



FY24 Results: Record Performance with Euro 0.4 m Net Income

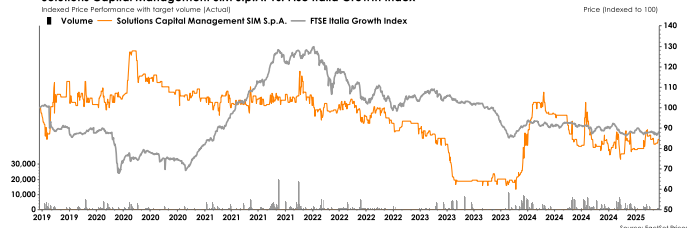
Sector: Finance

Record FY24 results with strong fee growth and improved profitability. SCM SIM recently released FY24 results, delivering a solid performance and achieving its best results to date. Fee income amounted to Euro 9.8 m, up +26% YoY and +7% vs our estimates. Growth was primarily driven by the Insurance line, which generated fees of Euro 2.0 m (+66% YoY), while recurring advisory totaled Euro 1.3 m (+30% YoY). Asset Management fees reached Euro 2.3 m (+8% YoY), while Generic Consulting declined to Euro 2.6 m. Performance fees boosted total income by Euro 1.6 m. Fee expenses totaled Euro 4.8 m, with a payout ratio of 49%, vs. 48% in FY23 due to a less favorable sales mix and the entry of new insurance consultants at the end of 2023, who initially benefited from temporary favorable conditions, now fully phased out. Operating costs totaled Euro 4.3 m (+10% YoY), exceeding our forecast of Euro 3.9 m. This increase was primarily driven by a rise in non-structural personnel and administrative expenses. EBITDA reached Euro 0.7 m, slightly below our estimate of Euro 0.8 m, but showed strong growth compared to Euro 96 k in FY23. Net income was Euro 0.4 m, in line with our expectations, representing a substantial improvement from the previous year's loss of Euro -261 k. As of December 2024, Assets Under Control totaled Euro 948 m, up from Euro 928m in FY23. The breakdown includes Insurance at Euro 363 m (38%), Asset Management at Euro 276m (29%), Advisory at Euro 253m (27%), and SICAV at Euro 56 m (6%). Net inflows amounted to approximately Euro 9 m, compared to Euro 26 m in 2023. Notably, Recurring Advisory saw a positive inflow of around Euro 10 m, while Asset Management experienced a slight negative inflow of Euro -4.6 m. As of December 31, 2024, the company's commercial network comprised 54 advisors (-44 YoY vs. FY23), including 28 financial advisors and 26 insurance advisors. The reduction resulted from rationalization initiatives aimed at streamlining the network by phasing out inactive resources.

Management outlook and business update. SCM continued its growth trajectory in 2024, expanding its advisory network and strengthening its presence in the insurance sector through key partnerships with CNP, Athora, and Dual Italia. The integration of the new insurance advisory network was a key revenue driver, with ongoing benefits from recurring management fees linked to asset growth. The company remains focused on sustainability, expanding its ESG offering and maintaining SFDR 8 & 9 compliance. It has also initiated compliance measures for DORA regulations, reinforcing cybersecurity and operational resilience. Looking ahead, SCM's 2025-2027 Industrial Plan prioritizes network expansion, the convergence of financial and insurance advisory, corporate division growth, and strategic partnerships. Early 2025 market conditions remain positive, though geopolitical and trade uncertainties persist. SCM is well-positioned to capitalize on market opportunities while optimizing its operational efficiency.

Estimates revised, new TP set at Eu 6.37 per share, upside of 93%. Despite a strong 2024 performance, we have adjusted our 2025-2026 estimates and added 2027 estimates, adopting a more conservative approach considering the current macroeconomic and political uncertainties impacting financial markets. We now expect FY25 and FY26 fee income at Euro 9.2 m and Euro 10.5 m, respectively (Euro 10.9 m and Euro 12.9 m pr.), and FY25-26 brokerage margin at 51.5% and 52.2%, in that order (53.0% and 54.0% pr.). Overall, we made a cut of -19.5% and -59.7% in Net fees and EPS, accordingly. We updated our DCF and multiple-based target price to Euro 6.37 per share (from Euro 6.52 per share), implying an upside of 93%. At this target price, the stock would trade at 2025-2026E Equity Value/AuM multiples of 1.47% and 1.44%, respectively, compared to the peers' average of 2.88% and 2.67%, and the current stock price at 0.76% and 0.75%.

Solutions Capital Management SIM S.p.A. vs. Ftse Italia Growth Index



Target Price (€) 6.37 (6.52pr.)

Market Cap (€ m) **7.4**

EV (€ m) **7.0**

Market Price (€) **3.3**

As of March 19, 2025

Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	SCM IM/SCM.MI
ISIN	IT0005200248
N. of Shares	2,234,264
Free Float	19.72%
CEO	Antonello Sanna

Financials

	24A	25E	26E	27E
Fee Income	9.8	9.2	10.5	11.7
YoY %	26%	-6%	14%	12%
Net Fees	5.0	4.7	5.5	6.2
Payout	-49%	-49%	-48%	-47%
Brokerage M.	5.0	4.7	5.5	6.2
Cost/Income ratio %	-86%	-84%	-77%	-71%
EBITDA	0.7	0.7	1.3	1.8
Net Result	0.4	0.3	0.7	1.1
Equity	3.2	3.5	4.3	5.4

Performance

	1M	3M	1Y
Absolute %	-2.4	6.5	-12.7
Relative (FTSE Italia Growth)	-2.7	5.9	-9.7
52-week High/Low (Eu)	4.00	/	2.80

Research Department of



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KEY FINANCIALS

Euro m	2019A	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Assets under Control (AuC)	772	924	959	849	928	948	968	988	1,008
Profit & Loss Statement									
Fee income	6.9	5.5	6.3	6.2	7.8	9.8	9.2	10.5	11.7
Fees expenses	(3.1)	(2.3)	(2.4)	(2.6)	(3.7)	(4.8)	(4.5)	(5.0)	(5.5)
Net fees	3.9	3.2	3.9	3.7	4.0	5.0	4.7	5.5	6.2
Brokerage margin	3.8	3.2	3.9	3.6	4.0	5.0	4.7	5.5	6.2
Operating costs	(3.7)	(3.3)	(3.8)	(4.0)	(3.9)	(4.3)	(4.0)	(4.2)	(4.4)
Pre-tax Profit (Loss)	0.1	(0.2)	(0.3)	(0.8)	(0.3)	0.5	0.4	1.0	1.5
Taxes	(0.1)	0.0	(0.0)	0.0	0.0	(0.1)	(0.1)	(0.2)	(0.4)
Net Profit (Loss)	0.0	(0.1)	(0.3)	(0.8)	(0.3)	0.4	0.3	0.7	1.1
Balance Sheet									
NWC	1.8	2.6	2.4	1.9	2.4	2.0	1.9	2.1	2.2
Fixed assets	0.7	0.7	1.2	1.0	0.7	1.0	1.0	0.9	0.9
M/L Funds	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0
Net Capital Employed	2.4	3.1	3.4	2.7	3.0	2.8	2.6	3.0	3.1
Net financial Debt (Cash)	(1.0)	(0.2)	0.5	0.5	0.2	(0.3)	(0.9)	(1.2)	(2.3)
Total Equity	3.4	3.3	3.0	2.2	2.8	3.2	3.5	4.3	5.4
Cash Flow									
Net Profit (Loss)	0.0	(0.1)	(0.3)	(0.8)	(0.3)	0.4	0.3	0.7	1.1
D&A	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Change in M/L Funds	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.2)	0.0
Gross Cash Flow	0.3	0.2	0.1	(0.5)	0.0	0.8	0.6	0.9	1.4
Change in NWC	0.7	(0.8)	0.2	0.5	(0.5)	0.4	0.2	(0.2)	(0.1)
Operating Cash Flow	1.0	(0.6)	0.2	(0.0)	(0.5)	1.2	0.8	0.6	1.3
Capex	(0.9)	(0.2)	(0.9)	(0.1)	(0.1)	(0.6)	(0.3)	(0.3)	(0.3)
Free Cash Flow	0.1	(0.8)	(0.7)	(0.1)	(0.5)	0.6	0.5	0.4	1.0
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Equity	0.5	(0.0)	(0.0)	0.0	0.8	0.0	(0.0)	0.0	0.0
Change in Net financial Debt (Cash)	0.6	(0.8)	(0.7)	(0.1)	0.3	0.6	0.5	0.4	1.0
Per Share Data									
Current Price									
Total outstanding shares (m)	2.01	2.01	2.01	2.01	2.23	2.23	2.23	2.23	2.23
EPS	0.01	(0.07)	(0.13)	(0.40)	(0.12)	0.19	0.15	0.33	0.51
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FCF	0.04	(0.42)	(0.33)	(0.04)	(0.24)	0.27	0.23	0.16	0.46
Pay-out ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ratios									
Fee income/AuM	0.9%	0.6%	0.7%	0.7%	0.8%	1.0%	1.0%	1.1%	1.2%
Pay-Out %	-44.0%	-42.0%	-38.6%	-41.0%	-48.2%	-49.0%	-48.5%	-47.8%	-47.0%
Net fees/AuM	0.5%	0.3%	0.4%	0.4%	0.4%	0.5%	0.5%	0.6%	0.6%
Brokerage Margin/Fee Income	55.5%	57.5%	60.8%	58.3%	51.3%	50.5%	51.5%	52.2%	53.0%
Cost/Income ratio	-96.5%	-103.6%	-97.5%	-110.5%	-97.6%	-85.9%	-84.4%	-76.7%	-70.8%
EBT/Brokerage margin	2.1%	-5.0%	-6.9%	-22.1%	-6.6%	10.0%	9.2%	17.8%	24.4%
Net Debt/Equity (Gearing)	-30.8%	-6.2%	16.2%	23.9%	8.2%	-10.5%	-25.2%	-29.3%	-42.2%
Total Equity/Total Assets	68.4%	63.4%	57.2%	42.6%	47.8%	49.7%	53.7%	60.2%	65.4%
ROE	0.4%	-4.3%	-9.1%	-35.9%	-9.4%	13.0%	9.3%	17.2%	21.1%
Free Cash Flow Yield	1.3%	-12.7%	-10.0%	-1.3%	-7.1%	8.2%	6.9%	4.9%	14.0%
Growth Rates									
Assets under Control (AuC)	-9%	20%	4%	-11%	9%	2%	2%	2%	2%
Fee income	9%	-20%	15%	-2%	25%	26%	-6%	14%	12%
Fees expenses	-8%	-24%	5%	4%	47%	28%	-7%	12%	10%
Net fees	28%	-17%	21%	-6%	9%	24%	-5%	16%	14%
Brokerage margin	27%	-17%	21%	-6%	10%	24%	-5%	16%	14%
Pre-tax Profit (Loss)	106%	-297%	-66%	-202%	67%	290%	-12%	123%	56%
Net Profit (Loss)	101%	-1027%	-92%	-195%	67%	259%	-21%	123%	56%

Breakdown Assets Under Control

Asset Under Control m€	FY2024	FY2023	FY 2022	FY 2021	FY 2020
Asset management	276	262	211	207	160
Advisory	253	248	252	365	389
Insurance portfolio	363	370	357	363	356
SICAV	56	48	30	24	18
Total	948	928	849	959	924

PMI Capital Research elaboration on Company data

Breakdown Fee Income

Fee Income m€	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Asset mgmt. rec.	2.3	2.1	1.9	1.8	1.5
Advisory recurring	1.3	1.0	0.8	0.9	1.5
Performance	1.6	0.3	0.0	2.0	0.6
Advisory generic	2.6	3.1	1.6	0.8	2.1
Insurance	2.0	1.2	2.0	1.2	0.7
Other	-	-	-	-	0.9
Total	9.8	7.8	6.2	6.3	5.5

PMI Capital Research elaboration on Company data

Key Financials

Income Statement	FY 2024A	FY 2023A	FY 2022A	FY 2021A	FY 2020A
Euro m					
AuC	948	928	849	959	924
Fee income	9.8	7.8	6.2	6.3	5.5
<i>Fee income /AuC</i>	<i>1.0%</i>	<i>0.8%</i>	<i>0.7%</i>	<i>0.7%</i>	<i>0.6%</i>
Fee expenses	4.8	3.7	2.6	2.4	2.3
<i>Fee expenses / Fee income</i>	<i>49.0%</i>	<i>48.2%</i>	<i>41.0%</i>	<i>38.6%</i>	<i>42.0%</i>
Net Fees	5.0	4.0	3.7	3.9	3.2
<i>Net Fees/AuC</i>	<i>0.5%</i>	<i>0.4%</i>	<i>0.4%</i>	<i>0.4%</i>	<i>0.3%</i>
Brokerage margin	5.0	4.0	3.6	3.9	3.2
<i>Brokerage mgn. / Fee Inc</i>	<i>50.5%</i>	<i>51.3%</i>	<i>58.3%</i>	<i>60.8%</i>	<i>57.5%</i>
Operating Costs	(4.3)	(3.9)	(4.0)	(3.8)	(3.3)
<i>Opex/Income ratio</i>	<i>85.9%</i>	<i>97.6%</i>	<i>110.5%</i>	<i>97.5%</i>	<i>103.6%</i>
EBITDA	0.7	0.1	(0.4)	0.1	(0.1)
Pre-tax Profit / (Loss)	0.5	(0.3)	(0.8)	(0.3)	(0.2)
<i>EBT/Brokerage margin</i>	<i>-10.0%</i>	<i>6.6%</i>	<i>22.1%</i>	<i>6.9%</i>	<i>5.0%</i>
Net Profit / (Loss)	0.4	(0.3)	(0.8)	(0.3)	(0.1)
Balance Sheet					
Euro m					
Net Working Capital	2.1	2.4	1.9	2.4	2.6
Fixed net assets	1.0	0.7	1.0	1.2	0.7
Funds	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net Capital Employed	2.9	3.0	2.7	3.5	3.1
Net Debt/(Cash)	(0.3)	0.2	0.5	0.5	(0.2)
Total Equity	3.2	2.8	2.2	3.0	3.3
Sources	2.9	3.0	2.7	3.5	3.1

Source:Companydata(IAS/IFRS)

Estimate Review

Income Statement	2025E		2026E		2027E	Var25	Var26	Av Var
	Old	New	Old	New	New			
Euro m	10.9	9.2	12.9	10.5	11.7	-15.3%	-18.5%	-16.9%
Fee income	YoY 18.5%	-6.3%	18.5%	14.0%	12.0%	-2479bps	-450bps	-1464 bps
Fee expenses	5.1	4.5	5.9	5.0	5.5	-12.6%	-15.4%	-14.0%
Net Fees	5.8	4.7	7.0	5.5	6.2	-17.7%	-21.3%	-19.5%
	YoY 23.1%	-5.4%	20.7%	15.5%	13.7%	-2857bps	-519bps	-1688 bps
Brokerage margin	5.8	4.7	7.0	5.5	6.2	-17.7%	-21.3%	-19.5%
Brokerage margin / Fee income	53.0%	51.5%	54.0%	52.2%	53.0%	-150bps	-180bps	-165 bps
Operating costs	(4.1)	(4.0)	(4.6)	(4.2)	(4.4)	-3.5%	-8.5%	-6.0%
Cost/Income ratio	-72.0%	-84.4%	-66.0%	-76.7%	-70.8%	-1242bps	-1072bps	-1157 bps
Pre-tax Profit / (Loss)	1.3	0.4	2.1	1.0	1.5	-66.6%	-52.7%	-59.7%
EBT/Brokerage margin	22.8%	9.2%	29.7%	17.8%	24.4%	-1355bps	-1188bps	-1271 bps
Net Profit / (Loss)	1.0	0.3	1.5	0.7	1.1	-66.6%	-52.7%	-59.7%
EPS (Euro)	0.44	0.15	0.69	0.33	0.51	-66.6%	-52.7%	-59.7%

Balance Sheet	2025E		2026E		2027E
	Old	New	Old	New	New
Euro m	3.0	1.9	3.5	2.1	2.3
Net Working Capital (NWC)	1.0	1.0	0.8	0.9	0.9
Fixed net assets	(0.2)	(0.2)	(0.3)	(0.0)	(0.0)
Funds					
Net Capital Employed	3.8	2.7	4.1	3.1	3.2
Net Financial Position (Cash)	(0.3)	(0.8)	(1.6)	(1.2)	(2.2)
Total Equity	4.1	3.5	5.7	4.3	5.4
Sources	3.8	2.7	4.1	3.1	3.2

Source: PMI Capital Research estimates

Valuation

We set a target price of 6.37 Eu per share (Euro 6.52 pr.) obtained by weighting equally a Discounted Cash Flow (DCF) model and market multiples and providing for an upside of 93% on current stock price. At our target price the stock would be trading at 2025-2026E Equity Value/AuM multiples of 1.47% and 1.44% respectively, vs. peers' average 2.88% and 2.67% and current stock price at 0.76% and 0.75%.

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
DCF (Ke 8.38% and g 1.0%)	50%	5.46	12.2
Multiple analysis Market Cap/AuM 25/26 (@ 40% discount)	50%	7.28	16.3
Target Price	100%	6.37	14.2

DCF Model

DCF Valuation		%
Sum of PV 2025-31 FCFE Eu m	4.46	37%
Discounted terminal value Eu m	7.73	63%
Equity Value Eu m	12.19	100%
N. of outstanding shares m	2.23	
Equity Value (Eu p.s.)	5.46	

Market Multiples

Euro m	Country	Market Cap	AuM 24E	Market Cap on AuM	
				25E	26E
ANIMA Holding S.p.A.	Italy	2,272	203,631	1.1%	1.1%
Azimut Holding Spa	Italy	3,844	79,839	4.3%	4.0%
Banca Generali S.p.A.	Italy	6,117	63,870	8.6%	8.0%
Banca Mediolanum SpA	Italy	10,882	107,920	9.1%	8.5%
Ashmore Group plc	United Kingdom	1,365	44,499	2.6%	2.4%
Janus Henderson Group PLC	United Kingdom	5,471	364,292	1.4%	1.3%
Julius Baer Gruppe AG	Switzerland	13,365	528,910	2.5%	2.3%
Jupiter Fund Management plc	United Kingdom	493	54,936	0.9%	0.8%
Liontrust Asset Management PLC	United Kingdom	307	28,766	1.0%	0.9%
Man Group PLC	United Kingdom	2,997	161,913	1.8%	1.6%
Schroders PLC	United Kingdom	7,282	927,882	0.8%	0.7%
St. James's Place Plc	United Kingdom	6,670	230,671	2.7%	2.5%
Aberdeen Group plc	United Kingdom	3,823	619,430	0.6%	0.6%
Average		4,991	262,812	2.9%	2.7%
SCM SIM	Italy	7	948	0.8%	0.75%

Source: FactSet data as of March 19, 2025 for peers and PMI Capital Research estimates for SCM SIM

SCM SIM IN BRIEF

COMPANY PROFILE

Solutions Capital Management SIM is a Private Banking and Wealth Management company authorized to manage portfolios, provide investment advice and placement services. SCM SIM, founded in 2009 by Antonello Sanna (current CEO), was the first **SIM to be listed on the Italian stock market (2016)**. The Company offers customised advisory solutions, applying a unique, innovative and sustainable business model in Italy, which is based on **independence, transparency** and the **absence of conflicts of interest**, in line with the **“fee only” advice model**. The company offers highly customised investment solutions with several lines depending on the customer’s risk profile as well as wealth planning and wealth management services.

STRATEGY

The strategy of SCM Sim for 2025-2027, as outlined in the Business Plan, focuses on the following goals:

- Consolidation of the commercial network through the development of existing resources and the definition of the organizational model across the territory.
- Elimination of the distinction between the insurance and financial networks.
- Strengthening of the Corporate division.
- Development of new partnerships with insurance intermediaries.
- Sustainable asset growth over the three-year period.
- Expansion of the client base's share of wallet.
- Enhancement of the commercial offering.

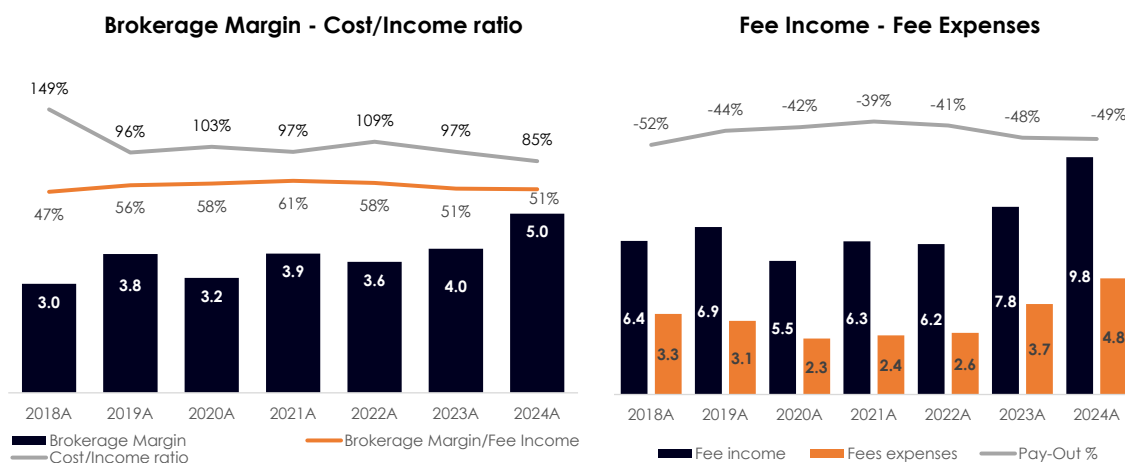
MANAGEMENT

Antonello Sanna – CEO
 Maria Leddi – Chairman (Independent)
 Antonio Napolitano – Board Member
 Antonio Somma – Independent Board Member
 Cristina Mitidieri – Board Member
 Massimo Nicolazzi – Board Member
 Eugenio Tornaghi – Independent Board Member

KEY SHAREHOLDERS

HPS Holding 80.28%
 Market 19.72%

SCM SIM IN CHARTS



Source: SCM Sim actual data

MAIN OPPORTUNITIES

- Unique business model based on Independence, Transparency and No conflict of interests in line with UK best practice.
- MiFID II compliant: since its authorization in 2010, SCM SIM has adopted a business model that “No rebates” (the Company does not receive fees from issuers, but only from customers).
- Management team with long experience in the financial industry.
- Skilled team of financial and insurance consultants. New partnership for recruitment.

MAIN RISKS

- Dependence on financial market performance.
- Regulatory environment. The Company operates in a highly regulated market, where its products are strongly impacted by changes in the current legislation.
- Reputational risk by customers, shareholders, investors or Supervisory Authorities (e.g. privacy violation).
- Low free float and stock liquidity.

SCM SIM ON EURONEXT GROWTH MILAN

IPO

Trading Market: Euronext Growth Milan

Date: July 28th, 2016

Price: Euro 10.59

Capital raised: Euro 2.2 m

Capitalisation: Euro 20.2 m

SHARES (As of March 19, 2025)

Code: SCM

Bloomberg: SCM IM

Reuters: SCM.MI

ISIN: IT0005200248

Shares: 2,234,264

Price: Euro 3.3 p.s.

Performance from IPO: -12%

Capitalisation: Euro 7.4 m

Free Float: 19.72%

Euronext Growth Advisor: MIT Sim

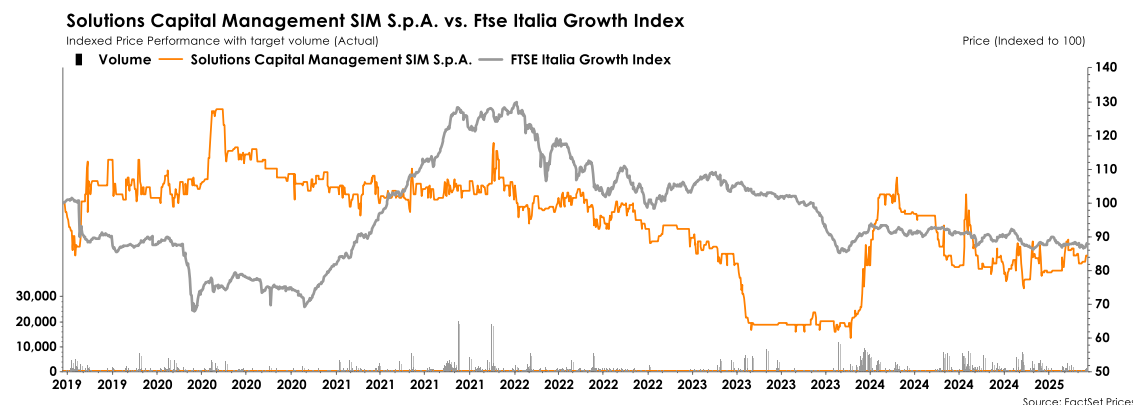
NEW OWNERSHIP PLAN

The shareholders have approved a new Share Ownership Plan that will conclude on December 31, 2030. This plan replaces the previous Stock Option Plan approved on April 27, 2021. The new plan allows the allocation of up to 700,000 options to beneficiaries, enabling them to purchase up to 700,000 new ordinary shares of the company at a 1-to-1 ratio of shares to options. Beneficiaries will pay €2.91 per share, which is based on the average stock exchange reference price of the company's shares in the month prior to the plan's approval.

OWNERSHIP

Shareholder	N° of shares	%
HPS Holding Partecipazioni Societarie Srl	1,793,667	80.28%
Market	440,597	19.72%
Total	2,234,264	100%

STOCK PERFORMANCE



DISCLAIMER

UPDATES: This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on SCM SIM (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released May 2nd, 2024. Opinions and estimates of this Research are as of the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results. During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
March 21 st , 2025	6.37	3.30	12 months
October 2 nd , 2024	6.52	3.08	12 months
May 2 nd , 2024	6.48	3.76	12 months

VALUATION METHODOLOGY (HORIZON: 12M): IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

RESEARCH TEAM:

Federico Zangaro (Analyst)

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