

Fine Foods

Sponsored Research

Italy | Healthcare



Investment Research

Company Update

Buy

from Accumulate

Share price: EUR 8.28

closing price as of 12/04/2024

Target price: EUR 12.50

from Target Price: EUR 11.00

Upside/Downside Potential 51.0%

Reuters/Bloomberg

FF.MI/FF IM

Market capitalisation (EURm) 212

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) 10.97

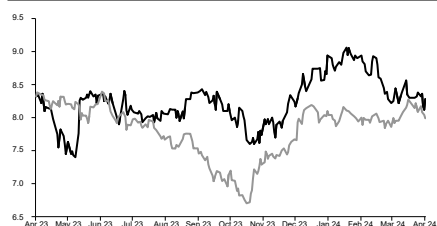
Price high/low 12 months 9.06 / 7.40

Abs Perfs 1/3/12 mths (%) 0.61/-7.38/-0.48

Key financials (EUR)	12/23	12/24e	12/25e
Sales (m)	252	276	300
EBITDA (m)	22	34	39
EBITDA margin	8.8%	12.5%	12.9%
EBIT (m)	5	16	18
EBIT margin	2.1%	5.7%	6.1%
Net Profit (adj.)(m)	5	10	11
ROCE	3.6%	5.7%	6.0%
Net debt/(cash) (m)	44	53	66
Net Debt Equity	0.3	0.4	0.5
Net Debt/EBITDA	2.0	1.5	1.7
Int. cover(EBITDA/Fin.int)	7.6	11.5	11.7
EV/Sales	1.1	1.0	0.9
EV/EBITDA	12.3	7.9	7.4
EV/EBITDA (adj.)	10.6	7.9	7.4
EV/EBIT	51.8	17.3	15.6
P/E (adj.)	43.6	21.0	17.8
P/BV	1.8	1.6	1.5
OpFCF yield	0.2%	-4.5%	-4.9%
Dividend yield	1.4%	1.4%	1.4%
EPS (adj.)	0.20	0.39	0.46
BVPS	4.97	5.23	5.55
DPS	0.12	0.12	0.12

Shareholders

Marco Eigenmann 53%; Treasury shares 4%;



Source: FactSet

— FINE FOODS — FTSE Italy STAR (Rebased)

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Reason: Company results (post view)

15 April 2024

A stronger Fine Foods exiting two tough years: upgrade to a convinced Buy

In FY 23, FF reported solid revenue growth (~+22% Y/Y) and improving profitability (EBITDA margin +2.7pp to 10.3%) as input costs normalised. We expect this trend to continue into FY 24 (revenues +7.5% and EBITDA margin +2.2pp) and in the coming years (revenue and EBITDA CAGR of 10/19% resp. through FY 27). We have upgraded our recommendation to Buy (new TP EUR 12.5/sh, +14%) given the attractive valuation (EV/EBITDA FY24/25 of 7.8x/7.0x, i.e. 30% below FF's 5-year average and a 45% discount on peers).

- ✓ **FY 23 results.** Sales came in broadly in line with our estimates, although with a stronger-than-expected Food BU (+29% Y/Y vs. +18% Y/Y exp.) as the commercial actions continued to unfold their positive effects. The Pharma BU (+24% Y/Y) was broadly in line with our projections, while the Cosmetic BU (-8% Y/Y) was weaker due to the ongoing restructuring process. The **adj. EBITDA** margin (10.3%) was slightly above our expectations, with H2 23 improving on both a sequential (+0.7pp vs. H1 23) and a Y/Y basis (+3.7pp), as headwinds from energy costs faded and operating efficiency, supported by higher volumes, picked up. The **net debt** reached EUR 43.6m, flat vs. Dec-22, thanks to the strong cash release from the **normalisation in NWC**.
- ✓ **Outlook.** The market environment remains favourable. After the strong growth recorded across all of FF's reference markets in the last few years, the underlying trends in the CDMO industry are still there and ought to drive a mid-single-digit growth p.a. through 2027. The management expect the group to be back to the historical revenue growth trend and to progressively reach its historical EBITDA margins (~13/14%). Based on the management's growth trend projections, we expect the group to invest EUR 50m in expansion capex over the next three years, o/w EUR 35m to expand the Pharma manufacturing capacity and reap the fruits of the "large contract" awarded to FF in early FY 23.
- ✓ **Estimates revision.** We have fine-tuned our FY 24/25 estimates (revenues and EBITDA ~+1%) and we have projected our new FY 26/27 forecast to include the ongoing capex plan and the related additional revenue. **FF ought to continue to outpace its reference markets**, as it did in the last ten years; we project a revenue CAGR of ~10% through FY 27 (including the large contract in Pharma, contributing ~3pp) and an exit EBITDA margin of ~14% (CAGR of 19%). Net debt is expected to peak at ~EUR 73m in FY 26 with a leverage below 2x.
- ✓ **Investment case and valuation.** We argue that the FF share has been neglected so far, as the visible signs of recovery have barely affected the market price. Furthermore, we deem the additional growth opportunities still not discounted. **We have increased our target price by ~14% and we have upgraded our recommendation to Buy.** FF is currently trading at an EV/EBITDA of 7.8x/7.0x (FY 24/25), significantly below the last 5-year average (~11.2x). Our target price points to an EV/EBITDA of 11.1x and 9.8x on FY 24 and FY 25 respectively.



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Company description

Fine Foods & Pharmaceuticals (FF) is the largest independent Italian Contract Development and Manufacturing Organisation (CDMO). FF manufactures drugs and food supplements on the back of supply agreements through which large multinational pharmaceutical and nutraceutical companies outsource their production phase.

Founded in 1984 near Bergamo, FF opened its first pharmaceutical plant in Brembate in 1991. In 1997, FF entered the nutraceutical segment and kept growing organically by expanding its facilities in Brembate, Zingonia and Verdellino.

FF was listed on the then AIM Market (now Euronext Growth) in October 2018 through a business combination promoted by the Innovaltaly 1 SPAC (chaired by Mr. Fulvio Conti).

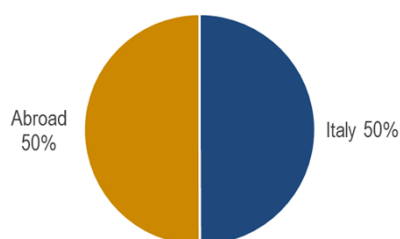
In 2021, FF acquired two companies in the cosmetic manufacturing segment (Pharmatek and Eurocosmetic), thereby creating its third business unit, and joined Euronext Milan's STAR segment. Between FY 22 and FY 23, Pharmatek was merged into Eurocosmetic and its plant was decommissioned, in order to concentrate all production in Eurocosmetic.

The **Pharma** and the **Food** BUs specialise in the production of powders, granules, capsules and tablets, while the **Cosmetic** BU focuses mainly on skin care, with liquids, gels, toothpastes and parfums. FF boasts a number of high-standing, loyal customers such as Menarini, Dompé, Angelini, Alfasigma, Recordati, Herbalife and Colgate. The strong entry and exit barriers, particularly in the Pharma and the Food segment, make these relationships long-lasting and relatively stable through the economic cycles.

The **top managers** are Mr. Marco Francesco Eigenmann (chairman and CEO), who also served as head of the Pharma-Food Division between 1987 and 1997 and has been CEO since 1992 and Mr. Giorgio Ferraris (general manager and CEO since 2013).

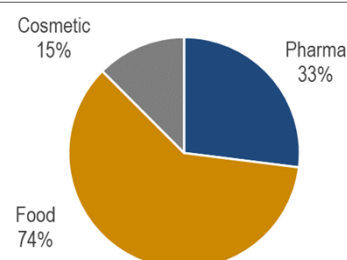
The **shareholding structure** is as follows: Mr. Marco Francesco Eigenmann (52.7%, both directly and through Eigenfin srl), treasury shares 4.2%. Free float 43.1%. Mr. Eigenmann also owns non-listed multiple-voting shares, which bring its total voting rights to 65.0%.

Revenue breakdown by geography



Source: company data

Revenue breakdown by activity



Source: company data

SWOT Analysis

Strengths / Opportunities

- ✓ Synergies and cross-fertilisation between Pharma and Nutra
- ✓ High customer retention
- ✓ Outstanding sustainability-related rankings (competitive edge)
- ✓ Outsourcing mega-trend in the pharma sector
- ✓ Increasing share of wallet at current customers and new additions
- ✓ M&A opportunities in highly-fragmented market
- ✓ Mix of non-cyclical (Pharma) and counter-cyclical (Nutra) sectors

Weaknesses / Threats

- ✓ Customer concentration
- ✓ Little visibility on production volumes (~3 months)
- ✓ High entry barriers to acquire new customers
- ✓ Changes in regulatory framework
- ✓ Difficult integration of acquired companies
- ✓ Changes in consumer trends

FY 23 results: further margin improvements

FY 2023 results

	FY 23A	FY 22A	Δ% Y/Y	FY 23E
Sales	251.8	206.9	21.7%	249.0
Adj. EBITDA	25.8	15.7	64.2%	25.0
As a % of sales	10.3%	7.6%	2.7pp	10.0%
Rep. EBITDA	22.3	15.4	44.5%	
As a % of sales	8.8%	7.4%	1.4pp	
Adj. EBIT	9.7	0.3	nm	7.4
Rep. EBIT	1.0	(1.0)	nm	
Adj. net income	4.9	(8.6)	nm	5.0
Rep. net income	(3.5)	(9.5)	nm	
Net debt (cash)	43.6	43.6	0.0%	61.5

Source: Company data, Banca Akros estimates.

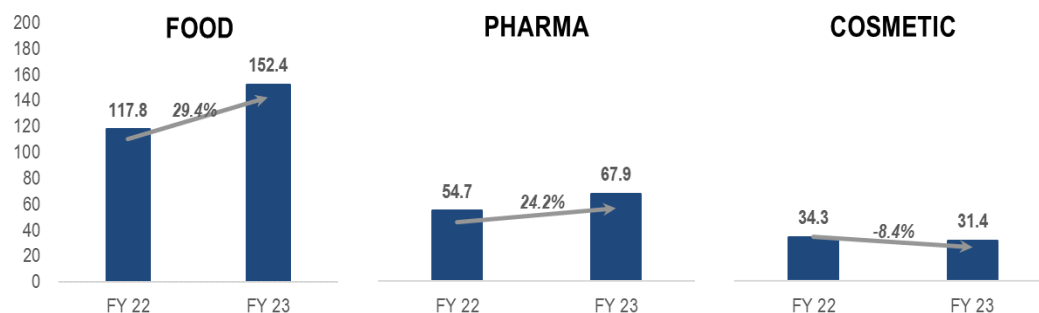
(*) FY 23 Adj. EBITDA does not include restructuring charges of EUR 3.6m linked to the Cosmetic BU. FY 23 EBIT does not include goodwill impairment equal to EUR 4.4m.

FY 23 sales came in broadly in line with our estimates, although with a slightly different mix. In particular, the **Food BU**'s revenues grew 29% Y/Y, much better than our +18% Y/Y estimate. Indeed, despite the more challenging comparison base, H2 23 grew by 26% Y/Y (against -6% Y/Y in H2 22) vs. +33% in H1 23 (against -23% in H1 22, as it was impacted by the breakout of the Russo-Ukrainian war in February 2022). We understand that the commercial actions adopted by FF, which enabled it to meet specific customers' requirements with focused proposals, have been boosting the last few quarters' top-line.

The **Pharma BU** (+24% Y/Y) was broadly in line with our projections. Although we note that growth in H2 23 slowed down sequentially to ~+15% Y/Y (vs. +35% in H1 23), it faced an even more challenging comparison base (+46% Y/Y in H2 23, vs. +31% in H1 22). However, the division is converging towards normal growth rates gradually as the post-pandemic effects are being mopped up. In particular, between FY 22 and H1 23, the company benefitted from the acceleration of technology transfers, which had been strongly delayed by the Covid-19 crisis.

The **Cosmetic BU** (-8% Y/Y) was affected by the ongoing restructuring process, which ended in the last quarter of FY 23.

Revenue trend by division

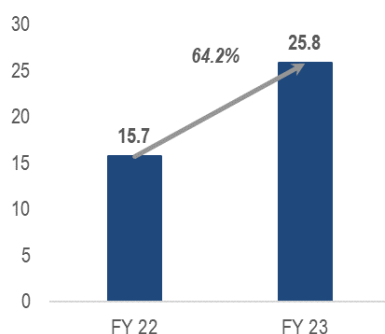


Source: Company data

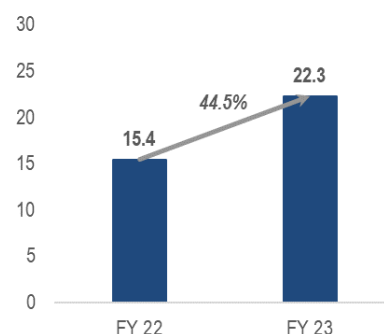
The **adj. EBITDA** margin was slightly above our expectations. In particular, H2 23 profitability improved sequentially by ~0.7pp to 10.6% from 9.9% in H1 23 and by over 3.7pp compared with H2 22 (6.9%), as headwinds from energy costs faded and operating efficiency, supported by higher volumes, picked up. As a reminder, energy extra costs dragged ~2.5pp off the EBITDA margin in H2 22.

The adj. EBITDA excluded EUR 3.6m in non-recurring costs linked to the Eurocosmetic restructuring.

FY 23 EBITDA adjusted



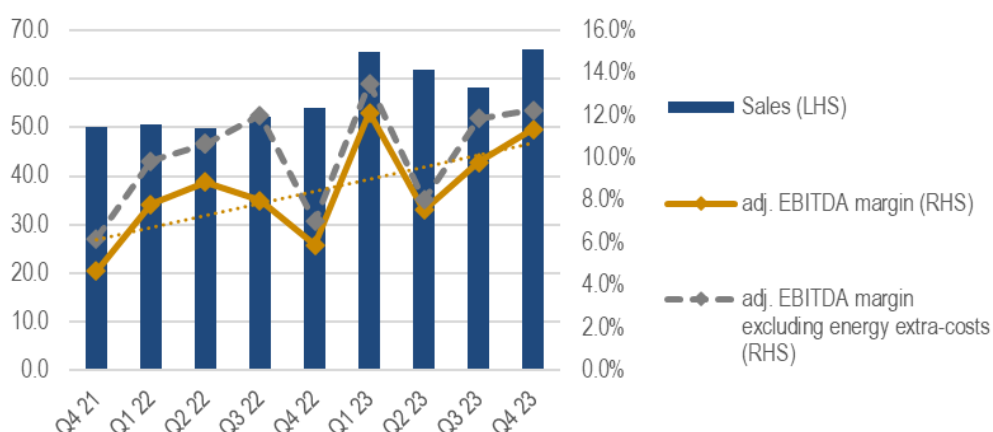
FY 23 EBITDA reported



Source: Company data

Overall, we note that the company is gradually recovering its profitability, continuing the trend started in Q4 21, as shown in the chart below. The energy extra-costs are now more manageable, while the main drag remained the reorganisation of the Cosmetic BU.

Quarterly sales and adj. EBITDA margin trend (Q4 21/Q4 23)



Source: Company data

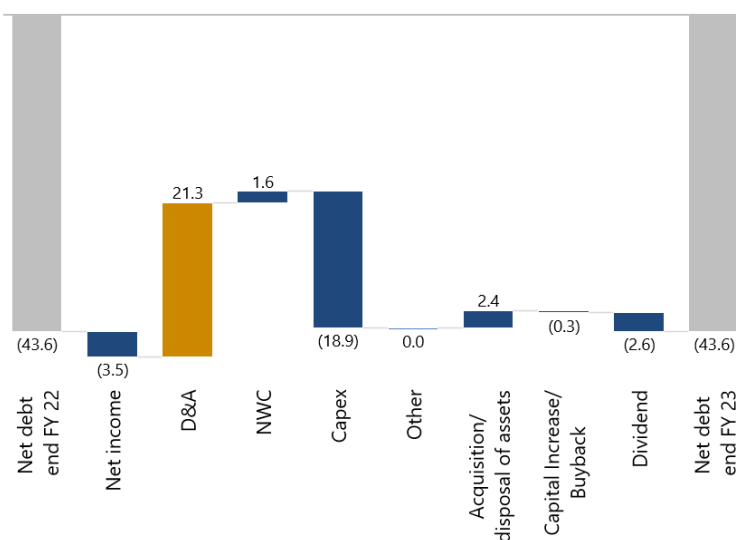
The FY 23 **adj. EBIT** reached EUR 9.7m (EUR 0.3m in FY 22), thanks to the positive performance at the EBITDA level. On top of flat D&A, the company wrote down EUR 4.4m from the goodwill of the Cosmetic BU (booked in H1 23). As such, the reported EBIT came in at EUR 1.0m.

The FY 23 **adj. net income** turned to positive EUR 4.9m (EUR -8.6m in FY 22). On a reported basis, i.e. including the goodwill amortisation and the non-recurring costs, it was EUR -3.5m (vs. EUR -9.5m in FY 22). The comparison base was particularly weak since in FY 22 FF booked a EUR 7.7m loss linked to the fair value of the liquid financial portfolio, as well as a EUR 3.3m write-down of the “leakage” credit linked to the takeover EuroCosmetic.

The **net debt** as at the end of December 2023 reached EUR 43.6m, flat vs. December 2022. We note the **strong cash release from the normalisation in NWC**, which was down to ~19% of sales, compared with ~24% at the end of 9M 23 and ~22% at the end of FY 22. The contribution to cash generation was ~EUR 12m in Q4 23, which completely offset the cash absorption recorded through 9M 23.

FF recorded capex of EUR 18.9m (~7.5% of sales), and distributed EUR 2.9m to shareholders (o/w EUR 2.6m in dividends and EUR 0.3m in share buyback).

Net debt development (YTD)



Source: Company data

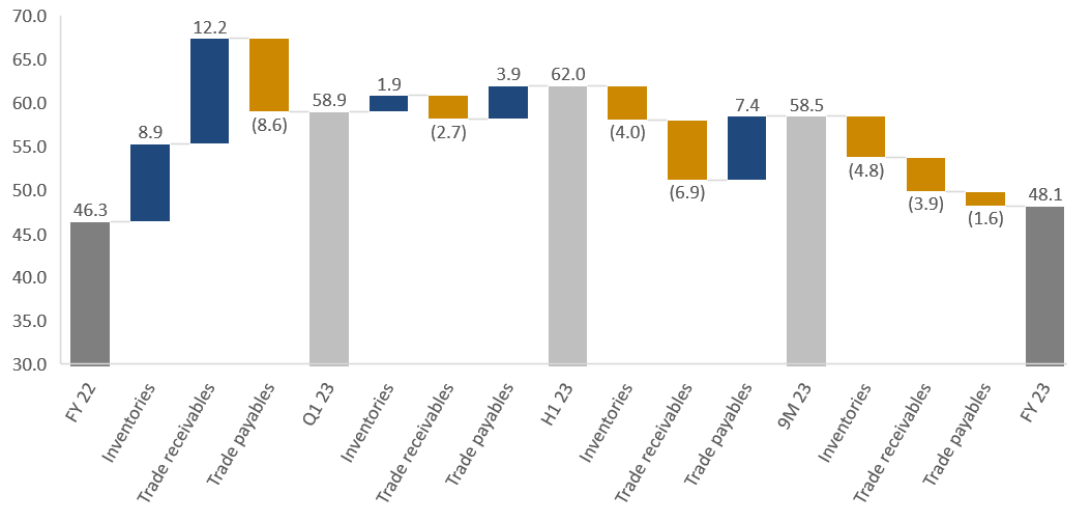
As regards the **NWC management**, we note that a strong decline occurred in H2 23, and particularly in Q4 23.

Indeed, NWC jumped to EUR 62m (~26.5% of LTM sales) in H1 23, mainly due to the inventory buildup, which was partially offset by trade payables, and worse payment terms on receivables (particularly in the Cosmetic BU).

That impact was almost completely offset in the second half of the year, thanks to both a normalisation in the inventory levels and more favourable payment terms. Thus, the incidence of NWC on sales declined to just 19.1%, over 3pp below the end-FY 22 level. In absolute terms, the NWC remained substantially stable (+4%) compared with the sustained revenue growth (+21.7%).

Although the management clarified that ~EUR 3m out of the ~EUR 10m cash generation in Q4 23 came from factoring of trade receivables, we argue that the **NWC is being brought under control structurally** after the tough times of the supply chain crisis.

NWC development



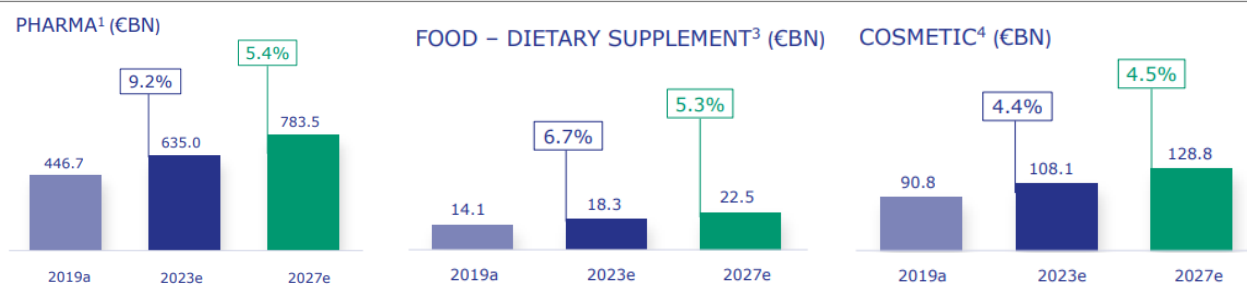
Source: Company data

Outlook

The market environment remains favourable. After the strong growth recorded across all of FF's reference markets in the last few years, the underlying trends in the CDMO industry are still there and ought to drive a mid-single-digit growth p.a. through 2027.

In particular, the management highlights a gradual shift in the market. Indeed, the bargaining power is more balanced between the "purchasers" (the pharmaceutical and nutraceutical companies) and the "sellers" of capacity (the CDMOs) as the need increases for agile structures and flexible manufacturing capacity.

FF's reference markets: expected CAGR



Source: Company presentation

FF expects to grow in all its three divisions.

The management gave a "largely positive outlook" on the Food BU, thanks to the development of the customer-oriented services and R&D activity that has already begun in FY 23. They also announced an increase in capacity with an investment of ~EUR 15m in late FY 25 or in FY 26.

At the Pharma BU, the contracts signed with multinational customers will support further growth; the announced capacity expansion started at the end of FY 23, while its completion is expected by end of FY 25 and revenue generation as of FY 26. In this respect, the management made a ballpark estimate of the saturation implied by the still undisclosed "large contract" (~30/35% of the additional capacity") and clarified that the new plant could potentially yield EUR 50/60m in revenues p.a. globally.

The Cosmetic BU ought to reach its turning point in FY 24, with revenue and profitability seen improving throughout FY 24. The management highlighted that ~EUR 10m between opex and capex have been poured into the BU in FY 23 to restructure the acquired companies, nearly doubling their production capacity from ~EUR 40/50m to ~EUR 90m).

All in all, FF ought to be back to the historical revenue growth trend and to progressively reach its historical EBITDA margins (~13/14%).

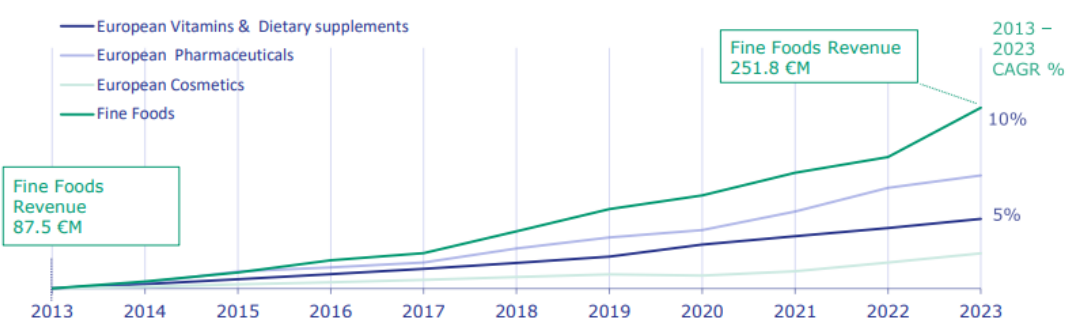
FY 24/27 estimates

FF is set to go through a sizeable capex cycle to expand its production capacity in the Pharma and the Food BUs, in order to reap the fruits of the commercial actions taken in the last few quarters and to execute the abovementioned new contracts.

As such, we have extended our forecast period to FY 27 (4 years instead of 3) to include analytical assumptions on the investment outflows and on the early phase of the revenue and cash generation.

FY 24/27 sales evolution

FF's revenue growth vs. reference markets: FY 13/23 historical data



Source: Company presentation

Both Food and Pharma BUs recorded significantly above-trend revenue growth in FY 23 and outpaced their reference markets vastly.

The **Pharma BU** was affected by the aftermath of the Covid pandemic between H2 20 and H2 21, as travel restrictions hampered the so-called “technology transfers”. Since pharma manufacturing is subject to strict technical approvals, which must be performed in compliance with national pharmaceutical authorities, the migration from a CDMO to another or any change in the process (the so-called “technology transfer”) can be a very long bureaucratic process (up to 2/3 year-long). The Covid-related restrictions slowed down this process significantly, as technicians and officials were not allowed to move freely.

The division regained the lost ground in FY 22 and FY 23, as revenue growth peaked at 46% Y/Y in H2 22 before it gradually reverted towards the low/mid-teen region through FY 23. Over the last five years, the division grew at a CAGR of just below 14%, compared with 9.2% of the broader market.

The **Food BU** has faced two huge headwinds over the last two years:

- ✓ After the Covid pandemic, due to the counter-cyclical behaviour of the customers in the multi-level marketing (MLM) market, the division's revenues started to decline in H2 21. Indeed, MLM companies usually see an increase in their salesforce during recessions, as people who lost their job seek alternative sources of income. The effect is inverted during expansion cycles.
- ✓ The breakout of the Russo-Ukrainian war in February 2022 blew another ~10% off the division revenues, as Eastern European markets accounted for a sizeable share of FF's MLM customers.

So, the management started to develop a new commercial strategy that focused on the existing customers' needs and levered the cross-fertilisation potential that had been substantially untapped until then. As a result, the Food BU rebounded in FY 23 (+29% Y/Y) and recorded EUR 152m in revenues, ~10% above the record-high level reached in FY 21.

Thus, despite the still adverse market conditions, FF has managed to perform broadly in line with the nutraceutical market (6.3% FY 19/23 CAGR vs. the market's 6.7%).

Despite the many extraordinary factors that affected the group's revenue trend, **we expect FF to continue to outperform its reference markets**, as it did over the last 10 years:

- ✓ In the Pharma BU, we expect revenue growth to slow down slightly compared with the FY 23 exit point (~+16% Y/Y in Q4 23) and to stabilise at an ~8% Y/Y (~2.5pp above market growth). On top of that, we factor in the contribution of the new contracts, for which FF is expanding its manufacturing capacity. Based on the management's hints, we estimate that the secured contract may be worth in the region of EUR 15/20m. We have added it to our estimate partly in FY 26 (~70%) and the remainder in FY 27, in order to include potential delays in the building of the new plant. As a reminder, the management said that the plant is due to be completed by the end of FY 25 while revenues will be billed as of FY 26.
- ✓ In the Food BU, we project an ~9.5% Y/Y growth over the next four years (>3.5pp faster than the broader market). The new customer- and innovation-oriented strategy has already paid off in FY 23 as it pushed the division's turnover to an all-time high and 10% above the previous peak of FY 21 (~EUR 132m). We expect this trend to continue, although at a slower pace, with a lower (anti-)cyclical exposure.
- ✓ The Cosmetic BU is expected to pick up throughout FY 24. In particular, H2 24 ought to show a significant improvement on a Y/Y basis, as the comparison base (-13% Y/Y in H2 23) was affected by the restructuring process. The cross-fertilisation potential from Pharma and Food ought to support an above-market revenue growth in the next few years.

FY 24/27E sales evolution

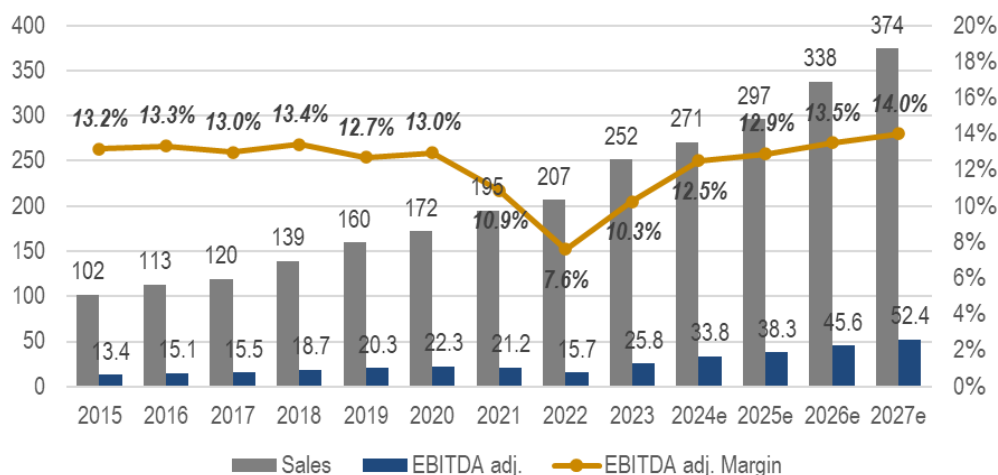
	FY 22	FY 23	FY 24E	Δ% Y/Y	FY 25E	Δ% Y/Y	FY 26E	Δ% Y/Y	FY 27E	Δ% Y/Y	CAGR FY 23/27E
Pharma BU	54.7	67.9	73.4	8.0%	79.2	8.0%	99.6	25.7%	114.0	14.5%	13.8%
Food BU	117.8	152.4	164.6	8.0%	181.1	10.0%	198.3	9.5%	217.1	9.5%	9.2%
Cosmetic BU	34.3	31.4	32.7	4.0%	36.3	11.0%	39.9	10.0%	43.1	8.0%	8.2%
Sales	206.9	251.8	270.7	7.5%	296.6	9.6%	337.8	13.9%	374.3	10.8%	10.4%

FY 24/27 profitability evolution

The recovery in the EBITDA margin is expected to continue in FY 24, substantially in line with our pre-release estimates (12.5% in FY 24 and 12.9% in FY 25).

Indeed, higher production volumes coupled with normalising input costs and lower energy-related headwinds, ought to support the recovery trend. An additional boost might come from the new plant, as the new equipment and the new process and plant design ought to ensure further efficiency.

Revenue and EBITDA evolution FY 15/27E (EUR m)



Source: Company data, Banca Akros estimates

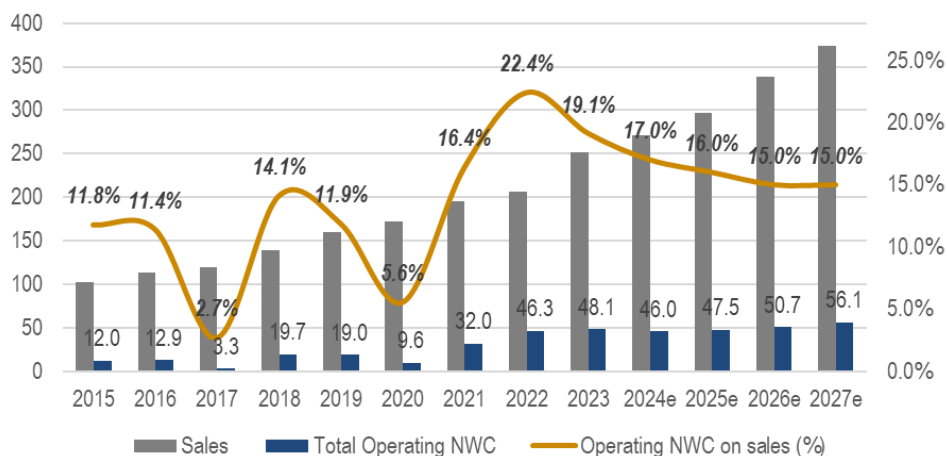
FY 24/27 capital structure evolution

The NWC release in H2 23 and particularly in the last quarter reflects the ongoing normalisation in the supply chain, whose disruptions called for higher inventory requirements in FY 22 and early-FY 23, only partly covered by the increase in trade payables. The WCR also increased on the back of higher stocks of receivables, which were mainly related to worse payment terms in the Cosmetic BU.

As such, we expect the NWC/sales ratio to decline faster than we had expected, to ~17% in FY 24 and ~16% in FY 25, in any case maintaining the ~4pp sequential decline over the next three years. Our exit point is substantially in line with the FY 21 level and still significantly above the FY 19 level (~12%).

In absolute terms, NWC is expected to absorb a few million euros p.a. due to the sustained revenue growth.

NWC evolution FY 15/27E (EUR m)

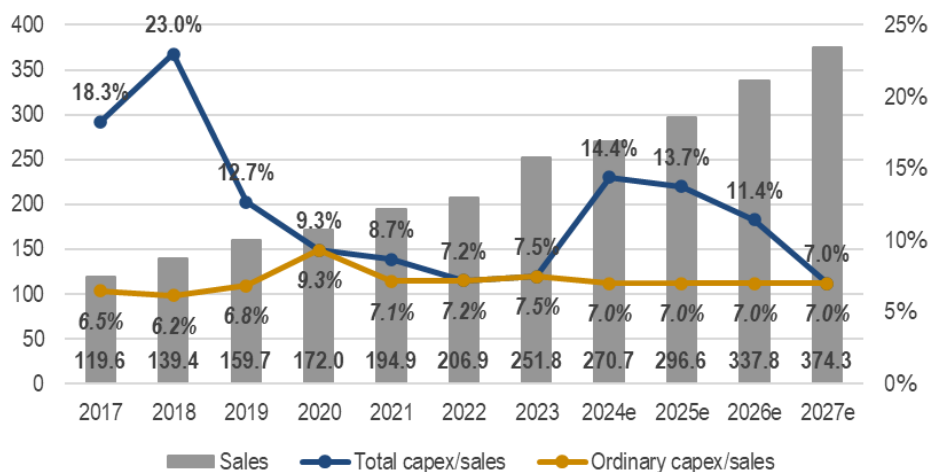


Source: Company data, Banca Akros estimates

We see maintenance capex stable at ~7% of revenues in the coming years.

As regards the expansion capex, **we have included ~EUR 35m for the new Pharma plant**, o/w ~EUR 20m in FY 24 and ~EUR 15m in FY 25. **We have also included another ~EUR 15m** in extraordinary investments in FY 26, to factor in the **planned capacity expansion of the Food BU** as mentioned by the management.

Sales and capex evolution FY 19/27E (EUR m)



Source: Company data, Banca Akros estimates

Although the continuous margin improvement is expected to support ordinary cash flow generation (we expect an unlevered "ordinary" OFCF in the region of ~EUR 10m p.a., gradually accelerating as of FY 27), the heavy extraordinary capex cycle (~EUR 50m cumulated over the next three years) will drive a gradual increase in the net debt, which ought to peak at over EUR 73m in FY 26.

Nevertheless, the increase in EBITDA ought to maintain the leverage structurally below 2x.

We summarise our revised forecasts in the following table.

Compared with our previous estimates, we have confirmed our adj. EBITDA margin projection, while the upside in the absolute EBITDA figure (1% in FY 24 and FY 25 respectively) is only due to higher revenues.

At the EBIT level, D&A ought to grow in line with the (lagged) ordinary capex trajectory, thereby remaining in the region of ~6.5/7% of revenues. Depreciation is likely to accelerate as of FY 26, as soon as the new EUR 35m pharma plant comes into operation. As regards financial expenses, we assume an average cost of gross debt of 4.5%, gradually declining to 4%.

The next few years' cash projections now include the expansion capex, on top of the unchanged rate of ordinary investments (equal to 7% of sales).

We expect FF to distribute a stable dividend compared with FY 23 (DPS of EUR 12c/sh).

Fine Foods: FY 24/27E Banca Akros estimates

	FY 22A	FY 23A	Δ% Y/Y	FY 24E	Δ% Y/Y	FY 25E	Δ% Y/Y	FY 26E	Δ% Y/Y	FY 27E	Δ% Y/Y	CAGR 23/27E
BU Pharma	54.7	67.9	24.2%	73.4	8.0%	79.2	8.0%	99.6	25.7%	114.0	14.5%	13.8%
BU Food	117.8	152.4	29.4%	164.6	8.0%	181.1	10.0%	198.3	9.5%	217.1	9.5%	9.2%
BU Cosmetic	34.3	31.4	-8.4%	32.7	4.0%	36.3	11.0%	39.9	10.0%	43.1	8.0%	8.2%
Sales	206.9	251.8	21.7%	270.7	7.5%	296.6	9.6%	337.8	13.9%	374.3	10.8%	10.4%
EBITDA adj.	15.7	25.8	64.2%	33.8	31.0%	38.3	13.1%	45.6	19.2%	52.4	14.9%	19.3%
As a % of sales	7.6%	10.3%	2.7pp	12.5%	2.2pp	12.9%	0.4pp	13.5%	0.6pp	14.0%	0.5pp	
EBIT adj.	0.3	9.7	3562.3%	15.4	59.0%	18.1	17.3%	23.6	30.7%	26.9	14.0%	29.1%
As a % of sales	0.1%	3.9%	3.7pp	5.7%	1.8pp	6.1%	0.4pp	7.0%	0.9pp	7.2%	0.2pp	
Net income adj.	(8.6)	4.9	nm	9.5	91.8%	11.3	19.1%	15.1	34.3%	17.4	15.2%	37.1%
Capex	(14.9)	(18.9)	26.6%	(38.9)	106.4%	(40.8)	4.7%	(38.6)	-5.2%	(26.2)	-32.2%	
FCFO	(18.5)	0.5	nm	(9.0)	nm	(10.8)	20.3%	(4.8)	-55.6%	11.2	nm	
Net debt (cash)	43.6	43.6	-0.1%	52.3	20.0%	65.9	26.0%	73.4	11.5%	65.0	-11.5%	
Leverage	2.8x	2.0x		1.5x		1.7x		1.6x		1.2x		

Source: Company data and Banca Akros estimates

Fine Foods: estimates update summary

EURm	FY 24E			FY 25E			FY 26E	FY 27E
	new	old	Δ%	new	old	Δ%	new	new
Sales	270.7	267.6	1.1%	296.6	294.1	0.9%	337.8	374.3
EBITDA adj.	33.8	33.5	1.1%	38.3	37.9	0.9%	45.6	52.4
As a % of sales	12.5%	12.5%	0.0pp	12.9%	12.9%	0.0pp	13.5%	14.0%
D&A	(18.4)	(18.8)	-2.1%	(20.2)	(20.1)	0.3%	(22.0)	(25.5)
EBIT adj.	15.4	14.7	5.3%	18.1	17.8	1.5%	23.6	26.9
As a % of sales	5.7%	5.5%	0.2pp	6.1%	6.1%	0.0pp	7.0%	7.2%
Pretax profit/(loss) adj.	12.4	11.2	11.5%	14.8	14.5	2.0%	19.9	22.9
Net income adj.	9.5	8.7	8.5%	11.3	11.3	-0.7%	15.1	17.4
Capex	(38.9)	(18.7)	107.9%	(40.8)	(20.6)	98.0%	(38.6)	(26.2)
o/w maintenance	(18.9)	(18.7)	1.1%	(20.8)	(20.6)	0.9%	(23.6)	(26.2)
o/w expansion	(20.0)			(20.0)			(15.0)	0.0
FCFO	(9.0)	7.8	nm	(10.8)	10.9	nm	(4.8)	11.2
Net debt (cash)	52.3	58.2	-10.1%	65.9	49.3	33.6%	73.4	65.0
Leverage	1.5x	1.7x		1.7x	1.3x		1.6x	1.2x

Source: Company data and Banca Akros estimates

Valuation

DCF valuation

After the roll-forward of our DCF model, we have increased our fair value to EUR 12.5 per share (from EUR 11/sh). Given the ~50% potential upside and our positive view on the company, we have upgraded our recommendation from Accumulate to Buy.

We have run our DCF analysis based on the following assumptions:

- ✓ Sales forecast: a) for the period FY 23/27E, we have projected analytical estimates; for the FY 28/29E period we assume a sales CAGR of ~10%, in line with the historic growth rate (unchanged).
- ✓ Profitability forecast: we confirm the EBITDA margin of ~14% as our long-term forecast.
- ✓ We confirm the WACC of 7.5%.

Fine Foods: Free Cash Flow projection (EUR m)

	FY 24E	FY 25E	FY 26E	FY 27E	FY 28E	FY 29E
EBITA	15.7	18.3	23.8	27.0	31.0	35.5
Taxes	(3.8)	(4.4)	(5.7)	(6.5)	(7.4)	(8.5)
<i>Tax rate</i>	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
NOPLAT	11.9	13.9	18.1	20.5	23.6	27.0
Depreciation & other provisions	18.7	20.4	22.1	25.5	26.8	28.1
Operating Cash Flow	30.7	34.3	40.2	46.0	50.3	55.0
Capex	(39.3)	(41.0)	(38.8)	(26.3)	(24.8)	(27.2)
Change in Net Working Capital	1.3	(1.2)	(3.0)	(5.2)	(0.4)	(0.4)
Free Operating Cash Flow (FOCF)	(7.3)	(7.8)	(1.6)	14.6	25.2	27.4

Source: Banca Akros estimates

Fine Foods: DCF assumptions

Perpetual Growth Rate	1.80%
WACC	7.50%

Source: Banca Akros estimates

Fine Foods: DCF analysis

NPV of OFCF (2024/29)	49.4
NPV of Terminal Value	312.3
Enterprise Value (EUR m)	368.7
Financial Assets as at 31/12/23 (EURm)	6.9
Net Financial Debt as at 31/12/23 (EUR m)	(43.6)
Minorities market value (EUR m)	(0.0)
Pension underfunding	(2.4)
Dividends paid	(3.1)
Equity Value (EUR m)	319.4
Value per share (EUR)	12.5

Source: Banca Akros estimates

FF is currently trading at an EV/EBITDA of 7.8x/7.0x (FY 24/25), significantly below the last 5-year average (~11.2x). Our target price points to an EV/EBITDA of 11.1x and 9.8x on FY 24 and FY 25 respectively.

DCF sensitivity table (EUR)

WACC	Terminal growth rate (g)						
	1.05%	1.30%	1.55%	1.80%	2.05%	2.30%	2.55%
6.0%	15.7	16.6	17.6	18.7	19.9	21.4	23.0
6.5%	13.8	14.5	15.3	16.2	17.1	18.2	19.5
7.0%	12.2	12.8	13.5	14.2	14.9	15.8	16.7
7.5%	10.9	11.4	11.9	12.5	13.1	13.8	14.6
8.0%	9.8	10.2	10.6	11.1	11.6	12.2	12.8
8.5%	8.8	9.2	9.5	9.9	10.4	10.8	11.3
9.0%	8.0	8.3	8.6	8.9	9.3	9.7	10.1

Source: Banca Akros estimates

Peer multiples

Here we provide a sample of the listed players that operate in the CDMO industry and/or are engaged in the supply of products for the health care sector. We have not taken into account the peer multiples in our valuation because, compared to FF, the peers are too diversified in terms of size, geographical presence, financial structure and profitability.

Nevertheless, as shown in the following table, FF trades at a discount on its peers in terms of 2023/24 EV/EBITDA and 2024 P/E adj.

We also note that Labomar was delisted on 6 September 2023 at an EV/EBITDA of 9.7x/8.5 (FY 24/25) and a PE of ~22.4/18.8x.

Fine Foods: peer data

	Cur	Market Cap (m)	EV/EBITDA			P/E		
			2024E	2025E	2026E	2024E	2025E	2026E
CATALENT INC	USD	10,246	21.1	16.0	13.8	116.9	39.4	28.4
PIRAMAL ENTERPRISES LTD	INR	195,233	17.5	13.4	9.6	43.3	13.6	10.5
INTERCOS	EUR	1,334	9.5	8.5	7.9	19.4	16.6	15.2
SIEGFRIED HOLDING AG-REG	CHF	4,003	15.5	13.9	12.4	25.6	22.3	19.4
AVERAGE			15.9	12.9	10.9	51.3	23.0	18.4
FINE FOODS	EUR	213	7.8	7.0	5.9	22.0	18.7	14.0
Premium (discount)			-50.9%	-46.3%	-46.4%	-57.0%	-18.7%	-23.8%

Source: Bloomberg data as at 09 April 2024 and Banca Akros estimates

Upcoming Corporate Events Calendar

Date	Event Type	Description	Period
05/06/24	Dividend Payment	Full Year 2023 Dividend Payment Date - Proposed EUR 0.12	2023
03/06/24	Ex Dividend Date	Full Year 2023 Ex-Dividend Date - Proposed EUR 0.12	2023
29/05/24	AGM	Full Year 2023 AGM & EGM	2023
15/05/24	Results	Q1 2024 Results	2024Q1

Source: Precise

Fine Foods: Summary tables

PROFIT & LOSS (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Sales	195	207	252	276	300	340
Cost of Sales & Operating Costs	-96.6	-108.8	-118.7	-128.0	-149.3	-161.3
Non Recurrent Expenses/Income	-1.6	-0.3	-3.6	0.0	0.0	0.0
EBITDA	19.6	15.4	22.3	34.5	38.7	45.9
EBITDA (adj.)*	21.2	15.7	25.8	34.5	38.7	45.9
Depreciation	-14.5	-16.4	-16.9	-18.7	-20.4	-22.1
EBITA	5.0	-1.0	5.4	15.7	18.3	23.8
EBITA (adj.)*	6.6	-0.7	9.0	15.7	18.3	23.8
Amortisations and Write Downs	0.0	0.0	-4.4	0.0	0.0	0.0
EBIT	7.7	0.3	5.3	15.7	18.3	23.8
EBIT (adj.)*	9.3	0.6	8.9	15.7	18.3	23.8
Net Financial Interest	-9.3	-13.2	-2.9	-3.0	-3.3	-3.8
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	-1.6	-12.9	2.4	12.7	15.0	20.1
Tax	3.2	4.7	-1.7	-3.1	-3.6	-4.8
<i>Tax rate</i>	<i>68.9%</i>	<i>33.9%</i>	<i>97.5%</i>	<i>24.0%</i>	<i>24.0%</i>	<i>24.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	-1.4	-9.5	-3.5	9.7	11.4	15.2
Net Profit (adj.)	10.2	-8.6	4.9	9.7	11.4	15.2
CASH FLOW (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Cash Flow from Operations before change in NWC	13.1	6.9	17.7	28.4	31.8	37.4
Change in Net Working Capital	-32.0	-9.5	1.6	1.3	-1.2	-3.0
Cash Flow from Operations	-18.9	-2.6	19.4	29.7	30.7	34.3
Capex	-66.0	-14.9	-18.9	-39.3	-41.0	-38.8
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	-84.9	-17.5	0.5	-9.6	-10.3	-4.5
Dividends	-3.3	-3.9	-2.6	-3.1	-3.1	-3.1
Other (incl. Capital Increase & share buy backs)	40.8	-7.0	1.9	3.3	0.3	0.3
Change in Net Financial Debt	-47.4	-28.4	-0.2	-9.4	-13.2	-7.3
NOPLAT	6.4	0.4	6.1	10.8	12.6	16.3
BALANCE SHEET & OTHER ITEMS (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Net Tangible Assets	103	109	110	128	148	165
Net Intangible Assets (incl. Goodwill)	24.7	17.7	13.1	13.1	13.1	13.1
Net Financial Assets & Other	3.7	8.1	6.9	6.9	6.9	6.9
Total Fixed Assets	131	135	130	148	168	185
Inventories	35.1	40.4	42.5	44.1	46.5	51.1
Trade receivables	29.4	39.3	38.1	41.4	43.5	47.6
Other current assets	12.0	8.2	21.3	21.3	21.3	21.3
Cash (-)	-95.1	-76.7	-22.8	-20.4	-17.6	-16.3
Total Current Assets	172	165	125	127	129	136
Total Assets	302.8	299.8	254.8	274.8	297.1	321.2
Shareholders Equity	147	133	127	134	142	154
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	147	133	127	134	142	154
Long term interest bearing debt	42.5	79.8	10.8	11.9	13.6	14.5
Provisions	3.0	2.4	2.2	2.4	2.7	3.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Total Long Term Liabilities	45.5	82.2	13.0	14.3	16.3	17.5
Short term interest bearing debt	68.2	40.6	55.6	61.5	70.1	75.1
Trade payables	32.5	33.5	32.4	38.6	42.0	47.6
Other current liabilities	9.3	10.3	26.9	26.9	26.9	26.9
Total Current Liabilities	110	84.3	115	127	139	150
Total Liabilities and Shareholders' Equity	302.8	299.8	254.8	274.8	297.1	321.2
Net Capital Employed	165.9	179.3	172.7	188.9	210.7	230.4
Net Working Capital	32.0	46.3	48.1	46.9	48.0	51.1
GROWTH & MARGINS	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
<i>Sales growth</i>	<i>13.3%</i>	<i>6.2%</i>	<i>21.7%</i>	<i>9.5%</i>	<i>8.9%</i>	<i>13.4%</i>
EBITDA (adj.)* growth	-5.0%	-25.6%	64.2%	33.4%	12.3%	18.7%
<i>EBITA (adj.)* growth</i>	<i>-37.7%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>75.2%</i>	<i>16.5%</i>	<i>30.1%</i>
<i>EBIT (adj)*growth</i>	<i>-21.4%</i>	<i>-93.6%</i>	<i>1395.6%</i>	<i>77.2%</i>	<i>16.5%</i>	<i>30.1%</i>

Fine Foods: Summary tables

GROWTH & MARGINS	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Net Profit growth	9.4%	n.m.	n.m.	96.2%	17.9%	33.7%
EPS adj. growth	11.1%	n.m.	n.m.	96.2%	17.9%	33.7%
DPS adj. growth	14.3%	-37.5%	20.0%	0.0%	0.0%	0.0%
EBITDA (adj)* margin	10.9%	7.6%	10.3%	12.5%	12.9%	13.5%
EBITA (adj)* margin	3.4%	-0.3%	3.6%	5.7%	6.1%	7.0%
EBIT (adj)* margin	4.8%	0.3%	3.5%	5.7%	6.1%	7.0%
RATIOS	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Net Debt/Equity	0.1	0.3	0.3	0.4	0.5	0.5
Net Debt/EBITDA	0.8	2.8	2.0	1.5	1.7	1.6
Interest cover (EBITDA/Fin.interest)	2.1	1.2	7.6	11.5	11.7	12.2
Capex/D&A	454.3%	90.7%	111.9%	209.6%	200.9%	175.5%
Capex/Sales	33.9%	7.2%	7.5%	14.3%	13.7%	11.4%
NWC/Sales	16.4%	22.4%	19.1%	17.0%	16.0%	15.0%
ROE (average)	7.1%	-6.1%	3.8%	7.4%	8.3%	10.3%
ROCE (adj.)	4.0%	0.2%	3.6%	5.7%	6.0%	7.1%
WACC	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
ROCE (adj.)/WACC	0.5	0.0	0.5	0.8	0.8	1.0
PER SHARE DATA (EUR)***	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Average diluted number of shares	24.5	25.6	25.6	25.6	25.6	25.6
EPS (reported)	-0.06	-0.38	-0.14	0.38	0.45	0.60
EPS (adj.)	0.44	-0.36	0.20	0.39	0.46	0.62
BVPS	6.00	5.21	4.97	5.23	5.55	6.03
DPS	0.16	0.10	0.12	0.12	0.12	0.12
VALUATION	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
EV/Sales	2.0	1.3	1.1	1.0	0.9	0.9
EV/EBITDA	20.3	17.2	12.3	7.9	7.4	6.4
EV/EBITDA (adj.)*	18.8	16.8	10.6	7.9	7.4	6.4
EV/EBITA	78.9	-262.3	50.8	17.3	15.6	12.3
EV/EBITA (adj.)*	59.8	-388.2	30.6	17.3	15.6	12.3
EV/EBIT	51.5	n.m.	51.8	17.3	15.6	12.3
EV/EBIT (adj.)*	42.6	n.m.	31.0	17.3	15.6	12.3
P/E (adj.)	34.8	n.m.	43.6	21.0	17.8	13.3
P/BV	2.6	1.6	1.8	1.6	1.5	1.4
Total Yield Ratio	1.0%	1.2%	1.4%	1.4%	1.4%	1.4%
EV/CE	2.5	1.5	1.6	1.4	1.4	1.3
OpFCF yield	-22.5%	-8.2%	0.2%	-4.5%	-4.9%	-2.1%
OpFCF/EV	-21.4%	-6.6%	0.2%	-3.5%	-3.6%	-1.5%
Payout ratio	n.m.	-26.4%	-87.1%	31.7%	26.9%	20.1%
Dividend yield (gross)	1.0%	1.2%	1.4%	1.4%	1.4%	1.4%
EV AND MKT CAP (EURm)	12/2021	12/2022	12/2023	12/2024e	12/2025e	12/2026e
Price** (EUR)	15.40	8.34	8.77	8.28	8.28	8.28
Outstanding number of shares for main stock	24.5	25.6	25.6	25.6	25.6	25.6
Total Market Cap	377.7	213.2	224.2	211.6	211.6	211.6
Gross Financial Debt (+)	110.8	120.4	66.4	73.4	83.7	89.7
Cash & Marketable Securities (-)	-95.1	-76.7	-22.8	-20.4	-17.6	-16.3
Net Financial Debt	15.7	43.6	43.6	52.9	66.1	73.4
Lease Liabilities (+)						
Net Debt	15.7	43.6	43.6	52.9	66.1	73.4
Other EV components	3.9	8.4	7.1	7.1	7.1	7.1
Enterprise Value (EV adj.)	397.3	265.1	274.8	271.7	284.8	292.1

Source: Company, Banca Akros estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.)= EBITDA (or EBITA) +/- Non Recurrent Expenses/Income and where EBIT (adj.)= EBIT +/- Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

***EPS (adj.) diluted= Net Profit (adj.)/Avg DIL. Ord. (+ Ord. equivalent) Shs. EPS (reported) = Net Profit reported/Avg DIL. Ord. (+ Ord. equivalent) Shs.

Sector: Healthcare/Pharmaceuticals

Company Description: Fine Foods is the largest independent Italian Contract Development and Manufacturing (CDMO) of Pharmaceuticals, Nutraceuticals and Medical Devices in solid oral form (tablets, capsules, effervescent tablets, granules, effervescent granules, powders). Fine Foods currently produces and develops products for the most important world players in both the pharmaceutical and food supplements sectors. Products are manufactured in two production plants located around Bergamo.

European Coverage of the Members of ESN 1/2

Automobiles & Parts	Mem(*)	Piaggio	BAK	Bonduelle	CIC	Cnh Industrial	BAK
Brembo	BAK	Richemont	CIC	Campari	BAK	Corticeira Amorim	CBI
Cie Automotive	GVC	Smcp	CIC	Carlsberg As-B	CIC	Cit	CBI
Ferrari	BAK	Swatch Group	CIC	Danone	CIC	Danieli	BAK
Forvia	CIC	Technogym	BAK	Diageo	CIC	Dassault Aviation	CIC
Gestamp	GVC	Trigano	CIC	Ebro Foods	GVC	Datalogic	BAK
Landi Renzo	BAK	Ubisoft	CIC	Fleury Michon	CIC	De Nora	BAK
Michelin	CIC	Energy	Mem(*)	Heineken	CIC	Desa	GVC
Pirelli & C.	BAK	Arverne Group	CIC	Italian Wine Brands	BAK	Edenred	CIC
Plastic Omnium	CIC	Cgg	CIC	Lans on-Boc	CIC	Eleonor	GVC
Renault	CIC	Eni	BAK	Laurent Perrier	CIC	Elis	CIC
Sogefi	BAK	Galp Energia	CBI	Ldc	CIC	Enav	BAK
Stellantis	BAK	Gas Plus	BAK	Lindt & Sprüngli	CIC	Enogia	CIC
Valeo	CIC	Gtt	CIC	Nestle	CIC	Exel Industries	CIC
Banks	Mem(*)	Maurel Et Prom	CIC	Ors ero	BAK	Fincantieri	BAK
Banco Sabadell	GVC	Pic	BAK	Pernod Ricard	CIC	Getlink	CIC
Banco Santander	GVC	Repsol	GVC	Remy Cointreau	CIC	Global Dominion	GVC
Bankinter	GVC	Rubis	CIC	Tipiak	CIC	Haulotte Group	CIC
Bbva	GVC	Saipem	BAK	Vs cofan	GVC	Interpump	BAK
Bnp Paribas	CIC	Technip Energies	CIC	Vranken	CIC	Legrand	CIC
Caixabank	GVC	Tecnicas Reunidas	GVC	Healthcare	Mem(*)	Leonardo	BAK
Credem	BAK	Tenaris	BAK	Amplifon	BAK	Lisi	CIC
Credit Agricole Sa	CIC	Totalenergies	CIC	Atrys Health	GVC	Logista	GVC
Intesa Sanpaolo	BAK	Vallourec	CIC	Biomerieux	CIC	Manitou	CIC
Societe Generale	CIC	Fin. Serv. Holdings	Mem(*)	Dias orin	BAK	Nbi Bearings Europe	GVC
Unicaja Banco	GVC	Cir	BAK	El En.	BAK	Nexans	CIC
Basic Resources	Mem(*)	Corp. Financiera Alba	GVC	Es silorluxottica	CIC	Nicolas Correa	GVC
Acerinox	GVC	Digital Magics	BAK	Eurofins	CIC	Openjobmetis	BAK
Altri	CBI	Eurazeo	CIC	Fine Foods	BAK	Os ai	BAK
Acelormittal	GVC	First Capital	BAK	Genfit	CIC	Prosegur	GVC
Ence	GVC	Gbl	CIC	Gpi	BAK	Prosegur Cash	GVC
The Navigator Company	CBI	Peugeot Invest	CIC	Guerbet	CIC	Prisman	BAK
Tubacex	GVC	Tip Tamburi Investment Partners	BAK	Imd	BAK	Rexel	CIC
Chemicals	Mem(*)	Wendel	CIC	Ips en	CIC	Saes	BAK
Air Liquide	CIC	Fin. Serv. Industrials	Mem(*)	Prim Sa	GVC	Safra	CIC
Arkema	CIC	Dovalue	BAK	Recordati	BAK	Salcef	BAK
Mgis	BAK	Nexi	BAK	Sartorius Stedim	CIC	Schneider Electric Se	CIC
Plásticos Compuestos	GVC	Tinxta	BAK	Vetoquinol	CIC	Talgo	GVC
Consumer Products & Svcs	Mem(*)	Financial Services Banks	Mem(*)	Virbac	CIC	Teleperformance	CIC
Abeo	CIC	Amundi	CIC	Vytrus Biotech	GVC	Thales	CIC
Beneteau	CIC	Anima	BAK	Industrial Goods & Services	Mem(*)	Tikehau Capital	CIC
Capelli	CIC	Azimut	BAK	Airbus Se	CIC	Verallia	CIC
De Longhi	BAK	Banca Generali	BAK	Als tom	CIC	Vidrala	GVC
Fila	BAK	Banca Ifis	BAK	Antin Infrastructure	CIC	Zignago Vetro	BAK
Geox	BAK	Banca Mediolanum	BAK	Applus	GVC	Insurance	Mem(*)
Givaudan	CIC	Banca Sistema	BAK	Arteche	GVC	Axa	CIC
Groupe Seb	CIC	Bff Bank	BAK	Avio	BAK	Catalana Occidente	GVC
Hermes Intl.	CIC	Dws	CIC	Bies se	BAK	Generali	BAK
Hexaom	CIC	Fincoobank	BAK	Bollore	CIC	Linea Directa As eguradora	GVC
Interparfums	CIC	Generalfinance	BAK	Bureau Veritas	CIC	Mapfre	GVC
Kaufman & Broad	IAC	Illimity Bank	BAK	Caf	GVC	Revo Insurance	BAK
Kering	CIC	Mediobanca	BAK	Catenon	GVC	Materials, Construction	Mem(*)
L'Oreal	CIC	Poste Italiane	BAK	Cellnex Telecom	GVC	Abp Nocivelli	BAK
Lvmh	CIC	Food & Beverage	Mem(*)	Cembre	BAK	Acs	GVC
Maisons Du Monde	CIC	Ab Inbev	CIC	Chargeurs	CIC	Aena	GVC
Ovs	BAK	Advini	CIC	Clas quin	IAC	Ariston Holding	BAK

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European Coverage of the Members of ESN 2/2

Buzzi	BAK	Unilever	CIC	Int. Airlines Group	GVC
Cementir	BAK	Winfarm	CIC	Lottomatica Group	BAK
Cementos Molins	GVC	Real Estate	Mem(*)	Melia Hotels International	GVC
Clerhp Estrcturas	GVC	Igd	BAK	Nh Hotel Group	GVC
Crh	CIC	Inmobiliaria Colonial	GVC	Pluxee	CIC
Eiffage	CIC	Inversa Prime	GVC	Sicity ByCar	BAK
Fcc	GVC	Kles ios Socimi	GVC	Sodexo	CIC
Ferrovial	GVC	Lar Es paña	GVC	Utilities	Mem(*)
Fluidra	GVC	Merlin Properties	GVC	A2A	BAK
Groupe Adp	CIC	Realia	GVC	Acciona	GVC
Groupe Poujoulat	CIC	Retail	Mem(*)	Acciona Energia	GVC
Heidelberg Materials	CIC	Aramis Group	CIC	Acea	BAK
Herige	CIC	Burberry	CIC	Audax	GVC
Holcim	CIC	Fnac Darty	CIC	Derichebourg	CIC
Imerys	CIC	Inditex	GVC	Edp	CBI
Maire Tecnimont	BAK	Unieuro	BAK	Enagas	GVC
Mota Engil	CBI	Technology	Mem(*)	Encavis Ag	CIC
Obras con Huarte Lain	GVC	Agile Content	GVC	Endesa	GVC
Sacyr	GVC	Almawave	BAK	Enel	BAK
Saint-Gobain	CIC	Alten	CIC	Engie	CIC
Sergeferrari Group	CIC	Amadeus	GVC	Erg	BAK
Sika	CIC	Atos	CIC	Greenvolt	CBI
Spie	CIC	Axway Software	CIC	Hera	BAK
Tarkett	CIC	Capgemini	CIC	Holaluz	GVC
Thermador Groupe	CIC	Das s ault Sys temes	CIC	Iberdrola	GVC
Vcat	CIC	Digital Value	BAK	Iren	BAK
Vinci	CIC	Esi Group	CIC	Italgas	BAK
Webuild	BAK	Gigas Hosting	GVC	Naturgy	GVC
Media	Mem(*)	Indra Sistemas	GVC	Neoen	CIC
Arnoldo Mondadori Editore	BAK	Izertis	GVC	Opdenenergy	GVC
Atres media	GVC	Lleida.Net	GVC	Redeia	GVC
Believe	CIC	Neuronas	CIC	Ren	CBI
Deezer	CIC	Ovhcloud	CIC	Seche Environnement	CIC
Digital Bros	BAK	Sopra Steria Group	CIC	Snam	BAK
Fill Up Media	CIC	Spindox	BAK	Solaria	GVC
GI Events	CIC	Tier1 Technology	GVC	Solarprofit	GVC
Il Sole 24 Ore	BAK	Vis iativ	CIC	Terna	BAK
Ips os	CIC	Vogo	CIC	Veolia	CIC
Jodecaux	CIC	Worldline	CIC	Volitalia	CIC
Lagardere	CIC	Telecommunications	Mem(*)		
MB	CIC	Bouygues	CIC		
Mogroup	GVC	Nos	CBI		
Nrj Group	CIC	Orange	CIC		
Pris a	GVC	Parlem Telecom	GVC		
Publicis	CIC	Telefonica	GVC		
Tf1	CIC	Unidata	BAK		
Univers al Mus ic Group	CIC	Travel & Leisure	Mem(*)		
Vivendi	CIC	Accor	CIC		
Vocento	GVC	Compagnie Des Alpes	CIC		
P. Care, Drug & Grocery St.	Mem(*)	Edreams Odigeo	GVC		
Bic	CIC	Elior	CIC		
Carrefour	CIC	Fdj	CIC		
Cas ino	CIC	Groupe Paribuche	IAC		
Jeronimo Martins	CBI	Hunyuers	CIC		
Marr	BAK	I Grandi Viaggi	BAK		
Sonae	CBI	Ibers ol	CBI		

18 March 2024

LEGEND:	BAK: Banca Akros	CIC: CIC Market Solutions	CBI: Caixa-Banco de Investimento	GVC: GVC Gaesco Valores
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(**) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

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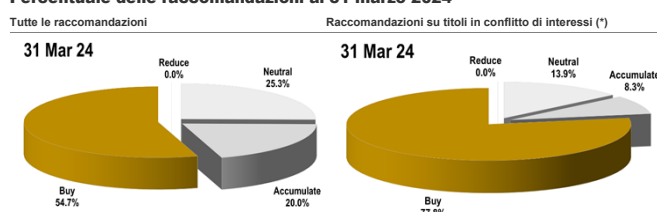
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Percentuale delle raccomandazioni al 31 marzo 2024



(*) Si informa che la percentuale degli emittenti in potenziale conflitto di interessi con Banca Akros è pari al 37.9% del totale degli emittenti oggetto di copertura

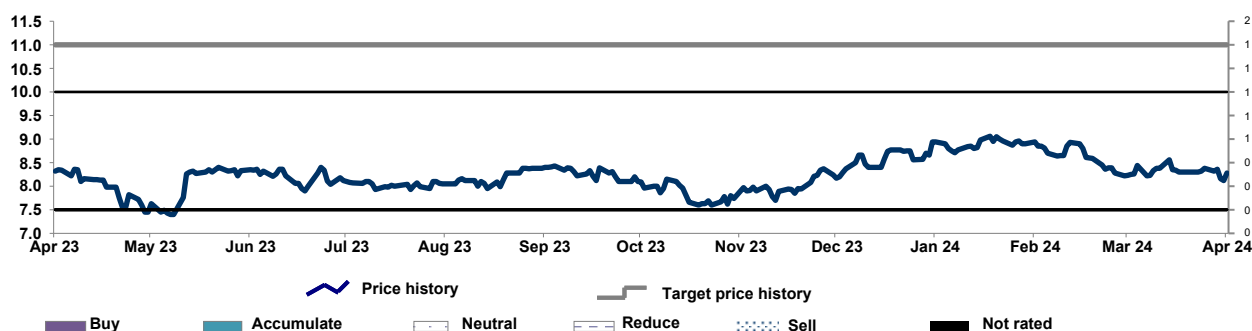
Recommendation history for FINE FOODS

Date	Recommendation	Target price	Price at change date
08-Apr-22	Accumulate	11.00	9.20
31-Mar-22	Not rated	0.00	11.75
15-Nov-21	Buy	20.50	16.50
28-Sep-21	Buy	23.00	17.15
22-Sep-21	Buy	21.50	18.30
14-Sep-21	Accumulate	21.50	17.65

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows Banca Akros continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.

Current analyst: Gian Marco Gadini (since 01/12/2018)



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The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B), Accumulate (A), Neutral (N), Reduce (R) and Sell (S)**.

Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months
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Note: a certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Banca Akros Ratings Breakdown

Recommendation	Number of stocks covered	%
Buy	52	55%
Accumulate	17	18%
Neutral	25	27%
Reduce	0	0%
Sell	0	0%

For full ESN Recommendation and Target price history (in the last 12 months), please see ESN Website [Link](#)

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