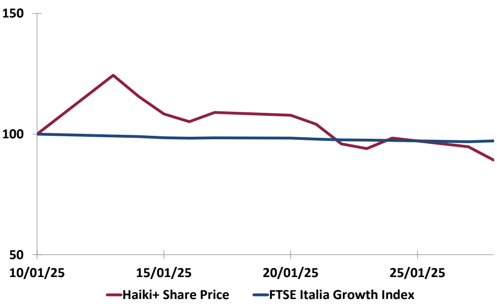
OUTPERFORM

Current Share Price (€): 0.70

Target Price (€): 1.20

Haiki+ - Performance since listing



Source: S&P Capital IQ - Note: 10/01/2025 (beginning price)=100

Company data

ISIN number	IT0005628778
Bloomberg code	HIK IM
Reuters code	HAIK.MI
Industry	Environment
Stock market	Euronext Growth Milan
Share Price (€)	0.70
Date of Price	28/01/2025
Shares Outstanding (m)	96.4
Market Cap (€m)	67.1
Market Float (%)	54.65%
Daily Volume	405,899
Avg Daily Volume since listing	707,638
Target Price (€)	1.20
Upside (%)	72%
Recommendation	OUTPERFORM

Share price performance

		Listing
Haiki+ - Absolute (%)		-11%
FTSE Italia Growth Index (%)		-3%
Since listing Range H/L (€)	0.97	0.70
Since listing Change (€) / %	-0.08	-11%

Source: S&P Capital IQ

Analysts

Luigi Tardella - Head of Research
ltardella@envent.it
Viviana Sepe vsepe@envent.it
Alberto Bacciga abacciga@envent.it

EnVent Italia SIM S.p.A.
Via degli Omenoni, 2 - 20121 Milano (Italy)
Phone +39 02 22175979

Roadmap to close the circularity gap

We initiate coverage of Haiki+: OUTPERFORM rating, Target Price €1.20 per share. Haiki+, listed on Euronext Growth Milan in January 2025 as spin-off from Innovatec, is a provider of environmental services in special non-hazardous waste within its asset network throughout Italy and handled 570k tons of waste in FY23, with €176m operating revenues. Haiki+ was born in 2020, grew organically and through acquisitions, becoming Innovatec's sub-holding of the Environment and Circular Economy BU.

Full coverage of waste value chain through a diversified asset network

Haiki+ provides collection, transfer, selection/separation, treatment and recovery, recycling, disposal. Haiki+ owns and operates a wide and diverse asset network in Italy composed of four landfills, six selection and treatment plants, eight recycling facilities for e-waste and two innovative recycling plants.

Global call for huge investment in green transition, unlimited room for recycling

Waste is a resource, recycling and regeneration of materials are the challenge for achieving circular economy. Waste production has been increasing at higher pace than recycling capacity. In Italy current infrastructures are unable to cover the booming demand. The industry is becoming populated by advanced technologies for the next step of recycling: secondary raw materials, an unlimited market for the next decades.

From provider of environmental services to widespread hub for the conversion of waste into new materials

As companies and communities look for ways to achieve sustainability, Haiki+ is going towards circularity, beyond the traditional core business of collecting and disposing waste. Haiki+ plans to invest over €60m in three years in recycling technologies, sustainability projects and facilities.

Target Price €1.20 per share, OUTPERFORM recommendation

Based on management guidance, significant growth is expected over next three years, with market-fitting long-term investments. Our value assessment of Haiki+ is backed by a compelling value proposition, anchored to own asset network, and a huge market potential comforting group future direction. Our valuation models, including conservative assumptions and simulations on contingencies and dilution, concur in suggesting a consistent value area, where we set as Target Price €1.20 per share, +72% on current share price. The implied 2025E EBITDA multiple of 6x is under peer median at 6.4x, while Haiki+ is trading at 3.4x. We initiate coverage of Haiki+ with OUTPERFORM rating.

KEY FINANCIALS AND ESTIMATES (€m)	2023PF	2024E	2025E	2026E	2027E
Revenues	**176.3**	**199.8**	**239.4**	**279.6**	**319.5**
YoY %	-	*13.3%*	*19.2%*	*16.2%*	*13.8%*
EBITDA	**33.2**	**31.1**	**44.3**	**51.8**	**59.9**
Margin	*18.8%*	*15.5%*	*18.5%*	*18.5%*	*18.8%*
EBIT	**12.5**	**9.0**	**17.0**	**19.3**	**23.9**
Margin	*7.1%*	*4.5%*	*7.1%*	*6.9%*	*7.5%*
Net Income	**4.6**	**2.9**	**8.8**	**10.6**	**14.3**
Net (Debt) Cash	**(62.2)**	**(59.6)**	**(55.3)**	**(47.7)**	**(24.4)**
Equity	**55.1**	**59.1**	**67.9**	**78.6**	**92.9**
KEY RATIOS AND MULTIPLES	2023PF	2024E	2025E	2026E	2027E
ROE	8%	5%	13%	14%	15%
Net Debt/EBITDA	1.9x	1.9x	1.2x	0.9x	0.4x
Cash flow from P&L operations/EBITDA	na	95%	90%	89%	87%
EV/Revenues - current market price	0.9x	0.8x	0.6x	0.5x	0.5x
EV/EBITDA - current market price	4.6x	4.9x	3.4x	2.9x	2.5x

Source: Company data 2023PF (proforma of Haiki+ spin-off from Innovatec); EnVent Research 2024-27E

1. INVESTMENT CASE

Company

Haiki+ provides a wide range of integrated environmental services and is specialized in handling special non-hazardous waste within its established asset network located throughout Italy.

Haiki+ SpA has been listed on Euronext Growth Milan on January 10th, 2025 as a result of the spin-off from Innovatec SpA, separating Haiki+ environmental and circular economy BU into an additional publicly traded entity and distributing shares of the new entity to its current shareholders.

Main operations:

- Collection
- Selection
- Treatment and recovery of materials
- Recycling
- Landfilling
- Energy recovery

Key figures 2023PF:

- €176m consolidated revenues
- 18.8% EBITDA margin
- €62m net financial debt
- 570k tons waste managed
- Special non-hazardous waste 80%, municipal waste 20%

Source: Company data

Mission

Waste valorization through qualified collection, transportation and material recovery, leading to its transformation into a valuable resource.

Vision

Contribute to circular economy goals becoming a major national waste management operator, leading the green transition as envisaged by the European Green Deal.

Opportunity

Italian waste infrastructure coverage is uneven, causing inefficient management of waste generated in the country. Several territories need to transfer waste. New sites and higher capacity are needed to fill the gap and to improve the effectiveness of the industry efforts to accomplish sustainability goals.

Value proposition

Haiki+ assists its customers in the proper and effective management of waste with the aim of achieving a progressive increase in the quantities of materials recovered, keeping with the principles and initiatives of circular economy and waste reduction, thus contributing to reducing the environmental impact of the business activities.

Drivers

Industry drivers

EU and Italy pushing the green transition. Waste is a resource, the recycling and regeneration of materials represent the basis for achieving circular economy, R&D is the key factor in waste management industry to close the loop. EU raised the bar with ambitious targets as the landfilling minimization at 10% of municipal waste within 2035.

Unlimited room for recycling. Globally, waste production has been increasing at higher pace than recycling capacity. In Italy the current infrastructure is still unable to cover the potential demand, especially in central-southern regions, while the industry is becoming populated by advanced technologies for the next step of recycling: high quality second raw materials, an unlimited market for the next decades.

High barriers to entry. Heavy investment in equipment and infrastructure as treatment sites and landfills are a significant barrier to entry. Barriers to entry are thus high, due to investment needs, complex process engineering and a diversified supply network. The industry also features regulatory barriers to ensure compliance with environmental, health and safety standards.

Waste materials trade constraints. The capacity gap can be filled through waste trade inside the country only for special waste, due to regulatory constraints which increasingly limit the transfer of urban waste away from the place of origin. Though free of constraints, special waste trade may be limited by transportation costs.

Industry trends: investments and acquisitions. In the last years waste management companies showed high investments to expand the range of services provided (source: Althesys, WAS Report, 2024). Supply chain coverage consolidation and widening is accomplished also through acquisitions: many companies originally operating only with municipalities entered in the special waste market. These signals suggest an industry consolidation trend, which we see inherent in the high fragmentation of the industry, in presence of fast technological development and increasing room for growth.

Huge potential of new recycled products. Higher output prices for recycled products and sustainable resources are likely due to significant increase in demand, as surplus demand given the present limited recycling capacities.

Company drivers

Integrated waste management. From collection and transportation to waste valorization, the integrated management system of Haiki+ allows customers to receive complete environmental services by a sole nationwide operator for every of kind special non-hazardous waste: packaging, waste from electrical and electronic equipment (WEEE), batteries, tires, textile materials, plastics, drywall.

Proprietary facilities and nationwide network. Own facilities have advanced technologies of recovery and disposal, with vertical solutions. Haiki+ is also present throughout the country thanks to the network of collection points, facilities and selected certified partners.

Certified sustainability. An integrated system of quality management and environment UNI EN ISO9001, UNI EN ISO14001, EMAS certified by Certiquality and RINA.

Challenges

Highly regulated industry. Waste management industry is highly regulated due to the environmental and public health risks of improper treatment and disposal of waste. Industry operations can be performed only by authorized players, subject to a wide and complex set of national, regional and local regulations and changes or restrictions on capacity, duration of authorizations, pricing.

Capital-intensive industry. Technology updates and regulation changes force to frequent process and equipment upgrades, with unpredictable mid-term forecast of material inflows and by-product outflows which in turn imply risk in the estimates of capacity and cash needed for investments.

Highly competitive market with larger players. The industry is populated by large national waste management companies, that maintain their own waste collection and disposal or recycling operations, and regional and local companies of varying sizes and financial resources. The industry also includes companies that specialize in certain segments or waste types, operators of alternative disposal facilities, companies that use parts of the waste stream as feedstock for renewable energy and other by-products, and waste brokers.

Industry evolution in the medium/long-run. The EU and domestic waste management targets are accelerating evolution and reorganization of the industry, working on the existing territorial gaps and logistic inefficiencies, driving innovations and proliferation of specialized newcomers, thus superseding current competitive advantages and creating new ones.

Innovation and capex needs. Innovation is a crucial challenge to ensure future growth, which will depend upon Haiki+ ability to develop successfully additional recycling projects. As usual for innovations, investments and future operations imply uncertainties and a check of the risk profile.

New and present facilities authorization and timing. Supply chain, regulatory or permitting disruptions or delays could impact the planned timing of investments in new facilities. In addition, obtaining or maintaining required permits or expanding existing permitted capacity at own landfills may result in decreased revenue and increased costs.

Acquisition risk. Acquisitions will continue to play a central role in the Group strategy. Acquisitions, investments, new services or lines of business may not contribute to results in the expected timeframe, due to difficulties in new market segments, integration issues, or regulatory issues and compliance costs.

Strategy execution risk. The execution of the Group strategy, including growth through acquisitions and the planned expansion of the recycling business, may cause to incur in additional financial debt, which may introduce additional risks and volatility to financial performance. As such, financial discipline is needed, taking into duly consideration that Haiki+ business is highly regulated and, as such, subject also to external risks.

Landfills end of life. There are significant obligations relating to final capping, closure, post-closure and environmental remediation of landfills, for which accruals have been established. Such expenditures could be accelerated or could exceed accruals. Regulations affecting the closure of landfills could also require undertaking remedial activities, stopping operations or closing landfills.

Changes in commodity prices. Revenues, earnings and cash flows may fluctuate based on changes in commodity prices. Prices and demand for recyclables fluctuate and are subject to volatility.

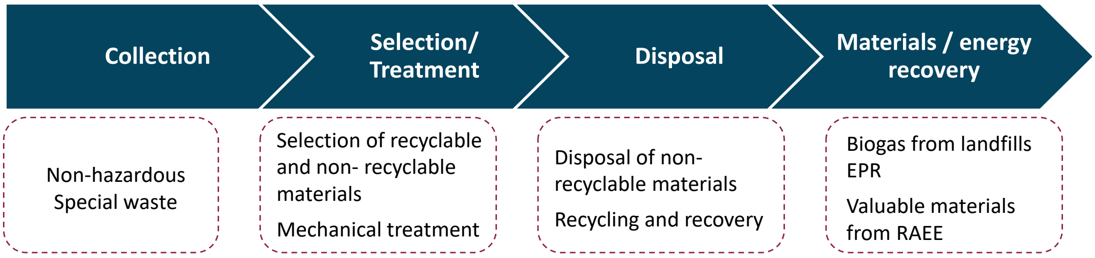
Extended Producer Responsibility. Regulations following Extended Producer Responsibility directive are being implemented, to place responsibility on producers of consumer-packaged goods and other products for their environmental impact throughout their lifecycle, including upstream impact, impact from production process and downstream impact from use and disposal. Producers may be required to undertake additional responsibilities, such as taking over management of local recycling programs by taking back their products from end users or managing the collection operations and recycling processing and marketing infrastructure. If wide-ranging EPR regulations were adopted, they could impact the waste and recycling streams managed by the Company.

2. PROFILE

Now a pureplay waste management group

Haiki+ was established as the sub-holding of the Environment and Circular Economy BU of Innovatec, an Italian cleantech player with operations in waste management and energy efficiency listed on Euronext Growth Milan since 2013.
Haiki+ activities span integrated environmental and circular economy services as collection, treatment and disposal of special non-hazardous waste materials, such as batteries, WEEE, tires, textile products, plastic, composite materials, mattresses, drywall, and urban waste.
Headquarters in Milan. The workforce currently consists of around 620 employees.

Operations



Source: Company data

Haiki+ has four divisions:

- **Haiki Mines** owns and operates three landfills (Albonese, Bedizzole, Bossarino) for non-hazardous special waste of private customers and one (Ecosavona) for urban and special waste from municipalities
- **Haiki Cobat** is a platform offering logistic services to industry consortia: from collection, transfer and storage to final disposal. Special waste treated by Haiki Cobat includes tires, WEEE and batteries.
- **Haiki Recycling** operates in the selection and treatment of non-recoverable industrial special waste, converting waste into new raw materials. Haiki Recycling has seven selection and treatment plants dedicated to packaging - paper and cardboard. Other recycling plants are being added, dedicated to drywall and textiles.
- **Haiki Electrics** through its eight recycling plants transforms critical components of electrical and electronic waste and of PV panels into new materials

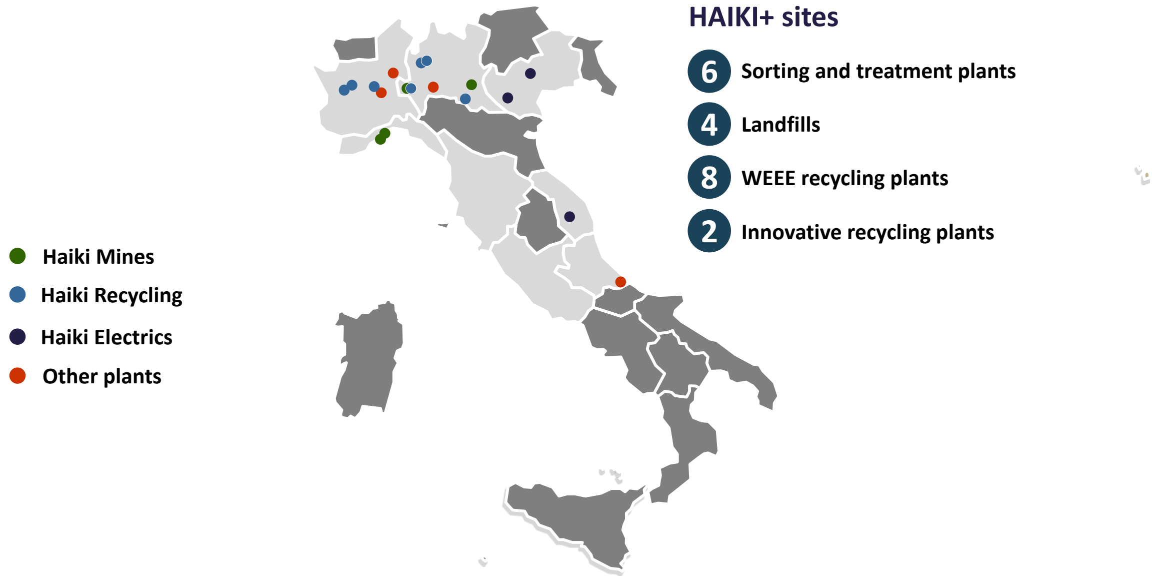
Wide asset base and network

Haiki+ owns 20 industrial facilities, mostly concentrated in northern Italy regions:

- 4 landfills
- 6 sorting and treatment plants
- 8 recycling plants for WEEE
- 2 innovative recycling plants

The asset base is complemented by over 3,000 vehicles and equipment. Overall, Haiki+ has built a network of five consortia (batteries, WEEE, tires, composites, textile), 50 waste partners and 70 Cobat collection hubs.

Own asset network



Source: Company data

History and key developments

Originally acquired in 2020 by Innovatec, as Clean Luxco group, Haiki+ grew by several acquisitions to become a dedicated sub-holding of the Innovatec Environment and Circular Economy BU with verticals.

Key milestones

2020	• Acquisition of Clean Luxco group (including Green up SpA) by Innovatec SpA - corresponding to current Haiki Mines and Haiki Recycling
2021	• Incorporation of Metamorfosi Srl • Incorporation of Ecological Wall Srl • Acquisition of Cobat SpA by Innovatec SpA
2022	• Acquisition of SEA Srl, PULI Ecol Srl and AET Srl by Innovatec SpA
2023	• Reorganization of the Environment and Circular Economy BU of Innovatec SpA into Haiki+ Srl group
2024	• Acquisition of 100% of Sostenya Fintech (owned by Innovatec shareholder Sostenya group), owning 50.01% of Green LuxCo Capital and its 70% subsidiary Ecosavona • Acquisition of IGERS Srl and Isacco Srl • Set up of Polyvolt (60% shareholding of Haiki Mines) for the regeneration of PV panels and electrical equipment • Haiki+ spin-off project • Acquisition of five WEEE recycling plants in Italy
2025	• Haiki+ listing on Euronext Growth Milan

Source: Company data

Build-up of Haiki+

In 2023, the Innovatec Environment and Circular Economy BU underwent a business organization and simplification.

- **Haiki Mines: Landfills**. Green up, originally providing integrated management services of collection, transportation, treatment, recovery, valorization and disposal of non-hazardous special waste, was renamed Haiki Mines; it operates in the disposal business through three landfills, two owned and one under management. In July 2023, it contributed the business unit of integrated management services of collection, transportation, treatment and recovery to Vescovo Romano & C., then renamed Haiki Recycling.
- Haiki Mines completed in 2023 the construction of the first tank of the new lot of the landfill in Bossarino (SV), increasing the capacity for non-hazardous industrial waste by about 600k cubic meters, and obtained the authorization to the expansion (400k cubic meters) of the plant for non-hazardous industrial waste located in Albonese (PV).
- The acquisition of Ecosavona, active in treatment, disposal and recovery of urban and special non-hazardous waste through the landfill of Boscaccio (SV), as well as in energy recovery of landfill biogas, has expanded the asset base and the plant capacity of the group (3m cubic meters). In January 2024, Innovatec acquired 100% of Sostenya Fintech (owned by shareholder Sostenya Group) owning 50.1% of Green LuxCo Capital, with its 70% subsidiary Ecosavona (Haiki+ shareholding 35%), for a consideration of €23m.

- **Haiki Recycling** received the authorization from the Province of Monza Brianza for the construction of a treatment and recovery plant in Lazzate (capacity of 50k tons per year)
- The authorizations received for the treatment and recovery of mattresses by Matermorfosi and plasterboard by Ecological Wall, then merged into Haiki Recycling, further enable the development of dedicated verticals.

- Cobat, later renamed **Haiki Cobat**, is a reference player in Italy in the recovery of batteries and storage batteries, also in view of electric cars market expansion, thanks to proprietary patents for the recovery of lithium and cobalt from EV Li-Ion batteries, in addition to alkaline batteries.

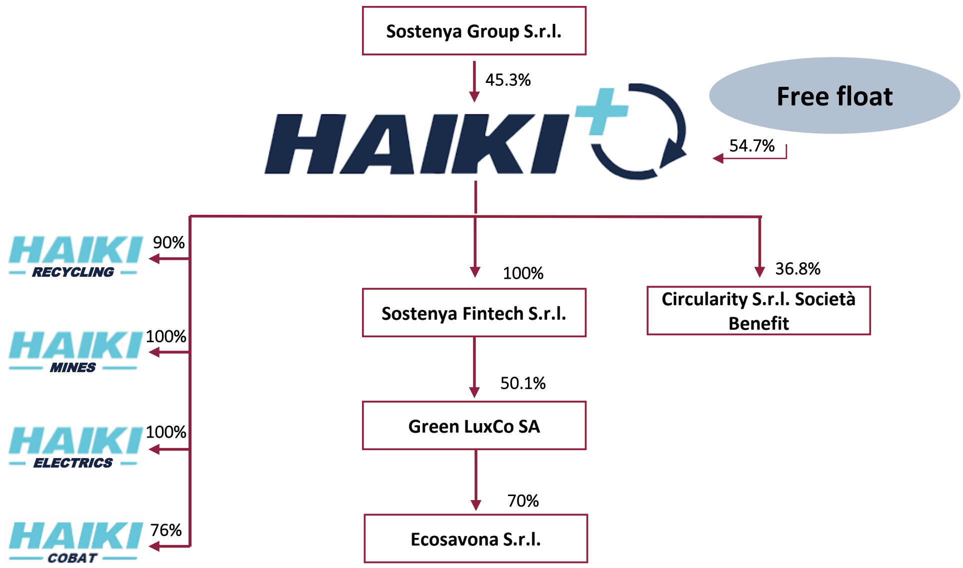
- **Haiki Electrics**. By the acquisitions of SEA, AET and Puliecol, then merged into Haiki Electrics, owners of material recovery plants, the group began the development of verticals, starting from WEEE recycling
- Haiki Electrics entered with a controlling stake of 60% in the newco Polyvolt, for the development of the business of regeneration of PV panels and electrical and electronic equipment
- Haiki Electrics in December 2024 acquired 5 additional WEEE treatment plants located in north and central Italy

- **Photovoltaic Panels.** Haiki Mines, V.E.R.I.T.A.S. and 9-Tech started at the end of 2023 the PV Lighthouse Project to build in Veneto the first plant for the treatment and recovery of end-of-life photovoltaic panels (with capacity of 3,000 tons per year of end-of-life PV panels, recovering about 2,500 tons of valuable materials composed by: about 350 t of aluminium, 2,000 t of glass, 24 t of copper strips and 84 t of PV cells and silicon (critical raw materials)

- **Textile recycling.** Haiki Recycling subscribed a €0.7m reserved capital increase in Igers (corresponding to 24.5% share), a company active in the recycling of scraps and waste from the textile industry, for a consideration of €0.7m, to fund a plant located in the province of Novara for the recycling of scraps and textile waste (up to 25k tons per year capacity) aimed at recovering natural and synthetic fibres to be put back into production.

Shareholders, group, key people and organization

Shareholders and group companies



Source: Company data

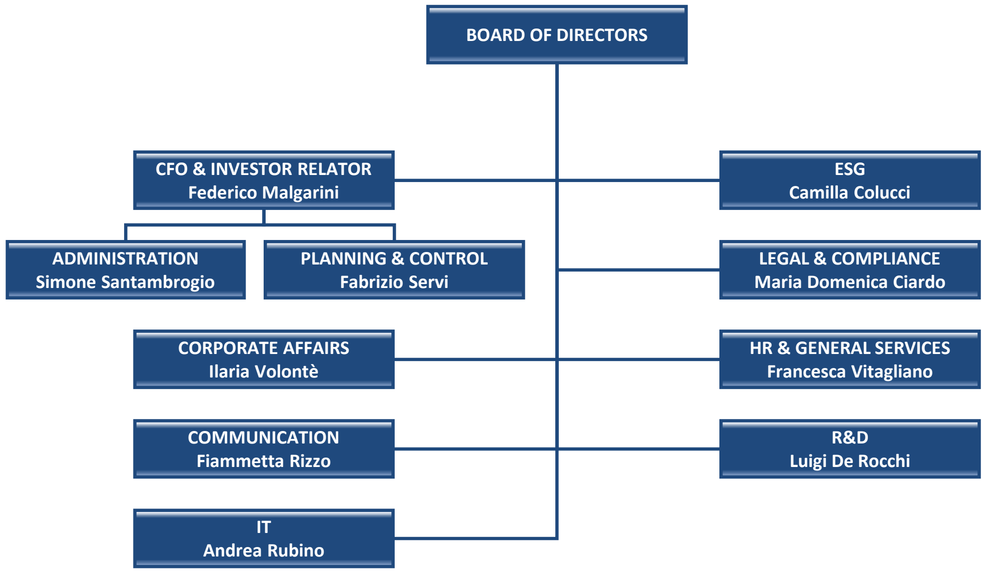
Key people

Name and role	Background
Elio Cosimo Catania Chairman	• Chairman of Haiki+ and Innovatec • 30+ years at IBM • Past experiences as chairman and CEO at ATM, CNEL and Quid
Flavio Raimondo CEO	• CEO of Haiki+ and sole director of Haiki Mines, Ecosavona, and Matermorfosi, chairman and CEO of Haiki Recycling and director of Isacco • Marketing and sales executive at Innovatec • Former Chief Operating Officer at Kinexia • Over 20 years of experience in renewable energy, project management, and strategic development across multiple industries, including energy, construction, and waste management
Claudio De Persio CEO	• CEO of Haiki+, CEO of Haiki Cobat and director at Haiki Electrics, Cobat Raee, Cobat Compositi, Cobat Ecofactory and Tyre Cobat
Federico Malgarini CFO	• Chief Financial Officer of Haiki+ • Chairman of IGERS and director at Haiki Cobat, Frisbi and Haiki

	Electrics • Experiences in structured finance, acquisitions and corporate turnarounds
Nicola Colucci **VP**	• Vice President - Finance • Shareholder of Innovatec and Haiki+ post-listing
Camilla Colucci **VP**	• Vice President - ESG • Shareholder of Innovatec and Haiki+ post-listing

Source: Company data

Organization chart



Source: Company data

3. SPIN-OFF AND JUST LISTING

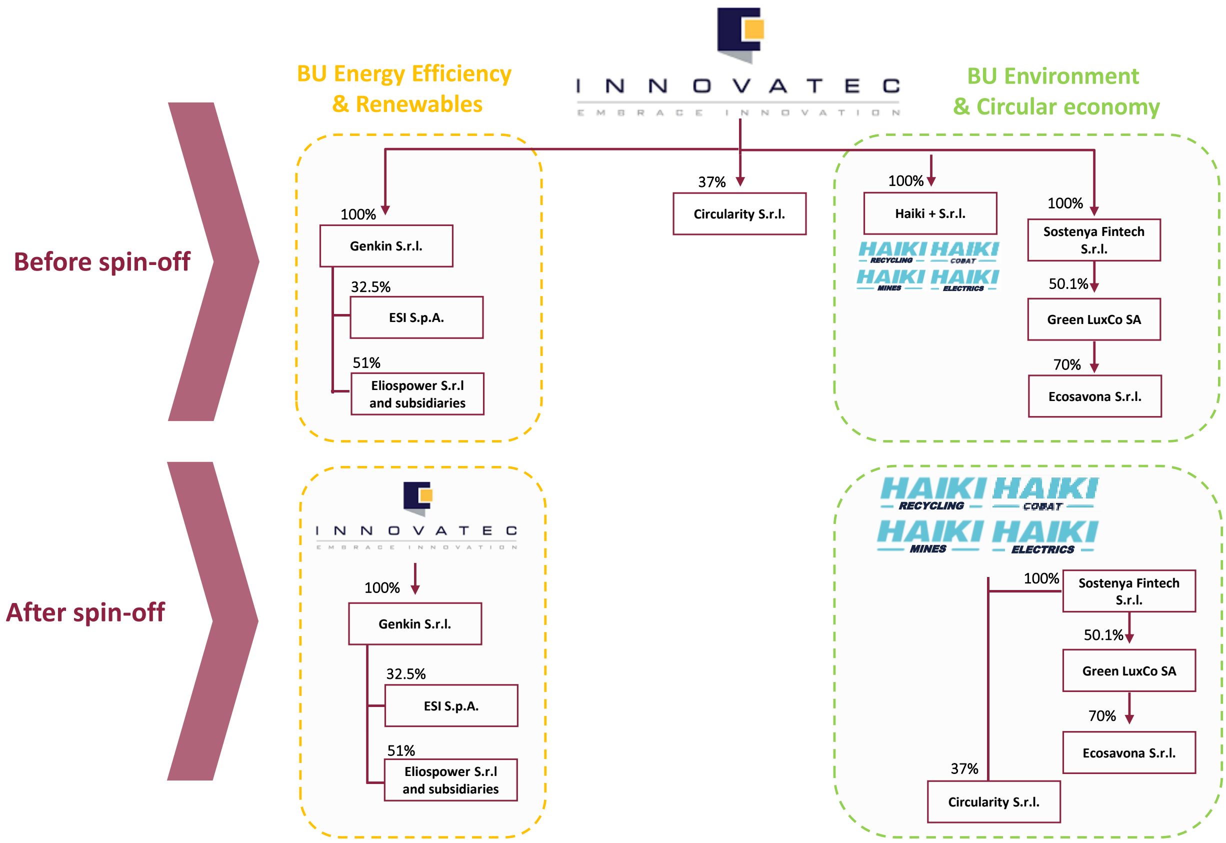
Deal rationale

In August 2024 Innovatec announced the spin-off of its Environment and Circular Economy BU, the sub-holding Haiki+, into an independently-run asset-backed listed company, to enhance its standalone value, in consideration of the different market dynamics, opportunities and value creation path, compared to the Energy Efficiency and Renewables BU, which will remain as Innovatec core business.
The rationale of the spin-off is to be found in the current trends reshaping the whole industry and in the differences between the two businesses as to:

- Operations, cost and revenue model and recent performance
- Customers/end users
- Regulatory framework
- Strategy and value for investors and financial institutions
- Trend toward commoditization of energy efficiency and renewables

Source: Company data

Before and after spin-off



Source: Company data

Haiki+ was listed on the Euronext Growth Milan market on January 10th, 2025, with 96 million shares in issue. Haiki+ has not raised new capital as part of its just listing transaction. As a result of the spin-off, the shareholders of Innovatec have been freely allotted of Haiki+ shares in proportion to the number of shares held in Innovatec, according to the 1:1 ratio.

Deal structure

Structure	**Issuer**	Haiki+ SpA
	Market	Euronext Growth Milan
	Deal type	Just listing, no capital raising
	Free Float	54.65%
	Share and warrant issue	Assignment of one Haiki+ share and warrant with ratio 1:1 to Innovatec shareholders
Timing	**Listing**	January 10th, 2025

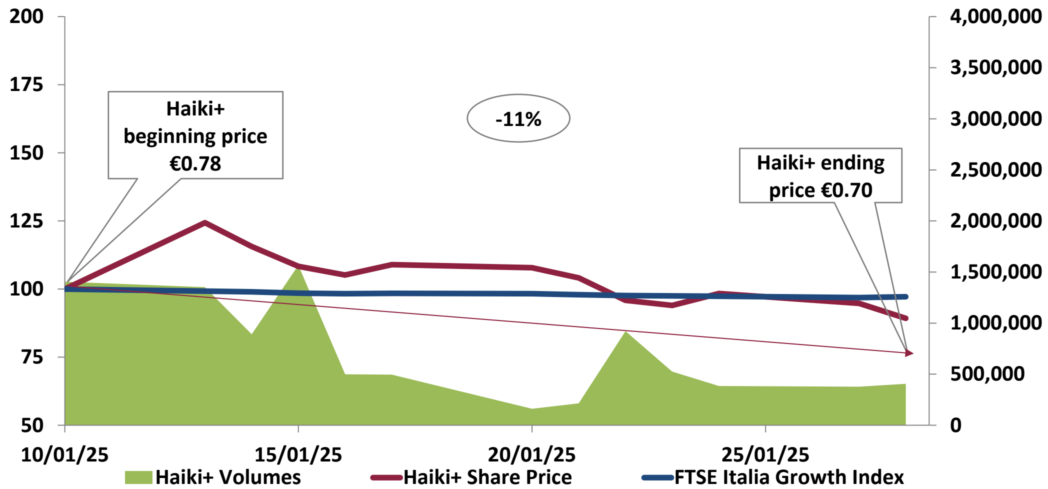
Source: Company data

Stock market performance on Euronext Growth Milan

Haiki on Euronext Growth Milan	
Stock market	Euronext Growth Milan
Bloomberg code	HIK IM
Reuters code	HAIK.MI
Listing date	10/01/2025
Opening price (€)	0.78
Closing price first day of trading (€)	0.96
Market Cap at listing (€m)	75.2
Free float at listing	54.65%
Ordinary shares - ISIN number	IT0005628778
Shares outstanding	96,445,858
Current Share Price (€)	0.70
Current Market Cap (€m)	67.1
Warrants - ISIN number	IT0005628760
Warrants outstanding	3,011,757
Current Warrant Price (€)	0.15

Source: Company data and S&P Capital IQ, update 28/01/2025

Share price performance and volumes since listing



Source: S&P Capital IQ - Note: 10/01/2025 (beginning price)=100

4. INDUSTRY INSIGHTS, MARKET TRENDS AND OUTLOOK

Waste management as a pillar of the circular economy

Waste management encompasses the processes of collecting, treating and disposing of waste materials. Effective waste management systems are essential to minimize environmental impact and maximize resource efficiency.

Transition from linear to circular resources management: huge effort

Traditionally, worldwide economies have operated on a linear model "take, make, dispose" leading to resource depletion, environmental degradation and growing volumes of waste. In contrast, the circular economy seeks to break this cycle by designing systems that prioritize reuse, recycling and recovery of materials, transforming waste into resources. The transition from a linear to a circular economy is critically dependent on advanced waste management practices and on a shift across the entire system about operations, manufacturing and business models.

By facilitating the recovery and reintegration of materials into production, waste management becomes a cornerstone of sustainable economic systems: efficient recycling processes reduce the demand for virgin materials and energy, while also lowering greenhouse gas emissions.

Circular economy benefits: less waste, less costs

According to the United Nations Environment Programme and the International Solid Waste Association, the circular economy approach targets the following benefits by 2050:

- Reduce municipal solid waste from 4.5bn+ tons to less than 2bn tons annually
- Cut landfill waste by over 40%
- Eradicate uncontrolled waste, such as dumping and open burning
- Achieve cost savings

Source: United Nations Environment Programme (UNEP) and the International Solid Waste Association (ISWA), *Global Waste Management Outlook 2024*

Waste classification

Waste can be classified according to two criteria: by origin and by hazard.

By origin, waste is divided into two main categories:

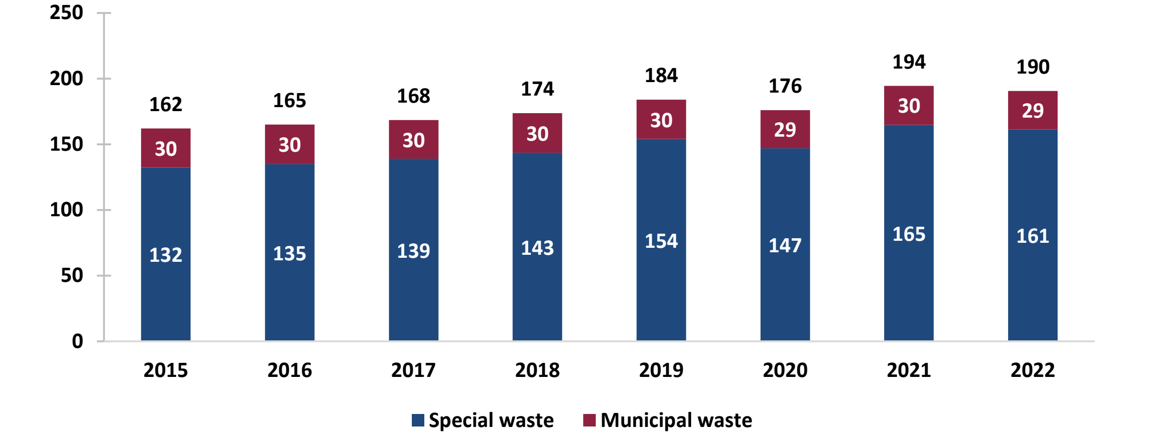
- **Municipal waste**, waste generated by households, small businesses and public institutions. Examples are food scraps, paper, packaging and garden waste.
- **Special waste**, waste from industrial processes, construction, healthcare, etc.. It often includes materials like chemicals, heavy metals, and medical waste that require specialized handling and disposal methods.

By hazard, waste is classified into:

- **Hazardous waste**, waste that poses risks to human health or the environment due to its toxic, flammable, corrosive or reactive nature. Examples include batteries, solvents and certain pesticides.
- **Non-hazardous waste**, waste that does not fall under the hazardous category and is considered less harmful to human health and the environment.

Waste management in Italy

Waste generation in Italy 2015-22 (million tons)



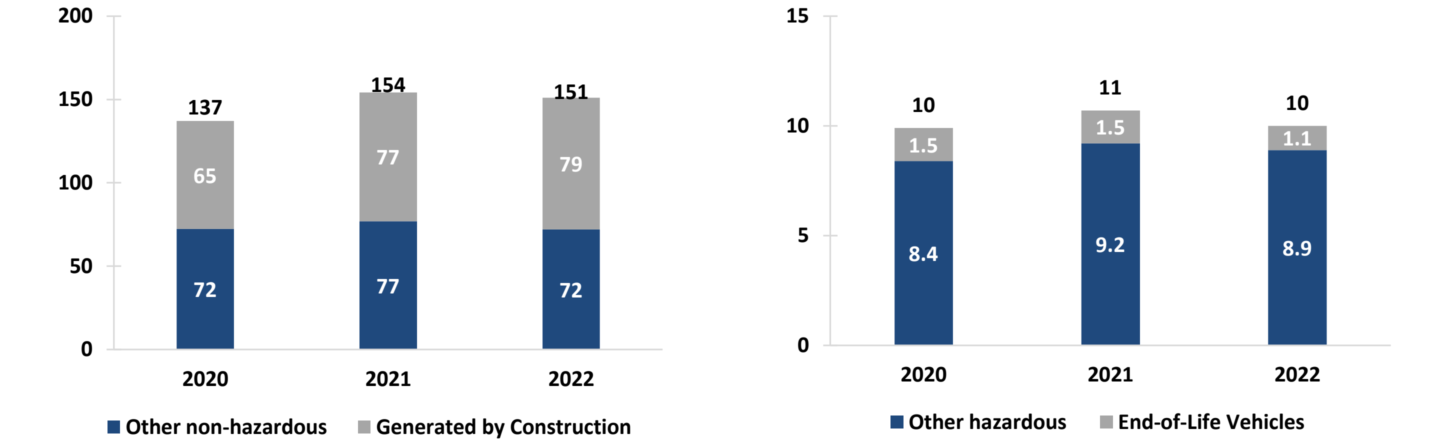
Source: ISPRA, *Rapporto rifiuti speciali & Rapporto rifiuti urbani 2024*

In Italy, waste generation has shown a growing trajectory, albeit with some fluctuations, such as those observed during the COVID-19 period. Most of the waste produced is as special waste, which continues to increase, while municipal waste has remained stable at around 30m tons per year.

Focus on special waste

Special waste generation 2020-22 (million tons)

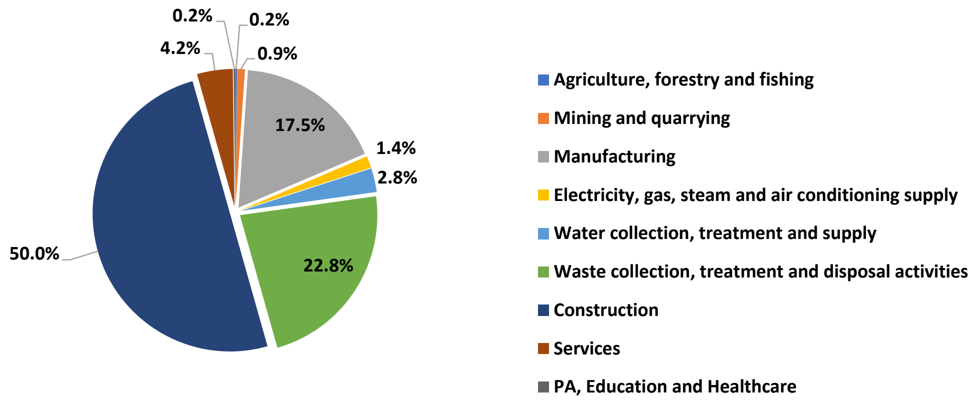
Non-hazardous | **Hazardous**



Source: ISPRA, *Rapporto rifiuti speciali 2024*

In Italy, special waste is primarily generated by the construction industry, which accounts for approximately 50% of the total, followed by the manufacturing sector and waste management activities. The latter reflect the fact that some waste streams undergo partial treatment and may require further processing at different sites. For example, municipal waste can be collected and, after initial treatment operations, be reclassified as special waste, which may be delivered to other facilities for subsequent treatment stages.

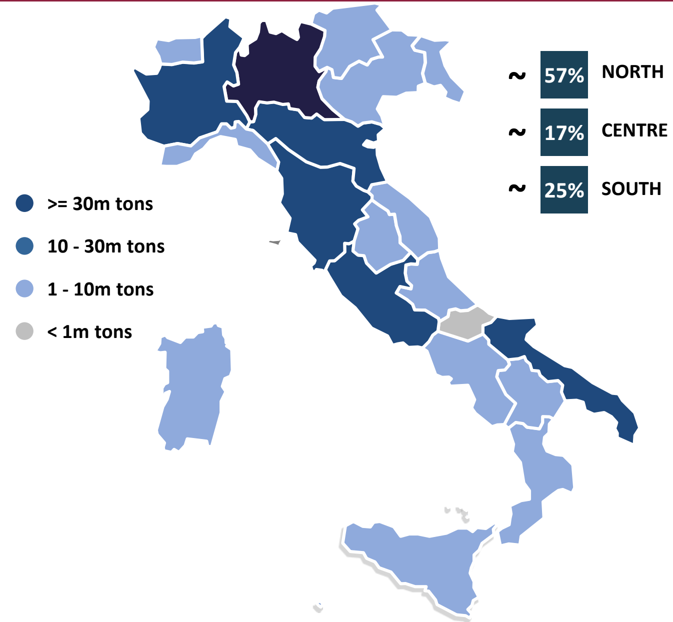
Special waste generation by industry 2022 (%)



Source: ISPRA, *Rapporto rifiuti speciali 2024*

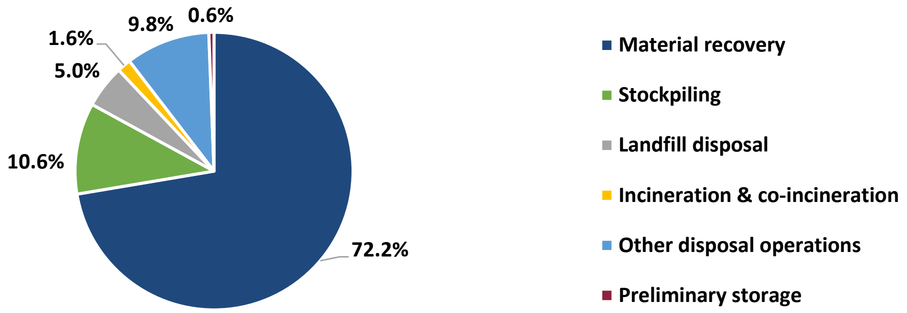
The production of special waste is concentrated primarily in northern Italy, which accounts for over 50% of total waste generation.

Special waste generation by region 2022



Source: ISPRA, *Rapporto rifiuti speciali 2024*

Special waste management by practice 2022 (%)



Source: ISPRA, *Rapporto rifiuti speciali 2024*

Geographical imbalance

Special waste is primarily directed towards material recovery. Italy is home to over 4,500 material recovery facilities; nearly 6,000 when including material recovery operations within production plants. Italy hosts nearly 11,000 waste treatment and disposal facilities, more than half concentrated in the industrialized northern regions. Despite this density, the number of waste-to-energy plants remains insufficient to fully eliminate reliance on landfill disposal. Northern Italy benefits from overcapacity in waste treatment facilities, while the central and southern regions struggle with undercapacity. The 2024 WAS Report underscores this disparity, particularly in the treatment of organic waste, projecting scenarios up to 2035. It highlights significant differences between the authorized treatment capacities and organic waste generated under both high and low waste production scenarios. In the North, treatment capacity is expected to exceed demand, with a surplus between 1.7-2.1m tons. Conversely, central and southern regions are projected to face potential capacity shortfalls, which could intensify challenges in managing organic waste effectively by 2035.

Special waste sites by macro-area 2022

Special waste sites	North	Centre	South	Italy
Material recovery	2,593	788	1,281	**4,662**
Autodemolition	616	229	603	**1,448**
Scrap	59	26	9	**94**
Shredding	15	6	7	**28**
Material recovery (in productive plants)	774	224	230	**1,228**
MBT	403	204	208	**815**
Storage	948	340	425	**1,713**
Co-incineration	193	58	45	**296**
Incineration	43	7	20	**70**
Landfill	146	43	72	**261**
Composting and Anaerobic digestion	115	27	49	**191**
Total	**5,905**	**1,952**	**2,949**	**10,806**

Source: ISPRA, *Rapporto rifiuti speciali 2024*

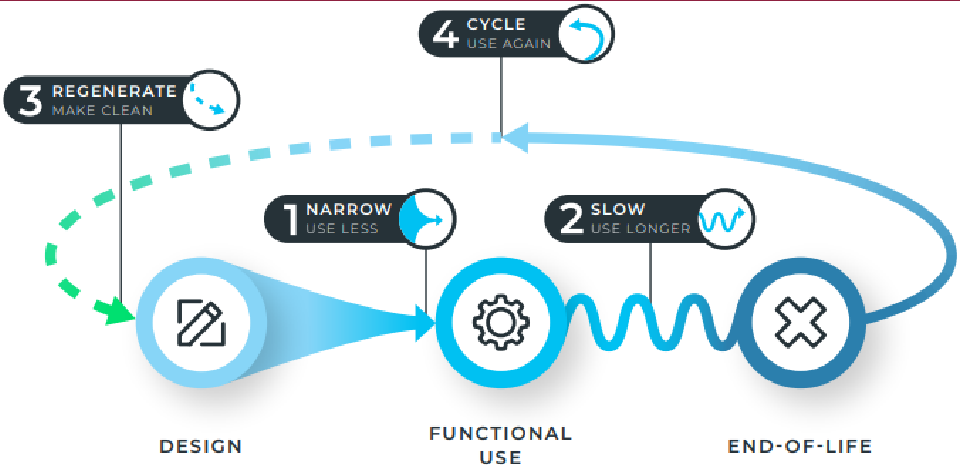
Key takeaways

- Special waste production has been steadily increasing, at a 5% CAGR between 2015-22
- Most of the special waste is generated and treated in Northern Italy, primarily produced by the construction industry
- Overcapacity in northern regions, undercapacity in central and southern areas
- High dependence on landfill disposal
- Small number of large operators and prevalence of small-to-medium-sized enterprises

Outlook

Shaping the industry for a world in transition to circular economy

Circular economy flows



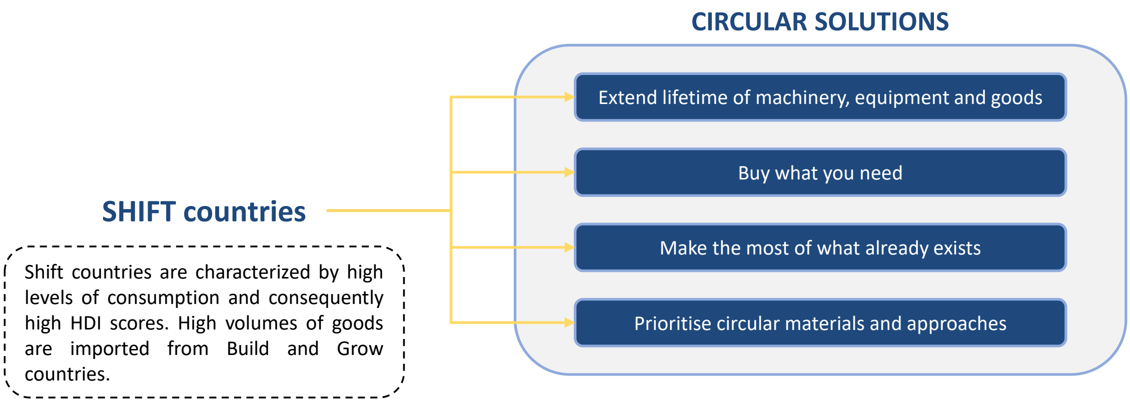
Source: CGRi, *Circularity gap report,* 2024

Circular economy is a megatrend: it is time for action

Circularity does not keep up with waste growth globally

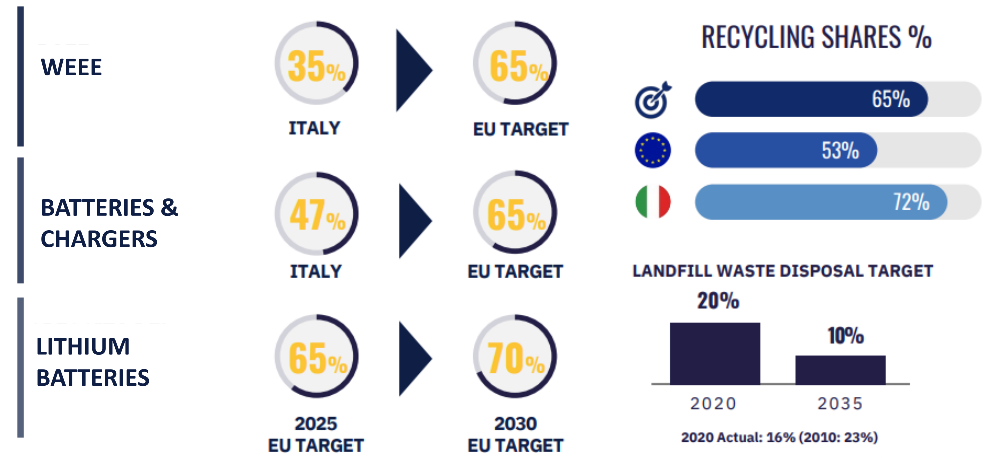
The 2024 Circularity Gap Report highlights a concerning trend: despite growing attention to the circular economy, the share of secondary materials in global consumption has dropped from 9.1% in 2018 to 7.2% in 2023, a 21% decline. This decline occurs even as global consumption accelerates, underscoring the urgency for action.

Circular solutions for wealthier countries



Source: CGRi, *Circularity gap report* 2024

EU circularity targets vs Italy's performance



Source: ISPRA, Rapporto rifiuti urbani, 2021

Emerging trends in sustainability and waste management

Emerging developments poised to have a significant impact:

- **Landfill mining**: a method to recover recyclable materials and critical raw materials from old landfills. Contribute in reducing the pressure on primary resource extraction, while addressing the growing scarcity of materials like rare earth metals, essential for technologies such as smartphones, wind turbines and electric vehicles
- **Textile recycling**: the textile industry, known for its environmental impact, is increasingly exploring circularity. Innovations such as textile-to-textile recycling, where old garments are transformed into new fabrics, and the use of sustainable fibres, are gaining traction. Adoption of Extended Producer Responsibility schemes to ensure that textiles are recycled at the end of their lifecycle.
- **Battery recycling and mobility**: Use of rechargeable batteries in consumer electronics and electric vehicles is creating a parallel trend in battery recycling. Innovations in battery reuse and repurposing, including the recycling of materials like cobalt, nickel, and lithium, are critical to addressing the surging demand for electric vehicles and renewable energy storage
- **Photovoltaic panels recycling**: waste management sector is preparing to address the significant increase in photovoltaic panel waste as many installations, driven by early 2000s incentives like *Conto Energia* in Italy, near the end of their 25-year lifespan. Recycling photovoltaic panels involves recovering valuable materials such as silicon, silver and rare metals.

5. BUSINESS MODEL AND STRATEGY

From waste to wealth: Haiki+ committed to resource efficiency

Comprehensive business model in the waste management industry

Haiki+ provides comprehensive support to customers, across their ecological transition path, focusing on three main areas:

- Integrated environmental services
- Plants for material and energy recovery
- Circular economy supply chains

The Group operates by a vertically integrated structure, at every stage of the non-hazardous special waste management process, from collection, selection and treatment to disposal.

Supply chain and revenue streams

Haiki+ handles waste materials sourced from manufacturing companies, other entities requiring specialized treatment and municipalities. Materials are transported at waste treatment facilities to be processed, with the resulting output either sold as recycled materials or sent to landfills. Revenue streams primarily come from waste inflows and the sale of recycled or residual materials. Meanwhile, costs arise from processing and landfill disposal operations.

Waste handled by origin, 2023

Source: Company data

Full coverage of the supply chain

Source: Company data

Main operations

Collection

The process of gathering waste materials from their points of origin, such as households, businesses or industrial sites. This stage involves logistics and transportation to ensure waste is transferred to appropriate facilities for further handling. Haiki+ provides collection, through its proprietary fleet of vehicles and partner collectors, and equipment rental for the temporary storage and subsequent transport of waste.

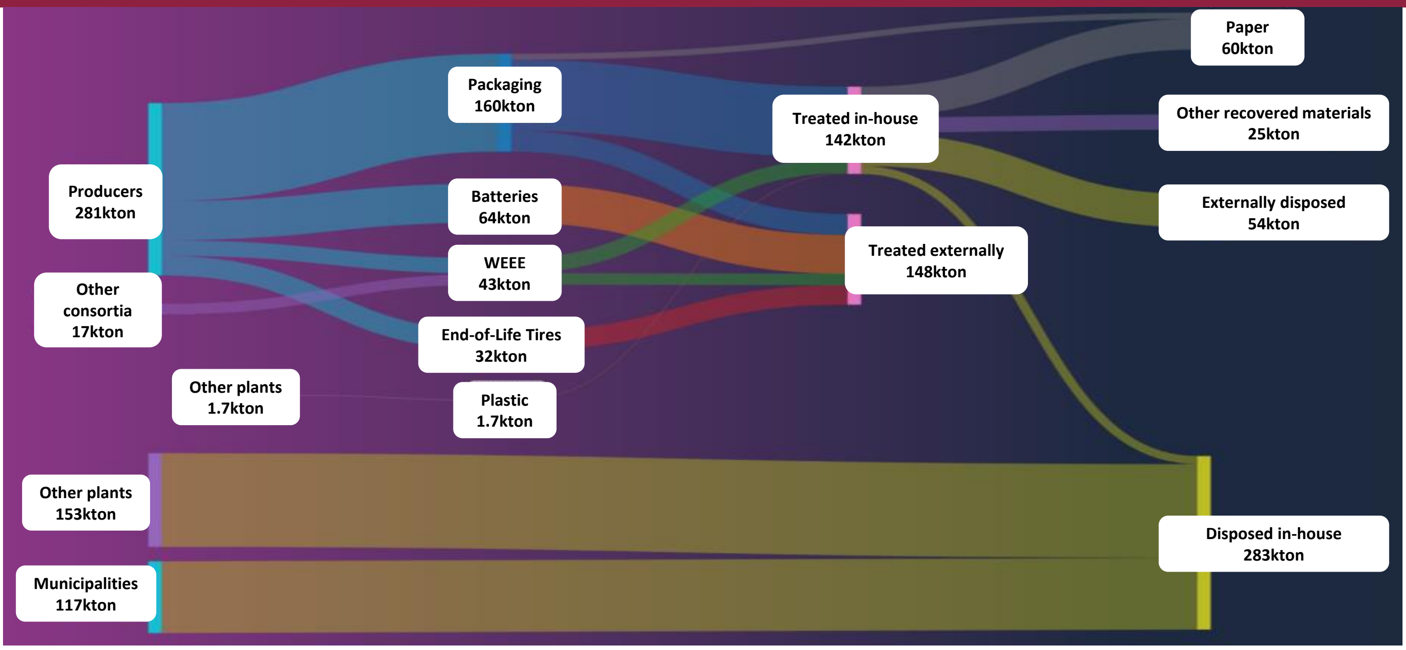
Selection & treatment

The sorting and processing of waste materials to separate recyclable components or materials requiring specialized handling. Once materials are sorted, those are in part internally treated or disposed, the remaining are directed to disposal or further treatment outside proprietary asset base.

Disposal & recycling/recovery

Non-recoverable waste is sent to proprietary landfills for disposal, while recoverable waste materials are turned into new products or energy.

Haiki+ waste inflows and outflows



Source: Company data

- Nearly 600k tons waste managed, of which 49% from producers, 27% from other treatment plants, 20% by municipalities, 4% by consortia
- 300k tons treated, 49% processed internally and 51% in external facilities
- Out of 142k tons treated internally, 85k tons of materials are recovered, achieving a recovery rate of 60%, while the remaining portion is disposed
- Around 70k tons of batteries intermediated, to date no in-house treatment capacity

Waste handled, 2023

600k tons handled by Haiki+

	HAIKI RECYCLING	HAIKI MINES	HAIKI ELECTRICS	HAIKI COBAT
WASTE HANDLED	+110.000 ton	+270.000 ton	+25.000 ton	+170.000 ton
	Collected with +100 proprietary vehicles	Disposal of non-recyclables waste	Treated WEEE	Sent for recovery through +60 partners

Source: Company data

Revenue model

Haiki generates revenues from two main streams: for waste management services, which may vary depending on the potential value derived from the waste stream, such as secondary raw materials or energy, with higher fees applied to non-recoverable waste disposed in landfills; recovery materials, to be sold on the market.

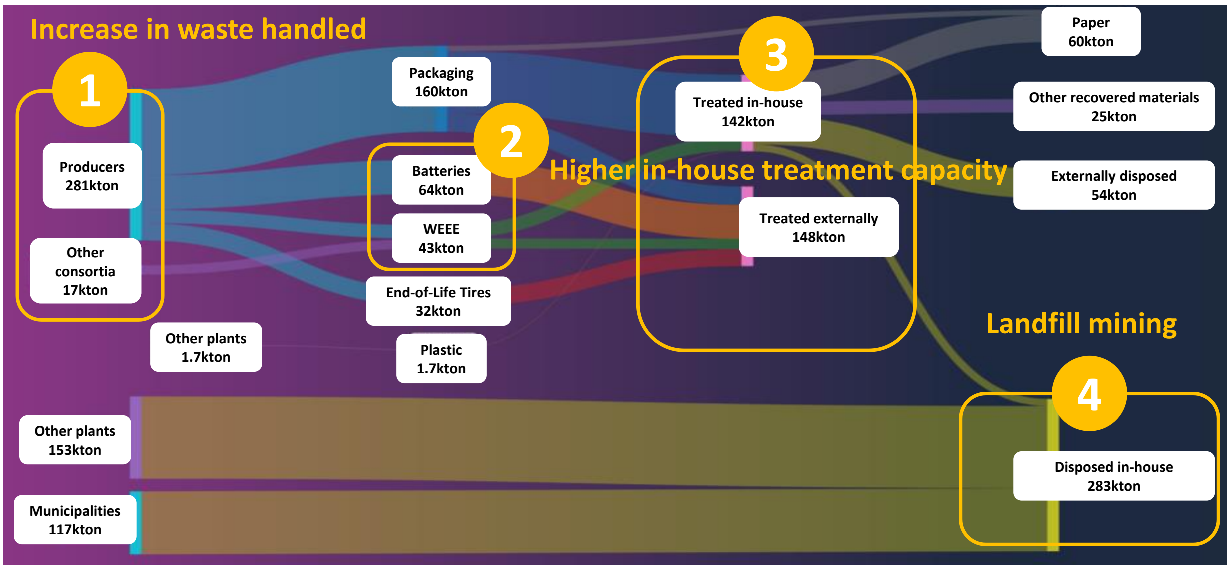
- Haiki Mines - special and municipal non-hazardous waste
  - Gate fee, for waste disposed in proprietary landfills
- Haiki Recycling - packaging, drywall and textile waste
  - Logistic fee, for waste transportation
  - Equipment rental fee
  - Gate fee, for entrance of waste to Haiki plants
  - Sale of recovered materials
- Haiki Cobat - Batteries, tyres and WEEE
  - Inverse economic cycle: as a brokerage platform Cobat buys valuable waste from holders/producers, and in turn, receives payment from recycling plants where the materials are processed and recovered
- Haiki Electrics - WEEE
  - Gate fee, for entrance of waste to plants from consortia or industrial customers
  - Sale of recovered materials

Strategy: chasing the missing link to close the gap for circular recycling

From provider of environmental services to widespread hub for the conversion of waste into new materials

Once completed the group organization, main strategic objectives over the next three years target the consolidation of the present market positioning, while expanding the portfolio of services and facilities aiming at becoming domestic leader in certain low-competition niches. Haiki Cobat is expected to become the core of an industrial system for materials recovery. Through the planned expansion of the recycling business and related investments in upgrades of existing facilities or in new facilities, Haiki targets a higher share of waste to be internally treated. As a result, Haiki+ is likely to reach a broader nationwide presence through new recycling facilities and will be increasingly devoted to technological innovation.
The growth strategy leverages on significant planned investments - €65m, of which €11m through acquisitions - in new technology, revamping of existing plants and extension of the useful life of the pre-owned strategic assets.

Action areas

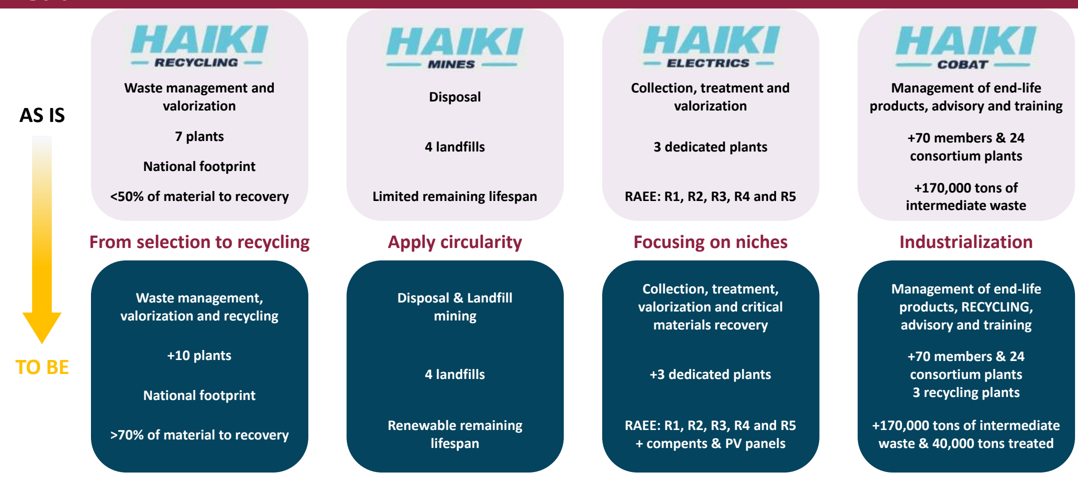


Source: Company data

1. **Increase in managed volumes:** exceeding 500k tons of waste managed over the next three years (300k tons in 2023), of which 56k tons by new recycling plants (textile and Isacco) and full capacity of existing plants; 51k tons industrialization of the Cobat system in battery recycling; 50k tons acquisitions in the WEEE segment (Tree Group); 35k tons full recovery of Cobat customers battery recycling.
2. **Industrialization of the Cobat system**: Consolidation of positioning in the WEEE and battery sectors through acquisitions, with the goal to internalize battery recycling and ensure national coverage of the WEEE segment.
3. **Increase in internally processed volumes**: Internalization of over 70% of intercepted waste, by increasing treatment capacity and enhance territorial coverage through 10 new plants, of which 5 WEEE recycling plants recently acquired and 3 under authorization.
4. **Landfill mining**: authorization obtained for landfill mining to renew disposal capacity. Management projections do not include the flows expected from this project, since operations are yet to be set up.

Source: Company data

Strategy pillars



Source: Company data

Haiki Recycling

- **Strategy:** From selection to recycling
- **Goal:** Increase the number of owned plants and the recovery rate of materials from less than 50% to over 70%
- **Actions:**
    - Expansion of owned plants to increase control over material recovery
    - Improvement in recovery efficiency through enhanced technology and processes
    - Strengthening sustainability efforts by reducing waste and maximizing resource recovery

Haiki Mines

- **Strategy:** Apply circularity
- **Goal:** Maximize resource value from own landfills through a landfill mining project
- **Actions:**
    - Extraction of valuable materials from historical waste sites
    - Reintegration of recovered materials into the supply chain, contributing to circularity
    - Reduction of environmental impact by reclaiming landfill areas and recovering critical materials

Haiki Electrics

- **Strategy:** Focus on niches
- **Goal:** Lead in the recycling of electrical and electronic waste (WEEE), with focus on critical materials and photovoltaic panels
- **Actions:**
    - Maximize the capacity of existing plants to handle increased volumes of waste
    - Develop innovative lines dedicated to urban mining, focusing on extracting critical materials from WEEE
    - Establish leadership in photovoltaic panels recycling through specialized processes
    - Expand territorial coverage to enhance service reach and recovery capacity

Haiki Cobat

- **Strategy:** Industrialization
- **Goal:** Position Cobat as the industrial heart of Haiki by increasing treatment capacity and consolidating market leadership
- **Actions:**
    - Addition of 3 proprietary recycling plants to process ca. 40ktons of waste
    - Strengthen Cobat role in various sectors, enhancing its capability to treat diverse waste streams
    - Focus on sustainable growth and leadership in the recycling market

Source: Company data

6. COMPETITION AND RISK PROFILE

Competitive scenario in the waste management industry: highly fragmented

Specializations and value chain coverage generate sub-segments

Input and output interconnections to optimize flows

The competitive landscape in waste management is highly fragmented, with companies operating across various segments, specialized in certain areas of waste management and performing different activities along the waste value chain. Each type of waste requires diverse authorizations, technologies and facilities.

As many companies are often specialized in a few activities or in a type of waste treated, there are interconnections in the exchange of input and output for their processes, regulated through multi-years agreements. Fragmentation is driven by different waste streams, including municipal waste, special waste and hazardous waste, as well as varying operational models, such as collection, treatment, recycling and disposal services.

Haiki faces competition from few larger national waste management companies and regional/local companies of varying sizes and financial resources.

Market powers and competition drivers

The main competitive factors in the industry are:

- Type of waste
- Geographic location and reach
- Facilities and authorized capacity
- Quality of service
- Breadth of service offering
- Pricing
- R&D and technology

The type of waste treated is the first discriminating factor: special waste management is a free market, there is no limit to send out waste, while municipal waste handling is highly regulated.

Facilities location is key, for incoming waste efficiency, transportation frequency and cost. In northern regions there is a higher number of companies with larger authorized capacity than centre-southern sites, in order to meet the high special waste production of the area.

Operating costs, disposal costs and collection fees vary for special waste, while for municipal waste prices are determined by local/regional authorities.

R&D and new technologies may change the handling of hard to recycle items, disposal of new materials and new sources of energy recovery from waste.

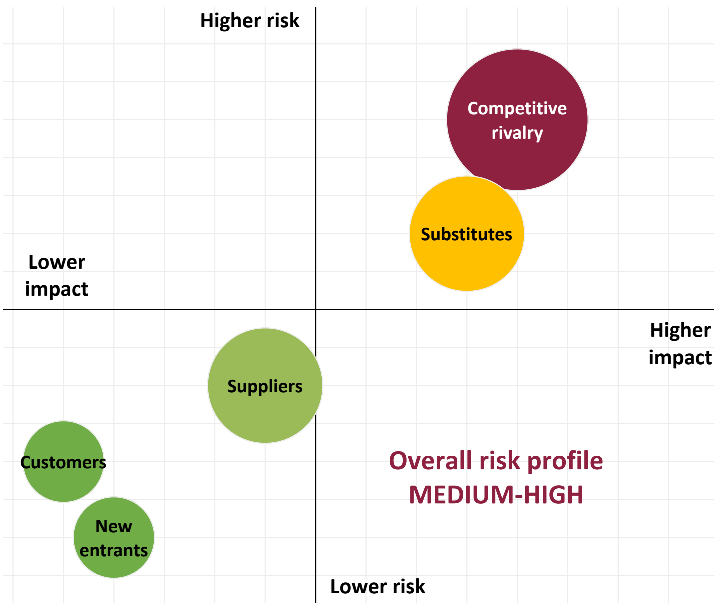
Competitive forces and determinants of risk profile

- **Competitive rivalry**: High. Presence of large, diversified multi-utility companies operating at country level, alongside numerous small and medium-sized operators in northern Italy, more or less specialized in various stages of the value chain.
- **Substitutes**: Medium-high power. Increasing focus on circular economy practices, such as material recovery, reuse and upcycling, and the adoption of advanced technologies may

be shifting waste flows away from traditional disposal and treatment methods. Additionally, tightening regulations on landfills could further restrict their use, inducing the industry to explore and invest in alternative waste treatment and recovery solutions.

- **Suppliers**: Medium-low power. Manufacturing companies hold bargaining power due to the substantial volumes of waste they generate, enabling them to negotiate favourable terms. Their ability to switch providers based on factors like cost, service quality and environmental compliance heightens price sensitivity in the market. However, there is plenty of suppliers in the market.
- **Customers**: Low power. Customers of recycled materials are increasingly influenced by environmental regulations, which are shaping purchasing decisions and encouraging a shift toward sustainable sourcing of recycled products.
- **New entrants**: Low power. High barriers to entry, including investment requirements for facility construction, challenges from the NIMBY phenomenon delaying site approvals, stringent regulatory compliance for authorizations.

Competitive forces

Forces	Factors	Risk map
Competitive rivalry	• Fragmented market • Large multi-utilities increasing their market share through M&A	
Substitutes	• Advanced technologies for circular economy gradually replace traditional practices • Tightening regulation on landfill disposal	
Suppliers	• Multiple suppliers of special waste, companies or municipalities • Waste production over current sites capacity • Municipalities and large industrial companies hold bargaining power	
New entrants	• Capital-intensive industry • Authorizations and NIMBY resistance can hinder and slow down the construction of facilities	
Customers	• Customers of recycled materials pushed by regulation	

Source: EnVent Research

Industry players competing within Italian special waste arena

The special waste sector is dynamic, diverse and complex, necessitating of advanced equipment and specialized technologies to support the quest for reaching the challenging sustainability targets. According to the last Althesys report, in the domestic market municipal and special waste operations show a significant overlap, with one third of the top 120 municipal waste companies also active in the special waste segment. Depicted in the table below is the profile and positioning of the top 59 companies managing special waste, which generate revenues for €4.7bn: the landscape is populated mainly by small specialized operators and small-to-medium generalists, alongside medium-sized specialized companies and a few large diversified companies operating across multiple sectors. Waste selection/treatment and recycling are respectively the most and least performed activities (source: Althesys, *WAS report 2024*).

Operators across waste management supply chain

Operator category	Collection		Selection / Treatment		Recycling		Disposal	
Large groups Multi-business	3	6%	3	6%	2	5%	2	4%
Medium specialized	5	15%	7	13%	7	18%	7	15%
Small-medium generalist	20	43%	22	42%	18	47%	21	45%
Small specialised	17	36%	20	38%	11	29%	17	36%
Total	47	100%	52	100%	38	100%	47	100%

Source: Althesys, *Waste strategy report 2024*

Considering Haiki's business model, we focus on companies operating within the special waste segment, including those that also handle municipal waste. The main part of firms in the industry falls within the €20-100m revenue range. Over 50% of industry revenues are generated by large multi-utility companies as well as small-to-medium-sized mono-utility providers (source: Althesys, *WAS report 2024*). This fragmentation highlights the diversity of operators in the market, which range from larger diversified firms to smaller more specialized waste management providers.

Competitors

Profiles

A2A Ambiente - FY23 Revenues €823m
Special, municipal, hazardous and liquid waste materials collection, treatment, disposal and energy recovery. Also provides reclamation and depletion. 16 materials and energy treatment plants, operations throughout Italy.

Itelyum - FY23 Revenues €571m
Special, hazardous and liquid waste materials collection, treatment, disposal and recovery. Over 30 plants, operations throughout Italy.

Herambiente - FY23 Revenues €536m
Special, municipal, hazardous and liquid waste materials collection, treatment, disposal and energy recovery. Also provides reclamation and depletion. 9 materials and energy treatment plants, operations mainly in northern-central Italy.

Iren Ambiente - FY23 Revenues €452m
Special, municipal, hazardous and liquid waste materials collection, treatment, disposal and energy recovery. Also provides reclamation. 3 materials and energy treatment plants, operations mainly in Emilia Romagna, Liguria and Piedmont.

Eco Eridania - FY23 Revenues €400m
Specialized in healthcare waste, special and hazardous waste materials collection, treatment, disposal and energy recovery. Also provides remediation and energy production. Operations in 14 regions.

RMB - FY23 Revenues €398m
Special, municipal and hazardous waste materials collection and treatment. Operations mainly in northern Italy.

ReLife - FY23 Revenues €277m
Special, municipal non-hazardous waste materials collection, treatment and recycling. Operations mainly in northern Italy.

Econord - FY23 Revenues €193m
Municipal, special and hazardous waste materials collection, treatment, disposal and energy recovery. Operations in Lombardy and Sardinia regions.

Montello - FY23 Revenues €183m
Municipal and special waste materials collection, treatment and energy recovery, specialised in plastic and organic waste. Operations in Lombardy.

Aliplast - FY23 Revenues €153m
Subsidiary of Herambiente, Aliplast is a group of 8 companies specialised in collection,

treatment and recycling of plastic waste. Operations in 4 Italian regions, subsidiaries in France, Spain and Poland.

Acea Ambiente - FY23 Revenues €128m

Special, municipal, hazardous and liquid waste materials collection, treatment, disposal and energy recovery. Also provides reclamation and decommissioning. 12 materials and energy treatment plants, operations mainly in centre Italy.

Greenthesis - FY23 Revenues €93m

Municipal, special and hazardous waste materials collection, treatment, disposal and energy recovery. Also provides remediations, energy production and plant construction. Operations in 6 regions.

Dimensione Ambiente - FY23 Revenues €65m

Municipal, special and hazardous waste materials collection, treatment, disposal and energy recovery. Also provides remediations, energy production and plant construction. Operations in 3 regions.

Porcarelli - FY23 Revenues €55m

Municipal, special and hazardous waste materials collection, treatment, energy recovery and SSF production. Operations in 2 regions.

Source: EnVent Research on publicly available information and Credisafe

Services

Company	Collection	Selection & Treatment	Materials/Energy recovery	Disposal			Reclamation	Decommissioning
				Storage	Incineration	Landfill		
A2A Ambiente	●	●	●	●	●		●	●
Itelyum	●	●	●	●				
Herambiente	●	●	●	●	●	●	●	●
Iren Ambiente	●	●	●	●	●	●	●	
EcoEridania	●	●	●	●	●	●	●	
RMB	●	●		●				
ReLife	●	●	●					
Econord	●	●	●			●		
Montello	●	●	●					
Haiki	●	●	●	●		●		
Aliplast	●	●	●					
Acea Ambiente	●	●	●	●	●	●	●	●
Greenthesis	●	●	●	●	●	●	●	●
Dimensione Ambiente	●	●	●	●		●	●	
Porcarelli	●	●	●	●		●	●	

Source: EnVent Research on publicly available information

Competitive positioning

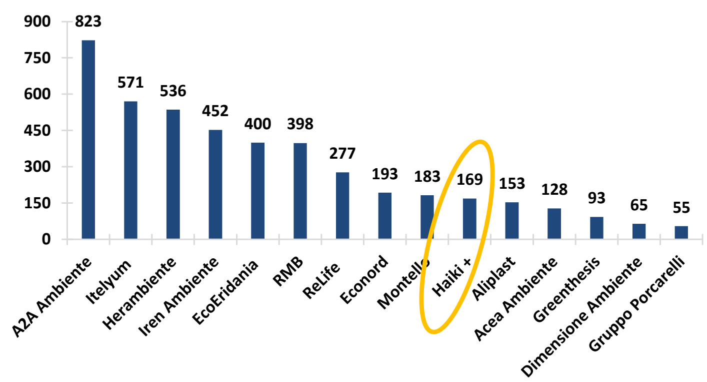
Source: EnVent Research on publicly available information

Financial performance

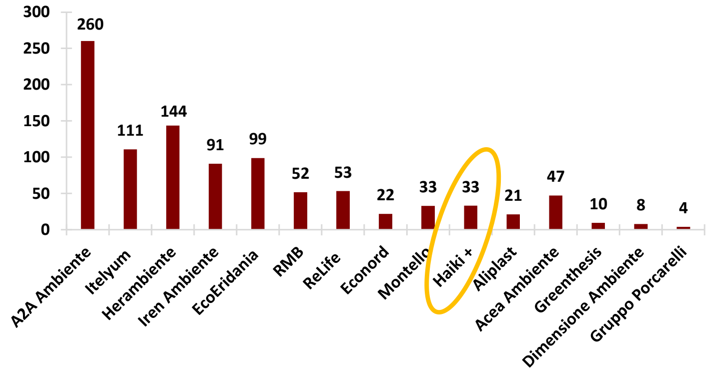
Company	Sales 2023 (€m)	Sales CAGR 5Y	EBITDA 2023 (€m)	EBITDA % 2023	EBITDA % Avg. 19-23	EBIT 2023 (€m)	EBIT % 2023	EBIT % Avg. 19-23	NET Debt (Cash) 2023 (€m)
A2A Ambiente	822.9	15.9%	260.2	31.6%	38.4%	169.8	20.6%	28.7%	621.8
Itelyum	570.7	118.1%	110.9	19.4%	19.9%	13.9	2.4%	-0.2%	492.3
Herambiente	535.8	6.8%	143.6	26.8%	27.6%	50.1	9.3%	9.5%	740.6
Iren Ambiente	452.5	10.8%	91.1	20.1%	14.7%	30.8	6.8%	2.8%	442.0
EcoEridania	399.8	23.6%	98.9	24.7%	22.4%	53.2	13.3%	12.4%	274.7
RMB	398.2	17.9%	51.7	13.0%	13.0%	42.5	10.7%	10.0%	(34.5)
ReLife	277.0	26.0%	53.2	19.2%	19.8%	(10.7)	-3.9%	3.1%	264.3
Econord	193.2	0.8%	22.0	11.4%	13.0%	9.9	5.1%	6.0%	(167.8)
Montello	182.9	6.1%	33.1	18.1%	27.4%	10.1	5.5%	18.2%	46.9
Aliplast	153.4	15.0%	21.2	13.8%	17.9%	14.1	9.2%	13.7%	48.1
Acea Ambiente	128.2	7.1%	47.3	36.9%	40.2%	24.0	18.7%	21.5%	6.2
Greenthesis	92.6	1.8%	9.7	10.5%	9.5%	3.2	3.5%	4.1%	64.1
Dimensione Ambiente	64.6	22.7%	7.8	12.2%	12.4%	7.7	11.9%	12.1%	14.5
Gruppo Porcarelli	54.9	7.6%	4.0	7.3%	8.5%	3.4	6.2%	7.2%	6.5
Mean		**20.0%**		**18.9%**	**20.3%**		**8.5%**	**10.6%**	
Median		**12.9%**		**18.7%**	**18.8%**		**8.0%**	**9.8%**	
Haiki +	169.0		33.2	19.6%		12.5	7.4%		62.2

Source: EnVent Research on Credisafe - Note: Proforma data for Haiki+; Itelyum financial data before 2021 not available

Sales FY23 (€m)



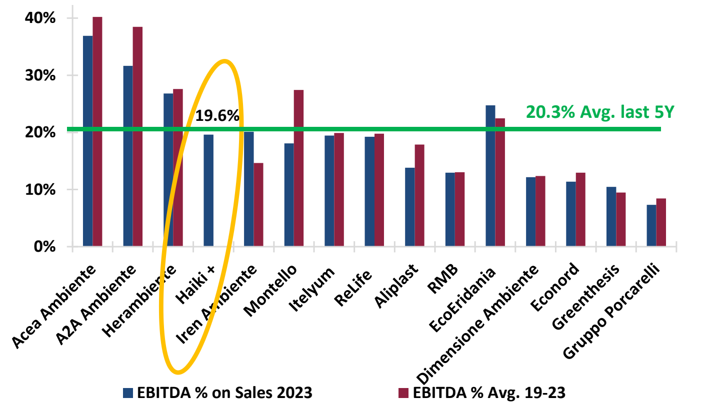
EBITDA FY23 (€m)



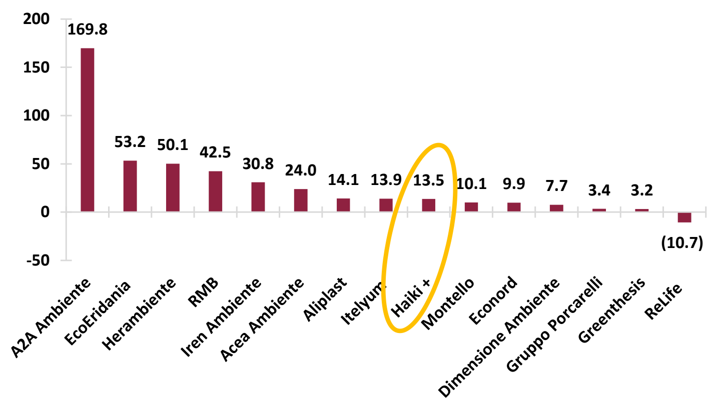
Source: EnVent Research on Credisafe - Note: Proforma data for Haiki+

The cluster highlights some of the top-performing companies in waste management. Most operators generate revenues exceeding €100m, with EBITDA margins typically above 10% and some larger players achieving 20-30%. The industry capital-intensive nature, driven by the development or acquisition of plants, results in high capex requirements. Consequently, EBIT emerges as a crucial metric for evaluating a company's development strategy, as it provides insights into profitability after accounting for significant investment costs.

EBITDA margin FY23 and avg last 5Y (%)

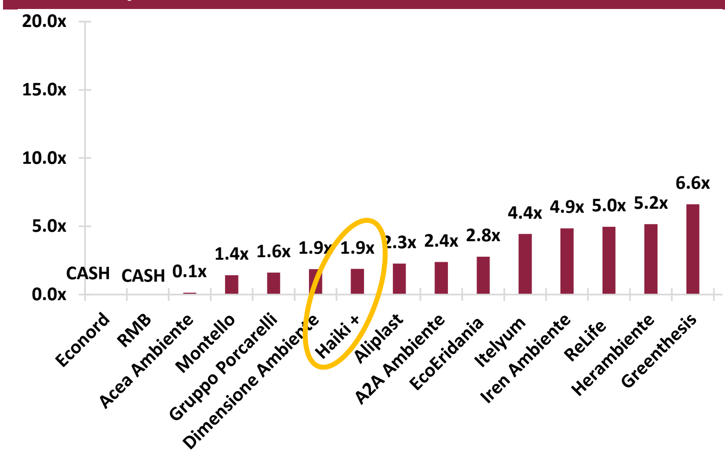


EBIT FY23 (€m)

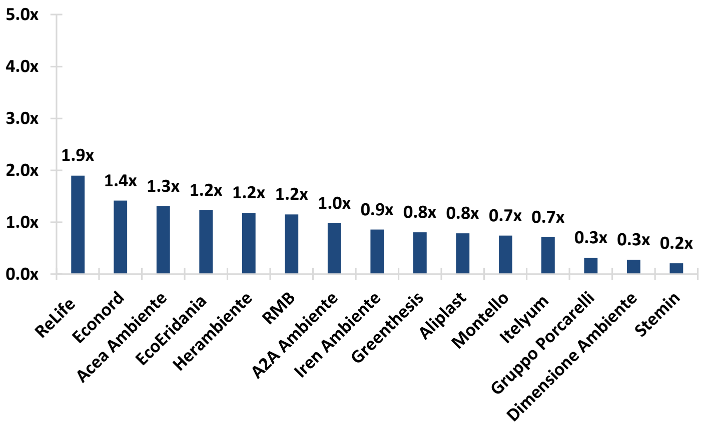


Source: EnVent Research on Credisafe - Note: Proforma data for Haiki+; EBITDA margin calculated on sales

Net Debt/EBITDA FY23



CapEx/EBITDA FY23



Source: EnVent Research on Credisafe - Note: Proforma data for Haiki+

Key takeaways

- Haiki achieves an EBITDA margin above the industry average, while its EBIT margin is slightly below
- The cluster average Net Debt/EBITDA ratio is 3.1x, while Haiki stands out with a lower ratio of 1.9x

7. MARKET METRICS

Environmental services industry valuation metrics

Selection criteria of listed peers

Key factors:

- Environmental services providers, with waste management as core business
- Waste material treated: industrial, special/hazardous or municipal waste
- Value chain coverage: collection, sorting, treatment, recycling, disposal
- Conversion into secondary raw materials
- Availability of own facilities

Industry players segmentation

We have segmented waste management operators into several clusters:

- Special waste management
- Municipal and other waste management (US vs European companies)
- Advanced recycling
- Italian multi-utilities with operations in waste management

Comparability assessment

Most of the listed industry players show some differences with Haiki+, whose business model is dedicated to end-to-end offers and circular economy. Other differences are size and financial performance, geographical presence, value chain coverage. As a wider scope our analysis includes companies sharing with Haiki+ industry logics and underlying reference market trends.

Key takeaways:

- In Italy, waste management operators are mainly private firms, while multi-utilities providing waste management together with energy and other services are public companies. Their comparability is low due to the prevalence of energy revenues within the business mix, while environmental services BUs may be more comparable.
- In other European countries, some large waste operators may be considered a benchmark
- North American groups, despite being very different in size, present a similar value chain coverage, breadth of services and perspective towards recycling and circular economy. They own a wide asset infrastructure and control over the territory.
- In the special waste cluster, some companies have only partially comparable services, and some are focused on hazardous waste materials
- Advanced recycling cluster at early stage of investment lifecycle

Profiles - Special waste management

Umicore (Belgium) - FY23 Revenues €18bn - Market cap €2.4bn
Comparability: Low
Materials technology and recycling company. Segments: Catalysis, Energy & Surface Technologies, Recycling. The Recycling segment treats waste streams containing precious and other specialty metals from a range of industrial residues and end-of-life materials, and also produces precious metals-based materials for glass production and electric applications.

Aurubis (Germany) - FY23 Revenues €17bn - Market cap €3.2bn
Comparability: Low
Processing of metal concentrates, recycling of materials, such as copper, precious metals, other non-ferrous metals and industrial residues.

Johnson Matthey (UK) - FY23 Revenues €17bn - Market cap €2.8bn
Comparability: Low
Diversified business, including clean air, catalyst and hydrogen technology, recycling of critical minerals such as platinum group metals.

Radius Recycling (USA) - FY23 Revenues €2.7bn - Market cap €330m
Comparability: Medium
Recycles ferrous and non-ferrous metal, and manufactures finished steel products worldwide. Acquires, processes, and recycles salvaged vehicles, rail cars, home appliances, industrial machinery, manufacturing scrap, construction and demolition scrap.

Befesa (Germany) - FY23 Revenues €1.2bn - Market cap €860m
Comparability: Medium
Recycling of special hazardous waste materials produced in steel and aluminium industries in Germany, France, Spain, Sweden, USA, China and South Korea.

Aurea (France) - FY23 Revenues €246m - Market cap €50m
Comparability: Medium
Recycling services of special hazardous and non-hazardous waste materials as metals, products derived from petroleum, used tires and chemicals.

Soiltech (Norway) - FY23 Revenues €20m - Market cap €30m
Comparability: Medium
Treatment, recycling and responsible handling of contaminated water and solid industrial waste streams.

Profiles - US Municipal and other waste management

Waste Management (USA) - FY23 Revenues €18bn - Market cap €82bn
Comparability: Medium
Environmental solutions to residential, commercial, industrial and municipal customers in the United States and Canada: collection and transport, material recovery or disposal. Owns and

operates transfer stations, material recovery and landfill facilities.

Republic Services (USA) - FY23 Revenues €13.5bn - Market cap €64bn
Comparability: Medium
Environmental services: collection and processing of recyclable, solid waste, and industrial waste materials; transportation and disposal of non-hazardous and hazardous waste streams in own landfills.

Waste Connections (Canada) - FY23 Revenues €7.3bn - Market cap €45bn
Comparability: Medium
Non-hazardous waste collection, transfer, disposal, and resource recovery services in the United States and Canada, to residential, commercial, municipal, industrial and exploration and production customers. Owns transfer stations that receive compact and/or load waste to be transported to landfills or treatment facilities.

Clean Harbors (USA) - FY23 Revenues €4.9bn - Market cap €12bn
Comparability: Medium
Environmental and industrial services in the US and internationally through two segments: Environmental Services (collection, transport, treatment and disposal of hazardous and non-hazardous waste) and Safety-Kleen Sustainability Solutions (pickup and transportation of hazardous and non-hazardous containerized waste for recycling or disposal).

Quest Resource (USA) - FY23 Revenues €260m - Market cap €115m
Comparability: Medium/High
Provider of waste and recycling services to business customers across multiple industries, including collection, processing, recycling, disposal, and tracking of waste streams and recyclables. Quest concentrates on programs for recycling cardboard, pallets, wood waste, metal, glass, motor oil and automotive lubricants, oil filters, scrap tires, oily water, food waste, cooking oil and grease, plastics, mixed paper, construction debris, etc.

Profiles - European Municipal and other waste management

Derichebourg (France) - FY23 Revenues €3.6bn - Market cap €860m
Comparability: Medium/High
Special and urban waste materials collection, treatment and disposal, mainly metal waste, in France, Belgium, Germany, Spain and North America.

Renewi (Belgium and Netherlands) - FY23 Revenues €1.7bn - Market cap €770m
Comparability: Medium/High
Waste to product company, mainly electrics and glass, special and urban waste material collection and treatment.

Séché Environnement (France) - FY23 Revenues €1.1bn - Market cap €640m
Comparability: Medium
Global provider of environmental services, hazardous waste materials collection, treatment and disposal in France, Spain, Germany, UK, Italy, Malaysia, South Africa and South America.

Lassila & Tikanoja (Finland) - FY23 Revenues €802m - Market cap €320m
Comparability: Medium/High
Collection, treatment and disposal of special and municipal waste materials in Finland and Sweden, plus a facility management BU.

Pizzorno Environnement (France) - FY23 Revenues €264m - Market cap €310m
Comparability: Medium/High
Collection, treatment and disposal of municipal and special waste materials.

RES (Italy) - FY23 Revenues €20m - Market cap €80m
Comparability: Medium/High
Provider of comprehensive waste management environmental services in Italy, mainly Molise and Abruzzo regions, in the special non-hazardous and municipal waste segments, from separation and treatment to recycling, including landfilling. Owns and operates three facility hubs and a landfill.

Profiles - Advanced recycling

Aquafil (Italy) - FY23 Revenues €572m - Market cap €120m
Comparability: Low
Production, reprocessing and sale of polyamide fibres and polymers, offering filament or synthetic yarns for the textile flooring sector, hotels, airports, residential buildings and automotive market; nylon textile filaments for sportswear and technical apparel; polymers products for engineering plastics sector used in moulding industry.

Energenta (Germany) - FY23 Revenues €26m - Market cap €50m
Comparability: Low
Recycling specialist for plastics: energy recovery through substitute fuels, recyclates such as regranulates and compounds, polymers as well as sustainable plastic products.

Agilyx (USA) - FY23 Revenues €5m - Market cap €280m
Comparability: Low
Chemical recycling of difficult-to-recycle post-use plastic streams. Its conversion technology utilizes pyrolysis without a catalyst and converts mixed waste plastic to naphtha and fuels, as well as depolymerizes plastics.

Profiles - Italian multi-utilities

Hera (Italy) - FY23 Revenues €15.5bn - Market cap €5bn
Comparability: Low
Energy, water and waste management, water services and environmental services include collection, treatment, recycling and disposal of municipal and special waste materials.

A2A (Italy) - FY23 Revenues €14.6bn - Market cap €7bn
Comparability: Low
Production, sale and distribution of gas and electricity. Also environmental services as

collection, treatment, recycling and disposal of municipal and special waste materials.

Iren (Italy) - FY23 Revenues €6.4bn - Market cap €2.6bn
Comparability: Low
Operates in energy, gas, water and heat production and distribution. Collection, treatment, recycling and disposal of municipal and special waste materials.

ACEA (Italy) - FY23 Revenues €4.5bn - Market cap €2.8m
Comparability: Low
Water, energy infrastructure and generation, Environmental services as collection, treatment, recycling and disposal of municipal and special waste materials.

Source: EnVent Research on publicly available information and S&P Capital IQ, update 27/01/2025

Key data comparison

Company	Revenues				EBITDA Margin %				EBIT Margin %				Net financial debt (cash) 2023 (€m)	Avg Capex/EBITDA 2019-23
	2023 (€m)	YoY % change	2019-23 CAGR %	2023A-26E CAGR %	2023	Avg 2019-23	Min 2019-23	Max 2019-23	2023	Avg 2019-23	Min 2019-23	Max 2019-23		
Special waste management														
Umicore	18,280	-28%	1%	-41%	5%	4%	3%	5%	4%	3%	2%	4%	1,233	62%
Aurubis	17,109	-8%	9%	7%	2%	4%	2%	6%	0%	3%	0%	5%	-347	78%
Johnson Matthey	17,004	-10%	8%	-37%	4%	5%	4%	7%	3%	4%	3%	5%	1,176	44%
Radius Recycling	2,657	-23%	8%	2%	3%	6%	3%	9%	0%	4%	0%	7%	331	84%
Befesa	1,181	4%	16%	7%	13%	18%	12%	24%	7%	13%	7%	19%	604	56%
Aurea	246	-3%	7%	7%	3%	6%	3%	9%	-4%	0%	-4%	4%	26	77%
Soiltech	19	29%	32%	15%	22%	na	na	na	18%	na	na	na	9	na
Mean		**-6%**	**12%**	**-6%**	**7%**	**7%**	**4%**	**10%**	**4%**	**4%**	**1%**	**8%**		**67%**
Median		**-8%**	**8%**	**7%**	**4%**	**5%**	**3%**	**8%**	**3%**	**3%**	**1%**	**5%**		**69%**
US Municipal and other waste management														
Waste Management	18,479	0%	8%	12%	29%	28%	27%	29%	19%	17%	16%	19%	14,737	43%
Republic Services	13,538	7%	10%	8%	29%	29%	28%	30%	19%	18%	17%	19%	11,697	39%
Waste Connections	7,257	8%	11%	10%	29%	30%	29%	31%	17%	17%	16%	18%	6,281	41%
Clean Harbors	4,894	1%	13%	9%	18%	17%	15%	19%	11%	9%	7%	12%	1,872	39%
Quest Resource	261	-2%	31%	9%	5%	4%	2%	6%	2%	2%	1%	4%	61	7%
Mean		**3%**	**14%**	**9%**	**22%**	**22%**	**20%**	**23%**	**13%**	**13%**	**11%**	**14%**		**34%**
Median		**1%**	**11%**	**9%**	**29%**	**28%**	**27%**	**29%**	**17%**	**17%**	**16%**	**18%**		**39%**
European Municipal and other waste management														
Derichebourg	3,621	-17%	8%	1%	8%	8%	7%	11%	5%	5%	2%	8%	771	39%
Renewi	1,704	-9%	-1%	3%	12%	10%	7%	12%	8%	5%	3%	8%	694	51%
Séché Env	1,089	12%	11%	8%	16%	17%	16%	19%	9%	8%	7%	9%	642	58%
Lassila & Tikanoja	802	-5%	1%	0%	9%	9%	9%	10%	5%	5%	4%	5%	161	55%
Pizzorno	265	17%	5%	2%	20%	16%	10%	21%	7%	4%	-3%	9%	10	88%
RES	21	16%	5%	25%	21%	14%	6%	21%	0%	3%	0%	14%	2	58%
Mean		**2%**	**5%**	**6%**	**14%**	**12%**	**9%**	**16%**	**6%**	**5%**	**2%**	**9%**		**58%**
Median		**3%**	**5%**	**2%**	**14%**	**12%**	**8%**	**15%**	**6%**	**5%**	**3%**	**8%**		**57%**
Advanced recycling														
Aquafil	572	-18%	1%	5%	8%	10%	8%	11%	-1%	3%	-1%	6%	249	60%
Energenta	26	-29%	na	17%	13%	na	na	na	9%	na	na	na	13	na
Agilyx	5	-23%	31%	76%	neg	neg	neg	neg	neg	neg	neg	neg	-7	-14%
Mean		**-23%**	**16%**	**32%**	**11%**	**10%**	**8%**	**11%**	**4%**	**3%**	**-1%**	**6%**		**23%**
Italian multi-utilities														
Hera	15,464	-25%	21%	-4%	8%	10%	5%	13%	5%	6%	3%	7%	3,621	18%
A2A	14,630	-37%	20%	-1%	12%	12%	6%	16%	7%	6%	3%	9%	4,696	50%
Iren	6,407	-17%	12%	-1%	16%	18%	12%	23%	7%	9%	5%	11%	4,347	81%
ACEA	4,532	-10%	10%	-1%	25%	26%	21%	28%	11%	12%	10%	13%	5,331	75%
Mean		**-22%**	**16%**	**-1%**	**15%**	**16%**	**11%**	**20%**	**8%**	**8%**	**5%**	**10%**		**56%**
Median		**-21%**	**16%**	**-1%**	**14%**	**15%**	**9%**	**20%**	**7%**	**8%**	**4%**	**10%**		**62%**

Source: EnVent Research on S&P Capital IQ, 27/01/2025

Key takeaways:

- 2019-23 revenue CAGR median 5% for European Municipal and other waste management, 8% for Special waste management and 11% for US groups
- Overall consistent two digits operating profitability within the range 10-20%
- EBITDA not the best indicator of financial performance for waste management companies, since capex for sites development or R&D has a significant impact on EBITDA cash conversion rate
- Operating profit of Italian Multiutilities Environmental BUs in the 20% 30% range, versus 10-20% of consolidated figures
- Advanced recycling cluster at early stage of investment cycle reporting operating losses

Outliers within the waste ecosystem - companies under observation

We have added a cluster of outliers, composed of public companies in investment cycle or early stage of operations, for whom consensus estimates are not available.

Company	Country	Revenues 2023 (€m)	EBITDA 2023 (€m)	Net debt (cash) 2023 (€m)	Capex 2023 (€m)	Market cap (€m)	Type of waste treated							
						last	Municipal	Special	WEEE	Chemicals	Metals	End-of-life tyres	Hazardous	Nuclear
Chemical recycling														
Campine NV	Belgium	322.2	24.56	15.3	6.7	210	●	●	●	●				
Pyrum	Germany	12.9	-7.24	14.9	11.6	108		●				●		
Scandinavian Enviro	Sweden	1.1	-6.73	-18.9	0.7	129		●				●		
Ecolomondo	Canada	0.1	-1.03	25.3	1.2	20		●		●		●		
Aduro Clean Tech	Canada	0.1	-3.97	-2.7	1.4	172	●	●		●				
PlasCred Circular Innovation	Canada	0.0	-2.01	-0.7	0.4	3	●	●						
Pryme	Netherlands	0.0	-7.14	5.4	13.9	8	●	●						
Recycling														
Alba	Germany	311.3	4.41	15.5	5.3	72	●	●			●			
Griñó Ecologic	Spain	67.4	10.02	-6.5	1.9	36	●	●						
Sky Quarry	USA	45.9	-0.73	8.9	1.5	25	●	●		●				
Greenwave Technology	USA	32.3	-3.30	33.5	1.6	9		●			●			
Li-Cycle	Canada	16.6	-134.89	253.7	303.0	30			●					
Vitreous Glass	Canada	7.1	2.39	-1.5	0.1	22	●							
Hazardous waste														
Perma-Fix	USA	81.2	3.08	-1.5	1.6	189		●					●	●
Mo-BRUK	Poland	52.5	25.17	2.0	14.4	291		●					●	
Europlasma	France	15.4	-11.64	11.6	1.7	0.3		●					●	
PyroGenesis	Canada	8.5	-17.52	5.1	0.1	73		●			●		●	
Patented process/technology														
Mo-BRUK	Poland	52.5	25.17	2.0	14.4	291		●					●	
Sky Quarry	USA	45.9	-0.73	8.9	1.5	25	●	●		●				
Li-Cycle	Canada	16.6	-134.89	253.7	303.0	30			●					
Europlasma	France	15.4	-11.64	11.6	1.7	0.3		●					●	
Pyrum	Germany	12.9	-7.24	14.9	11.6	108		●				●		
PyroGenesis	Canada	8.5	-17.52	5.1	0.1	73		●			●		●	
Scandinavian Enviro	Sweden	1.1	-6.73	-18.9	0.7	129		●				●		
Ecolomondo	Canada	0.1	-1.03	25.3	1.2	20		●		●		●		
Aduro Clean Tech	Canada	0.1	-3.97	-2.7	1.4	172	●	●		●				
Aqua Metals	USA	0.0	-16.61	-12.0	5.1	14		●	●		●			
PlasCred Circular Innovation	Canada	0.0	-2.01	-0.7	0.4	3	●	●						
Pryme	Netherlands	0.0	-7.14	5.4	13.9	8	●	●						

Source: EnVent Research on S&P Capital IQ and publicly available information, 27/01/2025

Market multiples

Company name	EV/REVENUES				EV/EBITDA				EV/EBIT				P/E			
	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E	2023	2024E	2025E	2026E
Special waste management																
Umicore	0.4x	1.1x	1.0x	1.0x	8.1x	5.0x	5.0x	4.7x	11.3x	8.2x	8.2x	7.7x	15.5x	9.3x	9.7x	8.8x
Aurubis	0.2x	0.2x	0.2x	0.2x	10.8x	5.1x	5.2x	4.3x	44.3x	7.9x	8.9x	7.1x	23.0x	9.9x	11.7x	9.9x
Johnson Matthey	0.3x	0.8x	0.9x	0.9x	6.7x	5.3x	5.4x	4.9x	8.8x	7.8x	8.0x	7.1x	11.4x	8.9x	9.3x	8.0x
Radius Recycling	0.4x	0.4x	0.3x	0.3x	13.4x	nm	19.4x	6.7x	neg	neg	neg	25.8x	neg	neg	nm	nm
Befesa	1.7x	1.2x	1.1x	1.1x	13.8x	7.2x	6.3x	5.8x	24.7x	12.7x	10.0x	8.7x	24.3x	14.8x	9.9x	8.1x
Aurea	0.3x	0.3x	0.3x	0.2x	10.8x	4.5x	3.3x	2.8x	nm	22.7x	8.5x	5.8x	neg	nm	10.2x	6.4x
Soiltech	3.1x	1.8x	1.6x	1.4x	14.0x	9.2x	6.5x	5.5x	17.8x	16.0x	9.8x	7.8x	22.4x	nm	11.2x	7.4x
Mean	**0.9x**	**0.8x**	**0.8x**	**0.7x**	**11.1x**	**6.0x**	**7.3x**	**4.9x**	**21.4x**	**12.5x**	**8.9x**	**10.0x**	**19.3x**	**10.7x**	**10.3x**	**8.1x**
Median	**0.4x**	**0.8x**	**0.9x**	**0.9x**	**10.8x**	**5.2x**	**5.4x**	**4.9x**	**17.8x**	**10.4x**	**8.7x**	**7.7x**	**22.4x**	**9.6x**	**10.1x**	**8.1x**
US Municipal and other waste management																
Waste Management	4.3x	4.5x	3.9x	3.7x	15.0x	15.1x	13.4x	12.4x	23.1x	22.9x	19.9x	18.3x	31.3x	28.7x	26.6x	23.9x
Republic Services	4.3x	4.9x	4.7x	4.5x	14.8x	15.9x	15.1x	14.1x	22.8x	24.7x	23.3x	21.6x	30.0x	33.8x	31.8x	28.9x
Waste Connections	5.7x	6.1x	5.7x	5.4x	19.4x	18.6x	17.3x	16.0x	33.8x	31.1x	28.5x	25.8x	50.4x	37.0x	34.0x	30.3x
Clean Harbors	2.1x	2.6x	2.4x	2.3x	11.8x	13.6x	12.6x	11.5x	18.8x	22.2x	20.0x	17.7x	25.0x	32.3x	29.0x	25.0x
Quest Resource	0.7x	0.6x	0.6x	na	14.9x	11.4x	8.8x	na	48.2x	nm	21.8x	na	neg	nm	14.4x	na
Mean	**3.4x**	**3.7x**	**3.5x**	**4.0x**	**15.2x**	**14.9x**	**13.4x**	**13.5x**	**29.3x**	**25.2x**	**22.7x**	**20.8x**	**34.2x**	**33.0x**	**27.1x**	**27.0x**
Median	**4.3x**	**4.5x**	**3.9x**	**4.1x**	**14.9x**	**15.1x**	**13.4x**	**13.3x**	**23.1x**	**23.8x**	**21.8x**	**19.9x**	**30.6x**	**33.0x**	**29.0x**	**26.9x**
European Municipal and other waste management																
Derichebourg	0.4x	0.5x	0.4x	0.4x	5.7x	5.2x	4.6x	4.5x	8.4x	10.4x	8.3x	7.9x	5.9x	9.8x	6.1x	5.2x
Renewi	0.8x	0.7x	0.8x	0.7x	6.2x	5.8x	5.5x	5.1x	10.1x	12.7x	11.3x	10.4x	9.4x	15.4x	14.5x	11.3x
Séché Env	1.4x	1.1x	1.0x	0.9x	8.7x	5.5x	4.7x	4.3x	15.0x	11.7x	9.3x	8.0x	18.0x	15.0x	10.2x	8.6x
Lassila & Tikanoja	0.7x	0.6x	0.6x	0.6x	7.4x	6.3x	5.1x	4.9x	13.9x	12.4x	11.5x	10.9x	12.4x	12.6x	10.0x	9.3x
Pizzorno	0.8x	1.2x	1.2x	1.1x	3.9x	6.7x	6.5x	6.4x	10.7x	16.8x	16.4x	16.1x	na	na	na	na
RES	2.3x	3.0x	2.7x	2.2x	10.7x	7.9x	7.2x	5.6x	na	10.6x	10.1x	7.4x	na	14.0x	13.3x	9.6x
Mean	**1.1x**	**1.2x**	**1.1x**	**1.0x**	**7.1x**	**6.2x**	**5.6x**	**5.1x**	**11.6x**	**12.4x**	**11.2x**	**10.1x**	**11.4x**	**13.3x**	**10.8x**	**8.8x**
Median	**0.8x**	**0.9x**	**0.9x**	**0.8x**	**6.8x**	**6.1x**	**5.3x**	**5.0x**	**10.7x**	**12.0x**	**10.7x**	**9.2x**	**10.9x**	**14.0x**	**10.2x**	**9.3x**
Advanced recycling																
Aquafil	0.7x	0.7x	0.6x	0.6x	9.0x	5.9x	4.6x	4.1x	neg	37.3x	13.7x	10.6x	neg	neg	12.4x	7.1x
Energenta	na	2.0x	1.7x	1.5x	na	15.5x	12.7x	10.4x	na	22.7x	19.3x	16.7x	na	22.1x	20.4x	17.6x
Agilyx	36.7x	nm	18.5x	9.9x	neg	neg	nm	21.3x	neg	neg	neg	41.1x	neg	neg	neg	44.2x
Mean	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**	**nm**
Italian multi-utilities																
Hera	0.5x	0.7x	0.7x	0.7x	6.4x	6.3x	6.2x	6.1x	9.8x	12.1x	11.7x	11.5x	9.7x	11.4x	11.3x	11.1x
A2A	0.8x	0.8x	0.8x	0.8x	6.3x	5.0x	5.2x	5.1x	11.4x	8.8x	10.0x	10.0x	8.8x	9.2x	10.1x	10.1x
Iren	1.1x	1.1x	1.2x	1.2x	7.2x	5.9x	5.5x	5.3x	16.7x	13.9x	13.1x	12.5x	9.9x	10.0x	9.2x	8.8x
ACEA	1.9x	2.2x	2.2x	2.2x	7.7x	6.7x	6.6x	6.3x	17.0x	14.1x	14.3x	13.8x	10.0x	12.3x	12.2x	11.8x
Mean	**1.1x**	**1.2x**	**1.2x**	**1.2x**	**6.9x**	**6.0x**	**5.9x**	**5.7x**	**13.7x**	**12.2x**	**12.3x**	**11.9x**	**9.6x**	**10.7x**	**10.7x**	**10.5x**
Median	**0.9x**	**0.9x**	**1.0x**	**1.0x**	**6.8x**	**6.1x**	**5.9x**	**5.7x**	**14.0x**	**13.0x**	**12.4x**	**12.0x**	**9.8x**	**10.7x**	**10.7x**	**10.6x**

Source: EnVent Research on S&P Capital IQ, 27/01/2025

Over diversified figures, wandering consistencies

Peer groups critique

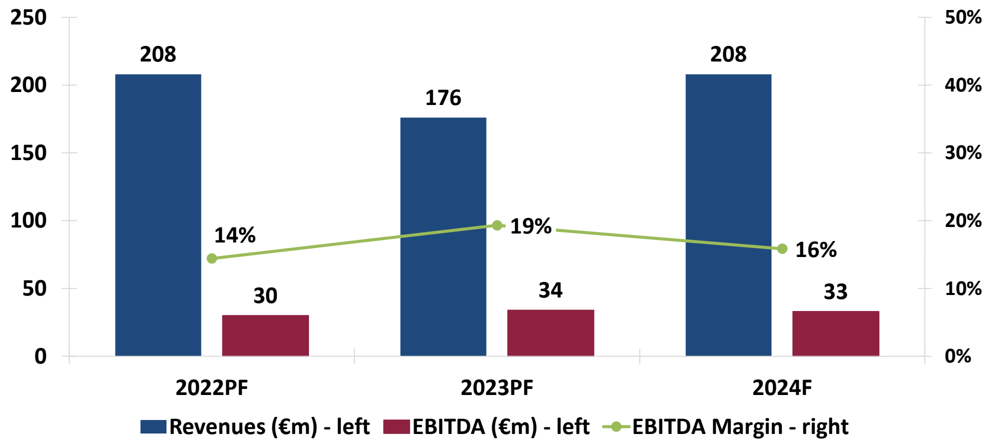
- Special waste management: high variability of revenue multiples
- US municipal and other waste management: consistency of market values, stock performances typical of the US market, hardly replicable in different markets
- European municipal and other waste management: fair consistency and stability, except for RES enjoying value expectations for the investment in chemical recycling of plastic
- Advanced recycling: early stage of investment cycle or operations, not yet established businesses - unpracticable for inconsistency of financial indicators
- Italian multi-utilities: variability of revenue multiples, profitability multiples more consistent - unapplicable due to business diversification of listed groups, despite high comparability of the environmental services dedicated BUs

8. FINANCIAL ANALYSIS AND PROJECTIONS

Building scale with focus on handled volumes and investments, while keeping double-digit profitability

Over the last three years Haiki+ revenues have been in the €200m region, except for FY23 at nearly €180m. Haiki+ has grown both organically and through acquisitions to reach current size. Operating profitability has been double-digit, with EBITDA margin in the mid-high teens. Net financial debt went from €42m in FY22, to €56m in FY23-24F, with a net debt/EBITDA ratio of, respectively, 1.4x and 1.7x.

3Y Historical financial performance



Source: Company data - Note: 2022-23PF consolidated proforma figures for Haiki spin-off from Innovatec; 2024F Company forecast; Revenues include revenues + other income

Revenue and profitability analysis

Revenues in FY23 decreased following the trends of some sectors in which Haiki+ operates, exposed to energy-intensive customers such as batteries and packaging.

Waste volumes handled fluctuated in FY23, as common in the industry: 472k tons, vs 520k tons in FY22, with major decreases in volumes of treated batteries (63k tons vs 81k tons in FY22) and recycling of WEEE (25k tons vs 30k tons in FY22). The traditional business of integrated environmental services also showed declining volumes at 325k tons (FY22: 343k tons); out of this, the volume of non-recoverable materials was 180k tons (FY22: 195k tons).

Other income of €7.3m mainly includes: €3m from a reversal of depletion cost of the landfill in Bedizzole; €1.4m capital gain for a plant transferred to Haiki Electrics; tax income and grants (Industria 4.0 and Eco-tassa).

The change in inventory and work in progress, worth €0.5m, reflects an increase in recovery materials under Haiki Electrics. Capitalizations of costs, worth €4.7m, reflect ongoing construction works for Haiki Mines landfills (Ecosavona).

As to operating costs, the P&L is made of:

- services, €72.5m in FY23 (43% on revenues), mainly facilities construction costs, disposal costs, transport and G&A
- materials, €48.8m in FY23 (29% on revenues), mainly battery and WEEE purchases for Haiki Cobat and Haiki Electrics, and transportation fuels

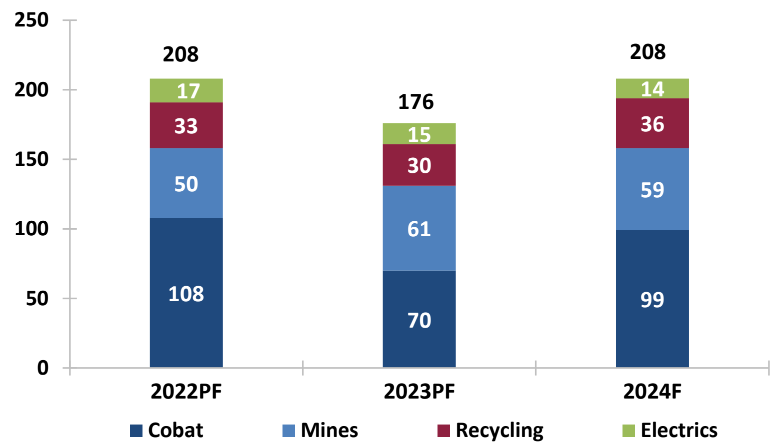
- personnel, €21.1m in FY23 (12% on revenues), reflects the headcount of 420 people
- other operating costs, €6m in FY23 (4% on revenues), mainly additional deductions for the Bossarino landfill and taxes

Provisions, €2.5m in FY23, are related to the share of annual provisions for closure and post-closure of landfills (overall worth €1.6m), plus the estimated future risks and charges on the sale of space in own landfills. Changes in financial assets reflect pro-rata losses of the subsidiary Circularity worth €0.4m.

Segment performance

Haiki Cobat, Haiki Electrics and Haiki Recycling together recorded revenues of €115m in FY23, down 27% YoY. Haiki Mines, the landfill business, recorded revenues of €61m, -5% YoY like-for-like (as a result of lower volumes partially offset by an increase in average prices and €3m income from cost optimizations after the closure of Bossarino landfill), and +€11m as contribution of Ecosavona acquisition.

3Y Revenue mix (€m)



Source: Company data - Note: 2022-23PF consolidated proforma figures for Haiki spin-off from Innovatec; 2024F Company forecast; Revenues include revenues + other income

Balance sheet and cash flow analysis

Net TWC was €(0.8)m as of year-end 2023, mostly trade payables of €44m (higher figure for Ecosavona ongoing construction works), partially offset by €43m trade receivables and €1.9m inventory (including residual materials, as WEEE to be recovered and treated).

Substantial invested capital

Haiki Cobat, accounting for most of the turnover, has a negative TWC cycle, with upfront payments to suppliers for end-of-life tyres; conversely, Haiki Mines receives upfront payments for waste disposal.

Over €90m landfills, plants and equipment, over €35m goodwill, over €30m other intangibles

Non-current assets include:

- €92.8m property, plant and equipment (landfills Bossarino and Albonese; ongoing works on the new lot of Bossarino landfill and on sorting plants; machinery and equipment of Haiki Electrics and Haiki Mines sorting plants)
- €68.8m intangibles, of which €36.6m goodwill for group companies consolidation
- financial assets and equity investments were €18.3m, then reduced to €10.1m as of June 2024 for consolidation adjustments

Within provisions, €58m are related to landfill sites remediation, for closure and post-closure activities after reaching the authorized disposal capacity.

Net financial debt as of year-end 2023 was €62.2m, mainly made of €30m bank debt, €27m financial debt, €16m bonds, €7.6m cash and equivalents, €3.9m marketable securities.

Financial debt breakdown

Financial debt includes: €8.8m financing by fund Ver Capital Credit Partners SME VII, originally €10m, maturity 2028; factoring advances on receivables; leases for real estate and machinery; SEA-Haiki Electrics acquisition debt; purchases of Participatory Financial Instruments; outstanding debt for the acquisition of stakes in Haiki Electrics and Recycling.

Bonds were issued in 2021 and 2022 in favour of Innovatec, to finance Haiki+ investments:

- €8.4m bond "Haiki 6% 2021-26%", issued in 2021 and worth €10m, 6% fixed rate, maturity September 2026
- €8m "Basket Bond", issued in 2022, 5.2% fixed rate, maturity October 2028

Financial covenants

Bonds and Ver Capital financing are assisted by financial covenants:

- Net financial debt/EBITDA 2x in 2024, 1.5x in 2025
- Net financial debt/Equity 1.5x in 2024 and 2025

Adjusted for overdue trade payables (ESMA guidelines), net financial debt would be €65.1m.

Convertible debt to Equity

Equity of €55.1m is made of €47.5m shareholders' equity, including €23m reserve for future capital increase arisen from "Convertendo Sostenya" convertible debt after Green Luxco Capital-Ecosavona acquisition of January 2024, and €7.6m minority interest.

Current trading in H1 2024

Total revenues were €100.7m, EBITDA €15.2m (15.5% margin), net income €1.3m. Net financial debt was €58.5m as of June 2024, from €62.2m at year-end 2023, a decrease attributable to trade working capital releases.

Pro-forma Consolidated Profit and Loss

€m	2023PF	H1 2024PF
Operating revenues	169.0	92.9
Other income	7.3	4.9
Revenues	**176.3**	**97.8**
Change in inventory and work in progress	0.5	0.3
Capitalizations	4.7	2.6
Total Revenues	**181.5**	**100.7**
Services	(72.5)	(38.9)
Materials	(48.8)	(32.6)
Personnel	(21.1)	(10.9)
Other operating costs	(6.0)	(3.1)
Operating costs	(148.4)	(85.5)
EBITDA	**33.2**	**15.2**
Margin on Revenues	*18.8%*	*15.5%*
D&A	(18.2)	(9.8)
Provisions and writedowns	(2.5)	(0.9)
EBIT	**12.5**	**4.5**
Margin on Revenues	*7.1%*	*4.6%*
Interest	(3.9)	(2.2)
Change in financial assets	(0.4)	0.0
EBT	**8.2**	**2.4**
Margin on Revenues	*4.7%*	*2.4%*
Income taxes	(3.7)	(1.0)
Net Income (Loss)	**4.6**	**1.3**
Margin on Revenues	*2.6%*	*1.4%*

Pro-forma Consolidated Balance Sheet

€m	2023PF	H1 2024PF
Inventory	1.9	2.5
Trade receivables	43.0	42.2
Trade payables	(44.0)	(48.5)
Trade Working Capital	0.8	(3.8)
Other assets (liabilities)	0.2	6.0
Net Working Capital	**1.1**	**2.3**
Intangible assets	32.2	31.3
Goodwill	36.6	35.2
Property, plant and equipment	92.8	98.5
Financial assets and equity investments	18.3	10.1
Non-current assets	**179.9**	**175.0**
Provisions	**(63.7)**	**(62.6)**
Net Invested Capital	**117.3**	**114.8**
Financial debt	70.5	64.8
Proforma adjustments	(0.7)	0.0
Cash and equivalents	(7.6)	(6.3)
Net Debt (Cash)	**62.2**	**58.5**
Equity	**55.1**	**56.2**
Sources	**117.3**	**114.8**

Source: Company data - Note: 2023-H1 2024PF showing effect Haiki+ spin-off since beginning of the year

Pro-forma Consolidated Cash Flow

€m	H1 2024PF
EBIT	**4.5**
Current taxes	(1.0)
D&A	9.8
Provisions	(1.1)
Cash flow from P&L operations	**12.1**
Trade Working Capital	4.6
Other assets and liabilities	(5.8)
Capex	(13.2)
Operating cash flow after WC and capex	**(2.2)**
Interest	(2.2)
Changes in equity and consolidation adj	8.1
Net cash flow	**3.7**
Net (Debt) Cash - Beginning	(62.2)
Net (Debt) Cash - End	(58.5)
Change in Net (Debt) Cash	**3.7**

Ratio analysis

KPIs	2023PF	H1 2024PF
ROE	8%	5%
ROS	7%	2%
ROIC	11%	8%
DSO	76	67
DPO	104	96
DOI	4	5
TWC/Revenues	0%	-2%
NWC/Revenues	1%	1%
Net Debt/EBITDA	1.9x	1.9x
Net Debt/Equity	1.1x	1.0x
Net Debt/(Net Debt+Equity)	0.5x	0.5x
Cash flow from P&L operations/EBITDA	na	80%
FCF/EBITDA	na	neg

Source: Company data - Notes: 2023-H1 2024PF showing effect Haiki+ spin-off since beginning of the year; H1 KPIs calculated on proxy of full year economics

Pro-forma net financial debt

€m	2023PF	H1 2024PF
Bank debt	30.5	28.7
Bonds	16.4	14.2
Other financial debt	26.8	25.0
Marketable securities	(3.9)	(3.2)
Cash and equivalents	(7.6)	(6.2)
Net financial debt	**62.2**	**58.5**
Overdue trade payables	2.9	3.0
Net financial debt - ESMA	**65.1**	**61.5**

Source: Company data - Notes: 2023-H1 2024PF showing effect Haiki+ spin-off since beginning of the year

As per ESMA guidelines, other material indirect or contingent indebtedness not reflected in the statement above:

€m	2023PF	H1 2024PF
Leasing commitments	3.5	4.8
Commitment to rentals	1.5	1.2
Leaving indemnities	3.3	3.5
Long-term tax debt	2.7	2.2
Total	**11.0**	**11.7**

Source: Company data

Management guidelines: 2025-27E business plan highlights

Critical size change

Management released the strategic and financial guidelines of Haiki 2025-27E business plan: consolidated revenues up to €328m in 2027E, from €208m in 2024F.

Acquisitions and new facilities driving growth

The €120m cumulated revenue growth along 2025-27E is expected to be driven by acquisitions (€58m), revenue contribution from new facilities under construction and authorization (€32m), and like-for-like growth (€30m).

New projects

According to the planned timeline, Cobat Ecofactory facility for the recovery of exhausted lithium batteries will start operations in 2025 to be at full capacity in 2026; the five newly acquired WEEE recycling plants are already operational, their revenues will be consolidated starting in 2025; the recycling facility for textile waste and scraps (Igers) is expected to become operational in 2026; lead-acid batteries recycling coming from acquisitions is expected to start in 2027.

EBITDA is targeted at €62m in 2027, 19% margin, in continuity with recent performance.

Capex €66m

Planned investments are €66m in the three-year period, of which €55m capex and €11m acquisitions. Investments per BU: Mines €36m, Cobat €15m, Recycling €9m, Electrics €6m.

Net debt down

Net financial debt is expected to decrease from current €56m to €6m in 2027E, mainly thanks to the cash generation of Mines BU.

Management guidance 2025-27E (issued in November 2024)

€m	2023PF	2024F	2025E	2026E	2027E
Revenues	**176**	**208**	**244**		**328**
YoY %	*-15%*	*18%*	*17%*		-
EBITDA	**34**	**33**	**46**		**62**
Margin	*19%*	*16%*	*19%*		*19%*
Net (Debt) Cash	**(56)**	**(56)**	**(44)**		**(6)**
Net Debt/EBITDA	1.7x	1.7x	0.9x		0.1x

Source: Company data

Our estimates

Key growth drivers

After the build-up and organization of the group, Haiki+ is now engaged in a new investment cycle to cope with the fast development of recycling technologies and the urgency to fill the gap of the undercapacity of waste infrastructure.

Key revenue and profitability drivers:

- Increasing waste volumes handled and processed internally
- Capacity optimization, with upgrades/revamping of existing facilities and investments in new facilities
- Competitive advantages of full coverage of the waste handling and treatment, with own landfills
- Textile waste, lithium batteries and e-waste recycling plants projects

- Revenue and cost mid-term visibility
- Full operations for facilities that do not require cost increase, sales development effort, and G&A cost efficiencies are expected to support profitability

To satisfy the foreseen increasing demand, Haiki+ has planned to increase its treatment capacity, adding specialized recycling facilities. The start-up of new facilities is currently scheduled for:

- 2025E: beginning of disposals in the new Ecosavona landfill; startup of Ecofactory (lithium batteries) and Cremona (treatment and recycling of metals, plastic, WEEE, textile) facilities; ramp up of operations of Lazzate plant (waste treatment and recycling)
- 2026E: textile waste recycling plant in Novara

Estimates rationale and construction

Projections have been drawn up over a 3Y period, consistently with released guidelines, to factor in the coming investment cycle. Our estimates do not include any equity injection. In addition, projections do not factor in the potential inflows expected from the Landfill mining project, whose operations have to be set yet.

We concur with the Company's strategic and operating hints, and thus foresee an increase in revenues, driven by startup of facilities under construction/authorization, acquisitions, and higher waste volumes handled and treated, plus some cost efficiencies on central operating charges to protect profitability.

We have run our projections under two scenarios:

- Base case, consistent with management guidelines
- Conservative case, assuming lower revenues in case of possible delays in business plan execution or other variations of factors

Management guidance critical review

We have made a critical review of management guidelines and verified that our estimates do not exceed Company's or implied figures.

Medium-high risk profile

Financial debt issues

In the framework of our *medium-high* risk profile assessment, we consider that according to size, asset base, portfolio of services and specializations, and competitive positioning, Haiki+ perspective looks promising in the most dynamic market segments, with room to gain market shares and become domestic leader in certain uncovered low-competition niches. We consider that to a certain extent revenue and profitability fluctuations are inherent in the ongoing initiatives and that a major determinant of Company performance are level and timing of capex, funding needs and financial debt load.

Metrics and assumptions - Base case

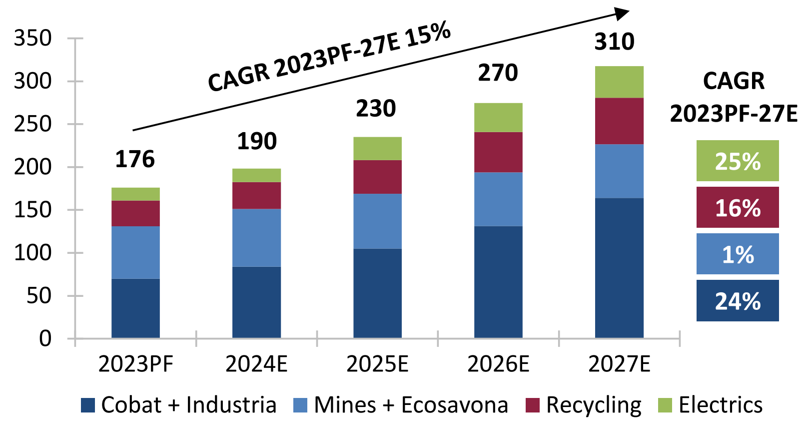
Revenues	• Revenues built per business unit and revenue model: - Cobat + Industria: 24% 2023PF-27E CAGR - Mines + Ecosavona: stable on 2023PF, with Boscaccio-Ecosavona landfill authorization renewal in 2026 as per management assumption

	- Recycling: 16% 2023PF-27E CAGR - Electrics: 25% 2023PF-27E CAGR • Capitalizations and other income, respectively, 1.5-2.5% and 3-4% of revenues (historical records and short-term perspective) • Conservative case: -15% vs Base case • Rounded figures
Operating charges	• Estimated as per historical and recent records (rounded figures): - Services 45-41% of revenues - Materials 30% of revenues - Personnel €21m in 2023PF to €35m in 2027E - Other operating costs 3% of revenues
Other P&L items	• Provisions and writedowns: - Provision for depletion of landfills estimated in €1.4m per year - Other, stable at €0.5m per year • Interest rate 6%
Income taxes	• Actual tax rate (IRES+IRAP) estimated at 34%
Working capital	• TWC and other (liabilities) consistent with historical records: - DSO 75-80 - DPO from 104 in 2023PF and 96 in H1 2024PF gradually normalizing to 50 - DOI 5
Capex	• Investment over 2025-27E estimated in €66m: - €53m in fixed assets: upgrades/revamping of existing facilities and investments in new facilities (textile waste, lithium batteries and e-waste recycling plants) - €13m in intangible assets, mainly acquisitions
Equity	• No assumptions on capital raising, dividend distribution, warrants exercise

Source: EnVent Research

Financial projections - Base case

Operating revenues by BU (€m)



Source: Company data 2023PF, EnVent Research 2024-27E

Consolidated Profit and Loss

€m	2023PF	2024E	2025E	2026E	2027E
Operating revenues	169.0	190.0	230.0	270.0	310.0
Other income	7.3	9.8	9.4	9.6	9.5
Revenues	**176.3**	**199.8**	**239.4**	**279.6**	**319.5**
YoY %	-	*13.3%*	*19.2%*	*16.2%*	*13.8%*
Change in inventory and work in progress	0.5	0.7	0.5	0.5	0.5
Capitalizations	4.7	5.1	5.2	4.8	4.2
Total Revenues	**181.5**	**205.6**	**245.1**	**285.0**	**324.3**
Services	(72.5)	(85.8)	(95.7)	(110.9)	(127.3)
Materials	(48.8)	(58.2)	(69.2)	(81.2)	(93.2)
Personnel	(21.1)	(24.3)	(29.2)	(33.2)	(34.9)
Other operating costs	(6.0)	(6.3)	(6.9)	(7.8)	(9.0)
Operating costs	(148.4)	(174.5)	(200.9)	(233.2)	(264.4)
EBITDA	**33.2**	**31.1**	**44.3**	**51.8**	**59.9**
Margin on Revenues	*18.8%*	*15.5%*	*18.5%*	*18.5%*	*18.8%*
D&A	(18.2)	(20.3)	(25.3)	(30.6)	(34.1)
Provisions and writedowns	(2.5)	(1.8)	(1.9)	(1.9)	(1.9)
EBIT	**12.5**	**9.0**	**17.0**	**19.3**	**23.9**
Margin on Revenues	*7.1%*	*4.5%*	*7.1%*	*6.9%*	*7.5%*
Interest	(3.9)	(4.4)	(3.4)	(3.1)	(2.2)
Change in financial assets	(0.4)	0.0	0.0	0.0	0.0
EBT	**8.2**	**4.6**	**13.5**	**16.2**	**21.8**
Margin on Revenues	*4.7%*	*2.3%*	*5.7%*	*5.8%*	*6.8%*
Income taxes	(3.7)	(1.7)	(4.7)	(5.6)	(7.5)
Net Income (Loss)	**4.6**	**2.9**	**8.8**	**10.6**	**14.3**
Margin on Revenues	*2.6%*	*1.4%*	*3.7%*	*3.8%*	*4.5%*

Source: Company data 2023PF, EnVent Research 2024-27E

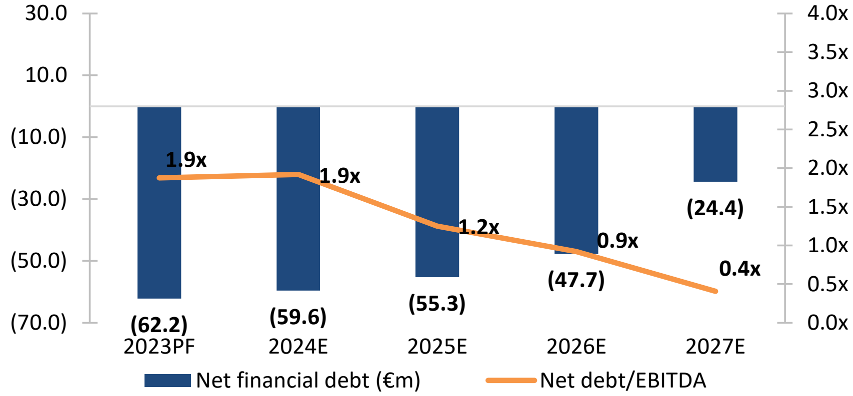
Consolidated Balance Sheet

€m	2023PF	2024E	2025E	2026E	2027E
Inventory	1.9	2.6	3.2	3.7	4.3
Trade receivables	43.0	47.8	61.6	72.3	83.0
Trade payables	(44.0)	(42.7)	(43.1)	(43.4)	(38.4)
Trade Working Capital	0.8	7.7	21.8	32.6	48.9
Other assets (liabilities)	0.2	3.8	(6.9)	(8.1)	(9.3)
Net Working Capital	**1.1**	**11.5**	**14.9**	**24.5**	**39.6**
Intangible assets	32.2	30.6	30.2	29.7	29.1
Goodwill	36.6	33.7	33.0	32.5	32.0
Property, plant and equipment	92.8	98.3	102.9	99.4	78.1
Financial assets and equity investments	18.3	10.1	10.1	10.1	10.1
Non-current assets	**179.9**	**172.7**	**176.1**	**171.6**	**149.2**
Provisions	**(63.7)**	**(65.6)**	**(67.8)**	**(69.8)**	**(71.5)**
Net Invested Capital	**117.3**	**118.7**	**123.2**	**126.3**	**117.3**
Net Debt (Cash)	**62.2**	**59.6**	**55.3**	**47.7**	**24.4**
Equity	**55.1**	**59.1**	**67.9**	**78.6**	**92.9**
Sources	**117.3**	**118.7**	**123.2**	**126.3**	**117.3**

Source: Company data 2023PF, EnVent Research 2024-27E

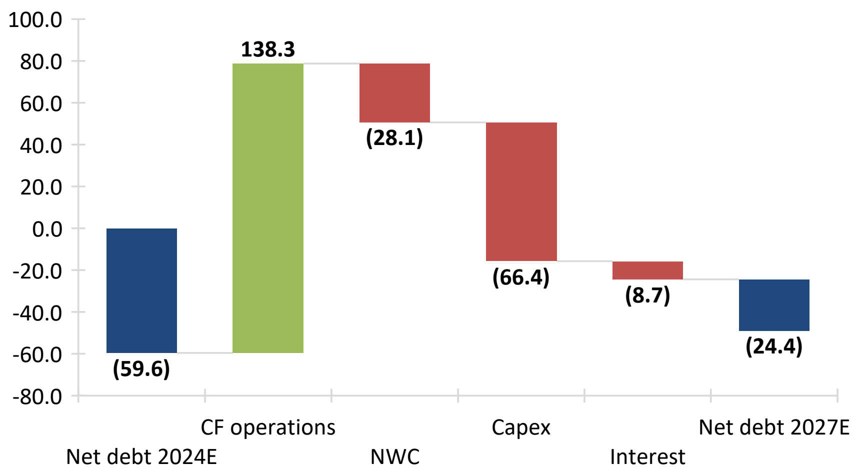
Base case: higher debt vs management guidance; contingent events not factored in

Net financial debt (€m) and net debt/EBITDA (x) 2023PF-27E



Source: Company data 2023PF, EnVent Research 2024-27E

Net financial debt bridge cumulative 2024-27E (€m)



Source: EnVent Research 2024-27E

Cumulative €35m net cash flows over 2025-27E

Consolidated Cash Flow

€m	2024E	2025E	2026E	2027E
EBIT	**9.0**	**17.0**	**19.3**	**23.9**
Current taxes	(1.7)	(4.7)	(5.6)	(7.5)
D&A	20.3	25.3	30.6	34.1
Provisions	1.9	2.2	2.1	1.7
Cash flow from P&L operations	**29.5**	**39.8**	**46.3**	**52.2**
Trade Working Capital	(6.9)	(14.0)	(10.9)	(16.3)
Other assets and liabilities	(3.6)	10.7	1.2	1.2
Capex	(21.4)	(28.8)	(26.0)	(11.6)
Operating cash flow after WC and capex	**(2.4)**	**7.7**	**10.6**	**25.5**
Interest	(4.4)	(3.4)	(3.1)	(2.2)
Change in equity and consolidation adj	8.2	0.0	0.0	0.0
Net cash flow	**2.6**	**4.3**	**7.5**	**23.3**
Net Debt (Beginning)	(62.2)	(59.6)	(55.3)	(47.7)
Net Debt (End)	(59.6)	(55.3)	(47.7)	(24.4)
Change in Net Debt (Cash)	**2.6**	**4.3**	**7.5**	**23.3**

Source: Company data 2023PF, EnVent Research 2024-27E

Ratio analysis

KPIs	2023PF	2024E	2025E	2026E	2027E
ROE	8%	5%	13%	14%	15%
ROS (EBIT/Revenues)	7%	5%	7%	7%	8%
ROIC (NOPAT/Invested Capital)	7%	5%	9%	10%	18%
DSO	76	75	80	80	80
DPO	104	85	75	65	50
DOI	4	5	5	5	5
TWC/Revenues	0%	4%	9%	12%	16%
NWC/Revenues	1%	6%	6%	9%	13%
Net Debt/EBITDA	1.9x	1.9x	1.2x	0.9x	0.4x
Net Debt/Equity	1.1x	1.0x	0.8x	0.6x	0.3x
Net Debt/(Net Debt+Equity)	0.5x	0.5x	0.4x	0.4x	0.2x
Cash flow from P&L operations/EBITDA	na	95%	90%	89%	87%
FCF/EBITDA	na	neg	17%	21%	42%
Degree of operating leverage on EBITDA	na	neg	202%	98%	105%

Source: Company data 2023PF, EnVent Research 2024-27E

9. VALUATION

A comprehensive asset network and recycling technologies to unlock value potential

Valuation topics and drivers

Current scope of waste operations: room for steady growth

Capacity in a growth scenario

Haiki+ is among the key players providing services along the entire waste supply chain in Italy. The availability of own landfills, of which some recently authorized to extra capacity, and dedicated treatment and recycling facilities, represent a competitive advantage vs smaller local competitors. Landfills provide decades of predictable volumes.
The envisageable scenario for Haiki+ waste traditional business is of continued growth.
Value drivers:

- Room for volume increase of waste handled and internally processed
- Higher efficiency as more recycled materials/sales per ton of waste material

Advanced recycling: boost on demand for recycled materials pushed by regulatory framework fueled by flourishing circularity technologies

Boost on demand

In the global scenario of increasing need for recycled materials, Haiki+ projects will add high-tech competencies and capacity to enter the circularity ecosystem. As usual for innovations, investments and future operations imply uncertainties and understanding of risk profile.

Relevant market metrics

- The outlook for the industry is favorable, given predictable revenues and healthy margins
- Recycling is a huge opportunity, but presents some challenges
- Special waste production historically increasing
- High dependence on landfill disposal
- Growth expectation indicators for the industry fall within the 5-10% range for most of comparable listed companies (2023-26E revenue CAGR mean for special waste, US and European municipal clusters). Higher growth expectations for companies investing in new recycling technologies.
- EBITDA margin is in the low teens for European peers, in the higher teens and beyond for US peers. Could be over optimistic in a capex-driven projection.

EBIT metric higher relevance due to capex

- EBIT may be a better operating profitability measure for the industry, due to impact of capex (Capex/EBITDA in the range 40 to 70% and Capex/Revenues between 6-10% on average)
- EBIT margin mostly below 10%

Valuation issues

Size and timing of financial debt load during the investment phase and contingent events.

- Contingent liability: Claim from Green LuxCo Capital minority shareholder (49.9%) Ancient Stone LLC - Based on discussions with Ancient Stone about their claimed interest in the acquisition of Green LuxCo, owner of 70% of Ecosavona-Boscaccio, Haiki+ could be willing to acquire the remaining 49.9% in Green LuxCo Capital. The deal consideration for 50.1% has been €23m. Occurrence, timing and value indeterminable.

- Debt conversion into Equity: "Convertendo Sostenya" - The €23m consideration for the acquisition of Sostenya Fintech and its 50.1% subsidiary Green LuxCo Capital (January 2024) has not been disbursed and is classified as convertible debt towards Sostenya (related party seller), accounted as an equity reserve for future capital increase, expiring in October 2028. Timing and terms of conversion have not been set yet.

- Boscaccio landfill, operated by Ecosavona, is authorized until the end of 2026 and is subject to public tender for renewal to be opened within the end of 2025. Management estimates a low failure risk for renewal. As a counterpart, in case of tender loss, Ecosavona would deserve an indemnification for: the investments made not yet depreciated; the ownership of the areas on which the landfill is located; the authorization already obtained for the project; the goodwill for having operated the treatment and disposal site since 1992.

Financial risk assessment: medium/high

- Target management financial guidelines, envisaging massive investments and strong growth, are challenging compared to historical records
- Financial debt load is mostly related to dynamics and timing of capital expenditure in infrastructure and businesses
- Impact of disclosed or other contingencies
- Risk of breach of covenants

Valuation metrics

The valuation of Haiki+ has been performed through:
- Discounted Cash Flows applied to 2025-27E financial projections in two scenarios
- Market multiples of different clusters
- Regression analysis on EBITDA and EBIT

Discounted Cash Flows

Metrics and assumptions:
- Risk free rate: 3% (Italian 10-year government bonds interest rate - last 30 days average. Source: Bloomberg, January 2025)

- Market return: 11.3% (last 30 days average. Source: Bloomberg, January 2025)
- Market risk premium: 8.3%
- Beta: 1 (conservatively judgmental, on the back of peers 0.8. Source: Bloomberg, January 2025)
- Cost of equity: 11.3%
- Cost of debt: 6%
- Tax rate: 24% IRES
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 9.3%
- Perpetual growth rate after explicit projections (G): 2.5%
- Terminal Value assumes a sustainable 15% EBITDA margin (consistent with the historical performance of peers) and 6% Capex/Revenues (peer market data)
- Conservative case: -15% sensitivity on revenues
- Adjustments to equity value - detailed below

Accounting estimates and assumptions for landfills

NPV of landfills remediation cost

The DCF valuation encompasses as a stand-alone liability the cumulated discounted cash out for closure and post-closure landfills obligations. Starting from the provision included in H1 2024PF balance sheet, overall worth €56.8m, based on the allocation on individual landfills and their remaining operating life, we understand that at landfills full capacity Haiki+ will spend half of the estimated provision in three years at closure, and the residual half for post-closure along the following thirty years. The sum of these yearly cashouts, discounted at WACC as a component of long-term projections, is estimated in €16.2m and is represented as adjustment to equity value.

Estimated operating life	# of Landfills	Name
0 to 5 years	3	Albonese, Bossarino, Bedizzole
11 to 20 years	1	Boscaccio
Total	**4**	

Source: EnVent Research on Company data - Note: Estimated operating life for Bossarino not factoring the capacity extension authorized in 2024

"Convertendo Sostenya" equity portion

Market value of debt Convertendo Sostenya vs Equity conversion

The €23m convertible debt towards Sostenya, expiring in October 2028, accounted as an equity reserve for future capital increase, whose timing and terms of conversion have not been set yet, could be considered in two ways of possible outcome:

- market value of the obligation, calculated as €18m future adjustment to financial position
- conversion into equity, implying a future dilution effect

DCF - Base case

€m		2023PF	2024E	2025E	2026E	2027E	Perpetuity
Operating revenues + other income		**176.3**	**199.8**	**239.4**	**279.6**	**319.5**	**327.5**
EBITDA		**33.2**	**31.1**	**44.3**	**51.8**	**59.9**	**49.1**
Margin on Revenues		*18.8%*	*15.5%*	*18.5%*	*18.5%*	*18.8%*	*15.0%*
EBIT		**12.5**	**9.0**	**17.0**	**19.3**	**23.9**	**29.5**
Margin on Revenues		*7.1%*	*4.5%*	*7.1%*	*6.9%*	*7.5%*	*9.0%*
Taxes		(4.2)	(3.0)	(5.8)	(6.6)	(8.1)	(8.2)
NOPAT		**8.3**	**5.9**	**11.2**	**12.8**	**15.8**	**21.3**
D&A			20.3	25.3	30.6	34.1	19.7
Provisions			1.9	2.2	2.1	1.7	2.1
Cash flow from operations			**28.2**	**38.8**	**45.4**	**51.6**	**43.0**
Trade Working Capital			(6.9)	(14.0)	(10.9)	(16.3)	(2.7)
Other assets and liabilities			(3.6)	10.7	1.2	1.2	0.0
Capex			(21.4)	(28.8)	(26.0)	(11.6)	(19.7)
Unlevered free cash flow				**6.7**	**9.7**	**24.8**	**20.6**
WACC	9.3%						
Long-term growth (G)	2.5%						
Discounted Cash Flows				**6.1**	**8.1**	**19.0**	
Sum of Discounted Cash Flows	33.3						
Terminal Value							**304.8**
Discounted TV	233.6						
Enterprise Value	**266.8**						
Net debt as of 31/12/24E	(59.6)						
Minority interest	(8.0)						
NPV of landfills remediation cost	(16.2)						
Market value of debt Convertendo Sostenya	(18.2)						
Equity Value	**164.8**						

DCF - Implied multiples	2023PF	2024E	2025E	2026E	2027E
EV/Revenues	1.5x	1.3x	1.1x	1.0x	0.8x
EV/EBITDA	8.0x	8.6x	6.0x	5.1x	4.5x
EV/EBIT	21.4x	29.7x	15.7x	13.8x	11.1x
P/E	36.2x	57.4x	18.7x	15.5x	11.5x

Source: Company data 2023PF, EnVent Research 2024-27E

DCF - Conservative case

€m		2023PF	2024E	2025E	2026E	2027E	Perpetuity
Operating revenues + other income		**176.3**	**199.8**	**204.9**	**239.1**	**273.0**	**279.9**
EBITDA		**33.2**	**31.1**	**26.8**	**33.5**	**41.8**	**42.0**
Margin on Revenues		*18.8%*	*15.5%*	*13.1%*	*14.0%*	*15.3%*	*15.0%*
EBIT		**12.5**	**9.0**	**(0.5)**	**1.1**	**5.8**	**28.0**
Margin on Revenues		*7.1%*	*4.5%*	*-0.2%*	*0.4%*	*2.1%*	*10.0%*
Taxes		(4.2)	(3.0)	0.2	(0.4)	(2.0)	(7.8)
NOPAT		**8.3**	**5.9**	**(0.3)**	**0.7**	**3.8**	**20.2**
D&A			20.3	25.3	30.6	34.0	14.0
Provisions			1.9	2.2	2.1	1.7	2.1
Cash flow from operations			**28.2**	**27.2**	**33.3**	**39.6**	**36.2**
Trade Working Capital			(6.9)	(12.3)	(9.3)	(13.7)	(2.6)
Other assets and liabilities			(3.6)	10.7	1.2	1.2	0.0
Capex			(21.4)	(28.7)	(26.0)	(11.6)	(14.0)
Unlevered free cash flow				**(3.1)**	**(0.8)**	**15.5**	**19.6**
WACC	9.3%						
Long-term growth (G)	2.5%						
Discounted Cash Flows				**(2.8)**	**(0.7)**	**11.9**	
Sum of Discounted Cash Flows	8.4						
Terminal Value							**290.2**
Discounted TV	222.4						
Enterprise Value	**230.8**						
Net debt as of 31/12/24E	(59.6)						
Minority interest	(8.0)						
NPV of landfills remediation cost	(16.2)						
Market value of debt Convertendo Sostenya	(18.2)						
Equity Value	**128.8**						

DCF - Implied multiples	2023PF	2024E	2025E	2026E	2027E
EV/Revenues	1.3x	1.2x	1.1x	1.0x	0.8x
EV/EBITDA	7.0x	7.4x	8.6x	6.9x	5.5x
EV/EBIT	18.5x	25.7x	neg	nm	39.6x
P/E	28.3x	44.8x	14.7x	12.0x	8.9x

Source: Company data 2023PF, EnVent Research 2024-27E

Design of the value area

In building our projections, we have simulated two scenarios on revenue growth along 2025-27E: a base scenario, consistent with management guidance, and a conservative scenario reflecting lower revenues as a different business plan deployment.

DCF - Equity value sensitivity to revenues

	Base	Cons
Equity Value (Eur m)	**164.8**	**128.8**
Equity Value per share (Eur)	**1.71**	**1.33**

Source: EnVent Research

Market multiples

- Within the waste management industry, we have identified several peer groups representing benchmarks to Haiki+ for applying the typical industry logics. Despite some discrepancies, in principle, the samples provide a valid value indication, given that growth is driven by the same factors and dynamics, the exposure to the same reference market, industry-like business models and to a certain extent consistent performances.

- Based on our Peer groups critique (Market metrics chapter), we have applied to our 2025-26E estimates the combined market multiples from the Special waste, US and European municipal and other waste management clusters

Market multiples application

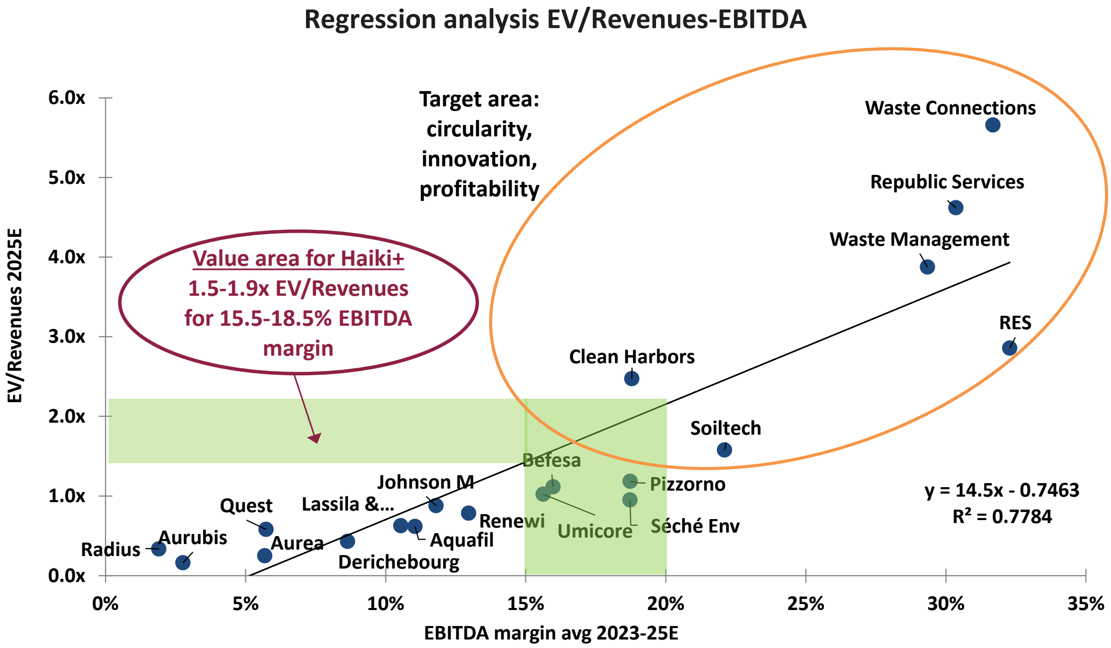
Haiki+ (€m)		Market Multiples	EV	Net debt as of 31/12/24E	Minority interest	NPV of landfills remediation	Market value of debt Convertendo	Equity value
2025E Revenues	230.0	1.0x	232.1	(59.6)	(8.0)	(16.2)	(18.2)	**130.1**
2026E Revenues	270.0	1.0x	272.0	(59.6)	(8.0)	(16.2)	(18.2)	**170.0**
Mean 2025-26E			252.0					**150.0**
2025E EBITDA	44.3	6.4x	282.4	(59.6)	(8.0)	(16.2)	(18.2)	**180.3**
2026E EBITDA	51.8	5.5x	286.7	(59.6)	(8.0)	(16.2)	(18.2)	**184.6**
Mean 2025-26E			284.5					**182.5**
2025E EBIT	17.0	10.1x	171.9	(59.6)	(8.0)	(16.2)	(18.2)	**69.8**
2026E EBIT	19.3	8.7x	168.0	(59.6)	(8.0)	(16.2)	(18.2)	**66.0**
Mean 2025-26E			169.9					**67.9**
2025E Earnings	8.8	11.5x						**101.2**
2026E Earnings	10.6	9.3x						**98.7**
Mean 2025-26E								**99.9**

Source: EnVent Research, January 2025

Regression analysis

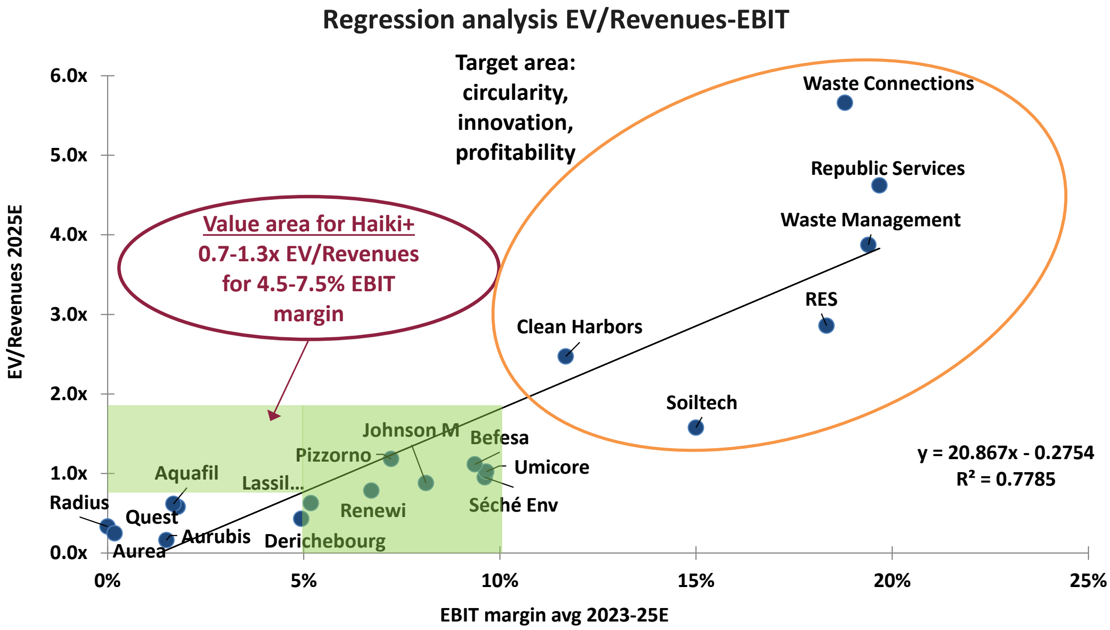
The regression analysis, combining the embedded values implied by EV/Revenues of listed peers and their EBIT margin, helps to visualize a suitable value area for Haiki+.
Data show that EBIT margin in the 5-7.5% range, as per our estimates, results in 0.7-1.3x EV/Revenues from the regression curve, whose statistical effectiveness is proven by R^2 over 70%. The regression analysis indicates room for upside.

Values to be adjusted downwards by EBITDA cash conversion



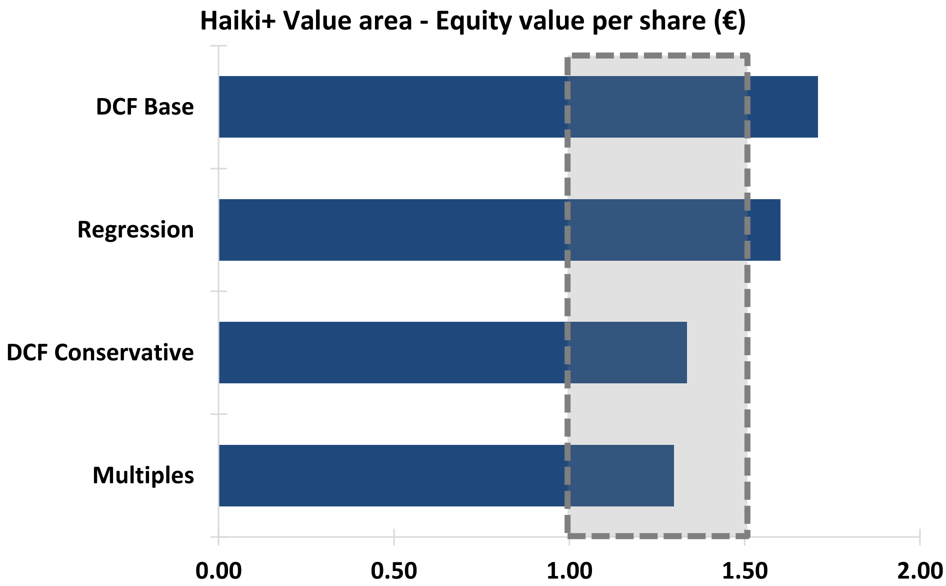
Source: EnVent Research, January 2025

Regression on EBIT metrics vs EBITDA: higher relevance in investment cycle



Source: EnVent Research, January 2025

Valuation summary and Target price



Source: EnVent Research

Haiki+, as common for waste companies, has a defensive business model including stable predictable revenues and attractive industry margins. The huge global market opportunities represent a significant value potential and our assessment is founded on a long-term perspective of value building on solid competencies and pervasive asset network. The trade-off of such a challenging and complex vision of becoming a circular economy champion would be the capability and discipline to raise and manage the needed financial resources.

Value area encompassing market and analytical methodologies, dilutions and contingencies

In our view, the mix of analytical and market-based values, which encompasses also the outcome of our simulations on the described dilution effect implied in the debt conversion into equity and impact of a contingent liability, suggests a potential Equity value area in the €100-150m range, corresponding to €1.04-1.56 per share.

As a starting point to value Haiki+ project building and investment cycle, we set as reference target value €1.20 per share. The underlying assumption on value building is the successful implementation of the Group 2025-27E strategy. Consequently, we initiate the coverage of Haiki+ with an OUTPERFORM rating, based on a Target Price per share of €1.20, with a potential upside of 72% on current share price.

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

Haiki+ Price per share	€
Target Price	**1.20**
Current Share Price (28/01/2025)	0.70
Premium (Discount)	**72%**

Source: EnVent Research

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OUTPERFORM: stocks are expected to have a total return above 10%;
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The stock price indicated in the report is the last closing price on the day of Production.
Date and time of Production: 28/01/2025 h. 6.35pm
Date and time of Distribution: 28/01/2025 h. 7.00pm

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
28/01/2025	OUTPERFORM	1.20	0.70

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