

## Industrie Chimiche Forestali

Sector: Industrial

### EBITDA above preliminary figure. Good start to 2023

*FY22 revenues were broadly in line with preliminary figure while EBITDA was 4.5% better. Despite the challenging context experienced during FY22, ICF has secured a strong year with double-digit growth in revenues (+16.6% yoy) and EBITDA margin expansion (from 6.9% in 21 to 8.8% in 22). The exposure to premium/luxury footwear and premium leather business is adding business diversification and growth of profitability. The acquisition of Tessitura Langé is a further step in this direction. The first months of 2023, which confirm volumes and price-mix momentum of 2H22 (except in automotive), leave grounds of optimism. We keep our estimates unchanged. ICF is now trading at 2023E 5.1x EV/EBITDA (40% discount vs. peers). BUY rating confirmed with TP of Eu8.0/share.*

- EBITDA a touch better than preliminary figure. Adj Net profit up 77% yoy.** FY22 revenues came in at Eu88.3mn, in line with preliminary figures (Eu88mn) and up 16.5% yoy, driven by both volume and price-mix. FY22 EBITDA was slightly better than preliminary figure at Eu7.8mn/8.5% margin vs. Eu7.5mn. We remind that the group achieved a strong set of FY22 results, despite the challenging context of high energy/raw materials costs. Business diversification, gradually weighing on premium/luxury leather and footwear segment, is supporting margins and top-line expansion, while automotive business posting a stable yoy trend. FY22 Adj. EBIT of Eu5.1mn was above our estimate Eu4.6mn. Adj. net profit stood at Eu3.9mn (+77% yoy), +14% vs. our estimate. Net debt reached Eu7.8mn (from Eu7.4mn in FY21 and vs. preliminary of Eu8mn) after a sound FCF generation of Eu1.3mn (Eu2mn capex), Eu1mn dividends, Eu0.3mn cash-out from Morel acquisition and Eu0.5mn buyback. The BoD proposed the distribution of a DPS of Eu0.2/share, +43% vs last year.
- Acquisition of Tessitura Langé to grow in premium textiles and increase business diversification.** Last February, ICF has announced the acquisition of the business of Tessitura Langé Srl dedicated to production and distribution of premium and sustainable cotton and other premium textiles. Tessitura Langé is one of the main suppliers of ICF. The deal entails Eu1.76mn cash payment plus the value of the inventory at closing (1<sup>st</sup> payment at execution date due to 30/04/23 and a 2<sup>nd</sup> within 12 months after execution date). According to Aida, Tessitura Langé Srl historically generated revenues around Eu10mn with mid/low single digit EBITDA margin. We believe that the acquisition, despite being small, should add: 1) Diversification: the deal lifts ICF's exposure to premium shoes and packaging segments while reduces automotive (to c. 20% of sales after the integration); 2) Vertical integration: Tessitura Langé is one of the main suppliers of ICF. The deal paves the way for the exploitation of industrial synergies (the ICF's strong knowledge and proximity with the acquired production center reduce the integration risks) and 3) Compliance with ESG standards: direct tracking of a larger portion of the supply chain should add value with ICF's final clients (luxury brands).
- Estimates confirmed.** On the back of mgmt. indication of a good start of 2023 (revenues and EBITDA margin in line with 2H22), we broadly confirm our estimates. Our numbers do not factor-in the acquisition of the Tessitura Langé business, which is expected to be finalised by the end of April, leaving further rooms for upside. Our FY23/24 estimates point to revenues of Eu87/87.5mn and 10.3/12.4% EBITDA margin.
- BUY rating confirmed with TP of Eu8.0/share.** We confirm our BUY rating with TP of Eu8.0/share. The solid cash flow generation profile and business resiliency coupled with successful shift to premium leather and luxury segments strengths our positive stance on the stock. ICF is now trading at 2023E 5.1x EV/EBITDA (40% below larger international peers). Further M&A is an upside potential not included in our estimates.

## BUY

Unchanged

## TP 8.0

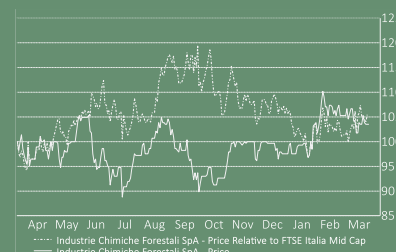
Unchanged

Target price upside 36%

	FY23E	FY24E
Change in EPS est.	4.1%	3.6%

Ticker (BBG, Reut)	ICF IM	ICF MI
Share price Ord. (Eu)		5.9
N. of Ord. shares (mn)		6.8
Total N. of shares (mn)		6.8
Market cap (Eu mn)		40
Total Market Cap f.d. (Eu mn)		40
Free Float Ord. (%)		88%
Free Float Ord. (Eu mn)		35
Daily AVG liquidity Ord. (Eu k)		13

	1M	3M	12M
Absolute Perf.	-1.7%	5.7%	10.1%
Rel.to FTSEMIDCap	3.0%	-1.5%	11.4%
52 weeks range		5.1	6.3



	FY22A	FY23E	FY24E
Sales	88	87	87
EBITDA	7.8	9.0	10.9
Net profit adj.	3.9	4.3	4.9
EPS adj.	0.575	0.642	0.724
DPS - Ord.	0.200	0.140	0.140
EV/EBITDA	6.1x	5.1x	3.9x
P/E adj.	9.9x	9.2x	8.1x
Dividend yield	3.5%	2.4%	2.4%
FCF yield	3.3%	10.6%	12.3%
Net debt/(Net cash)	7.8	4.9	1.2
Net debt/EBITDA	1.0x	0.6x	0.1x

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## Key Data

P&L account (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	75.7	88.3	86.9	87.5	89.3
Gross margin	24.0	28.9	29.8	31.8	32.4
EBITDA reported	5.2	7.8	9.0	10.9	11.6
D&A	(4.4)	(4.6)	(4.8)	(5.0)	(5.2)
EBIT reported	0.7	3.1	4.2	5.9	6.5
Net financial charges	(0.8)	0.6	(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	(0.1)	3.7	3.9	5.6	6.2
Taxes	2.4	(0.5)	(1.1)	(2.3)	(2.4)
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	2.3	3.2	2.8	3.3	3.7
<b>EBITDA adjusted</b>	<b>5.2</b>	<b>7.8</b>	<b>9.0</b>	<b>10.9</b>	<b>11.6</b>
<b>EBIT adjusted</b>	<b>2.7</b>	<b>5.1</b>	<b>6.4</b>	<b>8.1</b>	<b>8.7</b>
<b>Net profit adjusted</b>	<b>2.2</b>	<b>3.9</b>	<b>4.3</b>	<b>4.9</b>	<b>5.3</b>

Margins (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Gross margin	31.8%	32.7%	34.3%	36.3%	36.3%
EBITDA margin (adj)	6.9%	8.8%	10.3%	12.4%	13.0%
EBIT margin (adj)	3.5%	5.8%	7.4%	9.3%	9.7%
Pre-tax margin	-0.2%	4.2%	4.5%	6.4%	6.9%
Net profit margin (adj)	2.9%	4.4%	5.0%	5.6%	5.9%

Growth rates (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	24.9%	16.6%	-1.6%	0.7%	2.1%
EBITDA	-27.2%	50.1%	15.2%	21.0%	7.0%
EBITDA adjusted	-27.2%	50.1%	15.2%	21.0%	7.0%
EBIT	-74.5%	345.8%	34.7%	40.1%	9.5%
EBIT adjusted	-43.8%	91.0%	25.9%	26.3%	6.9%
Pre-tax	-108.8%	-2950.8%	5.5%	43.1%	10.0%
Net profit	2.5%	39.9%	-13.0%	20.1%	11.9%
Net profit adjusted	-33.2%	76.6%	11.5%	12.9%	8.1%

Per share data	FY21A	FY22A	FY23E	FY24E	FY25E
Shares	6.943	6.770	6.760	6.760	6.760
N. of shares AVG	6.943	6.770	6.684	6.675	6.675
N. of shares diluted AVG	6.943	6.856	6.765	6.760	6.760
<b>EPS</b>	<b>0.329</b>	<b>0.472</b>	<b>0.411</b>	<b>0.493</b>	<b>0.552</b>
<b>EPS adjusted</b>	<b>0.317</b>	<b>0.575</b>	<b>0.642</b>	<b>0.724</b>	<b>0.783</b>
<b>DPS - Ord.</b>	<b>0.140</b>	<b>0.200</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	11.058	11.598	11.959	12.299	12.682

Enterprise value (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Share price Ord. (Eu)	6.4	5.7	5.9	5.9	5.9
Market cap	44.3	38.5	39.7	39.9	39.9
Net debt/(Net cash)	7.4	7.8	4.9	1.2	(5.1)
Adjustments	1.0	1.0	1.0	1.0	1.0
Enterprise value	52.7	47.3	45.7	42.1	35.8

Cash flow (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
EBITDA adjusted	5.2	7.8	9.0	10.9	11.6
Net financial charges	(0.4)	(0.6)	(0.3)	(0.3)	(0.3)
Cash taxes	(0.3)	0.5	(1.2)	(2.1)	(2.3)
Ch. in Working Capital	0.5	(2.9)	(1.2)	(1.5)	0.2
Other operating items	(0.3)	(1.6)	(0.3)	(0.3)	0.0
<b>Operating cash flow</b>	<b>4.6</b>	<b>3.3</b>	<b>5.9</b>	<b>6.7</b>	<b>9.3</b>
Capex	(2.0)	(2.0)	(1.7)	(1.7)	(1.8)
<b>FCF</b>	<b>2.7</b>	<b>1.3</b>	<b>4.2</b>	<b>4.9</b>	<b>7.5</b>
Disposals/Acquisitions	(3.4)	(0.3)	0.0	0.0	0.0
Changes in Equity	(2.3)	(0.5)	0.0	0.0	0.0
Others	(0.1)	0.1	0.0	0.0	0.0
Dividends	(1.0)	(1.0)	(1.4)	(1.2)	(1.2)
<b>Ch. in NFP</b>	<b>(4.2)</b>	<b>(0.4)</b>	<b>2.8</b>	<b>3.7</b>	<b>6.3</b>

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Capex/Sales</b>	<b>2.6%</b>	<b>2.3%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>
Capex/D&A	0.4x	0.4x	0.4x	0.4x	0.3x
FCF/EBITDA	51.4%	16.0%	46.7%	45.2%	64.5%
FCF/Net profit	nm	nm	nm	nm	nm
<b>Dividend pay-out</b>	<b>41.6%</b>	<b>42.4%</b>	<b>42.4%</b>	<b>42.4%</b>	<b>42.4%</b>

Balance sheet (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital	17.0	20.7	21.0	22.5	28.3
Fixed assets	76.1	73.3	71.0	68.4	66.2
Provisions & others	(9.0)	(7.7)	(7.2)	(7.6)	(14.9)
<b>Net capital employed</b>	<b>84.1</b>	<b>86.3</b>	<b>84.9</b>	<b>83.3</b>	<b>79.5</b>
<b>Net debt/(Net cash)</b>	<b>7.4</b>	<b>7.8</b>	<b>4.9</b>	<b>1.2</b>	<b>(5.1)</b>
Equity	76.8	78.5	79.9	82.1	84.7
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY21A	FY22A	FY23E	FY24E	FY25E
<b>Working capital/Sales</b>	<b>22.5%</b>	<b>23.5%</b>	<b>24.2%</b>	<b>25.7%</b>	<b>31.7%</b>
<b>Net debt/Equity</b>	<b>9.6%</b>	<b>9.9%</b>	<b>6.2%</b>	<b>1.5%</b>	<b>nm</b>
<b>Net debt/EBITDA</b>	<b>1.4x</b>	<b>1.0x</b>	<b>0.6x</b>	<b>0.1x</b>	<b>nm</b>

Valuation	FY21A	FY22A	FY23E	FY24E	FY25E
<b>EV/CE</b>	<b>0.6x</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.4x</b>
P/BV	0.6x	0.5x	0.5x	0.5x	0.5x
EV/Sales	0.7x	0.5x	0.5x	0.5x	0.4x
EV/EBITDA	10.1x	6.1x	5.1x	3.9x	3.1x
<b>EV/EBITDA adjusted</b>	<b>10.1x</b>	<b>6.1x</b>	<b>5.1x</b>	<b>3.9x</b>	<b>3.1x</b>
EV/EBIT	75.1x	15.1x	10.8x	7.1x	5.5x
<b>EV/EBIT adjusted</b>	<b>19.8x</b>	<b>9.3x</b>	<b>7.1x</b>	<b>5.2x</b>	<b>4.1x</b>
P/E	19.4x	12.0x	14.3x	12.0x	10.7x
<b>P/E adjusted</b>	<b>20.1x</b>	<b>9.9x</b>	<b>9.2x</b>	<b>8.1x</b>	<b>7.5x</b>
ROCE pre-tax	2.9%	5.4%	6.9%	8.9%	9.3%
<b>ROE</b>	<b>2.9%</b>	<b>5.0%</b>	<b>5.4%</b>	<b>6.0%</b>	<b>6.3%</b>
EV/FCF	19.7x	37.8x	10.9x	8.6x	4.8x
<b>FCF yield</b>	<b>6.0%</b>	<b>3.3%</b>	<b>10.6%</b>	<b>12.3%</b>	<b>18.8%</b>
<b>Dividend yield</b>	<b>2.2%</b>	<b>3.5%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>2.4%</b>

### Share price performance

Strong growth of EPS estimates



### Valuation

The company is trading at significant discount versus peers



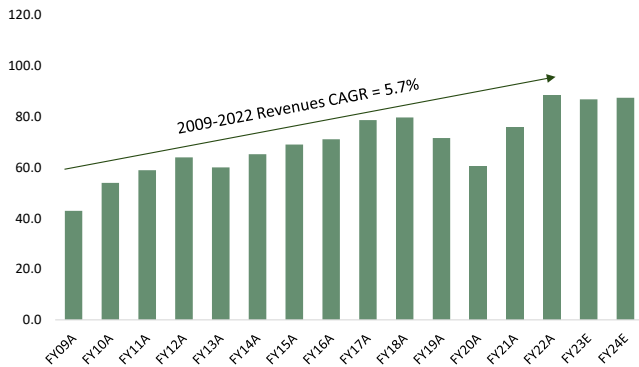
# ALANTRA

Italian Equity Research

## Key Charts

### Solid top line growth in the long term (FY09A-FY24E)

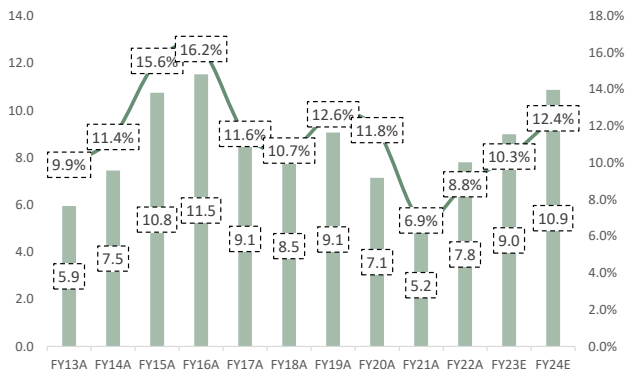
FY21 sales above pre-covid level



Source: company data

### A profitable business (FY13A-FY24E EBITDA and margin)

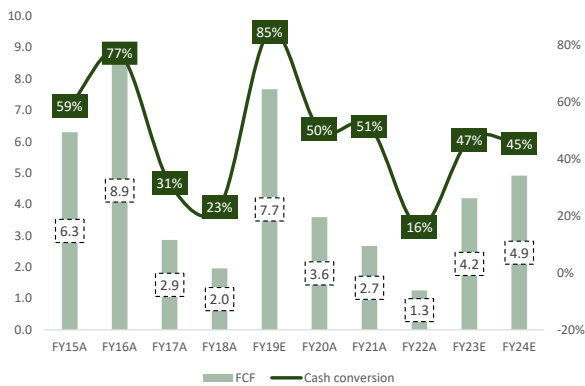
Profitability was resilient to Covid-19, further margin expansion is expected



Source: company data

### Cash generative (FY15A-FY24E FCF and cash conversion)

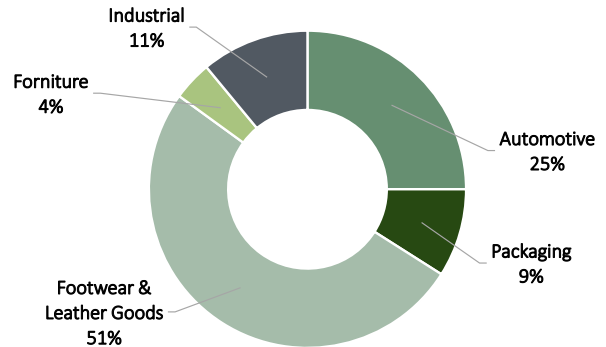
Good cash generation is foreseen in the coming years



Source: company data

### Revenues breakdown by Sector (FY22A)

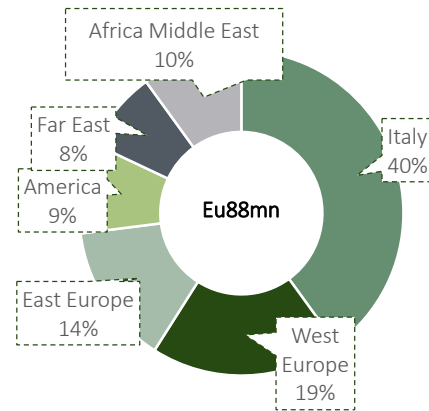
ICF has significantly reduced its exposure to the automotive sector



Source: Company data

### Revenues breakdown by Geography (FY22A)

Well diversified by geography



Source: company data

### An overview of ICF's adhesive applications

ICF's adhesive are used in a diversified end-markets (Premium leather/footwear, automotive, packaging)

**Footwear & Leather Goods (FORESTALI)**

- Adhesives: Solvent-based, Solvent-free, Water-based
- Technical fabrics: Toe-puff, counters, Linings and reinforcing

**Automotive (ABC)**

- Adhesives: Solvent-based, Solvent-free, Water-based

**Packaging (ABC)**

- Adhesives: Solvent-based, Solvent-free, Water-based

**Applications:**

- Footwear:** Technical fabric used in toe puffs and counters. Adhesive used to put together insoles and sole units.
- Automotive:** Technical fabric used to reinforce the handle, bottom and sides of the bag. Adhesive used to glue the linings.
- Packaging:** Adhesive used to glue different components of the upholstery.
- Automotive:** The layers of the headliner in a vehicle. It can be applied to light vehicles (passenger and commercial).
- Packaging:** Adhesives are used to glue the layers of films comprising the package for various applications (food and non-food).
- Packaging:** The plastic cover of magazines and periodicals.
- Packaging:** The pins used in the staplers and similar objects.

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 (34%) was launched in 2005 and manufactures industrial adhesives for the automotive and packaging industry. Footwear and Leather Goods represents the most important reference sector accounting for 51% of sales, followed by Automotive for 25%. Smaller contribution but higher potential for growth comes from Packaging (9%) and Industrial (11%).
<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 > 20 employees. 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. ICF sells its adhesives and fabrics all over the world. Sales made abroad were a relevant driver of growth over the last decade, representing 60% of 2022 total sales. The company distributes its products both directly, through a network of 9 experienced sales, and via agents / distributors. With the Morel and Tessitura Langé acquisitions in 2021 and 2023 respectively, 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 from Eu43.0mn in FY09 to Eu88mn in FY22 posting a 6% 13Y 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 2012-22 period was over Eu47mn. On average EBITDA cash conversion was &gt;50%.</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

### 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

### Key shareholders

V.F. Adhesives srl 26.5%

### Management

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

### 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

### Threats

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

### Next events

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

## 4Q/FY22 Results

### 4Q/FY22 results

FY22 preliminary sales confirmed, EBITDA a touch better

Eu mn	Alantra					Alantra				
	4Q21A	4Q22A	YoY %	4Q22E	AvE	FY21A	FY22A	YoY %	FY22A	AvE
Revenues	20.6	22.3	8.5%	22.3	0.0%	75.7	88.3	17%	88.0	0.4%
EBITDA Adj.	0.9	3.0	233.7%	2.7	11.2%	5.2	7.8	50%	7.5	4.5%
<i>Ebitda Margin %</i>	4.4%	12.1%		12.1%		6.9%	8.5%		8.5%	
EBIT Adj.	na	na	na	na		2.7	5.1	91.0%	4.6	11.4%
<i>Ebit Margin %</i>						3.5%	5.2%		5.2%	
Restated Net Profit	na	na	na	na		2.2	3.9	76.6%	3.4	14.0%
<i>Net Profit Margin %</i>	na	na		na		2.9%	3.9%		3.9%	
NFP (debt)/cash	(7.3)	(7.8)		(8.0)		(7.4)	(7.8)		(8.0)	

Source: Company data, Alantra estimates

## Estimates

### Change in estimates

On the back of mgmt. indication of a good start to 2023 (revenues and EBITDA margin in line with 2H22), we broadly confirm our estimates

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Total Revenues / Value of Production	86.9	87.5	89.3	0%	0%	na	86.9	87.5	na
EBITDA Adjusted	9.0	10.9	11.6	0%	0%	na	9.0	10.9	na
EBIT Adjusted	6.4	8.1	8.7	4%	3%	na	6.2	7.9	na
Net profit restated	4.3	4.9	5.3	4%	3%	na	4.2	4.7	na
EPS	0.650	0.734	0.793	4%	4%	na	0.625	0.708	na
Net financial position	(4.9)	(1.2)	5.1	-0.63	-0.83	na	(4.3)	(0.4)	na

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		
			FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Industrie Chimiche Forestali Premium (discount) to Peers' Median	ITALY	43	5.1 x	3.9 x	3.1 x	7.1 x	5.2 x	4.1 x	9.2 x	8.1 x	7.5 x	0.5 x	0.5 x	0.4 x
			-40%	-50%	-50%	-38%	-50%	-53%	-41%	-43%	-38%	-62%	-62%	-65%
<b>PEERS</b>	<b>Average</b>		8.9 x	8.1 x	6.8 x	12.4 x	11.1 x	9.5 x	16.0 x	15.2 x	12.0 x	1.7 x	1.5 x	1.3 x
	<b>Median</b>		8.5 x	7.7 x	6.2 x	11.5 x	10.3 x	8.9 x	15.4 x	14.4 x	12.1 x	1.4 x	1.3 x	1.1 x
Henkel AG & Co. KGaA Pref	-	29,301	9.9 x	8.9 x	8.2 x	12.8 x	11.4 x	10.5 x	17.4 x	15.2 x	13.9 x	1.4 x	1.3 x	1.3 x
Sika AG	-	38,607	19.2 x	15.7 x	14.4 x	24.1 x	19.7 x	18.0 x	30.8 x	25.5 x	22.5 x	3.6 x	3.1 x	2.9 x
Arkema SA	-	6,542	5.2 x	4.5 x	3.9 x	8.3 x	6.7 x	5.8 x	9.5 x	8.0 x	7.1 x	0.8 x	0.7 x	0.7 x
H.B. Fuller Company	-	3,337	8.7 x	7.8 x	na	12.4 x	10.4 x	na	16.0 x	13.5 x	12.1 x	1.4 x	1.2 x	na
<b>PEERS Adhesives Producers</b>	<b>Average</b>		10.8 x	9.2 x	8.8 x	14.4 x	12.1 x	11.4 x	18.4 x	15.6 x	13.9 x	1.8 x	1.6 x	1.6 x
	<b>Median</b>		9.3 x	8.3 x	8.2 x	12.6 x	10.9 x	10.5 x	16.7 x	14.4 x	13.0 x	1.4 x	1.3 x	1.3 x
SAES Getters S.p.A.	-	638	12.4 x	11.9 x	na	15.7 x	14.3 x	na	20.5 x	18.2 x	na	2.8 x	2.7 x	na
Cembre S.p.A.	-	524	8.3 x	7.6 x	6.7 x	10.7 x	9.8 x	9.2 x	14.8 x	26.3 x	13.1 x	2.3 x	2.1 x	1.9 x
LU-VE SpA	-	675	9.7 x	8.6 x	7.3 x	16.4 x	13.9 x	11.3 x	19.0 x	16.8 x	14.2 x	1.2 x	1.1 x	1.0 x
Aquafil SpA	-	212	3.0 x	4.8 x	4.1 x	7.2 x	10.2 x	8.6 x	13.5 x	10.5 x	9.0 x	0.4 x	0.6 x	0.6 x
Sabaf S.p.A.	-	180	5.5 x	4.9 x	4.1 x	9.0 x	7.8 x	6.3 x	8.3 x	7.6 x	6.8 x	1.0 x	0.9 x	0.8 x
B&C Speakers S.p.A.	-	150	7.1 x	6.3 x	5.7 x	7.8 x	6.9 x	6.4 x	10.6 x	10.0 x	9.7 x	1.7 x	1.6 x	1.5 x
<b>PEERS Italian Small-Caps</b>	<b>Average</b>		7.7 x	7.3 x	5.6 x	11.1 x	10.5 x	8.3 x	14.4 x	14.9 x	10.6 x	1.6 x	1.5 x	1.1 x
	<b>Median</b>		7.7 x	6.9 x	5.7 x	9.8 x	10.0 x	8.6 x	14.1 x	13.6 x	9.7 x	1.5 x	1.4 x	1.0 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)	FY23E - FY25E average margins					CAGR FY22A - FY25E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
Industrie Chimiche Forestali	ITALY	43	11.9%	8.8%	5.5%	2.0%	-42.4%	0.4%	14.2%	19.4%	10.9%
<b>PEERS</b>	<b>Average</b>		18.6%	13.7%	9.4%	4.8%	38.0%	4.6%	7.1%	9.8%	7.5%
	<b>Median</b>		17.2%	11.7%	8.0%	5.6%	35.6%	4.4%	8.1%	12.9%	9.3%
Henkel AG & Co. KGaA Pref	GERMANY	29,301	14.8%	11.5%	7.7%	3.3%	43.1%	0.4%	4.5%	15.1%	8.6%
Sika AG	SWITZERLAND	38,607	19.5%	15.6%	11.3%	2.5%	40.6%	11.0%	13.2%	13.0%	15.0%
Arkema SA	FRANCE	6,542	15.9%	10.4%	7.2%	6.2%	34.4%	-1.5%	-3.9%	-7.0%	-7.5%
H.B. Fuller Company	UNITED STATES	3,337	15.9%	11.8%	6.9%	3.1%	17.3%	3.1%	8.1%	12.9%	11.7%
<b>PEERS Adhesives Producers</b>	<b>Average</b>		16.5%	12.3%	8.3%	3.8%	33.9%	3.2%	5.5%	8.5%	6.9%
	<b>Median</b>		15.9%	11.7%	7.4%	3.2%	37.5%	1.8%	6.3%	13.0%	10.1%
SAES Getters S.p.A.	ITALY	638	22.7%	18.4%	12.3%	5.6%	35.2%	na	na	na	na
Cembre S.p.A.	ITALY	524	27.8%	21.1%	15.8%	7.5%	66.6%	9.0%	9.9%	7.5%	6.7%
LU-VE SpA	ITALY	675	13.2%	8.2%	5.5%	6.4%	22.9%	7.0%	10.6%	16.8%	9.9%
Aquafil SpA	ITALY	212	12.9%	5.9%	2.8%	5.6%	36.1%	2.2%	2.8%	3.9%	-4.4%
Sabaf S.p.A.	ITALY	180	18.5%	11.6%	8.3%	7.1%	33.2%	4.4%	12.1%	18.8%	17.8%
B&C Speakers S.p.A.	ITALY	150	25.1%	22.8%	16.5%	1.1%	50.8%	5.4%	6.7%	6.7%	9.3%
<b>PEERS Italian Small-Caps</b>	<b>Average</b>		20.0%	14.7%	10.2%	5.5%	40.8%	5.6%	8.4%	10.7%	7.9%
	<b>Median</b>		20.6%	15.0%	10.3%	6.0%	35.6%	5.4%	9.9%	7.5%	9.3%

Source: Alantra estimates and Factset

## Performance

ICF's price performance underperformed peers of adhesives producers over the last 6 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
Industrie Chimiche Forestali	ITALY	43	-1.7%	5.7%	9.7%	10.1%	7.3%	-40.4%
PEERS	Average		-3.7%	4.3%	18.0%	3.9%	81.9%	30.4%
	Median		-4.7%	3.9%	16.8%	2.2%	64.7%	26.8%
Henkel AG & Co. KGaA Pref	GERMANY	29,301	1.0%	5.0%	13.4%	12.2%	-3.1%	-33.6%
Sika AG	SWITZERLAND	38,607	-6.3%	11.2%	26.5%	-18.4%	61.3%	102.3%
Arkema SA	FRANCE	6,542	-8.4%	2.8%	16.4%	-22.2%	48.9%	-17.0%
H.B. Fuller Company	UNITED STATES	3,337	-4.1%	-9.2%	9.8%	-1.5%	147.9%	39.9%
PEERS Adhesives Producers	Average		-4.5%	2.4%	16.5%	-7.5%	63.8%	22.9%
	Median		-5.2%	3.9%	14.9%	-9.9%	55.1%	11.5%
SAES Getters S.p.A.	ITALY	638	-5.3%	31.2%	48.1%	40.1%	88.3%	42.0%
Cembre S.p.A.	ITALY	524	9.2%	-1.0%	26.2%	7.3%	81.4%	34.5%
LU-VE SpA	ITALY	675	0.2%	14.3%	42.2%	63.6%	222.9%	190.4%
Aquafil SpA	ITALY	212	-15.0%	-10.4%	-8.4%	-25.4%	42.5%	-58.6%
Sabaf S.p.A.	ITALY	180	-8.1%	-9.3%	-11.6%	-23.1%	63.6%	-14.9%
B&C Speakers S.p.A.	ITALY	150	0.0%	8.8%	17.2%	5.8%	65.9%	19.1%
PEERS Italian Small-Caps	Average		-3.2%	5.6%	19.0%	11.4%	94.1%	35.4%
	Median		-2.7%	3.9%	21.7%	6.6%	73.6%	26.8%

Source: Alantra estimates and Factset

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