

# COSTAMP GROUP

**Strong profitability growth and order backlog up 79% yoy**

**FY19: sharp increase in profitability margins and continuous focus on R&D.** Costamp Group, leader in the engineering, production and trade of dies for die casting, recently announced strong FY 2019 results which confirmed the positive trend recorded in 1H19 as the Group has started to reap benefits from the rationalization of the group structure and the integration of the business units after the reversed takeover in 2018. More in detail, revenues (VoP) came in at Euro 58.3 m, in line with previous year (Euro 58.0 m) and outperforming our estimates (Euro 57.0 m), and confirming the Group's international calling with c. 47% of revenues realized abroad.

EBITDA increased significantly to Euro 5.7 m (vs. Euro 1.6 m in FY 2018PF) and slightly outperformed our estimates (Euro 5.6 m) as EBITDA margin grew to 9.7% vs. 2.7% in FY18PF (9.8% as of our estimates). Net Profit was of Euro 0.9 m vs. net loss of Euro - 1.7 m in FY 2018PF. Net Debt stood at Euro 29.1 m, up from Euro 21.8 m after the adoption of IFRS 16 (Euro 2.6 m) and an increase in NWC.

**Technology Leadership:** In spite of the important organizational changes, the Group continued, also in FY19, its focus on R&D activities aimed at strengthening its technological leadership (Puzzle Die, Low Pressure Forging Technology, Italcementi Partnership and Cavity Insert Fast Change Configuration).

**Outlook and Estimates:** in the first months of 2020, the Group has received several important orders and order back log increased by +79% yoy at the end of Q120. As for the coronavirus Management has stated that although still difficult to draw any conclusions for FY20, so far the Group has not suffered any significant contractions despite a partial halt in production as order intake continued and R&D, engineering and administrative functions remained operational in smart working in order to guarantee service continuity while focusing on reducing delays in delivery times.

**Estimates:** Given the above, and following the positive FY 2019 results and order backlog we confirm our revenue and margins assumptions for FY20 and 21 but slightly adjusted assumptions for working capital in line with FY19. We also stretched our time horizon to include 2022. Overall revenue and EBITDA 2019-2022 CAGR is expected at +9% and +23% respectively.

Key Figures (Euro m)	Revenue	Yoy %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2019A	58.3	+1%	5.7	10%	2.1	4%	0.9	29.1
2020E	62.5	+7%	6.8	11%	3.4	5%	1.6	26.8
2021E	68.5	+10%	8.9	13%	5.4	8%	3.1	23.0
2022E	75.0	+9%	10.5	14%	6.8	9%	4.3	18.1

## Sector: Manufacturing

Market Price (Euro) 1.92  
Market Cap (Euro m) 82  
EV (Euro m) 111  
*(as of May 8<sup>th</sup>, 2020)*

### Share Data

Market	AIM ITALIA
Bloomberg/Reuters	MOLD IM / MOLD.MI
ISIN	IT0005068249
N. of Shares	42,605,447
Free Float	8.88%
Main Shareholder	Co.Stamp Srl (93.28%)
CEO	Marco Corti

### AIM Positioning

FY 2018	Company	AIM Sector	AIM Italia
Revenues (Eu m)	58	97	43
Revenues Yoy	n.s.	37%	26%
EBITDA margin	3%	11%	14%
NFP/EBITDA (x)	14.0	2.8	3.8

Market Data	Company	AIM Sector	AIM Italia
Mkt Cap (Eu m)	82	64	46
Perf. YTD	-11%	-14%	-13%
Free Float	9%	28%	33%
ADIT YTD (Eu k)	7	53	82

### Performance

	1M	3M	1Y
Absolute	-5.0%	-8.6%	-7.7%
Relative	-3.4%	6.2%	21.5%
52-week High/Low (Eu)	2.60 / 1.60		

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