

Company Update

Buy (maintained)

10 March 2021 – 5:30PM

 MARKET PRICE: **EUR2.64**

 TARGET PRICE: **EUR4.95 (from EUR4.02)**
Food & Beverage
Data

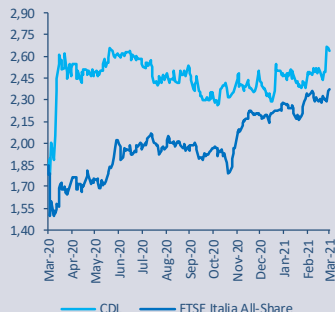
Shares Outstanding (m):	14.00
Market Cap. (EURm):	37.0
Enterprise Value (EURm):	96.9
Free Float (%):	14.8%
Av. Daily Trad. Vol. (m):	0.01
Main Shareholder:	Newlat Food 67.6%
Reuters/Bloomberg:	CLIMI CLI IM
52-Week Range (EUR)	1.79 2.67

Source: Factset, UbiBanca estimates

Performance

	1m	3m	12m
Absolute	6.0%	8.6%	43.1%
Rel. to FTSE IT	4.0%	0.3%	14.3%

Source: Factset

Graph area Absolute/Relative 12 M


Source: Factset

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Strong 4Q20 results, ready for 2021

CLI reported better than expected results in the last quarter of 2020: sales were up 2.6%, reversing the negative trend of 3Q20 and EBITDA margin increased to 10.2% from 4.3% in 4Q19 beating our estimates. This stunning performance was possible thanks to the sharp decline of fresh milk prices (down 20% in the quarter). Profitability was also supported by effective cost cutting actions, in particular packaging cost, and the improvement of the product mix (lower revenues of fresh milk offset by strong growth of UHT, vegetal drink, which were up 70% in the full year, and other products). CLI market share also improved reaching 8% in fresh milk and 4.1% in UHT. Net result in the full year was positive for EUR4.1 million vs. a net loss of EUR6.5 million in 2019. Net debt declined further to EUR61.2 million from EUR77.3 million at Dec-19 and EUR69.4 million at June-20 thanks to its strong cash generation (free cash flow topped EUR15.4m in the full year). Overall 2020 results were the best ever in the company's history surpassing by far CLI industrial plan. 2021 should be a game-changing year due to the consolidation of Newlat milk and dairy activities which will increase the top line by >60% while in the coming years we expect production and cross-selling synergies with Newlat to allow further profitability improvements. We confirm our positive stance on the share which is becoming a leading player in the milk and dairy industry.

- For 2021 the company expects further improvement of profitability and cash generation also supported by the revamp of the Turin plant and the new warehouse which should be completed in July.
- We have deeply revised our estimates (and introduced 2023 forecasts) incorporating the milk and dairy activities coming from Newlat which should add more than EUR100 million sales with an EBITDA margin around 10%. Overall, our EPS estimate increase by over 70% compared with our previous estimate.
- We set a new target price of EUR4.95 per share (from EUR4.02) based on the average of our DCF and relative valuations and applying a 20% discount to factor in its low liquidity and its minimal free float. The potential upside is >85%.
- 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, the potential rise of the milk price and the limited free float, now at 14.8% after the Newlat takeover.

Financials

	2020	2021E	2022E	2023E
Revenues (EURm)	180,6	284,0	290,6	296,7
EBITDA (EURm)	18,3	27,8	29,0	30,8
EBITDA margin (%)	10,1%	9,8%	10,0%	10,4%
EBIT (EURm)	7,4	10,5	11,1	12,4
EPS (EUR)	0,30	0,40	0,44	0,50
CFPS (EUR)	2,04	1,63	0,79	1,22
DPS (EUR)	0,00	0,00	0,00	0,00

Source: Company Data, UBI Banca Estimates

Ratios

priced on 9 March 2021

	2020 *	2021E	2022E	2023E
P/E(x)	8,3	6,5	5,9	5,3
P/CF(x)	1,2	1,6	3,3	2,2
P/BV(x)	0,56	0,55	0,51	0,46
Dividend Yield	0,0%	0,0%	0,0%	0,0%
EV/EBITDA(x)	5,5	3,5	3,3	2,9
Debt/Equity (x)	1,0	0,8	0,7	0,6
Debt/EBITDA (x)	3,4	1,9	1,8	1,5

Source: UBI Banca Estimates * Based on 2020 average price

Key Financials

(EURm)	2020	2021E	2022E	2023E
Revenues	180,6	284,0	290,6	296,7
EBITDA	18,3	27,8	29,0	30,8
EBIT	7,4	10,5	11,1	12,4
NOPAT	5,0	7,1	7,5	8,3
Free Cash Flow	19,1	12,7	0,7	6,6
Net Capital Employed	122,3	118,9	124,3	124,8
Shareholders' Equity	61,1	66,7	73,0	79,9
Net Financial Position	61,2	52,1	51,4	44,8

Source: Company data, UBI Banca estimates

Key Profitability Drivers

	2020	2021E	2022E	2023E
Net Debt/Ebitda (x)	3,4	1,9	1,8	1,5
Net Debt/Equity (x)	1,0	0,8	0,7	0,6
Interest Coverage (%)	3,4	4,3	5,3	6,0
Free Cash Flow Yield (%)	55,8%	34,3%	2,0%	17,7%
ROE (%)	6,8%	8,5%	8,5%	8,7%
ROI pre-tax (%)	5,3%	7,7%	7,7%	8,4%
ROCE (%)	3,9%	5,9%	6,1%	6,7%

Source: Company data, UBI Banca estimates

Key Valuation Ratios

	*2020	2021E	2022E	2023E
P/E (x)	8,3	6,5	5,9	5,3
P/BV (x)	0,6	0,6	0,5	0,5
P/CF (x)	1,2	1,6	3,3	2,2
Dividend Yield (%)	0,0%	0,0%	0,0%	0,0%
EV/Sales (x)	0,5	0,3	0,3	0,3
EV/EBITDA (x)	5,5	3,5	3,3	2,9
EV/EBIT (x)	13,4	9,2	8,6	7,2
EV/CE (x)	0,8	0,8	0,8	0,7

Source: Company data, UBI Banca estimates

* Based on 2020 average price

Key Value Drivers

(%)	2020	2021E	2022E	2023E
Payout	0,0%	0,0%	0,0%	0,0%
NWVC/Sales	-7,7%	-5,7%	-2,0%	0,0%
Capex/Sales	5,3%	3,6%	3,6%	3,6%

Source: Company data, UBI Banca estimates

Recent Developments

- In 2020 revenues increased by 3.1% to EUR180.6 million. Sales by product saw once again a remarkable decrease in fresh milk (-2.7%) while UHT (+9.8%) benefitted from the panic buying caused by the COVID-19 outbreak. Yogurt was up 14.2%, and salads were particularly weak (-27% in the quarter and -35% in FY20) confirming that the partnership with Zerbinati is not working while the management highlighted the presence of some quality problems. Vegetal drinks were strongly up (+70%), improving the product mix and exports increased by 9%. In 4Q20 sales were up 2.6% reversing the negative trend reported in 3Q20. CLI's market share in 2020 reached 8.0% in the fresh milk (28.8% in Piedmont, Tuscany, Veneto and Liguria) and 4.1% in UHT (from 3.6%). As expected, the distribution channels of mass retail and B2B partners performed very well while private label and food service channels performed poorly being affected by the lockdowns.
- EBITDA reached EUR4.6 million in 4Q20 (more than the double of the EBITDA reported in 4Q19) with margin at 10.2%. Once again, this remarkable recovery of profitability was possible thanks to the drop of fresh milk prices (-20% in the fourth quarter) coupled with the increase of the selling prices (around 4% from January), lower promotional efforts and significant cost reductions, particularly for packaging. In the full year EBITDA margin reached 10.1%, the best ever in the company's history surpassing by far CLI industrial plan (the target was 9.3% expected for 2022) and our estimates.
- After D&A and provisions of EUR10.8 million in the full year, slightly above our expectations, EBIT topped EUR7.5 million compared with an operating loss of EUR5.3 million in 2019. Despite higher financial charges, pre-tax result was positive for EUR5.6 million (vs. -EUR9.8 million in 2019), leading to a net profit of EUR4.1 million, which was also lifted by a low tax rate (26%). As in the past five years, the company will not distribute a dividend.
- Thanks to a healthy cash generation, net debt declined to EUR61.2 million at Dec-20 (EUR57.8 million stripping out the IFRS 16 impact) vs. EUR77.3 million at Dec-19 beating our EUR63.8 million estimate thanks to the sharp reduction of NWC which turned negative to 7.7%. We were impressed by the strong cash conversion equal to 84% of EBITDA.
- Capex reached EUR9.5 million vs. EUR12.2 million in 2019 related to the upgrade of the plant of Turin. Gearing was 1.0 (vs. 1.35x at Dec-19), the net debt/EBITDA ratio was 3.4x, a sharp decline compared with 2019 when it was 12.0x. Operating NWC was negative for EUR12.3 million with trade receivables at 47 days, trade payables at 93 days and inventories equal to 21 days. Fixed assets totalled EUR147 million and total net invested capital was EUR133 million, slightly down compared with 2019 leading to an average capital turnover of 1.48x.
- Following the takeover of CLI from Newlat the shareholder structures is currently the following: Newlat Food 67.6%, Comune di Firenze 12.3%, Comune di Pistoia 5.3%, free float 14.8%. We remind that Finanziaria Centrale del Latte di Torino S.p.A. and Lavia are now shareholders of Newlat. The shareholder structure will change after April first due to the conversion of loyalty shares: Comune di Firenze will increase its voting rights to 21.9% while Newlat will decline to 60.2%.
- At the end of December CLI and Newlat signed an agreement for the lease of Milk & Dairy business unit, starting from 1st January 2021. Newlat has leased to CLI the business unit owned by Newlat Food, with the aim to carry out the processing of raw materials and production of the so-called Milk & Dairy products (i.e., milk and milk-based products, as well as dairy products) for a total turnover and an EBITDA

expected for the year 2020 which should exceed EUR100 million and EUR10 million respectively. These activities were valued EUR70 million corresponding to an EV/EBITDA of 7.0x; applying a rate of 5% the annual cost of the lease was set at around EUR3.5 million composed by a fixed component equal to EUR2 million, plus statutory VAT and a variable component, determined on a quarterly basis, equal to 1.5% of the turnover of the reference quarter of the Business Unit, plus VAT as required by law. CLI will report the variable component above the EBITDA and the fixed component below the EBITDA. The contract has started from 1st January 2021 and will last for two years; it will be automatically renewed for a further year unless cancelled with at least 6 months' notice. The lease of Newlat activities includes 3 plants (Reggio Emilia, Salerno and Lodi), six warehouse and 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 opens new scenarios creating a group with around EUR300 million sales with a 10% EBITDA margin which makes CLI a leading company in Italy with a wider geographical exposure (in Emilia Romagna and Campania specifically) and significant distribution synergies.

- The trend in the milk market was negative in 2020: the average spot price for raw milk dropped by nearly 17% compared to 2019 and declined by 21.4% in the second half of the year (source: Assolatte). Since the beginning of 2021, raw milk prices have started to recover and now the spot price is aligned with March-20. We also highlight that CLI has signed an agreement with the Tuscan milk producers of the Mukki brand supply chain which stabilize the fresh milk price at EUR0.36 per litre for 2021-23 in addition to the usual increases for quality. This price is aligned with the current spot price.

Figure 1 – 2020 results

(EURm)	2019A	2020A	% Chg.	2020E	% Chg.
Sales	175,15	180,57	3,1%	177,83	1,5%
Value of production	178,94	183,58	2,6%	181,72	1,0%
EBITDA	6,47	18,27	182,6%	16,48	10,8%
% margin	3,7%	10,1%		9,3%	
EBIT	-5,30	7,45	nm	6,15	21,2%
Pre tax	-6,78	5,57	nm	4,57	22,0%
Net attributable result	-6,51	4,13	nm	3,11	33,1%
Net debt/(cash)	77,30	61,20	-20,8%	63,80	-4,1%

Source: Company data, UBI Banca estimates

Figure 2 – 4Q20 results

(EURm)	4Q19A	4Q20A	% Chg.	4Q20E	% Chg.
Sales	44,10	45,24	2,6%	42,49	6,5%
Value of production	45,63	46,65	2,2%	44,79	4,1%
EBITDA	1,89	4,62	144,8%	2,83	63,0%
% margin	4,3%	10,2%		6,7%	
EBIT	-2,38	1,51	nm	0,21	612,6%
Pre tax	-2,60	0,91	nm	-0,09	nm
Net result	-2,33	0,90	nm	-0,13	nm

Source: Company data, UBI Banca estimates

Figure 3 – 2020 sales by product

(EURm, %)	2019A	2020A	% change
Fresh milk	66,69	64,88	-2,7%
UHT milk	40,34	44,29	9,8%
Yogurt	7,74	8,84	14,2%
Salads	4,96	3,22	-35,0%
Vegetal drinks	2,69	4,56	69,8%
Other products	44,89	46,16	2,8%
Bulky milk	3,11	3,45	10,8%
Export	4,74	5,17	9,0%
Total sales	175,15	180,57	3,1%

Source: Company data

Figure 4 – 2019 and 9M20 results of Newlat milk and dairy activities

(EURm, %)	2019A	9M20A
Milk products		
Sales	70,20	48,50
EBITDA	5,50	3,98
% margin	7,8%	8,2%
Dairy products		
Sales	33,30	20,30
EBITDA	4,00	2,96
% margin	12,0%	14,6%
Total		
Sales	103,50	68,80
EBITDA	9,50	6,94
% margin	9,2%	10,1%

Source: Company data

Financial Projections

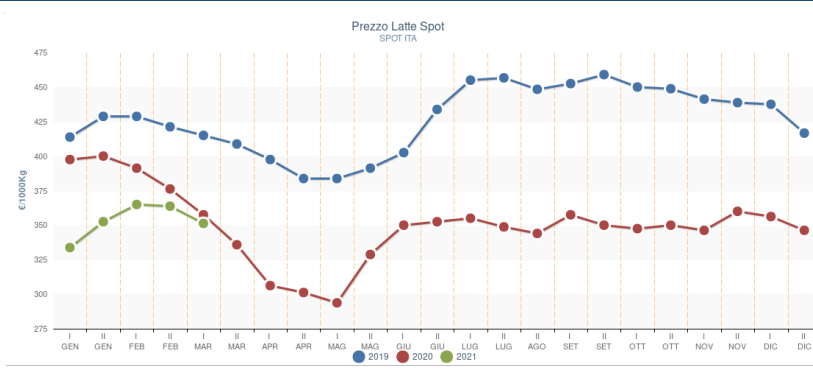
- > Our new estimates incorporate the lease of Milk & Dairy business unit of Newlat, starting from 1st January 2021: we estimate that this division should add around EUR105 million revenues this year with an EBITDA margin at around 10.5%. For 2022 and 2023 we assume a sales growth slightly above 2% with a progressive increase of the EBITDA margin which should reach 10.4% in 2023. We also included in our forecasts the cost of the lease (EUR2 million p.a. plus 1.5% of the revenues of this division). Altogether, the addition of Newlat activities should allow an increase of around 60% in sales and a slightly better EBITDA margin.
- > CLI did not supply a specific guidance for 2021: the company expects further improvement of profitability and cash generation also supported by the revamp of the Turin plant and the new warehouse which should be completed in July. However, the decline of fresh milk price (-8% since the beginning of the year) could be completed (in March fresh milk prices were substantially aligned with Mar-19) and higher promotional sales should prevent from margin improvement this year. We estimate an EBITDA margin around 9.8% this year which should progressively grow to 10.4% in 2023. The bottom line should progressively increase on the back of the expected EBIT growth and despite a higher tax rate reaching EUR7 million in 2023.
- > CLI had net debt of EUR61.2 million at Dec-20. In coming years, operating cash flow generation is expected to improve while capex should stabilize at around EUR8 million plus EUR2 million for the lease of Newlat activities. Consequently, net debt should continue to shrink and we expect EUR44.8 million at Dec-23.

Figure 5 – Old vs. New estimates

(EURm)	2020A	2021E		2022E		2023E
		Old	New	Old	New	New
Total Sales	180,6	176,2	284,0	179,5	290,6	296,7
% change			61,2%		61,9%	
Value of production	183,6	180,2	289,1	183,6	295,8	302,1
% change			60,4%		61,1%	
EBITDA	18,3	16,8	27,8	17,7	29,0	30,8
% change	10,8%		66,0%		63,5%	
EBIT	7,4	6,0	10,5	6,5	11,1	12,4
% change			75,7%		70,3%	
Net Profit	4,1	3,2	5,7	3,6	6,2	7,0
% change			77,1%		72,7%	
Net Debt/(Cash)	61,2	58,5	52,1	50,7	51,4	44,8
EBIT margin	4,1%	3,3%	3,6%	3,6%	3,8%	4,1%
EBITDA margin	10,1%	9,5%	9,8%	9,9%	10,0%	10,4%

Source: Company data, UBI Banca estimates

Figure 6 – Spot price of milk in Italy: a three-year comparison



Source: Assolatte

Figure 7 – 2017-2023E sales by product

(EURm)	2017	2018	2019	2020	2021E	2022E	2023E	CAGR 20-23
Fresh milk	70,8	68,7	66,7	64,9	61,0	60,4	59,2	-3,0%
UHT milk	40,7	40,7	40,3	44,3	44,7	45,5	46,4	1,6%
Yogurt	8,3	8,8	7,7	8,8	8,9	9,1	9,3	1,9%
Salads	6,2	6,0	5,0	3,2	3,3	3,4	3,7	4,3%
Vegetable drinks	2,6	2,9	2,7	4,6	5,0	5,5	6,3	11,3%
Other products	43,8	46,0	44,9	46,2	47,1	49,2	50,7	3,2%
Bulk milk	4,0	3,9	3,1	3,4	3,5	3,6	3,7	2,7%
Export	1,6	3,5	4,7	5,2	5,5	5,8	6,0	5,4%
Newlat activities					105,0	108,2	111,4	
Total sales	178,2	180,3	175,2	180,6	284,0	290,6	296,7	18,0%

Source: Company data, UBI Banca estimates

Valuation

- Following the incorporation of Newlat milk and dairy activities and our new estimates revision, we increased our target price to EUR4.95 per share (from EUR4.02). Our target price is based on the average of a DCF valuation (70% weight) or EUR5.57 per share, and a relative valuation (30% weight) based on 2021-23 EV/EBITDA and P/E of large multinationals (after 40% discount) which delivers EUR7.60 per share. We also introduced a liquidity discount of 20% on our fair value to reflect the reduction of the free float now at 14.8% (from nearly 30% before the takeover of Newlat).
- CLI is trading at >70% discount to our peer sample, mainly due to its smaller size. Discount to P/E stands at around 69%, 70% to EV/EBITDA and 82% on EV/Sales.
- At our new target price, Centrale del Latte d'Italia trades at 4.6x 2021 EV/EBITDA, which is well below the average multiple of peers (11.4x).

Figure 8 – Valuation summary

(EUR)		Weight	19 November 20	Delta
DCF Valuation	5,57	70,0%	4,12	35,4%
Relative Valuation (40% discount)	7,60	30,0%	3,79	100,8%
Fair value	6,18		4,02	53,9%
Liquidity discount 20%	(1,24)			
Target price	4,95		4,02	23,1%
Current price	2,64		2,36	11,9%
Potential upside/downside	87,4%		70,2%	

Source: UBI Banca estimates

Figure 9 – DCF Valuation

Our DCF valuation is based on 5.3% WACC and g at 0.0%.

	(EUR m)	(% weight)
Sum of PV 2021-29 FCF	73,6	51%
Terminal value	70,4	49%
Total Enterprise value	144,0	100%
- Pension Provision	(4,7)	
- Net debt (+ cash)	(61,2)	
Total Equity value	78,0	
Fully diluted number of shares (m)	14,0	
Fair value per share (EUR)	5,57	

Source: UBI Banca estimates

Figure 10 – Peer comparison and valuation based on multiples (priced on 9 March 2021)

Company	Market Cap (EURm)	Country	P/E			EV/EBITDA			EV/Sales		
			2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Saputo	10.189	Canada	18,7 x	16,7 x		10,8 x			1,22 x		
Emmi	4.512	Switzerland	23,5 x	22,6 x	21,7 x	12,7 x	11,9 x	11,1 x	1,33 x	1,27 x	1,21 x
Newlat	255	Italy	18,5 x	17,3 x	16,6 x	4,7 x	4,2 x	3,6 x	0,45 x	0,40 x	0,35 x
Danone	38.877	France	17,1 x	15,4 x	14,7 x	11,6 x	10,6 x	9,9 x	2,15 x	2,05 x	1,97 x
Nestlé	261.549	Switzerland	22,9 x	21,5 x	20,3 x	17,3 x	16,7 x	16,0 x	3,83 x	3,73 x	3,59 x
Average			20,1 x	18,7 x	18,3 x	11,4 x	10,9 x	10,1 x	1,80 x	1,86 x	1,78 x
CLI current market multiples	37		6,5 x	5,9 x	5,3 x	3,5 x	3,3 x	2,9 x	0,34 x	0,32 x	0,30 x

Source: Factset, UBI Banca estimates

Figure 11 – Implicit multiples based on our EUR4.95 target price

(x)	2021E	2022E	2023E
P/E	12,2 x	11,1 x	9,9 x
EV/EBITDA	4,6 x	4,4 x	4,0 x
EV/EBIT	12,3 x	11,5 x	9,8 x
EV/Sales	0,45 x	0,43 x	0,40 x
P/BV	1,04 x	0,95 x	0,87 x
EV/ Capital employed	1,09 x	1,03 x	0,98 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?	Yes
Does major shareholders (if any) have a "shareholders pact" in place?	No
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
<u>Percentage of treasury shares</u>	<u>0.0%</u>

Climate related risk

Has the company defined GHG-emissions targets?	No
How does the company assess climate-related risk?	No

Social Responsibilities

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)	2020	2021E	2022E	2023E
Value of production	180,6	284,0	290,6	296,7
EBITDA	18,3	27,8	29,0	30,8
EBITDA margin	10,1%	9,8%	10,0%	10,4%
EBIT	7,4	10,5	11,1	12,4
EBIT margin	4,1%	3,7%	3,8%	4,2%
Net financial income /expense	-1,9	-2,1	-1,7	-1,6
Associates & Others	0,0	0,0	0,0	0,0
Profit before taxes	5,6	8,4	9,4	10,7
Taxes	-1,4	-2,8	-3,2	-3,8
Minorities & discontinuing ops	0,0	0,0	0,0	0,0
Net Income	4,1	5,7	6,2	7,0

Source: Company data, UBI Banca estimates

Balance Sheet

(EURm)	2020	2021E	2022E	2023E
Net working capital	-13,8	-16,2	-5,8	0,0
Net Fixed assets	147,1	157,8	153,4	148,5
M/L term funds	11,0	22,7	23,2	23,7
Capital employed	122,3	118,9	124,3	124,8
Shareholders' equity	61,1	66,7	73,0	79,9
Minorities	0,0	0,0	0,0	0,0
Shareholders' funds	61,1	66,7	73,0	79,9
Net financial debt/(cash)	61,2	52,1	51,4	44,8

Source: Company data, UBI Banca estimates

Cash Flow Statement

(EURm)	2020	2021E	2022E	2023E
NFP Beginning of Period	77,3	61,2	52,1	51,4
Group Net Profit	4,1	5,7	6,2	7,0
Minorities	0,0	0,0	0,0	0,0
D&A	10,3	14,7	15,3	15,9
Change in Funds & TFR	0,0	0,0	0,0	0,0
Gross Cash Flow	14,5	20,4	21,5	22,9
Change In Working Capital	14,1	2,4	-10,5	-5,8
Other	0,0	0,0	0,0	0,0
Operating Cash Flow	28,6	22,8	11,1	17,1
Net Capex	-9,5	-10,1	-10,4	-10,6
Other Investments	0,0	0,0	0,0	0,0
Free Cash Flow	19,1	12,7	0,7	6,6
Dividends Paid	0,0	0,0	0,0	0,0
Other & Chg in Consolid. Area	-3,0	-3,6	0,0	0,0
Chg in Net Worth & Capital Incr.	0,0	0,0	0,0	0,0
Change in NFP	16,1	9,1	0,7	6,6
NFP End of Period	61,2	52,1	51,4	44,8

Source: Company data, UBI Banca estimates

Financial Ratios

(%)	2020	2021E	2022E	2023E
ROE	6,8%	8,5%	8,5%	8,7%
ROI	3,9%	5,9%	6,1%	6,7%
Net Fin. Debt/Equity (x)	3,4	1,9	1,8	1,5
Net Fin. Debt/EBITDA (x)	1,0	0,8	0,7	0,6
Interest Coverage	3,4	4,3	5,3	6,0
NWC/Sales	-7,7%	-5,7%	-2,0%	0,0%
Capex/Sales	5,3%	3,6%	3,6%	3,6%
Pay Out Ratio	0,0%	0,0%	0,0%	0,0%

Source: Company data, UBI Banca estimates

Per Share Data

(EUR)	2020	2021E	2022E	2023E
EPS	0,30	0,40	0,44	0,50
DPS	0,00	0,00	0,00	0,00
Op. CFPS	2,04	1,63	0,79	1,22
Free CFPS	1,36	0,91	0,05	0,47
BVPS	4,36	4,77	5,21	5,71

Source: Company data, UBI Banca estimates

Stock Market Ratios

(x)	2020 *	2021E	2022E	2023E
P/E	8,3	6,5	5,9	5,3
P/OpCFPS	1,2	1,6	3,3	2,2
P/BV	0,56	0,55	0,51	0,46
Dividend Yield (%)	0,0%	0,0%	0,0%	0,0%
Free Cash Flow Yield (%)	55,8%	34,3%	2,0%	17,7%
EV (EURm)	100,1	96,9	96,1	89,5
EV/Sales	0,55	0,34	0,32	0,30
EV/EBITDA	5,5	3,5	3,3	2,9
EV/EBIT	13,4	9,2	8,6	7,2
EV/Capital Employed	0,82	0,81	0,77	0,72

Source: Company data, UBI Banca estimates

* Based on 2020 average price

Growth Rates

(%)	2020	2021E	2022E	2023E
Growth Group Net Sales	3,1%	57,3%	2,3%	2,1%
Growth EBITDA	182,6%	52,2%	4,2%	6,4%
Growth EBIT	nm	41,6%	5,5%	11,2%
Growth Net Profit	nm	37,0%	9,9%	12,2%

Source: Company data, UBI Banca estimates

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<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
19 November 2020	Buy	4.02	2.36