Equity Valuation

NewPrinces Group S.p.A.

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Abstract

Title: Equity Valuation – NewPrinces Group S.p.A.

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This thesis presents an equity valuation of NewPrinces S.p.A., a rapidly growing European multi category food company formed through the integration of Newlat and the Princes Group. The objective is to estimate the intrinsic value of the company as of September 30th 2025 and assess the attractiveness of investment. The analysis combines a fundamental approach based on a DCF model with a complementary relative valuation using EV/EBITDA, EV/EBIT, and EV/Sales multiples.

The study incorporates a full forecast of the Income Statement, Balance Sheet and Cash Flow Statement for 2025 to 2030, explicitly modelling integration effects, working capital dynamics and capital structure evolution. The WACC is estimated using market based inputs, a revenue weighted equity risk premium and company specific capital structure. Results indicate a DCF derived fair value of €31.36 per share, implying a potential upside of 36.05% relative to market price on the valuation date. In contrast, the blended multiples valuation yields €13.51 per share, reflecting the company's below peer profitability and near-term integration risk.

Taken together, the evidence points to a meaningful, long term value potential, with the DCF capturing this move more effectively than multiples. The final recommendation is BUY.

Keywords: Valuation, DCF, Relative Valuation, WACC, Food Industry, NewPrinces, Equity Research.

Resumo

Título: Equity Valuation – NewPrinces Group S.p.A.

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Esta dissertação realiza uma avaliação de capital próprio da NewPrinces Group S.p.A., um grupo alimentar europeu em rápida expansão formado pela integração da Newlat com a Princes Group. O objetivo é estimar o valor intrínseco da empresa à data de 30 de setembro de 2025 e avaliar a sua atratividade enquanto investimento. A análise combina um modelo de DCF com um avaliação relativa baseada nos múltiplos forward EV/EBITDA, EV/EBIT e EV/Sales.

O estudo inclui a projeção integral da Demonstração de Resultados, Balanço e Fluxos de Caixa para o período de 2025 a 2030, projetando de forma explícita os efeitos da integração, a evolução do fundo de maneio e a estrutura de capital. O WACC é estimado com base em dados de mercado, com um prémio de risco acionista ponderado pelas receitas e na estrutura de capital observada para a empresa. Os resultados indicam um justo valor de €31.36 por meio do método DCF, representando um potencial de valorização de 36.05% face ao preço de mercado na data da avaliação. Em contraste, a avaliação relativa aponta para €13.51 por ação, refletindo uma rentabilidade inferior à dos pares e riscos de integração no curto prazo.

Em conjunto, os dados mostram que existe potencial de criação de valor a longo prazo, com a DCF a capturar melhor esta movimentação do que os múltiplos. A recomendação final é BUY

Palavras Chave: Avaliação, DCF, Múltiplos, WACC, Indústria Alimentar, NewPrinces, Equity Research.

Executive Summary

Cooking Synergies: Long-Term Upside Remains

NewPrinces continues to scale rapidly following the successive acquisitions, which expanded revenues to €1.64 billion. The enlarged group now operates across dairy, pasta sauces, bakery and beverages in Europe. Despite the strong scale profitability remains compressed versus peers, reflecting integration costs and inherited challenges.

Revenues are expected to stabilize near €2.9 billion by 2026 as the group completes integration. Near-term margins will stay below peer levels until efficiency gains materialize. Leverage remains high with net debt projected at €702 million in 2026, making cash-flow management critical. Long term prospects are positive, but short term risks tied to execution and margin normalization are still on the table

The DCF valuation indicates a target price of €31.36 for 30th September 2025, implying a 36.05% upside from the €23.05 share price. However, the FY26E blended multiples valuation yields a much lower €13.51 price, reflecting the current profitability gap versus peers. Balancing long-term fundamentals with transitional risks, the recommended stance Is BUY.

RECOMMENDATION:

BUY

September 30th, 2025

PRICE:

EUR € 23.05

TARGET PRICE:

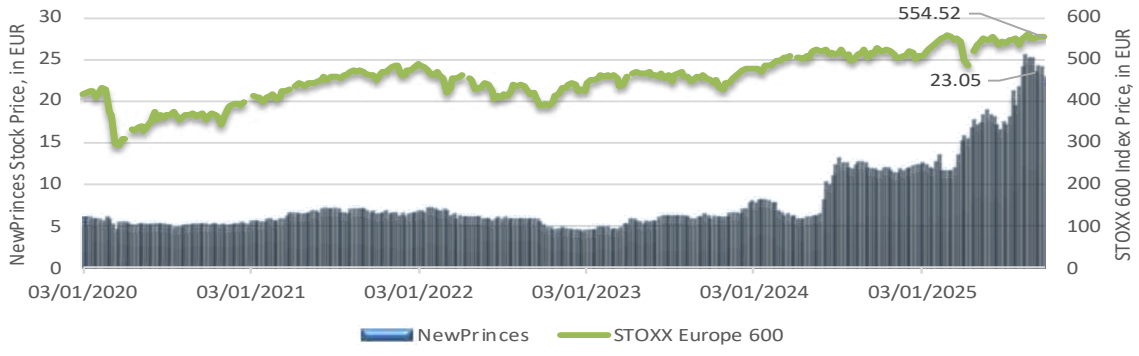
EUR € 31.36

PERFORMANCE

Financials	2025E	2026E	2027E
Revenues Growth %	*69.9%*	*4.5%*	*2.4%*
EBITDA	**145.5**	**188.1**	**196.2**
EBITDA Margin %	*5.2%*	*6.5%*	*6.6%*
Net Income (Loss)	**(11.9)**	**19.7**	**43.4**
Net Income (Loss) %	*-0.3%*	*0.6%*	*0.9%*

DCF	
Enterprise Value (€ million)	1,804.84
Financial Debt (€ million)	1,164.72
WACC	5.1438%
g	1.30%
Equity Value (€ million)	1,377.82
Shares Outstanding(€ million)	43.935
Shares Price (€)	31.36

Multiples	2025E	2026E	2027E
EV/EBITDA	8.7x	5.5x	9.2x
EV/EBIT	32.6x	14.3x	22.4x
EV/Sales	0.5x	0.4x	0.4x



List of Abbreviations

APV – Adjusted Present Value

BCG – Boston Consulting Group

CapEx – Capital Expenditures

CFO – Cash Flow from Operations

COGS – Cost of Goods Sold

D – Debt

E - Equity

DCF – Discounted Cash Flows

D&A – Depreciation and Amortization

DIO – Days Inventory Outstanding

DPO – Days Payables Outstanding

DSO – Days Sales Outstanding

EBIT – Earnings Before Interest and Taxes

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization

EBT – Earnings Before Taxes

EPS – Earnings per Share

ERP – Equity Risk Premium

ESG – Environmental, Social and Governance

EUR/€ - Euro

EV – Enterprise Value

EVA – Economic Value Added

FAO – Food and Agriculture Organization of the United Nations

FCFF – Free Cash Flow to the Firm

FMCG – Fast Moving Consumer Goods

FY – Fiscal Year

GDP – Gross Domestic Product

HICP – Harmonized Index of Consumer Prices

IFRS – International Financial Accounting Standards

IMF – International Monetary Fund

IRAP – Imposta Regionale sulle Attività Produttive (Italian regional tax)

IRES – Imposta sul Reddito delle Società (Italian corporate tax)

KPIs – Key Performance Indicators

M&A – Mergers and Acquisitions

NOPAT – Net operating profit after taxes

NWC – Net Working Capital

OECD – Organization for Economic Co-operation and Development

OPEX – Operating Expenses

PPE / PP&E – Property, Plant and Equipment

RI – Residual Income

ROA – Return on Assets

ROE – Return on Equity

SOTP – Sum-of-the-Parts

TV – Terminal Value

UK – United Kingdom

US – United States

WACC – Weighted Average Cost of Capital

YTD – Year to Date

YTM – Yield to Maturity

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1. Contents

2. Introduction

The purpose of this dissertation is to estimate the intrinsic value of NewPrinces Group (formerly Newlat Foods) at 30th Septmeber of 2025 and derive an investment recommendation based on its forecasted equity value. NewPrinces is an Italian fast-moving consumer goods (FMCG) company operating across dairy, bakery, special products and, more recently, branded beverages following the acquisition of Diageo Operations Italy. The group has undergone a profound transformation since 2021, driven by a sequence of acquisitions and strategic repositioning efforts that aim to consolidate its presence in the European food manufacturing landscape.

From a professional standpoint, the motivation to analyze NewPrinces arises from my role at Lusitania Vida, a Portuguese life insurance company. In 2024, the firm acquired one of NewLat Foods outstanding bonds, I was assigned to assess the issuer's creditworthiness and long-term sustainability. This need to form an independent view on a non-rated, acquisition intensive issuer provided a strong practical foundation for developing an academic analytical challenge.

Academically, NewPrinces presents an appealing case study due to its atypical trajectory, its rapid expansion through M&A and sector exposure. These characteristics make the firm particularly suited for a rigorous valuation exercise, where forecasting, cost of capital estimation and relative valuation require careful justification.

3. 2. Literature Review

4. 2.1. Introduction

In this literature review, I will be outlining the main valuation methodologies found in academic literature and real-world valuation exercises. I will be exploring their assumptions, advantages and disadvantages. The goal isn't to decide which model is the very best, but to understand each of them, their logic and how they arrive at a company's value.

Valuation isn't only about numbers, at its core, it is also about the background and story of the companies. It takes into account the strategy, risks, geography and the qualitative aspects and turns them into a quantitative estimate of value. This "translation" is fundamental as it provides a snapshot of the company's value and gives analysts and decision-makers the ground needed to make sound financial decisions. Although the various models and assumptions seem based upon formulas and equations, their effectiveness also depends on adaptability and financial judgement. "Valuation is not about precision, but consistency and reasoning" (Damodaran, 2012).

5. 2.2. Discounted Cash Flow Valuation (DCF)

If equity valuation had a backbone, DCF model would be it. Based on the assumption that the value of all assets is the present value of its expected future cash flows. The DCF model is consistent and logical as "its appeal lies in its direct tie to a company's operations and fundamentals" (Damodaran, 2012).

The version which is most widely used is based on the Free Cash Flow to the Firm (FCFF) where it states:

$$(1)\ EV = \sum_{t=1}^{n} \frac{FCFF_t}{(1+WACC)^t} + \frac{TV}{(1+WACC)^n}$$

Where:

$FCFF_t = Free\ Cash\ Flow\ to\ the\ Firm\ in\ year\ t$

$WACC = Weighted\ Average\ Cost\ of\ Capital$

$TV = Terminal\ Value$

The discount rate, Weighted Average Cost of Capital (WACC), reflects the cost of capital from both equity and debt holders. If hybrid instruments are present, for example, convertible bonds or preferred stock, a third component should be included in the capital structure (Damodaran, 2012).

The Enterprise Value (EV) calculated with the DCF method consists of two components, the present value of the forecasted Free Cash Flow to Firm (FCFF) and the firm's value beyond that horizon into perpetuity. In practical terms, the FCFF captures the short to medium term operations and value while the Terminal Value (TV) is often most used to determine total firm value, especially for firms who have already grown substantially and are now in stable growth position. The computations for each of these components are as follows:

$$(2)\ FCFF = EBIT(1 - T) + Depreciation - Capex - \Delta NWC$$

Where:

$EBIT = Earnings\ Before\ Interest\ and\ Taxes$

$T = Effective\ corporate\ tax\ rate$

$Depreciation\ and\ Amortization = Non - cash\ charges\ added\ back\ to\ EBIT$

$CapEx = Capital\ Expenditures$

$\Delta NWC = Changes\ in\ Net\ Working\ Capital$

And also:

$$(3)\ TV = \frac{FCFF_{n+1}}{WACC - g}$$

Where:

$FCFF_{n+1} = Free\ Cash\ Flow\ to\ the\ FIrm\ after\ last\ forecasted\ year$
$WACC = Weighted\ Average\ Cost\ of\ Capital$
$g = Perpetual\ (terminal)\ growth\ rate$

We do, however, arrive at a very important and delicate topic, the choice of terminal growth rate (g). As already mentioned and warned in professional and academic settings, assuming a terminal growth rate that exceeds long-term economic or industry growth rates can artificially inflate valuation numbers and becomes unrealistic, as if considered undefinedly, the company will, in the future, take over the whole industry and/or the whole world economy. This variable choice demands careful consideration and thoughtful justification (Koller, Goedhart, and Wessels, 2020).

While DCF can also be calculated using Free Cash Flow to Equity (FCFE), which only reflects cash flows to shareholders, this approach is more sensitive to changes in leverage and is harder to implement consistently. For this reason, Free Cash Flow to the Firm (FCFF) is generally better and more applicable.

Brealey, Myers and Allen (2008) also caution that DCF heavily relies on the quality of the forecasting and assumptions and tends to not be reliable in high uncertainty environments or when company fundamentals are volatile. They, however, note that, when used carefully, DCF presents the most direct link between firm value and financial performance.

6. 2.3. Adjusted Present Value (APV)

The APV is a variant of the Discounted Cashflow (DCF) model which was introduced by Myers (1974) that separates the operating value of a firm from the effects of financing. Instead of blending tax shields into the discount rate, as WACC does, the APV model values them separately:

$$(4)\ APV = V_{unlevered} + PV(Tax\ Shield)$$

Where:

$V_{unlevered} = Value\ of\ the\ firm\ assuming\ no\ debt$
$PV(Tax\ Shield) = Present\ Value\ of\ interest\ tax\ shields\ (T_c \times k_d \times D)$
$T_c = Corporate\ tax\ rate$
$k_d = Cost\ of\ debt$
$D = Value\ of\ debt$

This model offers clarity and flexibility, mainly in leveraged buyouts or transitional capital structures. The unlevered firm value is discounted at the cost of equity as if the firm was fully financed by equity, while the tax-shield on the debt is discounted at the cost of debt (Myers, 1974).

Unlike WACC based DCF models, APV avoids embedding debt assumptions in the discount rate, which enhances transparency when leverage is changing. As Damodaran (2012) notes, APV offers a clearer view of what is driving value, especially leveraged transactions or restructuring deals.

Fernandez (2007) makes a case that the Adjusted Present Value (APV) is underutilized in professional practice despite being theoretically superior in cases where companies have variable capital structure. He states that analysts often default to WACC out of habit instead of considering using APV.

The APV is useful in settings where debt levels change over time, enabling a better understanding of added value of debt in the capital structure of companies and how value is also created from financing decisions.

7. 2.4. Relative Valuation or Multiples Valuation

Market Multiples, or relative valuation, is without question, one of the most used methods in the field of equity valuation. But it is also the most misused method. At its best, it provides a quick and intuitive market-grounded view of valuation, but at its worst, it can reflect herd behavior and ignore specific details about company fundamentals.

This approach compares valuation ratios like EV/EBITDA, EV/EBIT, P/E, or EV/Sales across a peer group of similar firms:

$$(5)\ Enterprise\ Value\ (EV) = Peer\ Multiple \times Company\ Metric$$

$$(6)\ Equity\ Value = EV - Net\ Debt$$

Yet the key lies on what “peer group” means. As Damodaran (2012) notes, a good peer group is not just about industry, it should reflect companies with similar size, risk, growth and margins. There is, however, a common mistake made in using the relative valuation method. Analysts often use database averages without adjusting for important business differences. This,

combined with the usage of historical multiples instead of forward-looking ones, can lead to skewed or biased valuations not correctly reflecting the true value of the firm.

Additionally, forward-looking multiples are preferred as trailing data might distort comparisons due to seasonality, economic shocks or non-recurring items.

Liu, Nissim, and Thomas (2002) performed a comprehensive and detailed empirical study that found that forecasted earnings-based multiples outperform historical metrics in valuation accuracy, especially forward Price to Earnings (P/E) multiples. These findings underline the importance of forward-looking data instead of historical data in relative valuation.

8. 2.5. Residual Income and Economic Value Added (EVA)

The Residual Income and Economic Value models assess if a firm is generating returns above its cost of capital. The logical being the model ties to value only being created when net income exceeds the capital charge on equity. The model is usually represented by:

$$(7)\ RI_t = Net\ Income_t - (Equity_{t-1} \times k_e)$$

$$(8)\ Equity\ Value = Book\ Value + \sum_{t=1}^{n} \frac{RI_t}{(1+k_e)^t}$$

Where:

$Net\ Income_t = Net\ income\ in\ year\ t$
$Equity_{t-1} = Book\ value\ of\ equity\ at\ end\ of\ prior\ year$
$k_e = Cost\ of\ Equity$
$RI_t = Excess\ return\ over\ cost\ of\ equity$

This model is useful when cash flows are volatile or difficult to estimate directly, as it provides a complementary lens to DCF, based in accounting instead of cash flows. As such it closely aligns with the EVA framework, which is a corporate adaptation of Residual Income that uses economic profit rather than net income, although it often requires extensive adjustments, it provides operational clarity on the analysis.

Ohlson (1995) provided formal theoretical foundation for the residual income model by linking market value to surplus in accounting. This model has since then become a benchmark in linking book value, abnormal earnings and firm valuation.

9. 2.6. Real Options Valuation (ROV)

Real Options Valuation (ROV) introduces some flexibility into valuation models by explicitly recognizing that managers can revise financial decisions as soon as new information becomes available. Unlike DCF model, which assumes static decision-making, ROV captures the strategic optionality.

Common options include deferring investments, expanding the company's capacity or abandoning segments that are not profitable. These options can be modeled using decision trees or option pricing frameworks like binomial trees or the Black-Scholes formula:

$$(9)\ C = S_0 N(d_1) - Xe^{-rt} N(d_2)$$

Where:

$S_0 = Present\ value\ of\ expected\ cash\ flows$
$X = Investment\ cost$
$r = Risk - free\ rate$
$t = Time\ to\ maturity$
$N(d) = Cumulative\ standard\ normal\ distribution$

Trigeorgis (1996) makes a statement for real options capturing manager's flexibility under uncertainty and therefore extending the value threshold of traditional valuation methods. Even considering that ROV is mathematically more demanding, the strategic insights achieved make it an invaluable complement when uncertainty is material.

Amram and Kulatilaka (1999) note that ROV is especially relevant in industries which are characterized by high volatility and irreversible investment decisions, such as pharmaceuticals, natural resources or technology.

10.2.7. Sum-of-the-Parts (SOTP)

SOTP valuation is a breakdown approach that values each business unit separately and that is specifically useful when different segments differ materially in growth, margin or risk.

$$(10)\ Total\ Value = \sum Segment_i - Holding\ Discount$$

This model is best for conglomerates or firms with different lines of products. It is, however, hard to get access to segment level data which isn't readily available. If there is no

data available, fabricating segment assumptions leads to undermining the credibility of the analysis.

Koller et al. (2020) emphasize that SOTP should only be applied conservatively unless segment specific data is readily available and data disclosure is robust. When segment specific data exists, it is recommended that the analyst uses a blended valuation to preserve analytical integrity.

11.2.8. Asset-Based Valuation

On Asset based valuation we determine the firm's value by adding the market value of assets and subtracting liabilities:

$$(11)\quad Equity\ Value = Market\ Value\ of\ Assets - Liabilities$$

This type of valuation is rare for going concerns, but it is useful in liquidation, distress or asset-heavy industries. All market values used should be observable and verifiable, for instance, land should be priced using per square meter market rates and pension surpluses or deficits should be noted and considered cash deficit or cash surplus directly but should not be modeled individually or independently.

White, Sondhi and Fried (2003) suggest that this method can also be used for valuing firms with significant non-operating assets. However, they caution that it can fail to capture intangible value and should be treated as a baseline valuation.

12.2.9. Equity Risk Premium and Beta

Equity Risk Premium (ERP) has a central role on the estimation of the cost of equity through the Capital Asset Pricing Model (CAPM). It captures the excess return that investors require to hold equities instead of risk-free assets, compensating for systematic market risk. Usually, ERP is estimated using historical averages, but contemporary literature emphasizes the need for a forward-looking approach, especially in the context of low or negative real interest rates (Damodaran 2012; Fernandez 2007a).

The CAPM formula is expressed as:

$$(12)\ Ke = R_f + \beta \times (R_m - R_f)$$

Where:

$$k_e = Cost\ of\ Equity$$
$$R_f = Risk\text{-}free\ rate$$
$$\beta = Systematic\ risk\ of\ the\ firm's\ equity$$
$$R_m - R_f = Equity\ Risk\ Premium$$

The Beta measures the sensitivity of a firm's equity returns to movements in the market. If the company's stock has low volume or was recently listed, its beta may not be reliable. In these cases, it is preferred to use an industry-average unlevered beta, which can then be relevered using the firm's capital structure:

$$(13)\ \beta_L = \beta_U \times \left(1 + (1 - T) \times \frac{D}{E}\right)$$

Where:

$$\beta_L = Levered\ beta$$
$$\beta_U = Unlevered\ beta$$
$$T = Corporate\ Tax\ Rate$$
$$D = Debt$$
$$E = Equity$$

A good ERP range for the current macroeconomic conditions sits between 3% and 6%, depending on the country and market volatility (Damodaran 2023). Beta estimates and equity risk premium should line up with investor expectations and adjusted to reflect any structural changes in global capital markets (Koller, Goedhart, and Wessels 2020; Brealey, Myers, and Allen 2008

13.2.10. Conclusion

Each type of model brings its own theory into equity valuation. DCF is based on fundamental cash flow generation. APV splits financing from operations. Multiples reveal market expectations. Residual Income lines up valuation with accounting and Real Options acknowledges uncertainty along with strategic decisions.

Strong and accurate valuation is not about finding the perfect model but instead selecting the most appropriate one for the company in analysis, combining different tools, inputs and questions to generate a coherent and factual narrative behind the numbers we reach. For this reason, the valuation of NewPrinces Group will rely on a DCF model using Free Cash Flow to the Firm, as it provides a consistent approach while being able to deal with changes in capital structure (Damodaran 2012; Koller, Goedhart, and Wessels 2020). Given that the company operates across multiple sectors and has been engaged in several acquisitions, the DCF approach will provide a clear link between financial performance, reinvestment needs and long-term value creation.

The Terminal Value will be estimated using the Gordon Growth Model, with particular attention to the long-term growth rate (g), in accordance with the best practices highlighted in both academic literature and professional valuation methods (Fernández 2007b; Brealey, Myers and Allen 2008).

To complement the intrinsic valuation, a Relative Valuation using multiples will also be applied. Market metrics and ratios like EV/EBITDA, EV/EBIT and EV/Sales which are commonly used in the food sector will provide an adequate comparison with peers of similar size and business model (Liu, Nissim, and Thomas 2002; Olson 2000).

SOTP valuation will not be considered, as the lack of granular, sector specific data could present results which are flawed from the beginning. This lack of data would instead turn into a consolidated approach. Other methods like Adjusted Present Value and Real Options Valuation, while academically relevant, will not be adopted as core frameworks for the valuation on this thesis. APV being more appropriate in context of significant leverage shifts or financial restructuring and ROV requiring a level of strategic optionality and volatility not supported by available data.

14.3. Macroeconomic and Industry Oveview

15.3.1 Macroeconomic Outlook

The macroeconomic environment in 2024-2025 has been characterized by a gradual normalization following the energy and inflation shocks of the economy of 2022 and 2023. Across developed countries, there have been signs of disinflation taking hold as commodity prices retreat. Monetary conditions remain restrictive but stable. As Figure 1 illustrates, the European Central Bank's September 2025 projections are pointing to euro-area inflation 2.1% in 2025, converging to the 2.0% target, supported by easing supply bottleneck and slower wage momentum.

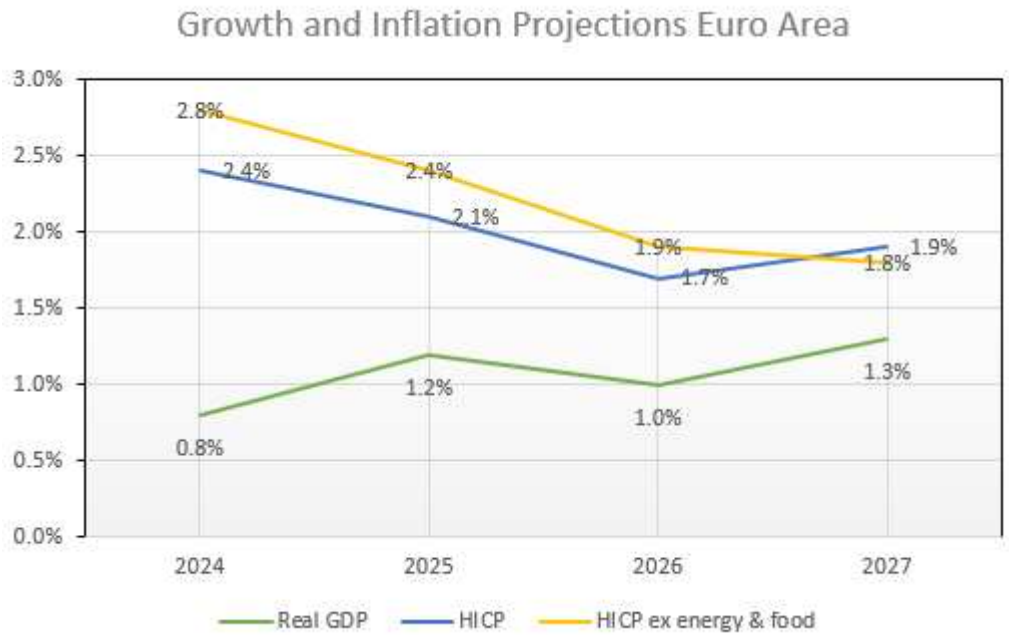

Figure 1 - Growth and Inflation Projections for the Euro Area. Source: European Central Bank (2025)

Real Gross Domestic Product (GDP) growth in the euro area is projected at 1.2% in 2025 and 1.0% in 2026, according to the Organization for Economic Co-operation and Development (OECD) Interim Economic Outlook, as can be seen in Figure 2, reflecting subdued, but positive momentum as domestic demand recovers and external trade stabilizes. The United Kingdom economy follows a similar path, with GDP growth expected at 1.4% in 2025, sustained by moderating inflation and resilient employment number. Across major trading partners, global growth is forecast to remain uneven.

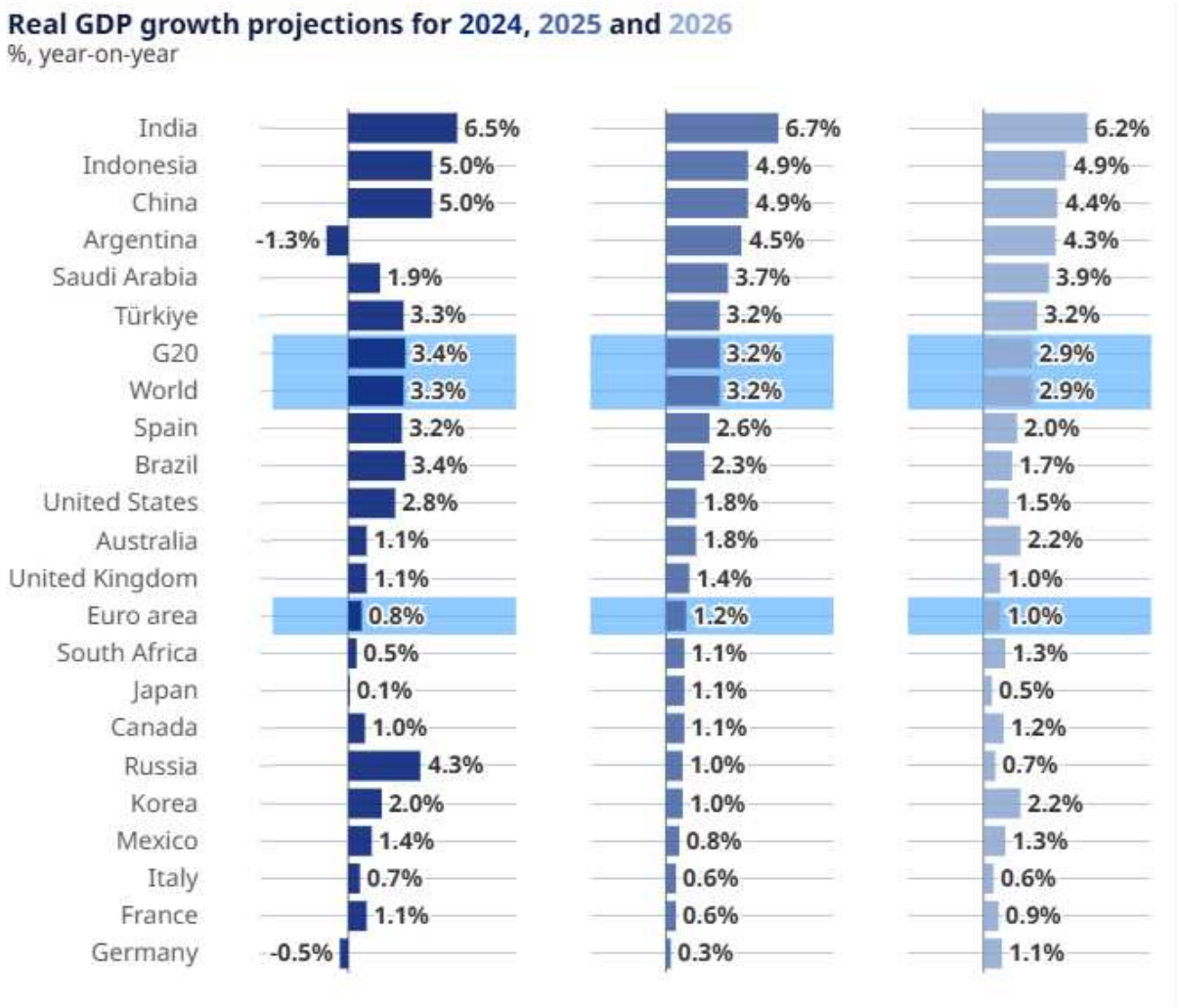

Figure 2 - Real GDP Growth Projections. Source: OECD Interim Economic Outlook.

Overall, macroeconomic conditions are pointing to a phase of low but stable growth and easing inflation. Financing conditions remain tighter than the pre-pandemic period but have now stabilized, supporting the famous "soft-landing" scenario. This setting provides a more predictable environment for consumer goods producers and investors alike.

16.3.2. Industry Overview

Within this macro environment, the European packaged food industry is transitioning from inflation driven price growth to a more balanced regime centered on volume recovery and product differentiation. The sharp input cost inflation of 2022 through 2023 has eased significantly as we can observe in Figure 3. According to Food and Agriculture Organization (FAO) Price Index, nominal international prices for key inputs such as cereals, dairy and vegetable oils fell by roughly 14% in 2023 and 2% in 2024, marking the first two-year straight

decline since 2015. This correction has eased cost pressures across the value chain and restored procurement visibility while improving profitability outlooks for European food manufacturers.

Insights from McKinsey's State of Grocery Retail 2025: Europe's Consumer Rest affirm that as inflationary effects fade, retailers are intensifying private-label strategies while branded manufacturers respond with innovation in health, sustainability and premium categories of products. McKinsey's report describes this as a "new equilibrium", in which private-label lines drive volume and store traffic while established manufacturers compete on product differentiation and category leadership. In this environment, multi category and diversified groups such as NewPrinces are well placed to serve both branded and private label channels, as they provide high production utilization and cost leverage, ensuring some resilience in a period of low but stable market growth.

FAO food price index

	Food Price Index [1]	Meat [2]	Dairy [3]	Cereals [4]	Vegetables Oils [5]	Sugar [6]
2007	94.6	77.8	122.4	100.9	107.3	62.4
2008	117.7	90.8	132.3	137.6	141.1	79.2
2009	91.8	81.6	91.4	97.2	94.4	112.2
2010	106.9	91.4	111.9	107.5	122.0	131.7
2011	131.8	105.0	129.9	142.2	156.5	160.9
2012	122.8	104.7	111.7	137.4	138.3	133.3
2013	120.1	106.2	140.9	129.1	119.5	109.5
2014	115.0	112.1	130.2	115.8	110.6	105.2
2015	93.1	96.8	87.1	95.9	89.9	83.2
2016	92.0	91.1	82.6	88.3	99.4	111.6
2017	97.9	97.5	108.0	91.0	101.9	99.1
2018	95.8	94.4	107.3	100.8	87.8	77.4
2019	94.9	99.5	102.8	96.6	83.2	78.6
2020	98.1	95.3	101.8	103.1	99.4	79.5
2021	125.7	107.5	119.6	131.2	164.9	109.3
2022	144.5	118.3	149.5	154.7	187.8	114.5
2023	124.5	114.1	123.7	130.9	126.3	145.0
2024	122.0	117.3	129.8	113.5	138.1	125.7

Figure 3 - FAO Food Price Index 2007-2024. Source: Food and Agriculture Organization of the United Nations.

17.4. General Overview

18.4.1. Company Overview

NewPrinces S.p.A., formerly Newlat Food S.p.A., is a diversified and vertically integrated European food group headquartered in Reggio Emilia, Italy. The company operates across various business units, positioning itself as one oif the most comprehensive food manufacturers listed on the Milan Stock Exchange.

Founded in the early 2000s, Newlat expanded its operations through acquisitions of local food companies with strong regional brands. Over time, it reinforced its footprint via a disciplined acquisition strategy targeting complementary product portfolios, distribution channels and a broader geographic reach.

A major step came with the acquisition of Centrale del Latte d'Italia in 2019, which marked its entrance into fresh milk and dairy and enabled vertical integration into cold-chain logistics. This transaction shifted Newlat from a dry-food manufacturer to a broader food company with a more diversified product mix.

Further acquisitions, of Symington's and EM Foods in 2021 and 2022 respectively strengthened its presence in convenience and instant meals and expanded its reach into the UK and France. The most transformative event however, occurred in 2024, when Newlat acquired the Princes Group from Mitsubishi Corporation for roughly €700 million. This acquisition expanded revenues, significantly increased exposure to the UK and expanded the production base to 31 production facilities and subsequently rebranded the combined entity to NewPrinces Group. The timeline of all the acquisitions can be observed in Figure 4.

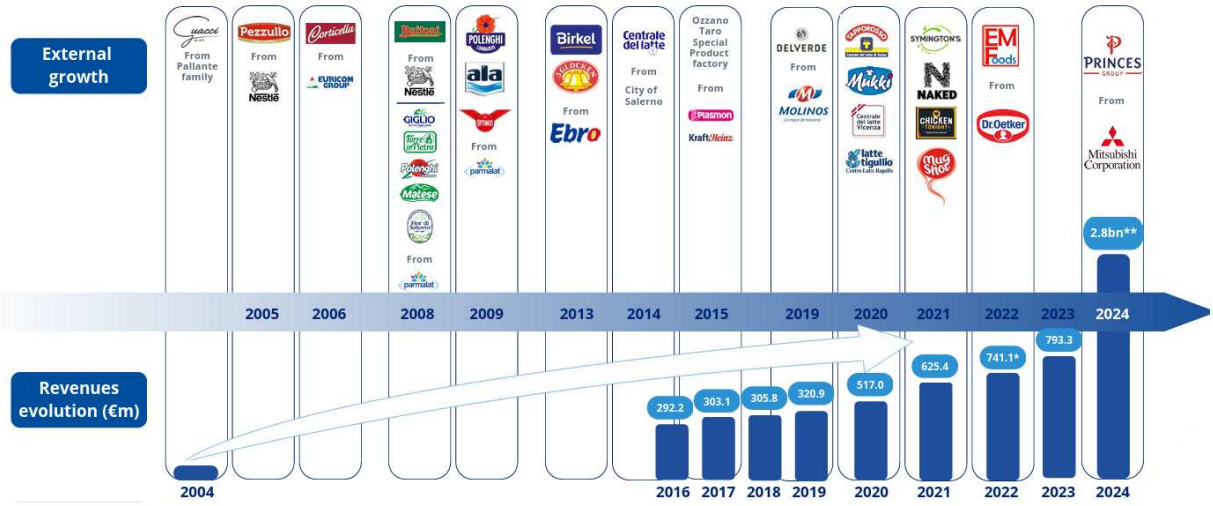

Figure 4 - Historical NewPrinces M&A and Revenue Evolution. Source: NewPrinces Investor Presentation.

Although NewPrinces does not publish a full year-by-year decomposition of organic versus acquisition driven growth, management provides some guidance to distinguish the main drivers in each period. For 2020, pro-forma revenues, which restate as if main acquisitions (Centrale del Latte d'Italia and Symington's) had been consolidated for the full year, increased 3.2% like-for-like, indicating that almost all reported growth was M&A related. In 2021, pro-forma revenues declined 2.6%, meaning the reported 18% increase was again driven primarily by the full year consolidation of prior acquisitions. Between 2022 and 2023, no big acquisitions were done and revenues grew more than 7%, mainly organic, with only a modest incremental contribution from EM Foods. The jump in 2024 revenues to €1.64 billion is dominated by the Princes Group acquisition, while legacy NewLat continued to grow at mid-single digits (management reports 7% organic growth in early 2024).

In 2025, the Group continued its expansion through the acquisition of Diageo Operations Italy, strengthening its capabilities in premium beverage production and reinforcing its position in the Italian market. The consolidation of these entities has allowed NewPrinces to achieve a broader industrial footprint, with thirty-one production sites across Europe and an extensive network serving more than eighty markets worldwide as can be seen in Figure 5.

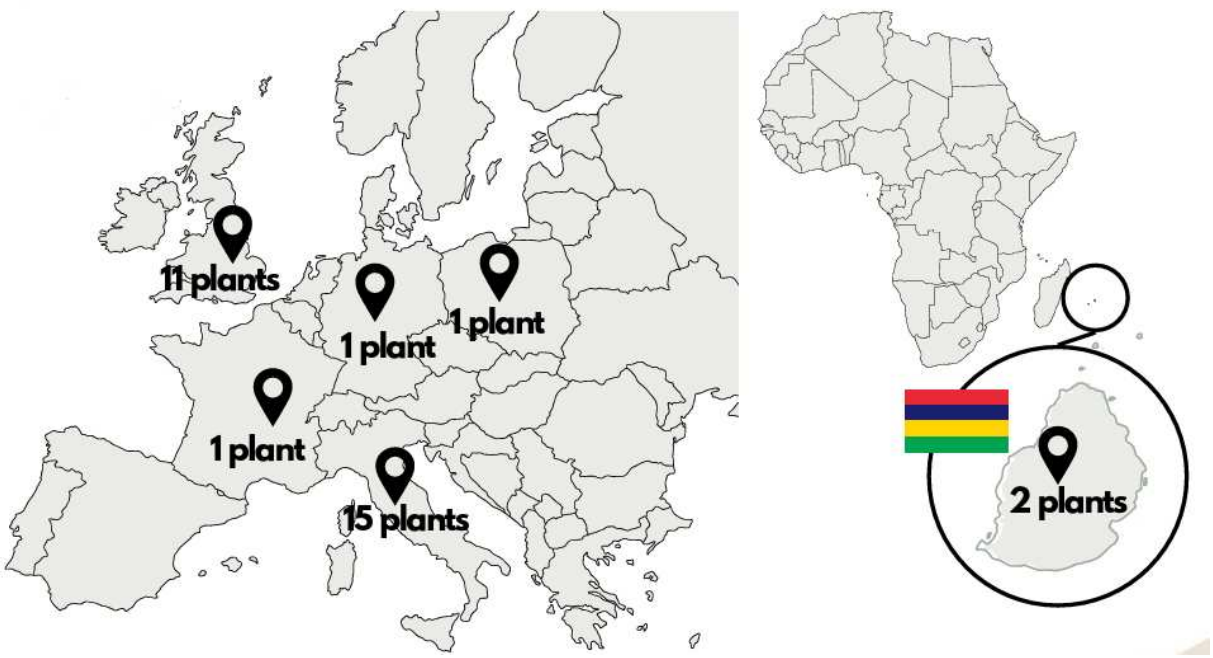

Figure 5 - NewPrinces Plant Distribution. Source: NewPrinces Website.

19.4.2. Business Units

NewPrinces structures its operations across twelve different business units, each representing a specific product category or consumer segment. This configuration allows the Group to manage a diversified product portfolio, ensure operational specialization and exploit synergies in production, procurement and distribution, a summary of the revenue distribution by business unit can be seen in Figure 6.

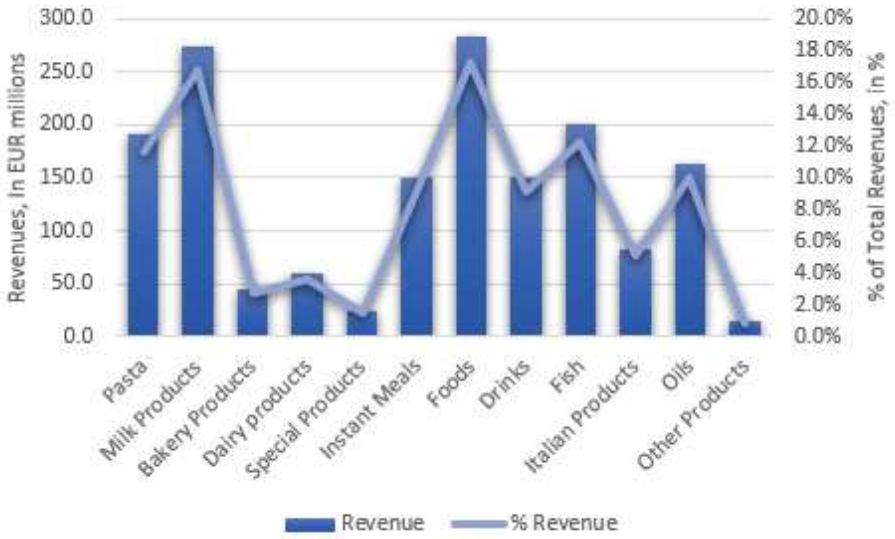

Figure 6 - 2024 NewPrinces Revenue Distribution by Business Unit. Source: NewPrinces Financial Statements.

The Milk and Dairy Products divisions are part of the historical foundation of the Group, encompassing fresh, ultra-high temperature and lactose-free milk, cheeses, like ricotta and mozzarella as well as cream products under the Giglio and Matese brands.

The Pasta Division represents one of the Group's most recognized categories. Through brands such as Pezzullo and Delverde, NewPrinces serves both retail and private label markets in Italy and abroad. Despite its maturity, this unit remains relevant strategically due to its scale, brand recognition and contribution to export revenues.

The Instant Meals unit includes instant soups and noodles, dessert mixes under brands such as Naked and Mug Shot and was originated from the acquisition of Symington's in the United Kingdom. It has benefited recently from increased consumer demand for affordable and convenient meal solutions across Europe.

The Special Products unit focuses on baby foods, dietary products and medical nutrition. Drawing on the Group's historical expertise in nutritional sciences. It targets niche markets with stable margins and lower price sensitivity.

The Bakery Mixes unit, derived from EM Foods, covers cake mixes, mousses and spoon desserts through brands like Minuto and designs products for both industrial bakeries as well as food service customers.

The Foods and Fish divisions, include canned vegetables, soups, tuna and ready to eat meals. These were acquired through the Princes Group acquisition.

The Drinks and Oils units, which were also inherited from Princes Group extend the product offering juices, cordials and edible oils. Tough modest in scale, this unit complements the Group's ambition to act as a full-line supplier to major retailers, contributing to category diversification.

The Italian Products unit, covering tomato derivatives and sauces under brands such as Napolina, anchors the Group's "Made in Italy" positioning and strength while leveraging cross selling synergies with the pasta and bakery units.

Finally, the Other Products unit contains emerging categories such as plant-based foods and meal kits. It functions as a platform for experimentation and innovation as well as enabling NewPrinces to capture new consumer trends and test new products

20.4.3. General Risks

The European food manufacturing sector operates in a complex environment marked by volatile input costs, evolving regulation and shifting consumer preferences. For NewPrinces, these structural features translate into several key areas of risk that could influence profitability and strategic execution.

The first is the exposure to commodity and supply-chain volatility. The Group depends on global markets for agricultural inputs, packaging materials and energy, all of which remain sensitive to climate shocks, geopolitical tensions and logistics disruptions. The European Comission identifies these as material threats to continuity of supply in the European Union's food chain. Persistent price fluctuations in cereals, dairy and vegetable oils may compress margins when cost increases cannot be passed down to retailers or consumers.

A second area of exposure concerns regulatory and sustainability pressures. The European food industry faces ever increasing tightening rules on food safety, labelling, deforestation-linked commodities and packaging waste. Compliance demands additional investment in traceability and sustainable sourcing, raising operational complexity multi-category producers such as NewPrinces.

Last, but not least, integration and financial leverage are intrinsic to NewPrinces acquisition driven model. The combination of diverse businesses across several countries increases execution risk in integrating and absorbing systems, cultures and logistics, while elevated debt levels raise sensitivity to changes in financing conditions.

21.4.4. Geopolitical and Trade Policy Risks

The reintroduction of U.S. protectionist trade measures in 2025 has emerged as a source of uncertainty for the European agri-food industry. Early in the Trump administration's second term, the U.S. Trade Representative announced new tariffs on selected European imports, targeting categories such as dairy, pasta, olive oil and canned foods, areas where Italy, Spain, France and Portugal hold meaningful export positions.

For NewPrinces, direct exposure to the U.S market is minimal, as the Group's operations and sales remain concentrated in Europe and the United Kingdom. However, indirect effects might arise through internationally traded commodities. Higher U.S. import barriers can redirect European supply towards domestic markets, raising competition and putting pressure on prices. Moreover, changes in global trade flows affect the cost of key raw materials such as tomato derivatives, fish and vegetable oils, which are important to NewPrinces products

These developments contribute to an already fragile global environment marked by weak demand and geopolitical fragmentation. While the scale of the 2025 tariff measures is limited relative to total EU exports, uncertainty about their duration may increase perceived sector risk and weigh on valuation multiples for European consumer staples. For diversified groups such as NewPrinces, which rely on efficiency and varied product categories, the challenge will lie less in direct U.S. exposure and more on managing input price volatility

22.5. Historical Performance

23.5.1. Introduction

The following sections analyze the historical evolution of NewPrinces S.p.A. between 2019 and 2024, based on consolidated annual financial statements prepared under the International Accounting Reporting Standards (IFRS). This period captures the company's transformation from regional Italian food producer into a diversified European multi-category group, driven by their organic expansion as well as successive acquisitions. Unless otherwise stated, for these sections, all figures refer to full year audited results.

24.5.2. Sales Performance

NewPrinces revenue trajectory over the 2019-2024 period reflects both steady organic growth as well as a series of acquisitions that significantly expanded the Group's Sales. As Figure 7 displays, revenues increased from €270.9 million in 2019 to €1.64 billion on 2024, representing a compound annual growth rate of approximately 43%. This performance stems primarily from the consolidation of Centrale del Latte d'Italia (2019), Symington's (2021), EM Foods (2022) and the Princes Group (2024).

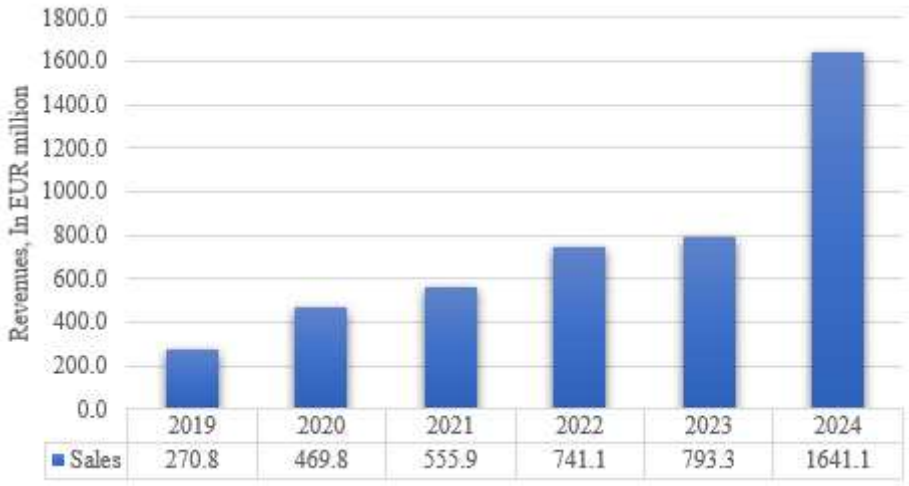

Figure 7 - Historical Yearly Sales. Source: NewPrinces Group.

The integration of the Princes Group in 2024 marked a structural change in scale, as revenues more than doubled year-over-year, transforming the company from a mid-sized Italian food manufacturer into a European player with extensive geographic reach. Growth prior to this acquisition was also highlighted by product diversification in dairy, pasta and bakery segments, as well as a resilient domestic demand in Italy.

The company's sales also expanded geographically. Before 2024, Italy accounted for most consolidated revenues. As figure 8 and 9 illustrate, after the Princes Group acquisition, the United Kingdom, together with Germany and Italy became the largest contributors. This diversification also multiplied the sales channels available and reduced exposure to local consumption cycles and domestic market saturation.

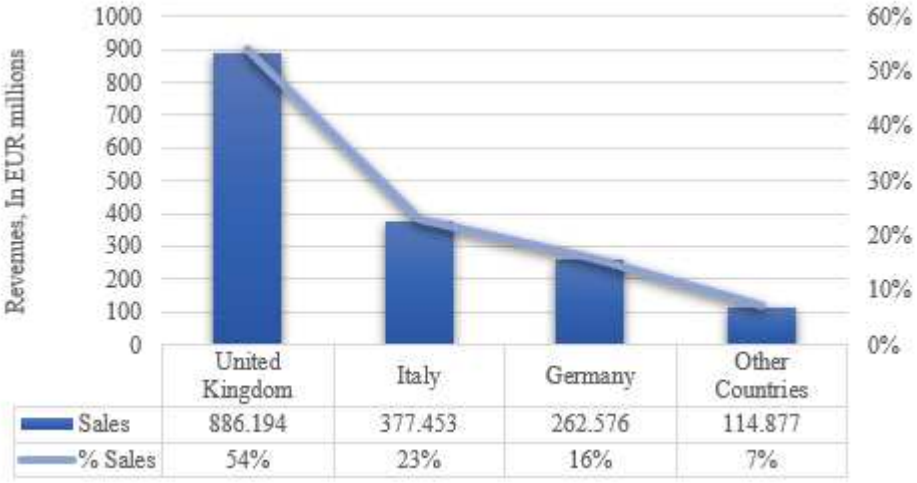

Figure 8 - Geographic Distribution of Sales 2024. Source: NewPrinces Group.

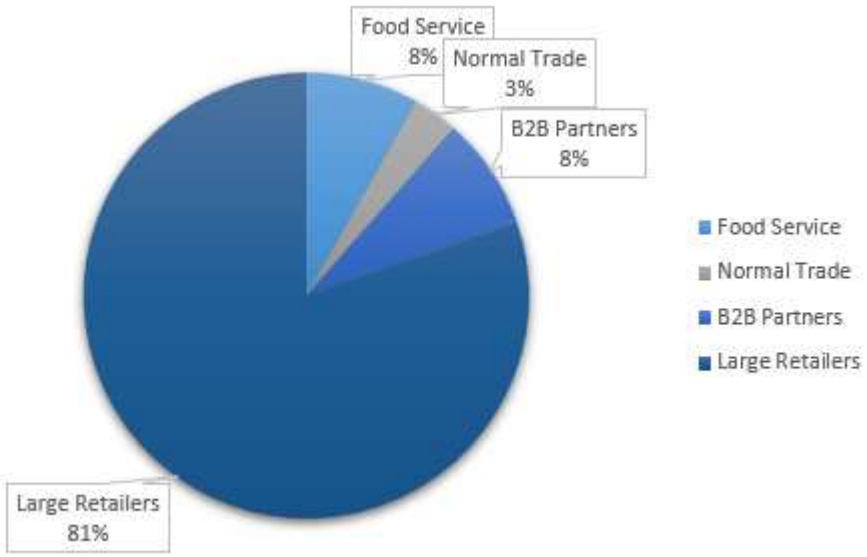

Figure 9 - Sales Channel Distribution in 2024. Source: NewPrinces Group.

According to first-half 2025 results, the Group continued to experience robust demand across all business units, supported by stable consumer trends in Europe and ongoing integration of newly acquired operations. Although full-year figures for 2025 were not available at the time, preliminary data confirms the consolidation of the enlarged revenue base achieved in 2024.

25.5.3. Cost of Goods Sold and Gross Profit

Between 2019 and 2024, NewPrinces cost of goods sold (COGS) and gross profitability evolved in line with the Group's rapid expansion in scale. COGS rose from €224.4 million in 2019 to €1.36 billion in 2024, mirroring the substantial increase in revenues generated through organic growth and successive acquisitions. Despite this sharp rise in absolute costs, the company maintained a sturdy gross margin throughout the period, showing operational flexibility in the management of raw materials and energy prices.

As Figure 10 demonstrates, gross profit increased almost six times over the same period, from €46.4 million in 2019 to €271.4 million in 2024, while the gross profit margin fluctuated between 16.5% and 21.2%. Margins peaked in 2020 during a phase of favorable raw material pricing and early efficiency gains, before moderating as global input costs escalated during 2022 and 2023. This temporary contraction reflected inflation in agricultural commodities and energy, partially offset by centralized procurement and improved logistics coordination following the integration of Symington's and EM Foods.

The consolidation of Princes Group in 2024 initially diluted the gross margin, as the acquired portfolio includes ambient and canned products with structurally lower margins. Despite this, the acquisition significantly expanded the Group's sourcing base and economies of scale and positioned it to capture long-term cost efficiencies.

Figure 10 - Historical Gross Profit and Profit Margin. Source: NewPrinces Group.

26.5.4 EBITDA

The Group's historical EBITDA reflects the combined effect of business expansion, acquisitions and gradual improvements to operational efficiency. A summary of the EBITDA values can be found in Figure 11.

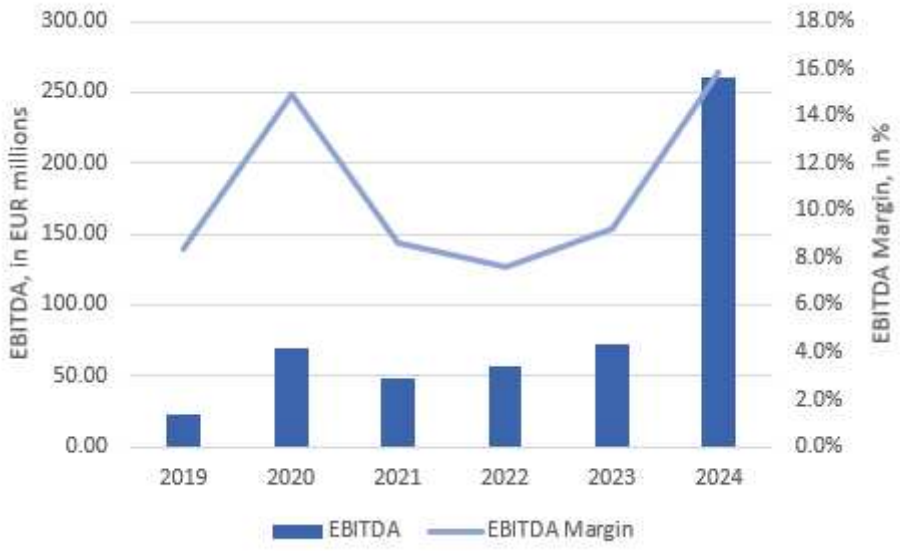

Figure 11 - Historical EBITDA and EBITDA Margin. Source: NewPrinces Group.

In 2019, EBITDA stood at €22.6 million with a margin of 8.4%. Following the consolidation of Centrale del Latte d'Italia in 2020, EBITDA rose to €70.1 million, although part of this increase reflects the one-off effects linked to the acquisition.

In 2021, EBITDA decreased to €47.9 million, despite the first-time consolidation of Symington's from August. The reduction reflected cost inflation, restructuring costs, and normalization after the exceptional 2020 performance. EBITDA recovered in 2022 to € 56.4 million and continued to improve in 2023, reaching €72.9 million with a 8.6% margin. In 2024, EBITDA rose significantly to €260.5 million following the acquisition of the Princes Group marking a structural shift in scale.

27.5.5. Operating and Net Profitability

NewPrinces profitability improved substantially over the historical period, reflecting the combined effect of scale expansion, portfolio diversification and operational synergies achieved through acquisitions. Operating profit (EBIT) increased from €10.8 million in 2019 to €197.7

million in 2024, representing a huge rise to almost eighteen times more. The EBIT margin followed a similar trend, rising from 4.0% in 2019 to 12.0% in 2024, despite temporary volatility during intermediate years of consolidation and integration.

As shown in Figure 12, earnings before taxes (EBT) followed a consistent trajectory, growing from €9.4 million in 2019 to 158.0 million in 2024. The difference between EBIT and EBT narrowed over time as the Group reduced financial expenses through refinancing and deleveraging. Notably, EBT contracted temporarily between 2021 and 2023 due to one-off integration costs and higher financing needs related to M&A activity, before rebounding sharply in 2024 when synergies and full year contributions from newly consolidated companies started to materialize.

Net Income increased from €7.2 million in 2019 to €121 million in 2024, corresponding to a net margin of 7.4%, broadly in line with peers in European packaged food sector. This expansion reflects the combined effects of improved operational leverage, reduced financing costs and tax normalization. Excluding non-recurring acquisition-related items, the Group's underlying profitability trend indicates steady enhancement of efficiency and return on invested capital.

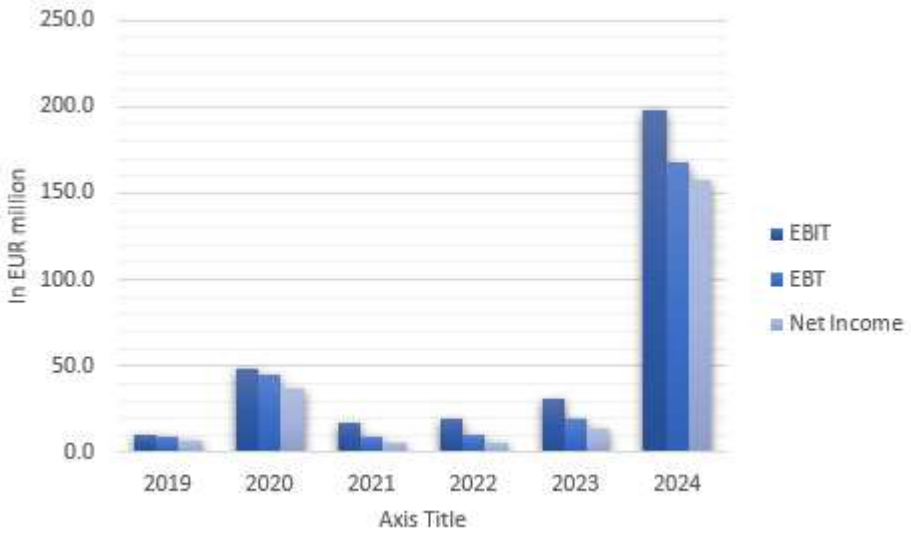

Figure 12 - Historical EBIT, EBT and Net Income. Source: NewPrinces Group.

28.5.6. Capital Expenditures and Depreciation

Capital expenditures (CapEx) remained moderate relative to revenues throughout the period between 2019 and 2024, averaging around 2% of annual sales. In absolute terms, CapEx increased from €4.2 million in 2019 to €26.5 million in 2024, as can be seen in Figure 13, which reflects limited incremental investments required to modernize acquired facilities and improve operational efficiency.

Depreciation and amortization expenses rose steadily from €11.2 million to €62.9 million over the same period, in line with the growth of the asset base resulting from acquisitions.

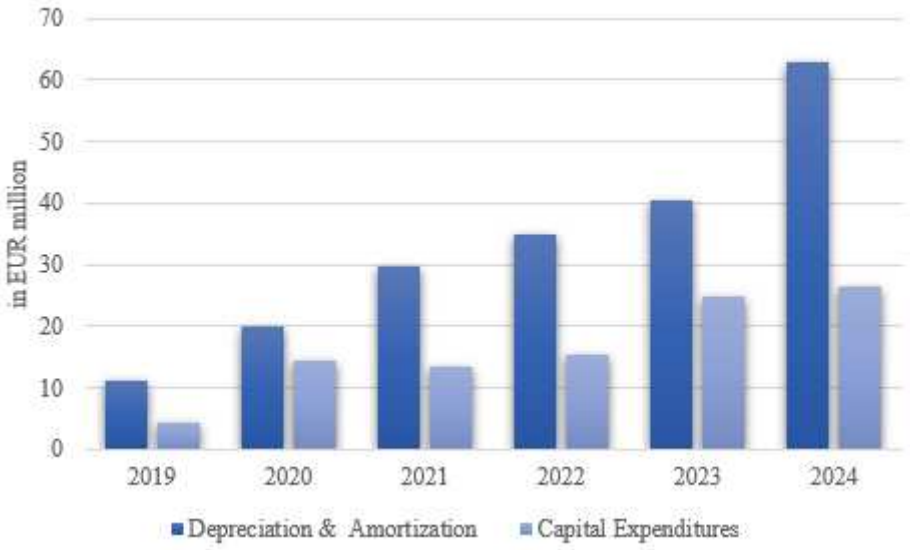

Figure 13 - Historical CapEx and D&A. Source: NewPrinces Group.

29.5.7. Net Working Capital

NewPrinces maintained a disciplined approach to working capital management during the period between 2019 and 2023, demonstrating strong control over receivables, inventories and payables across its legacy operations. The company's Days Sales Outstanding (DSO) decreased actively from 69.5 days in 2019 to 46.7 days in 2023, reflecting improved receivables collection and tighter commercial credit policies.

Days Inventory Outstanding (DIO) remained broadly stable, averaging around 43 to 45 days before increasing slightly in 2023 as the Group adjusted inventory levels in anticipation of the Princes Group acquisition.

Conversely, Days Payables Outstanding (DPO) contracted gradually from 144.2 days in 2019 to 103.5 days in 2023, largely due to the normalization of supplier terms following earlier acquisitions.

The result was a consistently negative net working capital position between 2019 and 2023. Ranging from €(52.4) million to € (8.1) million, which suggests that the Group's operations didn't need additional cash at the working capital level. This profile reflects the company's strong bargaining position with suppliers and effective management of receivables, which is a common trait of packaged food producers with large retail exposure.

In 2024, however, as can be seen in Figure 14, net working capital increased sharply to €455.6 million, driven by the consolidation of the Princes Group, whose business model operates with a structurally higher working capital intensity. The increase in trade receivables (to €846.6 million) and inventories (to €488.9 million) more than offset the rise in payables (€553.9 million), leading to what appears a one-off expansion in reported Net Working Capital.

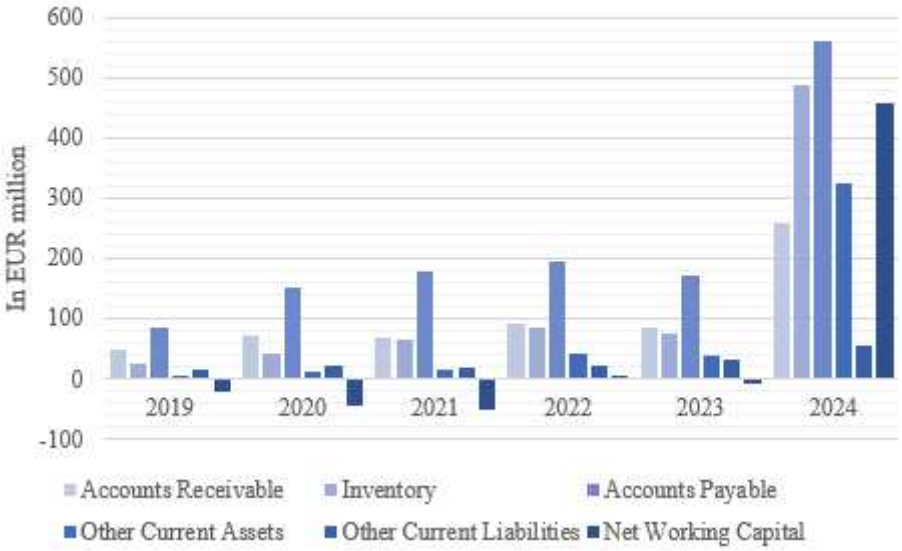

Figure 14 - Historical Net Working Capital and its components. Source: NewPrinces Group.

This jump seems to reflect operational inefficiency, however, the scale of this acquisition and integration is completely different from the usual business model of small, complementary additions that were typical until now in Newlat's track. Preliminary results from the first half of 2025 seem to indicate synergy gains but the full business impact remains to be seen, as well as the ability to capitalize on a purchase with this big of a volume.

30.5.8. Capital Structure and Debt

NewPrinces capital structure underwent a major transformation between 2019 and 2024, showing the Group's shift from a mid-sized domestic producer to a multinational food conglomerate. Total financial debt increased from €34.5 million in 2019 to €1.17 billion in 2024, primarily due to the financing required for successive acquisitions, most notably, the consolidation of the Princes Group in 2024.

As can be observed in Figure 15, during the earlier days of the period, the company's leverage expanded gradually in line with its acquisition cycle. Debt rose from €157.9 million in 2020 to €414.5 million in 2021, corresponding to the integration of Symington's and subsequently decreased to €355.1 million in 2023 following scheduled repayments and strong cash generation. The sharp increase in 2024 shows the issuance of new long-term bonds which were used in part to fund the Princes Group transaction and associated investments.

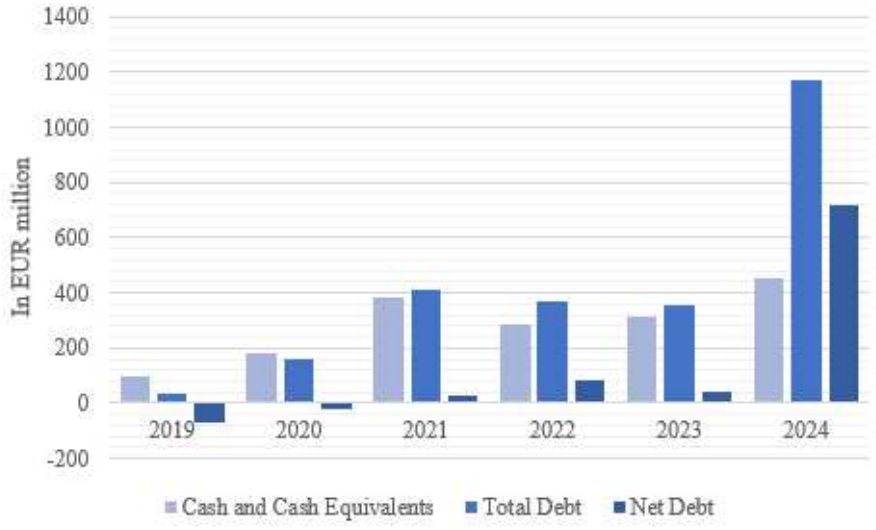

Figure 15 - Historical Debt and Cash and Cash Equivalents. Source: NewPrinces Group.

By the end of 2024, NewPrinces financial debt was composed of €385.5 million in short-term borrowings and €787.3 million in long-term debt, according to the company's debt schedule. The debt mix shows a balanced maturity structure, with the long-term component representing roughly two-thirds of the total debt. The main instruments include a €200 million bond maturing in 2027, a €350 million bond maturing in 2031, various revolver loans and a shareholder loan totaling approximately €615 million, ensuring sufficient liquidity and flexibility across the funding base.

This expansion in total debt was accompanied by a material increase in cash and cash equivalents, which rose from €312.5 million in 2023 to €455.1 million in 2024. As a result, net debt reached approximately €717 million at the end of 2024, which is consistent with the company's enlarged scale following the Princes Group consolidation.

31.5.9 Historical Financial Ratios

Between 2019 and 2024, NewPrinces Group displayed significant changes in leverage, profitability and efficiency, largely shaped by its transformation from a mid-sized Italian food producer into a diversified multinational group following successive acquisitions. A summary of these ratios can be consulted in Appendix I.

32.5.9.1. Leverage and Bank Ratios

The company's Financial Debt/EBITDA ratio rose from 1.5× in 2019 to 11.2× in 2024, which reflects the increased leverage associated with the Princes Group acquisition. While gearing rose, interest coverage remained modest, averaging 0.5× and indicating that operational earnings barely covered financial charges. Total debt increased gradually between 2019 and 2023, before rising sharply in 2024, as can be seen in Figure 16. Cash and equivalents also expanded in 2024, although not enough to offset the increase in borrowings. As a result, Net Debt to Equity ratio moved steadily up, reaching its highest point in 2024, indicating a more leveraged capital structure after the transformational acquisition

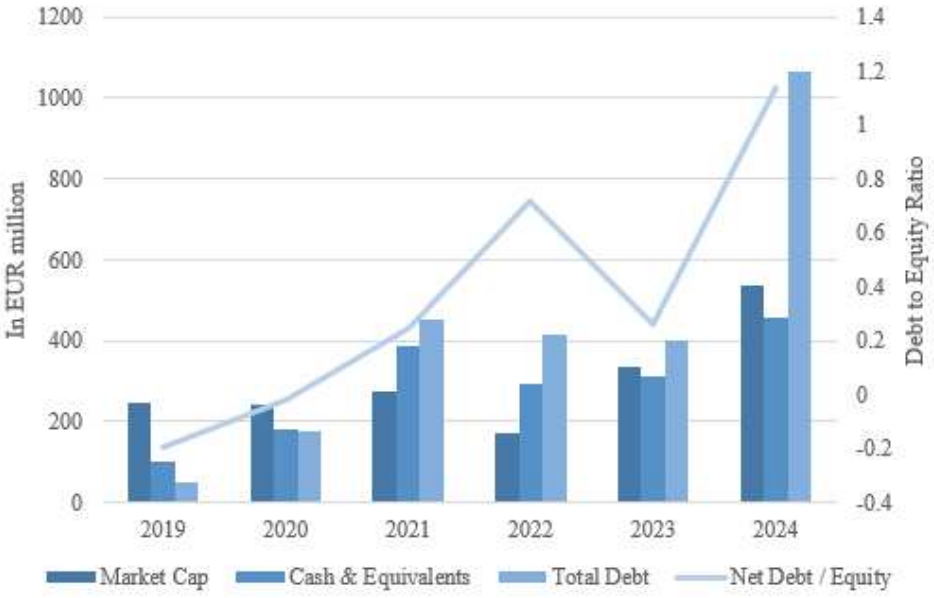

Figure 16 - Historical Net Debt to Equity and Components. Source NewPrinces Group.

33.5.9.2. Liquidity Ratios

Liquidity remained constrained, with the Current Ratio oscillating between 0.5× and 1.1× and the Quick Ratio consistently below 0.8×. The Cash Ratio deteriorated to 0.4× in 2024, suggesting reliance on working capital recycling and short-term financing rather than cash reserves to meet obligations.

34.5.9.3. Growth Dynamics

Revenues grew greatly, most notably in 2020 (+73.5%) and 2024 (+106.9%) which were mostly driven by scope effects from M&A activity and product portfolio diversification. However, organic growth was modest between 2021 and 2023 (7% on average). EBITDA growth mirrored these fluctuations with triple digit expansion in 2020 and 2024 with muted performance in the interim years. EBIT growth was extremely volatile, peaking at +532% in 2024 after acquisition related synergies started to materialize.

35.5.9.4. Profitability Ratios

Profitability improved, more so after a weak 2022. Return on Equity (ROE)climbed from 4.4% to 55.4% and Return on Assets (ROA) from 2.3% to 14.1% by 2024, reflecting some margin recovery and higher asset utilization. EBITDA margin remained relatively stable between 8% and 10%, indicating resilient operating efficiency despite cost inflation and integration expenses on different periods. EBIT margins hovered between 3% to 4%, consistent with peers and sector specific data.

36.5.9.5. Historical Ratios Outlook

What the historical ratios depict is a company undergoing rapid changes and expansion, financed primarily through debt, temporarily depressing liquidity and coverage metrics. Nonetheless, by 2024 profitability and efficiency indicators seem to have recovered strongly, suggesting successful post-merger integration and continuously improving operational control. Sustaining this performance will depend on the deleveraging capacity and margin stabilization once acquisition synergies are fully realized.

37.5.10. Share Price Performance

NewPrinces share price has shown a strong upward trend over the past five years, reflecting its transformation into a larger and more diversified European food group following recent acquisitions. Between 2020 and 2022, the stock traded in a narrow €4 to €7 range while the STOXX 600 advanced steadily as is shown in Figure 17. Sentiment began to improve in 2023, supported by higher revenue growth and margin recovery.

As Figure 17 illustrates, in 2024, share price broke through the €10 level for the first time, coinciding with the announcement of the full consolidation of the Princes Group and subsequent improvements in EBITDA margin and scale efficiency. Throughout 2025, the positive trend intensified, driven by renewed analyst coverage, visible deleveraging progress and the announcement of the acquisition of Diageo Operations Italy. There was also increasing institutional interest following the improved liquidity on Borsa Italiana.

As of September 2025, the company's shares closed at €23.05 representing a five-year appreciation of over 270% from 2020 levels. This performance substantially outperformed the European STOXX 600 over the same period which returned around 32.6%, however, in recent months, the stock has shown heightened volatility following a series of major corporate developments. Investor sentiment also reflects some profit-taking after a strong rally and the market's reassessment of post integration guidance.

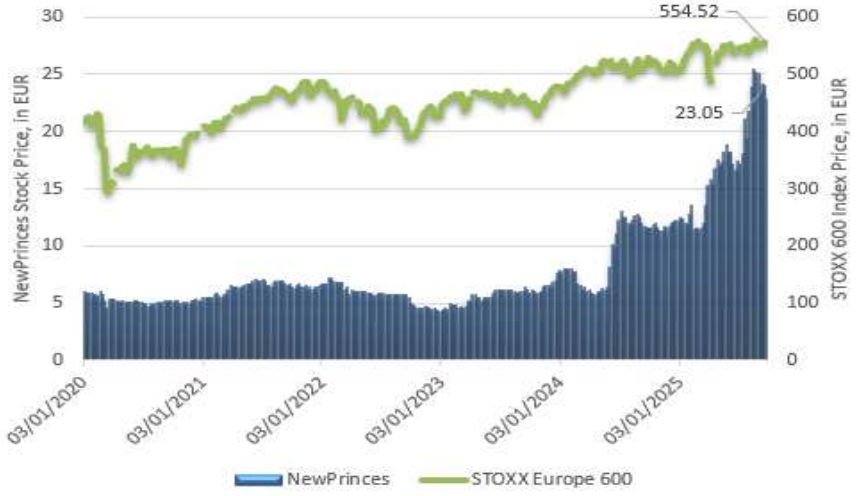

Figure 17 - Historical NewPrinces and STOXX 600 Share Price. Source: Bloomberg.

38.5.11. Carrefour Italia Acquisition

In July 2025, NewPrinces Group signed a binding agreement to acquire Carrefour Italia for an enterprise value of approximately €1 billion. The transaction covers more than a thousand retail stores across Italy, giving NewPrinces a significant footprint in the retail sector. The acquisition is being described by management as a strategic move to achieve vertical integration, linking production with distribution to potentially capture higher margins along the supply chain.

According to Carrefour Group's financial statements, the divested Italian subsidiary generated around €4.2 billion in net sales in 2024 but recorded a recurring operating loss of €67 million and a negative net free cashflows of €180 million. These figures highlight the structural challenges of the Italian retail market, which has been characterized by intense competitions by prices as well as lower consumer spending. This acquisition, therefore, introduces a significant shift in operating and business operations, that is more capital intensive and produces lower margins in the big picture. Restructuring the company to restore profitability will require extreme operational restructuring as well as various adjustments to supply chain management, store rationalization and labor cost optimization.

39.6. Peer Selection

The selection of a suitable peer group was based in comparability in profitability, growth, capital intensity and leverage, as these are the fundamental determinants of valuation multiples and cost of capital. Size, geography and product differences were not treated as primary criteria, since they do not materially influence valuation outcomes. An initial universe of European packaged food companies was obtained from Bloomberg and assessed according to EBITDA and EBIT margins, ROIC, CAPEX to sales and Net Debt to EBITDA which ensures comparability in operating performance, reinvestment needs and financial risk.

NewPrinces is a structurally difficult company to benchmark directly, as its acquisition driven growth model and ongoing integration processes temporarily distort margins, leverage and cash flows. For this reason, no single peer provides a perfect match. Large multinationals such as Nestlé and Danone were excluded because of their scale and global reach. Firms with distinct cost structures or specialized activities were also excluded. The final peer group consists of mid-cap European food manufacturers with broadly similar margin structures, capital intensity and leverage to NewPrinces, particularly after the consolidation of the Princes Group

and Diageo Operations Italy. These companies operate in comparable categories and therefore offer the closest available match for both the bottom-up beta estimation and multiples-based estimation. Table 1 summarizes the key financial metrics that justified my selection.

40.6.1. Selected Peer Group Comparison

The selected peers display financial characteristics that align closely with NewPrinces along with the metrics that determine valuation multiples. NewPrinces EBITDA margin of 12.9% sits within the peer range of 7.5% to 14.8%, while EBIT margin of 9.1% is close to the peer median of 6.2%. Leverage is broadly aligned, with NewPrinces Net Debt/EBITDA of 1.22× near the peer median of 1.7×. ROIC, at 18.5%, is above the peer median. Overall, the peers exihibit similar margin structures, reinvestment needs and financial risk, making them acceptable for benchmark and relative valuation.

Values in EUR Million, Number or %	Size		Profitability		Leverage		Growth	Peer
Company Name	Market Cap	Revenue	ROIC	EBITDA Margin	Net Debt	Net Debt/EBITDA	LT Growth 5Y Annualized	Selection
NEWPRINCES SPA	875	2,590	18.5%	13.1%	380.72	1.18	32.1%	
ISFELAG HF	663	165	3.2%	29.5%	156.58	3.12	0.0%	No
NESTLE SA	218,730	96,460	12.4%	20.7%	64320	3.39	-3.3%	No
DANONE	52,540	27,360	5.9%	13.5%	9110	2.23	12.6%	No
ORKLA ASA	8,760	6,070	8.9%	14.9%	1710	2.12	8.4%	Yes
AAK AB	6,260	4,130	16.3%	12.6%	309.08	0.61	10.2%	No
L.D.C. SA	3,190	6,320	7.0%	8.4%	-283.44	-0.53	14.9%	Yes
GREENCORE GROUP PLC	1,190	2,210	10.4%	9.1%	224.71	1.17	21.4%	Yes
AGRANA BETEILIGUNGS AG	759	3,340	1.0%	5.1%	407.77	2.92	0.8%	No
CORBION NV	1,030	1,300	6.8%	15.7%	454.2	2.37	-14.5%	No
KERRY GROUP PLC	13,060	6,510	7.8%	18.4%	1980	1.69	-4.2%	Yes
BELL FOOD GROUP AG	1,520	5,070	5.3%	7.5%	992.47	2.58	1.6%	Yes

Table 1 - Peer Overview and Selection Table. Source: Bloomberg and own analysis

41.7. Weighted Average Cost of Capital (WACC)

The WACC represents the opportunity cost of the firm's invested capital and serves as a discount rate to be applied to future free cashflows in the DCF valuation. It reflects the weighted cost of each source of financing, equity and debt, which are adjusted for their respective market values and for the tax deductibility of interest expenses.

Consistent with the valuation literature (Damodaran 2023; Fernández 2019; Koller et al. 2020), the WACC was determined using the following formula:

$$WACC = \frac{\mathrm{E}}{D+E} \times K_e + \frac{D}{D+E} \times K_d \times (1-T)$$

Where:

$E = Market\ Value\ of\ Equity$
$D = Market\ Value\ of\ Debt$
$K_e = Cost\ of\ Equity$
$K_d = Cost\ of\ Debt$
$T = Effective\ Tax\ Rate$

The cost of equity was derived through the Capital Asset Pricing Model (CAPM) using a bottom-up beta estimated from comparable companies in the sector. A Equity Risk Premium (ERP) was also used to reflect NewPrinces geographic revenue exposure, as well as the Euro-Area risk-free rate. The cost of debt was estimated using weighted average yield to maturity of publicly traded bonds, complemented by the average contractual rate of the outstanding loans of the company.

All data used for the WACC calculation refers to 30 September or the most recent audited financial data available publicly unless stated otherwise.

42.7.1. Beta Estimation (Bottom-Up Approach)

Given NewPrinces limited trading liquidity and the distortions in historical market data caused by recent acquisitions, the equity beta was estimated using a bottom-up approach based on comparable listed peers in sector. This method provided a more stable and representative measure of the company's operating risk than a direct regression which could be statistically unreliable for thinly traded stocks.

The peer betas were obtained from Bloomberg with five years weekly regressions against the STOXX Europe 600 Index) as of 30 September 2025. Bloomberg provides both raw and adjusted betas, the latter correcting for mean reversion towards the market average of 1.0 through the Blume adjustment. I used the adjusted beta in this analysis, as it better reflects expected long-term systematic risk rather than a purely historical regression estimate. A summary of the values can be seen in Table 2.

Each company's observed, or levered beta (B_L) was then adjusted for its financial structure by unlevering the beta according to the relationship:

$$B_u = \frac{B_L}{1 + (1 - T) \times \frac{D}{E}}$$

Where:

$B_u = Unlevered\ Beta$
$T = Effective\ Tax\ Rate$
$D = Market\ Value\ of\ Debt$
$E = Market\ Value\ of\ Equity$

The unlevered betas obtained capture each firm's business risk, excluding the impact of leverage. The resulting peer average unlevered beta was then subsequently relevered using NewPrinces market value capital structure and effective tax rate:

$$B_L = B_u \times \left[1 + (1 - T) \times \frac{D}{E}\right]$$

Company	Raw β	Adjusted β	D/E (%)	Tax Rate (%)	Unlevered Raw β	Unlevered Adj. β	Market Cap	Net Debt
Greencore Group PLC	0.14	0.43	18.4%	21.4%	0.12	0.37	1220.00	1714.00
Soc. LDC SADIR	0.44	0.63	0.0%	22.2%	0.44	0.63	3037.88	-283.40
Bell Food Group AG	0.26	0.51	59.6%	16.5%	0.17	0.34	1664.57	992.50
Average	0.55	0.70	28.1%	20.0%	0.47	0.60	1967.43	311.27
NewPrinces SpA	0.22	0.48	50.5%	22.5%	0.16	0.34	846.20	427.02

Table 2 - Bottom-Up Beta Summary. Source: Bloomberg and own calculations.

Each peer's regression output was examined for statistical robustness, including the coefficient of determination (R^2) and the t-statistic of the slope coefficient. Following this review, I decided to exclude Orkla ASA and Kerry Group PLC due to insufficient explanatory power and weak statistical significance of their corresponding betas. The remaining peers displayed consistent and statistically meaningful betas which were then averaged to derive a representative unlevered beta. This resulted in an average unlevered representative beta of 0.60089. Which I then relevered using the company's market-value debt-to-equity ratio (0.50464) and effective tax rate (22.5%) resulting in a levered beta of 0.83590: A summary of the peer relevant data, NewPrinces data and final values used can be seen in Table 3:

Company	Raw β	Adjusted β	D/E (%)	Tax Rate (%)	Unlevered Raw β	Unlevered Adj. β	Market Cap	Net Debt
Greencore Group PLC	0.94	0.96	18.8%	21.4%	0.82	0.84	1194.60	224.70
Soc. LDC SADIR	0.44	0.63	0.0%	22.2%	0.44	0.63	3192.00	-283.40
Bell Food Group AG	0.26	0.51	65.5%	16.5%	0.17	0.33	1515.70	992.50
Average	0.55	0.70	28.1%	20.0%	0.47	0.60	1967.43	311.27
NewPrinces SpA	0.22	0.48	67.3%	22.5%	0.14	0.31	748.00	503.40

Table 3 - Selected Peer Data and NewPrinces Data. Source: Bloomberg and own calculations.

$$\beta_{NewPrinces} = 0.60089 \times [1 + (1 - 0.225) \times 0.50464] = 0.83590$$

This result shows that NewPrinces systematic market risk remains slightly below the broader market risk, suggesting that while leverage increased following recent acquisitions, diversification across product categories and geographies somewhat reduces volatility in earnings.

43.7.2 Cost of Equity

The Cost of Equity (K_e) represents the expected return required by shareholders for taking the firm's systematic risk. I estimated the Cost of Equity using the Capital Asset Pricing Model (CAPM). The model defines the cost of equity as:

$$K_e = R_f + \beta(ERP)$$

Where:

$R_f = Risk - Free\ Rate$
$\beta = Levered\ Equity\ Beta$
$ERP = Equity\ Risk\ Premium$

44.7.2.1. Risk-Free Rate

The risk-free rate was proxied by the 10-year German Bund yield, as of 30 September standing at 2.71%. I chose this benchmark because it represents the risk-free reference for euro-denominated valuations and the majority of NewPrinces revenues come from the Euro-Area

45.7.2.2. Equity Risk Premium (ERP)

Given the Group's multinational revenue profile, a revenue-weighted ERP was applied. Although NewPrinces operates across developed markets with similar risk profiles, mainly Italy, the United Kingdom and Germany, the group's exposures are best represented by a weighted combination of each market's ERP. By using this method I aligned the risk premium with the firm's actual geographic revenue mix, which takes a more accurate picture of the operational exposure NewPrinces group has.

I derived the revenue weighted ERP from Damodaran's Equity and Country Risk Premiums (January 2025) dataset and the company's most recent audited financial report, which provided the latest representation of the regional revenue split. The desirable metric to use for this would be the EBITDA by region but no company disclosures were made referencing the EBITDA by region. For the calculation I applied each region's base ERP and weighed it by the total revenue contribution percentage. In Table 4, we can see each revenue weight, its revenue contribution and the final weighted ERP.

This approach resulted in a weighted ERP of 5.46%, which I considered consistent with European markets. No separate Country Risk Premium (CRP) was added, as this would have double-counted sovereign risk, already embedded in the ERP differentials between Italy, the United Kingdom and Germany. For the Other Countries, the base ERP of Western Europe was used as a proxy as company disclosures don't identify which other countries this revenue distribution refers to.

Region	Revenue Weight	Base ERP	Weighted ERP Contribution
Italy	16%	7.26%	1.16%
Germany	7%	4.33%	0.30%
United Kingdom	63%	5.13%	3.23%
Other Countries	14%	5.45%	0.76%
Total Weighted ERP	100%		5.46%

Table 4 - Equity Risk Premium Weighted Calculation. Source: NewPrinces, Damodaran and own calculations.

46.7.2.3. Final Cost of Equity Calculation

The Cost of Equity (K_e) was then determined through the Capital Asset Pricing Model (CAPM), which relates to the expected return on equity to systematic risk. Using the parameters defined previously, the model can be expressed as:

$$K_e = R_f + \beta \times ERP$$

By substituting the inputs:

$$K_e = 2.71\% + 0.83590 \times 5.46\% = 7.28\%$$

The resulting 7.28% represents the expected annual return required by equity investors for bearing NewPrinces systematic risk. This Cost of Equity will be used in the next sections to determine the Weighted Average Cost of Capital.

47.7.3. Cost of Debt

The Cost of Debt (K_d) represents the average rate of return required by debt holders to compensate for default and liquidity risk. To calculate the Cost of Debt, I used the market value weighted yield to maturity (YTM) of outstanding bonds and loans available in the most recent audited financial statements.

The yields of the two publicly traded bonds were taken from Bloomberg while the shareholder loan was included at its contractual rate. For the remaining bank debt, for which no contractual rate is disclosed, a synthetic cost was estimated by mapping the company's one year default probability from Bloobmerg (0.7006%) to Moody's Default Study, corresponding to a Ba2/BB rating. The EUR BB credit spread, 2.20%, sourced from ICE BofA, IBoxx and ECB data, was added to the risk-free rate resulting in a synthetic rate of 4.91%. The table below summarizes the relevant instruments and their respective market yields or rates:

Instrument	Coupon	Maturity	Weight	YTM/Rate	Source/Notes
Bond A	2.63%	19/02/2027	17.11%	3.84%	Bloomberg - XS2289795465
Bond B	4.75%	12/2/2031	30.05%	4.55%	Bloomberg - XS2958536976
Loan B (Shareholder Loan)	EUR03+300bps	2030	15.06%	5.03%	Company Disclosure
Loan X (Remaining Debt)	0.00%	NA	37.79%	4.91%	Own Calculation
Weighted Average (Pre-Tax)				4.64%	Own Calculation

Table 5 - Cost of Debt Summary. Source: NewPrinces, Bloomberg and own calculation

Next, I calculated the weighted average Cost of Debt using market-value weights as below:

$$\sum_{i=1}^{n} w_i \times r_i$$

This produced a pre-tax weighted average Cost of Debt of approximately 4.636%.

48.7.4. Effective Tax Rate

The effective tax rate (T) used in the valuation corresponds to the company's normalized forward-looking rate, which I derived from recent historical performance and adjusted to exclude non-recurring effects.

Rather than applying the Italian statutory rate of 27.9% (IRES + IRAP), I utilized the effective tax rate actually supported by the firm on a sustainable basis.

Between 2019 and 2024, NewPrinces reported a tax burden with significant volatility, with effective rates ranging from 17.5% to 57.2%. After analyzing the financial statements, this variation stemmed mainly from one-off provisions, non-deductible items, deferred tax adjustments and acquisition related accounting effects. To capture a representative and steady state measure, I used the average of the fiscal years of 2020, 2022 and 2023, as these years better reflect the company's recurring operational conditions and exclude extraordinary adjustments. A summary of the effective tax rates for the different years can be found in Table 6:

Item	2019	2020	2021	2022	2023	2024
IRES (Corporate)	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
IRAP (Regional)	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
Statutory Tax	27.9%	27.9%	27.9%	27.9%	27.9%	27.9%
Efective Tax Rate	17.5%	23.4%	57.2%	25.0%	22.1%	48.3%

Table 6 - NewPrinces Historical Effective Tax Rate. Source: NewPrinces and own calculations

I then computed the average for the years 2020, 2022 and 2023:

$$T = \frac{23.4\% + 25.0\% + 22.1\%}{3} = 22.5\%$$

As shown, I then adopted a 22.5% effective tax rate for the WACC computation, only applied at the end of the model. This tax rate was also used as standard for the forecasted period of the model.

49.7.5. WACC Calculation

Lastly, with the inputs obtained from the previous sections and the market values of equity and debt, which were cross-checked at multiple points over Q3 2025 to ensure consistency. The calculation was computed as follows:

$$WACC = \frac{846.20}{846.20 + 1164.04} \times 7.28\% + \frac{1164.04}{846.20 + 1164.04} \times 4.64\% \times (1 - 0.0225)$$

Where:

$Market\ Value\ of\ Equity\ (E) = €846.20\ million$
$Market\ Value\ of\ Equity\ (D) = 1164.04\ million$
$Effective\ Tax\ Rate\ (T) = 22.5\%$
$Cost\ of\ Equity\ (K_e) = 7.28\%$
$Pre-tax\ Cost\ of\ Debt\ (K_d) = 4.64\%$

The resulting WACC of 5.14% was obtained, representing the blended opportunity cost of capital for NewPrinces, reflecting both its financing structure and its risk profile. This final rate is the one used as the discount rate for the DCF model (FCFF).

50.8. Forecast and Assumptions

In the following sections, I will discuss the assumptions I used to derive the forecasted financial statements that support the DCF valuation. This projection covers 2025 through 2030, reflecting the transition of NewPrinces from an acquisitive growth phase towards operational consolidation and margin normalization. Historical data from 2019 to 2024 was constructed from the company's financial statements, while forecasted values were built upon both financial trends and relevant industry benchmarks. The historical data can be consulted in Appendix II through Appendix IV

Even though the latest company news and press releases indicate that the closing of the acquisition of Carrefour Italia is eminent, only the completed acquisition of Diageo Operations Italy was incorporated in the model. This was done not to speculate on the closing of the deal and to only consider finished and integrated acquisitions starting in 2025

51.8.1. Revenue Growth and Drivers

NewPrinces revenue projections for 2025 through 2030 were derived through a disaggregated, multi-driver framework that separates structural growth from one-off acquisition effects. The forecast distinguishes four drivers, M&A impact, Prince/Mix, Distribution Expansion and Organic Volume.

As shown in Table 7, for 2025, total revenue growth is projected at 69.9%, dominated by the full year consolidation of the Princes Group. This one transaction added about €1 billion in revenues and is captured under the M&A driver.

Year	Unit	2025	2026	2027	2028	2029	2030
Revenue Growth	%	*69.9%*	*4.5%*	*2.4%*	*2.0%*	*1.8%*	*1.5%*
Revenue Driver 1 - M&A	EUR million	1,000.0					
Revenue Driver 2 - Price/Mix	%	*2.0%*	*1.5%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Revenue Driver 3 - Distribution Expansion	%	*6.5%*	*2.5%*	*1.0%*	*0.6%*	*0.4%*	*0.2%*
Revenue Driver 4 - Organic Volume	%	*0.5%*	*0.5%*	*0.4%*	*0.4%*	*0.4%*	*0.3%*

Table 7 - Forecasted Revenue Growth and Drivers. Source: Own calculations.

Beyond M&A, the remaining growth derives from a gradual normalization of market conditions in the post-inflationary period of 2023 to 2024. Price and mix effects were modeled to contribute 2.0% in 2025, tapering down to 1.0% from 2027 onwards, reflecting the progressive stabilization of food prices across Europe. This assumption is based on data from the FAO Food Price Index and Eurostat food CPI data, which can be observed in Figure 3 and 18 respectively, indicating a reversion to single-digit price momentum. Distribution expansion

accounts for a temporary uplift of 6.5% in 2025, gradually declining to 0.2% in 2030 as the enlarged distribution network of the combined group reaches maturity and incremental channel gains fade. Organic growth volume remains modest during the forecast period, estimated at 0.5% in 2025 and declining to 0.3% by 2030, in line with market evidence from EuroCommerce (2025), which points to annual food volume growth rates between 0% and 1% in mature European markets.

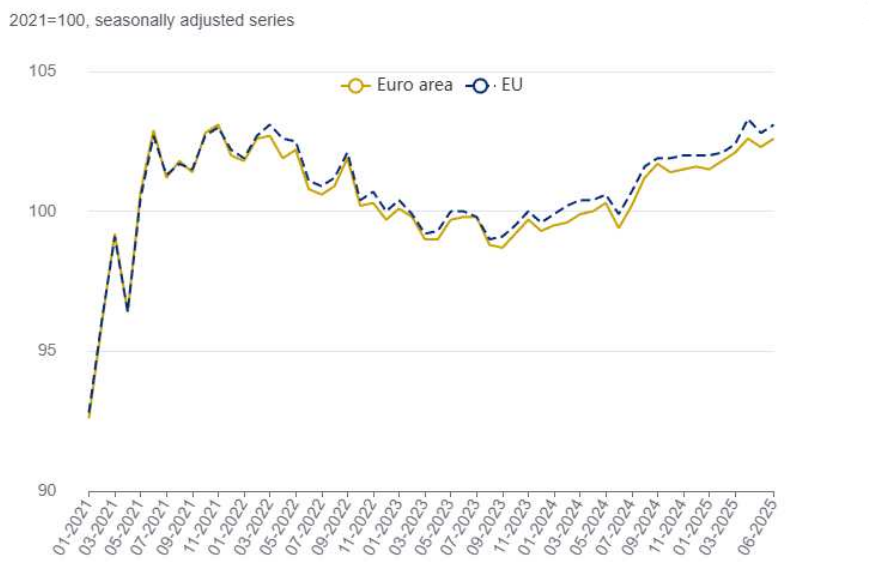

Figure 18 - Retail Trade Volume 2021 - 2025. Source: Eurostat.

Following the exceptional expansion in 2025, overall revenue growth moderates sharply to 4.5% in 2026 and 2.4% in 2027, stabilizing around 1.5% by 2030. This deceleration reflects the gradual consumption of M&A related integration effects and the transition to a steady state growth profile supported mainly by pricing optimization and limited volume gains. Compared with the peers revenue growth of approximately 3% to 4%, NewPrinces forecasted growth lies broadly in line with industry expectations once integration phase concludes.

52.8.2. Gross Profit Margin

The Group's gross profit margin was projected to rise gradually from 16.5% in 2025 to 18.1% in 2030. The recovery reflects efficiency gains from the integration of the Princes Group and the newly acquired Diageo Operations Italy, which enhance procurement scale and product utilization across Italy and the UK.

My forecast assumes a progressive but conservative synergy realization, avoiding any unrealistic guidance or gains. The expected improvement is of roughly 90 basis points by 2030 and is mainly tied to operational efficiencies and product mix normalization rather than strategic restructuring. By the end of the forecasted period, margins stabilize near historical highs and similar European packaged food peers operating in the same sector. A summary values can be seen in Table 8 and 9:

	Historical Data					
Item / All amounts in EUR million or %	2019	2020	2021	2022	2023	2024
Revenues	270.8	469.8	555.9	741.1	793.3	1,641.1
Revenues Growth %		*73.5%*	*18.3%*	*33.3%*	*7.0%*	*106.9%*
COGS	(224.4)	(370.2)	(440.4)	(607.7)	(656.2)	(1,369.7)
Gross Profit	**46.4**	**99.6**	**115.4**	**133.4**	**137.2**	**271.4**
Gross Profit Margin %	*17.1%*	*21.2%*	*20.8%*	*18.0%*	*17.3%*	*16.5%*
Operating Expenses	(40.2)	(83.8)	(106.2)	(118.5)	(121.6)	(236.7)
Other Op Income	4.6	8.1	7.8	5.2	10.9	7.6

Table 9 - Historical NewPrinces Gross Profit Margin. Source: NewPrinces, Bloomberg and own calculations.

	Projection					
Item / All amounts in EUR million or %	2025	2026	2027	2028	2029	2030
Revenues	2,788.8	2,914.3	2,984.2	3,043.9	3,098.7	3,145.2
Revenues Growth %	*69.9%*	*4.5%*	*2.4%*	*2.0%*	*1.8%*	*1.5%*
COGS	(2,278.4)	(2,366.4)	(2,420.2)	(2,465.6)	(2,506.9)	(2,541.3)
Gross Profit	**510.4**	**547.9**	**564.0**	**578.3**	**591.9**	**603.9**
Gross Profit Margin %	*18.3%*	*18.8%*	*18.9%*	*19.0%*	*19.1%*	*19.2%*
Operating Expenses	(471.3)	(475.0)	(483.4)	(490.1)	(495.8)	(500.1)
Other Op Income	0.00	0.00	0.00	0.00	0.00	0.00

Table 8 - Forecasted NewPrinces Gross Profit Margin. Source: Own calculations.

Relative to peers, with gross margins between 18% and 25%, NewPrinces's margins remain low but inside the range, which is primarily driven by the Group's exposure to lower margin categories such as dairy, canned products and private label manufacturing, together with the temporary integration inefficiencies following the acquisition of similarly sized company.

53.8.3. Operating Expenses

Operating Expenses were forecasted to decline from 16.9% of revenues in 2025 to 15.9% by 2030, reflecting gradual cost efficiencies from integration and scale effects as the Group consolidates its operations. The historical ratio averaged around 16%, with temporary volatility from 2022 into 2024 due to inflationary pressures on logistics, labor and energy.

The reduction in operating intensity was driven mainly by synergies between Newlat and Princes, particularly in shared procurement, distribution and services. As overlapping administrative and supply chain needs are absorbed, the cost base becomes more efficient relative to revenue. The integration of Diageo Operations Italy contributes marginally to this trend by increasing revenue scale without the proportionate cost expansion. To exclude on noise from the forecast, income from business combinations and other operating income were excluded.

When compared to peers, NewPrinces continues to operate with a slightly heavier cost structure in the reported range of 9% to 18%. Nevertheless, the projected stabilization at 15.9% narrows part of the historical gap.

54.8.4. Depreciation, Amortization and Capital Expenditures.

Depreciation and Amortization (D&A) were forecasted as a percentage of property, plant and equipment (PP&E) and intangible assets, reflecting the asset-based nature of NewPrinces operations. The ratio was derived from historical averages and adjusted to reflect expected normalization following the full integration of the Princes Group and Diageo Italy Operations. Historically volatile depreciation patterns, ranging from 9% to 16% were influenced by successive acquisitions and asset revaluations. For the forecasted period, the rate gradually stabilizes at approximately 14.1% in 2030.

Capital expenditures were estimated as a percentage of revenues to capture growth-related investment needs. Following the post-acquisition peak of integration and modernization spending, CapEx was forecasted to decline from 4.5% of Revenues in 2025 to a steady 4.0% by 2030. This was done to reflect an initial higher spending to obtain the most out of the synergies from acquisitions while transitioning to routine maintenance in the long term. A summary of the values of Depreciation, Amortization and Capital Expenditures can be seen in Table 10. Relative to the peer's CapEx to revenue ratios of 4% to 4.5%, NewPrinces is in the upper end of the range 3% to 5% of revenues, which is explained by the already extended

production network, enough capacity for current growth and relying in utilization improvements instead of new factories. Regarding the Depreciation and Amortization ratio of 14.1% of Revenues when comparing to the peers' range of 5% to 9% can be explained by the step up in depreciation deriving from the Purchase Price Allocation mandatory by IFRS 3 accounting due to successive acquisitions.

55.8.5. Financial Gains and Income Taxes

	Projection					
Item / All values in EUR million or %	2025	2026	2027	2028	2029	2030
Depreciation & Amortization	106.5	115.3	115.6	115.9	116.0	116.7
Depreciation and Amortization as % of PP&E and Intangible Assets	*15.0%*	*14.8%*	*14.6%*	*14.4%*	*14.2%*	*14.1%*
PPE & Intangible Assets Opening	710.0	779.0	791.9	804.6	816.6	827.7
New/Acquired PPE & Intagible Assets	50.0	0.0	0.0	0.0	0.0	0.0
Capex	125.5	128.2	128.3	127.8	127.0	125.8
Depreciation and Amortization	(106.5)	(115.3)	(115.6)	(115.9)	(116.0)	(116.7)
PPE and Intangible Assets Closing	779.0	791.9	804.6	816.6	827.7	836.8

Table 10 - NewPrinces forecasted Depreciation Schedule. Source: Own calculations.

Financial gains were as a function of Group's cash position, where Cash and Cash Equivalents at the beginning of the year were multiplied by the market consistent short-term deposit rate. For 2025, this rate was multiplied by a market consistent short term deposit rate of 2.193% benchmarked by the 12-month Euribor and was kept constant over the explicit forecast horizon to avoid speculative assumptions on future monetary policy.

The effective tax rate used in the valuation was normalized at 22.5% derived from the previously calculated three-year average of the effective tax rates of 2020, 2022 and 2023. These years best reflect the Group's tax position and align slightly below Italy's statutory tax structure, which combines a 24% income tax (IRES) and a 3.9% regional tax (IRAP).

56.8.6. Net Income and Income Statement

Table 11 presents the projected Income Statement for the NewPrinces Group from 2025 to 2030, reflecting the Integration of the Princes Group and Diageo Operations Italy. Revenues are expected to rise from €2.8 billion in 2025 to €3.15 billion in 2030. Growth is mainly driven by the first full year consolidation of acquired operations, moderate price and mix adjustments and limited volume expansion as the Group stabilizes.

After accounting and financial income, pre-tax income (EBT) improves from a €5.4 million loss to €46.7 million in 2030. Despite the improvement in operating performance, net income remains negative in 2025 at -€7.7 million. This temporary loss is primarily attributable to higher financial expenses linked to the group's elevated debt burden of post-acquisitions, as well as integration-related costs that constrain short-term profitability. From 2026 onwards, the company returns to positive earnings, with net income rising progressively to €33.9 million by 2030. The full historical Income Statement can also be reviewed under Appendix II.

Compared with its peers' net profit margin of 1% to 10%, NewPrinces projected net profit margins fall within the lower bound of the industry range.

	Projection					
Item / All amounts in EUR million or %	2025	2026	2027	2028	2029	2030
Revenues	2,788.8	2,914.3	2,984.2	3,043.9	3,098.7	3,145.2
Revenues Growth %	*69.9%*	*4.5%*	*2.4%*	*2.0%*	*1.8%*	*1.5%*
COGS	(2,278.4)	(2,366.4)	(2,420.2)	(2,465.6)	(2,506.9)	(2,541.3)
Gross Profit	**510.4**	**547.9**	**564.0**	**578.3**	**591.9**	**603.9**
Gross Profit Margin %	*18.3%*	*18.8%*	*18.9%*	*19.0%*	*19.1%*	*19.2%*
Operating Expenses	(471.3)	(475.0)	(483.4)	(490.1)	(495.8)	(500.1)
Other Op Income	0.00	0.00	0.00	0.00	0.00	0.00
EBIT	**39.0**	**72.9**	**80.6**	**88.3**	**96.1**	**103.8**
EBIT Margin %	*1.4%*	*2.5%*	*2.7%*	*2.9%*	*3.1%*	*3.3%*
Depreciation & Amortization	106.50	115.29	115.62	115.87	115.96	116.71
Net Write Downs Fin Assets	0.00	0.00	0.00	0.00	0.00	0.00
Business Combinations	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA	**145.5**	**188.1**	**196.2**	**204.1**	**212.0**	**220.5**
EBITDA Margin %	*5.2%*	*6.5%*	*6.6%*	*6.7%*	*6.8%*	*7.0%*
Financial Gains	10.0	21.6	23.1	23.7	24.1	24.6
Financial Expenses	(54.4)	(82.4)	(82.3)	(83.9)	(82.5)	(81.7)
EBT	**(5.4)**	**12.0**	**21.4**	**28.0**	**37.7**	**46.7**
Income Taxes	0.0	(2.7)	(4.8)	(6.3)	(8.5)	(10.5)
Minority/Non Controlling Interest	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)
Net Income (Loss)	**(7.7)**	**7.0**	**14.3**	**19.4**	**26.9**	**33.9**
Net Income (Loss) Margin %	*-0.3%*	*0.2%*	*0.5%*	*0.6%*	*0.9%*	*1.1%*

Table 11 - NewPrinces Forecasted Income Statement. Source: Own calculations.

57.8.7. Working Capital

The Working Capital Schedule presented in Table 13 projects a gradual normalization of operating efficiency following the integration of the Princes Group and Diageo Italy Operations. The number of days sales outstanding (DSO) is expected to stabilize at around 50 days by 2030, following an initial reduction from 60 days in 2025. This was forecasted as improved receivables management and unified invoice systems. Compared with the Packaged Foods & Meats industry average of 43.5 days, NewPrinces projected DSO remains higher, consistent with the Group's exposure to major European retailers that typically enforce longer payment terms.

Inventory days decline progressively from 75 to 65 days, as the company implements centralized procurement across Italian and United Kingdom facilities. Relative to the industry benchmark of approximately 72.8 days, NewPrinces projected DIO implies a more efficient inventory management than the sector average.

On the other hand, days payables outstanding (DPO) increase from 75 to 88 days, a result from the sharp increase in bargaining power with suppliers and that mostly explains the higher drop in Net Working Capital in 2026, which drops from €404.6 million in 2025 to €327.0 million in 2026. Comparing this to the peers range of between 45 to 90 days, NewPrinces DPO assumptions are on the higher bound, implying stronger supplier credit leverage than the typical peer There is also a notable reduction in net working capital from 2026 to 2028 as integration efficiency is realized.

	Historical Data					
Item / All values in days or EUR million	2019	2020	2021	2022	2023	2024
Days Sales Outstanding	69.5	47.0	45.5	42.4	46.7	69.1
Days Inventory Outstanding	41.6	33.2	43.6	44.8	44.3	75.0
Days Payable Outstanding	144.2	112.5	130.3	108.2	103.5	75.1
Accounts Receivable	49.3	71.3	67.2	92.0	84.6	258.5
Inventory	25.9	41.3	63.9	85.2	74.1	486.9
Accounts Payable	85.6	151.4	179.0	193.8	172.2	559.2
Other Current Assets	5.4	12.9	14.6	40.6	37.0	325.9
Other Current Liabilities	15.4	20.2	19.1	21.7	31.6	55.5
Net Working Capital	(20.4)	(46.1)	(52.4)	2.3	(8.1)	456.6
Change in NWC		(25.7)	(6.3)	54.7	(10.4)	464.7

Table 12 - Historical NewPrinces Working Capital Schedule. Source: Own calculations.

	Projection					
Item / All values in days or EUR million	2025	2026	2027	2028	2029	2030
Days Sales Outstanding	60.0	55.0	52.0	50.0	50.0	50.0
Days Inventory Outstanding	75.0	70.0	68.0	66.0	65.0	65.0
Days Payable Outstanding	80.0	82.0	84.0	86.0	88.0	88.0
Accounts Receivable	458.4	439.1	425.2	417.0	424.5	430.8
Inventory	573.0	558.9	556.0	550.4	551.8	560.1
Accounts Payable	611.2	654.7	686.8	717.2	747.1	758.3
Other Current Assets	97.7	102.1	104.5	106.6	108.6	110.2
Other Current Liabilities	113.4	118.5	121.3	123.7	125.9	127.8
Net Working Capital	404.6	327.0	277.6	233.1	211.8	215.0
Change in NWC	(52.0)	(77.6)	(49.4)	(44.5)	(21.3)	3.2

Table 13 - Forecasted NewPrinces Working Capital Schedule. Source: Own calculations.

Other current assets and liabilities were forecasted as a percentage of revenues, maintaining consistency with the company's historical results. Between 2019 and 2024, these line items remained relatively stable, averaging 3.5% of revenues for other current assets and 4.1% for other current liabilities. Given the low volatility of these figures and the absence of management guidance these ratios were held constant throughout the forecasting period.

Relative to industry benchmarks, NewPrinces CapEx assumptions are fully aligned with the sector. Peers such as Orkla typically invest around 3% to 4% of revenues, while Kerry Group's CapEx has historically ranged between 4% and 4.5% of revenues. These values are representative of large, diversified food manufacturers in Europe.

58.8.9. Balance Sheet Items

59.8.9.1 Debt

As shown in Table 15, total financial debt decreases slowly but steadily from €1.17 billion in 2025 to €0.80 billion in 2030, reflecting the repayment of Bond A (€199 million), maturing in February 2027, the progressive amortization of the €175 million shareholder loan until full repayment in 2030. Short term debt is repaid initially and increases over to cover liquidity and operational needs when necessary, the average cost of debt remains stable at around 4.64% to 4.80%.

	Historical Data					
Item / All values in EUR million or %	2019	2020	2021	2022	2023	2024
Existing Balance		34.5	157.9	414.5	370.5	355.1
Debt Increase		165.5	281.4	73.2	34.9	1,490.0
Debt Repayment		(42.0)	(24.9)	(117.2)	(50.3)	(672.3)
Bond/ Long Term Loan Issue (Repayment)	0.0	0.0	0.0	0.0	0.0	0.0
Financial Debt	34.5	157.9	414.5	370.5	355.1	1,172.8
Short-Term Financial Debt	22.5	63.1	127.3	65.8	64.7	385.5
Long-Term Financial Debt	12.0	94.8	287.2	304.7	290.5	787.3
Interest Rate						
Interest Expense	(1.9)	(3.9)	(8.7)	(12.3)	(21.3)	(42.4)

Table 14 - Historical NewPrinces Debt Schedule. Source: Own calculation.

	Projection					
Item / All values in EUR million or %	2025	2026	2027	2028	2029	2030
Existing Balance	1,172.8	1,210.6	1,075.9	930.7	861.6	805.4
Debt Increase	0.0	0.0	85.5	0.0	0.0	9.8
Debt Repayment	(281.5)	(104.0)	0.0	(38.5)	(25.5)	0.0
Bond/ Long Term Loan Issue (Repayment)	319.3	(30.7)	(230.7)	(30.7)	(30.7)	(52.6)
Financial Debt	1,210.6	1,075.9	930.7	861.6	805.4	762.6
Short-Term Financial Debt	104.0	0.0	85.5	47.0	21.5	31.4
Long-Term Financial Debt	1,106.6	1,075.9	845.2	814.5	783.8	731.2
Interest Rate	4.64%	4.64%	4.64%	4.80%	4.80%	4.80%
Interest Expense	(54.4)	(56.2)	(49.9)	(44.7)	(41.4)	(38.7)

Table 15 - NewPrinces Forecasted Debt Schedule. Source: Own calculations.

60.8.9.2. Goodwill and Intagible Assets

A goodwill addition of approximately €45 million was recognized in 2025 following the acquisition of Diageo Italy Operations, recorded under IFRS 3. Intangible assets remain broadly stable at around 130 million, with no new acquisitions assumed.

61.8.9.3. Provisions for Employees and Risks

Provisions for employee benefits were forecasted to remain near €13 to €14 million each year, in line with historical averages and moderate wage inflation. Provisions for risks and charges stood at around 3 million with a steady decline over the forecasted period.

62.8.9.4 Balance Sheet Forecast

The projected balance sheet can be seen in Table 16 and reflects NewPrinces transition along the forecasted period. Total assets are expected to decline slightly between 2025 and 2030, primarily due to a normalization of cash balances after the acquisition cycle and improved working capital efficiency. Total liabilities decline from €2.11 billion in 2025 to €1.82 billion in 2030, driven mostly by the repayment of debt and the scheduled bond repayment in 2027. Equity increases from €379.8m in 2025 to €567.9 million in 2030, supported by the most part by the retained earnings as profitability improves.

	Projection					
Item / All amounts in EURmillion	2025	2026	2027	2028	2029	2030
Cash & Equivalents	425.3	373.2	292.5	292.2	291.3	289.4
Accounts Receivable	458.4	439.1	425.2	417.0	424.5	430.8
Inventory	573.0	558.9	556.0	550.4	551.8	560.1
Other Curent Assets	97.7	102.1	104.5	106.6	108.6	110.2
Current Assets	**1,554.5**	**1,473.3**	**1,378.1**	**1,366.2**	**1,376.1**	**1,390.5**
Property Plant and Equipment	649.4	662.3	675.0	687.0	698.1	707.2
Right of Use Assets	96.5	96.5	96.5	96.5	96.5	96.5
Intagible Assets	129.6	129.6	129.6	129.6	129.6	129.6
Other Non Current Assets	20.7	20.7	20.7	20.7	20.7	20.7
Goodwill	45.0	45.0	45.0	45.0	45.0	45.0
Deffered Tax Assets	1.2	0.0	0.0	0.0	0.0	0.0
Fixed Assets / Non Current	**941.2**	**954.2**	**966.9**	**978.8**	**989.9**	**999.0**
Total Assets	**2,495.7**	**2,427.5**	**2,345.0**	**2,345.1**	**2,366.1**	**2,389.5**
Accounts Payable	611.2	654.7	686.8	717.2	747.1	758.3
Current Lease Liabilities	20.2	20.2	20.2	20.2	20.2	20.2
Short-Term Financial Debt	104.0	0.0	85.5	47.0	21.5	31.4
Income Taxes Accrued/Payable	4.9	4.9	4.9	4.9	4.9	4.9
Other Current Liabilities	113.4	118.5	121.3	123.7	125.9	127.8
Current Liabilities	**853.7**	**798.3**	**918.8**	**913.1**	**919.7**	**942.7**
Provisions for employee benefits	13.3	13.6	13.9	14.1	14.4	14.7
Non Current Lease Liabilitites	79.8	79.8	79.8	79.8	79.8	79.8
Deferred Tax Liabilities (Long-Term)	50.5	50.5	50.5	50.5	50.5	50.5
Provisions for risks and charges	3.5	3.4	3.2	3.0	2.9	2.7
Other Noncurrent Liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Shareholder Loan	175.4	144.7	114.0	83.3	52.6	0.0
Long-Term Financial Debt	931.2	931.2	731.2	731.2	731.2	731.2
Non Current Liabilities	**1,253.7**	**1,223.1**	**992.5**	**962.0**	**931.4**	**878.9**
Total Liabilities	**2,107.5**	**2,021.5**	**1,911.3**	**1,875.1**	**1,851.1**	**1,821.6**
Minority/Non Controlling Int (Stckhldrs Eqty)	65.53	65.53	65.53	65.53	65.53	65.53
Common Stock	43.94	43.94	43.94	43.94	43.94	43.94
Retained Earnings Total	150.24	167.99	195.67	232.00	276.94	329.94
Cumulative Translation Adjustment	2.54	2.54	2.54	2.54	2.54	2.54
Total Reserves	126.01	126.01	126.01	126.01	126.01	126.01
Total Equity	**388.3**	**406.0**	**433.7**	**470.0**	**514.9**	**567.9**
Total Liabilities and Equity	**2,495.7**	**2,427.5**	**2,345.0**	**2,345.1**	**2,366.1**	**2,389.5**

Table 16 - NewPrinces Forecasted Balance Sheet. Source: Own calculations.

63.8.10. Cash Flow Statement

The projected cash flow statement, which can be consulted in Table 17, consolidates the assumptions developed across the Income Statement and Balance Sheet. The cash flow from operations is primarily driven by the gradual normalization of operating margins, with good working capital management and sustained reinvestment in productive assets.

Operating cash flow is expected to strengthen progressively, supported by increasing profitability and stable non-cash charges. Depreciation and amortization remain broadly consistent with the evolution of property, plant and equipment while changes in working capital normalize.

Financing cash flows reflect a conservative capital structure policy. Debt repayments gradually reduce financial leverage, while no dividend distributions are assumed.

	Projection					
Item / All amounts in EUR million	2025	2026	2027	2028	2029	2030
EBIT	39.04	72.86	80.57	88.27	96.06	103.79
Depreciation and Amortization and Write Downs	106.50	115.29	115.62	115.87	115.96	116.71
Change in Receivables	(199.89)	19.29	13.99	8.18	(7.51)	(6.37)
Change in Inventory	(86.10)	14.14	2.94	5.56	(1.42)	(8.28)
Change in Other Current Assets	228.17	(4.40)	(2.45)	(2.09)	(1.92)	(1.63)
Change in Payables	52.01	43.47	32.07	30.41	29.89	11.21
Use of risk provisions and employee beneits	0.07	0.09	0.10	0.12	0.13	0.14
Change in Other Current Liabilities	57.82	5.10	2.84	2.43	2.23	1.89
Other changes Business Combinations	0.00	0.00	0.00	0.00	0.00	0.00
Taxes Paid	0.00	(5.82)	(8.71)	(11.22)	(13.72)	(16.06)
Cash Flow From Operations	**197.6**	**260.0**	**237.0**	**237.5**	**219.7**	**201.4**
Capital Expenditures (PP&E)	(125.50)	(128.23)	(128.32)	(127.84)	(127.05)	(125.81)
Investments(Divestments) Intagible Assets	0.00	0.00	0.00	0.00	0.00	0.00
Investment(Divestment) of Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition of businesses net of cash inflows	(100.00)	0.00	0.00	0.00	0.00	0.00
Cash Flow From Investing	**(225.5)**	**(128.2)**	**(128.3)**	**(127.8)**	**(127.0)**	**(125.8)**
Issued(Repayed) Short Term Debt	(281.53)	(103.96)	85.52	(38.49)	(25.49)	9.81
Issued Long Term Debt	350.00	0.00	0.00	0.00	0.00	0.00
Repayment of Long Term Debt	(30.70)	(30.70)	(230.70)	(30.70)	(30.70)	(52.60)
Repayments of Lease Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Net Interest Expense (After Financial Income)	(44.42)	(46.98)	(41.88)	(38.42)	(35.10)	(32.43)
Common Stock Issuance	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition of Minority Interests	0.00	0.00	0.00	0.00	0.00	0.00
Interest Paid to Minority Share	(2.31)	(2.31)	(2.31)	(2.31)	(2.31)	(2.31)
Sale(Purchase) of Own Shares	0.00	0.00	0.00	0.00	0.00	0.00
Cash Flow from Financing	**(9.0)**	**(183.9)**	**(189.4)**	**(109.9)**	**(93.6)**	**(77.5)**
Cash & Equivalent Start Year	455.1	418.2	366.1	285.4	285.1	284.2
Change in Cash	(36.8)	(52.2)	(80.7)	(0.2)	(0.9)	(1.9)
Cash & Equivalent End Year	418.2	366.1	285.4	285.1	284.2	282.3

Table 17 - NewPrinces Forecasted Cash Flow Statement. Source: Own calculations.

64.9. DCF Valuation

The Discounted Cashflow (DCF) valuation estimates the intrinsic value of NewPrinces Group by discounting the forecasted Free Cash Flows to Firm (FCFF) at the previously calculated Weighted Average Cost of Capital (WACC). The valuation incorporates the explicit projection period from 2025 to 2030 and a terminal value reflecting the long-term growth beyond this horizon.

For valuation purposes, 2025 is treated as a transitional forecast year as it reflects the first full year consolidation of the NewPrinces Group and the acquisition of Diageo Operations Italy, including one off integration costs and non-normal Working Capital levels. Therefore, 2025 is included in the explicit forecast period (2025 to 2030) but is not treated as a steady state or normal year.

65.9.1. Methodology and Structure

For the purpose of calculating the enterprise value of the firm, the WACC of 5.14% was used as the discount rate. As for the Enterprise Value (EV) it was obtained as the present value of forecasted FCFFs plus the terminal value:

$$TV_{2030} = \frac{FCFF_{2031}}{WACC - g} = \frac{FCFF_{2030} \times (1 + g)}{WACC - g}$$

$$EV_{30/09/2025} = \sum_{t=2025}^{2030} \frac{FCFF_t}{(1 + WACC)^{t-2025+0.75}} + \frac{TV_{2030}}{(1 + WACC)^{2030-2025+0.75}}$$

66.9.2. Terminal Growth Rate

The perpetual growth rate (g) was set at 1.3%, consistent with the long-term real GDP growth outlook for the Euro Area and United Kindgom. This assumption is grounded in macroeconomic projection published by OECD (see Figure 2) and IMF (see Figure 19). Because NewPrinces business activity is concentrated in mature, low volatility food categories, it's long term growth is expected to remain around 1.3%. Since the terminal period represents the company's evolution once it reaches a steady state after the integration of NewPrinces and Diageo Operations Italy and the normalization of investment cycles, its growth should not exceed the long term expansion of the economies where it operates.

From an industry standpoint, NewPrinces operates in staple, low-volatility food category, where structural growth is modest and primarily driven by population dynamics and incremental price/mix improvements. Empirical evidence from European food peers also shows steady state organic revenue growth and typically ranging between 1% to 2% I selected this value to capture a sustainable, inflation linked expansion while avoiding overstating or understating the terminal value of NewPrinces.

		PROJECTIONS	
(Real GDP, annual percent change)	2024	2025	2026
World Output	**3.3**	**3.0**	**3.1**
Advanced Economies	**1.8**	**1.5**	**1.6**
United States	2.8	1.9	2.0
Euro Area	0.9	1.0	1.2
Germany	-0.2	0.1	0.9
France	1.1	0.6	1.0
Italy	0.7	0.5	0.8
Spain	3.2	2.5	1.8
Japan	0.2	0.7	0.5
United Kingdom	1.1	1.2	1.4
Canada	1.6	1.6	1.9
Other Advanced Economies	2.2	1.6	2.1
Emerging Market and Developing Economies	**4.3**	**4.1**	**4.0**
Emerging and Developing Asia	5.3	5.1	4.7
China	5.0	4.8	4.2
India	6.5	6.4	6.4
Emerging and Developing Europe	3.5	1.8	2.2
Russia	4.3	0.9	1.0
Latin America and the Caribbean	2.4	2.2	2.4
Brazil	3.4	2.3	2.1
Mexico	1.4	0.2	1.4
Middle East and Central Asia	2.4	3.4	3.5
Saudi Arabia	2.0	3.6	3.9
Sub-Saharan Africa	4.0	4.0	4.3
Nigeria	3.4	3.4	3.2
South Africa	0.5	1.0	1.3
Memorandum			
Emerging Market and Middle-Income Economies	4.3	4.0	3.9
Low-Income Developing Countries	4.0	4.4	5.0

Figure 19 - World Economic Real GDP Growth Projection. Source: IMF, World Economic Outlook.

67.9.3 Free Cash Flow to the Firm (FCFF)

Table 18 presents the Free Cash Flow to the Firm (FCFF) schedule, derived from EBIT after taxes, adjusted for non-cash charges (Depreciation and Amortization), capital expenditures and changes in net working capital.

	Projection					
Item / All values in EUR million or %	2025	2026	2027	2028	2029	2030
EBIT	39.0	72.9	80.6	88.3	96.1	103.8
Effective Tax Rate	*22.5%*	*22.5%*	*22.5%*	*22.5%*	*22.5%*	*22.5%*
NOPAT	30.3	56.5	62.4	68.4	74.4	80.4
Depreciation and Amortization	106.5	115.3	115.6	115.9	116.0	116.7
Capex	(125.5)	(128.2)	(128.3)	(127.8)	(127.0)	(125.8)
Changes in NWC	52.0	77.6	49.4	44.5	21.3	(3.2)
FCFF	63.3	121.1	99.1	100.9	84.6	68.2

Table 18 - NewPrinces FCFF Forecast. Source: Own calculations.

Over the explicit forecast period, FCFF is projected to evolve from €63.3 million in 2025 to €68.2 million by 2030, reflecting the gradual normalization of integration costs and improved operating efficiency. Positive free cash flow reaches €121.1 million in 2026 and stabilizes around €68 million from 2030. To calculate the Enterprise Value on 30th September, the 2025 year FCFF was multiplied by 0.25 and discounted 0.25 periods while the Terminal Value and FCFF's from 2026 to 2030 were discounted to 31st of December 2024 and capitalized 0.75 periods to reach 30th September 2025:

$$FCFF_{Q42025} = \frac{FCFF_{2025} \times 0.25}{(1 + WACC)^{0.25}}$$

$$PV(FCFF_{2026-2030}) = \frac{FCFF_{2026-2030}}{(1 + WACC)^{n}} \; where \; n = 2{,}3{,}4{,}5 \; (year - 2024)$$

$$PV(Terminal\ Value) = \frac{TV}{(1 + WACC)^{6}}$$

The Present Value of the FCFF from 2026 to 2030 and the Present Value of the Terminal Value where then capitalized to 30th September 2025:

$$EV = FCFF_{Q42025} + \left\{\left[\sum PV(FCFF_{2026-2030)} + PV(TV)\right] \times (1 + WACC)^{0.75}\right\}$$

68.9.4. Equity Value and Price per Share

The Enterprise Value (EV) obtained from the discounted cash flow model amounts to €1.804 billion as of 30 September 2025, derived from the sum of the discounted FCFFs (€424.25 million) and discounted terminal value (€1.38 billion).

To determine the Equity Value, I deducted financial debt from the enterprise value, and excess cash was added back. As of the valuation date (30th September 2025), net debt amounted to €427 million, composed of €1.16 billion in financial debt and €738 million in cash and equivalents.

$$Equity\ Value = EV - Net\ Debt = €1.804\ billion - €0.427\ billion = €1.377\ billion$$

With the current number of shares outstanding, which as of September 2025 stand at 43 935 050 shares, the implied market fair value per share results in €31.36. When compared to the market price of €23.05 as of 30 September 2025, my analysis suggests an upside potential of approximately 36.05%, indicating that NewPrinces shares appear undervalued at the valuation date.

69.9.5 Sensitivity Analysis

To assess the robustness of the valuation, a sensitivity analysis was conducted on the two parameters that have the largest impact on the discounted cash flow model, the WACC and the perpetual growth rate (g). These variables directly influence the terminal value, which represents the majority of NewPrinces enterprise value given its profile as a mature food manufacturer.

The sensitivity analysis shown in Table 19 shows the implied share price under different combinations of WACC and perpetual growth rates. The base case valuation of 31.36 per share corresponds to a WACC of 5.144% and a terminal growth rate of 1.3%, resulting in an estimated upside potential of 36.05% relative to the share price on 30 September 2025.

WACC / g	Weighted Average Cost of Capital						
Perpetual Growth Rate	31.360	6.500%	6.000%	5.500%	5.144%	5.000%	4.500%	4.000%
0.75%	19.13	21.65	24.69	27.28	28.44	33.19	39.39
1.00%	20.07	22.80	26.14	29.00	30.30	35.64	42.75
1.25%	21.10	24.08	27.75	30.94	32.40	38.47	46.73
1.30%	21.32	24.35	28.10	31.36	32.85	39.09	47.62
1.75%	23.48	27.08	31.63	35.68	37.57	45.67	57.34
2.00%	24.87	28.86	33.98	38.62	40.81	50.34	64.64

Table 19 - Forecast Sensitivity Table. Source: Own Calculations.

These results indicate that the valuation is particularly sensitive to changes in WACC. A change around 50 basis points upwards in the discount rate reduces fair value by approximately €3 to €5 per share. Variations in the perpetual growth rate have a more moderate but still material impact, especially at lower discount rates. This sensitivity analysis supports the robustness of the equity research while highlighting the need for continued monitoring of the discount rate dynamics, particularly in the context of interest rate movements, integration and execution risks following recent acquisitions.

70.9.6. Relative Valuation

To complement the DCF valuation. A relative valuation was conducted using the peer group consisting of Orkla ASA, Greencore Group PLC, Societe L.D.C.. Kerry Group PLC and Bell Food Group AG. All valuation metrics are based on 2026 forward multiples obtained from Bloomberg. I used 2026 forward multiple due to 2025 being a transition year heavily affected by post-acquisition consolidation, and in this case I decided to use forward year multiples. The summary table can be consulted in Table 20.

Values in EUR Million, Number or %	Multiples		
Company Name	Fwd 2026 EV/EBITDA	Fwd 2026 EV/EBIT	Fwd 2026 EV/Sales
ORKLA ASA	12.2x	16.0x	1.7x
L.D.C. SA	5.0x	8.1x	0.4x
GREENCORE GROUP PLC	6.5x	9.3x	0.6x
KERRY GROUP PLC	11.3x	14.5x	2.1x
BELL FOOD GROUP AG	6.0x	14.1x	0.5x
Peer Group Median	6.46x	14.11x	0.60x

Table 20 - Peer Forward 2026 Multiples. Source: Bloomberg.

I calculated a simple median to avoid size distortions and ensure equal weighting across peers,

Values in EUR	EV/ EBITDA	EV/EBIT	EV/Sales
Implied Enterprise Value	1,215,440,275	1,028,017,545	1,673,279,400
Implied Equity Value	430,175,534	242,752,804	888,014,659
Implied Share Price	9.79	7.92	23.43

Table 21 - Implied Values for Relative Valuation. Source: Own Calculation.

resulting in median multiples of 6.46× EV/EBITDA, 14.11× EV/EBIT and 0.60× EV/Sales. I then applied these medians to NewPrinces 2026 forecasted financials, revenues of €2,914.3 million, EBITDA of €188.1 million, EBIT of €72.9 million, 2025 Net Debt of €720 million and the same 43.935 million shares, which resulted in the equity values and implied share prices shown below in Table 21:

The dispersion across multiples is significant. EBITDA and EBIT based approaches produce notably lower valuations, reflecting NewPrinces currently lower margins and elevated leverage relative to the peer group. In contrast, EV/Sales yields a much higher result because it ignores profitability and values the company primarily on scale.

To derive a balanced valuation, I use a blended approach, assigning weights of 50% to EV/EBITDA, 20% to EBIT and 30% to EV/Sales. This resulted in a blended price of €13.51 per share, which lies significantly below the current market price of €23.05 per share and the DCF implied value of €32.03 per share.

Values in EUR	Implied Share Price	Weight
EV/ EBITDA	9.79	50%
EV/EBIT	7.92	20%
EV/Sales	23.43	30%
Blended Share Price	13.51	100%

Table 22 - Blended Share Price. Source: Own Calculations.

Taken together, the multiples approach suggests that NewPrinces trades at a premium to peers on profitability-adjusted multiples, whereas the DCF highlights long-term value creation not yet recognized in market comparables

71.10. Comparison with Investment Bank Report

To compare the results of the valuation developed in this thesis, the equity research report of Intesa Sanpaolo from October 5th 2025 was used. Although both analyses recognize the long-term strategic potential of the Princes acquisition, the underlying assumptions differ materially, particularly in revenue growth, profitability recovery, deleveraging and the components of the cost of capital. These differences ultimately lead Intesa to a BUY recommendation and target price of €28.5, whereas my thesis also recommends a BUY but set in different assumptions.

Intesa projects a faster operational recovery, forecasting 2026 revenues of €3.277 billion versus the €2.914 billion in my model. Their EBITDA forecast for 2026 is €267.9 million, which is more than 40% higher than the €188.1 million projected in my thesis. Intesa therefore assumes a rapid recovery and convergence towards peer margins while my thesis assumes a more gradual, sector aligned path, reflecting NewPrinces exposure to historically low margin categories such as dairy and private-label manufacturing. This thesis's assumptions are more consistent with both historically performance and the profitability profile of comparable European Food Manufacturing companies.

Regarding the cost of capital, there are major differences in the assumptions. Intesa Sanpaolo uses a WACC of 8.2%, built from 3.5% risk-free rate, 6.0% equity risk premium, a levered beta of 1.0 and target Debt to Equity of 20%. On the debt side they assume a gross cost of debt of 4.0%, a tax rate of 24% and therefore a net cost of debt of 3.0%. In contrast, my thesis estimates a WACC of approximately 5.14% based on the German Bund risk-free rate, a revenue weighted ERP of 5.46% and a bottom-up levered beta of around 0.84.

The operating assumptions also diverge. Intesa Sanpaolo's report indicates a terminal value built on low, single digit revenue growth and an EBIT margin of 5.2%, implicitly assuming that the group captures a meaningful share of the projected cost and revenue synergies from the Princes integration. My projections incorporate similar low single digit long term growth but assume a more conservative normalized margin profile, with EBIT margins stabilizing well below Intesa's 5.2% level and with CapEx and working capital needs calibrated to historical averages and sector benchmarks rather than to management targets. As a result, my

FCFF trajectory grows more gradually and leaves a bit less room for an aggressive jump on profitability.

Despite the differences in assumptions, both analyses converge towards similar central valuations in the high 20s to low 30s per share range. Intesa Sanpaolo reaches this level with a higher WACC but more optimistic expectations for EBITDA recovery and synergy capture. My valuation, on the other hand, relies on more conservative assumptions for margins, working capital and debt reduction, yet even under these cautious inputs, yields an intrinsic value of €31.36 per share. Accordingly, the updated evidence supports a BUY recommendation, driven by continued integration benefits, gradual margin normalization and improving cash flow generation.

72.11. Conclusion

The valuation of NewPrinces presents a differentiated picture across methods. The DCF approach yields an intrinsic value of €31.36 per share, supported by improving margins, integration synergies and clearer medium-term outlook following the Princes and Diageo Italy acquisitions. On the other hand, the multiples-based valuation remains conservative, with a blended value of €13.51 per share reflecting subdued profitability and higher leverage relative to peers in the near term. However, these multiples capture only near-term conditions and overlook the material value creation expected as integration matures.

Overall, the evidence supports a BUY recommendation. The DCF implying an upside of approximately 36% combined with the ongoing operational improvements and synergy realization indicate that the market underprices the Group's long-term earnings potential.

12. Appendix

73.12.1. Appendix I – Historical NewPrinces Financial Ratios

Item	2019	2020	2021	2022	2023	2024
Bank Ratios						
Financial Debt/EBITDA	1.5x	3.5x	8.7x	6.6x	5.2x	11.2x
Interest Coverage	0.2x	0.1x	0.5x	0.6x	0.7x	0.2x
Debt Service Coverage (EBITDA)	12.2x	1.0x	1.4x	0.4x	1.0x	0.1x
Debt/Equity	0.4x	1.0x	2.9x	2.7x	2.0x	3.0x
Liquidity Ratios						
Cash Ratio	0.8x	0.7x	1.1x	1.0x	1.1x	0.4x
Quick Ratio	0.6x	0.5x	0.4x	0.6x	0.6x	0.7x
Current Ratio	0.7x	0.8x	0.6x	0.6x	0.5x	0.7x
Growth Rates						
Revenue growth	NA	73.5%	18.3%	33.3%	7.0%	106.9%
Gross Profit Growth	NA	114.8%	15.9%	15.5%	2.8%	97.9%
EBITDA Growth	NA	99.9%	5.9%	17.8%	20.8%	54.2%
EBIT Growth	NA	351.4%	-65.0%	18.0%	55.5%	532.1%
Profitability						
ROE	7.8%	30.3%	3.4%	4.4%	9.1%	55.4%
ROA	3.4%	10.4%	2.0%	2.3%	4.4%	12.6%
EBITDA Margin	8.4%	9.6%	8.6%	7.6%	8.6%	6.4%
EBIT Margin	4.0%	10.4%	3.1%	2.7%	3.9%	12.0%
Efficiency						
Days Receivables	NA	47	45	39	41	38
Days Inventory	NA	33	44	45	44	75
Days Payables	NA	117	137	112	102	97
Cash Conversion	NA	(37)	(48)	(28)	(17)	15
Asset Turnover	NA	0.9x	0.7x	0.9x	1.0x	0.7x

74.12.2. Appendix II – Historical NewPrinces Income Statement

		Historical Data					
Item / All amounts in EUR million or %	Unit	2019	2020	2021	2022	2023	2024
Revenues	EUR	270.8	469.8	555.9	741.1	793.3	1,641.1
Revenues Growth %	%		*73.5%*	*18.3%*	*33.3%*	*7.0%*	*106.9%*
COGS	EUR	(224.4)	(370.2)	(440.4)	(607.7)	(656.2)	(1,369.7)
Gross Profit	EUR	**46.4**	**99.6**	**115.4**	**133.4**	**137.2**	**271.4**
Gross Profit Margin %	%	*17.1%*	*21.2%*	*20.8%*	*18.0%*	*17.3%*	*16.5%*
Operating Expenses	EUR	(40.2)	(83.8)	(106.2)	(118.5)	(121.6)	(236.7)
Other Op Income	EUR	4.6	8.1	7.8	5.2	10.9	7.6
EBIT	EUR	**10.8**	**48.7**	**17.1**	**20.1**	**31.3**	**197.7**
EBIT Margin %	%	*4.0%*	*10.4%*	*3.1%*	*2.7%*	*3.9%*	*12.0%*
Depreciation & Amortization	EUR	11.2	19.9	29.6	35.0	40.3	62.517
Net Write Downs Fin Assets	EUR	0.7	1.5	1.2	1.2	1.4	0.4
Business Combinations	EUR	0.0	(24.9)	0.0	0.0	(4.8)	(155.5)
EBITDA	EUR	**22.6**	**70.1**	**47.9**	**56.4**	**72.9**	**260.6**
EBITDA Margin %	%	*8.4%*	*14.9%*	*8.6%*	*7.6%*	*9.2%*	*15.9%*
Financial Gains	EUR	0.4	0.5	1.2	2.1	9.8	12.2
Financial Expenses	EUR	(1.9)	(3.9)	(8.7)	(12.3)	(21.3)	(42.4)
EBT	EUR	**9.4**	**45.4**	**9.6**	**9.9**	**19.7**	**167.5**
Income Taxes	EUR	(2.2)	(6.8)	(3.3)	(3.3)	(4.2)	(7.2)
Minority/Non Controlling Interest	EUR	0.0	(1.1)	(1.1)	(0.4)	(1.2)	(2.3)
Net Income (Loss)	EUR	**7.2**	**37.6**	**5.1**	**6.2**	**14.3**	**158.0**
Net Income (Loss) Margin %		*2.6%*	*8.0%*	*0.9%*	*0.8%*	*1.8%*	*9.6%*

75.12.3. Appendix III – Historical NewPrinces Balance Sheet

Item / All amounts in EURmillion	Unit	2019	2020	2021	2022	2023	2024
Cash & Equivalents	EUR	100.9	182.1	384.9	287.8	312.5	455.1
Accounts Receivable	EUR	49.3	71.3	67.2	92.0	84.6	258.5
Inventory	EUR	25.9	41.3	63.9	85.2	74.1	486.9
Other Curent Assets	EUR	5.4	12.9	14.6	40.6	37.0	325.9
Current Assets		**181.5**	**307.6**	**530.6**	**505.6**	**508.2**	**1,526.5**
Property Plant and Equipment	EUR	31.8	151.5	157.4	154.1	164.7	580.4
Right of Use Assets	EUR	17.3	18.5	38.6	46.5	43.8	96.5
Intagible Assets	EUR	25.2	51.1	97.8	92.3	91.5	129.6
Other Non Current Assets	EUR	5.9	8.4	10.5	10.6	9.3	20.7
Goodwill	EUR	0.0	0.0	0.0	0.0	0.0	0.0
Deffered Tax Assets	EUR	0.0	0.0	0.0	0.0	0.0	0.0
Fixed Assets / Non Current		**80.3**	**229.5**	**304.3**	**303.5**	**309.4**	**827.2**
Total Assets		**261.7**	**537.1**	**834.9**	**809.1**	**817.6**	**2,353.7**
Accounts Payable	EUR	85.6	151.4	179.0	193.8	172.2	559.2
Current Lease Liabilities	EUR	4.8	6.6	7.9	7.6	7.7	20.2
Short-Term Financial Debt	EUR	22.5	63.1	127.3	65.8	64.7	385.5
Income Taxes Accrued/Payable	EUR	0.5	3.4	3.4	3.7	3.0	4.9
Other Current Liabilities	EUR	15.4	20.2	19.1	21.7	31.6	55.5
Current Liabilities		**128.7**	**244.7**	**336.6**	**292.5**	**279.2**	**1,025.4**
Provisions for employee benefits	EUR	10.6	15.4	14.2	11.4	11.0	13.1
Non Current Lease Liabilitites	EUR	13.0	12.4	31.2	39.2	37.2	79.8
Deferred Tax Liabilities (Long-Term)	EUR	3.9	12.1	19.1	20.0	22.9	48.5
Provisions for risks and charges	EUR	1.4	1.6	2.0	2.0	2.3	3.7
Other Noncurrent Liabilities	EUR	0.6	0.0	0.0	0.0	0.0	0.0
Shareholder Loan	EUR	0.0	0.0	0.0	0.0	0.0	206.1
Long-Term Financial Debt	EUR	12.0	94.8	287.2	304.7	290.5	581.2
Non Current Liabilities		**41.5**	**136.3**	**353.7**	**377.3**	**363.8**	**932.4**
Total Liabilities		**170.2**	**381.0**	**690.4**	**669.8**	**642.9**	**1,957.8**
Minority/Non Controlling Int (Stckhldrs Eqty)	EUR	0.0	13.8	14.5	14.8	16.0	65.5
Common Stock	EUR	40.8	43.9	43.9	43.9	43.9	43.9
Retained Earnings Total	EUR	7.2	37.6	5.1	6.2	14.3	157.9
Cumulative Translation Adjustment	EUR	0.0	0.0	(0.5)	(3.0)	(1.7)	2.5
Total Reserves	EUR	43.6	61.3	81.4	77.3	102.1	126.0
Total Equity		**91.5**	**156.6**	**144.5**	**139.3**	**174.7**	**395.9**
Total Liabilities and Equity	EUR	**261.7**	**537.6**	**834.9**	**809.1**	**817.6**	**2,353.7**

76.12.4. Appendix IV – Historical NewPrinces Cashflow Statement

	Historical Data					
Item / All amounts in EUR million	2019	2020	2021	2022	2023	2024
EBIT	10.8	48.7	17.1	20.1	31.3	197.7
Depreciation and Amortization and Write Downs	10.0	21.4	30.8	36.3	41.7	62.9
Change in Receivables	0.4	3.1	14.8	(26.4)	11.5	71.8
Change in Inventory	1.0	(4.7)	(4.4)	(21.3)	14.2	3.8
Change in Other Current Assets	14.1	8.0	5.0	10.0	9.0	50.0
Change in Payables	(5.0)	26.2	5.3	15.8	(29.8)	72.8
Use of risk provisions and employee beneits	(1.4)	(0.6)	(0.7)	(0.7)	(1.0)	(1.0)
Change in Other Current Liabilities	(1.3)	(5.0)	(2.1)	(15.2)	(5.0)	(20.2)
Other changes Business Combinations	2.0	(24.9)	0.0	0.0	(4.8)	(155.5)
Taxes Paid	(0.4)	(3.6)	(4.5)	(0.8)	(4.6)	(3.0)
Cash Flow From Operations	**30.2**	**68.6**	**61.3**	**17.8**	**62.4**	**279.3**
Capital Expenditures (PP&E)	(4.2)	(14.4)	(13.3)	(15.5)	(24.9)	(26.5)
Investments(Divestments) Intagible Assets	0.0	0.0	0.0	0.0	0.0	0.0
Investment(Divestment) of Financial Assets	0.0	0.0	(0.0)	(6.4)	6.6	(240.4)
Acquisition of businesses net of cash inflows	(32.9)	18.3	(64.5)	(0.3)	(1.0)	5.7
Cash Flow From Investing	**(37.2)**	**3.9**	**(77.8)**	**(22.1)**	**(19.3)**	**(261.1)**
Issued(Repayed) Short Term Debt	15.0		198.5	0.0		
Issued Long Term Debt	0.0	65.1	83.0	73.2	34.9	834.6
Repayment of Long Term Debt	(15.8)	(42.0)	(24.9)	(117.2)	(50.3)	(672.3)
Repayments of Lease Liabilities	(4.2)	(7.3)	(13.9)	(13.6)	(10.4)	(19.8)
Net Interest Expense (After Financial Income)	(1.4)	(3.3)	(7.5)	(10.2)	(11.6)	(12.4)
Common Stock Issuance	76.5	0.0	0.0	0.0	0.0	0.0
Acquisition of Minority Interests	0.0	(2.8)	0.0	0.0	0.0	0.0
Interest Paid to Minority Share	0.0	0.0	0.0	0.0	0.0	0.0
Sale(Purchase) of Own Shares	0.0	(0.9)	(15.8)	(11.7)	18.9	(5.8)
Cash Flow from Financing	**70.2**	**8.7**	**219.4**	**(79.6)**	**(18.5)**	**124.3**
Cash & Equivalent Start Year	37.7	100.9	182.2	385.0	288.0	312.6
Change in Cash	63.2	81.2	202.9	(83.9)	24.6	142.5
Offset Cash and Equivalents	0.0	0.0	0.0	(13.1)	0.0	0.0
Cash & Equivalent End Year	100.9	182.2	385.0	288.0	312.6	455.1

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