ALANTRA
Italian Equity Research

Neodecortech

Sector: Industrials

Margins step up, debt comes down

BUY
Unchanged

TP 7.7
From 6.2

Target price upside 38%

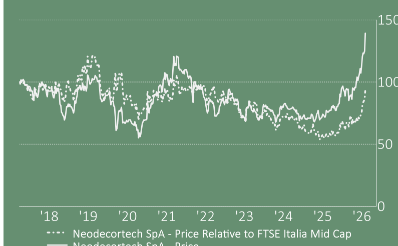
Change in EPS est.	FY26E	FY27E
	24%	20%

Neodecortech delivered a strong 2Q/1H26, with sales tracking our FY expectations and margins/net debt ahead. L-f-l sales were stable for the second consecutive quarter despite a still declining decorative surfaces market, pointing to continued market outperformance. Margin quality was the key positive: profitability improved across divisions, supported by better mix, Lamitex, procurement discipline and faster pass-through. Net debt fell sharply to Eu19.9mn from Eu30.9mn at YE25, materially increasing financial flexibility. We raise FY26E-28E EBITDA/EPS by +11%/+21% on average and upgrade our TP to Eu7.7/s from Eu6.2/s. BUY confirmed.

- **High-single-digit top line growth, with l-f-l trends showing market outperformance.** Net sales reached Eu50.5mn in 2Q26, up 8% YoY, while l-f-l revenues stood at Eu47.0mn, broadly in line with Eu46.8mn in 2Q25. In 1H26, sales reached Eu97.7mn, up 8% YoY, driven by Lamitex (+Eu7.1mn) and NDT growth (+Eu2.3mn), partly offset by BEG, affected by the temporary stoppage until 20 February (-Eu1.9mn). The BEG shortfall was mitigated by the recognition of the 2025 PMG accrual, with a positive Eu5.6mn impact in 1Q26. Excluding the energy division, both Italy and foreign markets were positive in 1H26, up 8% and 18% YoY, respectively.
- **Margins improved beyond BEG and Lamitex, while net debt fell sharply.** 2Q26 EBITDA reached Eu6.6mn, up 25% YoY, with margin at 13.0% vs 11.2% in 2Q25; net of the BEG accrual, EBITDA was Eu6.3mn (+20% YoY), with margin at 12.4%. On a l-f-l basis, EBITDA was Eu5.6mn (+7% YoY), or Eu5.3mn excluding the BEG true-up (+2% YoY), with margins of 11.9% and 11.3%, respectively. In 1H26, EBITDA was Eu15.6mn (+69% YoY), with margin at 16.0% reported, 11.7% ex-BEG accrual and 10.4% ex-BEG and Lamitex, still slightly above 1H25 thanks to broad-based divisional improvement. Lower D&A after BEG plant depreciation completion drove 1H26 EBIT to Eu11.4mn vs Eu4.3mn and net profit to Eu9.1mn vs Eu2.8mn. Net debt fell to Eu19.9mn from Eu30.9mn at YE25, thanks to strong profitability and Eu4.2mn positive NWC contribution, reflecting the collection of the 2025 PMG accrual and higher payables. This more than offset Eu4.3mn capex (Eu4.0mn in 1H25) and Eu2.1mn dividends (Eu2.0mn in 1H25). Adj. net debt, excluding Lamitex acquisition effects, stood at Eu9.4mn in 1H26 vs Eu20.1mn at YE25.
- **Outlook remains prudent, strategy focused on profitability.** During the call, management highlighted that the reference market remains in decline, but expects NDT's 2H26 demand to stay broadly in line with 1H26, supported by stable orders and continued market outperformance. Raw-material pressure has slightly eased, while energy remains volatile; margin protection therefore remains the priority, helped by c.95% pass-through of recent input-cost inflation almost simultaneously, vs 50%-80% and a 3-9 month lag historically seen in the industry. On FCF, management guided YE26 net debt broadly in line with the 1H26 level. Strategy remains focused on higher-margin products, Lamitex cross-selling, Kraft paper and BEG extension: Kraft is progressing, with c.500 tons sold and at least 1,500 tons expected by YE26, while BEG remains a structural energy shield, with potential value beyond 2030 thanks to grid connection, capacity-market optionality and industrial integration.
- **Estimates revised on stronger margin delivery.** We raise FY26E-28E sales, EBITDA, EPS by +2%, +11%, +21% on average, reflecting the positive momentum highlighted by 2Q profitability, supported by better pricing power and visible margin improvement also excluding Lamitex, while the BEG contribution was already included in our previous forecasts. For 2H26, we assume LSD YoY sales growth and margins up YoY (+110bps excl. BEG accrual) but below 1H26 level, maintaining a cautious approach and consistent with the margin phasing seen in FY25. By FY28E, we expect sales of Eu197.2mn (+4% CAGR FY24A-28E), EBITDA of Eu26.4mn (13.4% margin vs 9.9% in FY24A), and net debt at Eu7.8mn, or 0.3x ND/EBITDA from 2.0x in FY24A.
- **BUY reiterated, TP upgraded to Eu7.7/s (from Eu6.2).** We update our DCF and relative valuation, with the TP increase driven by higher estimates and peer re-rating. Despite the strong performance since our mid-March initiation (+58%), NDT still trades at a >35% discount to peers, which we see as unjustified given improving margin quality, faster deleveraging and a transition profile increasingly supported by premiumisation, Lamitex accretion, procurement discipline and a stronger balance sheet. BUY confirmed.

Ticker (BBG, Reut)	NDT IM	NDT MI
Share price Ord. (Eu)		5.6
N. of Ord. shares (mn)		13.7
Total N. of shares (mn)		13.7
Market cap (Eu mn)		76
Total Market Cap (EU mn)		76
Free Float Ord. (%)		38%
Free Float Ord. (Eu mn)		29
Daily AVG liquidity Ord. (Eu k)		62

	1M	3M	12M
Absolute Perf.	19.4%	44.5%	74.0%
Rel.to FTSEMidCap	21.1%	36.1%	61.1%
52 weeks range		3.0	5.4



	FY25A	FY26E	FY27E
Sales	184	189	193
EBITDA	20.9	24.2	25.3
Net profit	3.6	6.8	7.5
EPS adj.	0.26	0.49	0.55
DPS - Ord.	0.15	0.15	0.15
EV/EBITDA	4.8x	5.4x	4.8x
P/E adj.	11.7x	11.2x	10.2x
Dividend yield	5.0%	2.7%	2.7%
FCF yield	34.4%	16.5%	11.2%
Net debt/(Net cash)	30.9	21.0	14.5
Net debt/EBITDA	1.5x	0.9x	0.6x

Head Of Research
Luca Arena
luca.arena@alantra.com
+39 02 63 671 620

Andrea Zampaloni
andrea.zampaloni@alantra.com
+39 02 63 671 621

Filippo Mazzoleni
filippo.mazzoleni@alantra.com
+39 02 63 671 622

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.
This research is the product of Alantra Capital Markets, which is authorized and regulated by the Comision Nacional del Mercado de Valores in Spain, and by Consob in Italy.

ALANTRA
Italian Equity Research

Summary Financials (IFRS)

P&L account (Eu mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Net Revenues	168.6	184.1	189.2	193.1	197.2
Gross Margin	na	na	na	na	na
EBITDA reported	16.6	20.9	24.2	25.3	26.4
D&A	(9.1)	(10.5)	(8.9)	(9.1)	(9.3)
EBIT reported	7.5	10.4	15.3	16.2	17.1
Net financial charges	(2.3)	(2.1)	(1.5)	(1.3)	(1.2)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	5.2	8.3	13.9	14.9	16.0
Taxes	(1.2)	(1.0)	(3.2)	(3.4)	(3.7)
Minorities	0.1	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	4.1	7.3	10.5	11.3	12.1
EBITDA adjusted	**16.6**	**16.6**	**19.4**	**20.3**	**21.4**
EBIT adjusted	**7.5**	**6.1**	**10.5**	**11.2**	**12.1**
Net profit adjusted	**4.1**	**3.6**	**6.8**	**7.5**	**8.3**

Margins (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Gross margin	na	na	na	na	na
EBITDA margin	9.9%	11.3%	12.8%	13.1%	13.4%
EBIT margin	4.4%	5.6%	8.1%	8.4%	8.7%
Pre-tax margin	3.1%	4.5%	7.3%	7.7%	8.1%
Net profit margin	2.4%	4.0%	5.6%	5.9%	6.1%

Growth rates (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	-17.5%	9.2%	2.8%	2.1%	2.1%
EBITDA	4.0%	25.5%	16.1%	4.4%	4.3%
EBITDA adjusted	4.0%	-0.3%	16.7%	4.8%	5.4%
EBIT	22.6%	38.8%	47.6%	5.8%	5.5%
EBIT adjusted	22.6%	-18.4%	71.4%	7.2%	8.0%
Pre-tax	-44.0%	59.9%	67.3%	7.4%	7.2%
Net profit	-51.9%	80.6%	43.6%	7.5%	7.3%
Net profit adjusted	-51.9%	-12.4%	90.6%	10.1%	11.1%

Per share data	FY24A	FY25A	FY26E	FY27E	FY28E
Shares	13.69	13.82	13.67	13.67	13.67
N. of shares AVG	13.89	13.75	13.75	13.67	13.67
N. of shares diluted AVG	13.89	13.75	13.75	13.67	13.67
EPS	**0.29**	**0.53**	**0.77**	**0.83**	**0.89**
EPS adjusted	**0.29**	**0.26**	**0.49**	**0.55**	**0.61**
DPS - Ord.	**0.15**	**0.15**	**0.15**	**0.15**	**0.15**
DPS - Sav.	0.00	0.00	0.00	0.00	0.00
BVPS	5.81	6.31	6.89	7.60	8.34

Enterprise value (Eu mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Share price Ord. (Eu)	3.07	3.00	5.56	5.56	5.56
Market cap	42.0	41.5	76.0	76.0	76.0
Net debt/(Net cash)	33.1	30.9	21.0	14.5	7.8
Adjustments	6.9	7.8	7.7	7.6	7.5
Enterprise value	82.0	80.2	104.7	98.1	91.3

Cash flow (Eu mn)	FY24A	FY25A	FY26E	FY27E	FY28E
EBITDA report	16.6	20.9	24.2	25.3	26.4
Net financial charges	(2.3)	(2.1)	(1.5)	(1.3)	(1.2)
Cash taxes	(1.2)	(1.0)	(3.2)	(3.4)	(3.7)
Ch. in Working Capital	(10.4)	5.9	2.6	(1.9)	(2.1)
Other operating items	0.7	(1.8)	(0.1)	(0.1)	(0.1)
Operating cash flow	**3.5**	**21.8**	**22.0**	**18.5**	**19.3**
Capex	(10.2)	(7.6)	(9.5)	(10.0)	(10.5)
FCF	**(6.7)**	**14.3**	**12.5**	**8.5**	**8.8**
Disposals/Acquisitions	0.2	(7.5)	0.0	0.0	0.0
Changes in Equity	(0.7)	0.8	(0.6)	0.0	0.0
Others	0.0	(3.3)	0.0	0.0	0.0
Dividends	0.0	(2.0)	(2.1)	(2.1)	(2.1)
Ch. in NFP	**(7.2)**	**2.2**	**9.9**	**6.5**	**6.8**

Ratios (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Capex/Sales	**6.0%**	**4.1%**	**5.0%**	**5.2%**	**5.3%**
Capex/D&A	1.1x	0.7x	1.1x	1.1x	1.1x
FCF/EBITDA	-40.2%	neg	51.8%	33.7%	33.4%
FCF/Net profit	-165.0%	neg	119.2%	75.4%	72.7%
Dividend pay-out	**50.2%**	**28.0%**	**19.5%**	**18.1%**	**16.9%**

Balance sheet (Eu mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Working capital	42.5	38.3	35.7	37.6	39.7
Fixed assets	78.7	87.6	88.2	89.1	90.4
Provisions & others	(7.3)	(8.2)	(8.3)	(8.3)	(8.3)
Net capital employed	**113.8**	**117.7**	**115.7**	**118.5**	**121.8**
Net debt/(Net cash)	**33.1**	**30.9**	**21.0**	**14.5**	**7.8**
Equity	80.7	86.8	94.7	103.9	114.0
Minority interests	0.0	(0.1)	0.1	0.2	0.4

Ratios (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Working capital/Sales	**25.2%**	**20.8%**	**18.9%**	**19.5%**	**20.1%**
Net debt/Equity	**41.0%**	**35.6%**	**22.2%**	**14.0%**	**6.8%**
Net debt/EBITDA	**2.0x**	**1.5x**	**0.9x**	**0.6x**	**0.3x**

Valuation	FY24A	FY25A	FY26E	FY27E	FY28E
EV/CE	**0.7x**	**0.6x**	**0.8x**	**0.8x**	**0.7x**
P/BV	0.5x	0.5x	0.8x	0.7x	0.7x
EV/Sales	0.5x	0.4x	0.6x	0.5x	0.5x
EV/EBITDA	4.9x	3.8x	4.3x	3.9x	3.5x
EV/EBITDA adjusted	**4.9x**	**4.8x**	**5.4x**	**4.8x**	**4.3x**
EV/EBIT	11.0x	7.7x	6.8x	6.1x	5.3x
EV/EBIT adjusted	**11.0x**	**13.1x**	**10.0x**	**8.7x**	**7.5x**
P/E	10.4x	5.7x	7.2x	6.7x	6.3x
P/E adjusted	**10.4x**	**11.7x**	**11.2x**	**10.2x**	**9.2x**
ROCE pre-tax	10.9%	4.9%	8.4%	9.0%	9.4%
ROE	**5.0%**	**4.1%**	**7.2%**	**7.2%**	**7.3%**
EV/FCF	-12.2x	nm	nm	11.5x	10.3x
FCF yield	**-15.9%**	**34.4%**	**16.5%**	**11.2%**	**11.6%**
Dividend yield	**4.8%**	**5.0%**	**2.7%**	**2.7%**	**2.7%**

Source: Company data, Alantra estimates

Share price performance

NDT price reached its all-time high yesterday, up 39% vs IPO price (Eu4.00/s)

Valuation

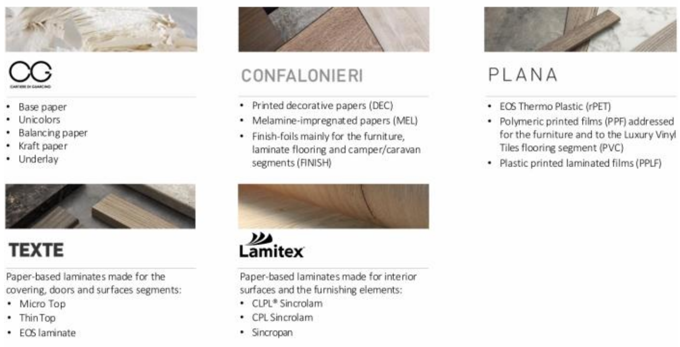
The stock has started a significant re-rating from the day-after the 1Q26 release

Source: Factset

Key Charts

Complete High-End, Made in Italy Offer

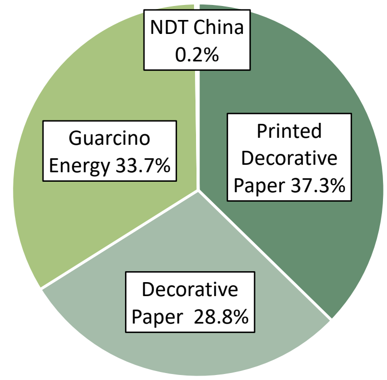
Multi-material and surface portfolio of 1,000+ best-in-class interior designs.



Source: Company data, Alantra

Net Sales by Product (FY25A, %)

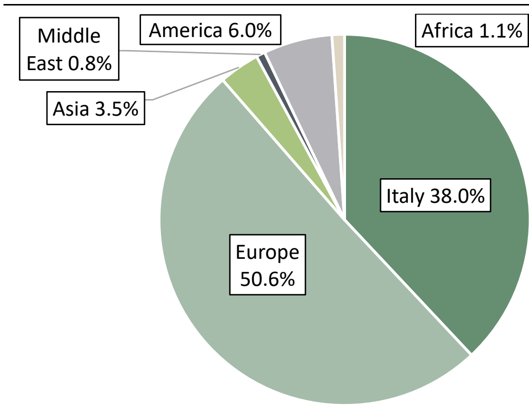
Well-diversified business model allowing to navigate cyclical downturns.



Source: Company data, Alantra

Net Sales by Geography (FY25A, %, excl. Energy division)

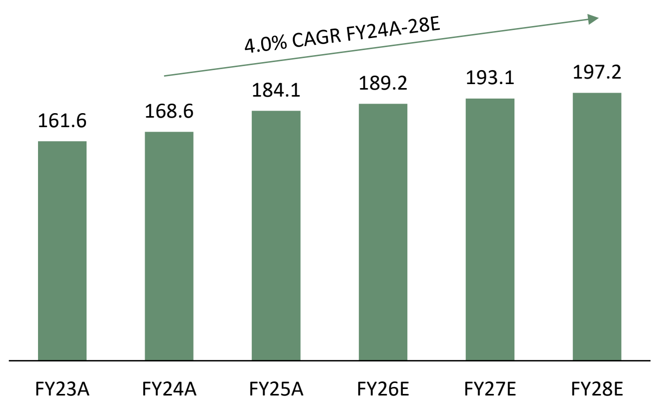
Excluding the energy division, the group generated 62% of FY25 sales abroad.



Source: Company data, Alantra

Net Sales Evolution (FY23A-FY28E, Eumn)

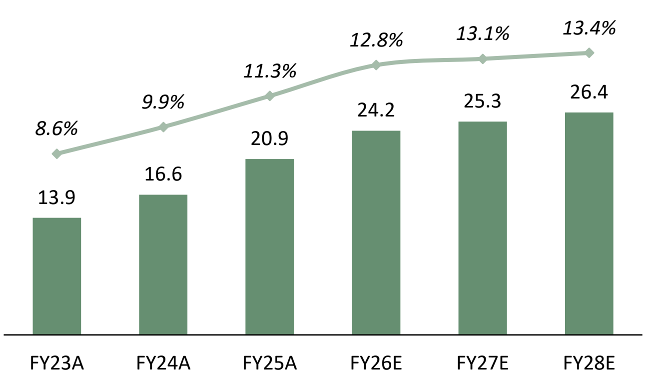
We expect Neodecortech to post a +4.0% FY24A-FY28E CAGR in Net Sales.



Source: Company data, Alantra

EBITDA and EBITDA Margin (FY23A-FY28E, Eumn, %)

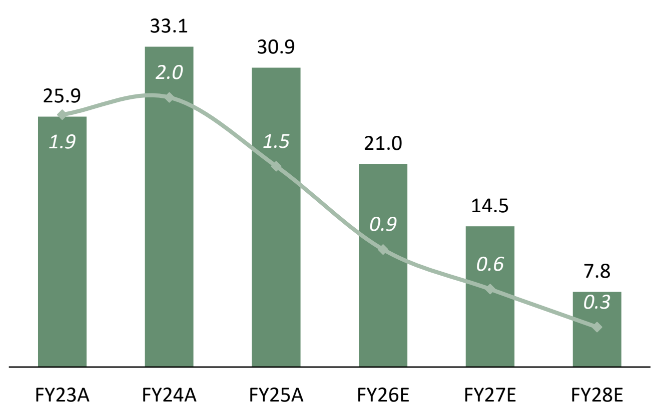
Mix enhancement, stronger integration, synergies to improve margin quality.



Source: Company data, Alantra

Net Debt and Net Debt/EBITDA (FY23A-FY28E, Eumn, x)

We expect Neodecortech to reach 0.3x Net Debt/EBITDA by FY28E.



Source: Company data, Alantra

Profile

Background Neodecortech is a vertically integrated Italian player active in high-end decorative surfaces for furniture, flooring and interior design. Founded in 1947 and listed on Euronext Milan (STAR) since 2021, the group generated Eu184.1mn of revenues in FY25. The group operates through three integrated segments: surface printing and impregnation (NDT, 37% of FY25 sales), decorative paper manufacturing (Cartiere di Guarcino, 29%) and energy generation (Bio Energia Guarcino, 34%). This structure enables full control of the value chain, from paper production and energy supply to finished surfaces such as printed papers, melamine films, CPL/CLPL laminates and thermoplastic solutions (PVC and rPET). The 2025 acquisition of Lamitex further strengthens the downstream positioning in premium decorative laminates for furniture components and interior architecture, increasing exposure to more fragmented and higher-margin segments. Neodecortech serves leading furniture, flooring and furniture parts manufacturers, with 62% of sales (excluding the energy division) generated abroad.

Positioning The home décor paper industry is expected to grow at a CAGR 26-30 of 2.5%, reaching USD128bn. China dominates global volumes, however, Europe is a key market by value, led by Germany (36% of European decorative paper market), followed by Italy, the UK, France and Spain. Market growth is driven by renovation activity and new residential construction, alongside the increasing adoption of decorative and laminate-based surfaces offering superior durability, design flexibility and cost efficiency versus traditional materials such as solid wood or ceramic. We see that the Made in Italy allure is relevant here, carrying long lasting prestige and added value. In this context, Neodecortech benefits from a strong competitive positioning, supported by high barriers to entry, a vertically integrated model, long-standing customer relationships, and a premium, broad-based product offering with strong R&D capabilities.

Growth We expect Neodecortech to post a +4.0% FY24A-FY28E CAGR in sales reaching Eu197.2mn, mainly driven by NDT's shift toward higher-value segments. EBITDA should increase at a +12.2% FY24A-FY28E CAGR to Eu26.4mn, with the EBITDA margin rising from 9.9% of net sales to 13.4%. The gain in profitability stems from an improved pricing mix and increased cost synergies from the Lamitex acquisition, as well as stronger vertical integration through BEG. EBIT and net profit should reach Eu17.1mn/8.7% margin and Eu12.1mn/6.1%, respectively, in FY28E.

Strategy Neodecortech's strategy is focused on driving growth through premiumization and deeper penetration of higher value-added surface applications, while reinforcing vertical integration. Strategic priorities include the potential acquisition of a small specialty paper mill (e.g. colored kraft) to strengthen upstream capabilities, extracting industrial and commercial synergies from Lamitex, and expanding internationally through selected regions like in the Middle East and North America. This is expected to increase exposure to more fragmented, higher-margin customer segments while preserving cost competitiveness through integration and energy efficiency. Stronger exploitation of intercompany energy sourcing remains a key strategic priority. The group is expected to benefit from further optimization of the BEG plant, increasing the internal usage rate of thermal energy to around 50%. Moreover, the group is evaluating the development of a new solid-biomass plant as part of its decarbonization strategy, which could materially reduce gas consumption and emissions while supporting long-term industrial sustainability.

Strengths	Weaknesses
Vertical integration across the value chain	Exposure to cyclical end markets
Premium product positioning	Revenue are affected by energy regulation changes
Comprehensive coverage of interior design surface applications	Customer concentration
Progressive downstream expansion	Energy division might lead to some WC volatility

Opportunities	Threats
Product premiumisation	Regulatory and energy incentive changes
Sustainability and circular economy positioning	Raw material price volatility
Expansion potential in new geographies	Competition from larger players in lower-tier product segments
M&A to accelerate business expansion	Technological obsolescence and rapid innovation cycles

Key shareholders	Management	Next events
Finanziaria Valentini: 58.6%	Luigi Cologni - CEO	3Q26: 06/11/26
Treasury shares: 3.8%	Massimo Giorgilli - CEO BEG, CEO CG	
Market: 37.6%	Marina Fumagalli - CFO	

2Q/1H26 Results

2Q26 Results

Excluding the BEG accrual, EBITDA margin reached 12.4% vs 11.2% in 2Q25, highlighting Lamitex's margin-accretive profile and the shift toward higher value surfaces.

Eu mn	2Q25A	2Q26A	YoY %	1H25A	1H26A	YoY%	FY25A	OLD FY26E	YoY%
Net Sales	46.8	50.5	8%	90.4	97.7	8%	184.1	186.4	1%
Net Sales (Net of BEG Accrual)	46.8	50.5	8%	90.4	92.1	2%	179.1	180.8	1%
EBITDA (Net of BEG Accrual)	5.2	6.3	20%	9.2	10.8	17%	16.6	16.9	2%
Ebitda Adj. Margin %	*11.2%*	*12.4%*		*10.2%*	*11.7%*		*9.3%*	*9.4%*	
EBITDA	5.2	6.6	25%	9.2	15.6	69%	20.9	21.8	4%
Ebitda Margin %	*11.2%*	*13.0%*		*10.2%*	*16.0%*		*11.3%*	*11.7%*	
EBIT	2.8	4.4	55%	4.3	11.4	162%	10.4	12.7	23%
Ebit Margin %	*6.0%*	*8.6%*		*4.8%*	*11.7%*		*5.6%*	*6.8%*	
Net Profit	2.0	3.5	72%	2.8	9.0	221%	7.3	8.5	15%
Net Profit Margin %	*4.3%*	*6.9%*		*3.1%*	*9.2%*		*4.0%*	*4.5%*	
Net Debt	36.7	19.9		36.7	19.9		30.9	25.1	

Source: Company data and Alantra estimates

2Q/1H26 Net Sales by Product

2Q26 net sales growth was mainly driven by Lamitex consolidation (Eu3.6mn) and Eu0.3mn growth in NDT China.

Net Sales by Product (Eu mn)	2Q25A	2Q26A	YoY %	1H25A	1H26A	YoY%
Printed Decorative Paper	18.3	22.0	20%	34.9	44.3	27%
% Net Sales	*39%*	*44%*		*39%*	*45%*	
Decorative Paper	13.1	13.4	3%	27.7	26.7	-4%
% Net Sales	*28%*	*27%*		*31%*	*27%*	
Guarcino Energy	15.4	14.8	-4%	27.7	25.9	-7%
% Net Sales	*33%*	*29%*		*31%*	*26%*	
NDT China	0.0	0.3	972%	0.1	0.8	921%
% Net Sales	*0%*	*1%*		*0%*	*1%*	
Net Sales	46.8	50.5	8%	90.4	97.7	8%

Source: Company data

2Q/1H26 Net Sales by Geography

Excluding the energy division, both Italy and foreign markets were positive in 1H26, up 8% and 18% YoY, respectively.

Net Sales by Geography (Eu mn)		2Q25A	2Q26A	YoY %	1H25A	1H26A	YoY%
Italy		12.0	13.2	*10%*	24.8	26.8	*8%*
	% Net Sales	*26%*	*26%*		*27%*	*27%*	
Europe		16.2	17.6	*9%*	31.6	34.6	*10%*
	% Net Sales	*35%*	*35%*		*35%*	*35%*	
Asia		1.5	1.9	*26%*	2.5	4.6	*82%*
	% Net Sales	*3%*	*4%*		*3%*	*5%*	
America		1.6	2.1	*26%*	3.4	3.6	*4%*
	% Net Sales	*3%*	*4%*		*4%*	*4%*	
Africa		0.3	0.9	*167%*	0.4	2.0	*339%*
	% Net Sales	*1%*	*2%*		*0%*	*2%*	
Oceania		0.0	0.1	*nm*	0.0	0.2	*nm*
	% Net Sales	*0%*	*0%*		*0%*	*0%*	
Energy Division		15.2	14.8	*-3%*	27.7	25.9	*-7%*
	% Net Sales	*32%*	*29%*		*31%*	*26%*	
Net Sales		46.8	50.5	*8%*	90.4	97.7	*8%*

Source: Company data

Change in estimates

Change in estimates

We revised our FY26E-28E sales, EBITDA and EPS estimates by +2%, +11% and +21% on average, mainly reflecting stronger-than-expected 2Q profitability.

	NEW Estimates			% Change			OLD Estimates		
(Eu mn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	189.2	193.1	197.2	1.5%	1.9%	1.9%	186.4	189.5	193.6
EBITDA	24.2	25.3	26.4	11.2%	10.9%	10.6%	21.8	22.8	23.9
EBIT	15.3	16.2	17.1	20.3%	18.4%	17.6%	12.7	13.7	14.6
Pretax Profit	13.9	14.9	16.0	29.6%	24.5%	22.3%	10.7	11.9	13.0
Net Profit	10.5	11.3	12.1	24.4%	19.5%	17.4%	8.5	9.5	10.3
EPS	0.77	0.83	0.89	24.3%	20.0%	17.9%	0.62	0.69	0.75
Net Financial Position	(21.0)	(14.5)	(7.8)	4.1	5.2	6.9	(25.1)	(19.7)	(14.7)

Source: Alantra

Peers

Financials

Neodecortech offers growth and profitability levels comparable with surface manufacturers peers.

Company	Country	Mkt Cap (Eu mn)	FY26E - FY28E average margins					CAGR FY25A - FY28E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
Neodecortech	ITALY	76	13.1%	8.4%	5.9%	5.2%	18.2%	2.3%	8.1%	18.1%	18.5%
Peers	Average	9,814	19.1%	10.4%	5.7%	9.6%	45.9%	4.8%	30.1%	52.8%	20.7%
	Median	456	13.1%	7.9%	4.7%	4.7%	47.8%	3.5%	11.6%	12.4%	4.7%
A.S. Creation Tapeten AG	GERMANY	20	7.4%	3.3%	1.8%	3.5%	52.5%	3.7%	35.0%	159.1%	142.9%
Arctic Paper S.A.	POLAND	107	5.0%	0.8%	0.1%	5.4%	21.5%	5.0%	193.5%	na	nm
Forbo Holding AG	SWITZERLAND	1,494	14.0%	9.4%	7.4%	4.0%	43.1%	2.8%	11.6%	14.5%	8.6%
James Halstead plc	UNITED KINGDOM	607	21.9%	19.1%	15.0%	2.7%	97.8%	3.0%	2.3%	2.6%	-0.3%
Sanderson Design Group PLC	UNITED KINGDOM	65	11.4%	5.9%	4.1%	2.4%	24.0%	na	na	na	11.5%
SURTECO GROUP SE	GERMANY	126	10.2%	3.0%	0.1%	na	0.0%	3.5%	17.2%	70.2%	nm
Uzin Utz SE	GERMANY	305	11.4%	7.5%	4.8%	4.7%	36.6%	11.0%	12.5%	15.3%	9.8%
Victoria PLC	UNITED KINGDOM	85	12.3%	5.0%	-3.0%	3.6%	0.0%	8.8%	37.2%	242.1%	nm
Peers Surface Manufacturers	Average	351	11.7%	6.7%	3.8%	3.8%	34.4%	5.4%	44.2%	84.0%	34.5%
	Median	116	11.4%	5.5%	3.0%	3.6%	30.3%	3.7%	17.2%	42.8%	9.8%
Enel SpA	ITALY	101,158	30.1%	19.6%	9.1%	19.1%	72.8%	1.1%	5.8%	6.1%	4.7%
A2A S.p.A.	ITALY	7,240	16.3%	8.3%	4.7%	12.3%	52.9%	1.2%	3.4%	-1.0%	-0.3%
Iren S.p.A.	ITALY	3,310	21.3%	8.9%	4.8%	14.5%	64.6%	2.6%	5.5%	10.4%	4.5%
ERG S.p.A.	ITALY	3,247	68.1%	34.2%	19.9%	33.6%	85.5%	10.4%	6.7%	9.3%	4.4%
Peers Energy Producers	Average	28,739	34.0%	17.7%	9.6%	19.8%	68.9%	3.8%	5.3%	6.2%	3.3%
	Median	5,275	25.7%	14.2%	6.9%	16.8%	68.7%	1.9%	5.6%	7.7%	4.5%

Source: FactSet, Alantra

Trading multiples

Neodecortech is trading at >35% average discount on FY26E-FY28E peers' EV/EBITDA multiples.

Company	Country	Mkt Cap (Eu mn)	EV/Sales			EV/EBITDA			EV/EBIT			PE		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Neodecortech	ITALY	76	0.6 x	0.5 x	0.5 x	4.3 x	3.9 x	3.5 x	6.8 x	6.1 x	5.3 x	7.2 x	6.7 x	6.3 x
Prem. (disc.) to Peers			*-40%*	*-45%*	*-52%*	*-38%*	*-30%*	*-40%*	*-36%*	*-46%*	*-50%*	*-48%*	*-40%*	*-44%*
Peers	Average	9,814	1.4 x	1.4 x	1.4 x	6.8 x	5.8 x	5.5 x	11.9 x	11.5 x	10.0 x	14.9 x	12.9 x	11.6 x
	Median	456	0.9 x	0.9 x	1.0 x	7.0 x	5.6 x	5.8 x	10.7 x	11.3 x	10.6 x	14.0 x	11.1 x	11.3 x
A.S. Creation Tapeten AG	GERMANY	20	0.2 x	0.2 x	0.2 x	3.3 x	2.2 x	2.0 x	10.0 x	4.7 x	3.9 x	21.2 x	8.4 x	7.3 x
Arctic Paper S.A.	POLAND	107	0.2 x	0.2 x	0.2 x	nm	4.1 x	3.1 x	na	15.3 x	7.3 x	nm	20.8 x	14.7 x
Forbo Holding AG	SWITZERLAND	1,494	1.2 x	1.1 x	1.0 x	9.0 x	7.8 x	6.8 x	14.0 x	11.3 x	10.1 x	17.3 x	14.9 x	13.2 x
James Halstead plc	UNITED KINGDOM	607	1.8 x	1.7 x	1.6 x	8.5 x	7.7 x	7.2 x	9.8 x	8.9 x	8.2 x	14.4 x	13.0 x	12.0 x
Sanderson Design Group PLC	UNITED KINGDOM	65	0.4 x	0.4 x	na	4.1 x	3.5 x	na	8.3 x	6.6 x	na	12.7 x	10.8 x	na
SURTECO GROUP SE	GERMANY	126	0.6 x	0.5 x	0.5 x	7.0 x	5.0 x	4.5 x	nm	13.2 x	10.7 x	na	10.3 x	9.1 x
Uzin Utz SE	GERMANY	305	0.7 x	0.6 x	0.5 x	6.3 x	5.3 x	4.3 x	10.2 x	8.0 x	6.2 x	14.0 x	11.1 x	8.6 x
Victoria PLC	UNITED KINGDOM	85	0.9 x	0.9 x	0.8 x	9.1 x	7.1 x	6.0 x	nm	16.8 x	12.3 x	na	na	na
Peers Surface Manufacturers	Average	351	0.7 x	0.7 x	0.7 x	6.8 x	5.3 x	4.8 x	10.5 x	10.6 x	8.4 x	15.9 x	12.7 x	10.8 x
	Median	116	0.6 x	0.6 x	0.5 x	7.0 x	5.1 x	4.5 x	10.0 x	10.1 x	8.2 x	14.4 x	11.1 x	10.6 x
Enel SpA	ITALY	101,158	2.0 x	2.1 x	2.2 x	7.0 x	7.0 x	6.9 x	10.7 x	10.7 x	10.6 x	13.8 x	13.3 x	12.6 x
A2A S.p.A.	ITALY	7,240	0.9 x	1.0 x	1.0 x	5.9 x	5.8 x	5.8 x	11.5 x	11.3 x	11.4 x	11.1 x	10.8 x	10.6 x
Iren S.p.A.	ITALY	3,310	1.1 x	1.1 x	1.2 x	5.5 x	5.4 x	5.3 x	13.6 x	12.9 x	12.4 x	10.9 x	10.3 x	9.7 x
ERG S.p.A.	ITALY	3,247	6.3 x	6.4 x	5.9 x	9.3 x	9.2 x	8.8 x	18.7 x	18.5 x	17.2 x	18.6 x	18.6 x	18.1 x
Peers Energy Producers	Average	28,739	2.6 x	2.6 x	2.5 x	6.9 x	6.8 x	6.7 x	13.6 x	13.3 x	12.9 x	13.6 x	13.3 x	12.7 x
	Median	5,275	1.6 x	1.6 x	1.7 x	6.4 x	6.4 x	6.3 x	12.5 x	12.1 x	11.9 x	12.4 x	12.1 x	11.6 x

Source: FactSet, Alantra

Performance

Neodecortech's stock price has consistently overperformed its peers.

Company	Country	Mkt Cap (Eu mn)	Performance 1M	3M	6M	YTD	1YR	3YR	5YR
Neodecortech	ITALY	76	19.4%	44.5%	41.1%	40.3%	74.0%	70.2%	32.3%
Peers	Average	9,814	0.1%	7.1%	8.1%	7.2%	-1.6%	-14.0%	-32.1%
	Median	456	-1.3%	-1.5%	-5.8%	-1.1%	-1.1%	-24.5%	-36.5%
A.S. Creation Tapeten AG	GERMANY	20	0.0%	-1.3%	-3.9%	-2.0%	-1.3%	-38.2%	-71.5%
Arctic Paper S.A.	POLAND	107	0.9%	1.7%	-19.1%	-19.2%	-38.1%	-55.8%	-2.7%
Forbo Holding AG	SWITZERLAND	1,494	25.2%	28.1%	0.2%	7.3%	24.1%	-24.2%	-53.1%
James Halstead plc	UNITED KINGDOM	607	-3.1%	-11.3%	-10.4%	-8.8%	-14.4%	-40.2%	-55.5%
Sanderson Design Group PLC	UNITED KINGDOM	65	3.3%	23.0%	61.5%	78.2%	55.0%	-24.8%	-59.6%
SURTECO GROUP SE	GERMANY	126	-15.1%	-20.1%	-34.3%	-25.9%	-42.2%	-55.5%	-73.5%
Uzin Utz SE	GERMANY	305	-6.8%	-14.0%	-23.5%	-13.7%	-8.5%	21.3%	-20.0%
Victoria PLC	UNITED KINGDOM	85	11.9%	85.8%	140.0%	60.1%	-38.1%	-90.5%	-94.1%
Peers Surface Manufacturers	Average	351	2.0%	11.5%	13.8%	9.5%	-7.9%	-38.5%	-53.8%
	Median	116	0.5%	0.2%	-7.2%	-5.4%	-11.4%	-39.2%	-57.6%
Enel SpA	ITALY	101,158	-3.0%	2.5%	4.9%	12.1%	27.7%	67.4%	28.4%
A2A S.p.A.	ITALY	7,240	-1.7%	-2.7%	-8.4%	0.0%	6.4%	39.3%	28.1%
Iren S.p.A.	ITALY	3,310	-1.0%	-1.6%	-7.8%	-0.5%	-0.8%	46.2%	-0.9%
ERG S.p.A.	ITALY	3,247	-9.5%	-5.0%	-2.4%	-1.7%	11.2%	-12.8%	-11.2%
Peers Energy Producers	Average	28,739	-3.8%	-1.7%	-3.4%	2.5%	11.1%	35.1%	11.1%
	Median	5,275	-2.3%	-2.2%	-5.1%	-0.2%	8.8%	42.8%	13.6%

Source: FactSet, Alantra

Disclaimer

Explanation of Ratings: Alantra Capital Markets Sociedad de Valores SAU (Italian Branch) ("Alantra CM (Italian Branch)") Research Department provides six core ratings: BUY, HOLD, SELL, NOT RATED, UNDER REVIEW and SUSPENDED, based on the expected performance over the next 12 months.

BUY: The stock is expected to generate returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative returns during the next 12 months.

NOT RATED: The stock is not covered.

UNDER REVIEW: An event occurred with an expected significant impact on our target price and we cannot issue a recommendation before having processed that new information and/or without a new share price reference.

SUSPENDED: Alantra CM (Italian Branch) is precluded from providing an investment rating or price target for compliance reasons.

Due to share price volatility, ratings and target prices may occasionally and temporarily be inconsistent with the above definition.

This report has been prepared by Alantra CM (Italian Branch), which is pertaining to the Alantra Group, a financial Spanish group that provides investment banking, asset management, equities brokerage, capital markets and financial advisory services.

Analyst Certification

Each authoring analyst of Alantra CM (Italian Branch) whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research.

This report is solely for the information of clients of Alantra CM (Italian Branch) and for distribution only under such circumstances as may be permitted by applicable law. Alantra CM (Italian Branch) specifically prohibits the redistribution of this material in whole or in part without the prior written permission of Alantra CM (Italian Branch) and therefore Alantra CM (Italian Branch) accepts no liability whatsoever for the actions or third parties in this respect.

Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. This report is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. The information contained in this research has been compiled by Alantra CM (Italian Branch) from sources believed to be reliable, but no representation or warranty, either expressed or implied, is provided in relation to the fairness, accuracy, completeness or correctness of the information contained herein, nor it is intended to be a complete statement or summary of the securities or markets referred to in this report. Alantra CM (Italian Branch) nor any of its affiliates has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Alantra CM (Italian Branch)'s judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability. Alantra CM (Italian Branch) its affiliated companies or any other person does not undertake that investors will obtain profits nor accept any liability for any investment losses arising from any use of this report or its contents. This report should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas of the Alantra Group as a result of using different assumptions and criteria. Research will be initiated, updated and coverage ceased solely at the discretion of Alantra CM (Italian Branch). The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. Alantra CM (Italian Branch) is under no obligation or keep current the information contained in this report.

From time to time, Alantra CM (Italian Branch) salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Alantra CM (Italian Branch)'s affiliates, principal trading desk, and investing businesses also from time to time may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

Investments involve risks and investors should exercise prudence in making their investment decisions. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Stocks bear significantly risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in a material loss. Options, derivative products and futures are not suitable for all investors, and trading in these instruments is considered risky. Past performance is not necessarily indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report.

Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments. There is no representation that any transaction can or could have been realized at those prices.

Neither Alantra CM (Italian Branch) nor any of the companies pertaining to the Alantra Group nor any of their shareholders, directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report.

Except as otherwise specified herein, this material is exclusively communicated by Alantra CM (Italian Branch) to persons who are eligible counterparties or professional clients and is only available to such persons. The information contained herein does not apply to retail clients.

The analysts responsible for the preparation of this report may interact with trading desk personnel, sales personnel and investment managers. Alantra CM (Italian Branch), any other company pertaining to the Alantra Group, and any of their shareholders, directors, employees may, to the extent permitted by law, have a position or otherwise be interested in any transactions, in any investments directly or indirectly the subject of this publication. The Alantra Group relies on information barriers to control the flow of information contained in one or more areas within the Alantra Group, into other areas, units, groups or affiliates of the Alantra Group. The Alantra Group may do and seek to do business with companies covered in its research reports. As a result, investors should be aware that the Alantra Group may have a conflict of interests. Information regarding transactions in which the Alantra Group has acted as an advisor, or provided professional services, is available on Alantra Group's website (http://www.alantra.com).The Alantra Group has established, implemented and maintains an effective conflicts of interest policy appropriate to its size and organization and to the nature, scale and complexity of its business. Investors should consider this report as only a single factor in making their investment decisions.

Conflict of interest

In order to disclose its possible conflicts of interest Alantra states that:

- Alantra is Corporate Broker of the following Companies: Eurotech, ICF, Tecma Solutions, Planetel, Powersoft, Comer Industries, Edil San Felice, Fae Technology, Kruso Kapital, Redfish Longterm Capital, B&C Speakers, Trevi, Next Geosolutions Europe, ICOP, Cyberoo, DEA, Smart Capital, Expert.ai, SIAV, Franchi Umberto Marmi, Otofarma, Neodecortech, Somec, Mare Group

Research Distribution Policy

Alantra, according to article 3, paragraph 1, numbers (34) and (35) Regulation (EU) No 596/2014, has been commissioned to produce Equity Research for the Company by arrangement with the Specialist engaged by the Company.

Alantra CM (Italian Branch) research will be available simultaneously for all of Alantra CM (Italian Branch)'s customers who are entitled to receive the firm's research. Research may be distributed by the firm's sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Alantra CM (Italian Branch)'s customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

The disclosures contained in research reports produced by Alantra CM (Italian Branch) shall be governed by and construed in accordance with Spanish and Italian laws.

The receipt of this report implies full acceptance by its recipients of the contents of this disclaimer.

Alantra Capital Markets Sociedad de Valores SAU is the Spanish investment firm located in Madrid, Calle de José Ortega y Gasset 29, registered at the Comisión Nacional del Mercado de Valores (CNMV) with number 258. Alantra CM (Italian Branch) is located in Milano (Italy), Via Borgonuovo 16 with number 155.