

Event Flash

ISMO Paris - June 2021

Feedback from ISMO Virtual Conference



Source: Companies' data

11 June 2021: 9:41 CET

Date and time of production

Italy/ISMO Paris 2021

10 June 2021

Index Performance (-12M) FTSE IT ALL Share, FTSE IT STAR, FTSE AIM



Source: FactSet;

Report priced at market close on 10/06/2021 (except where otherwise indicated within the report).

In this report, we confirm the ratings and target prices assigned in the latest company reports (unless otherwise indicated)

Event

On 10 June, we hosted 14 Mid&Small Cap companies at Intesa Sanpaolo's XIV edition of the Italian Stock Market Opportunities (ISMO Paris - Virtual) conference, attended by 51 investors, with over 100 meetings organised. This conference offers investors the opportunity to meet with the top management of some Italian Mid&Small Cap companies to discuss their latest results, business trends and strategic developments. In this report, we outline the main takeaways from some of the meetings of those companies attending and under our coverage.

ISMO attending companies under our coverage – Key data

(x)	Price	Market	TP	Rating	EV/EBITDA		Adj. P/E	
	EUR/sh	Cap (EUR M)	EUR/sh		2021E	2022E	2021E	2022E
Avio	13.02	343.2	15.9	HOLD	8.0	7.7	23.7	22.9
Biesse	27.88	763.72	28.4	ADD	9.0	7.9	28.6	24.2
Brembo	10.79	3603.02	12.2	ADD	8.2	7.0	17.3	14.6
Elica	3.39	214.66	4.4	BUY	6.5	5.7	23.9	19.5
eVISO	2.60	63.89	3.3	BUY	17.5	10.5	41.9	20.5
Growens	4.42	66.17	6.7	BUY	10.9	6.0	48.7	16.7
Indel B	25.10	146.63	36.8	BUY	7.9	5.9	14.4	10.2
Prima Industrie	23.65	247.93	25.0	BUY	9.8	6.9	33.6	14.6
Reno De Medici	1.17	443.54	1.55	BUY	6.5	5.0	15.5	12.4
Salcef Group	13.45	640.7	16.0	ADD	6.5	5.7	13.2	12.1
Valsoia	15.60	165.6	20.0	BUY	10.7	9.9	20.5	19.7
Zignago Vetro	17.14	1508.32	18.8	ADD	13.8	13.6	27.7	27.2

Priced at market close of 10/06/2021; Source: FactSet and Intesa Sanpaolo Research estimates

Intesa Sanpaolo Research Dept.
Corporate Broking Research Team
Equity Research Team

ISMO Paris - June 2021

In the table below, we recap the main highlights from the meetings of some of our covered companies attending the event.

ISMO Paris - June 2021 wrap-up

Company	Key drivers
Avio	The short and medium-long term outlook and competition were among the main themes discussed with management. 2021 and 2022 are expected to be a transitional period moving towards a structural reduction of production costs and a completely new launchers offer.
Biesse	The strong order intake posted in 1Q21 continued thus far, with May reporting a +39.1% vs the same period in 2019.
Brembo	Despite cost inflation and semiconductor shortages affecting the entire automotive sector, Brembo's prospects remain sound and the group looks well positioned to outperform the car market in FY21.
Elica	A positive market sustained 1Q21 results, while inflationary trends were offset by a price/mix increase and by having hedged raw material prices at April/May 2020.
eVISO	eVISO is rapidly scaling up its AI platform to be ready to satisfy new clients while new business opportunities could offer additional revenues. The company also underlined its significant competitive advantage vs. peers and the focus on expanding its electricity activities in Italy.
Growens	Growens is working to finalise an acquisition by the end of the year. Focus on the prospects of BEE.
Indel B	Indel B's revenues grew strongly in 1Q21, also exceeding 1Q19A revenues.
Prima Industrie	A strong order intake makes the recovery more visible, with an expected acceleration in 2H21.
Reno De Medici	A positive outlook for volumes, with selling price increases following raw materials inflationary trends. An important acquisition has been finalised to reinforce positioning also in the "specialty" segment (e.g. luxury packaging, bookbinding, puzzles & games).
Salcef Group	After recording good metrics in 1Q21, management restated its confidence for 2021 and outlined that an M&A deal could likely be closed in the next few quarters.
Valsoia	The vegetable alternatives market is benefiting from the greater readability of the offer on the shelf, consequent to the reduction in the assortment decided by the Trade with the delisting of low-rotating products. In this context, we appreciate the increasing market share of the group's brand 'Valsoia Bontà e Salute'.
Zignago Vetro	Management provided a positive outlook for 2021 with a recovery in volumes but also in price in all the sectors. As the full utilisation of production capacity should be reached in 2022, a new wave of investments is expected only from 2H22. The company also did not rule out new acquisitions, including 50% of Vetri Speciali controlled by Owens & Illinois.

Source: Intesa Sanpaolo Research elaboration

Growens (BUY)

Feedback from Event

Growens is working to finalise an acquisition by the end of the year. Focus on the prospects of BEE.

- **BEE:** the customer base is rapidly enlarging with large companies like L'Oreal, Netflix, Disney. The offer will be expanded this summer with the feature to create pop-ups which will be added to current features for email and web page editing. BEE-Pro now has 10k clients with ARPU ranging from USD 15/month to USD 8K per month. BEE-Plug accounts for 600 clients. Growens historically invested EUR 2M to develop this platform. The consensus estimates for revenues 2021 is reliable (above EUR 7M our forecast vs. EUR 3.9M recorded in FY20). According to Adobe presentation, there are globally 4Bn people who create digital contents, which is a huge potential market;
- **Acquisitions:** the company is examining two potential targets with a turnover in the range of EUR 5-15M in the software arena. The goal remains to finalise an acquisition by the end of the year. They are planning to set up a team dedicated to programmatic acquisitions (1-2 per year) from 2022;
- **The market up-move to the STAR segment** could follow the acquisition as a second step;
- **SMS business:** the "Drive to Store SMS" business is recovering with the re-openings, even if it is still below the 2Q19 level due to the traffic restrictions within the stores;
- **ESG side:** the company issued for the second time, voluntarily, a Non-Financial report in 2021.

We confirm our positive view on the stock based on the improving visibility of the recovery in growth following the reopening of stores in Italy (which impacts the SMS drive to store business), the solid organic growth of other business lines and the potential M&A activity.

Growens - Key Data

11/06/2021	Information		
Target Price (EUR)	6.7		
Rating	BUY		
Mkt price (EUR)	4.42		
Mkt cap (EUR M)	66		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	77.03	93.10	98.95
EBITDA	5.64	9.74	11.00
EPS (EUR)	0.09	0.26	0.31
Net debt/-cash	-4.69	-7.92	-12.76
Ratios (x)	2021E	2022E	2023E
Adj. P/E	48.7	16.7	14.3
EV/EBITDA	10.9	6.0	4.8
EV/EBIT	29.5	9.9	7.8
Debt/EBITDA	Neg.	Neg.	Neg.
Div yield (%)	0	0	0
Performance (%)	1M	3M	12M
Absolute	2.1	1.1	-12.6
Rel. to FTSE IT All Sh	-1.4	-6.3	-33.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Corporate Broker to Growens

Oriana Cardani, CFA - Research Analyst
 +39 02 6275 3017
 oriana.cardani@intesasanpaolo.com