

## Industrie Chimiche Forestali

Sector: Industrial

### Cementing the attractive EBITDA margin

ICF reported another resilient set of results, with an EBITDA margin exceeding 12% and a further reduction in net debt, which now consists primarily of IFRS-related items. 3Q24 sales declined by 6% YoY to Eu17.6mn, primarily due to a weak demand in the leather and footwear segment, which remains impacted by ongoing challenges in the luxury industry. Despite the sales drop, EBITDA increased by 6.7% YoY to Eu2.2mn, with the margin expanding by 150bps to 12.3%, supported by stable raw material costs and effective cost control. Net debt improved to Eu9.0mn (of which Eu8mn is IFRS-related), compared to Eu9.5mn in 1H24. As the market do not offer near-term recovery signals in the luxury segment, we have slightly trimmed our FY24-26E sales by an average of 3% (down 4% for FY24 sales to Eu77.1mn). We have raised our FY24 EBITDA forecast by 5% to Eu9mn (11.7% margin), following consistent profitability expansion. ICF trades at 3.7x 25E EV/EBITDA, 52% discount vs peers, an undemanding level in our view given the solid group's fundamentals. BUY rating confirmed with TP to Eu7.6/share (from 7.4) after updating our DCF and relative valuations (50-50%).

- **3Q sales down 6% as luxury momentum continues to wane.** 3Q24 sales reached Eu17.6mn from Eu18.7mn, down 6% YoY, driven by subdued demand in the leather and footwear segment, still impacted by volume headwinds in the luxury industry. The automotive, packaging, and industrial application segments partially mitigated the decline, highlighting once again the ICF's advantage in boasting a diversified sector exposure. The decline in premium segment volumes was partially counterbalanced by the increasing contribution of the Langè business. 9M24 sales were Eu57.6mn vs Eu60.3mn in 9M23 (down 4.5% YoY).
- **Another quarter of attractive EBITDA margin.** 3Q24 EBITDA rose by 6.7% YoY to Eu2.2mn (vs. Eu2.0mn in 3Q23), with the margin expanding by 150bps to 12.3%. The margin expansion was supported by stable raw material costs and effective control over operating expenses. Net debt improved to Eu9.0mn, compared to Eu10.9mn at YE23 and Eu9.5mn in 1H24. Approximately Eu8mn of net debt is IFRS-related, leaving ICF's balance sheet essentially debt-light. The improvement in NFP is remarkable, highlighting ICF strong cash generation capabilities, also considering Eu1.4mn dividends payout and Eu0.7mn payment linked to the Tessitura Langè acquisition.
- **Awaiting a luxury market rebound.** Management noted that October and November operations remain in line with prior months. While improved volumes in the automotive, industrial application, and packaging segments highlight the group's resilience amid challenging conditions, a recovery in luxury volumes would significantly enhance operating leverage, profitability, and cash generation. Nevertheless, the luxury segment shows no immediate signs of recovery, as the sector continues to grapple with a sluggish China, among other things, which remains a key concern for major industry players.
- **We trim FY24-26E sales by 3%; FY24E EBITDA up by 5%.** Given the continued weakness in the luxury market in the short to medium term, we have reduced by 3% FY24-26E sales. For 2024, we have revised top line by -4% and increased EBITDA by 5% following consistent margin resiliency. All in all, we now expect FY24 adj. net profit to reach Eu3.4mn (vs previous Eu2.7mn), also thanks to lower D&A. We also confirmed ICF's strong cash generation with FY24 net debt of Eu7.5mn this year and a breakeven level by 2026.
- **TP raised to Eu7.6/share (from Eu7.4), rating BUY.** We confirm our BUY rating and fine-tune up our TP to Eu7.6/share (from Eu7.4) after updating our DCF (50% weight) and relative valuation (50%). ICF is now trading at 2024E 3.7x EV/EBITDA 25 (52% below peers), an undemanding level given its solid fundamentals.

## BUY

Unchanged

## TP 7.6

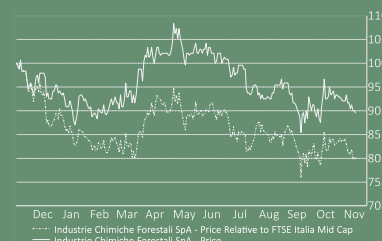
From 7.4

Target price upside 75%

	FY24E	FY25E
Change in EPS est.	22.4%	2.6%

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)		26

	1M	3M	12M
Absolute Perf.	-6.9%	-3.1%	-7.7%
Rel. to FTSEMidCap	-6.1%	-5.8%	-19.6%
52 weeks range		4.1	5.2



	FY23A	FY24E	FY25E
Sales	80	77	82
EBITDA	8.9	9.0	9.5
Net profit adj.	3.6	3.4	3.7
EPS adj.	0.536	0.499	0.544
DPS - Ord.	0.200	0.203	0.179
EV/EBITDA	5.4x	4.2x	3.7x
P/E adj.	10.1x	8.7x	8.0x
Dividend yield	3.7%	4.7%	4.1%
FCF yield	9.7%	18.9%	13.6%
Net debt/(Net cash)	10.9	7.5	4.7
Net debt/EBITDA	1.2x	0.8x	0.5x

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## Financial Summary (IFRS)

P&L account (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Sales	88.3	79.9	77.1	81.6	89.8
Gross margin	28.9	29.8	28.3	29.2	31.4
EBITDA reported	7.8	8.5	9.0	9.5	10.7
D&A	(4.6)	(5.3)	(5.1)	(5.3)	(5.4)
EBIT reported	3.1	3.1	3.9	4.2	5.2
Net financial charges	0.6	(0.7)	(0.8)	(0.7)	(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	3.7	2.4	3.1	3.5	4.7
Taxes	(0.5)	(0.2)	(1.3)	(1.3)	(1.6)
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	1.9	2.2	3.1
<b>EBITDA adjusted</b>	<b>7.8</b>	<b>8.9</b>	<b>9.0</b>	<b>9.5</b>	<b>10.7</b>
<b>EBIT adjusted</b>	<b>5.1</b>	<b>5.4</b>	<b>5.9</b>	<b>6.2</b>	<b>7.2</b>
<b>Net profit adjusted</b>	<b>3.9</b>	<b>3.6</b>	<b>3.4</b>	<b>3.7</b>	<b>4.6</b>

Margins (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Gross margin	32.7%	37.4%	36.7%	35.8%	35.0%
EBITDA margin (adj)	8.8%	11.1%	11.7%	11.6%	11.9%
EBIT margin (adj)	5.8%	6.8%	7.6%	7.5%	8.1%
Pre-tax margin	4.2%	3.0%	4.0%	4.3%	5.2%
Net profit margin (adj)	4.4%	4.5%	4.4%	4.5%	5.1%

Growth rates (%)	FY22A	FY23A	FY24E	FY25E	FY26E
Sales	45.7%	-9.6%	-3.4%	5.8%	10.0%
EBITDA	9.2%	8.5%	6.1%	5.5%	12.5%
EBITDA adjusted	9.2%	13.9%	1.2%	5.5%	12.5%
EBIT	13.9%	-1.9%	25.8%	7.7%	26.2%
EBIT adjusted	7.3%	7.0%	7.5%	5.1%	17.7%
Pre-tax	nm	nm	29.6%	12.8%	33.9%
Net profit	43.3%	-32.5%	-13.9%	16.2%	41.6%
Net profit adjusted	17.9%	-7.1%	-6.9%	8.9%	24.5%

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>0.275</b>	<b>0.320</b>	<b>0.453</b>
<b>EPS adjusted</b>	<b>0.569</b>	<b>0.536</b>	<b>0.499</b>	<b>0.544</b>	<b>0.677</b>
<b>DPS - Ord.</b>	<b>0.150</b>	<b>0.200</b>	<b>0.203</b>	<b>0.179</b>	<b>0.160</b>
DPS - Sav.	0.000	0.000	0.000	0.000	0.000
BVPS	11.470	11.743	11.838	11.979	12.252

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	29.3	29.3	29.3
Net debt/(Net cash)	7.8	10.9	7.5	4.7	0.2
Adjustments	0.9	0.9	0.9	0.9	0.9
Enterprise value	47.6	48.4	37.7	34.9	30.4

Cash flow (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
EBITDA adjusted	7.8	8.9	9.0	9.5	10.7
Net financial charges	(0.6)	(0.2)	(0.8)	(0.7)	(0.6)
Cash taxes	0.5	0.1	(1.1)	(1.2)	(1.5)
Ch. in Working Capital	(4.0)	(2.2)	0.3	(1.7)	(0.9)
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>7.1</b>	<b>5.6</b>	<b>7.4</b>
Capex	(2.0)	(1.8)	(1.5)	(1.6)	(1.8)
<b>FCF</b>	<b>1.3</b>	<b>3.5</b>	<b>5.5</b>	<b>4.0</b>	<b>5.6</b>
Disposals/Acquisitions	(0.3)	(1.4)	(0.7)	0.0	0.0
Changes in Equity	(0.5)	(0.4)	(0.1)	0.0	0.0
Others	0.1	(3.5)	0.0	0.0	0.0
Dividends	(1.0)	(1.4)	(1.3)	(1.2)	(1.1)
<b>Ch. in NFP</b>	<b>(0.4)</b>	<b>(3.1)</b>	<b>3.4</b>	<b>2.8</b>	<b>4.5</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%	61.6%	41.9%	52.2%
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>

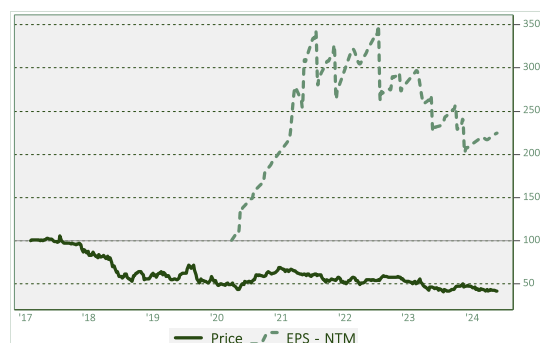
Balance sheet (Eu mn)	FY22A	FY23A	FY24E	FY25E	FY26E
Working capital	20.7	22.3	23.4	25.0	25.8
Fixed assets	73.3	75.2	72.6	69.9	67.8
Provisions & others	(7.7)	(7.4)	(8.8)	(9.6)	(10.8)
<b>Net capital employed</b>	<b>86.3</b>	<b>90.1</b>	<b>87.2</b>	<b>85.4</b>	<b>82.8</b>
<b>Net debt/(Net cash)</b>	<b>7.8</b>	<b>10.9</b>	<b>7.5</b>	<b>4.7</b>	<b>0.2</b>
Equity	78.5	79.2	79.7	80.6	82.6
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>30.3%</b>	<b>30.6%</b>	<b>28.8%</b>
<b>Net debt/Equity</b>	<b>9.9%</b>	<b>13.8%</b>	<b>9.4%</b>	<b>5.9%</b>	<b>0.3%</b>
<b>Net debt/EBITDA</b>	<b>1.0x</b>	<b>1.2x</b>	<b>0.8x</b>	<b>0.5x</b>	<b>0.0x</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	4.2x	3.7x	2.8x
<b>EV/EBITDA adjusted</b>	<b>6.1x</b>	<b>5.4x</b>	<b>4.2x</b>	<b>3.7x</b>	<b>2.8x</b>
EV/EBIT	15.2x	15.8x	9.8x	8.4x	5.8x
<b>EV/EBIT adjusted</b>	<b>9.4x</b>	<b>8.9x</b>	<b>6.4x</b>	<b>5.7x</b>	<b>4.2x</b>
P/E	12.2x	17.0x	15.8x	13.6x	9.6x
<b>P/E adjusted</b>	<b>10.0x</b>	<b>10.1x</b>	<b>8.7x</b>	<b>8.0x</b>	<b>6.4x</b>
ROCE pre-tax	5.5%	5.7%	6.1%	6.4%	7.7%
<b>ROE (excl. Goodwill)</b>	<b>9.0%</b>	<b>8.2%</b>	<b>8.1%</b>	<b>8.8%</b>	<b>10.4%</b>
EV/FCF	38.0x	13.7x	nm	8.8x	5.5x
<b>FCF yield</b>	<b>3.2%</b>	<b>9.7%</b>	<b>18.9%</b>	<b>13.6%</b>	<b>19.0%</b>
<b>Dividend yield</b>	<b>2.6%</b>	<b>3.7%</b>	<b>4.7%</b>	<b>4.1%</b>	<b>3.7%</b>

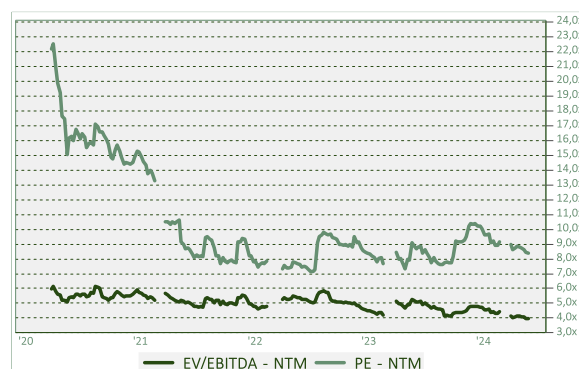
### Share price performance

Strong growth of EPS estimates



### Valuation

The company is trading at significant discount versus peers



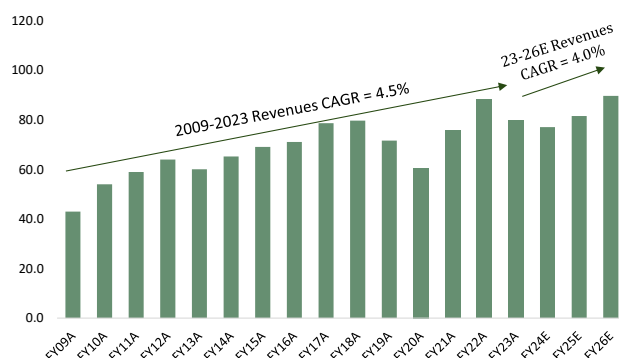
# ALANTRA

Italian Equity Research

## Key Charts

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

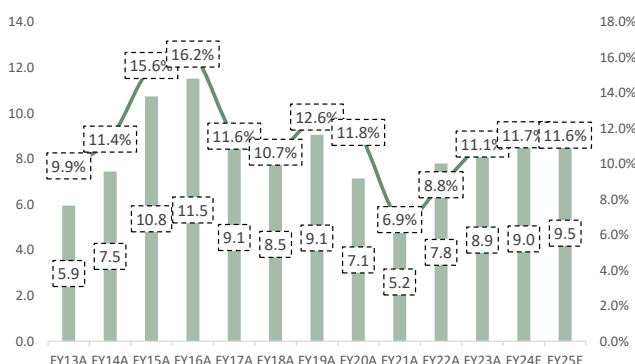
We expect 23-26E revenues CAGR of 4.0%



Source: company data, Alantra estimates

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

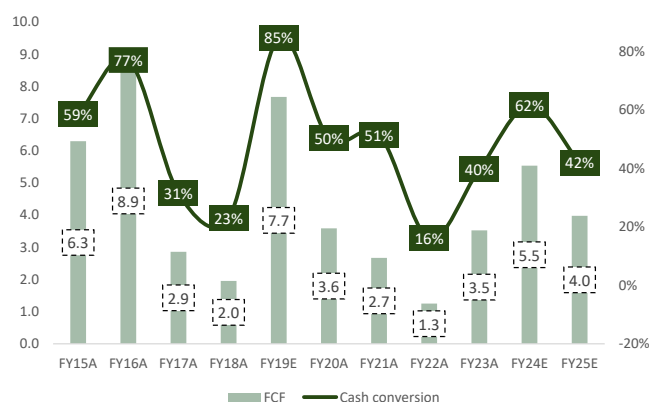
Profitability was resilient to Covid-19, further margin expansion is expected



Source: company data, Alantra estimates

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

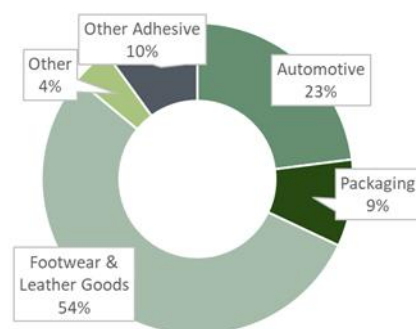
Good cash generation is foreseen ahead, reaching 60% cash conversion in FY24E



Source: company data, Alantra estimates

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

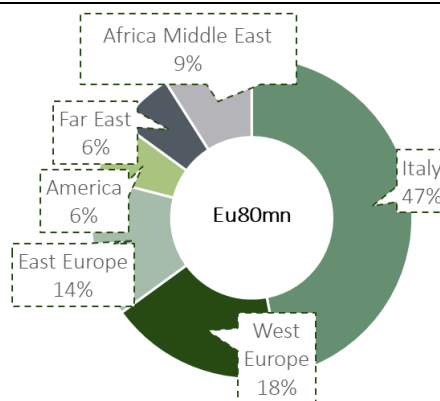
ICF has significantly reduced its exposure to the automotive sector



Source: Company data

### Revenues breakdown by Geography (FY23A)

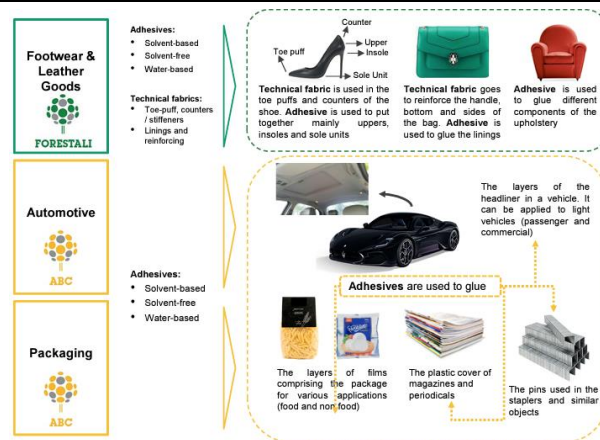
Well diversified by geography



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

## 3Q/9M24 Results

### 3Q/9M24 results

3Q sales down 6% as luxury momentum continues to wane. Another quarter of double-digit EBITDA margin (12.3%)

Eu mn	3Q23A	3Q24A	YoY %	9M23A	9M24A	YoY %	4Q23A	4Q24E	YoY %	FY23A	FY24E	YoY %
Revenues	18.7	17.6	-6.0%	60.3	57.6	-4.5%	19.6	19.5	-0.2%	79.9	77.1	-3.4%
Adj. EBITDA	2.0	2.2	6.7%	6.5	7.0	7.7%	2.4	2.0	-16.7%	8.9	9.0	1.2%
Ebitda Margin %	10.8%	12.3%		10.8%	12.2%		12.2%	10.2%		11.1%	11.7%	
NFP (debt)/cash	(13.9)	(9.0)		(13.9)	(9.0)		(10.8)	0.0		(10.9)	(7.5)	

Source: Company data, Alantra estimates

## Estimates

### Change in estimates

We trim our FY24-26E sales by 3%; FY24E EBITDA up by 5%. All in all, we now expect FY24 adj. net profit of Eu3.4mn (vs previous Eu2.7mn), also thanks to lower D&A

(Eu mn)	NEW Estimates			% Change			OLD Estimates		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Total Revenues / Value of Production	77.1	81.6	89.8	-4%	-4%	-2%	80.0	84.9	91.8
EBITDA Adjusted	9.0	9.5	10.7	5%	-4%	-7%	8.6	9.9	11.4
EBIT Adjusted	5.9	6.2	7.2	16%	1%	-4%	5.0	6.1	7.6
Net profit restated	3.4	3.7	4.6	22%	3%	-2%	2.7	3.6	4.7
EPS	0.501	0.544	0.677	22%	3%	-2%	0.409	0.530	0.693
Net financial position	(7.5)	(4.7)	(0.2)	0.21	0.56	1.06	(7.7)	(5.3)	(1.3)

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	29	4.2 x	3.7 x	2.8 x	6.4 x	5.7 x	4.2 x	8.7 x	8.0 x	6.4 x	0.5 x	0.4 x	0.3 x
Premium (discount) to Peers' Median			-51%	-52%	-58%	-48%	-47%	-57%	-45%	-45%	-51%	-68%	-70%	-75%
PEERS			8.9 x	7.9 x	7.0 x	13.1 x	11.5 x	10.0 x	16.5 x	14.9 x	13.3 x	1.7 x	1.5 x	1.4 x
Median			8.6 x	7.7 x	6.8 x	12.3 x	10.6 x	9.7 x	15.9 x	14.4 x	13.2 x	1.5 x	1.4 x	1.3 x
Henkel AG & Co. KGaA Pref	GERMANY	32,653	8.6 x	8.0 x	7.4 x	10.7 x	9.8 x	9.0 x	14.9 x	13.9 x	13.1 x	1.5 x	1.4 x	1.3 x
Sika AG	SWITZERLAND	40,383	18.5 x	16.6 x	14.7 x	24.3 x	21.5 x	18.4 x	30.1 x	26.9 x	23.5 x	3.6 x	3.4 x	3.1 x
Arkema SA	FRANCE	5,959	5.5 x	4.7 x	4.2 x	9.1 x	7.8 x	6.7 x	9.1 x	7.9 x	7.0 x	0.9 x	0.8 x	0.7 x
H.B. Fuller Company	UNITED STATES	3,939	9.6 x	8.9 x	7.9 x	13.6 x	12.2 x	10.8 x	18.3 x	16.3 x	14.0 x	1.7 x	1.6 x	1.4 x
PEERS Adhesives Producers			10.6 x	9.5 x	8.5 x	14.4 x	12.8 x	11.2 x	18.1 x	16.3 x	14.4 x	1.9 x	1.8 x	1.6 x
Median			9.1 x	8.4 x	7.6 x	12.1 x	11.0 x	9.9 x	16.6 x	15.1 x	13.6 x	1.6 x	1.5 x	1.4 x
Cembre S.p.A.	ITALY	651	9.9 x	9.2 x	8.6 x	12.3 x	11.4 x	10.6 x	16.9 x	15.7 x	14.8 x	2.8 x	2.7 x	2.5 x
LU-VE S.p.A.	ITALY	578	8.6 x	7.7 x	6.8 x	13.4 x	12.1 x	10.4 x	16.8 x	14.9 x	13.3 x	1.2 x	1.1 x	1.0 x
Aquafil SpA	ITALY	60	5.0 x	3.6 x	3.0 x	nm	nm	nm	na	nm	nm	0.6 x	0.5 x	0.4 x
Sabaf S.p.A.	ITALY	201	6.4 x	5.3 x	4.3 x	12.2 x	9.0 x	7.2 x	15.0 x	12.1 x	9.8 x	1.0 x	0.9 x	0.8 x
B&C Speakers S.p.A.	ITALY	185	7.9 x	7.1 x	6.3 x	8.9 x	8.0 x	7.0 x	11.1 x	11.6 x	10.6 x	1.8 x	1.6 x	1.4 x
PEERS Italian Small-Caps			7.6 x	6.6 x	5.8 x	11.7 x	10.1 x	8.8 x	14.9 x	13.6 x	12.1 x	1.5 x	1.3 x	1.2 x
Median			7.9 x	7.1 x	6.3 x	12.3 x	10.2 x	8.8 x	15.9 x	13.5 x	11.9 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	29	11.7%	7.7%	4.6%	2.0%	55.0%	4.0%	6.3%	10.0%	8.1%
PEERS			18.5%	13.2%	8.8%	4.8%	36.4%	4.7%	10.5%	-36.6%	-12.2%
Median			17.7%	12.8%	7.2%	5.1%	39.8%	4.4%	7.1%	8.0%	8.3%
Henkel AG & Co. KGaA Pref	GERMANY	32,653	18.0%	14.6%	10.0%	3.3%	35.3%	1.9%	8.3%	9.2%	11.4%
Sika AG	SWITZERLAND	40,383	20.1%	15.7%	11.2%	2.8%	45.1%	5.3%	10.1%	12.0%	13.2%
Arkema SA	FRANCE	5,959	16.6%	10.2%	6.3%	7.1%	39.8%	3.3%	6.1%	6.3%	8.3%
H.B. Fuller Company	UNITED STATES	3,939	17.7%	12.8%	7.2%	3.8%	19.0%	3.8%	7.1%	8.4%	11.9%
PEERS Adhesives Producers			18.1%	13.3%	8.7%	4.3%	34.8%	3.6%	7.9%	9.0%	11.2%
Median			17.8%	13.7%	8.6%	3.5%	37.5%	3.5%	7.7%	8.8%	11.7%
Cembre S.p.A.	ITALY	651	28.8%	23.2%	17.1%	8.4%	71.8%	5.0%	3.8%	3.8%	2.8%
LU-VE S.p.A.	ITALY	578	14.1%	9.1%	6.0%	5.5%	24.9%	2.5%	6.3%	8.0%	7.9%
Aquafil SpA	ITALY	60	12.7%	3.6%	0.1%	5.1%	0.0%	4.4%	24.8%	-427.5%	-188.5%
Sabaf S.p.A.	ITALY	201	16.2%	9.3%	6.0%	5.3%	40.1%	9.4%	22.4%	44.2%	16.0%
B&C Speakers S.p.A.	ITALY	185	22.6%	20.3%	15.2%	2.0%	51.9%	6.8%	5.5%	6.3%	7.6%
PEERS Italian Small-Caps			18.9%	13.1%	8.9%	5.3%	37.8%	5.6%	12.6%	-73.0%	-30.8%
Median			16.2%	9.3%	6.0%	5.3%	40.1%	5.0%	6.3%	6.3%	7.6%

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	29	-6.9%	-3.1%	-12.6%	-7.7%	-31.6%	-23.5%
PEERS			-5.6%	-4.6%	-12.1%	0.3%	-12.6%	27.5%
			-4.9%	-0.9%	-7.2%	3.4%	-3.8%	37.4%
Henkel AG & Co. KGaA Pref	GERMANY	32,653	-5.1%	1.9%	-4.2%	9.9%	3.8%	-16.0%
Sika AG	SWITZERLAND	40,383	-8.0%	-8.2%	-16.9%	-0.7%	-33.9%	37.5%
Arkema SA	FRANCE	5,959	-4.9%	-0.9%	-20.5%	-16.7%	-35.5%	-19.5%
H.B. Fuller Company	UNITED STATES	3,939	-4.7%	-5.7%	-6.3%	0.5%	-3.8%	51.3%
PEERS Adhesives Producers			-5.7%	-3.2%	-12.0%	-1.7%	-17.4%	13.3%
			-5.0%	-3.3%	-11.6%	-0.1%	-18.9%	10.7%
Cembre S.p.A.	ITALY	651	2.4%	3.1%	-8.6%	10.1%	36.8%	57.6%
LU-VE S.p.A.	ITALY	578	-10.7%	7.7%	10.6%	25.0%	14.0%	141.9%
Aquafil SpA	ITALY	60	-18.4%	-49.8%	-56.5%	-49.7%	-82.1%	-76.4%
Sabaf S.p.A.	ITALY	201	-4.9%	-1.7%	-7.2%	21.2%	-32.9%	37.4%
B&C Speakers S.p.A.	ITALY	185	4.0%	12.3%	0.9%	3.4%	20.4%	33.7%
PEERS Italian Small-Caps			-5.5%	-5.7%	-12.2%	2.0%	-8.8%	38.8%
			-4.9%	3.1%	-7.2%	10.1%	14.0%	37.4%

Source: Alantra estimates and Factset

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