



FY23: double digit sales growth and higher than expected profitability

Sector: Producer Manufacturing

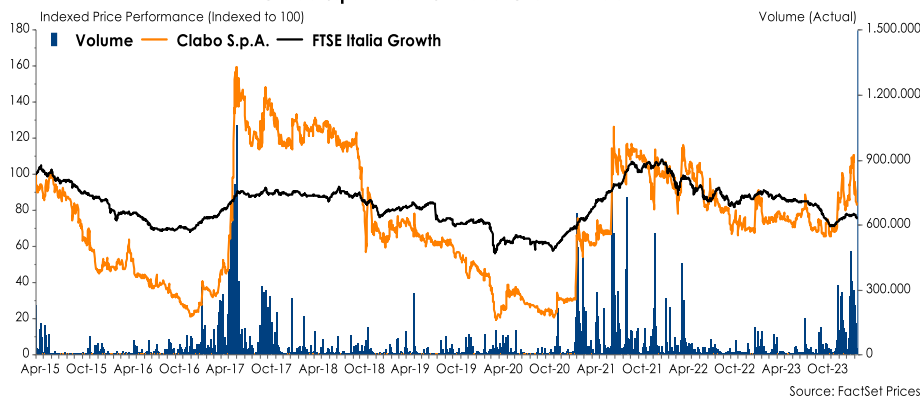
FY23 sales of Euro 60.5 m (+18% YoY) in line expectations, EBITDA adj margin of 16.2% vs. 14.7% in FY22 and 14.3% expected. Clabo SpA, a worldwide leading player in the design and production of high-end refrigerated showcases for the retail food industry with a particular focus on the ice-cream, pastry & bakery, and convenience store segments, recently presented preliminary FY23 selected financials. According to the note, sales came in at Euro 60.5 m (Euro 51.4 m in 2022) posting a YoY growth of 17.7% largely in line with our expectations (17.0%). The positive result was mainly driven by excellent performances in North America and Asia, partially offset by a European market that is still suffering from weakness in the German area and Eastern European countries, following interest rate dynamics and the ongoing war in Ukraine. EBITDA adjusted for Euro 0.3 m of non-recurring items stood at Euro 10.3 m, showing a significant growth (+17.9%) vs. Euro 8.7 m in FY22, and a strong increase in profitability with an EBITDA margin of 16.2%, compared to 14.7% in FY22. The Group was benefiting from the efficiency improvements in production also achieved thanks to the significant investments in processes automation and digitalization, and reorganization of production departments in Italy and the USA. EBITDA reported came in at Euro 10.1 m with an EBITDA margin of 15.9%. Net debt stood at Euro 40.7 m, compared to Euro 42.4 m in the same period of the previous year, thanks to the positive generation of operating cash flow and measures to contain net working capital.

A transition towards increasingly 'energy-saving' and 'green' products using natural gases.

Management did not provide guidance for FY24 but expressed confidence on the current market context, as consolidated orders collected in 2023 amounted to Euro 60.6 m compared to Euro 52.4 m in 2022 (+15.6% YoY) and the consolidated order book as of 1st January 2024 was of Euro 11.6 vs. Euro 11.3 as of 1st January 2023 (+2.6% YoY). Management also confirmed its strategy with continuous focus on investments in R&D to present increasingly innovative products to the market. The Group has started a meaningful investment program that will lead us, by 2024, to definitively abandon CFC gases (known as Freon) with a high environmental impact in favor of natural gases and the renewal of the parent company's product range. Furthermore, at the Rimini trade fair (SIGEP 2024), Clabo presented a revolutionary project in the field of preserving and showcasing artisan ice cream. This will be capable of reducing energy consumption by up to 30% compared to traditional showcases, as well as guaranteeing far better preservation.

Estimates revision and TP update. Based on the above, we made some slightly adjustments on our revenue estimates for FY24-25, whereas we increased our forecasts on profitability margins. We now expect EBITDA margin of 16.2% in FY24 (14.8% previously) as the structural efficiency improvements, already visible in 1H23, were confirmed by 2H23 results. We also slightly reduced expected CAPEX as the Company seem to have completed the investment cycle related to the streamlining of production processes. Finally, we added FY26 to our explicit forecast period. Based on our updated estimates and peers' multiple re-rating, we updated our target price to Euro 4.65 p.s. (Euro 4.52 p.s. previously), with a potential upside of 93%. At our target price, the stock would be trading at FY24-25 EV/EBITDA multiples of 7.3x and 6.6x respectively.

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



Target Price 4.65 (4.52 pr.)

Price (€) **2.41**

Market Cap (€ m) **22.95**

EV (€ m) **63.66**

As of 12th February 2024

Share Data

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

Financials

	2023E	2024E	2025E	2026E
Sales	60.53	65.37	70.60	75.75
YoY %	17.7%	8.0%	8.0%	7.3%
EBITDA	10.08	11.57	12.75	13.49
EBITDA %	15.9%	16.2%	16.7%	17.0%
EBIT	4.67	5.90	6.78	7.22
EBIT %	7.4%	8.3%	8.9%	9.1%
Net Income	0.91	1.92	2.65	3.42
Net Debt	40.71	40.25	38.30	34.64

Performance

	1M	3M	6M
Absolute %	0.4%	38.1%	30.3%
Relative (FTSE Italia Growth)	2.1%	29.4%	42.8%
52-week High/Low (Eu)	2.85	/	1.60

Research Department of

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KEY FINANCIALS

Profit&Loss Statement

	2021A	2022A	2023E	2024E	2025E	2026E
Sales	44.24	51.43	60.53	65.37	70.60	75.75
Revenues (VoP)	50.77	59.32	63.38	71.48	76.45	79.43
EBITDA	6.01	8.74	10.08	11.57	12.75	13.49
EBIT	0.89	3.72	4.67	5.90	6.78	7.22
Financial Income (charges)	(2.41)	(2.62)	(3.53)	(3.44)	(3.34)	(3.10)
Pre-tax profit (loss)	(1.53)	1.11	1.14	2.46	3.44	4.12
Taxes	0.65	(0.22)	(0.23)	(0.54)	(0.79)	(0.70)
Net profit (loss)	(0.88)	0.89	0.91	1.92	2.65	3.42
Group's Net profit (loss)	(1.44)	0.43	0.44	0.96	1.33	1.71

Balance Sheet

Net working capital (NWC)	5.76	7.59	8.21	11.23	13.81	15.73
Fixed assets	47.47	48.39	47.26	45.59	43.62	41.35
M/L Funds	(2.93)	(2.68)	(2.96)	(2.86)	(2.76)	(2.66)
Net Capital Employed	50.29	53.30	52.50	53.95	54.66	54.42
Net Debt/(Cash)	41.44	42.42	40.71	40.25	38.30	34.64
Net Equity	8.85	10.88	11.79	13.71	16.36	19.78

Cash Flow

Net Profit	(0.88)	0.89	0.91	1.92	2.65	3.42
Non cash items	4.03	4.76	5.69	5.57	5.87	6.17
Change in Working Capital	(1.92)	(1.83)	(0.62)	(3.02)	(2.58)	(1.93)
Cash Flow from Operations	1.23	3.82	5.98	4.46	5.94	7.66
Capex	(7.68)	(5.94)	(4.28)	(4.00)	(4.00)	(4.00)
Operating Free Cash Flow	(6.45)	(2.12)	1.71	0.46	1.94	3.66
Change in Equity	2.55	1.14	0.00	0.00	(0.00)	0.00
Change in Net Debt	(3.90)	(0.98)	1.71	0.46	1.94	3.66

Per Share Data

Current Price (Euro)	2.41					
Total shares (m)	9.52					
EPS	(0.15)	0.05	0.05	0.10	0.14	0.18
FCF	(0.41)	(0.10)	0.18	0.05	0.20	0.38

Ratios

EBITDA margin	11.8%	14.7%	15.9%	16.2%	16.7%	17.0%
EBIT margin	1.7%	6.3%	7.4%	8.3%	8.9%	9.1%
Net Debt/Equity	468.1%	389.8%	345.3%	293.6%	234.1%	175.2%
Net Debt/EBITDA	6.90	4.85	4.04	3.48	3.00	2.57
Interest cover EBIT	0.37	1.42	1.32	1.71	2.03	2.33
ROE	(9.9%)	8.2%	7.7%	14.0%	16.2%	17.3%
ROCE	0.5%	7.4%	9.3%	11.9%	13.9%	14.6%
Free Cash Flow Yield	(17.0%)	(4.3%)	7.4%	2.0%	8.5%	15.9%

Growth Rates

Sales	30.4%	16.3%	17.7%	8.0%	8.0%	7.3%
Revenues (VoP)	42.0%	16.8%	6.8%	12.8%	6.9%	3.9%
EBITDA	191.9%	45.4%	15.3%	14.8%	10.2%	5.8%
EBIT	107.7%	320.3%	25.3%	26.3%	15.0%	6.4%
Net Profit	91.3%	201.4%	1.8%	111.1%	38.4%	28.9%

Source: Group Consolidated Data & PMI Capital Research Estimates

Estimate revision – Euro m

Income Statement	2022A	2023E Old	2023E New	2024E Old	2024E New	2025E Old	2025E New	2026E New
Sales	51.43	60.17	60.53	67.39	65.37	72.78	70.60	75.75
yoy	16.3%	17.0%	17.7%	12.0%	8.0%	8.0%	8.0%	7.3%
Revenues (VoP)	59.32	67.99	63.38	75.48	71.48	80.06	76.45	79.43
yoy	16.8%	14.6%	6.8%	11.0%	12.8%	6.1%	6.9%	3.9%
EBITDA	8.74	9.69	10.08	11.17	11.57	12.25	12.75	13.49
EBITDA margin	14.7%	14.3%	15.9%	14.8%	16.2%	15.3%	16.7%	17.0%
EBIT	3.72	4.56	4.67	5.69	5.90	6.37	6.78	7.22
EBIT margin	6.3%	6.7%	7.4%	7.5%	8.3%	8.0%	8.9%	9.1%
Net Profit	0.89	1.45	0.91	2.44	1.92	3.10	2.65	3.42
Net profit margin	1.5%	2.1%	1.4%	3.2%	2.7%	3.9%	3.5%	4.3%

Balance Sheet	2022A	2023E Old	2023E New	2024E Old	2024E New	2025E Old	2025E New	2026E New
Net Working Capital	7.59	11.95	8.21	14.65	11.23	15.41	13.81	15.73
Fixed net assets	48.39	47.93	47.26	46.14	45.59	42.80	43.62	41.35
Funds	(2.68)	(4.23)	(2.96)	(4.13)	(2.86)	(4.03)	(2.76)	(2.66)
Net Capital Employed	53.30	55.66	52.50	56.66	53.95	54.18	54.66	54.42
Net Debt (Cash)	42.42	43.33	40.71	41.89	40.25	36.31	38.30	34.64
Equity	10.88	12.33	11.79	14.77	13.71	17.87	16.36	19.78
Sources	53.30	55.66	52.50	56.66	53.95	54.18	54.66	54.42

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, Esautomation, 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
Key Financials				
Revenues	59.32	50.61	542.22	52.52
EBITDA	8.74	10.33	73.42	8.18
EBITDA %	14.7%	20.4%	13.5%	15.6%
EBIT	3.72	7.35	54.94	4.42
EBIT %	6.3%	14.5%	10.1%	8.4%
Earnings	0.89	4.87	41.19	2.53
Earnings %	1.5%	9.6%	7.6%	4.8%
Net Debt	42.42	5.24	139.04	6.82
ND/EBITDA	4.85	0.51	1.89	0.83
FY21-23 Revenues CAGR	17.0%	24.1%	22.9%	22.5%
FY22-24 Revenues CAGR	12.7%	10.8%	9.8%	11.8%
FY21-23 Earnings CAGR	n.m.	4.3%	8.2%	85.5%
FY22-24 Earnings CAGR	46.6%	5.5%	9.4%	29.8%
Market Data				
Market Cap	22.95	43.23	1,102.25	39.25
EV	63.66	48.47	1,231.24	45.02
Free Float	38.41%	30.5%	32.1%	32.9%
ADTT YTD (Eu k)	348.04	59.63	857.40	61.56
Market Multiples				
EV/Sales 2022	1.24	0.97	2.01	2.91
EV/Sales 2023	1.05	1.00	1.24	2.14
EV/Sales 2024	0.97	0.89	1.15	1.39
EV/EBITDA 2022	7.29	5.98	13.32	16.82
EV/EBITDA 2023	6.32	6.26	9.51	14.68
EV/EBITDA 2024	5.50	6.86	8.83	6.81
EV/EBIT 2022	17.10	10.19	19.64	24.76
EV/EBIT 2023	13.64	9.17	14.53	13.84
EV/EBIT 2024	10.79	8.81	13.16	11.16
P/E 2022	71.37	17.69	20.99	32.78
P/E 2023	70.11	15.72	20.17	25.43
P/E 2024	33.22	10.99	18.24	18.00
Earnings Yield	1.4%	5.7%	4.8%	3.1%
Stock Performance				
1D	13.7%	(0.8%)	1.4%	0.4%
1W	(0.4%)	(4.2%)	0.4%	(1.6%)
1M	0.4%	(4.6%)	(0.0%)	(1.6%)
3M	38.1%	4.7%	8.9%	6.7%
6M	30.3%	(14.6%)	(4.8%)	(8.8%)
YTD	12.4%	(15.7%)	1.7%	1.0%
1Y	29.7%	(20.3%)	(3.0%)	(15.8%)

Source: FactSet and PMI Capital data as of 12th February 2024, 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 October 2023, we set a new target price of Euro 4.65 p.s. (4.52 pr.) providing for an upside on the current stock price of 93%. Our valuation was obtained by weighing equally the DCF and the multiple comparison analysis. At our target price, the stock would be trading at FY24-25 EV/EBITDA multiples of 7.3x and 6.6x respectively.

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA 23/25 and Peers (@ 10% discount)	50%	3.73	35.56
DCF (WACC 7.2% and g 1.0%)	50%	5.56	52.93
Target Price	100%	4.65	44.25

Source: PMI Capital Research Estimates

DCF Model

DCF Valuation		
Euro m		
WACC	7.2%	
g	1.0%	
Sum of PV 2024-27 FCFs	20.40	21.2%
Discounted terminal value	75.62	78.8%
Enterprise Value	96.02	
Net Debt (FY23)	40.71	
Minorities (1H23)	2.38	
Equity Value	52.93	
N. of outstanding shares (m)	9.52	
Fair Value p.s. (Euro)	5.56	

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.

Peers	Market Cap (Eu m)	Price (Eu)	Sales 2023E (Eu m)	Sales YoY 23/22	EBITDA % 2023E	NI % 2023E	2022A-2025E CAGR	
							Sales	EBITDA
Carel Industries SpA	2,531.25	22.50	649.83	19.3%	21.2%	10.8%	13.2%	14.7%
Indel B SpA	137.29	23.50	228.00	1.2%	13.5%	7.2%	2.4%	5.5%
LU-VE	484.71	21.80	612.55	(1.0%)	12.7%	5.0%	3.2%	5.2%
Luxfer Holdings PLC	202.14	7.52	370.37	(6.6%)	9.3%	0.8%	(2.2%)	(9.0%)
Munters Group AB	2,711.42	14.70	1,224.62	30.8%	15.1%	5.7%	18.0%	30.0%
Piovan SpA	546.72	10.20	574.00	8.1%	13.1%	8.0%	5.1%	12.4%
Average	1,102.25	16.70	609.90	8.6%	14.2%	6.3%	6.6%	9.8%
CLABO	22.95	2.41	60.53	17.7%	15.9%	1.4%	11.1%	13.4%

Source: FactSet data as of 12th February 2024 and PMI Capital Research Estimates for CLABO

Peers	EV/EBITDA		
	23E	24E	25E
Carel Industries SpA	n.a.	n.a.	n.a.
Indel B SpA	5.1	4.8	4.4
LU-VE	8.6	7.8	7.1
Luxfer Holdings PLC	9.2	10.2	6.7
Munters Group AB	16.2	13.5	12.1
Piovan SpA	8.5	7.9	6.9
Average	9.51	8.83	7.43
CLABO	6.32	5.50	4.99
Premium/Discount to Peers	(33.6%)	(37.7%)	(32.8%)

Source: FactSet data as of 12th February 2024 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 marketing of professional showcase for ice-cream parlours, pastry shops, bars, cafeterias, and hotels. With over 65% of its turnover abroad in around 95 countries and is present in China, Germany, United States and Brazil. Clabo's major customers include Nestlé, Häagen-Dazs, Puro Gusto, Venchi, Eataly, Apple campuses and Walt Disney parks. In 2023, the Group reached sales of Euro 60.5 m (+17.7% vs FY22).

Innovation & Sustainability

Founded in 2001 in Jesi (AN), Clabo listed on the AIM Italia market (now EGM - Euronext Growth Milan) on March 31st, 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 a high level of focus to the Research and Development with investments for projects related to the green transition (F-Gas) and the renewal of the parent company's product range. At the same time, the Group is benefiting from the efficiency improvements in production that have also been achieved thanks to the huge investments in automation and reorganisation of production departments in Italy and the USA.

In addition, Clabo is very sensitive to ESG issues with a view to sustainable growth and published its second sustainability report in June 2023.

Products

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

With more than 20 patents related to conservation and 'cold chain' technologies, the company offers a product range of over 1,100 models, characterised by refined design and technology, to satisfying the needs of different types of customers all over the world. In 2024, Clabo will present a revolutionary project in the field of preserving and showcasing artisanal ice cream, capable of reducing energy consumption by up to 30% compared to traditional showcases, as well as guaranteeing far better preservation by eliminating the effect of defrosting and decreasing the temperature fluctuation range in the tank by more than 50%.

Strategy

Clabo has a specific growth strategy based on three main pillars:

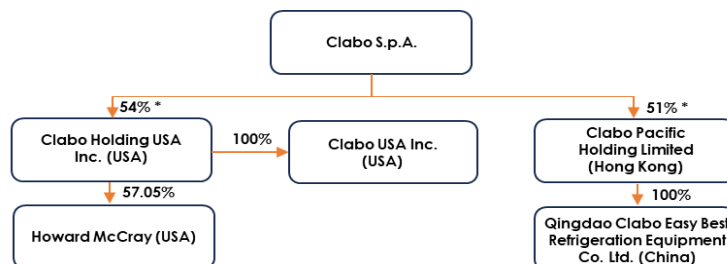
- The opening of new production plants in Asia and South America.
- The expansion of existing commercial subsidiaries.
- The opening of new commercial subsidiaries in Southeast Asia, the Arabian Peninsula, and the main European markets.

Management

Board of directors of 3 members of which 1 independent:

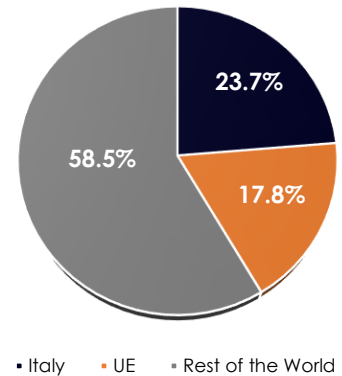
- Pierluigi Bocchini - Chairman
- Alessandro Bocchini – CEO and Vice-Chairman
- Claudio Marcantognini – Board Member

Group Structure

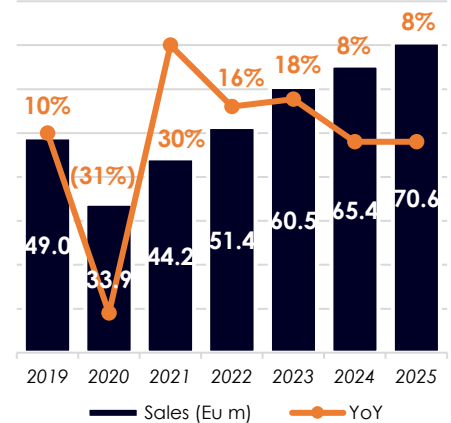


Source: Group Data

1H23 Revenues breakdown by geography



Sales evolution



CLABO ON EURONEXT GROWTH MILAN

IPO

Trading Market: Euronext Growth Milan

Date: March 31st, 2015

Price: Euro 2.70

Capital raised: Euro 7.4 m

Capitalisation: Euro 20.9 m

SHARES (as of 12th February 2024)

Code: CLABO

Bloomberg: CLABO:IM

Reuters: CLAB.MI

ISIN: IT0005091324

Shares: 9,524,494

Price: Euro 2.41

Performance from IPO: (11%)

Capitalisation: Euro 22.95 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 warrant held.

Exercise periods:

1st exercise period 02/05/2022 – 06/05/2022. exercise price Euro 3.00

2nd exercise period 08/05/2023 – 12/05/2023. exercise price Euro 3.30

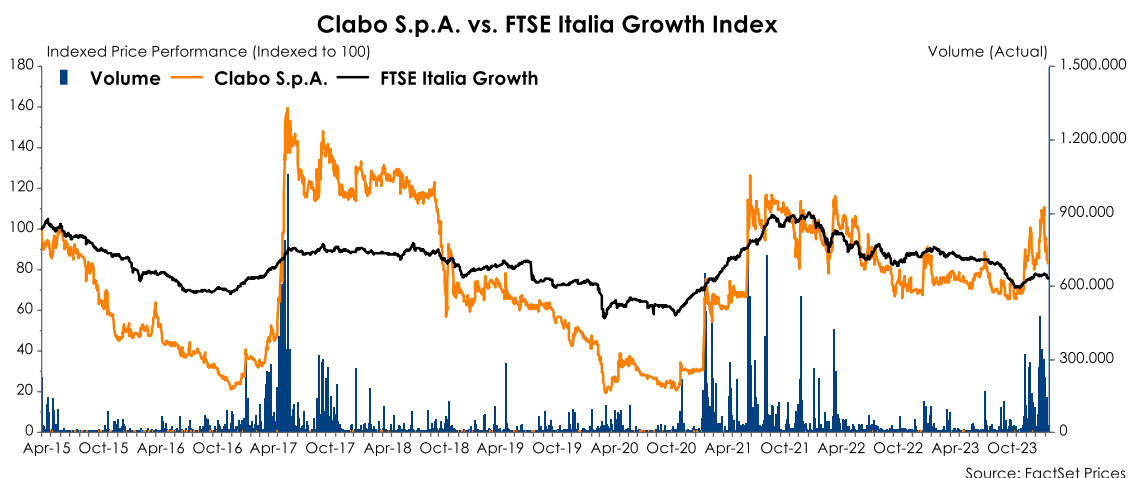
3rd exercise period 06/05/2024 – 10/05/2024. exercise price Euro 3.60

Number of outstanding Warrants on February 12th 2024: 840,000

Shareholder	%
Cla.Bo.Fin S.r.l.	61.59%
Free Float	38.41%
Total	100.00%

Source: Group website

STOCK PERFORMANCE



DISCLAIMER

UPDATES: This Research is an update coverage made by IR Top Consulting S.r.l. (IR Top) on CLABO SpA (the "Company"). Update frequency might depend on circumstances considered to be important (corporate events and changes of recommendation, etc.) or on further advisory commitment. Last Research on the same Company was released on October 5th, 2023. Opinions and estimates of this Research are as the date of this material and are subject to change. Information and opinions have been obtained from sources public and believed to be reliable, but no warranty is made as to their accuracy or correctness. Past performances of the Company are not guarantee of future results. During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
February 13 th , 2024	4.65	2.41	12 months
October 5 th , 2023	4.52	1.68	12 months
May 15 th , 2023	4.38	1.96	12 months
October 29 th , 2022	3.48	1.85	12 months
April 19 th , 2022	3.83	2.59	12 months
October 4 th , 2021	3.80	2.80	12 months
October 3 rd , 2019	2.68	1.50	12 months
April 4 th , 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 ECM Euronext Growth Milan", 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.

RESEARCH TEAM:

Luca Previtali (Analyst)

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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