Twitter Thread by Alexander Eliasson



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Antares Vision $AV.IM is the world's leading Track & Trace (T&T) and Vision Inspection (VI) solutions provider for the life science sector.

With several catalysts ahead I've initiated a position in this insider-owned small cap ■

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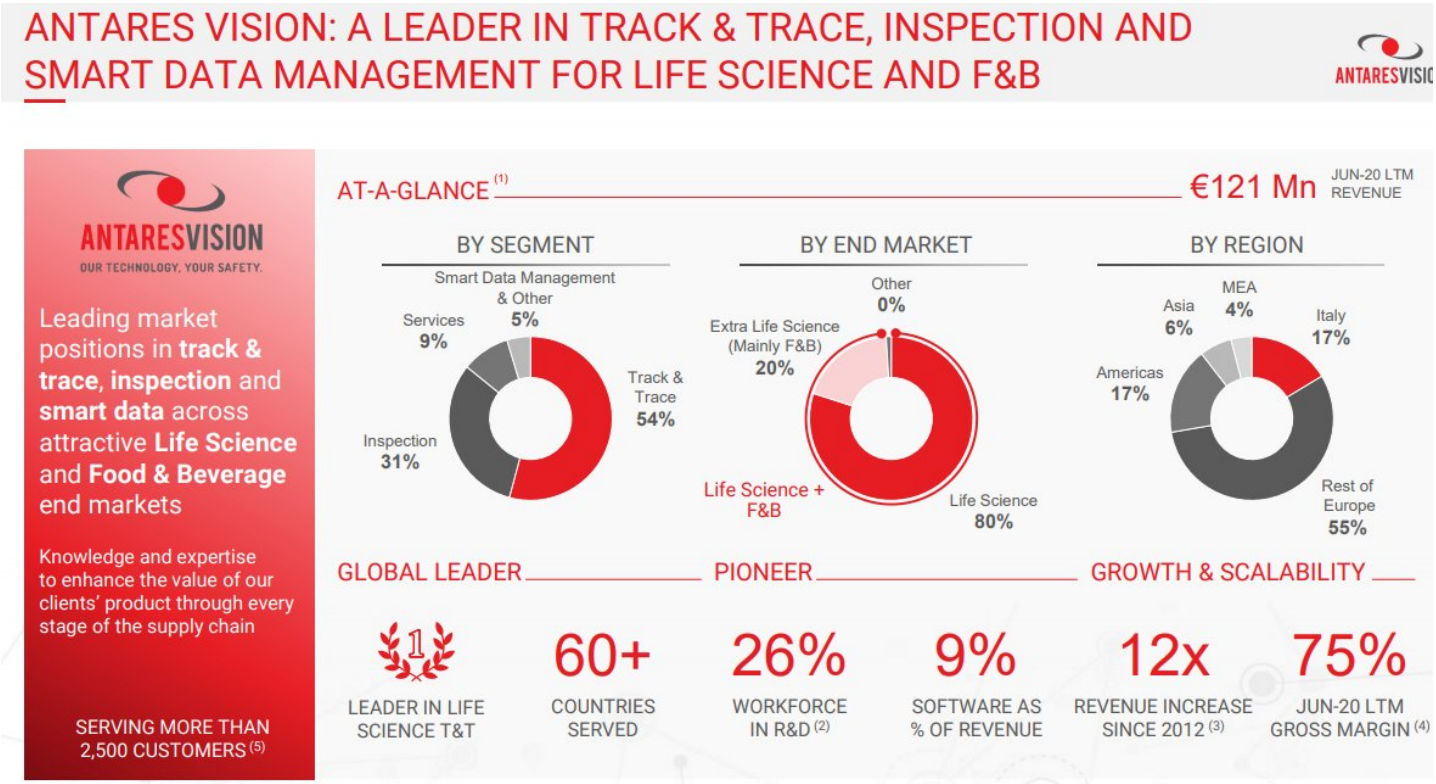

Antares is the supplier to 10 of the 20 leading pharmaceutical companies in the world having installed +2000 serialisation lines at +200 production facilities in +60 countries.

2/



Antares offers - via software and hardware - the protection of products and brands through visual inspection systems for quality
control, Track & Trace solutions for anti-counterfeiting and supply chain transparency from the point of production to the end consumer.

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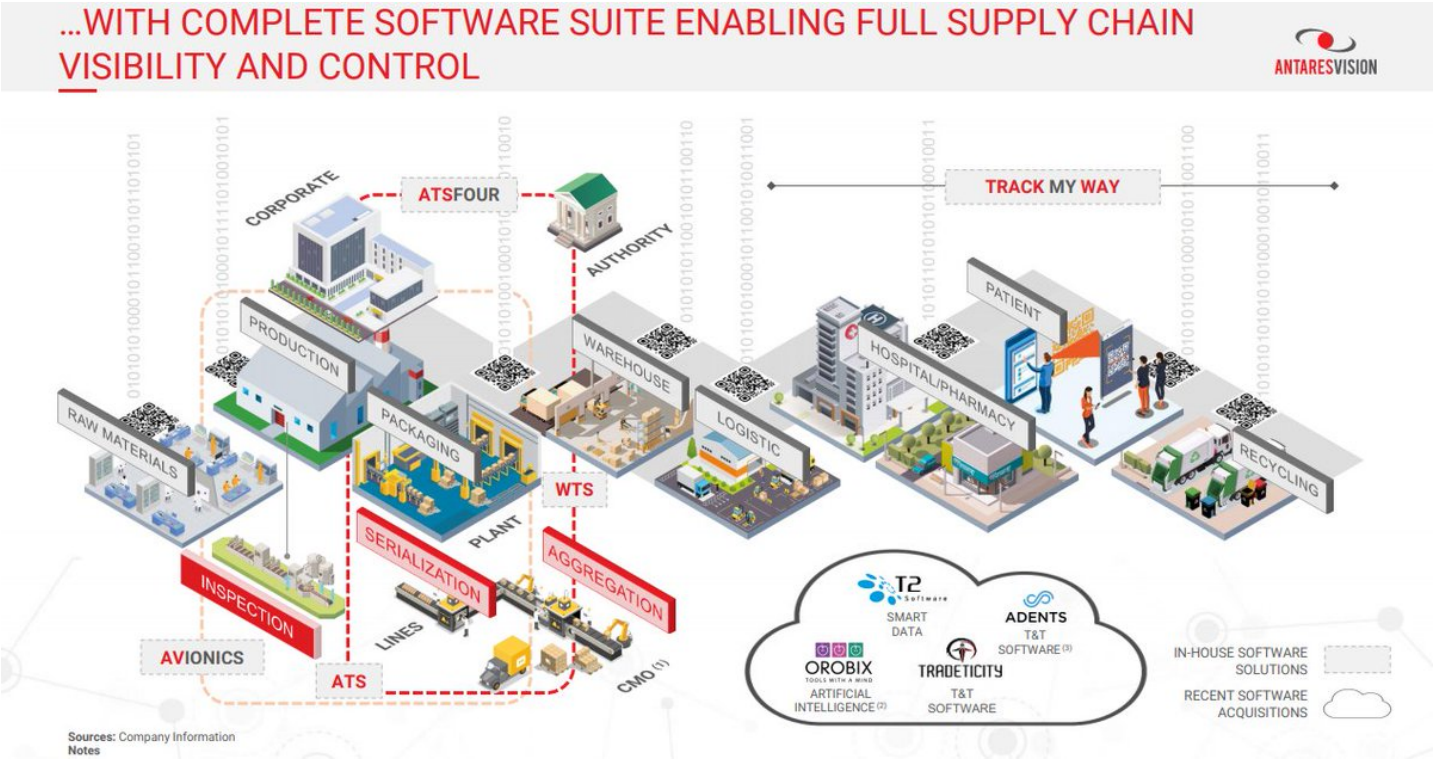

All major governments have regulation rolling out in regards to prescription drug traceability.

Penetration, globally, is below 30% and is forecast to double by 2026.

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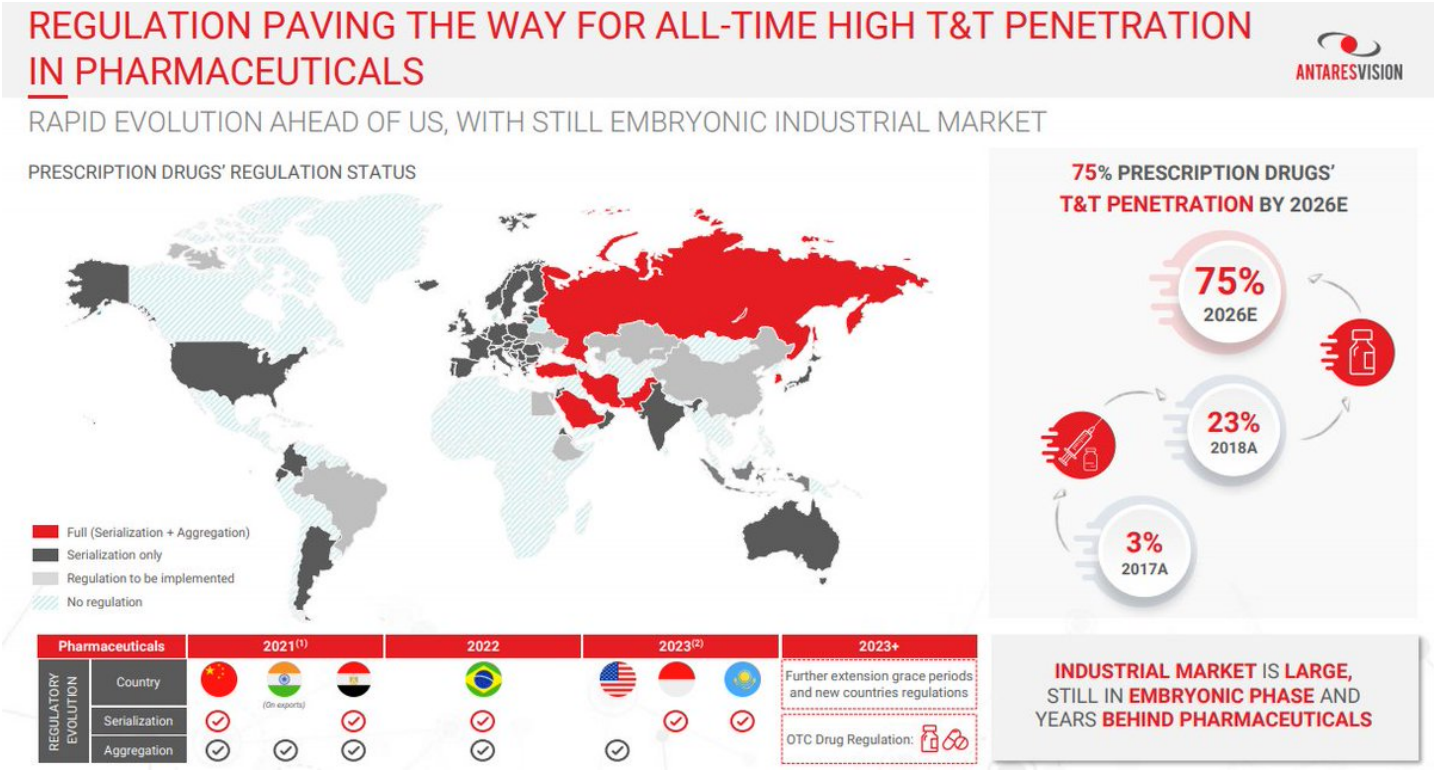

In regards to distribution of Covid-19 vaccines, IBM partnered with Antares to create a solution tracking raw materials and identify shortages. Monitor production yields across manufacturers, guarantee vaccine integrity and prevent counterfeits.

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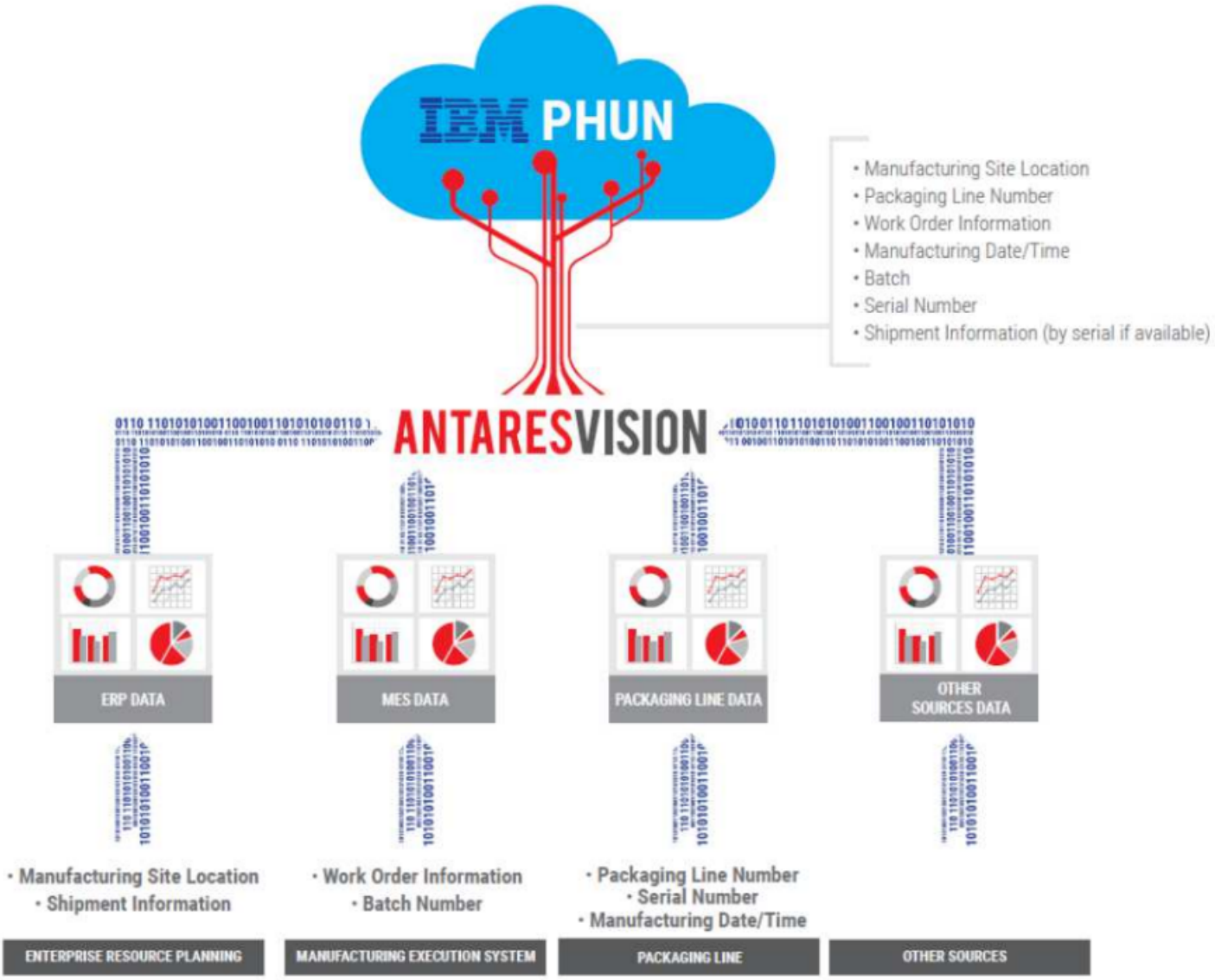

While being a leading player in the life science sector is interesting on its own, the bull case is the large, fast growing and untapped total addressable market outside life science.

Food, Cosmetics, Medical Devices, Beverage etc.

9x TAM

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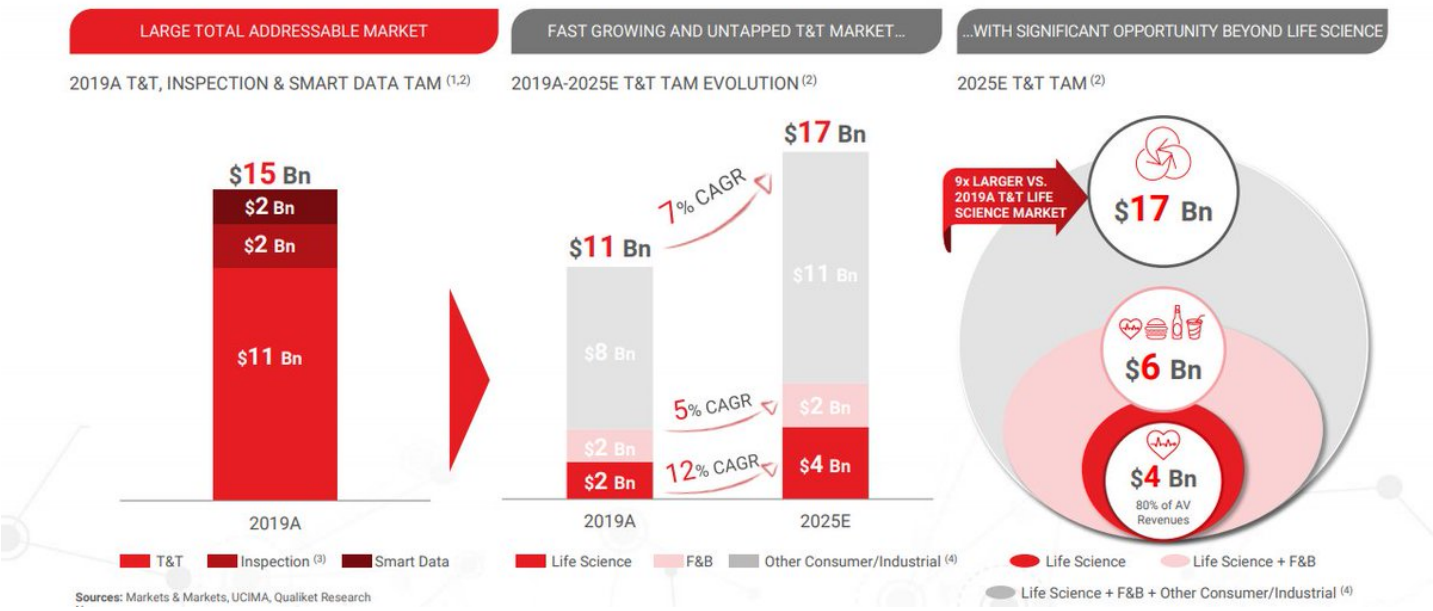
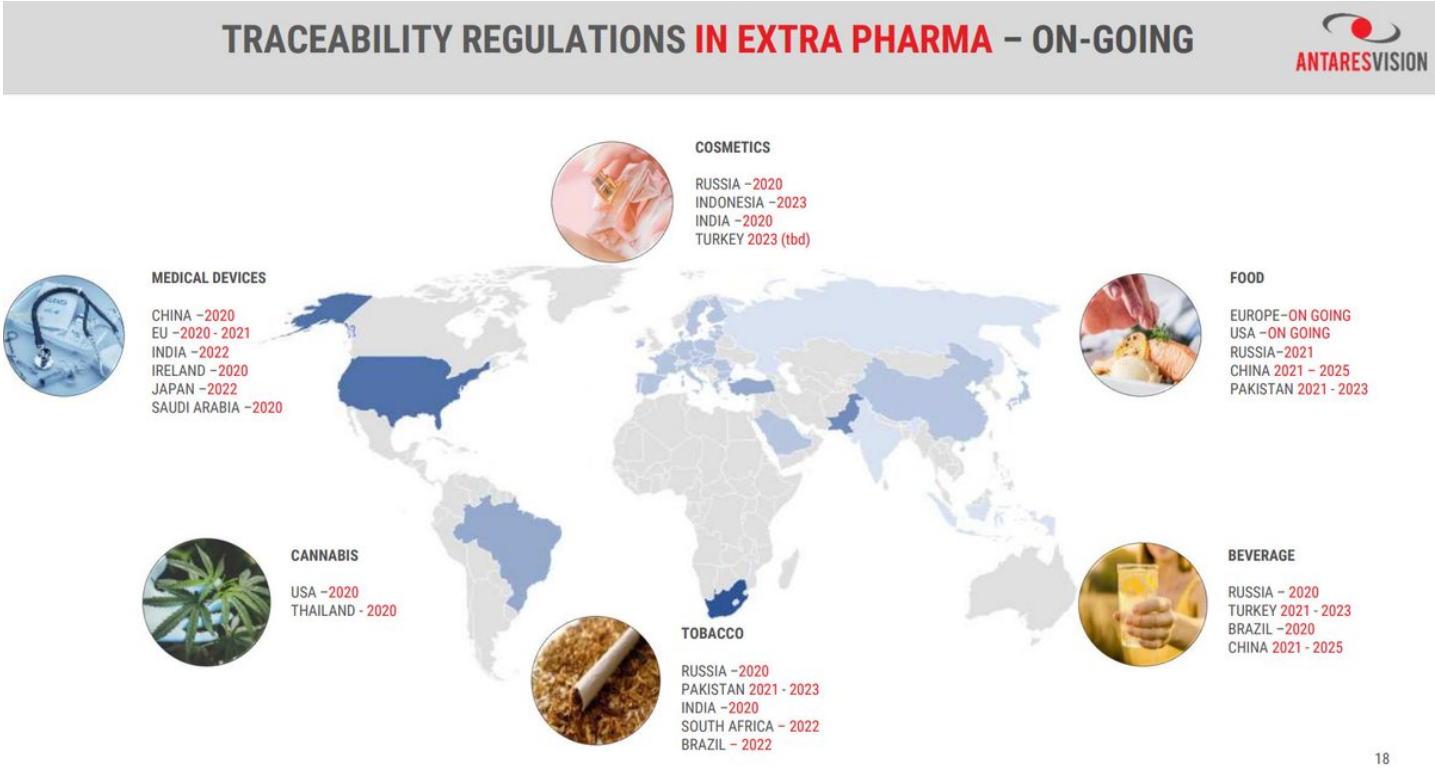


Maintaining a +95% retention rate in one of the scrutinized sectors in the world (Global AAA Pharma) is a high bar to pass.

Antares should be able to participate in the tremendous growth that is inevitable coming by government regulation, in other sectors.



Antares, with its buy-and-build strategy, has managed to 10x revenue while also doubling its margins. Quite impressive, considering Italy as a country hasn't grown in a decade or so.

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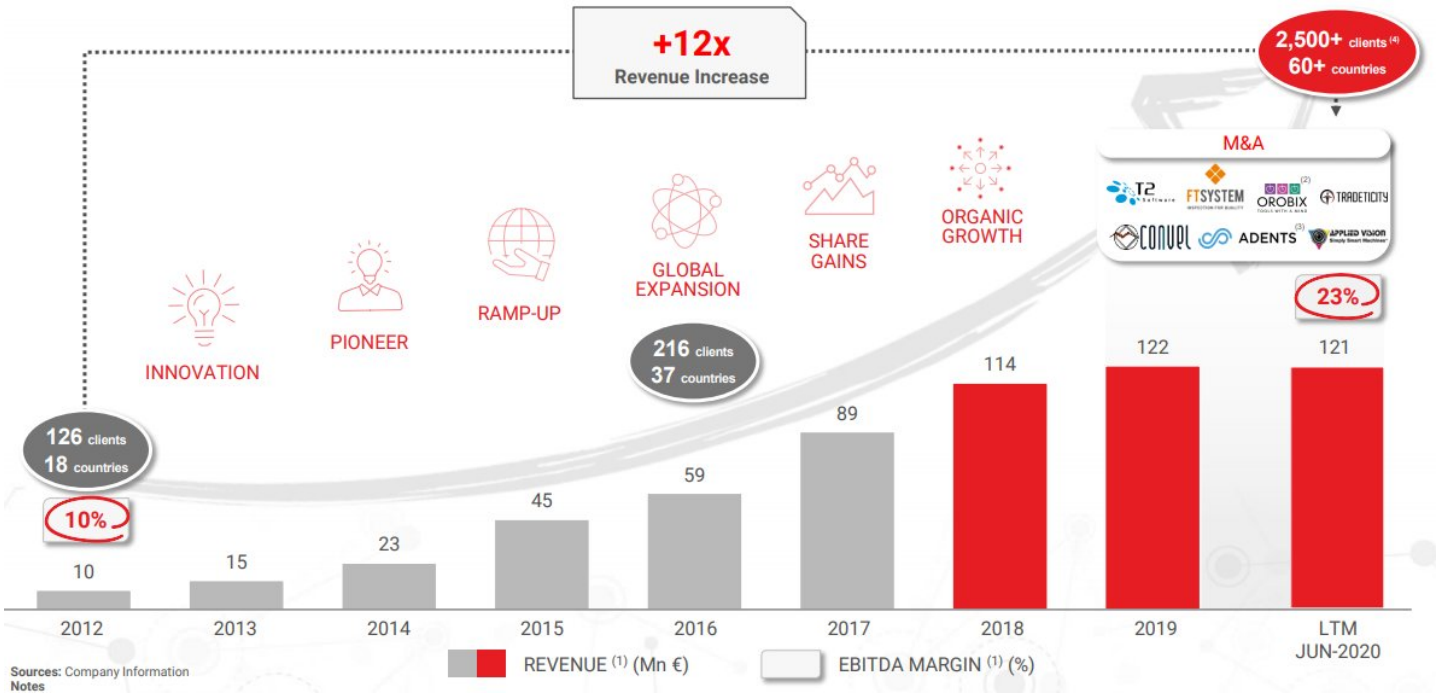

~23% ebit margins (20% LTM) the last 3 years
75% gross margin (LTM)
3% recurring capes as a % of revenue

Software, only 9% of sales currently, growing double digit.

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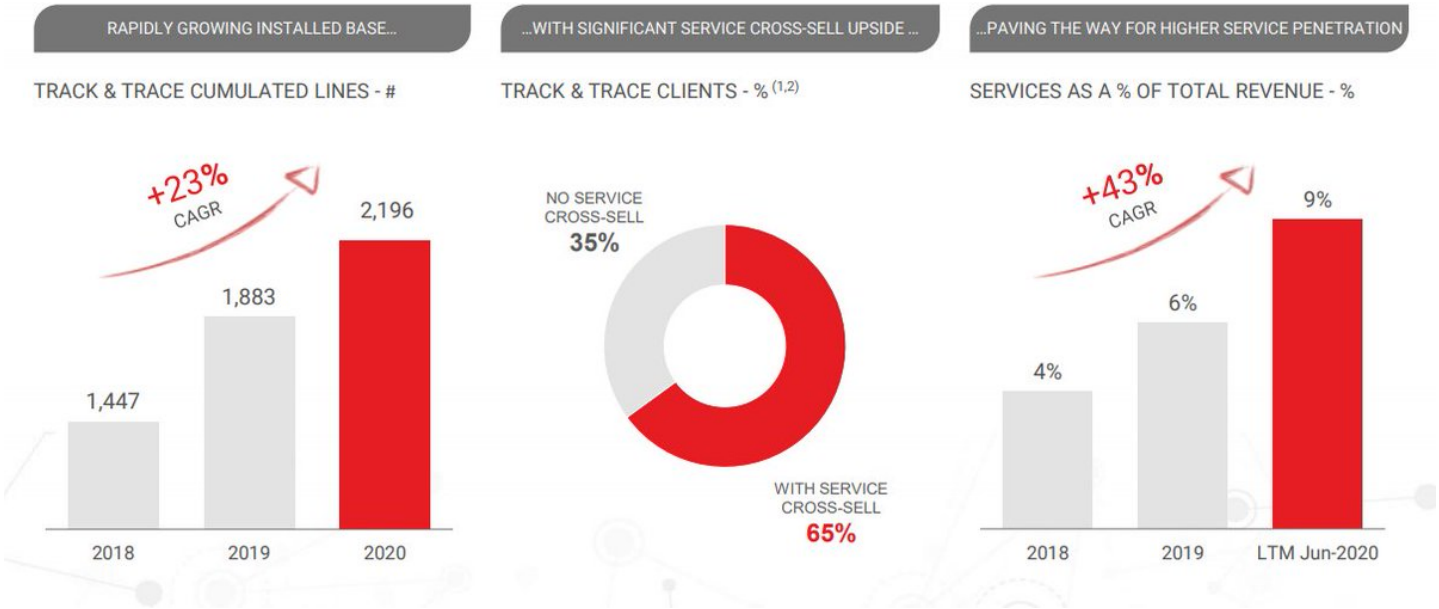

I love a founder-led management team.

The acting CEO, Chairman and CFO owns 73% of the company. ■■

10/

Antares Vision named one of the 13 best businesses in Europe



This €500m small cap is listed on AIM Italy.

Antares is covered by one (1) analyst and most mutual funds are not able to buy on the AIM. Furthermore, Italian stock ownership per capita is <5% compared to 22% in Sweden.

Kicker: they are about to uplist...

11/

Last month, they applied to the main Italy Stock Exchange. Furthermore, they're applying to the Star Segment which is the most scrutinized list catered to international standards.

By late spring this gem should be available to international small cap managers world wide.

12/



Borsa Italiana **STAR Segment** was created in 2001 in order to promote **excellent** SMEs and to increase their **visibility** towards italian and foreign investors.

Companies listed on STAR Segment are committed to fulfill strict requirements, in terms of **liquidity, transparency and corporate governance.**

These companies benefit from **visibility** supported by Borsa Italiana (i.e.. STAR Conferences in Milan and in London) and from a higher acknowledgement by investors in comparison with other listed companies of similar dimension

Last year Antares embarked on a aggressive acquisition spree. €113m in M&A for a €500m market cap could play out quite well in the next years numbers.

With only one (1) analyst covering the company perhaps the cross-selling opportunities are not fully understood by the market

	Stake	Size (€, mn)	Industry	Date
FTSystem	100%	60	Vision Inspection (F&B)	September-19
Orobix	37.5%	3.25	Artificial Intelligence	December-19
Tradeticity d.o.o	82.8%	1.6	Software T&T	apr-20
Convel	100%	12.5	Inspection (Pharma)	June-20
Neurala	100%	0.2	Artificial Intelligence	July-20
Adents	100%	1.5	Software T&T	November-20
Applied Vision Corp.	100%	37.5	Vision Inspection (F&B)	December-20

Management clearly has ambitions with its M&A strategy, and confidence as they are about to uplist to the main market.

We're paying ev/ebit 12 next years results backing a founder led company within the Machine Vision Inspection and Track & Trace Industry. Long.

>2,500 BLUE-CHIP CUSTOMERS [1]

