



OUTPERFORM

Current Share Price (€): 1.67

Target Price (€): 3.20

Convergenze - 1Y Performance



Source: S&P Capital IQ - Note: 09/04/2025=100

Company data

ISIN number	IT0005426215
Bloomberg code	CVG IM
Reuters code	CVG.MI
Industry	TLC - Energy
Stock market	Euronext Growth Milan
Share Price (€)	1.67
Date of Price	10/04/2026
Shares Outstanding (m)	7.5
Market Cap (€m)	12.5
Market Float (%)	23.0%
Daily Volume	15,000
Avg Daily Volume YTD	2,210
Target Price (€)	3.20
Upside (%)	92%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
Convergenze - Absolute (%)	-5%	-8%	-17%	4%
FTSE Italia Growth (%)	2%	-2%	-2%	17%
1Y Range H/L (€)			2.24	1.61
YTD Change (€) / %			-0.06	-3%

Source: S&P Capital IQ

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FY25: operating figures up, financials slightly below forecast, investments underpin growth

FY25 financials: sales stable in a softer market environment

Sales €25.7m, -2.8% YoY and below our €29.6 estimates. By BU, Energy sales €14.5m, -3.3% YoY, after lower energy demand in Italy during summer months; TLC €11.2m, -2% YoY, reflecting competitive dynamics. Adjusted EBITDA, for non-recurring items, €4.2m, 16% margin vs 18.9% in FY24. EBITDA reported €3.7m, 14.4% margin vs 19.5% in FY24. Net income €0.5m, €1.3m in FY24. Net financial debt as of December 2025 at €4.8m, stable, after €2.3m capex, mainly for 1,700km expansion of own optic fiber network (+15% YoY), WiFi towers, datacenter and EVO charging stations.

Business outlook: geographic expansion with focus on TLC infrastructure and Energy strategy adapting to market volatility

Management sees the TLC BU committed to increase take-up of newly deployed FTTH networks, supported by expansion across key municipalities within Campania region and rollout of FTTH, WiFi & Data Center, with the Simon mobile service expected to provide contribution from 2026. In Energy, while navigating volatile markets, Convergenze will address variable price solutions, cross-selling initiatives with TLC services, tailored offerings local B2B customers and the scale-up of the EVO own network.

Trading update

Over the past 12 months, Convergenze share price has followed a trend similar to FTSE Italia Growth Index, with a phase of relative underperformance starting in November. Overall, the stock was +4% LTM vs +17% for the index.

Target Price €3.20 per share (from €3.90) and OUTPERFORM rating confirmed

We have factored actual FY25 results and refreshed our forecasts by shifting forward latest projections, while extending the forecast horizon to 2028, assuming continued growth. Our updated estimates and valuation, also reflecting rising market risk on cost of capital, yield to the target price of €3.20 per share (from €3.90), confirming our OUTPERFORM rating with a substantial upside of over 90% on current share price.

KEY FINANCIALS AND ESTIMATES (€m)	2023	2024	2025	2026E	2027E	2028E
Revenues	22.8	26.6	25.9	30.0	33.0	35.1
Adj. EBITDA	3.2	5.0	4.2	5.5	6.3	6.8
<i>Margin</i>	<i>14.0%</i>	<i>18.9%</i>	<i>16.0%</i>	<i>18.2%</i>	<i>19.1%</i>	<i>19.4%</i>
Net Income (Loss)	0.5	1.3	0.5	1.8	2.2	2.6
Net (Debt) Cash	(5.6)	(4.7)	(4.8)	(4.0)	(1.7)	0.9
Equity	5.7	6.6	6.8	8.9	11.2	13.8
KEY RATIOS AND MULTIPLES	2023	2024	2025	2026E	2027E	2028E
ROE	9%	20%	7%	23%	22%	21%
ROA	6%	13%	8%	14%	15%	16%
Net Debt/EBITDA	1.8x	1.0x	1.3x	0.7x	0.3x	cash
Basic EPS (€)	0.07	0.17	0.07	0.24	0.30	0.35
EV/Revenues	0.7x	0.6x	0.7x	0.6x	0.5x	0.5x
EV/EBITDA	5.5x	3.7x	4.7x	3.1x	2.7x	2.5x

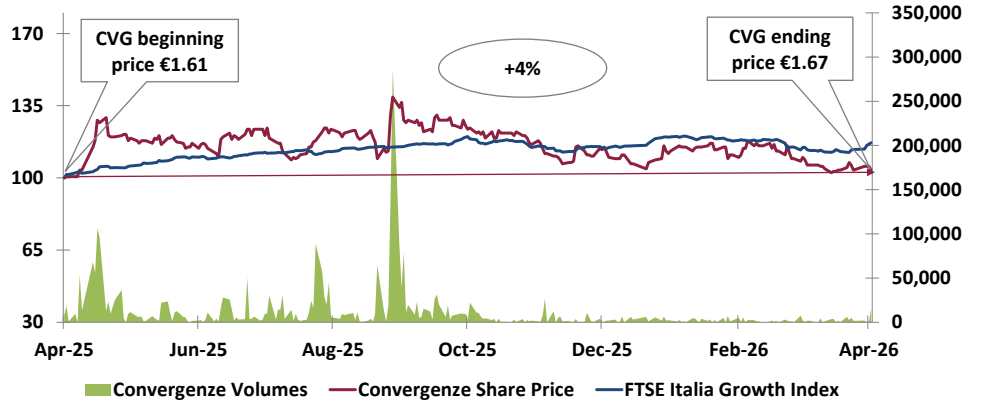
Source: Company data 2023-25A, EnVent Research 2026-28E

Market update

Convergenze - 1Y Share price performance and trading volumes

Trading price range €1.61-2.24 per share

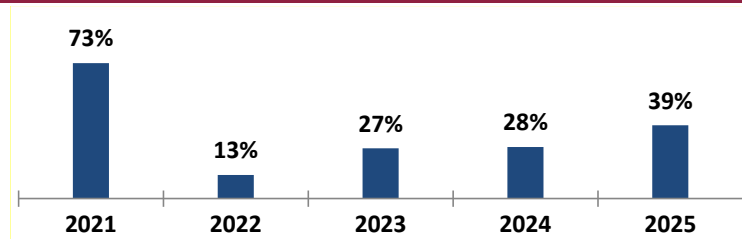
+4% for Convergenze, vs +17% of the Italia Growth Index



Source: EnVent Research on S&P Capital IQ - Note: 09/04/2025=100

Convergenze - Liquidity analysis and velocity turnover

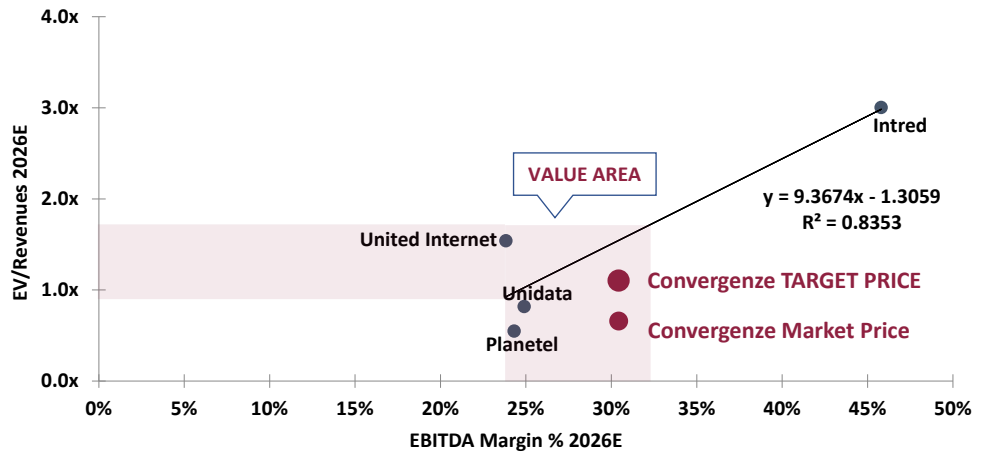
Turnover velocity increased in 2025, with over 11k average daily shares traded vs 8k in 2024



Source: EnVent Research on S&P Capital IQ - Velocity turnover=ratio of tot. traded shares to tot. ordinary shares

TLC BU peer group - Regression analysis

Fair correlation within the group

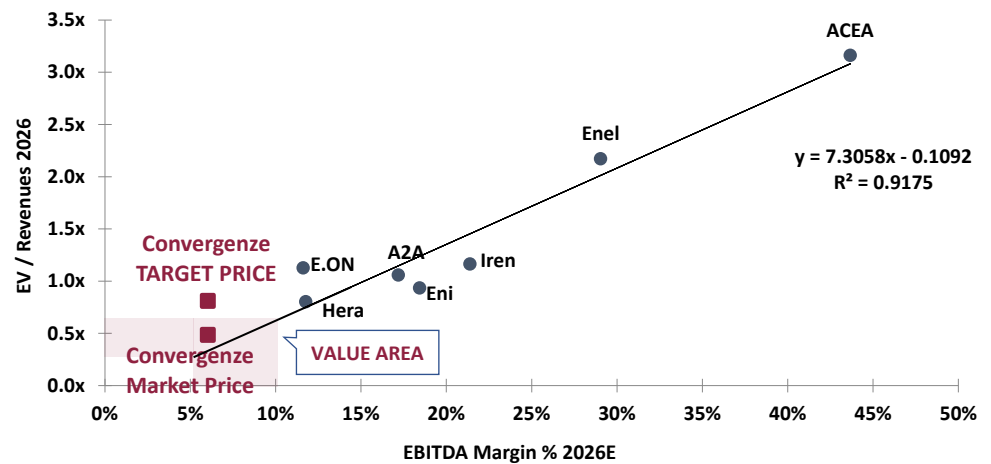


Source: EnVent Research on S&P Capital IQ, April 2026

Note: Bredband2 acquired by Telia and WideOpenWest delisted in December 2025

Energy BU peer group - Regression analysis

High correlation within the group
Low comparability of
Convergenze with energy group



Source: EnVent Research on S&P Capital IQ, April 2026

Investment case

Vertically integrated operator

Single touchpoint for connectivity
and energy

Convergenze SpA *Benefit Corporation* and *B Corp*, founded in 2005 and public company since 2020 on the Euronext Growth Milan, is an Italian regional multi-utility provider of internet, mobile and voice services, electricity and natural gas to residential and business customers in Salerno-Cilento area (Southern Italy). It operates with a joint business model: provider of broadband connectivity services through a proprietary infrastructure made of FTTH optic fiber network and WiFi towers; energy dispatch operator; owner of a network of patented electric cars charging points/stations *Electric Vehicle Only (EVO)*.
Convergenze has been issuing Sustainability Report since 2020.

Own infrastructure:

- 12,800+ km FTTH optic fiber network
- 100+ BTS WiFi towers
- 2 data centers
- 42 EVO charging stations

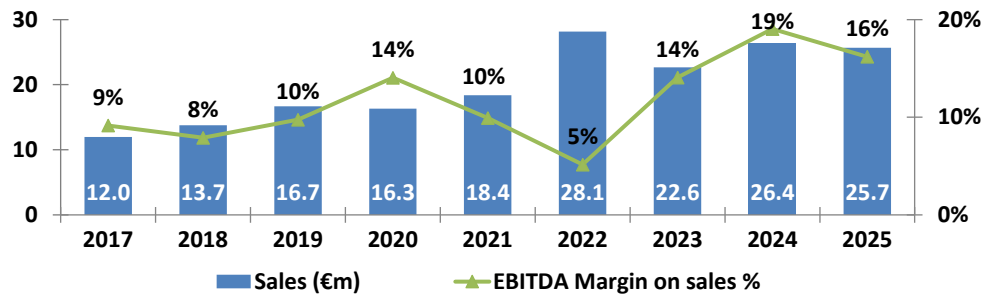
Key features:

- Benefit Corporation and B Corp
- 100% energy from renewable sources
- Patented EVO network

Strategy pillars:

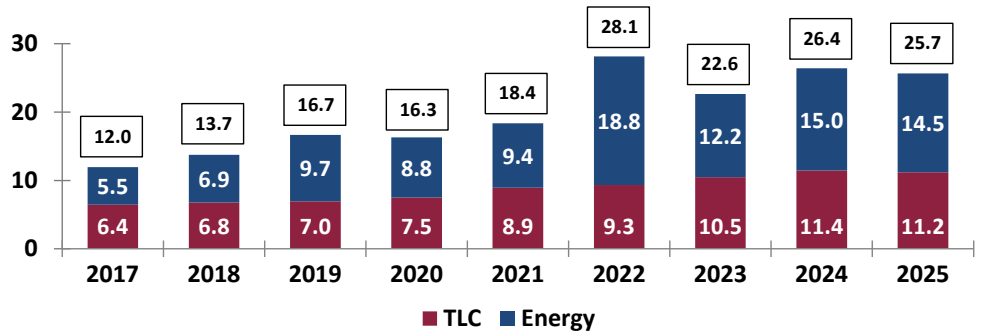
- Extension of the proprietary fiber optic network in the municipalities where Convergenze has reached a critical mass of customers served by wireless technology
- Acquisition of TLC players to expand geographical coverage
- Increase in the number of Energy customers, taking advantage of cross-selling opportunities between TLC and Energy BUs, also through e-commerce
- Product diversification through addition of value-added services such as entertainment, cloud, datacenter as a service, virtualization, antivirus and cybersecurity solutions

Historical Sales and EBITDA



Source: Company data

Historical Sales breakdown by BU (€m)



Source: Company data

FY25 sales breakdown:
Energy 56%, TLC 44%

Industry and Company drivers

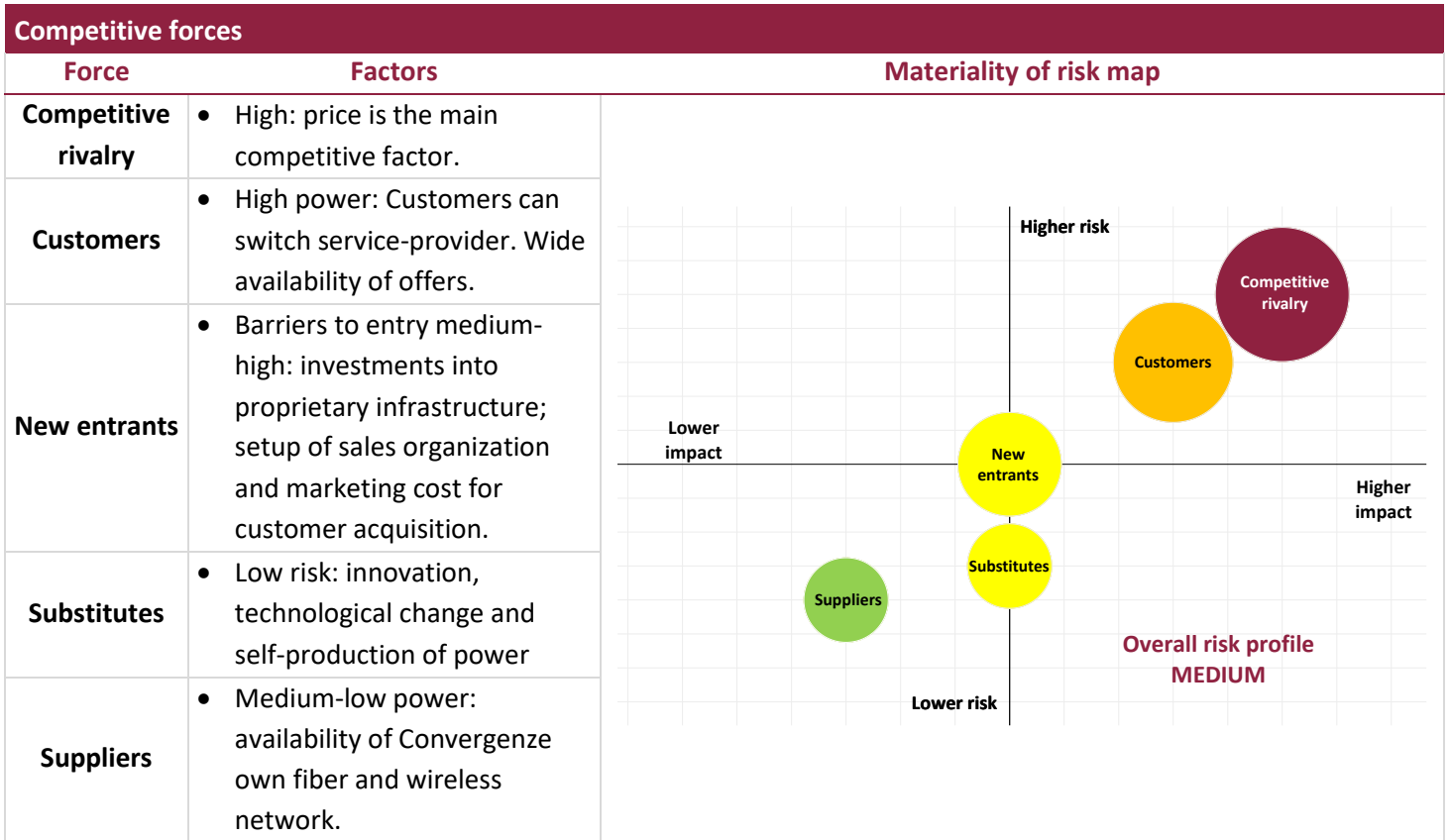
- EU and Italy digital targets call for continued broadband expansion
- Connectivity and convergence of technologies such as broadband, cloud, IoT and AI
- Electric and sustainable mobility trends
- Smart and connected devices turning upside-down attitude to home energy savings and efficiency
- Proprietary fiber infrastructure and interconnections as competitive advantage and barrier to entry
- Sustainability and corporate responsibility

Challenges

- Energy prices volatility and risk management
- Highly competitive telco and energy markets
- Customers churn rate
- Regulatory risk

Risk/opportunity assessment

Business risk: medium



Source: EnVent Research

Financial risk: low

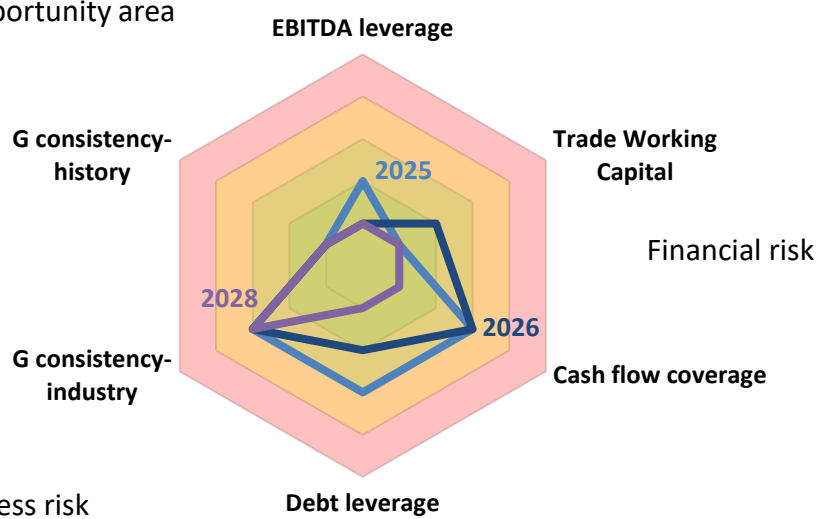
Ratios map

TWC and Debt leverage: no issue

Robust cash generation

Outpacing peers growth

Opportunity area



Source: EnVent Research

ESG

Overview and communication of the Company's sustainability strategy

Analysis and reporting

Sustainability reports and reporting standards	●
Sustainability initiatives and memberships	●
Sustainability risk management information	●
Governance information	●
Shareholders and stakeholders dialogue	●

Sustainability targets

Scope 1 emissions (Direct emissions)	●
Scope 2 emissions (Energy consumption)	●
Scope 3 emissions (Value chain)	●
Social targets	
Past target achievements	●
Policies implementation	●

Source: Company data and Convergenze Sustainability report 2024

FY25 results

TLC and Energy BU affected by market environment

- Sales €25.7m, -2.8% YoY
 - Energy €14.5m, -3.3% YoY, after lower energy demand (-5.1% YoY)
 - TLC €11.2m, -2% YoY, reflecting competitive dynamics
- Adjusted EBITDA for non-recurring items €4.2m, 16% margin vs 18.9% in FY24
 - TLC €3.4m, 29.5% vs 31% in FY24
 - Energy €0.9m, 6% vs 9.5% in FY24
- EBITDA reported €3.7m, 14.4% margin vs 19.5% in FY24
- Net income €0.5m, €1.3m in FY24
- Net financial debt at €4.8m as of December 2025, €4.7m as of December 2024, after €2.3m capex, mainly for 1,700km expansion of own optic fiber network (+15%), WiFi towers and datacenter, €147k dividends and €80k buyback

Operating figures:

TLC:

- Own optic fiber network over 12,800km, +15.1% vs December 2024 and +6.7% vs June 2025
- Users on proprietary network up to 57.4%, from 56.4% in December 2024 and 52.3% in June 2025

Energy:

- Energy volumes: 41.7m kWh supplied, -5.1% YoY
- Energy Points of Delivery: 9,900, 10,400 in December 2024 and 9,735 in June 2025
- Service contracts over 69.5k, 67.9k in FY24

Own FTTH network +15% YoY

Remarkable performance of share of users on proprietary network

Profit and Loss

€m	2024	2025
Sales TLC BU	11.4	11.2
Sales Energy BU	15.0	14.5
Sales	26.4	25.7
Other income	0.2	0.2
Revenues	26.6	25.9
YoY %	16.6%	-2.6%
Cost of sales	(15.7)	(15.6)
Gross profit	10.9	10.3
Margin	41.1%	39.8%
Services	(1.6)	(1.5)
Personnel	(3.7)	(4.0)
Other operating costs	(0.6)	(0.6)
Operating costs	(5.9)	(6.1)
Adjusted EBITDA	5.0	4.2
Margin	18.9%	16.0%
Non-recurring items	0.2	(0.4)
Writedown of trade receivables	(0.6)	(0.1)
EBITDA	4.6	3.6
Margin	17.1%	13.8%
D&A	(2.1)	(2.1)
EBIT	2.5	1.4
Margin	9.3%	5.5%
Interest	(0.6)	(0.5)
EBT	1.8	0.9
Margin	6.9%	3.6%
Income taxes	(0.6)	(0.4)
Net Income (Loss)	1.3	0.5
Margin	4.7%	1.9%

Source: Company data

Cash Flow

€m	2024	2025
EBIT	2.5	1.4
Current taxes	(0.6)	(0.4)
D&A	2.1	2.1
Provisions	0.2	0.1
Cash flow from P&L operations	4.1	3.2
Trade Working Capital	(0.4)	0.3
Other assets and liabilities	0.8	(0.5)
Operating cash flow before capex	4.5	3.0
Capex	(2.7)	(2.3)
Operating cash flow after WC and capex	1.8	0.7
Interest	(0.6)	(0.5)
Dividends	(0.1)	(0.1)
Shares buyback	(0.2)	(0.1)
Net cash flow	0.9	(0.0)
Net (Debt) Cash - Beginning	(5.6)	(4.7)
Net (Debt) Cash - End	(4.7)	(4.8)
Change in Net (Debt) Cash	0.9	(0.0)

Source: Company data

Balance Sheet

€m	2024	2025
Inventory	0.4	0.4
Trade receivables	4.1	3.6
Trade payables	(3.3)	(3.1)
Trade Working Capital	1.2	0.9
Other assets (liabilities)	(3.2)	(2.6)
Net Working Capital	(2.0)	(1.7)
Intangible assets	0.6	0.4
Property, plant and equipment	13.7	14.0
Equity investments and financial assets	0.1	0.1
Non-current assets	14.3	14.5
Provisions	(1.1)	(1.1)
Net Invested Capital	11.3	11.6
Bank debt	4.8	4.9
Bonds	0.4	0.2
Other financial debt	0.1	0.1
Cash and equivalents	(0.6)	(0.5)
Net Debt (Cash)	4.7	4.8
Equity	6.6	6.8
Sources	11.3	11.6

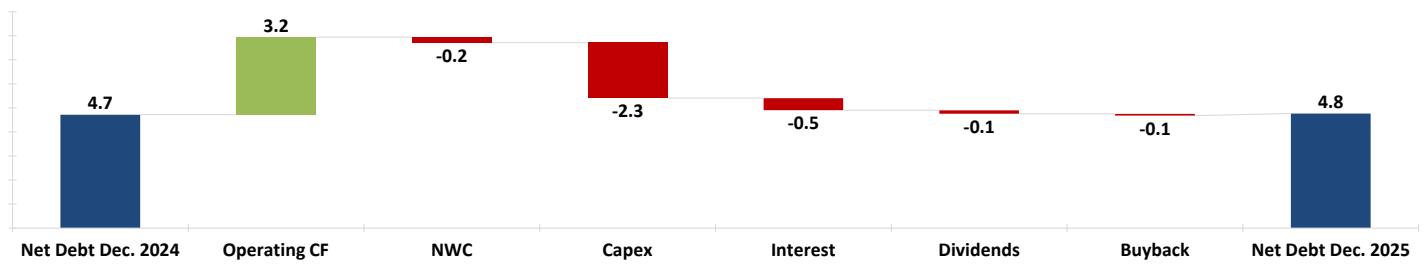
Source: Company data

Ratio analysis

Key ratios	2024	2025
ROE	20%	7%
ROA	12%	7%
ROS	9%	6%
ROI	22%	13%
DSO	47	42
DPO	48	46
DOI	12	13
TWC/Sales	5%	4%
NWC/Sales	-7%	-7%
Capex/Sales	10%	9%
Net Debt/Revenues	0.2x	0.2x
Net Debt/EBITDA	1.0x	1.3x
Net Debt/EBIT	1.9x	3.3x
Net Debt/Equity	0.7x	0.7x
Cash flow from P&L operations/EBITDA	91%	90%
FCF/EBITDA	39%	19%
Basic EPS (€)	0.17	0.07

Source: Company data

Net financial debt bridge FY25 (€m)



Source: Company data

Business update

Launch of Simon mobile service

Expanding Convergenze portfolio of internet, electricity, natural gas and content

- Started in H2 2025, Convergenze launched Simon, its mobile service delivered through a Mobile Virtual Network Operator model, in partnership with national TLC player Vianova and operating on Fastweb-Vodafone's network. The mobile proposition includes 5G and VoLTE services, with rechargeable plans for individuals and businesses, available as both physical SIM and eSIM. Management expects further growth in 2026, supporting profitability improvement within the TLC BU.
- 2026 is expected to mark a transition year for the Media BU, following the internalisation of Agile TV technological platform into the proprietary AlphaOTT solution. This shift moves the service from a third-party model to an in-house platform, enabling a proper management of content offering, monetization and end-user experience.
- R&D on cloud infrastructure modernization and cybersecurity, in line with NIS 2 directives.
- LoRaWan technology for hydro networks: new tests, continuing collaborations with Suez Italy and Consac, monitoring over 16,000 metering systems

Corporate period facts

- B Corp certification
- 2024 Sustainability Report issued in May 2025
- Buyback plan approved in September 2025, lasting 18 months, up to 20% of share capital and €0.5m. To date, Convergenze has 171,000 treasury shares, corresponding to 2.3% ownership share.
- Dividend payment €147k (€0.02 per share) in June 2025

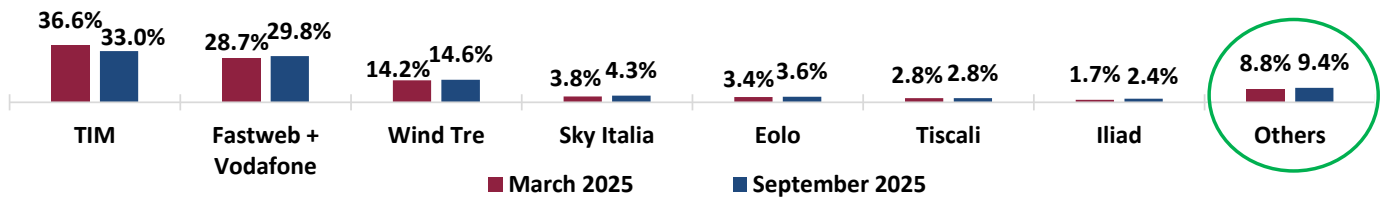
Industry outlook

FTTH, ongoing expansion of smaller operators

Average daily traffic in Q3 2025 increased by 6.6% YoY and over 58% vs. 2021, while FTTH gain share, reaching over 29% of total fixed lines (vs. 27% in 2024). In this picture, smaller operators, including Convergenze, continued to expand their presence in the FTTH line, while incumbents experienced share dilution (Source AGCOM, *Osservatorio sulle Comunicazioni n.4, 2025*).

Smaller players lead market share gains

Market share of FTTH operators in Italy (%)



Source: AGCOM, *Osservatorio sulle Comunicazioni n.4, 2025*

Italian electricity demand +3% YTD

Italian electricity demand remained stable in 2025, with total consumption at 311 TWh, consistent with historical ranges, while demand in the first two months of 2026 was up 3.1% YoY, according to Italian National transmission grid Terna (Source: Terna, *Rapporto Mensile sul Sistema Elettrico Febbraio 2026, 2026*). According to International Energy Agency, global electricity demand is expected to increase at a 2026-30 CAGR of 3.6%, supported by rising consumption from electric vehicles and data centers (Source: *International Energy Agency, Electricity 2026, 2026*).

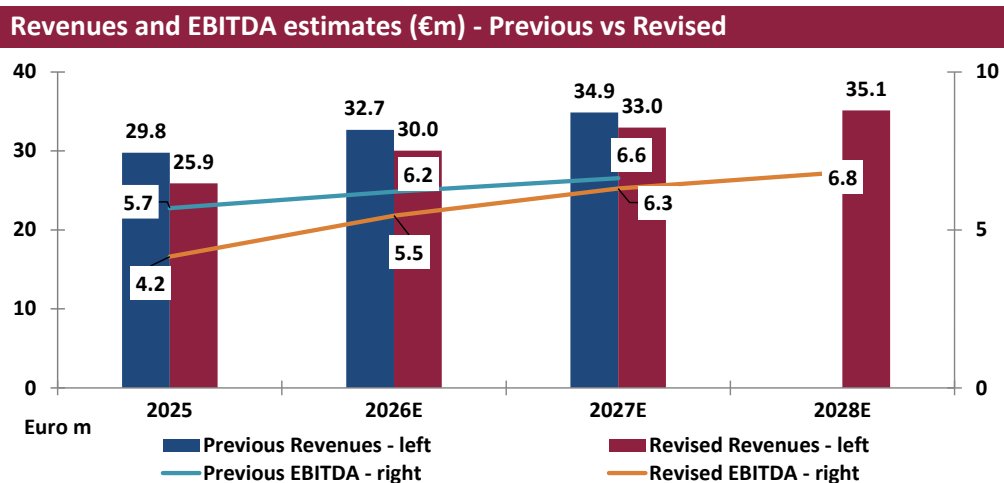
Italy, energy demand YTD +3.1% YoY

Global electricity demand: +3.6% CAGR by 2030

Financial projections

We have factored actual FY25 results in our model and refreshed forecasts by shifting forward projections, resulting in updated 2026-27E estimates, while extending our forecast horizon to 2028, assuming continued growth.

Change in estimates



Source: EnVent Research - Note: columns left axe, curves right axe

€m	Revised				Previous			Change %		
	2025	2026E	2027E	2028E	2025E	2026E	2027E	2025	2026E	2027E
Revenues	25.9	30.0	33.0	35.1	29.8	32.7	34.9	-13%	-8%	-5%
Adj. EBITDA	4.2	5.5	6.3	6.8	5.7	6.2	6.6	-27%	-12%	-5%
<i>Margin</i>	16.0%	18.2%	19.1%	19.4%	19.1%	19.0%	19.0%			
EBIT	1.4	3.2	3.8	4.4	3.4	3.6	3.7	-58%	-12%	2%
<i>Margin</i>	5.5%	10.6%	11.5%	12.4%	11.5%	11.1%	10.7%			
Net Income (Loss)	0.5	1.8	2.2	2.6	2.0	2.1	2.2	-75%	-15%	2%
Net (Debt) Cash	(4.8)	(4.0)	(1.7)	0.9	(4.0)	(2.0)	0.2	18%	98%	nm
<i>Net Debt/EBITDA</i>	1.1x	0.7x	0.3x	cash	0.7x	0.3x	cash			

Source: EnVent Research

Profit and Loss

€m	2023	2024	2025	2026E	2027E	2028E
Sales TLC BU	10.5	11.4	11.2	14.0	16.1	17.3
Sales Energy BU	12.2	15.0	14.5	15.4	15.7	16.6
Sales Media & Content BU	0.0	0.0	0.0	0.4	0.9	1.0
Sales	22.6	26.4	25.7	29.8	32.7	34.9
Other income	0.2	0.2	0.2	0.2	0.2	0.2
Revenues	22.8	26.6	25.9	30.0	33.0	35.1
YoY %	-19.5%	16.6%	-2.6%	15.9%	9.8%	6.6%
Cost of sales	(14.4)	(15.7)	(15.6)	(17.5)	(18.6)	(19.7)
Gross profit	8.4	10.9	10.3	12.5	14.4	15.5
Margin	36.9%	41.1%	39.8%	41.7%	43.7%	44.0%
Services	(1.5)	(1.6)	(1.5)	(1.8)	(2.2)	(2.4)
Personnel	(3.3)	(3.7)	(4.0)	(4.3)	(4.6)	(4.9)
Other operating costs	(0.5)	(0.6)	(0.6)	(1.0)	(1.3)	(1.4)
Operating costs	(5.2)	(5.9)	(6.1)	(7.1)	(8.1)	(8.6)
Adjusted EBITDA	3.2	5.0	4.2	5.5	6.3	6.8
Margin	14.0%	18.9%	16.0%	18.2%	19.1%	19.4%
Non-recurring items	0.0	0.2	(0.4)	0.0	0.0	0.0
Writedown of trade receivables	(0.1)	(0.6)	(0.1)	0.0	0.0	0.0
EBITDA	3.1	4.6	3.6	5.5	6.3	6.8
Margin	13.6%	17.1%	13.8%	18.2%	19.1%	19.4%
D&A	(1.9)	(2.1)	(2.1)	(2.3)	(2.5)	(2.5)
EBIT	1.2	2.5	1.4	3.2	3.8	4.4
Margin	5.2%	9.3%	5.5%	10.6%	11.5%	12.4%
Interest	(0.5)	(0.6)	(0.5)	(0.6)	(0.6)	(0.6)
EBT	0.7	1.8	0.9	2.6	3.2	3.7
Margin	2.9%	6.9%	3.6%	8.5%	9.6%	10.7%
Income taxes	(0.1)	(0.6)	(0.4)	(0.8)	(1.0)	(1.1)
Net Income (Loss)	0.5	1.3	0.5	1.8	2.2	2.6
Margin	2.2%	4.7%	1.9%	6.0%	6.8%	7.5%

Source: Company data 2023-25A, EnVent Research 2026-28E

Balance Sheet

€m	2023	2024	2025	2026E	2027E	2028E
Inventory	0.3	0.4	0.4	0.5	0.6	0.6
Trade receivables	4.0	4.1	3.6	5.0	5.5	5.8
Trade payables	(3.5)	(3.3)	(3.1)	(3.4)	(3.7)	(3.9)
Trade Working Capital	0.8	1.2	0.9	2.1	2.4	2.6
Other assets (liabilities)	(2.4)	(3.2)	(2.6)	(2.4)	(2.5)	(2.5)
Net Working Capital	(1.6)	(2.0)	(1.7)	(0.3)	(0.1)	0.1
Intangible assets	0.8	0.6	0.4	0.3	0.1	0.1
Property, plant and equipment	12.9	13.7	14.0	14.2	14.2	13.9
Equity investments and financial assets	0.1	0.1	0.1	0.1	0.1	0.1
Non-current assets	13.7	14.3	14.5	14.5	14.3	14.1
Provisions	(0.9)	(1.1)	(1.1)	(1.2)	(1.3)	(1.4)
Net Invested Capital	11.2	11.3	11.6	13.0	12.9	12.9
Net Debt (Cash)	5.6	4.7	4.8	4.0	1.7	(0.9)
Equity	5.7	6.6	6.8	8.9	11.2	13.8
Sources	11.2	11.3	11.6	13.0	12.9	12.9

Source: Company data 2023-25A, EnVent Research 2026-28E

Cash Flow

€m	2023	2024	2025	2026E	2027E	2028E
EBIT	1.2	2.5	1.4	3.2	3.8	4.4
Current taxes	(0.1)	(0.6)	(0.4)	(0.8)	(1.0)	(1.1)
D&A	1.9	2.1	2.1	2.3	2.5	2.5
Provisions	0.1	0.2	0.1	0.1	0.1	0.1
Cash flow from P&L operations	3.1	4.1	3.2	4.7	5.4	5.8
Trade Working Capital	0.6	(0.4)	0.3	(1.2)	(0.3)	(0.2)
Other assets and liabilities	0.2	0.8	(0.5)	(0.2)	0.1	(0.0)
Operating cash flow before capex	3.9	4.5	3.0	3.4	5.2	5.6
Capex	(2.8)	(2.7)	(2.3)	(2.3)	(2.3)	(2.3)
Operating cash flow after WC and capex	1.1	1.8	0.7	1.1	2.9	3.3
Interest	(0.5)	(0.6)	(0.5)	(0.6)	(0.6)	(0.6)
Dividends	0.0	(0.1)	(0.1)	0.0	0.0	0.0
Shares buyback	0.0	(0.2)	(0.1)	0.0	0.0	0.0
Net cash flow	0.6	0.9	(0.0)	0.7	2.3	2.7
Net (Debt) Cash - Beginning	(6.1)	(5.6)	(4.7)	(4.8)	(4.0)	(1.7)
Net (Debt) Cash - End	(5.6)	(4.7)	(4.8)	(4.0)	(1.7)	0.9
Change in Net Debt (Cash)	0.6	0.9	(0.0)	0.7	2.3	2.7

Source: Company data 2023-25A, EnVent Research 2026-28E

Ratio analysis

Key ratios	2023	2024	2025	2026E	2027E	2028E
ROE	9%	20%	7%	23%	22%	21%
ROA	6%	13%	8%	14%	15%	16%
ROS	5%	9%	6%	11%	12%	13%
ROI	11%	22%	13%	26%	29%	34%
DSO	53	47	42	50	50	50
DPO	55	48	46	45	45	45
DOI	11	12	13	13	13	13
TWC/Sales	3%	5%	4%	7%	7%	7%
NWC/Sales	-7%	-7%	-7%	-1%	0%	0%
Capex/Sales	12%	10%	9%	8%	7%	7%
Net Debt/Revenues	0.2x	0.2x	0.2x	0.1x	0.1x	cash
Net Debt/EBITDA	1.8x	1.0x	1.3x	0.7x	0.3x	cash
Net Debt/EBIT	4.7x	1.9x	3.3x	1.3x	0.5x	cash
Net Debt/Equity	1.0x	0.7x	0.7x	0.5x	0.2x	cash
Cash flow from P&L operations/EBITDA	99%	91%	90%	87%	86%	85%
FCF/EBITDA	36%	35%	17%	19%	46%	48%
Basic EPS (€)	0.07	0.17	0.07	0.24	0.30	0.35

Source: Company data 2023-25A, EnVent Research 2026-28E

Valuation

Our risk-assessment considers the following factors:

- Effective investment in TLC infrastructure helps Convergence to manage market volatility.
- The Energy business has dialled up its stability. This is largely due to the implementation of indexed supply contracts.

On these considerations, we have updated our DCF valuation and applied market multiples by BU under the Sum of Parts approach.

We recall that industry peers, especially energy peers, are mostly large and diversified companies and thus they might provide value indications of limited reliability; as such, we attribute major significance to the outcome of DCF.

Treasury shares

To date, Convergence has 171,000 treasury shares, corresponding to 2.3% ownership share. We calculate per share values using net outstanding number of shares (7,326,509).

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.4% (last 30 days average. Source: Bloomberg, April 2026)
- Market return: 15.1% (last 30 days average. Source: Bloomberg, April 2026)
- Market risk premium: 11.7%
- Beta: 0.8
- Cost of equity: 12.8%
- Cost of debt: 6.0%
- Tax rate: 24% IRES
- 50% debt/(debt + equity) as capital structure
- WACC calculated at 8.7%, from 7.4%
- Perpetual growth rate after explicit projections (G): 2.5%
- Terminal Value assumes a 15% EBITDA margin

**Sudden rise of market risk
impacts cost of capital**

DCF model

€m	2025	2026E	2027E	2028E	Perpetuity
Revenues	25.9	30.0	33.0	35.1	36.0
EBITDA	3.6	5.5	6.3	6.8	5.4
<i>Margin</i>	<i>13.8%</i>	<i>18.2%</i>	<i>19.1%</i>	<i>19.4%</i>	<i>15.0%</i>
EBIT	1.4	3.2	3.8	4.4	2.4
<i>Margin</i>	<i>5.5%</i>	<i>10.6%</i>	<i>11.5%</i>	<i>12.4%</i>	<i>6.7%</i>
Taxes	(0.4)	(0.9)	(1.1)	(1.3)	(0.7)
NOPAT	1.0	2.3	2.7	3.1	1.7
D&A	2.1	2.3	2.5	2.5	3.0
Provisions	0.1	0.1	0.1	0.1	0.0
Cash flow from P&L operations	3.2	4.6	5.3	5.6	4.7
Trade Working Capital	0.3	(1.2)	(0.3)	(0.2)	0.1
Other assets and liabilities	(0.5)	(0.2)	0.1	(0.0)	0.0
Capex	(2.3)	(2.3)	(2.3)	(2.3)	(3.0)
Unlevered free cash flow	0.7	0.9	2.8	3.1	1.8
Free Cash Flows to be discounted		0.9	2.8	3.1	1.8
WACC	8.7%				
Long-term growth (G)	2.5%				
Discounted Cash Flows		0.8	2.3	2.4	
Sum of Discounted Cash Flows	5.6				
Terminal Value					29.2
Discounted TV	22.7				
Enterprise Value	28.4				
Net debt as of 31/12/25	(4.8)				
Equity Value	23.6				
Equity Value per share (€)	3.20				

DCF - Implied multiples	2025	2026E	2027E	2028E
EV/Revenues	1.1x	0.9x	0.9x	0.8x
EV/EBITDA	7.9x	5.2x	4.5x	4.2x
EV/EBIT	19.8x	8.9x	7.5x	6.5x
P/E	48.1x	13.2x	10.6x	9.0x
Discount of current valuation vs DCF	40%			
Current market price - Implied multiples	2025	2026E	2027E	2028E
EV/Revenues	0.7x	0.6x	0.5x	0.5x
EV/EBITDA	4.7x	3.1x	2.7x	2.5x
EV/EBIT	11.8x	5.3x	4.5x	3.9x
P/E	24.9x	6.8x	5.5x	4.6x

Source: EnVent Research

Sum of Parts

Industry segmentation

We revised our TLC cluster by excluding non-European peers. As such:

- TLC - Italian and European providers of broadband connectivity
- Energy - local multi-utilities
- Energy- multinational ex-incumbents

Market multiples

Company	EV/Revenues			EV/EBITDA			EV/EBIT			P/E		
	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Convergenze	0.7x	0.6x	0.5x	4.7x	3.1x	2.7x	11.8x	5.3x	4.5x	24.9x	6.8x	5.5x
TLC												
Unidata	0.9x	0.8x	0.8x	3.2x	3.1x	2.9x	6.4x	5.0x	4.7x	12.2x	7.8x	7.0x
Intred	3.3x	3.1x	2.9x	7.6x	6.5x	6.0x	15.0x	12.9x	11.6x	17.4x	15.9x	13.9x
Planetel	0.6x	0.5x	0.5x	2.8x	2.2x	1.9x	14.4x	6.4x	4.8x	32.9x	9.5x	6.7x
United Internet	1.6x	1.5x	1.5x	9.6x	6.5x	6.1x	16.7x	13.6x	11.3x	16.9x	14.9x	12.6x
Mean	1.6x	1.5x	1.4x	5.8x	4.6x	4.2x	13.1x	9.5x	8.1x	19.9x	12.0x	10.0x
Mean w/out extremes	1.2x	1.2x	1.1x	5.4x	4.8x	4.5x	14.7x	9.6x	8.0x	17.1x	12.2x	9.8x
Median	1.2x	1.2x	1.1x	5.4x	4.8x	4.5x	14.7x	9.6x	8.0x	17.1x	12.2x	9.8x
Energy - Local multi-utilities												
A2A	1.0x	1.1x	1.1x	6.4x	6.2x	6.0x	11.5x	12.0x	11.8x	10.5x	12.1x	11.9x
ACEA	3.8x	3.2x	3.0x	9.3x	7.2x	6.9x	23.7x	16.7x	15.4x	10.2x	15.0x	14.2x
Hera	0.8x	0.8x	0.8x	7.7x	6.8x	6.4x	13.1x	12.7x	12.1x	13.0x	12.9x	12.4x
Iren	1.2x	1.2x	1.1x	6.1x	5.4x	5.2x	14.4x	13.3x	12.6x	10.8x	10.6x	10.2x
Mean	1.7x	1.5x	1.5x	7.4x	6.4x	6.1x	15.7x	13.7x	13.0x	11.1x	12.6x	12.2x
Median	1.1x	1.1x	1.1x	7.0x	6.5x	6.2x	13.7x	13.0x	12.3x	10.6x	12.5x	12.2x
Energy - Multinational ex-incumbents												
Enel	2.2x	2.2x	2.1x	8.4x	7.5x	7.2x	15.3x	11.5x	11.2x	23.2x	13.6x	13.2x
Eni	1.2x	1.0x	1.0x	7.9x	5.1x	5.3x	18.5x	8.8x	9.4x	27.8x	11.1x	12.0x
E.ON	1.2x	1.1x	1.1x	13.2x	9.7x	8.7x	24.7x	15.3x	13.4x	29.7x	18.4x	15.8x
Mean	1.5x	1.4x	1.4x	9.8x	7.4x	7.1x	19.5x	11.9x	11.3x	26.9x	14.4x	13.7x
Median	1.2x	1.1x	1.1x	8.4x	7.5x	7.2x	18.5x	11.5x	11.2x	27.8x	13.6x	13.2x
Energy - Full sample												
Mean	1.6x	1.5x	1.5x	8.4x	6.8x	6.5x	17.3x	12.9x	12.3x	17.9x	13.4x	12.8x
Median	1.2x	1.1x	1.1x	7.9x	6.8x	6.4x	15.3x	12.7x	12.1x	13.0x	12.9x	12.4x
Full sample												
Mean	1.6x	1.5x	1.4x	7.5x	6.0x	5.7x	15.8x	11.6x	10.7x	18.6x	12.9x	11.8x
Median	1.2x	1.1x	1.1x	7.7x	6.5x	6.0x	15.0x	12.7x	11.6x	16.9x	12.9x	12.4x

Source: S&P Capital IQ, April 2026

Sum of Parts application

- We focus also on EV/Revenues to assess Convergence short-term value, which is not affected by investment cycles or temporary profitability below industry standards
- We have based our analysis on 2026 consensus data
- Assuming a residual contribution in the coming years, we incorporate Media & Content BU into TLC BU

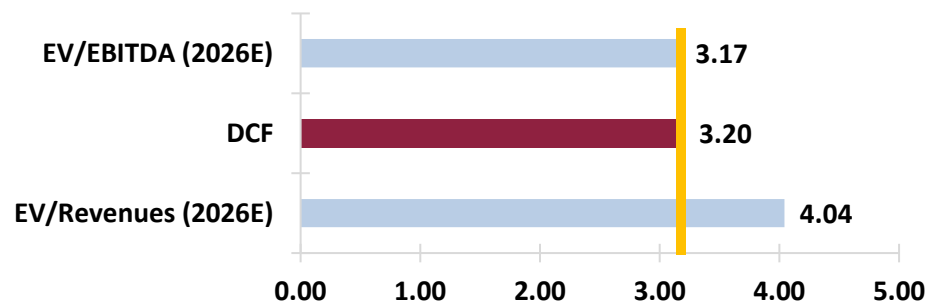
€m			
Convergence	2026E Market multiples		
EV TLC + MEDIA BU			
2026E Sales	14.4	1.2x	17.0
EV Energy BU			
2026E Sales	15.4	1.1x	17.4
SOP EV Convergence			34.4
Net debt as of 31/12/25			(4.8)
Equity value Convergence			29.6
Equity value Convergence per share (€)			4.04

€m			
Convergence	2026E Market multiples		
EV TLC + MEDIA BU			
2026E EBITDA	4.5	4.8x	21.7
EV Energy BU			
2026E EBITDA	0.9	6.8x	6.3
SOP EV Convergence			28.0
Net debt as of 31/12/25			(4.8)
Equity value Convergence			23.2
Equity value Convergence per share (€)			3.17

Source: EnVent Research

Valuation summary

The DCF model, EV/Sales SOP and EV/EBITDA SOP provide the following:



Source: EnVent Research

Target Price

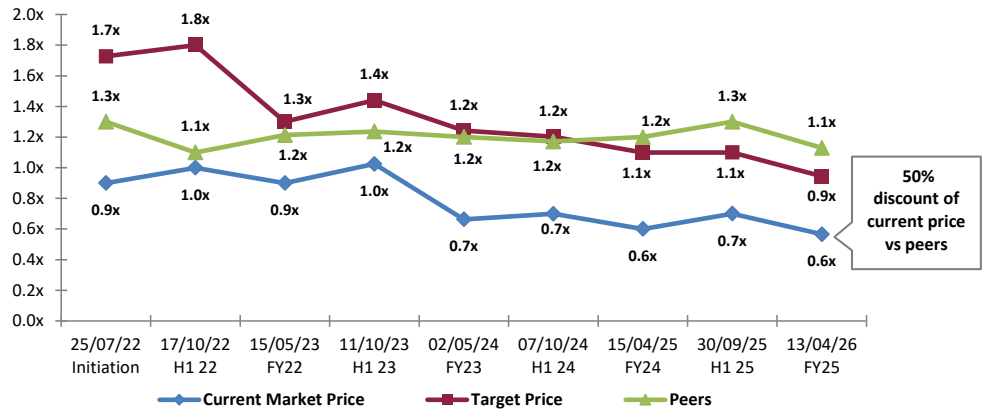
Our updated estimates and valuation yield to the target price of €3.20 per share (from €3.90), implying 2026E 0.9x EV/Revenues, while Convergence is trading at 0.6x, continuing to support our OUTPERFORM rating with a substantial upside of over 90% on current share price.

Please refer to important disclosures at the end of this report.

Convergence Price per Share	€
Target Price	3.20
Current Share Price (10/04/2026)	1.67
Premium (Discount)	92%

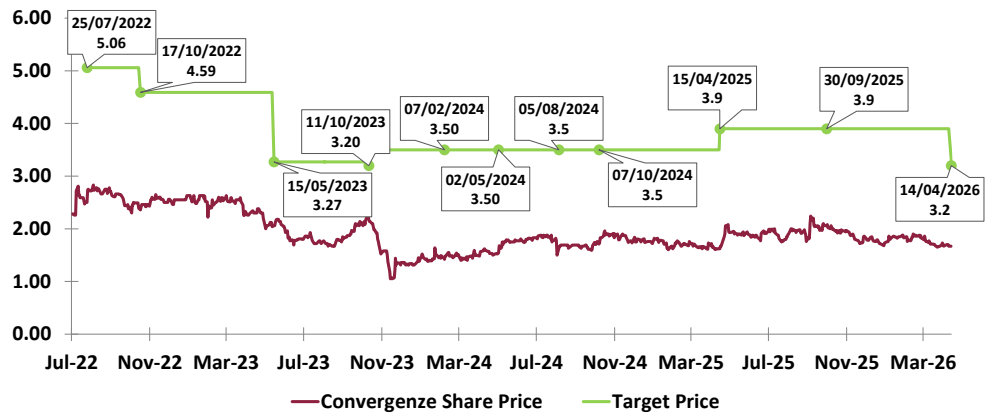
Source: EnVent Research

Implied EV/Revenues vs industry median multiples



Source: EnVent Research on S&P Capital IQ, 14/04/2026

Convergence Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 14/04/2026

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Date and time of Production: 10/04/2026 h. 7.00pm

Date and time of Distribution: 14/04/2026 h. 8.00am

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
25/07/2022	OUTPERFORM	5.06	2.50
17/10/2022	OUTPERFORM	4.59	2.39
15/05/2023	OUTPERFORM	3.27	2.04
11/10/2023	OUTPERFORM	3.50	2.24
07/02/2023	OUTPERFORM	3.50	1.45
02/05/2024	OUTPERFORM	3.50	1.52
05/08/2024	OUTPERFORM	3.50	1.64
07/10/2024	OUTPERFORM	3.50	1.76
05/11/2024	OUTPERFORM	3.50	1.87
06/02/2025	OUTPERFORM	3.50	1.72
15/04/2025	OUTPERFORM	3.90	1.62
05/08/2025	OUTPERFORM	3.90	1.97
30/09/2025	OUTPERFORM	3.90	2.06
14/04/2026	OUTPERFORM	3.20	1.67

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of which EnVent clients % *		77%	67%	100%	na	na	na

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