COMTEL

Sector: ICT (Business Services)

Second M&A post-IPO: strategic EMEA entry through NEC Unified Communication

Target Price (€) 3.01

Price (€) **1.89**
Market Cap (€ m) **34.7**
EV (€ m) **41.8**

as of July 24, 2025

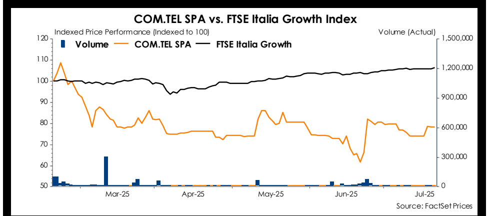
Share Data

Listing Market	Euronext Growth Milan
Ticker	CMTL
ISIN	IT0005632945
N. of Shares	18,422,000
Free Float	10.98%
Reference Shareholder	Nextaly S.r.l. (56.98%)
Chairman	Davide Cilli
CEO	Fabio Maria Lazzerini

Financials (w/o NEC UC division)

	24A	25E	26E
Sales	42.1	83.4	89.9
EBITDA	2.1	5.3	8.0
EBITDA %	*5.0%*	*6.3%*	*8.9%*
EBIT	1.1	3.8	6.6
EBIT %	*2.6%*	*4.6%*	*7.4%*
Net Income	0.1	2.0	4.1
Net Debt	2.6	(0.4)	(5.2)

Stock Performance



Comtel Takes Over NEC's EMEA Unified Communication.
On 18th July 2025, Comtel announced closing of the acquisition of the entire share capital of NEC Italia S.p.A. and NEC Nederland BV, which also owns 100% of the NEC United Arab Emirates branch in Dubai) from NEC Europe LTD (the European subsidiary of NEC Corporation, a global leader in IT, network, and communications solutions). Prior to the transaction, the target companies underwent a corporate reorganization involving the transfer of assets and activities not included in the scope of the deal (the "Carve-Out"). Through the Transaction, Comtel acquires the Unified Communication division of NEC NEL for the EMEA region a strategic structure that integrates all forms of communication available within corporate networks, both synchronous and asynchronous, with scalable, modular, and interoperable solutions that meet the rapidly evolving needs of modern businesses. Specifically, NEC NEL distributes Unified Communication solutions through a network of distributors and system integrators across the EMEA market and directly sells complex solutions to the cruise and hospitality sectors at an international level, while NEC ITALY operates as a system integrator, directly marketing its own solutions to end customers.

Strategic rationale: International expansion with product and channel synergies. According to Management, the acquisition will strengthen Comtel's solution portfolio in the Unified Communication sector and expand its presence across the EMEA region. It also enables entry into new verticals such as hospitality and cruise services, enhancing the Company's strategic positioning. Following the transaction, NEC Italia and NEC Nederland have been rebranded as Comtel Innovation and Comtel International, respectively, reinforcing the Comtel brand throughout the region. Comtel also becomes an official NEC partner for the sale of advanced services and technologies from selected NEC Business Units. The partnership creates opportunities for synergies across fiber, IoT, and AI technologies, strengthening Comtel's leadership in innovation. Comtel Innovation will act as the Group's Research & Development hub, integrating NEC's technical legacy with Comtel's forward-looking innovation agenda.

Deal structure. As part of the transaction, Comtel will pay a base price of Euro 444 k (subject to adjustments based on cash at closing and pre-agreed transition costs). In addition, NEC Europe will contribute approximately Euro 5.5 m in two tranches, to cover specific fixed costs of the transferred businesses. On a pro-forma basis (reflecting carve-out effects and agreed adjustments), the acquired scope generated FY25 (March close) revenues of Euro 24.5 m, an EBITDA of Euro 0.18 m, and total assets of Euro 13.1 m. Based on contractual agreements and forecasts, the Company's management estimates that the combined revenues of the two companies in the first 12 months following closing could be around Euro 10 m.

Conclusion. Following the acquisition of Novanext in February, Comtel's management continues to execute on the M&A strategy outlined at IPO, enhancing its portfolio with NEC Europe LTD's advanced technology and expanding its footprint both nationally and internationally. This transaction strengthens Comtel's position in the Unified Communication market, one of its historic core segments, while significantly broadening its customer base, technological capabilities, and reach across EMEA through a well-established network of local partners. By entering high-value verticals such as hospitality and cruise services, the deal represents a strategic milestone in accelerating Comtel's international growth.

Following the transaction, our positive stance on the group has been further reinforced. However, we await additional disclosures before revisiting our estimates, which currently do not include the recent acquisition. Accordingly, we confirm our previous estimates and target price of EUR 3.01 per share.

Research Department of

IRTOP CONSULTING

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KEY FINANCIALS

Profit&Loss Statement		2021A	2022A	2023A	2024A	2025E	2026E
Sales		45.9	42.8	41.9	42.1	83.4	89.9
EBITDA		0.8	1.6	2.0	2.1	5.3	8.0
EBIT		0.6	1.3	1.6	1.1	3.8	6.6
Net Financial Income (charges)		(0.4)	(0.4)	(0.5)	(0.6)	(1.0)	(0.9)
Pre-tax profit (loss)		0.2	0.8	(4.1)	0.5	2.8	5.7
Tax		(0.0)	(0.1)	(0.3)	(0.4)	(0.8)	(1.6)
Net profit (loss)		0.2	0.7	(4.4)	0.1	2.0	4.1
Balance Sheet							
Net working capital (NWC)		18.1	7.3	3.7	1.0	2.5	2.7
Net fixed assets		2.3	6.6	2.2	3.1	8.1	7.2
M/L Funds		(0.7)	(0.7)	(0.7)	(0.5)	(3.1)	(3.1)
Net Capital Employed		19.6	13.2	5.3	3.5	7.4	6.7
Net Debt		15.2	8.1	4.5	2.6	(0.4)	(5.2)
Equity		4.4	5.2	0.8	0.9	7.8	11.9
Cash Flow							
Net Income		0.2	0.7	(4.4)	0.1	2.0	4.1
Non-cash items		0.0	0.3	0.4	0.4	1.4	1.4
Change in Working Capital		0.0	10.7	3.6	2.7	0.5	(0.2)
Cash Flow from Operations		0.2	11.7	(0.4)	3.3	4.0	5.3
Capex		0.0	(1.2)	(1.1)	(1.4)	(1.4)	(0.5)
Financial assets		0.0	(3.4)	5.1	0.0	0.0	0.0
Operating Free Cash Flow		0.2	7.1	3.5	1.9	2.6	4.8
Acquisitions							
Dividend							
Other (equity)		0.0	(0.0)	(0.0)	0.0	4.9	0.0
Free Cash Flow		0.2	7.1	3.5	1.9	n.m.	4.8
Check			-7.1	-3.5	-1.9	-3.0	-4.8
Per Share Data							
Current Price	1.89						
Total shares out fully diluted (mn)	18.42						
EPS		0.0	0.0	(0.2)	0.0	0.1	0.2
DPS		0.0	0.0	0.0	0.0	0.0	0.0
FCF		0.0	0.4	0.2	0.1	n.m.	0.3
Pay out ratio		0%	0%	0%	0%	0%	0%
Ratios							
EBITDA margin		1.7%	3.7%	4.9%	5.0%	6.3%	8.9%
EBIT margin		1.3%	2.9%	3.8%	2.6%	4.6%	7.4%
Net Debt/Equity		342.4%	155.7%	585.1%	279.7%	-5.0%	-43.3%
Net Debt/(Net Debt + Equity)		77.4%	60.9%	85.4%	73.7%	-5.2%	-76.5%
Net Debt/EBITDA		19.19	5.06	2.21	1.22	-0.07	-0.65
Interest cover EBIT		1.60	3.08	3.05	1.90	3.74	7.28
ROE		4.2%	14.4%	-568.5%	16.1%	25.8%	34.5%
ROCE		3.3%	10.2%	35.9%	42.6%	62.0%	121.7%
Growth Rates							
Sales			-7%	-2%	0%	97.8%	8%
EBITDA			101%	28%	3%	149%	52%
EBIT			108%	26%	-29%	243%	73%
Net Profit			297%	-689%	103%	1256%	104%

COMTEL SNAPSHOT

Company description

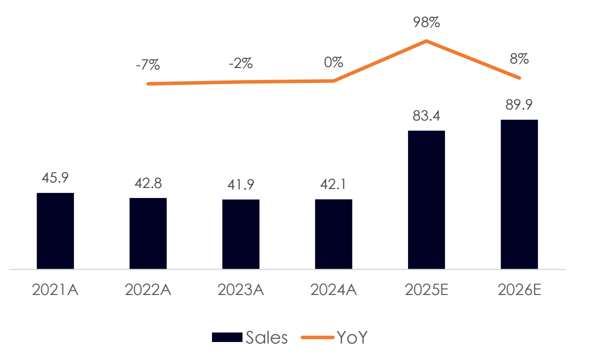
Comtel is an Italian system integrator with over 30 years in the market, specializing in Customer & User Interaction, Networking & Security, Infrastructure Technology, and Audio & Video. Known for strong partnerships with global ICT players, it provides innovative solutions for global connectivity and simplified business management. With 8 offices across Italy and a team of 115 employees, Comtel aims to drive digital transformation and help businesses reach their full potential through scalable, "one-stop shop" solutions. In February 2025, Comtel acquired Novanext, with 35+ years of ICT experience and offices in Turin, Milan, and Rome. This acquisition strengthens Comtel's presence in Enterprise Networking, Cyber Security, IoT, Data Center & Cloud, and Digital Workplace.

Management

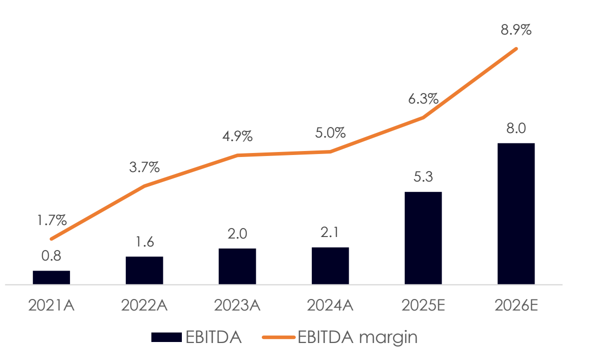
Fabio Lazzerini – CEO & General Manager
Mattia Conti - Deputy General Manager
Marco Bariletti – CFO

Key Shareholders
Nextaly Srl (Davide Cilli) 56.98%

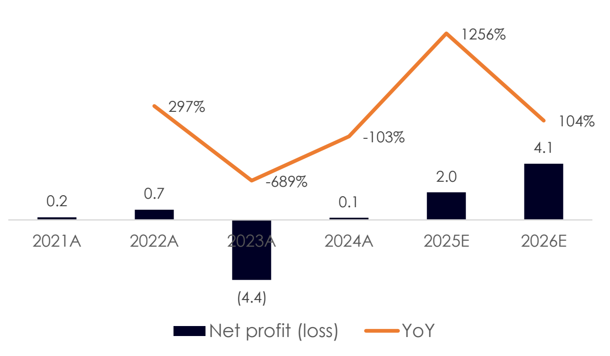
Comtel – 2021-2026E Sales Evolution (€M)



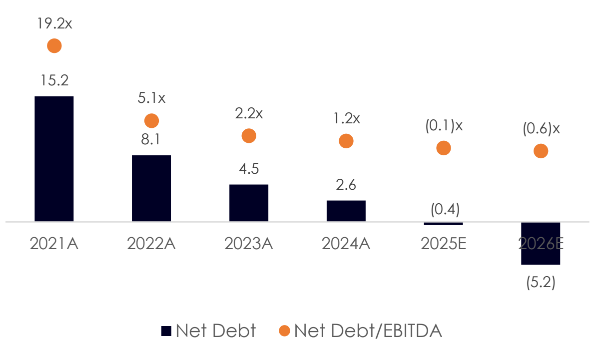
Comtel – 2021-2026E EBITDA Evolution (€M)



Comtel – 2021-2026E Net Income Evolution (€M)



Comtel – 2021-2026E Net Debt (€M) Net Debt/Ebitda



Source: Company Data

Strengths/Opportunities

Experienced Leadership. A management team with deep expertise in technological solutions, driving innovation and strategic growth.
Strong Market Position. Established reputation and long-term relationships with major telecom operators and tech partners (Huawei, MS, HP, etc.).
Diverse Offerings & Reach. Broad service portfolio and extensive territorial coverage.
Technological Adaptability. Ability to swiftly integrate emerging trends (Cloud, AI, IoT) and AI-driven operational improvements.
Growth & Expansion. Potential for vertical development, complementary product integration, and new partnerships (consulting firms, vendors, universities).
Industry Potential. – Dynamic sector with significant development opportunities and increasing demand for innovative solutions.

Risks/Weaknesses

Client Concentration: TIM accounted for 44% of 2023 revenues, expected to drop to ~30% post-Novanext acquisition. Further diversification remains a challenge.

Market Uncertainty: Competition, economic cycles, and regulatory restrictions on key technologies may introduce volatility and impact growth.

Supply Chain Risk: 13% of purchases in 2023 came from Chinese suppliers; Comtel aims to reduce reliance and diversify sourcing to mitigate regulatory risks.

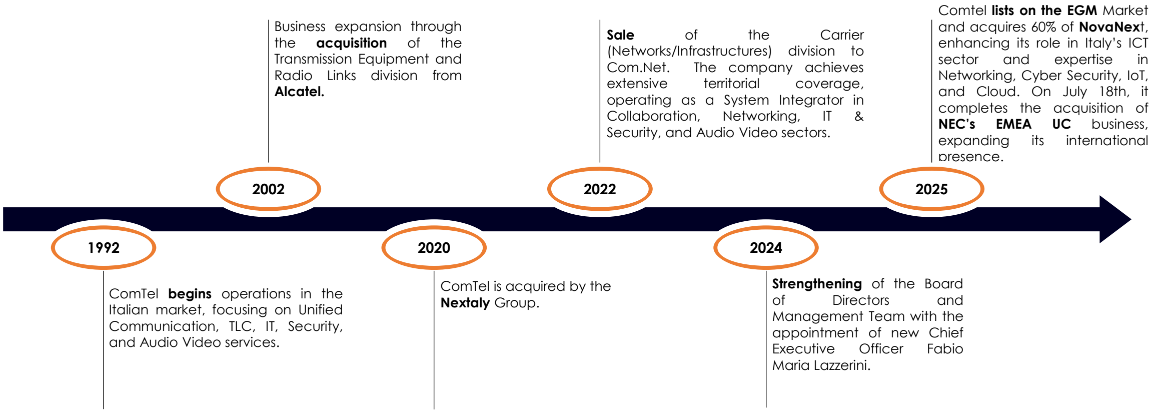
Time-to-Market: Faster product development and deployment are crucial to seizing opportunities, staying competitive, and driving revenue growth.

COMPANY OVERVIEW

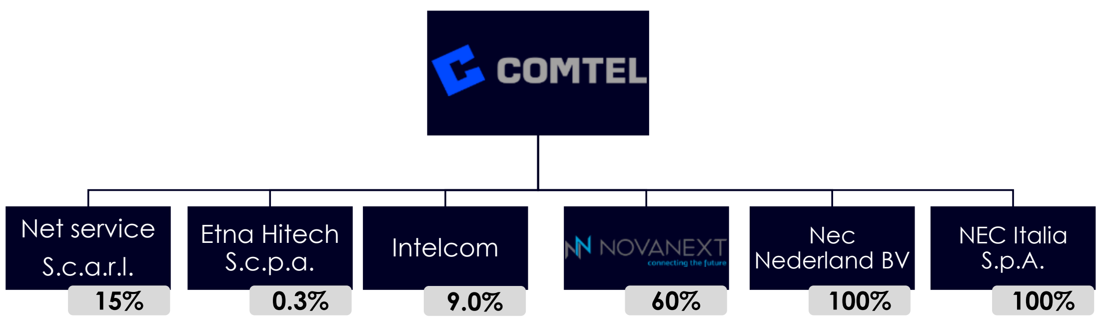
Com.tel SpA is a leading Italian company specializing in digital transformation and technological evolution offering expertise across four key areas: Customer & User Interaction, Networking & Security, Infrastructure Technology, and AudioVideo solutions for both private and public sector clients. With its 115 employees, the company recorded sales of Euro 42 in 2024. In February 2025, just days after its IPO, Comtel acquired Novanext an ICT company with over 35 years of experience and a strong presence in Enterprise Networking, Cybersecurity, IoT, Data Center & Cloud, and Digital Workplace solutions. With the integration Comtel has significantly strengthened its position as a comprehensive ICT solutions provider. With 122 employees Novanext realized approximately Euro 37 m in revenue in 2024 and brings recognized expertise in hybrid cloud, cybersecurity, and intelligent networks. Additionally, its training division plays a key role in developing ICT professional skills, reinforcing Comtel's commitment to driving digital innovation.

Comtel was founded in Italy in 1992, specializing in Unified Communication, Telecommunications, IT, Security, and Audio-Video services. In 2002, the Company acquired Alcatel's Transmission Equipment and Radio Links division. In 2020, Comtel was acquired by Nextaly Group. In 2024, the Company sold its Carrier division to Com.Net S.p.A., a Nextaly Group subsidiary. That same year marked the start of the Company's managerial restructuring, with Fabio Maria Lazzerini joining as the new CEO to drive strategic growth and enhance operational performance. Renato Dedonatis, appointed as Chief Strategy and Innovation Officer, strengthens the Company's capabilities in strategic innovation and market adaptation, while Marco Bariletti, as the new CFO, brings expertise in financial stability and compliance. Together, these leaders contribute to a robust and forward-looking leadership team. On February 21st,2025 Comtel acquired 60% of Novanext Srl, strengthening its position in the Italian ICT integration market. On July 18th of the same year, it completed the full acquisition of NEC's EMEA Unified Communication business, expanding its international footprint across Europe, the Middle East, and Africa.

Historic Milestones



Comtel's shareholdings



Source: PMI Capital Research Elaboration on Comtel Annual Report and Press Releases

GOVERNANCE

Shareholder	Number of Shares	Percentage
Nextaly S.r.l.	10,496,000	56.98%
Bellante Maddalena	1,640,000	8.90%
Khoty Holding S.r.l.	820,000	4.45%
Tanlo S.r.l.	820,000	4.45%
Bellante Sauro	164,000	0.89%
Bariletti Marco	164,000	0.89%
Costanzo Mario	164,000	0.89%
Pisani Emiliano	164,000	0.89%
Rastelli Paolo	164,000	0.89%
Other shareholders (<5%)	1,804,000	9.79%
Market	2,022,000	10.98%
Total Share Capital	**18,422,000**	**100.00%**

Source: Comtel Website as of July 24, 2025

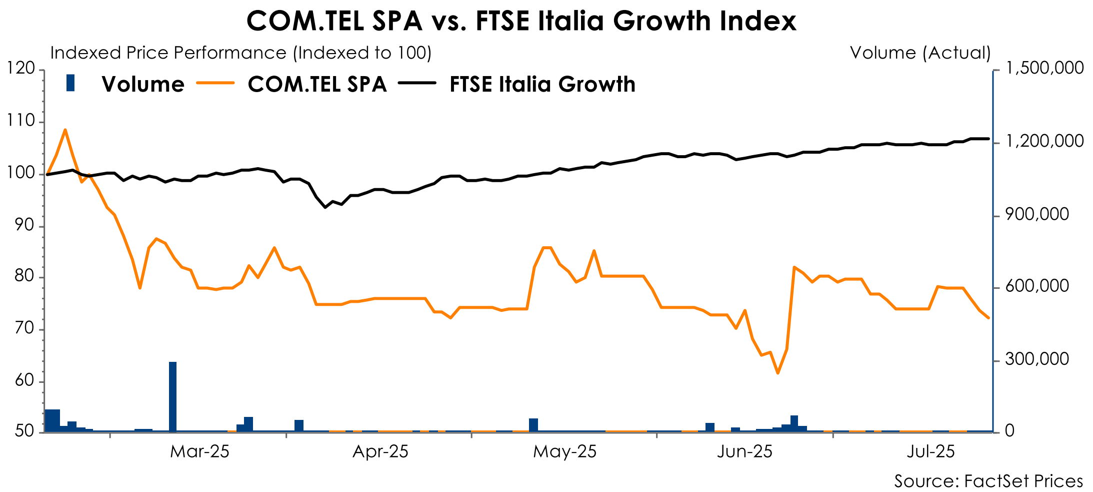
COMTEL ON EURONEXT GROWTH MILAN

IPO
Trading Market: Euronext Growth Milan
Date: February 19th, 2025
Price: Euro 2.40
Capital raised: Euro 4.9 m
Capitalisation: Euro 44.2 m

SHARES *(as of July 24, 2025)*

Code: CMTL
Bloomberg: CMTL:IM
ISIN: IT0005632945
Shares: 18,422,000
Price: Euro 1.89
Performance from IPO: -21%
Capitalisation: Euro 34.7 m
Free Float on ordinary shares: 10.98%
Euronext Growth Advisor, Specialist: MiT Sim S.p.A.
Auditing firm: Ernst & Young S.p.A.

STOCK PERFORMANCE



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Date	Target Price	Market Price	Validity Time
April 10th 2025	3.01	1.92	12 months

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Federico Zangaro (Analyst)

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