

Healthcare goods & services

BIODUE

Revenues and profits up in 1H 2018

IRTOP RESEARCH
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1H 2018 RESULTS

In 1H 2018 **BioDUE continued to expand its complete position** by concentrating on M&A, partnerships and innovation, in line with strategic guidelines. The Company reported a **strong set of financials with revenues growing by 12.7% vs. 1H 2017** (5.5% on a like-for-like basis not considering the acquisition of a majority stake in LaBiotre). **EBITDA came in at 3.5 Eu m, +47%** vs. 2.4 Eu m in 1H 2017, and with an EBITDA margin of 16.9% , up significantly (+390 bps) compared to previous year, thanks principally to better product mix (higher weight of Own Brands) and the consolidation of LaBiotre, that in FY 2017 reported an Ebitda margin of 15.3%. **Group's Net profit was of 1.8 Eu m with a net margin of 8.4%, vs. 1.2 Eu m** in 1H 2017 (6.6% net margin). 1H 2018 closed with a **Net debt of 9.8 Eu m**, up by 3.6 Eu m from 6.1 Eu m at the end of FY 2017 after important investments of 4.1 Eu m (see above) and dividends paid (0.7 Eu m).

Following the good results and expected future synergies from the acquisition of a minority stake in Farcoderma Srl, we have slightly revised our estimates with an average increase of c. 20% in EPS.

COMPANY DESCRIPTION

BIODUE is among the **leading players in the Italian nutraceutical market**. The Company formulates, manufactures and distributes nutritional and herbal supplements, cosmetics and medical devices on behalf of national and international pharmaceutical players (contract manufacturer) and for its Own Brands: *Pharcos*, *BiOfta* and *Selerbe*. BIODUE is also involved in the production of Private Labels for the retail market (pharmacies, parapharmacies and herbalist's shops).

With over **30 years of market history and 160 employees**, the **Company closed 2017 with revenues of 36.3 Eu m, +5% vs. FY 2016**. About 12% of revenues are realized outside Italy. Since listing in 2015, BIODUE has regularly made dividend distributions and for 2017 the Board proposed a DPS of 0.06 Eu for a total of about 0.7 Eu m.

AIM POSITIONING

Compared to average values of AIM Italia "Healthcare goods & services" Sector, BIODUE shows:

- lower revenues growth rate (+5% vs. +25%), EBITDA margin (13% vs. 18%) and NFP/EBITDA ratio (1.3x vs. 1.5x);
- market capitalisation in line (65 Eu m vs. 67 Eu m);
- lower free float (21% vs. 30%), but higher ADTT YTD (84k Eu vs. 60k Eu) and performance from IPO (+64% vs. +17%).

2018-2020 ESTIMATES

We have revised our estimates with an average increase of c. 20% in Group's Net Profit. Our new estimates also reflect the adoption of the Patent Box regime with an estimated tax rate of 26%. Revenues should grow at a 2017-2020 CAGR of 10% in the period considered with EBITDA margin reaching 20% (17% in 1H 2018). Net debt at the end of the period considered should be of 2.6 Eu m (0.3x Net Debt/EBITDA) after total investments of 7.4 Eu m in 2018-2020. We have estimated a constant dividend pay-out ratio of 35%, in line with previous years.

VALUATION

We increased our target price by 3% to 7.05 Eu p.s. (6,84 Eu p.s. previous). The new target price represents a potential upside of 23%.

Target Price (Eu)	(Previous 6.84) 7.05
Market Price (Eu)	5.72
Capitalisation (Eu m)	64
Enterprise Value (Eu m)	74
<i>(as of September 26th, 2018)</i>	

AIM Positioning

FY 2017 (Eu m)	Company	AIM Sector*	AIM Italia
Revenues	36	66	42
Revenues YoY	+5%	+25%	+12%
EBITDA Margin	13%	18%	14%
Net Debt (Cash)	6.1	12.9	11.2
Net Debt/EBITDA (x)	1.3	1.5	1.7
Market Data (Eu m)	Company	AIM Sector*	AIM Italia
Capitalisation	65	67	70
Perf. from IPO	+64%	+17%	+2%
Free Float	21%	30%	40%
ADTT YTD (Eu)	84,334	59,657	103,843

Source: Osservatorio AIM Italia and FactSet data as of September 25th, 2018
* Healthcare: BioDUE, Bomi Italia, GPI, Health Italia, KOLINPHARMA, Pharamantra

Results & Estimates

Key Figures (Eu m)	16A	17A	18E	19E	20E
Total sales	34.5	36.3	41.1	44.8	48.8
Total sales YoY % growth	+2%	+5%	13%	9%	9%
EBITDA	4.6	4.6	7.2	8.4	9.9
EBITDA%	13%	13%	18%	19%	20%
EBIT	3.4	3.2	5.4	6.4	7.8
EBIT%	10%	9%	13%	14%	16%
Group's Net Profit	2.2	4.1	4.0	4.7	5.4
Net Debt (Cash)	5.4	6.1	7.9	5.7	2.6
EPS (Eu)	0.20	0.37	0.36	0.42	0.48

Source: Company data (IAS/IFRS) for FY 2016-2017 and IRTOP Research estimates for FY 2018-2020

Peers Comparison

EV/EBITDA (x)	18E	19E	20E
BIODUE	10.3	8.5	7.0
Nutraceutical peers' median	16.8	12.8	11.3
Discount/Premium to peers	-39%	-33%	-38%

P/E (x)	18E	19E	20E
BIODUE	16.6	14.1	12.3
Nutraceutical peers' median	26.6	18.4	15.6
Discount/Premium to peers	-38%	-23%	-21%

Source: IRTOP Research estimates for BIODUE and FactSet data as of September 25th, 2018 for peers

Performance

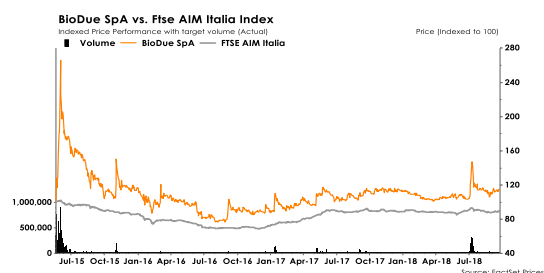
	1M	3M	1Y
Absolute	+6.3%	+14.4%	+4.4%
Relative (FTSE AIM Italia)	+4.5%	+14.4%	+6.7%
52-week High / Low (Eu)*	7.18 / 4.77		

Source: FactSet data as of September 25th, 2018
* Intraday

Please, read important disclaimer on the last page of this report.

SHARE DATA

Market	AIM Italia
Ticker Bloomberg / Reuters	BIO2 IM / BIO2.MI
ISIN ordinary shares	IT0005108730
N. of outstanding shares	11,148,900
Free float	21.07%
Main shareholder	Benedetti family (60.3%)
Chairman and CEO	Vanni Benedetti



AIM POSITIONING

Lower revenues growth rate, EBITDA margin and Net Debt within the AIM “Healthcare” Sector

BIODUE positions itself in the AIM “Healthcare goods & services” Sector.

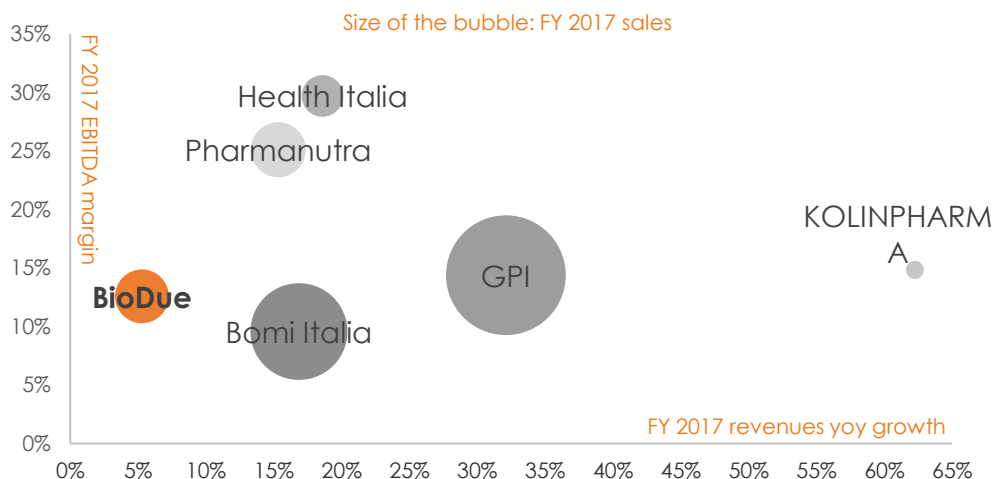
Compared to average values of AIM Italia “Healthcare goods & services” Sector, BIODUE shows:

- lower revenues growth rate (+5% vs. +25%);
- lower EBITDA margin (13% vs. 18%);
- lower net financial debt in absolute terms (6.1 Eu m vs. 12.9 Eu m) and NFP/EBITDA ratio (1.3x vs. 1.5x).

BIODUE is trading at premium in terms of 2017 EV/EBITDA compared to the average of AIM Italia “Healthcare goods & services” Sector.

Within this panel, Health Italia and KOLINPHARMA are “Innovative SMEs”.

AIM Italia “Healthcare goods & services” Sector



FY 2017 Data	Revenues (Eu m)	Revenues YoY growth (%)	EBITDA margin (%)	NFP (Cash) (Eu m)	EV/EBITDA (x)	NFP/EBITDA (x)
BioDue	36.3	+5.3%	12.6%	6.1	15.6	1.3
Bomi Italia	117.9	+16.9%	9.6%	25.5	6.7	2.3
GPI	179.9	+32.1%	14.4%	51.0	4.0	2.0
Health Italia	21.8	+18.6%	29.7%	1.4	11.8	0.2
KOLINPHARMA	4.1	+62.3%	14.8%	2.5	21.0	4.1
Pharmanutra	37.9	+15.3%	25.1%	-9.1	14.7	-1.0
Healthcare goods & services*	66.3	+25.1%	17.7%	12.9	12.3	1.5
AIM Italia*	41.9	+11.5%	13.7%	11.2	15.1	1.7

Source: Osservatorio AIM Italia and FactSet data as of September 25th, 2018 for EV
* Average values

Compared to average values of AIM Italia “Healthcare goods & services” Sector, BIODUE shows:

- market capitalisation in line (65 Eu m vs. 67 Eu m);
- lower free float (21% vs. 30%);
- higher average daily traded turnover year-to-date (84k Eu vs. 60k Eu).

The share performance from IPO is positive and above average (+64% vs. +17%).

Market Data	Market Cap (Eu m)	Free Float (%)	Perf. from IPO (%)	ADTT YTD (Eu)
BioDue	64.9	21.1%	+63.9%	84,334
Bomi Italia	49.7	49.8%	+6.9%	77,533
GPI	53.7	36.6%	-10.9%	59,695
Health Italia	75.3	23.4%	+31.5%	58,668
KOLINPHARMA	10.1	31.7%	-0.7%	14,342
Pharmanutra	149.1	22.5%	+10.1%	63,369
Healthcare goods & services*	67.1	29.8%	+16.8%	59,657
AIM Italia*	69.7	39.9%	+1.8%	103,843

Source: Osservatorio AIM Italia and FactSet data as of September 25th, 2018
* Average values

BUSINESS UPDATE

- In 1H 2018 BioDue continued to expand its complete position by concentrating on M&A, partnerships and innovation, in line with strategic guidelines. The Company reported a strong set of financials with revenues growing by 12.7% vs. 1H 2017 (5.5% on a like-for-like basis not considering the acquisition of a majority stake in LaBiotre). Following the good results and expected future synergies from the acquisition of a minority stake in Farcoderma Srl, we have revised our estimates with an average increase of c. 20% in Group's Net Profit.
- At the end of July, the Company acquired a 43.42% stake in Farcoderma, a company active in the production of food supplements, medical devices, cosmetics and animal feed. The total value of the transaction was 1.4 Eu m. In 2017, FarcoDerma recorded revenues of 6.0 Eu m, EBITDA of 1.6 Eu m, Net profit of 1.0 Eu m and with a Net Debt of 0.7 Eu. Farcoderma, is currently not consolidated, however according to Management, negotiations for the remaining stake are taking place. The additional cost for BioDue should not exceed 1.7 Eu m. In 1H2018, Farcoderma recorded revenues of 3.4 Eu m (+16% vs. 1H 2017)
- At the beginning of September, BioDue signed an important licence and supply agreement with a global healthcare company. Management forecasts potential revenues from the agreement of between 3.5 and 4.5 Eu m in the five-year period.
- At the end of April, the Company signed an agreement with the Italian tax authorities for the Patent Box regime. The Patent Box will allow the exclusion from taxation of a portion of the income deriving from the use of own brands and patents of BioDue, for a total of 30% for 2015, 40% for 2016, 50% for the three years 2017-2019. The tax benefit for the 2018 financial year, which will be determined with the aforementioned criteria applied to the four-year period 2015-2018, it is considered to have a significant impact on the Group's net profitability.
- At the end of August the Company obtained a twenty-year patent grant for the RECAP™ technology in the Chinese market. The Company, that has already obtained the patent for the US and the EU market, is already present in the Chinese market through a supply agreement.

1H 2018 RESULTS

BIODUE recorded **revenues** of 20.9 Eu m in 1H 2018, **+12.7% vs. 1H 2017 and in line with our estimates**. On a like-for-like basis, not considering revenues of LaBiotre, revenues increased by 5.5%. Own Brands division grew by +7.5% vs. previous year (Selebre and BiOffa +15.9% and +11.4% respectively), in line with Management's strategy to favour this segment. The Industrial division registered revenues of 10.8 Eu m, (+3.0% vs. 1H 2017). LaBiotre, with 1H 2018 revenues of 1.4 Eu m, registered a +20% growth vs. 1H 2017.

Revenues realized outside Italy were up by 33%, with an increase as a percentage on revenues from 12% in 1H 2017 to current 14%. Particularly good results **for Own Brands that increased export revenues by 69%**.

EBITDA came in at 3.5 Eu m, +47% vs. 2.4 Eu m in 1H 2017, and with an EBITDA margin of 16.9%, up significantly (+ 390 bps) compared to previous year, thanks principally to better product mix (higher weight of Own Brands) and the consolidation of LaBiotre, that in FY 2017 reported an EBITDA margin of 15.3%.

After 1.0 Eu m of D&As (+0.3 Eu m vs. 1H 2017 related to the acquisition of LaBiotre), **EBIT** was of 2.5 Eu m, 12.2% of total sales up 280 bps vs. last year and in line with our estimates.

Taxes, equal to 0.6 Eu m in the period considered, decrease by c. 0.1 Eu m (a reduction in tax rate from 31% to 26%), thanks mainly to the effect of the Patent Box.

Group's Net Profit was of 1.8 Eu m with a net margin of 8.4% vs. 1.2 Eu m in 1H 2018 (6.6% net margin).

Eu m – IAS/IFRS	1H 2018	1H 2017	FY 2017
Total sales	20.9	18.6	36.3
<i>Total sales YoY % growth</i>	+12.7%	n.a.	+5.3%
EBITDA	3.5	2.4	4.6
<i>EBITDA margin</i>	16.9%	13.0%	12.6%
EBIT	2.5	1.7	3.2
<i>EBIT margin</i>	12.2%	9.4%	8.7%
EBIT	2.5	1.8	5.2
<i>EBIT margin</i>	11.8%	9.6%	14.2%
Group's Net Profit	1.8	1.2	4.1
<i>Net margin</i>	8.4%	6.6%	11.4%

Source: Company data (IAS-IFRS)

Fixed assets increased by 3.3 Eu m in the first six months of 2018 after **investments of 4.1 Eu m**;

- 3.3 Eu m for LaBiotre, in line with the 4.1 Eu m investment plan stated at the time of the acquisition, principally aiming at entering the Soft-gel segment;
- 0.8 Eu in plants and machinery to increase production capacity;

Net Working Capital of 11.2 Eu m was up from 9.7 Eu m at year end 2017 principally as an effect of increase in sales volumes.

Return on capital employed (ROCE) improved in the period from 11.9% FY 2017 to 16.2% after reinforcement of the balance sheet structure.

1H 2018 closed with a **Net debt of 9.8 Eu m**, up by 3.6 Eu m from 6.1 Eu m at the end of FY 2017 after important investments of 4.1 Eu m (see above) and dividends paid (0.7 Eu m).

Eu m – IAS/IFRS	06/30/2018	12/31/2017
Net working capital (NWC)	11.2	9.7
Fixed net assets	21.3	17.9
Funds	(1.0)	(0.9)
Net Capital Employed	31.5	26.7
Net financial Debt (Cash)	9.8	6.1
Group's Equity	19.5	18.5
Total Equity	21.6	20.5
Total Source	31.5	26.7

Source: Company data (IAS-IFRS)

2018-2020 REVISED ESTIMATES

Sales '17-'20 CAGR: +10%
EBITDA margin in 2020: 20%

The 1H 2018 largely confirmed our estimates. However, following the recent acquisition of Farcoderma, that we believe will have a positive effect on BioDue's margins from synergies to be implemented in 2018-2020 and recent commercial agreements, we have revised our estimates with an average increase of 1.6%, 5.1% and 20.1% in revenues, EBITDA and Group's Net profit respectively. Our new estimates also reflect the adoption of the Patent Box regime with an estimated tax rate of 26% for 2018 and 2019 and 30% in 2020 (vs. 35% 2018-2020 previously).

Our estimates do not include M&A transactions.

Eu m – IAS/IFRS	2018E Old	2018E New	2019E Old	2019E New	2020 Old	2020E New
Total Sales	40.7	41.1	44.0	44.8	47.9	48.8
<i>Sales YoY % growth</i>	+12.2%	13.3%	+8.0%	9.0%	+9.0%	9.0%
EBITDA	6.8	7.2	8.1	8.4	9.5	9.9
<i>EBITDA margin</i>	16.6%	17.5%	18.4%	18.9%	19.7%	20.2%
EBIT	4.9	5.4	6.0	6.4	7.4	7.8
<i>EBIT margin</i>	12.2%	13.1%	13.6%	14.2%	15.4%	16.0%
Pre-tax profit	4.8	5.7	5.9	6.8	7.4	8.3
<i>EBT margin</i>	12.2%	13.8%	13.6%	15.1%	15.4%	16.1%
Group's Net Profit	3.2	4.0	3.9	4.7	4.8	5.4
<i>Net margin</i>	7.8%	9.7%	8.8%	10.5%	10.0%	11.0%
EPS (Eu)	0.28	0.36	0.35	0.42	0.43	0.48

Eu m – IAS/IFRS	2018E Old	2018E New	2019E Old	2019E New	2020 Old	2020E New
Net working capital (NWC)	9.5	9.7	10.5	10.7	11.6	11.7
Fixed net assets	21.8	23.2	20.9	23.6	19.7	23.7
Funds	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Net Capital Employed	30.4	31.9	30.5	33.3	30.3	34.4
Net financial Debt (Cash)	7.2	7.9	4.2	5.7	0.2	2.6
Total Equity	23.2	24.0	26.3	27.7	30.1	31.8
Sources	30.4	31.9	30.5	33.3	30.3	34.4

Source: IRTop Research estimates

VALUATION

Updated AIM Positioning discount of 27% (previous 28.5%)

Our fair value of BIODUE was obtained by weighting equally two different approaches: DCF and market multiples comparison (adjusted by AIM positioning). Our new target price was set by updating our model for:

- new estimates and up-to-date market data (risk-free rate, ERP, beta);
- current market multiples of our peer group consisting of international nutraceutical peers;
- updated AIM Positioning discount to reflect FY 2017 results for the AIM Italia market. The new discount applied is of 27.0%, down from 28.5% as of our previous report thanks to an improvement of the Company's positioning in terms of Market Data.

RELATIVE VALUATION (MARKET MULTIPLES)

We have used a peer group consisting of international nutraceutical companies. We further consider EV/EBITDA the most suitable multiple as the Company is still in a phase of important investments. Applying a 27% discount on 2018 and 2019 EV/EBITDA median multiples gives a fair value of **6.78 Eu per share**.

	Country	Market Cap (Eu m)	2017 revenue (Eu m)	% change 2017/2016 revenue	Revenue 2018E (Eu m)	2017 EBITDA margin	2018E EBITDA margin
Ales Groupe SA	France	97	232	-3.2%	218	1.9%	0.8%
Beiersdorf AG	Germany	24,464	7,056	4.5%	7,240	18.1%	17.8%
Comvita Limited	New Zealand	166	102	-6.6%	102	4.4%	10.5%
Croda International Plc	UK	7,465	1,568	3.4%	1,552	28.0%	29.0%
Do Day Dream Public Co. Ltd.	Thailand	394	44	42.1%	42	26.4%	31.1%
GR. SARANTIS S.A.	Greece	517	343	4.3%	354	8.1%	12.8%
Hypera S.A.	Brazil	3,718	1,010	20.7%	815	33.5%	35.0%
Korea Kolmar Co., Ltd.	South Korea	1,240	644	23.9%	1,043	10.5%	9.4%
Midsona AB Class A	UK	305	225	22.4%	282	8.7%	9.3%
Naturhouse Health SA	Spain	183	95	-3.2%	93	30.1%	29.8%
Nutraceutical peers' median		455	287	4.4%	318	14.3%	15.3%
BIODUE	Italy	66	36.3	+5.3%	41.1	12.6%	17.5%

Source: FactSet data as of September 25th, 2018 for peers, Company data (IAS-IFRS) and IRTop Research estimates for BIODUE

EV/EBITDA (x)	18E	19E	20E
Ales Groupe SA	97.3	25.4	12.8
Beiersdorf AG	16.3	14.8	13.3
Comvita Limited	20.6	11.4	10.4
Croda International Plc	17.3	15.8	14.7
Do Day Dream Public Co. Ltd.	22.3	17.8	14.9
GR. SARANTIS S.A.	11.9	10.3	9.1
Hypera S.A.	12.6	11.3	10.1
Korea Kolmar Co., Ltd.	18.2	13.0	11.3
Midsona AB Class A	16.2	12.6	11.4
Naturhouse Health SA	6.2	6.1	6.0
Nutraceutical peers' median	16.8	12.8	11.3
BIODUE	10.3	8.5	7.0
Discount/Premium to peers	-39%	-33%	-38%

Source: IRTop Research estimates for BIODUE and FactSet data as of September 25th, 2018 for peers

At current market prices, BioDue trades at a significant discount to peers: average of 37%.

DCF

Main assumptions are:

- Risk-free interest rate: 2.70% (3-month average of Italian 10y BTP yield)
- WACC: 9.01%
- Perpetual growth: 1.5%

Our DCF valuation yields a target price of **7.31 Eu per share**.

+ Sum of PV 2018-2025 FCFs (Eu m)	22.0	24%
+ Discounted Terminal Value (Eu m)	69.1	76%
= Enterprise Value (Eu m)	91.2	
- FY 2018E Net financial Debt (Eu m)	7.9	
- Minorities	2.1	
= Equity Value (Eu m)	81.2	
÷ Number of outstanding shares (m)*	11.1	
= Fair Value per share (Eu)	7.31	

Source: Company data (IAS-IFRS) and IRTop Research estimates as of September 25th, 2018
* without treasury shares

VALUATION SUMMARY

Weighting the 2 approaches equally we upgraded our target price to **7.05 Eu per share** (previous 6.84 Eu p.s.), implying an upside of 23% and an implicit 2017 and 2018 EV/EBITDA multiples of 18.5x and 11.7x respectively.

Method	Weight	Price (Eu)
Multiple analysis (2018-2019 EV/EBITDA)	50%	6.78
DCF	50%	7.31
Target Price		7.05

Our valuation yields a target price of 7.05 Eu p.s.

BIODUE ON AIM

+64% from IPO

IPO

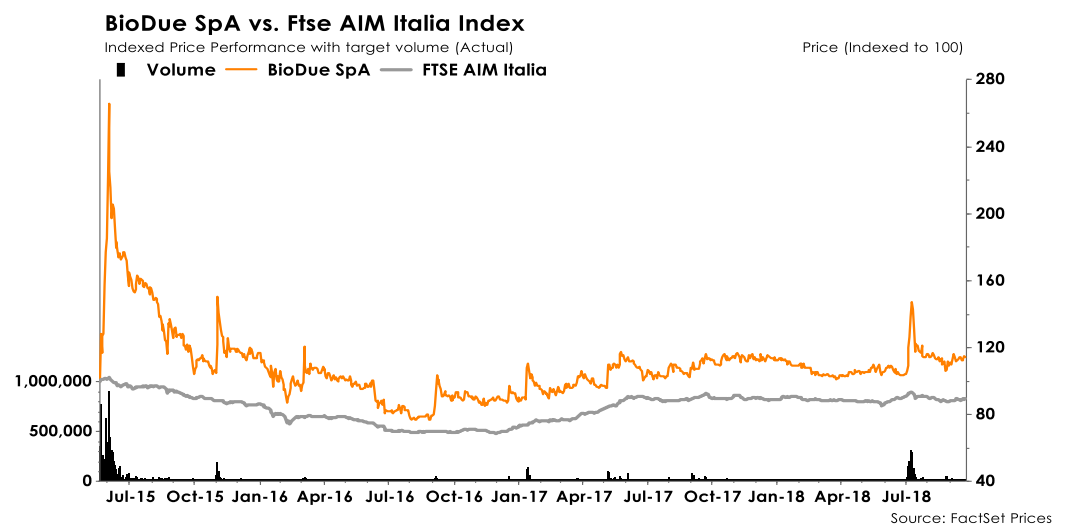
Trading Market: AIM Italia – Borsa Italiana SpA
 Date: May 20th, 2015
 Price: 3.55 Eu
 Capital raised: 4.0 Eu m equity
 Capitalisation: 36.9 Eu m

SHARES (as of September 25th, 2018)

Alphanumeric Code: BIO2
 Ticker Bloomberg: BIO2 IM
 Ticker Reuters: BIO2.MI
 ISIN: IT0005108730
 Outstanding shares: 11,148,900
 Share capital: 4,005,540 Eu
 Price: 5.82 Eu
 Performance from IPO: **+63.9%**
 Capitalisation: 64.9 Eu m
 Free Float: 21.068%
 Nominated Adviser (NomAd): Baldi Finance SpA
 Specialist: Invest Banca SpA
 Auditing firm: EY SpA

Shareholder	N° of shares	%
Vanni Benedetti	4,146,120	37.189%
Ruffo Benedetti	2,580,560	23.146%
Pierluigi Guasti	2,022,840	18.144%
Treasury shares	50,500	0.453%
Market	2,348,880	21.068%
Total	11,148,900	100.00%

Source: Company data as of September 25th, 2018



KEY FIGURES

Eu m	2016A	2017A	2018E	2019E	2020E
Profit & Loss Statement					
Total sales	34.5	36.3	41.1	44.8	48.8
EBITDA	4.6	4.6	7.2	8.4	9.9
EBIT	3.4	3.2	5.4	6.4	7.8
Financial income (charges)	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)
Pre-tax profit	3.3	5.2	5.7	6.8	8.3
Taxes	(1.0)	(1.0)	(1.5)	(1.8)	(2.5)
Total Net Profit	2.2	4.1	4.2	5.0	5.8
Minorities	0.0	0.0	(0.2)	(0.3)	(0.4)
Group's Net Profit	2.2	4.1	4.0	4.7	5.4
Balance Sheet					
Net working capital (NWC)	7.2	9.7	9.7	10.7	11.7
Fixed net assets	14.1	17.9	23.2	23.6	23.7
M/L Funds	(0.9)	(0.9)	(1.0)	(1.0)	(1.0)
Net Capital Employed	20.4	26.7	31.9	33.3	34.4
Net financial Debt (Cash)	5.4	6.1	7.9	5.7	2.6
Group's Equity	15.0	18.5	21.8	25.1	28.9
Minorities	0.0	2.0	2.2	2.5	2.9
Total Equity	15.0	20.5	24.0	27.7	31.8
Cash Flow					
EBIT	3.4	3.2	5.4	6.4	7.8
D&A	1.3	1.4	1.8	2.1	2.1
Taxes	(1.0)	(1.0)	(1.5)	(1.8)	(2.5)
Change in M/L Funds	0.0	0.1	0.6	0.7	0.7
Other	(0.1)	0.03	0.02	0.03	0.03
Gross Cash Flow	3.6	3.7	6.3	7.4	8.1
Change in NWC	0.01	(2.5)	(0.0)	(1.0)	(1.0)
Operating Cash Flow	3.6	1.2	6.3	6.4	7.1
Net Capex	(5.9)	(5.2)	(7.0)	(2.6)	(2.2)
Revaluation at fair value of the share previously held in LaBiotre	0.0	2.0	0.0	0.0	0.0
Financial income (charges)	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)
Free Cash Flow	(2.5)	(2.1)	(1.1)	3.6	4.7
Dividends	(0.8)	(0.7)	(0.7)	(1.4)	(1.6)
Change in Equity	0.0	2.0	0.0	0.0	0.0
Change in Net financial Debt (Cash)	(3.2)	(0.8)	(1.7)	2.2	3.1
Per Share Data					
Current Price		€ 5.72			
Total outstanding shares (m)*	11.15	11.15	11.10	11.10	11.10
EPS	0.20	0.37	0.36	0.42	0.49
DPS	0.06	0.06	0.13	0.15	0.17
FCF	(0.22)	(0.19)	(0.10)	0.32	0.43
Pay-out ratio	30.3%	16.2%	35.0%	35.0%	35.0%
Ratios					
EBITDA margin	13.5%	12.6%	17.5%	18.9%	20.2%
EBIT margin	9.7%	8.7%	13.1%	14.2%	16.0%
Net Debt/Equity (Gearing)	35.7%	29.9%	32.8%	20.6%	8.2%
Net Debt/EBITDA	1.2x	1.3x	1.1x	0.7x	0.3x
Interest cover EBIT	23.1x	20.7x	18.0x	21.9x	30.7x
ROE	14.7%	22.3%	18.3%	18.7%	18.7%
ROCE	16.4%	11.9%	16.8%	19.1%	22.7%
Free Cash Flow Yield	-3.8%	-3.3%	-1.7%	5.6%	7.5%
Growth Rates					
Total sales	+2.0%	+5.3%	+13.3%	+9.0%	+9.0%
EBITDA	-1.2%	-1.7%	+57.7%	+17.4%	+16.8%
EBIT	-7.9%	-5.6%	+70.0%	+18.4%	+22.4%
Group's Net Profit	-6.8%	87.1%	-3.3%	+17.8%	+14.6%

Source: Company data for FY 2016-2017 (IAS-IFRS) and IRTOP Research estimates for FY 2018-2020
* Without treasury shares

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During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
September 27 th , 2018	7.05	5.72	12 months
April 12 th , 2018	6.84	4.97	12 months

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IRTop obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models.

Moreover, IRTop used a proprietary model, "AIM Positioning rating", which incorporates a number of variables selected by IRTop based on research of "Osservatorio AIM Italia", managed by IRTop and focused on research about performance of Companies listed on AIM Italia.

Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IRTop premises.

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No other people or companies participated or anyhow contributed to the Research. Neither the members of the research team, nor any person closely associated with them have any relationships or are involved in circumstances that may reasonably be expected to impair the objectivity of the Research, including interests or conflicts of interest, on their part or on the part of any natural or legal person working for them, who was involved in producing the Research.

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