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modefinance Corporate Credit Rating (Solicited) for

BETTER SILVER S.P.A.: A3+ (Upgrade)

modefinance published the Solicited Corporate Credit Rating of BETTER SILVER S.P.A. on the website (http://cra.modefinance.com/en) and the rating assigned to the entity is A3+ (Upgrade). The analysis revealed company's capacity to meet its commitment on financial obligations is strong.

BETTER SILVER S.P.A. is a company engaged in the design, production, and marketing of silver jewelry. Founded in 1977 by the Bettinardi brothers, it is still led today by the second generation of the family, whose ongoing efforts over the years have positioned the company among the leading international players in the sector. The company's long history positively contributes to its know-how, further strengthened by a continuous focus on production efficiency and strategic investments in innovation and sustainability. The year 2024 marked yet another period of turnover growth, with revenues reaching €80 million, the majority of which was generated in foreign markets and through partnerships with leading clients in the jewelry industry.

Key Rating Assumption

The Company confirms a strong overall economic and financial position for 2024, characterized by a solid capital base (€35.87 million; +21.34%), supported in part by shareholders who have historically reinvested profits to safeguard equity. This capital strength is accompanied by a well-balanced financial structure, with a low level of net financial debt, which remained stable over the last fiscal year (€17.47 million) and is fully sustainable in relation to both shareholders' equity (0.48x) and the EBITDA margin (1.44x).

In addition, the company maintains a sound financial balance and efficient liquidity management. Liquidity improved primarily due to the cash flow generated from efficient core operations (+€4.59 million), which nearly fully funded the CAPEX investments (€4.72 million), despite increased working capital requirements linked to revenue growth and higher silver prices. On the financing side, the Company increased its short-term bank debt while repaying a substantial portion of its long-term liabilities. Credit line management remains robust, with timely repayments and no overdraft occurences. In 2025, Better Silver received the "Credit Reputation Award" promoted by MF Centrale Risk, recognizing companies with exemplary financial punctuality based on data from the Central Credit Register.

In terms of economic performance, Better Silver S.p.A. recorded an increase in sales revenues (€80.03 million; +17.20%), which –thanks in part to efficient cost management – led to a strengthening of operating margins, both in absolute terms (€12.09 million; +48.19%) and as a return on sales (15%). Due to relatively low financial expenses, a large portion of the operating margin was converted into net profit (€6.31 million), representing a +57.35% increase compared to 2023. The company's strong economic performance is further reflected in its ROI (13.42%) and ROE (17.59%) indicators.

The governance and control system is confirmed to be sound, with a collegial board of directors and board of statutory auditors, complemented by the work of an external audit firm. Additionally, it is noted that in November 2024, the company adopted the OdV model pursuant to Legislative Decree 231. The corporate structure is lean and clearly defined in terms of roles, with control firmly held by the Bettinardi family.

Compared to its peer group of competitors, the company is well positioned, ranking among the best performers in the areas analyzed. The sector peer group as a whole also demonstrates solid health, supported by balanced capital and financial structures, as well as strong economic performance.

Sensitivity Analysis

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In the following table, the addressing factors, actions or events that could lead to an upgrade or a downgrade are summarized:

Action	Description of the addressing factors, actions or events
Upgrade	• The positive trend in solvency indicators continues, supported in part by the gradual reduction of financial debt; • Increased efficiency in the net working capital management; • Improvements in the macroeconomic and geopolitical environment, with a positive impact on growth. In the case these conditions are met, the rating could upgrade to A2.
Downgrade	• Significant contraction in sales revenues and profit margins; • Excessive reliance on financial debt, leading to an imbalance in solvency indicators; • Persistently high inflation continues to undermine consumption and investment, prolonging the period of economic uncertainty. If these conditions were to occur, we can expect a downgrade to A3-.

IMPORTANT

The present Corporate Credit rating is issued by modefinance under EU Regulation 1060/2009 and following amendments.
The present rating is solicited and is based on both private and public information. The rated entity and/or related third parties have provided all private information used. modefinance had access to some accounts and other relevant internal documents of the rated entity and/or related third parties. Solicited and unsolicited ratings issued by modefinance are of comparable quality, as the solicitation status has no effect on methodologies used. More comprehensive information on modefinance Corporate Credit Ratings are available at: http://cra.modefinance.com/en
The present Corporate Credit Rating is issued on MORE Methodology 2.0 and Rating Methodology 1.0. A comprehensive description of both methodologies, as well as information on modefinance Rating Scale and Mappings, is available at http://cra.modefinance.com/en/methodologies.
For information on historical default rates of modefinance Corporate Credit Ratings please refer to ESMA Central Repository: https://registers.esma.europa.eu/cerep-publication/ and ESMA European Rating Platform https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_radar.
modefinance refers to default as a company under bankruptcy, or under liquidation status, or under administration or for which missed payments on a financial obligation are officially recorded.

The quality of the information available on the rated entity and used to determine the present rating was judged by modefinance as satisfactory. Please note that modefinance does not perform any audit activity and is not in a position to guarantee the accuracy of any information used and/or reported in the present document. As such, modefinance can accept no liability whatsoever for actions taken based on any information that may subsequently prove to be incorrect.

The present credit rating was notified to the rated entity in order to identify potential factual errors, as prescribed by the CRA Regulation.
No amendments were applied after the notification process.
The rated entity is a buyer of ancillary services provided by modefinance (ESG rating). modefinance ensures that such situation does not imply a conflict of interest in the issuance of the present credit rating.
The rating action issued by modefinance was performed independently. The analysts, members of the rating team involved in the process, modefinance Srl and its members and shareholders do not have any conflicts of interest in relation to the Rated Entity and/or Related Third Parties. If in the future a potential conflict of interest is identified in relation to the persons reported above, modefinance Ratings will provide the appropriate information and if necessary the rating will be withdrawn.
The present Credit Rating is an opinion of the general creditworthiness that modefinance issues on the rated entity, and should be relied upon to a limited degree. The issued rating is subject to an ongoing monitoring until withdrawal.

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