

## Industrie Chimiche Forestali

Sector: Industrial

### Sound EBITDA and cash generation

*FY23 preliminary results were consistent with our sales projection with a touch better at EBITDA and NFP levels. This highlights once again the group's ability to improve profitability (+170bp yoy in EBITDA margin to 11%) with remarkable cash generation in 2H (ca. Eu5mn cash) despite a context of sales volume contraction. While business visibility for the year remains limited, ICF should benefit from FY consolidation of Langè business and resiliency in the automotive segment. A volume upturn in the luxury/leather goods business could be an upside risk to our estimates. We confirm our FY24-25E, expecting sales growth of 7% yoy on average with EBITDA margin above 11% and 12% in FY24-25, respectively. We believe the group's cash generative profile, which should deliver an average of >45% EBITDA/cash conversion during FY24-25E. All in all, we foresee FY24E top-line to reach Eu84.9mn with EBITDA of Eu9.6mn/11.3% margin. ICF trades at 6.0x 24E EV/EBIT, 47% discount vs peers, an undemanding level in our view. BUY rating and TP of Eu7.0/share confirmed.*

- **Bang in line FY23 preliminary sales.** ICF reported FY23 sales of Eu80.0mn (in line with our est.), -9.4% yoy (ca. -15% organic) from Eu88.3mn in FY22, primarily influenced by a difficult macroeconomic setting amidst subdued market conditions characterized by diminished demand across all relevant sectors. Tessitura Langè, consolidated in Apr-23, generated >Eu5mn in sales. 4Q23 sales totalled Eu19.7mn, -11.7% yoy (ca. -18% organic).
- **EBITDA and cash generation were better than expected.** Preliminary FY23 EBITDA came in higher than expected at Eu8.4mn/10.5% margin (vs. our Eu8.1mn est.) and up from Eu7.8mn/8.8% margin in FY22. EBITDA adjusted stood at Eu8.8mn/11% margin, net of Eu0.4mn related to MBO. We think that the FY expansion in EBITDA margin (+170bp yoy) is originating from improved energy and raw material expenses during the year, which have alleviated compared to peak levels in 2022. We also reaffirm that the company's focus on balancing its business mix, coupled with increased involvement in the premium luxury footwear/leather segment, has contributed to mitigate margin compression. Net debt reached Eu10.8mn, down from Eu13.9mn as of September 2023. The increase in NFP vs FY22 (from Eu7.8mn) is mainly linked to the acquisition of Tessitura Langè. Indeed, we recall that the integration resulted in: 1) Eu3mn NWC increase; 2) Eu1.4mn payment related to the first tranche of the deal; 3) Eu2.9mn IFRS lease impact due to the new plant related to the acquired business. We highlight that the group showed a remarkable cash generation, with Eu5mn cash produced in 2H23, o/w Eu3mn in 4Q23.
- **FY24-25E confirmed.** We confirm our FY24-25E numbers, resulting into an average sales growth of 7% yoy. We believe that business visibility in the luxury end-market remains somewhat limited due to persistent weakened demand. All in all, we expect FY24E top-line to reach Eu84.9mn with EBITDA of Eu9.6mn/11.3% margin. Net debt should improve to Eu8.3mn despite considering the last tranche of the payment related to Langè deal (Eu0.9mn) and estimated dividends for Eu1.3mn. Upsides may rise from additional synergies related to Tessitura Langè integration and potential upturn in luxury/leather goods volumes.
- **BUY rating confirmed and TP of Eu7.0/share.** We confirm our BUY rating and TP of Eu7.0/share as a result of mark-to-market DCF (50% weight) and relative valuation (50%). ICF is now trading at 2024E 6.0x EV/EBIT (c. 47% below larger international peers), an undemanding level in our view, suggesting an attractive entry point.

## BUY

Unchanged

## TP 7.0

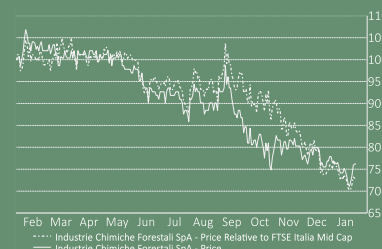
Unchanged

Target price upside 56%

	FY23E	FY24E
Change in EPS est.	11.5%	2.0%

Ticker (BBG, Reut)	ICF IM	ICF MI
Share price Ord. (Eu)		4.5
N. of Ord. shares (mn)		6.7
Total N. of shares (mn)		6.7
Market cap (Eu mn)		30
Total Market Cap f.d. (Eu mn)		30
Free Float Ord. (%)		91%
Free Float Ord. (Eu mn)		27
Daily AVG liquidity Ord. (Eu k)		20

	1M	3M	12M
Absolute Perf.	0.9%	0.4%	-20.3%
Rel. to FTSEMidCap	-1.4%	-20.7%	-25.5%
52 weeks range		4.2	6.3



	FY22A	FY23E	FY24E
Sales	88	80	85
EBITDA	7.8	8.8	9.6
Net profit adj.	3.9	3.6	3.7
EPS adj.	0.575	0.541	0.545
DPS - Ord.	0.200	0.140	0.140
EV/EBITDA	6.0x	5.5x	4.1x
P/E adj.	9.9x	10.0x	8.2x
Dividend yield	3.5%	2.6%	3.1%
FCF yield	3.3%	0.1%	16.0%
Net debt/(Net cash)	7.8	10.8	8.3
Net debt/EBITDA	1.0x	1.2x	0.9x

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## Financial Summary (IFRS)

P&L account (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	75.7	88.3	80.0	84.9	92.0
Gross margin	24.0	28.9	28.1	30.0	32.5
EBITDA reported	5.2	7.8	8.4	9.6	11.4
D&A	(4.4)	(4.6)	(4.8)	(5.0)	(5.2)
EBIT reported	0.7	3.1	3.6	4.6	6.2
Net financial charges	(0.8)	0.6	(0.8)	(0.6)	(0.6)
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	2.8	4.0	5.6
Taxes	2.4	(0.5)	(0.8)	(1.7)	(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	2.3	3.2	2.0	2.3	3.4
<b>EBITDA adjusted</b>	<b>5.2</b>	<b>7.8</b>	<b>8.8</b>	<b>9.6</b>	<b>11.4</b>
<b>EBIT adjusted</b>	<b>2.7</b>	<b>5.1</b>	<b>5.9</b>	<b>6.6</b>	<b>8.1</b>
<b>Net profit adjusted</b>	<b>2.2</b>	<b>3.9</b>	<b>3.6</b>	<b>3.7</b>	<b>4.8</b>

Margins (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Gross margin	31.8%	32.7%	35.1%	35.3%	35.3%
EBITDA margin (adj)	6.9%	8.8%	10.9%	11.3%	12.4%
EBIT margin (adj)	3.5%	5.8%	7.4%	7.7%	8.9%
Pre-tax margin	-0.2%	4.2%	3.5%	4.7%	6.1%
Net profit margin (adj)	2.9%	4.4%	4.6%	4.3%	5.2%

Growth rates (%)	FY21A	FY22A	FY23E	FY24E	FY25E
Sales	24.9%	16.6%	-9.4%	6.2%	8.3%
EBITDA	-27.2%	50.1%	7.1%	14.9%	18.4%
EBITDA adjusted	-27.2%	50.1%	12.2%	9.6%	18.4%
EBIT	-74.5%	345.8%	14.4%	29.1%	34.0%
EBIT adjusted	-43.8%	91.0%	16.7%	10.8%	23.8%
Pre-tax	nm	nm	-25.1%	44.7%	39.1%
Net profit	2.5%	39.9%	-38.3%	15.8%	48.8%
Net profit adjusted	-33.2%	76.6%	-6.2%	0.7%	30.3%

Per share data	FY21A	FY22A	FY23E	FY24E	FY25E
Shares	6.943	6.770	6.741	6.741	6.741
N. of shares AVG	6.943	6.770	6.665	6.637	6.637
N. of shares diluted AVG	6.943	6.856	6.755	6.741	6.741
<b>EPS</b>	<b>0.329</b>	<b>0.472</b>	<b>0.292</b>	<b>0.339</b>	<b>0.504</b>
<b>EPS adjusted</b>	<b>0.317</b>	<b>0.575</b>	<b>0.541</b>	<b>0.545</b>	<b>0.711</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	11.666	11.858	12.146

Enterprise value (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Share price Ord. (Eu)	6.4	5.7	5.4	4.5	4.5
Market cap	44.3	38.5	36.6	30.2	30.2
Net debt/(Net cash)	7.4	7.8	10.8	8.3	4.8
Adjustments	1.0	1.0	1.0	1.0	1.0
Enterprise value	52.6	47.2	48.3	39.4	35.9

Cash flow (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
EBITDA adjusted	5.2	7.8	8.8	9.6	11.4
Net financial charges	(0.4)	(0.6)	(0.8)	(0.6)	(0.6)
Cash taxes	(0.3)	0.5	(0.9)	(1.6)	(2.1)
Ch. in Working Capital	0.5	(2.9)	(2.8)	(0.5)	(1.5)
Other operating items	(0.3)	(1.6)	(2.7)	(0.4)	(0.4)
<b>Operating cash flow</b>	<b>4.6</b>	<b>3.3</b>	<b>1.6</b>	<b>6.5</b>	<b>6.8</b>
Capex	(2.0)	(2.0)	(1.6)	(1.7)	(1.8)
<b>FCF</b>	<b>2.7</b>	<b>1.3</b>	<b>0.0</b>	<b>4.8</b>	<b>5.0</b>
Disposals/Acquisitions	(3.4)	(0.3)	(1.4)	(0.9)	0.0
Changes in Equity	(2.3)	(0.5)	(0.4)	0.0	0.0
Others	(0.1)	0.1	0.0	0.0	0.0
Dividends	(1.0)	(1.0)	(1.4)	(1.3)	(1.5)
<b>Ch. in NFP</b>	<b>(4.2)</b>	<b>(0.4)</b>	<b>(3.1)</b>	<b>2.6</b>	<b>3.5</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	0.3x	0.3x	0.4x
FCF/EBITDA	51.4%	16.0%	0.3%	50.2%	43.8%
FCF/Net profit	nm	nm	nm	nm	nm
<b>Dividend pay-out</b>	<b>41.6%</b>	<b>42.4%</b>	<b>68.0%</b>	<b>65.0%</b>	<b>65.0%</b>

Balance sheet (Eu mn)	FY21A	FY22A	FY23E	FY24E	FY25E
Working capital	17.0	20.7	22.6	23.1	30.7
Fixed assets	76.1	73.3	71.7	70.0	67.8
Provisions & others	(9.0)	(7.7)	(5.7)	(6.1)	(13.1)
<b>Net capital employed</b>	<b>84.1</b>	<b>86.3</b>	<b>88.6</b>	<b>87.0</b>	<b>85.4</b>
<b>Net debt/(Net cash)</b>	<b>7.4</b>	<b>7.8</b>	<b>10.8</b>	<b>8.3</b>	<b>4.8</b>
Equity	76.8	78.5	77.8	78.7	80.6
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>28.3%</b>	<b>27.2%</b>	<b>33.3%</b>
<b>Net debt/Equity</b>	<b>9.6%</b>	<b>9.9%</b>	<b>13.9%</b>	<b>10.5%</b>	<b>5.9%</b>
<b>Net debt/EBITDA</b>	<b>1.4x</b>	<b>1.0x</b>	<b>1.2x</b>	<b>0.9x</b>	<b>0.4x</b>

Valuation	FY21A	FY22A	FY23E	FY24E	FY25E
<b>EV/CE</b>	<b>0.6x</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.4x</b>	<b>0.4x</b>
P/BV	0.6x	0.5x	0.5x	0.4x	0.4x
EV/Sales	0.7x	0.5x	0.6x	0.5x	0.4x
EV/EBITDA	10.1x	6.0x	5.8x	4.1x	3.2x
<b>EV/EBITDA adjusted</b>	<b>10.1x</b>	<b>6.0x</b>	<b>5.5x</b>	<b>4.1x</b>	<b>3.2x</b>
EV/EBIT	75.0x	15.1x	13.5x	8.5x	5.8x
<b>EV/EBIT adjusted</b>	<b>19.7x</b>	<b>9.3x</b>	<b>8.1x</b>	<b>6.0x</b>	<b>4.4x</b>
P/E	19.4x	12.0x	18.5x	13.2x	8.9x
<b>P/E adjusted</b>	<b>20.1x</b>	<b>9.9x</b>	<b>10.0x</b>	<b>8.2x</b>	<b>6.3x</b>
ROCE pre-tax	2.9%	5.4%	6.3%	7.0%	8.5%
<b>ROE (excl. Goodwill)</b>	<b>5.3%</b>	<b>9.0%</b>	<b>8.7%</b>	<b>8.8%</b>	<b>10.9%</b>
EV/FCF	19.7x	37.7x	nm	8.2x	7.2x
<b>FCF yield</b>	<b>6.0%</b>	<b>3.3%</b>	<b>0.1%</b>	<b>16.0%</b>	<b>16.5%</b>
<b>Dividend yield</b>	<b>2.2%</b>	<b>3.5%</b>	<b>2.6%</b>	<b>3.1%</b>	<b>3.1%</b>

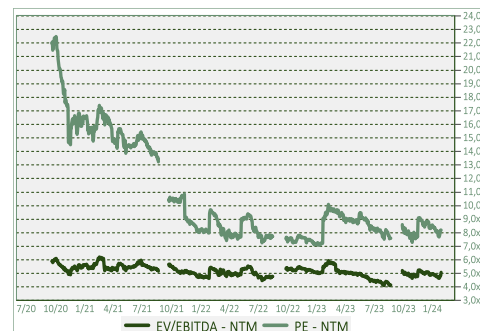
### Share price performance

Strong growth of EPS estimates



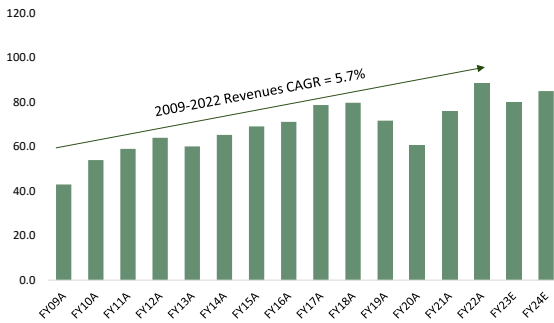
### Valuation

The company is trading at significant discount versus peers



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

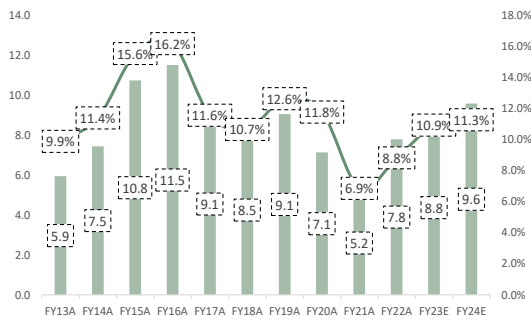
FY21-22 sales posted a double-digit growth



Source: company data

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

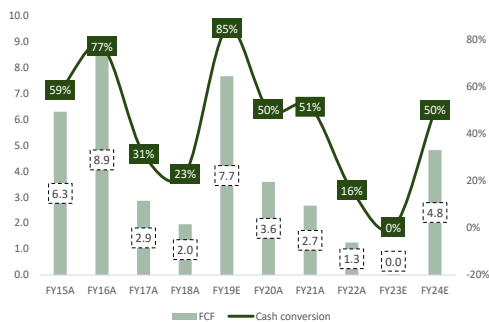
Profitability was resilient to Covid-19, further margin expansion is expected



Source: company data

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

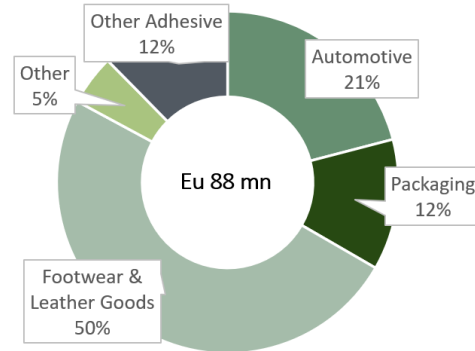
Good cash generation is foreseen ahead, reaching 50% cash conversion in FY24E



Source: company data

### Revenues breakdown by Sector (Tessitura Langè post-merger)

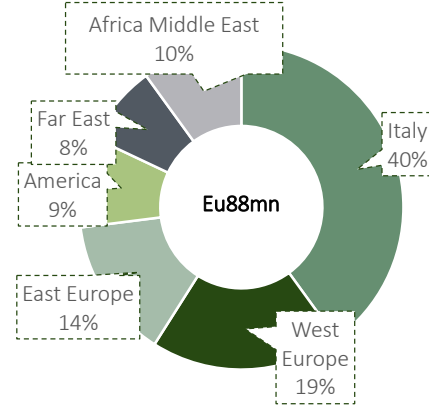
ICF has significantly reduced its exposure to the automotive sector



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 is used in the toe puffs and counters of the shoe. Adhesive is used to put together mainly uppers, insoles and sole units.
- 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). The plastic cover of magazines and periodicals. The pins used in the staplers and similar objects.

Source: HB Fuller capital markets day 2018

## Profile

- Background** ICF manufactures adhesives (74% of sales in FY22) and technical fabrics (26%). 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 (66%) 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. Today, Footwear and Leather Goods represents the most important reference sector accounting for 52% of sales, followed by Automotive for 22%. Smaller contribution but higher potential for growth comes from Packaging (13%) and other adhesive (13%).
- Positioning** 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 Langè acquisitions in 2021 and 2023 respectively, ICF has expanded its activity into luxury footwear, leather goods and premium textiles.
- Growth** 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 >50%.
- The adhesive/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.
- Strategy** 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.

<b>Strengths</b>	<b>Weaknesses</b>	
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	Exposure to cyclical automotive market Competition in the automotive sector is with global players with larger scale High exposure to raw material prices fluctuation	
<b>Opportunities</b>	<b>Threats</b>	
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	Aggressive commercial behavior from large suppliers in automotive sector Limited number of raw materials suppliers Cyclical downturn should hit demand from automotive customers	
<b>Key shareholders</b>	<b>Management</b>	<b>Next events</b>
V.F. Adhesives srl 26.5%	Guido Cami - CEO and Chairman Marcello Taglietti - COO Massimo Rancilio - CFO	FY23 results: 28/03/24 Shareholders meeting: 29/04/24 1Q24 results: 16/10/24 1H24 results: 25/09/24 3Q24 results: 18/11/24

## 4Q/FY23 Preliminary Results

### 4Q/FY23P results

FY23 preliminary results were consistent with our sales projection with a touch better at EBITDA and NFP levels.

Eu mn	4Q22A	4Q23P	YoY %	Old 4Q23E	AvE %	FY22A	FY23P	YoY %	Old FY23E	AvE %
Revenues	22.3	19.7	-11.7%	20.0	-1.4%	88.3	80.0	-9.4%	80.3	-0.3%
EBITDA Reported	3.0	1.9	-38.3%	1.6	14.1%	7.8	8.4	7.1%	8.1	2.8%
Ebitda Margin %	13.5%	9.4%		8.1%		8.8%	10.4%		10.1%	
NFP (debt)/cash	(7.8)	(10.8)		(11.3)		(7.8)	(10.8)		(11.3)	

Source: Company data, Alantra estimates

## Estimates

### Estimates confirmed

We broadly confirm our FY24-25E figures. Increases are entirely related to the adjustment made for the MBO of Eu0.4mn in FY23.

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Total Revenues / Value of Production	80.0	84.9	92.0	0%	0%	0%	80.3	84.9	92.0
EBITDA Adjusted	8.8	9.6	11.4	8%	2%	0%	8.1	9.4	11.4
EBIT Adjusted	5.9	6.6	8.1	12%	3%	0%	5.3	6.4	8.1
Net profit restated	3.6	3.7	4.8	11%	2%	-1%	3.3	3.6	4.9
EPS	0.550	0.554	0.722	11%	2%	-1%	0.493	0.543	0.733
Net financial position	(10.8)	(8.3)	(4.8)	0.47	-0.02	0.71	(11.3)	(8.3)	(5.5)

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			
			FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	
Industrie Chimiche Forestali	ITALY	33	5.8 x	4.1 x	3.2 x	8.1 x	6.0 x	4.4 x	10.0 x	8.2 x	6.3 x	0.6 x	0.5 x	0.4 x	
Premium (discount) to Peers' Median			-36%	-49%	-54%	-37%	-47%	-57%	-40%	-45%	-53%	-61%	-69%	-70%	
PEERS			Average	16.6 x	23.8 x	7.7 x	14.8 x	12.4 x	10.8 x	19.2 x	16.1 x	14.3 x	2.3 x	2.3 x	1.5 x
			Median	9.1 x	8.1 x	6.8 x	13.0 x	11.3 x	10.3 x	16.8 x	15.0 x	13.5 x	1.5 x	1.5 x	1.3 x
Henkel AG & Co. KGaA Pref	GERMANY	29,510	9.0 x	8.6 x	7.9 x	11.7 x	10.9 x	9.9 x	16.5 x	15.5 x	14.3 x	1.4 x	1.4 x	1.3 x	
Sika AG	SWITZERLAND	41,384	21.6 x	18.2 x	16.2 x	28.4 x	23.4 x	20.3 x	35.2 x	29.2 x	25.9 x	4.0 x	3.6 x	3.3 x	
Arkema SA	FRANCE	7,733	6.5 x	5.8 x	5.2 x	10.4 x	9.0 x	7.9 x	11.6 x	10.2 x	9.2 x	1.0 x	1.0 x	0.9 x	
H.B. Fuller Company	UNITED STATES	3,879	10.1 x	9.3 x	8.4 x	14.3 x	12.9 x	11.4 x	20.1 x	18.1 x	15.4 x	1.7 x	1.6 x	1.5 x	
PEERS Adhesives Producers			Average	11.8 x	10.4 x	9.4 x	16.2 x	14.1 x	12.4 x	20.8 x	18.2 x	16.2 x	2.0 x	1.9 x	1.7 x
			Median	9.6 x	8.9 x	8.2 x	13.0 x	11.9 x	10.7 x	18.3 x	16.8 x	14.8 x	1.5 x	1.5 x	1.4 x
SAES Getters S.p.A.	ITALY	581	74.5 x	160.3 x	na	nm	nm	na	nm	nm	na	6.9 x	8.9 x	na	
Cembre S.p.A.	ITALY	694	10.1 x	9.5 x	9.1 x	12.5 x	11.7 x	11.2 x	17.1 x	16.4 x	15.7 x	3.0 x	2.8 x	2.6 x	
LU-VE SpA	ITALY	507	8.3 x	7.6 x	6.8 x	13.5 x	12.5 x	10.7 x	15.3 x	14.6 x	12.6 x	1.1 x	1.0 x	0.9 x	
Aquafil SpA	ITALY	140	9.2 x	5.9 x	4.4 x	nm	nm	nm	na	nm	nm	0.7 x	0.7 x	0.6 x	
Sabaf S.p.A.	ITALY	210	8.5 x	6.0 x	4.9 x	18.6 x	10.8 x	8.0 x	25.0 x	13.6 x	10.5 x	1.2 x	1.0 x	0.9 x	
B&C Speakers S.p.A.	ITALY	190	8.4 x	7.2 x	6.5 x	9.3 x	7.8 x	7.0 x	12.5 x	11.0 x	10.3 x	2.1 x	1.7 x	1.5 x	
PEERS Italian Small-Caps			Average	19.8 x	32.7 x	6.3 x	13.4 x	10.7 x	9.2 x	17.5 x	13.9 x	12.3 x	2.5 x	2.7 x	1.3 x
			Median	8.8 x	7.4 x	6.5 x	13.0 x	11.2 x	9.3 x	16.2 x	14.1 x	11.6 x	1.6 x	1.3 x	0.9 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	33	11.4%	8.0%	4.7%	2.0%	-66.0%	1.4%	13.3%	17.0%	7.3%	
PEERS			Average	16.9%	11.6%	8.1%	4.6%	60.8%	3.5%	5.6%	6.4%	1.2%
			Median	16.3%	11.6%	7.0%	4.9%	38.9%	3.2%	8.6%	11.8%	8.5%
Henkel AG & Co. KGaA Pref	GERMANY	29,510	16.0%	12.5%	8.1%	3.2%	41.2%	-0.6%	4.9%	16.6%	9.0%	
Sika AG	SWITZERLAND	41,384	19.3%	15.1%	10.5%	2.6%	46.1%	7.5%	10.0%	9.8%	8.5%	
Arkema SA	FRANCE	7,733	16.6%	10.7%	7.2%	6.5%	36.5%	-4.0%	-5.5%	-8.9%	-10.7%	
H.B. Fuller Company	UNITED STATES	3,879	17.2%	12.4%	6.8%	3.6%	19.5%	0.6%	8.6%	11.9%	8.2%	
PEERS Adhesives Producers			Average	17.3%	12.7%	8.1%	4.0%	35.8%	0.9%	4.5%	7.4%	3.7%
			Median	16.9%	12.5%	7.7%	3.4%	38.9%	0.0%	6.7%	10.8%	8.3%
SAES Getters S.p.A.	ITALY	581	7.4%	1.5%	6.2%	na	262.9%	na	na	na	na	
Cembre S.p.A.	ITALY	694	29.5%	23.9%	17.5%	6.9%	65.4%	8.8%	10.4%	11.8%	11.1%	
LU-VE SpA	ITALY	507	13.0%	8.0%	5.2%	6.1%	26.4%	3.2%	4.8%	7.4%	3.3%	
Aquafil SpA	ITALY	140	10.8%	2.0%	-1.1%	4.9%	25.6%	-2.5%	-3.0%	-16.8%	-42.2%	
Sabaf S.p.A.	ITALY	210	15.9%	8.7%	5.2%	6.1%	32.5%	5.7%	9.1%	13.5%	8.8%	
B&C Speakers S.p.A.	ITALY	190	23.5%	21.6%	15.5%	1.3%	52.2%	12.9%	10.9%	11.9%	14.7%	
PEERS Italian Small-Caps			Average	16.7%	11.0%	8.1%	5.1%	77.5%	5.6%	6.4%	5.6%	-0.8%
			Median	14.4%	8.4%	5.7%	6.1%	42.3%	5.7%	9.1%	11.8%	8.8%

Source: Alantra estimates and Factset

## Performance

ICF's price underperformed vs adhesives producers over the last 12 months

Company	Country	Mkt Cap (Eu mn)	Performance					
			1M	3M	6M	1YR	3YR	5YR
Industrie Chimiche Forestali	ITALY	33	0.9%	0.4%	-13.0%	-20.3%	-16.1%	-29.3%
PEERS	Average		0.0%	21.5%	5.1%	4.9%	32.6%	45.2%
	Median		-0.2%	20.7%	6.0%	9.8%	30.9%	59.5%
Henkel AG & Co. KGaA Pref	GERMANY	29,510	-1.1%	5.9%	1.9%	11.1%	-19.6%	-14.8%
Sika AG	SWITZERLAND	41,384	-11.2%	14.5%	-7.3%	-7.6%	-2.4%	80.7%
Arkema SA	FRANCE	7,733	0.7%	22.5%	10.2%	12.4%	10.8%	23.1%
H.B. Fuller Company	UNITED STATES	3,879	-6.3%	18.9%	4.8%	13.8%	48.9%	67.1%
PEERS Adhesives Producers	Average		-4.5%	15.5%	2.4%	7.4%	9.4%	39.1%
	Median		-3.7%	16.7%	3.3%	11.8%	4.2%	45.1%
SAES Getters S.p.A.	ITALY	581	1.9%	5.0%	21.6%	6.8%	53.4%	76.4%
Cembre S.p.A.	ITALY	694	10.3%	29.5%	28.3%	34.2%	105.0%	89.8%
LU-VE SpA	ITALY	507	-3.4%	29.7%	-21.2%	-14.1%	62.3%	123.5%
Aquafil SpA	ITALY	140	-3.5%	49.1%	-11.4%	-45.8%	-24.7%	-64.4%
Sabaf S.p.A.	ITALY	210	10.1%	29.0%	7.3%	8.6%	12.9%	19.2%
B&C Speakers S.p.A.	ITALY	190	2.1%	10.6%	16.9%	29.2%	79.7%	51.8%
PEERS Italian Small-Caps	Average		2.9%	25.5%	6.9%	3.1%	48.1%	49.4%
	Median		2.0%	29.3%	12.1%	7.7%	57.9%	64.1%

Source: Alantra estimates and Factset



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