

NEODECORTECH

BUY

Sector: Industrials

Price: Eu3.03 - Target: Eu4.50

2023: Resilienza in un mercato sfidante

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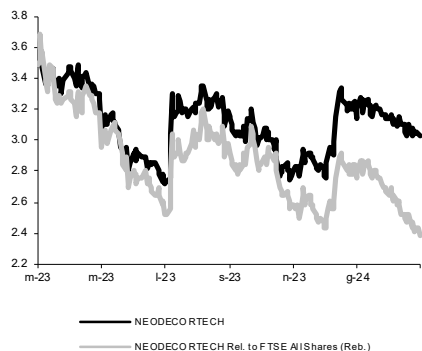
Stock Rating

Rating:	Unchanged		
Target Price (Eu):	from 4.16 to 4.50		
	2024E	2025E	2026E
Chg in Adj EPS	0.0%	0.0%	

Next Event

1Q24 Results Out 9 May

NEODECORTECH - 12M Performance



Stock Data

Reuters code:	NDT.MI		
Bloomberg code:	NDT IM		
Performance	1M	3M	12M
Absolute	-3.5%	9.4%	-16.5%
Relative	-10.4%	-1.7%	-38.3%
12M (H/L)	3.59/2.72		
3M Average Volume (th):	7.78		

Shareholder Data

No. of Ord shares (mn):	14
Total no. of shares (mn):	14
Mkt Cap Ord (Eu mn):	43
Total Mkt Cap (Eu mn):	43
Mkt Float - Ord (Eu mn):	18
Mkt Float (in %):	41.4%
Main Shareholder:	
Finanziaria Valentini S.p.A	58.6%

Balance Sheet Data

Book Value (Eu mn):	81
BVPS (Eu):	5.70
P/BV:	0.5
Net Financial Position (Eu mn):	-26
Enterprise Value (Eu mn):	69

■ **Risultati FY23 in linea con le attese.** I ricavi FY23 sono stati pari a 161,6 milioni di euro (-17.7% YoY), il confronto su base annua resta penalizzante a causa di un 1H22 che ha registrato volumi record. Su base trimestrale il fatturato risulta sostanzialmente in linea con il trimestre precedente, escludendo la divisione energia. I fermi produttivi della centrale elettrica (87 giorni in totale) hanno determinato una perdita di fatturato di circa 10 milioni di euro nell'anno. L'EBITDA è stato pari a 13,9 milioni di euro (-13.1% YoY), con una sostanziale tenuta dei margini, pari all'8,6% (vs 8,1% FY22). L'utile netto si attesta a Eu2,8mn, ed evidenzia un calo significativo rispetto agli 8,4 milioni di euro del FY22; è necessario però precisare che quest'ultimo incorporava gli effetti positivi della posta straordinaria MICA per 3,8 milioni di euro.

■ **Dettaglio dei ricavi Q4 per business unit.** Per quanto concerne le due divisioni attinenti al core business della società, nonostante la flessione dei ricavi su base annua, legata da un lato ad un rallentamento generale della domanda e dall'altro ad una riduzione dei prezzi unitari di circa il 5-7%, il confronto trimestrale sembra essere leggermente migliore. Nel Q4 società ha registrato rispettivamente Eu17.7mn di ricavi per quanto riguarda la Carta Decorativa Stampata (+8.6% YoY, +12.5% QoQ), ed Eu14.5mn per la carta Decorativa (-7.6% YoY, +12.5% QoQ). La divisione Energia ha registrato ricavi per circa Eu4.3mn (-68%YoY, -57%QoQ), importante flessione legata al fermo dell'impianto energetico a causa del blocco anticipato della procedura di massimizzazione da parte delle autorità competenti. È necessario precisare che l'impianto energetico è tornato in funzione a pieno regime dall'11 dicembre 2023, in seguito alla pubblicazione del Decreto Energia, dopo un periodo di stop protrattosi da ottobre 2023.

■ **Forte miglioramento della PFN.** L'indebitamento netto si attesta ora a Eu25.9mn (rispetto ai Eu30.7mn del FY22 e ai Eu36mn 9M23), con investimenti per Eu6,5mn. Questo importante miglioramento è dovuto all'incasso da parte della società degli incentivi governativi spettanti per la divisione energetica, che hanno più che controbilanciato gli investimenti relativi a nuovi impianti e macchinari, tra cui la nuova linea di impregnazione entrata in funzione ad inizio 2024, oltre che al miglioramento ed efficientamento degli impianti e macchinari esistenti.

■ **BUY confermato, nuovo target price Eu4,50 (da Eu4,16).** I risultati comunicati sono sostanzialmente in linea con le nostre attese, ed evidenziano come, in un contesto macroeconomico internazionale e nazionale sfidante, la società sia riuscita a mantenere la propria marginalità. Alla luce di questi ultimi confermiamo la nostra visione positiva sul titolo basata sull'attesa di una completa ripresa del portafoglio ordini, un miglioramento della marginalità e di una forte generazione di cassa. Il nostro nuovo target, basato su valutazione dcf, riflette il decremento del risk-free rate.

Key Figures & Ratios	2021A	2022A	2023A	2024E	2025E
Sales (Eu mn)	176	196	162	178	184
EBITDA Adj (Eu mn)	18	16	14	18	21
Net Profit Adj (Eu mn)	7	6	3	6	7
EPS New Adj (Eu)	0.492	0.408	0.200	0.391	0.504
EPS Old Adj (Eu)	0.492	0.408	0.200	0.391	0.504
DPS (Eu)	0.089	0.139	0.145	0.155	0.165
EV/EBITDA Adj	4.6	5.1	5.1	3.7	3.1
EV/EBIT Adj	9.0	13.4	15.4	7.3	5.5
P/E Adj	6.2	7.4	15.1	7.8	6.0
Div. Yield	2.9%	4.6%	4.8%	5.1%	5.4%
Net Debt/EBITDA Adj	1.6	1.9	1.9	1.4	1.0

NEODECORTECH – Key Figures

Profit & Loss (Eu mn)	2020A	2021A	2022A	2023A	2024E	2025E
Sales	128	176	196	162	178	184
EBITDA	15	18	16	14	18	21
EBIT	5	9	6	5	9	12
Financial Income (charges)	-1	-1	3	-2	-2	-2
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	4	8	9	3	7	9
Taxes	-1	-1	-1	0	-2	-2
Tax rate	13.0%	16.6%	8.7%	-9.2%	22.0%	22.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	4	7	8	3	6	7
EBITDA Adj	15	18	16	14	18	21
EBIT Adj	5	9	6	5	9	12
Net Profit Adj	4	7	6	3	6	7
Per Share Data (Eu)	2020A	2021A	2022A	2023A	2024E	2025E
Total Shares Outstanding (mn) - Average	14	14	14	14	14	14
Total Shares Outstanding (mn) - Year End	14	14	14	14	14	14
EPS f.d	0.262	0.492	0.593	0.200	0.391	0.504
EPS Adj f.d	0.262	0.492	0.408	0.200	0.391	0.504
BVPS f.d	4.562	5.181	5.435	5.448	5.698	6.061
Dividend per Share ORD	0.139	0.089	0.139	0.145	0.155	0.165
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	53.2%	18.0%	23.4%	72.4%	39.7%	32.8%
Cash Flow (Eu mn)	2020A	2021A	2022A	2023A	2024E	2025E
Gross Cash Flow	13	15	18	12	14	16
Change in NWC	-2	3	-9	2	-4	-0
Capital Expenditure	-6	-10	-9	-6	-9	-9
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	4	8	-0	8	1	6
Acquisitions, Divestments & Other Items	-2	4	1	0	0	0
Dividends	-2	-1	-2	-2	-2	-2
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	1	11	-1	5	0	5
Balance Sheet (Eu mn)	2020A	2021A	2022A	2023A	2024E	2025E
Total Fixed Assets	81	82	81	78	78	79
Net Working Capital	28	26	35	33	24	25
Long term Liabilities	-8	-8	-8	-7	4	3
Net Capital Employed	102	100	108	103	107	107
Net Cash (Debt)	-40	-29	-31	-26	-26	-21
Group Equity	62	70	77	77	81	86
Minorities	0	0	0	0	0	0
Net Equity	62	70	77	77	81	86
Enterprise Value (Eu mn)	2020A	2021A	2022A	2023A	2024E	2025E
Average Mkt Cap	38	53	51	45	43	43
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-40	-29	-31	-26	-26	-21
Enterprise Value	78	83	82	71	69	64
Ratios (%)	2020A	2021A	2022A	2023A	2024E	2025E
EBITDA Adj Margin	11.4%	10.3%	8.1%	8.6%	10.3%	11.1%
EBIT Adj Margin	4.3%	5.2%	3.1%	2.9%	5.3%	6.2%
Gearing - Debt/Equity	64.7%	41.6%	39.8%	33.4%	31.7%	23.9%
Interest Cover on EBIT	3.9	7.6	nm	2.3	4.0	4.9
Net Debt/EBITDA Adj	2.7	1.6	1.9	1.9	1.4	1.0
ROACE*	5.4%	9.2%	5.9%	4.4%	9.0%	10.8%
ROE*	5.8%	10.1%	7.9%	3.7%	7.0%	8.6%
EV/CE	0.8	0.8	0.8	0.7	0.7	0.6
EV/Sales	0.6	0.5	0.4	0.4	0.4	0.3
EV/EBITDA Adj	5.4	4.6	5.1	5.1	3.7	3.1
EV/EBIT Adj	14.3	9.0	13.4	15.4	7.3	5.5
Free Cash Flow Yield	9.6%	19.0%	-1.1%	18.1%	2.7%	14.2%
Growth Rates (%)	2020A	2021A	2022A	2023A	2024E	2025E
Sales	-3.9%	38.0%	11.4%	-17.7%	10.2%	3.5%
EBITDA Adj	-8.4%	24.1%	-11.9%	-13.1%	32.1%	11.8%
EBIT Adj	-23.0%	68.1%	-33.8%	-24.0%	103.7%	21.8%
Net Profit Adj	-38.0%	89.2%	-13.3%	-50.9%	95.0%	28.9%
EPS Adj	-39.9%	88.0%	-17.0%	-50.9%	95.0%	28.9%
DPS	-8.8%	-36.3%	56.9%	4.2%	6.9%	6.5%

*Excluding extraordinary items

Source: Intermonte SIM estimates

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	NEODECORTECH		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	4.50	Previous Target (Eu):	4.16
Current Price (Eu):	3.03	Previous Price (Eu):	2.80
Date of report:	13/03/2024	Date of last report:	09/11/2023

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	26.02 %
OUTPERFORM:	47.15 %
NEUTRAL:	26.02 %
UNDERPERFORM	00.81 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (51 in total) is as follows:

BUY:	38.78 %
OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short

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