

## Energy Services

### Data

Shares Outstanding (m):	3.7
Market Cap. (EURm):	18.7
Enterprise Value (EURm):	22.1
Free Float (%):	22.5%
Av. Daily Trad. Vol. (m):	0.001
Main Shareholder:	Bombacci family 74.8%
Reuters/Bloomberg:	ELIN.MI ELIN IM
52-Week Range (EUR)	3.5 5.2

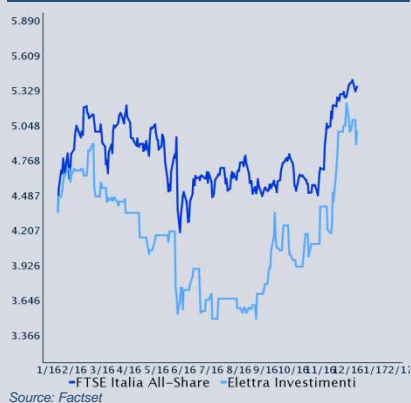
Source: Factset, UbiBanca estimates

### Performance

	1m	3m	12m
Absolute	18.6%	14.9%	20.2%
Rel. to FTSE IT	11.2%	-2.1%	21.4%

Source: Factset

### Graph area Absolute/Relative 12 M



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## A major step forward

On 21 December Eletttra Investimenti completed the acquisition of 100% of Tholos with an initial investment of EUR6 million (partially covered by a reserved right issue of 100k new shares to be subscribed the controlling shareholder of Tholos at EUR7.5 per share) plus an earn-out of EUR1.75 million over the next three years. Tholos is a certified EsCo that supports companies that adopt efficient technological energy solutions with >EUR13 million sales in 2015 (including the 100% controlled Tholos FARE), representing 43% of Eletttra Investimenti's revenues, and a 17.2% EBITDA margin (vs. 12.8% reported by Eletttra Investimenti in 2015). We believe this acquisition is strongly earnings enhancing; not only is the price paid attractive (EV/EBITDA at 3.5x, P/E adj. at 8.5x), but the purchase presents possible cross selling synergies. Following the acquisition, we have revised our 2017-18 forecasts, incorporating Tholos, leading to an increase of 40% in revenues, around 43% in EBITDA and net profit. Consequently our target price rises by 33% to EUR7.30 per share (from EUR5.50) reinforcing our positive stance on Eletttra Investimenti. The acquisition of Tholos represents an essential step for the transition to the MTA market segment. Buy.

- > We believe that the acquisition of Tholos represents a major step for Eletttra Investimenti: 1) the size of the group should increase by >40% in term of revenues, 2) the EBITDA margin should improve, given the higher profitability of Tholos compared with Eletttra Investimenti, 3) the price paid is attractive, with implicit multiples below those of Eletttra Investimenti 4) the seller of Tholos will invest in Eletttra Investimenti acquiring 200K shares at EUR7.5 per share, 53% above the current market price, 5) cross selling synergies, common financing, sharing of the commercial network could generate additional cost savings (not included in our estimates).
- > We have revised our forecasts to incorporate Tholos and Tholos FARE with a positive impact of about 40% on the top line in 2017-18. We now expect Eletttra Investiment to achieve an EBITDA margin of 12.9% this year, rising to 14.6% in 2018. The bottom line could reach EUR2.85 million in 2018 (more than triple the net result for 2015) while the net financial position should return to net cash already at the beginning of 2018.
- > Consequently, we have increased our target price, based on a DCF and a relative valuation, by 33% to EUR7.30 (from EUR5.50 previously) implying >45% upside. Buy reiterated.

Financials	priced on 11 January 2017			
	2015	2016E	2017E	2018E
Revenues (EURm)	30.3	31.2	53.2	55.1
EBITDA (EURm)	3.4	4.0	7.6	8.1
EBITDA margin (%)	11.3%	12.9%	14.2%	14.6%
EBIT (EURm)	1.7	2.0	4.6	4.9
EPS (EUR)	0.24	0.28	0.68	0.74
CFPS (EUR)	1.01	0.73	1.58	1.50
DPS (EUR)	0.13	0.14	0.17	0.20

Source: Company Data, UBI Banca Estimates

Ratios	priced on 11 January 2017			
	2015	2016E	2017E	2018E
P/E(x)	21.9	17.8	7.3	6.7
P/CF(x)	7.9	6.2	3.5	3.2
P/BV(x)	1.6	1.5	1.2	1.1
Dividend Yield	2.4%	2.8%	3.4%	4.0%
EV/EBITDA(x)	4.4	5.5	2.5	2.1
Debt/Equity (x)	-0.4	0.3	0.0	-0.1
Debt/EBITDA (x)	-1.4	0.9	0.0	-0.2

Source: Company Data, UBI Banca Estimates

## Key Financials

(EURm)	2015	2016E	2017E	2018E
Revenues	30.3	31.2	53.2	55.1
EBITDA	3.4	4.0	7.6	8.1
EBIT	1.7	2.0	4.6	4.9
NOPAT	1.1	1.2	2.8	3.0
Free Cash Flow	0.3	-6.8	4.3	4.0
Net Capital Employed	7.3	16.2	15.7	15.7
Shareholders' Equity	12.1	12.7	15.7	17.9
Net Financial Position	-4.8	3.6	0.2	-1.9

Source: Company data, UBI Banca estimates

## Key Profitability Drivers

	2015	2016E	2017E	2018E
Net Debt/Ebitda (x)	-1.4	0.9	0.0	-0.2
Net Debt/Equity (x)	-0.4	0.3	0.0	-0.1
Interest Coverage (%)	0.0	0.0	0.0	0.0
Free Cash Flow Yield (%)	1.4%	nm	22.6%	20.7%
ROE (%)	7.5%	8.3%	16.7%	15.9%
ROI (%)	15.0%	10.2%	17.5%	18.9%
ROCE (%)	15.4%	10.5%	17.8%	19.2%

Source: Company data, UBI Banca estimates

## Key Valuation Ratios

	2015	2016E	2017E	2018E
P/E (x)	21.9	17.8	7.3	6.7
P/BV (x)	1.6	1.5	1.2	1.1
P/CF (x)	7.9	6.2	3.5	3.2
Dividend Yield (%)	2.4%	2.8%	3.4%	4.0%
EV/Sales (x)	0.5	0.7	0.4	0.3
EV/EBITDA (x)	4.4	5.5	2.5	2.1
EV/EBIT (x)	8.6	11.2	4.2	3.5
EV/CE (x)	2.1	1.4	1.2	1.1

Source: Company data, UBI Banca estimates

## Key Value Drivers

(%)	2015	2016E	2017E	2018E
Payout	53.3%	49.7%	25.0%	26.9%
NWC/Sales	-8.2%	-7.1%	-5.2%	-4.6%
Capex/Sales	11.3%	30.6%	3.2%	3.2%

Source: Company data, UBI Banca estimates

### Recent Developments

- > On 21 December 2016, Elettra Investimenti completed the acquisition of Tholos (including 100% of the controlled Tholos FARE). The acquired company is a certified EsCo specialized in acquiring and trading white certificates (Titoli di Efficienza Energetica, or TEE) through the provision of services to improve the energy efficiency of its clients (all of primary standing). In other words, Tholos realizes or upgrades and finances (through Tholos FARE) existing on-site power plants with an EPC business model (Energy Performance Contract) which implies cost savings for the customer and TEE for Tholos (to be recognized by GSE, the Italian energy authority) which are sold on the market (also through bilateral agreements). Tholos (together with Tholos FARE) reported EUR13.1 million revenues in 2015 with an EBITDA of EUR2.2 million (17% margin) and a net profit of EUR1.8 million (of which EUR0.9 million of extraordinary gains). The company has no debt and 29 employees.
- > The price for 100% of Tholos was set at EUR7.75 million, of which EUR6 million has already been paid with the remainder to be paid as earn-out by December 2019 based on the future market value of the TEE owned by Tholos. Meanwhile, Dromos Holding, the seller of Tholos, will invest EUR1.5 million to acquire 200k shares of Elettra Investimenti (5.4% of the share capital) at EUR7.5 per share (53% above the current market price): 100k shares through a dedicated right issue to be finalized in 1Q17 (from which Elettra Investimenti will therefore receive cash inflow of EUR0.75 million) and 100k shares sold by the Bombacci family. A further EUR5 million come from a new credit line of EUR5 million (2% fixed rate, 5 years duration). As a result the cash outlay for Elettra Investimenti should be limited to EUR0.25 million, leaving further room for potential new acquisitions. Dromos Holding will have a put option (after three years) at EUR7.5 per share and the Bombacci family a call option at EUR9 per share.
- > Assuming the full payment of EUR7.75 million (which, however, could change depending on the price of TEE certificates owned by Tholos) the company was valued at a 2015 EV/EBITDA of 3.5x (vs. 4.1x for Elettra Investimenti at current price), an EV/Sales of 0.56x (vs. 0.47x), and EV/EBIT of 5.2x (vs. 8.1x) and an adjusted P/E (before considering extraordinary gains) of 5.8x (vs. 20.9x). All these multiples are attractive, being well below the industry average and below those of Elettra Investimenti. As a result, we believe the acquisition should be immediately earnings enhancing for Elettra Investimenti, even before taking potential synergies into account.
- > The acquisition completes Elettra Investimenti's product range and we believe it could exploit cross selling synergies, common financing, sharing of the commercial network. In addition, the management team of Tholos will remain in situ and provide its knowledge to Elettra Investimenti.
- > Clearly, the main risks of the deal relate to the white certificates: not only is the market price of TEE erratic (during 2016 the price ranged from EUR105 to EUR249 with an average price of EUR142 and last week the average price was EUR191 – source: GME) but requests for white certificates can also be rejected by GSE (in 2016 GSE rejected 11.9% of the total inquiries) and the investigation phase could last a long time (19.3% of the inquiries presented in 2016 were still under investigation at the end of the year). In addition, the payment terms for the receivables vs. GSE can be prolonged: at Dec-15 Tholos reported EUR8.48 million receivables vs. GSE (>80% of 2015 revenues) of which EUR3.32 million related to 2014 projects and EUR0.2 million related to 2013.

Figure 1 – Tholos and Tholos FARE 2015 results

(EURm)	Tholos	Tholos FARE	Tholos + Tholos FARE
Sales	10.47	2.59	13.06
<b>EBITDA</b>	<b>1.32</b>	<b>0.90</b>	<b>2.22</b>
<b>% margin</b>	<b>12.6%</b>	<b>34.7%</b>	<b>17.0%</b>
EBIT	0.79	0.70	1.48
% margin	7.5%	26.9%	11.3%
Extraordinary gains	0.88	-	0.88
Pre tax profit	1.55	0.70	2.25
<b>Net profit</b>	<b>1.31</b>	<b>0.48</b>	<b>1.79</b>
<b>Net profit adjusted</b>	<b>0.43</b>	<b>0.48</b>	<b>0.91</b>

Source: Company data

Figure 2 – Tholos 2012-15 results

The sharp decline in revenues reported in the past two years was due to the new rules adopted from Jan-14 that prohibited the request of TEE for projects already realized. In 2015 Tholos did not recognize as revenues the projects still to be approved by GSE while the completion of large projects with low profitability affected revenues but increased the EBITDA margin significantly.

(EURm)	2012A	2013A	2014A	2015A
Sales	10.58	23.46	15.03	10.47
% growth		121.8%	-35.9%	-30.3%
<b>EBITDA</b>	<b>1.38</b>	<b>2.48</b>	<b>1.03</b>	<b>1.32</b>
<b>% margin</b>	<b>13.1%</b>	<b>10.6%</b>	<b>6.9%</b>	<b>12.6%</b>
EBIT	1.22	2.26	0.70	0.79
% margin	11.6%	9.6%	4.6%	7.5%
<b>Net result</b>	<b>0.81</b>	<b>1.81</b>	<b>-0.09</b>	<b>1.31</b>

Source: Company data

Figure 3 – Tholos FARE 2014-15 results

(EURm)	2014A	2015A
Sales	1.99	2.59
% growth		30.5%
<b>EBITDA</b>	<b>0.63</b>	<b>0.90</b>
<b>% margin</b>	<b>31.9%</b>	<b>34.9%</b>
EBIT	0.55	0.70
% margin	27.9%	27.1%
<b>Net profit</b>	<b>0.39</b>	<b>0.48</b>

Source: Company data

**Financial Projections**

- > Tholos and Tholos FARE will be consolidated from 21 December 2016. The impact on P&L would therefore be visible only in 2017 while the impact on the balance sheet should be already evident at Dec-16.
- > For Elettra Investimenti on a stand-alone basis we have decreased our 2016 top line expectations by about 3% reflecting lower oil trading, tied to the current high oil price which is reducing trading activities, and lower thermal energy sales, due to the mild temperatures of November and December. On a pro-forma basis, incorporating the companies acquired for the full year, sales should exceed EUR47 million, with a contribution of >EUR16 million to the top line.
- > The addition of Tholos and Tholos FARE increase our sales estimates for 2017 by EUR15.8 million. In 2018, we prudently assume modest sales growth of 3% for the company acquired, increasing our revenues projections for Elettra Investimenti by 40%.
- > The EBITDA margin should benefit from the consolidation of Tholos and Tholos FARE, which are expected to rise in 2016 (to 18.5% from 17.0% in 2015) thanks to the growing market price of TEE. For 2017-18 we assume a lower margin for the companies acquired (about 15%) given the huge fluctuations of TEE prices. Overall, our estimates indicate an EBITDA margin of 14.2% in 2017 and 14.6% in 2018 compared with 12.9% in 2016 on a stand-alone basis and 15.1% on pro-forma basis.
- > Despite higher D&A costs, our EBIT estimates have been upgraded by nearly 50% in 2017-18 with an operating margin of 8.8% in 2018. After a tax rate of almost 40%, net attributable profit could be EUR1.05 million this year (EUR2.35 million on pro-forma basis) rising to EUR2.85 million in 2018 (2015-18 CAGR of 46%).
- > Given the cash outlay of EUR6.0 million for the acquisition, the net financial position is likely to revert to net debt of EUR3.6 million at Dec-16, but we expect a rapid improvement in the net financial position which should return to net cash by 2018, reaching EUR1.9 million at Dec-18.
- > The addition of Tholos and Tholos FARE will strongly increase the net invested capital, which should exceed EUR16 million at Dec-16 (vs. EUR7.3 million at Dec-15), leading to lower capital turnover (3.4x expected in 2017 vs. 4.2x in 2015), However, the increase in the NOPAT margin should lead to a higher ROI (17.8% expected in 2017 and 19% in 2018 compared with 14.1% reported in 2015).

Figure 4 – 2016 estimates on stand-alone and pro-forma basis

		Stand-alone	Pro-forma
(EURm)	2015A	2016E	2016E
Sales	30.26	31.21	47.40
% Change	9.7%	3.1%	
<b>EBITDA</b>	<b>3.42</b>	<b>4.02</b>	<b>7.02</b>
<b>% margin</b>	<b>11.3%</b>	<b>12.9%</b>	<b>14.8%</b>
D&A	-1.67	-2.04	-2.74
EBIT	1.74	1.98	4.28
% margin	5.8%	6.4%	9.0%
<b>Net Profit</b>	<b>0.90</b>	<b>1.05</b>	<b>2.35</b>

Source: Company data, UBI Banca estimates

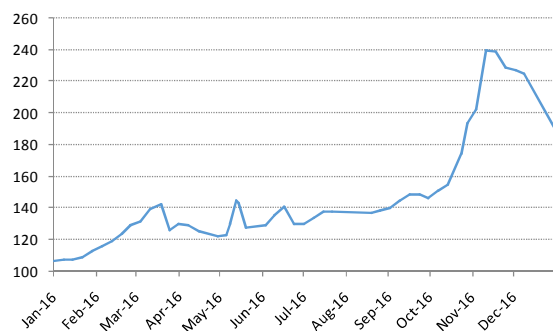
Figure 5 – Old vs. new estimates

(EURm)	2015A	2016E		2017E		2018E	
		Old	New *	Old	New	Old	New
VoP	30.26	32.23	31.21	37.94	53.23	39.38	55.14
% change			-3.2%		40.3%		40.0%
<b>EBITDA</b>	<b>3.42</b>	<b>4.12</b>	<b>4.02</b>	<b>5.23</b>	<b>7.57</b>	<b>5.67</b>	<b>8.06</b>
% change			-2.4%		44.8%		42.1%
EBIT	1.74	2.08	1.98	3.04	4.58	3.33	4.86
% change			-4.8%		50.6%		45.9%
<b>Net Profit</b>	<b>0.90</b>	<b>1.11</b>	<b>1.05</b>	<b>1.74</b>	<b>2.61</b>	<b>1.96</b>	<b>2.85</b>
% change			-5.3%		50.4%		45.2%
<b>EPS</b>	<b>0.24</b>	<b>0.30</b>	<b>0.28</b>	<b>0.46</b>	<b>0.68</b>	<b>0.52</b>	<b>0.74</b>
% change			-5.3%		46.5%		41.4%
Net debt (cash)	(4.81)	(3.17)	3.59	(3.35)	0.18	(3.98)	(1.94)
<b>EBIT margin</b>	<b>5.8%</b>	<b>6.5%</b>	<b>6.4%</b>	<b>8.0%</b>	<b>8.6%</b>	<b>8.5%</b>	<b>8.8%</b>
<b>EBITDA margin</b>	<b>11.3%</b>	<b>12.8%</b>	<b>12.9%</b>	<b>13.8%</b>	<b>14.2%</b>	<b>14.4%</b>	<b>14.6%</b>

Source: Company data, UBI Banca estimates

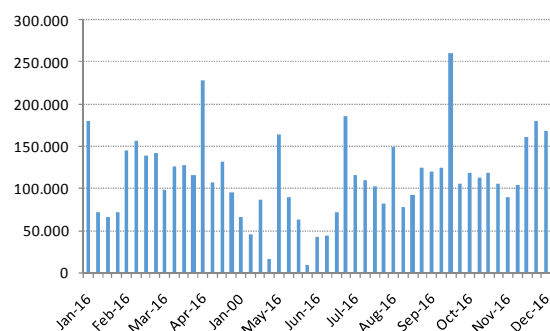
\* Stand-alone basis

Figure 6 – Average TEE price (EUR)



Source: GME

Figure 7 – Daily TEE volumes



Source: GME

### Valuation

- > Our new target price of EUR7.30 per share (up from EUR5.50) is based on the average of a DCF (fair value of EUR6.36 per share) and a relative valuation (applying a 20% discount to the values of large companies to factor in the limited size and limited liquidity of Elettra Investimenti) based on both the median of the multiples of small companies and the median of larger international companies. This gives a fair value of EUR6.08 per share using small peers and EUR9.45 per share using large companies.
- > At its current market price (EUR4.90), Elettra Investimenti is trading at a significant discount to peers: 73% on 2017-18 EV/EBITDA and 66% in P/E terms, a discount which has increased significantly in the past few months, while it trades at a small premium in terms of P/BV (15%). This reflects Elettra Investimenti's low invested capital compared to other companies which manage large power plants.
- > Given the current estimated upside potential of >45%, we confirm our Buy rating. At the target price, the company would trade at 3.7x 2017 EV/EBITDA, which is still well below the average multiple for the industry (8.9x), at 10.7x P/E (the average of the industry stands at 20.4x) and at 1.8x P/BV (vs. 0.96x).
- > The outstanding warrants are currently out of the money: the strike price is equal to EUR7.80 up to April 21 2017 and EUR8.10 up to April 21 2018. In the second conversion period (ended on 14 October 2016) there was no conversion of warrants.

Figure 8 – Valuation summary

(EUR)		Weight
DCF valuation	6.36	33%
Relative valuation (large companies, 20% discount)	9.45	33%
Relative valuation (small companies)	6.08	33%
<b>Target Price</b>	<b>7.30</b>	
Current price	5.00	
Potential upside	45.9%	

Source: UBI Banca estimates

Figure 9 – DCF Valuation

#### Our DCF valuation implies an EV/EBITDA of 1.7x at terminal value

	Valuation (EUR m)	% Weight	Per share (EUR)
Sum of PV 2016-24 FCF	8.91	47%	2.39
Terminal value	10.04	53%	2.69
<b>Total Enterprise value</b>	<b>18.95</b>	<b>100%</b>	<b>5.07</b>
- Pension Provision	(0.00)		(0.00)
- Net cash (debt)	4.81		1.29
<b>Total Equity value</b>	<b>23.75</b>		<b>6.36</b>
Number of shares outstanding (m)	3.74		
<b>Fair value per share (EUR)</b>	<b>6.36</b>		

Source: UBI Banca estimates

Figure 10 – Relative valuation based on large cap companies (priced on 11 January 2017)

Based on a simple average of large cap companies, Elettra Investimenti has a valuation of EUR12.1 per share (EUR9.68 applying 20% discount) while using the median of multiples the fair value would be EUR9.45 per share. The shares are trading at significant discount to EV/EBITDA and P/E, but at a premium to P/BV.

Company	Market Cap (EURm)	P/E		EV/EBITDA		P/BV	
		2017E	2018E	2017E	2018E	2017E	2018E
EDP Renovaveis	4.998	29.7 x	25.7 x	6.9 x	6.6 x	0.80 x	0.79 x
Iberdrola	38.122	14.0 x	13.3 x	8.5 x	8.1 x	0.97 x	0.94 x
Acciona	4.051	16.9 x	14.8 x	7.7 x	7.3 x	1.05 x	1.01 x
Fortum	13.095	21.0 x	20.5 x	11.5 x	11.7 x	0.98 x	0.98 x
Verbund	5.274	20.0 x	22.6 x	10.1 x	10.5 x	1.00 x	0.97 x
<b>Average</b>		<b>20.3 x</b>	<b>19.4 x</b>	<b>8.9 x</b>	<b>8.9 x</b>	<b>0.96 x</b>	<b>0.94 x</b>
<b>Median</b>		<b>20.0 x</b>	<b>20.5 x</b>	<b>8.5 x</b>	<b>8.1 x</b>	<b>0.98 x</b>	<b>0.97 x</b>
Elettra investimenti	19	7.3 x	6.7 x	2.5 x	2.1 x	1.22 x	1.07 x
Premium (discount)		-63.3%	-67.2%	-70.2%	-74.2%	25.5%	10.0%
<b>Based on simple average</b>	<b>(EUR)</b>	<b>13.87</b>	<b>14.47</b>	<b>16.40</b>	<b>19.53</b>	<b>3.93</b>	<b>4.41</b>
<b>Based on median</b>	<b>(EUR)</b>	<b>13.57</b>	<b>15.37</b>	<b>15.41</b>	<b>18.01</b>	<b>4.01</b>	<b>4.52</b>

Source: Factset, UBI Banca estimates

Figure 11 - Relative valuation based on small cap companies (priced on 11 January 2017)

Based on the median of small cap companies, Elettra Investimenti would be valued at EUR6.08 per share.

Company	Market Cap (EURm)	P/E		EV/EBITDA		P/BV	
		2017E	2018E	2017E	2018E	2017E	2018E
Falck Renewables	275	36.2 x	25.2 x	6.8 x	6.4 x	0.60 x	0.60 x
TerniEnergia	34	7.5 x				0.59 x	
Alerion Clean Power	126	19.3 x	18.1 x	6.9 x	6.5 x	1.19 x	1.16 x
<b>Average</b>		<b>21.1 x</b>	<b>21.7 x</b>	<b>6.9 x</b>	<b>6.5 x</b>	<b>0.79 x</b>	<b>0.88 x</b>
<b>Median</b>		<b>19.3 x</b>	<b>21.7 x</b>	<b>6.9 x</b>	<b>6.5 x</b>	<b>0.60 x</b>	<b>0.88 x</b>
<b>Based on median</b>	<b>(EUR)</b>	<b>5.44</b>	<b>14.79</b>	<b>6.10</b>	<b>13.65</b>	<b>2.05</b>	<b>3.60</b>

Source: Factset, UBI Banca estimates



## Income Statement

(EURm)	2015	2016E	2017E	2018E
Net Revenues	30.3	31.2	53.2	55.1
EBITDA	3.4	4.0	7.6	8.1
EBITDA margin	11.3%	12.9%	14.2%	14.6%
EBIT	1.7	2.0	4.6	4.9
EBIT margin	5.8%	6.4%	8.6%	8.8%
Net financial income /expense	-0.3	-0.4	-0.4	-0.4
Associates & Others	0.0	0.0	0.0	0.0
Profit before taxes	1.4	1.6	4.2	4.5
Taxes	-0.6	-0.6	-1.6	-1.7
Minorities & discontinuing ops	0.1	0.1	0.1	0.1
Net Income	0.9	1.1	2.6	2.8

Source: Company data, UBI Banca estimates

## Balance Sheet

(EURm)	2015	2016E	2017E	2018E
Net working capital	-2.5	-2.2	-2.8	-2.5
Net Fixed assets	10.0	18.8	18.7	18.6
M/L term funds	-0.2	-0.3	-0.3	-0.3
Capital employed	7.3	16.2	15.7	15.7
Shareholders' equity	12.1	12.7	15.7	17.9
Minorities	-0.0	-0.1	-0.2	-0.3
Shareholders' funds	12.1	12.6	15.5	17.7
Net financial debt/(cash)	-4.8	3.6	0.2	-1.9

Source: Company data, UBI Banca estimates

## Cash Flow Statement

(EURm)	2015	2016E	2017E	2018E
NFP Beginning of Period	-0.3	-4.8	3.6	0.2
Group Net Profit	0.9	1.1	2.6	2.8
Minorities	-0.1	-0.1	-0.1	-0.1
D&A	1.7	2.0	3.0	3.2
Change in Funds & TFR	0.0	0.0	0.0	0.0
Gross Cash Flow	2.5	3.0	5.5	6.0
Change In Working Capital	1.2	-0.3	0.5	-0.2
Other	0.0	0.0	0.0	0.0
Operating Cash Flow	3.7	2.7	6.0	5.7
Net Capex	-3.4	-9.6	-1.7	-1.8
Other Investments	-0.0	0.0	0.0	0.0
Free Cash Flow	0.3	-6.8	4.3	4.0
Dividends Paid	0.0	-0.5	-0.5	-0.7
Other & Chg in Consolid. Area	0.1	-1.1	-1.1	-1.2
Chg in Net Worth & Capital Incr.	4.1	0.0	0.8	0.0
Change in NFP	4.5	-8.4	3.4	2.1
NFP End of Period	-4.8	3.6	0.2	-1.9

Source: Company data, UBI Banca estimates

**Financial Ratios**

(%)	2015	2016E	2017E	2018E
ROE	7.5%	8.3%	16.7%	15.9%
ROI (pre-tax)	24.2%	16.5%	28.2%	30.5%
Net Fin. Debt/Equity (x)	-0.4	0.3	0.0	-0.1
Net Fin. Debt/EBITDA (x)	-1.4	0.9	0.0	-0.2
Interest Coverage	0.0	0.0	0.0	0.0
NWC/Sales	-8.2%	-7.1%	-5.2%	-4.6%
Capex/Sales	11.3%	30.6%	3.2%	3.2%
Pay Out Ratio	53.3%	49.7%	25.0%	26.9%

Source: Company data, UBI Banca estimates

**Per Share Data**

(EUR)	2015	2016E	2017E	2018E
EPS	0.24	0.30	0.46	0.52
DPS	0.13	0.14	0.17	0.20
Op. CFPS	1.01	0.94	0.91	1.09
Free CFPS	0.08	-0.02	0.50	0.66
BVPS	3.29	3.43	3.77	4.15

Source: Company data, UBI Banca estimates

**Stock Market Ratios**

(x)	2015	2016E	2017E	2018E
P/E	21.9	17.8	7.3	6.7
P/OpCFPS	5.3	6.8	3.2	3.3
P/BV	1.6	1.5	1.2	1.1
Dividend Yield (%)	2.4%	2.8%	3.4%	4.0%
Free Cash Flow Yield (%)	1.4%	nm	22.6%	20.7%
EV (EURm)	15.0	22.1	19.1	17.0
EV/Sales	0.5	0.7	0.4	0.3
EV/EBITDA	4.4	5.5	2.5	2.1
EV/EBIT	8.6	11.2	4.2	3.5
EV/Capital Employed	2.1	1.4	1.2	1.1

Source: Company data, UBI Banca estimates

**Growth Rates**

(%)	2015	2016E	2017E	2018E
Growth Group Net Sales	9.7%	3.1%	70.6%	3.6%
Growth EBITDA	-13.3%	17.8%	88.0%	6.5%
Growth EBIT	-28.6%	13.7%	131.2%	6.1%
Growth Net Profit	-41.8%	16.2%	148.3%	9.1%

Source: Company data, UBI Banca estimates

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<b>Date</b>	<b>Rating</b>	<b>Target Price (EUR)</b>	<b>Market Price (EUR)</b>
	HOLD	0.0	0.00
	HOLD	0.0	0.00
	HOLD	0.0	0.00