

## Industrie Chimiche Forestali

Sector: Industrial

### A strong 4Q22 bodes well for a good start to 2023

*FY22 preliminary results were better than expected, thanks to a strong 4Q22 on both top-line (+9% vs our estimate) and EBITDA margin (+290bp vs our estimate), a solid performance in a challenging environment. Volumes confirmed momentum, except in automotive, which remained stable yoy. The sequential QoQ improvement, supported by the achieved business diversification outside automotive and decline in raw material prices, bodes well for a positive start to 2023. On the back of FY22 preliminary figures, we increase our FY22E top-line (+2%) and EBITDA (+12%). We prudentially trim our FY23/24E EBITDA margin by 9/8% respectively due to uncertain macroeconomic conditions. ICF is now trading at 2023E 4.8x EV/EBITDA (45% below larger international peers). BUY rating confirmed with TP to Eu8.0/share (from 7.5).*

- FY22 preliminary top-line up +17% yoy driven by a better-than-expected 4Q22 release.** FY22 preliminary top-line came in at Eu88mn +17% yoy (+2% vs our estimate), underpinned by solid demand in footwear, leather goods and packaging. Morel brand has increased its top-line contribution to Eu8mn (from Eu3mn in 2021). Revenues in 4Q22 were above our estimate, reaching Eu22.3mn, c. +8.5% yoy and vs. our expectation. Positive price-mix from luxury segments (footwear and leather goods) was a margin tailwind in the quarter and continued to more than offset the automotive business, which remained stable yoy, due to prolonged supply chain disruptions.
- 4Q22 profitability beats our expectation with EBITDA margin of 12.1%.** EBITDA in 4Q22 reached Eu2.7mn/12.1% margin (vs. our est. of Eu1.9mn/9.2% margin), up from Eu0.9mn/4.4% margin in 4Q21 and doubling QoQ. FY22P EBITDA stood at Eu7.5mn (8.5% margin). We believe that a decline in raw material prices has contributed positively. Net debt reached Eu8mn (from Eu12.3mn in 9M22 vs. our est. of Eu8.8mn), with a sound FCF of Eu1.2mn (vs. our est. of Eu0.4mn), which we believe is due to a better-than-expected NWC absorption. The change in NFP during FY22 factors in over Eu2mn capex, Eu1mn of dividends, Eu0.3mn cash-out linked to the last payment of Morel acquisition and Eu0.6mn buyback.
- Sequential quarters improvements bode well for a good start of the year.** The sequential QoQ improvement registered during a challenging period in both volumes and margins, was supported by the end-markets diversification and exposure to luxury segments, It bodes well for a positive start to 2023, together with the decline in raw material prices. Also, ICF has continued to invest in R&D, to increase the sustainability of its products (RICICLI) and reduce energy costs (new PV plant and sustainable refrigerator), which should be future margin tailwinds. On the other hand, the high level of inflation might dent some end markets in the future.
- We align our FY22E projections and prudentially trim FY23/24E EBITDA margin.** On the back of a stronger than expected FY22 preliminary figures, we align upwards our FY22E revenues and EBITDA by +2/12% respectively. We prudentially trim our FY23/24E EBITDA by 9/8% due to mixed economic indicators amid uncertainties on supply chain normalization and level of consumptions. Our FY23/24E now point to revenues of Eu87/87.5mn and 10.3/12.4% EBITDA margin.
- BUY rating confirmed with TP to Eu8.0/share (from 7.5).** We confirm our BUY rating and increase our TP to Eu8.0/share (from 7.5), after the mark-to-market of our DCF and peers' multiples. The solid cash flow generation profile and business resiliency should be attractive in the current scenario (ICF has returned to shareholders ca. Eu6mn since its listing). The stock is now trading at 2023E 4.8x EV/EBITDA (45% below larger international peers). Further M&A is an upside potential not included in our estimates.

## BUY

Unchanged

### TP 8.0

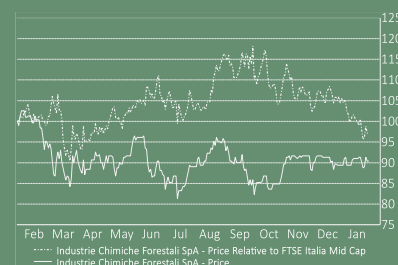
From 7.5

Target price upside 42%

	FY22E	FY23E
Change in EPS est.	7.3%	-21.3%

Ticker (BBG, Reut)	ICF IM	ICF MI
Share price Ord. (Eu)		5.6
N. of Ord. shares (mn)		6.8
Total N. of shares (mn)		6.8
Market cap (Eu mn)		38
Total Market Cap f.d. (Eu mn)		38
Free Float Ord. (%)		88%
Free Float Ord. (Eu mn)		34
Daily AVG liquidity Ord. (Eu k)		20

	1M	3M	12M
Absolute Perf.	5.6%	1.4%	-10.1%
Rel. to FTSEMidCap	-10.2%	2.7%	10.9%
52 weeks range		5.1	6.4



	FY21A	FY22E	FY23E
Sales	76	88	87
EBITDA	5.2	7.5	9.0
Net profit adj.	2.2	3.4	4.2
EPS adj.	0.317	0.502	0.615
DPS - Ord.	0.140	0.140	0.140
EV/EBITDA	10.1x	6.3x	4.8x
P/E adj.	20.1x	11.3x	9.1x
Dividend yield	2.2%	2.5%	2.5%
FCF yield	6.0%	3.1%	12.2%
Net debt/(Net cash)	7.4	8.0	4.3
Net debt/EBITDA	1.4x	1.1x	0.5x

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## Key Data

P&L account (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	60.6	75.7	88.0	86.9	87.5
Gross margin	24.4	24.0	27.9	29.8	31.8
EBITDA reported	7.1	5.2	7.5	9.0	10.9
D&A	(4.3)	(4.4)	(4.8)	(5.0)	(5.2)
EBIT reported	2.7	0.7	2.6	4.0	5.7
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	(0.1)	2.3	3.7	5.4
Taxes	0.8	2.4	(0.5)	(1.1)	(2.2)
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	1.8	2.6	3.2
<b>EBITDA adjusted</b>	<b>7.1</b>	<b>5.2</b>	<b>7.5</b>	<b>9.0</b>	<b>10.9</b>
<b>EBIT adjusted</b>	<b>4.7</b>	<b>2.7</b>	<b>4.6</b>	<b>6.2</b>	<b>7.9</b>
<b>Net profit adjusted</b>	<b>3.3</b>	<b>2.2</b>	<b>3.4</b>	<b>4.2</b>	<b>4.7</b>

Margins (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Gross margin	40.2%	31.8%	31.7%	34.3%	36.3%
EBITDA margin (adj)	11.8%	6.9%	8.5%	10.3%	12.4%
EBIT margin (adj)	7.8%	3.5%	5.2%	7.1%	9.0%
Pre-tax margin	2.4%	-0.2%	2.6%	4.2%	6.1%
Net profit margin (adj)	5.4%	2.9%	3.9%	4.8%	5.4%

Growth rates (%)	FY20A	FY21A	FY22E	FY23E	FY24E
Sales	-15.4%	24.9%	16.2%	-1.3%	0.7%
EBITDA	-21.2%	-27.2%	43.6%	20.4%	21.0%
EBITDA adjusted	-21.2%	-27.2%	43.6%	20.4%	21.0%
EBIT	-42.9%	-74.5%	271.6%	53.0%	42.3%
EBIT adjusted	-29.9%	-43.8%	71.5%	35.4%	27.3%
Pre-tax	-66.9%	-108.8%	-1873.1%	59.9%	45.7%
Net profit	-35.8%	2.5%	-19.2%	41.9%	21.4%
Net profit adjusted	-27.2%	-33.2%	54.9%	22.4%	13.4%

Per share data	FY20A	FY21A	FY22E	FY23E	FY24E
Shares	6.943	6.943	6.797	6.797	6.797
N. of shares AVG	6.943	6.943	6.572	6.690	6.690
N. of shares diluted AVG	6.943	6.943	6.870	6.797	6.797
<b>EPS</b>	<b>0.321</b>	<b>0.329</b>	<b>0.271</b>	<b>0.385</b>	<b>0.467</b>
<b>EPS adjusted</b>	<b>0.475</b>	<b>0.317</b>	<b>0.502</b>	<b>0.615</b>	<b>0.697</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	11.727	11.768	12.087

Enterprise value (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Share price Ord. (Eu)	5.6	6.4	5.7	5.6	5.6
Market cap	38.6	44.3	38.6	38.2	38.2
Net debt/(Net cash)	3.2	7.4	8.0	4.3	0.4
Adjustments	0.7	0.7	0.7	0.7	0.7
Enterprise value	42.5	52.3	47.3	43.2	39.3

Cash flow (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
EBITDA adjusted	7.1	5.2	7.5	9.0	10.9
Net financial charges	(1.3)	(0.4)	(0.3)	(0.3)	(0.3)
Cash taxes	0.3	(0.3)	(0.6)	(1.2)	(2.1)
Ch. in Working Capital	(0.2)	0.5	(3.3)	(0.8)	(1.5)
Other operating items	(0.3)	(0.3)	0.0	(0.3)	(0.3)
<b>Operating cash flow</b>	<b>5.6</b>	<b>4.6</b>	<b>3.3</b>	<b>6.4</b>	<b>6.7</b>
Capex	(2.0)	(2.0)	(2.1)	(1.7)	(1.7)
<b>FCF</b>	<b>3.6</b>	<b>2.7</b>	<b>1.2</b>	<b>4.7</b>	<b>5.0</b>
Disposals/Acquisitions	0.0	(3.4)	(0.3)	0.0	0.0
Changes in Equity	(1.4)	(2.3)	(0.6)	0.0	0.0
Others	(1.0)	(0.1)	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>(0.7)</b>	<b>3.7</b>	<b>3.9</b>

Ratios (%)	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Capex/Sales</b>	<b>3.3%</b>	<b>2.6%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>2.0%</b>
Capex/D&A	0.5x	0.4x	0.4x	0.3x	0.3x
FCF/EBITDA	50.3%	51.4%	15.8%	52.0%	45.8%
FCF/Net profit	nm	nm	nm	nm	nm
<b>Dividend pay-out</b>	<b>43.3%</b>	<b>41.6%</b>	<b>51.6%</b>	<b>40.0%</b>	<b>40.0%</b>

Balance sheet (Eu mn)	FY20A	FY21A	FY22E	FY23E	FY24E
Working capital	15.3	17.0	20.2	21.0	22.5
Fixed assets	74.2	76.1	74.3	71.7	69.1
Provisions & others	(8.5)	(9.0)	(9.4)	(9.7)	(10.4)
<b>Net capital employed</b>	<b>81.0</b>	<b>84.1</b>	<b>85.1</b>	<b>83.0</b>	<b>81.2</b>
<b>Net debt/(Net cash)</b>	<b>3.2</b>	<b>7.4</b>	<b>8.0</b>	<b>4.3</b>	<b>0.4</b>
Equity	77.8	76.8	77.1	78.7	80.9
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>23.0%</b>	<b>24.2%</b>	<b>25.7%</b>
<b>Net debt/Equity</b>	<b>4.1%</b>	<b>9.6%</b>	<b>10.4%</b>	<b>5.5%</b>	<b>0.5%</b>
<b>Net debt/EBITDA</b>	<b>0.4x</b>	<b>1.4x</b>	<b>1.1x</b>	<b>0.5x</b>	<b>0.0x</b>

Valuation	FY20A	FY21A	FY22E	FY23E	FY24E
<b>EV/CE</b>	<b>0.5x</b>	<b>0.6x</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.4x</b>
P/BV	0.5x	0.6x	0.5x	0.5x	0.5x
EV/Sales	0.7x	0.7x	0.5x	0.5x	0.4x
EV/EBITDA	5.9x	10.1x	6.3x	4.8x	3.6x
<b>EV/EBITDA adjusted</b>	<b>5.9x</b>	<b>10.1x</b>	<b>6.3x</b>	<b>4.8x</b>	<b>3.6x</b>
EV/EBIT	15.5x	74.7x	18.2x	10.8x	6.9x
<b>EV/EBIT adjusted</b>	<b>9.0x</b>	<b>19.6x</b>	<b>10.4x</b>	<b>7.0x</b>	<b>5.0x</b>
P/E	17.3x	19.4x	20.9x	14.6x	12.0x
<b>P/E adjusted</b>	<b>11.7x</b>	<b>20.1x</b>	<b>11.3x</b>	<b>9.1x</b>	<b>8.1x</b>
ROCE pre-tax	5.3%	2.9%	4.9%	6.6%	8.5%
<b>ROE</b>	<b>4.2%</b>	<b>2.9%</b>	<b>4.4%</b>	<b>5.3%</b>	<b>5.9%</b>
EV/FCF	11.8x	19.6x	40.2x	9.2x	7.9x
<b>FCF yield</b>	<b>9.3%</b>	<b>6.0%</b>	<b>3.1%</b>	<b>12.2%</b>	<b>13.0%</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>

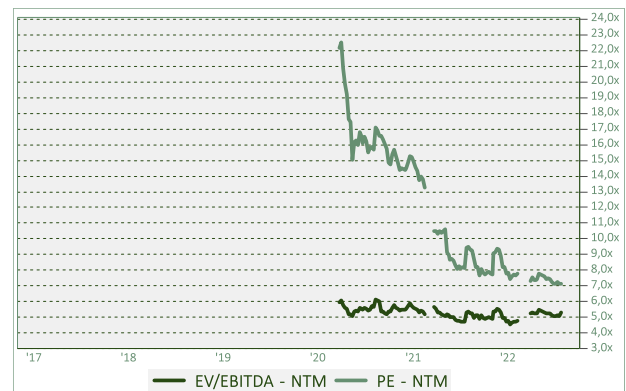
## Share price performance

Strong growth of EPS estimates



## Valuation

The company is trading at significant discount versus peers



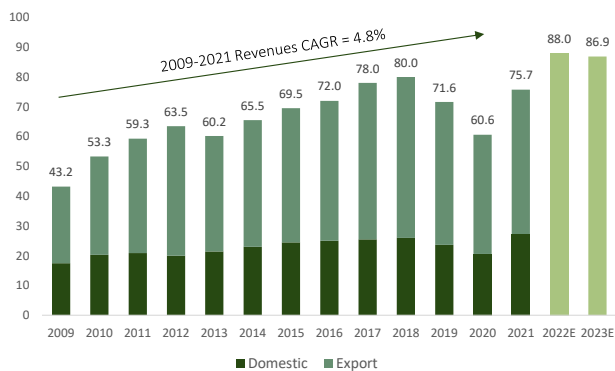
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## Key Charts

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

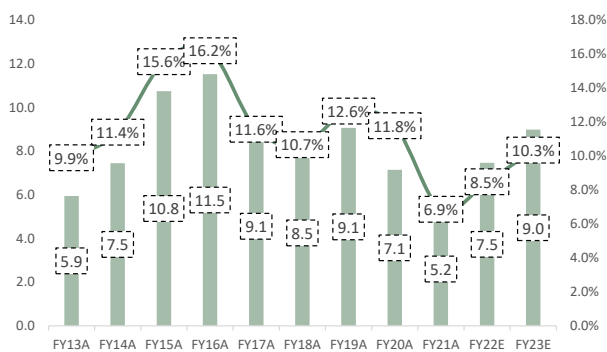
FY21 sales above pre-covid level



Source: company data

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

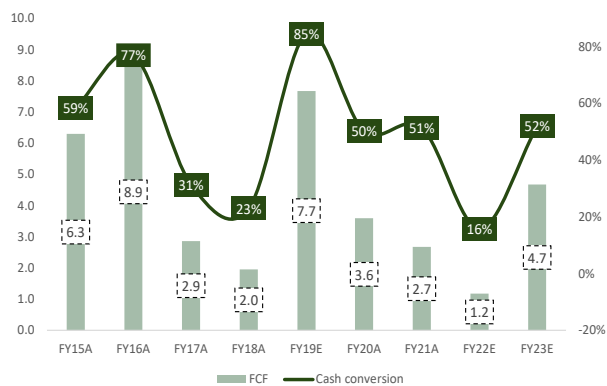
Profitability was resilient to Covid-19 related slowdown in 2020



Source: company data

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

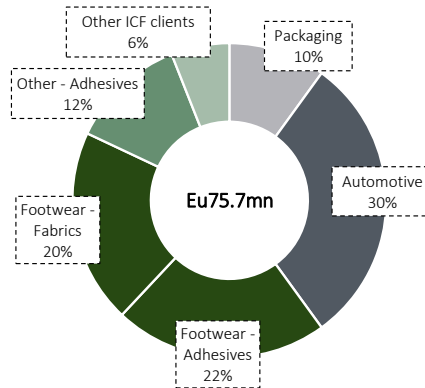
Good cash generation is foreseen in the coming years



Source: company data

### Revenues breakdown by Sector (FY21A)

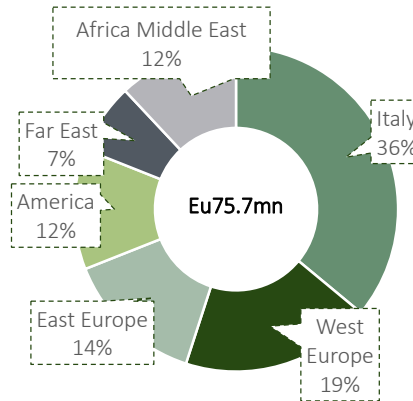
Born in footwear, ICF expanded in automotive, packaging and leather goods



Source: Company data

### Revenues breakdown by Geography (FY21A)

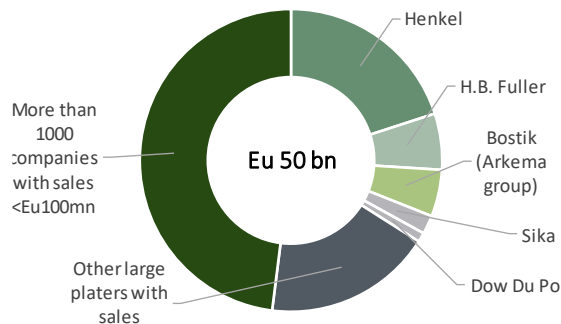
Well diversified by geography



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>	ICF manufactures adhesives (80% of sales in FY21) and technical fabrics (20%). 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: Forestali and ABC (Adhesive Based Chemicals). The Forestali division (60%) 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. Forestali also acts as a contract manufacturer in the production of third parties' brands for well recognized international players. The ABC division (40%) 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, followed by Footwear for 35.8%. Smaller contribution but higher potential for growth comes from Packaging (8.9%) and Leather Goods (4.9%).
<b>Positioning</b>	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. As of today, the company can rely on 3 R&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. ICF sells its adhesives and fabrics all over the world. Sales made abroad were a relevant driver of growth over the last decade, representing 64% of 2021 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.
<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 Eu75.7mn in FY21 posting a 5% 12Y CAGR. Growth came mainly from revenues made abroad thanks to an effective commercial activity made both in the US and in Asia. Cumulative adj. FCF generation over 2012-21 period was over Eu40mn. On average EBITDA cash conversion was c. 55%.</p> <p>The adhesive and sealants market is worth today around USD50bn (source: 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.</p>
<b>Strategy</b>	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&A an opportunity to consolidate its leadership in reference markets, enter into new geographies/end markets.

### Strengths

Global leading player in the supply of adhesives for car headliners  
Cross-sector diversification with exposure to luxury end-markets  
Low maintenance capex needs, sound cash generation

### Weaknesses

Exposure to cyclical automotive market  
Competition in the automotive sector is with global players with larger scale  
High exposure to raw material prices fluctuation

### Opportunities

M&A to expand footprint, to achieve higher product and geographical diversification  
Develop new commercial relationships and industrial partnerships  
R&D on water-based adhesives to attract customers via eco-friendly technologies

### Threats

Aggressive commercial behavior from large suppliers in automotive sector  
Limited number of raw materials suppliers  
Cyclical downturn should hit demand from automotive customers

### Key shareholders

V.F. Adhesives srl 26.5%

### Management

Guido Cami - CEO and Chairman  
Marcello Taglietti - COO  
Massimo Rancilio - CFO

### Next events

FY22 results: 27/03/2023  
1st Shareholding meeting: 27/04/2023  
2nd Shareholding meeting: 28/04/2023  
1Q23 results: 15/05/2023  
2Q23 results: 27/09/2023  
3Q23 results: 15/11/2023

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## Results

### 4Q/FY22P results

FY22 preliminary top-line up +17% yoy driven by a better-than-expected 4Q22 release and 4Q22 EBITDA margin expansion to over 12%

Eu mn	4Q21A	4Q22P	YoY %	Alantra		FY21A	FY22P	YoY %	Alantra	
				4Q22E	AvE				FY22E	AvE
Revenues	20.6	22.3	8.5%	20.5	8.7%	75.7	88.0	17%	86.2	2.1%
EBITDA Adj.	0.9	2.7	200.0%	1.9	43.9%	5.2	7.5	44%	6.7	12.3%
Ebitda Margin %	4.4%	12.1%		9.2%		6.9%	8.5%		7.7%	
NFP (debt)/cash	(7.3)	(8.0)		(8.8)		(7.4)	(8.0)		(8.8)	

Source: Company data, Alantra estimates

## Estimates

### Change in estimates

We align our FY22E projections to preliminary results and prudentially trim FY23/24E EBITDA by 9/8% respectively

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Total Revenues / Value of Production	88.0	86.9	87.5	2%	0%	0%	86.2	86.6	87.8
EBITDA Adjusted	7.5	9.0	10.9	12%	-9%	-8%	6.7	9.9	11.9
EBIT Adjusted	4.6	6.2	7.9	7%	-20%	-19%	4.3	7.8	9.8
Net profit restated	3.4	4.2	4.7	7%	-21%	-22%	3.2	5.3	6.1
EPS	0.510	0.625	0.708	7%	-21%	-22%	0.476	0.794	0.909
Net financial position	(8.0)	(4.3)	(0.4)	0.81	0.82	0.17	(8.8)	(5.1)	(0.5)

Source: Alantra estimates

## Peers

### Trading multiples

At current market price, the stock is at large discount vs peers on 2023/2024E 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	6.3 x	4.8 x	3.6 x	10.4 x	7.0 x	5.0 x	11.3 x	9.1 x	8.1 x	0.5 x	0.5 x	0.4 x
			-32%	-45%	-53%	-23%	-41%	-53%	-31%	-43%	-41%	-60%	-62%	-63%
<b>PEERS</b>	<b>Average</b>		9.9 x	9.3 x	8.3 x	14.2 x	13.4 x	11.6 x	17.0 x	16.3 x	17.1 x	1.8 x	1.7 x	1.6 x
	<b>Median</b>		9.3 x	8.8 x	7.7 x	13.4 x	11.9 x	10.6 x	16.4 x	16.0 x	13.7 x	1.3 x	1.3 x	1.2 x
Henkel AG & Co. KGaA Pref	GERMANY	27,538	9.2 x	8.9 x	7.8 x	12.4 x	11.6 x	10.2 x	16.4 x	15.8 x	13.7 x	1.3 x	1.3 x	1.2 x
Sika AG	SWITZERLAND	39,472	21.5 x	20.2 x	16.8 x	26.7 x	26.1 x	21.2 x	34.9 x	32.9 x	27.3 x	4.0 x	3.8 x	3.3 x
Arkema SA	FRANCE	6,918	4.1 x	5.5 x	5.0 x	5.6 x	8.8 x	7.6 x	5.9 x	9.9 x	8.4 x	0.7 x	0.8 x	0.8 x
H.B. Fuller Company	UNITED STATES	3,312	10.0 x	8.7 x	7.8 x	14.8 x	12.1 x	10.4 x	17.0 x	16.2 x	13.6 x	1.4 x	1.4 x	1.2 x
<b>PEERS Adhesives Producers</b>	<b>Average</b>		11.2 x	10.8 x	9.4 x	14.9 x	14.6 x	12.3 x	18.6 x	18.7 x	15.8 x	1.9 x	1.8 x	1.6 x
	<b>Median</b>		9.6 x	8.8 x	7.8 x	13.6 x	11.9 x	10.3 x	16.7 x	16.0 x	13.7 x	1.3 x	1.3 x	1.2 x
SAES Getters S.p.A.	ITALY	672	13.4 x	12.8 x	12.3 x	18.4 x	17.2 x	16.1 x	24.6 x	21.7 x	33.5 x	2.9 x	2.9 x	2.8 x
Cembre S.p.A.	ITALY	524	9.4 x	8.8 x	8.0 x	12.3 x	11.8 x	10.7 x	17.2 x	16.6 x	28.1 x	2.6 x	2.4 x	2.2 x
LU-VE SpA	ITALY	585	9.6 x	9.0 x	7.7 x	16.1 x	15.4 x	13.0 x	16.4 x	17.1 x	15.6 x	1.2 x	1.2 x	1.0 x
Aquafil SpA	ITALY	257	6.3 x	5.9 x	5.2 x	14.4 x	13.2 x	11.0 x	12.3 x	13.1 x	11.3 x	0.8 x	0.7 x	0.7 x
Sabaf S.p.A.	ITALY	194	6.8 x	5.6 x	5.0 x	11.8 x	9.3 x	7.9 x	11.5 x	8.7 x	8.3 x	1.1 x	1.0 x	0.9 x
B&C Speakers S.p.A.	ITALY	146	8.5 x	7.5 x	7.0 x	9.5 x	8.5 x	7.7 x	13.4 x	11.5 x	11.0 x	2.0 x	1.8 x	1.7 x
<b>PEERS Italian Small-Caps</b>	<b>Average</b>		9.0 x	8.3 x	7.5 x	13.8 x	12.6 x	11.1 x	15.9 x	14.8 x	18.0 x	1.8 x	1.7 x	1.5 x
	<b>Median</b>		9.0 x	8.1 x	7.3 x	13.4 x	12.5 x	10.9 x	14.9 x	14.9 x	13.5 x	1.6 x	1.5 x	1.3 x

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	10.4%	7.1%	4.7%	2.1%	-43.9%	4.9%	27.9%	43.5%	30.0%
<b>PEERS</b>	<b>Average</b>		18.2%	13.1%	8.9%	4.9%	39.8%	9.2%	10.6%	13.7%	9.9%
	<b>Median</b>		16.8%	11.1%	7.5%	5.7%	39.0%	8.7%	10.2%	15.3%	10.9%
Henkel AG & Co. KGaA Pref	GERMANY	27,538	14.6%	11.0%	7.1%	3.3%	44.9%	3.6%	0.4%	-0.5%	1.2%
Sika AG	SWITZERLAND	39,472	19.1%	15.1%	11.0%	2.5%	41.6%	12.9%	13.8%	13.9%	13.3%
Arkema SA	FRANCE	6,918	16.4%	11.1%	7.8%	6.2%	30.1%	3.6%	-0.2%	-1.8%	-2.5%
H.B. Fuller Company	UNITED STATES	3,312	15.2%	11.0%	6.4%	3.3%	17.2%	6.5%	10.6%	18.2%	12.8%
<b>PEERS Adhesives Producers</b>	<b>Average</b>		16.3%	12.0%	8.1%	3.8%	33.5%	6.6%	6.2%	7.5%	6.2%
	<b>Median</b>		15.8%	11.1%	7.5%	3.3%	35.8%	5.0%	5.5%	6.7%	7.0%
SAES Getters S.p.A.	ITALY	672	22.5%	16.7%	9.0%	5.8%	45.1%	13.1%	20.5%	27.8%	10.0%
Cembre S.p.A.	ITALY	524	27.5%	20.7%	15.4%	7.1%	65.5%	9.4%	9.9%	9.5%	-10.0%
LU-VE SpA	ITALY	585	12.9%	7.7%	6.1%	5.9%	24.6%	10.8%	13.3%	16.6%	11.8%
Aquafil SpA	ITALY	257	12.3%	5.6%	3.4%	5.7%	35.9%	8.1%	8.3%	18.3%	25.8%
Sabaf S.p.A.	ITALY	194	17.3%	10.5%	7.3%	7.8%	36.3%	0.9%	-3.2%	-6.2%	-1.6%
B&C Speakers S.p.A.	ITALY	146	23.8%	21.3%	15.2%	1.3%	56.5%	23.0%	32.9%	41.0%	38.0%
<b>PEERS Italian Small-Caps</b>	<b>Average</b>		19.4%	13.7%	9.4%	5.6%	44.0%	10.9%	13.6%	17.8%	12.3%
	<b>Median</b>		19.9%	13.6%	8.1%	5.8%	40.7%	10.1%	11.6%	17.5%	10.9%

Source: Alantra estimates and Factset

## Performance

Performance has been resilient over the last 6 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
Industrie Chimiche Forestali	ITALY	42	1.8%	7.6%	4.0%	-8.7%	-23.2%	-44.0%
PEERS	Average		6.2%	13.9%	8.1%	-3.5%	19.5%	19.9%
	Median		2.8%	14.5%	6.9%	-10.0%	15.1%	19.9%
Henkel AG & Co. KGaA Pref	GERMANY	27,538	-0.8%	3.4%	6.7%	-15.9%	-31.6%	-40.7%
Sika AG	SWITZERLAND	39,472	15.5%	12.7%	14.1%	-16.4%	41.8%	89.2%
Arkema SA	FRANCE	6,918	8.7%	16.4%	1.5%	-26.1%	7.2%	-12.9%
H.B. Fuller Company	UNITED STATES	3,312	-8.7%	0.0%	7.1%	-6.5%	39.1%	25.5%
PEERS Adhesives Producers	Average		3.7%	8.1%	7.3%	-16.2%	14.1%	15.3%
	Median		3.9%	8.1%	6.9%	-16.1%	23.2%	6.3%
SAES Getters S.p.A.	ITALY	672	36.3%	52.4%	48.8%	40.4%	7.7%	27.2%
Cembre S.p.A.	ITALY	524	-1.0%	17.6%	11.2%	3.0%	33.0%	30.8%
LU-VE SpA	ITALY	585	-0.9%	26.7%	19.0%	28.3%	82.6%	133.8%
Aquafil SpA	ITALY	257	8.9%	7.9%	-1.5%	-13.5%	-6.8%	-53.4%
Sabaf S.p.A.	ITALY	194	-2.4%	-14.3%	-30.9%	-32.5%	22.6%	-14.3%
B&C Speakers S.p.A.	ITALY	146	6.4%	16.7%	5.1%	3.9%	-1.1%	14.3%
PEERS Italian Small-Caps	Average		7.9%	17.8%	8.6%	4.9%	23.0%	23.0%
	Median		2.7%	17.1%	8.2%	3.5%	15.1%	20.7%

Source: Alantra estimates and Factset

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