 m in 1H 2018PF) with an EBITDA margin of 10.2% (8.8% ex IFRS 16). Net Profit was of Euro 0.6 m (vs. Euro 0.8 m in 1H 2018PF). Net Debt stood at Euro 28.6 m. The Company continued to benefit from a strong international presence with 40% of total revenues realized outside Italy.

Expected revenue growth and margin expansion: We believe that after the recent reorganization and integration the Group is ready to start to reap the benefits with cost efficiencies, synergies and economies of scale. Based on 1H 2019 results and the thick order backlog we expect revenues to grow at a 2018PF-2021 CAGR of +6%. EBITDA margin should reach 13% in 2021 (+280 bps vs. 1H 2019) with a Net Debt of Euro 21.2 m (Net Debt/EBITDA ratio of 2.4x (13.9x FY 2018PF)).

Sector: Manufacturing

| | |
|---|------|
| Market Price (Euro) | 2.20 |
| Market Cap (Euro m) | 94 |
| EV (Euro m) | 122 |
| <i>(as of November 12th, 2019)</i> | |

Share Data

| | |
|-------------------|--------------------------------------|
| Market | AIM Italia |
| Bloomberg/Reuters | MOLDIM / MOLD.MI |
| ISIN | IT0005068249 |
| N. of Shares | 42,605,447 |
| Free Float | 6.59% |
| Main Shareholder | Co.Stamp Srl (Corti Family) (93.28%) |
| CEO | Marco Corti |

AIM Positioning

| FY 2018 | Company | AIM Sector | AIM Italia |
|-------------------|---------|------------|------------|
| Revenues (Eu m) | 58 | 97 | 45 |
| Revenues YoY | -2% | 37% | 29% |
| EBITDA Margin | 3% | 11% | 14% |
| NFP (cash) (Eu m) | 21.8 | 18.5 | 7.2 |
| NFP/EBITDA (x) | 14.0 | 2.8 | 3.9 |

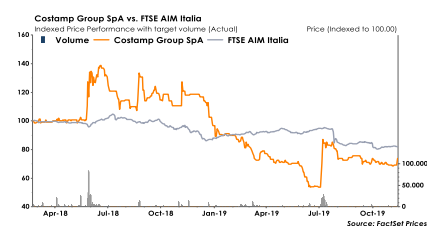
| Market Data (Eu m) | Company | AIM Sector | AIM Italia |
|--------------------|---------|------------|------------|
| Capitalisation | 88 | 68 | 52 |
| Perf. YTD | -18% | -18% | -11% |
| Free Float | 7% | 27% | 35% |
| ADIT YTD (Eu) | 7,066 | 69,116 | 125,100 |

Performance

| | 1M | 3M | 1Y |
|---------------------------|-------------|------|--------|
| Absolute | 5.8% | 1.9% | -37.5% |
| Relative (TSE AIM Italia) | 4.0% | 3.2% | -27.2% |
| 52-week High/Low (Eu) | 3.54 / 1.60 | | |

IR TOP RESEARCH

Luisa Primi – l.primi@irtop.com
Andrea Praga – a.praga@irtop.com
T +39 02 89056957



| Key Figures (Eu m) | Revenue | Yoy % | EBITDA | EBITDA % | EBIT | EBIT % | Net Profit | Net Debt |
|--------------------|---------|-------|--------|----------|-------|--------|------------|----------|
| 2018PF | 58.0 | -2% | 1.6 | 3% | (1.7) | -3% | (1.7) | 21.8 |
| 2019E | 57.0 | -2% | 5.6 | 10% | 2.1 | 4% | 0.8 | 26.9 |
| 2020E | 62.5 | +10% | 6.8 | 11% | 3.1 | 5% | 1.5 | 24.9 |
| 2021E | 68.5 | +10% | 8.9 | 13% | 5.0 | 7% | 2.9 | 21.2 |

AIM POSITIONING

COSTAMP GROUP positions itself in the AIM "Manufacturing" Sector.

Compared to the average AIM Italia "Manufacturing" Sector, COSTAMP GROUP shows:

- Lower EBITDA margin (3% vs 11%);
- Higher level of indebtedness (NPF/EBITDA 14.0x vs 2.8x)

| FY 2018 Data | Revenues (Eu m) | Revenues YoY growth (%) | EBITDA margin (%) | Net Debt (Cash) (Eu m) | EV/EBITDA (x) | NPF/EBITDA (x) |
|---------------------------------|--------------------|-------------------------------|----------------------|---------------------------|------------------|-------------------|
| Askoll EVA | 15 | 250% | -28% | (5.2) | n.m. | n.m. |
| CFT | 224 | 9% | 8% | 14.2 | 3.7 | 0.8 |
| Clabo | 53 | 18% | 11% | 23.9 | 5.8 | 3.9 |
| Comer Industries | 379 | 11% | 10% | 36.7 | 7.4 | 1.0 |
| Costamp Group | 58 | -2% | 3% | 21.8 | 70.1 | 14.0 |
| Energica Motor Company | 2 | 325% | n.m. | 1.4 | n.m. | n.m. |
| Fervi | 24 | 8% | 19% | (2.3) | 6.3 | (0.5) |
| Gel | 17 | 7% | 16% | 3.3 | 3.8 | 1.2 |
| Gibus | 34 | 4% | 14% | 3.0 | 7.1 | 0.7 |
| Grifal | 17 | 10% | 13% | 5.4 | 19.2 | 2.4 |
| Icf Group | 80 | 1% | 11% | 9.7 | 6.2 | 1.1 |
| Illa | 33 | -21% | 4% | 10.1 | 11.2 | 7.0 |
| ILPRA | 31 | 16% | 19% | 9.5 | 6.3 | 1.7 |
| Marzocchi Pompe | 43 | 11% | 21% | 19.2 | 5.5 | 2.1 |
| Neodecortech | 131 | 6% | 14% | 44.3 | 4.9 | 2.5 |
| Officina Stellare | 5 | 81% | 22% | 2.0 | 29.6 | 1.8 |
| Radici Pietro Industries&Brands | 60 | 6% | 8% | 29.7 | 11.1 | 6.4 |
| Rosetti Marino | 261 | 26% | 11% | 128.0 | 10.1 | 4.5 |
| Salcef Group | 319 | -4% | 20% | 2.2 | 5.6 | 0.0 |
| Sciuker Frames | 11 | -5% | 18% | 5.3 | 10.3 | 2.9 |
| SITI B&T Group | 206 | 1% | 9% | 42.9 | 4.4 | 2.4 |
| Somec | 169 | 50% | 11% | 5.5 | 9.9 | 0.3 |
| Vimi Fasteners | 52 | 4% | 11% | 14.2 | 7.2 | 2.4 |
| Manufacturing | 97 | 37% | 11% | 18.5 | 11.7 | 2.8 |
| AIM Italia | 45 | 29% | 14% | 7.2 | 17.4 | 3.9 |

Source: Osservatorio AIM Italia and FactSet data as of November 11th, 2019

Compared to the average AIM Italia "Manufacturing" Sector, COSTAMP GROUP shows:

- Higher capitalisation (Euro 88 m vs. Euro 68 m);
- Lower free float (7% vs. 27%);
- Lower average daily traded turnover year-to-date (Euro 7 k vs. Euro 69 k).

| Market Data | Market Cap (Eu m) | Free Float (%) | Perf. from IPO (%) | ADTT YTD (Eu) |
|---------------------------------|----------------------|-------------------|-----------------------|------------------|
| Askoll EVA | 25 | 22% | -53% | 32,193 |
| CFT | 49 | 47% | -69% | 49,404 |
| Clabo | 11 | 30% | -50% | 20,473 |
| Comer Industries | 247 | 17% | 4% | 93,088 |
| Costamp Group | 88 | 7% | -18% | 7,066 |
| Energica Motor Company | 40 | 41% | -27% | 107,352 |
| Fervi | 31 | 21% | -21% | 17,307 |
| Gel | 7 | 30% | -62% | 12,595 |
| Gibus | 30 | 17% | 0% | 32,813 |
| Grifal | 37 | 32% | 35% | 88,582 |
| Icf Group | 43 | 100% | -43% | 65,997 |
| Illa | 6 | 20% | -73% | 17,439 |
| ILPRA | 25 | 18% | 0% | 19,328 |
| Marzocchi Pompe | 31 | 24% | -8% | 33,990 |
| Neodecortech | 44 | 27% | -16% | 67,249 |
| Officina Stellare | 47 | 16% | 41% | 159,747 |
| Radici Pietro Industries&Brands | 22 | 23% | -18% | 56,181 |
| Rosetti Marino | 160 | 0% | 33% | 2,414 |
| Salcef Group | 362 | 25% | -4% | 358,579 |
| Sciuker Frames | 14 | 29% | -9% | 246,580 |
| SITI B&T Group | 37 | 25% | -63% | 13,769 |
| Somec | 173 | 25% | 39% | 74,875 |
| Vimi Fasteners | 28 | 23% | -38% | 12,644 |
| Manufacturing | 68 | 27% | -18% | 69,116 |
| AIM Italia | 52 | 35% | -11% | 125,100 |

Source: Osservatorio AIM Italia and FactSet data as of November 11th, 2019

BUSINESS UPDATE

After the reverse takeover in 2018, Management has worked on the rationalization of the Group structure (merger of Costamp Tools into Costamp Group) and the integration of the business units. Indeed, in 1H 2019 despite uncertain conditions in the automotive market, Costamp Group recorded an EBITDA margin of 10.2% (8.8% without IFRS 16 effect) in line with Management's expectations and with a significant increase vs. FY 2018 PF (2.7%).

Positive signs also in terms of orders, with an order backlog at the end of June of Euro 54.8 m, +19% vs. Euro 46.0 m at June 30th, 2018 to be evaded within year end 2020 and which should promise well for the near future. At the "GIFA" trade fair in Düsseldorf in June 2019 Costamp Group closed commercial agreements for a total value of approximately Euro 26.6 m:

- High Pressure Division (HPDC): Euro 17.1 m with Renault, Nemak, Shiloh, Sira, Endurance and Fondital
- Low Pressure Division (LPDC): Euro 5.5 m with Volkswagen, Ferrari, BMW and TMB;
- Plastics Division (PLASTIC): Euro 4.0 m with FCA Group.

Management has recently confirmed strategic guidelines with focus on international expansion, R&D and widening of product range:

- Development of cross-selling on low pressure, LPDC (ex. Modelleria Brambilla), by exploiting the Costamp Group network and the strong demand for high performance aluminum components in the electric market.
- New organization of the group workflow through "make or buy" concept, in order to develop a higher turnover, focusing only on the most critical processes and outsourcing processes with lower added value.
- Creation of a new premium line of HPDC, thanks to the proprietary Puzzle Die technology.
- Development of partnerships with OEM and Tier 1 on specific innovative projects: low-pressure forging, forged safety parts, aluminum wheel rims in mass production, aluminum chassis, structural parts in magnesium, each as a unique partner of an international leading Tier 1.
- International expansion through a "glocal" approach with a direct and well-established presence in the countries where OEM and Tier 1 operate: Germany, USA, Mexico (today's market), China and India (target markets).

In order to strengthening its leadership in the domestic market and widen the production portfolio, the Group increased its share in Modelleria ARA to 100% (from 51% previously) in February 2019.

INNOVATION

The Group's products are characterized by high quality guaranteed by continuous investments in R&D thanks to a strong team of engineers (24, 8% of total employees) and aimed at improving production portfolio and increase production efficiencies.

Puzzle Die Configuration: A ground-breaking new tooling layout which enables extraordinary extension of die lifetime thanks to efficient thermal mechanical stress dissipation. It also allows a drastic reduction of production cycle time and die maintenance, thus resulting in remarkable overall cost-optimization.

Cavity Insert Fast Change Configuration: Innovative tooling design including mechanical features which will allow the replacement of damaged/exhausted cavities from the die holder, without removing the die from the HPDC machine. This means huge downtime reduction and fast resuming of series production.

Low Pressure Forging Technology: A unique combination of the best features of LPDC and HPDC. Costamp Group is currently executing in-house production tests thanks to an expressly installed vertical press. Once optimized and consolidated, this technology will be especially suitable for the manufacturing of aluminium car/truck wheels, thus opening new possibilities in a potentially huge market.

KEY SUCCESS FACTORS

Leadership in its reference market: Costamp Group is the no. 1 European player and among the first global operators in the niche market of aluminium large dies.

Highly technological Group with constant focus on R&D: Costamp Group developed innovative solutions combining advanced technology with foundry experience of the development team. The constant investments in R&D allow the group to develop and implement increasingly innovative products (e.g. PUZZLE_DIE).

Market growth drivers and regulatory: The automotive market trends are e-mobility and increasingly use of aluminium. The development of new powertrain dedicated to electric vehicles will allow collaboration and JV between OEMs and suppliers in order to exploit the know-how of suppliers to make new products. The progressive increase in the use of aluminium meets the need to reduce CO2 emissions, through a reduction in the weight of vehicles.

International presence and competitive positioning: The Group realized 40% of 1h 2019 revenues abroad. It has a commercial presence in USA, Mexico, Brazil, China, India, Japan and South Korea. Costamp Group covers the leading automotive customers and foundries with a great number of products. Clients loyalty is guaranteed thanks to the support and services provided in entire process to the final product.

RECENT FINANCIAL PERFORMANCE FY 2018 AND 1H 2019

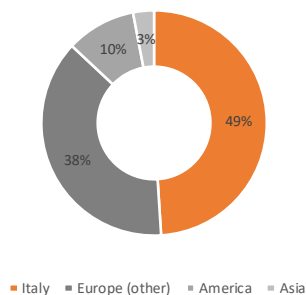
In FY 2018 the Group closed with pro forma revenues of Euro 58 m vs. Euro 59 m in FY 2017PF¹. EBITDA came in at Euro 1.6 m (vs. Euro 4.6 m in FY 2017PF) with a margin of 2.7% (vs. 7.8% in FY 2017PF) as profitability was further affected by one-off accounting items, mainly related to LPDC business unit (ex Modelleria Brambilla). At the end of 2018 Net Loss was Euro -1.7 m. Net Debt however, improved significantly thanks to effective management of working capital (from Euro 26.9 to Euro 21.8 m).

In 1H 2019 revenues (VoP) came in at Euro 28.7 m (vs. Euro 31.5 m 1H 2018 PF). The decrease (-8.7%) reflects the slowdown in the automotive sector in the last quarter of 2018 and the first months of 2019.

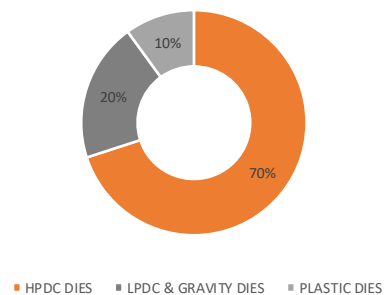
Despite lower sales volumes, EBITDA margin came in at 10.2% (vs. 8.9% of 1H 2018PF and 2.7% in FY 2018PF), also thanks to the positive effect from the adoption of IFRS 16 (Euro 0.4 m), net of which EBITDA margin would have been of 8.8%. In absolute terms, EBITDA was of Euro 2.9 m (vs. Euro 2.8 m in 1H 2018PF). Net Profit was of Euro 0.6 m (vs. Euro 0.8 m in 1H 2018PF).

Net Debt stood at Euro 28.6 m, up from Euro 21.8 m of FY 2018, following the adoption of IFRS 16 (Euro 3.3 m) and working capital absorption.

Revenues FY 2018 - Breakdown by geographical area



Revenues FY 2018 - Breakdown by Business Unit



Source: Company data

Key financials Profit & Loss FY 2017-2018 and PF 2017-2018

| Euro m – IAS/IFRS | | FY 2017 | FY 2018 | FY 2017 PF ¹ | FY 2018 PF ¹ |
|-----------------------|--------|-------------|--------------|-------------------------|-------------------------|
| Revenues (VoP) | | 41.9 | 55.3 | 59.0 | 58.0 |
| | YoY | n.a. | +32.1% | n.a. | -1.6% |
| EBITDA | | 3.3 | 1.4 | 4.6 | 1.6 |
| | Margin | 8.0% | 2.5% | 7.8% | 2.7% |
| EBIT | | 1.4 | (1.7) | 1.7 | (1.7) |
| | Margin | 3.4% | -3.1% | 2.8% | -2.9% |
| EBT | | 1.1 | (2.4) | 0.6 | (2.4) |
| Net Profit | | 0.7 | (1.7) | 0.4 | (1.7) |

Source: Company data

¹ Pro-forma results (unaudited) considering the business combination as of January 1st, 2018

Key financials Balance Sheet FY 2017-2018 and PF 2017-2018

| Euro m – IAS/IFRS | | FY 2017 | FY 2018 | FY 2017 PF ¹ | FY 2018 PF ¹ |
|-----------------------------|--|-------------|-------------|-------------------------|-------------------------|
| Net Working Capital (NWC) | | 2.9 | (0.0) | 9.1 | (0.0) |
| Fixed net assets | | 30.8 | 51.0 | 50.7 | 51.0 |
| Funds | | (3.6) | (6.2) | (5.5) | (6.2) |
| Net Capital Employed | | 30.2 | 44.8 | 54.3 | 44.8 |
| Net Debt (Cash) | | 17.6 | 21.8 | 26.9 | 21.8 |
| Equity | | 12.6 | 23.0 | 27.4 | 23.0 |
| Sources | | 30.2 | 44.8 | 54.3 | 44.8 |

Source: Company data

Key financials Profit & Loss 1H 2018-2019 and PF 2018

| Euro m – IAS/IFRS | | 1H 2018 | 1H 2018 PF ¹ | 1H 2019 |
|-----------------------|--------|-------------|-------------------------|-------------|
| Revenues (VoP) | | 28.9 | 31.5 | 28.7 |
| | YoY | n.a. | n.a. | -8.7% |
| EBITDA | | 2.6 | 2.8 | 2.9 |
| | Margin | 9.1% | 8.9% | 10.2% |
| EBIT | | 1.5 | 1.6 | 1.2 |
| | Margin | 5.3% | 5.1% | 4.2% |
| EBT | | 1.1 | 1.1 | 0.8 |
| Net Profit | | 0.8 | 0.8 | 0.6 |

Source: Company Data

¹ Pro-forma results (unaudited) considering the business combination as of January 1st, 2018

Key financials Balance Sheet 1H 2018-2019 and FY 2018

| Euro m – IAS/IFRS | | 1H 2018 | FY 2018 | 1H 2019 |
|-----------------------------|--|-------------|-------------|-------------|
| Net Working Capital (NWC) | | 8.0 | (0.0) | 5.0 |
| Fixed net assets | | 51.0 | 51.0 | 53.0 |
| Funds | | (4.6) | (6.2) | (5.7) |
| Net Capital Employed | | 54.3 | 44.8 | 52.3 |
| Net Debt (Cash) | | 26.1 | 21.8 | 28.6 |
| Equity | | 28.2 | 23.0 | 23.6 |
| Sources | | 54.3 | 44.8 | 52.3 |

Source: Company data

Net Debt breakdown FY 2018 and 1H 2019

| Euro k – IAS/IFRS | FY 2018 | 1H 2019 |
|--|----------------|----------------|
| Cash and cash equivalent | (7,155) | (9,485) |
| Short-term debt to financial institutions | 9,861 | 15,413 |
| Short-term debt for leasing | 1,784 | 1,478 |
| Short-term debt for bond | 947 | 947 |
| Short-term debt for rentals (IFRS 16) | - | 427 |
| Short-term debt for rentals (IFRS 16) – Modelleria ARA | - | 142 |
| Other short-term financial debt – Modelleria ARA | 299 | 24 |
| Current Net Debt/(Cash) | 5,735 | 8,947 |
| Long-term debt to financial institutions | 11,907 | 13,402 |
| Long-term debt for leasing | 4,025 | 3,495 |
| Long-term debt for bond | - | - |
| Long-term debt for rentals (IFRS 16) | - | 1,921 |
| Long-term debt for rentals (IFRS 16) – Modelleria ARA | - | 798 |
| Other long-term financial debt – Modelleria ARA | 90 | 79 |
| Total Net Debt/(Cash) | 21,758 | 28,641 |

Source: IR Top Research elaboration on Company data

ESTIMATES 2019-2021

We believe that after the recent reorganization and integration the Group is ready to start to reap the benefits from the transaction with cost efficiencies, synergies and economies of scale. Market conditions continue to be uncertain in 2H 2019 but should start to improve as of 2020 (expected 2018-2023 CAGR of 1.6-3%). Based on the above, 1H 2019 results and the strong order backlog, we expect revenues to grow at a 2018PF-2021 CAGR of +6%. FY 2019 revenues remain largely flat (-2%) but with a recovery thereafter (+10% in 2020-2021). Key growth drivers for our estimates are:

- Recovery in the market (2020-2023) and strong order backlog (55 Eu m June 2019 + 19% vs. 1H 2018).
- Cross-selling synergies on Low Pressure Die Casting division, exploiting Costamp Group network
- New products lines including PUZZLE DIE and molds for magnesium parts.
- Outsourcing of less strategic production processes (with lower value added) in order to increase production capacity and boost turnover.

At EBITDA level we expect FY 2019 EBITDA margin in line with 1H 2019, with a progressive improvement in 2020-2021. EBITDA margin should reach 13% in 2021 (+280 bps vs. 1H 2019).

We believe that the Group will continue to invest in plant and machinery in order to support new technologies. We estimate capex for the period 2019-2021 of Euro 7.5 m.

Net Debt at the end of the period considered should reach Euro 21.2 m, with a Net Debt/EBITDA ratio of 2.4x (13.9x FY 2018PF).

KEY FINANCIALS - FY 2018 and 2019-2021 Estimates

| Euro m – IAS/IFRS | | 18PF¹ | 19E | 20E | 21E |
|--------------------------|--------|-------------------------|-------------|-------------|-------------|
| Revenues (VoP) | | 58.0 | 57.0 | 62.5 | 68.5 |
| | yoy | -1.6% | -1.8% | +9.6% | +9.6% |
| EBITDA | | 1.6 | 5.6 | 6.8 | 8.9 |
| | margin | 2.7% | 9.8% | 10.9% | 13.0% |
| EBIT | | (1.7) | 2.1 | 3.1 | 5.0 |
| | margin | -2.9% | 3.6% | 4.9% | 7.3% |
| Pre tax profit | | (2.4) | 1.1 | 2.1 | 4.1 |
| Net Profit | | (1.7) | 0.8 | 1.5 | 2.9 |

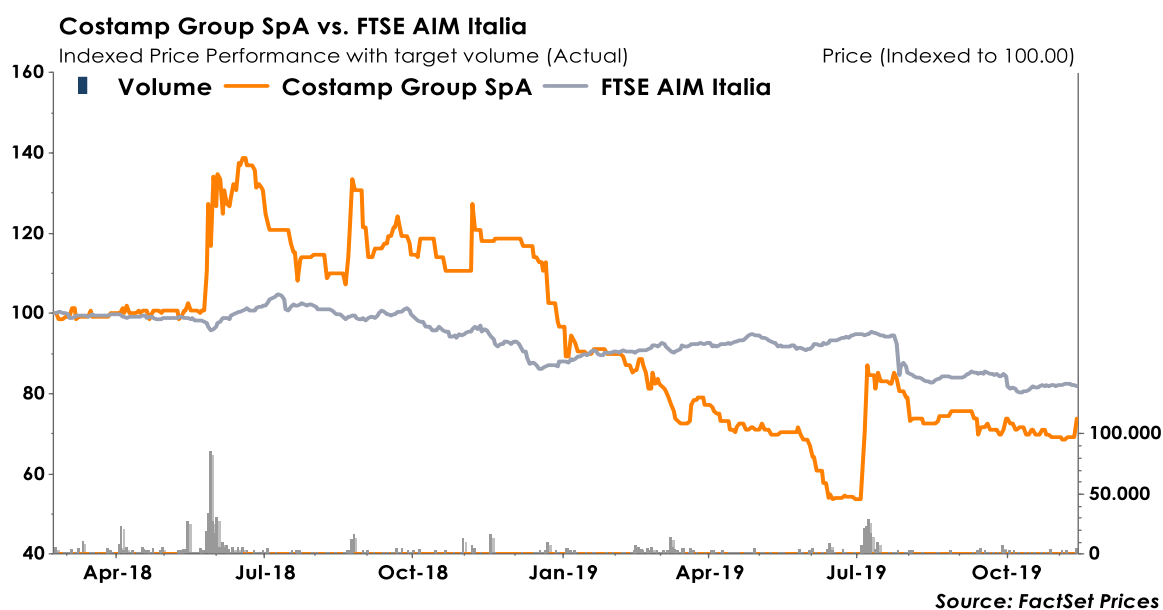
| Euro m | 18PF¹ | 19E | 20E | 21E |
|-------------------------------|-------------------------|-------------|-------------|-------------|
| Net Working Capital (NWC) | (0.0) | 5.1 | 5.7 | 6.9 |
| Fixed net assets | 51.0 | 51.8 | 50.9 | 49.0 |
| Funds | (6.2) | (6.2) | (6.4) | (6.5) |
| Net Capital Employed | 44.8 | 50.7 | 50.2 | 49.4 |
| Net Financial Position (Cash) | 21.8 | 26.9 | 24.9 | 21.2 |
| Equity | 23.0 | 23.8 | 25.3 | 28.2 |
| Sources | 44.8 | 50.7 | 50.2 | 49.4 |

Source: Company data (IAS/IFRS) for FY 2018, IR Top Research estimates for FY 2019-2021

¹ Pro-forma results (unaudited) considering the business combination as of January 1st, 2018

VALUATION AND STOCK PERFORMANCE

Following 1H 2018 results, with top line growth in line with expectations but lower than expected profitability, we put our target price and estimates under review. Although 1H 2019 showed the first signs of recovery and brought the Company back at historical profitability levels there are still uncertainties regarding the integration of business units. This would be implied in any value assessment and suggests giving time to Management's action plan to better feed through the numbers and better update the recovery expectations. We plan to express a target price as soon as there will be a more consistent outcome of the reorganization process with clear recovery of sales volumes and margins.



The limited free float of the Company at 6.6% makes an efficient price formation difficult and causes low trading volumes and high volatility of the stock, with a YTD ADTT of Euro 7,066 and a 52 weeks high/ low ranging from Euro 1.60 - 3.54.

PEER COMPARISON

For a peer comparison we have selected two peer groups (i) AIM Italia listed companies of the Manufacturing sector, and (ii) a peer group of international listed companies active in the automotive components industry.

AIM Italia listed peers

The tables below show estimates and multiples about AIM Italia companies belonging to the Manufacturing sector.

| Euro m | Market Cap | Revenues | | | EBITDA | | | EBIT | | | EARNINGS | | |
|---------------------------------|------------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | 19E | 20E | 21E | 19E | 20E | 21E | 19E | 20E | 21E | 19E | 20E | 21E |
| Clabo | 11 | 58 | 65 | 74 | 8 | 9 | 11 | 8 | 9 | 11 | 1 | 2 | 3 |
| Culti Milano | 8 | 9 | 12 | n.a. | 1 | 2 | n.a. | 1 | 2 | n.a. | 0 | 1 | n.a. |
| Fervi | 30 | 30 | 32 | 34 | 5 | 6 | 7 | 5 | 6 | 7 | 3 | 3 | 4 |
| Gel | 7 | 17 | 17 | 17 | 2 | 3 | 3 | 2 | 3 | 3 | 0 | 1 | 1 |
| Neodecortech | 45 | 142 | 148 | n.a. | 19 | 20 | n.a. | 19 | 20 | n.a. | 6 | 8 | n.a. |
| Rosetti Marino | 160 | 377 | 382 | n.a. | 14 | 16 | n.a. | 14 | 16 | n.a. | 6 | 8 | n.a. |
| SITI B&T Group | 38 | 195 | 200 | 209 | 17 | 17 | 18 | 17 | 17 | 18 | 7 | 7 | 8 |
| Median AIM Manufacturing | 30 | 58 | 65 | 54 | 8 | 9 | 9 | 4 | 5 | 6 | 3 | 3 | 4 |
| Costamp Group | 94 | 58 | 62 | 67 | 5 | 7 | 9 | 2 | 3 | 5 | 1 | 2 | 3 |

| | EV/SALES | | | EV/EBITDA | | | EV/EBIT | | | P/E | | |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|------------|------------|
| | 19E | 20E | 21E | 19E | 20E | 21E | 19E | 20E | 21E | 19E | 20E | 21E |
| Clabo | 0.6 | 0.5 | 0.5 | 4.6 | 3.9 | 3.2 | 11.4 | 8.4 | 5.9 | 11.7 | 6.0 | 3.6 |
| Culti Milano | 0.8 | 0.6 | n.d. | 7.1 | 3.9 | n.d. | 17.7 | 6.6 | n.d. | 39.9 | 11.4 | n.d. |
| Fervi | 0.9 | 0.8 | 0.7 | 5.6 | 4.4 | 3.4 | 7.3 | 5.6 | 4.0 | 10.9 | 9.2 | 7.6 |
| Gel | 0.8 | 0.7 | 0.6 | 5.5 | 4.6 | 3.9 | 11.3 | 8.7 | 6.6 | 15.9 | 12.0 | 9.6 |
| Neodecortech | 0.6 | 0.6 | n.d. | 4.6 | 4.0 | n.d. | 8.0 | 6.6 | n.d. | 7.2 | 5.8 | n.d. |
| Rosetti Marino | 0.2 | 0.2 | n.d. | 4.1 | 3.6 | n.d. | 7.1 | 5.5 | n.d. | 28.3 | 21.3 | n.d. |
| SITI B&T Group | 0.5 | 0.4 | 0.4 | 5.4 | 4.7 | 4.1 | 8.3 | 7.0 | 5.9 | 5.8 | 5.4 | 4.8 |
| Median AIM Manufacturing | 0.6 | 0.6 | 0.5 | 5.4 | 4.0 | 3.6 | 8.3 | 6.6 | 5.9 | 11.7 | 9.2 | 6.2 |
| Costamp Group | 2.1 | 1.9 | 1.7 | 22.2 | 18.1 | 13.2 | 57.1 | 37.3 | 21.5 | 104.1 | 58.6 | 31.2 |
| Discount/Premium to peers | 236% | 252% | 230% | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. | n.m. |

Source: PMI Capital as of November 12th, 2019

International peers

The following peer group has been selected considering worldwide listed companies active in the automotive components industry.

| Euro m | Country | Market Cap | Revenues | | | EBITDA | | |
|--|-------------|--------------|--------------|--------------|--------------|------------|------------|------------|
| | | | 2019E | 2020E | 2021E | 2019E | 2020E | 2021E |
| Aisin Seiki Co Ltd | Japan | 10,689 | 32,303 | 33,431 | 34,931 | 2,996 | 3,506 | 3,835 |
| American Axle & Manufacturing Holdings | USA | 1,078 | 6,046 | 5,784 | 5,300 | 893 | 929 | 828 |
| Borg Warner Inc | USA | 8,573 | 9,126 | 9,379 | 9,992 | 1,468 | 1,514 | 1,592 |
| Brembo S.p.A. | Italy | 3,693 | 2,601 | 2,698 | 2,791 | 503 | 519 | 535 |
| Endurance Technologies | India | 1,965 | 1,022 | 1,121 | 1,246 | 159 | 174 | 198 |
| Exco Technologies Limited | Canada | 221 | n.a. | 344 | 352 | n.a. | 47 | 50 |
| Georg Fisher | Switzerland | 3,662 | 3,430 | 3,444 | 3,588 | 357 | 411 | 460 |
| OSG Corp | Japan | 1,928 | 1,086 | 1,104 | 1,158 | 274 | 300 | 332 |
| Timken Company | USA | 3,683 | 3,432 | 3,397 | 3,428 | 662 | 650 | 660 |
| Valeo SA | France | 8,559 | 19,362 | 20,175 | 21,346 | 2,346 | 2,555 | 2,778 |
| Peers median | | 3,662 | 3,432 | 3,421 | 3,508 | 662 | 585 | 597 |
| Costamp Group | Italy | 94 | 58 | 62 | 67 | 5 | 7 | 9 |

| | EV/SALES | | | EV/EBITDA | | | EV/EBIT | | | P/E | | |
|--|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 19E | 20E | 21E | 19E | 20E | 21E | 19E | 20E | 21E | 19E | 20E | 21E |
| Aisin Seiki Co Ltd | 0.5 | 0.5 | 0.5 | 5.4 | 4.6 | 4.2 | 15.4 | 11.8 | 10.1 | 15.9 | 14.8 | 13.8 |
| American Axle & Manufacturing Holdings | 0.7 | 0.7 | 0.8 | 4.7 | 4.5 | 5.1 | 10.5 | 9.0 | 10.8 | 26.4 | 24.0 | 20.6 |
| Borg Warner Inc | 1.1 | 1.0 | 1.0 | 6.7 | 6.5 | 6.2 | 9.2 | 8.9 | 8.0 | 19.3 | 17.0 | 15.1 |
| Brembo S.p.A. | 1.6 | 1.5 | 1.5 | 8.1 | 7.8 | 7.6 | 12.9 | 12.2 | 11.7 | 16.1 | 15.5 | 13.7 |
| Endurance Technologies | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 11.4 | 11.4 | 10.8 |
| Exco Technologies Limited | 0.6 | 0.7 | 0.6 | 4.7 | 4.8 | 4.6 | 6.8 | 6.7 | n.a. | 20.1 | 13.7 | 10.7 |
| Georg Fisher | 1.2 | 1.2 | 1.1 | 11.4 | 9.9 | 8.8 | 17.0 | 14.1 | 12.2 | 15.9 | 14.8 | 13.8 |
| OSG Corp | 1.9 | 1.8 | 1.8 | 7.4 | 6.8 | 6.1 | 11.2 | 10.8 | 9.6 | 26.4 | 24.0 | 20.6 |
| Timken Company | 1.5 | 1.5 | 1.5 | 7.9 | 8.0 | 7.9 | 10.0 | 10.4 | 10.3 | 9.9 | 8.8 | 8.7 |
| Valeo SA | 0.6 | 0.6 | 0.6 | 5.3 | 4.8 | 4.5 | 12.2 | 10.5 | 8.9 | 19.3 | 17.0 | 15.1 |
| Peers median | 1.1 | 1.0 | 1.0 | 6.7 | 6.5 | 6.1 | 11.2 | 10.5 | 10.2 | 16.0 | 12.9 | 10.9 |
| Costamp Group | 2.1 | 1.9 | 1.7 | 22.2 | 18.1 | 13.2 | 57.1 | 37.3 | 21.5 | 104.1 | 58.6 | 31.2 |
| Discount/Premium to peers | 92% | 86% | 77% | 232% | 179% | 116% | n.m. | 257% | 111% | n.m. | n.m. | 188% |

Source: PMI Capital for Costamp Group as of November 12th, 2019 and FactSet data as of November 12th, 2019 for peers

MARKET UPDATE

Costamp Group is worldwide leader in the **engineering, production and trade of dies for die casting**, and globally the only player able to provide a **complete offer** in terms of processes (HPDC, LPDC & Gravity, Plastic) and products (aluminium, magnesium, cast iron and plastics). With over 50 years of history and 311 employees, it's the reference partner and strategic supplier, through the foundries, of the main car manufacturers. The main applications in the automotive field, which represents 95% of turnover, are the production of powertrains, structural parts and bumpers.

The Group operates within the worldwide **“Automotive”** market (95% of total turnover) where it supplies Tier-1 and collaborates directly with OEMs in the project management and design phase and should hence be positioned between Tier-2 and Tier-3 players in the supply chain. Key growth driver for the Company is the **introduction of new car models** rather than sales of existing models.

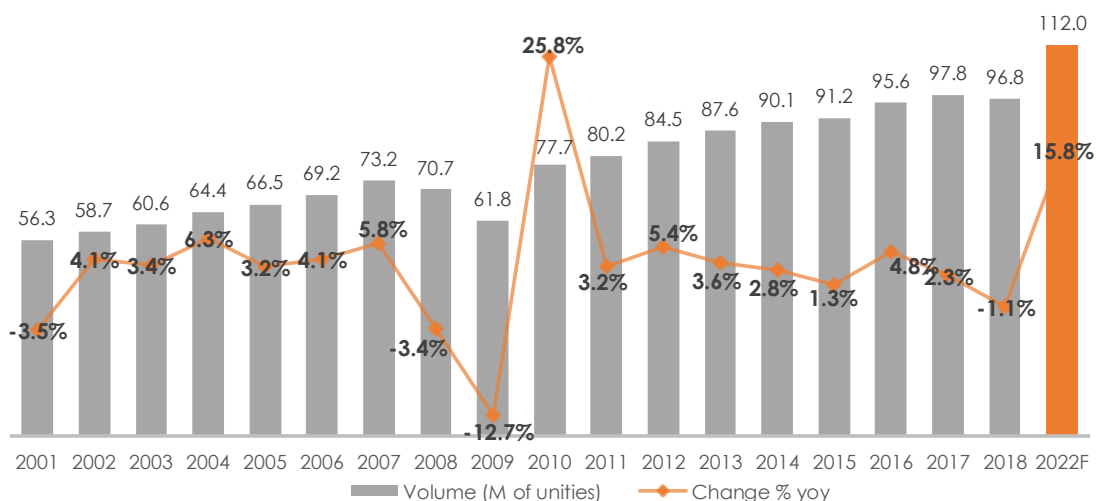
Supply chain Automotive Industry

| SUPPLY CHAIN AUTOMOTIVE INDUSTRY | | | |
|----------------------------------|--|--|--|
| OEMs | Tier-1 | Tier-2 | Tier-3 |
| Cars producers | Suppliers of modules and systems in direct relation with the OEMs, often in partnership for the design of new platforms and vehicles (like Bosch, Continental, BASF, | Many firms supply parts that end up in cars, even though these firms themselves do not sell directly to OEMs | In the automotive industry, the term Tier 3 refers to suppliers of raw, or close-to-raw, materials like metal or plastic |

Source: IR Top Research elaboration on Company information

After the drop in 2009, when the market counted 61.6 m vehicles, world production recovered immediately with yoy growth in 2010 of +26%. In the following years the market continued to increase and reached a record level in 2017 with 97.9 m vehicles. However, due to macroeconomic factors (US – China trade war, Brexi US- Iran tensions) the automotive market started to slow down during 2H 2018 with a slight decrease for the full year as a result (-1.1% or -1.06 m vehicles), to 96.8 m units.

Worldwide production of motor vehicles

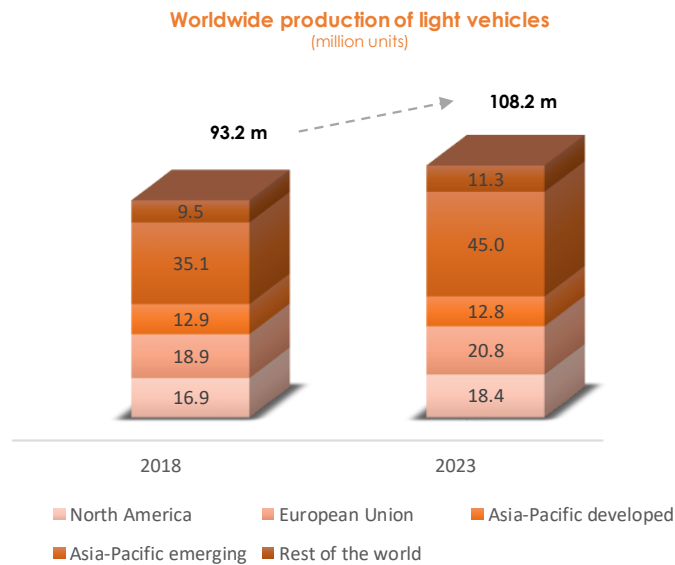


Source: ANFIA, OICA, Previsione Business Monitor International – from “Osservatorio sulla componentistica automotive italiana 2018” (edited by Ca’Foscari) and from “Osservatorio sulla componentistica automotive italiana 2019” (edited by Ca’Foscari) for year end 2018.

Macroeconomic uncertainties continued to affect the automotive market during the first three quarters of 2019, with sales down in all major geographical markets except for Brazil where sales increased by 8% and Japan where new passenger vehicle registrations increased by 2.2%. The Russian market contracted by approx. 2% while the US and European markets remained at relatively high levels despite a small reduction in sales. The Chinese new car market contracted by 12% (or two million cars) while the Indian market were down by a sharp 16%.

In the month of September 2019, the international automotive markets showed wide variations with some of the main countries recording a reversal of trends: sales in Europe (EU-28 and EFTA) enjoyed double-digit growth (+14.4%), whereas sales slumped in the US (-11.3%). China, India and Russia also recorded falling figures. By contrast, Japan and Brazil expanded by 13.6% and 9.2% respectively.

According to PwC projections, global production of light motor vehicles up to 6 tons is worth over 93 m of units in 2018 and is expected to rise to 108 m in 2023, with an average annual growth rate (CAGR) of 3% and an increase of 14.99 m of light vehicles (LV), 66% attributable to Asian developing countries (including China), 12.7% to the EU and 10% to North America (including Mexico).



Source: ANFIA, Studies and Statistics Area on PwC projections ("Osservatorio sulla componentistica automotive italiana – 2019" edited by Ca'Foscari)

Another source, the AlixPartners research forecasts that the global auto market will grow at an annual rate of just +1.6% through 2026, while the European auto market is predicted to grow +1.3% annually through 2026.

COSTAMP GROUP ON AIM ITALIA

IPO

Trading Market: AIM Italia – Borsa Italiana SpA
Date: December 5th, 2014
Price: Euro 2.5
Capital raised: Euro 3.0 m (Euro 1.5 m Equity and Euro 1.5 m POC)
Capitalisation: Euro 9.5 m

REVERSE TAKE-OVER

Date of contribution: February 21st, 2018
Takeover bid: from April 3rd to April 23th 2018
Price of Takeover bid: Euro 3.00
Second Takeover bid (purchase obligation): from May 7th to May 25th, 2018
Price of second Takeover bid: Euro 3.00

CONVERTIBLE BOND “Costamp Group 7% Cv 2014-2019” (as of November 12th, 2019)

Code: MOLD19
ISIN: IT0005068645
Issue date – Maturity date: December 5th, 2014 – December 5th, 2019
Nominal value or Issue Price of each bond: Euro 100
Issued amount: Euro 1.5 m
Interest rate: 7%
Conversion period: December 6th, 2016 – November 29th, 2019
Conversion ratio: 33:1 (shares: bond)

SHARES (as of November 12th, 2019)

Code: MOLD
Bloomberg: MOLD IM
Reuters: MOLD.MI
ISIN: IT0005068249
Shares: 42,605,447
Share capital: Euro 2,130,272
Price: Euro 2.20
Performance from IPO: -12%
Capitalisation: Euro 93.7 m
Free Float: 6.59%
NomAd: Banca Intermobiliare SpA
Specialist: Invest Banca SpA
Auditing firm: Pricewaterhouse Coopers SpA

The share capital subscribed and paid up is Euro 2,130,272, made up by 42,605,447 ordinary shares.
The Company currently has the following shareholders' structure:

| Shareholder | N° of shares | % |
|-----------------|-------------------|----------------|
| Co.Stamp Srl | 39,740,407 | 93.28% |
| Treasury shares | 54,753 | 0.13% |
| Market | 2,810,287 | 6.59% |
| Total | 42,605,447 | 100.00% |

Source: Company data as of November 12th, 2019

KEY FIGURES

| Profit&Loss Statement | 2018PF | 2019E | 2020E | 2021E |
|----------------------------------|---------------|--------------|--------------|--------------|
| Revenues | 58.0 | 57.0 | 62.5 | 68.5 |
| EBITDA | 1.6 | 5.6 | 6.8 | 8.9 |
| EBIT | (1.7) | 2.1 | 3.1 | 5.0 |
| Financial Income (charges) | (0.7) | (1.0) | (1.0) | (0.9) |
| Pre-tax profit (loss) | (2.4) | 1.1 | 2.1 | 4.1 |
| Taxes | 0.7 | (0.3) | (0.6) | (1.2) |
| Net profit (loss) Group | (1.7) | 0.8 | 1.5 | 2.9 |

Balance Sheet

| | | | | |
|----------------------|-------|-------|-------|-------|
| Fixed assets | 51.0 | 51.8 | 50.9 | 49.0 |
| NWC | (0.0) | 5.1 | 5.7 | 6.9 |
| M/L Funds | (6.2) | (6.2) | (6.4) | (6.5) |
| Net Capital Employed | 44.8 | 50.7 | 50.2 | 49.4 |
| Net Debt | 21.8 | 26.9 | 24.9 | 21.2 |
| Equity | 23.0 | 23.8 | 25.3 | 28.2 |

Cash Flow

| | | | | |
|----------------------------|-------|-------|-------|-------|
| EBIT | (1.7) | 2.1 | 3.1 | 5.0 |
| D&A | 3.2 | 3.6 | 3.7 | 3.9 |
| Tax | 0.7 | (0.3) | (0.6) | (1.2) |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in M/L Funds | 0.7 | 0.0 | 0.2 | 0.2 |
| Gross Cash Flow | 2.9 | 5.3 | 6.4 | 7.9 |
| Change in NWC | 9.1 | (5.2) | (0.5) | (1.3) |
| Operating Cash Flow | 12.0 | 0.2 | 5.8 | 6.6 |
| Capex (including IFRS 16) | (3.8) | (6.0) | (2.8) | (2.0) |
| Financial Income (charges) | (0.7) | (1.0) | (1.0) | (0.9) |
| Free Cash Flow | 7.5 | (6.8) | 2.0 | 3.7 |
| Dividend | 0.0 | 0.0 | 0.0 | 0.0 |
| Change in Equity | (4.4) | 0.8 | 1.5 | 2.9 |
| Change in Net debt | 3.2 | (6.0) | 3.5 | 6.6 |

Per Share Data

| | | | | |
|-------------------------------|-------------|-------|------|------|
| Current Price (Euro) | 2.20 | | | |
| Total shares out (mn) average | 42.6 | | | |
| EPS | (0.04) | 0.02 | 0.03 | 0.07 |
| EPS Diluted | (0.04) | 0.02 | 0.03 | 0.07 |
| DPS | 0 | 0 | 0 | 0 |
| FCF | 7.5 | (6.8) | 2.0 | 3.7 |
| Pay out ratio | 0% | 0% | 0% | 0% |

Ratios

| | | | | |
|---------------------------|-------|--------|-------|-------|
| EBITDA margin | 2.7% | 9.8% | 10.9% | 13.0% |
| EBIT margin | -2.9% | 3.6% | 4.9% | 7.3% |
| Net Debt/Equity (Gearing) | 94.5% | 113.0% | 98.5% | 75.2% |
| Net Debt/EBITDA | 13.93 | 4.79 | 3.65 | 2.39 |
| Interest cover EBIT | 0.43 | -0.47 | -0.33 | -0.18 |
| ROE | -7.3% | 3.2% | 5.8% | 10.4% |
| Free Cash Flow Yield | 39% | -35% | 10% | 19% |

Growth Rates

| | | | | |
|------------|-------|------|-----|------|
| Sales | 39% | -2% | 10% | 10% |
| EBITDA | -53% | 259% | 22% | 30% |
| EBIT | -217% | 224% | 50% | 63% |
| Net Profit | -335% | 146% | 89% | 100% |

Source: Company data (IAS/IFRS) for FY 2018 and IRTop Research estimates for FY 2019-2021

DISCLAIMER

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| | Target Price | Market Price | Validity Time |
|----------------------------------|--------------|--------------|---------------|
| November 13 th , 2019 | U.R. | 2.20 | 12 months |
| October 30 th , 2018 | U.R. | 3.30 | 12 months |
| June 18 th , 2018 | 3.32 | 4.08 | 12 months |

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

RESEARCH TEAM

Luisa Primi, (Senior Analyst, AIAF Associated)

Andrea Praga, (Analyst)

Chiara Cardelli, (Researcher)

No other people or companies participated or anyhow 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.

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