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BREAKING NEWS

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## Modelleria Brambilla

### New order from BMW

Price	€3,24
Recommendation	Buy
12mth target price	€5,0
Ticker	MBR IM

#### NEWS

- Modelleria Brambilla has been awarded new order from BMW for about € 1 million.
- The contract has for object the production of equipments for the fusion of two types of engine crankcase 3 and 4 cylinders. Delivery is scheduled from April 2017.
- Continues unceasingly the face management work to revenue growth. We believe that profitability (EBITDA margin) of the new contract is in line with the average estimate for FY17F.
- Unchanged our 2017-18F estimates, which take into account: 1) production located in emerging markets; 2) optimization of design and increased production capacity of the plant in Correggio now reached its saturation costs; 3) innovation of process and product. To achieve these objectives, during 2015 Modelleria Brambilla it has launched a JV in India and acquired the building side (doubling the production area). We forecast a 2015-2018F CAGR in revenues by 16% and EBITDA by 40%.
- The valuation: rating buy, target price € 5.0 per share and medium risk unchanged

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Date	Recommendation	Target Price	Risk	Comment
8/4/2015	Buy	3,60	Medium	FY14 Results
8/7/2015	U.R	U.R	U.R.	New Orders
21/9/2015	Buy	6,0	Medium	New Orders
5/10/2015	Buy	6,0	Medium	1H15 Results
23/3/2016	Buy	6,2	Medium	FY15 Results
18/5/2016	Buy	6,2	Medium	New Orders
31/5/2016	Buy	6,2	Medium	New Orders
14/10/2016	Buy	5,0	Medium	1H16 Results

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<b>Expected Total Return – ETR (for different risk categories)</b>			
Rating	Low Risk	Medium Risk	High Risk
BUY	ETR >= 7.5%	ETR >= 10%	ERT >= 15%
HOLD	-5% < ETR < 7.5%	-5% < ETR < 10%	0% < ETR < 15%
SELL	ETR <= -5%	ETR <= -5%	ETR <= 0%
U.R.	Rating e/o target price Under Review		
N.R.	Stock Not Rated		

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