

ILPRA

1H20: important increase in profitability, Net Profit +188% YoY

Revenue growth above market rates and sharp increase in profitability: ILPRA, specialized in the design and production of packaging machines for food, cosmetics and medical markets, released positive 1H20 results with sales (Euro 15.3 m) in line with previous year, outperforming the negative market trend and with a sharp increase in profitability (EBITDA +81% and Net Profit +188%).

More in detail, sales reached Euro 15.3 m, in line with 1H19, while the Value of Production grew up by +6.9% to reach Euro 17.5 m (Euro 16.4 m in 1H19). 68% of revenues were realized outside Italy. EBITDA came in at Euro 2.6 m, marking a significant growth of +81% (Euro 1.5 m in 1H19), as a result of more efficient production and costs control activities (costs for services were down by -18%). EBITDA margin was 17.1% vs. 9.5% in 1H19. Net Profit came in at Euro 1.3 m, up +188% vs. Euro 0.4 m of 1H19. Net Debt stood at Euro 7.2 m (Euro 6.5 m in FY19).

Positive outlook based on a robust business model and a well-defined growth strategy. Our outlook for ILPRA remains very positive also in light of the positive 1H20 results which confirmed the Group's ability to achieve growth above market rates and a structural improvement profitability, and thus affirming the sustainability of the business model and the growth strategies perused.

FY20-22 Estimates confirmed. We confirm our previous forecast for FY20-22 based on a top-line 19-22 CAGR of 11% and a progressive increase in profitability as the Group will be able to benefit from synergies from the recent acquisitions and from improved production efficiently. We stress that our forecast does not include any potential opportunities arising from further M&A activity, which however remains a key strategic pillar for the Group in the next years.

Valuation: We set a target price of Euro 3.40 per share, (Euro 3.10 p.s. previously), providing for a +79% upside on current stock price and obtained by weighting equally the DCF and the multiple comparison analysis.

Sector: Manufacturing

Target Price (Euro) 3.40 (3.10 pr)
 Market Price (Euro) 1.90
 Market Cap (Euro m) 23
 EV (Euro m) 30
(as of September 29th, 2020)

Share Data

Market	AIM ITALIA
Bloomberg/Reuters	ILP IM / ILP.MI
ISIN	IT0005359101
N. of Shares	12,038,600
Free Float	20.02%
CEO	Maurizio Bertocco

AIM Positioning

FY 2019	Company	AIM Italia
Revenues (Eu m)	32.0	44.5
Revenues YoY	+12.8%	+16.9%
EBITDA margin	14.1%	15.4%
NFP/EBITDA (x)	1.4	2.1

Market Data	Company	AIM Italia
Mkt Cap (Eu m)	22.5	44.7
Perf. YTD	-11.4%	-7.4%
Free Float	20.0%	32.8%
ADTT YTD (Eu)	7,429	71,392

Credit Risk Profile

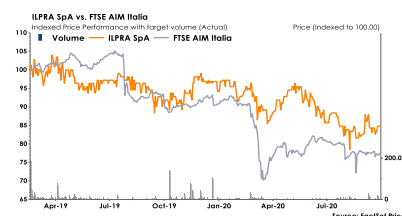
	Ilpra	Italian PMI Avg
Wiserfunding Bond Rating Equivalent	B+	B+

Performance

	1M	3M	6M
Absolute	2.7%	-1.6%	-3.1%
Relative	3.3%	2.9%	-5.4%
52-week H/L (Euro)	2.26 / 1.69		

IR TOP RESEARCH

Luisa Primi – l.primi@irtop.com
Andrea Praga – a.praga@irtop.com
 T +39 02 89056957



Key Figures (Euro m)	Revenue	Yoy %	EBITDA	EBITDA %	EBIT	EBIT %	Net Profit	Net Debt
2019A	34.4	+9%	4.5	14%	2.7	9%	2.1	6.5
2020E	37.8	+10%	5.4	15%	3.5	10%	2.9	4.1
2021E	41.5	+10%	6.6	17%	4.7	12%	3.3	1.4
2022E	45.6	+10%	7.9	18%	5.9	14%	4.2	(2.3)