

Company Update

Buy (maintained)

19 November 2020 – 5:30PM

MARKET PRICE: EUR2.36

TARGET PRICE: EUR4.02 (from EUR4.07)

**Food & Beverage**
**Data**

Shares Outstanding (m):	14.00
Market Cap. (EURm):	33.0
Enterprise Value (EURm):	102.1
Free Float (%):	29.7%
Av. Daily Trad. Vol. (m):	0.01
Main Shareholder:	Newlat Food 67.6%
Reuters/Bloomberg:	CLIMI CLIIM
52-Week Range (EUR)	1.79 2.64

Source: Factset, UBI Banca estimates

**Performance**

	1m	3m	12m
Absolute	4.0%	-3.3%	-6.7%
Rel. to FTSE IT	-6.9%	-11.6%	1.2%

Source: Factset

**Graph area Absolute/Relative 12 M**


Source: Factset

**Marco Cristofori**  
Senior Analyst  
[marco.cristofori@ubibanca.it](mailto:marco.cristofori@ubibanca.it)  
Tel. +39 02 62753015

Website: [www.ubibanca.com/equity-research](http://www.ubibanca.com/equity-research)

## Positive 3Q20, ready to incorporate Newlat dairy activities

After a stunning performance in the first half of the year, CLI reported a positive quarter, even if with lower sales and a slight decline of profitability. Revenues declined by 1.9% and EBITDA margin reached 9.4% (vs. 5.6% in 3Q19 but below 10.4% reported in the first half). Once again, the strong profitability improvement compared with 3Q19 was favoured by the continuous decline of fresh milk price (down 22.7% in the quarter) coupled with higher selling price (up around 4% since the beginning of the year) and a better product mix (higher sales for fresh milk and export). In addition, the company took advantage of effective cost cutting actions. As a result, CLI reported a positive bottom line in 3Q20 (EUR0.9 million vs. a net loss of EUR0.6 million in 3Q19). CLI also announced the possible incorporation of Newlat dairy activities from the beginning of 2021 which should add around EUR110 million sales with a remarkable 10% EBITDA margin. Details are still pending but we believe this would be a game-changing deal, which would reinforce CLI geographical presence while further improving the product mix. Considering the new lockdown in Piedmont and Tuscany, which are strongly impacting the Ho.re.ca distribution channel we slightly decrease our expectations for 4Q20. 2020 value of production is now expected at EUR182 million with an EBITDA margin at 9.1%. We also reduced our 2021 expectations due to the negative impact of COVID-19 in the first part of the year. We confirm our positive stance on the share with a new target price of EUR4.02 (from EUR4.07). CLI is strongly improving its profitability while the integration of the Newlat dairy activities opens new scenarios.

- In 9M20 CLI increased revenues by 3.3% but nearly tripled its EBITDA. Operating result was positive and the bottom line reached EUR3.2 million vs. a net loss of EUR4.2 million in 9M19. Net debt dropped to EUR64.9 million compared with EUR77.3 million at Dec-19.
- CLI did not supply a specific guidance for 2020 even if the management highlighted that revenues were declining in October, particularly in Tuscany, due to the new restrictions to face the second wave of COVID-19 outbreak. Still, the company is confident to surpass the targets of its 2020-22 business plan.
- We set a new target price of EUR4.02 per share based on the average of our DCF and relative valuations. The potential upside is >70%.
- Main risks are prolonged lockdowns in 2021, which will depress the Ho.re.ca distribution channel and could change the consumers habits, difficulties in integrating Newlat dairy activities and potential rise of the milk price.

**Financials**

	2019	2020E	2021E	2022E
Revenues (EURm)	175,2	177,8	176,2	179,5
EBITDA (EURm)	6,5	16,5	16,8	17,7
EBITDA margin (%)	3,7%	9,3%	9,5%	9,9%
EBIT (EURm)	-5,3	6,1	6,0	6,5
EPS (EUR)	-0,46	0,22	0,23	0,26
CFPS (EUR)	0,77	1,22	0,77	0,89
DPS (EUR)	0,00	0,00	0,00	0,00

Source: Company Data, UBI Banca Estimates

**Ratios priced on 18 November 2020**

	2019 *	2020E	2021E	2022E
P/E(x)	nm	10,6	10,3	9,2
P/CF(x)	12,2	2,6	2,5	2,3
P/BV(x)	0,65	0,55	0,52	0,49
Dividend Yield	0,0%	0,0%	0,0%	0,0%
EV/EBITDA(x)	18,6	6,2	5,8	5,0
Debt/Equity (x)	1,4	1,1	0,9	0,8
Debt/EBITDA (x)	12,0	3,9	3,5	2,9

Source: UBI Banca Estimates \* Based on 2019 average price

**Key Financials**

(EURm)	2019	2020E	2021E	2022E
Revenues	175,2	177,8	176,2	179,5
EBITDA	6,5	16,5	16,8	17,7
EBIT	-5,3	6,1	6,0	6,5
NOPAT	-5,3	4,1	4,0	4,4
Free Cash Flow	-1,5	13,5	5,3	7,8
Net Capital Employed	134,4	124,0	121,8	117,6
Shareholders' Equity	57,1	60,2	63,4	67,0
Net Financial Position	77,3	63,8	58,5	50,7

Source: Company data, UBI Banca estimates

**Key Profitability Drivers**

	2019	2020E	2021E	2022E
Net Debt/Ebitda (x)	12,0	3,9	3,5	2,9
Net Debt/Equity (x)	1,4	1,1	0,9	0,8
Interest Coverage (%)	-2,9	3,3	3,9	4,7
Free Cash Flow Yield (%)	-4,1%	40,8%	16,1%	23,6%
ROE (%)	-11,4%	5,2%	5,0%	5,4%
ROI pre-tax (%)	-3,6%	4,3%	4,4%	4,9%
ROCE (%)	-3,9%	3,2%	3,3%	3,7%

Source: Company data, UBI Banca estimates

**Key Valuation Ratios**

	2019 *	2020E	2021E	2022E
P/E (x)	nm	10,6	10,3	9,2
P/BV (x)	0,7	0,5	0,5	0,5
P/CF (x)	3,5	1,9	3,1	2,7
Dividend Yield (%)	0,0%	0,0%	0,0%	0,0%
EV/Sales (x)	0,7	0,6	0,5	0,5
EV/EBITDA (x)	18,6	6,2	5,8	5,0
EV/EBIT (x)	0,0	16,6	16,1	13,6
EV/CE (x)	0,9	0,8	0,8	0,8

Source: Company data, UBI Banca estimates

\* Based on 2019 average price

**Key Value Drivers**

(%)	2019	2020E	2021E	2022E
Payout	0,0%	0,0%	0,0%	0,0%
NWC/Sales	0,2%	-2,2%	-0,7%	0,4%
Capex/Sales	7,0%	2,0%	3,1%	2,6%

Source: Company data, UBI Banca estimates

### Recent Developments

- > The positive trend of 1H20 continued in the third quarter: sales were down 1.9% but EBITDA margin increased to 9.4% from 5.6% in 3Q19. In details, there was a strong recovery of fresh milk (+25% in the quarter) mostly due to the strong growth of ESL (extended shelf life) milk while UHT dropped nearly 30% after the sharp growth of the first half (+37.6%). Salads were particularly weak (-39% in the quarter and -37% in 9M20) confirming that the partnership with Zerbinati is not working while the management highlighted the presence of some quality problems. Vegetal drinks were also strongly down but this is due to a higher export of vegetal drinks, which offers a higher margin. Yogurt increased by nearly 6% and export was up 18%.
- > EBITDA reached EUR4.0 million (nearly the double of the EBITDA reported in 3Q19) with margin at 9.4%. Once again, this remarkable recovery of profitability was possible thanks to the drop of fresh milk prices (-22.7% in the third quarter) coupled with the increase of the selling prices (around 4% from January), lower promotional efforts and lower SG&A costs. After D&A of EUR2.3 million, the operating result was positive for EUR1.7 million compared with an operating result at breakeven in 3Q19. Net profit reached EUR0.9 million in 3Q20 vs. a net loss of EUR0.6 million in 3Q19.
- > Thanks to the higher cash flow generation, net debt was down to EUR64.9 million at Sept-20 vs. EUR77.3 million at Dec-19, after capex for EUR2.7 million in the first nine months of the year. Trading NWC was negative for EUR3.8 million, a significant improvement compared with last year. Fixed assets totalled EUR142.6 million and total net invested capital was EUR138.8 million, or EUR7.6 million below Dec-19.
- > The board is also studying the rental of the dairy activities of Newlat which include 3 plants, several brands (Polenghi, Giglio, Optimus, Centrale del Latte di Salerno etc.) and a larger group of products such as butter, mascarpone cheese and other dairy products. The integration with Newlat dairy activities should start from January-21 and should add revenues for around EUR110 million (vs. around EUR180 million expected for CLI in 2020) with 10% EBITDA margin. The integration with Newlat dairy activities opens new scenarios creating a group with around EUR300 million sales with a 10% EBITDA margin which makes CLI a leading company in Italy.

Figure 1 – 3Q20 and 9M20 results

(EURm)	3Q19A	3Q20A	% Chg.	9M19A	9M20A	% Chg.
Sales	43,10	42,30	-1,9%	131,06	135,33	3,3%
Value of production	43,37	42,37	-2,3%	133,31	136,93	2,7%
EBITDA	2,40	3,99	66,1%	4,58	13,65	198,1%
% margin	5,6%	9,4%		3,5%	10,1%	
EBIT	0,05	1,69	nm	-2,92	5,94	nm
Pre tax	-0,45	1,15	nm	-4,18	4,66	nm
<b>Net profit</b>	<b>-0,57</b>	<b>0,85</b>	<b>nm</b>	<b>-4,18</b>	<b>3,24</b>	<b>nm</b>
Net debt/(cash)	84,79	64,86	-23,5%	84,79	64,86	-23,5%

Source: Company data

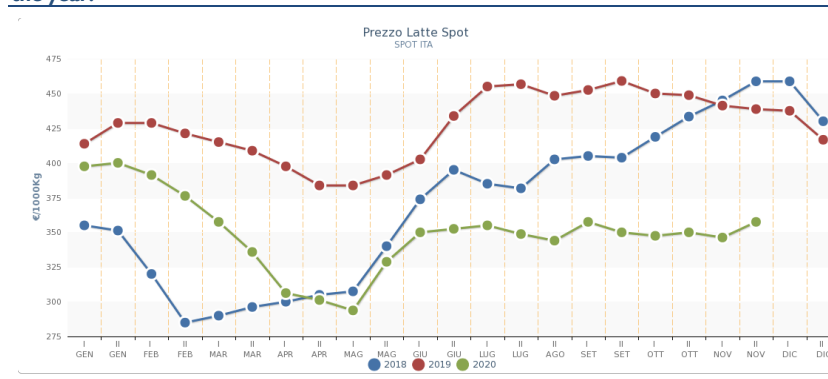
Figure 2 – 3Q20 and 9M20 sales by product

(EURm, %)	3Q19A	3Q20A	% change	9M19A	9M20A	% change
Fresh milk	12,49	15,59	24,8%	49,30	48,39	-1,9%
UHT milk	12,08	8,58	-29,0%	29,93	33,15	10,7%
Yogurt	2,26	2,40	5,9%	6,14	6,83	11,2%
Salads	1,29	0,79	-38,9%	4,14	2,62	-36,6%
Vegetal drinks	2,12	1,20	-43,6%	3,43	3,44	0,4%
Other products	11,08	11,77	6,2%	32,31	34,32	6,2%
Bulky milk	0,66	0,65	-1,8%	2,37	2,64	11,2%
Export	1,13	1,33	18,3%	3,44	3,95	14,9%
<b>Total sales</b>	<b>43,10</b>	<b>42,30</b>	<b>-1,9%</b>	<b>131,06</b>	<b>135,33</b>	<b>3,3%</b>

Source: Company data

Figure 3 – Spot price of fresh milk in Italy: a three-year comparison

The Italian fresh milk spot price continued to be weak also in 3Q20 and remained stable in October and November. This trend was due to the COVID-19 impact which reduced the cheese export but also to the drop of ho.re.ca volume. It now stands at EUR0.357 per litre vs. EUR0.439 one year ago (or -18.5%) and, according to CLI's management, should remain stable in the coming months. Lower fresh milk prices coupled with higher selling price list strongly contributed to increase the EBITDA margin in the first nine months of the year.



Source: Assolatte

### Financial Projections

- > CLI did not supply a specific guidance for 2020 even if the management highlighted that revenues were declining in October, particularly in Tuscany, due to the new restrictions to face the second wave of COVID-19 outbreak. In particular, Ho.re.ca and private label segments are suffering. Still, the EBITDA margin erosion should be limited as lower volumes are offset by effective cost cutting actions. The company's targets in 2020-22 business plan (which anticipates a 1.4% CAGR in value of production, with VoP expected at EUR187 million in 2022, an EBITDA at EUR17.5 million in 2022, thus implying 9.3% margin, a level below 1H20, and a net debt reduction of EUR5/7 million p.a. after cumulated capex of EUR17.3 million in 2020-22 with the target of reaching a gearing of 1.1-1.2x compared with 1.3x at Dec-19) should be easily surpassed.
- > Following 3Q20 results we revised fine-tuned our estimates: we slightly lowered 2020 revenues and EBITDA incorporating the impact of the second wave of lockdown. We now expect sales to reach EUR178 million, +1.5% vs. 2019, with an EBITDA margin around 9.1% (vs. 9.3% expected before), which implies a reduction in of sales and EBITDA margin in 4Q20. The bottom line should reach EUR3.1 million from EUR3.4 million expected before and a net loss of EUR6.5 million reported in 2019.
- > Pending the final approval and the deal details, we did not consider in our 2021-22 estimates the incorporation of Newlat dairy activities. For 2021, we incorporated a weak 1Q21 on the back of the COVID-19 rebound which should generate a slight sales decrease in the full year (-0.9%). We forecast an EBITDA margin broadly in line with 2020 even if fresh milk, which presents a higher profitability compared to UHT, should further decline due to the changes in consumer habits and the closing of many small dairies following the COVID-19 outbreak. 2022 should see an improvement of profitability as the revamp of the Turin plant should completed and the COVID-19 outbreak should be hopefully over.

Figure 4 – Old vs. New estimates

(EURm)	2019A	2020E		2021E		2022E	
		Old	New	Old	New	Old	New
Total Sales	175,2	183,8	177,8	186,8	176,2	190,7	179,5
% change			-3,2%		-5,7%		-5,9%
<b>Value of production</b>	<b>178,9</b>	<b>187,6</b>	<b>181,7</b>	<b>190,8</b>	<b>180,2</b>	<b>194,9</b>	<b>183,6</b>
% change			-3,2%		-5,6%		-5,8%
<b>EBITDA</b>	<b>6,5</b>	<b>17,5</b>	<b>16,5</b>	<b>18,1</b>	<b>16,8</b>	<b>19,2</b>	<b>17,7</b>
% change			-5,7%		-7,5%		-7,9%
EBIT	(5,3)	6,7	6,1	6,9	6,0	7,5	6,5
% change			-7,9%		-12,6%		-13,4%
<b>Net Profit</b>	<b>(6,5)</b>	<b>3,4</b>	<b>3,1</b>	<b>3,5</b>	<b>3,2</b>	<b>4,1</b>	<b>3,6</b>
% change			-9,0%		-9,9%		-13,0%
Net Debt/(Cash)	77,3	80,4	63,8	62,3	58,5	52,0	50,7
<b>EBIT margin</b>	<b>-3,0%</b>	<b>3,6%</b>	<b>3,4%</b>	<b>3,6%</b>	<b>3,3%</b>	<b>3,9%</b>	<b>3,6%</b>
<b>EBITDA margin</b>	<b>3,6%</b>	<b>9,3%</b>	<b>9,1%</b>	<b>9,5%</b>	<b>9,3%</b>	<b>9,9%</b>	<b>9,6%</b>

Source: Company data, UBI Banca estimates

Figure 5 – 2016-2022E sales by product

(EURm)	2016	2017	2018	2019	2020E	2021E	2022E	CAGR 19-22
Fresh milk	49.1	70.8	68.7	66.7	63.4	59.6	59.0	-4,0%
UHT milk	24.1	40.7	40.7	40.3	43.6	44.0	44.7	3,5%
Yogurt	7.0	8.3	8.8	7.7	8.6	8.7	8.9	4,6%
Salads	5.9	6.2	6.0	5.0	3.0	3.0	3.2	-14,0%
Vegetable drinks	1.8	2.6	2.9	2.7	2.8	3.1	3.4	8,0%
Other products	26.0	43.8	46.0	44.9	47.6	48.5	50.7	4,2%
Bulk milk	3.2	4.0	3.9	3.1	3.5	3.6	3.7	5,6%
Export	0.8	1.6	3.5	4.7	5.5	5.8	6.0	8,3%
<b>Total sales</b>	<b>176,2</b>	<b>178,2</b>	<b>180,3</b>	<b>175,2</b>	<b>177,8</b>	<b>176,2</b>	<b>179,5</b>	<b>0,8%</b>

Source: Company data, UBI Banca estimates

Figure 6 – 4Q20E estimates

(EURm)	4Q19A	4Q20E	% Chg.
Value of production	45,63	44,79	-1,8%
<b>EBITDA</b>	<b>1,89</b>	<b>2,83</b>	<b>50,2%</b>
<b>% margin</b>	<b>4,3%</b>	<b>6,7%</b>	
EBIT	-2,38	0,21	nm
Pre tax	-2,60	-0,09	nm
<b>Net attributable result</b>	<b>-2,33</b>	<b>-0,13</b>	<b>nm</b>
Net debt/(cash)	77,30	63,80	-17,5%

### Valuation

- Following our estimates revision, we fine-tuned our target price to EUR4.02 per share (from EUR4.07) which reflects our estimates upgrade. Our target price is based on the average of a DCF valuation (70% weight) or EUR4.12 per share, and a relative valuation (30% weight) based on 2020-22 EV/EBITDA and P/E of large multinationals (after 40% discount) which delivers EUR3.79 per share.
- CLI is trading at >55% discount to our peer sample, mainly due to its smaller size. Discount to P/E stands at around 47%, 49% to EV/EBITDA and 70% on EV/Sales.
- At our new target price, Centrale del Latte d'Italia trades at 7.2x 2021 EV/EBITDA, which is well below the average multiple of peers (11.0x).

Figure 7 – Valuation summary

(EUR)		Weight	9 September 20	Delta
DCF Valuation	4,12	70,0%	4,00	3,0%
Relative Valuation (40% discount)	3,79	30,0%	4,25	-10,9%
<b>Target price</b>	<b>4,02</b>		<b>4,07</b>	<b>-1,4%</b>
Current price	2,36		2,52	-6,3%
Potential upside/downside	70,2%		61,6%	

Source: UBI Banca estimates

\* also based on the Newlat takeover offer

Figure 8 – DCF Valuation

**Our DCF is based on a 5.3% WACC and g at 0.5%.**

	(EUR m)	(% weight)
Sum of PV 2020-28 FCF	65,7	47%
Terminal value	74,7	53%
<b>Total Enterprise value</b>	<b>140,4</b>	<b>100%</b>
- Pension Provision	(5,5)	
- Net debt (+ cash)	(77,3)	
<b>Total Equity value</b>	<b>57,6</b>	
Fully diluted number of shares (m)	14,0	
<b>Fair value per share (EUR)</b>	<b>4,12</b>	

Source: UBI Banca estimates

Figure 9 – Peer comparison and valuation based on multiples (priced on 18 November 2020)

Company	Market Cap (EURm)	Country	P/E			EV/EBITDA			EV/Sales		
			2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Saputo	9.082	Canada	20,3 x	17,7 x	15,7 x	11,7 x	10,3 x	na	1,20 x	1,12 x	na
Emmi	4.349	Switzerland	24,6 x	23,2 x	22,0 x	13,0 x	12,2 x	11,4 x	1,31 x	1,24 x	1,18 x
Newlat	220	Italy	14,9 x	15,1 x	14,1 x	4,6 x	4,3 x	3,8 x	0,43 x	0,40 x	0,35 x
Danone	37.490	France	16,7 x	15,7 x	14,7 x	11,4 x	10,7 x	10,2 x	2,09 x	2,03 x	1,95 x
Nestlé	279.990	Switzerland	24,8 x	23,4 x	21,8 x	17,8 x	17,4 x	16,8 x	3,92 x	3,89 x	3,78 x
<b>Average</b>			<b>20,2 x</b>	<b>19,0 x</b>	<b>17,7 x</b>	<b>11,7 x</b>	<b>11,0 x</b>	<b>10,5 x</b>	<b>1,79 x</b>	<b>1,73 x</b>	<b>1,82 x</b>
CLI current market multiples	33		10,6 x	10,3 x	9,2 x	6,2 x	5,8 x	5,0 x	0,56 x	0,54 x	0,48 x

Source: Factset, UBI Banca estimates

Figure 10 – Implicit multiples based on our EUR4.02 target price

(x)	2020E	2021E	2022E
P/E	18,1 x	17,6 x	15,6 x
EV/EBITDA	7,6 x	7,2 x	6,3 x
EV/EBIT	20,4 x	20,0 x	17,2 x
EV/Sales	0,69 x	0,67 x	0,61 x
P/BV	0,94 x	0,89 x	0,84 x
EV/ Capital employed	1,01 x	0,98 x	0,95 x

Source: UBI Banca estimates

### ESG Picture

#### Corporate Governance

Does the company have a combined Chair/CEO?	No
Percentage of independent directors	28.6% (2 out of 7)
Does the company have loyalty shares?	No
Does major shareholders (if any) have a “shareholders pact” in place?	Yes



Has the company adopted a “poison pill” or “change of control” clauses?	No
Potential dilution from stock options outstanding + not yet granted?	No
CEO remuneration detail (fixed salary)	EUR0.57 million in 2019
Chairman remuneration detail (fixed salary)	In 2019 Chairman and CEO were combined
Is the share price included in the MBO criteria?	No
Percentage of treasury shares	0.0%
<b>Climate related risk</b>	
Has the company defined GHG-emissions targets?	No
How does the company assess climate-related risk?	No
<b>Social Responsibilities</b>	
Does the company publish a separated Sustainability report?	No
Does the company have a Chief SRI/CSR officer (or a committee)?	No
Does the Chief SRI/CSR officer votes in any of the company's committee?	na
Is the Investor Relation officer a different person from CFO (or other officers)?	No
Is the ESG strategy integrated in the Business Plan (or in the group strategy)?	No
Does the company have an ethical code?	Yes
Percentage of female directors	42.9% (3 out of 7)
How is the cybersecurity issue managed	Not disclosed

**Income Statement**

(EURm)	2019	2020E	2021E	2022E
Value of production	175,2	177,8	176,2	179,5
EBITDA	6,5	16,5	16,8	17,7
EBITDA margin	3,7%	9,3%	9,5%	9,9%
EBIT	-5,3	6,1	6,0	6,5
EBIT margin	-3,0%	3,5%	3,4%	3,6%
Net financial income /expense	-1,5	-1,6	-1,2	-1,1
Associates & Others	0,0	0,0	0,0	0,0
Profit before taxes	-6,8	4,6	4,8	5,5
Taxes	0,3	-1,5	-1,6	-1,9
Minorities & discontinuing ops	0,0	0,0	0,0	0,0
Net Income	-6,5	3,1	3,2	3,6

Source: Company data, UBI Banca estimates

**Balance Sheet**

(EURm)	2019	2020E	2021E	2022E
Net working capital	0,3	-3,9	-1,2	0,6
Net Fixed assets	146,1	140,2	135,8	130,2
M/L term funds	12,0	12,4	12,8	13,2
Capital employed	134,4	124,0	121,8	117,6
Shareholders' equity	57,1	60,2	63,4	67,0
Minorities	0,0	0,0	0,0	0,0
Shareholders' funds	57,1	60,2	63,4	67,0
Net financial debt/(cash)	77,3	63,8	58,5	50,7

Source: Company data, UBI Banca estimates

**Cash Flow Statement**

(EURm)	2019	2020E	2021E	2022E
NFP Beginning of Period	73,8	77,3	63,8	58,5
Group Net Profit	-6,5	3,1	3,2	3,6
Minorities	0,0	0,0	0,0	0,0
D&A	9,5	9,8	10,2	10,6
Change in Funds & TFR	0,0	0,0	0,0	0,0
Gross Cash Flow	3,0	12,9	13,4	14,2
Change In Working Capital	7,7	4,2	-2,7	-1,8
Other	0,0	0,0	0,0	0,0
Operating Cash Flow	10,7	17,1	10,7	12,4
Net Capex	-12,2	-3,6	-5,4	-4,6
Other Investments	0,0	0,0	0,0	0,0
Free Cash Flow	-1,5	13,5	5,3	7,8
Dividends Paid	0,0	0,0	0,0	0,0
Other & Chg in Consolid. Area	-2,0	0,0	0,0	0,0
Chg in Net Worth & Capital Incr.	0,0	0,0	0,0	0,0
Change in NFP	-3,5	13,5	5,3	7,8
NFP End of Period	77,3	63,8	58,5	50,7

Source: Company data, UBI Banca estimates

**Financial Ratios**

(%)	2019	2020E	2021E	2022E
ROE	-11,4%	5,2%	5,0%	5,4%
ROI	-3,9%	3,2%	3,3%	3,7%
Net Fin. Debt/Equity (x)	12,0	3,9	3,5	2,9
Net Fin. Debt/EBITDA (x)	1,4	1,1	0,9	0,8
Interest Coverage	-2,9	3,3	3,9	4,7
NWC/Sales	0,2%	-2,2%	-0,7%	0,4%
Capex/Sales	7,0%	2,0%	3,1%	2,6%
Pay Out Ratio	0,0%	0,0%	0,0%	0,0%

Source: Company data, UBI Banca estimates

**Per Share Data**

(EUR)	2019	2020E	2021E	2022E
EPS	-0,46	0,22	0,23	0,26
DPS	0,00	0,00	0,00	0,00
Op. CFPS	0,77	1,22	0,77	0,89
Free CFPS	-0,11	0,96	0,38	0,56
BVPS	4,08	4,30	4,53	4,78

Source: Company data, UBI Banca estimates

**Stock Market Ratios**

(x)	2019 *	2020E	2021E	2022E
P/E	nm	10,6	10,3	9,2
P/OpCFPS	3,5	1,9	3,1	2,7
P/BV	0,65	0,55	0,52	0,49
Dividend Yield (%)	0,0%	0,0%	0,0%	0,0%
Free Cash Flow Yield (%)	-4,1%	40,8%	16,1%	23,6%
EV (EURm)	119,9	102,1	96,7	88,8
EV/Sales	0,67	0,56	0,54	0,48
EV/EBITDA	18,6	6,2	5,8	5,0
EV/EBIT	0,0	16,6	16,1	13,6
EV/Capital Employed	0,89	0,82	0,79	0,75

Source: Company data, UBI Banca estimates

\* Based on 2019 average price

**Growth Rates**

(%)	2019	2020E	2021E	2022E
Growth Group Net Sales	-2,9%	1,5%	-0,9%	1,9%
Growth EBITDA	-17,0%	154,9%	1,6%	5,8%
Growth EBIT	nm	nm	-2,4%	8,8%
Growth Net Profit	nm	nm	2,9%	12,7%

Source: Company data, UBI Banca estimates

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*Historical ratings and target prices*

<i>Date</i>	<i>Rating</i>	<i>Target Price (EUR)</i>	<i>Market Price (EUR)</i>
13 November 2017	Buy	4.71	3.67
14 March 2018	Buy	3.92	3.24
21 June 2018	Buy	4.03	2.99
3 August 2018	Buy	3.80	2.88
8 November 2018	Hold	2.84	2.74
19 March 2019	Hold	2.58	2.80
16 May 2019	Hold	2.36	2.59
19 September 2019	Sell	2.00	2.62
22 November 2019	Sell	2.03	2.55
24 March 2020	Buy	3.40	2.55
22 May 2020	Buy	3.11	2.58
9 September 2020	Buy	4.07	2.52