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BREAKING NEWS

# EQUITY RESEARCH

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## TPS

### Two acquisitions to further expand and enhance the business

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#### NEWS

- After the IPO date TPS has closed two significant acquisitions: ICB Srl (100%) for € 1.6mln (implied acquisition EV/EBITDA 2.9x) and Stemar Consulting Srl (70%) for € 0.7mln (implied acquisition EV/EBITDA 2.4x including € 0.2mln of earn out clause). These two investments are extremely cheap considering that TPS is currently trading at an implied EV/EBITDA of 9.4x (NPF and EBITDA at 31/12/2016)
- ICB Srl provides IT services for aircraft producers, technical software, engineering services and training activities. It has approx. 50 employees and in 2016 had revenues for € 3.7mln, EBITDA margin of 17% and a NFP of about € 0.2mln.
- Stemar Consulting Srl provides, within the automotive and aircraft cost-engineering sector, reverse engineering services i.e. services related to the reduction of product/system/component costs. It has 17 employees and in 2016 has revenues for € 1.54mln, EBITDA margin of 27% and a NFP of about € 0.2mln.
- These two acquisitions will significantly contribute to expand and enhance the business since they both operates in two sectors that are crucial for TPS (IT services and Engineering). Both ICB and Stemar Consulting will give TPS the chance to growth horizontally and vertically with the aim of improving its bargain power in the market and its brand recognition within market insiders since it can offer an increasing number of products/services to its clients.

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HOLD	-20% < ETR < 22,5%	-20% < ETR < 25%	-15% < ETR < 30%
SELL	ETR <= -25%	ETR <= -20%	ETR <= -15%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

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