



**Investments and strategies in progress and significant increase in margins**

**Sector: Producer Manufacturing**

**1H23 sales achieved Euro 32.8 m (+20% YoY), with an important increase in marginality.**

Clabo SpA, 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, recently reported solid and growing 1H23 results. The Company continued to grow its VoP, reaching Euro 33.6 m, up 9,6% YoY, more in detail, Clabo ended the first semester with Sales at Euro 32.8 m, up 20% YoY, thanks to strategic choices that enabled the Company to defend itself against tensions in the logistics market and inflation trends.

The Sales increase was mainly driven by a major growth of Food retail segment standing at Euro 16.4 m and marking +39% vs 1H22. Instead, the BPG (pastry, bar ice-cream shop) segment continued its growth and stood at Euro 16.4 m, (+5.5% vs 1H22) reflecting the general recovery of the Ho.Re.Ca. market.

Geographically, Sales are growing back, after the pandemic period, in almost all macro regions; in particular the first sales market for the company continues to be the US, that stood at Euro 16.3 m (+36,6% vs 1H22); European market showed signs of re-growth, standing at Euro 5.9 m and making +21.6% vs 1H22. Generally, Net sales made in the US represent 50% of the company's total sales.

The Company reported an EBITDA *Adjusted* improvement, both in absolute and relative terms, with a growth of 55% YoY reaching Euro 5.1 m with an EBITDA Margin of 15,2%. The increase is mainly due to the improvement of the industrial margins as a result of the investments that have been made in the last years in new implants and machinery and to the productive reorganization of the Italian and American factories. Net result up to Euro 0.58, showed an improvement over the first semester 2022 (Euro -0.4 m)

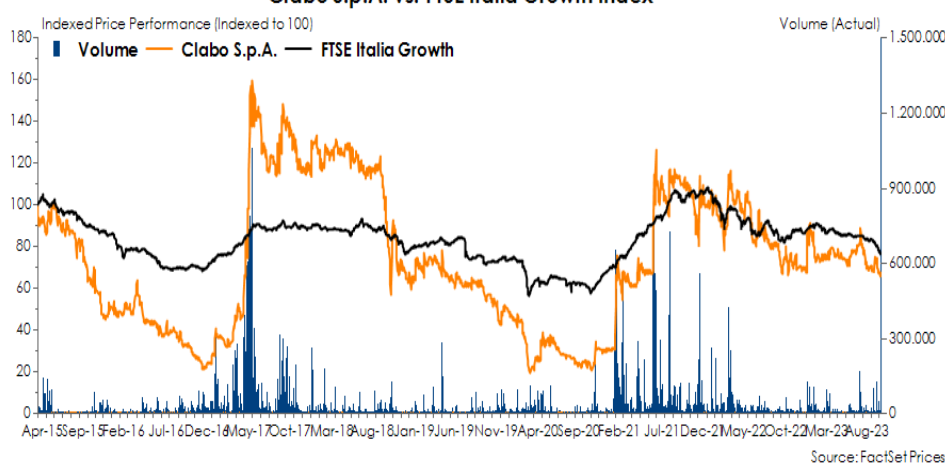
Finally, the Net Debt "normalized" (excluding IFRS16 effects) stood at Euro 35.6 m, slightly improvement over 31 December 2022 (Euro 40.5 m), generated by operating activities improved markedly; at the end of the first semester stood at Euro 2.3 m vs - 0.184 m accounted in the 1H22. Net Debt "reported" stood at Euro 43.9 m.

Based on the orders already confirmed in August, up 21.6% year-on-year, management is confident of achieving net sales of between EUR 60-62 m by the end of 2023.

**Estimates revision and TP update**

In accordance with the above, we have decided to revise our revenue estimates, confirming the growth path the Company has embarked on. We now expect sales growth of 17% in FY23 (11% previously) in line with the Management's statement; By updating our valuation model based on DCF and multiples for the new estimates and updated market data, we obtain a target price of EUR 4.55 p.s. (EUR 4.38 p.s. previously), with a potential upside of 169%. At our TP the stock would trade at EV/EBITDA multiples for FY23-24 of 9.0x and 7.8x.

**Clabo S.p.A. vs. FTSE Italia Growth Index**



**Target Price 4.52 (Eur 4.38 pr.)**

Price (€ m) **1.68**

Market Cap (€ m) **16.0**

EV (€ m) **59.86**

**As of 4<sup>th</sup> October 2023**

**Share Data**

Market	Euronext Growth Milan
Reuters/Bloomberg	CLA.MI/CLA:IM
ISIN	IT0005091324
N. of Shares	9,524,494
Free Float	38.41%
Main Shareholder	Cla.Bo.Fin S.r.l

**Financials**

	2022A	2023E	2024E	2025E
<b>Sales</b>	<b>51.4</b>	<b>60.2</b>	<b>67.4</b>	<b>72.8</b>
YoY %	+16%	+17%	+12%	+8%
<b>EBITDA</b>	<b>8.7</b>	<b>9.7</b>	<b>11.2</b>	<b>12.3</b>
EBITDA %	15%	14,3%	14,8%	15,3%
<b>EBIT</b>	<b>3.7</b>	<b>5.4</b>	<b>6.5</b>	<b>7.4</b>
EBIT %	6%	7,9%	8,6%	9,3%
<b>Net Income</b>	<b>0.9</b>	<b>2.5</b>	<b>3.4</b>	<b>4.1</b>
<b>Net Debt</b>	<b>40.5</b>	<b>43.3</b>	<b>41.9</b>	<b>36.3</b>

**Performance**

	1M	3M	6M
Absolute %	-3.5	-15.8	-16.4
Relative (FTSE Italia Growth)	5.5	-6.1	-3.1
52-week High/Low (Eu)	2.46	/	1.67

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## KEY FINANCIALS

Profit&Loss Statement	2021A	2022A	2023E	2024E	2025E
Sales	44,2	51,4	60,2	67,4	72,8
Revenues (VoP)	50,8	59,3	68,0	75,5	80,1
EBITDA	6,0	8,7	9,7	11,2	12,2
EBIT	0,9	3,7	4,6	5,7	6,4
Financial Income (charges)	(2,4)	(2,6)	(2,5)	(2,6)	(2,3)
Pre-tax profit (loss)	(1,5)	1,1	2,0	3,1	4,0
Taxes	0,6	(0,2)	(0,6)	(0,7)	(0,9)
Net profit (loss)	(0,9)	0,9	1,4	2,4	3,1
<b>Balance Sheet</b>					
Net working capital (NWC)	5,8	7,6	12,0	14,7	15,4
Net fixed assets	47,5	48,4	47,9	46,1	42,8
M/L Funds	(3,9)	(4,6)	(4,2)	(4,1)	(4,0)
Net Capital Employed	49,3	51,4	55,7	56,7	54,2
Net Debt (Cash)	40,5	40,5	43,3	41,9	36,3
Net Equity	8,9	10,9	12,3	14,8	17,9
<b>Cash Flow</b>					
EBIT	0,9	3,7	4,6	5,7	6,4
D&A	5,1	5,0	5,1	5,5	5,9
Tax	0,6	(0,2)	(0,6)	(0,7)	(0,9)
Change in M/L Funds	(0,1)	0,7	(0,4)	(0,1)	(0,1)
Gross Cash Flow	6,5	9,2	8,7	10,4	11,2
Change in NWC	(4,0)	(0,5)	(1,9)	(3,0)	(1,2)
Change in other current asset	2,1	(1,3)	(2,4)	0,3	0,4
Operating Cash Flow	4,6	7,4	4,4	7,7	10,5
Capex	(7,7)	(5,8)	(4,5)	(3,7)	(2,5)
Acquisitions	0,0	0,0	0,0	0,0	0,0
Change in other non-current asset	(0,0)	0,0	0,2	0,0	0,0
Financial Income (charges)	(2,4)	(2,6)	(2,5)	(2,6)	(2,3)
Free Cash Flow	(5,5)	(1,0)	(2,5)	1,4	5,6
Dividend	0,0	0,0	0,0	0,0	0,0
Change in Equity	2,6	1,1	0,0	0,0	0,0
Change in Net debt (Cash)	(3,0)	0,2	(2,5)	1,4	5,6
<b>Check</b>					
<b>Per Share Data</b>					
Current Price	€1,68				
Total shares (mn)	9,5				
EPS	(0,15)	0,05	0,07	0,13	0,16
DPS	0,00	0,00	0,00	0,00	0,00
FCF	(5,55)	(0,98)	(2,47)	1,44	5,58
Pay out ratio	0%	0%	0%	0%	0%
<b>Ratios</b>					
EBITDA margin	11,8%	14,7%	14,3%	14,8%	15,3%
EBIT margin	1,7%	6,3%	6,7%	7,5%	8,0%
Net Debt/Equity (Gearing)	457,1%	372,2%	351,4%	283,6%	203,2%
Net Debt/EBITDA	6,74	4,64	4,47	3,75	2,96
Interest cover EBIT	0,36	1,44	1,81	2,22	2,71
ROE	0,0%	0,0%	0,0%	0,0%	0,0%
ROCE	0,5%	7,7%	9,3%	11,3%	13,5%
Free Cash Flow Yield	-330,1%	-58,3%	-147,3%	85,5%	332,2%
<b>Growth Rates</b>					
Sales	30%	16%	17%	12%	8%
Revenues (VoP)	42%	17%	15%	11%	6%
EBITDA	192%	45%	11%	15%	10%
EBIT	108%	320%	23%	25%	12%

Source: Group Consolidated Data & PMI Capital Research Estimates

### Key Financials 1H23

Euro m	1H23A	1H22A	1H21A	2022A	2021A
<b>Sales</b>	<b>32.8</b>	<b>27.4</b>	<b>22.8</b>	<b>51.4</b>	<b>44.2</b>
YoY	20%	49%	30%	16%	-31%
<b>EBITDA</b>	<b>5.1</b>	<b>3.3</b>	<b>3.7</b>	<b>8.7</b>	<b>6.0</b>
% on sales	15,2%	15%	12%	12%	-18%
<b>EBIT</b>	<b>2.3</b>	<b>0.8</b>	<b>1.4</b>	<b>3.7</b>	<b>0.9</b>
% on sales	7%	5%	1,7%	6%	-32%
<b>Pre-tax Result</b>	<b>0.7</b>	<b>(0.4)</b>	<b>0.4</b>	<b>1.1</b>	<b>(1.5)</b>
<b>Group's Net results</b>	<b>0.6</b>	<b>(0.37)</b>	<b>0.6</b>	<b>0.9</b>	<b>(0.9)</b>
Net Working Capital	9.4	8.4	6.0	7.6	5.8
Fixed net assets	47.6	48.0	43.9	48.4	47.5
Funds	(2.5)	(2.8)	(7.0)	(4.6)	(3.9)
<b>Net Capital Employed</b>	<b>54.5</b>	<b>53.7</b>	<b>45.1</b>	<b>51.4</b>	<b>49.3</b>
Net Debt (Cash)	43.9	44.2	37.2	40.5	40.5
Group's Equity	10.6	9.5	7.9	32.5	8.9
<b>Sources</b>	<b>54.5</b>	<b>53.7</b>	<b>45.1</b>	<b>44.1</b>	<b>49.3</b>

Source: Group Data

### Estimate revision – Euro m

	2022A	2023 Old	2023E New	2024E Old	2024E New	2025E New
<b>Sales</b>	<b>51.4</b>	<b>57.1</b>	<b>60.1</b>	<b>62.8</b>	<b>67.4</b>	<b>72.8</b>
<b>Revenues (VoP)</b>	<b>59.3</b>	<b>64.5</b>	<b>67.9</b>	<b>70.3</b>	<b>75.5</b>	<b>80.1</b>
yoy	+5%	+9%	+14,6%	+9%	+11%	+6,1%
<b>EBITDA</b>	<b>8.7</b>	<b>9.2</b>	<b>9.7</b>	<b>10.4</b>	<b>11.2</b>	<b>12.2</b>
Margin	+15%	+14%	14,3%	15%	14,8%	15,3%
<b>EBIT</b>	<b>3.7</b>	<b>4.9</b>	<b>5.4</b>	<b>5.8</b>	<b>6.5</b>	<b>7.4</b>
Margin	6%	+8%	7,9%	8%	8,6%	9,3%
<b>Net Profit</b>	<b>0.9</b>	<b>1.9</b>	<b>2.5</b>	<b>2.7</b>	<b>3.4</b>	<b>4.1</b>

	2022 A	2023 Old	2023 New	2024E Old	2024E New	2025E New
Net Working Capital (NWC)	7.6	11.5	11.9	13.7	14.6	15.4
Fixed net assets	48.4	42.9	47.9	42.9	46.1	42.8
Funds	(4.6)	(4.2)	(4.2)	(4.1)	(4.1)	(4.0)
<b>Net Capital Employed</b>	<b>51.4</b>	<b>50.2</b>	<b>55.6</b>	<b>52.4</b>	<b>56.7</b>	<b>54.1</b>
Net Financial Position (Cash)	40.5	37.4	43.3	36.8	41.9	36.3
Total Equity	10.9	12.8	12.3	15.6	14.7	17.8
<b>Sources</b>	<b>51.4</b>	<b>50.2</b>	<b>55.7</b>	<b>52.4</b>	<b>56.6</b>	<b>54.1</b>

Source: Company Data and PMI Capital Research Estimates

## INDUSTRY COMPARISON

**CLABO Spa (CLABO-IT):** PMI Capital Research estimates and Factset Data

**EGM Sector:** average data for listed on EGM included in the Producer Manufacturing sub sector: ATON Green Storage, Clabo, Cofle, Esautomotion, Fervi, Gel, Gibus, Ilpra, Jonix, Marzocchi Pompe, Nusco, Omer, OSAI Automation System, Racing Force Group, Sciuker Frames, Tenax International, Vimi Fasteners

**Industry Peers:** average data for a selected group industrial peers (see tables above for details)

**Euronext Growth Milan:** average financial and market data for all the companies listed on EGM, reported price performance data are related to the FTSE Italia Growth Index.

	CLABO-IT	Producer Manufacturing		XS0072
	Clabo	EGM Sector	Peers Avg	FTSE Italia Growth
<b>Key Financials</b>				
Revenues	51,4	55,5	542	35,7
EBITDA	8,7	10,9	73	5,8
EBITDA %	16,9%	19,7%	13,5%	16,3%
EBIT	3,7	8,0	55	2,5
EBIT %	7,2%	14,5%	10,1%	7,1%
Earnings	0,9	4,9	41	1,5
Earnings %	1,8%	8,8%	7,6%	4,3%
Net Debt	40,5	7,2	139	3,8
ND/EBITDA	4,7	0,7	1,9	0,7
FY21-23 Revenues CAGR	24%	21%	23%	26%
FY22-24 Revenues CAGR	21%	10%	11%	17%
FY21-23 Earnings CAGR	n.m	11%	18%	57%
FY22-24 Earnings CAGR	94%	18%	17%	50%
<b>Market Data</b>				
Market Cap	16,0	36,6	950	38,2
EV	59,9	38,1	1.055	43,5
Free Float	38,41%	25,6%	34,9%	34%
ADTT YTD (Eu k)	251	31,30	783	46
<b>Market Multiples</b>				
EV/Sales 2022	1,2	1,1	1,8	1,6
EV/Sales 2023	0,9	1,0	1,2	1,3
EV/Sales 2024	10,0	0,9	1,1	1,3
EV/EBITDA 2022	6,9	6,6	11,7	17,7
EV/EBITDA 2023	6,2	8,4	9,9	9,6
EV/EBITDA 2024	5,4	5,2	8,6	6,5
EV/EBIT 2022	16,2	10,7	17,8	28,1
EV/EBIT 2023	11,1	9,4	11,4	13,9
EV/EBIT 2024	9,2	8,2	9,8	15,5
P/E 2022	66,6	16,8	19,3	34,8
P/E 2023	24,0	24,6	16,1	22,8
P/E 2024	17,6	13,6	13,7	19,9
Earnings Yield	1,5%	5,9%	5,2%	2,9%
<b>Stock Performance</b>				
1D	-2,0%	-0,3%	-1%	-0,5%
1W	-6,1%	-5,7%	-1%	-4,5%
1M	-3,4%	-10,1%	-6%	-8,5%
3M	-15,8%	-12,5%	-11%	-10,3%
6M	-16,4%	-14,2%	-8%	-13,7%
YTD	12,4%	-13,5%	-2%	1,0%
1Y	-5,6%	-5,9%	8%	-9,4%

Source: FactSet and PMI Capital data as of 4<sup>th</sup> October 2023, Group data and PMI Capital Research estimates for CLABO

## VALUATION UPDATE

Based on our updated estimates and peers' multiple re-rating since our last update in May 2023, we set a new target price of Euro 4.52 p.s. (4.38 pr.) providing for an upside on the current stock price of 169%. Our valuation was obtained by weighing equally the DCF and the multiple comparison analysis.

### Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA 23/25 and Peers	50%	2.66	27.5
DCF (WACC 7.0% and g 1.0%)	50%	6.39	66.1
<b>Target Price</b>	<b>100%</b>	<b>4.52</b>	<b>46.86</b>

Source: PMI Capital Research Estimates

DCF Valuation			
Euro m			
WACC	7,0%		
g	1,0%		
Sum of PV 2023-26 FCFs	14.28	11%	
Discounted terminal value	100.1	89%	
<b>Enterprise Value</b>	<b>112.4</b>		
Net Debt (1H23)	43.86		
Minorities	2.38		
<b>Equity Value</b>	<b>66.19</b>		
N. of outstanding shares (m)	10,364.49		
<b>Fair Value p.s.</b>	<b>6.39</b>		

Source: PMI Capital Research Estimates

### Multiples Comparison

Following our peers and comparable analysis, we evaluated the company by using the 2023E-25E EV/EBITDA of the peers considered, both International and Italian (with a specific EGM's panel).

Companies	Sales YoY 23/22	EBITDA % 2023E	NI % 2023E	2022A-2025E CAGR	
				Sales	EBITDA
Carel Industries SpA	21%	21%	11%	14%	16%
Indel B SpA	1%	14%	7%	2%	6%
LU-VE	2%	13%	5%	6%	9%
Luxfer Holdings PLC	1%	13%	6%	-1%	-3%
Munters Group AB	26%	15%	7%	14%	26%
Piovan SpA	10%	13%	8%	6%	13%
<b>Average</b>	<b>10%</b>	<b>15%</b>	<b>7%</b>	<b>7%</b>	<b>11%</b>
<b>CLABO</b>	<b>17%</b>	<b>14%</b>	<b>2%</b>	<b>12%</b>	<b>12%</b>

Source: FactSet data as of 4<sup>th</sup> October 2023 and PMI Capital Research Estimates for CLABO

Companies	EV/EBITDA		
	23E	24E	25E
Carel Industries SpA	16,5	14,5	12,9
Indel B SpA	4,9	4,6	4,2
LU-VE	7,9	7,0	6,2
Luxfer Holdings PLC	8,7	7,8	n.a.
Munters Group AB	13,9	11,0	10,7
Piovan SpA	7,3	6,7	6,2
<b>Average</b>	<b>9,9</b>	<b>8,6</b>	<b>8,0</b>
<b>CLABO</b>	<b>6,2</b>	<b>5,4</b>	<b>4,9</b>
<b>Premium/Discount to Peers</b>	<b>-37%</b>	<b>-38%</b>	<b>-39%</b>

Source: FactSet data as of 4<sup>th</sup> October 2023 and PMI Capital Research Estimates for CLABO

## CLABO IN BRIEF

### 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 reached revenues of Euro 32.8 m in 1H23 (+20% vs 1H22).

### Innovation

Founded in 2001 in Jesi (AN), Clabo listed on the AIM Italia market on March 26<sup>th</sup>, 2015 and has been included since March 2017 in the Register of "Innovative SMEs" (Italian Legislative Decree no. 33 of March 24<sup>th</sup>, 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.

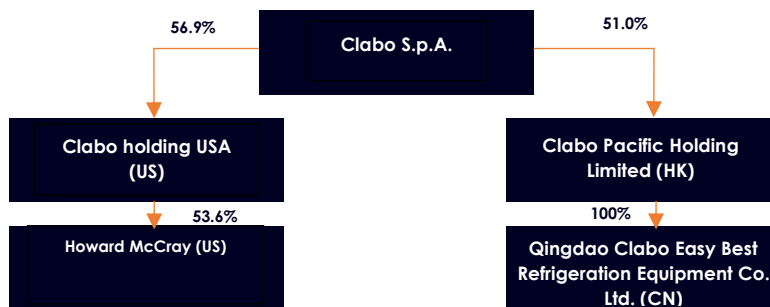
- "Make Strategy", focused on upgrading production and automate processes.
- Cross Selling both across companies and geographical markets, thanks to the US and China subsidiaries
- Structural costs reduction, with the renegotiation of some contracts and the internalization of expensive services

### Management

Board of directors of 3 members of which 1 independent:

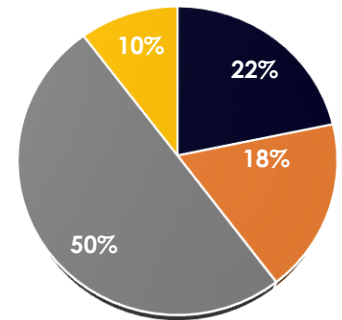
- Pierluigi Bocchini - Chairman
- Alessandro Bocchini – CEO and Vice-Chairman
- Claudio Marcantognini – Board member

### Group Structure



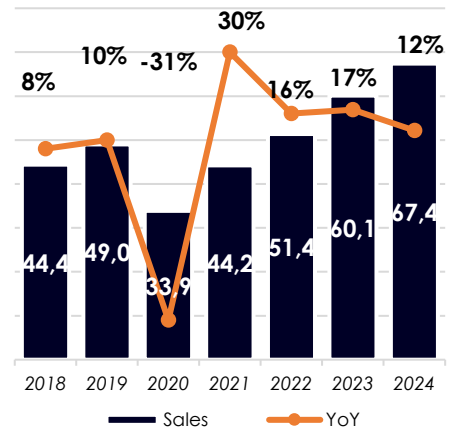
Source: Group Data

### Revenues breakdown by geography



■ Italy ■ UE ■ USA ■ Rest of the World

### Revenues evolution



## CLABO ON Euronext GROWTH MILAN

### IPO

Trading Market: Euronext Growth Milan

Date: February 20<sup>th</sup>, 2019

Price: Euro 3,42

Capital raised: Euro 4,1 m

Capitalisation: Euro 22,11 m

### SHARES (as of 4<sup>th</sup> October 2022)

Code: CLABO

Bloomberg: CLA:IM

Reuters: CLA.MI

ISIN: IT0005091324

Shares: 9,524,494

Price: Euro 1.68

Performance from IPO: -51%

Capitalisation: Euro 16,001,151 m

Free Float: 38.41%

EGA: MIT Sim

Specialist: MIT Sim

### WARRANT 2021-2024

Alphanumeric Code: WCLABO

ISIN: IT0005457004

Issued warrants: 840.000

Exercise ratio: 1 new instrument every 1 warrants held.

Exercise periods:

1<sup>st</sup> exercise period 02/05/2022 – 06/05/2022. exercise price € 3.00

2<sup>nd</sup> exercise period 08/05/23 – 12/05/2023. exercise price € 3.30

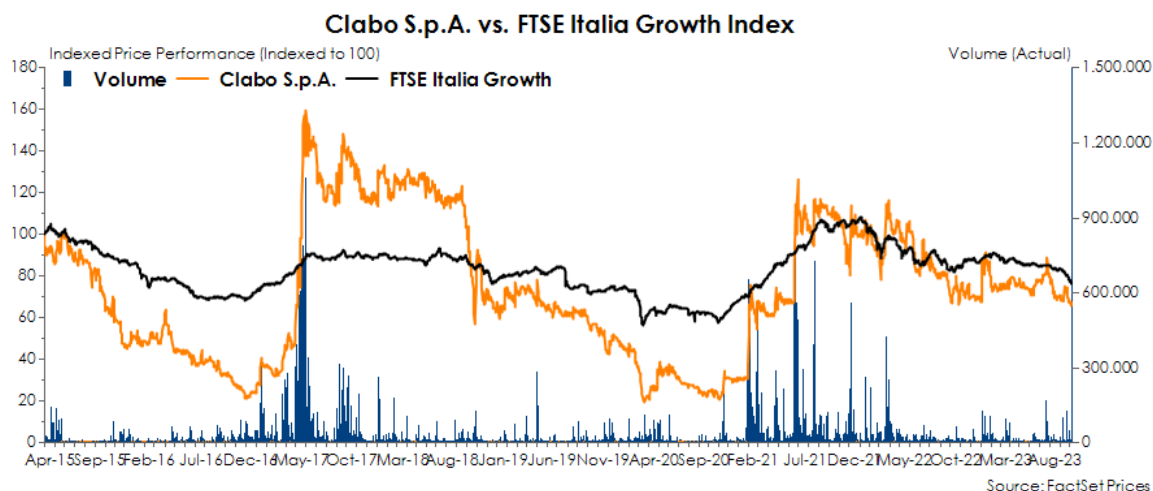
3<sup>rd</sup> exercise period 06/05/24 – 10/05/2024. exercise price € 3.60

Number of outstanding Warrants on October 04<sup>th</sup> 2023: 840.000

Shareholder	%
Clab.Bo.Fin S.r.l.	61.59%
Free Float	38.41%
<b>Total</b>	<b>100.00%</b>

Source: Group website

## STOCK PERFORMANCE



DISCLAIMER



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Date	Target Price	Market Price	Validity Time
May 15 <sup>th</sup> , 2023	4.38	1.96	12 months
October 29 <sup>th</sup> 2022	3.48	1.85	12 months
April 19 <sup>th</sup> , 2022	3.83	2.59	12 months
October 4 <sup>th</sup> , 2021	3.80	2.80	12 months
October 3 <sup>rd</sup> , 2019	2.68	1.50	12 months
April 4 <sup>th</sup> , 2019	3.13	1.93	12 months

**VALUATION METHODOLOGY (HORIZON: 12M):** IR Top obtained a fair value using different valuation methodologies including Discounted Cash Flow method and Multiple-based models. Moreover, IR Top used a proprietary model, "EGM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio EGM", managed by IR Top and focused on research about performance of Companies listed on Euronext Growth Milan.

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

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Pierpaolo Valentino (Analyst)

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