CLABO

Leading Innovation in refrigerated food display

• Clabo SpA, established 2001 as an industrial heritage of the Bocchini's family business since 1958, was listed on the AIM Italia market on March 2015. The company is a worldwide leading player in the design and production of high-end refrigerated showcases for the retail food industry with particular focus on the ice-cream, pastry & bakery and convenience store segments. With over 20 patents related to storing technologies and the "cold chain", Clabo offers a range of products in excess of 1,100 models characterized by innovative design and advanced technologies. The Company, which operates on the market with the brands Orion, FB, Artic, Howard McCray, Bocchini and Easy Best, realizes up to 70% of total turnover worldwide in about 95 countries. Clabo is headquartered in Jesi (Italy) and has subsidiaries in China, and United States.
Since listing Clabo has enjoyed significant growth with a 2015-2020 CAGR of 28%, and touched € 55 millions in total revenues on 2019, before the pandemic event. In between 2017 and 2018, Clabo has been very active in M&A acquiring the main Chinese Gelato showcase manufacturer, Easy Best and probably the oldest US manufacturer of commercial refrigerators, Howard McCray. At the same time, the group invested in excess of € 15 millions in new equipments, ERP remodeling (adopting the SAPsystem) and R&D activity. Clabo's reference market is the global refrigerated showcases food displayers-market: with about 4-10 thousands showcases sold annually, Clabo is the one of the main players globally in the business and holds a globalmarket share > 30% of the specialty niche of Gelato displayers.

• Clabo is an "Innovative SME" and is highly focused on R&D with about 5-7% of total revenues invested each year and more than 20 registered patents.
The R&D activity is particularly oriented at (i) innovation of the manufacturing processes and (ii) product development and, in particular, providing new top performing technological solutions to meet the objectives of efficiency, energy saving and sustainability (i.e. project "SIMPLE" and the new "WALL UNIT DISPLAY").

• The main business areas in which the Group operates are Italy and Europe, through Clabo S.p.A., North America with Howard McCray, and Asia through its subsidiary Easy Best. Although in different ways and at different times, the three areas mentioned above are also among those most affected by the spread of Covid-19 and the resulting health crisis: obviously because of that, the decrease in Bar, Pastries and Ice-cream segment revenues was more than €16 million compared to 2019, or more than 45 percent of the total.

• Less affected by the effects of COVID was the "Food Retail" segment, in which the group operates mainly under the HMC brand, i.e., that of refrigerated display cases for small-scale food retailers (main chains of convenience stores, mini markets, gas stations, etc.), which in the United States, as well as in the rest of the world, benefited from the continuity in the opening of businesses, as these are establishments dedicated to the distribution of essential goods. Thanks to this, the Food Retail segment recorded a 10.5 percent increase in sales in 2020 compared to 2019.

• Permanent cost reductions of over €3 million on a consolidated annual basis were achieved during 2020. Investments made in the mechanical processing departments at the Jesi and Philadelphia plants have been brought to full capacity, with efficiency savings of over 20 percentage points on the previous year. Jesi and Philadelphia plants have been brought up to speed with efficiency savings of over 20 percentage points on the 10% of purchase components.

• We initiate our coverage on Clabo with a target price of euro 3.80 p.s., obtained as the average between a DCF and multiple comparison analysis. Our target price represent a potential upside of 36% and an implicit 2021-2022 EV/EBITDA multiple of 4.7x and 4.1x respectively. The stock is currently trading at an average discount of 16% on EV/EBITDA and 19% on P/E compared to Food refrigeration peers

Sector: Manufacturing

Target Price (Euro)	3,80 (2,68 pr)
Market Price (Euro)	2.80
Market Cap (Euro m)	26
EV (Euro m)	63

As of October 01st, 2021

Share Data

Market	AIM Italia
Reuters/Bloomberg	CLA:IM
ISIN	IT0005091324
N. of Shares	9,299,775
Free Float	37.73%
Main Shareholder	Cla.Bo.Fin Srl
CEO	P. Bocchini

Financials

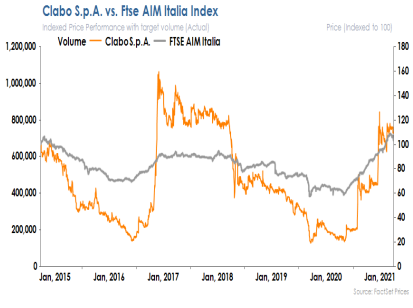
	2020A	2021E	2022E	2023E
Sales	**33.9**	**44.8**	**51.5**	**56.6**
YoY %	*-31%*	*+32%*	*+15%*	*+10%*
EBITDA	**(6.5)**	**7.5**	**8.7**	**9.6**
EBITDA %	*-18.3%*	*15.6%*	*16.2%*	*16.6%*
EBIT	**(11.4)**	**3.1**	**4.6**	**5.3**
EBIT %	*-32%*	*6.5%*	*8.7%*	*9.2%*
Net Income	**(10.1)**	**0.7**	**1.8**	**2.7**
Net Debt	**29.4**	**37.5**	**39.7**	**38.6**

Performance

	1M	3M	6M
Absolute %	-3.45	-	79.49
Relative (FTSE AIM Italia)	0.27	-7.66	43.16
52-week High/Low (Eu)	3.34	0.50	

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KEY FINANCIALS

Profit&Loss Stetement		**2017A**	**2018A**	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
Sales		41.1	44.4	49.0	33.9	44.8	51.5	56.6
Revenues (VoP)		44.8	53.0	54.6	35.8	48.3	53.6	57.9
EBITDA Adj		5.0	6.1	6.4	(6.5)	7.5	8.7	9.6
EBITDA		4.7	6.1	6.4	(6.5)	7.5	8.7	9.6
EBIT Adj		2.1	2.7	1.7	(11.4)	0.0	0.0	0.0
EBIT		1.8	1.5	1.7	(11.4)	3.1	4.6	5.3
Financial Income (charges)		(0.9)	(1.2)	(1.8)	(2.1)	(2.3)	(2.2)	(2.0)
Pre-tax profit (loss)		0.7	0.3	(0.1)	(14.7)	0.9	2.4	3.3
Taxes		(0.2)	(0.1)	0.5	4.5	(0.2)	(0.6)	(0.6)
Net profit (loss)		0.5	0.2	0.3	(10.1)	0.7	1.8	2.7
Balance Sheet								
Net working capital (NWC)		4.1	8.1	10.8	3.8	5.0	5.3	5.8
Net fixed assets		39.0	40.8	42.8	44.9	45.0	44.2	42.9
M/L Funds		(8.0)	(7.2)	(6.0)	(4.0)	(4.3)	(4.1)	(4.0)
Net Capital Employed		35.0	41.8	47.6	44.7	45.7	45.4	44.7
Net Debt (Cash)		19.0	23.9	29.4	37.5	37.9	35.7	32.3
Net Equity		16.0	17.9	18.2	7.2	7.8	9.7	12.4
Cash Flow								
EBIT		2.1	2.7	1.7	(11.4)	3.1	4.6	5.3
D&A		2.9	3.4	4.6	4.9	4.4	4.0	4.3
Tax		(0.2)	(0.1)	0.5	4.5	(0.2)	(0.6)	(0.6)
Cahnge in M/L Funds		0.5	(0.8)	(1.2)	(2.0)	0.3	(0.2)	(0.1)
Gross Cash Flow		5.3	5.2	5.7	(4.0)	7.6	7.9	8.9
Change in NWC		(0.4)	(5.6)	(2.1)	4.3	(2.9)	(0.5)	(0.8)
Change in other current asset		1.0	1.6	(0.5)	2.6	1.7	0.2	0.3
Operating Cash Flow		5.9	1.1	3.0	2.9	6.4	7.7	8.4
Capex		(4.4)	(1.5)	(7.2)	(4.9)	(4.2)	(3.3)	(3.0)
Acquisitions		(3.1)	(3.6)	0.0	0.0	0.0	0.0	0.0
Change in other non-current asset		0.3	(1.3)	0.6	(0.1)	0.2	0.0	0.0
Financial Income (charges)		(0.9)	(1.2)	(1.8)	(2.1)	(2.3)	(2.2)	(2.0)
Free Cash Flow		(2.2)	(6.5)	(5.4)	(4.1)	0.2	2.2	3.4
Dividend		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Equity		0.3	1.6	0.0	(0.9)	0.0	0.0	0.0
Change in Net debt (Cash)		(1.9)	(4.9)	(5.4)	(5.0)	0.2	2.2	3.4
Check								
Per Share Data								
Current Price	€2.80							
Total shares (mn)	9.2							
EPS		0.05	(0.00)	0.01	(1.11)	0.07	0.19	0.28
DPS		0.00	0.00	0.00	0.00	0.00	0.00	0.00
FCF		(2.22)	(6.54)	(5.43)	(4.12)	0.15	2.16	3.37
Pay out ratio		0%	0%	0%	0%	0%	0%	0%
Ratios								
EBITDA margin adj		11.2%	11.5%	11.7%	-18.3%	15.6%	16.2%	16.6%
EBITDA margin		10.6%	11.5%	11.7%	-18.3%	15.6%	16.2%	16.6%
EBIT margin adj		4.7%	5.2%	3.2%	-32.0%	0.0%	0.0%	0.0%
EBIT margin		4.0%	2.8%	3.2%	-32.0%	6.5%	8.7%	9.2%
Net Debt/Equity (Gearing)		118.4%	133.9%	161.4%	523.1%	483.4%	369.0%	261.9%
Net Debt/EBITDA		4.01	3.92	4.61	-5.74	5.03	4.11	3.37
Interest cover EBIT		2.02	1.25	0.96	-5.58	1.38	2.10	2.60
ROE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ROCE		5.7%	3.8%	2.7%	-35.7%	7.3%	11.5%	13.2%
Free Cash Flow Yield		-79.1%	-233.7%	-193.8%	-147.1%	5.4%	77.0%	120.4%
Growth Rates								
Sales		21%	8%	10%	-31%	32%	15%	10%
Revenues (VoP)		20%	18%	3%	-35%	35%	11%	8%
EBITDA		15%	29%	5%	-203%	215%	15%	11%
EBIT		2%	-19%	19%	-756%	127%	48%	15%

CLABO SNAPSHOT

Company description

Clabo S.p.A. is the operational holding company of a world leading group in the production and marketing of professional refrigerated display, refrigerated display cabinets for ice-cream parlours, pastry shops and in general for the convenience stores, mini markets and gas stations, whose brands cover all the products of reference in the sector.

Management

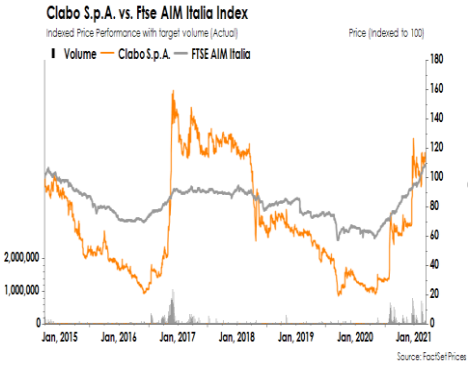
Pierluigi Bocchini – Chairman & CEO
Sandro Rella – General Director
M. Borocci – CFO

Key Shareholders

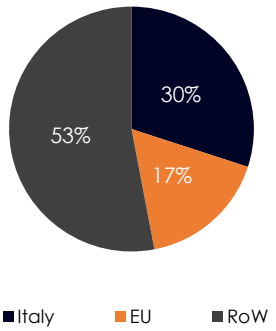
CLA.BO.FIN S.r.l. – 62.27%
Free Float – 37.73%

Key data charts

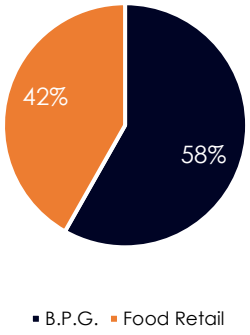
Stock price performance



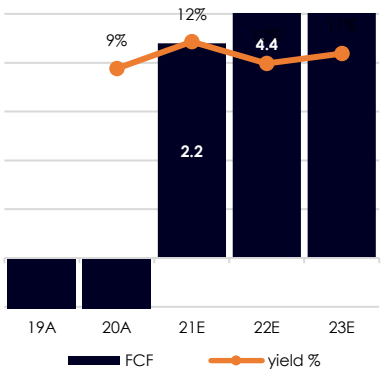
Revenues by geography



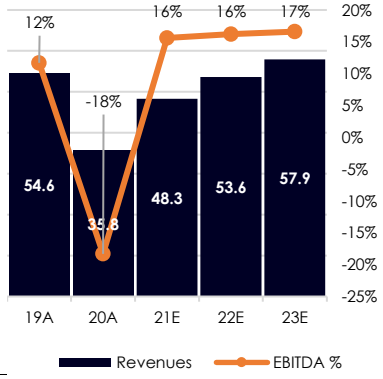
Revenues by business segme



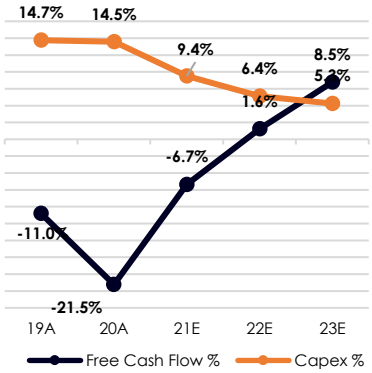
Free Cash Flow focus



Revenues and EBITDA margin



FCF and CAPEX on Sales



Source: Consolidated Group data for FY 2019-2020, IR TOP Research estimates for FY 2021-2023. Factset Prices

Investment case

- **Technological Innovation:** Clabo is proud of its operating methodology, the use of innovative technologies is fundamental to production efficiency and the quality of the final product, the role of people in the production process is now more important than ever.
- **Worldwide Presence:** The presence of plants located outside the main production site in Jesi allows the production of display cases in line with the needs of the reference markets, but also to manage a level of service that can meet the needs of our foreign customers. The production facility in Philadelphia (PA), the historical home of the Howard McCray brand, is mainly involved in the production of gastronomy display cases designed and manufactured in line with the expectations of the US market, while the Qingdao plant produces display cases for customers in the Far East, retaining the Italian design and technology.
- **Green, Digital & Design Vision:** Thanks to the use of materials derived from the nanotechnologies field, Clabo has managed to reduce the dimensions and volumes of its products, improving them in terms of ergonomy, aesthetic and performance. They have developed new Apps for the remote control of the display cases, predictive maintenance remotely assisted program (SIMPLE) and CFC Free gas transition in accordance to the new GREEN international regulamentation.
- **Strategical Developments:** In the Food Small Retail business, the growth strategy concerns the introduction of a new line of products positioned in the High End segment, initially addressed to the European market (Step 1). Subsequently, the development of the new line will concern the adaptation to the North American market and its introduction in that area starting from 2023 (Step 2).

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REFERENCE MARKET

Refrigerated food display market
Clabo is a worldwide leader in the manufacturing of high-end refrigerated (and hot) showcases for the Ho.Re.Ca. and food small retail industry and specialized in the ice cream (Gelato) pastry & bakery, convenience stores, minimarket and gas stations refrigerated displays. The Groups hence operates within two niche segments (Food Small Retail and BPG (Bar, Pastery&Gelato) of the larger refrigerated food display market which include all refrigeration devices, especially developed to display cum store frozen or/and chilled food products. Refrigerated display cases (RDCs) represent vital fixtures in retail outlets such as grocery stores, supermarkets, hypermarkets, food service establishments, restaurants, hotels, and gas stations.

Amid the COVID-19 crisis, the global market for Refrigerated Display Cases estimated at US$ 7.6 b in the year 2020, is projected to reach a size of US$10.4 b by 2026, growing at a CAGR of 5.6% over the analysis period[1].

On the basis of types, the market is segmented into plug-in RDCs and remote RDCs. Plug-in RDCs hold the largest market share in terms of volume of production and is projected to record 6% CAGR and reach US$ 6.3 b by the end of the analysis period. The Remote-Operated segment is expected to grow at a 4.9% CAGR for the next 7-year period. The higher expected growth in the plug-in segment thanks to the lower capital expenditure driving widespread adoption of the systems among smaller and mid-size stores such as bakeries and sweet shops who have limited budgets. Plug-in RDCs enable faster installation, besides being easier to move about within the store, thereby giving store owners the freedom to change floor plans as per convenience or the latest retail market trends.

In terms of geography the Refrigerated Display Cases market in the U.S. is estimated at US$1.7 b in the year 2021. China, the world`s second largest economy, is forecast to reach a projected market size of US$1.2 b by the year 2026 trailing a CAGR of 8.4% over the analysis period. Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 3.5% and 4.4% respectively over the analysis period. Within Europe, Germany is forecast to grow at approximately 4.4% CAGR.

Key Growth drivers in this market over the next years are expected to be:
- continuous technology developments which are encouraging equipment replacements and upgrades
- growing preferences of refrigerated display cases with low energy consumption and power-saving mode which reduces the operation cost for the end-users.
- rising demand for food products, bakery items, snacks, frozen meat, and natural products
- stricter food-safety regulations and quality standards are driving up the commercial value of advanced RDC models that can preserve food hygienically at specified conditions without microbial or other types of contamination;
- increased disposable income;
- growing awareness over the importance of visual merchandising as a cost-effective way to boost retail sales and its role in encouraging impulse buying among customers.

Focus on Food Small Retail and BPG
The term HoReCa is used to indicate the distribution of a product in hotels, restaurants, bars, ice cream shops, pastry shops, and catering. In practice, the Horeca channel is represented by those who, by profession, supply food and drinks. To date, there are about 110,000 Horeca businesses in Italy, 800,000 in Europe, 3.5 million worldwide.

The Food Retail or Food Distribution, trade of food and drinks, generally without administration, and is composed of GDOs (Esselunga, Walmart, Tesco ...), purchasing groups (DO such as Conad, Vegè, Despar…) and Small Detail (< 400sqm). To date, there are about 80,000 points of sale in Italy (of which 50,000 are small retailers), 550,000 in Europe, 2.5 million worldwide.

The Food Retail segment showed a strong resilience during the pandemic period, having largely absorbed the decline in consumption outside the home. It has therefore proved anticyclical to HoReCa. which on the other hand saw a decrease in activity, due also to governments restrictive measures. On average, revenues in the HoReCa sector during the Covid-19 period halved, with a weak recovery during the summer period.

Market leader with a +30% market share in the gelato core business
According to Management's estimates, the Group holds a > 30% market share in the gelato showcase segment (35% of total sales). Growth in this niche market is driven mainly by the artisan gelato industry which

[1] Refrigerated Display Cases - Global Market Trajectory & Analytics - Global Industry Analysts Inc..

according to the Global Artisanal Ice Cream Market 2021 Report is expected to grow at a c. 6% 2021-2025 CAGR.

Key trends of the gelato showcase industry in support of Clabo's growth strategy:

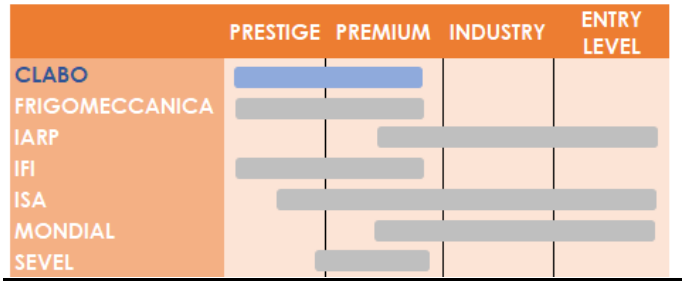
- Premium and Prestige segment profitability structurally superior to overall segments
- Mature economies will still be the best buyers in the Premium and Prestige segments due to the slow-down of renovation during the financial crisis
- Higher growth rates in emerging markets will drive the ice-cream showcase market in the years ahead with APAC remaining the world's fastest driver
- Energy efficiency is becoming a "must-have" in the business, and Clabo's showcases are the benchmark in this field

COMPETITIVE LANDSCAPE

The ice-cream showcase market can be divided into 4 segments with different levels of quality and price:

- The entry level segment has a price range between euro 500 and 1,500, with a gravity refrigeration technology, used for scoop ice cream;
- The industry level has a price range of euro 1,500-3,500, with a gravity refrigeration technology, used for scoop ice cream;
- The premium segment price range from euro 3,500 to 7,500, with forced air refrigeration technology, suitable for artisanal ice-cream;
- The prestige segment has the highest quality level and the price ranges from a minimum of euro 7,500 to 15,000, with forced air refrigeration technology, suitable for artisanal ice-cream.

CLABO is the **leader in the Premium and Prestige segments** thanks to its wide product range. The Company operates in a competitive landscape where 6 companies in particular (5 Italian and 1 Turkish) are identified as competitors (manufacturers of ice-cream showcases), of which 4 (Frigomeccanica, ISA , Sevel and IFI) are active in the prestige and premium segment.



- **FRIGOMECCANICA** has been operating for more than 40 years in the production of professional refrigerated food showcases, particularly in Europe and for ice-cream parlours, pastry shops, bakeries and bar furniture.
- **ISA** was established in 1963 in Umbria and covers all the geographical markets where CLABO sells its products (EMEA, APAC, LATAM regions). It produces equipment, refrigerated showcases and storage cabinets for ice-cream parlours and pastry shops.
- **SEVEL**, active since 1949 in the EMEA and APAC regions, is the first Turkish company producing ice-cream displays and sells its products also to pastry shops.
- **IFI** was founded in Pesaro in 1962 and initially produced equipment for the food and beverage sectors. At the end of 90s, the company entered the European market of refrigerated showcases and furniture in general.

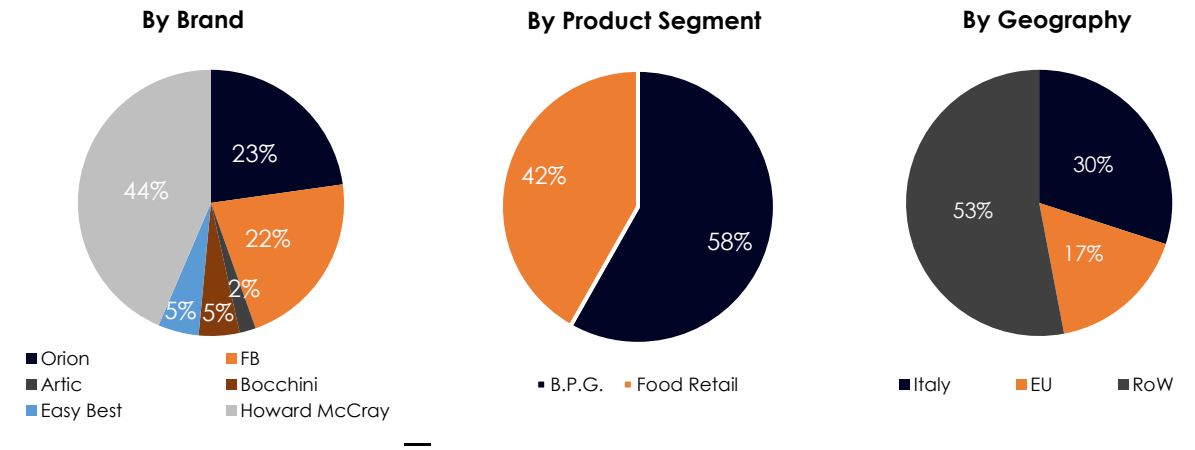
GROUP PROFILE

Founded in 2001 Clabo S.p.A., is the operative holding company of Group, world leader in the design, production and marketing of high-end refrigerated (and hot) showcases for the HoReCa. and Food Small Retail industry. The core business is represented by the gelato showcases segment (~35% of total revenues) where Management estimates that the Group holds a market share of > 30%. With a strong presence in all the main geographical markets (Italy, Germany, Spain, US and China) about 70% of total revenues are realized outside Italy. The Group is currently present in the market with 6 proprietary brands (Orion, Bocchini, Artic, FB, EasyBest, Howard-McCray), and a very wide production portfolio (>1,000 customizable models). Clabo is headquartered in Jesi (Italy) and operates with 3 production plants (US, Europe and Asia) and over 330 employees.

Clabo SpA listed on the AIM Italia market on March 26th, 2015. In line with the IPO strategy, the Group has since listing, successfully concluded two important acquisitions: Easy Best (2017) in China and Howard McCray (2018) in the US. The strategic rational behind the acquisitions were to strengthen presence in key markets (China and US) and expand the product offering into the Food Small retail segment.

Clabo is a registered Innovative SME since 2017, and currently holder of over 20 registered patents mainly focus on providing new eco sustainable, interactive and design ultimate solutions for the food display.

Revenues Breakdown – FY20

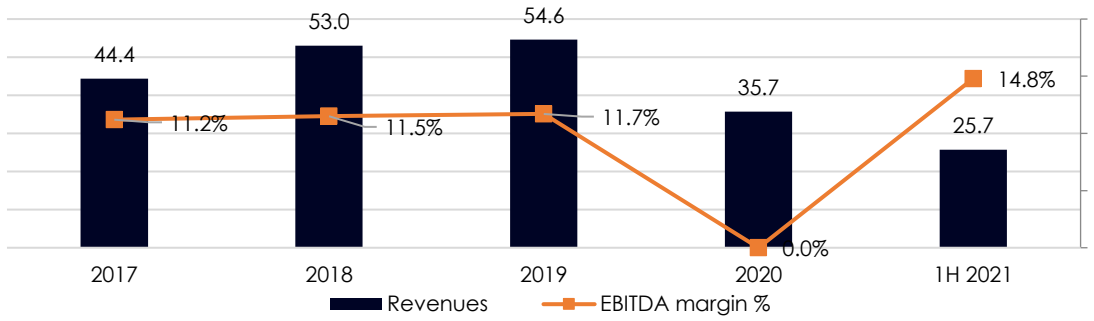


Source: Company Data

Over the 2015-2019 period the Group managed to increased revenues at a CAGR of c. 19% driven mainly by M&A. FY20 saw an inevitable decrease in both revenues and profitability following the COVID-19 pandemic which hit the HoReCa business particularly hard. However, the first half of 2021 is showing strong signs recovery with revenues of Euro 25.7 m (+47.8% vs 1H20, -18.4% vs 1H19), and an EBITDA of Euro 3.8 m (+2.7% vs 1H19). EBITDA margin stood at 14.8%, a record high for the Group following efficient implementation of cost containment measures and a structural increase in production efficiently as a result of important investments made in this area over the last three years.

On September 9, the Board of Directors of the Company met in order to partially exercise the conferred proxy and pass a resolution for a paid capital increase for a maximum amount of 2,100,000 euros: the capital increase will enable the company to acquire new liquid financial resources that can be used immediately and, at the same time, will enable the company to rapidly seize market opportunities to support the Company's growth plan and the achievement of its strategic objectives.

Revenues & EBITDA evolution



Source: Company Data

INNOVATION AND SUSTAINABILITY

Clabo Group is highly focused on R&D and works to help the ned user of its products on building their value creation process by providing new eco sustainable, interactive and design ultimate solutions for food display. The Group is a registered innovative SME since 2017 and invests c. 5-10% of total annual revenues in R&D.

Investments in R&D are focused along three key pillars:

- **Green:** CFC Free gas transition in accordance to the new GREEN international regulamentation and Energy saving approvals (DOE, Energy Label…)
- **Digital:** New Apps for the remote control of the display cases; Remotely assisted after sales service; Predictive maintenance remotely assisted program (SIMPLE)
- **Design:** Reduction of the products overall dimension and weight by the use of nanotechnology materials and Ergonomy improvements due to the reduction of overall dimension of the products

One of the main investment areas has been the development of new materials and technologies that will enable an optimization of the production process. The Group is hence currently of over 20 registered patents related to (among others):

- A movement system for display cases shelves;
- An inclined and transparent display case system for ice creams, allowing the customer to see the products in advance;
- A 180° opening counter;
- An isolation system with VIP panels which integrate nanotechnology

BUSINESS MODEL

Clabo designs, produces and commercializes high-end refrigerated (and hot) showcases for the Ho.Re.Ca. and food small retail industry. Its **business model is based on direct control of every phase of the value chain, which allows it** to manage the high complexity of the extensive product range and at the same time ensure an average time to market to final customers of 3 to 4 weeks. Clabo uses a production system oriented towards "Make-to-Order", in which products are realized after an order is placed by customers, with the sole exception of specific, high-selling lines where the product is marketed in standard configurations (1 W LT).

Clabo is a B2B player and sells most of its products to retail customers (xx%) whereas c. xx% is distributed directly to large-scale operators. The retail customers are mostly small to medium-sized bars, artisanal ice-cream parlours and pastry shops characterised by high retention (renewal every 10 years). As of December 2020, the Top 10 retail customers accounted for 15/20% of sales.

The large-scale operators are represented by big chains in the restaurant industry that follow planned openings worldwide. This allows for high revenue volumes and optimisation of production planning. The first 6 big customers accounted for almost 20% of sales in 2020. Top customers, including Nestlé, Häagen-Dazs, Puro Gusto, Venchi, Eataly, Amorino, Cold Stone Creamery, Gelato di Natura, Apple's campus and Walt Disney's parks, have established long-lasting relationships with the Group.

Business Model Overview

Food Distribution	Product Lines	Worldwide Presence	Technology
Ho.Re.Ca. 42% Restaurants Bars & Cafès Bakeries Ice Cream & Cakes parlours Fast Food **Food Retail 58% (<400 mq)** Small Retail Markets C-Stores Gas Stations **Buying Groups Supermarkets**	Gelato Display cases Pastry & Cakes Display Cases Fresh Food Display Cases Vertical Display Fridges Bar Counters Shop Fitting Solutions Grab 'n go Display Cases	**Europe: 45.2%** **N. America: 42.4%** **Asia: 7.0%** **RoW: 5.4%**	Low Temp. Open Case +2°/+4° Open Case Low Temp for storage +2°/+4° for storage TN Self Service Hot for Display

Source: Company Presentation

The Company dedicates an high level of focus to Research and Development of new products, having invested approx. Euro 4 m in the last three years in this activity, which is considered a key strategic pillar of Clabo's success. These activities are entirely carried out by the Company's R&D offices in Italy, China and US, which have granted a continuous technological and aesthetic development of each product.

Value Chain

Procurement Process	Production	Marketing	Distribution
- Extremely diversified supplier portfolio (more than 600 suppliers) - Suppliers selected to stock-up on the main components of finished products	- 3 production plants in Jesi (Italy), Philadelphia (USA) and Qingdao (China)	- Strong presence in the cool display cases and bar furnishing market through historic brands (Howard McCray since 1885 and Bocchini since 1962)	- Direct sales channel with large clients - Indirect distribution network (selected resellers) for the retail segment (bar, ice-cream shops, pastries, etc.)

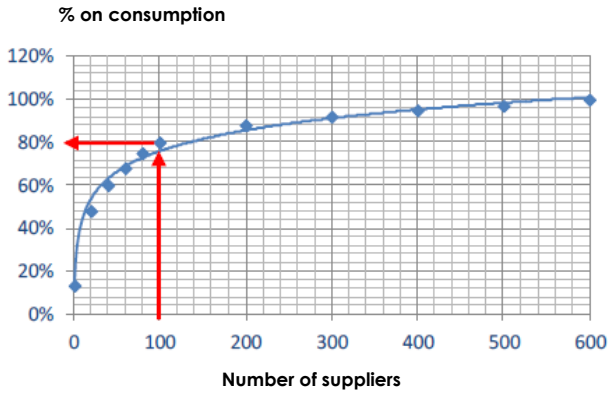
Source: Company Presentation

The acquisition of materials is managed through a make-to-order system which minimizes inventories thanks to a highly technological system that allows to manage logistic flows in real time. Supply processes last approx. 2 weeks and include a preliminary analysis of inventories made through Material Requirement Planning (MRP) that is then followed by order placement (if the need arises).

The current supplier portfolio includes more than 600 companies, with the first 100 suppliers accounting for approx. 80% of Clabo's needs.

Suppliers Focus – FY20

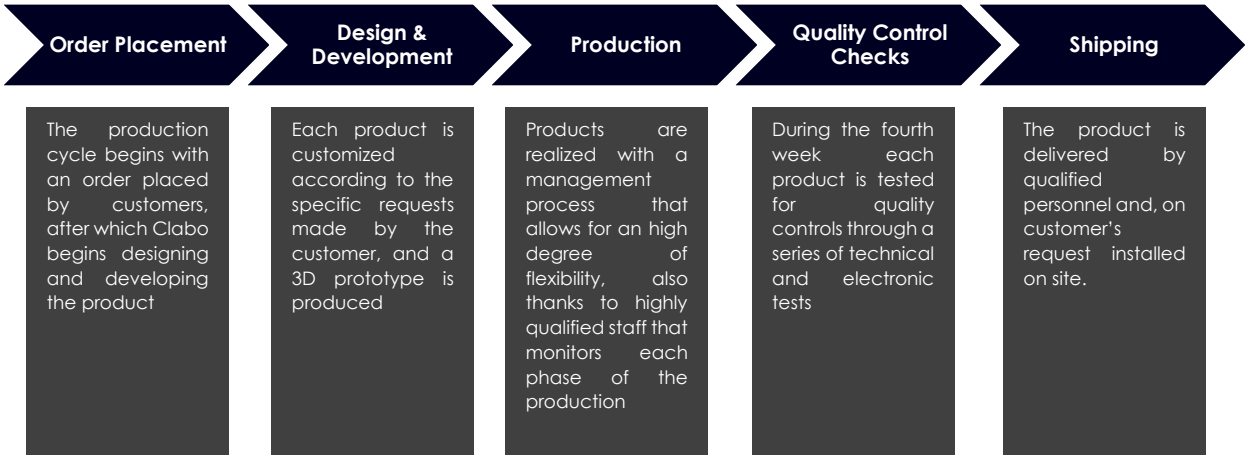
Supplier	Incidence %
Supplier 1	13.6%
Supplier 2	3.6%
Supplier 3	3.4%
Supplier 4	3.3%
Supplier 5	2.5%
Supplier 6	2.5%
Supplier 7	2.3%
Supplier 8	1.9%
Supplier 9	1.8%
Supplier 10	1.7%
Top 10 Suppliers	**36.7%**



Source: Company Presentation

Clabo's production process is managed through the use of a management software which ensures an efficient industrial planning and the reduction of delivery times. Within 24 hours from the order placement, a Production Plan is created, allowing for a timely coordination of every phase of the production. According to it, production has to begin no more than 3 weeks after the order has taken place (this phase also includes quality control checks). The entire production process is summarized in the graphics below:

Production Process



Source: Company Presentation

Marketing activities are mainly directed towards end customers (ice cream shops, pastries, bar, etc.), resellers (dealers) and communicators (Journalists, architects, etc.) and articulated in:

- Participation in trade fairs (in Rimini, Shanghai, Orlando, San Paolo and Milan)
- Marketing material
- Advertisements on specialized magazines

CLABO distributes its products under **6 proprietary brands**, each specific for a geographical market or sector.

The two historic brands, Orion and FB, are mainly distributed in Italy and Europe. The Chinese market is served exclusively by the EasyBest brand. The US market is covered by HMC that distributes the HMC, Orion and EasyBest brands through its dealer/reseller network.

Company Brands

Company	Description
ORION	Orion is the Group's historic brand, and is linked with some of the most famous ice cream display cases in the world: Koreja, 365, Tecnica, Evò and Ikon (the most recent, highest quality addition). The brand also commercializes the "24 Ore" line, specialized in bar furnishing. Orion also distributes "JOBS", a new, high-quality line for ice cream shops and pastries. Orion is synonym with high tech, design and efficient performance and, as of today, is present in more than 70 countries, thanks to a specialized network of exclusive distributors.
bocchini	The Bocchini brand is used in licensing by Clabo and is characterized by the production of custom-made furnishing
Artic	Acquired in 2002, Artic offers modular furnishing for the "bar" segment. Thanks to an intense focus on style, this brand has been able to better its position on the market through the years (particularly in Italy)
FB	Acquired in 2004 by the Group, FB is recognized in Italy and abroad as the top brand for ice cream display cases, characterized by elegance and high quality
EasyBest REFRIGERATION EQUIPMENT a CLABO company	Acquired in 2017, Easy Best is the brand which best encloses a wide variety of flexible solutions for the ice cream and pastry industry. High technological content and Italian design are Easy Best key selling points. This brand is licensed by Clabo's Chinese subsidiary, and Easy Best revenues are entirely made by Qingdao Clabo Easy Best Refrigeration Equipment Co. Ltd.
Howard McCray	Acquired in 2018, Howard-McCray is one of the most important players in the US market in the manufacturing of refrigerated retail showcases for the food&beverage industry (mainly for convenience stores. Thanks to the acquisition, Clabo was able to expand its product range and enter a new market while at the same time providing for a new production and logistic site enabling the centralization of all North America operations allowing for a cut in distribution costs and produce relevant commercial synergies

Source: Company Presentation

Sales network

The Company commercializes its products mainly thanks to two distribution channels:

- **Direct distribution network** directed to the sale of products to large clients in the Ho.Re.Ca. segment. This particular channel accounts for approx. 30% of the Group's revenues
- **Third party distribution network** made up by selected distributors and resellers that promote Clabo's products to retail clients (bar, ice cream shops, pastries, etc.) of small-medium size. In Italy, distribution activities are carried out through a series of resellers that operate on a regional basis, coordinated by a sales manager which is responsible for each brand. On a European level, products are distributed by importers which operate on a regional basis for each of the main national markets (both in developed and emerging countries).

Client Base

With the top 10 clients covering c. 15/20% of total revenues the Group presents a well-diversified client base.

The following tables summarize the composition of the Group's client base:

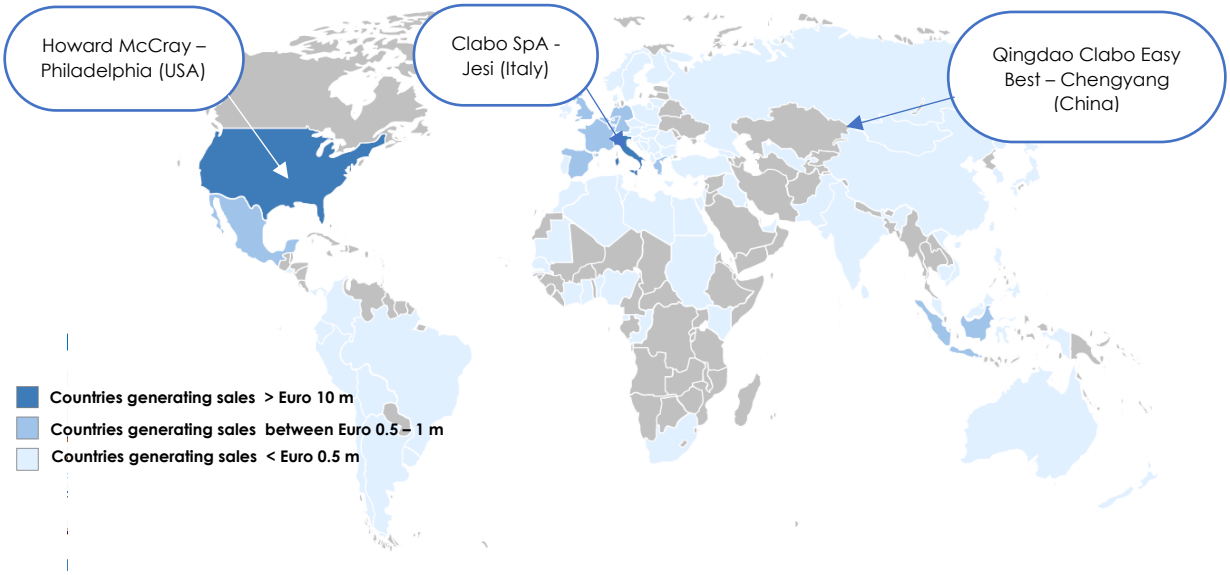
Client Type	Description	Commercial	Number of Clients
Retail	Mostly small medium clients spread on national territory, mainly made by bar, ice cream shops, pastries characterized by a good retention rate	Customers managed mainly through a large network of salesmen (16 in Italy)	Approx. 1,200 on an annual basis
Large Clients (National & foreign chains)	Large chains with established opening plans in various countries, with	Contacts managed directly by Clabo's business centre	c. 10 (Puro Gusto, Cold Stone, Amorino, Ledo, etc.)

consistent sales volumes which grants an organized industrial production

Geographic Footprint

The Group sells its products in over 95 countries but with a particular focus placed on the main gelato markets such as Italy, Germany Spain and the new emerging markets like China, Middle East and South America. Currently the Group has three production facilities: Jesi (Italy), Chengyang (China) Philadelphia (USA) and commercial offices in Brazil, Germany, China (Shanghai).

Revenues' Map – FY20 Data



Source: Company presentation

PRODUCTS & SOLUTIONS

Clabo's products are characterized by **high technological content** thanks to the high quality of materials used (i.e. reducing the risk of fogging) and **innovative design** that, in addition to its primary function (to store), also makes them important furnishing items.
The Company offers a very extensive product range including over 1,100 models available in several versions owing to the multiple combinations of fittings, accessories and colours, and they are divided into 5 product lines:

Product Offering

Product Lines	Detail
Showcases Horizontal showcase, cooled or heated, used in ice-cream shops and pastries to exhibit products	 GELATO AND DELI DISPLAY CASES ORION EasyBest
Bar Counters Counters in which cold rooms are installed to preserve and cool food and beverages	 BAR CELLS AND BAR COUNTERS ORION Arlic

Cockpit Counters

Traditional cooling method for ice cream, through glycol cooling or through an innovative patented ventilation system which allows customers to see ice cream ("Show Box" model)



SHOP FITTING SOLUTIONS

Ariete Bbocchini

Vertical Display Units

Exhibitors for ice cream and pastry designed to be installed outside the showcase line, thanks to the development of vertical volume instead of horizontal



DOOR AND OPEN FREEZE MERCHINDISERS

ORION Howard McCray

Drop-in & Built Inox

Series of modular units: (i) for hobs, preservation and cooling; (ii) flush-mounting cells; (iii) shop windows



FRESH FOOD DISPLAY CASES

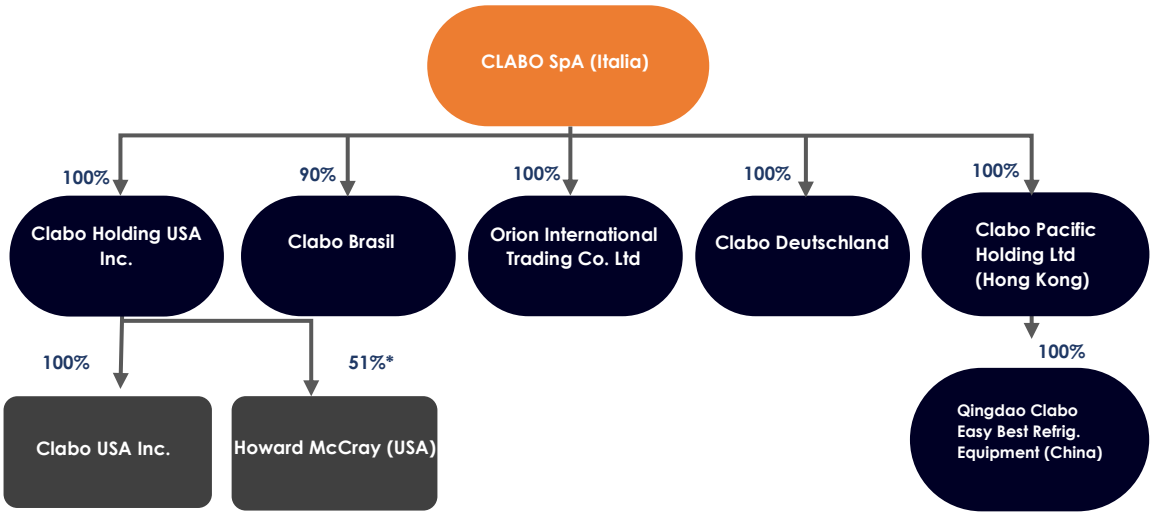
ORION Howard McCray

Source: Company Presentation

In addition to the above items, starting from 2021 the Group also commercializes a product line directed towards convenience stores which is sold by both Howard McCray and Clabo S.p.a.

GROUP STRUCTURE

Clabo SpA listed on the AIM Italia market (Borsa Italiana SpA) on March 26th, 2015. The offer price was set at Euro 2.7 per share, resulting in a market capitalization of Euro 20.9 mand in Euro 7.4 m of capital raised.



Source: Company Presentation

*Percentage of shares with voting rights

Clabo SpA – Operating company based in Jesi (Ancona). It carries out both production activities and coordination of foreign branches.
Clabo DE - Established in 2016, Munich-based trading company.
Clabo USA - Operating company based in Hayward (CA). Assembles and markets Clabo products covering the North American markets.
Orion International Trading - Established in October 2015. Commercial company based in Shanghai. Lean organizational structure (managing director, salesperson, technician, back-office clerk
Clabo Pacific Holding Limited - Established in 2015, Hong Kong-based financial sub holding company to develop the Asian mainland.
Clabo BRASIL - Incorporated in June 2013, commercial company based in Sao Paulo. Lean organizational structure (managing director, sales person, back office clerk).
Clabo Holding USA INC. - Established in 2018, San Francisco, CA-based financial sub holding company to support U.S. operating companies' business development activities in the U.S.-Canada market
Howard McCray - Operating company based in Philadelphia (USA). Historical American company founded in 1887, active in the production and marketing of refrigerated display cases for the "fresh market" segment and the traditional outlet market is the typical "convenience store" to which was added the business of "ice cream display cases" branded "Orion by Clabo", some of which are now produced in the HMC plant in Philadelphia.
Qingdao Clabo Easy Best Refrigeration Equipment Co. Ltd. - Operating company based in Qingdao (CHINA). Chinese company leader in the production and sale of "Easy Best" branded ice cream display cases, acquired by Clabo in March 2017 in implementation of the group strategy of penetration of the Asian market through qualified direct presence in the territory.

OWNERSHIP & GOVERNANCE

Ownership

The share capital subscribed and paid up is Euro 8.459.775, made up by n. 8.459.775 ordinary shares without nominal value. Clabo S.p.a's main shareholders is Cla.Bo.Fin Srl [Bocchini family holding company]with 68.5% (which carries out holding activities and does not exercise management and coordination activities) and free float is 31.5%

Shareholder	n. of shares	%
Cla.Bo.Fin Srl	5,791,050	62.27%
Market	3,508,725	37.73%
Total	**9,299,775**	**100.00%**

Source: Company Presentation

The Board of Directors is made up by 3 members, one of whom is independent.

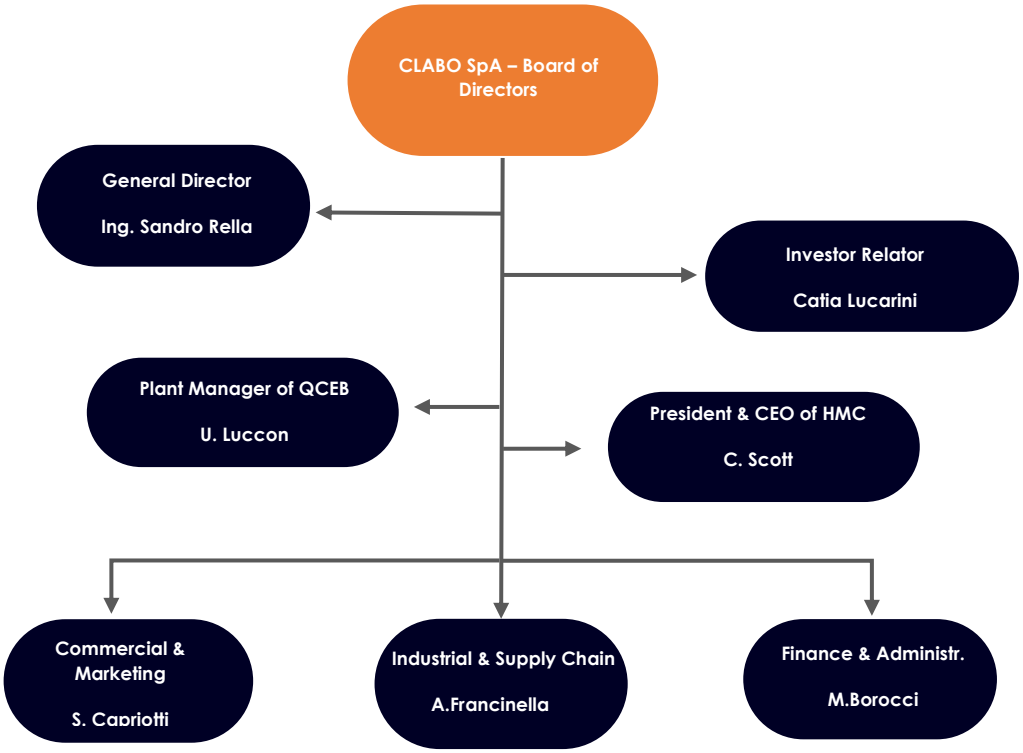
List Vote: 10%

Key Managers

Pierluigi Bocchini – Chairman and CEO
Pierluigi Bocchini graduated in Business Economics, then specializing in Marketing at the Bocconi University (Milan) in 1995. From 1995 to 1996 he worked as Sales Manager for the main clients for Northern Italy at the Q8 Petroleum Italia S.p.A. Currently, he is a component of the Board of Directors in both Gruppo Clabo and Gruppo Cla.Bo.Fin, acting as Chairman and CEO of Clabo S.p.a.

Alessandro Bocchini – Director
Bocchini graduated in Economics from the University of Marche in 1994. He has always been involved in the Ho.Re.Ca. furnishing segment collaborating as director in both Clabo S.p.a. and Cla.Bo.Fin. He's involved with credit risk, client selection and sales support for Clabo S.p.a.

Claudio Marcantognini – Independent Director
After a bachelor's degree in Economics in 2003 and a master's degree in Economics and Law in 2005, both from the University of Bologna, he becomes a certified public accountant in 2008. He works for an accounting firm in Bologna where he's involved with business consulting, and company internationalization. He currently covers the role of Director in several companies.



Source: Company Presentation

STRATEGY

Thanks to the use of materials derived from the nanotechnologies field, Clabo has managed to reduce the dimensions and volumes of its products, improving them in terms of ergonomy, aesthetic and performance.

Strategic Drivers Matrix of the Group

MAKE STRATEGY

- Work account reduction with inhousing of sheet metal cutting and punching automation (Amada Laser);
- Bending enhancement (Bending machine more volumes with less heads);
- "Designed in Italy,Manufactured in USA or China"



CROSS-SELLING

- Focus on cross-company sales
- Integration of main Orion models in the Qingdao plant to serve Asian markets, progressive integration in the Philadelphia plant of some models of ice cream and pastry for the North American market

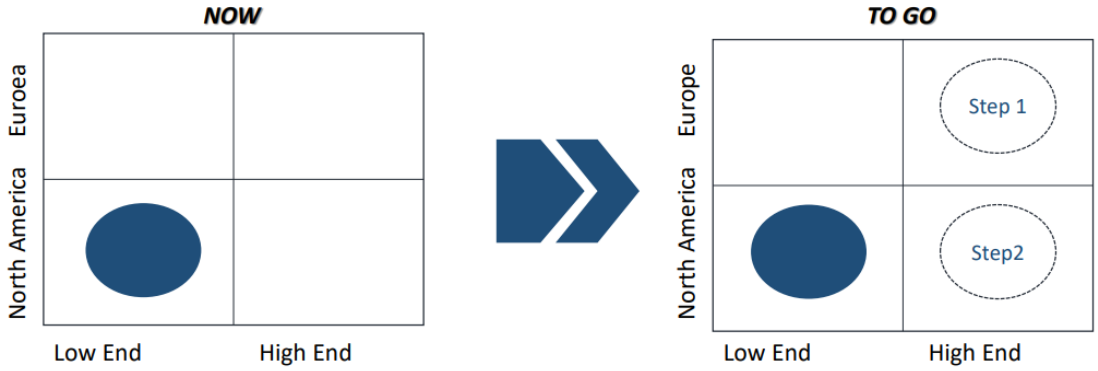


FOCUS on REDUCING COSTS

- Elimination of external supply services for about 350 K (Rimini Fair, Advertising, Catalogues and price lists, Certifications);
- Reduction in the number of hours used by indirect personnel by 30 thanks to voluntary redundancies and CIG Covid

Clabo's industrial plan is based on the following key strategic pillars:

- **R&D (Green, Digital, Design):** they have developed new Apps for the remote control of the display cases, predictive maintenance remotely assisted program (SIMPLE) and CFC Free gas transition in accordance to the new GREEN international regulamentation;
- **"Make Strategy":** upgrade of folding machine power (leading to higher volumes); insourcing of aluminium processing; carpentry automation (less purchases from external suppliers)
- **Cross Selling:** focus on cross companies sales, thanks to synergies obtained with the consolidation of the China and US businesses; sales from China to markets external from mainland China; sales from Clabo Italia to the US market thanks to Howard McCray;
- **Continuous focus on structural costs reduction:** consulting fees renegotiations (from 30% to 50%) with savings up to Euro 800 k; removal of external services for up to Euro 350 k; reduction of indirect personnel use (for about 30%); reduction of managing bodies salaries for up to Euro 300 k
- **Food Small Retail business**: the growth strategy concerns the introduction of a new line of products positioned in the High-End segment, initially addressed to the European market (Step 1). Subsequently, the development of the new line will concern the adaptation to the North American market and its introduction in that area starting from 2023 (Step 2).



SWOT Analysis

STRENGHTS

- Notoriety of the Group's brands thanks to the consolidated presence in the Italian and international markets;
- Clear and distinctive product positioning, with a high level of perceived quality;
- Constant investment in Research and Development (R&D);
- Management with a deep knowledge and experience in the catering furniture sector

WEAKNESSES

- The Italian market (accounting for 28 of the Group's revenues, which is increasingly decreasing as a percentage of total revenues) is a mature market with low mature market with low growth prospect;
- High exposure in mature markets

OPPORTUNITIES

- Wide growth opportunities in Asian markets (Japan and Korea) in the USA and Latin America
- Synergy opportunities arising from HMC's distribution channel and production facilities of HMC

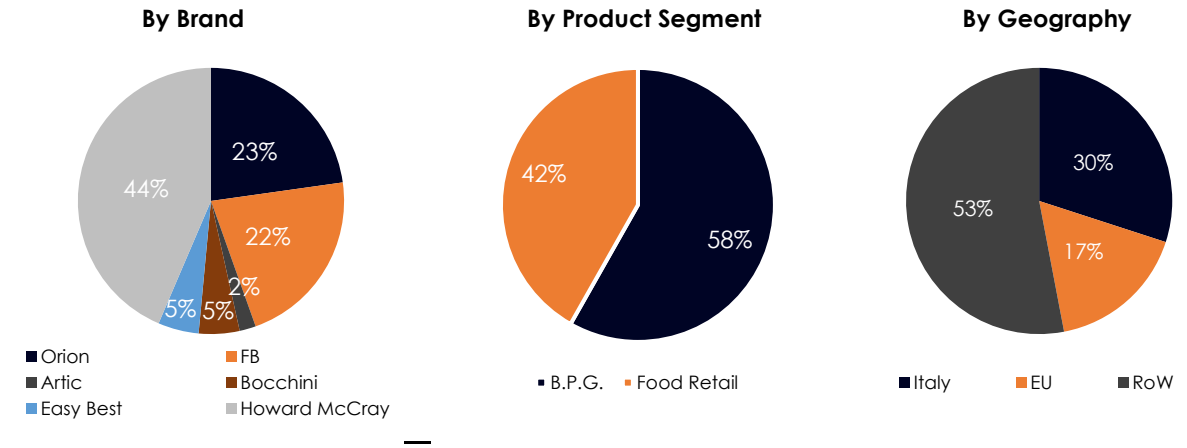
THREATS

- Operational risks related to possible loss of market share in fragmented and more fragmented and more competitive market segments;
- Risks linked to the internationalization process due to, for example, changes in economic, political, fiscal and local regulatory conditions

FINANCIALS

From FY17 to FY19, Clabo's revenues grew at a 19% CAGR mainly driven by M&A, to reach Euro 54.6 m. FY20 was inevitably characterized by a steep slowdown caused by the spread of the COVID-19 pandemic, which severely impacted especially the Ho.Re.Ca. segment. Total revenues, decreased by 35% to Euro 35.7 m after a -45% decrease in the Horeca segment only partially offset by a +9% growth in the Food Small Retail segment which proved to be strongly resilient. However, the results in the first half of 2021 are showing strong recovery with revenues up by +47.8% vs. 1H20 Euro 25.7 m (Euro 17.3 m in 1H20), almost completely closing the gap created in the beginning of the pandemic in 2020, even though somewhat below (18%) 1H19 (Euro 31.5 m).

Revenues Breakdown – FY20



Source: Company Data

Between 2018-2020 sales of FSR segment showed an higher growth rate compared to BPG (Bar, Pastry & Gelato). Due to a smoother competitive pressure, the Horeca segment has a higher profitability compared to the FRS. Europe, while remaining the Group's reference market, will account for "only" half of total revenues in 2020, thanks to strong growth in North America.
The Italian market is the one that shows the most negative trend, partly linked to the macroeconomic context, partly to the strategic choice of no longer intercepting that part of demand that is particularly sensitive to the granting of longer payment terms.
Looking ahead, the areas of North America and the Asian continent seem to be those able to guarantee the highest growth rates. Within the general context of sales represented by the figures provided, it should be noted that the B.P.G. segment saw substantial stability in the markets of Italy, Germany and Greece, which, overall, saw much smaller decreases than the rest of the geographical areas.

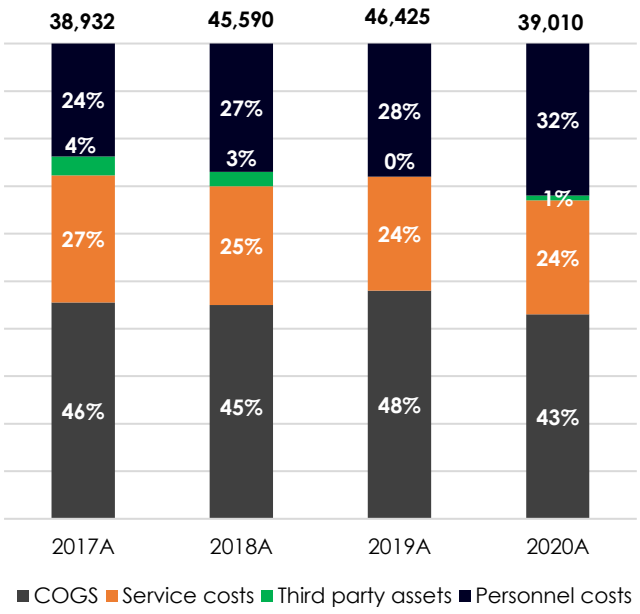
Income Statement – Euro m

	1H21A	1H20A	1H19A	20A	19A	18A
Sales	**25.7**	**18.5**	**28.2**	**33.92**	**49.01**	**44.34**
yoy	*+49%*	*(34%)*	*10%*	*-31%*	*+10%*	*-*
EBITDA	**3.8**	**(3.6)**	**3.7**	**(6,541)**	**6,368**	**6,091**
margin	*14.8%*	*(21%)*	*11.7%*	*-18.3%*	*11.7%*	*11.5%*
EBIT	**1.4**	**(6.1)**	**1.3**	**1,468**	**1,744**	**1,468**
margin	*5.3%*	*(35%)*	*4%*	*-32%*	*3.2%*	*5.2%*
Pre tax profit	**0.4**	**(7.2)**	**0.6**	**(14.6)**	**(0.15)**	**0.3**
Net Profit	**0.6**	**(5.9)**	**0.2**	(10.1)	**0.3**	**0.2**

From revenues to EBITDA.
With the acquisition of HMC in 2018, the cost structure saw a slight shift as the acquired company's lower profitability (higher weight of raw material and personnel costs) was more than offset by a structural increase in profitability following the investments made in production efficiency over the last years. Overall, raw material (47% of total revenues in FY20) is by far the most important cost item, followed by personnel (34.7%), and services costs (26.3%). In FY20, despite a tight policy of cost containment, the lower sales volumes drastically reduced margins as the weight of fixed costs increased.

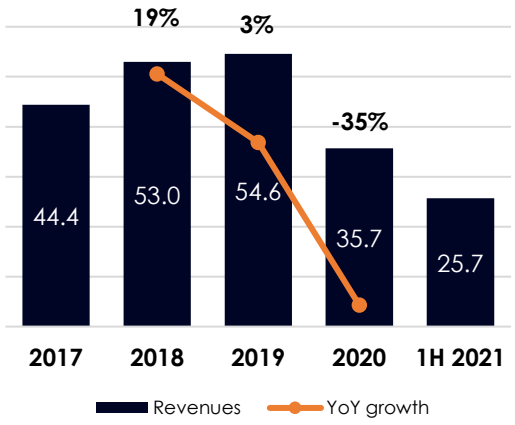
Considering the above, EBITDA margin increased over the period considered from 10.6% in FY17 to 11.7% in FY19 reaching Euro 6.3 m. In 1H21, EBITDA came in at Euro 3.8 m, recording a record high EBITDA margin of 14.8% with an increase not only vs. the negative result of FY20 (- Euro 6.5 m) but also vs. 1H19 (Euro 3.7 m), thanks to the effectiveness of Management's cost containment strategies.

Costs breakdown – Euro k

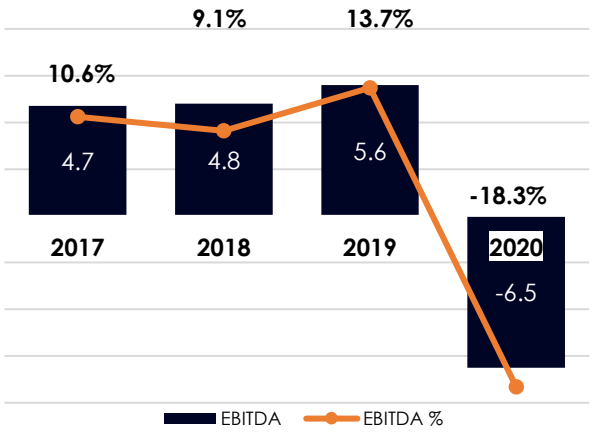


In FY20, after D&As of Euro 4.9 m (of which Euro m amortization), and Euro 2.1 m of financial charges the net result in FY20 was negative of Euro10.1m (vs. FY19 + 0.3 m).

Revenue evolution – Euro m



EBITDA evolution– Euro m

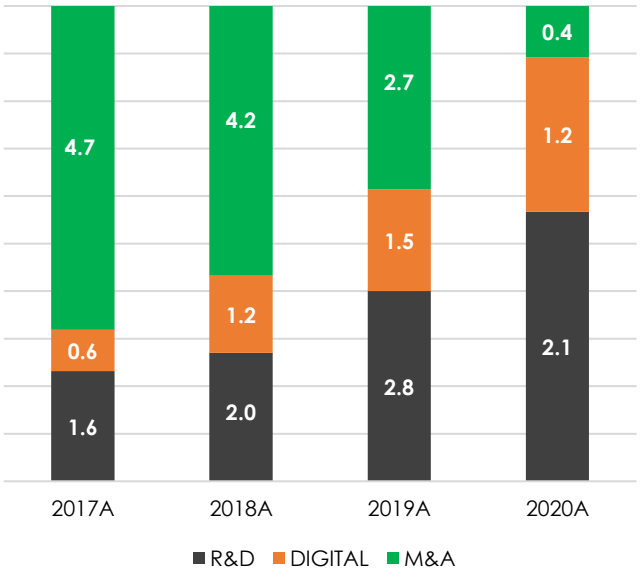


Source: Company Presentation

Balance Sheet – Euro m

	1H21	1H20	1H19	20A	19A	18A
Net Working Capital (NWC)	6.0	7.2	8.6	3.8	10.8	8.1
Fixed net assets	43.9	43.5	42.5	44.9	42.8	40.8
Funds	(7.0)	(6.7)	(7.08)	(4.0)	(6.0)	(7.2)
Net Capital Employed	**45.1**	**44.9**	**44.6**	**44.7**	**47.6**	**41.8**
Net Financial Position (Cash)	37.2	32.6	26.5	37.5	29.4	23.9
Total Equity	7.9	12.3	18.1	7.2	18.2	17.9
Sources	**45.1**	**44.9**	**44.6**	**44.7**	**47.6**	**41.8**

At the end of FY20 Fixed assets stood at Euro 44.9 m of which Euro 33.0 m (77%) related to intangible assets and in particular to fair value proprietary brands, for the most part, and to R&D expenses (almost 22%). In FY17-20 the Group made total investments of c. Euro 25 m of which Euro 12.0 m in M&A (Easy Best and HMC), Euro 8.5 m in R&D resulting in the launch of 5 new product lines and Euro 4.4 m in Digital.



Net Working Capital Focus – Euro m

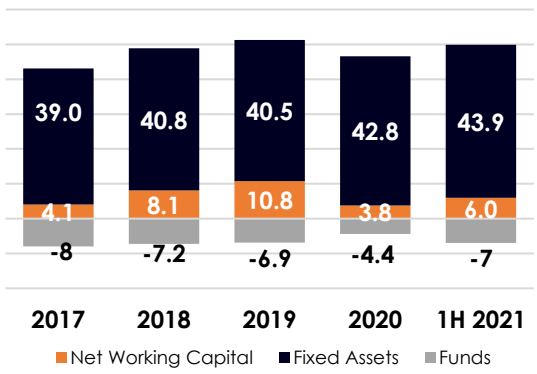
	1H21	1H20	1H19	20A	19A	18A
Account Receivables	26.2	28.2	32.6	23.4	32.3	30.39
Account Payables	(12.9)	(15.2)	(17.8)	(12.7)	(17.3)	(17.6)
Operating Working Capital	**13**	**13**	**14.5**	**10.7**	**15**	**12.8**
Other Current Assets	3.8	3.4	3.7	3.3	4.1	3.1
Other Current Liabilities	(11.2)	(9.1)	(9.5)	(10.12)	(8.3)	(7.7)
Net Working Capital	**6.0**	**7.2**	**8.6**	**3.8**	**10.8**	**8.1**

Net Working Capital at the end of FY 20 stood at Euro 3.8 m, with Commercial Working Capital of Euro 10.7 dropping from Euro 15.0 m in FY19 due to the lower sales volumes. Other receivables/payables were mainly related to tax/social security institutions (liabilities) and current receivables due from parent companies and other group companies.

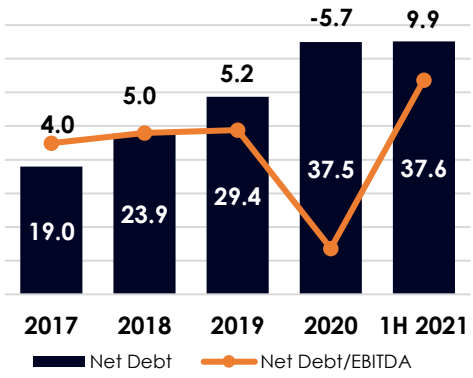
As of FY20, Net Debt stood at Euro 35.4 m, while Total Equity came in at Euro 7.2 m (including Euro 1.1 m of minorities). At the end of June 2021, Net Debt was up slightly to Euro 37.6 m

	20A	19A	Variation
Cash & Cash Equivalents	**3.284**	**2.399**	**885**
Current payables to ordinary credit institutions	4.859	7.662	(2.803)
Current portion of medium/long-term payables due to ordinary credit institutions	**1.938**	**2.528**	**12.8**
Current portion of medium/long-term payables due to bond-holders	4.958	1.529	3.1
Current portion of medium/long-term payables due to other lenders	0.714	0.730	(7.7)
Total short-term operating payables	**12.469**	**12.449**	**8.1**
M/L-term payables due to ordinary credit institutions	5.027	2.748	2.279
M/L-term payables due to other lenders	16.698	1.520	15.178
Bond loans	0	8.888	(8.888)
Total medium/long-term operating payables	**21.725**	**13.156**	**8.569**
Total operating NFP	**30.910**	**23.206**	**7.704**
Simest capital contribution Clabo Holding USA	1.763	1.763	0
Simest capital contribution Clabo Pacific	2.107	2.107	0
Exercise of put option	0.614	0	0.614
Total NFP (excluding IFRS 16)	**35.394**	**27.076**	**8.318**
IFRS 16 effects	2.146	2.287	(0.141)
Total NFP	**37.540**	**29.363**	**8.177**

Asset evolution – Euro m



Net Debt (Cash) evolution – Euro m



Source: Group data

	1H21	1H20	Change %	1H19
Revenues	25.7	17.3	*+47.8%*	31.5
EBITDA	3.8	-3.6	*n.m.*	3.7
EBITDA %	*14.8%*	*-21%*		*11.7%*

Source: Company Data – Unaudited Results

Finally, the Group as a whole is registering an order backlog with an average marginality of 37.5%, back to pre-COVID levels, thanks to a good volume of orders particularly in North America and Europe.

Group Revenues Overview – 1H21

	1H21	Backlog	Total
Clabo	13.5	3.6	17.1
Howard McCray	8.5	6.7	15.2
Easy Best	1.5	0.4	1.9
Total Net Sales	**23.5**	**10.6**	**34.2**
Other Revenues	2.2	1.0	3.2
Total Revenues	**25.7**	**11.7**	**37.4**

ESTIMATES

During the first 8 months of 2021, the Group recorded a significant increase in orders compared not only the same period in 2020, but also compared to the first 8 months of 2019.

In EUR/000	01/01-31/08/2021	01/01-31/08/2021	21 vs. 20 %	01/01-31/08/2019	'21 vs. 19 %
Aggregated Net Sales	31.624	24.312	29%	32.371	-3%
Confirmed Orders	33.802	25.248	34%	30.886	9%

Source: Company Data – Unaudited Results

The positive trend in orders has allowed Clabo to exceed pre-pandemic 2019 monthly revenue levels as early as July 2021. Contribution margins on sales are in line with budgeted levels despite persistent procurement difficulties due to raw material shortages caused by high global demand. The careful management of overheads is allowing the group to recover profitability levels even better than pre-Covid19.
The management is confident that, as already communicated, it will be able to achieve the consolidated revenue target of between EUR 45 and 47 million. The current conditions of uncertainty regarding the exit from the health emergency phase do not allow management to update the industrial plan definitively.

The Group's three factories worked at full capacity in March, with extended working hours and some Saturdays in Italy and China. Lead times were extended, especially at the US plant, as a result of the high volume of orders placed in February and March.
Contribution margins on sales are in line with budget and the reduction in fixed overheads in January and February are also in line with expectations. Sales conditions returned to normal and no special discounts were applied in excess of those applied in the pre-pandemic periods.

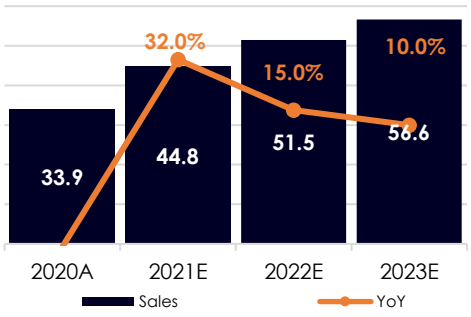
Given the above our outlook for Clabo remains positive. We believe that the second half of the year can benefit from the resuming of the trade fair activities which in the industry represent a very important sales moment, and hopefully also from a recovery in revenues from tourist driven locations. Management highlighted that it looks optimistically at 2021 and, although not providing any guidance for FY21, confirmed positive closing forecasts for the year.
In the 2021-2023 period, we forecast a revenue CAGR of +12% with revenues reaching Euro 56.6 m in FY23.
The Company should hence continue to perform above expected market growth rates as it is well positioned to compete in the market thanks to its high level of professional expertise and geographical presence, key growth drivers in this market. Other assumptions to our estimates are:

- EBITDA should grow at a 2021-2023 CAGR of +13% and an increase in EBITDA margin by 100 bps, thanks to operational leverage (fixed costs spread over higher sales volumes) and a better business mix;
- Total Capex over the 3-year period of Euro 3.0 m mainly related to the R&D (industrializations, new products and software/hardware implementations);
- Our estimates do not include any M&A activity although this remains a strategic growth pillar for Management.

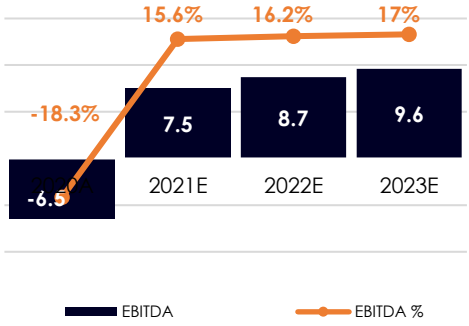
Income Statement estimates – Euro m

	1H21A	1H20A	1H19A	20A	19A	18A
Sales	**25.8**	**18.5**	**28.2**	**33.92**	**49.01**	**44.34**
yoy	*+49%*	*(34%)*	*10%*	*-31%*	*+10%*	*-*
EBITDA	**3.8**	**(3.6)**	**3.7**	**(6,541)**	**6,368**	**6,091**
margin	*14.5%*	*(21%)*	*11.7%*	*-18.3%*	*11.7%*	*11.5%*
EBIT	**1.4**	**(6.1)**	**1.3**	**1,468**	**1,744**	**1,468**
margin	*5.3%*	*(35%)*	*4%*	*-32%*	*3.2%*	*5.2%*
Pre tax profit	**0.4**	**(7.2)**	**0.6**	**(14.6)**	**(0.15)**	**0.3**
Net Profit	**0.6**	**(5.9)**	**0.2**	(10.1)	**0.3**	**0.2**

Revenues evolution – Euro m



EBITDA – Euro m



VALUATION

Multiples Comparison

We chose a peer group made up of 6 international industry players for our multiple analysis. We have summarized the main characteristics of the peers in the table below. As can be seen the sizes of the selected companies vary from Euro 152 m to Euro 244 b; to account for the larger size and higher liquidity of peers we applied a 25% discount on Clabo's enterprise value to obtain our valuation.

Companies	Country	Market Cap	Price	Sales 2021E	Sales YoY 21/20	EBITDA % 2021E	NI % 2021E
Carel Industries SpA	Italy	2,310	23.1	407	23%	21%	12%
Indel B SpA	Italy	154	26.4	172	38%	16%	12%
LU-VE	Italy	465	20.9	463	16%	11%	4%
Luxfer Holdings PLC	US	484	17.4	317	18%	17%	10%
Munters Group AB	Sweden	1,284	7.0	708	2%	16%	8%
Piovan SpA	Italy	477	8.9	279	24%	15%	9%
Average		**862**		**391**	**20%**	**16%**	**9%**
CLABO	**ITA**	**26.04**	**2.8**	**44,780**	**32%**	**16%**	**7%**

Factset Data and IR Top estimates for CLABO

Companies	EV/EBITDA			EV/EBIT			P/E		
	20A	21E	22E	20A	21E	22E	20A	21E	22E
Carel Industries SpA	30.4	n.a.	n.a.	42.3	n.a.	n.a.	65.9	46.7	43.6
Indel B SpA	9.2	6.1	6.2	15.8	8.5	8.8	15.5	11.9	9.9
LU-VE	9.6	10.5	9.1	23.6	20.7	16.7	36.3	23.2	18.2
Luxfer Holdings PLC	9.7	10.0	8.8	16.9	16.2	11.6	19.7	16.1	13.8
Munters Group AB	16.7	12.7	10.9	22.1	16.8	14.0	22.6	21.1	17.7
Piovan SpA	7.7	10.5	9.2	9.5	12.5	11.3	27.0	18.9	16.5
Average	**13.6**	**10.0**	**8.8**	**21.2**	**15.1**	**12.6**	**31.6**	**23.3**	**20.0**
CLABO	**9.4**	**8.4**	**7.3**	**97.9**	**20.2**	**13.7**	**193.85**	**18.70**	**16.7**
Premium/Discount to Peers	*-31%*	*-16%*	*-18%*	*362%*	*34%*	*8%*	*513%*	*-19%*	*-16%*

Group Description

Clabo S.p.a., is the operative holding of a world leading Group in the design, production and commercialization of high-end refrigerated (and hot) showcases for the Ho.Re.Ca. and food small retail industry, with a particular focus on the ice cream and pastry segments. With a market share exceeding 30% on its core business (ice cream showcases), a strong presence in all the main markets such as Italy, Germany, Spain and more than 20 patents related to the refrigeration technology (including the design and use of new innovative materials), the Company has been able to reach revenues of Euro 35.8 m in FY20 (-34.2% vs FY19).

Innovation

Founded in 2001 in Jesi (AN), Clabo listed on the AIM Italia market on March 26th, 2015 and has been included since March 2017 in the Register of "Innovative SMEs" (Italian Legislative Decree no. 33 of March 24th, 2015, "Investment Compact") thanks to its strong focus on innovation. The Company dedicates an high level of focus to Research and Development of new products, having invested approx. Euro 4 m in the last three years in this activity, which is considered a key strategic pillar of Clabo's success. These activities are entirely carried out by the Company's R&D offices in Italy, China and US, which have granted a continuous technological and aesthetic development of each product.

Products

CLABO distributes its products under 6 proprietary brands, each specific for a geographical market or sector.
Clabo's products are characterised by **high technological content** thanks to the high quality of materials used (i.e. reducing the risk of fogging) and **innovative design** that, in addition to its primary function (to store), also makes them important furnishing items.
The Company offers a very extensive product range including over 1,100 models available in several versions

Strategy

Accelerate the path of organic growth based on 3 strategic guidelines.

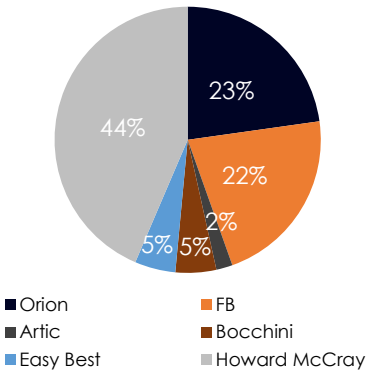
- "Make Strategy", focused on upgrading production and automate processes
- Cross Selling both across companies and geographical markets, thanks to the US and China subsidiaries
- Structural costs reduction, with the renegotiation of some contracts and the internalization of expensive services

Management

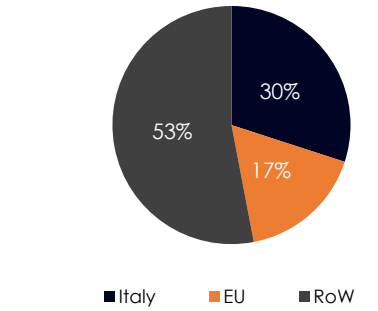
Board of directors of 3 members of which 1 independent:

- Pierluigi Bocchini - Chairman
- Alessandro Bocchini – CEO and Vice-Chairman

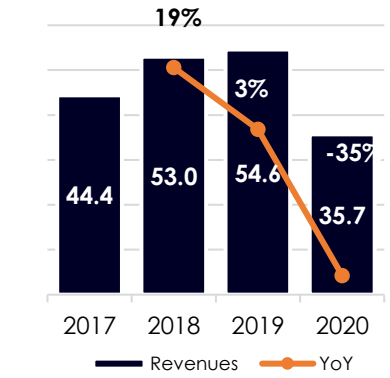
Revenues breakdown by brand



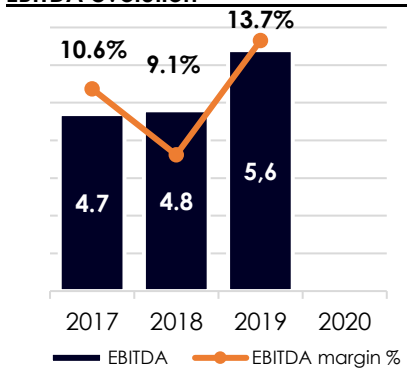
Revenues breakdown by geography



Revenues evolution



EBITDA evolution



Group Structure



CLABO ON AIM

IPO
Date: March 31st, 2015
Capital raised: Euro 7.4 m
Price: Euro 2.7
Capitalisation: Euro 20.9 m

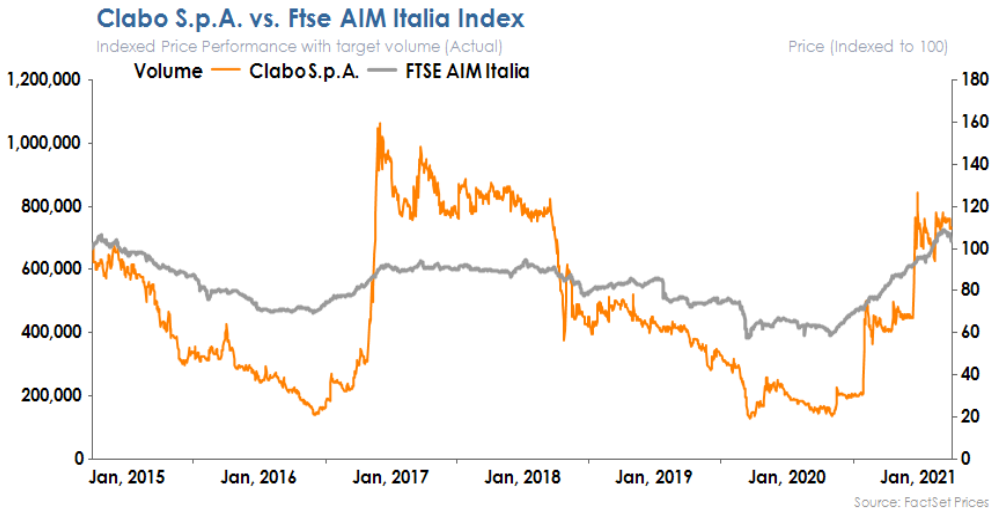
SHARES *(as of September 29th, 2021)*

Bloomberg: CLA:IM
Reuters: CLA.MI
ISIN: IT0005091324
Shares: 8,459,775
Price: 2,86 Eur
Performance from IPO: +4%
Capitalisation: Euro 26.039.370 m
Free Float: 37.73%
NomAd: EnVent Capital Markets Ltd
Specialist: MIT Sim

OWNERSHIP

Shareholder	n. of shares	%
Cla.Bo.Fin Srl	5,791,050	62.27%
Market	3,508,725	37.73%
Total	**9,299,775**	**100.00%**

STOCK PERFORMANCE



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Date	Target Price	Market Price	Validity Time
October 4th 2021	3.80	2.80	12 months
October 3rd, 2019	2.68	1.50	12 months
April 4th 2019	3.13	1.93	12 months

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RESEARCH TEAM:
Edoardo Fumagalli, (Analyst)
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