

Labomar (ADD)**Results Preview**

Possible Surprise	Positive	Neutral	Negative
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Results due on 29 September: We remind that in August Labomar already announced that 1H22 sales increased by 36.9% yoy to EUR 41.8M vs. EUR 30.5M in 1H21. The organic growth was 11.8% yoy, while the newly-acquired companies Labiotre and Welcare contributed to 1H22 sales with EUR 7.7M. Management also said that 1H22 saw a significant recovery in probiotics and in cough&cold products' sales vs. 1H21, which had been particularly impacted by the Covid-19 pandemic. As for the EBITDA margin, we expect an increase of 190bps yoy, mainly driven by the better fixed costs absorption, the careful production management and the counter-dilutive impact of the Welcare consolidation. We would not expect significant issues to emerge below the EBITDA line. As for net debt, we would expect an increase compared to EUR 28.2M posted at end-2021, as we expect the gross cash flow of the six months (approx. EUR 6.2M, according to our estimate) to be more than offset by an increase in the stock level aimed at managing the manufacturing activity planned for the second half of the year, the dividend distribution (approx. EUR 1.8M) and the capital expenditure (approx. EUR 3M in our estimates).

What we think: We believe that 1H22 results will support our current full-year forecasts and our positive view on the stock.

Labomar - Key Data

28/09/2022	Healthcare		
Target Price (EUR)	10.4		
Rating	ADD		
Mkt price (EUR)	8.28		
Mkt cap (EUR M)	153		
Main Metrics (€ M)	2022E	2023E	2024E
Revenues	82.94	91.66	101.7
EBITDA	15.02	16.81	18.96
EPS (EUR)	0.33	0.38	0.44
Net debt/-cash	26.46	21.35	14.15
Ratios (x)	2022E	2023E	2024E
Adj. P/E	25.1	22.0	18.8
EV/EBITDA	12.0	10.4	8.8
EV/EBIT	21.1	18.2	14.9
Debt/EBITDA	1.8	1.3	0.75
Div yield (%)	1.2	1.4	1.6
Performance (%)	1M	3M	12M
Absolute	-2.1	0.0	-39.8
Rel. to FTSE IT All Sh	3.0	5.4	-24.1

Source: FactSet, Company data, Intesa Sanpaolo Research estimates

Intesa Sanpaolo is Specialist to Labomar

Bruno Permutti - Research Analyst
+39 02 7235 1805
bruno.permutti@intesasanpaolo.com

Labomar – 1H22 preview

EUR M	1H21A	FY21A	1H22E	1H22C	E/C %	yoy %	FY22E	FY22C
Sales	30.5	65.4	41.8	NA	NA	36.9	82.9	82.8
Value of prod.	31.2	66.5	42.5	NA	NA	36.1	84.3	84.1
EBITDA	4.5	10.1	7.4	NA	NA	67.0	15.0	15.0
% on sales	14.6	15.2	17.5	-	-	-	17.8	17.8
Adj. EBITDA	4.0	10.1	7.4	NA	NA	85.8	15.0	NA
% on sales	13.1	15.2	17.5	-	-	-	17.8	-
EBIT	2.4	2.4	4.2	NA	NA	77.3	8.5	8.2
% on sales	7.7	3.6	9.8	-	-	-	10.1	9.8
Adj. EBIT	1.9	2.4	4.2	NA	NA	119.3	8.5	NA
% on sales	6.2	3.6	9.8	-	-	-	10.1	-
Pre-tax profit	3.6	9.0	4.0	NA	NA	10.9	8.1	8.0
Net profit	2.9	8.3	3.0	NA	NA	3.6	6.1	6.1

NA: not available; A: actual; E: estimates; C: Bloomberg consensus; Source: Company data and Intesa Sanpaolo Research