

Company Profile

Corporate Events

Buy

Recommendation unchanged

Share price: EUR 8.40

closing price as of 13/09/2024

Target price: EUR 12.50

Target Price unchanged

Upside/Downside Potential 48.8%

Reuters/Bloomberg FF.MI/FF IM

Market capitalisation (EURm) 215

Current N° of shares (m) 26

Free float 43%

Daily avg. no. trad. sh. 12 mth (k) 6

Daily avg. trad. vol. 12 mth (k) 171.54

Price high/low 12 months 9.42 / 7.60

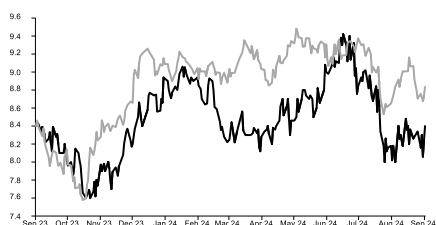
Abs Perfs 1/3/12 mths (%) 4.74/-6.46/0.00

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
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	1.0
EV/EBITDA	12.3	8.0	7.4
EV/EBITDA (adj.)	10.6	8.0	7.4
EV/EBIT	51.8	17.5	15.7
P/E (adj.)	43.6	21.3	18.1
P/BV	1.8	1.6	1.5
OpFCF yield	0.2%	-4.5%	-4.8%
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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## Q2 24: results in line, supporting our positive view

The facts: FF reported its H1 24 results last Friday.

Our analysis: we summarise the main lines of the release below.

	Q2 24A	Q2 23A	Δ% Y/Y	Q2 24E	H1 24A	H1 23A	Δ% Y/Y
Sales	57.3	61.9	-7.5%	57.4	122.8	127.5	-3.6%
EBITDA Adj.	7.1	4.7	53.1%	7.1	16.0	12.6	26.9%
As a % of sales	12.5%	7.5%	4.9pp	12.4%	13.0%	9.9%	3.1pp
EBIT Adj.	3.2	0.6	435%	3.0	8.3	4.8	72.5%
Net income rep.	1.7	(4.6)		1.4	4.5	(1.7)	
Net debt (cash)	43.2	57.8	-25.3%	45.9	43.2	57.8	-25.3%

Revenues and EBITDA were bang in line with our estimates, with revenue dropping 7.5% Y/Y in Q2 mainly due to the soft performance of Food (c -7% in Q2, -4% in H1), as destocking movements continued at some customers, and Cosmetics (-40% Y/Y in Q2, -22%), whose business development has been postponed to the second half of 2024. The Pharma BU performed well (+8% in Q2, +6.5% in H1), with growth accelerating in Q2 vs. Q1 towards the historical high-single-digit rate.

EBITDA margin confirmed the recovery trend seen as of Q4 23, with H1 24 hitting 13%.

Net debt was flat vs. Q1 24 and FY 23, slightly better than expected thanks to further NWC release, and despite ~EUR 7m in expansion capex (o/w ~EUR 5.5m for the new Pharma plant) booked in the half year.

The company announced that the General Manager Mr. Pietro Oriani (appointed on 25 July 2024) was appointed board member and CEO on 13 September. The former CEO Mr. Giorgio Ferraris will remain as a consultant to the board, with a 3-year agreement and a 5-year non-compete clause. FF will pay EUR 100K p.a. for the consultancy and a one-off compensation of EUR 700K by the end of the year as part of the non-compete agreement.

**Outlook.** During the conference call, the management highlighted that the decline in revenues was temporary and was mainly due to destocking occurring in the Food BU and some delays in the development of the Cosmetic BU. However, destocking ought to be over in the next few months and the company has already decided to add the third shift on a compulsory basis to face the expected increase in demand. Orders and commercial activity in the Cosmetic BU are due to ramp up towards the end of the current year. In addition, supply chains are normalising and might lead the management to further decrease the levels of inventories.

**Conclusion & Action:** all in all, the release was in line with our expectations, with a slight beat at the net debt level. Despite the revenue drop in H1, our FY 24 EBITDA and net income estimates appear reachable.

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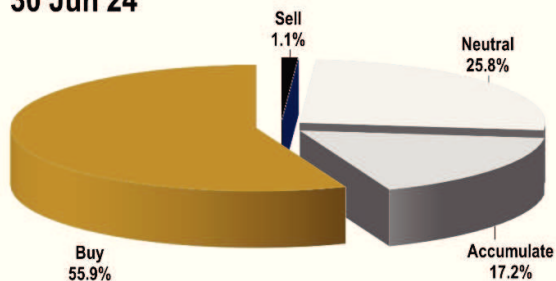
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## Percentage of recommendations by the 30 June 2024

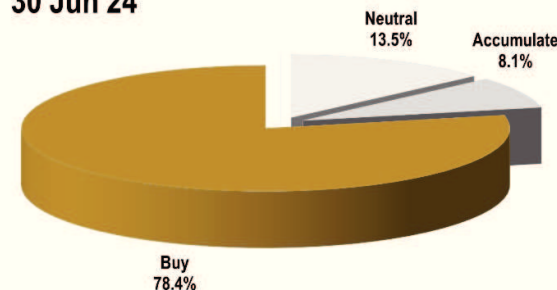
All recommendations

Recommendations on stocks under conflict of interest (\*)

30 Jun 24



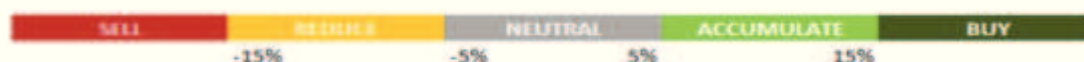
30 Jun 24



(\*) Please note that the rate of issuers who are in potential conflict of interests with Banca Akros is equivalent to 39.8% of all issuers covered

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- **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
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