

POWERSOFT

Sector: Technology

Resilient execution in a softer market; stronger 2027 ahead

Resilient set of interim results despite weakness in the Pro-Audio market, with sales growth supported by K-Array contribution (L4L declined mid-single digit YoY). In our view, PWS performed well in preserving its industrial profitability despite investing in key personnel and R&D, resulting in a still robust 27.4% adj. EBITDA margin. Cash generation was solid (Eu8.1mn FCF), implying a 67% EBITDA conversion, maintaining net debt close to Eu40mn levels despite Eu10mn of dividends. 2H trends are expected to remain broadly in line with 1H, while the gradual destocking from selected NAM customers, new product in Japan and increasing K-Array synergies should support a stronger growth setup into 2027. We cut FY26E sales to Eu96mn (+1.2% YoY) and adj. EBITDA margin to 26.4%, while reducing FY27-28E sales by c.6%, confirming DD growth and EBITDA margin. TP cut to Eu19.0/s (from 21.0). After a transitional 2026, resilient margins, strong FCF, growth and attractive dividend yields should support a re-rating. BUY confirmed.

- **Top-line growth supported by K-Array; soft underlying market trends.** 1H26 net sales reached Eu44.2mn, +8.8% YoY, although 1H25 included only 3 months of K-Array consolidation. On a L4L basis, we estimate a mid-single-digit decline. On a reported basis, NAM increased 13.4% YoY to Eu19.5mn, although management highlighted that organic performance was affected by overstocking at two large customers, which are expected to gradually return to orders in 2H. Europe remained broadly flat (+0.9% YoY), while APAC grew 21.2% to Eu6.3mn, mainly driven by strong momentum in Japan, more than offsetting still subdued demand in China.
- **Resilient adj. EBITDA margin despite investments in personnel.** Adj. EBITDA reached Eu12.1mn (+5.2% YoY), with margin at 27.4% vs. 28.3% in 1H25. The period also benefited from Eu1.4mn of US tariff reimbursements, making the YoY comparison more favourable. Opex increased to Eu37.2mn from Eu33.3mn, reflecting both the full consolidation of K-Array and continued investments in the organisation, mainly in personnel through additional sales in the US and R&D hires, while K-Array focused on strengthening its organisational structure. Adj. EBIT was broadly flat YoY at Eu9.1mn (+1%). Restated net profit declined c.9% YoY to Eu4.7mn/10.5% margin from Eu5.1mn/12.6%, mainly reflecting higher acquisition-related financial expenses.
- **Eu3.6mn increase in net debt despite Eu10mn dividend.** Cash generation remained solid, with Eu8.1mn FCF supported by positive WC dynamics (+Eu2.2mn). Net debt stood at Eu41.9mn (vs. Eu38.3mn at YE25), despite Eu10mn of dividends paid during 1H.
- **Near-term softness, stronger growth drivers into 2027.** During the call, management highlighted 2H trends broadly in line with 1H, amid prolonged market softness. The expected normalization of the two large NAM customers should support an improvement in organic trends, while Japan should continue to contribute positively, supported by new product launches. The Group also plans to further strengthen its workforce in China, building a more local presence, as well as in other strategic regions such as India. Moreover, the ongoing integration with K-Array should act as an additional growth lever, with PWS technologies already being deployed in new K-Array products, alongside increasing collaboration across R&D, sales and distribution, with benefits likely to become more visible in 2027.
- **FY26E cut to reflect softer organic trends; DD growth retained from 27.** We reflect the 1H organic softness in 2H, cutting FY26E sales to Eu96mn (+1.2% YoY). We also reduce our FY26E adj. EBITDA margin to 26.4% from 27.9%, mainly reflecting higher personnel investments not embedded in our previous estimates. We reduce FY27-28E sales by c.6% on average, while still implying DD growth, supported by the gradual exploitation of K-Array synergies, with adj. EBITDA margin confirmed above 28% by FY28E. Strong FCF generation is reiterated, with Eu16mn of cumulative debt reduction over the forecast period despite Eu30mn of estimated dividends, implying a c.5% dividend yield.
- **TP down to Eu19.0 from Eu21.0; BUY.** We trim our TP to Eu19/sh (from Eu21.0), reflecting our estimate revisions. We see 2026 as a transition year, in line with the market. However, resilient margins, strong FCF embedded in the business model, and a combination of growth and an attractive dividend yield lead us to confirm our positive stance on the name. BUY reiterated.

BUY

Unchanged

TP 19.0

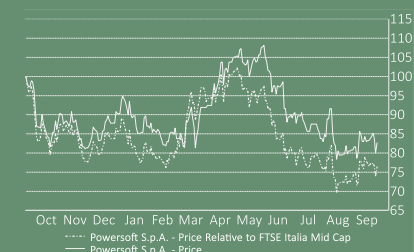
From 21.0

Target price upside 24%

Change in EPS est.	FY26E	FY27E
	-26.5%	-18.2%

Ticker (BBG, Reut)	PWS IM	PWS MI
Share price Ord. (Eu)		15.3
N. of Ord. shares (mn)		12.8
Total N. of shares (mn)		12.8
Market cap (Eu mn)		197
Total Market Cap (Eu mn)		197
Free Float Ord. (%)		21%
Free Float Ord. (Eu mn)		41
Daily AVG liquidity Ord. (Eu k)		53

	1M	3M	12M
Absolute Perf.	0.3%	-9.2%	-23.1%
Rel. to FTSEMidCap	1.9%	-5.6%	-30.1%
52 weeks range		14.5	20.0



	FY25A	FY26E	FY27E
Sales	94	96	109
EBITDA adj.	27.0	25.2	29.9
Net profit adj.	12.7	10.6	13.6
EPS adj.	0.997	0.824	1.049
DPS - Ord.	0.850	0.780	0.768
EV/EBITDA adj.	9.7x	9.4x	7.8x
P/E adj.	17.3x	18.6x	14.7x
Dividend yield	5.0%	5.1%	5.0%
FCF yield	8.0%	6.4%	8.1%
Net debt/(Net cash)	38.3	35.8	29.0
Net debt/EBITDA	1.4x	1.4x	1.0x

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Summary Financials (IFRS)

P&L account (Eu mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	71.4	92.3	93.1	108.7	119.8
Value of Production	72.4	94.4	95.5	109.2	120.3
EBITDA reported	20.0	24.1	25.0	29.9	34.1
D&A	(3.1)	(5.4)	(6.0)	(6.5)	(6.9)
EBIT reported	16.6	18.5	18.0	22.2	25.8
Net financial charges	0.5	(4.3)	(3.5)	(3.4)	(3.3)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	17.1	14.2	14.5	18.8	22.5
Taxes	(4.7)	(4.3)	(4.0)	(5.2)	(6.3)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	12.3	9.9	10.4	13.6	16.2
EBITDA adjusted	20.2	27.0	25.2	29.9	34.1
EBIT adjusted	16.8	22.4	18.2	22.2	25.8
Net profit adjusted	12.5	12.7	10.6	13.6	16.2

Margins (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross margin	na	na	na	na	na
EBITDA margin (adj)	27.9%	28.6%	26.4%	27.4%	28.3%
EBIT margin (adj)	23.2%	23.7%	19.1%	20.4%	21.5%
Pre-tax margin	23.6%	15.0%	15.2%	17.2%	18.7%
Net profit margin (adj)	17.3%	13.4%	11.1%	12.4%	13.5%

Growth rates (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	48.2%	30.4%	1.2%	14.4%	10.2%
EBITDA	61.9%	20.5%	3.8%	19.6%	13.8%
EBITDA adjusted	63.6%	33.7%	-6.6%	18.7%	13.8%
EBIT	67.3%	11.4%	-2.5%	23.6%	16.2%
EBIT adjusted	69.3%	33.4%	-18.6%	22.2%	16.2%
Pre-tax	92.7%	-16.9%	2.0%	30.0%	19.6%
Net profit	94.5%	-19.6%	5.3%	30.0%	19.6%
Net profit adjusted	96.8%	1.3%	-16.3%	28.3%	19.6%

Per share data	FY24A	FY25A	FY26E	FY27E	FY28E
Shares	12.530	12.845	12.847	13.045	13.045
N. of shares AVG	12.129	12.688	12.846	12.946	13.045
N. of shares diluted AVG	12.129	12.688	12.994	12.994	12.994
EPS	1.018	0.782	0.813	1.049	1.246
EPS adjusted	1.030	0.997	0.824	1.049	1.246
DPS - Ord.	0.850	0.850	0.780	0.768	0.780
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	3.181	3.361	3.352	3.662	4.255

Enterprise value (Eu mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Share price Ord. (Eu)	14.5	17.0	15.3	15.3	15.3
Market cap Diluted	181.1	218.4	196.6	199.6	199.6
Net debt/(Net cash)	(10.2)	38.3	35.8	29.0	20.2
Adjustments	1.5	5.4	5.0	5.6	6.1
Enterprise value	172.4	262.2	237.4	234.2	225.9

Share price performance

PWS share price is down by c.12% YTD



Cash flow (Eu mn)	FY24A	FY25A	FY26E	FY27E	FY28E
EBITDA reported	20.0	24.1	25.0	29.9	34.1
Net financial charges	(0.0)	(0.5)	(3.5)	(3.4)	(3.3)
Cash taxes	(1.0)	(7.4)	(4.0)	(5.2)	(6.3)
Ch. in Working Capital	(15.8)	2.6	(0.1)	(1.2)	(3.2)
Other operating items	0.4	1.9	(1.5)	(0.6)	(0.8)
Operating cash flow	3.6	20.7	15.8	19.5	20.4
Capex	(3.0)	(3.2)	(3.4)	(3.5)	(3.5)
FCF	0.6	17.5	12.5	16.1	17.0
Disposals/Acquisitions	0.0	(5.3)	(2.3)	(2.3)	(2.3)
Changes in Equity	2.3	0.0	0.0	0.0	0.0
Others	0.0	0.0	2.3	2.3	2.3
Dividends	(10.7)	(10.9)	(10.0)	(10.0)	(10.2)
Ch. in NFP	(7.7)	1.4	2.5	6.1	6.8

Ratios (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Capex/VoP	4.2%	3.4%	3.5%	3.2%	2.9%
Capex/D&A	1.0x	0.6x	0.6x	0.5x	0.5x
FCF/EBITDA	3.2%	72.8%	49.9%	53.8%	49.8%
FCF/Net profit	5.2%	176.8%	119.6%	118.4%	104.4%
Dividend pay-out	88.4%	88.4%	88.4%	60.0%	70.0%

Balance sheet (Eu mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Working capital	25.0	29.2	29.3	30.5	33.7
Fixed assets	4.9	57.2	54.6	51.6	48.1
Provisions & others	(1.5)	(5.4)	(5.0)	(5.6)	(6.1)
Net capital employed	28.4	80.9	78.9	76.4	75.7
Net debt/(Net cash)	(10.2)	38.3	35.8	29.0	20.2
Equity	38.6	42.6	43.1	47.4	55.5
o/w Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Working capital/VoP	34.5%	30.9%	30.7%	27.9%	28.0%
Net debt/Equity	nm	89.8%	83.2%	61.1%	36.3%
Net debt/EBITDA	nm	1.4x	1.4x	1.0x	0.6x

Valuation	FY24A	FY25A	FY26E	FY27E	FY28E
EV/CE	5.8x	3.0x	2.8x	2.9x	2.8x
P/BV	4.7x	5.1x	4.6x	4.2x	3.6x
EV/Sales	2.4x	2.8x	2.5x	2.1x	1.9x
EV/EBITDA	8.6x	10.9x	9.5x	7.8x	6.6x
EV/EBITDA adjusted	8.5x	9.7x	9.4x	7.8x	6.6x
EV/EBIT	10.4x	14.2x	13.2x	10.5x	8.7x
EV/EBIT adjusted	10.3x	11.7x	13.0x	10.5x	8.7x
P/E	14.7x	25.9x	22.2x	16.8x	13.5x
P/E adjusted	14.5x	17.3x	18.6x	14.7x	12.3x
ROCE pre-tax	88.9%	38.5%	21.4%	26.8%	31.5%
ROE	32.4%	29.7%	24.6%	28.7%	29.3%
EV/FCF	269.9x	14.9x	19.0x	14.6x	13.3x
FCF yield	0.4%	8.0%	6.4%	8.1%	8.5%
Dividend yield	5.9%	5.0%	5.1%	5.0%	5.1%

Valuation

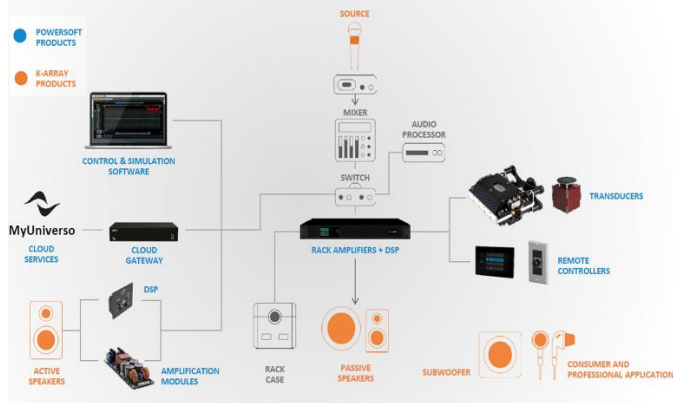
Multiples have de-rated recently



Key Charts

Powersoft – A comprehensive solution provider

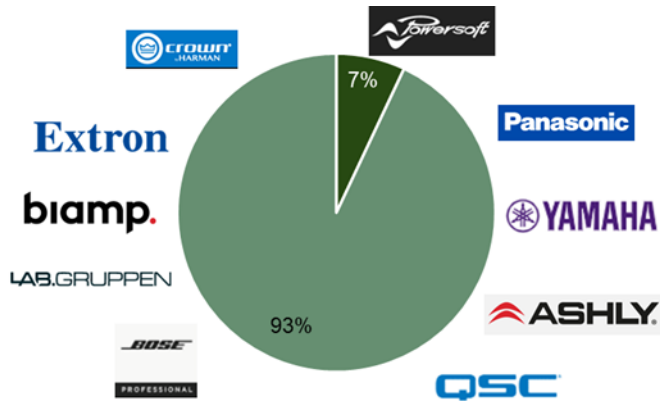
With the K-Array acquisition, PWS has enlarged its offer of pro-audio systems



Source: Powersoft

Powersoft's estimated market share in rack amplifiers

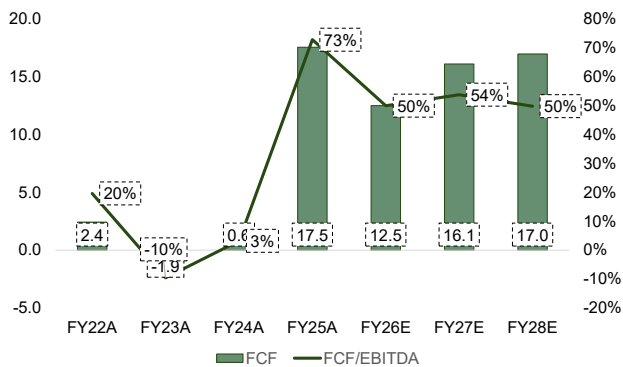
We estimate a market share of 7% in professional rack amplifiers (PWS core)



Source: Alantra estimates

Powersoft – High FCF generation

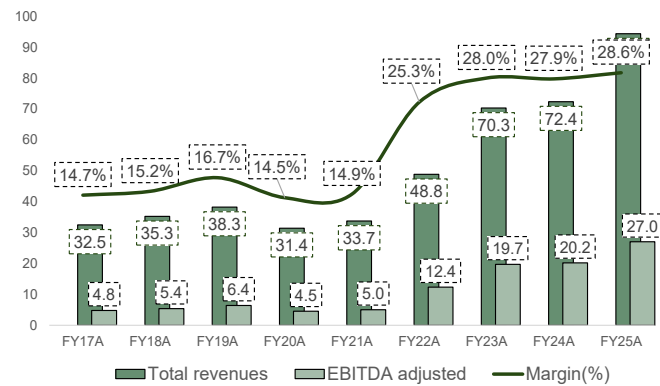
PWS is expected to maintain an attractive FCF generation



Source: Powersoft, Alantra estimates

Powersoft – Historical financials (FY17-25A)

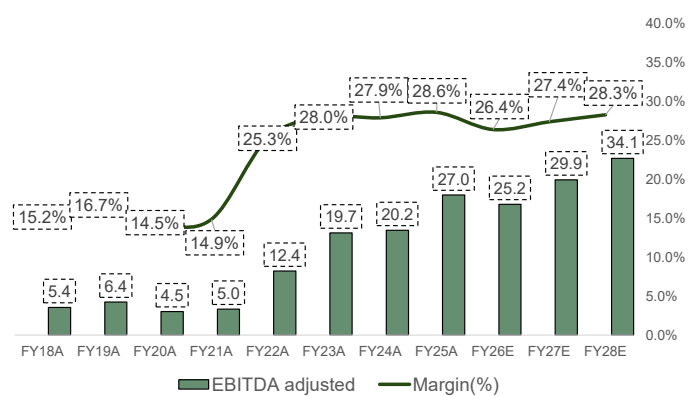
+12% top line CAGR in 2016-25 with EBITDA margin reaching 28.6% in 2025



Source: Powersoft financial reports

Powersoft - Adj. EBITDA and margin (FY18A-28E)

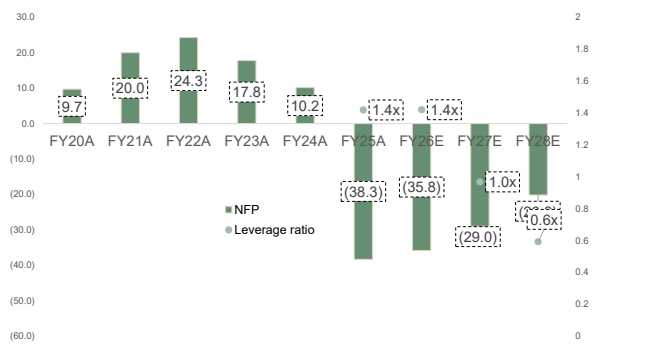
EBITDA margin should reach >28% in FY28E



Source: Powersoft, Alantra estimates

Powersoft – Cash position

A solid leverage despite attractive dividends and the recent sizeable M&A



Source: Powersoft, Alantra estimates

Profile

Background	Powersoft is a global leader in the design and manufacturing of high-end patented technologies and solutions for the professional audio sector. The group is specialized in the production of pro-audio power amplifiers, which represent a key part of an audio system (the electronic circuits that increase the power of the electric signal that drives loudspeakers). With the 51% acquisition of K-array, Powersoft key products include active/passive compact speakers and subwoofer, on top of their flagship rack amplifiers (systems) - for both touring and fixed installations - and amplification modules (components, to be assembled into OEM's active loudspeakers). Other products like safety multimedia devices, sound controllers and transducers complement the product offering.
Positioning	We believe that the group is a leading global player with estimated market share of 7% in the core business of rack amplifiers. We struggle to find independent product specialists with a similar positioning. The German group IcePower and the Danish player Pascal are mainly producers of professional module amplifiers. Other competitive brands are part of larger multi-brand conglomerates, including the Swedish Lab.Gruppen (acquired in 2015 by the Philippian group Music Tribe) and Crown (part of the US group Harman, acquired by Samsung in 2016). Other competitors are large mono-brand integrated groups, including Bose Professional, Panasonic, Yamaha, Ashly and QSC. Powersoft's technologies are protected by trademarks. In addition, the group significantly invests in innovation (R&D on sales at 7-8% on average over the last 5 years; 30% of the workforce in R&D). The group has established strong reputation, links and relationships with top clients (Pioneer, Bose, Panasonic, RCF and others) and distributors. Powersoft also supplies module amplifiers to the top loudspeaker brands (L'Acoustics and d&b Audiotechnik).
Growth	Powersoft has grown much faster than its reference market over the 16-25 period (+12% vs +9%) powered by continuous R&D investments in product innovation and product offering expansion and by the strengthening of the global distribution network. Powersoft should continue to outperform the reference market in the coming years. Looking forward, PWS's revenues are expected to grow, also thanks to synergies from the K-array integration, at a 9.1% CAGR FY25-28 (7% organic) with Americas and APAC being the best performers. Regain of production volumes and costs efficiencies should translate into EBITDA growing faster than revenues with EBITDA margin should reach c.29% by 2028 from 14.5% in 2020.
Strategy	The group is bearing fruits from a new strategic chapter started in 2021: (i) shift from supplier to partner in sound technology, and (ii) from large installations requiring high power amplifiers to the large addressable market of small commercial installations around the globe. Over the last few years, the company has been significantly investing to reinforce its distribution network in US and China, the two largest addressable markets expected to account for over 40% of the total Professional Amplifier market by 2025. In April 2025, Powersoft announced the closing of its first acquisition, acquiring K-Array, a leading manufacturer of compact audio systems. This move expands its product offering and accelerates its transition from a product company to a solutions provider. As a frontrunner in innovation in the professional audio industry, R&D efforts of the company will be deployed in the development of new products and new solutions for this market. On top the company is now working on different projects to enlarge its product offering and penetrate new markets (e.g. partnership with Ferrari).

Strengths

Pioneer in the development of cutting-edge professional amplifiers
R&D driven business model
A complete offer of pro-audio systems: frm amplifiers to transducers

Weaknesses

Many competitors are part of larger and more diversified groups
Lower than average market share in US and China

Opportunities

Expansion of the product portfolio and addressed market segments
Market share gain in US and China
Selective M&A to increase market share in amplifiers and/or expand in other products

Threats

Technological obsolescence
Potential disruptions in the supply chain of key components
Change in consumer habits with reduction of live events

Key shareholders

Evolve S.r.l. 73.8%
Lorenzo Lepri 3.0%
HP Sound Equipment SpA 2.3%
Free Float 20.8%

Management

Carlo Lastrucci - Chairman
Luca Lastrucci - CEO
Massimo Ghedini - CFO and IR
Claudio Lastrucci - R&D
Antonio Peruch - Production Engineering
Luca Giorgi - Sales and Business Development
Gianmaria Guarini - Operation
Akira Mochimaru - Global Marketing

Next events

1H26 Results

Resilient set of results

The organic sales trend were broadly aligned with market softness with EBITDA margin resilient despite investments. Our old FY26E implied a demanding acceleration in 2H

Eu mn				OLD			OLD		
	1H25A	1H26A	YoY%	2H25A	2H26E	YoY%	FY25A	FY26E	YoY%
Net sales	40.7	44.2	9%	51.7	60.0	16%	92.3	104.2	13%
Total Revenues	41.1	46.3	13%	53.3	58.4	10%	94.4	104.7	11%
EBITDA adjusted	11.5	12.1	5%	15.5	17.1	10%	27.0	29.2	8%
Ebitda Margin %	28.3%	27.4%		30.0%	28.5%		29.2%	28.0%	
EBIT adjusted	9.1	9.1	1%	13.3	13.9	5%	22.4	23.1	3%
Ebit Margin %	22.3%	20.7%		25.7%	23.2%		24.2%	22.1%	
Restated Net Profit	5.1	4.7	-9%	7.5	10.0	32%	12.7	14.6	16%
Net Profit Margin %	12.6%	10.5%		14.6%	16.6%		13.7%	14.0%	
NFP end of the period	(51.4)	(41.9)		(38.3)	(33.2)		(38.3)	(33.2)	

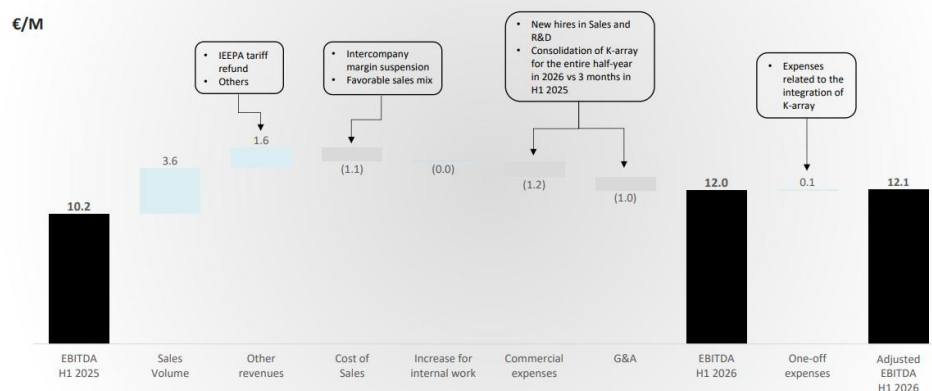
Source: Company data and Alantra estimates

Opex investment absorbed despite softer volumes

Despite a softer underlying volume trend, PWS continued to invest through the cycle, absorbing Eu2.2mn of higher opex in 1H26, with commercial expenses up Eu1.2mn and G&A up Eu1.0mn. The increase mainly reflected new hires in sales and R&D, together with the full 6M consolidation of K-Array vs. only 3M in 1H25. At EBITDA bridge level, the positive contribution from higher reported sales volumes (+Eu3.6mn) and other revenues (+Eu1.6mn, including the US tariff refund) was partly offset by higher cost of sales (-Eu1.1mn) and the step-up in operating expenses. Despite this heavier cost base and softer L4L demand, reported EBITDA still increased to Eu12.0mn from Eu10.2mn, with adj. EBITDA at Eu12.1mn and margin holding at a resilient 27.4%. In our view, this highlights the Group's ability to preserve profitability while continuing to invest in the commercial and R&D capabilities.

EBITDA bridge (1H25-1H26, Eu mn)

Despite softer underlying volumes, PWS continued to invest in sales, R&D and K-Array integration.



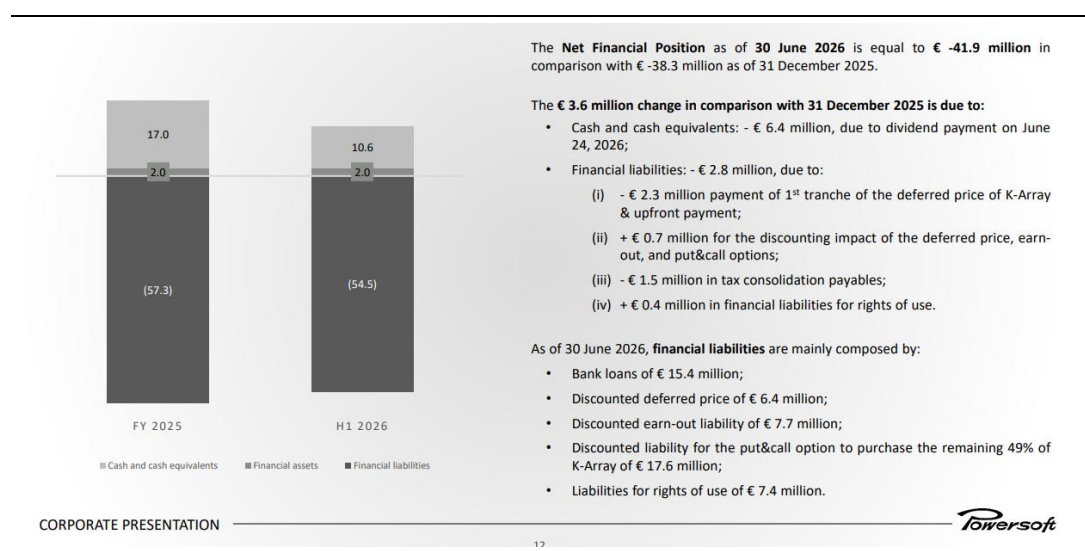
Source: Company presentation

Debt structure remains largely acquisition-driven rather than traditional leverage

At Jun-26, PWS reported Eu41.9mn of net debt, against Eu54.5mn of total financial liabilities. However, only Eu15.4mn relates to bank debt, while the bulk remains linked to the K-Array transaction, including Eu6.4mn of deferred consideration, Eu7.7mn of earn-out liabilities and Eu17.6mn related to the put/call option on the remaining 49% stake, alongside Eu7.4mn of IFRS 16 lease liabilities. Against Eu10.6mn of cash and Eu2.0mn of financial assets, this implies a relatively limited level of traditional net bank debt. During 1H26, PWS also paid Eu2.3mn related to the first tranche of deferred K-Array consideration, while Eu0.7mn of non-cash discounting on deferred consideration, earn-outs and put/call liabilities partly offset the reduction in financial liabilities. **This also mechanically inflates headline EV-based multiples, as deferred consideration, earn-outs and put/call liabilities are included in net debt despite not representing traditional bank leverage.**

NFP breakdown (FY25-1H26, Eu mn)

Debt structure remains largely acquisition-driven rather than traditional leverage.



Source: Company presentation

Change in estimates

Change in estimates

We cut FY26E sales to Eu96mn and adj. EBITDA margin to 26.4% to reflect softer organic trends and higher personnel investments, while retaining DD growth from 2027

(Eu mn)	NEW estimates			Change			OLD estimates		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total Revenues / Value of Production	95.5	109.2	120.3	-8.8%	-5.6%	-6.7%	104.7	115.7	128.9
EBITDA adjusted	25.2	29.9	34.1	-13.6%	-8.9%	-8.3%	29.2	32.8	37.1
EBIT Adjusted	18.2	22.2	25.8	-21.2%	-14.7%	-13.3%	23.1	26.1	29.8
Restated Net profit	10.6	13.6	16.2	-27.6%	-19.5%	-17.2%	14.6	16.9	19.6
EPS	0.812	1.041	1.246	-26.5%	-18.2%	-15.9%	1.104	1.273	1.482
Net financial position	(35.8)	(29.0)	(20.2)	2.7	1.1	1.9	(33.2)	(27.9)	(18.3)

Source: Company data and Alantra estimates

Peers

Trading multiples

At current market price, the stock trading at discount vs electronic peers on EV/EBITDA FY26E.

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
POWERSOFT	ITALY	190	2.5 x	2.1 x	1.9 x	9.5 x	7.8 x	6.6 x	13.2 x	10.5 x	8.7 x	22.2 x	16.8 x	13.5 x
Premium (discount) to Peers' Median			68%	59%	53%	-5%	-11%	-9%	27%	-3%	-8%	55%	21%	2%
PEERS			Average	2.4 x	2.3 x	2.2 x	20.5 x	9.4 x	7.5 x	15.7 x	40.7 x	10.4 x	17.8 x	22.7 x
			Median	1.5 x	1.4 x	1.2 x	9.9 x	8.8 x	7.3 x	10.4 x	10.8 x	9.5 x	14.3 x	13.9 x
B&C Speakers S.p.A.	ITALY	122	1.3 x	1.2 x	1.1 x	6.5 x	5.5 x	4.8 x	7.8 x	6.5 x	5.6 x	11.1 x	9.6 x	8.6 x
Focusrite PLC	UNITED KINGDOM	163	0.9 x	0.9 x	0.9 x	5.9 x	5.3 x	4.8 x	9.6 x	8.0 x	7.3 x	13.4 x	10.8 x	9.8 x
Sound Peers			Average	1.1 x	1.0 x	1.0 x	6.2 x	5.4 x	4.8 x	8.7 x	7.3 x	6.4 x	12.2 x	10.2 x
			Median	1.1 x	1.0 x	1.0 x	6.2 x	5.4 x	4.8 x	8.7 x	7.3 x	6.4 x	12.2 x	10.2 x
Cirrus Logic, Inc.	UNITED STATES	5,235	2.8 x	2.6 x	2.5 x	na	na	na	11.2 x	10.8 x	9.5 x	14.3 x	13.3 x	11.7 x
SECO S.p.A.	ITALY	588	3.2 x	2.6 x	2.4 x	15.6 x	11.9 x	10.3 x	28.8 x	19.4 x	15.6 x	46.4 x	28.6 x	23.8 x
Acuity Inc.	UNITED STATES	8,145	2.3 x	2.1 x	2.0 x	12.0 x	10.6 x	9.7 x	12.8 x	11.4 x	10.4 x	16.0 x	14.5 x	13.2 x
Electronics Peers			Average	2.4 x	2.1 x	2.0 x	41.3 x	13.2 x	9.5 x	17.6 x	78.6 x	12.6 x	25.6 x	18.8 x
			Median	2.5 x	2.4 x	2.2 x	15.6 x	11.9 x	9.7 x	12.8 x	15.4 x	12.6 x	16.0 x	14.5 x
Live Nation Entertainment, Inc.	UNITED STATES	35,438	1.5 x	1.3 x	1.2 x	15.7 x	13.8 x	12.4 x	39.9 x	23.9 x	18.5 x	nm	82.7 x	52.3 x
CTS Eventim AG & Co. KGaA	GERMANY	5,242	1.5 x	1.4 x	1.2 x	7.9 x	6.9 x	6.2 x	9.4 x	8.3 x	7.3 x	16.2 x	15.1 x	13.8 x
Madison Square Garden Sports Corp. Class A	UNITED STATES	6,918	8.4 x	9.0 x	8.8 x	nm	nm	nm	nm	nm	nm	nm	nm	nm
GL events SA	FRANCE	754	0.6 x	0.6 x	0.6 x	4.4 x	4.0 x	3.5 x	5.9 x	5.3 x	4.9 x	7.4 x	6.9 x	6.5 x
Live Events Companies			Average	3.0 x	3.1 x	2.9 x	9.3 x	8.2 x	7.3 x	18.4 x	12.5 x	10.2 x	11.8 x	34.9 x
			Median	1.5 x	1.4 x	1.2 x	7.9 x	6.9 x	6.2 x	9.4 x	8.3 x	7.3 x	11.8 x	15.1 x

Source: Alantra estimates and FactSet

Financials

PWS is expected to post much higher profitability vs direct peers and boasting higher growth potential

Company	Country	Mkt Cap (Eu mn)	FY26E - FY28E average margins					CAGR FY25A - FY28E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	Net Profit
POWERSOFT	ITALY	190	27.3%	20.2%	12.3%	3.2%	72.8%	8.4%	8.0%	4.9%	17.9%
B&C Speakers S.p.A.	ITALY	122	20.4%	17.2%	12.5%	2.0%	64.2%	1.4%	3.7%	4.0%	10.8%
Focusrite PLC	UNITED KINGDOM	163	16.9%	11.0%	7.5%	7.8%	32.6%	2.8%	10.1%	13.1%	14.4%
Sound Peers			Average	18.6%	14.1%	10.0%	4.9%	48.4%	2.1%	6.9%	8.5%
			Median	18.6%	14.1%	10.0%	4.9%	48.4%	2.1%	6.9%	8.5%
Cirrus Logic, Inc.	UNITED STATES	5,235	na	25.0%	22.2%	3.0%	na	3.9%	na	2.3%	2.1%
SECO S.p.A.	ITALY	588	21.9%	13.4%	6.0%	10.0%	0.0%	13.8%	19.1%	30.6%	-307.1%
Acuity Inc.	UNITED STATES	8,145	19.7%	18.4%	11.4%	1.8%	3.6%	5.9%	8.3%	8.3%	16.0%
Italian Electronics companies			Average	14.7%	13.2%	9.0%	4.7%	9.1%	13.7%	13.7%	-96.3%
			Median	19.7%	15.9%	8.7%	3.6%	9.3%	13.7%	8.3%	2.1%
Live Nation Entertainment, Inc.	UNITED STATES	35,438	9.7%	8.2%	6.2%	4.8%	5.3%	4.7%	2.8%	1.2%	1.3%
CTS Eventim AG & Co. KGaA	GERMANY	5,242	19.4%	18.3%	17.0%	15.8%	16.3%	14.1%	11.9%	9.7%	10.2%
Madison Square Garden Sports Corp. Class A	UNITED STATES	6,918	0.8%	0.3%	1.4%	0.9%	0.2%	-1.4%	-0.8%	-1.1%	-0.9%
GL events SA	FRANCE	754	15.4%	16.3%	10.2%	3.0%	49.7%	5.8%	7.5%	8.8%	11.6%
Live events companies			Average	11.3%	10.8%	8.7%	6.1%	17.9%	5.8%	5.4%	4.6%
			Median	12.5%	12.2%	8.2%	3.9%	10.8%	5.2%	5.2%	5.8%

Source: Alantra estimates and FactSet

Performance

The stock has underperformed peers in the last year

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
POWERSOFT	ITALY	190	0.3%	-9.2%	-7.2%	-23.1%	81.6%	146.7%
PEERS	Average		-3.3%	6.5%	18.8%	8.4%	37.6%	23.9%
	Median		-2.6%	1.3%	12.0%	5.5%	35.4%	7.1%
B&C Speakers S.p.A.	ITALY	122	-2.6%	-1.8%	-9.4%	-30.1%	-29.2%	-0.9%
Focusrite PLC	UNITED KINGDOM	163	-14.6%	21.8%	41.8%	13.6%	-55.2%	-85.7%
Carel Industries SpA	ITALY	3,195	5.2%	-2.6%	37.9%	21.6%	32.3%	15.2%
Acuity Inc.	UNITED STATES	8,145	-8.1%	1.3%	9.4%	-9.2%	87.9%	71.4%
SECO S.p.A.	ITALY	588	20.9%	45.6%	82.6%	39.0%	9.0%	-26.1%
Live Nation Entertainment, Inc.	UNITED STATES	35,438	-7.3%	-0.2%	12.0%	5.5%	114.5%	84.5%
CTS Eventim AG & Co. KGaA	GERMANY	5,242	-10.2%	8.4%	-13.8%	-33.6%	1.2%	-14.7%
Madison Square Garden Sports Corp.	UNITED STATES	6,918	0.0%	10.0%	28.1%	85.3%	122.8%	109.3%

Source: Alantra estimates and FactSet

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