

Labomar (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 27 September: The group is to release 1H21 profitability figures today during the market session. We recall that the company already said that 1H21A sales amounted to EUR 30.5M, down 7.6% yoy, mostly due to difficulties in the supply of raw materials and a decline in demand for "cough & cold" and "probiotics" products related to the pandemic. On the other hand, the group highlighted that, over the period, it increased its market share in the Cardio-Vascular and Genito-Urinary business segments. The yoy sales decline was mainly attributable to ImportFab, which suffered the most from the restrictive rules imposed by the Canadian government for the containment of the pandemic, blocking the production of cosmetics for lengthy periods. As for the operating profitability, we assume that the lower top line and the decrease in the contribution from ImportFab could have negatively impacted on the group's 1H21 operating and net profitability.

What we think: While we would expect a weak first half of the year, we believe that the group is on track as regards the planned external growth strategy and could benefit in the next few months from the positive effects of the ongoing vaccination campaign.

Labomar – 1H21 preview

EUR M	1H20A	FY20A	1H21A/E	1H21C	1H yoy %	FY21E	FY21C
Sales*	33.0	61.1	30.5	NA	-7.6	66.1	69.0
VoP	NA	61.5	30.7	NA	NA	66.6	69.5
EBITDA	7.8	11.3	6.1	NA	NA	14.2	14.8
% on sales	23.5	18.4	20.0	NA	-	21.4	21.3
Adj. EBITDA	NA	12.3	NA	NA	17.1	14.2	NA
% on sales	-	20.0	-	NA	-	21.4	-
EBIT	5.6	7.3	3.8	NA	NA	9.5	10.2
% on sales	16.9	11.8	12.2	NA	-	14.2	14.7
Adj. EBIT	NA	8.3	NA	NA	NA	9.5	NA
% on sales	NA	13.4	-	NA	-	14.2	NA
Pre-tax profit	NA	6.9	3.8	NA	NA	8.6	10.3
Net profit	3.6	6.1	2.8	NA	NA	6.3	7.8

Note: *already reported. NA: not available; A: actual; E: estimates; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research

Labomar - Key Data

27/09/2021	Healthcare		
Target Price (EUR)	10.9		
Rating	ADD		
Mkt price (EUR)	13.85		
Mkt cap (EUR M)	256		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	66.11	75.50	86.28
EBITDA	14.25	16.45	18.87
EPS (EUR)	0.34	0.40	0.47
Net debt/-cash	1.34	1.62	-2.67
Ratios (x)	2021E	2022E	2023E
Adj. P/E	40.4	34.4	29.4
EV/EBITDA	18.1	15.7	13.4
EV/EBIT	27.2	23.5	20.0
Debt/EBITDA	0.09	0.10	Neg.
Div yield (%)	0.8	0.9	1.0
Performance (%)	1M	3M	12M
Absolute	-1.1	5.3	NA
Rel. to FTSE IT All Sh	-0.9	2.9	NA

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Labomar

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