

# Neodecortech Spa

Sector: Décor surfaces



## V-shaped recovery continues in 2Q21

Neodecortech (NDT) designs, produces and commercialises décor paper, finish foils, melamine films, and luxury vinyl tiles with the mission of enriching any surface with a distinctive Italian flair

### Strong business momentum in 1H21

In 1H21 Neodecortech has kept enjoying a very strong rebound in terms of business volumes, even compared to 1H19, supported by the increasing contribution of sales from the new product lines (e.g. EOS<sub>TP</sub> and PPLF), and by the vertically integrated business model that has allowed to definitively mitigate supply chain problems. In details:

- ◆ 1H21 Turnover stood at €82.4mn, up +24.2% versus 1H19 and +51.2% versus 1H20 (€ 54.5mn). Worthy to underline, 2Q21 turnover at ca. €43mn was roughly double if compared to 2Q20;
- ◆ Reported EBITDA stood at €9.8mn (11.9% EBITDA margin), up +74.4% YoY and +39.1% versus 1H19, despite negative impact from raw materials prices;
- ◆ Net Debt stood at ca. €41mn at the end of June 2021, versus €48.2mn at the end of June 2020 and versus €39.9mn at 31 December 2020, thus offsetting the historical seasonality characterized by a first half with a higher level of cash absorption.

### 2021E-22E estimates reviewed upwards

NDT has stated that 2H21 kicked off very well, with an order book significantly higher than normal and all business units working at full capacity, but also that current stance should be read as a likely anticipation of Business Plan growth targets rather than an upward revision of the same. As an effect, we are materially revising upward 2021E figures while 2022E revision is much lower. In 2021E-22E we now see Adj EBITDA at €20.0mn and €20.4mn and Net Debt at ca. €38.2mn and €29.4mn respectively.

### Fair Value at €6.00 per share (up from €4.85)

NDT shares performed pretty well over the latest six months, driven by business momentum and by upward rerating of sector trading multiples, but are still undervalued vs. peers. We update our fair value at **€6.0 per share**, revised upwards from previous €4.85. At such fair value, the stock would trade at 6.0x-5.5 EV/Adj. EBITDA 2021E-22E, which still embed a ca. 10% discount with respect to peers. Our fair value doesn't take into account the impact of the possible conversion of outstanding warrants.

#### Analyst

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**Fair Value (€)** **6.00**

**Market Price (€)** **4.79**

**Market Cap. (€m)** **64.7**

| KEY FINANCIALS (€m) | 2020A | 2021E | 2022E |
|---------------------|-------|-------|-------|
| TOTAL REVENUES      | 133.7 | 159.5 | 165.3 |
| EBITDA              | 14.6  | 20.0  | 24.2  |
| EBIT                | 5.5   | 10.6  | 14.6  |
| NET PROFIT          | 3.5   | 7.2   | 9.9   |
| EQUITY              | 61.7  | 67.6  | 75.5  |
| NET FIN. POS.       | -39.9 | -38.2 | -29.4 |
| EPS ADJ. (€)        | 0.26  | 0.53  | 0.53  |
| DPS (€)             | 0.09  | 0.15  | 0.15  |

Source: NDT (historical figures), Value Track (estimates)

| RATIOS & MULTIPLES    | 2020A | 2021E | 2022E |
|-----------------------|-------|-------|-------|
| EBITDA MARGIN (%)     | 10.9  | 12.5  | 14.6  |
| EBIT MARGIN (%)       | 4.1   | 6.6   | 8.8   |
| NET DEBT / EBITDA (x) | 2.7   | 1.9   | 1.2   |
| NET DEBT / EQUITY (x) | 0.6   | 0.6   | 0.4   |
| EV/EBITDA ADJ. (x)    | 7.2   | 5.2   | 4.7   |
| EV/EBIT ADJ. (x)      | 19.1  | 9.8   | 8.8   |
| P/E ADJ. (x)          | 18.3  | 9.2   | 9.3   |
| P/BV (x)              | 1.05  | 0.96  | 0.86  |

Source: NDT (historical figures), Value Track (estimates)

#### STOCK DATA

|                    |                 |
|--------------------|-----------------|
| FAIR VALUE (€)     | 6.00            |
| MARKET PRICE (€)   | 4.79            |
| SHS. OUT. (m)      | 13.5            |
| MARKET CAP. (€m)   | 64.7            |
| FREE FLOAT (%)     | 38.4            |
| AVG. -20D VOL. (#) | 29,570          |
| RIC / BBG          | NDT.MI / NDT.IM |
| 52 WK RANGE        | 2.12 – 5.20     |

Source: Stock Market Data



## Business Description

Neodecortech is a leading manufacturer of decorative surfaces (mostly paper but more recently also plastic) to be employed in the interior design industry and in the flooring one.

More in details Neodecortech is involved in the design, development, production, and commercialisation of décor paper printing, finish foils, melamine films, and Plastic Films. The vision of the Group is that of enriching any surface with a distinctive Italian Flair.

## Key Financials

| €mn                        | 2020A        | 2021E        | 2022E        | 2023E        |
|----------------------------|--------------|--------------|--------------|--------------|
| <b>Total Revenues</b>      | <b>133.7</b> | <b>159.5</b> | <b>165.3</b> | <b>163.5</b> |
| Chg. % YoY                 | -1.6%        | 19.3%        | 3.6%         | -1.1%        |
| <b>Reported EBITDA</b>     | <b>14.6</b>  | <b>20.0</b>  | <b>24.2</b>  | <b>21.2</b>  |
| Reported EBITDA Margin     | 10.9%        | 12.5%        | 14.6%        | 13.0%        |
| <b>Reported EBIT</b>       | <b>5.5</b>   | <b>10.6</b>  | <b>14.6</b>  | <b>11.4</b>  |
| Reported EBIT Margin       | 4.1%         | 6.6%         | 8.8%         | 7.0%         |
| <b>Reported Net Profit</b> | <b>3.5</b>   | <b>7.2</b>   | <b>9.9</b>   | <b>7.6</b>   |
| Chg. % YoY                 | -10.7%       | nm           | 38.2%        | -23.2%       |
| <b>Net Fin. Position</b>   | <b>-39.9</b> | <b>-38.2</b> | <b>-29.4</b> | <b>-25.4</b> |
| Net Fin. Pos. / EBITDA (x) | 2.7          | 1.9          | 1.2          | 1.2          |
| Capex                      | -6.3         | -8.0         | -8.5         | -9.0         |
| <b>OpFCF b.t.</b>          | <b>6.1</b>   | <b>8.1</b>   | <b>15.5</b>  | <b>9.9</b>   |
| OpFCF b.t. as % of EBITDA  | 41.9%        | 40.7%        | 64.1%        | 46.4%        |

Source: Company SpA (historical figures), Value Track (estimates)

## Investment case

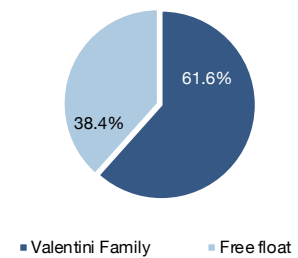
### Strengths / Opportunities

- ◆ High flexibility granted by vertical integration;
- ◆ Strong attention to quality and design innovation;
- ◆ Full ownership of production plants;
- ◆ Approach to clients based on co-design / strong partnerships.

### Weaknesses / Risks

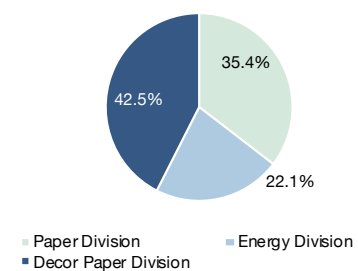
- ◆ Much lower size if compared to German competitors;
- ◆ Limited financial flexibility due to higher-than-targeted leverage;
- ◆ Exposure to a very restricted number of customers as well as suppliers.

## Shareholders Structure



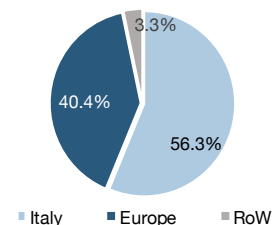
Source: Neodecortech SpA

## Sales breakdown by Business Unit



Source: Neodecortech SpA (\*)Sales 2020

## Sales breakdown by geography



Source: Neodecortech SpA (\*)Sales 2020

## Stock multiples @ €6.00 Fair Value

|                     | 2021E | 2022E |
|---------------------|-------|-------|
| EV / SALES (x)      | 0.76  | 0.70  |
| EV / EBITDA ADJ.(x) | 6.0   | 5.5   |
| EV / EBIT ADJ. (x)  | 11.3  | 10.3  |
| EV / CAP.EMP. (x)   | 1.1   | 1.1   |
| OpFCF Yield (%)     | 6.8   | 14.0  |
| P / E ADJ. (x)      | 11.4  | 11.4  |
| P / BV (x)          | 1.2   | 1.1   |
| Div. Yield. (%)     | 2.5   | 2.5   |

Source: Value Track

## 1H21 results

In 1H21 Neodecortech has kept enjoying a very strong rebound in terms of business volumes, even compared to 1H19, supported by new living and working habits that are driving flooring and furniture market demand and by the gradual and increasing contribution of sales from the new product lines of Neodecortech SpA.

Indeed, **key 1H21 figures / messages** are as follows:

- ◆ **Buoyant Turnover growth.** 1H21 Turnover stood at €82.4mn, up +24.2% versus 1H19 and +51.2% versus 1H20 (€ 54.5mn) that was affected by the shut-down of production sites due to the pandemic. Worthy to underline, 2Q21 turnover at ca. €43mn was roughly double if compared to 2Q20. Additionally, we note that:
  - Business units: Growth was robust in both Paper production (up +75% YoY) and Décor Paper (+ 67.5% YoY) while Energy Division was down -1.1% YoY;
  - Geographies: Paper production and Décor Paper grew at high double-digit rate almost everywhere: Italy + 82.4% YoY, Europe 52.2% YoY, America +84.8% YoY and eventually Asia and Middle +200% YoY.
- ◆ **EBITDA strongly up, despite raw materials prices up.** Reported EBITDA stood at €9.8mn, up + 74.4% YoY and +39.1% versus 1H19. This implies **Reported EBITDA margin at 11.9%** of revenue versus 10.3% in 1H20 (ca. 2% 1H20 on an adjusted basis).  
We note that profitability evolution could have been even better but raw materials are biting (and sometimes lacking in terms of supply). Indeed, we remind how raw materials such as Titanium Dioxide (TiO<sub>2</sub>), Resins, Wood Pulp, Raw Paper and Tallow Oil represent the main cost items for the company. Overall, at group level, raw materials weighted ca. 60% of 1H21 Total Revenues.
- ◆ **EBIT and Net Profit closely mirroring EBITDA evolution, i.e. higher vs. 1H19.** Indeed, EBIT stood at €5.3mn (€1.2mn in 1H20 and €2.9mn in 1H19) while Reported Net Profit stood at €3.1mn (€0.2mn in 1H20 and €1.1mn in 1H19);

### Neodecortech Group: P&L 1H19-1H20-1H21

| (€mn)  | 1H19        | 1H20        | 1H21        | 1H21/1H20    | 1H21/1H19     |
|--|-------------|-------------|-------------|--------------|---------------|
| Net Revenues                                   | 66.4        | 54.5        | 82.4        | 51.2%        | 24.2%         |
| Other Revenues                                 | 2.3         | 4.6         | 0.9         | --           | --            |
| <b>Total Revenues (i.e. VoP bef. chg. WIP)</b> | <b>68.7</b> | <b>59.1</b> | <b>83.3</b> | <b>40.9%</b> | <b>21.3%</b>  |
| <b>EBITDA</b>                                  | <b>7.1</b>  | <b>5.6</b>  | <b>9.8</b>  | <b>74.4%</b> | <b>39.1%</b>  |
| <i>EBITDA margin (% of Net Revenues)</i>       | 10.6%       | 10.3%       | 11.9%       | --           | --            |
| D&A  | -4.2        | -4.4        | -4.5        | --           | --            |
| <b>EBIT</b>                                    | <b>2.9</b>  | <b>1.2</b>  | <b>5.3</b>  | <b>nm</b>    | <b>83.7%</b>  |
| <i>EBIT margin (% of Net Revenues)</i>         | 4.4%        | 2.3%        | 6.4%        | --           | --            |
| <b>Pre Tax Profit</b>                          | <b>1.90</b> | <b>0.48</b> | <b>4.74</b> | <b>nm</b>    | <b>150.0%</b> |
| <b>Net Profit</b>                              | <b>1.1</b>  | <b>0.2</b>  | <b>3.1</b>  | <b>nm</b>    | <b>183.6%</b> |
| <b>Adj. EBITDA</b>                             | <b>8.5</b>  | <b>1.2</b>  | <b>9.8</b>  | <b>nm</b>    | <b>16.2%</b>  |
| <b>Adj. EBIT</b>                               | <b>4.3</b>  | <b>-3.2</b> | <b>5.5</b>  | <b>nm</b>    | <b>28.5%</b>  |
| <b>Adj. Net Profit</b>                         | <b>2.3</b>  | <b>-3.5</b> | <b>3.1</b>  | <b>nm</b>    | <b>34.5%</b>  |

Source: Neodecortech, Value Track Analysis

- ◆ **Net Financial Position under control.** Indeed, Net Debt stood at ca. €41mn at the end of June 2021, versus €48.2mn at the end of June 2020 and versus €39.9mn at 31 December 2020, thus offsetting the historical seasonality characterized by a first half with a higher level of cash absorption. This was mainly driven by:
  - Well balanced Capex / Depreciation ratio, standing at ca. 1x i.e. ca. €4.7mn each;
  - Stable Working Capital, in absolute terms;
  - The positive impact of Net Profit on Net Equity only partially offset by €1.2mn dividend distribution.

#### Neodecortech: 1H19-1H20-1H21 Balance Sheet structure

| €mn   | 1H19         | 1H20         | 1H21         |
|---|--------------|--------------|--------------|
| Net Fixed Assets                                      | 86.3         | 85.2         | 83.8         |
| Working Capital                                       | 28.5         | 32.2         | 30.8         |
| Provisions  | 7.9          | 10.9         | 9.9          |
| <b>Total Capital Employed</b>                         | <b>106.9</b> | <b>106.5</b> | <b>104.7</b> |
| Group Net Equity                                      | 58.6         | 58.3         | 63.7         |
| <b>Net Fin. Position [i.e. Net Debt (-) Cash (+)]</b> | <b>-48.3</b> | <b>-48.2</b> | <b>-41.0</b> |

Source: Neodecortech, Value Track Analysis

#### Neodecortech Group: 1H19-1H20-1H21 Cash Flow Statement

| €mn                               | 1H19         | 1H20         | 1H21         |
|-----------------------------------|--------------|--------------|--------------|
| <b>EBITDA</b>                     | <b>7.07</b>  | <b>5.63</b>  | <b>9.83</b>  |
| Op. WC requirements               | -5.29        | -6.17        | -2.97        |
| Capex                             | -3.75        | -3.37        | -4.65        |
| Change in Provisions              | 0.02         | 0.56         | 0.36         |
| <b>OpFCF b.t.</b>                 | <b>-1.96</b> | <b>-3.35</b> | <b>2.57</b>  |
| Cash Taxes                        | -0.80        | -0.28        | -1.62        |
| <b>OpFCF a.t.</b>                 | <b>-2.75</b> | <b>-3.63</b> | <b>0.94</b>  |
| Other Op. Items (incl. Fin. Inv.) | 1.58         | -1.29        | -0.27        |
| Net Financial Charges             | -1.00        | -0.76        | -0.57        |
| Dividends paid                    | -2.07        | -2.01        | -1.21        |
| <b>Net Cash generated</b>         | <b>-4.25</b> | <b>-7.69</b> | <b>-1.10</b> |

Source: Neodecortech, Value Track Analysis

## 2021E-23 forecasts

### 2021E revised strongly up, 2022E to a lesser extent

We remind that 2022E reported P&L figures should include a €3.8mn positive one-off item to be accounted within Other Revenues, related to a likely financial debt write down. The impact on Net Debt of this write down should be a €5mn decrease.

That said, we note that in its 1H21 press release Neodecortech has stated that:

- ◆ 2H21 kicked off with July and August showing the same upward trend seen in recent months, with an order book significantly higher than normal;
- ◆ The levels of growth seen should be read as a likely anticipation of the growth targets envisaged in 2021-2023 Business Plan, rather than an upward revision of the same.

As an effect, we are changing our 2021E-22E forecasts as follows:

- ◆ Materially revising upward 2021E top line while 2022E revision is much lower;
- ◆ As far as EBITDA, the increase in raw material process drives a lower than proportional upward revision of 2021E and 2022E EBITDA margins.
- ◆ EBIT and Net Profit upward revision is, on the contrary, higher thanks to stable D&A forecasts.

#### Neodecortech: New vs. Old 2021E-22E forecasts

| €mn                                       | 2021E        |              |              | 2022E        |              |             |
|---|--------------|--------------|--------------|--------------|--------------|-------------|
|   | Old          | New          | Change       | Old          | New          | Change      |
| Net Revenues from Sales                   | 140.0        | 156.0        | 11.4%        | 149.0        | 158.0        | 6.0%        |
| Total Group Revenues                      | 143.5        | 159.5        | 11.1%        | 156.0        | 165.3        | 6.0%        |
| <b>EBITDA Adj.</b>                        | <b>18.3</b>  | <b>20.0</b>  | <b>9.2%</b>  | <b>20.0</b>  | <b>20.4</b>  | <b>1.7%</b> |
| <b>EBITDA Adj. margin (% of Net Rev.)</b> | <b>13.1%</b> | <b>12.8%</b> |              | <b>13.4%</b> | <b>12.9%</b> |             |
| <b>EBITDA Rep.</b>                        | <b>18.3</b>  | <b>20.0</b>  | <b>9.2%</b>  | <b>23.5</b>  | <b>24.2</b>  | <b>2.9%</b> |
| EBIT                                      | 8.9          | 10.6         | 19.0%        | 13.9         | 14.6         | 5.0%        |
| <b>Net Profit</b>                         | <b>5.7</b>   | <b>7.2</b>   | <b>24.8%</b> | <b>9.4</b>   | <b>9.9</b>   | <b>5.4%</b> |
| <b>Adj. Net Profit</b>                    | <b>5.7</b>   | <b>7.2</b>   | <b>24.8%</b> | <b>7.1</b>   | <b>7.1</b>   | <b>0.1%</b> |
| <b>Net Financial Position (*)</b>         | <b>-41.3</b> | <b>-38.2</b> | <b>3.1</b>   | <b>-34.7</b> | <b>-29.4</b> | <b>5.3</b>  |

Source: Value Track analysis

### New 2021E-23 forecasts

#### Revenues

Subject to raw materials availability, NDT factories are working at full capacity and we expect the company to keep pushing on its new products with high profitably margins, i.e. anti-fingerprint EOS<sub>TP</sub> surface finish, new formats and PPLF to be used also in vertical wall coverings.

As an effect we believe Décor Paper division to remain the main driver of growth for the group while paper business activity should remain relatively stable YoY.

As far as the Energy division is concerned, we expect stable energy prices to match tallow oil price recent increase. We note that the division continues to benefit from public incentives, but their renewal after 2025 is under discussion.

### Profitability

We expect Adj. EBITDA margin at ca. 13% and EBITDA Adj. in absolute value at ca. €20mn in 2021E and 2022E, with new Plastic Film products with higher than average profitability offsetting the higher raw material costs.

At the bottom line we expect Adjusted Net Profit to exceed €7mn level already as of 2021E.

#### Neodecortech Group: P&L evolution 2020A-23E

| (€mn)                                     | 2020A        | 2021E        | 2022E        | 2023E        |
|---|--------------|--------------|--------------|--------------|
| <b>Group Net Revenues</b>                 | <b>127.8</b> | <b>156.0</b> | <b>158.0</b> | <b>160.0</b> |
| Chg. % YoY                                | -3.9%        | 22.0%        | 1.3%         | 1.3%         |
| <b>Total Revenues</b>                     | <b>133.7</b> | <b>159.5</b> | <b>165.3</b> | <b>163.5</b> |
| <b>EBITDA Adj.</b>                        | <b>14.6</b>  | <b>20.0</b>  | <b>20.4</b>  | <b>21.2</b>  |
| <b>EBITDA Adj. margin (% of Net Rev.)</b> | <b>11.4%</b> | <b>12.8%</b> | <b>12.9%</b> | <b>13.3%</b> |
| <b>EBITDA</b>                             | <b>14.6</b>  | <b>20.0</b>  | <b>24.2</b>  | <b>21.2</b>  |
| Depreciation & Amortization               | -9.1         | -9.4         | -9.6         | -9.8         |
| <b>EBIT</b>                               | <b>5.5</b>   | <b>10.6</b>  | <b>14.6</b>  | <b>11.4</b>  |
| Net Fin. Income (charges)                 | -1.4         | -1.42        | -1.05        | -1.02        |
| <b>Pre-tax Profit</b>                     | <b>4.1</b>   | <b>9.2</b>   | <b>13.5</b>  | <b>10.4</b>  |
| Tax                                       | -0.5         | -2.0         | -3.6         | -2.8         |
| <b>Net Profit</b>                         | <b>3.5</b>   | <b>7.2</b>   | <b>9.9</b>   | <b>7.6</b>   |
| <b>Net Profit Adj.</b>                    | <b>3.5</b>   | <b>7.2</b>   | <b>7.1</b>   | <b>7.6</b>   |

Source: Value Track Analysis

### Cash generation and Net Financial Position

Overall, we believe that Neodecortech should report a **positive free cash generation** in both 2021E and 2022E.

**Net Financial Position is expected to progressively decrease** below €30mn level already as of 2022E (Net Debt / EBITDA ratio below 1.5x) even without taking into account the possible conversion of outstanding warrants, now in the money, and despite ca. **€30mn cumulated Capex in 2021E-2023E** out of which:

- ◆ 37% to be allocated to the launch of new products and processes;
- ◆ 33% to increase productivity by renovating machinery and equipment, and;
- ◆ 29% to consolidate operating and production capacity.

**Neodecortech Group: Cash Flow Statement evolution 2020A-23E**

| (€mn)                             | 2020E       | 2021E       | 2022E       | 2023E       |
|-----------------------------------|-------------|-------------|-------------|-------------|
| <b>EBITDA</b>                     | <b>14.6</b> | <b>20.0</b> | <b>20.4</b> | <b>21.2</b> |
| Working Capital Needs             | -2.1        | -3.0        | -0.4        | -2.6        |
| Capex                             | -6.3        | -8.0        | -8.5        | -9.0        |
| Change in Provisions              | -0.1        | -0.8        | 0.2         | 0.2         |
| <b>OpFCF b.t.</b>                 | <b>6.1</b>  | <b>8.1</b>  | <b>11.7</b> | <b>9.9</b>  |
| Cash Taxes                        | -0.5        | -2.0        | -3.6        | -2.8        |
| Capital Injections                | 0.0         | 0.0         | 0.0         | 0.0         |
| Other Op. Items (incl. Fin. Inv.) | -1.6        | -1.8        | 3.8         | 0.0         |
| Net Financial Charges             | -1.4        | -1.4        | -1.1        | -1.0        |
| Dividends paid                    | -1.9        | -1.2        | -2.0        | -2.0        |
| <b>Net Cash generated</b>         | <b>0.6</b>  | <b>1.7</b>  | <b>8.8</b>  | <b>4.0</b>  |

Source: Value Track Analysis

**Neodecortech Group: Balance Sheet evolution 2020A-23E**

| (€mn)   | 2020E        | 2021E        | 2022E        | 2023E        |
|---|--------------|--------------|--------------|--------------|
| Working Capital   | 28.4         | 30.9         | 31.3         | 34.9         |
| Net Fixed Assets  | 81.34        | 83.2         | 82.1         | 80.3         |
| Provisions  | 8.1          | 8.3          | 8.5          | 8.8          |
| <b>Total Capital Employed</b>                             | <b>101.6</b> | <b>105.8</b> | <b>104.9</b> | <b>106.5</b> |
| <b>Group Net Equity</b>                                   | <b>61.7</b>  | <b>67.6</b>  | <b>75.5</b>  | <b>81.1</b>  |
| <b>Net Fin. Position [i.e. Net Debt (-) Cash (+)] (*)</b> | <b>-39.9</b> | <b>-38.2</b> | <b>-29.4</b> | <b>-25.4</b> |

Source: Value Track Analysis

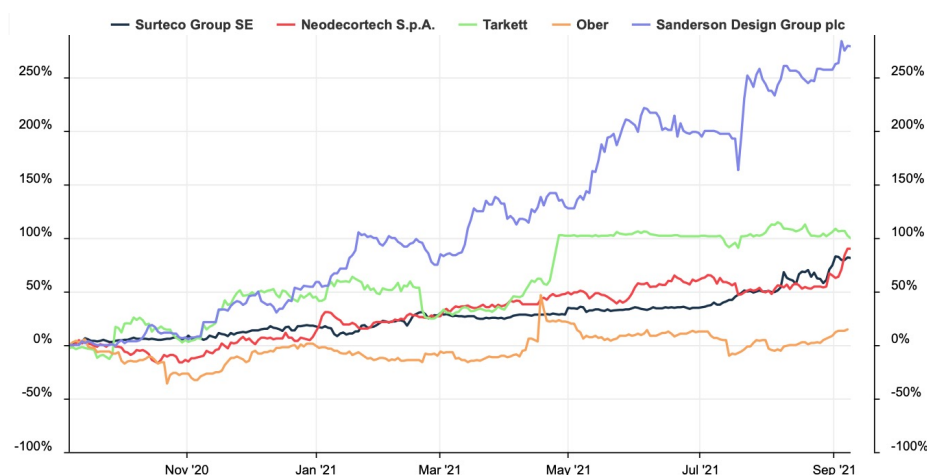
## Valuation

NDT shares performed pretty well over the latest six months, with +43% price-based return, and recently achieved its all time high at €5.2 per share, driven by the good business momentum and by the upward rerating of sector trading multiples. The appeal of the sector is confirmed by the tender offer and delisting of peers such as Ahlstrom-Munksjö Oyj and Panaria Group that took place in 2021.

Despite recent good stock market performance, NDT shares are still undervalued vs. peers. Indeed, NDT is trading at 5.2x EV/Adj. EBITDA'21E and 9.2x P/E' Adj.'21E while peers are at ca. 6.8x EV/EBITDA'21E and in 15x-20x P/21E region.

That said, in the light of our new 2021E-23E estimates and of current sector trading multiples, we update our fair value at **€6.0 per share**, revised upwards from previous €4.85. At such fair value, the stock would trade at 6.0x-5.5 EV/Adj. EBITDA 2021E-22E, which still embed a ca. 10% discount with respect to peers. Our fair value doesn't take into account the impact of the possible conversion of outstanding warrants.

### Neodecortech vs. peers: Share price evolution



Source: S&P Capital IQ

### Neodecortech vs. Peers: Stock trading multiples

| Company                 | EV / EBITDA (x) |            | EV / EBIT (x) |             | Adj. P / E (x) |             |
|-------------------------|-----------------|------------|---------------|-------------|----------------|-------------|
|                         | 2021E           | 2022E      | 2021E         | 2022E       | 2021E          | 2022E       |
| Ober Groupe             | 5.3             | 5.0        | 12.1          | 10.5        | 20.7           | 17.7        |
| Surteco                 | 6.9             | 6.5        | 11.6          | 11.0        | 14.4           | 13.6        |
| Tarkett                 | 6.7             | 5.7        | 17.2          | 12.2        | nm             | 17.0        |
| Sanderson Design        | 8.4             | 7.8        | 17.1          | 16.5        | 22.1           | 21.5        |
| <b>Average</b>          | <b>6.8</b>      | <b>6.3</b> | <b>14.5</b>   | <b>12.5</b> | <b>19.1</b>    | <b>17.5</b> |
| <b>Median</b>           | <b>6.8</b>      | <b>6.1</b> | <b>14.6</b>   | <b>11.6</b> | <b>20.7</b>    | <b>17.4</b> |
| <b>NDT @ mkt price</b>  | <b>5.2</b>      | <b>4.7</b> | <b>9.8</b>    | <b>8.8</b>  | <b>9.2</b>     | <b>9.3</b>  |
| <b>NDT @ fair value</b> | <b>6.0</b>      | <b>5.5</b> | <b>11.3</b>   | <b>10.3</b> | <b>11.4</b>    | <b>11.4</b> |

Source: Market Consensus, Value Track Analysis )



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