Cattolica Investment Club

Market Cap	87.39M
52-Wk High	3,64 €
52-Wk Low	2,02 €
P/E Ratio	24,05

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Cyberoo (CYB.MI)

BUY: €3.32

28th November 2024

Company Description

Cyberoo is an international cybersecurity company based in Reggio Emilia, Italy, recognized as a leader in protecting businesses and institutions from digital threats, with a growing presence in the global market.

Founded in 2008, the company develops innovative solutions to tackle against cyber threats, including continuous monitoring services, preventive protection against cyberattacks, and advanced analytics to identify weaknesses in IT systems. Cyberoo is renowned for providing customized security solutions for industries with strict regulations and critical operations.

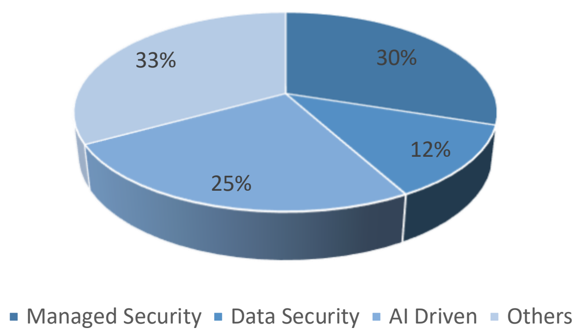
Cyberoo offers more than just security services. It is dedicated to making cybersecurity accessible and effective for organizations of all sizes. The company's mission focuses not only on defending against threat, but also on prevention and educating businesses about cybersecurity.

($ million)	FY20A	FY21A	FY22A	FY23A
Revenue	5,586	8,817	15,554	20,013
EBITDA	1,871	2,425	6,662	9,229
EBIT	187	415	4,324	6,096
Net Income	56	174	2,787	3,963
EBITDA Margin	0,335	0,275	0,428	0,461

($ million)	FY20A	FY21A	FY22A	FY23A
Total Asset	16,504	20,066	26,795	35,896
Total Liabilities	5,355	7,905	11,751	15,382
Equity	11,149	12,161	15,044	20,514

Industry Outlook

In recent years, cybersecurity has become increasingly crucial, driven by the surge in global cyber threats and the growing sophistication of attacks. The demand for advanced security solutions continues to rise as companies seek protection from threats like ransomware, phishing, and targeted attacks.



The advancement of emerging technologies, such as artificial intelligence (AI) and machine learning (ML) has created new opportunities to enhance defense effectiveness against cyberattacks. AI-driven solutions can identify and neutralize threats in real-time, significantly reducing risks for organizations. However, the adoption of these technologies presents challenges related to implementation and data privacy regulation.

The growth of the Internet of Things (IoT) and the shift to cloud computing have expanded the attack surface, making cybersecurity a strategic priority across all sectors. Increased digitalization in critical areas such as healthcare, finance, and manufacturing is intensifying the need for protection against cyber threats. International regulations, such as GDPR and CCPA, are pushing companies to ensure compliance and data protection, introducing new challenges and opportunities in the cybersecurity market.

In this context, companies like Cyberoo are expanding their portfolios to meet the growing demand for tailored solutions to monitor, protect, and manage threats in complex digital environments. The global cybersecurity market, valued at around USD 217 billion in 2022, is expected to grow at a compound annual growth rate (CAGR) of 13.4% in the coming years, reaching USD 403 billion by 2030.

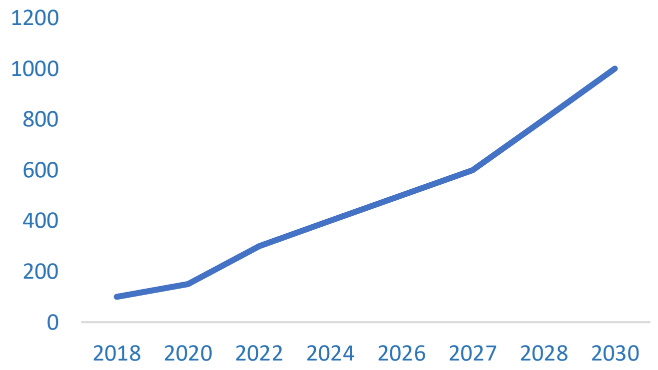


Figure: Cybersecurity Threat from 2018 to 2030

<u>Macrotrend Cybersecurity:</u>

In 2023, numerous reports highlighted that by 2030, most global companies will face increasingly sophisticated cyberattacks, necessitating substantial resources for defense. Cybersecurity is no longer just an IT function but a strategic priority to protect critical infrastructure and data privacy.
The adoption of managed security services and threat response platforms is expected to grow globally, with a significant demand for specialized professionals and a push toward zero-trust security approaches to safeguard systems and data.

<u>Macrotrend in Cyberattacks</u>

With the evolution of cyberattacks and the rise of ransomware-as-a-service (RaaS), organizations worldwide are being forced to invest in more advanced countermeasures. By 2030, the number of cyberattacks is expected to increase exponentially, impacting organizations of all sizes and industries. This trend requires not only advanced technological solutions but also increased awareness and preparedness at the organizational level to tackle future threats.

Business Overview

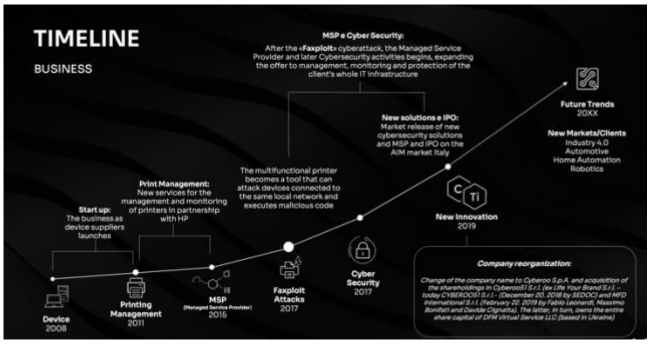
Cyberoo went through a long process of business detection: as we can see from the image on the side, it started in 2008 as a device merchant and from 2017 it structured to become a cyber security company; the company structure also got more empowered through acquisitions and now is also pushing to the AI security integrated sector.

Its productive labs are dislocated all around Europe, starting from the main headquarter located in Reggio Emilia, until Ternopil, Ukraine; Ukraine was chosen as a key location from the management due to its high-potential technological hubs, with abundant resources and excellent technical skills, thanks to its university centers. This choice also explains why the company suffered in 2023 (Russia – Ukraine war). Ukraine's economic recovery measures and increased foreign support may indirectly benefit companies like Cyberoo by creating a more predictable business environment despite the war's challenges, which, right now, are still influent.

So, coming to the business divisions, the company right now operates through well-defined business divisions and offers a range of specialized products that cater to diverse cybersecurity needs.

Business Divisions

1. **Managed Security Services (MSS)**
   Cyberoo's MSS division provides end-to-end security monitoring and management services. Powered by a 24/7 Security Operations Center (SOC), the division ensures real-time detection, analysis, and response to cyber threats. Businesses benefit from continuous surveillance and a proactive approach to minimizing risks and maintaining operational continuity.
2. **Cyber Threat Intelligence (CTI)**
   This division specializes in gathering and analyzing actionable intelligence to anticipate and mitigate potential threats. Through advanced tools and monitoring techniques, the CTI team identifies emerging risks from the dark web, phishing schemes, and global cyberattack trends, empowering businesses with foresight and readiness.
3. **Governance, Risk, and Compliance (GRC)**
   Focused on regulatory adherence and organizational resilience, the GRC division offers consultancy services for GDPR compliance, risk assessments, and security audits. By aligning IT operations with international standards, Cyberoo helps organizations maintain credibility, avoid penalties, and fortify their security frameworks.
4. **Technology Solutions**
   Cyberoo's Technology Solutions division develops and implements proprietary cybersecurity platforms tailored to various business environments. With a focus on innovation, this division provides tools that automate threat detection, prevent data breaches, and secure endpoints, ensuring robust digital protection.
5. **Consulting and Professional Services**
   This division provides businesses with expert guidance on cybersecurity strategy and implementation. Services include incident response planning, post-attack forensics, and employee training to reduce vulnerabilities caused by human error. The goal is to equip organizations with the knowledge and strategies to manage and prevent cyber risks effectively.
6. **Research & Development (R&D)**
   The R&D division drives Cyberoo's technological innovation. It focuses on creating next-generation solutions that leverage AI and machine learning to address sophisticated cyber threats. By staying ahead of evolving attack methods, this division ensures Cyberoo's offerings remain state-of-the-art.



Source: cyberoo.com

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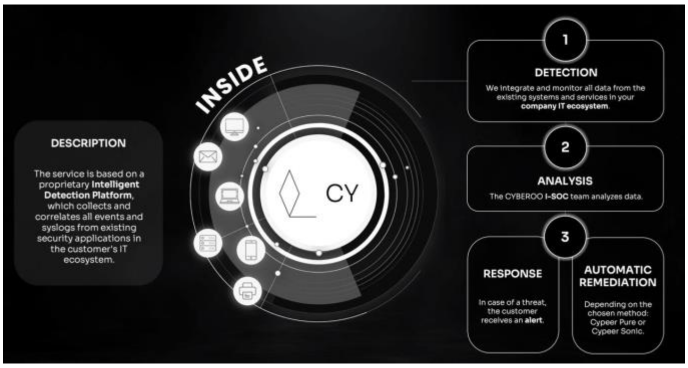

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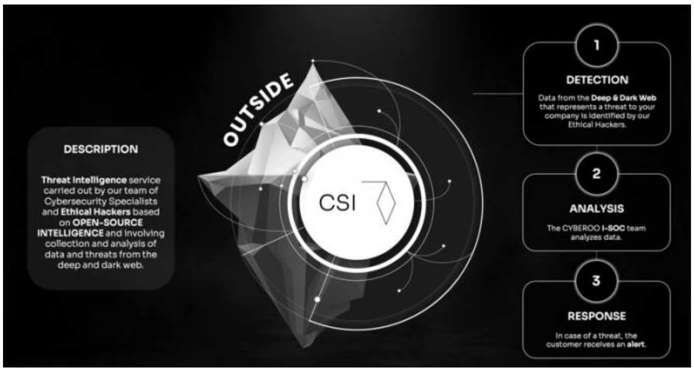
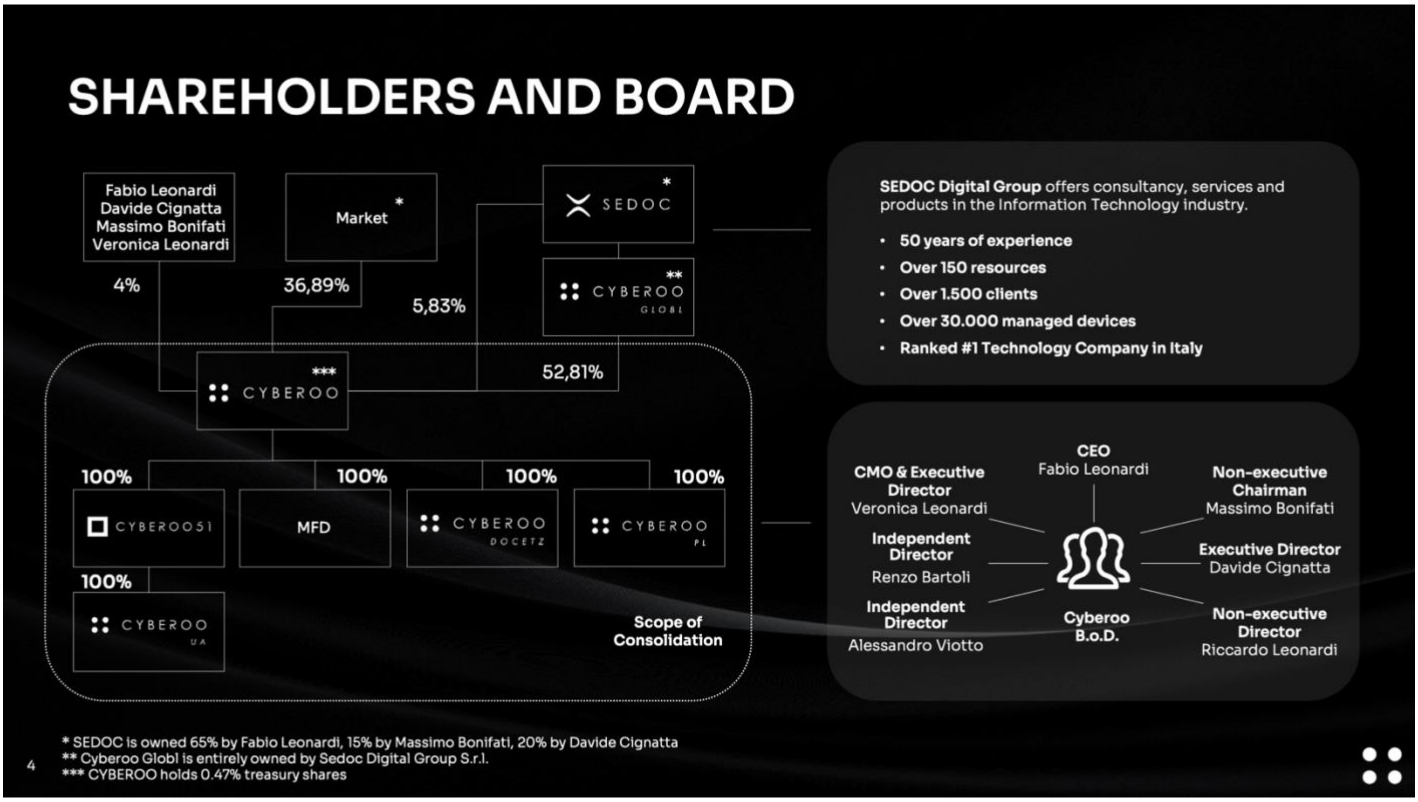


Source: cyberoo.com

Key Products

1. **Cypeer**
   An intelligent cybersecurity platform that monitors, detects, and responds to threats in real time. Powered by AI, Cypeer analyzes large volumes of data to identify vulnerabilities, enabling organizations to act proactively against potential risks.
2. **Rogue APT (Advanced Persistent Threat)**
   A specialized solution designed to detect and neutralize complex, stealthy cyberattacks targeting critical systems. Rogue APT provides organizations with an advanced layer of protection against high-profile threats.
3. **Cyberoo 365**
   A comprehensive security package that integrates monitoring, incident detection, and rapid response capabilities. Cyberoo 365 is tailored to the needs of mid-sized to large organizations, providing holistic IT security management.
4. **Data Loss Prevention (DLP)**
   A solution that prevents unauthorized access or leaks of sensitive information, safeguarding intellectual property and ensuring data privacy.
5. **Endpoint Protection**
   A suite of tools designed to secure devices such as laptops, desktops, and mobile devices. Endpoint Protection prevents malware, ransomware, and phishing attempts, ensuring every device connected to a network is protected.



Source: cyberoo.com

SWOT Analysis

Strengths:

Advanced Threat Detection and Response:

Cyberoo is at the forefront of cybersecurity technology, using AI-driven threat detection and response systems that differentiate it in the industry. Its solutions proactively monitor, detect, and mitigate cyber threats, giving clients a reliable way to manage risks.

Expertise in Managed Security Services:

Cyberoo's managed security services make it a preferred choice for organizations lacking in-house cybersecurity resources. The efficiency and effectiveness of these services have established Cyberoo as a valuable security partner in diverse industries.

Strong Market Reputation and Client Trust:

With a history of protecting various clients across sectors, Cyberoo has built a solid reputation in cybersecurity, bolstering client trust and loyalty. This reputation supports its position as a trusted security provider.

Weaknesses:

Reliance on External Partnerships:

Cyberoo depends on third-party technology and software providers for certain aspects of its security solutions, creating potential vulnerability if partners experience issues.

High Competition in Cybersecurity Market:

Operating in a highly competitive sector, Cyberoo faces pressure from both established players and new entrants. This competitive environment may limit its ability to expand rapidly or differentiate its offerings.

Resource Constraints for Rapid Scaling:

To meet increasing demand, Cyberoo may require significant investments in skilled personnel and infrastructure, which could challenge its ability to scale operations efficiently.

Opportunities:

Expansion into Emerging Markets:

With global cybersecurity threats on the rise, Cyberoo has the potential to expand into emerging markets in Asia, Latin America, and Africa. These regions are experiencing rapid digitalization and therefore require robust cybersecurity solutions.

Growing Demand for AI and Machine Learning in Cybersecurity:

As the role of AI and ML in cybersecurity grows, Cyberoo can leverage its expertise to develop predictive analytics and adaptive threat response capabilities, catering to sophisticated client needs.

Regulatory Changes Enhancing Demand:

Stricter data protection regulations worldwide, such as GDPR in Europe and CCPA in the United States, require organizations to strengthen their cybersecurity. This regulatory environment creates opportunities for Cyberoo to offer compliance-driven solutions.

Threats:

Increasingly Sophisticated Cyber Threats:

The cyber threat landscape is constantly evolving, with attackers using advanced methods to breach security. The sophistication of these threats challenges Cyberoo's ability to stay ahead in terms of innovation and security.

Price Pressure and Market Saturation:

As the cybersecurity industry expands, so does price competition. Both established companies and new market entrants may drive prices down, pressuring Cyberoo to adjust its pricing strategy, which could impact profitability.

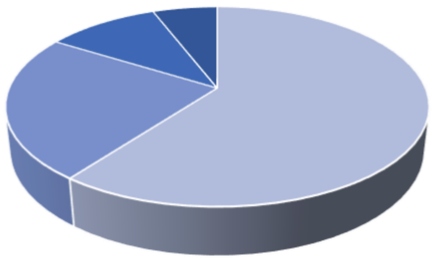
Regulatory Compliance Challenges:

Operating in multiple regions, Cyberoo must comply with diverse cybersecurity and data protection regulations. Adapting to these changing regulations can create operational and compliance challenges.

Geopolitical Risks Due to the War in Ukraine:
The ongoing conflict in Ukraine poses operational risks to Cyberoo's key facilities in the region, potentially affecting business continuity.

Geographical Operations:

Cyberoo operates primarily in Europe, with a strong presence in Italy, where it is headquartered. Its services are expanding across other European markets as demand for cybersecurity grows. Cyberoo could explore opportunities to establish a foothold in North America and Asia-Pacific, because these are regions that have significant demand for cybersecurity solutions due to high levels of digitalization and increasing cyber threat levels. Expansion into emerging markets in Latin America and Africa could also be viable as these regions accelerate digital transformation and face new cybersecurity challenges.



Competitors:

Cyberoo operates in a highly competitive market, with rivals ranging from large multinational cybersecurity firms to specialized niche players. Key competitors include:

- **Palo Alto Networks**: Known for its comprehensive cybersecurity platform, Palo Alto Networks is a dominant player offering firewall, threat intelligence, and endpoint protection solutions worldwide.
- **CrowdStrike**: Specializing in endpoint protection, CrowdStrike leverages AI-driven threat intelligence and is renowned for its advanced threat detection capabilities.
- **Fortinet**: A prominent competitor, Fortinet provides a wide range of cybersecurity solutions, including network security, cloud security, and secure access products. Fortinet's competitive advantage lies in its integrated approach to security.
- **Darktrace**: A British company known for its use of AI and machine learning to autonomously detect and respond to cyber threats, Darktrace competes directly with Cyberoo in AI-powered cybersecurity.
- **SentinelOne**: Known for its next-gen endpoint protection, SentinelOne uses AI-driven threat intelligence to prevent, detect, and respond to cyber incidents, competing closely with Cyberoo in managed security services.

	Market Cap	Revenue (2023)
Palo Alto Networks	$ 126.59B	$ 6.89 billion
CrowdStrike	$ 84.07B	$ 2.24 Billion
Fortinet	$ 70.42B	$ 5.31 billion
Darktrace	$ 4.94B	$ 545 million
SentinelOne	$ 8.38B	$ 422 million

Cyberoo's competitive advantage lies in its tailored approach to managed security services and its expertise in AI-driven threat detection. However, competing against these established players requires Cyberoo to continuously innovate and adapt its offerings to meet evolving market demands.

Introduction

To evaluate the success of a company and monitor best practices, financial KPIs (Key Performance Indicators) are essential tools. These indicators are closely tied to a company's financial metrics, and their usage varies depending on the industry, objectives, and business model. Typically, companies utilize both profitability metrics (such as gross margin and net profit) and liquidity metrics (such as current ratios).

In the case of **Cyberoo**, a company specializing in cybersecurity solutions and advanced data protection services, understanding its financial performance is crucial to assess its ability to thrive in a highly competitive and fast-evolving industry.

EBITDA Margin

The **EBITDA Margin** for Cyberoo shows a negative trend over the first analyzed years, starting at **50.60% in 2018** and reaching **27.50% in 2021**. This declines is due to the increasing in operational expenses not commensurate with a growth in revenue. Then in the last two years there were recorded a sharp rise from **42.84% in 2022** to **46.12% in 2023** suggests significant cost reduction measures or enhanced economies of scale. The stability of the margin from 2021 to 2023 indicates that the company has consolidated its operating model, maintaining effective cost control.

Operating Margin

The **Operating Margin** followed a similar trend to the EBITDA Margin, albeit at lower levels due to the impact of operating expenses. From **19.26% in 2018**, the operating margin steadily decreased, reaching **3.36% in 2020** and stabilizing at **30.46% from 2021 to 2023**. The significant improvement between 2021 and 2023 highlights more efficient management of operational costs, possibly driven by revenue growth or targeted cost-cutting efforts. The consistency in recent years suggests that the company has found a well-balanced cost structure while maintaining growth potential.

Net Profit Margin

The **Net Profit Margin** has shown a steady and remarkable decline, declining from **9.17% in 2018** to **1.00% in 2020**. Then there was an improvement in the last years reaching **19.88% in 2023**. In the early years (2018-2019), Net Margins were low, reflecting the impact of non-operating expenses, taxes, or interest.
However, from 2020 onwards, the net margin surged to **19.88%**, likely due to a combination of revenue growth, operating cost reduction, and improved tax or financial management.
The stability in the last three years highlights that the company has achieved strong net profitability and is maintaining effective financial resource management.

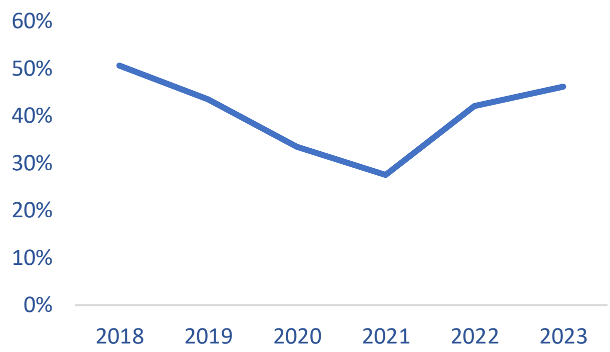


Figure: EBITDA Margin

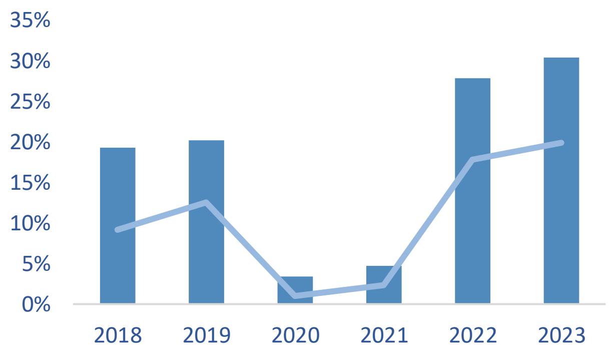


Figure: Operating Margin and Net Profit Margin

Sales per Employee

The **Sales per Employee** metric increased consistently during the period, starting at **99,751.54 in 2018** and stabilizing at **183,610.33 from 2021 onwards**. This positive trend reflects growing efficiency in workforce management and the company's ability to generate higher revenues per employee. The most significant growth occurred between **2019 and 2020**, with a jump from **110,222.26** to **170,924.74**, likely due to revenue growth outpacing headcount increases. The stabilization from 2021 to 2023 indicates that productivity has reached a mature level, with the company balancing workforce expansion and revenue generation.

Personnel Expenses

Personnel Expenses increased steadily over the years, from 2,291.1 in 2018 to 5,596.3 in 2023. This growth reflects both workforce expansion and potential salary increases to attract and retain key talent. The most notable increase occurred between 2019 (3,540.9) and 2020 (4,589.1)**,** likely due to the company's expansion or greater investments in its employees to support growth. However, from 2022 onwards, personnel costs seem to have stabilized, indicating that the company may have reached an equilibrium in workforce management, despite its business consolidation.

Current Ratio

It increased from a modest 62% in FY 2018 to a very high 328% in FY 2020. It then declined to 192%in FY 2021 before rising again to 220% in FY 2023. This trend indicates that the company initially struggled to cover its current liabilities with current assets but significantly improved its liquidity position, likely due to a substantial increase in current assets, as seen between 2019 and 2020. The subsequent decline may be attributed to an increase in current liabilities or a more aggressive management of working capital.

Cash Ratio

It showed a remarkable growth from **0.34%** in FY 2018 to **173.93%** in FY 2020, followed by a drop to **49.19%** in FY 2021 and a stabilization at **88.92%** in FY 2023. This reflects an initial improvement in cash availability relative to current liabilities, likely driven by higher cash flow generation or liquidity accumulation strategies.

Summary

From 2018 to 2023, Cyberoo significantly improved its operational and financial performance, transitioning to a well-balanced model with strong EBITDA and net margins. The rise in sales per employee and personnel expenses reflects sustainable growth driven by effective resource management.

The company's liquidity strengthened, as seen in the current ratio rising from 62% in FY 2018 to 328% in FY 2020, before stabilizing at 220% in FY 2023. Similarly, the cash ratio grew from 0.34% to 173.93% in FY 2020, later leveling off at 88.92% in FY 2023. These trends suggest an initial focus on building liquidity, followed by a strategic shift toward efficient resource allocation, supporting both growth and stability.

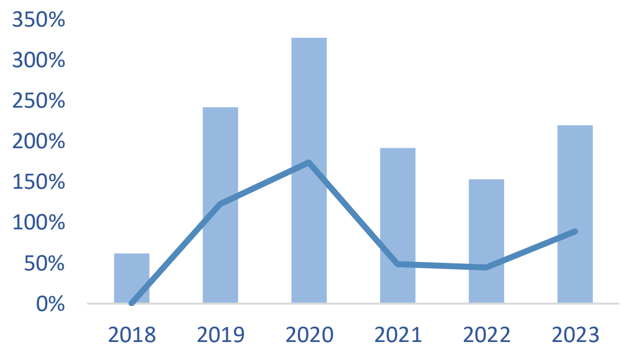


Figure: Current Ratio and Cash Ratio

In Migliaia di $ tranne per quota fine di 12 mesi	FY 2018	FY 2019 01/31/2019	FY 2020 01/31/2020	FY 2021 01/31/2021	FY 2022 01/31/2022	FY 2023 01/31/2023
Current Asset	1677	8650	8395	10451	15122	23458
Current Liabilities	2686	3573	2557	5444	9891	10639
CURRENT RATIO	62%	242%	328%	192%	153%	220%
Cash	9,0	4384,2	4447,1	2678,3	4448,8	9460,6
CASH RATIO	0%	123%	174%	49%	45%	89%

Valuation

This valuation analysis employs two distinct models: the first is a Discounted Cash Flow (DCF) model with a 10-year projection horizon, while the second is a multiple valuation approach, applying an exit EBITDA multiple of 8.5x.

	FY 2023 Act	FY 2024 Est	FY 2025 Est	FY 2026 Est	FY 2027 Est	FY 2028 Est
EPS, Adj+	0,10	0,14	0,20	0,25	0,29	0,31
EPS, GAAP	0,10	0,14	0,20	0,25	0,29	0,31
Revenue	20.013,53	25.000,00	31.000,00	37.000,00	40.000,00	45.000,00
Revenue Growth		0,25	0,24	0,19	0,08	0,13
Operating Profit	6.076,38	9.000,00	12.000,00	15.000,00	17.850,00	19.278,00
EBIT	6.076,38	9.000,00	12.000,00	15.000,00	17.850,00	19.278,00
EBITDA	9.280,47	12.000,00	16.000,00	19.000,00	20.520,00	23.187,60
Pre-Tax Profit	5.679,97	8.000,00	12.000,00	15.000,00	17.850,00	19.278,00
Net Income Adj+	3.963,45	6.000,00	8.000,00	10.000,00	11.900,00	12.852,00
Net Income, GAAP	3.963,45	6.000,00	8.000,00	10.000,00	11.900,00	12.852,00
Net Debt	-4.034,70	-6.000,00	-10.000,00	-16.000,00	-20.000,00	-22.000,00
Depreciation	3.204,08	3.000,00	4.000,00	4.000,00	2.670,00	3.909,60
Free Cash Flow	3.960,25	2.000,00	4.000,00			
CAPEX	-895,25	-4.000,00	-5.000,00	-5.000,00	-5.500,00	-6.000,00

**in Thousands of dollars*

Source: Bloomberg

Data Sources and Assumption

The data used in the analysis was sourced from Bloomberg, with future projections provided by Bloomberg analysts. These projections extend through FY 2028. Beyond this period, to complete the model's 10-year horizon, we assumed a constant growth rate of 3% for the key financial items involved in calculating Free Cash Flows (FCF).

DCF Model

Following the establishment of key assumptions, we calculated the company's Beta using both the theoretical formula and a regression analysis, determining it to be approximately 0.62, consistent with Bloomberg's estimate.

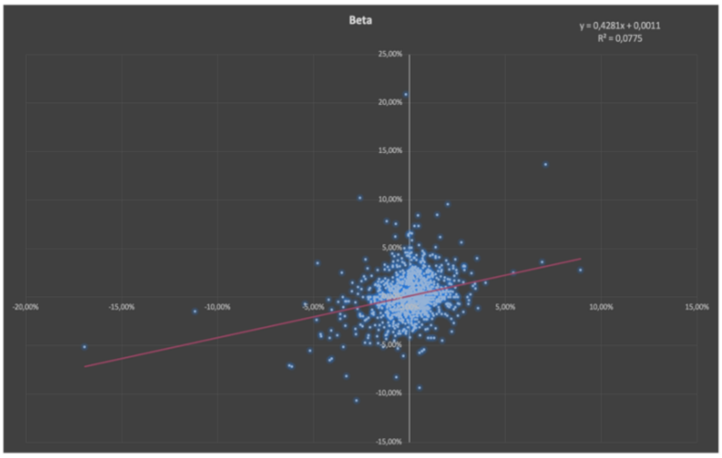
Base Case WACC		
Risk-free rate	3,47%	
Equity market risk premium	7,81%	*(Damodaran)*
Company estimated equity beta	0,62	
Cost of equity	8,31%	
Company estimated pre-tax cost of debt	3,10%	*(Bloomberg)*
E/(E+D)	100%	
D/(E+D)	0,00%	
Tax rate	24,00%	*(Damodaran)*
WACC	**8,31%**	
g	3,00%	

Next, we derived the discount rate or Weighted Average Cost of Capital (WACC). Starting with the risk-free rate (based on the 10-year Italian government bond, BTP), and utilizing the previously computed Beta, we calculated the Cost of Equity. By incorporating the weighted cost of debt, we calculated a WACC equal to 8.31%, which aligns with current market rates. For debt, we used net debt (offset by cash) and market-based equity value, while other key variables were sourced from Prof. Damodaran's comprehensive data tables.

Option 1	
Cov(CYB;FTMIB)	0,000088
Var(FTMIB)	0,000205
Beta	0,43
(Adjusted Beta)	0,62

Bloomberg	*0,65*

Option 2	
Raw Beta	0,43
Adjusted Beta	0,62



We then calculated the Discounted Cash Flows and Terminal Value, with the latter being determined using the formula:

$$TV = \frac{FCF_n \times (1 + g)}{(r - g)}$$

Finally, after summing all discounted values and making necessary adjustments (such as for minority interests and net debt), we determined the company's fair equity value to be €137.010 million. Dividing this by the total number of outstanding shares (41.220 million), we estimate the fair value per share to be €3.32.

Insights

This valuation suggests the company is currently undervalued by 58.3% (the actual stock price is 2.10€ per share), presenting a potential investment opportunity.

Perpetuity growth method		
Present value	($m)	(%)
PV of FCF	50.249	37,6%
PV of Terminal Value	83.361	62,4%
Enterprise value	**133.610**	**100,0%**
Net debt & adjustments	(3.400,0)	
Equity value	**137.010**	
Share price	3,32	
% premium to current	*58,3%*	

Conservative Scenario Focus

In developing our model, we opted for a conservative scenario approach. Despite the company's promising economic outlook, its limited recognition among market makers and relatively small market capitalization compared to European peers could pose medium-term challenges. Additionally, we chose a single-scenario approach due to the absence of multiple scenario DCF models available online to serve as benchmark.

Exit EBITDA multiple method		
Present value	($m)	(%)
PV of FCF	50.248,5	30,6%
PV of Terminal Value	114.184,7	69,4%
Enterprise value	**164.433,2**	**100,0%**
Net debt & adjustments	(3.400,0)	
Equity value	**167.833,2**	
Share price	4,1	
% premium to current	*93,9%*	

Multiple Valuation

The second valuation model, based on a multiple approach, utilizes the same inputs as the DCF model, except for the Terminal Value. In this case, the Terminal Value is derived from an Exit EBITDA Multiple, which was set at 8.5x, below the average of the sector. This multiple represents the average market exit EBITDA multiples and is therefore deemed appropriate for this valuation.
By summing the present value of all Free Cash Flows (FCF) and the present value of the Terminal Value, while subtracting net debt, we arrived at a per-share price of €4.10. This reflects an undervaluation of 93.9%.

Sensitising implied offer price to WACC and TGR

		Perpetuity Growth Rate (%)				
		2,00%	2,50%	3,00%	3,50%	4,00%
WACC (%)	7,3%	3,57	3,81	4,11	4,49	4,98
	7,8%	3,26	3,45	3,68	3,97	4,33
	8,3%	2,99	3,15	**3,32**	3,55	3,83
	8,8%	2,77	2,89	3,04	3,22	3,43
	9,3%	2,57	2,68	2,80	2,94	3,11

Conclusion

In conclusion, our analysis suggests that, under a conservative scenario, the company is currently undervalued, making it a "Buy" rated opportunity.

Summary financials and cashflow

DCF Forecast Year	0	1	2	3	4	5	6	7	8	9	10	TV
Mar YE ($m)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	
Revenue	25.000	31.000	37.000	40.000	45.000	46.350	47.741	49.173	50.648	52.167	53.732	
% growth		24,0%	19,4%	8,1%	12,5%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	
EBITDA	12.000	16.000	19.000	20.520	23.188	23.883	24.600	25.338	26.098	26.881	27.687	
% margin	48,0%	51,6%	51,4%	51,3%	51,5%	51,5%	51,5%	51,5%	51,5%	51,5%	51,5%	
% growth		33,3%	18,8%	8,0%	13,0%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%	
D&A	(3.000)	(4.000)	(4.000)	(2.670)	(3.910)	(4.027)	(4.148)	(4.272)	(4.400)	(4.532)	(4.668)	
% of revenue	12,0%	12,9%	10,8%	6,7%	8,7%	8,7%	8,7%	8,7%	8,7%	8,7%	8,7%	
% of capex		80,0%	80,0%	48,5%	65,2%	65,2%	65,2%	65,2%	65,2%	65,2%	65,2%	
EBIT	9.000	12.000	15.000	17.850	19.278	19.856	20.452	21.066	21.698	22.348	23.019	
% margin	36,0%	38,7%	40,5%	44,6%	42,8%	42,8%	42,8%	42,8%	42,8%	42,8%	42,8%	
Tax on EBIT		(2.760)	(3.450)	(4.106)	(4.434)	(4.567)	(4.704)	(4.845)	(4.990)	(5.140)	(5.294)	
% tax rate		23,0%	23,0%	23,0%	23,0%	23,0%	23,0%	23,0%	23,0%	23,0%	23,0%	
Capex		(5.000)	(5.000)	(5.500)	(6.000)	(6.180)	(6.365)	(6.556)	(6.753)	(6.956)	(7.164)	
% of revenue		16,1%	13,5%	13,8%	13,3%	13,3%	13,3%	13,3%	13,3%	13,3%	13,3%	
Change in NWC		(3.000)	(4.000)	(4.500)	(5.000)	(5.100)	(5.202)	(5.306)	(5.412)	(5.520)	(5.631)	
Other Cashflows		0	0	0	0	0	0	0	0	0	0	
% of revenue		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Exceptional items		0	0	0	0	0	0	0	0	0	0	
% of revenue		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	
Unlevered free cash flow		5.240	6.550	6.415	7.754	8.036	8.328	8.630	8.942	9.265	9.598	186.093
Cashflow Timing (Years to Discount)		1	2	3	4	5	6	7	8	9	10	
Discount Factor		0,92	0,85	0,78	0,72	0,67	0,62	0,57	0,53	0,49	0,45	
Discounted DCF cashflows		4.816	5.558	5.025	5.608	5.366	5.135	4.912	4.699	4.495	4.299	83.361

Var Analysis

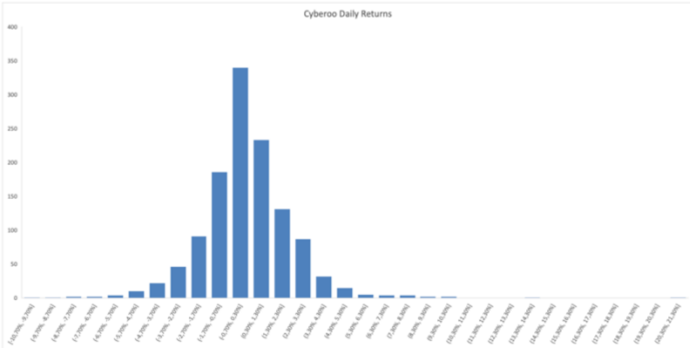
Value at Risk (VaR) is a statistical measure that quantifies thepotential loss in the value of a portfolio or investment over a specific time period, at a certain level of confidence. In other words, VaR estimates the maximum amount of loss that a portfolio could suffer within a given time frame and probability.
Different are the way to calculate the Var, we decided to obtain it using the Historical Method that works in the following way:

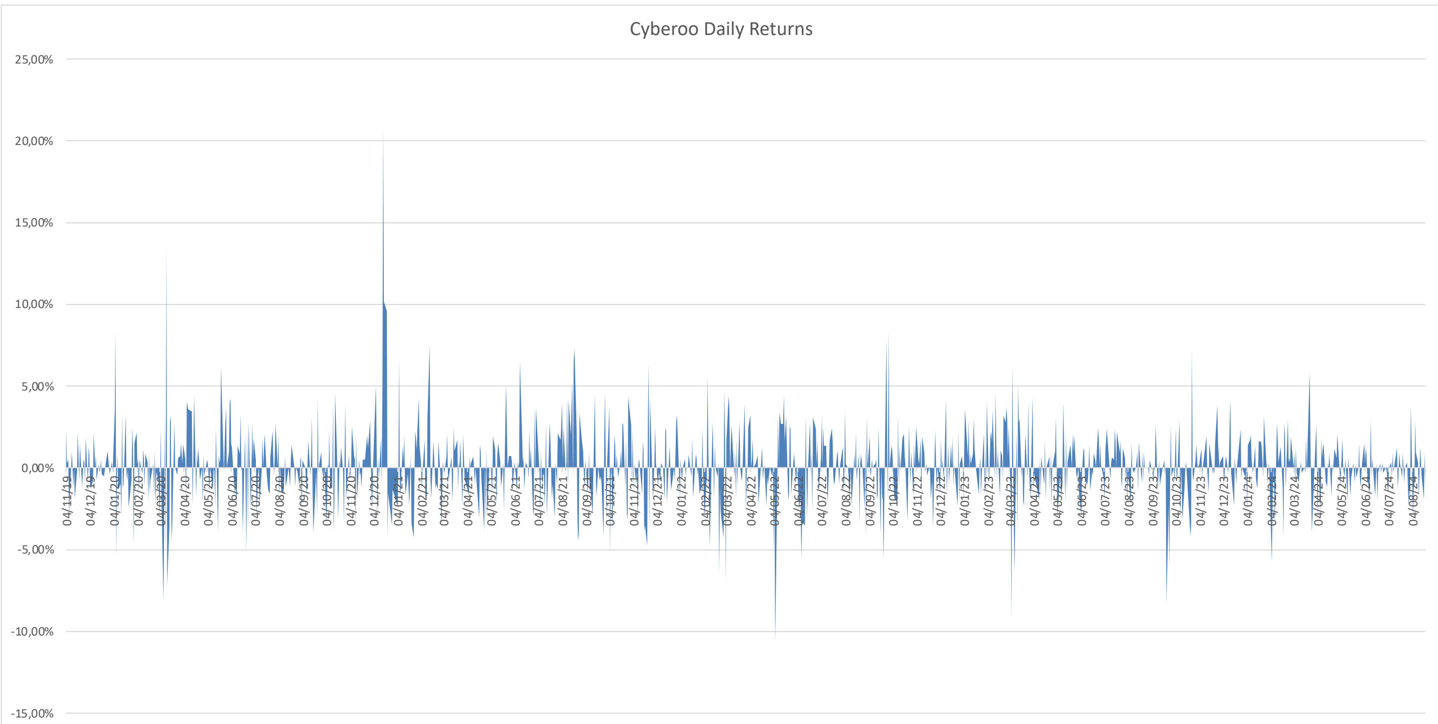
1. Collecting Historical Data (in our case from 2019 to 2024)
2. Calculating Daily Returns
3. Organizing the Returns from the lowest to the highest
4. Determining the Confidence Level
5. Identifying the VaR
6. Calculating the VaR in Monetary Terms
7. (Optional) Testing Different Time Horizons [Weekly_VaR = Daily_VaR * SQRT(5) / Monthly_VaR = Daily_VaR * SQRT(21)]

We considered a portfolio of 1.000€ totally in Cyberoo shares, and three different Confidence Levels.

After all the computation, as showed in the table on the side, the maximum daily loss, with the 99% Confidence Level, is 54,40€ and, transposed into maximum monthly loss, is equal to 250€.

Confidence Level	VaR %	Portfolio Value
90%	-2,14%	978,60 €
95%	-3,22%	967,75 €
99%	-5,44%	945,60 €





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