

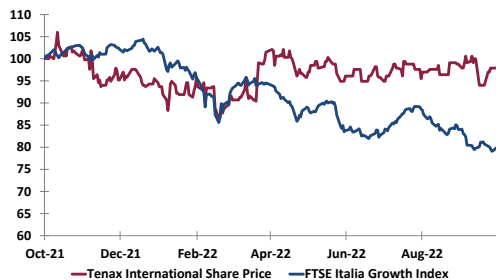


OUTPERFORM

Current Share Price (€): 3.26

Target Price (€): 4.78

Tenax International - 1Y Performance



Source: S&P Capital IQ - Note: 17/10/2021=100

Company data

ISIN number	IT0005428898
Bloomberg code	TNX IM
Reuters code	TNX.IM
Industry	Manufacturing
Stock market	Euronext Growth Milan
Share Price (€)	3.26
Date of Price	17/10/2022
Shares Outstanding (m)	3.4
Market Cap (€m)	11.2
Market Float (%)	32.3%
Daily Volume	0
Avg Daily Volume YTD	3,686
Target Price (€)	4.78
Upside (%)	47%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	1Y
Tenax - Absolute (%)	-1%	3%	-2%
FTSE Italia Growth (%)	-5%	-5%	-20%
1Y Range H/L (€)	3.53	2.88	
YTD Change (€) / %	0.01	0.3%	

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

This Note is issued by arrangement with MIT SIM,
Issuer's Specialist

This document may not be distributed in the United
States, Canada, Japan or Australia or to U.S. persons.

Rising demand confirms growth expectations

Stock performance: floating above the storm

Despite the turmoil affecting global stock markets, over the last twelve months Tenax share price held the same level: after a bump between 2021 year-end and the beginning of 2022, the stock price rebounded, detaching from Italia Growth index trend, which in the same period lost 20%.

Sales up 40%, temporary profitability slowdown

In H1 2022 Tenax recorded a substantial sales growth, up to €6.4m from €4.5m in H1 2021, +40% YoY, and total revenues up to €7.2m. EBITDA at €0.4m, -50% YoY, according to management has been impacted by a €2.5m revenue delay to H2, due to supply problems. The increase in operating costs (+40% YoY) planned to cope with higher demand is not yet fully absorbed by higher sales volumes. Inventory increased to respond to rising demand, +23% on FY21, 102% on sales. Trade receivables decreased at €3m, -52% on FY21. Trade Working Capital down to €5.2m (-35%), 41% on sales, has normalized cash flow. Net financial debt improved from €5.4m at FY21 to €2.8m as of June 2022.

Outlook: on the right path

2022 sales of €10.9m to date and current backlog (€9.4m between 2022 and 2023) confirm the ongoing demand trend for cleaner sweepers, on the back of the global escalating focus on sustainability, despite markets turmoil. We deem that investment in R&D on new models and recruiting are vital to take advantage of the increasing demand, even in the uncertain current global economic framework.

Estimates confirmed

Tenax performance in H1 2022 was in line with our expectations. The healthy backlog implies an adjustment of year-end revenue estimate and, even considering calls for caution due to the persistence of troubles in global trade, keeps supporting our expectations of inherent value upside.

Target Price €4.78 per share and OUTPERFORM rating confirmed

Our updated valuation outcome is a price per share of €4.74, nearly equivalent to our previous target price of €4.78, that we confirm as our OUTPERFORM rating on the stock, with 47% upside on current share price.

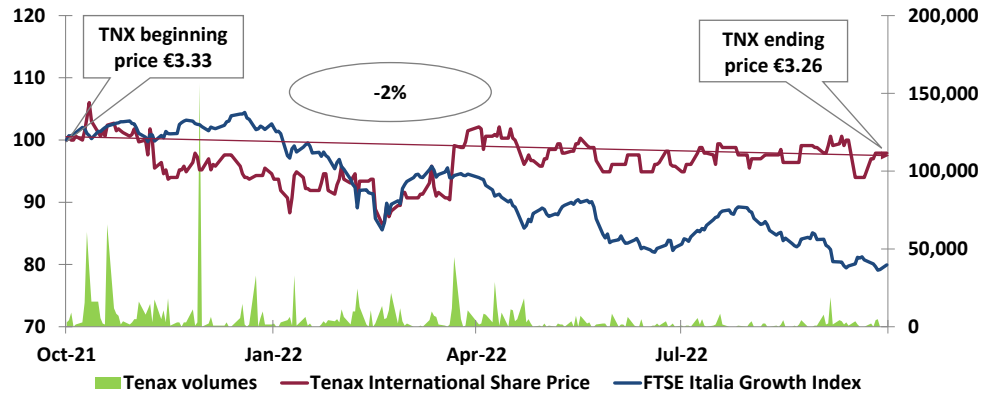
KEY FINANCIALS AND ESTIMATES

€m	2018	2019	2020	2021	2022E	2023E	2024E	2025E
Sales	7.9	8.4	7.9	10.4	15.1	20.4	25.5	29.3
Total Revenues	8.4	8.9	8.9	10.9	16.8	22.2	26.8	31.0
EBITDA	1.1	1.0	1.0	1.1	1.1	1.8	2.4	2.8
Margin on Sales	13%	12%	13%	10%	7%	9%	9%	10%
Net (Debt) Cash	(3.3)	(3.8)	(2.9)	(5.4)	(3.2)	(3.9)	(3.9)	(3.7)
Equity	1.5	1.7	4.7	5.6	5.6	6.2	7.2	8.5

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

Market update

Tenax International - 1Y Share price performance and trading volumes

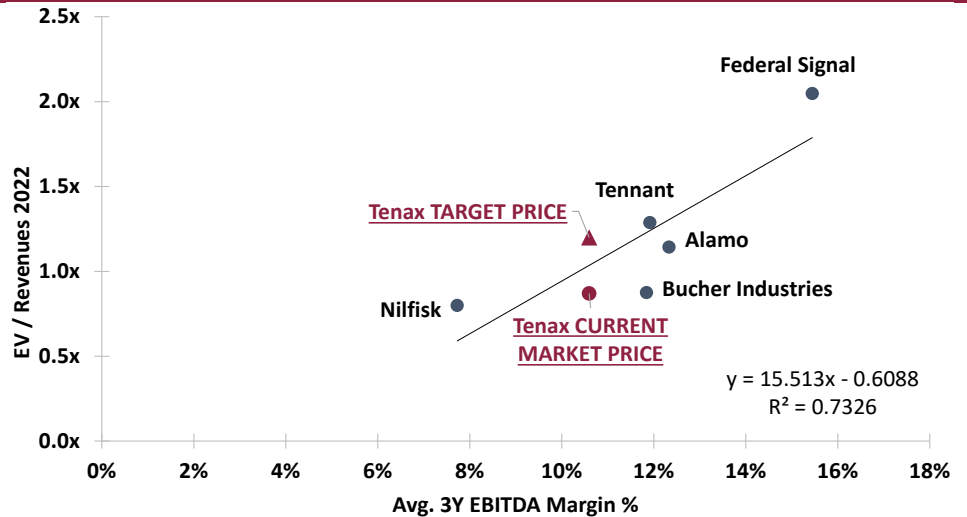


Source: EnVent Research on S&P Capital IQ - Note: 17/10/2021=100

Trading price range €2.88-3.53 per share

-2% for Tenax, vs -20% for the Italia Growth Index

Peer group - Regression analysis and Tenax target positioning



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

Tenax target price over the line

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 or areas designed and engineered in-house. The major purpose of internal development is to unlock the full potential of electric power technologies, compared to electrification of competitors' older diesel-based models, providing light and efficient vehicles with zero emissions and with exchangeable power storage based on customers' needs. Tenax owns active patents for its in-house technology.

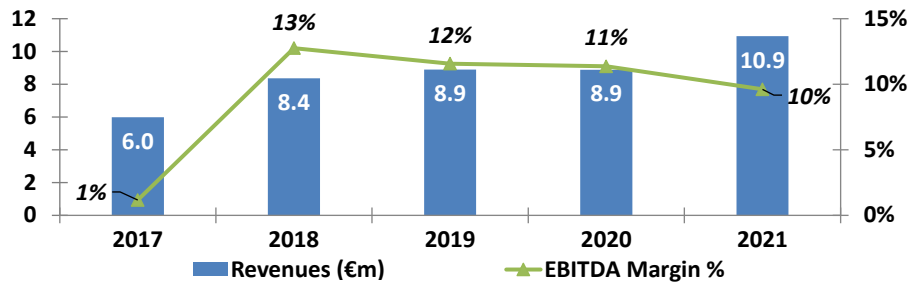
Major end-customers are public administrations and municipalities which are reached through a comprehensive dealer network. Sales are generated by selection and participation to public tenders. Tenax operates in the compact street sweepers segment and its full-electric vehicles are sold worldwide, with over 90%

Strategy

revenues generated internationally.

Main strategic goal is to maintain leadership in the electric segment, developing next-generation sweepers for segments in which Tenax is not present and improving the existing range in response to customer requirements. Tenax will 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

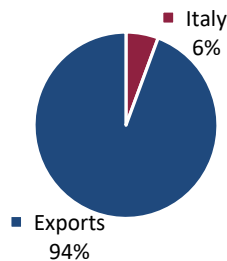
Industry and Company drivers

- 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 movers may populate market and increase competition
- Municipal organization dependency
- International market exposure
- Sustainability of operating margins

Sales breakdown by geography, 2021



Source: Company data

H1 2022 results

Profit and Loss

€m	H1 2021	H1 2022
Sales	4.5	6.4
Change in work in progress	0.2	0.5
Capitalization of intangible assets	0.2	0.2
Other income	0.3	0.1
Total Revenues	5.2	7.2
YoY %	37.2%	37.9%
Materials	(1.9)	(3.3)
Services	(1.5)	(1.8)
Personnel	(1.0)	(1.5)
Other operating costs	(0.2)	(0.2)
Operating charges	(4.5)	(6.8)
EBITDA	0.7	0.4
Margin	14.2%	5.1%
D&A	(0.3)	(0.3)
EBIT	0.4	0.0
Margin	8.2%	0.3%
Interest	(0.1)	(0.2)
EBT	0.3	(0.1)
Margin	6.6%	-2.0%
Income taxes	(0.0)	(0.0)
Net Income (Loss)	0.3	(0.1)
Margin	5.8%	-2.1%

Source: Company data

Balance Sheet

€m	H1 2021	2021	H1 2022
Inventory	5.8	5.2	6.5
Trade receivables	4.5	6.3	3.0
Trade payables	(2.7)	(3.2)	(3.8)
Trade Working Capital	7.3	8.0	5.2
Other assets (liabilities)	0.4	0.5	0.3
Net Working Capital	7.7	8.5	5.5
Intangible assets	2.1	2.5	2.8
Property, plant and equipment	0.3	0.3	0.4
Equity investments and financial assets	0.0	0.0	0.1
Non-current assets	2.4	2.9	3.2
Provisions	(0.4)	(0.4)	(0.4)
Net Invested Capital	9.8	11.0	8.3
Bank debt	6.7	3.9	3.9
Other financial debt	0.0	3.0	3.0
Cash and equivalents	(2.0)	(1.5)	(4.1)
Net Debt (Cash)	4.7	5.4	2.8
Shareholders' Equity	5.1	5.6	5.5
Equity	5.1	5.6	5.5
Sources	9.8	11.0	8.3

Cash Flow

€m	H1 2021	H1 2022
EBIT	0.4	0.0
Current taxes	(0.0)	(0.0)
D&A	0.3	0.3
Provisions	(0.0)	0.0
Cash flow from P&L operations	0.7	0.4
Trade Working Capital	(1.6)	2.8
Other assets and liabilities	(0.5)	0.2
Capex	(0.4)	(0.6)
Operating cash flow after WC and capex	(1.7)	2.8
Interest	(0.1)	(0.2)
Equity investments and financial assets	(0.0)	(0.1)
Equity adjustment	0.0	0.1
Net cash flow	(1.8)	2.6
Net (Debt) Cash - Beginning	(2.9)	(5.4)
Net (Debt) Cash - End	(4.7)	(2.8)
Change in Net (Debt) Cash	(1.8)	2.6

Source: Company data - Note: H1 KPIs calculated on LTM economics

Ratio analysis

KPIs	H1 2021	H1 2022
ROE	neg.	neg.
ROS (EBIT/Sales)	9%	0%
ROIC (NOPAT/Invested Capital)	3%	0%
DOI	222	170
DSO	142	65
DPO	115	104
TWC/Sales	81%	41%
Net Debt / EBITDA	3.2x	3.7x
Net Debt / Equity	0.9x	0.5x
Net Debt / (Net Debt+Equity)	0.5x	0.3x
Cash flow from P&L operations / EBITDA	92%	100%
FCF / EBITDA	neg	nm

Business update

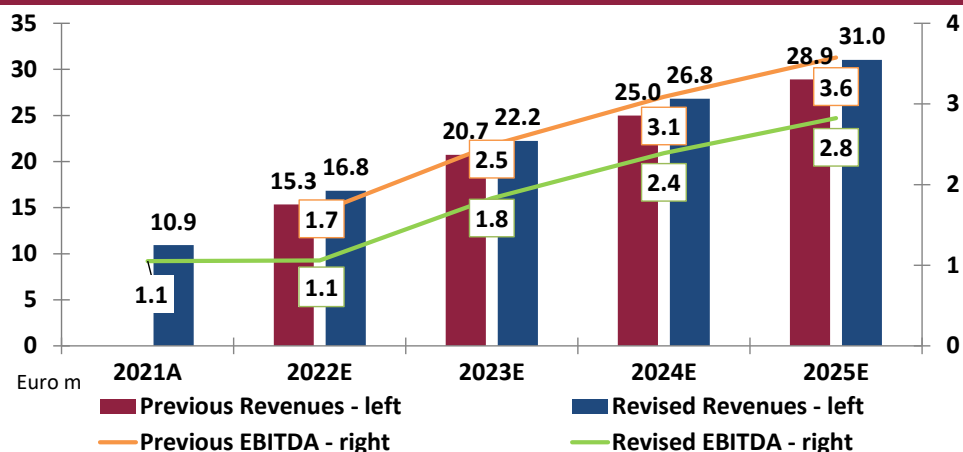
- Launch of Electra 2.0 EVOS, third generation of small fully electric sweepers
- R&D investments to develop a higher capacity sweeper to enter a new market class and prototype of the new 5 cubic meters sweeper at IFAT Monaco fair
- Investment in recruiting for technical assistance, sales and production department

Estimates revision

Based on actual figures and backlog, we have aligned sales, operating expenses and Trade Working Capital, slightly adjusting 2022-25E.

Change in estimates

Previous vs Revised Revenues and EBITDA estimates (€m)



Source: EnVent Research

€m	Revised					Previous				Change %			
	2021A	2022E	2023E	2024E	2025E	2022E	2023E	2024E	2025E	2022E	2023E	2024E	2025E
Sales	10.4	15.1	20.4	25.5	29.3	14.0	19.0	23.7	27.2	7%	7%	7%	7%
Revenues	10.9	16.8	22.2	26.8	31.0	15.3	20.7	25.0	28.9	10%	7%	7%	7%
EBITDA	1.1	1.1	1.8	2.4	2.8	1.7	2.5	3.1	3.6	-36%	-27%	-23%	-21%
<i>Margin on Revenues</i>	10%	6%	8%	9%	9%	11%	12%	12%	12%				
EBIT	0.4	0.2	1.1	1.6	2.0	0.8	1.7	2.3	2.8	-78%	-39%	-31%	-27%
<i>Margin on Revenues</i>	3%	1%	5%	6%	7%	5%	8%	9%	10%				
Net Income (Loss)	0.2	(0.0)	0.6	1.0	1.3	0.4	1.1	1.5	1.9	-106%	-44%	-34%	-29%
Net (Debt) Cash	(5.4)	(3.2)	(3.9)	(3.9)	(3.7)	(3.7)	(2.9)	(2.4)	(0.8)	-14%	34%	61%	371%
<i>Net Debt/EBITDA</i>	5.1x	3.0x	2.1x	1.6x	1.3x	2.2x	1.2x	0.8x	0.2x				

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	15.1	20.4	25.5	29.3
Change in inventory	0.4	0.4	0.7	(0.2)	1.4	1.5	1.0	1.4
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	16.8	22.2	26.8	31.0
YoY %	39.7%	6.4%	-0.1%	23.2%	54.0%	32.0%	20.6%	15.7%
Materials	(4.1)	(4.3)	(4.1)	(4.2)	(7.6)	(10.5)	(12.7)	(15.3)
Services	(1.7)	(1.6)	(1.8)	(3.5)	(4.5)	(5.7)	(7.0)	(7.6)
Personnel	(1.4)	(1.7)	(1.7)	(1.9)	(3.3)	(3.6)	(4.0)	(4.4)
Other operating costs	(0.1)	(0.2)	(0.2)	(0.3)	(0.5)	(0.6)	(0.8)	(0.9)
Operating charges	(7.3)	(7.9)	(7.9)	(9.9)	(15.8)	(20.4)	(24.4)	(28.2)
EBITDA	1.1	1.0	1.0	1.1	1.1	1.8	2.4	2.8
Margin on Sales	13.5%	12.3%	12.8%	10.1%	7.0%	9.0%	9.4%	9.6%
Margin on Total Revenues	12.8%	11.6%	11.4%	9.6%	6.3%	8.2%	8.9%	9.1%
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	0.2	1.1	1.6	2.0
Margin	7.3%	4.4%	4.7%	3.4%	1.0%	4.7%	5.8%	6.6%
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	(0.0)	0.9	1.4	1.8
Margin	5.4%	2.8%	2.7%	2.3%	-0.2%	3.9%	5.1%	6.0%
Income taxes	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.2)	(0.4)	(0.5)
Net Income (Loss)	0.4	0.1	0.2	0.2	(0.0)	0.6	1.0	1.3
Margin	4.8%	1.4%	1.9%	2.2%	-0.2%	2.7%	3.6%	4.3%

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	6.6	8.1	9.1	10.4
Trade receivables	3.0	2.7	4.1	6.0	4.0	5.4	6.8	7.8
Trade payables	(2.3)	(2.6)	(3.2)	(3.2)	(4.8)	(6.5)	(7.9)	(9.2)
Trade Working Capital	3.8	4.0	5.7	8.0	5.8	7.1	8.0	9.1
Other assets (liabilities)	(0.1)	(0.2)	(0.1)	0.5	0.8	1.0	1.3	1.5
Net Working Capital	3.6	3.8	5.7	8.5	6.6	8.1	9.3	10.5
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)	(0.6)	(0.6)	(0.7)	(0.7)
Net Invested Capital	4.8	5.4	7.7	11.0	8.8	10.1	11.1	12.2
Net Debt (Cash)	3.3	3.8	2.9	5.4	3.2	3.9	3.9	3.7
Equity	1.5	1.7	4.7	5.6	5.6	6.2	7.2	8.5
Sources	4.8	5.4	7.7	11.0	8.8	10.1	11.1	12.2

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	0.2	1.1	1.6	2.0
Current taxes	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	(0.2)	(0.4)	(0.5)
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	0.2	0.0	0.0	0.1
Cash flow from P&L operations	1.1	1.2	1.0	1.0	1.2	1.6	2.0	2.4
Trade Working Capital	(2.9)	(0.2)	(1.7)	(2.3)	2.2	(1.2)	(0.9)	(1.1)
Other assets and liabilities	0.5	0.0	(0.1)	(0.6)	(0.3)	(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)	2.4	(0.6)	0.2	0.4
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)	2.2	(0.8)	0.0	0.2
Net Debt (Beginning)	(1.7)	(3.3)	(3.8)	(2.9)	(5.4)	(3.2)	(3.9)	(3.9)
Net Debt (End)	(3.3)	(3.8)	(2.9)	(5.4)	(3.2)	(3.9)	(3.9)	(3.7)
Change in Net Debt (Cash)	(1.6)	(0.5)	0.9	(2.5)	2.2	(0.8)	0.0	0.2

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%	0%	10%	14%	16%
ROS (EBIT/Sales)	8%	5%	5%	4%	1%	5%	6%	7%
ROIC (NOPAT/Invested Capital)	9%	5%	4%	2%	1%	8%	10%	12%
DOI	143	168	225	184	160	145	130	130
DSO	114	98	154	172	80	80	80	80
DPO	120	127	154	120	115	115	115	115
TWC/Sales	48%	48%	73%	77%	39%	35%	31%	31%
Net Debt/EBITDA	3.1x	3.7x	2.9x	5.1x	3.0x	2.1x	1.6x	1.3x
Net Debt/Equity	2.1x	2.3x	0.6x	1.0x	0.6x	0.6x	0.5x	0.4x
Net Debt/(Net Debt+Equity)	0.7x	0.7x	0.4x	0.5x	0.4x	0.4x	0.4x	0.3x
Cash flow from P&L operations/EBITDA	99%	114%	96%	98%	117%	89%	86%	83%
FCF/EBITDA	neg	neg	neg	neg	229%	-31%	9%	13%
Per-capita revenues (€k)	283	262	251	291	248	304	345	361
Basic EPS (€)	na	na	0.05	0.07	-0.01	0.18	0.28	0.38

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

Valuation

We have updated our DCF valuation.

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.8% (Italia 10-year government bonds interest rate - last 30 days average. Source: Bloomberg, October 2022)
- Market return: 13.1% (last 30 days average. Source: Bloomberg, October 2022)
- Market risk premium: 9.3%
- Beta: 1.0 (EnVent analysis on selected peers, rounded figures)
- Cost of equity: 13.1%
- Cost of debt: 4%
- Tax rate: 24% IRES
- 40% debt/(debt + equity)
- WACC calculated at 9.1%, according to above data, from 8.7%

Rising Italian market risk

- Perpetual growth rate after explicit projections (G): 3%, from 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	16.8	22.2	26.8	31.0	32.0
EBITDA	1.1	1.0	1.0	1.1	1.1	1.8	2.4	2.8	3.8
<i>Margin</i>	12.8%	11.6%	11.4%	9.6%	6.3%	8.2%	8.9%	9.1%	12.0%
EBIT	0.6	0.4	0.4	0.4	0.2	1.1	1.6	2.0	3.3
<i>Margin</i>	7.3%	4.4%	4.7%	3.4%	1.0%	4.7%	5.8%	6.6%	10.4%
Taxes	(0.2)	(0.1)	(0.1)	(0.1)	(0.0)	(0.3)	(0.4)	(0.6)	(0.9)
NOPAT	0.4	0.3	0.3	0.3	0.1	0.8	1.1	1.5	2.4
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	0.2	0.0	0.0	0.1	0.1
Cash flow from operations	0.9	1.2	0.9	1.0	1.2	1.6	2.0	2.3	3.0
Trade Working Capital	(2.9)	(0.2)	(1.7)	(2.3)	2.2	(1.2)	(0.9)	(1.1)	(0.8)
Other assets and liabilities	0.5	0.0	(0.1)	(0.6)	(0.3)	(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)	2.4	(0.6)	0.2	0.3	1.6
- H1 unlevered free cash flow					(2.8)				
Free Cash Flow to be discounted					(0.4)	(0.6)	0.2	0.3	1.6
WACC	9.1%								
Long-term growth (G)	3.0%								
Discounted Cash Flows					(0.4)	(0.5)	0.1	0.2	
Sum of Discounted Cash Flows	(0.5)								
Terminal Value									26.6
Discounted TV	19.6								
Enterprise Value	19.1								
Net Debt as of 30/06/22	(2.8)								
Equity Value	16.3								

DCF - Implied multiples	2020	2021	2022E	2023E	2024E	2025E
EV/Revenues	2.2x	1.7x	1.1x	0.9x	0.7x	0.6x
EV/EBITDA	18.9x	18.2x	18.0x	10.4x	8.0x	6.8x
EV/EBIT	45.4x	51.3x	112.4x	18.1x	12.2x	9.3x
P/E	96.4x	68.7x	neg	26.7x	16.7x	12.3x
Discount of current market price vs DCF -27%						
Current market price - Implied multiples	2020	2021	2022E	2023E	2024E	2025E
EV/Revenues	1.6x	1.3x	0.8x	0.6x	0.5x	0.5x
EV/EBITDA	13.9x	13.3x	13.2x	7.7x	5.9x	5.0x
EV/EBIT	33.3x	37.6x	82.4x	13.3x	9.0x	6.8x
P/E	66.3x	47.3x	neg	18.4x	11.5x	8.5x

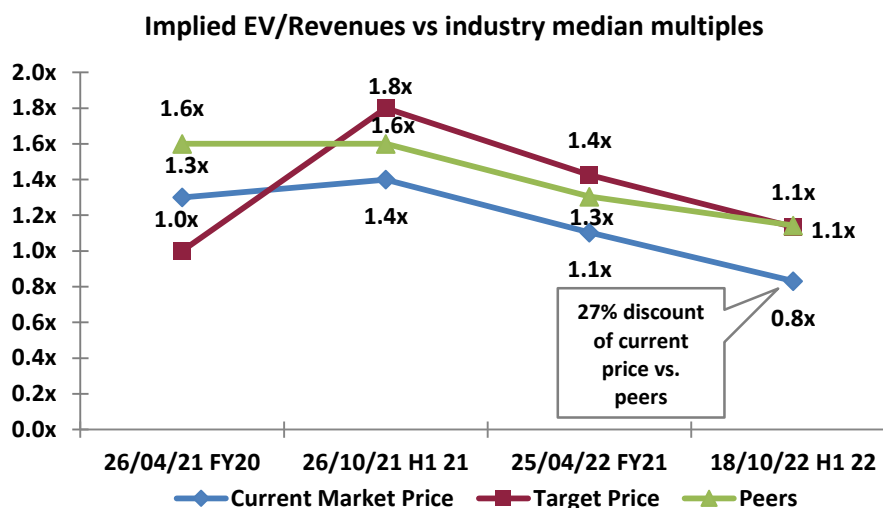
Source: EnVent Research

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	0.9x	0.9x	9.4x	6.5x	6.7x	11.6x	7.9x	8.2x	17.4x	11.3x	11.8x
Nilfisk	1.1x	0.8x	0.8x	11.1x	5.8x	5.4x	13.2x	9.8x	8.6x	15.4x	8.8x	7.7x
Tennant	1.5x	1.1x	1.1x	12.0x	9.3x	8.4x	19.2x	13.7x	12.3x	23.1x	na	11.9x
Federal Signal	2.4x	2.0x	1.9x	16.2x	13.2x	11.3x	22.5x	17.5x	14.7x	26.3x	22.1x	18.5x
Alamo	1.5x	1.3x	1.2x	12.4x	10.3x	9.6x	17.1x	13.5x	12.3x	21.9x	16.0x	14.6x
Mean	1.6x	1.2x	1.2x	12.2x	9.0x	8.3x	16.7x	12.5x	11.2x	20.8x	14.5x	12.9x
Median	1.5x	1.1x	1.1x	12.0x	9.3x	8.4x	17.1x	13.5x	12.3x	21.9x	13.7x	11.9x
Tenax International	1.4x	0.8x	0.6x	14.9x	13.2x	7.7x	42.0x	82.4x	13.3x	43.1x	neg	18.4x

Source: S&P Capital IQ, 17/10/2022

Target Price



Source: EnVent Research on S&P Capital IQ, 18/10/2022

Our updated valuation yields a target price of €4.74 per share, nearly equivalent to our previous target price of €4.78, that we confirm, as our OUTPERFORM rating on the stock, with 47% upside potential on current share price.

Tenax International Price per Share	€
Target Price	4.78
Current Share Price (17/10/2022)	3.26
Premium (Discount)	47%

Source: EnVent Research

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

Tenax International Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 18/10/2022

DISCLAIMER (for more details go to www.enventcapitalmarkets.co.uk under “Disclaimer”)

This publication has been prepared by Franco Gaudenti, Head of Research Division, and Luigi Tardella, Co-Head of Research Division, on behalf of the Research & Analysis Division of EnVent Capital Markets Limited (“EnVentCM”). EnVent Capital Markets Limited is authorised and regulated by the Financial Conduct Authority (Reference no. 651385).

According to article 35, paragraph 2b of Euronext Growth Milan Rules for Companies (Regolamento Emittenti Euronext Growth Milan), EnVentCM has been commissioned to produce Equity Research, and particularly this publication, for the Company by arrangement with MIT SIM, the Specialist engaged by the Company.

This publication does not represent to be, nor can it be construed as being, an offer or solicitation to buy, subscribe or sell financial products or instruments, or to execute any operation whatsoever concerning such products or instruments. This publication is not, under any circumstances, intended for distribution to the general public. Accordingly, this document is only for persons who are Eligible Counterparties or Professional Clients only, i.e. persons having professional experience in investments who are authorized persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 and COBS 4.12 of the FCA’s New Conduct of Business Sourcebook. For residents in Italy, this document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation n. 16190 of the 29th October 2007, as subsequently amended and supplemented. This publication, nor any copy of it, can not be brought, transmitted or distributed in the United States of America, Canada, Japan or Australia. Any failure to comply with these restrictions may constitute a violation of the securities laws provided by the United States of America, Canada, Japan or Australia.

EnVentCM does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. The price of the investments and the income derived from them can go down as well as up, and investors may not get back the amount originally invested. Therefore, EnVentCM and/or the author(s) of the present publication cannot in any way be held liable for any losses, damage or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein. The purpose of this publication is merely to provide information that is up to date and as accurate as possible. The information and each possible estimate and/or opinion and/or recommendation contained in this publication is based on sources believed to be reliable. Although EnVentCM makes every reasonable endeavour to obtain information from sources that it deems to be reliable, it accepts no responsibility or liability as to the completeness, accuracy or exactitude of such information and sources. Past performance is not a guarantee of future results.

Most important sources of information used for the preparation of this publication are the documentation published by the Company (annual and interim financial statements, press releases, company presentations, IPO prospectus), the information provided by business and credit information providers (as Bloomberg, S&P Capital IQ, AIDA) and industry reports.

EnVentCM has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the case that any matter, opinion, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if the research on the subject company is withdrawn. The estimates, opinions, and recommendations expressed in this publication may be subject to change without notice, on the basis of new and/or further available information.

EnVentCM intends to provide continuous coverage of the Company and the financial instrument forming the subject of the present publication, with a semi-annual frequency and, in any case, with a frequency consistent with the timing of the Company’s periodical financial reporting and of any exceptional event occurring in its sphere of activity.

A draft copy of this publication may be sent to the subject Company for its information and review (without valuation, target price and recommendation), for the purpose of correcting any inadvertent material inaccuracies. EnVentCM did not disclose the rating to the issuer before publication and dissemination of this document.

ANALYST DISCLOSURES

For each company mentioned in this publication, all of the views expressed in this publication accurately reflect the financial analysts’ personal views about any or all of the subject company (companies) or securities.

Neither the analysts nor any member of the analysts’ households have a financial interest in the securities of the subject Company. Neither the analysts nor any member of the analysts’ households serve as an officer, director or advisory board member of the subject company. Analysts’ remuneration was not, is not or will be not related, either directly or indirectly, to specific proprietary investment transactions or to market operations in which EnVentCM has played a role (as Euronext Growth Advisor, for example) or to the specific recommendation or view in this publication. EnVentCM has adopted internal procedures and an internal code of conduct aimed to ensure the independence of its financial analysts. EnVentCM research analysts and other staff involved in issuing and disseminating research reports operate independently of EnVentCM Capital Market business. EnVentCM, within the Research & Analysis Division, may collaborate with external professionals. It may, directly or indirectly, have a potential conflict of interest with the Company and, for that reason, EnVentCM adopts organizational and procedural measures for the prevention and management of conflicts of interest (for details www.enventcapitalmarkets.co.uk under “Disclaimer”, “Procedures for prevention of conflicts of interest”).

MIFID II DISCLOSURES

Tenax International S.p.A. (the “Issuer or the “Company”) is a corporate client of EnVent Capital Markets. This document, being paid for by a corporate Issuer, is a Minor Non-monetary Benefit as set out in Article 12 (3) of the Commission Delegated Act (C2016) 2031. This note is a marketing communication and not independent research. As such, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and this note is not subject to the prohibition on dealing ahead of the dissemination of investment research.

CONFLICTS OF INTEREST

In order to disclose its possible conflicts of interest, EnVentCM states that it acts or has acted in the past 12 months as Euronext Growth Advisor to the subject Company on the Euronext Growth Milan market, a Multilateral Trading Facility regulated by Borsa Italiana (for details www.enventcapitalmarkets.co.uk under “Disclaimer”, “Potential conflicts of interest”).

CONFIDENTIALITY

Neither this publication nor any portions thereof (including, without limitation, any conclusion as to values or any individual associated with this publication or the professional associations or organizations with which they are affiliated) shall be reproduced to third parties by any means without the prior written consent and approval from EnVentCM.

VALUATION METHODOLOGIES

EnVentCM Research & Analysis Division calculates range of values and fair values for the companies under coverage using professional valuation methodologies, such as the discounted cash flows method (DCF), dividend discount model (DDM) and multiple-based models (e.g. EV/Revenues, EV/EBITDA, EV/EBIT, P/E, P/BV). Alternative valuation methodologies may be used, according to circumstances or judgement of non-adequacy of most used methods. The target price could be also influenced by market conditions or events and corporate or share peculiarities.

STOCK RATINGS

The “OUTPERFORM”, “NEUTRAL”, AND “UNDERPERFORM” recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

Equity ratings and valuations are issued in absolute terms, not relative to market performance.

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;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

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

Date and time of Production: 17/10/2022 h. 7.55pm

Date and time of Distribution: 18/10/2022 h. 8.15pm

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
18/10/2022	OUTPERFORM	4.78	3.26

ENVENTCM RECOMMENDATION DISTRIBUTION (October 18th, 2022)

Number of companies covered:	23	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		91%	0%	0%	4%	0%	4%
of which EnVentCM clients % *		95%	na	na	100%	na	100%

* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

This disclaimer is constantly updated on the website at www.enventcapitalmarkets.co.uk under “Disclaimer”.

Additional information available upon request.

© Copyright 2022 by EnVent Capital Markets Limited - All rights reserved.