

## Industrie Chimiche Forestali

Sector: Industrial

### Solid quarter with strong EBITDA margin expansion

*The group posted resilient 2Q24 sales of Eu20.5mn, up 5% QoQ, driven by strength in the automotive and industrial segments, offset by weakness in luxury. EBITDA rose 15% YoY to Eu2.7mn, with margin surging to 13.4%, the highest in five years, supported by lower raw material and energy costs. Net debt improved to Eu9.5mn, reflecting solid cash flow despite Eu1.4mn of dividends. Looking ahead, China's stimulus may provide upside, though visibility in luxury remains limited in the short-term. With no signs of a near-term recovery in the luxury market, we slightly trim our FY24E sales by 2%, projecting stable YoY sales at Eu80mn despite significant market challenges. FY25/26E were adjusted accordingly, confirming our previous growth rates. ICF trades at 7.5x 24E EV/EBIT, 33% discount vs peers, an undemanding level in our view given the solid group's fundamentals. BUY rating confirmed with TP of Eu7.4/share after updating our DCF (50%) and multiples valuation (50%).*

- **Resilient 2Q sales despite a muted luxury sector.** 2Q24 sales reached Eu20.5mn, flat YoY but up 5% QoQ, driven by strong performances in the automotive, packaging, and industrial application segments. These gains largely offset the headwinds faced in the luxury/leather business in recent quarters. The contraction in premium segment volumes was also partially mitigated by the growing contribution from the Langè business. 1H24 sales totalled Eu40mn, compared to Eu41.6mn in 1H23, o/w 53% generated abroad.
- **EBITDA margin surged to 13.4%, the highest level in five years.** In the second quarter, EBITDA increased by 15% YoY to Eu2.7mn, with a margin of 13.4% (+180bps). This record profitability was primarily driven by lower raw material costs. Notably, 1H24 gross margin (not released quarterly) jumped to over 40%, with gross profit reaching Eu16.1mn, up 4% YoY. Lower energy costs and tight control over operating expenses further enhanced efficiency. Adjusted EBIT rose to Eu3.3mn in 2Q, with an 8.3% margin, from Eu2.9mn/7% a year ago, marking a 15% YoY increase. Net profit stood at Eu2.1mn, flat YoY, due to higher interest expenses and taxes. Net debt improved to Eu9.5mn (of which approx. Eu8mn is related to IFRS) from Eu10.9mn at YE23, despite Eu1.4mn in dividend payments, underscoring a strong cash generation (1H24 operating cashflow stood at Eu3.5mn).
- **Heading into a similar semester.** The luxury segment is not expected to show positive signs yet, pointing to a challenging environment in 2H due to compressed volumes. However, recent economic stimulus measures in China could offer some upside in the medium/long-term. The group's ability to offset this through strong performance in the automotive and industrial segments should be a key factor to watch this year. According to management, current trading trends are in line with expectations at both top-line and profitability levels.
- **We slightly trim FY24E sales by 2%.** As the luxury market shows no signs of a near-term recovery, we trim by 2% FY24E sales, implying a resilient YoY trend with stable sales at Eu80mn, despite severe market challenges. FY25/26E were adjusted accordingly, confirming a growth rate of 6/8% YoY, respectively. All in all, FY24 EBITDA margin is expected to reach 10.7%, expanding to 12.5% margin by 2026. The business-mix, expected to be skewed toward industrial/automotive, with a higher cash-conversion cycle, should benefit from a reduction in net debt, which we estimate to land at Eu7.7mn this year.
- **TP confirmed at Eu7.4/share, rating BUY.** We confirm our BUY rating and TP of Eu7.4/share after updating our DCF (50% weight) and relative valuation (50%). ICF is now trading at 2024E 7.5x EV/EBIT 24 (33% below larger international peers), an undemanding level given its solid fundamentals. Our TP implies a relevant potential upside (71%), signalling an attractive entry-point for a story boasting solid FCF generation and high dividend visibility.

## BUY

Unchanged

## TP 7.4

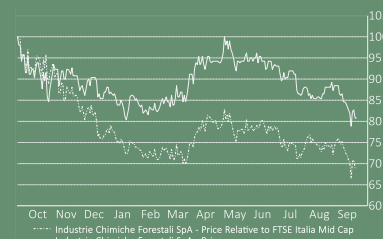
Unchanged

Target price upside 71%

	FY24E	FY25E
Change in EPS est.	-3.7%	-3.3%

Ticker (BBG, Reut)	ICF IM	ICF MI
Share price Ord. (Eu)		4.3
N. of Ord. shares (mn)		6.7
Total N. of shares (mn)		6.7
Market cap (Eu mn)		29
Total Market Cap f.d. (Eu mn)		29
Free Float Ord. (%)		91%
Free Float Ord. (Eu mn)		26
Daily AVG liquidity Ord. (Eu k)		23

	1M	3M	12M
Absolute Perf.	-8.3%	-14.3%	-19.2%
Rel. to FTSEMidCap	-6.7%	-11.1%	-34.6%
52 weeks range		4.1	5.2



	FY23A	FY24E	FY25E
Sales	80	80	85
EBITDA	8.9	8.6	9.9
Net profit adj.	3.6	2.7	3.6
EPS adj.	0.536	0.408	0.530
DPS - Ord.	0.200	0.203	0.122
EV/EBITDA	5.4x	4.4x	3.6x
P/E adj.	10.1x	10.6x	8.2x
Dividend yield	3.7%	4.7%	2.8%
FCF yield	9.7%	17.8%	11.2%
Net debt/(Net cash)	10.9	7.7	5.3
Net debt/EBITDA	1.2x	0.9x	0.5x

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## Financial Summary (IFRS)

P&L account (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Sales	88.3	79.9	80.0	84.9	91.8
Gross margin	28.9	29.8	28.2	30.0	32.4
EBITDA reported	7.8	8.5	8.6	9.9	11.4
D&A	(4.6)	(5.3)	(5.5)	(5.7)	(5.8)
EBIT reported	3.1	3.1	3.1	4.2	5.6
Net financial charges	0.6	(0.7)	(0.8)	(0.8)	(0.8)
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	3.7	2.4	2.3	3.4	4.9
Taxes	(0.5)	(0.2)	(1.0)	(1.3)	(1.7)
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	3.2	2.2	1.3	2.1	3.2
<b>EBITDA adjusted</b>	<b>7.8</b>	<b>8.9</b>	<b>8.6</b>	<b>9.9</b>	<b>11.4</b>
<b>EBIT adjusted</b>	<b>5.1</b>	<b>5.4</b>	<b>5.0</b>	<b>6.1</b>	<b>7.6</b>
<b>Net profit adjusted</b>	<b>3.9</b>	<b>3.6</b>	<b>2.7</b>	<b>3.6</b>	<b>4.7</b>

Margins (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Gross margin	32.7%	37.4%	35.3%	35.3%	35.3%
EBITDA margin (adj)	8.8%	11.1%	10.7%	11.6%	12.5%
EBIT margin (adj)	5.8%	6.8%	6.3%	7.2%	8.2%
Pre-tax margin	4.2%	3.0%	2.9%	4.0%	5.3%
Net profit margin (adj)	4.4%	4.5%	3.4%	4.2%	5.1%

Growth rates (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Sales	45.7%	-9.6%	0.2%	6.2%	8.1%
EBITDA	9.2%	8.5%	1.5%	15.0%	15.7%
EBITDA adjusted	9.2%	13.9%	-3.3%	15.0%	15.7%
EBIT	13.9%	-1.9%	0.0%	35.5%	35.0%
EBIT adjusted	7.3%	7.0%	-7.7%	21.7%	23.7%
Pre-tax	nm	nm	-3.4%	47.1%	42.7%
Net profit	43.3%	-32.5%	-41.2%	64.9%	52.5%
Net profit adjusted	17.9%	-7.1%	-24.0%	29.9%	30.7%

Per share data	FY22A	FY23A	FY24E	FY25E	FY26E
Shares	6.846	6.741	6.741	6.741	6.741
N. of shares AVG	6.846	6.741	6.730	6.730	6.741
N. of shares diluted AVG	6.846	6.793	6.741	6.741	6.741
<b>EPS</b>	<b>0.466</b>	<b>0.320</b>	<b>0.188</b>	<b>0.310</b>	<b>0.473</b>
<b>EPS adjusted</b>	<b>0.569</b>	<b>0.536</b>	<b>0.408</b>	<b>0.530</b>	<b>0.693</b>
<b>DPS - Ord.</b>	<b>0.150</b>	<b>0.200</b>	<b>0.203</b>	<b>0.122</b>	<b>0.155</b>
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	11.470	11.743	11.750	11.938	12.236

Enterprise value (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Share price Ord. (Eu)	5.7	5.4	4.3	4.3	4.3
Market cap	38.9	36.6	29.1	29.1	29.1
Net debt/(Net cash)	7.8	10.9	7.7	5.3	1.3
Adjustments	0.9	0.9	0.9	0.9	0.9
Enterprise value	47.6	48.4	37.7	35.3	31.3

Cash flow (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
EBITDA adjusted	7.8	8.9	8.6	9.9	11.4
Net financial charges	(0.6)	(0.2)	(0.8)	(0.8)	(0.8)
Cash taxes	0.5	0.1	(0.9)	(1.2)	(1.5)
Ch. in Working Capital	(4.0)	(2.2)	0.2	(2.7)	(1.9)
Other operating items	(0.5)	(1.3)	(0.4)	(0.4)	(0.4)
<b>Operating cash flow</b>	<b>3.3</b>	<b>5.3</b>	<b>6.8</b>	<b>5.0</b>	<b>6.9</b>
Capex	(2.0)	(1.8)	(1.6)	(1.7)	(1.8)
<b>FCF</b>	<b>1.3</b>	<b>3.5</b>	<b>5.2</b>	<b>3.3</b>	<b>5.0</b>
Disposals/Acquisitions	(0.3)	(1.4)	(0.7)	0.0	0.0
Changes in Equity	(0.5)	(0.4)	0.0	0.0	0.0
Others	0.1	(3.5)	0.0	0.0	0.0
Dividends	(1.0)	(1.4)	(1.3)	(0.8)	(1.0)
<b>Ch. in NFP</b>	<b>(0.4)</b>	<b>(3.1)</b>	<b>3.2</b>	<b>2.4</b>	<b>4.0</b>

Ratios (%)	FY22A	FY23A	FY24E	FY25E	FY26E
<b>Capex/Sales</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>
Capex/D&A	0.4x	0.3x	0.3x	0.3x	0.3x
FCF/EBITDA	16.0%	39.7%	60.4%	32.9%	44.0%
FCF/Net profit	nm	nm	nm	nm	nm
<b>Dividend pay-out</b>	<b>42.3%</b>	<b>62.5%</b>	<b>65.0%</b>	<b>50.0%</b>	<b>50.0%</b>

Balance sheet (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Working capital	20.7	22.3	23.4	26.1	27.9
Fixed assets	73.3	75.2	72.6	70.0	67.9
Provisions & others	(7.7)	(7.4)	(9.3)	(10.4)	(12.1)
<b>Net capital employed</b>	<b>86.3</b>	<b>90.1</b>	<b>86.8</b>	<b>85.6</b>	<b>83.8</b>
<b>Net debt/(Net cash)</b>	<b>7.8</b>	<b>10.9</b>	<b>7.7</b>	<b>5.3</b>	<b>1.3</b>
Equity	78.5	79.2	79.1	80.3	82.5
Minority interests	0.0	0.0	0.0	0.0	0.0

Ratios (%)	FY22A	FY23A	FY24E	FY25E	FY26E
<b>Working capital/Sales</b>	<b>23.5%</b>	<b>27.9%</b>	<b>29.3%</b>	<b>30.7%</b>	<b>30.4%</b>
<b>Net debt/Equity</b>	<b>9.9%</b>	<b>13.8%</b>	<b>9.8%</b>	<b>6.6%</b>	<b>1.6%</b>
<b>Net debt/EBITDA</b>	<b>1.0x</b>	<b>1.2x</b>	<b>0.9x</b>	<b>0.5x</b>	<b>0.1x</b>

Valuation	FY22A	FY23A	FY24E	FY25E	FY26E
<b>EV/CE</b>	<b>0.5x</b>	<b>0.5x</b>	<b>0.4x</b>	<b>0.4x</b>	<b>0.3x</b>
P/BV	0.5x	0.5x	0.4x	0.4x	0.4x
EV/Sales	0.5x	0.6x	0.5x	0.4x	0.3x
EV/EBITDA	6.1x	5.7x	4.4x	3.6x	2.7x
<b>EV/EBITDA adjusted</b>	<b>6.1x</b>	<b>5.4x</b>	<b>4.4x</b>	<b>3.6x</b>	<b>2.7x</b>
EV/EBIT	15.2x	15.8x	12.3x	8.5x	5.6x
<b>EV/EBIT adjusted</b>	<b>9.3x</b>	<b>8.9x</b>	<b>7.5x</b>	<b>5.8x</b>	<b>4.1x</b>
P/E	12.2x	17.0x	23.0x	13.9x	9.1x
<b>P/E adjusted</b>	<b>10.0x</b>	<b>10.1x</b>	<b>10.6x</b>	<b>8.2x</b>	<b>6.2x</b>
ROCE pre-tax	5.5%	5.7%	5.2%	6.4%	7.9%
<b>ROE (excl. Goodwill)</b>	<b>9.0%</b>	<b>8.2%</b>	<b>6.7%</b>	<b>8.6%</b>	<b>10.7%</b>
EV/FCF	38.0x	13.7x	nm	10.9x	6.2x
<b>FCF yield</b>	<b>3.2%</b>	<b>9.7%</b>	<b>17.8%</b>	<b>11.2%</b>	<b>17.3%</b>
<b>Dividend yield</b>	<b>2.6%</b>	<b>3.7%</b>	<b>4.7%</b>	<b>2.8%</b>	<b>3.6%</b>

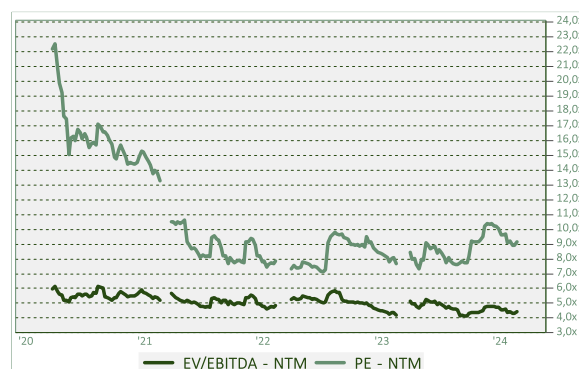
### Share price performance

Strong growth of EPS estimates



### Valuation

The company is trading at significant discount versus peers



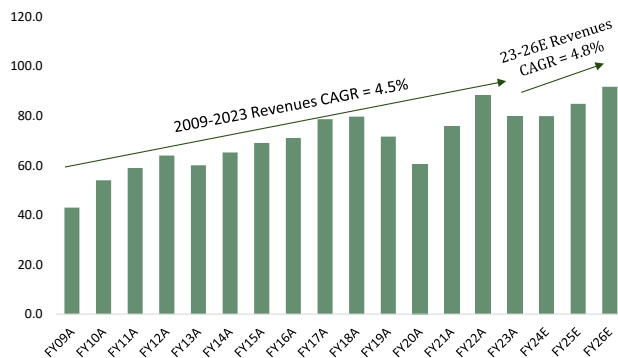
# ALANTRA

Italian Equity Research

## Key Charts

### Solid top line growth in the long term (FY09A-FY26E)

We expect 23-26E revenues CAGR of 4.8%



Source: company data, Alantra estimates

### A profitable business (FY13A-FY25E EBITDA and margin)

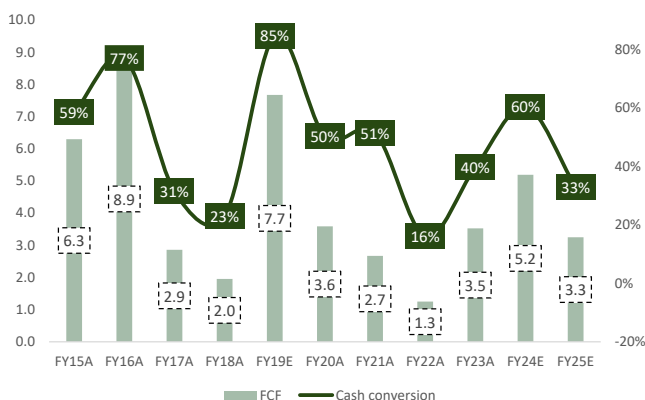
Profitability was resilient to Covid-19, further margin expansion is expected



Source: company data, Alantra estimates

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

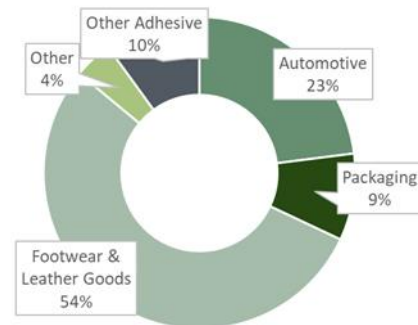
Good cash generation is foreseen ahead, reaching 60% cash conversion in FY24E



Source: company data, Alantra estimates

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

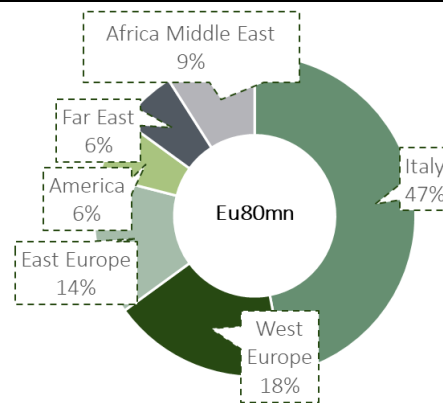
ICF has significantly reduced its exposure to the automotive sector



Source: Company data

### Revenues breakdown by Geography (FY23A)

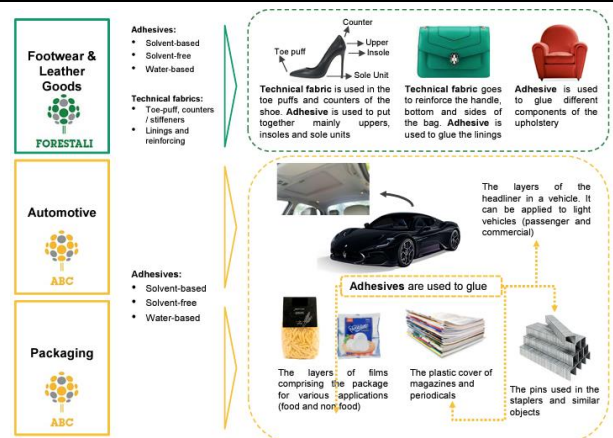
Well diversified by geography



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)



Source: company data

## Profile

<b>Background</b>	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%).
<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 Langè acquisitions in 2021 and 2023 respectively, ICF has expanded its activity into luxury footwear, leather goods and premium textiles.
<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 2012-23 period was over Eu50mn. On average EBITDA cash conversion was &gt;50%.</p> <p>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.</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

3Q24 results: 18/11/24

## 2Q/H24 Results

### 2Q/H24 results

Resilient 2Q sales despite a muted luxury sector. EBITDA margin surged to 13.4%, the highest level in five years

Eu mn	2Q23A	2Q24A	YoY %	1H23A	1H24A	YoY %	2H23A	2H24E	YoY %	FY23A	Old FY24E	YoY %
Revenues	20.6	20.5	-0.4%	41.6	40.0	-3.8%	38.2	39.9	4.4%	79.9	81.4	1.9%
Adj. EBITDA	2.4	2.7	15.3%	4.5	4.8	8.1%	4.4	3.7	-14.9%	8.9	8.7	-1.6%
Ebitda Margin %	11.6%	13.4%		10.8%	12.1%		11.5%	9.4%		11.1%	10.7%	
NFP (debt)/cash	(15.8)	(9.5)		(15.8)	(9.5)		(10.9)	(7.7)		(10.9)	(9.3)	

Source: Company data, Alantra estimates

## Estimates

### Change in estimates

We slightly trim FY24E sales and adjust FY25-26E projections to maintain similar growth trend.

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Total Revenues / Value of Production	80.0	84.9	91.8	-2%	-2%	-2%	81.4	86.4	93.3
EBITDA Adjusted	8.6	9.9	11.4	-2%	-2%	-1%	8.7	10.0	11.6
EBIT Adjusted	5.0	6.1	7.6	-3%	-3%	-2%	5.2	6.3	7.7
Net profit restated	2.7	3.6	4.7	-4%	-3%	-2%	2.9	3.7	4.8
EPS	0.409	0.530	0.693	-4%	-3%	-2%	0.425	0.548	0.709
Net financial position	(7.7)	(5.3)	(1.3)	1.56	0.38	0.35	(9.3)	(5.7)	(1.6)

Source: Alantra estimates

## Peers

### Trading multiples

At current market price, the stock is at a large discount vs peers based on 2024/2025E multiples

Company	Country	Mkt Cap (Eu mn)	EV/EBITDA			EV/EBIT			PE			EV/Sales		
			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Industrie Chimiche Forestali	ITALY	31	4.4 x	3.6 x	2.7 x	7.5 x	5.8 x	4.1 x	10.6 x	8.2 x	6.2 x	0.5 x	0.4 x	0.3 x
Premium (discount) to Peers' Median			-49%	-54%	-59%	-33%	-44%	-57%	-31%	-43%	-53%	-70%	-70%	-73%
PEERS			9.0 x	8.0 x	7.1 x	13.0 x	11.4 x	10.1 x	16.6 x	14.8 x	13.4 x	1.7 x	1.5 x	1.4 x
Median			8.6 x	7.7 x	6.7 x	11.2 x	10.3 x	9.5 x	15.4 x	14.4 x	13.3 x	1.6 x	1.4 x	1.2 x
Henkel AG & Co. KGaA Pref	GERMANY	33,721	9.0 x	8.3 x	7.6 x	11.1 x	10.1 x	9.3 x	15.3 x	14.4 x	13.5 x	1.6 x	1.5 x	1.4 x
Sika AG	SWITZERLAND	46,160	20.7 x	18.4 x	16.6 x	26.8 x	23.4 x	20.7 x	33.5 x	29.5 x	26.4 x	4.1 x	3.7 x	3.4 x
Arkema SA	FRANCE	6,165	5.4 x	4.7 x	4.2 x	8.8 x	7.5 x	6.6 x	9.1 x	8.0 x	7.3 x	0.9 x	0.8 x	0.7 x
H.B. Fuller Company	UNITED STATES	4,014	9.9 x	9.1 x	8.1 x	13.6 x	12.2 x	10.7 x	18.9 x	16.7 x	14.7 x	1.7 x	1.6 x	1.4 x
PEERS Adhesives Producers			11.2 x	10.1 x	9.1 x	15.1 x	13.3 x	11.9 x	19.2 x	17.2 x	15.5 x	2.1 x	1.9 x	1.7 x
Median			9.4 x	8.7 x	7.9 x	12.3 x	11.2 x	10.0 x	17.1 x	15.6 x	14.1 x	1.6 x	1.5 x	1.4 x
Cembre S.p.A.	ITALY	609	9.1 x	8.5 x	7.9 x	11.3 x	10.5 x	9.7 x	15.5 x	14.4 x	13.6 x	2.6 x	2.4 x	2.3 x
LU-VE SpA	ITALY	591	8.6 x	7.7 x	6.7 x	13.7 x	11.9 x	10.4 x	17.0 x	14.7 x	13.1 x	1.2 x	1.1 x	1.0 x
Aquafil SpA	ITALY	86	5.4 x	4.0 x	3.3 x	nm	nm	nm	na	nm	nm	0.6 x	0.5 x	0.5 x
Sabaf S.p.A.	ITALY	206	5.9 x	5.0 x	4.4 x	11.1 x	8.4 x	7.0 x	13.6 x	10.9 x	9.4 x	1.0 x	0.9 x	0.8 x
B&C Speakers S.p.A.	ITALY	165	7.0 x	6.2 x	5.5 x	7.8 x	6.9 x	6.0 x	9.9 x	10.1 x	9.2 x	1.6 x	1.4 x	1.2 x
PEERS Italian Small-Caps			7.2 x	6.3 x	5.6 x	11.0 x	9.4 x	8.3 x	14.0 x	12.5 x	11.3 x	1.4 x	1.3 x	1.1 x
Median			7.0 x	6.2 x	5.5 x	11.2 x	9.4 x	8.4 x	14.6 x	12.7 x	11.3 x	1.2 x	1.1 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)	FY24E - FY26E average margins					CAGR FY23A - FY26E			
			EBITDA Margin	EBIT Margin	Net Income Margin	Capex / Sales	Dividend Payout	Sales	EBITDA	EBIT	EPS
Industrie Chimiche Forestali	ITALY	31	11.6%	7.2%	4.2%	2.0%	55.0%	4.8%	8.8%	11.6%	8.9%
PEERS			18.6%	13.3%	8.9%	4.7%	35.8%	5.3%	11.0%	-35.6%	-11.2%
Median			17.6%	13.1%	7.4%	5.0%	36.0%	4.9%	7.5%	8.6%	8.7%
Henkel AG & Co. KGaA Pref	GERMANY	33,721	17.9%	14.6%	9.9%	3.3%	35.5%	2.3%	8.9%	9.7%	11.8%
Sika AG	SWITZERLAND	46,160	20.2%	15.9%	11.4%	2.9%	44.4%	6.5%	10.8%	12.9%	14.6%
Arkema SA	FRANCE	6,165	16.9%	10.5%	6.7%	7.4%	38.1%	3.7%	7.3%	7.7%	8.7%
H.B. Fuller Company	UNITED STATES	4,014	17.6%	13.1%	7.4%	3.8%	18.2%	5.4%	7.5%	10.1%	13.0%
PEERS Adhesives Producers			18.1%	13.5%	8.8%	4.3%	34.1%	4.5%	8.6%	10.1%	12.0%
Median			17.7%	13.8%	8.6%	3.5%	36.8%	4.5%	8.2%	9.9%	12.4%
Cembre S.p.A.	ITALY	609	28.8%	23.2%	17.1%	7.3%	73.6%	4.9%	3.8%	3.8%	2.9%
LU-VE SpA	ITALY	591	13.9%	8.9%	6.0%	5.5%	24.8%	3.4%	6.9%	8.6%	8.5%
Aquafil SpA	ITALY	86	12.8%	3.6%	0.1%	5.0%	0.0%	4.4%	24.8%	-427.4%	-188.5%
Sabaf S.p.A.	ITALY	206	17.0%	10.0%	6.7%	5.3%	36.0%	9.6%	22.9%	47.1%	19.3%
B&C Speakers S.p.A.	ITALY	165	22.5%	20.3%	15.3%	2.0%	51.6%	7.7%	6.3%	7.3%	8.6%
PEERS Italian Small-Caps			19.0%	13.2%	9.0%	5.0%	37.2%	6.0%	12.9%	-72.1%	-29.9%
Median			17.0%	10.0%	6.7%	5.3%	36.0%	4.9%	6.9%	7.3%	8.5%

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	31	-8.3%	-14.3%	-6.3%	-19.2%	-37.1%	-30.0%
PEERS			-3.4%	-2.9%	-5.8%	6.6%	-4.4%	41.3%
Average			0.4%	0.0%	0.3%	14.6%	3.2%	37.3%
Median								
Henkel AG & Co. KGaA Pref	GERMANY	33,721	0.8%	-1.7%	13.5%	20.8%	3.2%	-11.9%
Sika AG	SWITZERLAND	46,160	1.6%	5.5%	0.3%	14.6%	-15.7%	86.3%
Arkema SA	FRANCE	6,165	0.9%	-3.7%	-13.5%	-9.7%	-28.4%	-0.8%
H.B. Fuller Company	UNITED STATES	4,014	-1.6%	4.3%	1.7%	23.2%	24.9%	75.2%
PEERS Adhesives Producers			0.4%	1.1%	0.5%	12.2%	-4.0%	37.2%
Average			0.8%	1.3%	1.0%	17.7%	-6.3%	37.2%
Median								
Cembre S.p.A.	ITALY	609	-3.5%	-6.4%	-19.9%	1.4%	27.9%	68.1%
LU-VE SpA	ITALY	591	0.4%	1.5%	11.8%	22.0%	11.8%	163.4%
Aquafil SpA	ITALY	86	-31.8%	-34.4%	-36.2%	-25.4%	-72.6%	-71.1%
Sabaf S.p.A.	ITALY	206	2.9%	8.5%	3.5%	15.9%	-25.3%	37.3%
B&C Speakers S.p.A.	ITALY	165	0.0%	0.0%	-13.5%	-3.8%	34.5%	25.0%
PEERS Italian Small-Caps			-6.4%	-6.2%	-10.9%	2.0%	-4.8%	44.5%
Average			0.0%	0.0%	-13.5%	1.4%	11.8%	37.3%
Median								

Source: Alantra estimates and Factset

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