

## KOLINPHARMA

### Booming revenues in 1H 2018

## Healthcare goods & services

IR TOP RESEARCH

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#### 1H 2018 RESULTS

KOLINPHARMA released a strong set of 1H 2018 results: **revenues grew by 97% to 4.1 Eu m** (2.1 Eu m in 1H 2017).

**EBITDA came in at 0.3 Eu m**, vs. 0.1 Eu m in 1H 2017 and with an EBITDA margin of 10.2%, up by 260 bps as the Company could benefit from operational leverage (fixed costs spread over higher revenues). **Net result** stood at -0.2 Eu m, in line with 1H 2017 (-0.2 Eu m). The business is characterized by a seasonality in favour of the second half of the year (66% of FY 2017 sales). In 2H 2017, KOLINPHARMA recorded revenues of 2.7 Eu m with an EBITDA margin of 19%.

**Net debt was 0.7 Eu m** (vs. 2.5 Eu m in FY 2017) after IPO proceeds of 3.1 Eu m (March 2018). Management confirmed its strategy to continue to widening the product range with particular focus on market niches with high growth rate.

Considering 1H 2018 results and the seasonality of the business we have left our P&L estimates unchanged and updated the BS only to factor in a new agreement with Banca IFIS.

#### COMPANY DESCRIPTION

KOLINPHARMA SpA is an **Innovative SME** specialised in R&D in the growing **nutraceutical market**. The Company's products are based on natural raw materials and have the purpose of supporting pharmacological treatments mainly for pathologies in the orthopaedic-psychiatric and gynaecological fields.

KOLINPHARMA sells its own-branded products through a skilled sales network of 66 medical scientific informers (MSIs). Customers are represented by pharmaceutical wholesalers, which distribute to pharmacies and parapharmacies nationwide. The Company has shown rapid growth since foundation in 2013 and closed 2017 with sales of 4.1 Eu (2.5 Eu m in 2016) and a 2013-2017 CAGR of +80%.

#### AIM POSITIONING 2017

We position KOLINPHARMA within AIM Italia's "Healthcare goods & services" Sector which includes 7 companies: BioDue, Bomi Italia, Fine Foods NTM, GPI, Health Italia, KOLINPHARMA and Pharmanutra. In 2017 these companies showed average revenues of 74 Eu m, an average yoy growth of 22% and EBITDA margin of 17%.

As of October 12<sup>th</sup>, 2018, average capitalisation of the Sector was of 79 Eu m, with positive average performance from IPO of +6%.

Compared to the average AIM "Healthcare goods & services" Sector, KOLINPHARMA shows:

- strongly higher sales growth rate (+62% vs. +22%);
- lower EBITDA margin (15% vs. 17%);
- lower net financial debt in absolute terms (2.5 Eu m vs. 14.0 Eu m);
- lower liquidity of the stock

#### VALUATION

We increased our **target price** by 3% to **8.92 Eu p.s.** (8.67 Eu p.s. previously). The new target price represents a potential upside of 37%. Our target price is not adjusted for Price Adjustment Shares which would have a dilution effect of c. -11% on our valuation (target price diluted 7.94 Eu p.s.).

Please, read important disclaimer on the last page of this report.

#### Target Price (Eu)

Market Price (Eu)	6.50
Capitalisation (Eu m)	9
Enterprise Value (Eu m)	10
<i>(as of October 12<sup>th</sup>, 2018)</i>	

(Previous 8.67) **8.92** (7.94 with PAS conversion)

#### AIM Positioning

FY 2017 (Eu m)	Company	AIM Sector*	AIM Italia
Revenues	4	74	43
Revenues YoY	+62%	+22%	+11%
EBITDA Margin	15%	17%	14%
Net Debt (Cash)	2.5	14.0	11.3
NFP/EBITDA	4.1	1.5	1.7
Market Data (Eu m)	Company	AIM Sector*	AIM Italia
Capitalisation	9	79	66
Perf. from IPO	-7%	+6%	-6%
Free Float	32%	32%	40%
ADTT YTD (Eu)	13,996	70,575	102,029

Source: Osservatorio AIM Italia – \* Healthcare goods & services

#### Results & Estimates

Key Figures (Eu m)	16A	17A	18E	19E	20E
Sales	2.5	4.1	6.7	9.0	11.2
YoY growth	+99%	+62%	+65%	+34%	+24%
EBITDA	0.3	0.6	1.4	2.4	3.3
EBITDA%	10%	15%	22%	27%	30%
EBIT	(0.3)	0.03	0.5	1.1	1.8
EBIT%	-13%	1%	7%	12%	16%
Net Profit	(0.4)	(0.1)	0.4	0.9	1.2
Net Debt (Cash)	2.5	2.5	2.4	1.6	0.1
EPS	n.m.	n.m.	0.26	0.53	0.75

Source: Company data (ITA GAAP) for FY 2016-17 and IR Top Research estimates for FY 2018-20

#### Peers Comparison

EV/EBITDA (x)	18E	19E	20E
KOLINPHARMA	8.3	5.0	3.6
Nutraceutical peers	8.5	9.2	7.8
Discount/Premium to peers	-2%	-46%	-54%

P/E (x)	18E	19E	20E
KOLINPHARMA	22.3	10.9	7.8
Nutraceutical peers	14.1	15.8	13.4
Discount/Premium to peers	+58%	-31%	-42%

Source: IR Top Estimates for KOLINPHARMA and Factset data for comparables

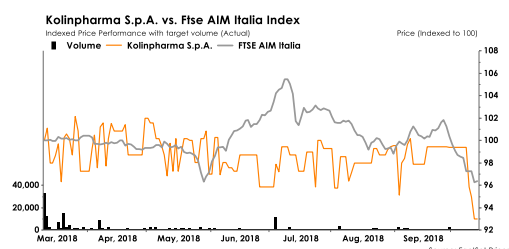
#### Performance

	1M	3M	1Y
Absolute	-5.0%	-5.8%	n.a.
Relative (FTSE AIM Italia)	-0.5%	+1.8%	n.a.
52-week High/Low* (Eu)	7.27 / 6.23		

Source: Factset data  
\* Intra Day

#### SHARE DATA

Market	AIM Italia
Reuters/Bloomberg	KIP.MI / KIP IM
ISIN	IT0005322950
N. of Shares	1,639,571 (of which 180,000 not listed PAS)
Free Float	31.65%
Main Shareholder	Rita Paola Petrelli (52.61%)
CEO	Emanuele Lusenti



## AIM POSITIONING

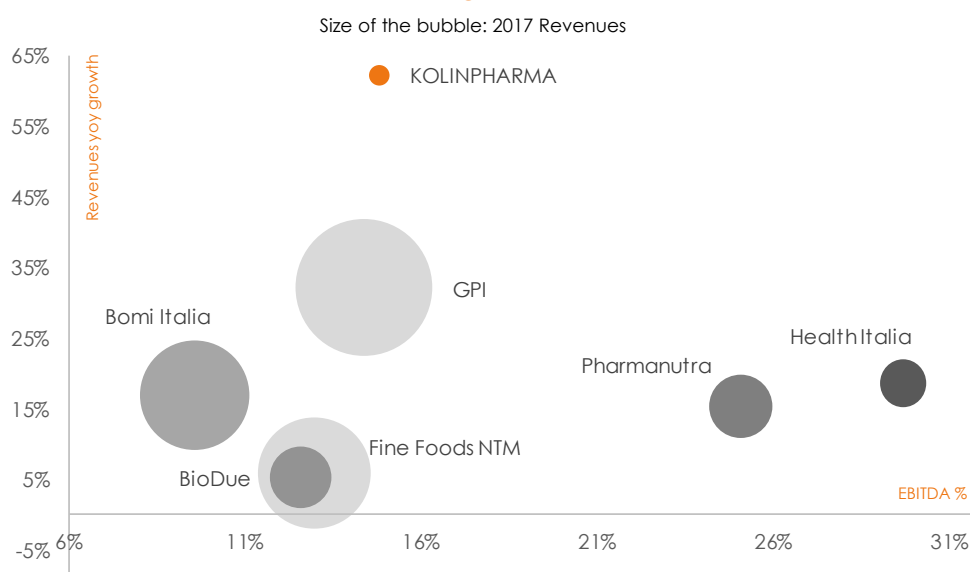
## KOLINPHARMA positions itself in the AIM "Healthcare goods &amp; services" Sector.

Compared to the average AIM Italia "Healthcare goods & services" Sector, KOLINPHARMA shows:

- strongly higher sales growth rate (+62% vs. +22%);
- lower EBITDA margin (15% vs. 17%);
- lower net financial debt in absolute terms (2.5 Eu m vs. 14.0 Eu m);

Moreover, KOLINPHARMA is the only "Innovative SME" of this panel besides Health Italia.

## AIM Italia "Healthcare goods &amp; services" Sector



2017 Data (Eu m)	Revenues	yoy	EBITDA%	NFP (Cash)	EV/EBITDA	NFP/EBITDA
BioDue	36	+5%	13%	6.3	13.6	1.4
Bomi Italia	118	+17%	10%	25.5	6.1	2.3
Fine Foods NTM	120	+6%	13%	20.4	12.3	1.3
GPI	180	+32%	14%	51.0	3.9	2.0
Health Italia	22	+19%	30%	1.4	11.5	0.2
KOLINPHARMA	4	+62%	15%	2.5	19.9	4.1
Pharmanutra	38	+15%	25%	(9.1)	14.9	-1.0
<b>Healthcare goods &amp; services</b>	<b>74</b>	<b>+22%</b>	<b>17%</b>	<b>14.0</b>	<b>11.7</b>	<b>1.5</b>
<b>AIM Italia</b>	<b>43</b>	<b>+11%</b>	<b>14%</b>	<b>11.3</b>	<b>14.0</b>	<b>1.7</b>

Source: Osservatorio AIM Italia, EV as of October 12<sup>th</sup>, 2018

Compared to the average AIM Italia "Healthcare goods & services" Sector, KOLINPHARMA shows:

- lower market capitalisation (9 Eu m vs. 79 Eu m);
- lower average daily traded turnover year-to-date (14 Eu k vs. 71 Eu k).

Company	Capitalisation (Eu m)	Free Float	Perf. from IPO	ADTT YTD (Eu)
BioDue	56	21%	+40%	82,270
Bomi Italia	43	54%	+5%	74,494
Fine Foods NTM	170	34%	+70%	135,866
GPI	49	37%	-4%	58,910
Health Italia	73	23%	+48%	63,600
KOLINPHARMA	9	32%	-7%	13,996
Pharmanutra	151	22%	+117%	64,891
<b>Healthcare goods &amp; services</b>	<b>79</b>	<b>32%</b>	<b>+6%</b>	<b>70,575</b>
<b>AIM Italia</b>	<b>66</b>	<b>40%</b>	<b>-6%</b>	<b>102,029</b>

Source: Osservatorio AIM Italia and Factset data as of October 12<sup>th</sup>, 2018

## FINANCIAL RESULTS

1H 2018  
Revenue growth +97%  
EBITDA margin 10.2%

## BUSINESS UPDATE

- KOLINPHARMA had a very positive 1H 2018, and closed with revenues of 4.1 Eu m, up by 97% vs. 2.1 Eu m in 1H 2017.
- **In line with corporate strategy to expand the sales network** to boost prescriptions, the Company continued to add professionals to its commercial structure: 4 new medical scientific informers were recruited in 1H 2018, hence reaching a total number to 66 MSIs. The Company reported that **in 1Q 2018 medical prescriptions increased by 46%** vs. the same period of 2017.
- An "International Division" was created to exploit opportunities in export markets, where the nutraceutical market grows with higher growth rate. The Company added an "Assistance International Manager" to its organizational structure.
- In June 2018, KOLINPHARMA signed a *factoring pro-soluto* agreement with Banca IFIS for a total amount of 2 Eu m, bringing bank credit lines from 1.35 Eu m (FY 2017) to 3.35 Eu m.
- At the end of July 2018 an agreement with University La Sapienza of Rome was signed for a new scientific research focusing on clinical trials to test the effectiveness of the whole range of the Company's products.
- Management confirmed its strategy to continue to widening the product range with particular focus on market niches with high growth rate.

## 1H 2018 RESULTS

KOLINPHARMA released a strong set of 1H 2018 results: **revenues grew by 97% to 4.1 Eu m** (2.1 Eu m in 1H 2017). In particular sales grew by 99% to 2.7 Eu m vs 1.4 Eu m in 1H 2017, thanks to good performance along all product lines.

## Breakdown Product lines 1H 2018 vs. FY 2017

	1H 2018	FY 2017
Milesax	30.2%	28.5%
Ivuxur	15.5%	15.9%
Dolatrox	14.0%	17.1%
Xinepa Easy	27.7%	26.9%
Almetax Easy	12.6%	11.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**EBITDA came in at 0.3 Eu m**, vs. 0.1 Eu m in 1H 2017 with an EBITDA margin of 10.2% up by 260 bps (7.6% in 1H 2017) as the Company was able to benefit from operational leverage. After D&As of 0.4 Eu m (0.3 Eu m in 1H 2017) **EBIT was of -89 Eu k** (-0.1 Eu m in 1H 2017), largely reaching break even. **Net result** stood at -0.2 Eu m, in line with 1H 2017 (-0.2 Eu m).

**Net debt was 0.7 Eu m** (vs. 2.5 Eu m in FY 2017) after IPO proceeds of 3.1 Eu m (March 2018), and investments mainly for the consolidation of MSIs network, R&D and the final clinical study on Xinepa, which confirmed the clinical efficacy for the treatment of peripheral neuropathies.

Eu m	1H 2018	1H 2017	FY 2017
Sales	2.7	1.4	4.1
YoY growth	+99%	n.a.	+62%
Revenues (VoP)	4.1	2.1	5.3
EBITDA	0.3	0.1	0.6
EBITDA%	10.2%	7.6%	14.8%
EBIT	(0.1)	(0.1)	0.03
EBIT%	-4.3%	-12.0%	0.8%
Net Profit	(0.2)	(0.2)	(0.07)
Net Working Capital (NWC)	1.2	0.3	0.7
Fixed net assets	3.9	2.8	3.1
Funds	(0.06)	(0.02)	(0.05)
<b>Net Capital Employed</b>	<b>5.0</b>	<b>3.1</b>	<b>3.8</b>
Net Debt (Cash)	0.7	2.1	2.5
Equity	4.2	0.9	1.2
<b>Total Source</b>	<b>5.0</b>	<b>3.1</b>	<b>3.8</b>

Source: Company data (ITA GAAP)

## 2018-2020 ESTIMATES

**KOLINPHARMA can grow Sales at a 2017-2020 CAGR of +40% and EBITDA at a 2017-2020 CAGR of +77%**

Considering 1H 2018 results and the seasonality of the business in favour of the second half of the year (2H 2017 sales of 2.7 Eu m, 66% of total FY 2017 sales, and EBITDA margin of 19%) we have left our P&L estimates unchanged and updated the BS only to factor in a new agreement with Banca IFIS. The result is an improvement in working capital, and a resulting reduction in Net debt (2.4 Eu m in FY 2018 expected vs. 2.7 Eu m previously).

## MAIN FINANCIAL INDICATORS

Eu m	17A	18E Old	18E New	19E Old	19E New	20E Old	20E New
<b>Sales</b>	<b>4.1</b>	<b>6.7</b>	<b>6.7</b>	<b>9.0</b>	<b>9.0</b>	<b>11.2</b>	<b>11.2</b>
yoy	+62%	+65%	+65%	+34%	+34%	+24%	+24%
<b>EBITDA</b>	<b>0.6</b>	<b>1.4</b>	<b>1.4</b>	<b>2.4</b>	<b>2.4</b>	<b>3.3</b>	<b>3.3</b>
margin	14.8%	21.6%	21.6%	26.6%	26.6%	29.8%	29.8%
<b>EBIT</b>	<b>0.03</b>	<b>0.5</b>	<b>0.5</b>	<b>1.1</b>	<b>1.1</b>	<b>1.8</b>	<b>1.8</b>
margin	0.8%	7.1%	7.1%	11.8%	11.8%	15.8%	15.8%
<b>Pre tax profit</b>	<b>(0.04)</b>	<b>0.5</b>	<b>0.5</b>	<b>1.1</b>	<b>1.1</b>	<b>1.8</b>	<b>1.8</b>
<b>Net Profit</b>	<b>(0.07)</b>	<b>0.4</b>	<b>0.4</b>	<b>0.8</b>	<b>0.8</b>	<b>1.2</b>	<b>1.2</b>
yoy	18.1%	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EPS	n.m.	0.26	0.26	0.53	0.53	0.75	0.75

Eu m	17A	18E Old	18E New	19E Old	19E New	20E Old	20E New
Net Working Capital (NWC)	0.7	1.1	0.6	1.3	0.7	1.5	0.8
Fixed net assets	3.1	3.5	3.5	3.5	3.5	3.1	3.1
Funds	(0.05)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)	(0.04)
<b>Net Capital Employed</b>	<b>3.8</b>	<b>4.5</b>	<b>4.1</b>	<b>4.7</b>	<b>4.2</b>	<b>4.6</b>	<b>4.0</b>
Net Debt (Cash)	2.5	2.7	2.4	2.0	1.6	0.7	0.1
Equity	1.2	1.7	1.7	2.6	2.5	3.8	3.8
<b>Sources</b>	<b>3.8</b>	<b>4.5</b>	<b>4.1</b>	<b>4.7</b>	<b>4.2</b>	<b>4.6</b>	<b>4.0</b>

Source: Company data (ITA GAAP) for FY 2017 and IR Top Research estimates for FY 2018-20  
n.a. = not available; n.m. = not meaningful

## VALUATION

**Our valuation yields a Target Price of 8.92 Eu per share**

**AIM Positioning discount of 27.75%**

We have updated our valuation for KOLINPHARMA and in particular:

- the DCF to include the new estimates and up-to-date risk free rate and ERP;
- the relative valuation to reflect current market multiples for a peer group consisting of international nutraceutical companies (adjusted by AIM positioning) with business models comparable to KOLINPHARMA and AIM listed peers (without discount). We have, in addition, updated our AIM Positioning to reflect FY 2017 results for the AIM Italia market. The discount applied is always of 27.75%.

Our valuation has not been adjusted for a possible dilution from the conversion of the 180,000 Price Adjustment Shares into ordinary shares, that would have an impact of -11% on our valuation (from 8.92 Eu per share to 7.94 Eu per share).

**MULTIPLES**

Based on a peer group of selected industry players our relative valuation, using 2018-2019 EV/EBITDA multiples, yields a fair value of KOLINPHARMA's shares of 8.96 Eu p.s..

Eu m	Country	Capitalisation	Revenues 2017	yoy	EBITDA % 2017A	EBITDA % 2018E
KOLINPHARMA	Italy	9	4	+62%	15%	23%
Balchem	USA	2,680	527	+5%	24%	25%
Boiron SA	France	1,103	618	+0%	24%	23%
Enervit S.p.A.	Italy	57	56	+3%	12%	n.a.
GNC Holdings, Inc. Class A	USA	287	2,175	-5%	11%	9%
Herbalife Ltd.	USA	7,152	3,925	-3%	15%	16%
Ingredion Incorporated	USA	6,189	5,170	+0%	19%	18%
Royal DSM NV	Netherlands	14,525	8,632	+9%	14%	19%
USANA Health Sciences, Inc.	USA	2,266	928	+2%	14%	18%
<b>Median International Peers</b>		<b>2,473</b>	<b>1,552</b>	<b>+1%</b>	<b>15%</b>	<b>18%</b>
BioDue	Italy	56	36	6%	13%	18%
Pharmanutra	Italy	151	38	16%	25%	26%
<b>Median AIM Peers</b>		<b>103</b>	<b>37</b>	<b>11%</b>	<b>19%</b>	<b>22%</b>

Source: Company Data for KOLINPHARMA and Factset data for comparables, as of October 12<sup>th</sup>, 2018

EV/EBITDA (x)	18E	19E	20E
KOLINPHARMA	8.3	5.0	3.6
<b>Median International Peers</b>	<b>8.5</b>	<b>9.2</b>	<b>7.8</b>
<b>Median AIM Peers</b>	<b>10.6</b>	<b>9.2</b>	<b>7.9</b>
Discount/Premium to International Peers	-2%	-46%	-54%
Discount/Premium to AIM Peers	-22%	-45%	-54%

Source: IR Top Estimates for KOLINPHARMA and Factset data for comparables, as of October 12<sup>th</sup>, 2018

**DCF**

Main assumptions are:  
 - Perpetual growth: 2.0%  
 - Risk Free interest rate: 2.70%  
 - ERP: 8.06%  
 - WACC: 11.3%

Sum of PV 2018-2021 FCF – Eu m	3.2	23%
Terminal Value – Eu m	10.5	77%
<b>Total Enterprise Value – Eu m</b>	<b>13.7</b>	<b>100%</b>
Net Debt (Cash) – Eu m (as of June 30 <sup>th</sup> , 2018)	0.75	
<b>Total Equity Value – Eu m</b>	<b>12.9</b>	
Number of shares outstanding – m <sup>1</sup>	1.5	
<b>Fair Value per share – Eu</b>	<b>8.88</b>	

Source: Company Data and IR Top Estimates  
<sup>1</sup> Excluding the 180,000 Price Adjustment Shares

Our DCF valuation yields a target price of 8.88 Eu per share.

**VALUATION SUMMARY**

Weighting the 2 valuation approaches equally we increase our target price by 3% to 8.92 Eu (previous 8.67 Eu), implying an upside of 37% and an implicit EV/EBITDA 2018 and 2019 multiple of 10.7 x and 6.5 x respectively.

Method	Price (Eu)
DCF	8.88
Multiple analysis	8.96
<b>Target Price</b>	<b>8.92</b>

## KOLINPHARMA ON AIM

-7% from IPO

## IPO

Trading Market: AIM Italia – Borsa Italiana SpA

Date: March 9<sup>th</sup>, 2018

Price: 7.00 Eu

Capital raised: 3.1 Eu m equity through a capital increase with private placement

Capitalisation: 10.2 Eu m

Price Adjustment shares (PAS) not listed on AIM Italia: 180,000 for founding shareholders

SHARES (as of October 12<sup>th</sup>, 2018)

Code: KIP

Bloomberg: KIP IM

Reuters: KIP.MI

ISIN ordinary shares: IT0005322950

ISIN PAS: IT0005322968

Shares: 1,639,571 (of which 180,000 are not listed Price Adjustment Shares)

Price: 6.50 Eu

Performance from IPO: -7%

Capitalisation: 9 Eu m

Free Float: 32%

NomAd: EnVent Capital Markets Ltd

Specialist: Banca Aleffi &amp; C. SpA

Shareholder	N° of shares	%
Rita Paola Petrelli	862,571	52.61%
Emanuele Lusenti	315,000	19.21%
Anna Laura Lanza	10,000	0.61%
Market	452,000	27.57%
<b>Total</b>	<b>1,639,571</b>	<b>100.00%</b>

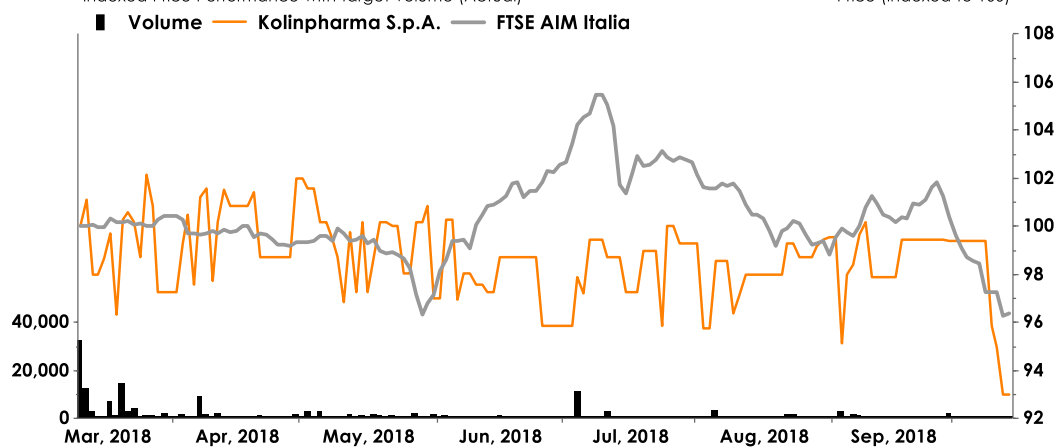
Source: Company data

Petrelli and Lusenti have 180,000 Price Adjustment Shares (Petrelli 122,437 and Lusenti 57,563) that are not listed on AIM Italia

## Kolinpharma S.p.A. vs. Ftse AIM Italia Index

Indexed Price Performance with target volume (Actual)

Price (Indexed to 100)



Source: FactSet Prices

## RATIOS

Eu m	2015A <sup>1</sup>	2016A	2017A	2018E	2019E	2020E
<b>Profit &amp; Loss Statement</b>						
Sales	1.3	2.5	4.1	6.7	9.0	11.2
EBITDA	(0.3)	0.3	0.6	1.4	2.4	3.3
EBIT	(1.0)	(0.3)	0.03	0.5	1.1	1.8
Financial Income (charges)	(0.02)	(0.07)	(0.07)	(0.05)	(0.04)	(0.01)
Pre-tax profit (loss)	(1.0)	(0.3)	0.03	0.5	1.1	1.8
Taxes	0.23	0.02	(0.02)	0.0	(0.2)	(0.5)
Net profit (loss)	(0.8)	(0.4)	(0.1)	0.4	0.9	1.2
<b>Balance Sheet</b>						
Fixed assets	2.0	2.5	3.1	3.5	3.5	3.1
NWC	0.3	0.2	0.7	0.6	0.7	0.8
M/L Funds	(0.02)	(0.03)	(0.05)	(0.03)	(0.03)	(0.04)
Net Capital Employed	2.3	2.7	3.9	4.1	4.2	4.0
Net Debt	1.8	2.5	2.5	2.4	1.6	0.1
Net Equity	0.5	0.1	1.2	1.7	2.5	3.8
<b>Cash Flow</b>						
EBIT	(1.0)	(0.3)	0.03	0.5	1.1	1.8
D&A	0.6	0.6	0.6	1.0	1.3	1.6
Taxes	0.23	0.02	(0.02)	0.0	(0.2)	(0.5)
Change in M/L Funds	n.a.	(0.01)	(0.02)	0.02	(0.001)	(0.002)
Gross Cash Flow	n.a.	0.3	(0.6)	1.5	2.2	2.8
Change in NWC	n.a.	(0.1)	0.5	(0.1)	0.1	0.1
Operating Cash Flow	n.a.	0.2	1.0	1.4	2.3	2.9
Capex	n.a.	(1.0)	(1.3)	(1.3)	(1.4)	(1.2)
Financial income (charges)	(0.02)	(0.07)	(0.07)	(0.05)	(0.04)	(0.01)
Free Cash Flow	n.a.	(0.9)	(0.3)	0.0	1.0	1.7
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Change in Equity	n.a.	(0.3)	1.1	0.4	0.9	1.2
Change in Net Debt (Cash)	n.a.	(1.2)	0.8	0.5	1.8	2.9
<b>Per Share Data</b>						
<b>Current Price</b>				<b>€ 6.50</b>		
Total shares out (mln) <sup>2</sup>				1.64		
EPS	n.m.	n.m.	n.m.	0.26	0.53	0.75
DPS	n.m.	n.m.	n.m.	0.00	0.00	0.00
FCF	n.m.	n.m.	n.m.	0.02	0.58	1.03
Pay out ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Ratios</b>						
EBITDA margin	-27.7%	10.5%	14.8%	21.6%	26.6%	29.8%
EBIT margin	-76.6%	-12.9%	0.8%	7.1%	11.8%	15.7%
Net Debt/Equity (Gearing)	402.2%	n.m.	204.5%	142.3%	63.6%	3.4%
Net Debt/EBITDA	-5.3x	9.5x	4.2x	1.6x	0.7x	0.0x
Interest cover EBIT	-42.4x	-4.9x	0.4x	8.9x	28.3x	203.6x
ROE	n.m.	n.m.	-5.3%	25.5%	34.2%	32.5%
ROCE	n.m.	n.m.	0.8%	11.6%	25.1%	44.3%
Free Cash Flow Yield	n.m.	n.m.	n.m.	0.3%	8.9%	15.8%
<b>Growth Rates</b>						
Sales	n.a.	99%	62%	65%	34%	24%
EBITDA	n.a.	175%	130%	140%	66%	38%
EBIT	n.a.	66%	110%	1444%	122%	65%
Net Profit (loss)	n.a.	51%	82%	742%	104%	41%

Source: Company data (ITA GAAP) for FY 2015-17 and IR Top Research estimates for FY 2018-20

n.a. = not available; n.m. = not meaningful

<sup>1</sup> Unaudited

<sup>2</sup> Including the 180,000 Price Adjustment Shares

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During the last 12 months, the following indications have been disseminated:

Date	Target Price	Market Price	Validity Time
October 15 <sup>th</sup> 2018	8.92	6.50	12 months
April 4 <sup>th</sup> 2018	8.67	6.94	12 months

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Moreover, IR Top used a proprietary model, "AIM Positioning rating", which incorporates a number of variables selected by IR Top based on research of "Osservatorio AIM Italia", managed by IR Top and focused on research about performance of Companies listed on AIM Italia.

Detailed information about the valuation or methodology and the underlying assumptions and information about the proprietary model used is accessible at IR Top premises.

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