



## Analysér

10 November 2023

### Accumulate

Recommendation unchanged

Share price: EUR 7.80

closing price as of 09/11/2023

Target price: EUR 11.00

Target Price unchanged

Upside/Downside Potential 41.0%

Reuters/Bloomberg FF.MI/FF IM

Market capitalisation (EURm) 199

Current N° of shares (m) 26

Free float 43%

Daily avg. no. trad. sh. 12 mth (k) 7

Daily avg. trad. vol. 12 mth (k) 11.66

Price high/low 12 months 8.67 / 7.40

Abs Perfs 1/3/12 mths (%) -3.70/-3.70/-2.01

Key financials (EUR) 12/22 12/23e 12/24e

Sales (m) 207 243 268

EBITDA (m) 15 25 33

EBITDA margin 7.4% 10.3% 12.5%

EBIT (m) 0 3 15

EBIT margin 0.1% 1.3% 5.5%

Net Profit (adj.)(m) (9) 4 9

ROCE 0.2% 1.2% 5.5%

Net debt/(cash) (m) 44 62 59

Net Debt/Equity 0.3 0.5 0.4

Debt/EBITDA 2.8 2.5 1.8

Int. cover(EBITDA/Fin. int) 1.2 11.4 9.6

EV/Sales 1.3 1.1 1.0

EV/EBITDA 17.2 10.8 8.0

EV/EBITDA (adj.) 16.8 10.8 8.0

EV/EBIT nm 87.9 18.2

P/E (adj.) nm 38.0 22.0

P/BV 1.6 1.5 1.5

OpFCF yield -8.2% -6.9% 3.9%

Dividend yield 1.3% 1.4% 1.4%

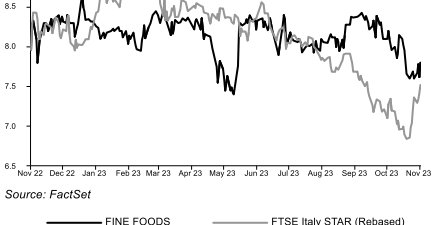
EPS (adj.) (0.36) 0.21 0.36

BVPS 5.21 5.06 5.22

DPS 0.10 0.11 0.11

### Shareholders

Marco Eigenmann 53%; Treasury shares 4%;



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## Q3 23pre: decent growth expected

The facts: FF is due to publish its Q3/9M 23 results on 14 November.

Our analysis: we summarise our estimates below.

	Q3 23	Q3 22	Δ% Y/Y	9M 23	9M 22	Δ% Y/Y
Sales	56.8	52.2	8.8%	184.3	152.8	20.6%
EBITDA Adj.	5.6	4.2	34.9%	18.2	12.6	45.3%
EBITDA Margin	9.9%	8.0%	1.9pp	9.9%	8.2%	1.7pp
EBIT Adj.	1.6	0.3	379%	6.4	1.4	350%
Net income adj.	(0.2)	(5.9)	nm	2.5	(11.6)	nm
Net debt (cash)	55.8	46.8	19.1%	55.8	46.8	19.1%

We expect revenues to have grown by ~9% in Q3, supported by double-digit growth of the Pharma and Food BUs. On the other hand, we still expect weak Cosmetic due to the ongoing restructuring process.

We expect profitability margins to remain stable vs. H1 23 at 9.9%, as extraordinary costs at the Cosmetic BU will have offset the margin improvement at the Pharma and Food BUs.

Below EBITDA, we expect D&A of ~EUR 4m (in line with the previous quarters, excluding the EUR 4.4m goodwill impairment) and net interest expenses accelerating to EUR 1m in Q3.

Thus, net income is expected to be broadly at break-even on an adj. basis, in any case improving significantly vs. Q3 22 (when the highest energy costs in the record dented profitability and financial portfolio fair value valuation impacted the bottom line).

We expect a sequential improvement in net debt, from EUR 57.8m as at 30 June 2023 to EUR 55.8m, mainly thanks to the slight decrease in NWC despite sustained growth (flagging a normalisation in the inventory dynamics) and after ~EUR 4m in capex (~7% of sales).

In light of the 9M preview, we have slightly adjusted our FY 23 estimates. In particular, we assumed Q4 revenue growth of ~20% Y/Y (in line with 9M 23e) and an EBITDA margin substantially flat at ~10%. Thus, we have increased our revenue estimate by ~2.5% (EUR 249m from EUR 243m) and we have reduced our EBITDA estimate by ~4% (EUR 25.4m from EUR 26.5m). We have left our net debt forecast of EUR 61.9m unchanged.

**Conclusion & Action:** we expect solid revenue growth, with Food and Pharma gradually improving their profitability. The ongoing restructuring of the Cosmetic BU is still expected to weigh on the group's margins.