

Initiating on La Dolce Vita Business

ADD | Fair Value: €4.54 | Current Price: €2.59 | Upside: 75%

€ Million	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Total Revenues	18.5	28.8	32.7	38.3	42.2	45.8	49.3
EBITDA Adjusted	0.6	2.9	3.9	4.6	5.3	6.0	6.8
margin	3.2%	10.2%	11.9%	12.1%	12.6%	13.2%	13.8%
Net Profit	0.3	0.2	0.9	2.6	3.1	3.7	4.3
margin	1.5%	0.6%	2.9%	6.9%	7.4%	8.0%	8.7%
EPS	n.m.	n.m.	0.1	0.4	0.4	0.5	0.6
NFP	(0.7)	(1.8)	(3.2)	(4.4)	(7.4)	(11.1)	(15.4)

Source: Company Data (2021-2023), KT&Partners' Elaboration (2024-2027)

Business Overview. Emma Villas was founded in 2006, and over the years it consolidated a unique offer made of luxury properties for short-term rental, located in the most targeted Italian locations. EV currently boasts a portfolio of more than 630 villas, all managed under an exclusive agreement, being the #1 player in Italy for the number of exclusively managed villas.

Operating on exclusive mandates offers several advantages. Including (i) independent pricing policy to maximize occupancy rates; (ii) planning of long-term marketing actions and continuative assistance to boost the property profitability (also through structural investments anticipated by EV); (iii) thoughtful quality checks and inspections; (iv) the "Minimum Guaranteed" dealership, where owners get a minimum stream of revenue, independently from the effective occupancy. Still, the main strength of the model relies on the predictability of cash flows, also thanks to seasonality: in 2022, 75% of total cash-in (received at the time of booking) occurred in the 1st half of the year, while 83% of total cash-out (paid to owners) in the 2nd half.

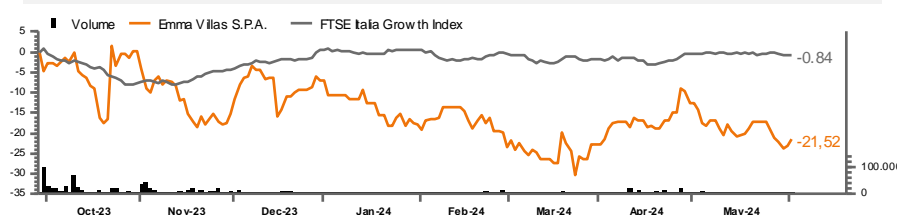
EV is a consolidator in an attractive market. Emma Villas has a well-defined external growth plan that consists of bolt-on acquisitions of smaller regional players (20-80 villas under management) with a solid retention rate. An example is the acquisition of Marche Holidays in April 2024, which manages 23 villas in exclusivity in the Marche region. We model EV number of villas under management growing at a 2023-27E CAGR of 9% (vs 11% pa between 2020-23). We calculate EV's M&A firepower at c.€4.8mn.

Key risks. (i) Seasonality. EV's revenues are concentrated in the summer season, lacking a bulky offer for the winter months. However, through the "Chiara Travels" portal launched in November 2023, EV is expanding its catalogue to include the main European tourist destinations, including several mountain chalets. (ii) Low barriers to entry, posing a threat mostly from the bigger luxury tourism operators with big advertising budgets. Yet, EV strong know-how and reputation among property owners offer tangible protection from this risk.

Future estimates. We forecast total revenues growing at a CAGR23-27E of 10.8%, reaching €49.3mn in FY27E (€32.7mn in FY23), reflecting: over 750 villas managed by 2027 (543 at the end of FY23), average price per week growing <2% pa, occupancy rate flat at 14 weeks per villa. We forecast EBITDA to grow at a 14.8% CAGR23-27E, with an EBITDA margin reaching 13.8% in FY27E (from 11.9% in FY23), driven by economies of scale (except for services costs). We model NFP to enhance from €2.4mn net cash in FY23 to €15.4mn net cash in FY27E, due to healthy cash flows, despite the higher NWC cash absorption.

Valuation. Valuation based on: (i) DCF with a 13.0% WACC and 1.5% perpetual growth, returning a value of €32.6mn or €4.68ps; (ii) market multiples: EV/EBITDA and P/E multiples, which returns a value of €30.6mn or €4.41ps. The average of the two methods yields a fair value of €4.54ps or an equity value of €31.6mn, 75% upside versus the current share price at €2.59.

Relative Performance Chart since IPO



Source: Factset

Initiation of Coverage

June 5th, 2024 – 7.00 h

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Market Data

Main Shareholders			
Gianmarco Bisogno			86.1%
Mkt Cap (€ mn)			18.1
EV (€ mn)			14.6
Shares out. (mn)			6.97
Free Float			13.9%
Market multiples	2024	2025	2026
EV/EBITDA			
Emma Villas S.P.A.	3.2x	2.8x	2.4x
Comps Average	8.2x	6.6x	6.3x
Emma Villas S.P.A. vs Averag	-61%	-58%	-61%
P/E			
Emma Villas S.P.A.	6.8x	5.8x	4.9x
Comps Average	14.0x	10.3x	10.3x
Emma Villas S.P.A. vs Averag	-51%	-43%	-52%

Stock Data

52 Wk High (€)	3.47
52 Wk Low (€)	2.30
Avg. Daily Trading 90d	4,195
Price Change 1w (%)	-5.47
Price Change 1m (%)	-4.78
Price Change YTD (%)	-15.64

Key Figures - Emma Villas S.p.A.

Current Price (€)	Fair Value (€)		Sector				Free Float (%)
2.59	4.54		Hospitality				13.9%
Per Share Data	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Total shares outstanding (mn)	n.m.	n.m.	6.97	6.97	6.97	6.97	6.97
EPS	n.m.	n.m.	0.13	0.38	0.45	0.53	0.61
Dividend per share	n.a.	n.a.	-	-	-	-	-
Dividend pay out ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Total Revenues	18.5	28.8	32.7	38.3	42.2	45.8	49.3
EBITDA Adjusted	0.6	2.9	3.9	4.6	5.3	6.0	6.8
EBITDA	0.6	1.3	1.9	4.6	5.3	6.0	6.8
EBIT	0.5	0.7	1.3	3.9	4.5	5.3	6.0
EBT	0.4	0.5	1.3	3.8	4.4	5.2	6.1
Taxes	(0.1)	(0.3)	(0.4)	(1.1)	(1.3)	(1.6)	(1.8)
Tax rate	34%	65%	29%	30%	30%	30%	30%
Net Income	0.3	0.2	0.9	2.6	3.1	3.7	4.3
Key Performance Indicators	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Villas under management	427	492	543	628	678	723	763
Number of booked weeks	4,769	7,390	7,633	8,792	9,492	10,122	10,682
Average price per week (EUR)	3,794	3,831	4,253	4,296	4,382	4,469	4,559
Occupancy rate (weeks)	11.2	15.0	14.1	14.0	14.0	14.0	14.0
Balance Sheet (EUR million)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Total fixed assets	11.4	10.6	7.3	7.9	8.1	8.3	8.5
Trade Working Capital (TWC)	(3.3)	(3.5)	(2.4)	(1.5)	(1.6)	(1.7)	(1.8)
Provisions	(2.1)	(2.2)	(2.1)	(2.2)	(2.3)	(2.4)	(2.5)
Total Net capital employed	5.2	4.0	2.6	4.0	4.1	4.1	4.1
Net financial position/(Cash)	(0.7)	(1.8)	(3.2)	(4.4)	(7.4)	(11.1)	(15.4)
Total Shareholder's Equity	6.0	5.8	5.8	8.4	11.5	15.2	19.5
Cash Flow (EUR million)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Operating cash flow	n.m.	0.9	(0.7)	2.6	4.1	4.6	5.2
Change in NWC	n.m.	0.2	(1.9)	(0.9)	0.1	0.1	0.0
Capital expenditure	n.m.	(0.4)	(1.2)	(1.4)	(1.1)	(1.0)	(0.9)
Free cash flow	n.m.	0.5	(1.7)	1.7	3.3	3.9	4.6
Enterprise Value (EUR million)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Market Cap	n.m.	n.m.	21.4	18.1	18.1	18.1	18.1
Net financial position/(Cash)	(0.7)	(1.8)	(3.2)	(4.4)	(7.4)	(11.1)	(15.4)
Enterprise value	n.m.	n.m.	24.6	13.6	10.6	7.0	2.7
Ratios (%)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
EBITDA margin (adj.)	3.2%	10.2%	11.9%	12.1%	12.6%	13.2%	13.8%
EBIT margin	2.5%	2.3%	3.9%	10.1%	10.7%	11.5%	12.2%
Gearing - Debt/equity	64%	63%	46%	18%	11%	6%	3%
NFP/EBITDA	-1.27x	-0.62x	-0.82x	-0.96x	-1.40x	-1.84x	-2.27x
ROCE	8.7%	16.6%	49.3%	97.2%	110.3%	127.6%	147.7%
ROE	4.7%	2.9%	16.2%	31.4%	26.9%	24.1%	22.0%
EV/Sales	0.79x	0.51x	0.45x	0.38x	0.35x	0.32x	0.30x
EV/EBITDA adj.	25.06x	4.99x	3.75x	3.17x	2.77x	2.43x	2.16x
P/E	64.80x	107.45x	19.25x	6.82x	5.82x	4.93x	4.21x
Growth Rates (%)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E
Sales	51.3%	55.9%	13.5%	17.2%	10.0%	8.7%	7.6%
EBITDA (adj.)	n.a.	402.7%	32.8%	18.5%	14.5%	13.8%	12.6%
EBIT	n.a.	45.1%	91.2%	205.5%	16.7%	16.5%	14.9%
Net Income	n.a.	-39.7%	458.1%	182.1%	17.3%	18.0%	17.1%

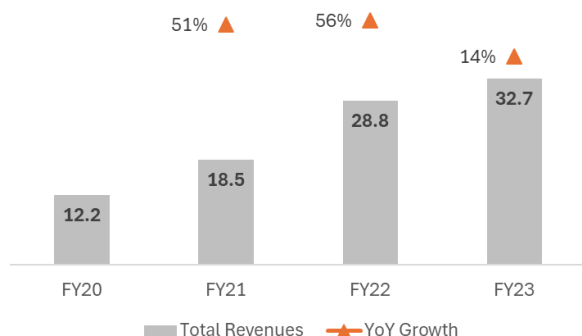
Source: Company Data (2021-2023), KT&Partners' Forecasts (2024-2027)

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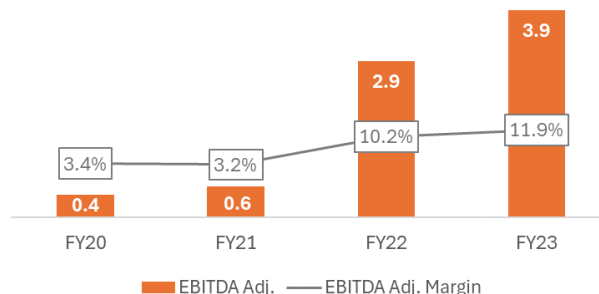
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Key Charts

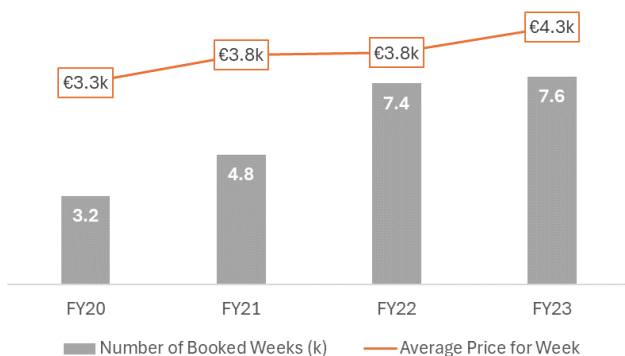
Total Revenues (€mn)



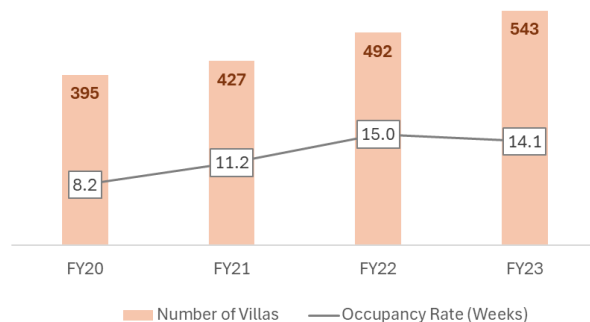
EBITDA Adj. and EBITDA Adj. Margin (€mn)



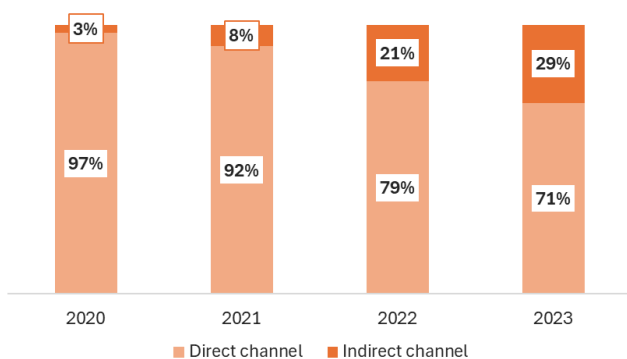
Number of Booked weeks and average price per week



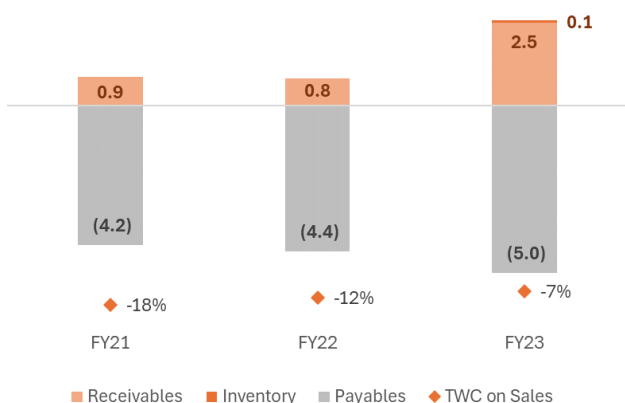
Number of Villas and Occupancy Rate



Sales Channel Evolution



Trade Working Capital (€mn)



Investment Case

Growing Ahead of its reference market. The luxury villa rental market is growing as the demand for luxury travel experiences is constantly increasing, particularly in popular tourist destinations like Italy. The company's portfolio of more than 630 villas spans across 16 Italian regions, offering broad geographical diversification and catering to a wide range of customer preferences. Despite the Italian Vacation rental market size being expected to grow at a modest 2023-26E CAGR of just below 1% (according to Statista), we expect luxury rental to grow at a faster rate. On top of that, we expect Emma Villas to continue gaining market share, overperforming its reference market: the number of EV-managed villas increased on average by 11% per year between 2020 and 2023 (2020-23 Total Revenues CAGR at 40%); we model the number of villas growing at a 2023-27E CAGR of 9% (11% on revenues for the same period).

Exclusive Management Mandates. Emma Villa's business model operating on exclusive management mandates ensures a certain level of control over the properties when compared to competitors that don't operate with exclusivity. The main upsides for EV are: i) the ability to immediately confirm reservations; ii) the planning of long-term marketing actions over its managed properties (i.e. professional photographic shooting); iii) the independent pricing policy to maximise occupancy rates; and iv) the capacity to constantly guarantee high-quality standards through the management of the villas and its network of quality inspectors.

Trusted partner for property owners. Thanks to the complete service offered to owners, EV counts on long-term rental agreements and strong villa retention, offering among others: i) Continuitive assistance to boost the property profitability, also through structural investments completely anticipated by EV (ReHome program); ii) International exposure through its website and the main OTAs channels with the possibility to make a reservation 24/7; iii) insurance policy to hedge the risk of cancellation from guests and eventual damages to the property; and iv) the option of the "Minimum Guaranteed" dealership on properties that fulfil certain standards, enabling the owners to secure themselves a minimum stream of revenue, independently from the effective occupancy (as for the end of FY23, almost 60% of contracts were of the "Minimum Guaranteed" type).

Structural healthy cash-flow generation. One of the main strengths of the revenue model is that the cash-in from guests is structurally long-anticipated from the repayment to owners, guaranteeing a constant and, also thanks to seasonality, foreseeable buffer in cash management. In 2022, 75% of total cash-in occurred in the first six months, while 83% of total cash-out in the last six months of the year.

A strong brand reputation and scalable expertise. Emma Villas built a strong brand reputation by providing high-quality villa rentals, constantly attracting new customers, and successfully retaining them in the years to come. The long-standing expertise in the sector and the established business model, have the potential for scalability both in the acquisition of new properties within Italy and for expansion abroad, also thanks to a consolidated foreign client base (in 2023 87% of EV clients were foreigners). In November 2023, EV launched the "Chiara Travel" portal with an enriched catalogue of properties in the main European destination (non-exclusive management).

Acting as a consolidator. Emma Villas has a well-defined external growth plan that consists of ongoing scouting of potential target villa rental companies that meet certain operating standards - operators with at least 5 years of activity, a valuable portfolio in the 20-80 villas range with a 3-4 years retention rate and a significant regional knowledge. The goal is to create an articulate and diversified group of complementary companies and the recent acquisition in April 2024 of Marche Holidays Villas, which manages in exclusivity 23 properties in the Marche (and broader Centre Italy), goes in that direction. Considering Emma Villas' Balance Sheet strengths, and healthy cash flows, we recognise c.€4.8mn of EV M&A firepower, including FY23 cash&equivalents, current financial assets, net of current debt.

Key Risks

Seasonality. The company's revenue is heavily dependent on the tourism activity, and in FY22, 86% of revenues were generated during the summer season. Even though it's a common trait among Italian tourism operators, especially for those that operate outside of major cities, the company lacks an extensive offer for the winter season (i.e. such as chalet). However, we see Emma Villas's internationalisation as a strategic move to counterbalance its business seasonality.

Low barriers to entry. Due to the market attractiveness and abundance of villas in the Italian territory, the entry of new competitors poses a threat to the company's market share and profitability. This is true both for entrepreneurial individual owners who could foresee opportunity in the short-term vacation rental but mostly, for the bigger luxury tourism operator that can count on sectoral knowledge and the necessary advertising budget to break through the competitive arena. However, Emma Villas strong know-how and reputation among property owners, the offering of unique services such as ReHome (structural home investments anticipated by EV), on top of its consolidation activity in the market, offer tangible protection from this risk.

Company Overview

A portfolio of Luxury Villas...



Over the years Emma Villas consolidated a unique offer made of luxury properties located in the most impressive and tourists' Italian location, currently boasting a portfolio of more than 630 villas. Through the new "Chiara Travels" portal launched in November 2023, EV is expanding his catalogue to include the main European touristic destinations as well. Emma Villas' offers luxury villas with private pools, accurately selected by a qualified team of professionals operating according to high-quality standards before every season opening. operating according to high quality standards before every season opening.

Emma Villas Properties Selection

LA PERLA TRA GLI ULIVI, TUSCANY



CASA NOEMI, CAMPANIA



VILLA LA DOLCE, LOMBARDY



VILLA SCIROCCO, LIGURIA



VILLA VITTORIA, SICILY



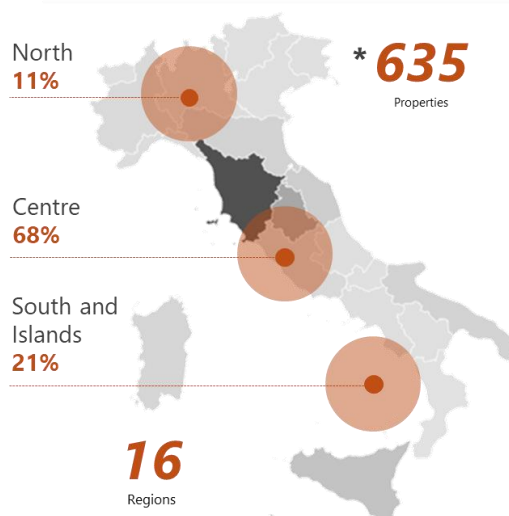
VILLA AMBRA, SARDINIA



Source: Emma villas' website

The widespread presence of the company reaches 16 regions, with a focus on central Italy (where 68% of managed properties are located, in particular in the two regions of Tuscany and Umbria where more than 350 villas are located) and at the same time a capillary presence also in northern (ca. 11% of total villas) and southern regions (ca. 21% of company's villas).

Emma Villas' Properties geographical distribution



Source: Company data.

* Number of properties under contract in May 2024. This is different than the number of villas that generated revenues as of the same date.

Emma Villas operates mainly mandates of a two years' duration, the time considered necessary to establish a fruitful working relationship with the owners. The purchase prices of the weeks are fixed by contract between Emma Villas and the owners, depending on the season and the type of contract.

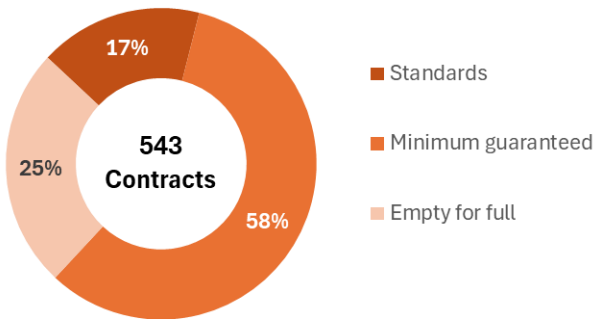
The contracts stipulated could be of three different categories, then tailored to owners' requests:

- **Standard:** Emma Villas defines prices per season with the owners, and owners' payment depends on the weeks effectively booked per year.
- **Minimum guaranteed:** Emma Villas agrees with owners to a guaranteed minimum annual income for the property (usually based on a minimum number of weeks expected to be booked), with the possibility for owners to earn more if more weeks than expected are occupied. This solution is attractive for owners as it offers a floor income from their villas. Emma Villa's upsides from this type of contract are due to reduced competition (very few competitors offer the same agreement), and EV offering this contract just to properties with the potential for higher profitability and where demand is expected to be strong (to minimize the risk of under-booking vs guaranteed weeks).
- **Empty for full:** this contract foresees the purchase of the season for an agreed consideration with the owner. So, the owners do not earn more than the agreed income regardless of the number of weeks booked, with all the additional weeks occupied representing a potential gain for Emma Villas. This venue offers the greatest upsides to EV's profitability, at the same time attracting demand given the limited competition from other players offering a guaranteed income to villas' owners. This more than offsets the higher associated management costs given that, on empty for full contract, Emma Villas – depending on the agreement stipulated with each owner – often engages with the active management of the villas (i.e. check-in, check-out, cleaning, property management...).

As of December 2023, the guaranteed minimum (58%) represents the majority of contracts, although its weight is decreasing with respect to the end of 2022, when it represented more than 70% (while remaining almost unchanged in absolute terms). On the other hand, the company is reducing the number of standard contracts compared to the end of 2022 in favour

of a shift towards the "empty for full" contract, which has experienced an increase, currently reaching more than 130 villas (25%).

Breakdown of contracts by type (%) – December 2023



Source: Company Data

... all managed under exclusive contracts

Emma Villas’ portfolio includes only properties managed under an exclusive agreement (excluding the solutions offered by the newly launched “Chiara Travels”), which gives the company a privileged position in the short-term villa rental market when compared to its competitors who do not operate with exclusive villas. The management of an entire portfolio of villas under exclusive ensures:

- Reservation with an immediate confirmation – as the villa selected is available only within Emma Villas’ catalogue – reducing the risks of clients looking for alternative solutions;
- The planning of long-term marketing actions on the properties under exclusive, alongside management to support home improvements to increase profitability;
- Independent pricing policies to maximize the occupancy rate;
- The flexibility of the calendar, which represented a key strength for the rescheduling of short-term bookings during the pandemic;
- High-quality standards through continuous quality inspections, that would not be justified without exclusivity because it would benefit other competitors.

The unique positioning of Emma Villas in the short-term rental scenario enabled the company to emerge as a leading player in the number of exclusive villas in the Italian landscape.

The advantages for villas managed under an exclusive mandate

	Booking online	Long-term planning	Independent pricing policies	Calendar flexibility	High-quality standards	Mandatory booking through company's channels
WITH exclusive	✓	✓	✓	✓	✓	✓
WITHOUT exclusive	✗	✗	✗	✗	✗	✗

Source: Company data

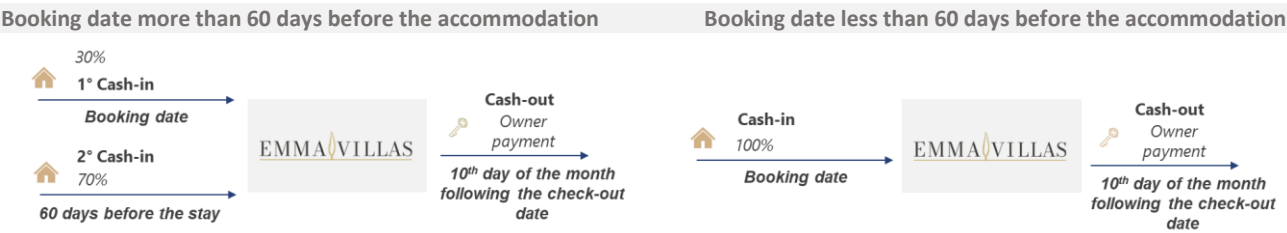
Advance payments secure healthy cash-flows

One of the key strengths of Emma Villas is represented by its revenue model, which ensures advance payments to the guests’ stay in villas compared to the owners’ established payment dates.

Despite the payment date is always before the guest accommodation, the cash-in for Emma Villas could occur in two different ways:

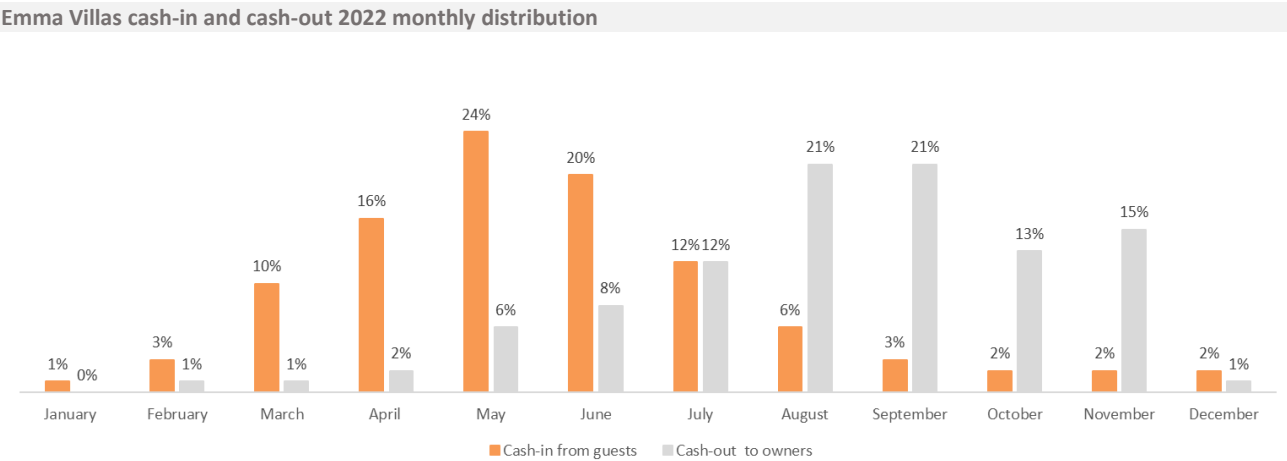
- If the booking takes place more than 60 days before the accommodation, Emma Villas initially benefits from an initial 30% down payment at the booking date, while the remaining 70% would be cashed in 60 days before guest arrival.
- If the booking occurs closer to the accommodation date (less than 60 days), the client is requested to pay the entire amount when reserving the property selected.

In both cases, the payments due to the villas’ owners take place on the 10th day of the month following the check-out date (i.e. if the check-out is on January 20th, the due date for the payment of the owner is February 10th). The only exception is the payments requested according to minimum guaranteed contracts, where the payments of the minimum agreed to the owners occur between May and October of each year (regardless of the period when the villas are booked), while the payment of the remaining upsides follow the traditional schedule detailed above.



Source: Company Data

Emma Villas’ revenue model enables the company to self-finance, thanks to the cash-in of the bulk of payments from its guests in the first months of the year, while the owners’ payments are concentrated in the second half of the year. Indeed, in 2022 75% of total cash-in occurred in the first six months, while 83% of total cash-out in the last six months of the year, as we can observe in the graph below.



Source: Company data



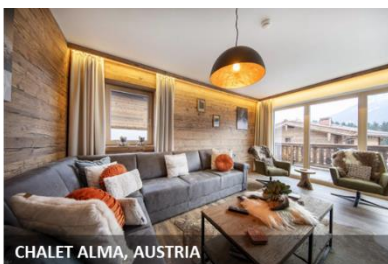
Heading abroad with Chiara Travels

In November 2023 Emma Villas launched “Chiara Travels”, an online platform focused on foreign destinations. With a catalogue of 160+ luxury villas and mountain chalets (without exclusivity), Chiara Travels offers accommodations in some of the main European destinations with a high tourism vocation: Croatia, Greece, France, Austria, Spain and Portugal. The project, born in 2022 and then released in 2023, has the aim to export abroad the “Emma Villas model”, widening EV’s current portfolio with foreign destinations. Leveraging a qualified team of villa specialists, also partnering with local agencies, Chiara Travels is expected to select high-end properties able to satisfy the guests’ needs, in line with Emma Villas’ quality standards, reaching a portfolio of 600 properties in the next three years.

Emma Villas’ purpose is to broaden the existing catalogue with new foreign appealing destinations for clients already present in the Emma Villas database, as well as reaching new clients through targeted marketing activities, relations with travel agencies and international tour operators specialized in the “villa segment”. Emma Villas is also expected to reach a significant positioning in some of the most requested European holiday destinations: according to PwC¹ estimates, the preferred European destinations from travelers in 2023 were France (79.4mn arrivals), Spain (with 71.6mn arrivals), and Italy (50mn arrivals).

Despite their non-exclusivity – the properties calendar is shared with the property owner or with local agencies – Chiara Travels’ offer could represent an additional source of revenues for the coming years, under the form of fees from intermediations activity.

Chiara Travels’ Properties Selection



Source: Chiara Travels’ website

¹ Source: PwC Travel Outlook, October 2023

Group's History

Company's foundation

Emma Villas was established in 2006 from the idea of Giammarco Bisogno, boasting more than 20 years of previous experience in the rental and tourism sector. Indeed, Giammarco founded "Rent Tuscany" in 2000, focused on vacation rentals in Tuscany, and later rebranded as "Emma Villas". boasting more than 20 years of previous experience in rental and tourism sector. Indeed, Giammarco founded "Rent Tuscany" in 2000s, focused on vacation rentals in Tuscany.

First TV spot

After the official launch of the brand and website "Emma Villas", in 2013 the company launched its first spot and television campaign on Sky channel.

Expansion towards additional services

In 2015, to further expand its offer, the company introduced a wide range of additional services for villas rental, such as transfer, first grocery, or chef at home.

First Emma Villas Tour

To increase Emma Villas brand awareness among villa's owners, in 2017 the company launched the first Emma Villas Tour, a tour of Italy aimed at meeting the owners in major Italian cities such as Florence, Chianciano, Pesaro and Catania. In 2018 the tour took place in five cities - reaching new renowned destinations such as Milan, Rome and Lecce – and, since then, it has usually been repeated every year to meet and update the owners about new proposals and services.

Moreover, in 2018 the company launched a completely restyled TV spot, reaching also other TV channels (i.e. La 7).

App Emma development and sales network establishment

In the period 2019 – 21 the company focused on i) technology investments, implementing a new CRM and developing its proprietary App "Emma", a sole showcase for both hosts and guests to streamline the services offered (i.e. online check-in, or tourist tax payment through App) and ii) Sales organization's strengthening, establishing a network of agents and dealers widespread in the main Italian cities.

EMV acquisition and new insurance policies

In 2021 the company enriched its owned properties portfolio through the acquisition of a majority stake (66%) in EMV International Ltd, an English company holding a portfolio of 32 villas managed in exclusivity located in Sicily and Apulia. Emma Villas then increased its stake to 83% in 2022, reaching the entire 100% in November 2023. In the same year (2021) the company introduced new insurance policies for both villas owners and guests.

Reorganization process: mergers and spin-off

With the aim to ensure a better core business management, in 2022 Emma Villas undertook a reorganization process through i) the merger through incorporation of Emmina Srl and Le Ville di Chiara Srl (the companies engaged in the additional services to the stay and real estate business) and ii) the consequent spin-off of the real-estate assets from the short-term villas rental business. The spin-off was effective starting from February 2023.

Listing on the EGM market and first flagship store opening

To pursue its growth path, on September 29th, 2023, Emma Villas went listed on the Euronext Growth Milan segment, at an IPO price of €3.30ps, raising €3.2mn (capital increase, the greenshoe option was not exercised). The company now aims at expanding its presence abroad – also through external lines – strengthening its commercial network for villas acquisition and empowering sales channels for attracting new clients. In 2023, the company also opened its first flagship stores in Siena, Orbetello and Porto Cervo, laying the ground for the construction of a physical network with villas owners.

Heading abroad with Chiara Travels

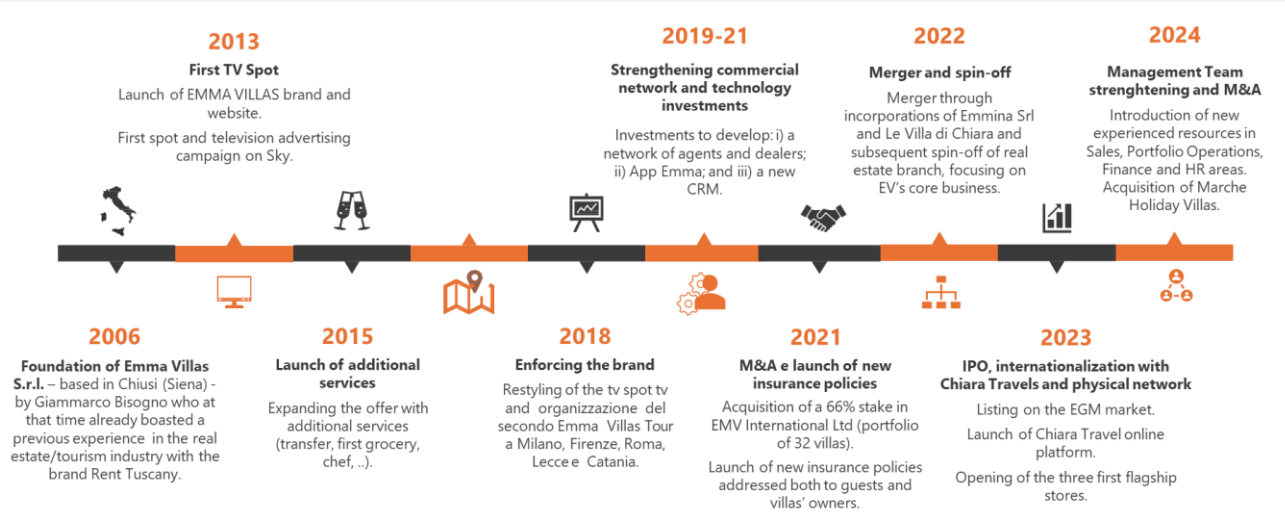
In November 2023 Emma Villas launched "Chiara Travels", an online platform focused on the main European touristic destinations. It currently offers a catalogue of 160+ luxury villas and mountain chalets aligned with Emma Villas' quality standards, although without exclusivity. EV targets reaching a portfolio of 600 international properties within Chiara Travels in the next three years.

Management team consolidation, and Marche Holiday Villas acquisition.

In January 2024 Emma Villas announced a strategical consolidation process of its management team, through the introduction of new experienced resources in Sales, Portfolio Operations, Administration and Finance and HR areas. Also, on April 2024, EV continued its

external growth path by acquiring Marche Holiday Villas, which exclusively manages 23 villas in the Marche region.

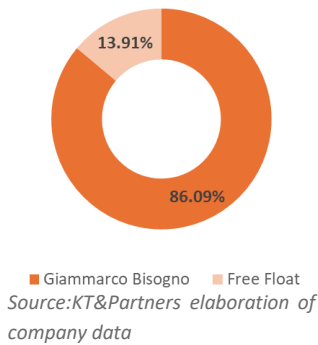
Emma Villas Key Milestones



Source: KT&Partners elaboration of company data

Ownership and Group Structure

Shareholding structure



Emma Villas main shareholder is Giammarco Bisogno – the company’s CEO and founder – holding an 86.1% stake in the company. After the IPO, the remaining stake of the company’s shareholding capital is held by the market, representing a free float of 13.9%. The company’s share capital is composed of 6.97mn of ordinary shares, of which 0.97mn were newly issued following the listing on the EGM market, for a capital increase of €3.2mn. We note that the greenshoe option, concerting 90.5k of shares, was not exercised.

Headquartered in Chiusi (Siena), over the years the company faced a significant expansion, that led Emma Villas to partner with some local agencies to oversee the areas with a high tourist vocation (i.e. San Benedetto del Tronto, Olbia, Porto Cervo, Siracusa, Noto and Ostuni). Moreover, the company also opened a new representative seat in Rome, where important meetings took place.

Starting in 2023, to improve its relationship with villa owners and ensure a local presence, for the first time the company opened three flagship stores in Siena, Orbetello and Porto Cervo, with others in the pipeline for the coming years.

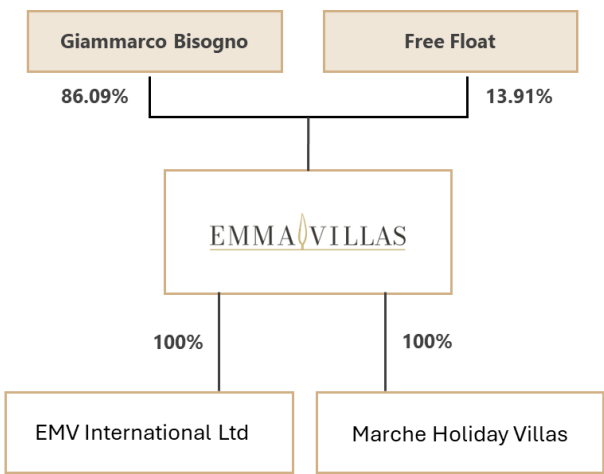
Emma Villas Flagship store in Orbetello and Siena



Source: Company data

The company directly owns a 100% stake in EMV International, a UK-based company founded by Massimo Provenza active in the villas rental activity through 32 villas located in Sicily and Apulia. The first stake of the company was acquired in 2021 (leading Emma Villas holding a 66% stake), while an additional 17% was acquired in 2022; the final 17% was acquired in November 2023. Also, on April 2024 Emma Villa acquired the 100% of Marche Holiday Villas, which exclusively manages 23 villas in the Marche Region.

Group Structure



Source: Company Data

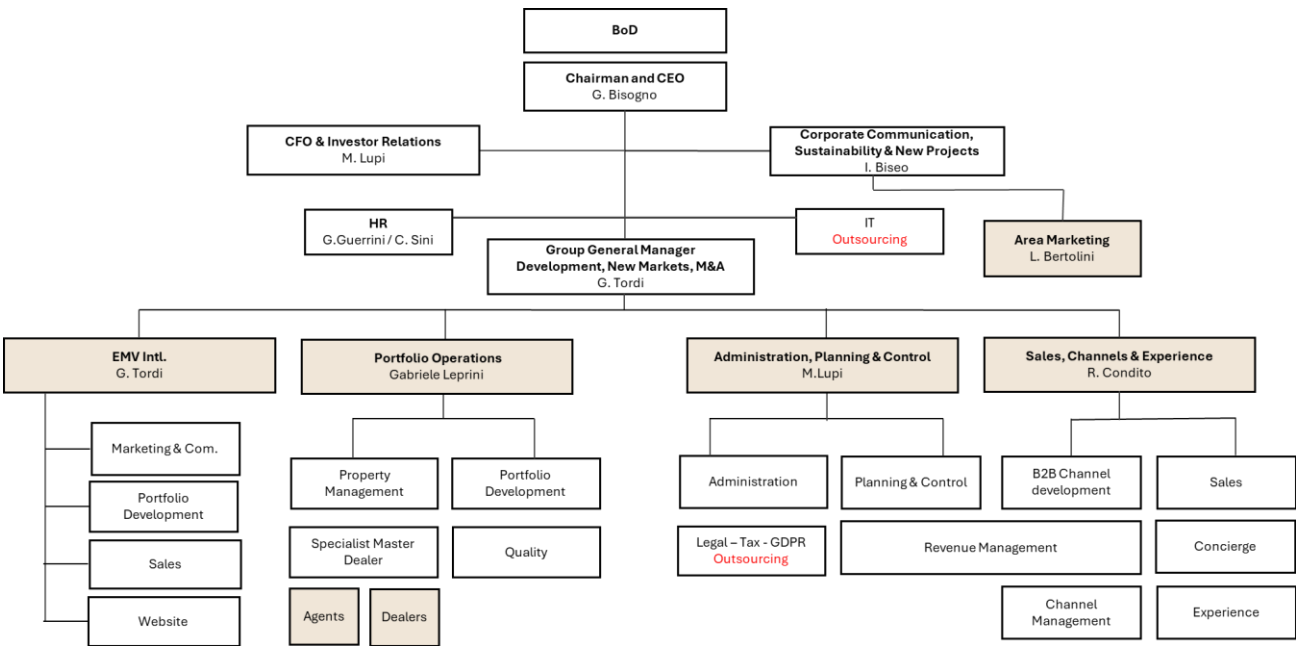
Group Organization

As of December 2023, the company accounted for 36 FTE. Under the CEO, the company is coordinated by a General Manager, that supervises the entire structure. Emma Villas also named a responsible for Group Communications and New Project development.

The company is then organised in different areas, as follows:

- Marketing and Communication Area, managing the advertising campaigns on TV and social channels, and targeted marketing actions for both clients and villas owners (i.e. SEO, mailing, newsletters, Emma Villas tour).
- Portfolio development and property management, engaged with the development of villas portfolio over the entire national territory through its commercial network, alongside the active management of a selection of villas and the quality inspection of villas before the beginning of the season. The entire area is supervised by an Operations Director.
- The administration, planning and control area, responsible for administrative and HR matters, alongside a revenue and reporting area, engaged in the periodical revenues management and villas pricing. This area is supervised by Emma Villas' CFO.
- Sales and booking area, managing the guests' booking process through an internal booking office (active 7/7 days) and Emmavillas' website. This area is also responsible for coordinating the relationship with the indirect channels (online travel agencies).

Group Organizational Chart



Source: Company Data

In January 2024 – a few months following the IPO – the company announced a strategic strengthening of its management team, with the introduction of a Head Group Sales Operator. The new entry – with 10 years' experience in vacation rentals – will be responsible to ensure better coordination and development of sales channels, through an empowerment of internal booking, but also opening to new partnerships with external agencies. Emma Villas also strengthened the operational line, with 4 new resources in the property management and concierge area to face the increase in property directly managed, and experienced resources aimed at planning and control activity.

Management Team



Giammarco Bisogno – Founder and CEO

Giammarco founded Emma Villas in 2006, after having gained several years of experience in the tourism market. Indeed, in the early 2000s, he began his entrepreneurial activity by investing in the tourist rental sector, while offering villas in Tuscany and Umbria. After the first years of strong growth of the property portfolio, Giammarco began the real expansion throughout the country with the foundation of Emma Villas, thanks to important synergies and collaborations. He currently covers the role of CEO of the company.



Giovanni Tordi – General Manager

Giovanni started its collaborations with Emma Villas in 2019, where he is currently the General Manager. He is an expert in strategic marketing, development, sustainability and innovation, having worked for more than 30 years in leading international and national companies, including Burson-Marsteller (a subsidiary of the WPP group) Capitalia and Unicredit, as well as a senior advisor in several sectors for multinational organizations and European institutions.



Monia Lupi – CFO and Investor Relator

From the early 1990s, Monia gained experience in the administrative-accounting departments of local companies, entering the tourism sector and covering the role of administrative manager since 2002. In Emma Villas since 2007, she is the CFO and Investor Relator of the company, being an expert in administration management. She focuses on the elaboration and controlling of company budgets and business plans, the management of cash and financial operations, the monitoring of expenses and costs, and the management of general and analytical accounting.



Gabriele Leprini – Portfolio Operations Director

In Emma Villas since the beginning, Gabriele followed the foundation and development of the company. Previously company director in the industrial field with skills in managing projects, teams and resources for the realization of the objectives company objectives. Strongly experienced in negotiating contracts and agreements in the field of real estate and vacations, he currently covers the role of Portfolio Operations Director.

Business Model

Emma Villas acts as an intermediary between:

- Owners who do not rent their villas personally, but turn to intermediaries, i.e. real estate agencies or companies specialised in active property management and valorisation;
- Customers who directly book their holidays through companies’ platforms (direct) and customers who book through other online platforms or real estate and travel agencies located in the territory (indirect).

Emma Villas, operating through an exclusive agreement with villas’ owners, offers a wide portfolio of properties for rent through its proprietary platform. The company also completes its offer with property management activities, advance financing for property improvements and renovations, and quality checks of the properties.

Industry Business System



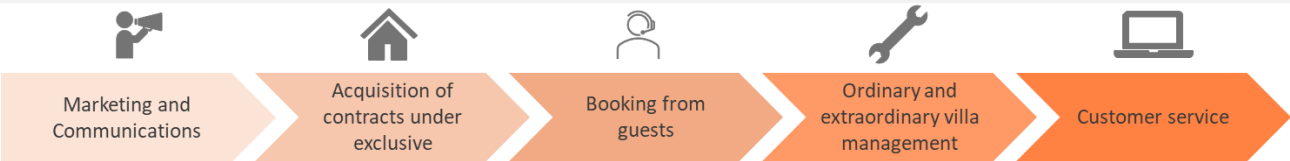
With 15+ years of experience in the villa rental market, Emma Villas activity could be represented as a platform of skills and technologies to serve guests and owners. Indeed, over the last few years, Emma Villas has invested in the re-engineering of the CRM / Frontend / Backend (through Microsoft 365 Platform), to release a tailor-made proprietary platform, able to manage and elaborate owners and customers data and all process steps:

- New villa acquisition processes (direct and indirect network)
- Sales processes (revenue management)
- Management processes (property management, quality)
- Administrative processes (back office, invoicing)
- Statistics and analytics to streamline processes.

The company also invested in the development of the website emmavillas.com and the “Emma” App.

Starting from targeted marketing and communications actions, Emma Villas is engaged every year in preserving the high-quality of its villas’ portfolio, also expanding its offer with new properties in high-vocation tourism destinations through a capillary sales network. Moreover, the company ensures continuous support to its customers, from the booking phase to the stay in the villa, with dedicated and high-skilled resources able to satisfy every request.

Emma Villas’ value chain



Source: Company data, KT&Partners’ Elaborations

Marketing and Communications

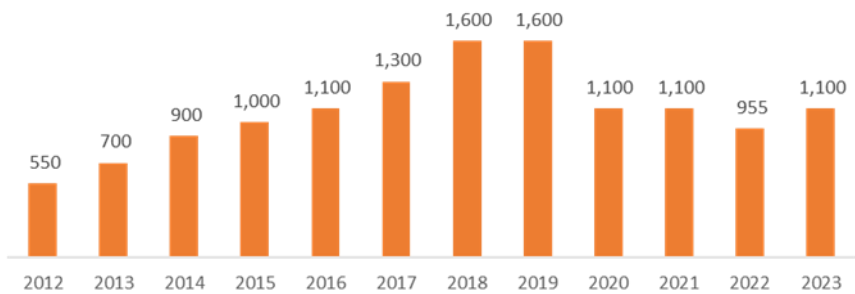
Marketing & Communication activities have become always more relevant to support the strategic activities of company’s positioning in the fragmented villas rental market. Marketing activities are also a key support for the acquiring villas process and to attract and retain new and past guests.

Marketing activities consist of:

- SEM and SEO, to ensure a better positioning of company’s website
- in-house press office, catalogue, and brochure
- advertising campaign planning also on the main national media
- commercials and television campaigns
- social media also through collaboration with artists and influencers

In 2023, the company invested ca. €1.1mn in marketing activities, of which more than half was aimed at SEM on Google Ads, to increase company’s brand awareness and the positioning of emmavillas.com website on Google and other international search engines. In 2022 emmavillas.com reported 2.1mn of unique users, with 11mn of visited pages over the entire year.

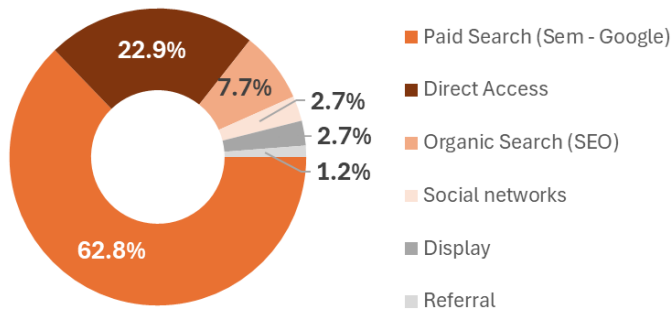
Marketing and Communications investments 2012 – 2023 (€k)



Source: Company data

The effectiveness of marketing and communications advertising could be proven by the increase in the direct accesses’ incidence (i.e. the percentage of users that access emmavillas.com website directly), from 18.1% in 2022 to 22.9% in 2023, following a better brand reputation. Moreover, the number of direct accesses increased by more than 40% with respect to 2019, vs an increase in total access of +16%.

Emmavillas.com website 2023



Source: Company data

Properties selection: the villas acquisition network

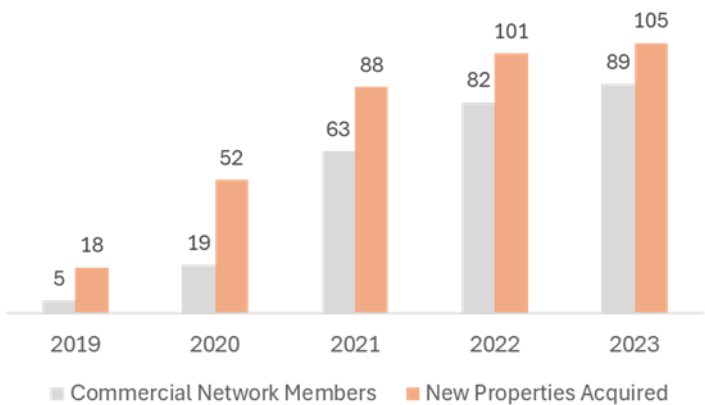
To ensure the acquisition of the best properties on the market, alongside securing a constantly updated and renewed offer to its guests, Emma Villas relies on a solid villas acquisition network widespread throughout the national area. The contacts with the owners take place through i) direct requests from the owners through the compilation of specific forms available online on the company’s website, ii) the direct activity of the commercial network and iii) meetings with the owners during the Emma Villas Tours.

As of May 2024 the structure was composed of **89 resources**, organized as follows:

- 1 General Manager
- 2 Specialist
- 4 internal salesmen
- 17 master dealer / external salesman
- 65 dealer / ambassador

The internal sales force – covering the regions with the greatest availability of villas (Tuscany, Umbria, and Lazio) – together with the external sales force and dealers – represented by local real estate agencies active in villa rental or by professionals (i.e. property managers, architects) – ensure control over the entire Italian territory. The dealers arrange, on a non-exclusive basis, the signalling of potential interesting properties. The contracts entered with them provides, depending on the case, for fixed fees and/or commissions on the turnover generated by the property subject to the signalling activity. Finally, the specialists act as intermediaries between the salesmen and the dealers.

Commercial network and properties acquired



Source: KT&Partners elaboration on company data; Note: the number of commercial network members excludes the general manager

The villas’ acquisition network, after the first contact, carries out an initial analysis of the property, providing an economic offer to the owner processed through Emma Villas’ proprietary evaluation tool. Once the contract has been signed, Emma Villas profiles the property through a photographic shooting, virtual tour videos, also preparing an exhaustive description of the relative characteristics and creating an accurate description which will then be uploaded on company’s website. To ensure a pleasant stay, in line with customer expectations, Emma Villas’ quality inspectors arrange a “pre-season quality check”, with the aim to control the compliance of the high-quality standards requested by each property, from the maintenance to the property preparation.

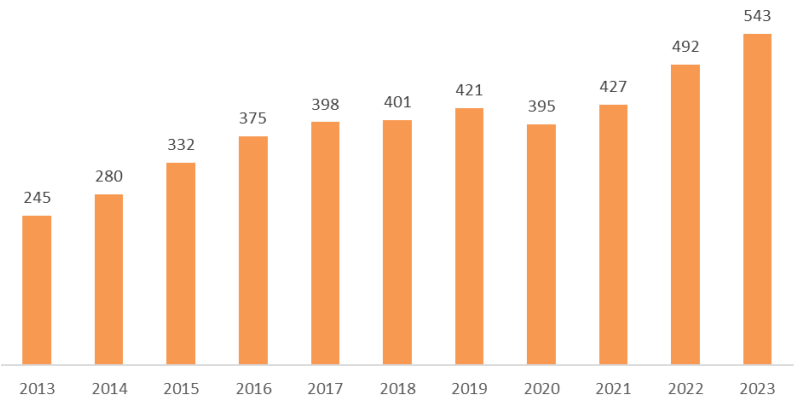
Property acquisition steps



Source: Company data

The significant reorganization process faced over the years on the commercial side, with the number of resources involved in the villas acquisition process increasing from 19 in 2020 to 83 in 2023 enabled the company to consolidate its portfolio year by year. Indeed, the consolidated network drove up the number of properties acquired and maintained within Emma Villas’ catalogue, reaching its record number of 543 villas in 2023.

Emma Villas’ portfolio evolution 2012 - 2023

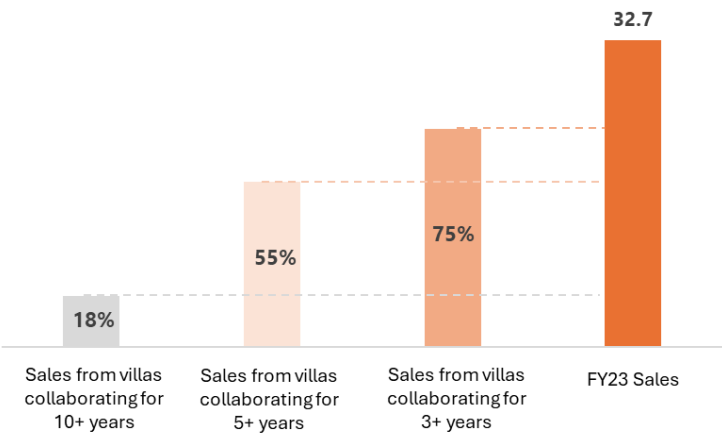


Source: Company data

Note: Number of commercialized properties, that could differ from the number of properties with whom Emma Villas signed a contract.

Emma Villas’ acquisition network is also responsible for nurturing the relationship with the owners, a delicate but fundamental moment at the same time to preserve the collaboration over the longest possible period. Leveraging on its ability to satisfy owners requests, also through tailored contracts and additional services, Emma Villas enjoys a high level of owners’ retention. Indeed, looking at FY23 sales, the 18% of sales were attributable to properties in their 10th year of more of collaboration with Emma Villas, rising to 55% and 75% if considering properties with 5 of 3 years of collaboration with the company, respectively.

Owners’ Retention (on FY23 sales, €mn,%)



Source: Company data

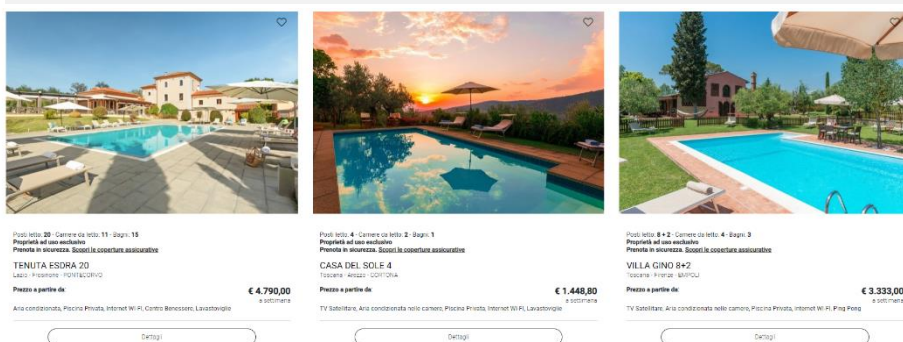
Sales Channels

The customer can book its vacation through two different sales channels: the direct and the indirect channel.

The direct channel, the main reference channel in Emma Villas' history is represented by:

- **Emma Villas' website (emmavillas.com)**, available 24/24 hours for 7/7 days. The guest can search for the most suitable property according to its personal and economic requests, as the website ensures a real-time update about availabilities and price per week. The website enables the access from any device, and offers an overview for each property, with an exhaustive description about its features, together with a photographic set and property layout, allowing the potential guests to perform a "remote" visit and to put the user in the best possible position to decide whether to proceed with the booking.

Emma Villas' website



Source: Emma Villas' website

- **Internal Booking office**, active 7/7 days for 10 hours per day, ensuring the coverage for every time zone. Leveraging on a multilingual team, and a wide know how about the villas included in the portfolio, the booking office select the most suitable property according to consumer requests, offering support from the booking phase to the day of arrival. Moreover, the office is also responsible for selling extra services and experiences to the guests once they arrive.

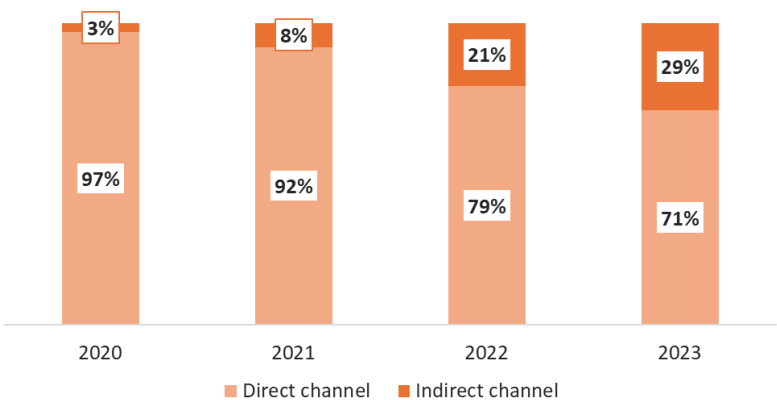
The weeks could be also sold through the indirect channel, i.e. through online travel agencies (OTA) – Airbnb, Italianway, Bookings and other niche platforms more focused on luxury villas' offer – and partnerships with local and international travel agencies, to ensure a better capillarity of its offer and an increasing brand reputation.

Online Travel Agencies



Despite the direct channel always represented Emma Villas' main sales channel, over the last years the company strengthened the indirect channel, too, signing partnership with leading online travel agencies. This enabled Emma Villas to significantly increase the bookings also in low-season periods, reducing the number of unsold weeks. In 2023 bookings via indirect channel represented the 29% of total bookings (compared to 3% in 2020). We note that bookings through indirect channels are subject to a fee to be paid to the OTAs – that in 2022 represented a ca. 14% incidence on revenues from indirect channels – usually offset by a higher average price per week.

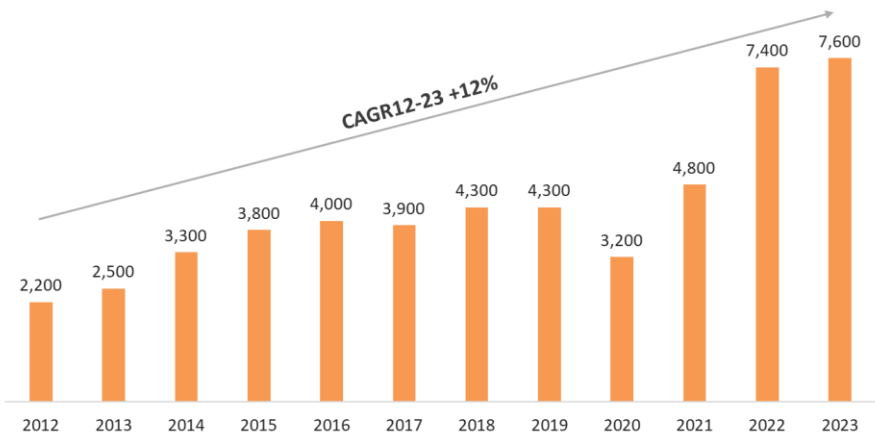
Bookings through direct and indirect channel 2020-23 (%)



Source: Company data

Emma Villas consolidated commercial network, alongside the performing sales channels selected (also benefitting from the strengthened indirect channel), enabled the company to increase the weeks booked per year from 2,200 weeks in 2012 to 7,600+ weeks in 2023. Even in 2020 – a bad year for the tourism sector penalized by the pandemic restrictions – Emma Villas showed resilience with 3,200 weeks booked, decreasing by only 25.5% with respect to an average decline of 74% of bookings worldwide.

Weeks booked 2012-2023



Source: Company data

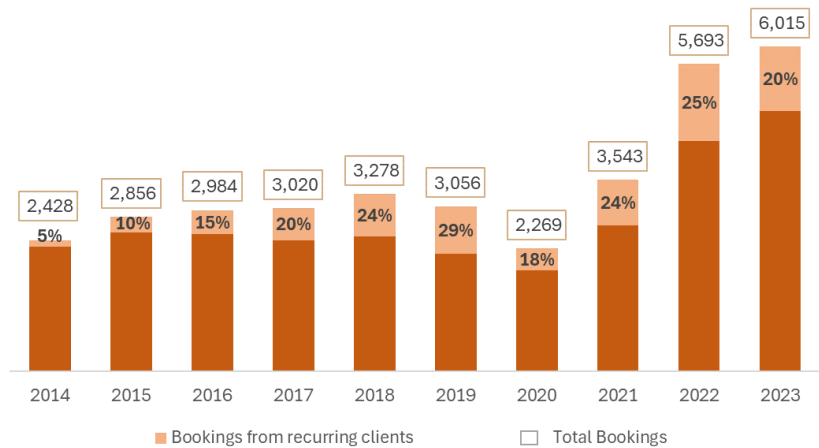
Emma Villas’ Customer base

Emma Villas enjoys a database with 150,000 contacts, of which 32,000 customers that made at least one booking and on which the company could address targeted marketing actions.

Born in 2006, the company faced many challenging times, (i.e. banking crisis, economic crisis, pandemic), being always able to preserve bookings through a trusted, diversified, high-spending customer base, representing one of Emma Villas’ key strengths.

Indeed, the company boast a sound retention rate, with a high number of “repeaters” (i.e. recurring guests who stayed in company’s villas once or more in past years), that in 2023 represented the 20% of total bookings.

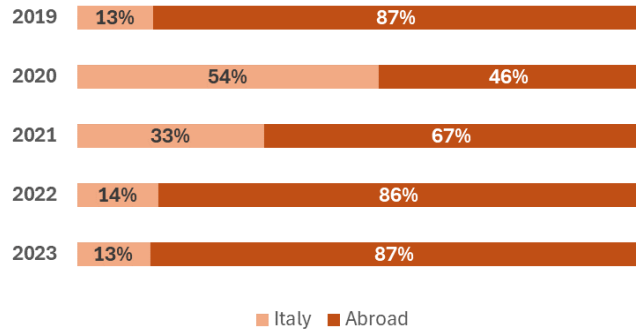
Bookings from recurring customers



Source: Company data

Emma Villas also relies on a highly diversified customer base, with the bulk of customers historically coming from abroad, but also maintaining a significant contribution from national clients. Indeed, the strong diversification of the customer portfolio, has been a key and mitigating element in the pandemic years compared to other operators focused exclusively on the foreign market, which have been more significantly affected by travel restrictions. In fact, despite the pandemic, in 2020 Emma Villas limited the contraction of bookings thanks to diversified strategies, focusing on Italian customers (which represented more than half of total guests), a segment that also represented an important target for 2021 (33% of total customers). In 2022, the incidence of foreign clients came back to pre-pandemic levels at ca. 86%. In 2023 among foreign clients, the 15% of customers came from the USA, followed by UK (14%) and Germany (12%).

Clients' geographical breakdown 2019-23 (%)



Source: Company data

Property Management and Concierge

Ordinary Management

To fully meet owners' and customers' expectations, Emma Villas offers a complete property management service through 42 **qualified property managers**. The service is offered on a selection of more than 250 villas, and includes the coordination of the dedicated resources and support for the property for the entire holiday season, which includes:

- Check-in and check-out with highly qualified personnel;
- Professional cleaning services;
- Rent and change of home linen;
- Ordinary and extraordinary maintenance (garden, pool..).

Thanks to its strong expertise in the vacation rental market, Emma Villas offers property management services through qualified and skilled resources that often collaborate with the company for a long period, always respecting elevated quality and safety standards.

Emma Villas accurately selects its partners, creating synergies with the best local services providers with the aim to offer its guests the best accommodation ever, enriched with unique and unforgettable experiences. Indeed, through the **Concierge team** – 6 resources at the client's disposal from the day after booking until the check-out phase - the guests could also benefit from the assistance for the request and reservation of exclusive services and experiences (private chef, travel kit, first grocery, local food, and wine tours, etc). Since 2021, thanks to the development of the “smart hospitality” concept, services can also be promptly booked through the proprietary App “Emma”.

Emma Villas also relies on a team of 25 **quality inspector** – supervised by 5 highly experienced senior resources – that supervises on the quality requirements and control of properties before every season begins. Moreover, the quality inspectors deal with:

- Regular property inspections since its inclusion in Emma Villas' catalogue;
- Complementary offer of free advice to further enhance the quality level of the property;
- Interventions in the villa and assistance to guests on request.

Booking holidays with Emma Villas means not only quality, but also a continuous assistance, smart hospitality to facilitate the check-in and check-out phases for both owners and guests, and insurances to protect the property by accidental damages that could be caused during the vacation, and support for the owners for extraordinary maintenance and restructuring interventions.

Insurance policies for both owners and clients

To ensure a relaxed and safety accommodation, Emma Villas offers several insurance policies to both owners and customers, to cover the properties from accidental damages, but even to ensure a better assistance for guests in case of illnesses or pandemic restrictions.



Zer0Dep

Zer0Dep is an insurance policy that protects clients against accidental damage to the property during their stay, replacing the deposit normally required at check-in. The policy is paid for at the time of booking, at a lower cost than the deposit usually required (up to €1,500 of damage per booking, with a €50 deductible for the owner). The insurance removes the difficulty of quantifying the amount of damage at check-out, which often leads to negative customer feedback.



Property Protection

Introduced in 2021, the property protection is a supplementary policy for owners included in the rental proposal, that covers larger damages accidentally caused by the customer to the

property during the holiday. The insurance covers up to a maximum of €20,000 with a €1,500 excess (already covered by Zer0Dep).

Other policies

- **Booking cancellation.** Policy included in the price that covers the customer until check-in for penalties arising from the cancellation of bookings in connection with unforeseen conditions such as objectively documentable health or work reasons, Covid-19 infections, epidemics and pandemics, terrorist attack.
- **Health insurance policy.** Optional policy covering medical assistance, medical expenses and rebooking in the event of illness occurred during the stay.

App Emma for a “smart” hospitality

Thanks to the significant investments in technology made in the past years, in 2021 Emma Villas released the app “Emma”, a unique proprietary technology for both owners and clients born with the aim to simplify the management of bookings and the offer of additional services to the stay.

The App enable the guest to:

- Check-in online, inserting documents not entered during the booking process. This speeds up check-in procedures, as the owner no longer needs to register documents;
- Make payment of tourist tax and any flat-rate costs for utilities;
- Purchase of additional services with the possibility of in-app payment.

On the other hand, the owner could benefit from:

- Calendar check and details in real time, resulting in easy management of the booking calendar;
- automated resolution of the bureaucratic fulfilments required for the rental (communication of the guests to the portal Alloggiati Web and to Istat);
- Automatic payment (through Emma Villas) of the tourist tax to the municipalities;
- Payment in advance of lump sum payments for electricity, heating or additional services such as extra cleaning already at the online check-in phase (and not at the end of the stay). We note that flat-rate payments are received under the form of expenses reimbursement, and are therefore not subject to VAT.



ReHome for extraordinary interventions

Leveraging on a network of qualified and reliable professionals, Emma Villas ReHome supports the owner in extraordinary maintenance or renovation works to the property.

The activity consists in supporting the design and realisation of renovation, energy efficiency and property improvements, with particular focus on:

- Interior design
- Architecture
- Garden & Pool

Emma Villas also offers a financial support for the realisation of the project through an advance payment to the owner on the guaranteed minimum, in return for a revision of the contract terms (i.e. extension of the terms and/or increase of the cost per week) in order to make the project economically sustainable. In this way ReHome ensures a stronger relationship with the property owners, together with a longer availability of the property to pay back the investment made, resulting in a more consolidated offer.

Example of ReHome renovation intervention



Source: Company data

Emma Villas Academy

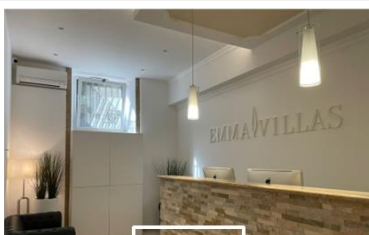
Emma Villas assigns a central value to the training, periodically investing in the professional growth of its employees and collaborators. To ensure the best quality standards of the villas included in the portfolio and of the services offered in an ever more demanding market, as well as to strengthen the professional profile of all the figures involved in the villa's management, in October 2022 Emma Villas established the "Academy".

The Academy is an ambitious project to provide additional skills in the hospitality market to new resources, but also to employees and the 100+ external collaborators, focusing on villas acquisition, quality check, booking, the services packages and administration and control fields. The project relies on a dedicated web platform (classroom + online + dedicated web sections for each team) dedicated to the training and development of key figures for the company, alongside "on the job" sessions, working alongside the Emma Villas Senior team.

The training cycles are supported by highly trained resources, i.e. 2 Senior Managers and 8 in-house tutors with more than 15 years of experience.

Considering the first two editions (2022 and 2023), the Academy trained more than 150 people, of which 65 between Master dealer and dealer, 40 property managers, 38 quality inspectors, 8 sales managers, 12 concierge, 4 marketing people and 8 in the administration field.

Emma Villas Academy seats



ROME



CHIUSI



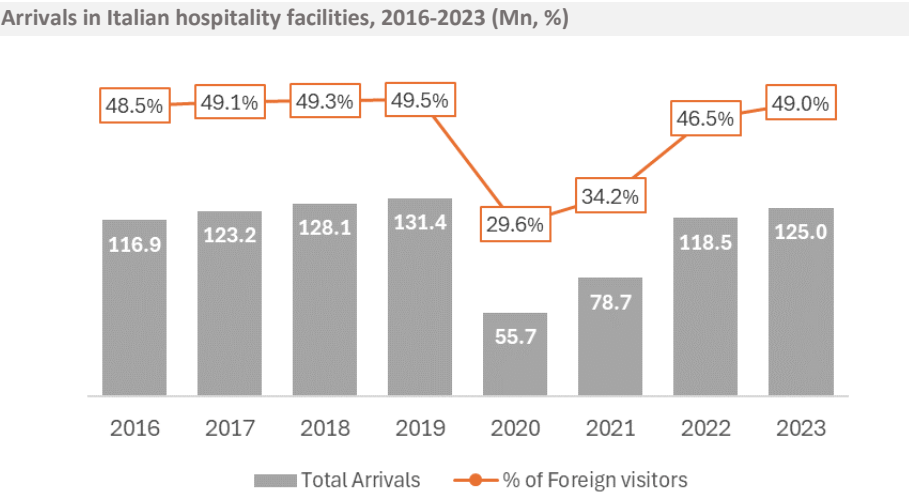
Source: Company data

Market Overview

Italy’s hospitality scenario goes beyond traditional players such as Hotels and Resorts, as more travellers seek unique solutions to experience the country's allure. Emma Villas capitalizes on this trend by offering exclusive properties – villas and premium houses – across Italy, providing authenticity and immersion in the local landscape. This market is fueled by the country's geographical diversity from the countryside to the coastal destinations, with EV leading the luxury segment of the sector.

Tourism in Italy

Italian inbound tourism experienced its peak in 2019 with the record figure of 131mn arrivals (number of overnight stays in hospitality facilities) and 437mn presences (total number of nights spent), made up for almost half of foreign tourists (49.5%), as measured by ISTAT (Istituto Nazionale di Statistica). If in the period from 2016 to 2019 the arrivals in the country grew at a +4% CAGR, the Pandemic crisis severely tested the endurance of the industry players who in 2020 had to count mainly on the domestic market and faced a -58% arrivals flow reduction. After three years of gradual recovery, in 2023 Italian tourism almost reached the pre-pandemic level, and it is expected to beat it this year. The last two years experienced a straightforward upturn of foreign visitors after the removal of travel restrictions, with 2022 already registering 118mn (+50.6% YoY) arrivals in the country's hospitality facilities, and 2023 showing the strongest comeback of foreign tourists with a quota of 49% and almost equal to the 2019’ one (61.3mn vs. 65.0mn in 2019). 2023 ended with 125mn arrivals (131.4mn in 2019); the slower growth (+5% YoY in 2023) expresses the now imminent return on track to the pre-pandemic market size, also confirmed by the 1Q24 arrivals figures at +5.3% compared to the same period in 2023.



Source: KT&Partners elaboration on ISTAT data.

The projections for 2024 are also supported by an increasing sentiment towards Italy as a tourism destination. In 2023 The UNWTO (the United Nations Tourism Organization) certified Mediterranean Europe to be among the only three world regions to fully recover from the pandemic slowdown. Moreover, Italy is the third most searched destination worldwide on Google, recording +12% search in 1Q24 compared to the same period in 2023 and led mainly by potential travellers from Germany (15.7% of total search), France (12.8%), United Kingdom (12.5%), and United States (12.1%), which is particularly relevant for Emma Villas being its foreign clients the 85% of the total, and the first three origin countries precisely UK, Germany and USA.

Breaking down by type of hospitality facilities, the non-hotel accommodations are the ones that showed more resilience, with arrivals decreasing in 2020 by -50% (versus -58% of traditional hotelier solutions). This category includes Bed&Breakfast, Short-term Villa Rentals and other non-hotel collective accommodations, offering longer permanencies than traditional hotels, and already in 2022 surpassed the pre-pandemic levels with 35.1mn arrivals (33.6mn in 2019) and 159mn presences (156mn in 2019).

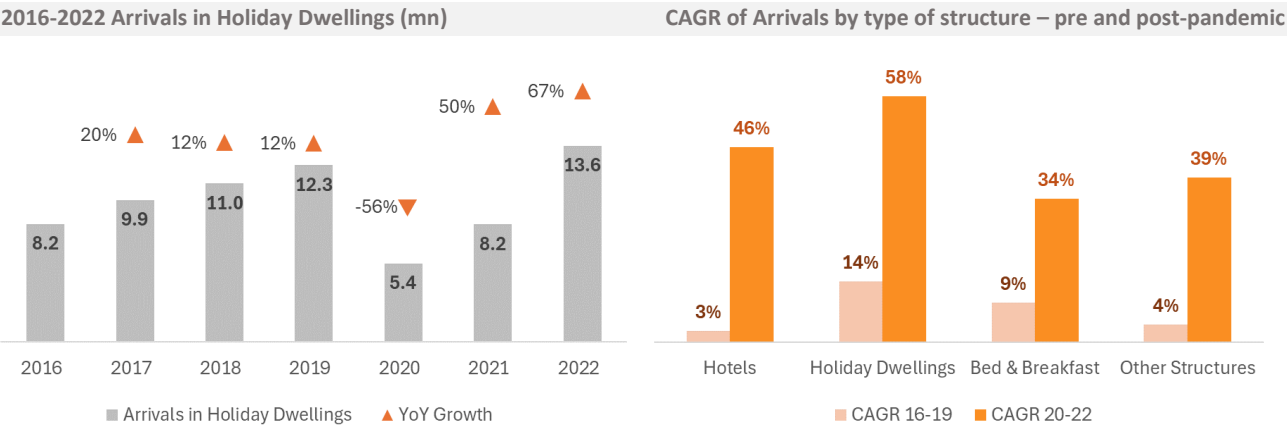
Arrivals and presences by type of Accommodation facility, 2019-23 (thousands, %)

	2019			2020			2021			2022			2023
	Hotels	Non Hotels	Overall	Hotels	Non Hotels	Overall	Hotels	Non Hotels	Overall	Hotels	Non Hotels	Overall	Overall
Arrivals (k)	97,799	33,583	131,382	39,027	16,675	55,702	54,720	23,951	78,671	83,375	35,139	118,515	125,013
Presences (k)	280,938	155,801	436,739	123,266	85,181	208,447	169,536	119,642	289,178	252,664	159,345	412,009	431,148
Avg. Permanence (Days)	2.9	4.6	3.3	3.2	5.1	3.7	3.1	5.0	3.7	3.0	4.5	3.5	3.4

Source: KT&Partners elaboration on ISTAT data

Within the Non-hotels category, holiday dwellings, which encompass entrepreneurially managed rental accommodations (including villas), is the largest category with 13.6 million arrivals in 2022, equivalent to 39% of the Non-hotels category and 12% of total 2022 arrivals. For comparison, in the same year holiday dwellings represented 53% of total hospitality facilities and 17% of the total beds places.

Over the past decade, this type of accommodation was the fastest-growing segment in the accommodation industry, with a pre-pandemic 2016-19 CAGR of 14% and a 2020-22 CAGR of 58%. This upward trend reflects the growing preference among travellers for more immersive and authentic experiences, and the rise of digital platforms and online marketplaces for vacation rentals has contributed to the popularity of this wide category of accommodation.



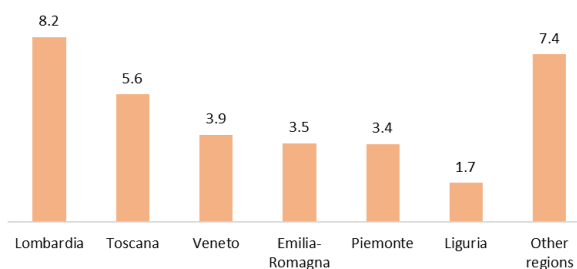
Source: KT&Partners elaboration on ISTAT data.

Villa Rental market

The Italian Observatory for the real estate market (OMI) estimated that the properties for residential use in 2021 in our country amounted to approximately 36 million. Of these, approximately 2.6 million are dwellings deemed of “higher value”, divided into: (i) 2.5mn Cottages and smaller villas (Emma Villa’s main target); (ii) 34 thousand Large Villas (usually not for rent); (iii) 33 thousand others.

In terms of geographical distribution, the region with the largest number of Villas is Lombardy (24% of the total), followed by Tuscany with 17%. Overall, the top six regions account for a concentrate approx. 77% of the total number of villas on Italian territory.

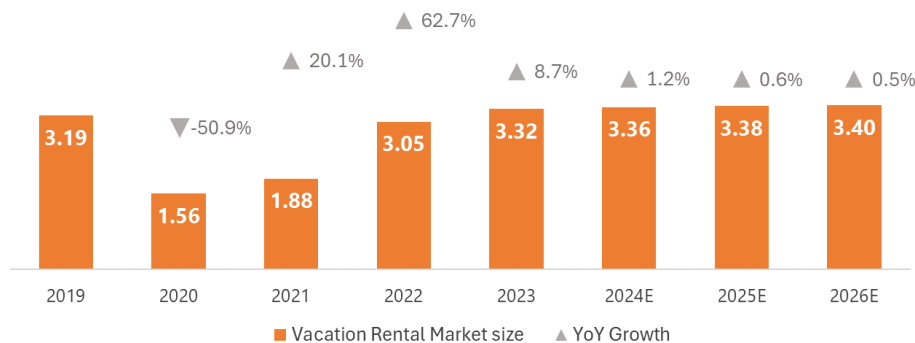
Number of Villas per region (Thousands)



Source: Osservatorio del Mercato Immobiliare (OMI).

In terms of market size, in 2023 the Vacation Rental sector in Italy recorded €3.3bn of revenues, surpassing the pre-pandemic 2019 peak level, and for the next years, the growth is expected to normalize, with the market reaching €3.4bn in 2026.

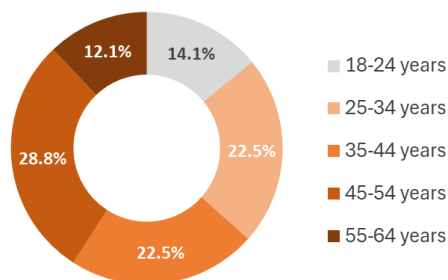
Italian Vacation Rental market size 2019-2026E (€bn, %)



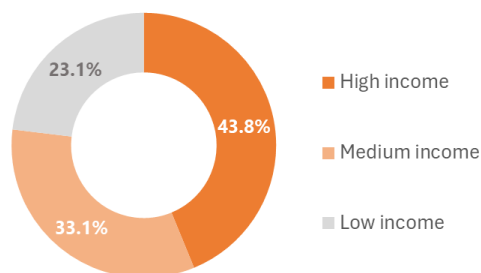
Source: Statista.

The same analysis showed that in 2021 the most active users were in the 45-54 age group (29% of the total) and about the 44% were high-income individuals.

2021 Users by Age group (%)



























2021 Users by level of income (%)



Source: Statista.

Competitive Arena

Emma Villas competes with the other players in the Italian luxury villa rentals market but highly differentiates itself being the only one that has a business model based on 100% exclusively management mandates and such a broad presence across Italian regions. Emma Villas is the #1 player in Italy for the number of exclusively managed villas.

Emma Villas main competitors (as of May 2023)					
Company Name	Brand	# of Villas in Italy	Exclusive Managed Villas	Regions	Weekly price range
Oliver's Travel		695		Campania, Emilia-Romagna, Lazio, Liguria, Lombardia, Marche, Piemonte, Puglia, Sardegna, Sicilia, Toscana, Umbria, Veneto	€433 - €120k
Easy Reserve (Tuscany Villas)		645		Toscana	€660-€81k
Airbnb Luxe		580		Campania, Lazio, Lombardia, Puglia, Sardegna, Sicilia, Toscana, Trentino, Umbria, Veneto	€3k - €56k
EmmaVillas		548	100%	Abruzzo, Calabria, Campania, Emilia Romagna, Lazio, Liguria, Lombardia, Marche, Piemonte, Puglia, Sardegna, Sicilia, Toscana, Umbria, Veneto	€1k - €12k
James Villas		526		Basilicata, Calabria, Campania, Marche, Puglia, Sardegna, Sicilia, Toscana, Umbria	€300 - €12k
To Tuscany		488		Toscana, Umbria, Lazio	€390 - €19k
Posarelli Villas		468	25%	Abruzzo, Emilia Romagna, Liguria, Marche, Puglia, Sicilia, Toscana, Umbria, Veneto	€2k - €24k
Villaway		284		Campania, Lazio, Liguria, Lombardia, Sardegna, Sicilia, Puglia, Toscana, Umbria, Veneto	€2k - €38k
Villas of Distinction		272		Campania, Lazio, Liguria, Lombardia, Puglia, Sardegna, Sicilia, Toscana, Umbria	€1k - €140k
Abercrombie & Kent Villas		254		Campania, Lazio, Lombardia, Puglia, Sardegna, Sicilia, Toscana, Umbria, Veneto	€4k - €97k
Onefinestay		227		Campania, Lazio, Lombardia, Toscana, Sicilia, Sardegna	€2k - €385k
CV Villas		220		Campania, Lazio, Lombardia, Puglia, Sardegna, Sicilia, Toscana, Umbria	€1k - €31k
Bravo Villas		208		Campania, Lazio, Liguria, Lombardia, Puglia, Sardegna, Sicilia, Toscana, Umbria, Veneto	€2k - €138k
Exceptional Villas		208		Campania, Lazio, Lombardia, Puglia, Sardegna, Sicilia, Toscana, Umbria, Veneto,	€2k - €101k
Gabetti Short Rent		207		Campania, Lazio, Liguria, Lombardia, Puglia, Sardegna, Sicilia, Toscana, Trentino Alto-Adige, Veneto	€847-€32k
Myprivate Villas		206		Campania, Lazio, Lombardia, Puglia, Sardegna, Sicilia, Toscana, Trentino Alto-Adige, Umbria, Veneto	€10k - €385k
The Thinking Traveller Ltd		153	100%	Puglia, Sicilia, Toscana	€2k - €101k
Tuscany Now & More		127	100%	Lazio, Toscana, Umbria, Veneto	n.a.
Anita Villas		124		Abruzzo, Lazio, Marche, Puglia, Sicilia, Toscana, Umbria	€490 - €7k
DH Villas		109		Campania, Emilia Romagna, Marche, Puglia, Sicilia, Toscana, Umbria	€595 - €5k
Simpson Travel		31		Puglia, Toscana, Umbria	€1k - €11k
SJ Villas		27		Campania, Lombardia, Puglia, Sardegna, Sicilia, Toscana	€2k - €84k
Scott Williams		23		Lazio, Puglia, Sardegna, Sicilia, Toscana, Umbria	€3k - €9k
IC Bellagio		14		Campania, Lombardia, Puglia, Sicilia, Toscana, Umbria	€7k - €15k

Source: Company Management elaboration

Among the competitors, only The Thinking Traveler Ltd and Tuscany Now & More built their offer only on exclusive mandates, but both have an extremely geographically concentrated offer (compared to the 15 regions where Emma Villas is present) and a smaller villa portfolio.

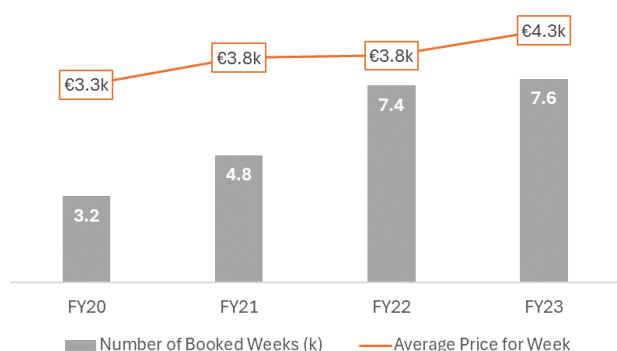
Competitive positioning



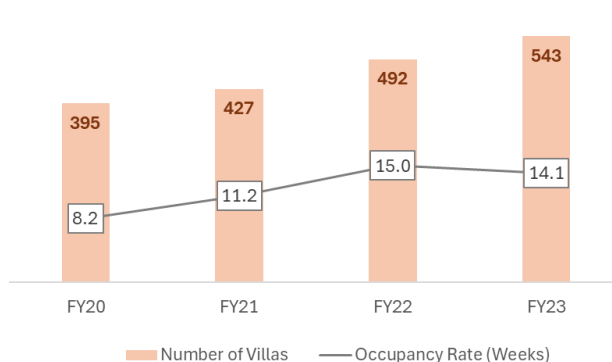
FY23 Financials Results

Emma Villas total revenues reached €32.7mn in FY23, registering a +14% YoY growth compared to €28.8mn in FY22, along with the consolidation of its positioning and a positive trend in most of its KPIs. The company increased its portfolio of managed villas throughout the year, reaching 543 properties at the end of 2023 (as of today EV manages over 630 villas) from 492 in the previous year (+10.4% YoY). Moreover, EV experienced an increase in the number of weekly reservations – reaching 7,633 weeks in 2023 from 7,390 in 2022 - and an enhanced average price for a week at €4,253 (+11% YoY from €3,831 in 2022). However, despite the increase in sales through indirect channels, which also helped to increase the weeks sold in the low season, the occupancy rate (average number of booked weeks per villa) slightly decreased to 14.1 weeks in FY23 vs 15.0 in FY22.

Total weekly reservations and average Price for the week



Number of Villas and Occupancy Rate

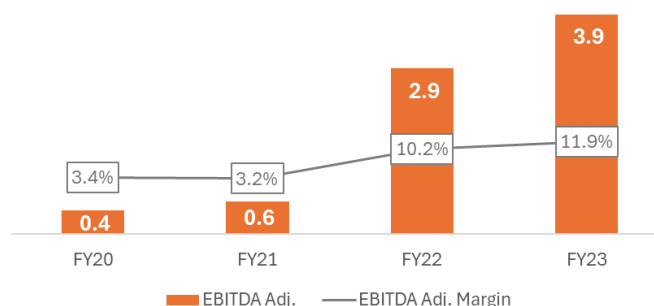


Source: KT&Partners elaboration on company data.

FY23 Adjusted EBITDA at €3.9mn (11.9% margin), a 33% increase YoY (€2.9mn in FY22 with a 10.2% margin). The lower incidence of COGS (payment to villa's owners) on revenues more than offset the increase in weight of service costs (increase in fees related to higher sales through the indirect channel and the higher costs for self-employed workers in the commercial network) and personnel expenses (intake of 6 new employees).

In 2023 EV incurred €2.0mn non-recurring expenses related to: i) the listing on the EGM (none of the expenses was capitalised), and to a minor extent due to ii) the energy reimbursement plan to villa owners (ended in 2023). Including these exceptional items, FY23 EBITDA is €1.9mn (5.8% margin), compared to FY22 EBITDA at €1.3mn (4.5% margin), which included FY22 exceptional expenses at €1.6mn, related to a loss on receivables and the energy reimbursement plan (started in 2022).

EBITDA Adjusted and Marginality (€mn, %)



Source: KT&Partners elaboration.

Following a flat amortization in FY23 compared to FY22, and positive net interest, EV printed FY23 Net Income at €0.9mn vs €0.2mn in FY22.

FY21-FY23 Income Statement

€ Million	FY21	FY22	FY23	YoY %
Sales Revenues	18.1	28.4	32.5	14.6%
Other Revenues	0.4	0.4	0.2	-57.7%
Total Revenues	18.5	28.8	32.7	13.5%
Growth %	<i>n.a.</i>	55.9%	13.5%	
COGS	(10.9)	(16.1)	(17.4)	
Gross Profit	7.6	12.8	15.4	20.4%
Gross Margin	41.2%	44.3%	46.9%	2.7%
Cost of Services	(4.9)	(7.4)	(8.6)	
Rental Costs	(0.6)	(0.3)	(0.5)	
Personnel Expenses	(0.6)	(1.2)	(1.4)	
Other Operating Expenses	(0.9)	(1.0)	(1.0)	
Exceptional Items	-	(1.6)	(2.0)	
EBITDA	0.6	1.3	1.9	47.2%
EBITDA Margin	3.2%	4.5%	5.8%	1.3%
Growth %	<i>n.a.</i>	121.7%	47.2%	
EBITDA Adjusted	0.6	2.9	3.9	32.8%
EBITDA Adj. Margin	3.2%	10.2%	11.9%	1.7%
D&A and Provisions	(0.1)	(0.6)	(0.6)	
EBIT	0.5	0.7	1.3	91.7%
EBIT margin	2.5%	2.3%	3.9%	1.6%
Growth %	<i>n.a.</i>	44.8%	91.7%	
Financial Income and Expenses	(0.0)	(0.2)	0.1	
EBT	0.4	0.5	1.3	176.9%
Taxes	(0.1)	(0.3)	(0.4)	
Tax Rate	34.0%	65.1%	28.9%	
Net Income	0.3	0.2	0.9	464.5%
Net margin	1.5%	0.6%	2.9%	2.3%
Growth %	<i>n.a.</i>	-40.3%	464.5%	

Source: KT&Partners elaboration on company data.

Capital Structure Analysis

On the balance sheet side, Emma Villas fixed assets in FY23 reduced to €7.3mn from €10.6mn in FY22, mainly following the material change of tangibles after the spin-off of the real estate branch that took place in February 2023. On the other hand, the investments made for the renovations of the HQ and the stores opening in Siena, Ortelbello and Porto Cervo, slightly increased both tangibles (furnishing) and intangibles (Software and maintenance on non-owned assets).

FY23 Working capital intensified in FY23 (-€2.4mn vs -€3.5mn in FY22), from one side benefitting from the higher level of payables, but mainly affected by the spike in receivables built by the higher share of revenues through indirect channels (where the cash-in is postponed to guests checking-in, and not at the time of booking as it happens on EV website), and by lesser extent due to the IPO proceeds that in December 2023 were still not received by the company.

Net Cash Position is made up of cash (€2.4mn in FY23 vs €2.0mn in FY22) and liquid investments (€3.4mn, broadly flat YoY), net of €1.0mn current financial debt (broadly flat YoY) and €1.6mn longer-term financial debt (€2.6mn in FY22): in FY23 it increased by c.€1.4mn to €3.2mn (from €1.8mn in FY22). The improvement was primarily due to the financial debt reduction, which was reimbursed with IPO proceeds for c.€1.0mn, more than offsetting the negative free cash flow in FY23 due to elevated capex and the above-mentioned NWC dynamics.

FY21-FY23 Balance Sheet

€ Million	FY21	FY22	FY23
Intangible	6.8	6.5	6.8
Tangible	0.0	3.8	0.2
Financial Assets	4.5	0.2	0.3
Fixed Assets	11.4	10.6	7.3
Trade receivables	0.9	0.8	2.5
Inventory	-	-	0.1
Trade Payables	(4.2)	(4.4)	(5.0)
Trade Working Capital	(3.3)	(3.5)	(2.4)
Other assets and liabilities	(0.7)	(0.9)	(0.1)
Net Working Capital	(4.0)	(4.4)	(2.6)
Other Provisions	(2.1)	(2.2)	(2.1)
Net Capital Employed	5.2	4.0	2.6
Group shareholders' equity	6.0	5.8	5.8
Total shareholders' equity	6.0	5.8	5.8
Short-term debt / Cash (-)	(4.1)	(4.5)	(4.8)
Long-term liabilities	3.4	2.6	1.6
Net Financial Position	(0.7)	(1.8)	(3.2)
Sources	5.2	4.0	2.6

Source: KT&Partners elaboration on company data.

Deconstructing Forecasts

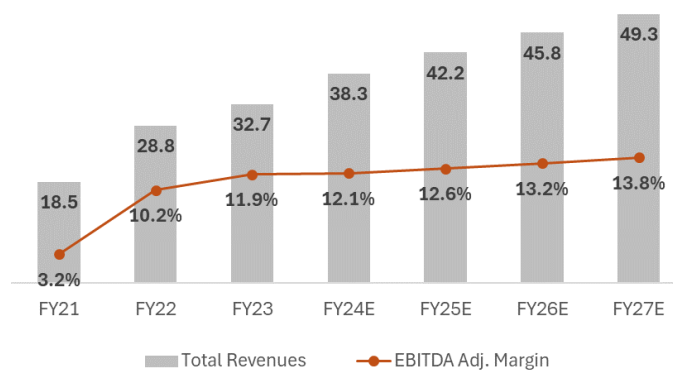
Our financial projections over the 2024E–27E period are based on Emma Villas’ business model and strategy.

The impact of future M&As has been taken into account in an ‘organic’ way, embedded in the constant growth of the number of villas under management and in the capex spending each year, in line with the company’s strategy to grow through smaller bolt-on acquisitions.

Starting from the top line, we anticipate total revenues growing at a CAGR23–27E of 10.8%, reaching €49.3mn in FY27E, from €32.7mn in FY23. The main drivers for this growth are:

- An increase in the number of managed villas, from 543 at the end of 2023, to over 750 at the end of 2027, with an 8.9% 2023–27E CAGR.
- An increase in average price per week from €4,253 in FY23 to €4,560 in FY27E (1.8% CAGR, broadly in line with the expected inflation trend)
- An occupancy rate (average number of booked weeks per villa) flat at 14 weeks for the period 2024E–27E (14.1 in FY23), assuming that the favourable trends of increasing bookings through indirect channels will be offset by new villas experiencing lower occupancy rates at the beginning of their portfolio integration.

FY21-FY27E Total Revenues and EBITDA Adj. Margin (€mn, %)

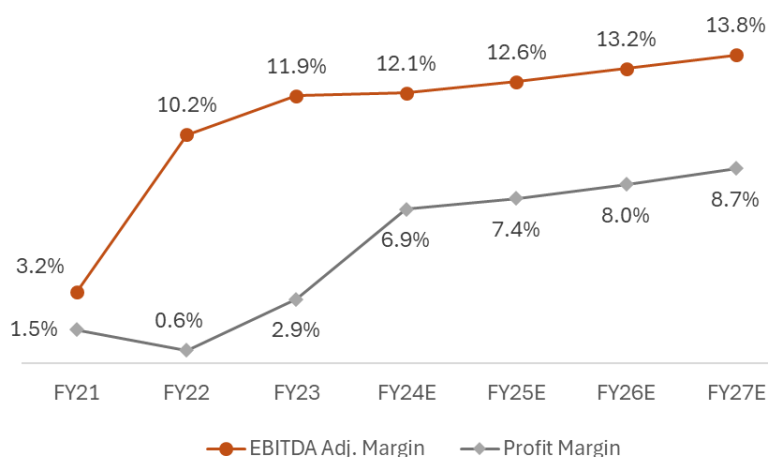


Source: KT&Partners estimates, company data

At the EBITDA level, we expect: i) most cost items’ incidence on revenue to gradually decrease, given the economies of scale achievable from the business model and overall efficiencies gain we expect from EV’s management, more than offsetting ii) an increase in Cost of Services’ weight through the years, given the trend of increasing bookings via indirect channels, which demands higher fees. All in all, we expect EBITDA to grow at a 14.8% CAGR23–27E, to €6.8mn in FY27E vs €3.9mn in FY23, with an EBITDA margin reaching 13.8% in FY27E (from 11.9% in FY23).

We model D&A at average 10% of total fixed assets (tangible and intangible); net interest expenses peaking in FY24E and then progressively reducing the impact through the years (turning net interest income by FY27E); and tax rate at 30%. All in all, we expect Net Profit to reach €4.3mn in FY27E (8.7% profit margin), from the €0.9mn printed in FY23 (2.9% profit margin).

FY21-FY27E EBITDA Adj. Margin and Profit Margin (%)



Source: KT&Partners estimates, company data.

FY23-FY27E Income Statement

€ Million	FY23	FY24E	FY25E	FY26E	FY27E
Sales Revenues	32.5	37.8	41.7	45.3	48.8
Other Revenues	0.2	0.5	0.5	0.5	0.5
Total Revenues	32.7	38.3	42.2	45.8	49.3
Growth %	13.5%	17.2%	10.0%	8.7%	7.6%
COGS	(17.4)	(20.2)	(21.9)	(23.5)	(25.1)
Gross Profit	15.4	18.2	20.3	22.3	24.2
Gross Margin	46.9%	47.4%	48.1%	48.6%	49.1%
Cost of Services	(8.6)	(9.9)	(11.1)	(12.2)	(13.2)
Rental Costs	(0.5)	(0.8)	(0.8)	(0.8)	(0.7)
Personnel Expenses	(1.4)	(1.6)	(1.8)	(1.9)	(2.1)
Other Operating Expenses	(1.0)	(1.2)	(1.3)	(1.4)	(1.4)
Exceptional Items	(2.0)	-	-	-	-
EBITDA	1.9	4.6	5.3	6.0	6.8
EBITDA Margin	5.8%	12.1%	12.6%	13.2%	13.8%
Growth %	47.2%	142.7%	14.5%	13.8%	12.6%
EBITDA Adjusted	3.9	4.6	5.3	6.0	6.8
EBITDA Adj. Margin	11.9%	12.1%	12.6%	13.2%	13.8%
D&A and Provisions	(0.6)	(0.8)	(0.8)	(0.8)	(0.8)
EBIT	1.3	3.9	4.5	5.3	6.0
EBIT margin	3.9%	10.1%	10.7%	11.5%	12.2%
Growth %	91.7%	205.5%	16.8%	16.5%	14.9%
Financial Income and Expenses	0.1	(0.1)	(0.1)	(0.0)	0.1
EBT	1.3	3.8	4.4	5.2	6.1
Taxes	(0.4)	(1.1)	(1.3)	(1.6)	(1.8)
Tax Rate	28.9%	30.0%	30.0%	30.0%	30.0%
Net Income	0.9	2.6	3.1	3.7	4.3
Net margin	2.9%	6.9%	7.3%	8.0%	8.7%
Growth %	464.5%	181.4%	17.5%	18.1%	17.1%

Source: KT&Partners estimates, company data.

As for Emma Villa's balance sheet, we forecast Trade Working Capital (TWC) to be cash-consuming in the next few years, going from €2.4mn net payables in FY23, to €1.8mn net payables in FY27, due to increasing receivables as % of revenues, given the increasing leverage of indirect channels for bookings. Over the 2024E–27E period, we estimate approximately €4.1mn of CAPEX mainly related to maintenance, investments in marketing, investments to upgrade the technological platform, and the opening and furnishing of new flagship stores.

Looking at Emma Villas's financial soundness, we expect Net Financial Position to enhance from €3.2mn net cash in FY23 to €15.4mn net cash in FY27E, due to healthy and improving Operating Cash Flows despite the higher NWC cash absorption (average 2024E-27E OFC/EBITDA >70%).

FY23-FY27E Balance Sheet

€ Million	FY23	FY24E	FY25E	FY26E	FY27E
Intangible	6.8	7.3	7.6	7.7	7.7
Tangible	0.2	0.2	0.2	0.2	0.2
Financial Assets	0.3	0.3	0.4	0.4	0.5
Fixed Assets	7.3	7.9	8.1	8.3	8.5
Trade receivables	2.5	3.4	3.7	4.1	4.4
Inventory	0.1	-	-	-	-
Trade Payables	(5.0)	(4.9)	(5.4)	(5.8)	(6.1)
Trade Working Capital	(2.4)	(1.5)	(1.6)	(1.7)	(1.8)
Other assets and liabilities	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Working Capital	(2.6)	(1.6)	(1.7)	(1.8)	(1.8)
Other Provisions	(2.1)	(2.2)	(2.3)	(2.4)	(2.5)
Net Capital Employed	2.6	4.0	4.1	4.1	4.1
Group shareholders' equity	5.8	8.4	11.5	15.2	19.5
Total shareholders' equity	5.8	8.4	11.5	15.2	19.5
Short-term debt / Cash (-)	(4.8)	(5.1)	(8.0)	(11.6)	(15.9)
Long-term liabilities	1.6	0.7	0.6	0.5	0.5
Net Financial Position	(3.2)	(4.4)	(7.4)	(11.1)	(15.4)
Sources	2.6	4.0	4.1	4.1	4.1

Source: KT&Partners elaboration on company data.

Valuation

Following the projections of EV's future financials, we carried out the valuation of the company by applying the DCF and market multiples methods:

1. EV/EBITDA and P/E multiples, which returns a value of €30.6mn or €4.40ps;
2. DCF analysis based on WACC of 13.0% and 1.5% perpetual growth, returns a value of €32.6mn or €4.68ps.

The average of the two methods yields a fair value of €4.54ps or an equity value of €31.6mn, 75% upside versus the current share price at €2.59. This implies a 2024 EV/EBITDA of 6.1x on our estimates.

Valuation Recap

	Equity Value (€mn)	Value per share (€)
EV/EBITDA	32.9	4.71
P/E	28.4	4.08
Average Multiples	30.6	4.40
DCF	32.6	4.68
Average	31.6	4.54

Source: FactSet, KT&Partners' elaboration

Peers Overview

In order to define Emma Villas's peer sample, we carried out an in-depth analysis of Italian and internationally listed companies active in the Travel and Hospitality Industry. In selecting potential peers, we consider Emma Villas's offering and revenue mix, business model, growth, and profitability profile.

For peer analysis, we built a sample of nine companies, which include:

- **Accor SA:** Listed on Euronext Paris stock exchange with a market capitalization of €10bn, Accor is engaged in the operation and investment in hotel properties and operates on the following business segments: The Hotel Services segment corresponds to AccorHotels business as a hotel manager and franchisor. The Hotel Assets segment manages the group's owned and leased hotels. The New Businesses segment offers digital services for independent hotels, private luxury home rentals, digital sales, and concierge services. In 2023 the group sales revenues amounted to €5bn;
- **eDreams ODIGEO:** Listed on Spain stock exchange with a market capitalization of €840mn, the group offers online travel services (such as flight and hotel reservations) through various brands including eDreams. In 2023 EDR-ES reached €657mn sales revenues;
- **Expedia Group, Inc.:** Listed on NASDAQ stock exchange with a market capitalization of \$13.7bn, is an online travel company offering travel products and services both for leisure and corporate travelers. Operating under various brand, the websites can be used to book airline tickets, hotel reservations, car rentals, cruise ships, and vacation packages. In 2023 the group reached \$11.9bn sales revenues;
- **Lastminute.com N.V.:** Listed on Zurich Stock Exchange with a market cap of €244mn, Lastminute is an European online travel agency that offers a wide range of travel and leisure services including flights, hotels, vacation packages and events ticket. Lastminute in 2023 reached €317mn sales revenues;

- **Hilton Worldwide Holdings Inc:** Listed on NYSE with a market capitalization of €45.6bn, Hilton is an American multinational hospitality company that operates a portfolio of hotels and resorts across the globe through different brands. In 2023 the group sales amounted to €9.5bn.
- **Marriott Vacations Worldwide Corporation:** Listed on NYSE stock exchange with a market capitalization of \$3.2bn, Marriott encompasses a diverse portfolio of businesses and distinctive brands in Hospitality – comprehensive of hotels, resorts and rental services on a global scale. The group sales in 2023 amounted to \$4.4bn;
- **Melia Hotels International, S.A.:** Listed on Spain stock exchange with a market capitalization of €1.7mn, Melia hotels International is the first Spanish Hotellier company and has a portfolio of more than 400 hotels in more than 40 countries which are operated through 10 brands. In 2023 the company reached €1.9bn sales revenues;
- **Minor Hotels Europe & Americas, S.A:** Listed on Spain stock exchange with a market capitalization of €1.9bn, Minor Hotels focuses on the operation and management of hotels and resorts in Europe and Americas with a portfolio that includes brands ranging from luxury resorts to budget-friendly hotels. The group in 2023 reached €2.0bn sales revenues;
- **Xenia Hotellerie Solutions S.P.A.:** Listed on Euronext Growth Milan stock exchange with a market capitalization of €10mn, is an Italian hospitality company operating for over 30 years in the travel and tourism industry. The core business is B2B accommodation services to crews (railway companies, airlines, cruise ecc.), complemented by hotel management under the proprietary brand PHI Hotels, with a portfolio of hotels located in Italy. In 2023 the company reached €17mn sales revenues.

Peer comparison – Sales growth 2021-2026

Company Name	Sales growth						CAGR 2023-26
	2021	2022	2023	2024	2025	2026	
Accor SA	36.0%	91.7%	19.7%	6.8%	5.5%	5.5%	5.9%
eDreams ODIGEO	271.6%	47.6%	15.0%	11.2%	11.5%	7.1%	9.9%
Expedia Group, Inc.	59.5%	52.6%	7.2%	6.4%	7.6%	6.9%	7.0%
lastminute.com N.V.	36.3%	106.4%	7.7%	11.4%	10.0%	10.0%	10.5%
Hilton Worldwide Holdings Inc	29.6%	70.5%	14.0%	9.3%	8.0%	8.6%	8.6%
Marriott Vacations Worldwide Corporation	30.0%	34.6%	-1.3%	4.7%	4.4%	n.a.	4.6%
Melia Hotels International, S.A.	56.6%	103.1%	15.0%	4.1%	3.1%	3.7%	3.6%
Minor Hotels Europe & Americas, S.A	39.2%	130.7%	18.8%	10.7%	3.6%	6.8%	7.0%
Xenia Hotellerie Solution S.P.A. Societa' Benefit	n.a.	n.a.	n.a.	47.0%	36.9%	n.a.	41.9%
Peers Median	37.8%	81.1%	14.5%	9.3%	7.6%	6.9%	7.0%
Emma Villas S.P.A.	51.3%	55.9%	13.5%	17.2%	10.0%	8.7%	11.9%

Source: Factset, KT&P's Elaboration

Peer comparison – EBITDA growth 2021-2026

Company Name	EBITDA growth						CAGR 2023-26
	2021	2022	2023	2024	2025	2026	
Accor SA	n.a.	2968.2%	48.6%	9.5%	8.9%	8.6%	9.0%
eDreams ODIGEO	n.a.	n.a.	39.8%	343.4%	23.6%	28.9%	131.9%
Expedia Group, Inc.	n.a.	104.8%	34.1%	6.5%	10.9%	8.1%	8.5%
lastminute.com N.V.	n.a.	n.a.	n.a.	33.5%	21.3%	14.5%	23.1%
Hilton Worldwide Holdings Inc	448.2%	110.6%	33.8%	9.5%	7.9%	8.2%	8.5%
Marriott Vacations Worldwide Corporation	276.5%	71.6%	-20.4%	3.0%	7.5%	n.a.	5.3%
Melia Hotels International, S.A.	n.a.	610.2%	11.6%	6.5%	3.5%	4.0%	4.7%
Minor Hotels Europe & Americas, S.A	n.a.	499.9%	13.5%	10.4%	6.4%	1.2%	6.0%
Xenia Hotellerie Solution S.P.A. Societa' Benefit	n.a.	n.a.	n.a.	48.9%	25.4%	n.a.	37.1%
Peers Median	362.4%	305.2%	33.8%	9.5%	8.9%	8.2%	8.5%
Emma Villas S.P.A.	40.6%	402.7%	32.8%	18.5%	14.5%	13.8%	15.6%

Source: Factset, KT&P's Elaboration

We conducted an analysis of peer companies, considering their average revenue and EBITDA growth, and their EBITDA and Net Margin, comparing them to Emma Villas'. EV's profitability is lower on average versus the peer's panel, which includes as well companies owning hotel real estate assets with inherently higher profitability (i.e. Accor, Hilton, Marriot Vacations, Melia Hotels, Minor Hotels). However, over the 2023-26E period, EV' sales are expected to grow at a 11.9%, ahead of the median growth of the peers in the same period (7.0%). Same goes for the EBITDA growth, with EV 2023-26E CAGR at 15.6% vs 8.5% peers' median.

Peers comparison - Profitability

Company Name	EBITDA Margin						Net Margin					
	2021	2022	2023	2024	2025	2026	2021	2022	2023	2024	2025	2026
Accor SA	1.0%	16.0%	19.8%	20.3%	21.0%	21.6%	-1.2%	7.7%	12.5%	10.9%	11.3%	11.6%
eDreams ODIGEO	-2.0%	3.9%	4.8%	19.0%	21.1%	25.4%	-16.5%	-7.4%	5.4%	7.0%	10.4%	12.0%
Expedia Group, Inc.	12.5%	16.8%	21.0%	21.0%	21.7%	21.9%	0.1%	3.0%	11.0%	11.4%	12.3%	13.0%
lastminute.com N.V.	-15.4%	-2.9%	12.5%	15.0%	16.5%	17.2%	-9.3%	-4.8%	2.2%	3.4%	5.0%	5.7%
Hilton Worldwide Holdings Inc	20.8%	25.7%	30.2%	30.2%	30.2%	30.1%	7.1%	14.3%	11.1%	14.4%	15.5%	15.4%
Marriott Vacations Worldwide Corporation	15.7%	20.0%	16.1%	15.8%	16.3%	n.a.	1.3%	8.4%	5.4%	5.8%	6.7%	n.a.
Melia Hotels International, S.A.	7.5%	26.1%	25.3%	25.9%	26.1%	26.1%	-23.3%	6.6%	6.1%	6.3%	6.7%	7.1%
Minor Hotels Europe & Americas, S.A	11.0%	28.5%	27.2%	27.2%	27.9%	26.4%	-17.9%	5.8%	4.7%	6.8%	7.7%	6.1%
Xenia Hotellerie Solution S.P.A. Societa' Benefit	n.a.	n.a.	27.1%	27.5%	25.1%	n.a.	n.a.	n.a.	8.4%	8.2%	7.2%	n.a.
Peers Median	9.2%	18.4%	21.0%	21.0%	21.7%	25.4%	-5.3%	6.2%	6.1%	7.0%	7.7%	11.6%
Emma Villas S.P.A.	3.2%	10.2%	11.9%	12.1%	12.6%	13.2%	1.5%	0.6%	2.9%	6.9%	7.4%	8.0%

Source: Factset, KT&P's Elaboration

Market Multiples Valuation

Following the comps analysis, we proceeded with the definition of market multiples for our panel, focusing on 2023-26 data.

Peer Comparison – Market Multiples 2023-2026															
Company Name	Exchange	Market Cap	EV/SALES	EV/SALES	EV/SALES	EV/SALES	EV/EBITDA	EV/EBITDA	EV/EBITDA	EV/EBITDA	P/E	P/E	P/E	P/E	
			2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	
Accor SA	Euronext Paris	9,729	2.6x	2.4x	2.3x	2.2x	13.1x	12.0x	11.0x	10.1x	17.8x	17.6x	15.6x	13.9x	
eDreams ODIGEO	Spain	906	1.7x	1.6x	1.4x	1.3x	36.2x	8.2x	6.6x	5.3x	32.3x	16.6x	9.8x	8.2x	
Expedia Group, Inc.	NASDAQ	13,900	1.2x	1.1x	1.0x	1.0x	5.6x	5.3x	4.8x	4.4x	11.7x	9.8x	7.8x	6.3x	
lastminute.com N.V.	SIX Swiss	244	0.8x	0.7x	0.7x	0.6x	6.5x	4.9x	4.0x	3.5x	31.9x	18.0x	11.1x	8.9x	
Hilton Worldwide Holdings Inc	NYSE	45,583	5.7x	5.2x	4.9x	4.5x	19.0x	17.3x	16.1x	14.8x	31.6x	27.8x	24.1x	20.9x	
Marriott Vacations Worldwide Corporation	NYSE	2,836	1.7x	1.6x	1.5x	n.a.	10.4x	10.1x	9.4x	n.a.	11.1x	11.4x	10.3x	8.6x	
Melia Hotels International, S.A.	Spain	1,774	1.7x	1.6x	1.5x	n.a.	9.0x	8.4x	8.1x	7.8x	15.0x	14.0x	12.5x	11.7x	
Minor Hotels Europe & Americas, S.A	Spain	1,863	2.0x	1.8x	1.8x	1.7x	7.4x	6.7x	6.3x	6.3x	19.4x	12.3x	10.3x	12.2x	
Xenia Hotellerie Solution S.P.A. Societa' Benefit	Milan	9	1.2x	0.8x	0.6x	n.a.	4.3x	2.9x	2.3x	n.a.	6.5x	4.5x	3.8x	n.a.	
Average peer group		4,431	2.1x	1.9x	1.7x	1.9x	12.4x	8.4x	7.6x	7.5x	19.7x	14.7x	11.7x	11.3x	
Median peer group		1,863	1.7x	1.6x	1.5x	1.5x	9.0x	8.2x	6.6x	6.3x	17.8x	14.0x	10.3x	10.3x	
Emma Villas S.P.A.	Milan	18	0.5x	0.4x	0.4x	0.3x	7.7x	3.2x	2.8x	2.4x	19.3x	6.8x	5.8x	4.9x	

Source: FactSet, KT&Partners' Elaboration

We decide to base our valuation upon i) 2024, 2025, and 2026 multiples; and ii) our estimates of EV's EBITDA and net income adjusted for 2024, 2025, and 2026. We also consider FY23A NFP, adjusted for Marche Holidays M&A. We end up with Emma Villas's equity value of €32.9mn for EV/EBITDA and of €28.4mn through the P/E method.

EV/EBITDA Multiple Valuation				P/E Multiple Valuation			
Multiple Valuation (€mn)	2024E	2025E	2026E	Multiple Valuation (€mn)	2024E	2025E	2026E
EV/EBITDA Comps	8.2x	6.6x	6.3x	P/E Comps	14.0x	10.3x	10.3x
Emma Villas S.P.A. EBITDA	4.6	5.3	6.0	Emma Villas S.P.A. Net Income	2.6	3.1	3.7
Enterprise value	37.7	35.1	37.7	Equity Value	37.0	31.9	37.6
Average Enterprise value		36.8		Average Equity Value		35.5	
Liquidity/Size Discount		20%		Liquidity/Size Discount		20%	
Enterprise Value Post-Discount		29.5		Equity Value Post-Discount		28.4	
Emma Villas FY23 Net Debt Adj.		(3.4)		Number of shares (mn)		7.0	
Emma Villas FY23 Minorities		-		Value per Share €		4.08	
Equity Value		32.9					
Number of shares (mn)		7.0					
Value per Share €		4.71					

Source: FactSet, KT&Partners' Elaboration

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 14.7% cost of equity, 5% cost of debt, and a D/E ratio of 35%. The cost of equity is a function of the risk-free rate of 3.8% (Italian 10y BTP), 4.3% equity risk premium (Damodaran – March ERP T12m) and a premium for size and liquidity of 5.2% (source: Duff&Phelps). We, therefore, obtained 13.0% WACC.

We discounted 2024E–27E annual cash flows and considered a terminal growth rate of 1.5%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation				
€ Thousands	2024E	2025E	2026E	2027E
EBIT	3,860	4,506	5,251	6,033
- Taxes on EBIT	(965)	(1,126)	(1,313)	(1,508)
Tax rate (%)	25%	25%	25%	25%
NOPAT	2,895	3,379	3,938	4,525
+ Provisions	100	100	100	100
+ D&A	767	790	775	750
+ Other Value adjustments	-	-	-	-
Net operating cash flow	3,762	4,269	4,813	5,375
-/+ Change in working capital	(908)	65	66	50
- CAPEX	(1,170)	(1,070)	(970)	(870)
Free Cash Flow	1,684	3,264	3,909	4,555
Growth rate (g)	1.5%			
WACC	13.0%			
FCF discounted	1,569	2,692	2,852	2,941
Discounted Cumulated FCFO	10,055			
Terminal Value	40,192			
Discounted TV	25,953			
Enterprise Value	36,007			
NFP FY23A adjusted	(3,402)			
Minorities FY23A	-			
Equity Value	32,605			
# shares (thousands)	6,970			
Value per share (€)	4.68			

Source: Company data, KT&Partners’ elaboration

Sensitivity Analysis						
€ Millions	WACC					
Terminal growth Rate		13.5%	13.3%	13.0%	12.8%	12.5%
	1.0%	29.9	30.7	31.4	32.2	33.0
	1.3%	30.5	31.2	32.0	32.8	33.7
	1.5%	31.0	31.8	32.6	33.5	34.3
	1.8%	31.6	32.4	33.3	34.1	35.0
	2.0%	32.2	33.1	33.9	34.8	35.8

Source: Company data, KT&Partners’ elaboration

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- ADD - FOR A FAIR VALUE > 15% ON CURRENT PRICE
- HOLD - FOR A FAIR VALUE <15% o >-15% ON CURRENT PRICE
- REDUCE - FOR A FAIR VALUE < -15% ON CURRENT PRICE



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