

Airport services

Data

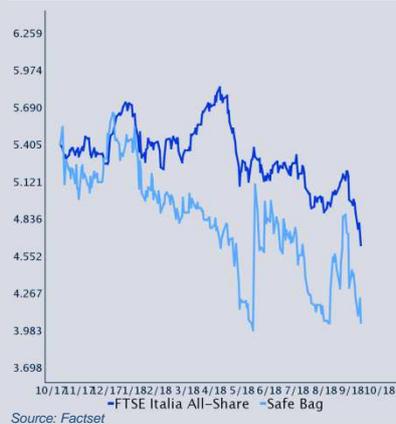
Shares Outstanding (m):	15.5
Market Cap. (EURm):	62.7
Enterprise Value (EURm):	62.0
Free Float (%):	23.2%
Av. Daily Trad. Vol. (m):	0.02
	RG Holding
Main Shareholder:	59.4%
Reuters/Bloomberg:	SB.MI SB.IM
52-Week Range (EUR)	2.8 6.7

Source: Factset, UbiBanca estimates

Performance

	1m	3m	12m
Absolute	-10.3%	-15.8%	-4.3%
Rel. to FTSE IT	-2.8%	-5.7%	11.9%

Graph area Absolute/Relative 12 M



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Financials

	2017	2018E	2019E	2020E
Revenues (EURm)	30.5	46.0	57.8	61.8
EBITDA (EURm)	4.8	7.8	9.5	10.4
EBITDA margin (%)	15.6%	16.9%	16.5%	16.8%
EBIT (EURm)	3.9	6.7	8.2	8.9
EPS (EUR)	0.12	0.16	0.23	0.25
CFPS (EUR)	0.16	0.43	0.50	0.49
DPS (EUR)	0.08	0.08	0.11	0.12

Source: Company Data, UBI Banca estimates

A step ahead in the first half

Safe Bag was very brisk since the beginning of the year: it has acquired PackandFly, a leading wrapping and packaging protection company active in Russia and other countries with concessions in 24 airports (plus two concessions recently won), it finalized a binding agreement for acquiring the main Greek operator in the baggage protection service market, successfully listed in July its subsidiary SOSTravel.com at EUR5.6 per share corresponding to a pre-money equity value of EUR28 million compared to a book value of EUR1.5 million and it won four new concessions. All these actions will make 2018 a transition year for Safe Bag, which reported 1H18 revenues up 38.4%, an EBITDA margin that rose to 16.5% (from 14.5% in 1H17) and a net attributable result up 36% at EUR1 million. Against this backdrop, we have fine tuned our estimates (which already incorporated PackandFly), slightly lowering those for EBITDA (down 4% on average in 2018-20) to reflect a weaker Ruble and a lower contribution from SOSTravel.com. We remain buyers of the share as we are confident that Safe Bag would be able to further expand abroad while extracting value from its recent acquisitions and from SOSTravel.com. Our new target price of EUR5.93 (from EUR6.68) also reflects the current political turmoil in Italy and the consequent increase of the BPT/Bund spread (now >300 bps), that has prompted us to adopt a free risk rate of 3.5% vs. 2.5% utilized before. Positive stance confirmed.

- > 1H18 sales rose 38.4% to EUR18.3 million with strong performances in Italy (+134%), boosted by the new concession in Rome and the positive performance in France (+15.2%) while the US saw a slight decline. Additional revenues also came from new concessions and PackandFly which contributed with EUR2.2 million. EBITDA was EUR3.0 million (+57% vs. 1H17), resulting in a year-on-year increase of 78% in the bottom line (+36% for net attributable as 49% of the net result generated by the PackandFly Group will go to minorities). Net debt was in line with our expectations at EUR3.4 million.
- > Our target price, based on the average of DCF and relative valuation declines to EUR5.93 per share (from EUR6.68) and offers >45% upside. If we would value SOSTravel.com based on the market price (EUR3.12) our fair value would grow to EUR6.54 per share. Buy.

Ratios

	priced on 11 October 2018			
	2017 *	2018E	2019E	2020E
P/E(x)	27.5	24.6	17.9	16.3
P/CF(x)	15.4	11.5	9.4	8.7
P/BV(x)	3.1	1.6	1.6	1.5
Dividend Yield	2.3%	2.1%	2.7%	3.0%
EV/EBITDA(x)	10.4	8.0	6.3	5.7
Debt/Equity (x)	-0.1	-0.1	-0.2	-0.2
Debt/EBITDA (x)	-0.4	-0.4	-0.7	-0.8

Source: UBI Banca estimates * Based on average 2017 price

Key Financials

(EURm)	2017	2018E	2019E	2020E
Revenues	30.5	46.0	57.8	61.8
EBITDA	4.8	7.8	9.5	10.4
EBIT	3.9	6.7	8.2	8.9
NOPAT	2.6	4.5	5.5	6.0
Free Cash Flow	0.7	-3.9	5.7	5.4
Net Capital Employed	14.5	36.1	35.1	34.9
Shareholders' Equity	16.0	38.1	39.4	40.6
Net Financial Position	-1.9	-3.3	-6.5	-8.8

Source: Company data, UBI Banca estimates

Key Profitability Drivers

	2017	2018E	2019E	2020E
Net Debt/Ebitda (x)	-0.4	-0.4	-0.7	-0.8
Net Debt/Equity (x)	-0.1	-0.1	-0.2	-0.2
Interest Coverage (%)	7.2	13.3	16.8	19.8
Free Cash Flow Yield (%)	1.5%	nm	9.1%	8.7%
ROE (%)	11.3%	6.7%	8.9%	9.5%
ROI after tax (%)	18.4%	17.2%	15.1%	16.6%
ROCE (%)	19.3%	17.7%	15.5%	17.1%

Source: Company data, UBI Banca estimates

Key Valuation Ratios

	2017 *	2018E	2019E	2020E
P/E (x)	27.5	24.6	17.9	16.3
P/BV (x)	3.1	1.6	1.6	1.5
P/CF (x)	15.4	11.5	9.4	8.7
Dividend Yield (%)	2.3%	2.1%	2.7%	3.0%
EV/Sales (x)	1.6	1.3	1.0	1.0
EV/EBITDA (x)	10.4	8.0	6.3	5.7
EV/EBIT (x)	12.7	9.3	7.3	6.7
EV/CE (x)	3.4	1.7	1.7	1.7

Source: Company data, UBI Banca estimates

* Based on average 2017 price

Key Value Drivers

(%)	2017	2018E	2019E	2020E
Payout	63.7%	51.7%	48.6%	48.2%
NWC/Sales	-9.6%	-9.2%	-9.2%	-9.2%
Capex/Sales	5.3%	4.5%	3.5%	3.5%

Source: Company data, UBI Banca estimates

Recent Developments

- > Safe Bag reported positive results in 1H18, with sales up 38.4% to EUR18.3 million. Revenues benefitted from the consolidation of PackandFly which contributed by EUR2.2 million. During the first half revenues were strong in Italy (+134% thanks to the new concession of Fiumicino, terminal 3) France (+15.2%), and Switzerland (+4.6%) while remained stable in the US which was affected by a weaker USD. We also highlight the mix improvement thanks to raising revenues of additional services (Premium and Platinum packages). EBITDA reached EUR3 million (+57.2% YoY), implying a higher than expected EBITDA margin of 16.5% compared to 14.5% in 1H17. This outstanding result can be explained by the higher weight of premium services and by the management agreement signed with the previous owners of PackandFly which implies the full recognition of the EBITDA generated by the Russian company to Safe Bag even if only a small part of PackandFly's revenues were reflected in 1H18 consolidated sales.
- > Despite higher D&A, EBIT reached EUR2.6 million (+55% with a margin of 14.1%), while net profit was up 80% being supported by lower financial charges. Net attributable profit was penalised by higher minorities but exceeded EUR1.0 million (+36% vs. 1H17). Net debt was EUR3.4 million after EUR4.5 million cash out due to the acquisition of PackandFly. The company is now present in 50 airports (26 in Europe, 20 in Asia and 4 in America) vs. 25 at Dec-17 with around 150 corners and stores. The average duration of Safe Bag's concessions was 2.6 years at Jun-18 (3.3 years at Dec-17).
- > In 2Q18, the company reported revenues of EUR11 million, an increase of 59% compared to 2Q17 and an EBITDA of EUR2.2 million (+82%), implying an EBITDA margin >20%.
- > On 1 August, the subsidiary SOSTravel.com was successfully listed on AIM. The underwriting price was set at EUR5.6 corresponding to a pre-money equity value of EUR28 million compared to a book value of EUR1.5 million. The overall proceeds from the private placement were EUR5.2 million and could reach EUR14.1-15.9 million in case of total conversion of the SOSTravel.com 2018-2021 warrants. SOSTravel.com will remain consolidated by Safe Bag which currently controls a stake of 84.3%. Following the listing, Mr. Gentile would remain Chairman of Safe Bag (without operational assignments) and CEO of SOSTravel.com.
- > SOSTravel.com results in 1H18 were higher than expected with revenues and EBITDA at EUR1.08 million and EUR0.34 million respectively. The Group is confident to be able to beat original FY18 target of revenues at EUR2.6 million and EBITDA at EUR0.44 million.
- > At June-18, Safe Bag had EUR20.6 million of goodwill in its balance sheet (vs. EUR12.4 million at Dec-17), representing 86% of its invested capital. The goodwill is from the consolidation of subsidiaries in France, Portugal and Spain (for a total of EUR12 million), for the consolidation of Pack&Fly (EUR8.1 million) and for the concession in Switzerland (EUR0.5 million). The concessions of these subsidiaries will expire in 2020-21, implying a high risk that this goodwill could be written down in the future.
- > On 29 June, Safe Bag finalized the acquisition for EUR8.6 million of a 51%-stake in PackandFly Group, a leading wrapping and packaging protection company active in Russia (17 location including Moscow and St. Petersburg), Latvia, Lithuania (2 airports), Estonia, Kyrgyzstan (2 airports), Thailand for a total of 24 airports with 60 machines (vs. 100 machines of Safe Bag) and

revenues of approximately EUR14 million in 2017 and an EBITDA margin of 17.1% (substantially in line with the margin of Safe Bag). PackandFly is consolidated since 1 January 2018 but 1H18 revenues (EUR2.2 million) reflected only a limited number of airports operated by the company.

- > The new-acquired Group proved its commercial potentiality by signing in July the following two agreements with new partners: (1) a 5-year contract with Cebu-Mactan International Airport, the second largest airport in the Philippines, with ca. 10 million passengers in 2017; (2) a 3-year contract signed by the subsidiary Wrapping Service with Vladivostok airport, which is the most important airport in the Far East of Russia, with around 2 million passengers in 2017. In addition, in October, PackandFly renewed for one year the concession in the Domodedovo airport of Moscow (the largest in Russia, with >15 million passengers) and signed a 1-year contract with Puerto Montt airport in Chile.
- > In July, Safe Bag too signed a 7-year supply contract with Rio De Janeiro International Airport to provide services starting from the beginning of July with 3 machines (which could grow to 5). It is the most important airport in Brazil with around 16 million passengers.
- > In October, Safe Bag finalized a contract for the acquisition of 60% of Care4Bag, the main Greek operator in the baggage protection service market for a total consideration of EUR0.94 million or 3x Adjusted EBITDA 2017 plus net financial position expected at closing which is resolutely conditional on the approval of the control exchange rate by the airport of Athens expected within mid November. Care4Bag operates in Athens and Thessaloniki and closed 2017 with sales at EUR1.2 million (around 4% of Safe Bag revenues in 2017), EBITDA at around EUR0.21 million (17.5% margin) and net debt closed to zero. An earn-out will be subject to renewals/acquisitions of licences in strategic airports and the residual 40%-minority stake is subject to a put-call option agreement. This acquisition is strategic to open to the Balkan Peninsula and Eastern Europe, where PackanFly Group is not present.
- > 2018 is set to be another strong year for air traffic: in the first seven months of the year RPK (number of paying passengers per kilometres flown) increased by 6.9% YoY, in line with the average pace seen over the past five years (*source: IATA*). Europe was up 6.3%, North America grew by 5.1% and Latin America by 6.4%. According to IATA, RPK worldwide in 2018 will remain robust and is expected to grow by 7%, slightly less than in 2017 because increases in airline input costs (fuel and labour costs) could reduce the demand generated by lower airfares.

Figure 1 – 1H18 consolidated results

(EURm)	1H17A	1H18A	% Chg.
Sales total	13.22	18.29	38.4%
EBITDA	1.92	3.02	57.2%
% margin	14.5%	16.5%	
D&A	-0.25	-0.44	75.8%
EBIT	1.67	2.59	54.5%
% margin	12.7%	14.1%	
Pre tax profit	1.39	2.50	79.8%
Net profit	1.07	1.90	77.6%
Net profit attr.	0.76	1.03	36.1%
Net debt (cash)	0.73	3.40	

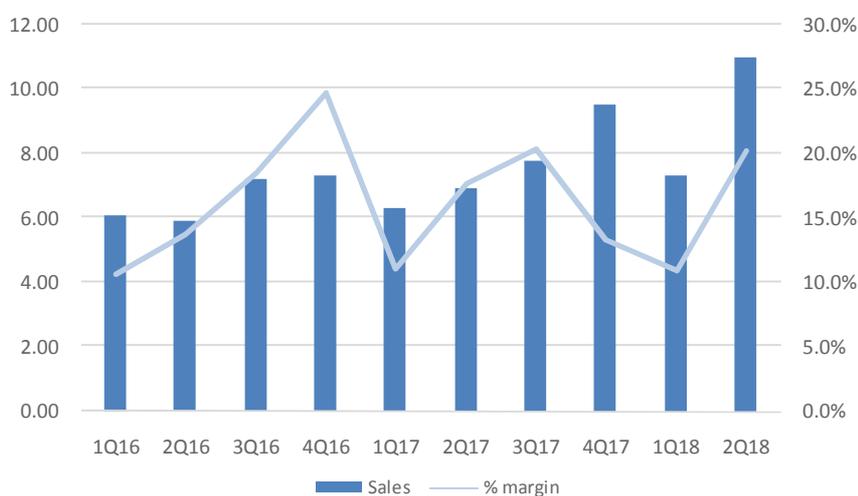
Source: Company data

Figure 2 – 1H18 revenues by region

(EURm)	1H17A	1H18A	% Chg.
Sales Italy	1.06	2.48	134.0%
Sales France	4.03	4.64	15.2%
Sales USA	5.29	4.86	-8.1%
Sales PackandFly	0.00	2.16	
Sales Other	2.84	4.14	45.9%
Sales total	13.22	18.29	38.4%

Source: Company data

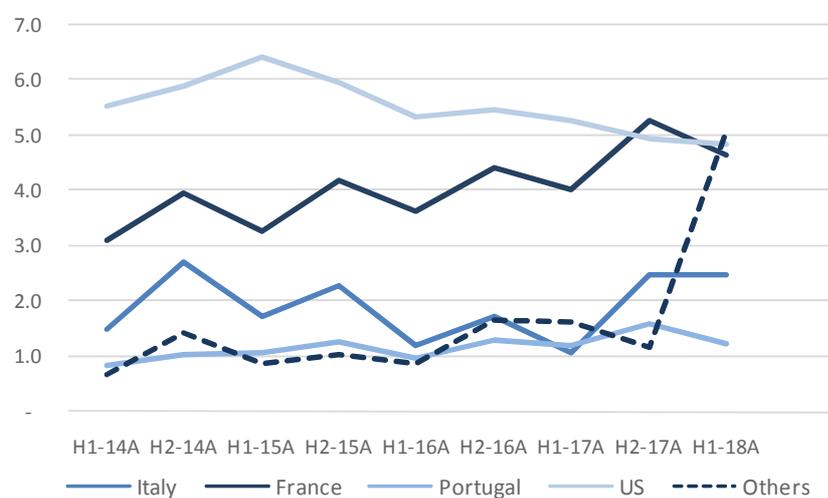
Figure 3 – Revenues and EBITDA margin trend



Source: Company data

Figure 4 – Revenues by geographical area (EURm)

There was a sound sales upswing in all regions (except in the US), particularly in Italy. Other revenues were pushed up by new concessions and by PackandFly.



Source: Company data

Financial Projections

- > Our new estimates reflects the additional sales coming from new concessions, weaker prospects for the US, a lower contribution from SOSTravel.com, as a large part of its revenues are intercompany, and the partial consolidation of PackandFly as reported in 1H18. We slightly increased EBITDA margin for 2018, incorporating the strong improvement reported in the first half, which should remain stable also in 2019-20. Net attributable profit estimates have been reduced by around 20% to factor in higher minorities (49% of the net result generated by the PackandFly Group will go to minorities). Net cash should surpass EUR3.0 million at year-end incorporating the cash in from the capital increase of SOSTravel.com, despite nearly EUR9 million of new acquisitions and around EUR2 million of capex.
- > Our estimates for PackandFly are based on a EUR/RUB rate of 77 in 2018, 82 in 2019 and 85 in 2020. Our sensitivity analysis suggests that a 10% devaluation of the RUB compared with our current assumptions implies around EUR1.3 million fewer revenues, or less than 3% of the expected consolidated turnover. In other words, the impact of the Russian currency fluctuations is negligible for Safe Bag.
- > We also significantly increase our net equity and fixed immaterial assets estimates (namely goodwill) to incorporate the difference between the SOSTravel.com market capitalization and its book value (EUR1.5 million).

Figure 5 – Old vs. new estimates

(EURm)	2017A	2018E		2019E		2020E	
		Old	New	Old	New	Old	New
Total sales	30.50	50.85	46.00	58.28	57.81	62.61	61.79
% change			-9.5%		-0.8%		-1.3%
EBITDA	4.77	8.03	7.79	10.07	9.53	11.01	10.40
% change			-2.9%		-5.4%		-5.6%
EBIT	3.90	6.90	6.67	8.77	8.23	9.53	8.92
% change			-3.4%		-6.2%		-6.4%
Net Profit	2.36	4.22	4.32	5.63	5.34	6.17	5.76
% change			2.2%		-5.1%		-6.7%
Net Profit attributable	1.81	3.15	2.55	4.43	3.51	4.89	3.86
% change			-19.0%		-20.7%		-21.1%
Net debt (cash)	(1.9)	(1.4)	(3.3)	(4.4)	(6.5)	(6.7)	(8.8)
EBIT margin	12.8%	13.6%	14.5%	15.1%	14.2%	15.2%	14.4%
EBITDA margin	15.6%	15.8%	16.9%	17.3%	16.5%	17.6%	16.8%

Source: Company data, UBI Banca estimates

Figure 6 – Sales estimates by division

(EURm)	2016A	2017A	2018E	2019E	2020E	CAGR 17-20E
Italy	2.91	3.54	6.15	6.52	6.86	24.7%
France	8.05	9.31	10.42	10.79	11.13	6.2%
Portugal	2.26	2.80	2.94	3.15	3.34	6.0%
Switzerland	1.54	1.68	1.86	1.97	2.07	7.3%
Canada, Poland	0.67	1.40	2.34	2.46	2.61	23.0%
USA	10.81	10.27	10.47	10.68	11.05	2.5%
Pack&Fly			7.55	13.67	13.89	
New concessions		0.10	0.81	4.01	4.21	245.5%
SOSTravel.com			1.70	3.00	5.00	
Other	0.30	1.40	1.75	1.55	1.63	5.1%
Consolidated sales	26.54	30.50	46.00	57.81	61.79	27.1%
% Change	-5.5%	14.9%	50.8%	25.7%	6.9%	

Source: Company data, UBI Banca estimates

Figure 7 – 2H18 estimates

In 2H18 we expect a strong top line growth driven by the consolidation of PackandFly, the contribution of new concessions and further improvements in Italy.

(EURm)	2H17A	2H18E	% Chg.
Sales Italy	2.48	3.67	47.8%
Sales France	5.27	5.78	9.6%
Sales USA	4.98	5.61	12.8%
Sales PackandFly	0.00	5.39	
Sales Other	4.55	7.27	59.7%
Sales total	17.28	27.71	60.4%
EBITDA	2.85	4.77	67.7%
% margin	16.5%	17.2%	
D&A	-0.62	-0.69	11.6%
EBIT	2.23	4.08	83.2%
% margin	12.9%	14.7%	
Pre tax profit	1.94	3.66	88.6%
Net profit	1.29	2.41	87.9%
Net profit attr.	1.05	1.52	44.9%

Source: Company data, UBI Banca estimates

Valuation

- > Despite the positive news flow, Safe Bag shares have underperformed the market by nearly 15% since the beginning of the year, although the share was generally in line with market levels last month. We believe that the current share price does not reflect the growth prospects of Safe Bag and therefore the fair value of the company.
- > Given the current political turmoil in Italy and the consequent increase of the BPT/Bund spread (now >300 bps), we adopt a free risk rate of 3.5% vs. the 2.5% utilized before. This new assumption penalizes our DCF valuation which declined to EUR6.27 per share (from EUR7.50).
- > Our relative valuation reflects not only our estimates revision but also the decline in the multiples of the company's peers. We also stress that, at the current market price, Safe Bag is trading at a discount to peers on 2019-20 multiples (>28% on EV/EBITDA).
- > The average of our DCF and relative valuation gives a target price of EUR5.93 per share (from EUR6.68). This indicates potential upside of >45%, supporting our positive stance. If we would value SOSTravel.com based on the market price (EUR3.12) our fair value would grow to EUR6.54 per share.
- > At our target price, Safe Bag trades at 13.4x 2018 EV/EBITDA, above the average multiple of our peer sample.

Figure 8 – Valuation summary

(EURm)	Current valuation	23/05/2018	Delta
DCF Valuation (50% weight)	6.27	7.50	-16.4%
Relative Valuation (50% weight)	5.59	5.85	-4.5%
Target price	5.93	6.68	-11.2%
Current price	4.04	4.60	-12.1%
Potential upside	46.6%	45.1%	

Source: Company data, UBI Banca estimates

Figure 9 – DCF valuation

Our DCF valuation has been penalized by higher free risk rate assumption (3.5% vs. 2.5% before) which increased WACC to 7.8% (vs. 7% before). It implies an EV/EBITDA of 6.6x at terminal value

	(EURm)	(% weight)
Sum of PV 2018-26 FCF	38.29	40%
Terminal value	57.85	60%
Total Enterprise value	96.14	100%
- minorities	(0.45)	
- Pension Provision	(0.34)	
- Net debt (+ cash)	1.87	
Total Equity value	97.22	
Fully diluted number of shares (m)	15.5	
Fair value per share (EUR)	6.27	

Source: UBI Banca estimates

Figure 10 – Peer comparison and valuation based on multiples priced on 11 October 2018

Company	Market Cap (EURm)	EV/EBITDA			Share performance		
		2018E	2019E	2020E	One month	Three months	YTD
Dufry	4,936	8.2 x	7.5 x	6.7 x	-11.0%	-16.2%	-26.0%
Compass Group	28,150	12.5 x	11.7 x	10.9 x	-2.9%	-1.7%	-1.4%
Sodexo	12,834	10.1 x	9.5 x	8.9 x	-0.7%	-3.5%	-22.3%
Elior Group	2,171	7.8 x	7.4 x	6.9 x	-5.1%	-5.5%	-28.4%
SSP Group	3,478	11.5 x	10.6 x	9.7 x	-3.4%	2.1%	-5.7%
Autogrill	2,155	6.8 x	5.9 x	5.3 x	-6.0%	-19.5%	-26.3%
Average		9.5 x	8.7 x	8.1 x	-4.8%	-7.4%	-18.4%
Median		9.2 x	8.5 x	7.9 x	-4.2%	-4.5%	-24.2%
Safe Bag	63	8.0 x	6.3 x	5.7 x	-10.3%	-15.8%	-23.7%
Premium (discount)		-16.1%	-27.7%	-29.2%			
Safe Bag valuation	(EURm)	4.98	5.80	5.98			

Source: Factset, UBI Banca estimates

Figure 11 – Implicit multiples in our EUR5.93 target price

FAIR VALUE MULTIPLES	2018E	2019E	2020E
P/E	36.0 x	26.2 x	23.8 x
EV/EBITDA	11.8 x	9.6 x	8.7 x
EV/EBIT	13.8 x	11.1 x	10.2 x
EV/Sales	2.01 x	1.58 x	1.47 x
P/BV	2.4 x	2.3 x	2.3 x
EV/Capital employed	2.6 x	2.6 x	2.6 x

Source: UBI Banca estimates

Income Statement

(EURm)	2017	2018E	2019E	2020E
Net Revenues	30.5	46.0	57.8	61.8
EBITDA	4.8	7.8	9.5	10.4
EBITDA margin	15.6%	16.9%	16.5%	16.8%
EBIT	3.9	6.7	8.2	8.9
EBIT margin	12.8%	14.5%	14.2%	14.4%
Net financial income /expense	-0.6	-0.5	-0.5	-0.4
Associates & Others	0.0	0.0	0.0	0.0
Profit before taxes	3.3	6.2	7.7	8.5
Taxes	-1.0	-1.9	-2.4	-2.7
Minorities & discontinuing ops	-0.6	-1.8	-1.8	-1.9
Net Income	1.8	2.6	3.5	3.9

Source: Company data, UBI Banca estimates

Balance Sheet

(EURm)	2017	2018E	2019E	2020E
Net working capital	-2.9	-4.2	-5.3	-5.7
Net Fixed assets	18.1	41.1	41.3	41.5
M/L term funds	-0.6	-0.8	-0.8	-0.9
Capital employed	14.5	36.1	35.1	34.9
Shareholders' equity	16.0	38.1	39.4	40.6
Minorities	0.4	1.3	2.2	3.2
Shareholders' funds	16.4	39.4	41.6	43.8
Net financial debt/(cash)	-1.9	-3.3	-6.5	-8.8

Source: Company data, UBI Banca estimates

Cash Flow Statement

(EURm)	2017	2018E	2019E	2020E
NFP Beginning of Period	0.5	-1.9	-3.3	-6.5
Group Net Profit	1.8	2.6	3.5	3.9
Minorities	0.6	1.8	1.8	1.9
D&A	0.9	1.1	1.3	1.5
Change in Funds & TFR	0.0	0.0	0.0	0.0
Gross Cash Flow	3.2	5.4	6.6	7.2
Change In Working Capital	-0.9	1.3	1.1	0.4
Other	0.0	0.0	0.0	0.0
Operating Cash Flow	2.3	6.7	7.7	7.6
Net Capex	-1.6	-2.1	-2.0	-2.2
Other Investments	0.0	-8.6	0.0	0.0
Free Cash Flow	0.7	-3.9	5.7	5.4
Dividends Paid	-1.0	-1.2	-1.3	-1.7
Other & Chg in Consolid. Area	-0.9	2.9	-1.2	-1.4
Chg in Net Worth & Capital Incr.	3.5	3.6	0.0	0.0
Change in NFP	2.4	1.5	3.2	2.3
NFP End of Period	-1.9	-3.3	-6.5	-8.8

Source: Company data, UBI Banca estimates

Financial Ratios

(%)	2017	2018E	2019E	2020E
ROE	11.3%	6.7%	8.9%	9.5%
ROI (pre-tax)	27.5%	25.6%	22.6%	24.8%
Net Fin. Debt/Equity (x)	-0.1	-0.1	-0.2	-0.2
Net Fin. Debt/EBITDA (x)	-0.4	-0.4	-0.7	-0.8
Interest Coverage	7.2	13.3	16.8	19.8
NWC/Sales	-9.6%	-9.2%	-9.2%	-9.2%
Capex/Sales	-5.3%	-4.5%	-3.5%	-3.5%
Pay Out Ratio	63.7%	51.7%	48.6%	48.2%

Source: Company data, UBI Banca estimates

Per Share Data

(EUR)	2017	2018E	2019E	2020E
EPS	0.12	0.16	0.23	0.25
DPS	0.08	0.08	0.11	0.12
Op. CFPS	0.16	0.43	0.50	0.49
Free CFPS	0.05	-0.25	0.37	0.35
BVPS	1.08	2.46	2.54	2.62

Source: Company data, UBI Banca estimates

Stock Market Ratios

(x)	2017 *	2018E	2019E	2020E
P/E	27.5	24.6	17.9	16.3
P/OpCFPS	21.2	9.3	8.1	8.2
P/BV	3.1	1.6	1.6	1.5
Dividend Yield (%)	2.3%	2.1%	2.7%	3.0%
Free Cash Flow Yield (%)	1.5%	nm	9.1%	8.7%
EV (EURm)	49.4	62.0	60.2	59.3
EV/Sales	1.6	1.3	1.0	1.0
EV/EBITDA	10.4	8.0	6.3	5.7
EV/EBIT	12.7	9.3	7.3	6.7
EV/Capital Employed	3.4	1.7	1.7	1.7

Source: Company data, UBI Banca estimates

* Based on average 2017 price

Growth Rates

(%)	2017	2018E	2019E	2020E
Growth Group Net Sales	14.9%	50.8%	25.7%	6.9%
Growth EBITDA	3.4%	63.5%	22.3%	9.1%
Growth EBIT	0.2%	70.9%	23.5%	8.3%
Growth Net Profit	-25.6%	41.2%	37.6%	9.8%

Source: Company data, UBI Banca estimates

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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
28 September 2017	BUY	4.94	4.22
6 February 2018	BUY	6.44	5.30
23 May 2018	BUY	6.68	4.60