



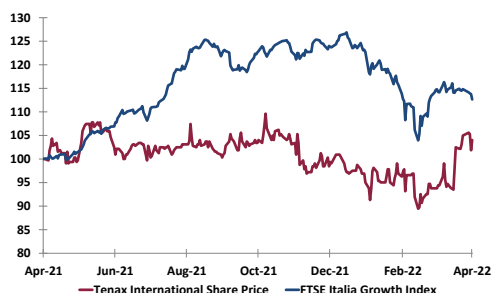
Meeting FY21 targets, over 1Y backlog at Q1 22, time to invest to match rising demand of wider product range

OUTPERFORM

Current Share Price (€): 3.35

Target Price (€): 4.78

Tenax International - 1Y Performance



Source: S&P Capital IQ - Note: 22/04/2021=100

Company data

| | |
|------------------------|-----------------------|
| ISIN number | IT0005428898 |
| Bloomberg code | TNX IM |
| Reuters code | TNX.IM |
| Industry | Manufacturing |
| Stock market | Euronext Growth Milan |
| Share Price (€) | 3.35 |
| Date of Price | 22/04/2022 |
| Shares Outstanding (m) | 3.4 |
| Market Cap (€m) | 11.5 |
| Market Float (%) | 32.3% |
| Daily Volume | 7,700 |
| Avg Daily Volume YTD | 5,771 |
| Target Price (€) | 4.78 |
| Upside (%) | 43% |
| Recommendation | OUTPERFORM |

Share price performance

| | 1M | 3M | 1Y |
|------------------------|------|------|-----|
| Tenax - Absolute (%) | 11% | 9% | 4% |
| FTSE Italia Growth (%) | -2% | -8% | 13% |
| 1Y Range H/L (€) | 3.53 | 2.88 | |
| YTD Change (€) / % | 0.10 | 3% | |

Source: S&P Capital IQ

Analysts

Franco Gaudenti - Head of Research
fgaudenti@enventcapitalmarkets.co.uk

Luigi Tardella - Co-Head of Research
ltardella@enventcapitalmarkets.co.uk

EnVent Capital Markets Limited

42, Berkeley Square - London W1J 5AW (UK)
Phone +44 (0) 20 35198451

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Sales over 30% up, over 90% abroad

FY21 financials confirmed the regular trend experienced so far: sales at €10m, +32% YoY, and total revenues including maintenance services nearly €11m. EBITDA stayed at the same level of previous year, also slightly impacting the margin, just under 10% vs over 11% in 2020, as predictable in view of the increasing personnel and marketing expense. Inventory increased to respond to rising demand, however its level relative to sales was reduced, from over 60% at 2020 year-end to 50%. Receivables figure looking unusually high was due, according to management, to a material (€1.8m) overdue payment cashed in last January. Normalized working capital percentage on value of production would have been slightly lower than prior year.

Outlook: no surprise quantum-leap Q1 22 backlog

In the last months, both the persistence, if not worsening, of uncertainty in the current global economic framework and, conversely, of the need for acceleration in cleaner infrastructure, have been among the most debated issues. In the meantime, management announced that Q1 22 sales plus backlog are worth more than the entire 2021 sales. Within this framework, we stress as indispensable those investments made by Tenax during 2021: development of new larger machines; recruiting for all teams to face the expected substantial demand rising; restart of traveling for sales promotion, including international exhibitions. The exceptional substantial backlog growth confirms the assumption of low sensitivity of Tenax business to economic turmoil.

FY21 performance and rising backlog push towards raising estimates

Tenax performed ahead of our expectations, furthermore, the backlog trend suggests adjusting upwards the current and following years to envisage an inherent value upside. With a moderating factor, i.e. the production capacity adaptation and possible difficulties of the supply chain, consequence of the persistence of troubles of the global trade. Thus, we revise our estimates for 2021-25E accordingly.

Target Price €4.78 per share (from €4.49), OUTPERFORM rating confirmed

Our updated valuation indicates a Target Price per share of €4.78 (from €4.49), 43% upside on current share price. We confirm the OUTPERFORM rating on the stock.

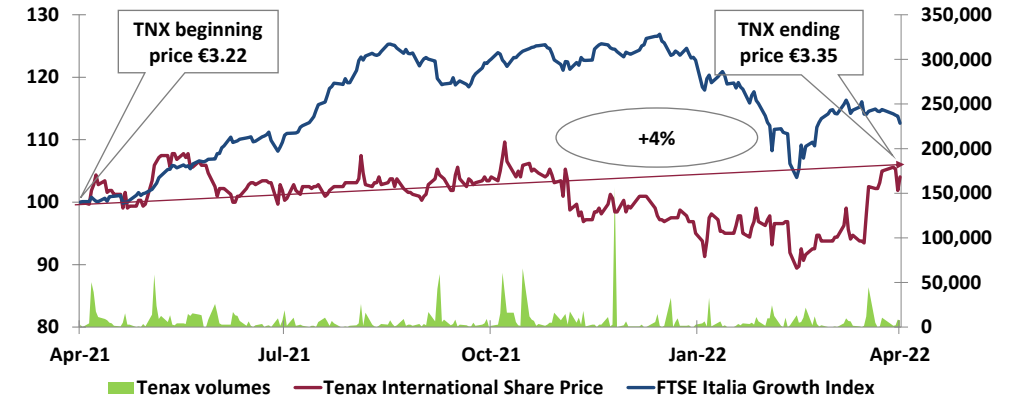
KEY FINANCIALS AND ESTIMATES

| €m | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E | 2025E |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Sales | 7.9 | 8.4 | 7.9 | 10.4 | 14.0 | 19.0 | 23.7 | 27.2 |
| Total Revenues | 8.4 | 8.9 | 8.9 | 10.9 | 15.3 | 20.7 | 25.0 | 28.9 |
| EBITDA | 1.1 | 1.0 | 1.0 | 1.1 | 1.7 | 2.5 | 3.1 | 3.6 |
| Margin on Sales | 13% | 12% | 13% | 10% | 12% | 13% | 13% | 13% |
| Net (Debt) Cash | (3.3) | (3.8) | (2.9) | (5.4) | (3.7) | (2.9) | (2.4) | (0.8) |
| Equity | 1.5 | 1.7 | 4.7 | 5.6 | 6.0 | 7.1 | 8.6 | 10.5 |

Source: Company data 2018-21A, EnVent Research 2022-25E

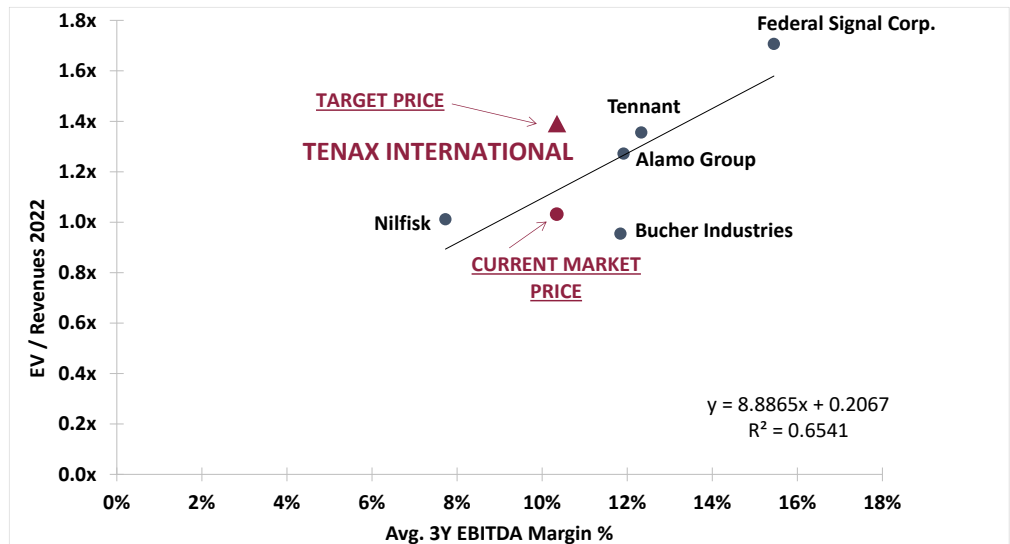
Market update

Tenax International - 1Y Share price performance and trading volumes



Source: EnVent Research on S&P Capital IQ - Note: 22/04/2021=100

Industry peers' stocks - Regression analysis and Tenax target positioning



Source: EnVent Research on S&P Capital IQ, April 2022

Investment case

Pioneer of ESG economy

In-house full electric vehicles

Public tenders

Tenax International is an Italian producer of high performance full electric road sweepers and washers for cleaning on public and private roads/area, designed and engineered *from scratch* in-house. The internal development process unlocks the full potential of electric power technology compared to electrifying older diesel-based models already available in the market, providing light and efficient vehicles with zero emissions and with modifiable power storage based on customers' need. Tenax owns active patents for its in-house technology.

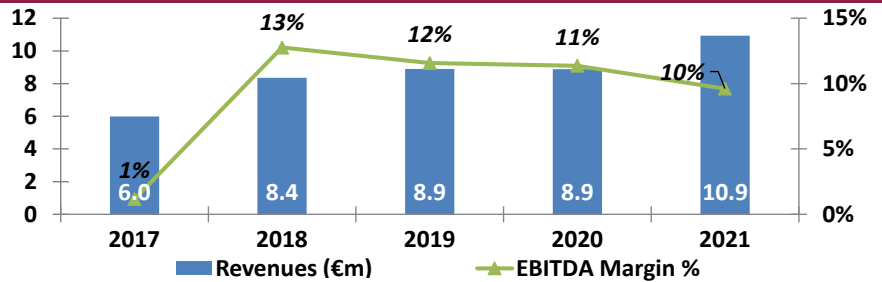
Major end customers are public administrations and municipalities which are reached through a comprehensive dealer network. Sales are generated by selection and participation to public tenders. Tenax operates in the compact street sweepers segment and its full-electric vehicles are sold worldwide, with most revenues

Strategy

generated internationally.

Main strategic goal is to maintain leadership in the electric segment, developing next-generation sweepers for segments in which Tenax is not currently present and improving the existing range in response to customer requirements. Tenax aims to continue the geographical expansion into new markets and to pursue acquisition opportunities to enrich product and customer portfolio.

Historical revenues and EBITDA



Source: Company data

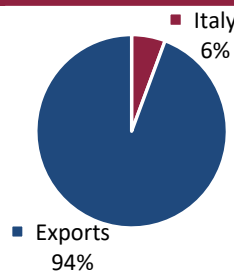
Industry and Company drivers

- Electric-based machines at the core of e-mobility innovation
- Feeding sustainability demand in the road sweepers market: wide room for growth of full electric vehicles
- The mobile machinery industry is a Europe-based world class industrial cluster
- Full-electric pioneer in a niche market segment destined to shift to electric
- Development and innovation skills, ability to design and develop cost-effective cleaning vehicles
- Diversified product portfolio and global presence

Challenges

- High rivalry, second and fast second movers may populate market and increase competition
- Municipal organization dependency
- International market exposure
- Sustainability of operating margins

Revenue breakdown by geography, 2021



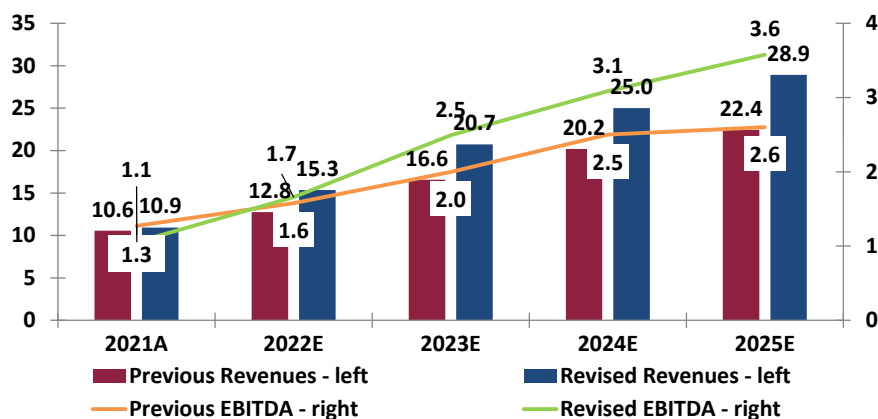
Source: Company data

Estimates revision

Based on FY21 results and Q1 2022 backlog, we have raised our sales estimates and fine-tuned operating costs. On the TWC, we have adjusted DOI to factor in the recent improvement.

Change in estimates

Previous vs. Revised Revenues and EBITDA estimates (€m)



Source: EnVent Research

| €m | Revised | | | | | Previous | | | | | Change % | | | | |
|--------------------------|---------|-------|-------|-------|-------|----------|-------|-------|-------|-------|----------|-------|-------|-------|-------|
| | 2021A | 2022E | 2023E | 2024E | 2025E | 2021E | 2022E | 2023E | 2024E | 2025E | 2021A | 2022E | 2023E | 2024E | 2025E |
| Sales | 10.4 | 14.0 | 19.0 | 23.7 | 27.2 | 10.0 | 12.3 | 15.8 | 19.3 | 22.0 | 4% | 14% | 20% | 23% | 24% |
| Revenues | 10.9 | 15.3 | 20.7 | 25.0 | 28.9 | 10.6 | 12.8 | 16.6 | 20.2 | 22.4 | 4% | 20% | 25% | 24% | 29% |
| EBITDA | 1.1 | 1.7 | 2.5 | 3.1 | 3.6 | 1.3 | 1.6 | 2.0 | 2.5 | 2.6 | -17% | 5% | 25% | 23% | 37% |
| <i>Margin</i> | 10% | 11% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | | | | | |
| EBIT | 0.4 | 0.8 | 1.7 | 2.3 | 2.8 | 0.6 | 0.8 | 1.3 | 1.8 | 1.9 | -40% | -2% | 30% | 28% | 46% |
| <i>Margin</i> | 3% | 5% | 8% | 9% | 10% | 6% | 6% | 8% | 9% | 9% | | | | | |
| Net Income (Loss) | 0.2 | 0.4 | 1.1 | 1.5 | 1.9 | 0.3 | 0.4 | 0.8 | 1.1 | 1.2 | -21% | -4% | 35% | 31% | 50% |
| Net (Debt) Cash | (5.4) | (3.7) | (2.9) | (2.4) | (0.8) | (3.6) | (2.9) | (1.7) | (1.3) | 0.3 | | | | | |
| <i>Net Debt / EBITDA</i> | 5.1x | 2.2x | 1.2x | 0.8x | 0.2x | 2.8x | 1.8x | 0.9x | 0.5x | cash | | | | | |

Source: EnVent Research

Financial projections

| Profit and Loss | | | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| €m | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E | 2025E |
| Sales | 7.9 | 8.4 | 7.9 | 10.4 | 14.0 | 19.0 | 23.7 | 27.2 |
| Change in inventory | 0.4 | 0.4 | 0.7 | (0.2) | 0.9 | 1.4 | 0.9 | 1.3 |
| Capitalization of R&D | 0.0 | 0.0 | 0.2 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other income | 0.1 | 0.1 | 0.0 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Revenues | 8.4 | 8.9 | 8.9 | 10.9 | 15.3 | 20.7 | 25.0 | 28.9 |
| YoY % | 39.7% | 6.4% | -0.1% | 23.2% | 40.3% | 35.1% | 20.6% | 15.6% |
| Materials | (4.1) | (4.3) | (4.1) | (4.2) | (6.7) | (9.8) | (11.8) | (14.3) |
| Services | (1.7) | (1.6) | (1.8) | (3.5) | (4.3) | (5.5) | (6.7) | (7.3) |
| Personnel | (1.4) | (1.7) | (1.7) | (1.9) | (2.2) | (2.4) | (2.7) | (3.0) |
| Other operating costs | (0.1) | (0.2) | (0.2) | (0.3) | (0.4) | (0.6) | (0.7) | (0.8) |
| Operating charges | (7.3) | (7.9) | (7.9) | (9.9) | (13.7) | (18.2) | (21.9) | (25.3) |
| EBITDA | 1.1 | 1.0 | 1.0 | 1.1 | 1.7 | 2.5 | 3.1 | 3.6 |
| Margin on Sales | 13.5% | 12.3% | 12.8% | 10.1% | 11.8% | 13.1% | 13.0% | 13.1% |
| Margin on Total Revenues | 12.8% | 11.6% | 11.4% | 9.6% | 10.8% | 12.0% | 12.3% | 12.4% |
| D&A | (0.5) | (0.6) | (0.6) | (0.7) | (0.9) | (0.8) | (0.8) | (0.8) |
| EBIT | 0.6 | 0.4 | 0.4 | 0.4 | 0.8 | 1.7 | 2.3 | 2.8 |
| Margin | 7.3% | 4.4% | 4.7% | 3.4% | 5.0% | 8.3% | 9.0% | 9.7% |
| Interest | (0.2) | (0.1) | (0.2) | (0.1) | (0.2) | (0.2) | (0.2) | (0.2) |
| EBT | 0.4 | 0.2 | 0.2 | 0.3 | 0.6 | 1.5 | 2.1 | 2.6 |
| Margin | 5.4% | 2.8% | 2.7% | 2.3% | 3.7% | 7.3% | 8.3% | 9.0% |
| Income taxes | (0.0) | (0.1) | (0.1) | (0.0) | (0.2) | (0.4) | (0.6) | (0.7) |
| Net Income (Loss) | 0.4 | 0.1 | 0.2 | 0.2 | 0.4 | 1.1 | 1.5 | 1.9 |
| Margin | 4.8% | 1.4% | 1.9% | 2.2% | 2.6% | 5.2% | 5.9% | 6.5% |

Source: Company data 2018-21A, EnVent Research 2022-25E

| Balance Sheet | | | | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| €m | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E | 2025E |
| Inventory | 3.1 | 3.9 | 4.9 | 5.2 | 6.2 | 7.5 | 8.4 | 9.7 |
| Trade receivables | 3.0 | 2.7 | 4.1 | 6.0 | 5.2 | 5.7 | 7.1 | 7.3 |
| Trade payables | (2.3) | (2.6) | (3.2) | (3.2) | (4.6) | (6.3) | (7.7) | (9.0) |
| Trade Working Capital | 3.8 | 4.0 | 5.7 | 8.0 | 6.7 | 6.9 | 7.9 | 8.0 |
| Other assets (liabilities) | (0.1) | (0.2) | (0.1) | 0.5 | 0.7 | 1.0 | 1.2 | 1.4 |
| Net Working Capital | 3.6 | 3.8 | 5.7 | 8.5 | 7.4 | 7.9 | 9.0 | 9.4 |
| Intangible assets | 0.9 | 1.5 | 2.0 | 2.5 | 2.4 | 2.3 | 2.1 | 2.0 |
| Property, plant and equipment | 0.3 | 0.5 | 0.4 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| Non-current assets | 1.3 | 2.0 | 2.4 | 2.9 | 2.7 | 2.6 | 2.5 | 2.4 |
| Provisions | (0.1) | (0.4) | (0.4) | (0.4) | (0.4) | (0.5) | (0.5) | (0.5) |
| Net Invested Capital | 4.8 | 5.4 | 7.7 | 11.0 | 9.7 | 10.0 | 11.0 | 11.3 |
| Net Debt (Cash) | 3.3 | 3.8 | 2.9 | 5.4 | 3.7 | 2.9 | 2.4 | 0.8 |
| Equity | 1.5 | 1.7 | 4.7 | 5.6 | 6.0 | 7.1 | 8.6 | 10.5 |
| Sources | 4.8 | 5.4 | 7.7 | 11.0 | 9.7 | 10.0 | 11.0 | 11.3 |

Source: Company data 2018-21A, EnVent Research 2022-25E

Cash Flow

| €m | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E | 2025E |
|---|--------------|--------------|--------------|--------------|------------|------------|------------|------------|
| EBIT | 0.6 | 0.4 | 0.4 | 0.4 | 0.8 | 1.7 | 2.3 | 2.8 |
| Current taxes | (0.0) | (0.1) | (0.1) | (0.0) | (0.2) | (0.4) | (0.6) | (0.7) |
| D&A | 0.5 | 0.6 | 0.6 | 0.7 | 0.9 | 0.8 | 0.8 | 0.8 |
| Provisions | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from P&L operations | 1.1 | 1.2 | 1.0 | 1.0 | 1.5 | 2.1 | 2.5 | 2.9 |
| Trade Working Capital | (2.9) | (0.2) | (1.7) | (2.3) | 1.3 | (0.2) | (1.0) | (0.2) |
| Other assets and liabilities | 0.5 | 0.0 | (0.1) | (0.6) | (0.2) | (0.3) | (0.2) | (0.2) |
| Capex | (0.2) | (1.1) | (0.5) | (1.2) | (0.7) | (0.7) | (0.7) | (0.7) |
| Capex - IPO cost | 0.0 | 0.0 | (0.6) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating cash flow after WC and capex | (1.4) | (0.1) | (1.9) | (3.0) | 1.9 | 1.0 | 0.7 | 1.8 |
| Interest | (0.2) | (0.1) | (0.2) | (0.1) | (0.2) | (0.2) | (0.2) | (0.2) |
| Goodwill allocation | 0.0 | (0.2) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Paid-in capital - IPO Proceeds 2020 | 0.0 | 0.0 | 2.9 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash flow | (1.6) | (0.5) | 0.9 | (2.5) | 1.7 | 0.8 | 0.5 | 1.6 |
| Net Debt (Beginning) | (1.7) | (3.3) | (3.8) | (2.9) | (5.4) | (3.7) | (2.9) | (2.4) |
| Net Debt (End) | (3.3) | (3.8) | (2.9) | (5.4) | (3.7) | (2.9) | (2.4) | (0.8) |
| Change in Net Debt (Cash) | (1.6) | (0.5) | 0.9 | (2.5) | 1.7 | 0.8 | 0.5 | 1.6 |

Source: Company data 2018-21A, EnVent Research 2022-25E

Ratio analysis

| KPIs | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E | 2025E |
|--|------|------|------|------|-------|-------|-------|-------|
| ROE | 26% | 8% | 4% | 4% | 7% | 15% | 17% | 18% |
| ROS (EBIT/Sales) | 8% | 5% | 5% | 4% | 5% | 9% | 10% | 10% |
| ROIC (NOPAT/Invested Capital) | 9% | 5% | 4% | 2% | 6% | 12% | 15% | 18% |
| DOI | 143 | 168 | 225 | 184 | 160 | 145 | 130 | 130 |
| DSO | 114 | 98 | 154 | 172 | 110 | 90 | 90 | 80 |
| DPO | 120 | 127 | 154 | 120 | 120 | 120 | 120 | 120 |
| TWC/Sales | 48% | 48% | 73% | 77% | 48% | 36% | 33% | 29% |
| Net Debt / EBITDA | 3.1x | 3.7x | 2.9x | 5.1x | 2.2x | 1.2x | 0.8x | 0.2x |
| Net Debt / Equity | 2.1x | 2.3x | 0.6x | 1.0x | 0.6x | 0.4x | 0.3x | 0.1x |
| Net Debt / (Net Debt+Equity) | 0.7x | 0.7x | 0.4x | 0.5x | 0.4x | 0.3x | 0.2x | 0.1x |
| Cash flow from P&L operations / EBITDA | 99% | 114% | 96% | 98% | 92% | 84% | 82% | 81% |
| FCF / EBITDA | neg | neg | neg | neg | 115% | 38% | 22% | 51% |
| Per-capita revenues (€k) | 283 | 262 | 251 | 291 | 342 | 420 | 477 | 498 |
| Earnings per Share (€) | na | na | 0.05 | 0.07 | 0.12 | 0.32 | 0.43 | 0.54 |

Source: Company data 2018-21A, EnVent Research 2022-25E

Valuation

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 1.0% (Italian 10-year government bonds interest rate - 3Y average. Source: Bloomberg, April 2022)
- Market return: 12.5% (3Y average. Source: Bloomberg, April 2022)
- Market risk premium: 11.5%
- Beta: 1.0 (EnVent analysis on selected peers, rounded figures)
- Cost of equity: 12.5%
- Cost of debt: 4.0%
- Tax rate: 24% (IRES)
- 40% debt/(debt + equity) as target capital structure
- WACC calculated at 8.7%
- Perpetual growth rate after explicit projections: 2.5%

- Terminal Value assumes a normalized sustainable EBITDA margin of 12%

| DCF Valuation | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|
| €m | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E | 2025E | Perpetuity |
| Revenues | 8.4 | 8.9 | 8.9 | 10.9 | 15.3 | 20.7 | 25.0 | 28.9 | 29.6 |
| EBITDA | 1.1 | 1.0 | 1.0 | 1.1 | 1.7 | 2.5 | 3.1 | 3.6 | 3.6 |
| <i>Margin</i> | 12.8% | 11.6% | 11.4% | 9.6% | 10.8% | 12.0% | 12.3% | 12.4% | 12.0% |
| EBIT | 0.6 | 0.4 | 0.4 | 0.4 | 0.8 | 1.7 | 2.3 | 2.8 | 3.1 |
| <i>Margin</i> | 7.3% | 4.4% | 4.7% | 3.4% | 5.0% | 8.3% | 9.0% | 9.7% | 10.3% |
| Taxes | (0.2) | (0.1) | (0.1) | (0.1) | (0.2) | (0.5) | (0.6) | (0.8) | (0.9) |
| NOPAT | 0.4 | 0.3 | 0.3 | 0.3 | 0.6 | 1.2 | 1.6 | 2.0 | 2.2 |
| D&A | 0.5 | 0.6 | 0.6 | 0.7 | 0.9 | 0.8 | 0.8 | 0.8 | 0.5 |
| Provisions | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from operations | 0.9 | 1.2 | 0.9 | 1.0 | 1.5 | 2.0 | 2.5 | 2.8 | 2.7 |
| Trade Working Capital | (2.9) | (0.2) | (1.7) | (2.3) | 1.3 | (0.2) | (1.0) | (0.2) | (0.7) |
| Other assets and liabilities | 0.5 | 0.0 | (0.1) | (0.6) | (0.2) | (0.3) | (0.2) | (0.2) | 0.0 |
| Capex | (0.2) | (1.1) | (0.5) | (1.2) | (0.7) | (0.7) | (0.7) | (0.7) | (0.5) |
| Capex - IPO costs | 0.0 | 0.0 | (0.6) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Yearly unlevered free cash flow | (1.6) | (0.1) | (2.0) | (3.1) | 1.9 | 0.9 | 0.6 | 1.8 | 1.5 |
| Free cash Flow to be discounted | | | | | 1.9 | 0.9 | 0.6 | 1.8 | 1.5 |
| WACC | 8.7% | | | | | | | | |
| Long-term growth (G) | 2.5% | | | | | | | | |
| Discounted Cash Flows | | | | | 1.7 | 0.8 | 0.5 | 1.3 | |
| Sum of Discounted Cash Flows | 4.3 | | | | | | | | |
| Terminal Value | | | | | | | | | 24.6 |
| Discounted TV | 17.6 | | | | | | | | |
| Enterprise Value | 21.9 | | | | | | | | |
| Net Debt as of 31/12/21 | (5.4) | | | | | | | | |
| Equity Value | 16.5 | | | | | | | | |

| DCF - Implied multiples | 2020 | 2021 | 2022E | 2023E | 2024E | 2025E |
|---|-------------|-------|-------|-------|-------|-------|
| EV/Revenues | 2.5x | 2.0x | 1.4x | 1.1x | 0.9x | 0.8x |
| EV/EBITDA | 21.7x | 20.8x | 13.2x | 8.8x | 7.1x | 6.1x |
| EV/EBIT | 51.9x | 58.7x | 28.4x | 12.7x | 9.7x | 7.8x |
| P/E | 97.2x | 69.3x | 40.6x | 15.1x | 11.1x | 8.8x |
| <i>Discount of current valuation vs DCF</i> | -23% | | | | | |
| Current market price - Implied multiples | 2020 | 2021 | 2022E | 2023E | 2024E | 2025E |
| EV/Revenues | 1.9x | 1.5x | 1.1x | 0.8x | 0.7x | 0.6x |
| EV/EBITDA | 16.8x | 16.1x | 10.2x | 6.8x | 5.5x | 4.7x |
| EV/EBIT | 40.2x | 45.5x | 22.0x | 9.9x | 7.5x | 6.1x |
| P/E | 68.2x | 48.6x | 28.4x | 10.6x | 7.8x | 6.2x |

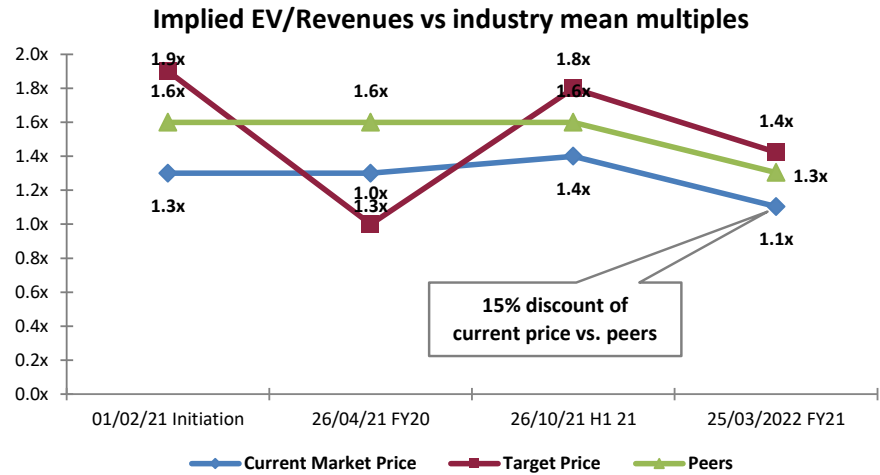
Source: EnVent Research

Market multiples

| Company | EV/REVENUES | | | EV/EBITDA | | | EV/EBIT | | | P/E | | |
|-----------------------------|-------------|-------------|-------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 2021 | 2022E | 2023E | 2021 | 2022E | 2023E | 2021 | 2022E | 2023E | 2021 | 2022E | 2023E |
| Bucher Industries | 1.3x | 1.0x | 0.9x | 9.4x | 7.1x | 7.0x | 11.6x | 9.0x | 8.7x | 14.4x | 13.7x | 392.3x |
| Nilfisk | 1.1x | 1.0x | 1.0x | 11.1x | 6.9x | 6.6x | 13.2x | 11.6x | 11.0x | 14.2x | 12.5x | 391.4x |
| Tennant | 1.5x | 1.4x | 1.3x | 12.0x | 10.2x | 9.3x | 19.2x | 15.6x | 13.4x | 22.4x | na | 475.6x |
| Federal Signal Corp. | 2.4x | 1.7x | 1.6x | 16.2x | 10.9x | 9.2x | 22.5x | 14.8x | 12.0x | 22.4x | 18.4x | 193.9x |
| Alamo Group | 1.5x | 1.3x | 1.2x | 12.4x | 10.1x | 9.3x | 17.1x | 13.4x | 11.9x | 21.0x | 16.3x | 119.6x |
| Mean | 1.6x | 1.3x | 1.2x | 12.2x | 9.1x | 8.3x | 16.7x | 12.9x | 11.4x | 18.9x | 15.2x | 314.6x |
| Median | 1.5x | 1.3x | 1.2x | 12.0x | 10.1x | 9.2x | 17.1x | 13.4x | 11.9x | 21.0x | 15.0x | 391.4x |
| Tenax International | 1.4x | 1.1x | 0.8x | 14.9x | 10.2x | 6.8x | 42.0x | 22.0x | 9.9x | 43.1x | 25.2x | 9.4x |

Source: EnVent Research on S&P Capital IQ, 22/04/2022

Target Price



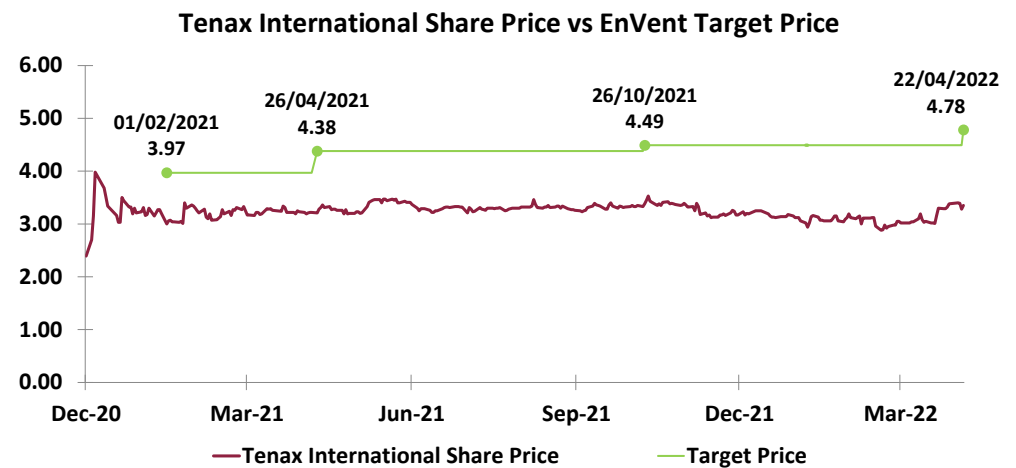
Source: EnVent Research on S&P Capital IQ, 22/04/2022

Our DCF-based valuation yields a target price of €4.78 per share, from €3.35 of our prior note, implying a 43% upside potential on Tenax International current stock price. We confirm the OUTPERFORM rating on the stock.

| Tenax International Price per Share | | € |
|-------------------------------------|--|------------|
| Target Price | | 4.78 |
| Current Share Price (22/04/2022) | | 3.35 |
| Premium (Discount) | | 43% |

Source: EnVent Research

Please refer to important disclosures at the end of this report.



Source: EnVent Research on S&P Capital IQ, 22/04/2022

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Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

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The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 22/04/2022 h. 6.30pm

Date and time of Distribution: 25/04/2022 h. 6.50pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

| Date | Recommendation | Target Price (€) | Share Price (€) |
|------------|----------------|------------------|-----------------|
| 01/02/2021 | OUTPERFORM | 3.97 | 3.00 |
| 26/04/2021 | OUTPERFORM | 4.38 | 3.21 |
| 26/10/2021 | OUTPERFORM | 4.49 | 3.38 |
| 25/04/2022 | OUTPERFORM | 4.78 | 3.35 |

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