

NEODECORTECH

BUY

Sector: Industrials

Price: Eu3.00 - Target: Eu4.80

1Q25: Solid Set of Results in Line with Expectations

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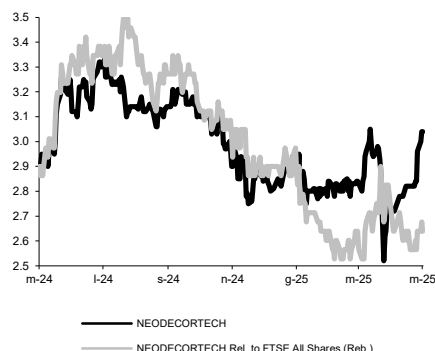
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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event: 1H25 Results

Results Out August 4th, 2025

NEODECORTECH - 12M Performance



Stock Data			
Reuters code:	NDT.MI		
Bloomberg code:	NDT IM		
Performance	1M	3M	12M
Absolute	10.9%	7.0%	3.4%
Relative	-6.7%	1.3%	-11.4%
12M (H/L)	3.33/2.52		
3M Average Volume (th):	6.31		

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):	16
Mkt Float (in %):	36.1%
Main Shareholder:	
Finanziaria Valentini S.p.A	58.6%

Balance Sheet Data	
Book Value (Eu mn):	83
BVPS (Eu):	5.81
P/BV:	0.5
Net Financial Position (Eu mn):	-21
Enterprise Value (Eu mn):	64

■ **Margins improve YoY, revenues supported by Bioenergia.** Neodecortech released its 1Q25 results, showing an improvement compared to the same period of 2024, although slightly down from the fourth quarter of last year. Consolidated revenues stood at €43.6mn, up +1.3% YoY, mainly driven by the excellent performance of the subsidiary Bioenergia Guarcino. In terms of profitability, EBITDA came in at €4mn, up +19% YoY, with a margin of 9.1% (vs. 7.8% in 1Q24). Net income reached €0.7mn, up +13.6% YoY. Net Financial Position was negative at €33.4mn, essentially stable vs. December 31, 2024 (€33.1mn), and improved compared to €37.4mn in 1Q24. During the quarter, the Group made €1.3mn of investments, mainly for new machinery for the Parent Company and efficiency upgrades for the two core divisions.

■ **Revenue breakdown by business and geography.** In 1Q25, revenues from the core divisions, Neodecortech (€16.6mn, -5% YoY) and Cartiera di Guarcino (€14.6mn, -10.6% YoY), were affected by both lower volumes and a further decline in unit prices. Geographically, the most significant contraction was seen in the domestic market (-10.3%) and in Europe (-8.5%), while non-European markets showed mixed trends: strong growth in Asia/Middle East (+105.9%), and declines in Africa (-67.9%) and the Americas (-7.1%). The overall decline in revenues was expected and is in line with the company's 2025 Budget forecasts. The energy division (Bioenergia Guarcino) was an exception, operating at full capacity and posting revenues of €12.3mn, up +34% YoY, confirming its strategic role in supporting the Group's overall profitability.

■ **No changes to estimates.** We expect a second quarter broadly in line with the first, consistent with management's indications. As usual, no quantitative guidance was provided, although management did highlight that the downward trend in the order backlog observed at the end of 2024 had come to a halt in early 2025, with incoming orders stabilizing and showing some early signs of improvement.

■ **BUY rating confirmed, target price unchanged at €4.80.** The published results confirm Neodecortech's solid fundamentals, as the Group continues to perform effectively in a challenging macroeconomic environment. The company is focusing its resources on higher-margin products, particularly laminates and plastic films. Progress also continues on the European PUSH2HEAT project, aimed at recovering industrial waste heat through heat pump systems, and on the implementation of the 2024–2026 ESG Plan, with targeted actions for emission reductions and material circularity. In light of results in line with our expectations, we confirm our positive view on the stock, supported by the recovery of the order backlog and robust cash generation, which represents a further catalyst backing the Group's strategy.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	162	169	173	176	181
EBITDA Adj (Eu mn)	14	17	17	18	18
Net Profit Adj (Eu mn)	3	4	4	5	6
EPS New Adj (Eu)	0.200	0.285	0.296	0.345	0.398
EPS Old Adj (Eu)	0.200	0.285	0.296	0.345	0.398
DPS (Eu)	0.141	0.150	0.155	0.172	0.199
EV/EBITDA Adj	5.1	4.6	3.8	3.5	3.1
EV/EBIT Adj	15.4	10.3	8.5	7.8	6.9
P/E Adj	15.2	10.7	10.3	8.8	7.6
Div. Yield	4.6%	4.9%	5.1%	5.7%	6.5%
Net Debt/EBITDA Adj	1.9	2.0	1.2	1.0	0.8

NEODECORTECH – Key Figures						
Profit & Loss (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	196	162	169	173	176	181
EBITDA	16	14	17	17	18	18
EBIT	6	5	7	8	8	8
Financial Income (charges)	3	-2	-2	-2	-2	-1
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	9	3	5	5	6	7
Taxes	-1	0	-1	-1	-1	-2
Tax rate	-8.7%	9.2%	-23.2%	-23.5%	-23.5%	-23.5%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	8	3	4	4	5	6
EBITDA Adj	16	14	17	17	18	18
EBIT Adj	6	5	7	8	8	8
Net Profit Adj	8	3	4	4	5	6
Per Share Data (Eu)	2022A	2023A	2024A	2025E	2026E	2027E
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	0.607	0.200	0.285	0.296	0.345	0.398
EPS Adj f.d	0.607	0.200	0.285	0.296	0.345	0.398
BVPS f.d	5.435	5.448	5.678	5.812	5.978	6.169
Dividend per Share ORD	0.139	0.141	0.150	0.155	0.172	0.199
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	23.4%	70.2%	52.5%	52.5%	50.0%	50.0%
Cash Flow (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Gross Cash Flow	19	13	12	14	15	15
Change in NWC	-9	2	-10	9	-1	-1
Capital Expenditure	-9	-6	-10	-9	-8	-8
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	1	8	-8	14	6	7
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	-2	-2	-2	-2	-2	-2
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-1	5	-7	12	3	4
Balance Sheet (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Total Fixed Assets	81	78	79	78	76	74
Net Working Capital	34	25	46	34	35	36
Long term Liabilities	-8	-7	-7	-7	-7	-8
Net Capital Employed	108	103	114	104	103	102
Net Cash (Debt)	-31	-26	-33	-21	-18	-14
Group Equity	77	77	81	83	85	88
Minorities	0	0	-0	-0	-0	-0
Net Equity	77	77	81	83	85	88
Enterprise Value (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Average Mkt Cap	51	45	44	43	43	43
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-31	-26	-33	-21	-18	-14
Enterprise Value	82	71	77	64	61	57
Ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E
EBITDA Adj Margin	8.1%	8.6%	9.9%	9.9%	9.9%	10.1%
EBIT Adj Margin	3.1%	2.9%	4.4%	4.4%	4.4%	4.6%
Gearing - Debt/Equity	39.8%	33.4%	41.0%	25.6%	20.9%	16.1%
Interest Cover on EBIT	nm	2.3	3.2	3.5	5.0	7.8
Net Debt/EBITDA Adj	1.9	1.9	2.0	1.2	1.0	0.8
ROACE*	5.9%	4.4%	6.9%	7.0%	7.6%	8.1%
ROE*	11.4%	3.7%	5.0%	5.0%	5.7%	6.4%
EV/CE	0.8	0.7	0.7	0.6	0.6	0.6
EV/Sales	0.4	0.4	0.5	0.4	0.3	0.3
EV/EBITDA Adj	5.1	5.1	4.6	3.8	3.5	3.1
EV/EBIT Adj	13.4	15.4	10.3	8.5	7.8	6.9
Free Cash Flow Yield	1.5%	17.9%	-18.8%	32.7%	13.5%	15.1%
Growth Rates (%)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	11.4%	-17.7%	4.3%	2.3%	2.3%	2.3%
EBITDA Adj	-11.9%	-13.1%	19.7%	2.6%	2.9%	4.0%
EBIT Adj	-33.8%	-24.0%	61.2%	1.4%	3.3%	6.0%
Net Profit Adj	26.1%	-66.2%	39.6%	3.8%	16.4%	15.5%
EPS Adj	22.9%	-67.0%	42.5%	3.8%	16.4%	15.5%
DPS	56.9%	1.4%	6.2%	3.8%	10.8%	15.5%

*Excluding extraordinary items Source: Intermonte SIM estimates

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	NEODECORTECH		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	4.80	Previous Target (Eu):	4.80
Current Price (Eu):	3.00	Previous Price (Eu):	3.00
Date of report:	19/05/2025	Date of last report:	25/03/2025

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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 between 5.5%-6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P/IB40 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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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 March 2025 Intermonte's Research Department covered 131 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short
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