

NEODECORTECH

BUY

Sector: Industrials

Price: Eu2.93 - Target: Eu4.50

1Q24 debole: i volumi migliorano, ma pesa l'effetto prezzi

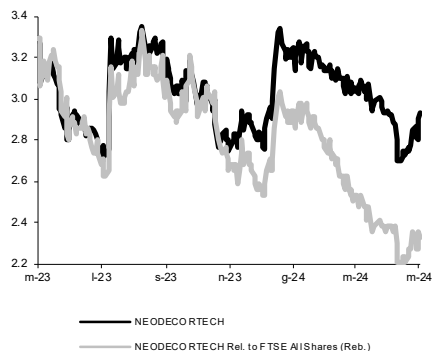
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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2024E	2025E	2026E
Chg in Adj EPS	-34.9%	-31.2%	high

Next Event

1H Results Out on August 2nd

NEODECORTECH - 12M Performance



Stock Data			
Reuters code:	NDT.MI		
Bloomberg code:	NDT IM		
Performance	1M	3M	12M
Absolute	-0.3%	-6.7%	-11.2%
Relative	-2.1%	-17.5%	-36.6%
12M (H/L)	3.35/2.70		
3M Average Volume (th):	7.73		

Shareholder Data	
No. of Ord shares (mn):	14
Total no. of shares (mn):	14
Mkt Cap Ord (Eu mn):	42
Total Mkt Cap (Eu mn):	42
Mkt Float - Ord (Eu mn):	17
Mkt Float (in %):	41.4%
Main Shareholder:	
Finanziaria Valentini S.p.A	58.6%

Balance Sheet Data	
Book Value (Eu mn):	79
BVPS (Eu):	5.56
P/BV:	0.5
Net Financial Position (Eu mn):	-26
Enterprise Value (Eu mn):	68

- 1Q24 in lieve calo su base annua.** Neodecortech ha riportato i risultati 1Q24, il trimestre ha risentito del rallentamento della domanda che ha colpito la filiera delle superfici decorative legate al mercato del mobile e dell'arredo nell'esercizio precedente. La società ha chiuso il primo trimestre con ricavi per €43,1 milioni (-7,3% YoY) a causa di una forte pressione sui prezzi di vendita e, in misura minore, della generalizzata contrazione della domanda. Nonostante l'inizio anno debole con un calo dei ricavi, riconducibile principalmente all'effetto prezzi, un timido segnale positivo è dato dall'aumento dei volumi di vendita nelle divisioni core della società.
- Dettaglio dei ricavi per area.** A livello geografico l'Italia e Asia/Middle East sono le geografiche in cui si registra una contrazione più accentuata, pari al -8,5% per l'Italia, che ha un'incidenza sui ricavi del 35% c.a. e del -29% per Asia/Middle East, la quale registra una modesta incidenza sui ricavi (1,2%). Sostanzialmente stabili le vendite nel resto d'Europa (-0.3%), le quali pesano sui ricavi per c.a. il 40%, mentre in aumento America (+15.1%) e Africa (+29.9%), con un'incidenza sui ricavi rispettivamente pari al 4.5% e all'1%. Per quanto concerne la divisione energia le vendite hanno subito un calo del -19,0% rispetto all'analogo periodo dell'anno precedente. Diminuzione che in parte è riconducibile al minor numero di ore in cui ha operato, ma anche è importante precisare che il prezzo medio di cessione dell'energia elettrica è passato da 265 €/MWh nell'1Q23 a 92 €/MWh nell'1Q24.
- Ricavi in calo, marginalità stabile.** La diminuzione dei ricavi ha portato ad una simile diminuzione in termini di EBITDA che è passato da €3,7mn nel primo trimestre 2023 a €3,4mn nel primo trimestre 2024, mentre il margine è rimasto sostanzialmente stabile. L'indebitamento Finanziario Netto resta elevato e pari a €37,5mn (vs €38,6mn al 31 marzo 2023), a causa di ritardi nell'incasso di €13,3mn di crediti relativamente al "regime di massimizzazione" e di quelli connessi al nuovo regime dei "Prezzi Minimi Garantiti" da parte della controllata BEG.
- Aggiornamento stime.** Ci attendiamo un secondo trimestre sostanzialmente allineato al primo e un graduale miglioramento dalla seconda metà dell'anno. Abbiamo limato le nostre stime dei ricavi per il biennio 2024-2025 rispettivamente del -4/-3%. Per quanto riguarda la marginalità, considerando il contesto ancora caratterizzato da inflazione, elevati tassi di interesse e forti pressioni sui prezzi di vendita, ci attendiamo un recupero più graduale, passando da un EBITDA di €14mn nel 2023 a €18,3mn nel 2026, corrispondente ad un margine del 10%.
- BUY confermato, target price €4,50.** Ancora una volta i risultati comunicati sono evidenziano come, in un contesto macroeconomico internazionale e nazionale sfidante, la società abbia dimostrato una notevole resilienza lavorando per mantenere stabile la propria marginalità. Agli attuali prezzi di borsa il titolo rimane fortemente sottovalutato. Confermiamo il nostro giudizio positivo in attesa di un contesto di mercato più favorevole nella seconda metà dell'anno.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	196	162	171	179	184
EBITDA Adj (Eu mn)	16	14	15	17	18
Net Profit Adj (Eu mn)	8	3	4	5	6
EPS New Adj (Eu)	0.607	0.200	0.254	0.347	0.416
EPS Old Adj (Eu)	0.408	0.200	0.391	0.504	0.000
DPS (Eu)	0.139	0.141	0.064	0.087	0.104
EV/EBITDA Adj	5.1	5.1	4.6	3.8	3.2
EV/EBIT Adj	13.4	15.4	12.6	8.5	6.6
P/E Adj	4.8	14.6	11.5	8.5	7.0
Div. Yield	4.7%	4.8%	2.2%	3.0%	3.5%
Net Debt/EBITDA Adj	1.9	1.9	1.8	1.3	1.0

NEODECORTECH – Key Figures

Profit & Loss (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	176	196	162	171	179	184
EBITDA	18	16	14	15	17	18
EBIT	9	6	5	5	8	9
Financial Income (charges)	-1	3	-2	-1	-1	-1
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	8	9	3	4	6	8
Taxes	-1	-1	0	-1	-2	-2
Tax rate	-16.6%	-8.7%	9.2%	-15.0%	-24.0%	-24.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	7	8	3	4	5	6
EBITDA Adj	18	16	14	15	17	18
EBIT Adj	9	6	5	5	8	9
Net Profit Adj	7	8	3	4	5	6
Per Share Data (Eu)	2021A	2022A	2023A	2024E	2025E	2026E
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	0.493	0.607	0.200	0.254	0.347	0.416
EPS Adj f.d	0.493	0.607	0.200	0.254	0.347	0.416
BVPS f.d	5.181	5.435	5.448	5.562	5.768	6.043
Dividend per Share ORD	0.089	0.139	0.141	0.064	0.087	0.104
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	18.0%	23.4%	70.2%	25.0%	25.0%	25.0%
Cash Flow (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Gross Cash Flow	15	19	13	13	14	15
Change in NWC	2	-9	2	-5	-2	-2
Capital Expenditure	-10	-9	-6	-6	-6	-6
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	7	1	8	2	5	7
Acquisitions, Divestments & Other Items	0	0	0	0	0	0
Dividends	-1	-2	-2	-2	-2	-2
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	11	-1	5	-0	3	5
Balance Sheet (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Total Fixed Assets	82	81	78	75	72	69
Net Working Capital	27	34	25	29	31	32
Long term Liabilities	-8	-8	-7	-7	-7	-7
Net Capital Employed	100	108	103	105	105	103
Net Cash (Debt)	-29	-31	-26	-26	-23	-17
Group Equity	70	77	77	79	82	86
Minorities	0	0	0	0	0	0
Net Equity	70	77	77	79	82	86
Enterprise Value (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Average Mkt Cap	53	51	45	42	42	42
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-29	-31	-26	-26	-23	-17
Enterprise Value	83	82	71	68	64	59
Ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA Adj Margin	10.3%	8.1%	8.6%	8.6%	9.5%	10.0%
EBIT Adj Margin	5.2%	3.1%	2.9%	3.1%	4.2%	4.8%
Gearing - Debt/Equity	41.6%	39.8%	33.4%	33.2%	27.8%	20.4%
Interest Cover on EBIT	7.6	nm	2.3	4.8	6.8	7.9
Net Debt/EBITDA Adj	1.6	1.9	1.9	1.8	1.3	1.0
ROACE*	9.2%	5.9%	4.4%	5.1%	7.2%	8.5%
ROE*	10.1%	11.4%	3.7%	4.6%	6.1%	7.0%
EV/CE	0.8	0.8	0.7	0.7	0.6	0.6
EV/Sales	0.5	0.4	0.4	0.4	0.4	0.3
EV/EBITDA Adj	4.6	5.1	5.1	4.6	3.8	3.2
EV/EBIT Adj	9.0	13.4	15.4	12.6	8.5	6.6
Free Cash Flow Yield	17.8%	1.6%	19.6%	3.9%	13.2%	17.5%
Growth Rates (%)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	38.0%	11.4%	-17.7%	5.9%	4.7%	2.5%
EBITDA Adj	24.1%	-11.9%	-13.1%	5.6%	15.5%	7.9%
EBIT Adj	68.1%	-33.8%	-24.0%	15.7%	41.5%	17.0%
Net Profit Adj	89.2%	26.1%	-66.2%	26.9%	36.3%	20.0%
EPS Adj	85.7%	22.9%	-67.0%	26.9%	36.3%	20.0%
DPS	-36.3%	56.9%	1.4%	-54.9%	36.3%	19.9%

*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):	4.50
Current Price (Eu):	2.93	Previous Price (Eu):	3.03
Date of report:	13/05/2024	Date of last report:	13/03/2024

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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.

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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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As at 31 March 2024 Intermonte's Research Department covered 116 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	25.21 %
OUTPERFORM:	46.22 %
NEUTRAL:	27.73 %
UNDERPERFORM	00.84 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (50 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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