

NEODECORTECH

BUY

Sector: Industrials

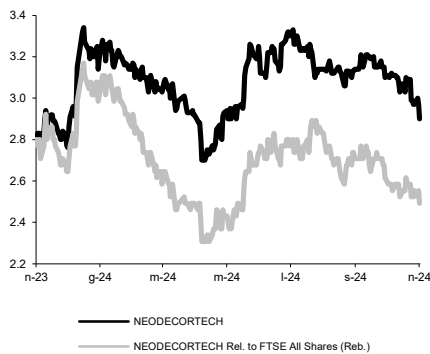
Price: Eu2.90 - Target: Eu4.30

9M24: ricavi in calo, marginalità confermata al 9%

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	from 4.50 to 4.30		
	2024E	2025E	2026E
Chg in Adj EPS	-30.4%	-31.4%	-38.0%

NEODECORTECH - 12M Performance



Stock Data			
Reuters code:	NDT.MI		
Bloomberg code:	NDT IM		
Performance	1M	3M	12M
Absolute	-6.5%	-7.6%	3.6%
Relative	-4.8%	-12.7%	-12.6%
12M (H/L)	3.34/2.70		
3M Average Volume (th):	1.87		

Shareholder Data	
No. of Ord shares (mn):	14
Total no. of shares (mn):	14
Mkt Cap Ord (Eu mn):	41
Total Mkt Cap (Eu mn):	41
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):	78
BVPS (Eu):	5.47
P/BV:	0.5
Net Financial Position (Eu mn):	-26
Enterprise Value (Eu mn):	67

■ **I risultati pubblicati evidenziano un rallentamento nel 3Q24.** I risultati 9M24 comunicati hanno risentito del rallentamento della domanda che sta caratterizzando la filiera delle superfici decorative legate al mercato del mobile e dell'arredo e di una riduzione dei prezzi unitari. La società ha registrato ricavi per €121,5 milioni (-2,3% YoY), dato dal quale si evince un significativo calo del fatturato nel terzo trimestre dell'anno, nel quale i ricavi si attestano a €36 milioni (-6,1% YoY, -14,1% QoQ). Riteniamo apprezzabile il diligente controllo dei costi attuato, che ha permesso di salvaguardare la marginalità del gruppo. Il margine EBITDA ha incidenza sul fatturato pari a 9,1%, dato che risulta sostanzialmente in linea con l'esercizio precedente, il quale però comprendeva tra gli altri ricavi €2,6 milioni di ricavi per massimizzazione, al netto dei quali la marginalità passerebbe dal 9,1% al 7%. L'Indebitamento Finanziario Netto risulta pari a €39,1mn, su tale cifra incidono crediti governativi non ancora incassati per €18,2mn.

■ **Dettaglio dei ricavi per area.** Nei primi 9M dell'esercizio le vendite della divisione carta decorativa stampata e carta decorativa sono diminuite rispettivamente del -8,3% e -10,4% su base annua, mentre quelle della divisione energia sono cresciute del +22,3% 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 Italia ed Europa sono le aree in cui si è registrata una contrazione più accentuata dei ricavi, pari al -11,6% (escludendo l'effetto positivo della divisione energetica) per l'Italia e al -8,9% per l'Europa. Per quanto concerne le altre aree di riferimento si registra in calo Asia/Middle East, stabile l'America e in crescita l'Africa.

■ **Indicazioni del management.** La società si attende che il rallentamento generale della domanda persista in misura omogenea nelle aree di vendita in cui le società core operano sino alla fine dell'anno in corso e per i primi mesi del 2025. 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 biossido di titanio, possibili ulteriori rialzi per la carta ed è atteso un ulteriore ritracciamento dei prezzi della cellulosa, fino ad un riallineamento con le quotazioni sul mercato cinese. Come di consueto non è stata fornita una *guidance* quantitativa.

■ **Aggiornamento nelle stime FY24-26 e valutazione.** In seguito ai risultati pubblicati stiamo aggiornando al ribasso le nostre stime: abbiamo ridotto le stime dei ricavi FY24-26 rispettivamente del -8%, -10% e -10% e le stime sull'EBIDA del -5%, -10% e -16%. Ci attendiamo inoltre che l'incasso dei crediti per gli incentivi governativi possa avvenire in gran parte entro la fine dell'anno, il che comporterebbe un sostanziale miglioramento della posizione finanziaria netta, stimata a €27milioni per fine 2024. Il taglio delle stime comporta una riduzione del target che passa da €4,50 a €4,30. Confermiamo il nostro giudizio positivo in attesa di un contesto di mercato più favorevole atteso per la seconda metà del 2025, che potrebbe beneficiare di eventuali ulteriori tagli dei tassi di interesse. Agli attuali prezzi di borsa il titolo presenta un potenziale *upside* del 50% c.a. **BUY, target price €4,30.**

Key Figures & Ratios	2022A	2023A	2024E	2025E	2026E
Sales (Eu mn)	196	162	158	161	164
EBITDA Adj (Eu mn)	16	14	14	15	15
Net Profit Adj (Eu mn)	8	3	2	3	4
EPS New Adj (Eu)	0.607	0.200	0.159	0.216	0.258
EPS Old Adj (Eu)	0.607	0.200	0.229	0.315	0.416
DPS (Eu)	0.139	0.141	0.040	0.054	0.064
EV/EBITDA Adj	5.1	5.1	4.8	4.4	4.0
EV/EBIT Adj	13.4	15.4	13.0	11.3	10.0
P/E Adj	4.8	14.5	18.2	13.4	11.3
Div. Yield	4.8%	4.9%	1.4%	1.9%	2.2%
Net Debt/EBITDA Adj	1.9	1.9	1.8	1.6	1.3

NEODECORTECH – Key Figures

Profit & Loss (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	176	196	162	158	161	164
EBITDA	18	16	14	14	15	15
EBIT	9	6	5	5	6	6
Financial Income (charges)	-1	3	-2	-2	-2	-1
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	8	9	3	3	4	5
Taxes	-1	-1	0	-1	-1	-1
Tax rate	-16.6%	-8.7%	9.2%	-22.0%	-22.0%	-22.0%
Minorities & Discontinued Operations	0	0	0	0	0	0
Net Profit	7	8	3	2	3	4
EBITDA Adj	18	16	14	14	15	15
EBIT Adj	9	6	5	5	6	6
Net Profit Adj	7	8	3	2	3	4
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	0.159	0.216	0.258
EPS Adj f.d	0.493	0.607	0.200	0.159	0.216	0.258
BVPS f.d	5.181	5.435	5.448	5.467	5.542	5.659
Dividend per Share ORD	0.089	0.139	0.141	0.040	0.054	0.064
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	11	12	13
Change in NWC	2	-9	2	-3	-1	-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	2	4	5
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	2	3
Balance Sheet (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Total Fixed Assets	82	81	78	75	73	70
Net Working Capital	27	34	25	27	28	29
Long term Liabilities	-8	-8	-7	-7	-7	-7
Net Capital Employed	100	108	103	103	102	100
Net Cash (Debt)	-29	-31	-26	-26	-23	-20
Group Equity	70	77	77	78	79	80
Minorities	0	0	0	0	0	0
Net Equity	70	77	77	78	79	80
Enterprise Value (Eu mn)	2021A	2022A	2023A	2024E	2025E	2026E
Average Mkt Cap	53	51	45	41	41	41
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-29	-31	-26	-26	-23	-20
Enterprise Value	83	82	71	67	65	61
Ratios (%)	2021A	2022A	2023A	2024E	2025E	2026E
EBITDA Adj Margin	10.3%	8.1%	8.6%	8.9%	9.1%	9.2%
EBIT Adj Margin	5.2%	3.1%	2.9%	3.3%	3.6%	3.7%
Gearing - Debt/Equity	41.6%	39.8%	33.4%	33.1%	29.5%	24.7%
Interest Cover on EBIT	7.6	nm	2.3	2.3	3.2	4.4
Net Debt/EBITDA Adj	1.6	1.9	1.9	1.8	1.6	1.3
ROACE*	9.2%	5.9%	4.4%	5.0%	5.6%	6.0%
ROE*	10.1%	11.4%	3.7%	2.9%	3.9%	4.6%
EV/CE	0.8	0.8	0.7	0.6	0.6	0.6
EV/Sales	0.5	0.4	0.4	0.4	0.4	0.4
EV/EBITDA Adj	4.6	5.1	5.1	4.8	4.4	4.0
EV/EBIT Adj	9.0	13.4	15.4	13.0	11.3	10.0
Free Cash Flow Yield	18.0%	1.6%	19.8%	5.2%	10.8%	13.1%
Growth Rates (%)	2021A	2022A	2023A	2024E	2025E	2026E
Sales	38.0%	11.4%	-17.7%	-2.2%	1.9%	2.0%
EBITDA Adj	24.1%	-11.9%	-13.1%	1.1%	4.4%	3.0%
EBIT Adj	68.1%	-33.8%	-24.0%	10.8%	11.3%	6.6%
Net Profit Adj	89.2%	26.1%	-66.2%	-20.5%	35.7%	19.2%
EPS Adj	85.7%	22.9%	-67.0%	-20.5%	35.7%	19.2%
DPS	-36.3%	56.9%	1.4%	-71.8%	35.7%	19.2%

*Excluding extraordinary items

Source: Intermonte SIM estimates

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	NEODECORTECH		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	4.30	Previous Target (Eu):	4.50
Current Price (Eu):	2.90	Previous Price (Eu):	3.12
Date of report:	15/11/2024	Date of last report:	07/08/2024

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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 September 2024 Intermonte's Research Department covered 125 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	28.24 %
OUTPERFORM:	48.09 %
NEUTRAL:	23.67 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (61 in total) is as follows:

BUY:	55.74 %
OUTPERFORM:	34.43 %
NEUTRAL:	09.83 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short
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