



Positive growth trend continues, with increased orders in the first nine months of 2022

Sector: Producer Manufacturing

1H22 sales reached Euro 27.4 m, with a double-digit 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 1H22 results. The Company delivered strong sales at Euro 27.4 m, up 19.7% YoY, thanks to strategic choices that enabled the Company to defend itself against tensions in the logistics market and inflation trends.

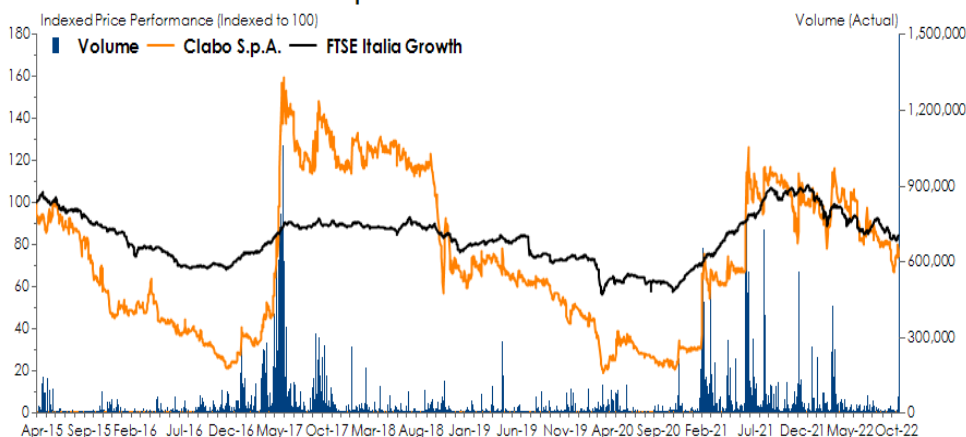
The BPG (pastry, bar ice-cream shop) segment stood at Euro 15.5 m., higher than 1H21 (+8.2%); the current scenario confirms the recovery of the Ho.Re.Ca. market and the strong growth of the food retail channel driven by sales in North America, standing at Euro 11.8 m and marking +39.2% vs 1H21. Also in view of the excellent performance of orders, which in August showed a progressive increase of 15% over the previous year, Clabo is confident of achieving the previously communicated year-end revenue target of Euro 52-55 m.

EBITDA came in at Euro 3.3 m, slightly down by 12% from Euro 3.7 m reached last year, including the extraordinary government grant 'PPP' in the amount of Euro 0.84 m, equal to 10.8% of total revenues. The group was able to maintain a good level of marginality despite the sharp increase in the purchase prices of materials, which caused an increase in their incidence on Total Revenues of almost 5%. The resumption of trade fair events contributed to an increase in service costs, which in absolute terms grew by about one million. Efficiency in the use of labour continued, allowing the Group to decrease the incidence of personnel costs by 1.6% on Total Revenues. Net result amounted to Euro -0.37 m (Euro 0.61 m as at 30 June 2021), after IAS IFRS 16 depreciation and amortization of Euro 2.5 m. Net Financial Position, amounted to Euro 44 m, compared to Euro 41 m as of 31 December 2021, due to the increase in Net Operating Working Capital. The IFRS 16 effect amounts to Euro 0.59 m, mainly due to the effect of the real estate lease contracts of the subsidiary HMC.

Great third quarter 2022. In the first nine months of 2022, the Group is reporting an increase in turnover and orders of 23.9% and 13.3% respectively, compared to the first nine months of 2021. Thanks to a careful management of general costs, to improved conditions on the procurement markets, in terms of availability of materials, and to consolidation of the increases in purchase prices achieved over the past 12 months, that seem to be heading towards a gradual stabilization.

Estimates revision and TP update. Given the above and on the back of 1H22 results, we substantially confirmed our estimates by adjusting our EBITDA forecast so as to further confirm what was already estimated in our Update Note of April 2022. Based on our updated estimates and peers' multiple re-rating (c. -20% since our last report), we updated our target price to Euro 3.48 p.s. (3.83 pr.) providing for an upside on current stock price of 87%. The stock is currently trading at FY22E/23E EV/EBITDA multiples of 3.0x and 2.2x at an average discount of 15% to peers. At our target price the stock would be trading at 11.3x and 9.7x respectively.

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



Source: FactSet Prices

Target Price **3.48 (3.83 pr.)**

Price (€ m) **1.85**

Market Cap (€ m) **17.58**

EV (€ m) **58.05**

As of 24th October 2022

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	Clabo.Fin S.r.l

Financials

	2021A	2022E	2023E	2024E
Sales	44.2	51.3	56.5	60.7
YoY %	30%	16%	10%	7%
EBITDA	6.0	6.5	7.6	10.2
EBITDA %	12%	12%	13%	16%
EBIT	0.9	2.5	3.3	5.6
EBIT %	2%	5%	6%	9%
Net Income	(0.9)	(0.5)	0.4	2.9
Net Debt	40.5	39.6	35.9	33.2

Performance

	1M	3M	6M
Absolute %	-8.9	-14.1	79.5
Relative (FTSE Italia Growth)	0.3	-7.7	43.2
52-week High/Low (Eu)	3.3	/	1.7

Research Department of



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KEY FINANCIALS

	2020A	2021A	2022E	2023E	2024E
Profit&Loss Statement					
Sales	33.9	44.2	51.3	56.5	60.7
Revenues (VoP)	35.8	50.8	53.4	57.7	63.2
EBITDA Adj	(6.5)	6.0	6.5	7.6	10.2
EBITDA	(6.5)	6.0	6.5	7.6	10.2
EBIT Adj	(11.4)	0.9	0.0	0.0	0.0
EBIT	(11.4)	0.9	2.5	3.3	5.6
Financial Income (charges)	(2.1)	(2.4)	(2.4)	(2.3)	(2.1)
Pre-tax profit (loss)	(14.7)	(1.5)	0.1	1.0	3.5
Taxes	4.5	0.6	(0.6)	(0.6)	(0.7)
Net profit (loss)	(10.1)	(0.9)	(0.5)	0.4	2.9
Balance Sheet					
Net working capital (NWC)	3.8	5.8	7.9	5.8	5.9
Net fixed assets	44.9	47.5	44.2	42.9	42.9
M/L Funds	(4.0)	(3.9)	(4.2)	(4.1)	(4.0)
Net Capital Employed	44.7	49.3	48.0	44.6	44.8
Net Debt (Cash)	37.5	40.5	39.6	35.9	33.2
Net Equity	7.2	8.9	8.3	8.7	11.6
Cash Flow					
EBIT	(11.4)	0.9	2.5	3.3	5.6
D&A	4.9	5.1	4.0	4.3	4.6
Tax	4.5	0.6	(0.6)	(0.6)	(0.7)
Change in M/L Funds	(2.0)	(0.1)	0.2	(0.1)	(0.1)
Gross Cash Flow	(4.0)	6.5	6.2	6.9	9.5
Change in NWC	4.3	(4.0)	(2.0)	1.8	(0.2)
Change in other current asset	2.6	2.1	(0.2)	0.3	0.1
Operating Cash Flow	2.9	4.6	4.0	9.0	9.4
Capex	(4.9)	(7.7)	(0.5)	(3.0)	(4.6)
Acquisitions	0.0	0.0	0.0	0.0	0.0
Change in other non-current asset	(0.1)	(0.0)	0.2	0.0	0.0
Financial Income (charges)	(2.1)	(2.4)	(2.4)	(2.3)	(2.1)
Free Cash Flow	(4.1)	(5.5)	1.3	3.7	2.7
Dividend	0.0	0.0	0.0	0.0	0.0
Change in Equity	(0.9)	2.6	0.0	(0.0)	0.0
Change in Net debt (Cash)	(5.0)	(3.0)	1.3	3.7	2.7
Check					
Per Share Data					
Current Price	€1.85				
Total shares (mn)	9.5				
EPS	(1.11)	(0.16)	(0.06)	0.04	0.30
DPS	0.00	0.00	0.00	0.00	0.00
FCF	(4.12)	(5.55)	1.33	3.73	2.69
Pay out ratio	0%	0%	0%	0%	0%
Ratios					
EBITDA margin adj	-18.3%	11.8%	12.2%	13.1%	16.2%
EBITDA margin	-18.3%	11.8%	12.2%	13.1%	16.2%
EBIT margin adj	-32.0%	1.7%	0.0%	0.0%	0.0%
EBIT margin	-32.0%	1.7%	4.6%	5.6%	8.8%
Net Debt/Equity (Gearing)	523.1%	457.1%	476.5%	412.3%	286.8%
Net Debt/EBITDA	-5.74	6.74	6.10	4.75	3.24
Interest cover EBIT	-5.58	0.36	1.02	1.44	2.70
ROE	0.0%	0.0%	0.0%	0.0%	0.0%
ROCE	-35.7%	0.5%	6.3%	8.6%	13.9%
Free Cash Flow Yield	-221.6%	-298.5%	71.8%	200.7%	144.8%
Growth Rates					
Sales	-31%	30%	16%	10%	7%
Revenues (VoP)	-35%	42%	5%	8%	10%
EBITDA	-203%	192%	8%	16%	36%
EBIT	-756%	108%	177%	33%	72%

Source: Group Consolidated Data & PMI Capital Research Estimates

Key Financials 1H22

Euro m	1H22A	1H21A	1H20A	2021A	2020A	
Sales	27.4	22.8	18.5	44.2	33.9	
	YoY	20%	49%	-34%	30%	-31%
EBITDA	3.3	3.7	(3.6)	6.0	(6.5)	
	% on sales	12%	15%	-21%	12%	-18%
EBIT	0.8	1.4	(6.1)	0.9	(11.4)	
	% on sales		5%	-35%	1,7%	-32%
Pre-tax Result	(0.4)	0.4	(7.2)	(1.5)	(14.7)	
Group's Net results	(0.37)	0.6	(5.9)	(0.9)	(10.1)	
Net Working Capital	8.4	6.0	7.2	5.8	3.8	
Fixed net assets	48.0	43.9	43.5	47.5	44.9	
Funds	(2.8)	(7.0)	(6.7)	(3.9)	(4.0)	
Net Capital Employed	53.7	45.1	44.9	49.3	44.7	
Net Debt (Cash)	44.2	37.2	32.6	40.5	37.5	
Group's Equity	9.5	7.9	12.3	8.9	7.2	
Sources	53.7	45.1	44.9	49.3	44.7	

Source: Group Data

Estimate revision – Euro m

	2021A	2022E Old	2022E New	2023E Old	2023E New	2024E
Sales	44.2	51.3	51.3	56.5	56.5	60.7
yoy	30%	+16%	+16%	+10%	+10%	+7%
Revenues (VoP)	50.8	53.4	53.4	57.7	57.7	63.2
yoy	42%	+5%	+5%	+8%	+8%	+10%
EBITDA	6.0	8.7	6.5	9.6	7.6	10.2
yoy	192%	+44%	+8%	+11%	+16%	+36%
EBIT	0.9	4.6	2.5	5.3	3.3	5.6
yoy	108%	+420%	+177%	+15%	+33%	+72%
Pre tax profit	(1.5)	2.4	0.05	3.3	1.0	3.5
Net Profit	(0.9)	1.8	(0.5)	2.7	0.4	2.9

	2021A	2022E Old	2022 New	2023 Old	2023 New	2024E
Net Working Capital (NWC)	5.8	5.3	7.9	5.7	5.8	5.9
Fixed net assets	47.5	44.2	44.2	42.9	42.9	42.9
Funds	(3.9)	(4.2)	(4.2)	(4.1)	(4.1)	(4.0)
Net Capital Employed	49.3	45.4	48.0	44.6	44.6	44.8
Net Financial Position (Cash)	40.5	34.8	39.6	31.3	35.9	33.2
Total Equity	8.9	10.6	8.3	13.3	8.7	11.6
Sources	49.3	45.4	48.0	44.6	44.6	44.8

Source: Company Data and PMI Capital Research Estimates

INDUSTRY COMPARISON

CLABO Spa (NSP-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, Comer Industries, Esautomotion, Fervi, Gel, Gibus, Ilpra, Jonix, Marzocchi Pompe, Nusco, Omer, OSAI Automation System, Racing Force Group, Sciuker Frames, Sebino, 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.

	CLA-IT	Producer Manufacturing	XS0072	
	Clabo	EGM Sector	Peers Avg	FTSE Italia Growth
Key Financials				
Revenues	44.2	94.0	403	31.5
EBITDA	6.0	14.9	63	4.8
EBITDA %	13.6%	15.8%	15.5%	15.3%
EBIT	0.9	10.9	45	1.7
EBIT %	2.0%	11.6%	11.2%	5.3%
Earnings	0.9	7.1	35	1.1
Earnings %	2.0%	7.5%	8.6%	3.4%
Net Debt	40.5	11.6	80	2.0
ND/EBITDA	6.8	0.8	1.3	0.4
<i>FY18-20 Revenues CAGR</i>	-20%	100%	24%	40%
<i>FY21-23 Revenues CAGR</i>	13%	12%	20%	23%
<i>FY18-20 Earnings CAGR</i>	200%	-7%	-2%	-8%
<i>FY21-23 Earnings CAGR</i>	64%	23%	15%	95%
Market Data				
Market Cap	17.6	87.0	451	51.5
EV	58.1	98.0	1,176	54.5
Free Float	29.34%	27.46%	56.82%	33.81%
ADTT YTD (Eu k)	33,155	90,461	4,250,589	37,350
Market Multiples				
EV/Sales 2022	1.1	1.0	1.2	1.7
EV/Sales 2023	1.0	0.9	1.1	1.2
EV/EBITDA 2022	8.9	5.9	8.9	10.1
EV/EBITDA 2023	7.6	5.0	7.6	6.9
EV/EBIT 2022	23.2	9.3	13.0	13.5
EV/EBIT 2023	17.6	7.5	10.8	10.2
P/E 2022	-116.2	16.9	16.8	22.1
P/E 2023	145.2	11.3	14.9	17.0
Earnings Yield	-0.9%	5.9%	5.9%	4.5%
Stock Performance				
1D	-2.7%	-0.3%	1%	0.3%
1W	-3.2%	2.6%	2%	3.1%
1M	-7.7%	-1.6%	2%	1.5%
3M	-16.8%	-6.2%	1%	-3.3%
6M	-31.9%	-15.8%	-3%	-11.9%
YTD	-27.3%	-24.2%	-14%	-21.4%
1Y	-33.6%	-23.9%	-11%	-19.3%

Source: FactSet and PMI Capital data as of 24th October 2022. Group data and PMI Capital Research estimates for CLABO

VALUATION UPDATE

Valuation Summary

Method	Weight	Price (Eu p.s.)	Equity Value (Eu m)
Multiple analysis EV/EBITDA 22/23 and Peers	50%	2.01	19.11
DCF (WACC 6.6% and g 1.0%)	50%	4.96	47.26
Target Price	100%	3.48	33.18

Source: PMI Capital Research Estimates

Multiples Comparison

Companies	Market Cap	Price	Sales	Sales YoY	EBITDA %	NI %
			2022E	22/21	2022E	2022E
Carel Industries SpA	2,010	20.10	515	22%	20%	12%
Indel B SpA	117	20.00	208	12%	13%	7%
LU-VE	459	20.65	591	20%	13%	7%
Luxfer Holdings PLC	442	16.13	429	35%	16%	9%
Munters Group AB	1,357	7.36	922	27%	13%	6%
Piovan SpA	408	7.61	479	69%	12%	6%
Average	799	15	524	31%	14%	8%
CLABO	17.58	1.8	51,318	16%	12%	-1%

Source: FactSet data as of 24th October 2022 and PMI Capital Research Estimates for CLABO

Companies	EV/EBITDA		
	22E	23E	24E
Carel Industries SpA	20.1	17.6	n.a.
Indel B SpA	5.4	5.0	4.0
LU-VE	8.2	7.8	7.1
Luxfer Holdings PLC	8.1	7.6	n.a.
Munters Group AB	14.1	10.2	8.2
Piovan SpA	8.6	7.7	7.2
Average	10.7	9.3	6.6
CLABO	8.9	7.7	5.7
<i>Premium/Discount to Peers</i>	<i>-17%</i>	<i>-17%</i>	<i>-15%</i>

Source: FactSet data as of 24th October 2022 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 has been able to reach revenues of Euro 44.2 m in FY21 (+30% vs FY20).

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.

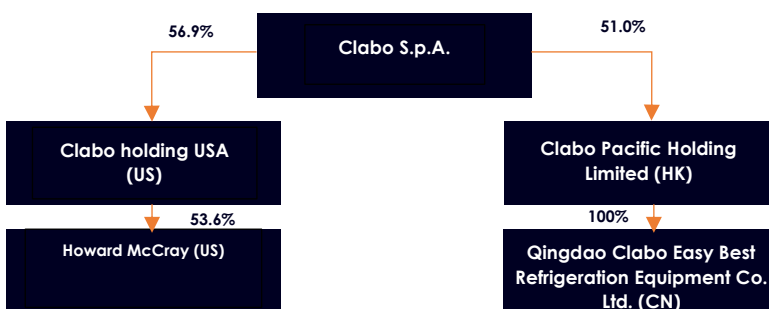
Strategy

- 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

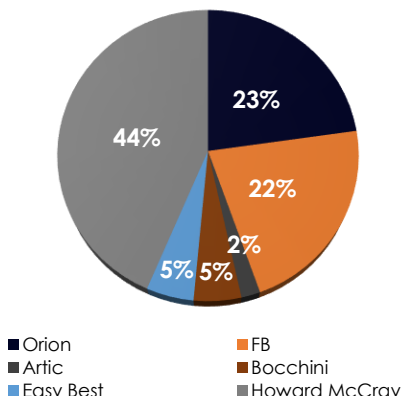
- Board of directors of 3 members of which 1 independent:
- Pierluigi Bocchini - Chairman
 - Alessandro Bocchini – CEO and Vice-Chairman
 - Claudio Marcantognini – Board member

Group Structure

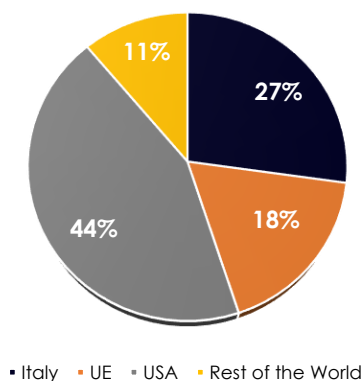


Source: Group Data

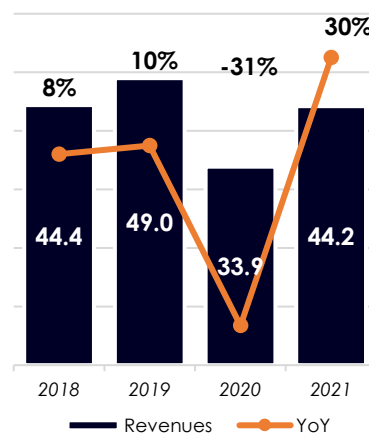
Revenues breakdown by brand



Revenues breakdown by geography



Revenues evolution



CLABO ON EURONEXT GROWTH MILAN

IPO

Trading Market: Euronext Growth Milan
 Date: February 20th, 2019
 Price: Euro 3,42
 Capital raised: Euro 4,1 m
 Capitalisation: Euro 22,11 m

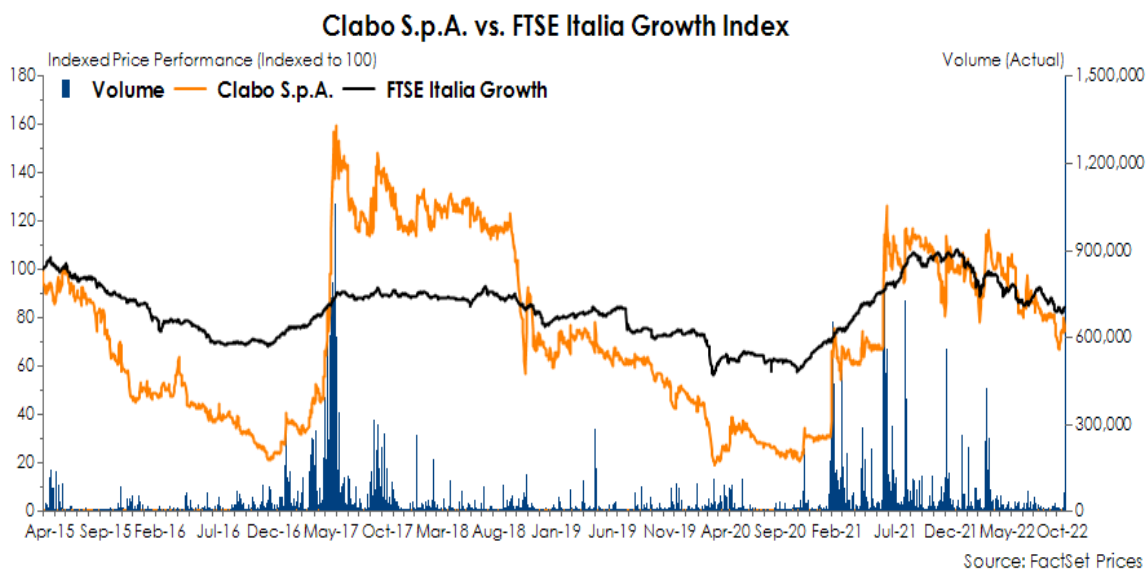
SHARES (as of 25th October 2022)

Code: CLA
 Bloomberg: CLA:IM
 Reuters: CLA.MI
 ISIN: IT0005091324
 Shares: 9,524,494
 Price: Euro 1.85
 Performance from IPO: -45%
 Capitalisation: Euro 17,582,226 m
 Free Float: 38.41%
 EGA: EnVent Capital Markets Ltd
 Specialist: MIT Sim

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 24 January 2021. 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
25 th October 2022	3.48	1.85	12 months
19 th April 2022	3.83	2.59	12 months
4 th October 2021	3.80	2.80	12 months
3 rd October 2019	2.68	1.50	12 months
4 th April 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.

RESEARCH TEAM:

Edoardo Fumagalli (Analyst, AIAF Associated)

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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