

Company News

Labomar (HOLD)

Acquisition of a Further 51.2% Stake in Labiotre

Market Mover (LBM-IT) **Positive** **Neutral** **Negative**

What's up? The company announced yesterday after the market close that it has acquired from Biodue Spa, the residual 51.2% of Labiotre Srl, the plant extract production specialist based in Tuscany. With this acquisition Labomar reached 100% of Labiotre Srl as it already owned 48.8% of the company. The price paid to Biodue Spa was EUR 8.4M and is not subject to adjustments. The company specified that It also took into account the possible future acquisition of Labiotre's production facilities of approx. 2,000 square metres through the exercise of the purchase option under the Rent to Buy agreement to which Labiotre is a party and which may be exercised by January 2023. The amount was settled using Labomar SpA's own funds. We remember that last September Labomar had acquired from some minority shareholders a stake of 17.6% of Labiotre Srl for EUR 1.2M. In 2020, Labiotre reported revenues of EUR 6.1M and an EBITDA of EUR 1M.

What we think: We note that with the acquisition of the full control of Labiotre, Labomar further increased its control on the manufacturing of high quality raw materials (vegetal extracts), which represent an increasingly strategic asset in the current difficult supply chain management environment. As for the price paid, we calculate that, also considering last September's acquisition of the 17.6% stake of Labiotre, Labomar valued 100% of Labiotre at a 2021 EV/EBITDA of 10.9x, which appears below the 18.9x and 13.6x traded by Labomar in 2021E and 2022E, respectively. In addition, we calculate that the consolidation of Labiotre could have a mid-high single digit counterdilutive impact on Labomar's 2022E EPS. We therefore positively view the announced acquisition from both a strategic and financial point of view.

Labomar - Key Data

24/11/2021	Healthcare		
Target Price (EUR)	11.8		
Rating	HOLD		
Mkt price (EUR)	10.85		
Mkt cap (EUR M)	201		
Main Metrics (€ M)	2021E	2022E	2023E
Revenues	66.35	78.10	86.63
EBITDA	11.22	15.63	17.66
EPS (EUR)	0.27	0.40	0.45
Net debt/-cash	11.90	12.13	7.98
Ratios (x)	2021E	2022E	2023E
Adj. P/E	39.7	27.0	23.9
EV/EBITDA	18.9	13.6	11.8
EV/EBIT	32.9	21.0	18.2
Debt/EBITDA	1.1	0.78	0.45
Div yield (%)	0.8	1.1	1.3
Performance (%)	1M	3M	12M
Absolute	-13.2	-20.8	56.1
Rel. to FTSE IT All Sh	-13.9	-23.1	25.0

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Labomar

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