

NEODECORTECH

BUY

Sector: Industrials

Price: Eu3.10 - Target: Eu4.50

1H24: Risultati in linea con le attese, la domanda resta debole

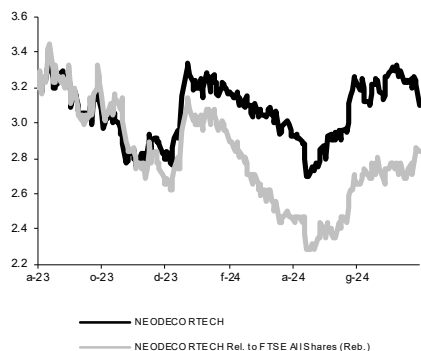
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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2024E	2025E	2026E
Chg in Adj EPS	-9.9%	-9.0%	0.0%

Next Event

9M24 Results Out 13 November

NEODECORTECH - 12M Performance



Stock Data			
Reuters code:	NDT.MI		
Bloomberg code:	NDT IM		
Performance	1M	3M	12M
Absolute	-4.9%	8.8%	-1.6%
Relative	2.9%	15.6%	-10.7%
12M (H/L)	3.35/2.70		
3M Average Volume (th):	8.51		

Shareholder Data	
No. of Ord shares (mn):	14
Total no. of shares (mn):	14
Mkt Cap Ord (Eu mn):	44
Total Mkt Cap (Eu mn):	44
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):	79
BVPS (Eu):	5.54
P/BV:	0.6
Net Financial Position (Eu mn):	-27
Enterprise Value (Eu mn):	71

- 1H24 in linea con le attese.** Neodecortech ha comunicato i risultati del primo semestre 2024, i quali hanno risentito del rallentamento della domanda che sta caratterizzando la filiera delle superfici decorative legate al mercato del mobile e dell'arredo. La società ha chiuso il primo semestre con ricavi per €85,3 milioni (-1,3% a/a), confronto molto più penalizzante per quanto concerne l'EBITDA, che passa da €9,2mn del 1H23, a €6,9mn, corrispondente ad una marginalità del 8,1%. Tuttavia, è doveroso precisare che l'EBITDA *margin* del primo semestre 2023 includeva negli altri ricavi la posta inerente i ricavi per massimizzazione di pertinenza del anno 2022. Pertanto, al netto di tale effetto (€2,6mn), l'incidenza sul fatturato passa da 10,7% a 7,6%. L'Indebitamento Finanziario Netto risulta pari a €38,5mn, sul quale incidono investimenti per €3,1mn e crediti governativi non ancora incassati per €19mn.
- Dettaglio dei ricavi per area.** Le vendite della divisione carta decorativa stampata e carta decorativa sono diminuite rispettivamente del -4,6% e -6,4% su base annua, mentre quelle della divisione energia sono cresciute del +17,3% su base annua, grazie al maggior numero di ore in cui l'impianto ha operato. Ricordiamo infatti che il 2023 aveva risentito del fermo dell'impianto dal 1° aprile al 15 maggio. A livello geografico l'Italia e l'America sono le geografiche in cui si registra una contrazione più accentuata, pari al -9% per l'Italia (escludendo l'effetto della divisione energetica), che ha un'incidenza sui ricavi del 35% c.a. e del -13,5% per America, la quale registra una modesta incidenza sui ricavi (4.5% c.a.). Lieve calo per le vendite nel resto d'Europa (-1.2%), le quali pesano sui ricavi per c.a. il 40%.
- Indicazioni del management.** La società si attende che rallentamento generale della domanda persista in misura omogenea nelle aree di vendita in cui le società core operano, sino almeno sino alla fine dell'anno in corso. Mentre è prevista stabilità per i vettori energetici. Per quanto concerne l'andamento delle materie prime strategiche è attesa una certa stabilità per resine, plastiche e cellulosa, possibili ulteriori rialzi per carta e biossido di titanio e una lieve tendenza ribassista per i combustibili impiegati dalla divisione energetica. Dopo l'approvazione della delibera relativa ai Prezzi minimi Garantiti da parte di ARERA è prevedibile che i crediti cumulati in questo contesto (pari a €9,8mn) vengano incassati entro la fine dell'anno corrente.
- Aggiornamento stime.** Le nostre stime 24-25 incorporano un possibile proseguimento del rallentamento della domanda. Ci attendiamo quindi un secondo semestre sostanzialmente allineato al primo, con un deciso miglioramento della Posizione finanziaria netta.
- 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. Agli attuali prezzi di borsa il titolo presenta un potenziale *upside* del 40% c.a. Confermiamo il nostro giudizio positivo in attesa di un contesto di mercato più favorevole, che potrebbe beneficiare di eventuali tagli dei tassi di interesse.

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	196	162	171	179	183
EBITDA Adj (Eu mn)	16	14	15	16	18
Net Profit Adj (Eu mn)	8	3	3	4	6
EPS New Adj (Eu)	0.607	0.200	0.229	0.315	0.416
EPS Old Adj (Eu)	0.607	0.200	0.254	0.347	0.416
DPS (Eu)	0.139	0.141	0.057	0.079	0.104
EV/EBITDA Adj	5.1	5.1	4.8	4.1	3.5
EV/EBIT Adj	13.4	15.4	12.7	9.3	7.1
P/E Adj	5.1	15.5	13.5	9.8	7.5
Div. Yield	4.5%	4.5%	1.8%	2.5%	3.4%
Net Debt/EBITDA Adj	1.9	1.9	1.8	1.5	1.0

NEODECORTECH – Key Figures

Profit & Loss (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	176	196	162	171	179	183
EBITDA	18	16	14	15	16	18
EBIT	9	6	5	6	7	9
Financial Income (charges)	-1	3	-2	-2	-1	-1
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	8	9	3	4	6	8
Taxes	-1	-1	0	-1	-1	-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	3	4	6
EBITDA Adj	18	16	14	15	16	18
EBIT Adj	9	6	5	6	7	9
Net Profit Adj	7	8	3	3	4	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	0.229	0.315	0.416
EPS Adj f.d	0.493	0.607	0.200	0.229	0.315	0.416
BVPS f.d	5.181	5.435	5.448	5.536	5.711	5.986
Dividend per Share ORD	0.089	0.139	0.141	0.057	0.079	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	12	14	15
Change in NWC	2	-9	2	-5	-2	-1
Capital Expenditure	-10	-9	-6	-6	-6	-6
Other Cash Items	0	0	0	0	0	0
Free Cash Flow (FCF)	7	1	8	1	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	-1	3	5
Balance Sheet (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Total Fixed Assets	82	81	78	75	72	70
Net Working Capital	27	34	25	30	31	32
Long term Liabilities	-8	-8	-7	-7	-7	-7
Net Capital Employed	100	108	103	106	105	104
Net Cash (Debt)	-29	-31	-26	-27	-24	-19
Group Equity	70	77	77	79	81	85
Minorities	0	0	0	0	0	0
Net Equity	70	77	77	79	81	85
Enterprise Value (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Average Mkt Cap	53	51	45	44	44	44
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-29	-31	-26	-27	-24	-19
Enterprise Value	83	82	71	71	68	63
Ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA Adj Margin	10.3%	8.1%	8.6%	8.6%	9.2%	9.8%
EBIT Adj Margin	5.2%	3.1%	2.9%	3.3%	4.1%	4.8%
Gearing - Debt/Equity	41.6%	39.8%	33.4%	34.6%	29.6%	21.9%
Interest Cover on EBIT	7.6	nm	2.3	3.1	5.2	8.6
Net Debt/EBITDA Adj	1.6	1.9	1.9	1.8	1.5	1.0
ROACE*	9.2%	5.9%	4.4%	5.4%	6.9%	8.4%
ROE*	10.1%	11.4%	3.7%	4.2%	5.6%	7.1%
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	4.8	4.1	3.5
EV/EBIT Adj	9.0	13.4	15.4	12.7	9.3	7.1
Free Cash Flow Yield	16.9%	1.5%	18.5%	1.5%	11.7%	16.8%
Growth Rates (%)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	38.0%	11.4%	-17.7%	5.9%	4.7%	2.2%
EBITDA Adj	24.1%	-11.9%	-13.1%	6.4%	11.5%	9.3%
EBIT Adj	68.1%	-33.8%	-24.0%	20.9%	30.1%	20.6%
Net Profit Adj	89.2%	26.1%	-66.2%	14.3%	37.7%	31.9%
EPS Adj	85.7%	22.9%	-67.0%	14.3%	37.7%	31.9%
DPS	-36.3%	56.9%	1.4%	-59.4%	37.7%	31.9%

*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):	3.10	Previous Price (Eu):	2.93
Date of report:	07/08/2024	Date of last report:	13/05/2024

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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.

Reports on all companies listed on the S&P500 Index, most of those on the MIDEX 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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As at 30 June 2024 Intermonte's Research Department covered 116 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	23.97 %
OUTPERFORM:	49.59 %
NEUTRAL:	25.61 %
UNDERPERFORM	00.83 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (49 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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