

TraWell

More Passengers Push Expectations Higher

In a context of strong recovery in air passenger traffic, TraWell released FY22 record results, with total sales up by 31% and a very sound EBITDA margin at 27.6%. The company disclosed its 2022/27 business plan update, which also includes the contribution of the new concessions in Malpensa and Linate airports. We calculate that these additional sales could be in the range of EUR 6/7M per year, on average. Higher passenger numbers and more volumes sold could trigger better operating leverage and bring the company's EBITDA margin to a normalised level of around 21%, with room to expand again in the following years.

Airport traffic growth in 2022 paved the way for record FY EBITDA margin

According to IATA, air passenger traffic gained momentum globally and recovered substantially from 41.7% of 2019 revenue passenger-kilometers (RPKs) in 2021 to 68.5% in 2022: travel restrictions were taken down and passengers expressed a very strong willingness to fly. The number of passengers who passed through Italian airports in 2022 more than doubled that of 2021. In this favourable context, FY22 TraWell results were exceptionally strong: total sales increased by 31% and EBITDA margin hit a 27.6%, never reached before, thanks to higher volumes, better conditions in the concession agreements with airports and the benefits from the group's reorganisation.

Milan airports included in business plan update

The company disclosed an update of its 2022/27 BP, which points to a 7.5% FY22/27 sales CAGR and foresees additional EUR 6/7M sales per year on average vs. the previous plan, driven by passenger traffic increase, the contribution from Malpensa, Linate and the activity normalisation at Prague and Lima airports. The EBITDA margin is assumed to be on average in the range of 23/24%, capturing higher operating leverage and a leaner cost structure. The net financial position is expected positive in FY25 (vs. FY26 in the previous plan). We point out that TraWell is the leading global player, with a 7% market share. The wrapping service market is very fragmented, and the company stated several times that it will seek growth through acquisitions. TraWell is present in 38 airports, spread in 13 countries, through 133 shops.

Estimates revision

We increased revenues by 11% on average and EBITDA by more than 20%, including a slightly more prudent assumption on sales and profitability vs. the company's plan. Net result pre-minorities should be around EUR 5M in FY25E. As a reminder, 72% of TraWell revenues come from airports with concession terms higher than 3.9 years. Following our estimate revision, **we have increased our target price to EUR 12.5/sh**, which is derived by a blend of DCF and peers' multiple valuation. **We keep our BUY rating** (>80% upside).

23 May 2023: 12:26 CET
Date and time of production

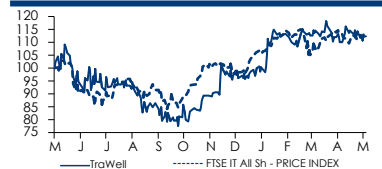
BUY

Target Price: EUR 12.5
(from EUR 10.7)

Italy/Airport Services
Company Update

EGM

Price Performance
(RIC: TWL.MI, BB: TWL IM)



TraWell - Key Data

Price date (market close)	19/05/2023
Target price (EUR)	12.5
Target upside (%)	80.12
Market price (EUR)	6.94
Market cap (EUR M)	17.21
52Wk range (EUR)	7.30/4.80

Y/E Dec (EUR M)	FY22A	FY23E	FY24E
Revenues	26.31	30.09	32.76
EBITDA	7.26	6.30	7.66
EBIT	3.15	5.28	6.60
Net income	-1.27	0.66	1.52
EPS (EUR)	-0.51	0.27	0.61
Net debt/-cash	7.50	6.00	2.67
Adj P/E (x)	Neg.	26.0	11.4
EV/EBITDA (x)	4.1	5.4	4.0
EV/EBIT (x)	9.4	6.5	4.6
Div ord yield (%)	0	0	0

Source: Company data, FactSet and Intesa Sanpaolo Research estimates

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Recovery in Air Traffic Reflected in TraWell's FY22 Results

Global air traffic: positive trend remained strong throughout 2022

According to IATA, in 2022 air passenger traffic gained momentum globally and recovered substantially from 41.7% of 2019 revenue passenger-kilometers (RPKs) in 2021 to 68.5% in 2022: travel restrictions were taken down and passengers expressed a very strong willingness to travel. Domestic RPKs recovered to 79.6% of pre-pandemic passenger traffic in 2022 and grew 10.9% yoy from 2021 levels. International RPKs recovered to 62.2% of 2019 traffic and grew 152.7% yoy from 2021 levels. We point out that, according to Assaeroporti, 164.6M passengers passed through Italian airports in 2022, more than doubling the figures for 2021. As a reminder, TraWell is present in 6 Italian airports (Rome Fiumicino, Milan Malpensa, Milan Linate, Bologna, Cagliari, Olbia), among which Fiumicino ranked first in Italy for passenger numbers (29.3M, -32.6% vs. 2019); Malpensa ranked second (21.3M, -26% vs. 2019), Bologna ranked seventh (8.5M, -9.7% vs. 2019) and Linate ranked eighth (7.7M +17.5% vs. 2019).

According to IATA, in 1Q23, revenue passenger-kilometers (RPKs) increased by 58.3% yoy. This growth recovered global RPKs to 85.9% of pre-pandemic levels, flagging a significant improvement yoy. Although the recovery in passenger traffic has been broad-based, the Asia-Pacific region was a major force behind the recent developments in industry RPKs. The reopening of China's air travel markets has played a pivotal role in driving the region's significant rebound, supported by the continued easing of travel restrictions.

TraWell FY22 results

Sales growth was spread across almost all geographies: America tripled its revenues yoy thanks to Miami airport, whose agreement was renewed in 2Q22 and which recorded sales in line with FY19, and to Montréal airport, which performed better than in FY19; Europe grew by 31% yoy. In Asia, revenues dropped significantly (-40% yoy), given the change to the indirect management of the Russian subsidiary in FY22 due to the Russian-Ukraine crisis; under this new agreement, TraWell receives a fee for each wrapping luggage service sold at Russian airports, thus obtaining a positive impact at EBITDA level. Malpensa and Linate airports gave a small contribution to FY22 results, since operations started only at the end of 2022. In detail:

TraWell – FY21/22 geo-mix

EUR M	FY21A	FY22A	Chg. %
Europe	6.7	8.8	30.9
% on sales	36.4	34.7	
Asia	7.7	4.6	-40.2
% on sales	41.6	18.2	
America	4.0	11.9	193.8
% on sales	22.0	47.1	
Sales	18.4	25.3	37.1

A: actual; Source: Company data and Intesa Sanpaolo Research

- EBITDA was EUR 7.257M, more than double vs. FY21 and even better than in FY19, while EBITDA margin topped 27.6%. The strong recovery in profitability came thanks to better conditions in the concession agreements with airports (reduction in royalties), including Miami airport, and to the benefits from the group's reorganisation, which started in FY20, causing a reduction in staff costs (the company has also reorganised personnel shifts). Higher volumes, coupled with a leaner cost structure, improved the group's operating leverage;

Italy showed a strong rebound in passenger traffic in 2022 as well

1Q23 showed the same strong trend according to IATA

TraWell's FY22 results were solid, with America tripling revenues

Strong increase in profitability

- EBIT came in at EUR 3.1M, after EUR 0.7M D&A (in line with last year), EUR 0.2M risk provisions and EUR 3.1M write-downs related to the Russian subsidiary's goodwill devaluation;
- The net result was positive at EUR 2.1M after EUR 0.2M financial charges and a 28.5% tax rate. However, minorities for EUR 3.3M (almost fully related to Miami performance) led to a negative net income attributable for -EUR 1.3M;
- The net debt improved to EUR 7.5M vs. EUR 9.3M at YE21. Operating cash flow was EUR 6.5M, capex was EUR 2.24M (allocated to point of sale refurbishments and new airports' start-up costs).

The average duration of airport concession terms improved to 3.9 years (April 2023) vs. 2.5 years in FY21.

TraWell – 2H/FY22 results

EUR M	FY19A	FY21A	FY22E	FY22A	yoy %	A/E %	2H19A	2H21A	2H22E	2H22A	yoy %	A/E %
Total revenues	45.7	20.0	22.3	26.3	31.6	18.1	23.3	12.8	11.3	15.4	19.8	35.6
EBITDA	3.7	2.3	3.9	7.3	211.0	84.7	2.6	2.5	1.9	5.3	109.1	172.1
Margin (%)	8.1	11.5	17.6	27.6			11.3	19.6	17.1	34.2		100.7
EBIT	2.2	1.03	3.7	3.1	204	-15.6	2	1.6	1.6	1.0	-34.0	-34.7
Net result	2.6	0.7	2.8	2.1	197	-23.8	1.7	-0.6	0.8	2.1	NM	162.1
Net result attributable	1.6	-0.6	0.4	-1.3			1.1	0.2	0	-1.8		
Net debt/-cash	5.6	9.3	7.7	7.5	-19.3	-2.8	5.6	9.3	7.7	7.5	-19.3	-2.8

NM: not meaningful; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

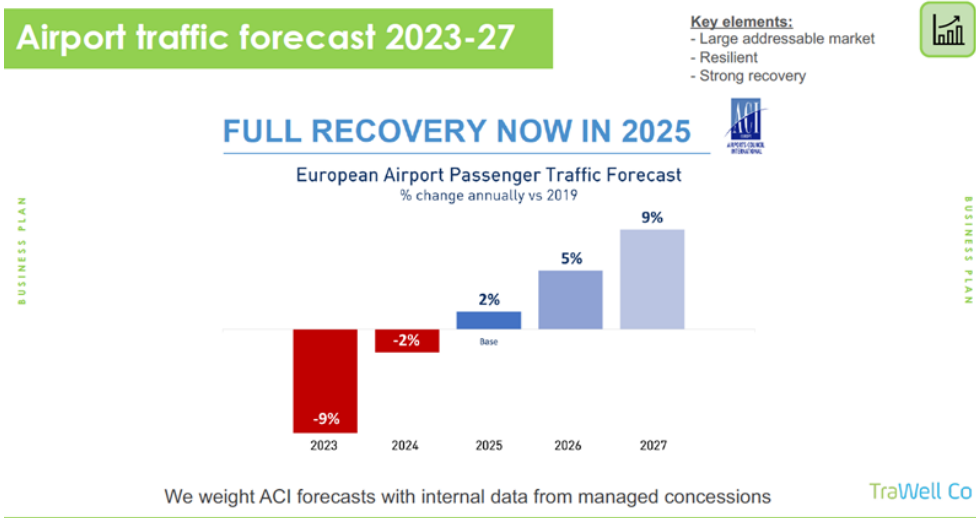
2022-27 Business Plan Update

In April, the company published an update of its 2022-2027 business plan presented in October 2022. The plan update is built at constant perimeter (assuming that all concessions are renewed in the plan's timeframe) and includes the contribution of Malpensa and Linate airports as well as Zagreb airport (as of May 2023), whose agreements hadn't been signed yet in October; it also includes the closure of the point of sale in Marseille from March 2023. The plan incorporates EUR 1.1M total capex to refurbish wrapping machines.

The business plan update includes new concession agreements

The plan update is based on passengers' traffic volume growth weighted between ACI (Airport Council International) estimates and actual data of managed airports, which incorporate a more conservative scenario than before: airports are expected to reach 2019 passenger traffic in 2025 (vs. 2024 previously) and to surpass the 2019 level by 5% (previously +9%) in 2026.

TraWell – Airport traffic forecast (2023/27)



Source: Company data

TraWell management stated that 2023T plan's revenue growth should be driven by passenger traffic, the normalisation of the activities in Lima and Prague (which started in mid-2022) and the start of operations in Malpensa and Linate. The increase in EBITDA is driven by higher volumes and constant fixed costs and the net financial position is expected to decrease thanks to the repayment of existing loans.

TraWell – new vs. old FY22/27 plan

New Plan	2022A	2023T	2024T	2025T	2026T	2027T	2022-2027 CAGR
EUR M							
Revenues	26.3	31.1	33.6	34.8	35.9	37.8	7.5
% change		18.2	8.0	3.6	3.2	5.3	
EBITDA	7.3	6.5	7.9	8.2	8.5	9.1	4.6
Margin (%)	27.6	20.9	23.5	23.0	23.7	24.1	
EBIT	3.1	5.5	7	7.4	7.7	8.4	21.7
Net result before minorities	2.1	4	5	5.2	5.5	6.1	23.8
Net debt/-cash	7.5	4.4	0.5	-2.2	-5.4	-8.1	
Old Plan	2022T	2023T	2024T	2025T	2026T	2027T	2022-2027 CAGR
EUR M							
Revenues	21.0	23.6	25.8	27.2	28.8	31.2	8.2
% change		12.4	9.3	5.4	5.9	8.3	
EBITDA	4.1	4.6	5.4	6.0	6.4	7.0	11.3
Margin (%)	19.5	19.5	20.9	22.1	22.2	22.4	
EBIT	3.8	4.0	4.9	5.5	6.1	6.7	12.0
Net result before minorities	3.1	2.7	3.6	4.1	4.6	5.0	10.0
Net debt/-cash	7.6	5.7	3.1	0.4	-2.8	-6.8	

Source: Company data and Intesa Sanpaolo Research

- We note that 2022-27 sales CAGR is 7.5%, broadly in line with 8.2% of the old plan and cumulated sales in the plan are up by 27% in 2023-27 vs. the previous plan. On a yearly basis, additional sales are around EUR 6/7M vs. the previous plan, mostly attributable to Malpensa and Linate, we think;
- 2022-27 EBITDA CAGR is 4.6% (11% in the previous plan). The EBITDA margin is expected to be on average in the range of 23/24% (after a 21% in FY23), thanks to the expected gradual recovery in passenger traffic yoy and a likely higher propensity to purchase complementary service to the basic luggage wrapping, in our view;
- The net financial position is expected positive in FY25 (vs. FY26 in the previous plan).

New business plan points to 7.5% sales CAGR

At the beginning of April, TraWell was present in 38 airports, spread in 13 countries, with 133 shops. We point out that TraWell has gained market share, now at 7%, since October 2022 when it was 6% (according to the plan's presentation) to the detriment to local small players, which account for around 75.8% market share. TraWell has thus become the global leader in luggage wrap-up services.

TraWell – number of airports (April 2023)

Country	Number of airports
Canada	2
USA	1
Peru	1
Total Americas	4
Italy	6
France	5
Switzerland	1
Portugal	5
Greece	1
Estonia	1
Czech Republic	1
Croatia	1
Total Europe	21
Russia	12
Kyrgyzstan	1
Total Asia	13
Total airports	38

Source: Company data

Our new estimates

We have improved our sales estimates in FY23/24E by 10.9%, or around EUR 3M per year, which reflects our less prudent stance (vs. our previous estimates) on passenger numbers in Malpensa and Linate (which recorded together 29M passengers in 2022, source: Assaeroporti) and the start of operations in other new concessions. We have also included stronger growth in the US, while keeping a conservative stance on Asia. Our EBITDA improves substantially in FY23E vs. our previous estimates, with a 20.9% margin, given the better operating leverage and the increase of service sales. We have considered 20.9% as a normalised EBITDA margin level, since we see the 27.6% margin reached in FY22 as hardly replicable: higher business volumes could imply also higher costs and royalties. The net attributable result should be positive in FY23E but affected by the higher contribution of the 51% controlled concession in Miami, whose growth is due to normalise in the following years, in our estimates. We expect TraWell to progressively deleverage thanks to cash generation.

Estimates improved, with higher normalised EBITDA margin

TraWell – Estimates revisions (2023/25E)

EUR M	2023E Old	2023E New	2023E New/Old %	2024E Old	2024E New	2024E New/Old %	2025E
Revenues	27.1	30.1	10.9	29.5	32.8	10.9	34.9
EBITDA	5.2	6.3	20.6	6.0	7.7	26.9	8.0
Margin (%)	19.2	20.9		20.4	23.4		23.1
EBIT	4.5	5.3	16.4	5.3	6.6	24.2	6.9
Net result	3.4	3.6	6.2	4.0	4.6	15.6	4.9
Net result attributable	0.9	0.7	-30.1	1.4	1.5	7.3	1.7
Net debt/-cash	6.5	6.0	-7.8	3.7	2.7	-27.9	-1.3

E: estimates; Source: Company data and Intesa Sanpaolo Research

Our assumptions are a little lower at top line level vs. the company's plan in FY23/24E and therefore in terms of EBITDA (in line in terms of margin); we have also included slightly higher provisions, which make our EBIT lower than the company's plan. As such, our net income pre-minorities is lower vs. company's assumptions. According to our estimates, the company should have a positive net financial position in FY25E (in line with the plan).

TraWell – Business plan vs. our estimates

EUR M	Business plan			Our estimates			% Change		
	2023T	2024T	2025T	2023E	2024E	2025E	2023	2024	2025
Revenues	31.1	33.6	34.8	30.1	32.8	34.9	-3.3	-2.5	0.3
EBITDA	6.5	7.9	8.2	6.3	7.7	8.0	-3.1	-3.1	-1.8
Margin (%)	20.9	23.5	23.0	20.9	23.4	23.1			
EBIT	5.5	7.0	7.4	5.3	6.6	6.9	-4.0	-5.7	-6.1
Net result	4.0	5.0	5.2	3.6	4.6	4.9	-10.6	-8.4	-6.4
Net debt/-cash	4.4	0.5	-2.2	6.0	2.7	-1.3			

T: targets; E: estimates; Source: Company data and Intesa Sanpaolo Research

Valuation

We confirm our BUY rating, with a new target price of EUR 12.5/sh based on a DCF (an 80% weighting) and a relative valuation (20% weighting) plus the market value of the SOSTravel.com stake (EUR 0.86M or EUR 0.3/share), with a potential upside of >80%.

We confirm our Buy rating

Our DCF model returns a fair value of EUR 9.0/sh and reflects our new estimates and the periodical revision of our risk-free rate to 4%, replacing the previous 3.5%. The WACC now stands at 10% (from 9.7%) adopting an unleveraged beta of 1.05x based on air transportation industry in Europe (source: Damodaran Jan-23). This beta has been leveraged at 1.4x. We assume an EBIT margin at 10.0% at terminal value (well below our 2023-25E estimates) and a 2.0% terminal growth rate.

TraWell – Valuation summary (EUR/sh)

DCF Valuation (80% weighting)	9.0
Relative Valuation (20% weighting)	25.0
Average	12.2
SOSTravel.com	0.35
Target price	12.5
Current price	6.9
Potential upside (%)	80.3

Source: Intesa Sanpaolo Research

DCF Model

TraWell – WACC assumptions

Wacc assumptions	(%)
Risk Free rate (10Y BTP bench.)	4.0
Debt spread	4.0
Cost of debt [net]	5.6
Market risk premium	6.5
Beta (x)	1.40
Cost of equity	13.1
Weight of Debt	40.9
Weight of Equity	59.1
WACC	10.0

Source: Intesa Sanpaolo Research

TraWell – DCF valuation

	EUR M	% weight	EUR/sh
Sum of PV 2023-31 FCF	21.0	62	8.46
Terminal value	12.8	38	5.16
Total Enterprise value	33.8	100	13.61
- Minorities	-3.9		-1.58
- Pension Provision	-0.2		-0.06
- Net debt 2022A (+ cash)	-7.5		-3.02
Total Equity value	22.2		8.95
Fully diluted number of shares (M)	2.5		
Fair value per share (EUR)	9.0		

Source: Intesa Sanpaolo Research

Multiples analysis

TraWell has no comparable peers that are listed, although there are some listed companies active in the airport services business or in the service industry, all with a market capitalisation of over EUR 0.3Bn. Our sample is composed of: 1) Dufry, a global travel retailer; 2) Compass Group, a world leading food and support service company; 3) Sodexo, an international service company; 4) Elios Group, a leading operator in the contracted food and support service industry; and 5) SSP Group, an operator of branded food and beverage outlets in travel locations.

Trawell – Multiples analysis

Company	Market Cap EUR M	EV/EBITDA (x)		
		2023E	2024E	2025E
Dufry	5,391	9.2	7.8	7.0
Compass Group	44,728	14.5	12.9	11.9
Sodexo	14,981	9.5	8.8	8.1
Elios Group	764	7.2	5.2	4.6
SSP Group	2,456	12.4	9.6	8.6
Average		10.5	8.8	8.1
Median		9.5	8.8	8.1
TraWell*	17	5.4	4.0	3.3
Premium (discount) %		-48.8	-54.8	-59.1

Priced at market close on 19/05/2023; Source: Company data and *Intesa Sanpaolo Research

Valuation and Key Risks

Valuation basis

Blend valuation: 80% DCF (WACC 10%, g=2%); 20% peer multiples.

Key Risks

Company specific risks:

- Potential further write down of existing goodwill
- Average duration of concessions is relatively low
- Currency fluctuations

Sector generic risks:

- Lower than expected recovery of air traffic up to date
- Geopolitical risk (e.g. terror attack)

Company Snapshot

Company Description

Trawell is a leading service company specialising in luggage wrapping and tracing for airline passengers. It operates in 38 airports, in Italy, Europe, Canada, the US (Miami) and in Asia with 133 selling points. The average duration of its concessions is 3.9 years. TraWell was listed on the Euronext Growth market in September 2013 and on Nasdaq in July 2019.

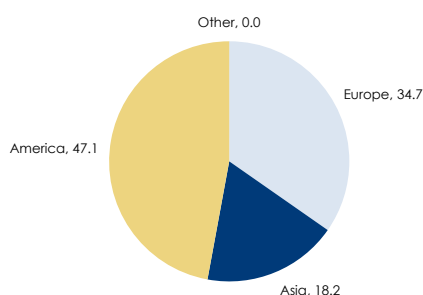
Key data

Mkt price (EUR)	6.94	Free float (%)	42.1
No. of shares	2.48	Major shr	RG Hold.
52Wk range (EUR)	7.30/4.80	(%)	51.9
Reuters	TWL.MI	Bloomberg	TWL IM
Performance (%)	Absolute		Rel. FTSE IT All Sh
-1M	-0.9	-1M	0.7
-3M	-0.6	-3M	0.5
-12M	12.3	-12M	-0.6

Estimates vs. consensus

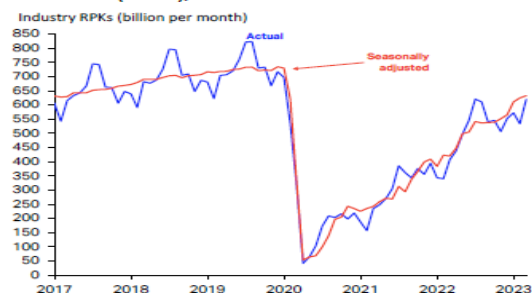
EUR M (Y/E Dec)	2022A	2023E	2023C	2024E	2024C	2025E	2025C
Sales	26.31	30.09	NM	32.76	NM	34.90	NM
EBITDA	7.26	6.30	NM	7.66	NM	8.05	NM
EBIT	3.15	5.28	NM	6.60	NM	6.95	NM
Pre-tax income	2.93	5.00	NM	6.41	NM	6.81	NM
Net income	-1.27	0.66	NM	1.52	NM	1.67	NM
EPS (EUR)	-0.51	0.27	NM	0.61	NM	0.67	NM

Sales breakdown by area (%)



Global air passenger volumes (RPKs)

Chart 1 – Global air passengers, revenue-passenger kilometers (RPKs), billions



Source: Company data, Intesa Sanpaolo Research estimates and FactSet consensus data (priced at market close of 19/05/2023)

TraWell – Key Data

Rating BUY	Target price (EUR/sh) Ord 12.5		Mkt price (EUR/sh) Ord 6.94			Sector Airport Services
Values per share (EUR)	2020A	2021A	2022A	2023E	2024E	2025E
No. ordinary shares (M)	0.62	2.48	2.48	2.48	2.48	2.48
Total no. of shares (M)	0.62	2.48	2.48	2.48	2.48	2.48
Market cap (EUR M)	4.70	17.21	14.08	17.21	17.21	17.21
Adj. EPS	-20.36	-0.23	-0.51	0.27	0.61	0.67
BVPS	10.6	3.2	2.8	3.1	3.7	4.3
Dividend ord	0	0	0	0	0	0
Income statement (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Revenues	16.86	20.03	26.31	30.09	32.76	34.90
EBITDA	-1.06	2.31	7.26	6.30	7.66	8.05
EBIT	-11.44	1.03	3.15	5.28	6.60	6.95
Pre-tax income	-12.12	0.95	2.93	5.00	6.41	6.81
Net income	-12.62	-0.57	-1.27	0.66	1.52	1.67
Adj. net income	-12.62	-0.57	-1.27	0.66	1.52	1.67
Cash flow (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net income before minorities	-12.2	0.7	2.1	3.6	4.6	4.9
Depreciation and provisions	10.4	1.3	4.1	1.0	1.1	1.1
Others/Uses of funds	-0.2	3.6	5.8	5.6	6.4	4.7
Change in working capital	-1.5	-1.7	-0.0	0.8	-0.4	-0.0
Operating cash flow	-4.4	1.3	5.3	5.1	5.4	4.2
Capital expenditure	-0.4	-0.8	-2.2	-0.8	-0.3	0.7
Financial investments	0	0	0	0	0	1.0
Acquisitions and disposals	1.8	0	-2.0	0	0	0
Free cash flow	-3.0	0.5	1.0	4.3	5.1	5.9
Dividends	-0.3	-0.1	0	0	0	0
Equity changes & Non-op items	-1.7	0.9	-1.2	-1.3	-1.5	-0.6
Net cash flow	-5.0	1.3	-0.2	3.0	3.6	5.3
Balance sheet (EUR M)	2020A	2021A	2022A	2023E	2024E	2025E
Net capital employed	19.2	20.6	18.3	18.4	17.5	16.1
of which associates	0	0	0	0	0	0
Net debt/-cash	10.6	9.3	7.5	6.0	2.7	-1.3
Minorities	2.0	3.4	3.9	4.8	5.7	6.7
Net equity	6.6	7.9	6.9	7.6	9.1	10.7
Minorities value	0	0	0	0	0	0
Enterprise value	16.7	33.8	29.6	34.1	30.7	26.6
Stock market ratios (x)	2020A	2021A	2022A	2023E	2024E	2025E
Adj. P/E	Neg.	Neg.	Neg.	26.0	11.4	10.3
P/CFPS	Neg.	13.0	1.9	4.7	3.3	2.9
P/BVPS	0.71	2.2	2.0	2.3	1.9	1.6
Payout (%)	0	0	0	0	0	0
Dividend yield (% ord)	0	0	0	0	0	0
FCF yield (%)	-62.7	2.8	21.4	16.5	28.0	32.3
EV/sales	0.99	1.7	1.1	1.1	0.94	0.76
EV/EBITDA	Neg.	14.7	4.1	5.4	4.0	3.3
EV/EBIT	Neg.	32.7	9.4	6.5	4.6	3.8
EV/CE	0.87	1.6	1.6	1.9	1.8	1.7
D/EBITDA	Neg.	4.0	1.0	0.95	0.35	Neg.
D/EBIT	Neg.	9.0	2.4	1.1	0.40	Neg.
Profitability & financial ratios (%)	2020A	2021A	2022A	2023E	2024E	2025E
EBITDA margin	-6.3	11.5	27.6	20.9	23.4	23.1
EBIT margin	-67.8	5.2	12.0	17.5	20.1	19.9
Tax rate	NM	25.8	28.5	28.5	28.5	28.5
Net income margin	-74.9	-2.9	-4.8	2.2	4.6	4.8
ROCE	-59.7	5.0	17.2	28.8	37.8	43.1
ROE	-94.2	-7.9	-17.1	9.1	18.2	16.8
Interest cover	-16.6	12.6	14.8	19.2	34.2	51.5
Debt/equity ratio	123.1	82.2	69.3	48.6	18.0	Neg.
Growth (%)		2021A	2022A	2023E	2024E	2025E
Sales		18.8	31.4	14.3	8.9	6.5
EBITDA		NM	NM	-13.2	21.6	5.1
EBIT		NM	NM	67.8	25.0	5.3
Pre-tax income		NM	NM	70.5	28.1	6.3
Net income		95.5	NM	NM	NM	10.0
Adj. net income		95.5	NM	NM	NM	10.0

NM: not meaningful; NA: not available; Neg.: negative; A: actual; E: estimates; Source: Company data and Intesa Sanpaolo Research

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Equity Research Publications in Last 12M

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Equity rating key: (long-term horizon: 12M)

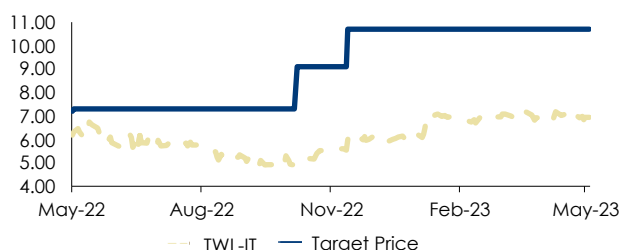
In its recommendations, Intesa Sanpaolo SpA uses an "absolute" rating system, whose key is reported below:

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Target price and market price trend (-1Y)**Historical recommendations and target price trend (-1Y)**

Date	Rating	TP (EUR)	Mkt Price (EUR)
01-Dec-22	BUY	10.7	6.0
26-Oct-22	BUY	9.1	5.1

Equity rating allocations (long-term horizon: 12M)**Intesa Sanpaolo Research Rating Distribution (at April 2023)**

Number of companies considered: 131	BUY	ADD	HOLD	REDUCE	SELL
Total Equity Research Coverage relating to last rating (%)*	63	11	21	0	0
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* Last rating refers to rating as at end of the previous quarter; ** Companies on behalf of whom Intesa Sanpaolo and the other companies of the Intesa Sanpaolo Group have provided corporate and investment banking services in the last 12 months; percentage of clients in each rating category

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