UBI Banca

SAFE BAG

Company report | **Buy (from Hold)**

28 September 2017 – 5:30 PM | *MARKET PRICE:* ***EUR4.22*** | *TARGET PRICE:* ***EUR4.94 (from EUR4.73)***

Solid 1H17 results, outlook upgraded

Safe Bag reported 1H17 results that were slightly above our expectations with revenues up 10.2%, an EBITDA margin that rose to 14.5% (from 12.3% in 1H16) and a net attributable result up 63% at EUR0.8 million. The company has won five new concessions since January (Vancouver, Ottawa, Warsaw, Rio de Janeiro and Rome, first lot) over and above the two included in the business plan. This prompted the management to upgrade the outlook for 2018-20 saying that the targets in the business plan would be exceeded (although no figures were given). Given this, we have increased our estimates, particularly those for EBITDA (up 11% on average in 2017-19) and the bottom line (+31% on average); these are now well above the targets in the business plan. We upgrade our rating on the shares to Buy (from Hold) with a new target price of EUR4.94 (from EUR4.73). However, we see limited upside for the share price following the stellar performance since the start of the year (+374%) and the current premium to the EV/EBITDA multiple of the company's peers (6% on average for 2017-18). We also see some risks relating to the spin-off of SOSTRAVEL.COM and the large amount of goodwill in the balance sheet (95% of invested capital at June-17).

> 1H17 sales rose 10.2% to EUR13.2 million with strong performances in France and Portugal partially offset by lower revenues in the US and in Italy. EBITDA was EUR1.92 million (+31% vs. 1H16) due to the results in France, Portugal and Canada resulting in a year-on-year increase of 63% in the bottom line. Net debt was in line with expectations at EUR0.7 million.

> Management is expected to revise upward its 2018-19 targets on the back of the five new concessions won to date this year and the other potential concessions. We have increased our sales estimates and have upgraded EBITDA margins to incorporate the higher profitability of Canada, France and Portugal. Our EPS forecast has been upgraded by 31% on average in 2017-19.

> We have increased our target price to EUR4.94 per share (from EUR4.73) based on the average of a DCF analysis and a relative valuation, which leaves 17% upside for the shares. We adopt a Buy rating (from Hold).

Airport services

Data

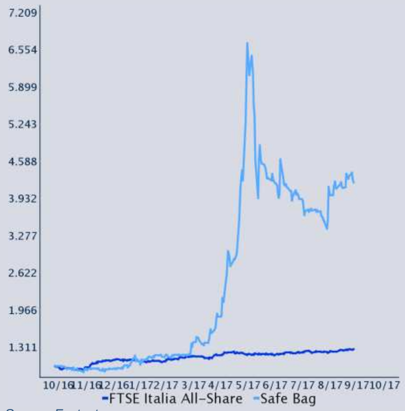
Shares Outstanding (m):	14.8	
Market Cap. (EURm):	62.3	
Enterprise Value (EURm):	61.2	
Free Float (%):	15.7%	
Av. Daily Trad. Vol. (m):	0.1	
Main Shareholder:	RG Holding 68.1%	
Reuters/Bloomberg:	SB.MI	SB IM
52-Week Range (EUR)	0.9	6.7

Source: Factset, UbiBanca estimates

Performance

	1m	3m	12m
Absolute	19.6%	-0.7%	348.9%
Rel. to FTSE IT	15.0%	-8.4%	219.9%

Graph area Absolute/Relative 12 M



Source: Factset

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Financials priced on 27 September 2017

	2016	2017E	2018E	2019E
Revenues (EURm)	26.5	30.9	37.0	41.9
EBITDA (EURm)	4.6	5.4	6.1	8.0
EBITDA margin (%)	17.4%	17.5%	16.4%	19.1%
EBIT (EURm)	3.9	4.7	5.1	6.9
EPS (EUR)	0.18	0.15	0.16	0.25
CFPS (EUR)	0.12	0.29	0.30	0.40
DPS (EUR)	0.07	0.05	0.05	0.09

Source: Company Data, UBI Banca estimates

Ratios priced on 27 September 2017

	2016 *	2017E	2018E	2019E
P/E(x)	4.4	28.5	26.8	16.8
P/CF(x)	2.8	17.3	15.6	11.2
P/BV(x)	0.9	3.9	3.7	3.2
Dividend Yield	9.2%	1.2%	1.2%	2.0%
EV/EBITDA(x)	2.6	11.3	10.1	7.4
Debt/Equity (x)	0.0	-0.3	-0.3	-0.4
Debt/EBITDA (x)	0.1	-0.8	-1.0	-1.2

*Source: UBI Banca estimates * Basend on average 2016 price*

Key Financials

(EURm)	2016	2017E	2018E	2019E
Revenues	26.5	30.9	37.0	41.9
EBITDA	4.6	5.4	6.1	8.0
EBIT	3.9	4.7	5.1	6.9
NOPAT	2.6	3.1	3.4	4.6
Free Cash Flow	-0.4	3.6	3.2	4.8
Net Capital Employed	12.5	12.1	12.2	12.0
Shareholders' Equity	11.5	15.8	17.1	19.6
Net Financial Position	0.5	-4.6	-6.1	-9.2

Source: Company data, UBI Banca estimates

Key Profitability Drivers

	2016	2017E	2018E	2019E
Net Debt/Ebitda (x)	0.1	-0.8	-1.0	-1.2
Net Debt/Equity (x)	0.0	-0.3	-0.3	-0.4
Interest Coverage (%)	13.1	12.6	10.3	20.8
Free Cash Flow Yield (%)	-3.4%	5.7%	5.1%	7.7%
ROE (%)	21.1%	13.8%	13.6%	18.9%
ROI after tax (%)	19.7%	24.3%	26.9%	35.5%
ROCE (%)	20.8%	25.4%	28.3%	38.4%

Source: Company data, UBI Banca estimates

Key Valuation Ratios

	2016 *	2017E	2018E	2019E
P/E (x)	4.4	28.5	26.8	16.8
P/BV (x)	0.9	3.9	3.7	3.2
P/CF (x)	2.8	17.3	15.6	11.2
Dividend Yield (%)	9.2%	1.2%	1.2%	2.0%
EV/Sales (x)	0.5	2.0	1.7	1.4
EV/EBITDA (x)	2.6	11.3	10.1	7.4
EV/EBIT (x)	3.1	13.1	11.9	8.5
EV/CE (x)	1.0	5.0	5.0	4.9

Source: Company data, UBI Banca estimates ** Based on average 2016 price*

Key Value Drivers

(%)	2016	2017E	2018E	2019E
Payout	40.5%	33.8%	31.8%	33.8%
Cost of Equity	5.1%	5.1%	5.1%	5.1%
NWC/Sales	-14.4%	-14.7%	-13.5%	-12.7%
Capex/Sales	2.3%	2.5%	3.5%	2.5%

Source: Company data, UBI Banca estimates

Recent Developments

- Safe Bag reported positive results for 1H17 with sales broadly in line with our estimates but a higher than expected EBITDA margin (14.5% vs. 12.3% in 1H16) and a net result of EUR0.76 million, up 63% year-on-year. Sales rose 10.2% to EUR13.2 million in 1H17, with strong revenues in France (+11.2%), Portugal (+24.9%), and Switzerland (+13.3%) and included the first contribution from the new concession in Montreal (EUR0.52 million). These were partially offset by lower revenues in the US (-1.0%) and Italy (-11.6%, which was affected by the closure of five concessions in the second half of 2016). EBITDA was EUR1.92 million compared to EUR1.47 million in 1H16 and mainly reflected the improved performance in France and Portugal and the contribution from Canada.
- Lower D&A (due to the revaluation of the Spanish subsidiary, which was deconsolidated) contributed to the increase in EBIT to EUR1.67 million (+52% with a margin of 12.7%) while net profit was up 31% despite higher financial charges and taxes. Net attributable profit benefitted from lower minorities and exceeded EUR0.76 million (+63% vs. 1H16). Net debt was in line with our estimate at EUR0.73 million, slightly up compared to Dec-16 (EUR0.49 million). The average duration of Safe Bag's concessions was 4.0 years at June-17 up (from 3.8 years at Dec-16).
- In 2Q17, the company reported revenues of EUR6.9 million, an increase of 17% compared to 2Q16 and an EBITDA of EUR1.2 million (+49%), implying an EBITDA margin >17%.
- Safe Bag has won five new concessions for wrapping services since the start of the current year: in April, the company obtained a five year concession in Vancouver airport in Canada. Vancouver is the second largest airport in Canada (after Toronto) with >17 million passengers and we believe it could add revenues of >EUR0.8 million. In May, Safe BAG obtained the concession for Warsaw airport in Poland. The concession started in July-17 with no stated expiry date. Warsaw is a growing airport with about 13 million passengers (+28% in 1Q17) and we believe it could generate additional revenues of >EUR1 million. In June, Safe BAG acquired the concession for Ottawa airport in Canada which has about 5 million passengers and potential revenues of about EUR0.2 million. In June, the company won the first lot of concessions for Fiumicino and Ciampino airports in Rome. This lot includes six points of sale in Fiumicino, terminal 3. Given the size of Fiumicino (41 million passengers per annum), this concession could add revenues of about EUR2.0 million at regime. The tender for the second lot is expected in the coming months. Finally, in September Safe BAG acquired the temporary concession for Rio de Janeiro airport in Brazil which has about 13 million passengers. Although temporary (the final tender is expected in 2018), this concession marks the entry of Safe Bag in South America where it could expand rapidly. With the new concessions, Safe Bag is now present in 26 airports with 85 points of sale. The average duration of the concessions is four years (3.8 years at Dec-16).
- In addition, the company renewed the concession in Olbia airport in Sardinia (2.5 million passengers) for a further three years and that for Venice airport for five years (10 million passengers).
- At June-17, Safe Bag had EUR12.47 million of goodwill in its balance sheet (unchanged), representing 95% of its invested capital. The goodwill is from the consolidation of subsidiaries in France, Portugal and Spain (for a total of EUR12 million) and for the concession in Switzerland (EUR0.5 million). The total net equity of these subsidiaries was EUR1.2 million at Dec-16. These concessions

of these subsidiaries will expire in 2020-21 implying a high risk that this goodwill could be written down in the future.

> The management stated the 2017-20 business plan targets should be exceeded in 2018-20 due to the number of concessions won this year and those planned for 2018. The business plan, presented last June, incorporates revenues rising to almost EUR50 million (17% CAGR in 2016-20), an EBITDA of EUR11 million in 2020 (more than double the 2016 result), operating profit of EUR9.5 million and a net result (before minorities) of more than EUR6 million. The net financial position could turn positive this year and exceed EUR10 million in 2020 (assuming a conservative conversion rate for the warrants and a dividend pay-out ratio of 35% in the coming years).

> SOSTRAVEL.COM, the new company specialising in several innovative services (luggage tracking, refund, lost & found concierge, travel info) for airport passengers throughout the world but which do not require a physical presence in the airports (and therefore no royalties or concession fees) is expected to be spun off from Safe Bag by the end of 2017 through the issue of SOSTRAVEL.COM shares to existing Safe Bag shareholders (details pending) and a subsequent listing as an innovative PMI (allowing it to benefit from fiscal incentives under Italian law). Although SOSTRAVEL.COM's business model differs from that of Safe Bag and it has stronger revenue growth potential, we believe that the spin-off could prove risky for the following reasons: 1) it might be difficult to raise new financial resources for a start-up expected to report operating losses in the next two years, 2) revenues are expected to rise above EUR7 million only in 2020 with an EBITDA of EUR2.5 million: consequently we believe that SOSTRAVEL.COM, if listed, would have a minimal market capitalization, 3) Safe Bag will lose the sales channels outside the airports leading to lower growth prospects while increasing the operating margin from its current optimum level could be difficult (the business plan indicates a range of 17% to 20% compared with 35% expected for SOSTRAVEL.COM).

> 2017 started strongly: RPK (number of paying passengers per kilometres flown) increased by 7.7% in the first seven months of the year (*source: IATA*) with Europe up 8.6% and North America up 3.9%. Passengers worldwide are expected to grow 6.8% this year (*source: Air4casts 1/4/17*).

Figure 1 – 1H17 results

(EURm)	**1H16A**	**1H17A**	**% Chg.**
Sales Italy	1.20	1.06	-11.6%
Sales France	3.63	4.03	11.2%
Sales USA	5.35	5.29	-1.0%
Sales Other	1.83	2.84	55.4%
Sales total	**12.00**	**13.22**	**10.2%**
EBITDA	**1.47**	**1.92**	**30.7%**
% margin	**12.3%**	**14.5%**	
D&A	-0.37	-0.25	-33.0%
EBIT	1.10	1.67	52.2%
% margin	9.2%	12.7%	
Pre tax profit	0.89	1.39	56.2%
Net profit	**0.82**	**1.07**	**30.5%**
Net profit attributable	**0.46**	**0.76**	**63.1%**
Net debt (cash)	1.26	0.73	-41.7%

Source: Company data

Financial Projections

> Safe Bag stated that 2018-19 targets could be upgraded. We have revised our estimates following 1H17 results that were slightly above our expectations. Our 2017 estimates include full conversion of the outstanding warrants (EUR3.5 million cash in) and an increase in the number of shares in circulation (to 14.8 million vs. 13.2 million in 2016). Our forecasts do not include the potential spin-off of SOSTRAVEL.COM and assume that the tracking activities remain within the Safe Bag structure.

> We expect a positive second half of the year with revenues increasing by >21% due to the new concessions in Canada (Montreal, Vancouver and Ottawa), Poland and Brazil, while revenues in the US could be affected by the hurricane "Irma" in September. We expect the EBITDA margin to decline slightly compared to 2H16, when it was exceptionally strong, reflecting the start-up costs of SOSTRAVEL.COM. Therefore, net profit could be lower than in 2H16.

> We have increased our 2018-19 revenue estimates factoring in the new concessions. We have also upgraded our EBITDA forecasts to 16.4% in 2018 and 19.1% in 2019 and these are now above the targets in the business plan. Our EBITDA estimates for 2017-19 have been increased by >11% on average and those for EBIT by >21% on average. We estimate a CAGR in net profit of 13% in 2016-19 (15% after minorities).

> Our new sales estimates are 4% above the company's business plan, those for EBITDA are 11% higher on average and those for net profit are 23% higher on average. Our net financial position estimates are also significantly different from the business plan as we have assumed full conversion of the warrants.

Figure 2 – Old vs. new estimates

(EURm)	2016A	2017E		2018E		2019E	
		Old	New	Old	New	Old	New
Total sales	26.54	29.88	30.95	34.11	36.96	39.46	41.88
% change			3.6%		8.3%		6.1%
EBITDA	**4.61**	**4.95**	**5.40**	**5.12**	**6.06**	**7.46**	**7.98**
% change			**9.0%**		**18.3%**		**7.0%**
EBIT	3.89	3.98	4.68	3.87	5.14	6.03	6.92
% change			17.5%		32.6%		14.9%
Net Profit	3.10	2.49	2.89	2.23	3.06	3.94	4.48
% change			16.0%		37.5%		13.9%
Net Profit attributable	**2.43**	**1.79**	**2.18**	**1.49**	**2.32**	**3.16**	**3.71**
% change			**22.2%**		**56.0%**		**17.3%**
Net debt (cash)	0.49	-4.68	-4.56	-5.30	-6.13	-8.57	-9.21
EBIT margin	**14.7%**	**13.3%**	**15.1%**	**11.4%**	**13.9%**	**15.3%**	**16.5%**
EBITDA margin	**17.4%**	**16.6%**	**17.5%**	**15.0%**	**16.4%**	**18.9%**	**19.1%**

Source: Company data, UBI Banca estimates

Figure 3 – 2H17 estimates

(EURm)	2H16A	2H17E	% Chg.
Sales Italy	1.72	2.31	34.7%
Sales France	4.42	4.87	10.3%
Sales USA	5.47	5.25	-3.9%
Sales Other	2.94	5.29	79.6%
Sales total	**14.54**	**17.72**	**21.9%**
EBITDA	**3.14**	**3.48**	**10.7%**
% margin	**21.6%**	**19.6%**	
D&A	-0.35	-0.47	35.7%
EBIT	2.79	3.00	7.6%
% margin	19.2%	17.0%	
Pre tax profit	2.71	2.92	7.8%
Net profit	2.28	1.82	-20.2%
Net profit attr.	**1.96**	**1.43**	**-27.3%**
Net debt (cash)	0.49	(4.56)	

Source: Company data, UBI Banca estimates

Figure 4 – Our estimates compared with Safe Bag business plan

	Our estimates			Safe Bag business plan		
(EURm)	2017E	2018E	2019E	2017E	2018E	2019E
Sales	30.9	37.0	41.9	30.3	34.1	41.3
EBITDA	**5.4**	**6.1**	**8.0**	**5.0**	**5.1**	**7.6**
% margin	**17.5%**	**16.4%**	**19.1%**	**16.4%**	**14.9%**	**18.3%**
EBIT	4.7	5.1	6.9	4.0	3.8	6.0
% margin	15.1%	13.9%	16.5%	13.2%	11.1%	14.5%
Net result	**2.9**	**3.1**	**4.5**	**2.5**	**2.1**	**4.1**
Net debt (cash)	(4.6)	(6.1)	(9.2)	(2.3)	(2.1)	(5.2)

Source: Company data, UBI Banca estimates

Valuation

> Since our rating downgrade (*"Magic moment, upcoming spin-off, fair share price", 14 June 2017*), Safe Bag has underperformed the market by nearly 20%, declining by 8.5%, following the stellar share price performance in the first part of the year. Now, with five new concessions already achieved and further possibilities in future, we believe it could be a good time to come back on the shares.

> Following the upgrades to our estimates, we have set a new target price of EUR4.94 per share (from EUR4.73), based on the average of a DCF and a relative valuation. This indicates potential upside of 17.1% and therefore we adopt a Buy rating (from Hold).

> Our DCF valuation reflects our new estimates and the full conversion of warrants, while our relative valuation has been impacted by the upgrades to our estimates and by the growth in peer valuation multiples. We would also stress that, at the current market price, Safe Bag is trading at a premium to peers on 2017-18 multiples (6% on EV/EBITDA and 82% on P/E). Our DCF model gives a fair value of EUR5.71 per share (vs. a previous fair value of EUR5.50, or +4%).

> The outstanding warrants (1.55 million warrants issued at the time of the IPO), expiring on 15 December 2017, convert into shares on a 1:1 basis and have a strike price of EUR2.25 per share; they are currently in the money and therefore we expect a large number to be converted. 100% conversion of the outstanding warrants could provide Safe Bag with EUR3.5 million of new financial resources that could be used for M&A deals or to finance SOSTRAVEL.COM while increasing the free float (currently 15.68%). We estimate EPS dilution of around 11% with 100% conversion and an increase in the free float to 18.1% (assuming that the main shareholder RG Holding converts all its 0.66 million warrants without selling any shares on the market).

> At our target price, Safe Bag trades at 12.0x 2018 EV/EBITDA, 23% above the average multiple of our peer sample.

Figure 5 – Valuation summary

(EUR)		Weight	14/06/2017	% Chg.
DCF Valuation	5.71	50.0%	5.50	3.9%
Relative Valuation	4.18	50.0%	3.96	5.5%
Target price	**4.94**		**4.73**	**4.5%**
Current price	4.22		4.61	-8.5%
Potential upside (downside)	17.1%		2.5%	

Source: UBI Banca estimates

Figure 6 – DCF valuation

Our DCF valuation implies an EV/EBITDA of 7.6x at terminal value

	(EUR m)	(% weight)
Sum of PV 2017-25 FCF	31.75	37%
Terminal value	54.18	63%
Total Enterprise value	**85.93**	**100%**
- minorities	(0.50)	
- Pension Provision	(0.46)	
- Net debt (+ cash)	(0.73)	
Total Equity value	**84.24**	
Fully diluted number of shares (m)	14.8	
Fair value per share (EUR)	**5.71**	

Source: UBI Banca estimates

Figure 7 – Peer comparison and valuation based on multiples priced on 27 September 2017

Company	Market Cap (EURm)	EV/EBITDA 2017E	EV/EBITDA 2018E	EV/EBITDA 2019E	Share performance One Month	Share performance Three months	Share performance YTD
Dufry	7,138	11.3 x	10.0 x	8.9 x	0.7%	-9.0%	11.8%
Compass Group	28,438	13.2 x	12.5 x	11.6 x	1.2%	-4.5%	-1.7%
Sodexo	15,777	10.0 x	9.5 x	8.8 x	7.0%	-10.5%	-4.2%
Elior Group	3,865	10.1 x	9.2 x	8.3 x	-0.9%	-12.8%	3.0%
SSP Group	2,714	10.9 x	9.8 x	8.9 x	-2.0%	4.8%	25.9%
Autogrill	2,758	7.8 x	7.2 x	6.6 x	0.5%	0.5%	26.3%
Average		**10.6 x**	**9.7 x**	**8.8 x**	**1.1%**	**-5.2%**	**10.2%**
Median		**10.5 x**	**9.7 x**	**8.8 x**	**0.6%**	**-6.7%**	**7.4%**
Safe Bag	**62**	**11.3 x**	**10.1 x**	**7.4 x**	**19.6%**	**-0.7%**	**355.2%**
Premium (discount)		**7.4%**	**4.0%**	**-16.4%**			
Safe Bag valuation	**(EURm)**	**3.83**	**3.95**	**4.75**			

Source: Factset, UBI Banca estimates

Figure 8 – Implicit multiples in our EUR4.94 target price

FAIR VALUE MULTIPLES	2017E	2018E	2019E
P/E	33.4 x	31.4 x	19.7 x
EV/EBITDA	13.4 x	12.0 x	8.8 x
EV/EBIT	15.5 x	14.1 x	10.2 x
EV/Sales	2.34 x	1.96 x	1.68 x
P/BV	4.6 x	4.3 x	3.7 x
EV/ Capital employed	6.0 x	6.0 x	5.9 x

Source: UBI Banca estimates

Income Statement

(EURm)	2016	2017E	2018E	2019E
Net Revenues	26.5	30.9	37.0	41.9
EBITDA	4.6	5.4	6.1	8.0
EBITDA margin	17.4%	17.5%	16.4%	19.1%
EBIT	3.9	4.7	5.1	6.9
EBIT margin	14.7%	15.1%	13.9%	16.5%
Net financial income /expense	-0.3	-0.4	-0.5	-0.3
Associates & Others	0.0	0.0	0.0	0.0
Profit before taxes	3.6	4.3	4.6	6.6
Taxes	-0.5	-1.4	-1.6	-2.1
Minorities & discontinuing ops	-0.7	-0.7	-0.7	-0.8
Net Income	2.4	2.2	2.3	3.7

Source: Company data, UBI Banca estimates

Balance Sheet

(EURm)	2016	2017E	2018E	2019E
Net working capital	-3.8	-4.5	-5.0	-5.3
Net Fixed assets	17.0	17.1	18.0	18.5
M/L term funds	-0.7	-0.4	-0.8	-1.1
Capital employed	12.5	12.1	12.2	12.0
Shareholders' equity	11.5	15.8	17.1	19.6
Minorities	0.5	0.9	1.2	1.6
Shareholders' funds	12.0	16.7	18.3	21.2
Net financial debt/(cash)	0.5	-4.6	-6.1	-9.2

Source: Company data, UBI Banca estimates

Cash Flow Statement

(EURm)	2016	2017E	2018E	2019E
NFP Beginning of Period	2.8	0.5	-4.6	-6.1
Group Net Profit	2.4	2.2	2.3	3.7
Minorities	0.7	0.7	0.7	0.8
D&A	0.7	0.7	0.9	1.1
Change in Funds & TFR	0.0	0.0	0.0	0.0
Gross Cash Flow	3.8	3.6	4.0	5.5
Change In Working Capital	-2.2	0.7	0.5	0.3
Other	0.0	0.0	0.0	0.0
Operating Cash Flow	1.6	4.3	4.5	5.9
Net Capex	-0.6	-0.8	-1.3	-1.0
Other Investments	-1.3	0.0	0.0	0.0
Free Cash Flow	-0.4	3.6	3.2	4.8
Dividends Paid	0.0	-1.0	-0.7	-0.7
Other & Chg in Consolid. Area	2.7	-1.0	-0.9	-1.0
Chg in Net Worth & Capital Incr.	0.0	3.5	0.0	0.0
Change in NFP	2.3	5.0	1.6	3.1
NFP End of Period	0.5	-4.6	-6.1	-9.2

Source: Company data, UBI Banca estimates

Financial Ratios

(%)	2016	2017E	2018E	2019E
ROE	21.1%	13.8%	13.6%	18.9%
ROI (pre-tax)	29.4%	36.3%	40.2%	53.0%
Net Fin. Debt/Equity (x)	0.0	-0.3	-0.3	-0.4
Net Fin. Debt/EBITDA (x)	0.1	-0.8	-1.0	-1.2
Interest Coverage	13.1	12.6	10.3	20.8
NWC/Sales	-14.4%	-14.7%	-13.5%	-12.7%
Capex/Sales	-2.3%	-2.5%	-3.5%	-2.5%
Pay Out Ratio	40.5%	33.8%	31.8%	33.8%

Source: Company data, UBI Banca estimates

Per Share Data

(EUR)	2016	2017E	2018E	2019E
EPS	0.18	0.15	0.16	0.25
DPS	0.07	0.05	0.05	0.09
Op. CFPS	0.12	0.29	0.30	0.40
Free CFPS	-0.03	0.24	0.21	0.33
BVPS	0.87	1.07	1.16	1.33

Source: Company data, UBI Banca estimates

Stock Market Ratios

(x)	2016 *	2017E	2018E	2019E
P/E	4.4	28.5	26.8	16.8
P/OpCFPS	6.7	14.4	14.0	10.6
P/BV	0.9	3.9	3.7	3.2
Dividend Yield (%)	9.2%	1.2%	1.2%	2.0%
Free Cash Flow Yield (%)	-3.4%	5.7%	5.1%	7.7%
EV (EURm)	12.1	61.2	61.2	59.0
EV/Sales	0.5	2.0	1.7	1.4
EV/EBITDA	2.6	11.3	10.1	7.4
EV/EBIT	3.1	13.1	11.9	8.5
EV/Capital Employed	1.0	5.0	5.0	4.9

Source: Company data, UBI Banca estimates ** Based on average 2016 price*

Growth Rates

(%)	2016	2017E	2018E	2019E
Growth Group Net Sales	-5.5%	16.6%	19.4%	13.3%
Growth EBITDA	nm	17.1%	12.3%	31.6%
Growth EBIT	nm	20.2%	9.8%	34.8%
Growth Net Profit	nm	-10.0%	6.3%	59.6%

Source: Company data, UBI Banca estimates

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100%	*100%*	*-*	*100%*

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Historical ratings and target prices

Date	*Rating*	*Target Price (EUR)*	*Market Price (EUR)*
7 July 2016	BUY	1.30	0.73
29 September 2016	BUY	1.44	1.14
14 June 2017	HOLD	4.73	4.61