

Tinexta

'No interest' in press-speculated deal

Tinexta has stated it has **'no interest in the deal'** that was subject to press speculation on 4 January 2022, namely the claimed negotiations to combine with Prelios, a private-equity owned company. Tinexta's recent M&A strategy has focused on investing in new industries, with an expected strong growth profile (such as the acquisitions of Cyber Security and CertEurope in France), or the formation of new ventures (with no new capital investment by Tinexta) with industry participants that management expects will improve the growth outlook for its existing business units (such as the **new venture with Intesa Sanpaolo** and the **investment by Bregal Milestone** in InfoCert). Tinexta will publish its new three-year economic and financial plan for FY22–24 on 28 February.

Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	PE (x)	Yield (%)
12/19	258.7	53.5	0.80	0.00	44.8	0.0
12/20	269.0	58.6	0.85	0.26	42.2	0.7
12/21e	373.7	72.6	1.12	0.31	32.1	0.9
12/22e	438.6	93.5	1.40	0.41	25.6	1.1
12/23e	502.5	115.3	1.72	0.51	20.9	1.4

Note: *PBT and EPS (fully diluted) are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

An article in Il Messaggero claimed Tinexta and Prelios are in negotiations to create a new giant in credit services.

According to its [website](#), Prelios's services cover the full range of requirements in the real estate life cycle, including asset management, investment management, due diligence, real estate advisory, valuation of individual properties, property management, real estate brokerage, investment funds and distressed asset management.

The newspaper article claimed there are good relationships between the chairs of Tinexta and Prelios and identified the banks helping the companies. It also indicated a valuation for Prelios of 'over a billion' (we assume euros), which is significant versus Tinexta's market value of c €1.7bn, and stated the negotiations are at the evaluation and investigation phase. The article indicated Tinexta has a '[€]100m capital increase' waiting to be called by the board, which was already approved by the AGM in April 2021.

Historically, Tinexta's Credit Information & Management (CIM) business unit has generated lower than average rates of growth and has experienced margin pressure. However, CIM's recent [financial performance has improved](#) and management expects the new venture with IS to improve the growth outlook for CIM.

As well as stating Tinexta 'has no interest in the deal', the press release said 'as part of its growth strategy, the group is always interested in evaluating various strategic opportunities, without neglecting the analysis of any operation that the various advisors propose'. In addition, Tinexta 'confirms its commitment to pursue as a matter of priority deals capable of increasing value for all stakeholders.'

Press speculation

Professional services

5 January 2022

Price €35.9

Market cap €1,694m

Net debt (€m) at 30 September 2021 191.6

Shares in issue 47.2m

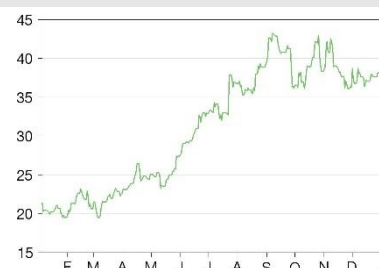
Free float 34%

Code TNXT

Primary exchange Euronext STAR Milan

Secondary exchange N/A

Share price performance



Business description

Tinexta has four divisions: Digital Trust, solutions to increase trust in digital transactions; Credit Information & Management, services to manage credit; Innovation & Marketing Services, services to help clients develop their businesses; and Cyber Security, services to help digital transformation.

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