



**1H24: limited sales growth amid economic environment, margin improvement and strong cash flow**

Sector: MedTech

**Consolidated sales at Euro 20 m, +2% YoY, EBITDA margin 11.5% (10.6% in 1H23).** IMD closed 1H24 with sales at Euro 19.8 m, +2 YoY but somewhat behind our estimates for the full year. Top-line growth was driven by the "X-Ray Generators" division (+9% YoY) especially by Monoblocs (+12%) and Control Systems (+12%), partially offsetting the weaker performance of the "X-Ray Imaging" division (+0% YoY). However, we highlight that within the "X-Ray Imaging" division, Mobile devices demonstrated strong performance, with sales up 32% YoY, benefiting from a post-COVID market recovery. In contrast, C-arms were down by -37% YoY as this product line has been the most affected by the challenging macroeconomic environment. Consolidated EBITDA was of Euro 2.3 m, +11% YoY vs. Euro 2.0 m in 1H23 and with and EBITDA margin of 11.5% compared to 10.6% presented in 1H23. The improvement was primarily driven by the net impact of the Crono Services acquisition, with lower service costs from process internalization partially offset by higher personnel costs, and the price list increase implemented in September. D&As increased slightly vs. prior year (Euro 0.4 m vs. 0.3 m in 1h23) due mainly to capitalized IPO costs. Net income was of Euro 1.5 m (Group's Net Income of Euro 1.3 m) vs. 1.1 in 1H23, after a rise in financial income (Euro 171 k vs. 24 k in 1H23), primarily from financial transactions executed during the period. Looking at the balance sheet, Net Cash stood at Euro 6.4 m, showing a significant improvement compared to Euro 4.9 m at year end 2023. This was mainly the result of efficient management of working capital, and in particular trade payables mainly attributable to an extension on some supplies of production material and despite M&A related outflows for a total of Euro 0.6 m in the period considered.

**Management Outlook and Business update.** In the note released, Management highlighted that the Group has maintained its positive momentum from the first half into Q3 2024, delivering solid sales and profitability. However, external challenges, including industry slowdown, geopolitical uncertainties, and delays in product certifications and critical component supply, have impacted operations. As a result, the 2024 targets of Euro 50 m in revenue and Euro 8 m in EBITDA are now unattainable. Due to the persistent uncertainty, the Board has suspended future guidance. Despite this, Management remains optimistic about the future, confident in regaining the positive trend. Management also confirmed its growth strategy based on product innovation, strengthening of the commercial and marketing operations and M&A. Following the acquisition of Crono Service in December, the Group completed the acquisition of a 30% stake in General Medical Italia Ltd. The company specializes in the design, development, and manufacturing of medical radiography systems and X-ray equipment, with FY23 revenue of approximately GBP 1.2 m. The price was agreed at Euro 0.3 m fully paid at closing in September. The agreement grants IMD an option to acquire an additional 21% stake, exercisable until May 31, 2030. Management stated that the acquisition will enhance the 'X-Ray Imaging' division by expanding its radiology systems portfolio and driving commercial synergies across the IMD Group. In May, the Group also increased its stake in IMD Generators from 66.40% to 78.76%, reinforcing its leadership in monoblocs and generators, key components of X-ray diagnostic systems. Furthermore, in July, the Group signed a binding agreement to acquire the remaining 21.24% stake for Euro 0.7 m, with closing scheduled for December. Finally, IMF also released its first sustainability report in line with the commitments and strategies outlined during the IPO. Please refer to our ESG profile within this report for a comprehensive overview.

**Estimate revision and new target price.** On the back of 1H24 results we slightly adjust our FY24 forecast, now assuming sales of Euro 41 m (Euro 43 m pr.) and an EBITDA margin of 12.5% (13.5% pr.) whereas we maintain our previous forecast for FY25-26. We believe that the management's strategy will lead to solid growth in the medium term and remain optimistic about the stock, especially given its attractive current valuation. (FY24 EV/EBITDA at 3.6x). Based on our new estimates and updated market data our valuation model (50%/50% DCF and peers' multiples) yields a target price of Euro 2.48 p.s. largely confirming our previous one (Euro 2.45 p.s. pv.), providing for a potential upside of +66%.

**Target Price 2.48 (2.45 pr.)**

Market Cap (€ m) **26**

EV (€ m) **20**

Market Price (€) **1.49**

As of October 1<sup>st</sup>, 2024

**Share Data**

Market	Euronext Growth Milan
Reuters/Bloomberg	IMD
ISIN	IT0005549255
N. of Shares	17,646,750
Market	13.23%
Main Shareholder	Alefra Srl (67.27%)
CEO	Aniello Alberti

**Financials**

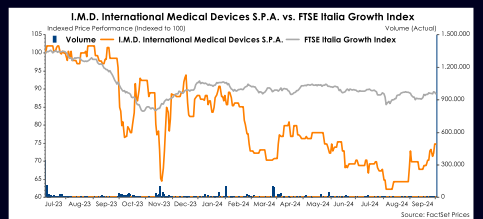
	23A	24E	25E	26E
<b>Sales</b>	38.0	41.5	46.9	49.7
YoY %	-9%	+9%	+13%	+6%
<b>EBITDA</b>	4.4	5.2	6.8	7.3
EBITDA %	11.5%	12.5%	14.4%	14.6%
<b>EBIT</b>	3.6	4.3	5.6	6.0
EBIT %	9.4%	10.5%	12.0%	12.0%
<b>Net Income</b>	2.5	3.0	3.9	4.1
<b>Net D/(C)</b>	(4.9)	(7.5)	(9.0)	(11.9)
<b>Net Equity</b>	23.2	26.3	30.1	34.3

**Sustainability**

ESG Profile available at p. 8

**Performance**

	1M	3M	6M
Absolute	+10%	+6%	-3%
Relative (FTSE Italia Growth)	+10%	+6%	0%&
52-week High/Low (€)	2.08	/	1.21



This Note is issued by arrangement with MIT SIM SpA, the Specialist engaged by the Company.

Luisa Primi

[consulenti.primi@irtop.com](mailto:consulenti.primi@irtop.com)



### KEY FINANCIALS

<b>Profit&amp;Loss Statement</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Revenues (VoP)	46,2	41,8	38,0	41,5	46,9	49,7
EBITDA	6,9	5,6	4,4	5,2	6,8	7,3
EBIT	6,2	5,0	3,6	4,3	5,6	6,0
Financial Income (charges)	-0,1	-0,1	0,0	0,0	-0,1	-0,1
Extraordinary items	0,0	0,0	0,0	0,0	0,0	0,0
Pre-tax profit (loss)	6,0	4,9	3,6	4,3	5,5	5,9
Taxes	-1,6	-1,7	-1,1	-1,3	-1,7	-1,8
Minorities	0,3	0,3	0,2	0,3	0,4	0,4
Net profit (loss)	4,4	3,2	2,5	3,0	3,9	4,1
<b>Balance Sheet</b>						
Net working capital (NWC)	12,9	15,4	17,4	17,2	19,8	20,8
Net fixed assets	1,7	1,6	2,4	3,2	3,2	3,4
M/L Funds	-1,9	-1,9	-1,5	-1,6	-1,7	-1,8
Net Capital Employed	12,7	15,2	18,3	18,8	21,2	22,4
Net Debt	0,4	-0,3	-4,9	-7,5	-9,0	-11,9
Minorities	1,4	1,5	1,7	2,0	2,4	2,7
Equity	12,3	15,4	23,2	26,3	30,1	34,3
<b>Cash Flow</b>						
Net Income	n.a.	3,2	2,5	3,0	3,9	4,1
Non-cash items	n.a.	0,6	0,4	0,9	1,2	1,3
Change in Working Capital	n.a.	-2,6	-2,0	0,2	-2,5	-1,0
Cash Flow from Operations	n.a.	1,3	0,9	4,1	2,5	4,4
Capex	n.a.	-0,5	-1,6	-1,5	-1,0	-1,5
Other non-current assets	n.a.	0,0	0,0	0,0	0,0	0,0
Extraordinary items	n.a.	0,0	0,0	0,0	0,0	0,0
Operating Free Cash Flow	n.a.	0,8	-0,7	2,6	1,5	2,9
Dividend	n.a.	0,0	0,0	0,0	0,0	0,0
Other (equity)	n.a.	-0,1	5,3	0,0	0,0	0,0
Free Cash Flow	n.a.	0,6	4,7	2,6	1,5	2,9
<b>Per Share Data</b>						
<b>Current Price</b>	1,49					
Total shares out (mn)	17,65					
EPS	0,2	0,2	0,2	0,2	0,3	0,3
DPS	0,0	0,0	0,0	0,0	0,0	0,0
FCF	n.a.	0,0	0,3	0,1	0,1	0,2
Pay out ratio	0%	0%	0%	0%	0%	0%
<b>Ratios</b>						
EBITDA margin	15,0%	13,5%	11,5%	12,5%	14,4%	14,6%
EBIT margin	13,3%	11,9%	9,4%	10,5%	12,0%	12,0%
Net Debt/Equity	3,1%	-1,7%	-21,2%	-28,5%	-29,8%	-34,6%
Net Debt/(Net Debt + Equity)	3,0%	-1,7%	-26,9%	-39,9%	-42,3%	-53,0%
Net Debt/EBITDA	0,06	-0,05	-1,12	-1,44	-1,32	-1,63
Interest cover EBIT	43,40	66,26	-222,25	n.s.	56,23	59,79
ROE	35,7%	20,9%	10,6%	11,6%	12,8%	12,0%
ROCE	61,1%	43,8%	25,5%	30,1%	34,4%	34,6%
Free Cash Flow Yield	n.a.	2,5%	17,7%	9,8%	5,6%	11,0%
<b>Growth Rates</b>						
Revenues (VoP)	n.a.	-10%	-9%	9%	13%	6%
EBITDA	n.a.	-18%	-22%	19%	30%	7%
EBIT	n.a.	-19%	-28%	22%	30%	6%
Net Profit	n.a.	-27%	-24%	24%	27%	6%

Source: Group consolidated financial statements and PMI Capital Research estimates

### Sales breakdown FY21-23

IMD Consolidated	FY21	On total	FY22	On total	FY23	On total	1H23	On total	1H24	On total	Var.
X-Ray Imaging Device	39.6	86%	32.7	78%	27.1	71%	14.0	72%	14.0	71%	0%
X-Ray Generators	6.5	14%	9.1	22%	10.8	29%	5.3	28%	5.8	29%	8%
<b>Total</b>	<b>46.1</b>	<b>100%</b>	<b>41.8</b>	<b>100%</b>	<b>38.0</b>	<b>100%</b>	<b>19.4</b>	<b>100%</b>	<b>19.8</b>	<b>100%</b>	<b>2%</b>

X-Ray Imaging Devices	FY21	On total	FY22	On total	FY23	On total	1H23	On total	1H24	On total	Var.
Mobile	23.9	60%	15.5	48%	10.4	38%	4.8	34%	6.3	45%	32%
Surgery (C Arms)	8.3	21%	7.6	23%	9.2	34%	5.2	37%	3.3	23%	-37%
Surgery Plus	1.1	3%	3.5	11%	2.8	10%	1.4	10%	1.7	12%	17%
Other	6.3	16%	6.0	18%	4.7	17%	2.6	19%	2.8	20%	6%
<b>Total</b>	<b>39.6</b>	<b>100%</b>	<b>32.5</b>	<b>100%</b>	<b>27.1</b>	<b>100%</b>	<b>14.0</b>	<b>100%</b>	<b>14.0</b>	<b>100%</b>	<b>0%</b>

X-Ray Imaging Generators	FY21	On total	FY22	On total	FY23	On total	1H23	On total	1H24	On total	Var.
Monoblocs	4.1	63%	5.6	62%	6.2	57%	3.0	57%	3.4	58%	12%
Generators	0.5	7%	0.6	7%	0.8	7%	0.4	8%	0.3	5%	-35%
Control Systems	1.6	25%	2.5	28%	3.4	31%	1.7	31%	1.9	32%	12%
Other	0.3	5%	0.3	3%	0.4	4%	0.2	4%	0.3	5%	34%
<b>Total</b>	<b>6.5</b>	<b>100%</b>	<b>7.2</b>	<b>100%</b>	<b>10.8</b>	<b>100%</b>	<b>5.3</b>	<b>100%</b>	<b>5.8</b>	<b>100%</b>	<b>9%</b>

### Key financials FY21A-1H23A

P&L	1H22	1H23	1H24	2021	2022	2023
Sales	20.5	19.4	19.8	46.2	41.8	38.0
YoY	n.a.	-5%	+2%	n.a.	-10%	-9%
EBITDA	2.9	2.0	2.3	6.9	5.6	4.4
EBITDA %	14.2%	10.6%	11.5%	15.0%	13.5%	11.5%
D&A	(0.3)	(0.3)	(0.4)	(0.8)	(0.7)	(0.8)
EBIT	2.6	1.7	1.9	6.2	5.0	3.6
EBIT %	12.6%	9.0%	9.7%	13.3%	11.9%	9.4%
Net financial charges	(0.1)	(0.1)	0.2	(0.1)	(0.1)	0.0
EBT	2.5	1.7	2.1	6.0	4.9	3.6
EBT %	12.3%	8.9%	10.5%	13.0%	11.7%	9.4%
Tax	(0.8)	(0.6)	(0.6)	(1.6)	(1.7)	(1.1)
Net Income	1.7	1.1	1.4	4.4	3.2	2.5
E %	8%	6%	7%	9.5%	7.7%	6.5%
o/w third parties	0.1	0.2	0.1	0.3	0.3	0.2

BALANCE SHEET	1H22	1H23	1H24	2021	2022	2023
Trade receivables	9.3	7.7	8.7	9.1	9.3	8.5
Trade Payables	(9.1)	(7.3)	(8.2)	(8.9)	(9.1)	(7.0)
Inventories	16.3	17.5	15.7	14.1	16.3	15.5
Other current assets	1.9	2.0	3.1	1.1	2.0	2.7
Other current liabilities	(3.0)	(3.2)	(2.8)	(2.6)	(3.0)	(2.3)
<b>Net Working Capital</b>	<b>15.4</b>	<b>16.7</b>	<b>16.5</b>	<b>12.9</b>	<b>15.4</b>	<b>17.4</b>
Fixed Assets	1.6	1.7	3.2	1.7	1.6	2.4
Funds	(1.9)	(1.7)	(1.6)	(1.9)	(1.9)	(1.5)
<b>Net Capital Employed</b>	<b>15.2</b>	<b>16.7</b>	<b>18.1</b>	<b>12.7</b>	<b>15.2</b>	<b>18.3</b>
Net Debt/(Cash)	(0.3)	0.2	(6.2)	0.4	(0.3)	(4.9)
Equity	13.9	14.9	24.3	12.3	15.4	23.2
o/w third parties	1.5	1.6	1.2	1.4	1.5	2.0
<b>Total Sources</b>	<b>15.2</b>	<b>16.7</b>	<b>18.1</b>	<b>12.7</b>	<b>15.2</b>	<b>18.3</b>

### Estimate Revision

	FY24E	FY24E		FY25E	FY25E		FY26E	FY26E		Av.
	Old	New	Var %	Old	New	Var %	Old	New	Var %	Var %
<b>Profit&amp;Loss Statement</b>										
Revenues (VoP)	43,2	41,5	-4%	46,9	46,9	0%	49,7	49,7	0%	-1%
YoY	14%	9%		9%	13%		6%	6%		
EBITDA	5,8	5,2	-11%	6,8	6,8	0%	7,3	7,3	0%	-4%
EBITDA %	13,5%	12,5%		14,4%	14,4%		14,6%	14,6%		
EBIT	4,8	4,3	-10%	5,5	5,6	3%	5,8	6,0	3%	-1%
Financial Inc./ (ch.)	(0,1)	0,0	-100%	(0,1)	(0,1)	0%	(0,1)	(0,1)	0%	-33%
Pre-tax profit (loss)	4,7	4,3	-8%	5,4	5,5	3%	5,7	5,9	3%	-1%
Taxes	(1,4)	(1,3)	-8%	(1,6)	(1,7)	3%	(1,7)	(1,8)	3%	-1%
Minorities	0,3	0,3	-8%	0,4	0,4	3%	0,4	0,4	3%	-1%
Net profit (loss)	3,3	3,0	-8%	3,8	3,9	3%	4,0	4,1	3%	-1%
<b>Balance Sheet</b>										
NWC	17,9	17,2	-4%	19,8	19,8	0%	20,8	20,8	0%	-1%
Net fixed assets	3,3	3,2	-3%	3,1	3,2	3%	3,2	3,4	9%	3%
M/L Funds	(1,6)	(1,6)	1%	(1,7)	(1,7)	3%	(1,8)	(1,8)	4%	3%
Net Capital										
Employed	19,6	18,8	-4%	21,1	21,2	0%	22,2	22,4	1%	-1%
Net Debt	(6,9)	(7,5)	8%	(9,2)	(9,0)	-2%	(12,1)	(11,9)	-2%	1%
Minorities	2,0	2,0	-1%	2,4	2,4	-1%	2,8	2,7	0%	-1%
Equity	26,5	26,3	-1%	30,3	30,1	0%	34,3	34,3	0%	-1%

## INDUSTRY COMPARISON

**IMD Spa (IMD-IT):** PMI Capital Research estimates and Factset Data

**EGM Sector:** average data for listed on EGM included in the Producer Manufacturing sub sector: Arterra Bioscience (ARBS-IT), Aton Green Storage (ATON-IT), Bertolotti (TRAIN-IT), Bifire (FIRE-IT), Clabo (CLABO-IT), Cofle (CFL-IT), Ecomembrane (ECMB-IT), Eles Semiconductor Equipment (ELES-IT), Elsa Solutions (ELSA-IT), Energy (ENY-IT), ErreDue (RDUE-IT), Esautomotion (ESAU-IT), Fervi (FVI-IT), G.M. Leather (GML-IT), Gel (GEL-IT), Gentili Mosconi (GM-IT), Green oleo (GRN-IT), Grifal (GRAL-IT), Ilpra (ILP-IT), Industrie Chimiche Forestali (ICF-IT), Magis (MGS-IT), Marzocchi Pompe (MARP-IT), Nusco (NUS-IT), Officina Stellare (OS-IT), Omer (OMER-IT), OSAI Automation System (OSA-IT), Palingeo (PAL-IT), Powersoft (PWS-IT), Saccheria F.lli Franceschetti (SAC-IT), Sbe-Varvit (VARV-IT), Sciuker Frames (SCK-IT), Svas Biosana (SVS-IT), and Tenax International (TNX-IT)

**Industry Peers:** average data for a selected group of listed peers: Siemens Healthineers (SHL-DE), GE Healthcare Technologies Inc. (GEHC-US), Hologic Inc (HOLX-US), Koninklijke Philips (PHG-US), Diagnostic Medical Systems (ALDMS-FR), GVS Spa (GVS-IT), and Antares Vision SpA (AV-IT)

**EGMEuronext Growth Milan:** average financial and market data for all the companies listed on EGM, reported price performance data are related to the FTSE Italia Index

	IMD	Producer Manufacturing EGM Sector	Peers Avg	FTSE Italia Growth
<b>Key Financials FY23 (Eu m)</b>				
Revenues	38,0	58,1	8.929,6	58,7
EBITDA	4,4	11,0	1.313,7	7,8
EBITDA %	11,6%	18,8%	14,7%	13,2%
EBIT	4,6	8,0	1.284,1	4,5
EBIT %	12,1%	13,7%	14,4%	7,6%
Earnings	2,5	4,5	356,0	(0,5)
Earnings %	6,6%	7,8%	4,0%	(0,8%)
Net Debt	(4,9)	9,4	3.507,0	8,5
ND/EBITDA	(1,1)x	0,9x	2,7x	1,1x
<i>FY21-23 Sales CAGR</i>	<i>(9,3%)</i>	<i>(0,5%)</i>	<i>13,6%</i>	<i>12,2%</i>
<i>FY23-26 Sales CAGR</i>	<i>9,4%</i>	<i>10,7%</i>	<i>3,9%</i>	<i>10,0%</i>
<i>FY21-23 Ebitda CAGR</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
<i>FY23-26 Ebitda CAGR</i>	<i>18,4%</i>	<i>11,2%</i>	<i>16,8%</i>	<i>16,6%</i>
<i>FY21-23 Earnings CAGR</i>	<i>(24,6%)</i>	<i>(12,4%)</i>	<i>(30,4%)</i>	<i>n.m.</i>
<i>FY23-26 Earnings CAGR</i>	<i>17,9%</i>	<i>22,0%</i>	<i>44,7%</i>	<i>n.m.</i>
<b>Market Data</b>				
Market Cap	26,3	37,0	17.994,1	40,5
EV	20,1	46,4	18.898,6	47,3
Free Float	13,2%	34,6%	61,0%	32,6%
ADTT YTD (Eu k)	16,6	46,3	52.306,7	49,7
<b>Market Multiples (x)</b>				
EV/Sales 2022	0,5x	0,9x	2,4x	2,2x
EV/Sales 2023	0,5x	1,0x	2,4x	1,9x
EV/Sales 2024	0,5x	0,9x	2,5x	1,2x
EV/Sales 2025	0,4x	0,7x	2,3x	1,0x
EV/Sales 2026	0,4x	0,7x	2,1x	0,9x
EV/EBITDA 2023	4,6x	5,8x	11,7x	10,2x
EV/EBITDA 2024	3,9x	5,3x	13,2x	7,8x
EV/EBITDA 2025	3,0x	4,2x	10,6x	5,4x
EV/EBITDA 2026	2,8x	3,6x	9,2x	4,2x
P/E 2023	10,5x	19,3x	26,3x	59,6x
P/E 2024	8,8x	15,0x	24,1x	20,1x
P/E 2025	6,7x	31,0x	18,2x	18,6x
P/E 2026	6,4x	8,9x	15,7x	11,1x
Earnings Yield	9,5%	12,2%	2,0%	(1,1%)
<b>Stock Performance</b>				
1D	0,0%	(1,7%)	(1,2%)	(0,4%)
1W	6,4%	(2,9%)	3,0%	0,3%
1M	9,6%	(6,2%)	0,8%	(0,3%)
3M	6,4%	(9,2%)	7,0%	(1,1%)
6M	5,7%	(9,9%)	8,2%	(1,0%)
YTD	(16,2%)	(11,0%)	25,4%	1,0%
1Y	(22,0%)	(9,9%)	17,9%	(3,6%)

Factset data as of October 1<sup>st</sup>, 2024 and PMI Capital Research

## VALUATION

Based on our new estimates and updated market data our valuation model yields a target price of Euro 2.48 p.s., in line with our previous one (Euro 4.45 p.s) and providing for a potential upside vs. current trading of c. 66%. Our target price was obtained by a combination of a DCF model and multiple analysis and offers implicit FY 24-25 EV/EBITDA multiples of 7.0x and 5.1x vs. peers' of 13.2x and 10.6x and current trading of 3.6x and 2.6x.

### Valuation Summary

Method	Weight	Price (Euro)	Equity Value (Euro m)
Multiple Comparison (FY 24-25 EV/EBITDA and P/E @ 30% discount)	50%	2.38	42.0
DCF	50%	2.58	45.6
<b>Target Price</b>	<b>100%</b>	<b>2.48</b>	<b>43.8</b>

Implicit multiples @our valuation			
	EV Eu m	EV/EBITDA	P/E
<b>FY23E</b>	38.9	8,9x	19,7x
<b>FY24E</b>	36.2	7,0x	15,9x
<b>FY25E</b>	34.8	5,1x	12,5x
<b>FY26E</b>	31.9	4,4x	11,8x

### Market Multiples

We selected a set of international listed companies active in the medical X-Ray imaging market. We also added two Italian MedTech companies listed on Euronext Milan (GVS Spa and Antares Vision Spa) which are not active in the Group's reference market but similar to IMD as they both provide highly technological systems for healthcare. Applying a 30% size and liquidity discount on FY24-25 EV/EBITDA and P/E multiples this model yields a valuation of Euro 2.38 p.s..

Companies	Country	Market Cap	Sales	Sales YoY	EBITDA %	NI %
			2024E	24E/23A	2024E	2024E
Siemens Healthineers	Germany	59.987	22.429	3%	20%	9%
GE Healthcare Technologies Inc.	USA	37.794	17.822	-2%	18%	9%
Hologic Inc	USA	16.893	3.629	-4%	33%	24%
Koninklijke Philips	USA	27.719	18.574	2%	16%	0%
Diagnostic Medical Systems	France	17	47	11%	6%	0%
GVS Spa	Italy	1.228	443	4%	24%	9%
Antares Vision SpA	Italy	223	221	3%	12%	-4%
<b>Average</b>		<b>20.552</b>	<b>9.024</b>	<b>3%</b>	<b>19%</b>	<b>7%</b>
<b>IMD Group</b>	<b>ITA</b>	<b>26,3</b>	<b>42</b>	<b>9%</b>	<b>13%</b>	<b>7%</b>

Fact Set data as of October 1<sup>st</sup>, 2024

Companies	EV/EBITDA			P/E		
	24E	25E	26E	24E	25E	26E
Siemens Healthineers	16,2	13,6	12,0	24,1	20,8	18,4
GE Healthcare Technologies Inc.	12,7	11,3	10,0	21,6	19,3	17,2
Hologic Inc	14,2	12,6	11,1	19,7	18,3	16,7
Koninklijke Philips	11,1	10,1	9,2	19,6	17,4	15,4
Diagnostic Medical Systems	11,9	7,1	5,9	n.a.	15,9	13,7
GVS Spa	14,0	11,3	9,8	25,1	19,1	16,8
Antares Vision SpA	12,2	8,1	6,4	34,3	16,8	11,8
<b>Average</b>	<b>13,2</b>	<b>10,6</b>	<b>9,2</b>	<b>24,1</b>	<b>18,2</b>	<b>15,7</b>
<b>IMD Group</b>	<b>3,6</b>	<b>2,6</b>	<b>2,0</b>	<b>8,7</b>	<b>6,8</b>	<b>6,4</b>
Premium/Discount to Peers	-73%	-76%	-79%	-64%	-63%	-59%

Fact Set data as of October 1<sup>st</sup>, 2024

### DCF Model

Our DCF model is based on a three-stage model with explicit estimates for 2024-26E, 3 years to 2029 with growth normalizing at 1%, an 15% EBITDA margin, capex at c. 1% of sales, and terminal value discounted at 8.62% WACC and 1% growth. Our DCF model turns back a valuation of Euro 2.58 p.s.

	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	TV
EBIT	4,3	5,6	6,0	6,3	6,7	6,8	
Tax	(1,3)	(1,7)	(1,8)	(1,9)	(2,0)	(2,0)	
<b>NOPAD</b>	<b>3,0</b>	<b>4,0</b>	<b>4,2</b>	<b>4,5</b>	<b>4,7</b>	<b>4,8</b>	
D&A	0,9	1,2	1,3	1,3	1,3	1,3	
Change in NWC	0,2	(2,5)	(1,0)	(0,9)	(0,4)	(0,2)	
Capex	(1,5)	(1,0)	(1,5)	(1,5)	(1,5)	(1,5)	
<b>FCF</b>	<b>2,6</b>	<b>1,6</b>	<b>3,0</b>	<b>3,4</b>	<b>4,1</b>	<b>5,9</b>	<b>38,3</b>
Discounted free cash flows	2,5	1,4	2,5	2,6	2,9	3,8	24,8
Discounted free cash flows FY24-26E	6,4	16%					
Discounted free cash flows FY27-29E	9,3	23%					
NPV of Terminal Value	24,8	61%					
<b>EV</b>	<b>40,5</b>	<b>100%</b>					
Net Debt 1H23A	(6,2)						
Minorities FY22A	1,2						
<b>Fair Value of Equity</b>	<b>45,6</b>						
No of shares (m)	17,6						
<b>Fair Value per share (Eu)</b>	<b>2,58</b>						

**IMD ESG PROFILE – in partnership with ESG Observatory by IRTOP**

---

**Governance**

- Composition of the Board of Directors
- Composition of the Board of Statutory Auditors

The Board of Directors is composed of 7 members, five men and two women. The Board includes three members over the age of 50 and four members between the ages of 30 and 50.

The Board of Statutory Auditors, in office since April 17, 2023, is composed of 5 members, two men and three women

**People**

- Management, Protection, and Enhancement of People
- Investments in Employee Training
- Adoption of a Health and Safety Management System for Workers
- Solidarity and Contribution to Local Communities

IMD employs 113 people, an increase of 9% compared to 2022. In 2023, the company implemented wage distribution policies, resulting in a reduction of the pay gap. 60% of the workforce is between the ages of 30 and 50.

In 2023, over 755 total hours of employee training were provided, marking a 21% increase compared to the previous year.

The Group has a Risk Assessment Document (DVR), based on which a “Health and Safety Management System for Workers” was implemented.

IMD supports initiatives such as the BOB project (pre-hospital plasma administration) and, compared to 2022, doubled donations to organizations like the Multiple Sclerosis Association and Friends of Paediatrics. Employee engagement activities, such as the Family Day, will continue in 2024, along with support for sports initiatives and sponsorships of local organizations like Azzanese Basket Stezzano and other sports associations.

**Environmental**

- Reduction of Emissions
- Energy Efficiency and Environmental Sustainability
- Optimization of the Waste Cycle

Compared to 2022, the Group has reduced tCO2 emissions by 1.87% (Scope 2).

IMD recorded a reduction in absolute energy consumption in 2023, with a 12% decrease in energy used per unit of equipment produced.

The company implements best practices to minimize production waste, residues, non-conformities, and, more generally, professional waste. The goal is to rework, recycle, and/or reuse waste materials. In any case, the waste produced is disposed of by the Group in accordance with legal requirements.

**Supply Chain / Procurement**

- Careful Selection of Local Suppliers
- Planning for Waste Optimization and Reduction
- Supplier Monitoring and Certification

The IMD Group establishes stable relationships with local suppliers, ensuring high standards of quality and timely deliveries.

Thanks to an integrated MRP system, IMD efficiently plans and monitors orders, reducing waste and optimizing the supply chain.

ISO Certifications: I.M.D. Generators S.r.l. implements an internal procedure for supplier management and monitoring, aligned with ISO standards and industry regulations.



**IMD GROUP SNAPSHOT**

**Company description**

I.M.D. International Medical Devices S.p.A, is the holding company of the IMD Group an Italian player active in the field of medical devices (MedTech sector) and is focalized in imaging diagnostic solutions based on X-Ray technology. In particular, the group develops, manufactures, and distributes a wide portfolio of X Ray diagnostic systems and components for key clinical applications in the field of radiology. The group's operations are structured in two main business segments: X-Ray Generators and X-Ray Imaging Devices. With its 113 FTEs the Group recorded sales of Euro 38 m in FY23. Geographically 76% of total sales was in realized outside the domestic market. The Group is headquartered in Grassobbio, near Bergamo.

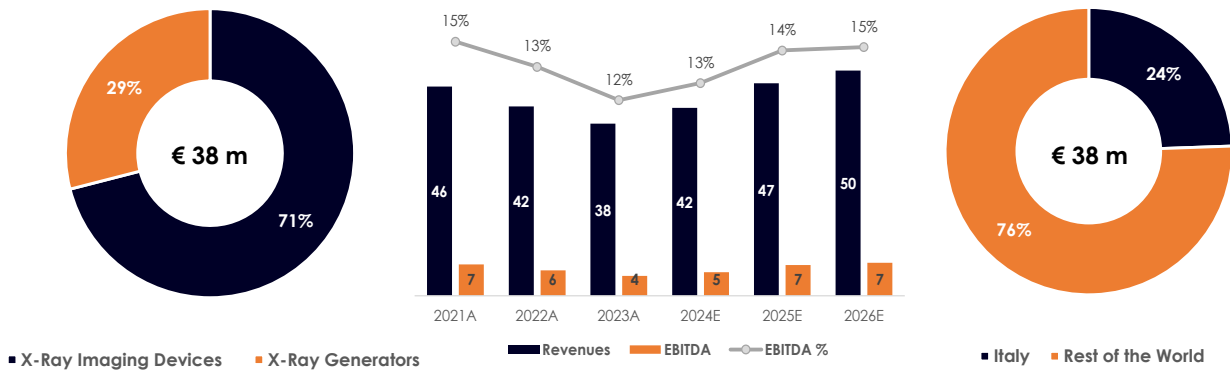
**Management**

Aniello Alberti  
Chairman and CEO

**Key Shareholders**

Alefra Srl 67.27%  
Dornier Medtech 9.50%  
Aniello Alberti 8.15%  
Market 13.23%

**IMD in charts**



Source: Group presentation

**SWOT analysis**

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Technological know-how, advanced quality system and 40 years of experience</li> <li>• Long lasting relation with first class global medical devices producers (OEM)</li> <li>• Quality, reliability, and competitive product portfolio</li> <li>• Vertically integrated business model and supervision of the entire value chain thanks to a flexible production capacity</li> <li>• Well diversified product portfolio including finished medical devices and critical components such as monoblocs.</li> <li>• In-depth knowledge of the market and ability to provide tailor-made solutions with high flexibility and fast time-to-market.</li> <li>• High switching costs</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Internal policy of low patent coverage</li> <li>• Limited sales network</li> <li>• Group integration in progress with reference to some specific items (i.e., IT, purchasing, governance and other procedure)</li> <li>• Delay in certification processes</li> <li>• Integration of ESG policies</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Exposure to highly attractive market</li> <li>• New international market opportunity thanks to demographic change in emerging markets</li> <li>• Growing role of health prevention and increase in living standards/access to healthcare</li> <li>• Obsolete machine park and new opportunity of renewal thanks to EU funds</li> <li>• Production capacity expansion and new product lines development</li> <li>• M&amp;A opportunity in order to complete group's value chain by adding new products and/or distribution activity</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Lack of raw material or increase in raw material costs due to macroeconomics turmoil.</li> <li>• Competitive landscape mainly represented by multinational players.</li> <li>• Increasing regulations or changes in the regulatory framework</li> <li>• Difficult to attract and retain highly skilled labour force</li> <li>• Maintaining stringent regulatory requirements and high technological standards</li> <li>• Macroeconomic turmoil and Russia-Ukraine international war context</li> </ul>

**I.M.D. INTERNATIONAL MEDICAL DEVICES ON EURONEXT GROWTH MILAN**

**SHARES** (as of October 1<sup>st</sup>, 2024)

Bloomberg: IMDM  
Reuters: IMD.MI  
ISIN: IT0005549255  
Shares: 17.646.750  
Price: Euro 1.49  
Performance from IPO: -27%  
Capitalisation: Euro 26 m  
Free Float: 13.23%  
EGA: MIT SIM

**IPO**

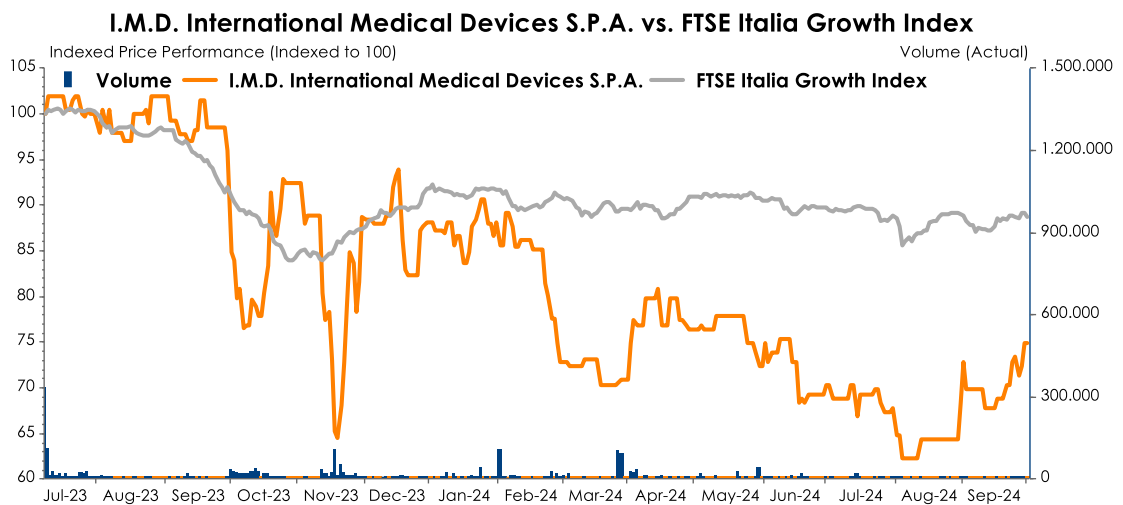
Trading Market: Euronext Growth Milan  
Date: July 7<sup>th</sup>, 2022  
Price: Euro 2.05  
Capital raised: Euro 5.7 m  
Capitalisation: Euro 36.2 m

**SHAREHOLDERS**

Shareholder	No. shares	%
Alefra Srl	11.871.211	67,27%
Aniello Aliberti	1.438.023	8,15%
Dornier Medtech GmbH	1.676.441	9,50%
Own Shares	325.575	1,84%
Market	2.335.500	13,23%
<b>Total</b>	<b>17.646.750</b>	<b>100,00%</b>

Source: Goup website as of October 1<sup>st</sup>, 2024.

**STOCK PERFORMANCE**



Factset data as of October 1<sup>st</sup>, 2024

**DISCLAIMER**

**UPDATES:** This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on IMD SpA (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released on April 16<sup>th</sup>, 2024. Opinions and estimates of this Research are as the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results. During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
October 2 <sup>nd</sup> , 2024	2.48	1.49	12 months
April 16 <sup>th</sup> , 2024	2.45	1.53	12 months
October 2 <sup>nd</sup> , 2023	2.45	1.69	12 months

**VALUATION METHODOLOGY (HORIZON: 12M):** IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models.

Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

**RESEARCH TEAM:**

Luisa Primi, (Senior Analyst, AIAF Associated), No other people or companies participated or anyhow contributed to the Research. Neither the members of the research team, nor any person closely associated with them have any relationships or are involved in circumstances that may reasonably be expected to impair the objectivity of the Research, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them who was involved in producing the Research.

**INTERESTS INVOLVED AND CONFLICTS:** This document has been prepared by IR Top on behalf of the Company according to a contract, under which IR Top undertook to prepare this report expressing only independent, fair and balanced views on the Company. The fees agreed for this Research do not depend on the results of the Research. This Research has been disclosed to the issuer to which the Research, directly or indirectly, relates before its release. It is incumbent on the Company to provide timely and constructive feedback on draft Research prior to publication. It is IR Top's sole discretion as to whether comment and feedback from the Company is incorporated into the Research prior to publication and where it is, a further iteration to the draft will be sent to the Company for comment.

IR Top is also engaged in investor relations services in the interest of the Company and might occasionally be involved in other consulting activities intended to increase the value of the Company. In any case, Chinese Walls and other information barriers are in place to avoid the exchange of confidential information between the Equity Research Department and other services areas; employees and advisors involved in such services have restrictions preventing them from the access to confidential information that cannot be published.

IR Top restricts research analysts from performing roles, which could prejudice the independence of their research. In particular:

- they are permitted to attend and speak at widely attended conferences or other widely attended events at which IR Top colleagues and clients, among others, may also be present, provided that their independence may not be affected. These widely-attended conferences/events may include some investor presentations by clients of investor relations services.

- Analysts are also permitted to attend and speak at conference calls or meetings between analysts and bankers, investors or customers in which are discussed Research reports already published or general view on specific sectors. In such cases, at the start of that meeting, bankers, investors or customers need to be clarified that the discussion cannot involve the communication of privileged information to the analyst as the analyst would be prohibited from producing new research report on the companies whose privileged information has been disclosed.

Members of the Research Team do not receive salaries, commissions, bonuses or any other form of compensation based upon specific investment banking transactions or securities' performances.

A part from Anna Lambiase (CEO and founder of IR Top) being on the Board of the Company, IR Top and the members of the Research Team do not have any further interest or conflict of interest directly or indirectly related with the Research, the Company or the securities, that may reasonably be expected to impair the objectivity of the Research.

There are no other interests or conflicts of interest of any person belonging to the same group of IR Top that are: (a) known, or reasonably expected to be known, to the persons involved in the production of the recommendation; or (b) known to persons who, although not involved in the production of the recommendation, have or could reasonably be expected to have, access to the recommendation prior to its completion.

In any case, as a general Policy, nobody of the Research Team nor IR Top is allowed to have a financial interest in the securities of the client company or serve as an officer, director or advisory board member of the client company.

Analysts must not undertake personal transactions on financial instruments that are object of the investment research or that relate to the same industry. Exceptions may be made with the prior approval of IR Top's CEO in special circumstances such as for disposal of (a) positions already held before the employment or before the implementation of the company policy, or when initiating coverage and (b) positions obtained as a result of the issuer extraordinary activities. By the way, when analysts hold instruments to which Equity Research relates, they are required to disclose their interests in Research reports. Any trades that analysts make must be in line with their recommendation(s), contained in the last published Research. An analyst is prohibited from producing a Research on an issuer if the analyst carries out activities for which he receives compensation from the issuer. If an analyst's household member / relative / relative in-law (within the second degree) serves in such a high capacity for the issuer (i.e. manager or director), the analyst has to inform IR Top's CEO and the analyst will cease covering the issuer.

**POLICY:** IR Top has in place a "Joint conflict management policy" in order to effectively manage any conflicts of interest, and an "Equity Research Policy", in order to rule research services in compliance with Parliament Regulation (EU) no.596/2014 and Commission Delegated Regulation (EU) no. 958/2016 on Market Abuse.

IR Top has adopted the "Joint conflict management policy" in accordance with best practice regarding "information barriers" to restrict the flow of information to prevent the misuse of information and/or prevent any conflicts of interest arising from other activities of IR Top. A copy of these policies is available to the recipient of this Research upon making a request to IR Top by e-mail.

**DISCLAIMER:** This report has been prepared solely for information purpose and is not intended as an offer or solicitation with respect to the purchase or sale of any financial products. It should not be regarded as a substitute for the exercise of the recipient's own judgment. IR Top does not accept any liability for any direct, consequential or indirect loss arising from any use of material contained in this report. This document may only be reproduced or published together with the name of IR Top. Opinions and estimates in this Research are as at the date of release and are subject to change without notice to the recipient. Information and opinions have been obtained from sources believed to be reliable, but no representation or warranty is made as to their accuracy or correctness. Past performance is not a guarantee of future results. The investments and strategies discussed in this Research may not be suitable for all investors. In any case, you should consult your investment advisor.

This document is intended for distribution only to E.U. "qualified investors" and to "qualified counterparties" resident in Italy, within the meaning of article 2(1)(e) of the prospectus directive (directive 2003/71/EC) and Consob Reg. 16190, as subsequently amended and supplemented; its distribution in USA, Canada, Australia, Japan is not allowed.

In Italy, this document is being distributed only to, and is directed at qualified investors within the meaning of article 100 of legislative decree no. 58 of 24 February 1998, as amended, and article 34-ter, paragraph 1, letter b), of Consob regulation on issuers no. 11971 of May 14, 1999, provided that such qualified investors will act in their capacity and not as depositaries or nominees for other shareholders, such as persons authorized and regulated to operate in financial markets, both Italian and foreign.

**DISTRIBUTION:** In the United Kingdom, this document is not for distribution to persons that would be defined as private customers under rules of the FSA; it is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (as amended, the "financial promotion order"), (ii) are persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the financial promotion order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FINANCIAL SERVICES AND MARKETS ACT 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons").

This document is not addressed to any member of the general public and under no circumstances should this document circulate among, or be distributed to (i) a member of the general public, (ii) individuals or entities falling outside the definition of "qualified investors" as specified above or (iii) distribution channels through which information is or is likely to become available to a large number of persons.

**IR TOP CONSULTING SPECIFIC DISCLOSURES:** We disclose that IR Top acts as Investor Relations and Financial Communication advisor for the Company.