

## 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).

### SPONSORED RESEARCH

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

#### Analyst

Fernando Abril-Martorell

+34 91 550 87 19

fabrilmartorell@alantraequities.com

**Alantra Equities:** This report (the "Report") has been prepared by Alantra Equities Sociedad de Valores, S.A. ("Alantra Equities"), a company pertaining to the Alantra Group that provides investment banking, asset management, equities brokerage, capital markets and financial advisory services. The date and hour of preparation of this investment recommendation refers to the date and hour of preparation and disclosure indicated on the first page of the Report.

Alantra Equities Sociedad de Valores, S.A. is a Spanish investment firm located in Madrid, calle José Ortega y Gasset 29, registered at the *Comisión Nacional del Mercado de Valores* (CNMV) with number 245.

**Analyst certification:** Each research analyst primarily responsible for the content of this research Report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this Report: (i) all the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner, and (ii) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that research analyst in this research Report.

#### Important disclosures:

**Alantra Equities receives remuneration from the issuer that this Report refers to in consideration of the research services that Alantra Equities provides to it. Therefore, this Report is considered sponsored research or marketing material for the purposes of the provisions of the Markets in Financial Instruments Directive.**

**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.**

This Report is solely for the information of clients of Alantra Equities and for distribution only under such circumstances as may be permitted by applicable law. Alantra Equities specifically prohibits the redistribution of this material in whole or in part without the prior written permission of Alantra Equities and therefore Alantra Equities accepts no liability whatsoever for the actions or third parties in this respect.

The opinions contained in this report and in other media used by Alantra Equities (such as the internet), reflect the opinion of the respective Analyst on the date of publication of such material and, therefore, may be subject to change at any time and without notice.

Nothing in this Report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. This Report is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities or markets referred to in this Report. Alantra Equities does not undertake that investors will obtain profits nor accept any liability for any investment losses arising from any use of this Report or its contents. Investments involve risks and investors should exercise prudence in making their investment decisions. This Report should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this Report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas of the Alantra Group as a result of using different assumptions and criteria. Research will be initiated, updated and coverage ceased solely at the discretion of Alantra Equities. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. Alantra Equities is under no obligation to keep current the information contained in this Report.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this Report.

Any prices stated in this Report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been effected at those prices.

Neither Alantra Equities nor any of the companies pertaining to the Alantra Group nor any of their shareholders, directors, employees or agents accept any liability for any loss or damage arising out of the use of all or any part of this Report.

Except as otherwise specified herein, this material is communicated by Alantra Equities to persons who are eligible counterparties or professional clients and is only available to such persons. The information contained herein does not apply to retail clients.

#### Important disclosures on conflicts of interest:

The analysts responsible for the preparation of this Report may interact with trading desk personnel, sales personnel and investment managers. Alantra Equities belongs to the Alantra Group, a group that is engaged in financial advisory services, asset management as well as securities trading and brokerage, and capital markets. Alantra Equities, any other company pertaining to the Alantra Group, and any of their shareholders, directors, employees may, to the extent permitted by law, have a position or otherwise be interested in any transactions, in any investments directly or indirectly the subject of this publication. The Alantra Group relies on information barriers to control the flow of information contained in one or more areas within the Alantra Group, into other areas, units, groups or affiliates of the Alantra Group. The Alantra Group may do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the Alantra Group may have a conflict of interest.

For the purposes of mitigating any conflict of interests, the Alantra Group has established, implemented and maintains an effective conflicts of interest policy appropriate to its size and organisation and to the nature, scale and complexity of its business. The policy, periodically revised, can be consulted at the Alantra Equities website through the following link: Conflicts of Interest. Investors should consider this Report as only a single factor in making their investment decisions. In addition, Alantra Group's website ([www.alantra.com](http://www.alantra.com)) provides information on closed and public corporate transactions, not subject to confidentiality, in which the Alantra Group, through its subsidiaries in the investment banking area, has acted as financial advisor, from time to time.

The disclosures contained in research Report produced by Alantra Equities shall be governed by and construed in accordance with Spanish law.

The receipt of this Report implies full acceptance by its recipients of the contents of this disclaimer.