

## Industrie Chimiche Forestali

Sector: Industrial

### Current environment still supportive for top line but challenging for margins

*ICF confirmed the preliminary 2021 figures reported in January and announced a DPS of Eu0.14. While we remain confident on top line growth, we believe that the ongoing Russia/Ukraine conflict changed the picture of a smooth margin recovery. We confirm our BUY rating, but we cut our TP to Eu8.0/share from Eu9.0 on peers de-rating. The solid cash flow generation should be attractive in a phase of portfolio rotation from growth to value stocks. The stock is now trading at 2022E 5.5x EV/EBITDA (around 50% below larger international peers) and at an attractive FCF Yield. Further M&A is an upside potential*

- FY 2021 preliminary figures confirmed. DPS of Eu0.14.** ICF reported the full set of FY 2021 results. Some preliminary figures (Sales, EBITDA and Net Debt) were already announced in January. We remind that the group posted a resilient 2021 in a challenging environment. Solid volumes in footwear and leather goods limited headwinds in the automotive sector. Sales in 2021 came out at Eu75.7mn, +24.9% yoy and EBITDA reached Eu5.2mn (6.9% EBITDA margin). Adj. EBIT (announced yesterday) was in line with our estimate. The BoD proposed the distribution of a DPS of Eu0.14, in line with last year.
- Russia/Ukraine conflict changed the picture of a potential smooth recovery.** We believe that despite ICF has low exposure to Russian/Ukrainian countries (ca. Eu4mn sales), the recent conflict has increased the already fragile post-covid recovery scenario in the European automotive business. The shortage of components could be exacerbated, with consequent impact on production volumes. By contrast, demand of the other end markets the group is exposed to should remain strong. We also highlight that, considering that the production of adhesives involves a substantial use of oil derivatives, the decreased supply of oil products from Russia could imply pressures on raw material prices. This pressure would be on top of the increase in production costs linked to the spike in the Italian prices of gas and electricity. Difficulties to pass-on 100% of cost increases could undermine the group's profitability in FY22.
- We keep unchanged our estimates. Confidence on top line growth, but profitability could be under pressure.** We maintain our estimates unchanged for the time being. We believe that diversification of clients outside the auto business, as well as the good performance of Morel and partial pass-on of cost inflation should support our top line estimates during 2022. By contrast, we believe that our expected margin recovery during the year could be at risk.
- BUY rating confirmed, TP cut to Eu8.0/share from Eu9.0 on peers de-rating.** We keep our BUY rating but we cut our TP to Eu8.0 (from Eu9.0), based on the average of DCF and peers' multiples, due to derating of peers. The solid cash flow generation should be attractive in a phase of portfolio rotation from growth to value stocks (ICF has returned to shareholders ca. Eu6mn since its listing). The stock is now trading at 2022E 5.1x EV/EBITDA (around 50% below larger international peers) and at an attractive FCF Yield. Further M&A is an upside potential.

## BUY

Unchanged

## TP 8.0

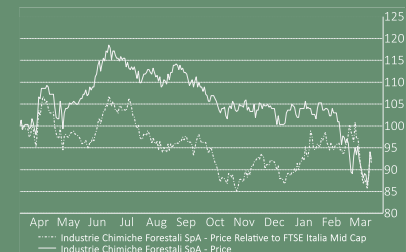
From Eu9.0

Target price upside 43%

	FY22E	FY23E
Change in EPS est.	-1.7%	-1.6%

Ticker (BBG, Reut)	ICF IM	ICF MI
Share price Ord. (Eu)		5.6
N. of Ord. shares (mn)		6.9
Total N. of shares (mn)		6.9
Market cap (Eu mn)		39
Total Market Cap f.d. (Eu mn)		39
Free Float Ord. (%)		91%
Free Float Ord. (Eu mn)		35
Daily AVG liquidity Ord. (Eu k)		55

	1M	3M	12M
Absolute Perf.	-3.7%	-6.3%	-6.3%
Rel.to FTSEMIDCap	-0.2%	5.5%	-7.5%
52 weeks range		5.2	7.2



	FY21A	FY22E	FY23E
Sales	76	80	82
EBITDA	5.2	8.4	11.5
Net profit adj.	2.2	4.1	6.3
EPS adj.	0.317	0.591	0.910
DPS - Ord.	0.140	0.140	0.140
EV/EBITDA	10.0x	5.5x	3.6x
P/E adj.	20.1x	9.5x	6.2x
Dividend yield	2.2%	2.5%	2.5%
FCF yield	0.4%	8.8%	15.6%
Net debt/(Net cash)	7.4	6.9	1.8
Net debt/EBITDA	1.4x	0.8x	0.2x

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## Key Data

P&L account (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	60.6	75.7	80.1	82.3	84.6
Gross margin	24.4	24.0	29.0	32.3	33.2
EBITDA reported	7.1	5.2	8.4	11.5	12.1
D&A	(4.3)	(4.4)	(4.3)	(4.3)	(4.3)
EBIT reported	2.7	0.7	4.1	7.2	7.8
Net financial charges	(1.3)	(0.8)	(0.3)	(0.3)	(0.3)
Associates	0.0	0.0	0.0	0.0	0.0
Extraordinary items	0.0	0.0	0.0	0.0	0.0
Pre-tax profit	1.5	(0.2)	3.8	6.9	7.5
Taxes	0.8	2.4	(1.1)	(2.0)	(2.7)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued activities	0.0	0.0	0.0	0.0	0.0
Net profit reported	2.2	2.3	2.7	4.9	4.7
<b>EBITDA adjusted</b>	<b>7.1</b>	<b>5.2</b>	<b>8.4</b>	<b>11.5</b>	<b>12.1</b>
<b>EBIT adjusted</b>	<b>4.7</b>	<b>2.7</b>	<b>6.1</b>	<b>9.2</b>	<b>9.8</b>
<b>Net profit adjusted</b>	<b>3.3</b>	<b>2.2</b>	<b>4.1</b>	<b>6.3</b>	<b>6.7</b>

Margins (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Gross margin	40.2%	31.8%	36.2%	39.3%	39.3%
EBITDA margin (adj)	11.8%	6.8%	10.5%	14.0%	14.3%
EBIT margin (adj)	7.8%	3.5%	7.6%	11.2%	11.6%
Pre-tax margin	2.4%	-0.2%	4.7%	8.4%	8.9%
Net profit margin (adj)	5.4%	2.9%	5.1%	7.7%	8.0%

Growth rates (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	-15.4%	24.9%	5.8%	2.7%	2.8%
EBITDA	-21.2%	-27.5%	63.1%	36.4%	5.0%
EBITDA adjusted	-21.2%	-27.5%	63.1%	36.4%	5.0%
EBIT	-42.9%	-75.3%	504.2%	76.4%	8.0%
EBIT adjusted	-29.9%	-43.8%	128.1%	51.4%	6.3%
Pre-tax	-66.9%	-110.4%	-2561.3%	82.5%	8.3%
Net profit	-35.8%	1.4%	19.2%	82.5%	-3.4%
Net profit adjusted	-27.2%	-33.2%	86.1%	54.1%	6.5%

Per share data	FY20A	FY21A	FY22E	FY23E	FY24E
Shares	6.943	6.943	6.943	6.943	6.943
N. of shares AVG	6.943	6.943	6.519	6.586	6.586
N. of shares diluted AVG	6.943	6.943	6.943	6.943	6.943
<b>EPS</b>	<b>0.321</b>	<b>0.325</b>	<b>0.388</b>	<b>0.707</b>	<b>0.683</b>
<b>EPS adjusted</b>	<b>0.475</b>	<b>0.317</b>	<b>0.591</b>	<b>0.910</b>	<b>0.969</b>
<b>DPS - Ord.</b>	<b>0.140</b>	<b>0.140</b>	<b>0.140</b>	<b>0.140</b>	<b>0.140</b>
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	11.208	11.058	11.733	12.213	12.786

Enterprise value (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Share price Ord. (Eu)	5.6	6.4	5.6	5.6	5.6
Market cap	38.6	44.3	38.9	38.9	38.9
Net debt/(Net cash)	3.2	7.4	6.9	1.8	(3.8)
Adjustments	0.3	0.3	0.3	0.3	0.3
Enterprise value	42.1	52.0	46.1	41.0	35.4

Cash flow (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
EBITDA adjusted	7.1	5.2	8.4	11.5	12.1
Net financial charges	(1.3)	(0.8)	(0.3)	(0.3)	(0.3)
Cash taxes	0.3	(0.6)	(1.2)	(2.1)	(2.6)
Ch. in Working Capital	(0.2)	(2.1)	(1.1)	(1.1)	(0.6)
Other operating items	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
<b>Operating cash flow</b>	<b>5.6</b>	<b>1.3</b>	<b>5.5</b>	<b>7.7</b>	<b>8.3</b>
Capex	(2.0)	(1.1)	(2.1)	(1.6)	(1.7)
<b>FCF</b>	<b>3.6</b>	<b>0.2</b>	<b>3.4</b>	<b>6.1</b>	<b>6.6</b>
Disposals/Acquisitions	0.0	(2.1)	0.0	0.0	0.0
Changes in Equity	(1.4)	(2.3)	(2.0)	0.0	0.0
Others	(1.0)	1.0	0.0	0.0	0.0
Dividends	0.0	(1.0)	(1.0)	(1.0)	(1.0)
<b>Ch. in NFP</b>	<b>1.2</b>	<b>(4.2)</b>	<b>0.4</b>	<b>5.1</b>	<b>5.6</b>

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Capex/Sales</b>	<b>3.3%</b>	<b>1.4%</b>	<b>2.6%</b>	<b>2.0%</b>	<b>2.0%</b>
Capex/D&A	0.5x	0.2x	0.5x	0.4x	0.4x
FCF/EBITDA	50.3%	3.8%	40.5%	52.7%	54.3%
FCF/Net profit	nm	nm	nm	nm	nm
<b>Dividend pay-out</b>	<b>43.6%</b>	<b>43.0%</b>	<b>36.1%</b>	<b>36.1%</b>	<b>36.1%</b>

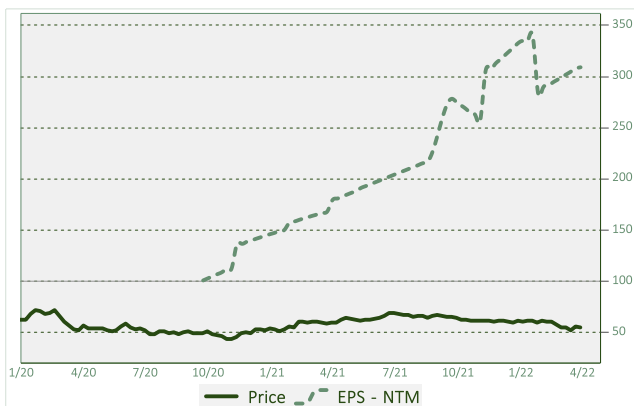
Balance sheet (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Working capital	15.3	17.0	18.1	19.2	19.8
Fixed assets	74.2	76.1	74.0	72.3	70.8
Provisions & others	(8.5)	(9.0)	(8.7)	(9.3)	(10.2)
<b>Net capital employed</b>	<b>81.0</b>	<b>84.1</b>	<b>83.4</b>	<b>82.3</b>	<b>80.4</b>
<b>Net debt/(Net cash)</b>	<b>3.2</b>	<b>7.4</b>	<b>6.9</b>	<b>1.8</b>	<b>(3.8)</b>
Equity	77.8	76.8	76.5	80.4	84.2
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Working capital/Sales</b>	<b>25.3%</b>	<b>22.5%</b>	<b>22.6%</b>	<b>23.3%</b>	<b>23.4%</b>
<b>Net debt/Equity</b>	<b>4.1%</b>	<b>9.6%</b>	<b>9.0%</b>	<b>2.3%</b>	<b>nm</b>
<b>Net debt/EBITDA</b>	<b>0.4x</b>	<b>1.4x</b>	<b>0.8x</b>	<b>0.2x</b>	<b>nm</b>

Valuation	FY20A	FY21A	FY22E	FY23E	FY24E
<b>EV/CE</b>	<b>0.5x</b>	<b>0.6x</b>	<b>0.5x</b>	<b>0.4x</b>	<b>0.4x</b>
P/BV	0.5x	0.6x	0.5x	0.5x	0.5x
EV/Sales	0.7x	0.7x	0.6x	0.5x	0.4x
EV/EBITDA	5.9x	10.0x	5.5x	3.6x	2.9x
<b>EV/EBITDA adjusted</b>	<b>5.9x</b>	<b>10.0x</b>	<b>5.5x</b>	<b>3.6x</b>	<b>2.9x</b>
EV/EBIT	15.4x	76.8x	11.3x	5.7x	4.5x
<b>EV/EBIT adjusted</b>	<b>8.9x</b>	<b>19.5x</b>	<b>7.6x</b>	<b>4.5x</b>	<b>3.6x</b>
P/E	17.3x	19.6x	14.4x	7.9x	8.2x
<b>P/E adjusted</b>	<b>11.7x</b>	<b>20.1x</b>	<b>9.5x</b>	<b>6.2x</b>	<b>5.8x</b>
ROCE pre-tax	5.3%	2.9%	6.6%	10.0%	10.7%
<b>ROE</b>	<b>4.2%</b>	<b>2.9%</b>	<b>5.4%</b>	<b>7.9%</b>	<b>8.0%</b>
EV/FCF	11.7x	262.2x	13.5x	6.8x	5.4x
<b>FCF yield</b>	<b>9.3%</b>	<b>0.4%</b>	<b>8.8%</b>	<b>15.6%</b>	<b>16.9%</b>
<b>Dividend yield</b>	<b>2.5%</b>	<b>2.2%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.5%</b>

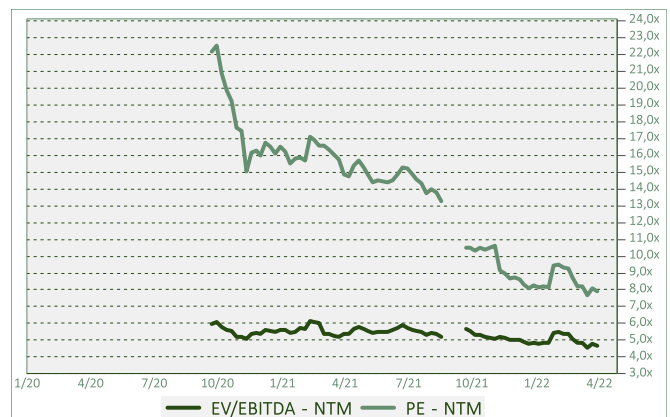
## Share price performance

Strong growth of EPS estimates in 2022E



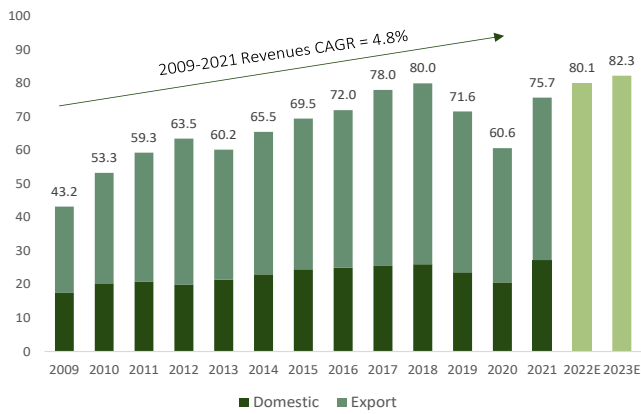
## Valuation

The company is trading at significant discount to sector peers



### Solid organic top line growth in the long term (FY09A-FY23E)

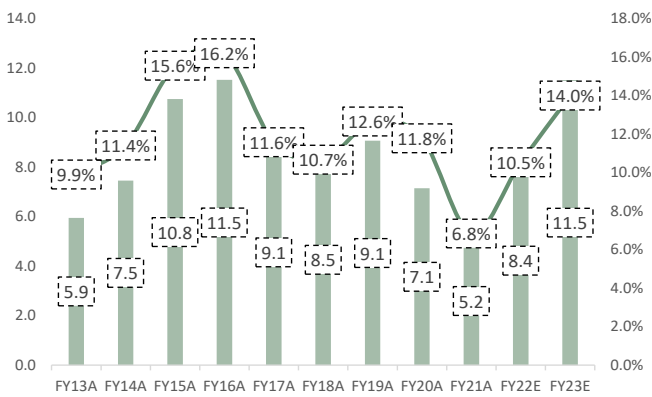
FY21 sales above pre-covid level



Source: company data

### A profitable business (FY13A-FY23E EBITDA and margin)

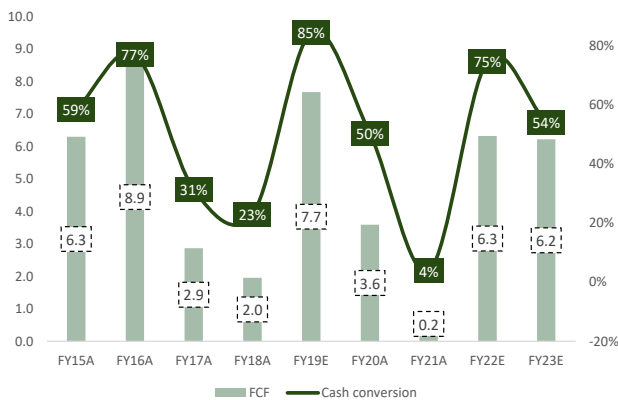
Profitability was resilient to Covid-19 related slowdown in 2020



Source: company data

### Cash generative (FY15A-FY23E FCF and cash conversion)

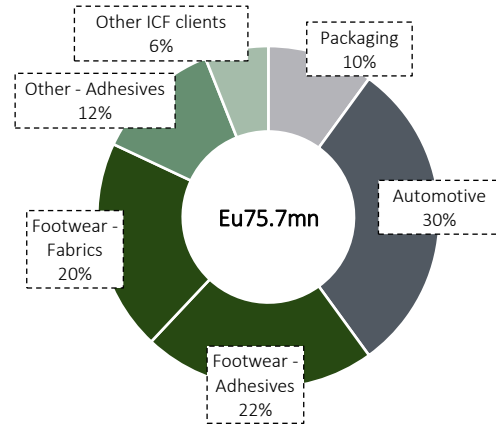
Good cash generation is foreseen in the coming years



Source: company data

### Revenues breakdown by Sector (FY21A)

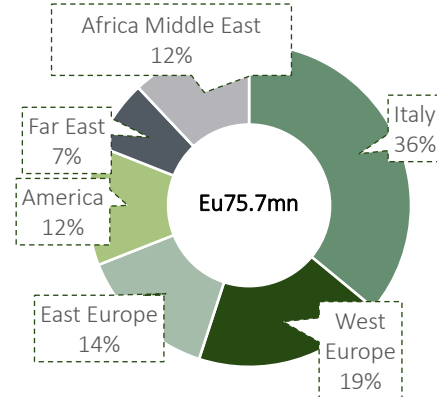
Born in footwear, ICF expanded in automotive, packaging and leather goods



Source: Company data

### Revenues breakdown by Geography (FY21A)

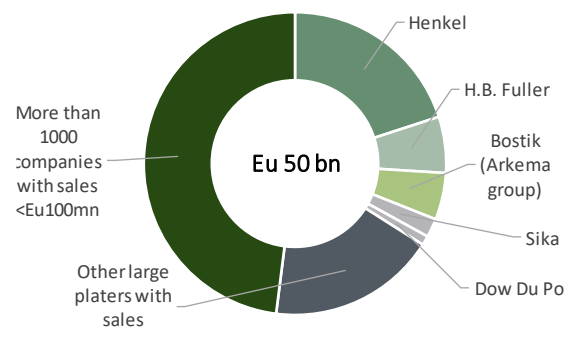
Well diversified by geography



Source: company data

### Market calling for consolidation (FY17 adhesive market)

ICF wants to act as a consolidator but may also become a target



Source: HB Fuller capital markets day 2018

## Profile

<b>Background</b>	<p>ICF manufactures adhesives (81% of sales in FY19) and technical fabrics (19%). The company carries out its activities from its production site located in Marcallo con Casone (the plant occupies an area of about 22,800 square meters out of a property of 60.000 square meters), through two distinctive divisions: <i>Forestali</i> and ABC (<i>Adhesive Based Chemicals</i>). The <i>Forestali</i> division (54.8%) manufactures: (i) adhesives and technical fabrics (i.e. toe-puffs and stiffeners) for the footwear industry; (ii) adhesives and technical fabrics (i.e. linings and reinforcing) for leather goods and upholstered furniture. <i>Forestali</i> also acts as a contract manufacturer in the production of third parties' brands for well recognized international players. The ABC division (45.2%) was launched in 2005 and manufactures industrial adhesives for the automotive and packaging industry. Automotive represents the most important reference sector accounting for 36.4% of sales. Footwear is the second largest sector accounting for 35.8% of sales. Smaller contribution to total revenues but higher potential for growth comes from Packaging (8.9%) and Leather Goods (4.9%).</p>
<b>Positioning</b>	<p>ICF has been gaining shares in adhesives reference markets by leveraging on its niche positioning between global players and local competitors. ICF has, on one side, a higher degree of flexibility compared to global players, which struggle to serve a fragmented customer base; on the other, the group represents a certified and reliable partner respecting strict standards of quality that increase reliability at the eyes of customers and differentiate ICF from other regional competitors.</p> <p>As of today, the company can rely on 3 R&amp;D Labs (Manufacturing, Automotive, Packaging) with more than 20 people employed. As the company focus on sustainability to attract new clients, over the last decade the amount of water-based and solvent free adhesives over total production increased from 34% to 53% significantly reducing emissions generated by their manufacturing processes.</p> <p>ICF sells its adhesives and fabrics all over the world. Sales made abroad were a relevant driver of growth over the last decade, representing 67% of 2019 total sales from 59% in 2009. The company distributes its products both directly, through a network of 9 experienced sales, and via agents / distributors. With the Morel acquisition in 2021, ICF has expanded its activity into luxury footwear and leather goods.</p>
<b>Growth</b>	<p>Since 2009, when Guido Cami was appointed as group's CEO, ICF has built a history of long-term solid growth: revenues grew organically from Eu43.0mn in FY09 to Eu60.6mn in FY20 posting a 3.2% 11Y CAGR. Growth came mainly from revenues made abroad thanks to an effective commercial activity made both in the US and in Asia. Cumulative adjusted Free Cash Flow generation over 2012-2020 period was of Eu40mn. On average EBITDA cash conversion was 55%.</p> <p>The adhesive and sealants market is worth today around USD50bn (source: Arkema Capital markets day 2017, IHS research). Mechanical fastening replacement and growth of adhesive consumption in emerging markets are the main drivers behind a relentless market growth expected in coming years (3% to 3.5% per year) which should bring total value to around USD70bn by 2027. At the same time, the presence of few large players (representing almost 40% of the market) and a multitude of smaller companies leaves room for consolidation in coming years also pushed by more and more stringent regulatory/environmental requirements for adhesives production.</p>
<b>Strategy</b>	<p>ICF is unceasingly expanding its commercial network in large and underpenetrated footwear markets (e.g. APAC, LATAM). While there is little room to grow further into automotive, the diversification into structurally growing industries like flexible packaging and leather goods (where ICF's know-how on environmental-friendly water-based adhesives is key) is far from being complete. ICF also considers M&amp;A an integral part of its growth strategy and an opportunity to consolidate its leadership in reference markets, enter into new geographies/end markets, expand along the value chain and benefit from tangible revenue and cost synergies. We estimate ICF could count on cash firepower thanks to its unlevered balance sheet and solid cash generation, while equity funded offers might be another option.</p>

<b>Key shareholders</b>
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V.F. Adhesives srl 26.51%

<b>Management</b>
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Guido Cami - CEO and Chairman  
Marcello Taglietti - COO  
Massimo Rancilio - CFO

<b>Next events</b>
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1Q22 preliminary results: 12/05/2022  
1H22 results: 26/09/2022  
3Q22 preliminary results: 14/11/2022

## SWOT Analysis

### Strengths

- Global leading player in the supply of adhesives for car headliners, amongst the leading Italian players in the supply of adhesives and technical fabrics for Footwear
- High quality and well-recognized products
- Longstanding customer relationships and international distribution network
- Strong R&D and technical assistance teams
- Higher flexibility compared to large players
- Higher reliability compared to small players thanks to compliance with strict quality standards and environmental certifications
- Production capacity availability, low maintenance capex needs, sound cash generation
- Managerial and structured company

### Weaknesses

- Need to further increase diversification: exposure to cyclical automotive market is still significant
- In the automotive sector ICF competes with global chemical players with much larger scale
- Less competitive in foreign adhesive markets compared to local players due to costly transport and duties

### Opportunities

- M&A to expand footprint, to achieve higher product and geographical diversification, to extract revenues and costs synergies
- Develop new commercial relationships and industrial partnerships (or implement new greenfield capacity) to further penetrate attractive markets (e.g. USA, India, China and Brazil) and sectors (leather goods, packaging)
- Increase R&D investments on water-based adhesives in order to attract new customers interested in environmental-friendly adhesive technologies
- Public company status exposes the company to potential take-over

### Threats

- The competitive landscape in Automotive is populated by large players that in some cases are also ICF's raw materials suppliers: aggressive commercial behavior from these players could hit ICF
- Limited number of raw materials suppliers: extraordinary supply chain shocks could cause unexpected swings in raw materials prices, temporarily hampering profitability
- Cyclical downturn should hit demand from automotive customers
- Technological disruptions in the production of car headliners
- Weaknesses in the Italian footwear producers / increasing penetration of textile shoes could cause a decline of demand for ICF
- Inability to finalize M&A deal / difficulties in integrating acquired companies
- Protectionist policies at international level and setback in emerging market
- Coronavirus impact on future production volumes of auto and footwear markets; potential impact on the supply chain given raw materials producers have plants in China.

## Estimates

### Change in estimates

*We keep unchanged our estimates for the time being. Risks on margins are skewed to the downside*

(Eu mn)	NEW Estimates				% Change				OLD Estimates			
	FY21A	FY22E	FY23E	FY24E	FY21A	FY22E	FY23E	FY24E	FY21A	FY22E	FY23E	FY24E
Total Revenues / Value of Production	75.7	80.1	82.3	84.6	0%	0%	0%	na	75.5	80.1	82.3	na
EBITDA Adjusted	5.2	8.4	11.5	12.1	4%	0%	0%	na	5.0	8.4	11.5	na
EBIT Adjusted	2.7	6.1	9.2	9.8	2%	0%	0%	na	2.6	6.1	9.2	na
Net profit restated	2.2	4.1	6.3	6.7	49%	0%	0%	na	1.5	4.1	6.3	na
EPS	0.342	0.623	0.960	1.022	59%	-2%	-2%	na	0.215	0.633	0.975	na
Net financial position	(7.4)	(6.9)	(1.8)	3.8	-2%	-296%	-313%	na	(7.3)	(4.0)	1.3	na

Source: Alantra estimates

## Peers

### Trading multiples

At current market price, the stock is at huge discount vs peers on 2022/2023E multiples

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales		
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Industrie Chimiche Forestali Premium (discount) to Peers' Median	ITALY	42	5.5 x	3.6 x	2.9 x	7.6 x	4.5 x	3.6 x	9.5 x	6.2 x	5.8 x	0.6 x	0.5 x	0.4 x
			-40%	-55%	-57%	-45%	-62%	-65%	-43%	-55%	-54%	-57%	-60%	-62%
<b>PEERS</b>	<b>Average</b>		10.2 x	9.0 x	8.1 x	14.8 x	12.6 x	11.3 x	18.1 x	15.4 x	13.9 x	1.9 x	1.7 x	1.5 x
	<b>Median</b>		9.1 x	7.9 x	6.8 x	13.7 x	11.8 x	10.4 x	16.8 x	13.8 x	12.6 x	1.3 x	1.2 x	1.1 x
Henkel AG & Co. KGaA Pref	GERMANY	26,623	8.3 x	7.4 x	6.8 x	10.7 x	9.4 x	8.7 x	14.1 x	12.7 x	11.7 x	1.3 x	1.2 x	1.2 x
Sika AG	SWITZERLAND	45,070	23.9 x	19.6 x	17.1 x	29.4 x	23.4 x	21.0 x	38.0 x	31.4 x	28.0 x	4.6 x	3.9 x	3.7 x
Arkema SA	FRANCE	8,268	5.9 x	5.6 x	5.2 x	9.3 x	8.9 x	7.9 x	10.9 x	10.5 x	9.3 x	1.0 x	1.0 x	0.9 x
H.B. Fuller Company	UNITED STATES	3,229	9.4 x	8.4 x	7.6 x	13.5 x	11.6 x	10.2 x	15.9 x	13.8 x	12.6 x	1.4 x	1.3 x	1.1 x
<b>PEERS Adhesives Producers</b>	<b>Average</b>		11.9 x	10.3 x	9.2 x	15.7 x	13.3 x	11.9 x	19.7 x	17.1 x	15.4 x	2.1 x	1.8 x	1.7 x
	<b>Median</b>		8.9 x	7.9 x	7.2 x	12.1 x	10.5 x	9.4 x	15.0 x	13.3 x	12.1 x	1.3 x	1.2 x	1.1 x
SAES Getters S.p.A.	ITALY	437	12.6 x	11.4 x	11.1 x	17.7 x	16.1 x	15.4 x	22.8 x	18.2 x	16.9 x	2.5 x	2.5 x	2.4 x
Cembre S.p.A.	ITALY	479	9.3 x	8.8 x	na	12.3 x	11.7 x	na	17.7 x	na	na	2.6 x	2.4 x	na
LU-VE SpA	ITALY	425	8.9 x	7.2 x	6.3 x	18.1 x	13.5 x	11.1 x	17.9 x	14.0 x	12.6 x	1.0 x	0.9 x	0.8 x
Aquafil SpA	ITALY	280	6.5 x	6.2 x	5.4 x	14.9 x	13.1 x	10.4 x	15.9 x	13.6 x	11.3 x	0.8 x	0.8 x	0.7 x
Sabaf S.p.A.	ITALY	238	5.4 x	4.7 x	4.2 x	7.8 x	6.7 x	6.1 x	8.5 x	7.7 x	7.5 x	1.0 x	0.9 x	0.8 x
B&C Speakers S.p.A.	ITALY	144	11.8 x	10.3 x	9.4 x	14.0 x	12.0 x	11.3 x	19.0 x	16.9 x	15.8 x	2.4 x	2.2 x	2.1 x
<b>PEERS Italian Small-Caps</b>	<b>Average</b>		9.1 x	8.1 x	7.3 x	14.1 x	12.2 x	10.9 x	17.0 x	14.1 x	12.8 x	1.7 x	1.6 x	1.4 x
	<b>Median</b>		9.1 x	8.0 x	6.3 x	14.4 x	12.5 x	11.1 x	17.8 x	14.0 x	12.6 x	1.7 x	1.6 x	0.8 x

Company	Country	Mkt Cap (Eu mn)	Dividend Yield			FCF Yield			Net Debt/EBITDA			P/BV		
			FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Industrie Chimiche Forestali	ITALY		2.5%	2.5%	2.5%	8.8%	15.6%	16.9%	0.8 x	0.2 x	nm	0.5 x	0.5 x	0.5 x
<b>PEERS</b>	<b>Average</b>		2.4%	2.4%	2.4%	5.3%	6.6%	8.1%	1.4 x	1.4 x	1.2 x	2.9 x	2.5 x	2.3 x
	<b>Median</b>		2.5%	2.5%	3.2%	5.2%	6.8%	8.4%	1.1 x	1.3 x	0.9 x	2.0 x	1.8 x	1.7 x
Henkel AG & Co. KGaA Pref	GERMANY	26,623	3.0%	3.2%	3.3%	6.0%	6.8%	7.4%	0.2 x	nm	nm	1.3 x	1.3 x	1.2 x
Sika AG	SWITZERLAND	45,070	1.1%	1.3%	1.5%	2.3%	3.2%	3.8%	1.1 x	0.7 x	0.6 x	9.2 x	7.5 x	6.3 x
Arkema SA	FRANCE	8,268	2.8%	3.1%	3.2%	6.8%	8.8%	9.5%	1.0 x	0.8 x	0.7 x	1.3 x	1.2 x	1.1 x
H.B. Fuller Company	UNITED STATES	3,229	1.0%	1.1%	1.1%	6.2%	8.1%	8.4%	2.9 x	2.4 x	1.8 x	2.0 x	1.8 x	1.6 x
<b>PEERS Adhesives Producers</b>	<b>Average</b>		2.0%	2.1%	2.3%	5.3%	6.7%	7.3%	1.3 x	1.3 x	1.1 x	3.5 x	2.9 x	2.5 x
	<b>Median</b>		2.0%	2.2%	2.4%	6.1%	7.5%	7.9%	1.0 x	0.8 x	0.7 x	1.7 x	1.5 x	1.4 x
SAES Getters S.p.A.	ITALY	437	2.2%	2.3%	0.0%	4.1%	5.2%	5.1%	1.8 x	1.9 x	2.1 x	1.8 x	1.7 x	na
Cembre S.p.A.	ITALY	479	4.2%	na	na	na	na	na	nm	nm	na	2.6 x	na	na
LU-VE SpA	ITALY	425	1.9%	2.1%	1.9%	4.3%	7.8%	8.9%	1.9 x	1.3 x	0.9 x	2.3 x	2.0 x	1.8 x
Aquafil SpA	ITALY	280	2.2%	2.5%	4.0%	nm	4.4%	12.5%	2.3 x	2.2 x	1.7 x	2.1 x	1.9 x	1.8 x
Sabaf S.p.A.	ITALY	238	3.2%	3.3%	3.3%	8.2%	9.2%	10.0%	1.0 x	0.7 x	0.4 x	1.6 x	1.4 x	1.2 x
B&C Speakers S.p.A.	ITALY	144	2.7%	3.1%	3.2%	4.4%	5.9%	6.9%	0.2 x	nm	nm	4.4 x	3.8 x	3.4 x
<b>PEERS Italian Small-Caps</b>	<b>Average</b>		2.7%	2.7%	na	5.2%	6.5%	na	1.5 x	1.5 x	1.3 x	2.5 x	2.2 x	na
	<b>Median</b>		2.5%	2.5%	na	4.3%	5.9%	na	1.8 x	1.6 x	1.3 x	2.2 x	1.9 x	na

Source: Alantra estimates and Factset

### Financials

Selected peers enjoy better margins than ICF being larger/more diversified (Adhesives producers) or being active in different businesses (Italian Small-Caps)

Company	Country	Mkt Cap (Eu mn)	FY22E - FY24E average margins					CAGR FY21A - FY24E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
Industrie Chimiche Forestali	ITALY	42	12.9%	10.1%	6.9%	2.2%	-36.1%	3.8%	32.7%	54.3%	45.1%
<b>PEERS</b>	<b>Average</b>		18.2%	13.1%	9.2%	4.7%	37.7%	7.8%	9.4%	12.9%	14.3%
	<b>Median</b>		18.3%	13.4%	9.4%	5.7%	34.5%	7.0%	9.0%	16.5%	15.2%
Henkel AG & Co. KGaA Pref	GERMANY	26,623	16.4%	12.9%	8.6%	3.6%	40.3%	3.5%	3.5%	3.4%	4.9%
Sika AG	SWITZERLAND	45,070	20.2%	16.6%	12.4%	2.8%	41.7%	12.5%	17.0%	18.1%	17.9%
Arkema SA	FRANCE	8,268	16.8%	10.8%	7.5%	6.4%	30.9%	5.2%	2.3%	0.7%	0.5%
H.B. Fuller Company	UNITED STATES	3,229	14.6%	10.6%	6.6%	2.7%	14.6%	8.2%	9.0%	16.5%	15.2%
<b>PEERS Adhesives Producers</b>	<b>Average</b>		17.0%	12.7%	8.8%	3.8%	31.9%	7.3%	8.0%	9.7%	9.6%
	<b>Median</b>		16.6%	11.8%	8.1%	3.2%	35.6%	6.7%	6.2%	9.9%	10.1%
SAES Getters S.p.A.	ITALY	437	20.9%	14.9%	10.7%	6.3%	30.6%	7.0%	11.7%	16.7%	22.6%
Cembre S.p.A.	ITALY	479	27.5%	20.7%	15.2%	na	74.4%	na	na	na	na
LU-VE SpA	ITALY	425	12.4%	6.6%	4.9%	5.7%	29.1%	7.0%	8.8%	10.5%	7.8%
Aquafil SpA	ITALY	280	12.3%	5.9%	3.4%	5.7%	38.2%	8.5%	9.1%	23.1%	30.4%
Sabaf S.p.A.	ITALY	238	19.8%	13.8%	10.1%	7.2%	25.8%	4.9%	4.4%	4.3%	8.1%
B&C Speakers S.p.A.	ITALY	144	21.1%	17.8%	12.9%	1.6%	51.6%	13.5%	19.0%	22.9%	21.0%
<b>PEERS Italian Small-Caps</b>	<b>Average</b>		19.0%	13.3%	9.5%	5.3%	41.6%	8.2%	10.6%	15.5%	18.0%
	<b>Median</b>		20.4%	14.4%	10.4%	5.7%	34.4%	7.0%	9.1%	16.7%	21.0%

Source: Alantra estimates and Factset



## Performance

Performance more resilient than peers over the last 3 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
Industrie Chimiche Forestali	ITALY	42	-3.7%	-6.3%	-14.7%	-6.3%	-9.5%	na
PEERS	Average		-4.8%	-13.2%	-6.5%	8.2%	25.2%	47.2%
	Median		-2.9%	-13.6%	-7.4%	11.6%	28.0%	30.6%
Henkel AG & Co. KGaA Pref	GERMANY	26,623	-15.4%	-13.8%	-23.2%	-36.2%	-30.5%	-48.8%
Sika AG	SWITZERLAND	45,070	-1.6%	-19.1%	-6.5%	14.5%	119.0%	203.9%
Arkema SA	FRANCE	8,268	-8.1%	-7.9%	-3.0%	6.9%	31.6%	20.8%
H.B. Fuller Company	UNITED STATES	3,229	-4.3%	-15.5%	1.7%	8.7%	40.6%	30.6%
PEERS Adhesives Producers	Average		-7.3%	-14.0%	-7.7%	-1.6%	40.2%	51.6%
	Median		-6.2%	-14.6%	-4.8%	7.8%	36.1%	25.7%
SAES Getters S.p.A.	ITALY	437	0.2%	-12.6%	-8.3%	3.8%	-0.2%	28.6%
Cembre S.p.A.	ITALY	479	-7.5%	-9.9%	0.7%	20.0%	31.2%	70.9%
LU-VE SpA	ITALY	425	-9.9%	-19.4%	-19.7%	33.1%	65.4%	41.5%
Aquafil SpA	ITALY	280	-1.4%	-15.5%	-10.3%	24.3%	-34.2%	na
Sabaf S.p.A.	ITALY	238	1.0%	-13.4%	-13.8%	-8.8%	24.8%	55.1%
B&C Speakers S.p.A.	ITALY	144	-0.8%	-4.7%	17.0%	15.5%	4.7%	22.2%
PEERS Italian Small-Caps	Average		-3.1%	-12.6%	-5.7%	14.6%	15.3%	43.6%
	Median		-1.1%	-13.0%	-9.3%	17.7%	14.8%	41.5%

Source: Alantra estimates and Factset



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