



## FY23 Results: Jonix strengthens focus on the Professional Segment

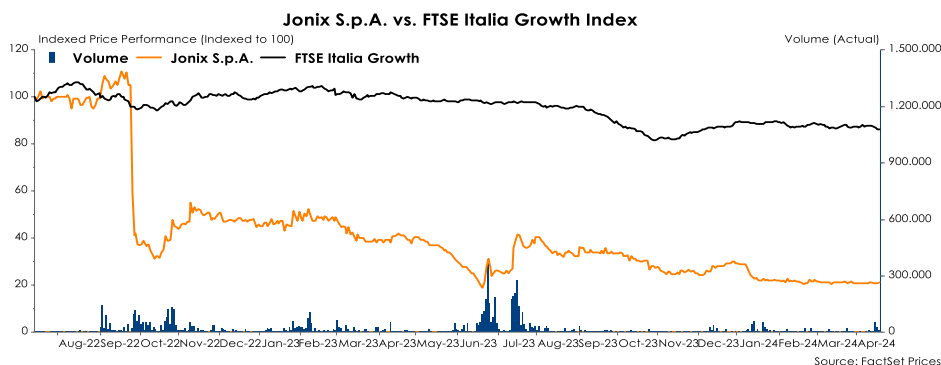
Sector: Consumer Durables

**FY23 confirmed a shift in sales from the Consumer area to the Business area with a view to new target markets.** Jonix, an innovative SME, Benefit Corporation, and one of the Italian leading players that provides 100% Made in Italy indoor air purifying and sanitization systems, realized sales for FY23 of Euro 1.42 m compared to our expectations of Euro 1.23 m. This outcome was primarily driven by a transition of revenues from the Consumer sector to the Business sector, indicating that, even in a challenging market environment, the company's future endeavors should concentrate on the professional segment. Sales generated internationally amounted to Euro 0.44 m (31% of the total), compared to Euro 2.54 m in 2022 (58%). Italy showed sales of Euro 0.98 m (69%), compared to Euro 1.85 m in 2022 (42%). Regarding business lines, Air Tech Solutions recorded sales of Euro 0.74 m (52%) vs. Euro 3.48 m in 2022 (79%), Advanced Tech Solutions of Euro 0.23 m (16%) vs. Euro 0.24 m in 2022 (5%), Spare parts of related installed of Euro 0.29 m. (20%) vs. Euro 0.67 m in 2022 (15%) and new Consulting and Professional Training of Euro 0.16 m (11%). EBITDA stood at Euro -0.23 m (vs. Euro 0.38 m in FY22). The change in EBITDA was primarily influenced by the decrease in sales, yet it did not fully reflect the anticipated improvement resulting from the cost-cutting measures implemented by management at the end of 2022. The strategic decision was to focus on its core competencies, leveraging external resources to achieve efficiency and economies of scale, as well as reducing personnel costs. EBIT amounted to Euro -0.62 m (vs. Euro -0.16 m in FY22) principally due to a slight difference in the value of amortization of Euro 0.38 m compared to Euro 0.34 m in the previous period. Net Income came in at Euro -0.67 m vs Euro -0.15 m realized in FY22. Net debt stood at Euro -0.05 m (cash positive), improved compared to Euro 0.15 m in 1H23 and Euro 0.45 m in the same period of the previous year, thanks to the increase in cash resulting from VAT credit repayment, bank loan installment payments, and, in part, the collection of customer receivables.

**The future of the business will have to focus on diversifying its product portfolio.** Already in 1H23, Jonix initiated a strategic diversification plan to broaden its product and service portfolio. This included introducing sanitation and environmental training programs for RSAs, optimizing existing products, and launching a new line of devices for indoor cultivation, from the hobby sector to horticultural production. Additionally, Jonix actively participated in improving air quality in public spaces, aligning with government guidelines, and developing services for the food production sector, providing consultancy and implementation services to enhance food shelf life through air quality control. The management also intends to diversify the offering by creating product synergies between sanitization and other ventilation sectors such as air conditioners, dehumidifiers, and heat pumps, as well as design, consulting, and training services.

**The Board of Directors proposes delisting from Euronext Growth Milan.** Recently, on April 12<sup>th</sup>, Jonix announced that the Board of Directors has resolved to convene the shareholders' meeting to deliberate on the proposal to delist from Euronext Growth Milan. The company's decision stems from its desire to concentrate on operational activities, enhance managerial flexibility, and reduce administrative burdens, including those linked to its status as a publicly traded entity, in line with cost-cutting path.

**Estimates and valuation.** Based on the above and considering the uncertain current economic scenario with limited visibility, we updated our forecast adjusting our expectations for FY24 and adding FY25 to our explicit forecasts. We have set our sales estimates at Euro 1.48 m in 2024 (Euro 1.54 m prev.) and Euro 1.55 m in 2025, with EBITDA now projected at Euro -0.10 m (Euro 0.09 m prev.) this year and Euro 0.05 m next year. Our valuation was obtained only by the DCF analysis.



**Target Price (€) 0.48**

Price (€) **0.40**

Market Cap (€ m) **2.64**

EV (€ m) **2.59**

As of April 17<sup>th</sup>, 2024

### Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	JNX:IM/JNXI.MI
ISIN	IT0005442741
N. of Shares	6,542,900
Free Float	31.86%
CEO	Antonio Cecchi

### Financials

	2023A	2024E	2025E
<b>Sales</b>	<b>1.42</b>	<b>1.48</b>	<b>1.55</b>
YoY %	(67.7%)	4.0%	5.0%
<b>EBITDA</b>	<b>(0.23)</b>	<b>(0.10)</b>	<b>0.05</b>
EBITDA %	(16.1%)	(6.6%)	3.4%
<b>EBIT</b>	<b>(0.62)</b>	<b>(0.40)</b>	<b>(0.24)</b>
EBIT %	(43.6%)	(27.4%)	(15.5%)
<b>Net Income</b>	<b>(0.67)</b>	<b>(0.40)</b>	<b>(0.26)</b>
<b>Net Debt</b>	<b>(0.05)</b>	<b>(0.60)</b>	<b>(0.83)</b>

### Performance

	1M	3M	5M
Absolute %	(0.2%)	(4.0%)	(19.8%)
Relative (EGM) %	0.2%	(1.6%)	(22.8%)
52-week High/Low (€)	0.88	/	0.35

Research Department of

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## KEY FINANCIALS

<b>Profit &amp; Loss Statement</b>	<b>2020A</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024E</b>	<b>2025E</b>
Sales	5.48	6.78	4.39	1.42	1.48	1.55
Revenues (VoP)	6.00	7.03	5.10	1.56	1.58	1.75
EBITDA	1.54	1.41	0.38	(0.23)	(0.10)	0.05
EBIT	1.33	1.12	(0.16)	(0.62)	(0.40)	(0.24)
Financial Income (charges)	(0.01)	(0.02)	(0.01)	(0.02)	(0.03)	(0.03)
Extraordinary items	-	(0.01)	(0.01)	(0.04)	(0.04)	(0.04)
Pre-tax profit (loss)	1.32	1.09	(0.18)	(0.67)	(0.47)	(0.31)
Taxes	(0.34)	(0.12)	0.03	-	0.08	0.05
Net profit (loss)	0.98	0.96	(0.15)	(0.67)	(0.40)	(0.26)

### Balance Sheet

Net working capital (NWC)	0.95	3.13	6.70	5.58	5.21	4.94
Net fixed assets	0.18	1.21	1.05	0.87	0.36	0.16
M/L Funds	(0.06)	(0.07)	(0.27)	(0.14)	(0.20)	(0.23)
Net Capital Employed	1.07	4.27	7.48	6.31	5.37	4.87
Net Debt	0.02	(3.41)	0.45	(0.05)	(0.60)	(0.83)
Equity	1.05	7.68	7.03	6.36	5.96	5.71

### Cash Flow

Net Income	0.98	0.96	(0.15)	(0.67)	(0.40)	(0.26)
Non-cash items	0.12	0.30	0.54	0.25	0.36	0.27
Change in Working Capital	(0.59)	(2.18)	(3.57)	1.12	0.38	0.27
Cash Flow from Operations	0.51	(0.91)	(3.19)	0.70	0.34	0.28
Capex	(0.06)	(1.33)	(0.18)	(0.19)	0.20	(0.05)
Operating Free Cash Flow	0.46	(2.24)	(3.36)	0.50	0.55	0.23
Dividend	-	(0.50)	-	-	-	-
Other (equity)	0.00	6.17	(0.50)	0.00	(0.00)	(0.00)
Free Cash Flow	0.46	3.43	(3.86)	0.50	0.55	0.23

### Ratios

EBITDA margin	28.1%	20.9%	8.7%	(16.1%)	(6.6%)	3.4%
EBIT margin	24.3%	16.5%	(3.6%)	(43.6%)	(27.4%)	(15.5%)
Net Debt/Equity	2.1%	(44.4%)	6.4%	(0.8%)	(10.0%)	(14.6%)
Net Debt/(Net Debt + Equity)	2.0%	(79.8%)	6.0%	(0.8%)	(11.2%)	(17.1%)
Net Debt/EBITDA	0.01	(2.41)	1.17	n.s.	n.s.	(15.89)
Interest cover EBIT	143.81	73.92	n.m.	n.m.	n.m.	n.m.
ROE	93.9%	12.6%	(2.2%)	(10.6%)	(6.6%)	(4.5%)
ROCE	156.2%	29.1%	(2.5%)	(9.8%)	(8.9%)	(5.9%)

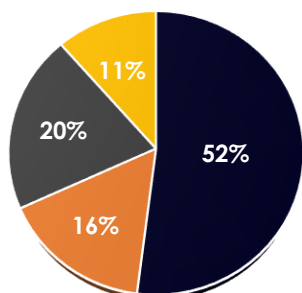
### Growth Rates

Revenues (VoP)	843.6%	17.3%	(27.4%)	(69.5%)	1.3%	11.0%
EBITDA	1216.9%	(8.2%)	(72.9%)	(159.6%)	57.3%	153.7%
EBIT	6432.3%	(16.0%)	(114.1%)	(292.5%)	34.7%	40.5%
Net Profit	10187.1%	(1.8%)	(115.7%)	(344.3%)	41.2%	34.8%

Source: Company Data & PMI Capital Research Estimates

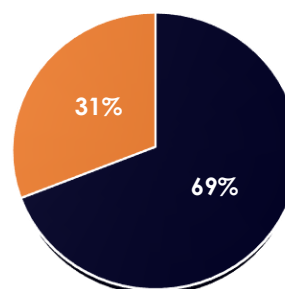
### FY23 Sales breakdown

**by business lines**



- Air Tech Solutions
- Advanced Tech Solutions
- Spare Parts
- Consulting and Professional Training

**by geography**



- Italy
- Export

Source: Company Data

### Estimates Revision – Euro m

Income Statement	2022A	2023E Old	2023A	2024E Old	2024E New	2025E
<b>Sales</b>	<b>4.39</b>	<b>1.23</b>	<b>1.42</b>	<b>1.54</b>	<b>1.48</b>	<b>1.55</b>
yoy	(35.2%)	(72.0%)	(67.7%)	25.0%	4.0%	5.0%
<b>EBITDA</b>	<b>0.38</b>	<b>(0.18)</b>	<b>(0.23)</b>	<b>0.09</b>	<b>(0.10)</b>	<b>0.05</b>
% on sales	8.7%	(15.0%)	(16.1%)	5.7%	(6.6%)	3.4%
<b>EBIT</b>	<b>(0.16)</b>	<b>(0.58)</b>	<b>(0.62)</b>	<b>(0.22)</b>	<b>(0.40)</b>	<b>(0.24)</b>
% on sales	(3.6%)	(47.2%)	(43.6%)	(14.2%)	(27.4%)	(15.5%)
<b>Net Profit</b>	<b>(0.15)</b>	<b>(0.62)</b>	<b>(0.67)</b>	<b>(0.22)</b>	<b>(0.40)</b>	<b>(0.26)</b>
% on sales	(3.4%)	(50.5%)	(47.4%)	(14.2%)	(26.8%)	(16.7%)

Balance Sheet	2022A	2023E Old	2023A	2024E Old	2024E New	2025E
Net Working Capital (NWC)	6.70	5.69	5.58	5.13	5.21	4.94
Fixed net assets	1.05	0.61	0.87	0.36	0.36	0.16
Funds	(0.27)	(0.30)	(0.14)	(0.33)	(0.20)	(0.23)
<b>Net Capital Employed</b>	<b>7.48</b>	<b>6.00</b>	<b>6.31</b>	<b>5.15</b>	<b>5.37</b>	<b>4.87</b>
Net Financial Position (Cash)	0.45	(0.41)	(0.05)	(1.04)	(0.60)	(0.83)
Total Equity	7.03	6.41	6.36	6.19	5.96	5.71
<b>Sources</b>	<b>7.48</b>	<b>6.00</b>	<b>6.31</b>	<b>5.15</b>	<b>5.37</b>	<b>4.87</b>

Source: Company Data and PMI Capital Research Estimates

**VALUATION UPDATE**

Based on our updated estimates, we set a target price of Euro 0.48 p.s.. Our valuation was obtained only by the DCF analysis because multiples analysis is not meaningful due to negative margins. It is important to highlight how the contribution of terminal value (49.1%) is reduced compared to that of DCF (50.9%) due to our cautionary approach.

**DCF Model**

DCF Valuation		
<i>Euro m</i>		
WACC		11.7%
g		1.0%
Sum of PV 2024-28 FCFs	1.58	50.9%
Discounted terminal value	1.53	49.1%
<b>Enterprise Value</b>	<b>3.11</b>	
Net Cash (FY23)		0.05
<b>Equity Value</b>	<b>3.16</b>	
N. of outstanding shares (m)		6.54
<b>Fair Value p.s. (Euro)</b>	<b>0.48</b>	

*Source: PMI Capital Research Estimates*

## JONIX IN BRIEF

### Group Description

Jonix SpA, an innovative SME and Benefit Corporation founded in 2013, provides 100% Made in Italy indoor air purifying and sanitization systems to residential, commercial, and industrial clients. The Company's products are based on NTP technology (Non-Thermal Plasma) which artificially achieves air ionization, thus allowing the neutralization of living microorganisms (such as viruses, bacteria, and moulds) and polluting chemical molecules (VOC, particulates). The Company operates with two business lines: Air Tech Solutions which includes devices for air sanitization and decontamination suitable for any kind of indoor environment) and Advance Tech Solutions which are modular systems for the purification and decontamination of aeraulic ducts, adaptable to all types of installations). JONIX has a wide portfolio of high efficiency, low energy consumption, and natural processes using no chemicals and no residuals products; the company offers services of environmental health analysis, predictive analysis, custom design, verification testing, final effectiveness testing, geolocation (JONIX Maps).

In 2023, a new patent was filed on the beneficial application of ionized air delivery inside a water bottle.

Thanks to important investments in R&D and an internal research hub (Jonix<sup>LAB</sup>), Jonix has developed the proprietary Jonix NTP Technology: the Department of Molecular Medicine at the University of Padua, directed by Prof. Andrea Crisanti, has demonstrated that JONIX Cube shows effective antiviral activity against SARS-CoV-2 (Covid-19), with a viral load reduction of 99.9999% and also attested to its bactericidal efficacy against several MultiDrug Resistant (MDR) microorganisms.

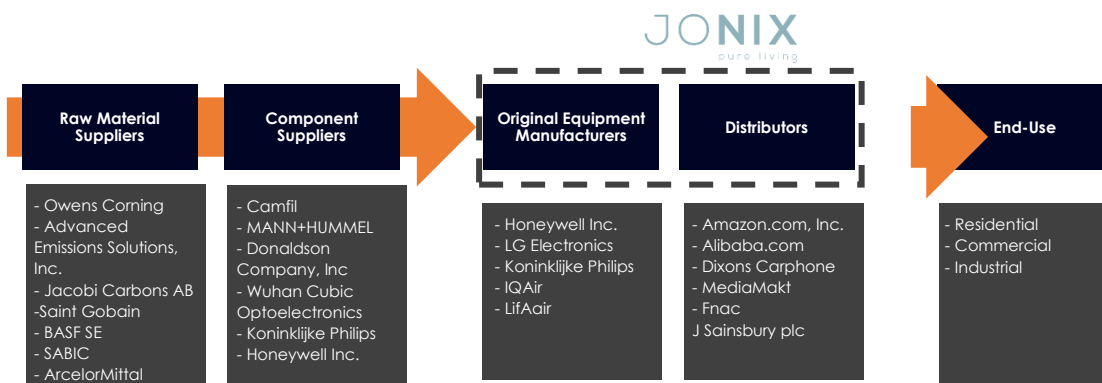
### PROPRIETARY TECHNOLOGY - Jonix NTP Technology

Jonix NTP Technology artificially creates ionization of air through the so-called "Cold Plasma". The reactive particles of the ionized air have an effective and immediate oxidizing activity, capable of neutralizing living microorganisms (viruses, bacteria, moulds) and decomposing polluting chemical molecules (VOC, particulates).

Advantages with the NTP includes:

- **Safe:** NTP is free from side effects as it does not produce residues. The technology is hence considered a safe and can be used continuously even in the presence of people;
- **No touch:** environmental sanitation without human intervention;
- **Nonstop:** the sanitizing action takes place for as long as the device is switched on;
- **Natural:** the NTP technology is a natural process, which does not require the use of disinfectants;
- **Programmable:** depending on the presence of people and use of a certain space, operating levels can be pre-set.

### AIR PURIFIER MARKET: Application Movement Analysis & Market Share 2020 & 2028



Source: Air Purifier, Market Analysis 2021, Grand View Research

### OWNERSHIP

Shareholder	N. of Shares	%
MMH Industries Srl*	1,417,500	21.66%
Antonio Cecchi	1,300,000	19.87%
BisArcha Srl**	1,200,000	18.34%
Galletti SpA	541,000	8.27%
Free Float	2,084,400	31.86%
<b>Total</b>	<b>6,542,900</b>	<b>100.00%</b>

\*Formerly Mauro Mantovan Holding Srl

\*\*Company linked with Antonio Cecchi

Source: Company Data

**JONIX ON EURONEXT GROWTH MILAN**

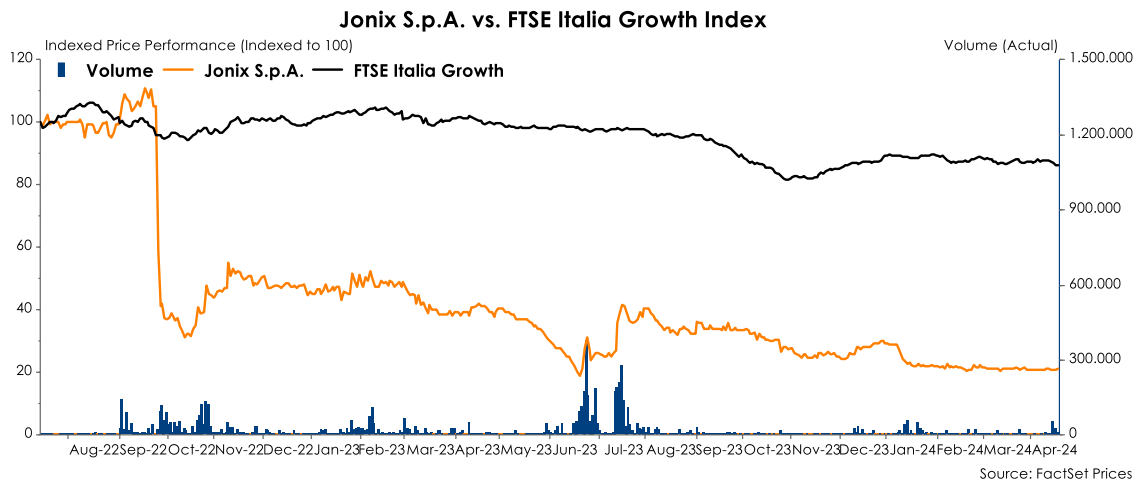
**IPO**

Trading Market: Euronext Growth Milan  
Date: May 4<sup>th</sup>, 2021  
Price: Euro 4.00  
Capital raised: Euro 6.17 m.  
Capitalisation: Euro 26.17 m.

**SHARES** (as of April 17<sup>th</sup>, 2024)

Code: JNX  
Bloomberg: JNX:IM  
Reuters: JNXI.MI  
ISIN: IT0005442741  
Shares: 6,542,900  
Price: Euro 0.40  
Performance from IPO: (90%)  
Capitalisation: Euro 2.64 m  
Free Float: 31.86%  
EGA: CFO SIM Spa  
Specialist: Mit Sim Spa  
Auditing firm: Audirevi Spa

**STOCK PERFORMANCE**



**DISCLAIMER**

UPDATES: This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on JONIX SpA (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 on 28 September 2023. Opinions and estimates of this Research are as 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
18 April 2024	0.48	0.40	12 months
28 September 2023	0.48	0.64	12 months
30 June 2023	0.61	0.50	12 months
07 October 2021	7.03	5.40	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. Moreover, IR Top used a proprietary model, "EGM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio ECM Euronext Growth Milan", managed by IR Top and focused on research about performance of Companies listed on Euronext Growth Milan. 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:**

Luca Previtali (Analyst)

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