



PUBLICATIONS

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NEODECORTECH

H1 2021 (+)

(Company)

Best Half-Year in the Group's History

Last night, Neodecortech released its preliminary results for H1 2021: the full report will be published on 09/09/2021.

The publication was simply extraordinary, the best half-year in the group's history.

Revenue stands at €82.4m, up 51% vs. H1 2020, but more importantly up 24% vs. H1 2019. This growth was seen in all of the company's business segments, including paper mills which had suffered the most at the start of the health crisis.

EBITDA growth was even stronger, reaching €9.8M, +74% vs. H1 2020 and +39% vs. H1 2019, reaching the best margin of the last three years in H1 (11.9%), thanks to the increase of new products, especially laminates.

EBIT also grew unproportionally, reaching €5.3m (vs. €1.2m in H1 2020 and €2.9m in H1 2019) and net profit reached €3.1m (vs. €0.2m in H1 2020 and €1.1m in H1 2019).

NFP continued to be under control at €41m and in line with end-2020, when it stood at €40m.

The extremely positive sales momentum in the furniture and interior design sector leads us to upgrade our estimates.

We are now expecting 2021 revenue to grow to €155.6m (from €144.9m) and in 2022, to €166.1m (from €154.6m). Similarly, we are increasing our EBITDA estimates to €20.2m in 2021 and €22.3m in 2022 (from €19m and €21.5m).

This new scenario, combined with updated market parameters, leads us to once again raise our TP for NDT to €6.4 (from €5.8). We are expecting NDT to trade at 6.1x and 5.6x EBITDA 2021 and 2022 and 12x and 9.9x of net revenue in 2021 and 2022. This is a about a 25% discount vs. its competitors due to its smaller size and liquidity.

Buy, TP of 6.4€ (vs 5.8€) - David Coppini: +33 1 78 95 71 78

Market Data

Sector	Decorative surfaces
Share price (€)	4,9
Market Cap. (€m)	66,8
Market Segment	FTSE Italia STAR
Bloomberg	NDT IM

Ownership structure

Finanziaria Valentini	61,6%
Free float	38,4%

€m	2020	2021	2022	2023
VoP	131,2	155,6	166,1	175,4
<i>Change</i>	-3,5%	18,6%	6,8%	5,6%
EBIT	5,5	11,2	13,1	14,9
<i>Margin</i>	4,2%	7,2%	7,9%	8,5%
Net Income	3,5	7,0	8,4	9,8
EPS (€)	0,27	0,53	0,65	0,75
<i>Change</i>	-7,0%	96,5%	21,5%	16,3%
Dividend (€)	0,09	0,12	0,19	0,19
<i>Dividend Yield</i>	1,8%	2,4%	3,8%	3,9%
FCF	3,7	0,6	10,4	11,8
ROCE	4,6%	7,5%	8,8%	10,0%
EV/Sales (x)		0,7	0,6	0,6
EV/EBIT (x)		9,7	7,9	6,5
P/E (x)		9,3	7,7	6,6
Net Debt	40,0	42,9	37,0	29,7
<i>Net Gearing</i>	65%	64%	51%	37%

Midcap Partners estimates

Upcoming event : N/A

Consensus - Number of analysts : 3

	2021	2022	2023
Sales	144,9	154,6	163,1
EBIT	10,1	12,1	14,2
Net income	6,1	7,7	9,3

Source: FACTSET

Top Peers	Market Cap (€M)	EV/EBIT 2021	EV/EBIT 2022	PE 2021	PE 2022
SURTECO GROUP SE	575	12,0	11,7	14,4	13,6
Sanderson Design Group PLC	176	13,1	11,9	17,7	15,8
Tarkett SA	1 314	21,2	14,3	25,8	16,5

Source: FACTSET

Analyst certifications

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2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests

Company	Conflict Type
ATEME	Nil
AUDIOVALLEY	E,G
DEVOTEAM	Nil
ESPRINET	G
INTERPARFUMS	Nil
NEODECORTECH	G
SIDETRADE	D,G

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